

Half-Yearly Financial Report

30 June 2017

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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

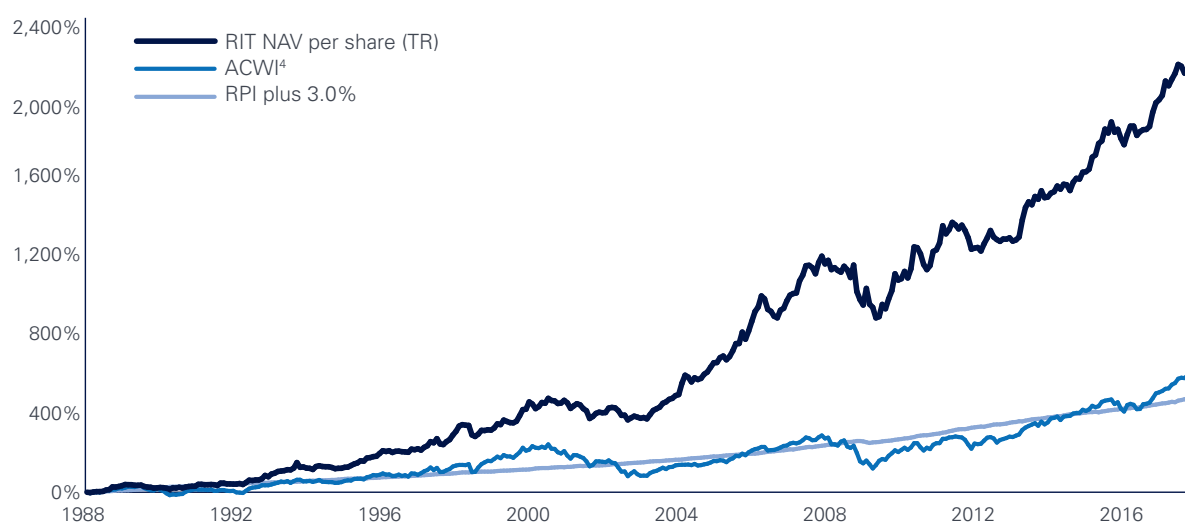
To invest in a widely diversified, international portfolio across a range of asset classes, both quoted and unquoted; to allocate part of the portfolio to exceptional managers in order to ensure access to the best external talent available.

Financial Summary

	30 June 2017	31 December 2016	Change
Net assets	£2,771m	£2,692m	£79m
NAV per share ¹	1,784p	1,730p	54p
Share price	1,901p	1,885p	16p
Premium	6.6%	9.0%	(2.4%)
First interim dividend paid	16.0p	15.5p	3.2%
Second interim dividend declared/paid	16.0p	15.5p	3.2%
Total dividend	32.0p	31.0p	3.2%
Gearing	10.2%	14.7%	(4.5%)
NAV per share total return			4.0%
Share price total return			1.7%
RPI ² plus 3.0% per annum			3.2%
MSCI All Country World Index ³			7.4%

Performance History	6 Months	1 Year	3 Years	5 Years	10 Years
NAV per share total return	4.0%	12.6%	34.9%	66.4%	83.0%
Share price total return	1.7%	17.6%	52.9%	67.4%	112.8%
RPI plus 3.0% per annum	3.2%	6.5%	15.9%	30.1%	75.2%
MSCI All Country World Index	7.4%	20.2%	38.1%	89.5%	87.2%

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 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 based on 50% of the ACWI measured in Sterling and 50% measured in local currencies.

Chairman's Statement



Lord Rothschild, OM GBE

Your Company's net asset value at the end of June had risen to 1,784 pence per share, representing a total return, including the 16 pence interim dividend, of 4.0% for the half year. Over the last three years, the NAV return stands at 34.9%, with shareholder returns of 52.9%.

