

RIT Capital
Partners plc

INTERIM REPORT

- 30 September 2001 -

Contents

- 1 Performance Summary
- 2 Chairman's Statement
- 4 Portfolio Analysis and Currency Exposure
- 6 Investment Portfolio
- 8 Consolidated Statement of Total Return
- 10 Consolidated Balance Sheet
- 11 Consolidated Cash Flow Statement
- 12 Notes

Company Registration Number 2129188

Performance Summary

HALF YEAR PERFORMANCE

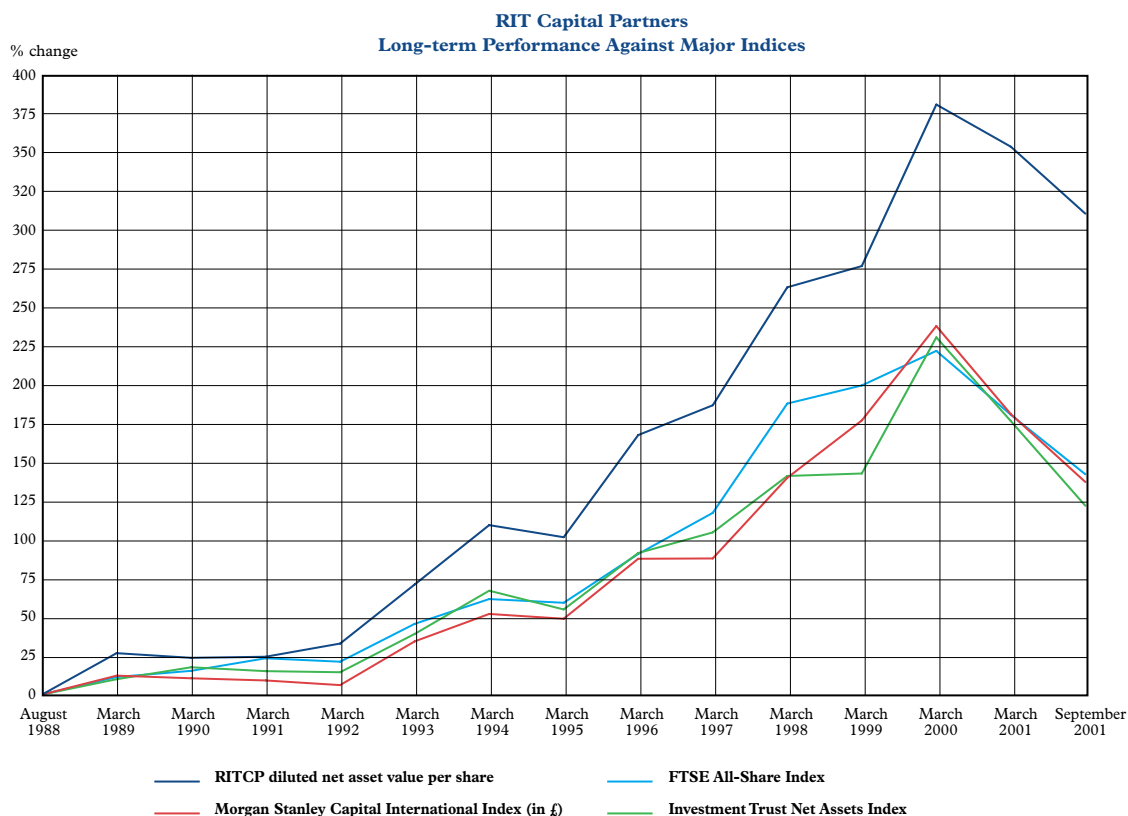
Six months ended 30 September 2001

RITCP's net asset value per share	-9.5%
Morgan Stanley Capital International Index (in Sterling)	-15.6%
FTSE All-Share Index	-13.7%
Investment Trust Net Assets Index	-19.8%

LONG-TERM PERFORMANCE

Since RITCP's formation in August 1988

RITCP's net asset value per share	+310.2%
Morgan Stanley Capital International Index (in Sterling)	+137.1%
FTSE All-Share Index	+142.1%
Investment Trust Net Assets Index	+121.8%



Chairman's Statement

During the half year to 30 September, your Company's net asset value per share declined by 9.5%, from 480.2p to 434.4p. Over the same period, the Morgan Stanley Capital International Index (in Sterling), the FTSE All-Share Index and the Investment Trust Net Assets Index declined by 15.6%, 13.7% and 19.8% respectively.

RITCP's net asset value per share on 31 October was 446p.

