

Half-Yearly Financial Report

30 June 2015

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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

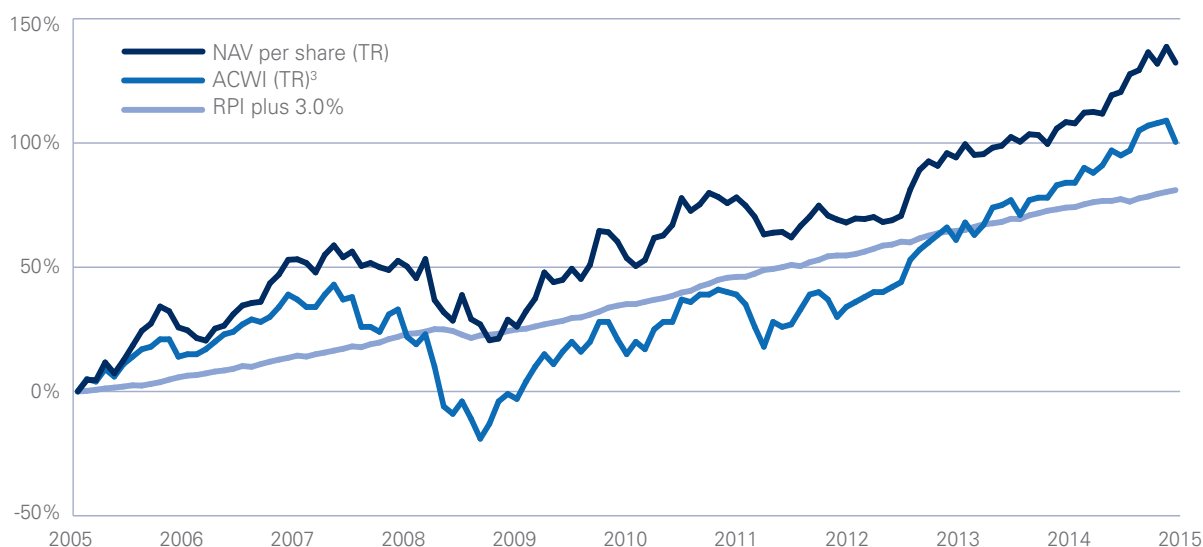
To invest in a widely diversified, international portfolio across a range of asset classes, both quoted and unquoted; to allocate part of the portfolio to exceptional managers in order to ensure access to the best external talent available.

Financial Summary

	30 June 2015	31 December 2014	Change
Net assets	£2,425m	£2,300m	£125m
NAV per share ¹	1,563p	1,483p	80p
Share price	1,547p	1,397p	150p
Discount	-1.0%	-5.8%	4.8%
First interim dividend paid ²	15.0p	14.7p	2.0%
Second interim dividend declared/paid ²	15.0p	14.7p	2.0%
Total Dividend	30.0p	29.4p	2.0%
Gearing	14.5%	15.4%	-0.9%
NAV per share total return			6.4%
Share price total return			11.8%
RPI plus 3.0% per annum			2.0%
MSCI All Country World Index ³			3.0%

Percentage Changes to Date	6 Months	1 Year	5 Years	10 Years
NAV per share total return	6.4%	13.7%	53.4%	136.8%
Share price total return	11.8%	20.0%	46.2%	128.1%
RPI plus 3.0% per annum	2.0%	4.0%	33.4%	79.5%
MSCI All Country World Index ³	3.0%	8.9%	75.5%	100.4%

10 Year Performance



¹ Diluted NAV per share with debt held at fair value.

² The first interim dividend for 2015 of 15.0 pence per share (£23.2 million) was paid in April. The second interim dividend for the same amount will be paid in October 2015.

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

Chairman's Statement



Lord Rothschild, OM GBE

Over the six months the share price of your Company increased by 11.8% on a total return basis. This reflects profits of £151 million before dividends of £23 million (a total return of 6.4%), and the narrowing of the discount at which your shares trade. The net assets of your Company now amount to £2.4 billion.

Following the first interim dividend of 15 pence paid in April, we have declared a second interim dividend of the same amount. This will be paid on 23 October to shareholders registered on 2 October and will provide shareholders with a total dividend of 30 pence in 2015, an increase of just over 2% compared to 2014.

During this period, markets continued to reflect central banks' policies of helping economies to grow by inflating asset prices, particularly in Europe and Japan through a policy of low interest rates and quantitative easing. As a consequence, equities in Europe and Japan have made gains, while the US and UK have done less well. The first group has pursued aggressive, stimulative policies, while the Anglo-Saxon countries are contemplating small steps to remove some of the accommodation in the light of improving economic prospects. The question now is whether stock market values are sustainable as interest rates rise and quantitative easing tails off.

Against this background your Company, by reducing its exposure to US equity markets, has been able to capitalise on the strong performances in Japanese and eurozone markets. Gains were also realised from Chinese investments. Overall, our quoted equity investments have meaningfully outperformed market indices.

In foreign exchange we continued to emphasise the US Dollar and more recently Sterling, while adopting a negative exposure to Asian currencies. This approach contributed to profits, notwithstanding Sterling's appreciation against most currencies during the period.

Recognising the unsustainably low level of bond yields, we took advantage of the fixed interest private placement market to raise £151 million in long-dated notes with a coupon of 3.45%. The notes are unsecured with a weighted average life of approximately 16 years. The proceeds have been used to repay part of our floating rate credit facilities.