Results for the half year reflect the performance of your Company's quoted equity portfolio, both from individual stocks and external managers, while an increased allocation to Absolute Return & Credit contributed. The private investment portfolio has benefitted from a number of cash distributions from external managers, together with underlying growth in the value of some of our directly held investments. Offsetting these results in Sterling terms, has been the effect of our diversified currency holdings at a time when Sterling appreciated against the US Dollar, following its decline after the Brexit vote. As of now, our currency holdings are spread mainly between Sterling, the Dollar and the Euro.

We do not believe this is an appropriate time to add to risk. Share prices have in many cases risen to unprecedented levels at a time when economic growth is by no means assured. The S&P is selling at 25 times trailing 12 months' earnings, compared to a long-term average of 15, while the adjusted Shiller price earnings ratio, which averages profits over 10 years, is approximately 30 times. The period of monetary accommodation may well be coming to an end. Geopolitical problems remain widespread and are proving increasingly difficult to resolve. We therefore retain a moderate exposure to equity markets and have diversified our asset allocation towards equity investments where value creation is driven by some identifiable catalyst or which are exposed to longer-term positive structural trends. We have a particular interest in investments which will benefit from the impact of new technologies, and Far Eastern markets, influenced by the growing demand from Asian consumers.

Asset Allocation and Portfolio Contribution, 6 months to 30 June 2017

Asset Category	30 June 2017 % NAV	Contribution %
Quoted Equities	55.1%	5.0%
Private Investments	22.2%	0.9%
Absolute Return & Credit	23.0%	0.8%
Real Assets	3.2%	0.5%
Government Bonds & Rates	0.2%	0.1%
Currency	0.8%	(2.5%) ¹
Total Investments	104.5%	4.8%
Liquidity, Borrowings & Other	(4.5%)	(0.8%) ²
Total	100.0%	4.0%
Average Net Quoted Equity Exposure ³		43%

¹ Currency exposure is managed centrally on an overlay basis with the translation impact and the results of the currency hedging and overlay activity included in this category.

² This category includes interest, mark-to-market movements on the fixed interest notes and expenses.

³ Exposure reflects notional exposure through derivatives and adjustments for derivatives and/or liquidity held by managers.

Chairman's Statement

As the 'Fourth Industrial Revolution' develops, it becomes increasingly important for your Company to be able to assess investment opportunities in the innovation-driven changes which are affecting almost every business sector. With this in mind, we have entered into a partnership with Social Capital, one of Silicon Valley's leading technology investment firms, led by Chamath Palihapitiya. We will invest in a range of their funds to benefit from Social Capital's data-driven approach and expertise in this area, as well as looking at specific opportunities. The relationship will be strengthened by Francesco Goedhuis, the Chief Executive of J. Rothschild Capital Management, joining the Advisory Board of Social Capital, and Social Capital will open an office in St. James's Place, where your Company is situated.

Your Company's Board

As we announced towards the end of July, your Board has been strengthened by the appointment of Philippe Costeletos as a non-executive Director. Philippe has over 25 years' experience in private equity investments, having held senior management roles in TPG Capital and Colony Northstar.