During the six months under review, world stock markets have experienced exceptionally difficult conditions, arising from gloomy economic and corporate news as well as the cataclysmic events of September 11 in the USA. The liquidity within our portfolio has provided some measure of protection, with the result that the asset value declined by considerably less than the relevant market indices. As can be seen from the graph on page 1, RITCP continues to outperform these indices.

In response to the continued turbulence in world markets and the uncertain outlook, we continue to retain a significant element of liquidity within our portfolio. Our holdings of government securities amounted to some £146 million, or 22% of the portfolio at the interim stage. This leaves us in a position to benefit from the opportunities which will arise once conditions improve.

INVESTMENT PORTFOLIO

Since 31 March we have reduced further our exposure to quoted investments, leaving the balance of the portfolio broadly unchanged. We have also reduced further our exposure to the US dollar and have increased our exposure to the Euro by investing most of our liquidity in German government bonds. The asset allocation and currency exposure are set out more fully on pages 4 and 5.

At 30 September, £189.7 million or 28.5% of the portfolio, was held directly in quoted investments. A further £123.2 million, or 18.5% of the portfolio was held in funds (principally hedge funds) which invest mainly in quoted securities. Taking these two categories together (but excluding our holdings of government securities), some 47% of the portfolio was invested in quoted or other marketable securities. The diversification of the portfolio, particularly into areas which are less directly correlated to stock markets, has continued to support our performance during difficult market conditions.

The table and chart on pages 4 and 5 also show the overall exposure of your Company to unquoted investments, whether these have been made directly by RITCP's own management, or through investments in externally managed partnerships which make private equity investments. In total, some £180.7 million, or 27.1% of the portfolio is

Chairman's Statement *continued*

invested in this sector: £134.8 million, or 20.2%, by our own management and £45.9 million, or 6.9%, through our investments in limited partnerships managed by third parties.

The valuations of our own unquoted investments have been subject to review by a committee of independent non-executive directors. Similarly, we have adjusted the valuations of our holdings in limited partnerships, by making provisions where appropriate.

RESULTS

In monetary terms, the reduction in your Company's net assets over the six months to 30 September amounts to £71.8 million, of which £74 million was attributable to capital, offset by a £2.2 million revenue profit.

In line with our established policy, RITCP will not be paying an interim dividend.



Rothschild

1 November 2001

Portfolio Analysis and Currency Exposure

PORTFOLIO ANALYSIS BY ASSET CATEGORY

	% of Portfolio at 30 September 2001	Valuation at 30 September 2001 £ million	% of Portfolio at 31 March 2001	Valuation at 31 March 2001 £ million
Quoted Investments	28.5	189.7	33.1	246.7
Unquoted Investments	20.2	134.8	18.8	139.9
Hedge Funds	18.5	123.2	17.4	130.2
Private Equity Partnerships	6.9	45.9	6.9	51.2
Government Securities (liquidity)	21.9	146.1	20.2	150.6
Property	4.0	26.9	3.6	26.9
Total	100.0	666.6	100.0	745.5

PORTFOLIO ANALYSIS BY COUNTRY

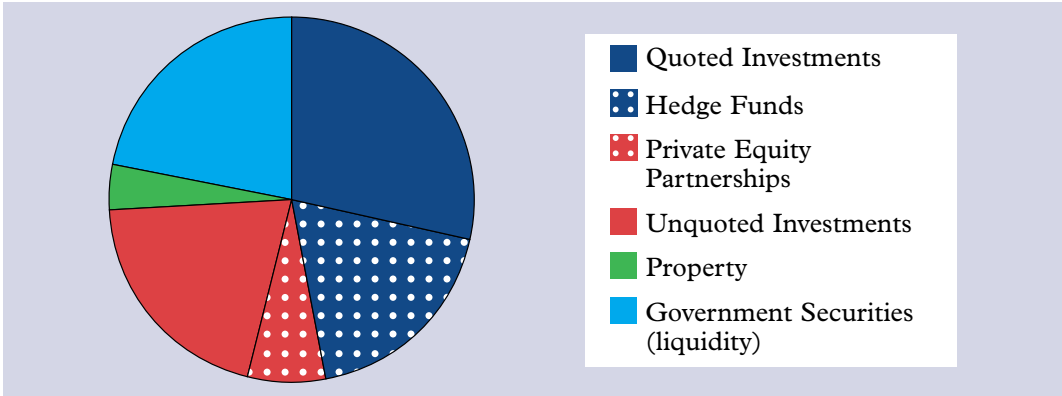
	% of Portfolio at 30 September 2001	Valuation at 30 September 2001 £ million	% of Portfolio at 31 March 2001	Valuation at 31 March 2001 £ million
United States	45.4	302.4	45.8	341.1
United Kingdom	21.7	144.4	33.1	246.8
Germany	21.3	141.7	7.4	55.3
Japan	3.1	20.9	2.9	21.8
Canada	3.1	20.5	3.1	22.9
Other	5.4	36.7	7.7	57.6
Total	100.0	666.6	100.0	745.5