Just under 23% of our assets are held in private investments. There were some successful realisations in funds managed by third parties – in particular the venture capital and other early stage exposures. Our permanent capital allows us to take a long-term view on direct investments. We are optimistic the portfolio will result in gains over time.

Contribution to Total Return, 6 months to 30 June 2015

Asset Category	30 June 2015 % NAV	Contribution %
Quoted Equities	68%	6.3%
Private Investments	23%	-0.1%
Absolute Return & Credit	14%	0.4%
Real Assets	4%	-0.2%
Currency ¹	1%	0.2%
Liquidity, Borrowings and Other	-10%	-0.2%
Total	100%	6.4%

¹ 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

Outlook

Looking to the future, we are particularly mindful of our principle of capital preservation at a time of diminishing growth forecasts for world economies, while stock market valuations remain high. There are so many factors which cause concern: for example growth in China is slowing down, reflected in the worldwide sell off in commodities; we cannot but be alarmed by the political and economic situations in the Middle East, Greece, Russia and Ukraine; the burden of vastly increased and often unproductive

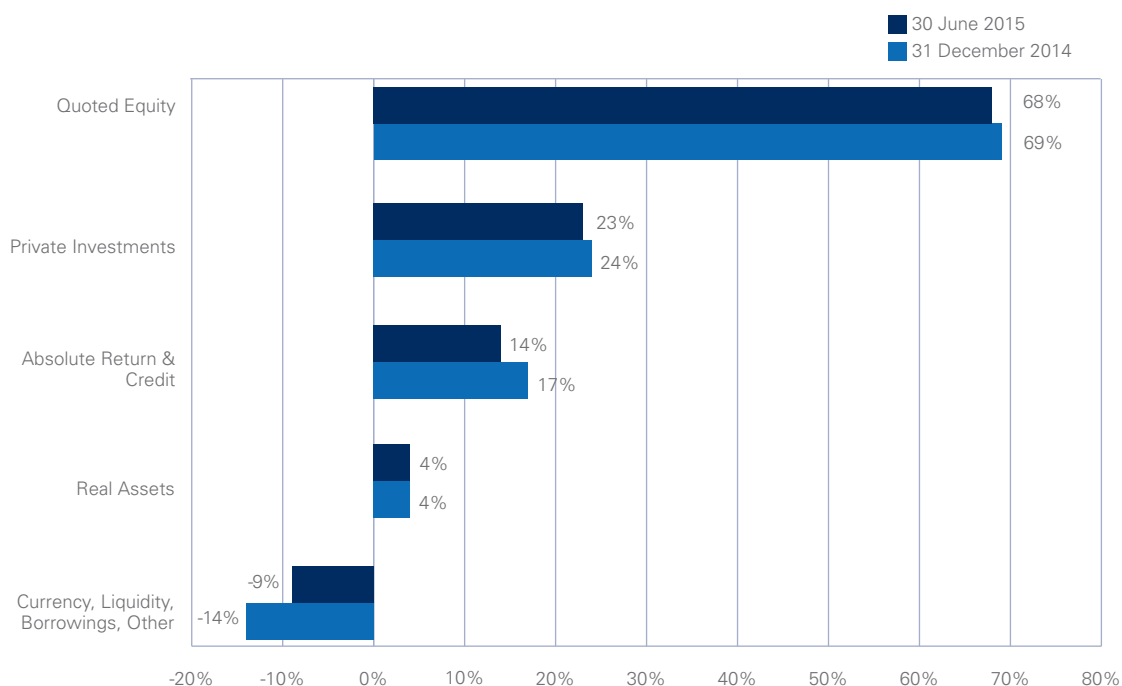
debt must surely undermine prospects for future growth. We continue however to search for compelling investment opportunities, recognising that the climate is one where the wind may well not be behind us.