Dividend

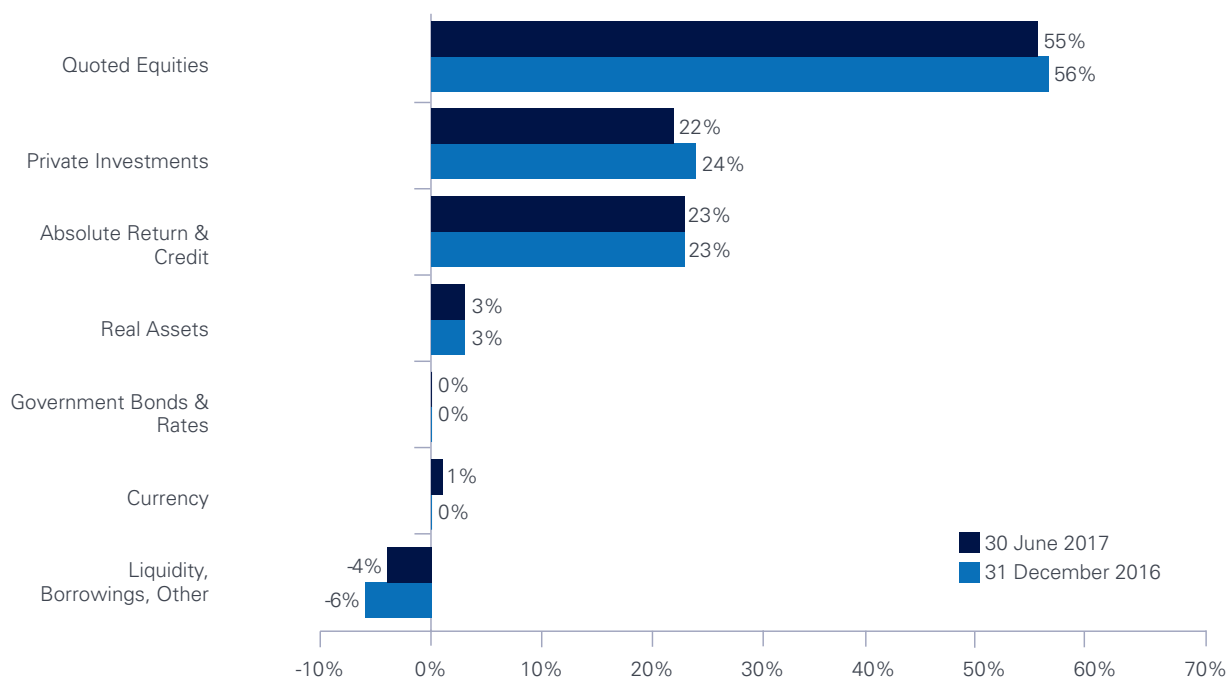
Following the first interim dividend of 16 pence per share paid in April, we have declared a second interim dividend of the same amount. This will be paid on 31 October to shareholders registered on 6 October, and will provide shareholders with a total dividend of 32 pence, a 3.2% increase over 2016.