CURRENCY EXPOSURE

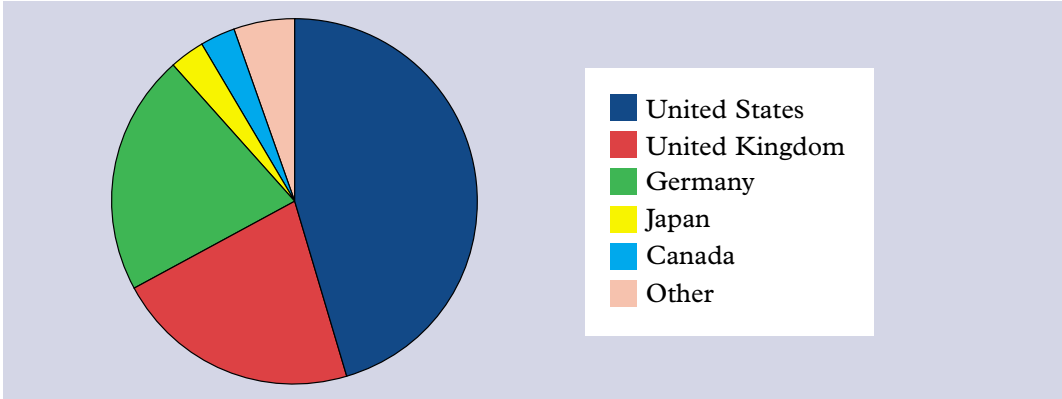
	% of Net Assets at 30 September 2001	% of Net Assets at 31 March 2001
Sterling	66.7	63.4
Euro	23.7	9.6
US Dollar	6.3	21.3
Canadian Dollar	1.5	1.9
Swiss Franc	1.0	1.2
Other	0.8	2.6
Total	100.0	100.0