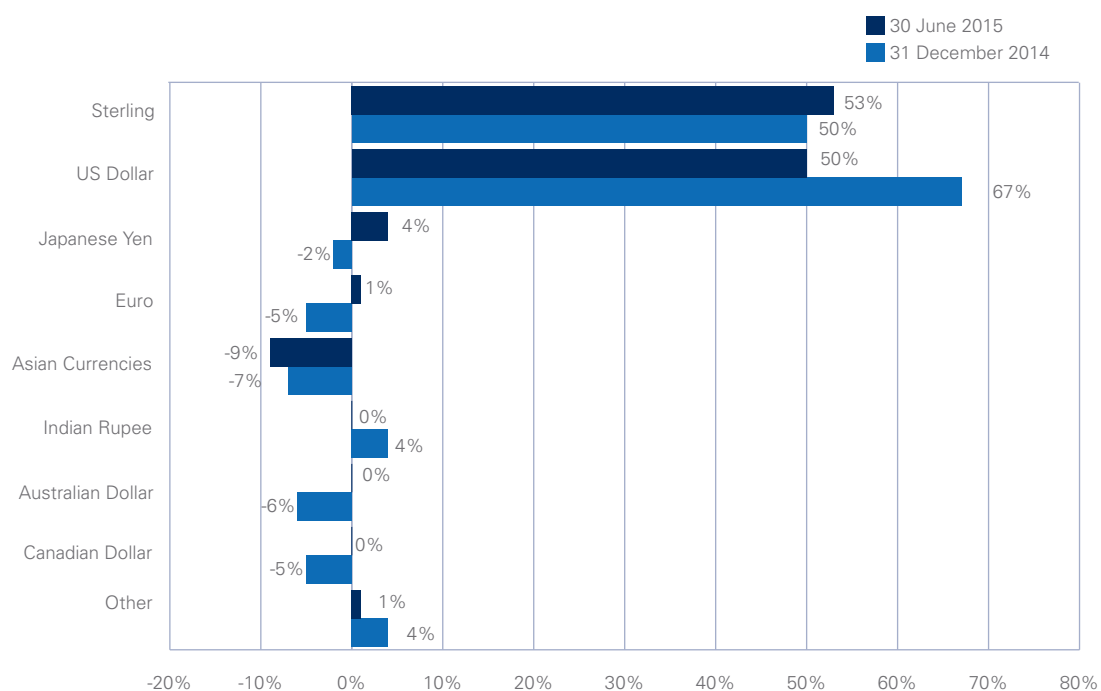
Rothschild
10 August 2015

Investment Portfolio

Net Asset Value by Asset Category (%)



Net Asset Value by Currency (%)



Note: This graph excludes exposure from currency options.

Investment Portfolio

Investment Portfolio as at 30 June 2015

Investment Holdings	Country/Region	Industry/Description	Value of Investment £ million	% of NAV
Quoted Equity				
Stocks:				
Triani Partners SPV (Pepsi & Mondelez)	United States	Consumer staples	49.6	2.1%
eBay	United States	Internet retail	43.2	1.8%
Samsung Electronics	Republic of Korea	Communication equipment	42.5	1.8%
Comcast Corp	United States	Cable & satellite	39.6	1.6%
Mitsubishi UFJ Financial	Japan	Diversified banks	37.6	1.6%
Walt Disney Company	United States	Movies & entertainment	36.9	1.5%
PS V International Fund (Air Products)	United States	Industrial gases	35.1	1.4%
Colgate Palmolive	United States	Household products	34.0	1.4%
Alibaba	China	Internet retail	28.6	1.2%
Devon Energy	United States	Oil & gas exploration & production	25.0	1.0%
RIT Paper & Packaging Basket ¹	United States	Paper and packaging	23.9	1.0%
Kingfisher	United Kingdom	Home improvement retail	22.9	0.9%
Other Stocks			109.2	4.5%
Total Stocks			528.1	21.8%
Long-only Funds:				
HCIF Offshore	United States	All-cap, biotechnology	117.4	4.9%
Lansdowne Developed Markets Strategic	Global	All-cap, diversified	91.5	3.8%
Morant Wright ²	Japan	Small/mid-cap, value bias	83.2	3.4%
Viking Long Fund III	Global	All-cap, diversified	64.2	2.7%
Cedar Rock Capital	Global	Large/mid-cap, diversified	63.2	2.6%
Titan Partners	United States	Large-cap, growth bias	55.2	2.3%
BlackRock Frontiers ²	Emerging Asia	All-cap, value bias	54.0	2.2%
Findlay Park Mexico ²	Mexico	All-cap, diversified	27.7	1.1%
Strategic Equity Capital	United Kingdom	All-cap, diversified	22.6	0.9%
Triani Partners	United States	Large-cap, diversified	22.5	0.9%
Other Funds			72.1	3.0%
Total Long-only Funds			673.6	27.8%
Hedge Funds:				
BlackRock European Hedge	Europe	All-cap, diversified	88.0	3.6%
Gaoling	China	All-cap, diversified	72.1	3.0%
RIT PK Japan	Japan	All-cap, diversified	62.0	2.5%
RIT Discovery ³	Global	All-cap, diversified	49.1	2.0%
Palestra Capital Offshore	United States	Large/mid-cap, diversified	47.3	2.0%
Three Corner	Global	All-cap, financials	45.9	1.9%
Tekne Offshore	United States	All-cap, technology	43.2	1.8%
Other Hedge Funds			34.8	1.4%
Total Hedge funds			442.4	18.2%
Derivatives:				
RIT European Basket ⁴	Europe	Long, 5.0% notional ⁷	(3.6)	(0.1%)
RIT Financials Basket ⁵	United States	Long, 2.9% notional ⁷	0.4	0.0%
S&P 500 Futures	United States	Short, 4.1% notional ⁷	1.8	0.1%
RIT Shorts Basket ⁶	United States	Short, 2.6% notional ⁷	0.5	0.0%
Other Derivatives			15.2	0.6%
Total Derivatives			14.3	0.6%
Total Quoted Equity			1,658.4	68.4%

Investment Portfolio

Investment Portfolio as at 30 June 2015

Investment Holdings	Country/Region	Industry/Description	Value of Investment £ million	% of NAV
Private Investments: Direct				
Infinity Data Systems	United Kingdom	Data centres	36.1	1.5%
Williams & Glyn	United Kingdom	Financial services	33.4	1.4%
Rockefeller & Co	United States	Financial services	31.8	1.3%
Helios Towers	Africa	Cellular communication infrastructure	30.6	1.3%
Dropbox	United States	Cloud technology	26.8	1.1%
KCP	United States	Consumer products	17.4	0.7%
Tamar Energy	United Kingdom	Renewable energy	15.4	0.6%
EDRRIT	United Kingdom	Financial services	14.0	0.6%
Age of Learning	United States	IT Consulting & Other Services	9.5	0.4%
Other Private Investments: Direct			34.5	1.4%
Total Private Investments: Direct			249.5	10.3%
Private Investments: Funds				
Augmentum I	United Kingdom	International growth capital	48.0	2.0%
Xander Funds	India	Indian real estate private equity	29.8	1.2%
Thrive Capital Funds	United States	Venture capital	24.8	1.0%
Darwin Private Equity I	United Kingdom	Mid-market private equity	24.4	1.0%
3G Special Situations	United States	Private equity	15.1	0.6%
Summit Water Development	United States	Water rights	12.3	0.5%
Gobi Fund II	China	Private equity	12.2	0.5%
BDT Capital – Annex Fund I-A	United States	Private equity	11.0	0.5%
Other Private Investments: Funds			125.3	5.2%
Total Private Investments: Funds			302.9	12.5%
Absolute Return & Credit				
Attestor Value Fund	Europe	Distressed and special situations	52.4	2.2%
Blue Mountain Credit Alternatives Fund	Global	Fixed income, relative value	45.7	1.9%
DW Credit Value Fund	United States	Opportunistic credit, long bias	42.2	1.7%
JPS Credit Opportunities Fund	Global	Fixed income, relative value	37.1	1.5%
Pine River Fixed Income Fund	Global	Fixed income, relative value	37.0	1.5%
Farmstead Fund	United States	Distressed and special situations	36.0	1.5%
TSE Capital Fund	Global	Macro strategy	23.6	1.0%
Cyrus Libertas Fund	United States	Credit co-investment	22.7	0.9%
Other Absolute Return & Credit			35.1	1.4%
Total Absolute Return & Credit			331.8	13.6%
Real Assets				
Spencer House	United Kingdom	Investment property	34.0	1.4%
Investment Properties	United Kingdom	Investment property	25.0	1.0%
BlackRock Gold & General Fund	Global	Gold and precious metal equities	17.1	0.7%
Baker Steel Precious Metals	Global	Gold and precious metal equities	14.7	0.6%
Other Real Assets			3.5	0.2%
Total Real Assets			94.3	3.9%

Investment Portfolio

Investment Portfolio as at 30 June 2015

Investment Holdings	Country/Region	Industry/Description	Value of Investment £ million	% of NAV
Government Bonds & Rates:				
US TIPS	United States	US Treasury, inflation protected	47.8	2.0%
Interest Rate Swaps		Floating to Fixed, 16.3% notional ⁷	(1.6)	(0.1%)
Other Government Bonds & Rates			4.5	0.2%
Total Government Bonds & Rates			50.7	2.1%
Other Investments				
Currency Contracts	Global	Forward currency contracts	18.4	0.8%
Other Investments			6.3	0.3%
Total Other Investments			24.7	1.1%
Total Investments			2,712.3	111.9%
Liquidity				
Liquidity		Cash at bank/margins	90.8	3.7%
Total Liquidity			90.8	3.7%
Borrowings				
Commonwealth Bank of Australia Loan		Multi-currency credit facility	(114.3)	(4.7%)
National Australia Bank Loan		Multi-currency credit facility	(118.9)	(4.9%)
RIT Senior Notes		Long-term debt financing	(142.9)	(5.9%)
Total Borrowings			(376.1)	(15.5%)
Other Assets/(Liabilities)			(1.9)	(0.1%)
Total Net Asset Value			2,425.1	100.0%

¹ This is a basket of two stocks managed internally, with the largest investment – International Paper Company – valued at £14.7 million.

² These funds are segregated accounts, managed externally on behalf of the Group.

³ This contains investments in three emerging hedge fund managers: Darsana (£21.7 million), Soroban (£17.5 million) and Lansdowne Energy (£9.9 million).

⁴ This is a basket of 35 stocks managed internally, and structured using total return swaps, with the largest position – Persimmon – having a notional exposure of £4.0 million.

⁵ This is a basket of nine stocks managed internally, and structured using a total return swap, with the largest position – American Express – having a notional exposure of £15.3 million.

⁶ This is a basket of four short stocks managed internally, with the largest exposure being a £24.1 million short position.

⁷ In relation to derivatives, the notional exposure is expressed as a percentage of NAV.

Consolidated Income Statement (unaudited)

For the six months ended 30 June 2015	Notes	Revenue return £ million	Capital return £ million	Total £ million
Income				
Investment income		13.2	–	13.2
Other income		5.3	–	5.3
Total income		18.5	–	18.5
Gains/(losses) on portfolio investments held at fair value		–	133.0	133.0
Gains/(losses) on monetary items and borrowings		–	19.6	19.6
		18.5	152.6	171.1
Expenses				
Administrative expenses		(12.8)	(1.1)	(13.9)
Investment management fees		(1.3)	0.2	(1.1)
Profit/(loss) before finance costs and tax		4.4	151.7	156.1
Finance costs		(5.1)	–	(5.1)
Profit/(loss) before tax		(0.7)	151.7	151.0
Taxation		0.2	–	0.2
Profit/(loss) for the period	2	(0.5)	151.7	151.2
Earnings per ordinary share – basic	2	(0.3p)	98.0p	97.7p
Earnings per ordinary share – diluted	2	(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 (IFRS). 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. The notes on pages 13 to 18 are an integral part of these condensed interim financial statements.