Portfolio Analysis and Currency Exposure

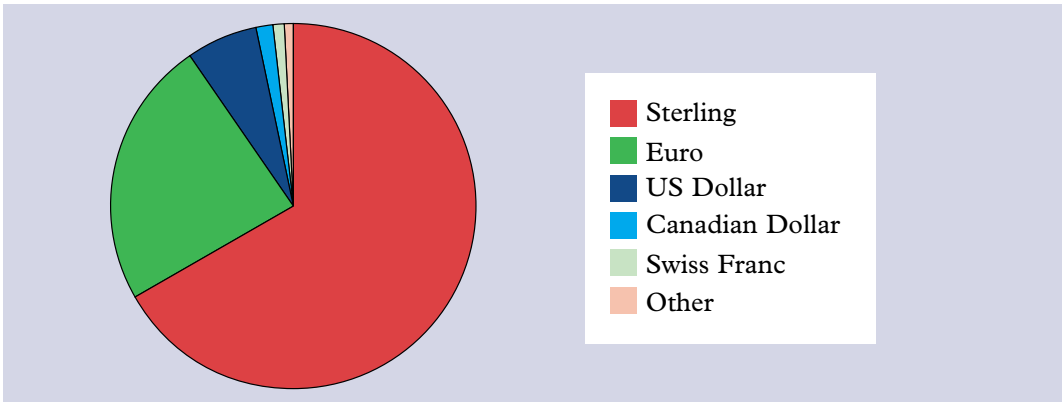
PORTFOLIO ANALYSIS BY ASSET CATEGORY



PORTFOLIO ANALYSIS BY COUNTRY



CURRENCY EXPOSURE



Investment Portfolio

At 30 September 2001

Investment Holdings	Country	Description	Value of Investment £ million
QUOTED INVESTMENTS			
Coats	UK	Thread/Textiles	10.2
Getty Images	USA	Stock Photography	7.2
Caminus	USA	Energy Consultancy	7.0
Turbo Genset	Canada	Power Generation Equipment	6.3
St. Joe	USA	Property Development	5.5
SPS Technologies	USA	Precision Fasteners	5.4
Lukoil	Russia	Oil & Gas	4.6
Galileo	USA	Database Services	3.9
Holsten Brewery	Germany	Brewing	3.6
Pulte	USA	Construction	3.0
Champps Entertainment	USA	Restaurants	2.9
Ntl	USA	Cable TV	2.6
Bank of America	USA	Banking	2.4
Deutsche Börse	Germany	Stock Exchange	2.4
Insignia Solutions	USA	Software	2.3
KB Home	USA	Housebuilding	2.3
Technitrol	USA	Electronic Components	2.3
236 Other Quoted Investments			115.8
Total Quoted Investments			189.7
UNQUOTED INVESTMENTS			
Shinsei Bank	Japan	Banking	20.9
The Economist Newspaper	UK	Publishing	20.8
Invicta Leisure	UK	Health, Racquet & Fitness Clubs	17.8
Cherokee	USA	Power Supply Equipment	13.1
Venture Production	UK	Oil Production	12.4
Power Measurement	Canada	Power Measurement Devices	8.0
Xantrex Technology	USA	Power Supply Equipment	7.4
Cine-UK	UK	Multiplex Cinemas	6.7
Star Technology	UK	Internet Service Provider	4.8
Paypoint	UK	Electronic Payment Systems	4.7
Orthoworld	UK	Orthodontic Practices	3.6
Rothschilds Continuation	Switzerland	Investment Holding	3.5
Olameter	Canada	Remote Meter Reading	2.2
35 Other Unquoted Investments			8.9
Total Unquoted Investments			134.8

Investment Portfolio *continued*

At 30 September 2001

Investment Holdings	Country	Description	Value of Investment £ million
HEDGE FUNDS AND PRIVATE EQUITY PARTNERSHIPS			
Tinicum Partners	USA	Arbitrage and Distressed Securities	22.7
Atticus International	USA	Merger Arbitrage	21.7
SCI Asian Hedge Fund	Asia	Asian Hedge Fund	21.4
Wellington Global Research	USA	Global Quoted Securities	15.9
SCI Asian Ventures	Asia	Unquoted Asian Securities	9.3
M Kingdon Offshore	USA	Hedge Fund	9.0
Satellite Overseas	USA	Merger Arbitrage	8.3
Glenview Capital Partners	USA	Hedge Fund	7.8
Narragansett Offshore	USA	Hedge Fund	7.0
Epoch Overseas	USA	Technology Hedge Fund	4.7
Galleon Technology Offshore	USA	Hedge Fund	4.2
Sandler Capital Partners IV	USA	Unquoted Telecommunications	3.4
Jupiter Partners	USA	Later Stage Unquoted	3.1
Sandler Capital Partners V	USA	Unquoted Telecommunications	3.0
Sandler 21st Century Communications	USA	Unquoted Telecommunications	2.7
Blumberg Capital Ventures	USA	Unquoted Information Technology	2.7
New Century Holdings	Russia	Russian Securities	2.4
Galleon Healthcare Offshore	USA	Healthcare Hedge Fund	2.1
27 Other Funds			17.7
Total Hedge Funds and Private Equity Partnerships			169.1
GOVERNMENT SECURITIES (LIQUIDITY)			
Treasury 7% 2001	UK	Government Stock	18.7
Bundesrepublik 5% 2011	Germany	Government Stock	31.5
Bundesrepublik 4¾% 2001	Germany	Government Stock	95.9
Total Government Securities			146.1
PROPERTY			
Spencer House and other properties in St James's Place, London			26.9
Total Investments			666.6

Consolidated Statement of Total Return

For the six months ended 30 September 2001

	Revenue £'000	Capital £'000	Total £'000
Losses on investments	–	(80,478)	(80,478)
Dealing losses	(2,687)	–	(2,687)
Investment income	9,963	–	9,963
Other income	250	–	250
Administrative expenses	(2,935)	–	(2,935)
Investment management fees	(1,515)	–	(1,515)
Other capital items	–	5,490	5,490
Net return/(loss) before finance costs and taxation	3,076	(74,988)	(71,912)
Interest payable and similar charges	(145)	–	(145)
Return/(loss) on ordinary activities before taxation	2,931	(74,988)	(72,057)
Taxation on ordinary activities	(750)	975	225
Return/(loss) on ordinary activities after taxation attributable to equity shareholders	2,181	(74,013)	(71,832)
Dividends	–	–	–
Transfer to/(from) reserves	2,181	(74,013)	(71,832)
Return/(loss) per ordinary share	1.4p	(47.2)p	(45.8)p

The revenue column of this statement is the profit and loss account of the Group.