Consolidated Statement of Comprehensive Income (unaudited)

For the six months ended 30 June 2015	Revenue return £ million	Capital return £ million	Total £ million
Profit/(loss) for the period	(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	–	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	(1.9)	152.7	150.8

Consolidated Income Statement (unaudited)

For the six months ended 30 June 2014 (restated)	Notes	Revenue return £ million	Capital return £ million	Total £ million
Income				
Investment income		13.6	–	13.6
Other income		0.9	–	0.9
Total income		14.5	–	14.5
Gains/(losses) on portfolio investments held at fair value		–	47.3	47.3
Gains/(losses) on monetary items and borrowings		–	6.6	6.6
		14.5	53.9	68.4
Expenses				
Administrative expenses		(8.4)	(1.0)	(9.4)
Investment management fees		(1.9)	(0.3)	(2.2)
Profit/(loss) before finance costs and tax		4.2	52.6	56.8
Finance costs		(6.4)	–	(6.4)
Profit/(loss) before tax		(2.2)	52.6	50.4
Taxation		–	–	–
Profit/(loss) for the period	2	(2.2)	52.6	50.4
Earnings per ordinary share – basic	2	(1.4p)	34.0p	32.6p
Earnings per ordinary share – diluted	2	(1.4p)	33.9p	32.5p

The total column of this statement represents the Group's Consolidated Income Statement, prepared in accordance with IFRS. 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. The notes on pages 13 to 18 are an integral part of these condensed interim financial statements.

Consolidated Statement of Comprehensive Income (unaudited)

For the six months ended 30 June 2014 (restated)	Revenue return £ million	Capital return £ million	Total £ million
Profit/(loss) for the period	(2.2)	52.6	50.4
Other comprehensive income/(expense) that will not be subsequently reclassified to profit or loss:			
Revaluation gain/(loss) on property, plant and equipment	–	1.4	1.4
Deferred tax (charge)/credit allocated to actuarial loss	–	–	–
Actuarial gain/(loss) in defined benefit pension plan	(0.4)	–	(0.4)
Total comprehensive income/(expense) for the period	(2.6)	54.0	51.4

Consolidated Balance Sheet (unaudited)

	Notes	30 June 2015 £ million	31 December 2014 £ million
Non-current assets			
Investments held at fair value		2,754.7	2,634.0
Investment property		31.8	30.2
Property, plant and equipment		27.5	26.8
Deferred tax asset		0.7	1.8
Derivative financial instruments		5.8	5.0
		2,820.5	2,697.8
Current assets			
Derivative financial instruments		64.3	29.4
Sales for future settlement		1.2	1.0
Other receivables		71.0	44.3
Tax receivable		0.7	0.4
Cash at bank		64.2	101.4
		201.4	176.5
Total assets		3,021.9	2,874.3
Current liabilities			
Bank loans and overdrafts		(233.0)	(402.9)
Purchases for future settlement		(23.9)	(1.2)
Derivative financial instruments		(29.0)	(27.4)
Provisions		(0.6)	(0.8)
Other payables		(162.8)	(135.6)
		(449.3)	(567.9)
Net current assets/(liabilities)		(247.9)	(391.4)
Total assets less current liabilities		2,572.6	2,306.4
Non-current liabilities			
Loan notes		(142.5)	–
Derivative financial instruments		(2.5)	(3.2)
Provisions		(2.0)	(2.1)
Finance lease liability		(0.5)	(0.5)
Retirement benefit liability		–	(1.0)
		(147.5)	(6.8)
Net assets		2,425.1	2,299.6
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		(11.4)	(9.2)
Share-based payment reserve		5.8	6.2
Capital reserve		2,195.3	2,066.8
Revenue reserve		10.5	12.4
Revaluation reserve		15.2	14.2
Other reserves		0.7	0.2
Total shareholders' equity		2,425.1	2,299.6
Net asset value per ordinary share – basic	3	1,567p	1,486p
Net asset value per ordinary share – diluted	3	1,563p	1,483p

Consolidated Statement of Changes in Equity (unaudited)

Period ended 30 June 2015	Share capital £ million	Share premium £ million	Capital redemption reserve £ million	Own shares reserve £ million	Share- based payment reserve £ million	Capital reserve £ million	Revenue reserve £ million	Revaluation reserve £ million	Other reserves £ million	Total equity £ million
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 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

(restated) Period ended 30 June 2014	Share capital £ million	Share premium £ million	Capital redemption reserve £ million	Own shares reserve £ million	Share- based payment reserve £ million	Capital reserve £ million	Revenue reserve £ million	Revaluation reserve £ million	Other reserves £ million	Total equity £ million
Balance at 1 January 2014	155.4	17.3	36.3	(5.5)	5.0	1,904.4	21.1	11.8	0.2	2,146.0
Profit/(loss) for the period	–	–	–	–	–	52.6	(2.2)	–	–	50.4
Revaluation gain on property, plant and equipment	–	–	–	–	–	–	–	1.4	–	1.4
Actuarial gain/(loss) in defined benefit pension plan	–	–	–	–	–	–	(0.4)	–	–	(0.4)
Total comprehensive income/(expense) for the period	–	–	–	–	–	52.6	(2.6)	1.4	–	51.4
Dividends paid (note 4)	–	–	–	–	–	(22.7)	–	–	–	(22.7)
Movement in Own shares reserve	–	–	–	(2.3)	–	–	–	–	–	(2.3)
Movement in Share- based payment reserve	–	–	–	–	0.2	–	–	–	–	0.2
Balance at 30 June 2014	155.4	17.3	36.3	(7.8)	5.2	1,934.3	18.5	13.2	0.2	2,172.6

Consolidated Cash Flow Statement (unaudited)

	Six months ended 30 June 2015 £ million	Six months ended 30 June 2014 £ million
Cash inflow/(outflow) before taxation and interest	2.8	(71.3)
Taxation received/(paid)	–	–
Interest paid	(5.1)	(4.6)
Net cash inflow/(outflow) from operating activities	(2.3)	(75.9)
Investing activities:		
Purchase of property, plant and equipment	–	–
Net cash inflow/(outflow) from investing activities	–	–
Financing activities:		
Proceeds from bank loans and overdrafts	–	200.0
Repayments of bank loans and overdrafts	(151.8)	–
Proceeds from issue of loan notes	151.0	–
Equity dividend paid	(23.2)	(22.7)
Purchase of ordinary shares by Employee Benefit Trust ¹	(4.0)	(2.8)
Net cash inflow/(outflow) from financing activities	(28.0)	174.5
Increase/(decrease) in cash and cash equivalents in the period	(30.3)	98.6
Cash and cash equivalents at the start of the period	118.5	86.4
Effect of foreign exchange rate changes	(2.8)	(6.4)
Cash and cash equivalents at the period end	85.4	178.6
Reconciliation:		
Cash at bank	64.2	147.4
Money market funds (included in portfolio investments)	21.2	31.2
Cash and cash equivalents at the period end	85.4	178.6

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

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 2015. 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 10 August 2015. These half-yearly financial statements should be read in conjunction with the Report and Accounts for the year ended 31 December 2014, which were prepared in accordance with IFRS, 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 2014. Certain comparative figures have been restated to reflect the Group's decision in late 2014 to treat part of Spencer House as Property, Plant and Equipment under IAS 16. This change has no effect on net asset value per share but reduces earnings per share. Full details of this change may be found in the Report and Accounts for the year ended 31 December 2014.

The interim results are unaudited and include the results of GVQ Investment Management Limited from 17 January 2015.

Critical Accounting Assumptions and Judgements

Private Investments – Direct are valued at management's best estimate of fair value in accordance with IFRS, 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. Earnings Per Ordinary Share

The earnings per ordinary share for the six months ended 30 June 2015 is based on the net profit of £151.2 million (six months ended 30 June 2014: net profit of £50.4 million) and the weighted average number of ordinary shares in issue during the period of 154.6 million (six months ended 30 June 2014: 154.8 million) as shown below:

	Six months ended 30 June 2015 million	(restated) Six months ended 30 June 2014 million
Weighted average number of shares in issue	154.6	154.8
Weighted average effect of Share Appreciation Rights	0.5	0.2
	155.1	155.0

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

	Six months ended 30 June 2015 £ million	(restated) Six months ended 30 June 2014 £ million
Net revenue profit/(loss)	(0.5)	(2.2)
Net capital profit/(loss)	151.7	52.6
Net profit/(loss)	151.2	50.4

Notes to the Financial Statements

2. Earnings Per Ordinary Share (continued)

	Six months ended 30 June 2015 Pence per share	(restated) Six months ended 30 June 2014 Pence per share
Revenue earnings per ordinary share – basic	(0.3)	(1.4)
Capital earnings per ordinary share – basic	98.0	34.0
Earnings per ordinary share - basic	97.7	32.6
	Pence per share	Pence per share
Revenue earnings per ordinary share – diluted	(0.3)	(1.4)
Capital earnings per ordinary share – diluted	97.8	33.9
Earnings per ordinary share - diluted	97.5	32.5

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

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

	30 June 2015	31 December 2014
Net assets (£ million)	2,425.1	2,299.6
Number of shares in issue (million)	155.4	155.4
Own shares (million)	(0.7)	(0.6)
	154.7	154.8
Effect of dilutive potential ordinary shares:		
Share Appreciation Rights (million)	0.5	0.3
Diluted shares	155.2	155.1
	30 June 2015 Pence per share	31 December 2014 Pence per share
Net asset value per ordinary share - basic	1,567p	1,486p
Net asset value per ordinary share - diluted	1,563p	1,483p

4. Dividends

	Six months ended 30 June 2015	Six months ended 30 June 2014
Dividends (£ million)	23.2	22.7
Dividends (Pence per share)	15.0	14.7

The Board of Directors declared an interim dividend of 15.0p per ordinary share (£23.2 million) on 26 February 2015. This amount was paid on 29 April 2015. The Board has declared the payment of a second interim dividend of 15.0p per ordinary share (£23.2 million) in respect of the year ending 31 December 2015. This will be paid on 23 October 2015 to shareholders on the register on 2 October 2015.

A more detailed commentary may be found in the Chairman's Statement in the Report and Accounts for the year ended 31 December 2014.

Notes to the Financial Statements

5. Financial Assets & Liabilities

IFRS 13 requires the Group to classify its fair value measurements using a fair value hierarchy that reflects the significance of the inputs used in making those measurements. 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. For all other financial assets and liabilities as shown on the Consolidated Balance Sheet on page 10, the carrying amount is a reasonable approximation of fair value.

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. No financial assets or liabilities were reclassified as a result of any change in their purpose or use during the period.

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, direct and funds, as level 3 assets, as the valuations of these assets are not based on observable market data. Where other funds invest a significant proportion of their assets into illiquid stocks, these are also considered by the Group to be level 3 assets.

For the Private Investments – Funds, 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.