The accompanying notes are an integral part of this statement.

All revenue and capital items in the above statement derive from continuing operations.

No operations were acquired or discontinued in the period.

Consolidated Statement of Total Return

For the six months ended 30 September 2000

	Revenue £'000	Capital £'000	Total £'000
Gains on investments	–	8,988	8,988
Dealing profits	6,815	–	6,815
Investment income	12,741	–	12,741
Other income	181	–	181
Administrative expenses	(2,578)	–	(2,578)
Investment management fees	(1,710)	–	(1,710)
Other capital items	–	(3,495)	(3,495)
Net return before finance costs and taxation	15,449	5,493	20,942
Interest payable and similar charges	(267)	–	(267)
Return on ordinary activities before taxation	15,182	5,493	20,675
Taxation on ordinary activities	(3,878)	1,084	(2,794)
Return on ordinary activities after taxation attributable to equity shareholders	11,304	6,577	17,881
Dividends	61	–	61
Transfer to reserves	11,365	6,577	17,942
Return per ordinary share	7.2p	4.2p	11.4p

The revenue column of this statement is the profit and loss account of the Group.

The accompanying notes are an integral part of this statement.

All revenue and capital items in the above statement derive from continuing operations.

No operations were acquired or discontinued in the period.

Consolidated Balance Sheet

	30 September 2001 £'000	31 March 2001 £'000	30 September 2000 £'000
FIXED ASSETS			
Investments	666,581	745,486	749,002
Tangible fixed assets	239	259	256
	<u>666,820</u>	<u>745,745</u>	<u>749,258</u>
CURRENT ASSETS			
Debtors	63,747	13,845	27,222
Dealing investments	56	167	31,979
Cash at bank	20,708	43,662	76,345
	<u>84,511</u>	<u>57,674</u>	<u>135,546</u>
CREDITORS			
Amounts falling due within one year:			
Securities sold short	–	–	(18,669)
Creditors and accruals	(38,980)	(14,407)	(11,753)
Bank loans and overdrafts	(23,112)	(22,430)	(27)
Proposed dividend	–	(4,862)	–
	<u>(62,092)</u>	<u>(41,699)</u>	<u>(30,449)</u>
Net current assets	<u>22,419</u>	<u>15,975</u>	<u>105,097</u>
Total assets less current liabilities	<u>689,239</u>	<u>761,720</u>	<u>854,355</u>
CREDITORS			
Amounts falling due after more than one year:			
Bank loans	–	–	(25,003)
Provisions for liabilities and charges	(7,864)	(8,527)	(10,840)
	<u>(7,864)</u>	<u>(8,527)</u>	<u>(10,840)</u>
	<u>681,375</u>	<u>753,193</u>	<u>818,512</u>
CAPITAL AND RESERVES			
Called up share capital	156,848	156,848	156,848
Capital redemption reserve	33,308	33,308	33,308
Capital reserve – realised	511,471	518,383	509,676
Capital reserve – unrealised	(49,298)	17,803	92,604
Revenue reserve	29,046	26,851	26,076
	<u>681,375</u>	<u>753,193</u>	<u>818,512</u>
EQUITY SHAREHOLDERS' FUNDS			
	<u>681,375</u>	<u>753,193</u>	<u>818,512</u>
Net asset value per ordinary share	434.4p	480.2p	521.9p