Private Investments – Direct, are valued on a semi-annual basis using techniques including a market approach, cost approach or income approach. The valuation process involves the finance and investment functions with the final valuations being reviewed by the Valuation Committee. The specific techniques used will typically include earnings multiples, discounted cash flow analysis, the value of recent share 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.

Notes to the Financial Statements

5. Financial Assets & Liabilities (continued)

Borrowings at 30 June 2015 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. 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 notes have 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 value comprises various assets and liabilities which are fair valued on a recurring basis and is 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 properties. These were valued at 30 June 2015 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 within the fair value hierarchy the Group's assets and liabilities at 30 June 2015:

As at 30 June 2015	Level 1 £ million	Level 2 £ million	Level 3 £ million	Total £ million
Financial assets at fair value through profit or loss:				
Quoted Equity – Stocks	564.9	14.3	–	579.2
Quoted Equity – Funds	22.6	1,002.7	6.1	1,031.4
Private Investments – Direct	–	–	406.2	406.2
Private Investments – Funds	–	–	301.5	301.5
Absolute Return & Credit – Funds	–	262.5	69.3	331.8
Real Assets	18.5	17.1	–	35.6
Liquidity	69.0	–	–	69.0
Derivative financial instruments	2.0	68.1	–	70.1
Total financial assets at fair value through profit or loss	677.0	1,364.7	783.1	2,824.8
Non-financial assets measured at fair value:				
Investment property	–	–	31.8	31.8
Revalued property, plant and equipment	–	–	27.2	27.2
Total non-financial assets measured at fair value	–	–	59.0	59.0
Financial liabilities at fair value through profit or loss:				
Borrowings	–	–	(375.5)	(375.5)
Derivative financial instruments	(1.0)	(30.5)	–	(31.5)
Total financial liabilities at fair value through profit or loss	(1.0)	(30.5)	(375.5)	(407.0)
Total net financial assets measured at fair value	676.0	1,334.2	466.6	2,476.8

Further information on the movements in level 3 assets for the period ended 30 June 2015 is shown in the following table:

Period ended 30 June 2015	Opening Balance £ million	Purchases £ million	Sales £ million	Realised gains through profit or loss £ million	Unrealised gains through profit or loss £ million	Reclass- ifications £ million	Closing Balance £ million
Quoted Equity – Funds	7.1	–	–	–	(1.0)	–	6.1
Private Investments – Direct	387.4	73.0	(32.6)	4.2	(25.8)	–	406.2
Private Investments – Funds	285.8	30.7	(29.9)	(3.1)	18.0	–	301.5
Absolute Return & Credit – Funds	65.2	7.4	(1.9)	–	(1.4)	–	69.3
Investment property	30.2	0.9	–	–	0.7	–	31.8
Revalued property, plant and equipment	26.4	–	–	–	0.8	–	27.2
	802.1	112.0	(64.4)	1.1	(8.7)	–	842.1

Notes to the Financial Statements

5. Financial Assets & Liabilities (continued)

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

Further information in relation to the directly held private investment portfolio at 30 June 2015 is set out below:

Sector	Fair Value £ million	Valuation Methods/Inputs
UK Commercial Property	59.0	Sales comparisons (£1,500-£2,050/sq ft); discounted expected rental values (£70-£80/sq ft)
Financials	51.6	Revenue multiples (1.1x); Book value multiples (0.7x – 0.9x); DCF (16% - 20% cost of capital); P/E (11x - 17x); EV/EBITDA (6x)
Technology	56.1	DCF (16% -17% cost of capital); EV/EBITDA (7x - 20x)
Consumer Staples	17.4	EV/EBITDA (7.8x)
Industrial	2.5	EV/EBITDA (5x - 6x); P/E (9x)
Total	186.6	

The remainder of the portfolio was valued using the following primary methods: Indicative offer (£62.9 million); cost of recent investment (£58.1 million); price of a recent financing round (£19.0 million); third party valuations (£3.3 million) and discount to net asset value (£3.0 million). The unconsolidated subsidiaries were valued at their fair value (representing their individual assets and liabilities) of £131.2 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 within the fair value hierarchy the Group's assets and liabilities at 31 December 2014:

As at 31 December 2014	Level 1 £ million	Level 2 £ million	Level 3 £ million	Total £ million
Financial assets at fair value through profit or loss:				
Quoted Equity – Stocks	538.4	12.4	–	550.8
Quoted Equity – Funds	–	982.0	7.1	989.1
Private Investments – Direct	–	–	387.4	387.4
Private Investments – Funds	–	–	285.8	285.8
Absolute Return & Credit – Funds	–	316.1	65.2	381.3
Real Assets	4.3	18.2	–	22.5
Liquidity	17.1	–	–	17.1
Derivative financial instruments	–	34.4	–	34.4
Total financial assets at fair value through profit or loss	559.8	1,363.1	745.5	2,668.4
Non-financial assets measured at fair value:				
Investment property	–	–	30.2	30.2
Total non-financial assets measured at fair value	–	–	30.2	30.2
Financial liabilities at fair value through profit or loss:				
Derivative financial instruments	–	(30.6)	–	(30.6)
Total financial liabilities at fair value through profit or loss	–	(30.6)	–	(30.6)
Total net financial assets measured at fair value	559.8	1,332.5	775.7	2,668.0

Notes to the Financial Statements

5. Financial Assets & Liabilities (continued)

Further information on the movements in level 3 assets for the year ended 31 December 2014 is shown in the following table:

Year ended 31 December 2014	Opening Balance £ million	Purchases £ million	Sales £ million	Realised gains through profit or loss £ million	Unrealised gains through profit or loss £ million	Reclassifications £ million	Closing Balance £ million
Quoted Equity – Funds	1.7	0.3	–	–	(0.2)	5.3	7.1
Private Investments – Direct	377.2	8.8	(28.1)	11.9	17.6	–	387.4
Private Investments – Funds	282.9	28.0	(76.8)	13.2	38.5	–	285.8
Absolute Return & Credit – Funds	149.9	91.2	(43.3)	3.0	32.7	(168.3)	65.2
Investment property	29.0	–	–	–	1.2	–	30.2
Total	840.7	128.3	(148.2)	28.1	89.8	(163.0)	775.7

Further information in relation to the directly held private investment portfolio at 31 December 2014 is set out below:

Sector	Fair Value £ million	Valuation Methods/Inputs
UK Commercial Property	30.2	Sales comparisons (£1,500 – £2,000 sq ft); Discounted expected rental values (£70 – £80/sq ft)
Financials	21.4	Revenue multiple (1.1x); Book value multiples (0.7x–0.9x); DCF (5%–20% cost of capital); P/E (11x–17x); EV/EBITDA (6x)
Technology	26.4	DCF (16%–17% cost of capital); EV/EBITDA (7x–20x)
Consumer Staples	17.5	EV/EBITDA (8x)
Industrial	3.9	EV/EBITDA (5x–6x); P/E (9x)
Total	99.4	

The remainder of the portfolio was valued using the following primary methods: Indicative offer (£32.1 million); price of a recent financing round (£94.4 million); cost of a recent investment (£44.9 million) and third party valuations (£15.5 million). The unconsolidated subsidiaries were valued at their fair value (representing their individual assets and liabilities) of £131.3m.

6. 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 2015 and 30 June 2014 has been neither reviewed nor audited.

The information for the year ended 31 December 2014 has been extracted from the latest published audited financial statements. The audited financial statements for the year ended 31 December 2014 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 2014 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 2014. 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 2014. As at 30 June 2015, 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

10 August 2015

For and on behalf of the Board, the current members of which are listed on page 22.

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 10.

	Quoted - Equity £ million	Private - Investments £ million	Absolute Return & Credit £ million	Real Assets £ million	Other Investments £ million	Net Liquidity/ Borrowing/ Other £ million	30 June 2015 Consolidated Balance Sheet £ million
Non-current assets							
Investments held at fair value	1,610.8	552.4	331.8	35.6	–	224.1	2,754.7
Investment property	–	–	–	31.8	–	–	31.8
Property, plant and equipment	–	–	–	27.5	–	–	27.5
Deferred tax asset	–	–	–	–	–	0.7	0.7
Derivative financial instruments	2.5	–	–	–	3.3	–	5.8
	1,613.3	552.4	331.8	94.9	3.3	224.8	2,820.5
Current assets							
Derivative financial instruments	24.0	–	–	–	40.3	–	64.3
Sales for future settlement	–	–	–	0.2	–	1.0	1.2
Other receivables	0.4	–	–	–	–	70.6	71.0
Tax receivable	–	–	–	–	–	0.7	0.7
Cash at bank	32.6	–	–	0.2	–	31.4	64.2
	57.0	–	–	0.4	40.3	103.7	201.4
Total Assets	1,670.3	552.4	331.8	95.3	43.6	328.5	3,021.9
Current liabilities							
Bank loans and overdrafts	–	–	–	–	–	(233.0)	(233.0)
Purchases for future settlement	–	–	–	–	(0.5)	(23.4)	(23.9)
Derivative financial instruments	(11.1)	–	–	(1.0)	(16.9)	–	(29.0)
Provisions	–	–	–	–	–	(0.6)	(0.6)
Other payables	–	–	–	–	–	(162.8)	(162.8)
	(11.1)	–	–	(1.0)	(17.4)	(419.8)	(449.3)
Net current assets/(liabilities)	45.9	–	–	(0.6)	22.9	(316.1)	(247.9)
Total assets less current liabilities	1,659.2	552.4	331.8	94.3	26.2	(91.3)	2,572.6
Non-current liabilities							
Loan notes	–	–	–	–	–	(142.5)	(142.5)
Derivative financial instruments	(0.8)	–	–	–	(1.5)	(0.2)	(2.5)
Provisions	–	–	–	–	–	(2.0)	(2.0)
Finance lease liability	–	–	–	–	–	(0.5)	(0.5)
	(0.8)	–	–	–	(1.5)	(145.2)	(147.5)
Net Assets	1,658.4	552.4	331.8	94.3	24.7	(236.5)	2,425.1

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
John Makinson
Michael Marks
Lord Myners
Mike Power
Hannah Rothschild
Amy Stirling (appointed 26 February 2015)
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
Chartered Accountants
7 More London Riverside
London SE1 2RT

DEPOSITARY

BNP Paribas Securities Services, London Branch
55 Moorgate
London EC2R 6PA

SOLICITORS

Linklaters LLP
One Silk Street
London EC2Y 8HQ

STOCKBROKER

JP Morgan Cazenove Limited
25 Bank Street
London E14 5JP

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.

<http://www.fca.org.uk/consumers/scams/investment-scams/share-fraud-and-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.