Consolidated Cash Flow Statement

	Period Ended 30 September 2001 £'000	Year Ended 31 March 2001 £'000	Period Ended 30 September 2000 £'000
Cash inflow from operating activities	<u>5,227</u>	<u>20,692</u>	<u>3,175</u>
Servicing of finance			
Bank interest paid	<u>(143)</u>	<u>(563)</u>	<u>(266)</u>
Net cash outflow from servicing of finance	<u>(143)</u>	<u>(563)</u>	<u>(266)</u>
Taxation			
UK tax paid	<u>(299)</u>	<u>(1,240)</u>	<u>(32)</u>
UK tax received	<u>316</u>	<u>-</u>	<u>-</u>
Overseas tax paid	<u>(509)</u>	<u>(953)</u>	<u>(700)</u>
Net cash outflow from taxation	<u>(492)</u>	<u>(2,193)</u>	<u>(732)</u>
Financial investment			
Purchase of investments	<u>(227,089)</u>	<u>(562,814)</u>	<u>(273,226)</u>
Sale of investments	<u>200,396</u>	<u>626,294</u>	<u>340,717</u>
Net cash (outflow)/inflow from financial investment	<u>(26,693)</u>	<u>63,480</u>	<u>67,491</u>
Capital expenditure			
Purchase of fixed assets	<u>(41)</u>	<u>(247)</u>	<u>(151)</u>
Sale of fixed assets	<u>9</u>	<u>71</u>	<u>34</u>
Net cash outflow from capital expenditure	<u>(32)</u>	<u>(176)</u>	<u>(117)</u>
Equity dividends paid	<u>(4,862)</u>	<u>(4,882)</u>	<u>(4,881)</u>
Net cash (outflow)/inflow before management of liquid resources and financing	<u>(26,995)</u>	<u>76,358</u>	<u>64,670</u>
Management of liquid resources			
Purchase of government securities	<u>(157,180)</u>	<u>(560,524)</u>	<u>(198,890)</u>
Sale of government securities	<u>160,933</u>	<u>497,540</u>	<u>180,258</u>
Net cash inflow/(outflow) from management of liquid resources	<u>3,753</u>	<u>(62,984)</u>	<u>(18,632)</u>
Financing			
Buy-back of ordinary shares	<u>-</u>	<u>(10,968)</u>	<u>(10,968)</u>
Net cash outflow from financing	<u>-</u>	<u>(10,968)</u>	<u>(10,968)</u>
(Decrease)/increase in cash in the period	<u>(23,242)</u>	<u>2,406</u>	<u>35,070</u>

Notes

1 ACCOUNTING POLICIES

The accounting policies used by the Group in the preparation of this interim report are consistent with those applied in preparing statutory accounts for the year ended 31 March 2001.

2 INVESTMENT INCOME

	30 September 2001 £'000	30 September 2000 £'000
Dividends and interest	9,511	12,289
Income from investment properties	452	452
	<u>9,963</u>	<u>12,741</u>

3 MOVEMENTS IN FIXED ASSET INVESTMENTS

	Quoted £ million	Unquoted and Property £ million	Funds and Partnerships £ million	Government Securities £ million	Total £ million
At 31 March 2001	246.7	166.8	181.4	150.6	745.5
Additions	203.6	6.8	8.7	189.3	408.4
Disposals	(205.5)	(8.9)	(0.3)	(193.7)	(408.4)
Revaluation	(55.1)	(3.0)	(20.7)	(0.1)	(78.9)
At 30 September 2001	<u>189.7</u>	<u>161.7</u>	<u>169.1</u>	<u>146.1</u>	<u>666.6</u>

4 MOVEMENTS IN RESERVES

	Capital Redemption Reserve £'000	Capital Reserve £'000	Revenue Reserve £'000
At 31 March 2001	33,308	536,186	26,851
Profit for the period	–	–	2,181
Capital loss for the period	–	(74,013)	–
Other movements	–	–	14
At 30 September 2001	<u>33,308</u>	<u>462,173</u>	<u>29,046</u>

5 CONTINGENCIES AND FINANCIAL COMMITMENTS

There has been no material change to the position reported at 31 March 2001 in connection with the litigation proceedings issued in New York by Richbell Information Services Inc.

6 STATUTORY ACCOUNTS

The financial information in this publication is unaudited and does not constitute statutory accounts. The statutory accounts for the year ended 31 March 2001 have been delivered to the UK Registrar of Companies and the report of the auditors on those accounts was unqualified.

Directors and Advisers

DIRECTORS

Lord Rothschild (*Chairman*)

Charles Bailey

Timothy Barakett

Mikael Breuer-Weil

Duncan Budge

Andrew Knight

Baron Lambert

Jean Pigozzi

Michael Sofaer

SECRETARY AND REGISTERED OFFICE

J. Rothschild Capital Management Limited

(A wholly-owned subsidiary of RITCP)

27 St James's Place

London SW1A 1NR

INVESTMENT MANAGER

J. Rothschild Capital Management Limited

27 St James's Place

London SW1A 1NR

REGISTRARS AND TRANSFER OFFICE

Computershare Investor Services PLC

Registrar's Department

P.O. Box 82

The Pavilions

Bridgwater Road

Bristol BS99 7NH

SAVINGS SCHEME ADMINISTRATOR

The Bank of New York Europe Limited

12 Blenheim Place

Edinburgh EH1 5ZR

Telephone: 0131 525 9819

AUDITORS

PricewaterhouseCoopers

SOLICITORS

Linklaters