Rothschild
11 August 2017

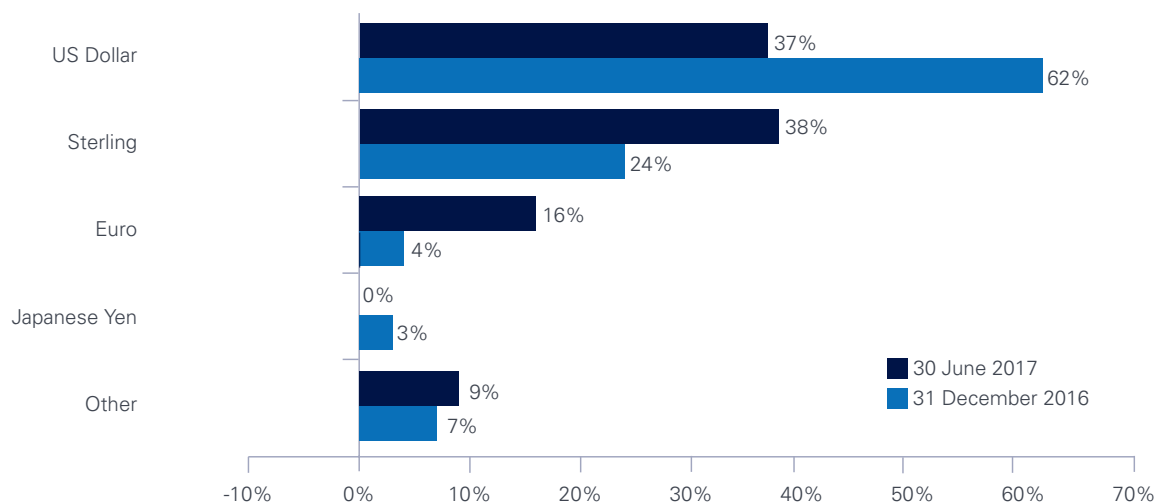
Investment Portfolio

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 2017

Investment holdings	Country/Region	Industry/Description	Value of Investment £ million	% of NAV
Quoted Equity				
Stocks:				
CSX Corporation ¹	United States	Industrials	88.9	3.2%
Triam Partners Co-Investment ²	United States	Consumer staples/Industrials	66.5	2.4%
Nestlé	Switzerland	Consumer staples	53.9	2.0%
Petrobras ADR	Brazil	Energy	26.1	1.0%
S&P Global Inc ³	United States	Financials	17.7	0.6%
Höegh LNG Holdings	Norway	Energy	17.2	0.6%
Mitsubishi UFJ Financial	Japan	Financials	13.8	0.5%
Allergan Swap	United States	Healthcare, long, 1.0% notional	0.6	0.0%
Reckitt Benckiser Swap	United Kingdom	Consumer staples, long, 0.8% notional	2.3	0.1%
Other Stocks	–	–	3.6	0.1%
Total Stocks			290.6	10.5%
Long-only Funds:				
HCIF Offshore	United States	All-cap, biotechnology	135.8	4.9%
Morant Wright ⁴	Japan	Small/mid-cap, value bias	124.7	4.5%
BlackRock Emerging Markets	Emerging Markets	All-cap, value bias	105.6	3.8%
Lansdowne Developed Markets Strategic	Global	All-cap, diversified	82.8	3.0%
Findlay Park Mexico ⁴	Latin America	All-cap, diversified	59.4	2.2%
Tekne Long-Only	United States	All-cap, technology bias	47.4	1.7%
Triam Partners	United States	Large-cap, diversified	31.5	1.1%
Emerging India Focus	India	Large/mid-cap, diversified	30.4	1.1%
Other Long-only Funds	–	–	47.0	1.7%
Total Long-only Funds			664.6	24.0%
Hedge Funds:				
BlackRock European Hedge	Europe	All-cap, diversified	90.8	3.3%
Martin Currie Japan	Japan	All-cap, diversified	89.8	3.2%
Soroban	Global	All-cap, diversified	82.9	3.0%
Gaoling	China	All-cap, diversified	77.3	2.8%
Palestra Capital	Global	All-cap, diversified	71.3	2.6%
RIT Discovery ⁵	Global	All-cap, diversified	70.5	2.5%
Three Corner Global	Global	All-cap, financial bias	68.5	2.5%
Other Hedge Funds	–	–	21.9	0.8%
Total Hedge Funds			573.0	20.7%
Derivatives:				
S&P 500 Futures	United States	Short, 8.0% notional	0.7	0.0%
Euro Stoxx 50 Futures	Europe	Long, 4.3% notional	(3.3)	(0.1%)
MSCI World £ Index Swap	Global	Short, 3.7% notional	1.4	0.0%
GS Custom Industrials Swap	United States	Short, 1.4% notional	(1.4)	(0.1%)
Euro Stoxx Banks Futures	Europe	Long, 1.0% notional	(0.2)	(0.0%)
Equity Options	Various	Premium	1.7	0.1%
Other Derivatives	–	–	(1.1)	(0.0%)
Total Derivatives			(2.2)	(0.1%)
Total Quoted Equity			1,526.0	55.1%

Investment Portfolio

Investment holdings	Country/Region	Industry/Description	Value of Investment £ million	% of NAV
Private Investments – Direct:				
Acorn	Global	Consumer staples	47.2	1.7%
Rockefeller & Co	United States	Financial services	43.0	1.6%
Helios Towers	Africa	Telecommunication services	41.8	1.5%
Infinity Data Systems	United Kingdom	Information technology	25.4	0.9%
Dropbox	United States	Information technology	23.9	0.9%
CSL	United Kingdom	Information technology	20.0	0.7%
EDRRIT	United Kingdom	Financial services	14.0	0.5%
Other Private Investments – Direct	–	–	41.2	1.5%
Total Private Investments – Direct			256.5	9.3%
Private Investments – Funds:				
Thrive Capital Funds	United States	Venture capital	53.6	1.9%
Augmentum I	United Kingdom	Venture capital	34.6	1.2%
3G Special Situations	United States	Private equity	32.3	1.2%
Gaoling – Unquoted	China	Private equity	26.5	1.0%
BDT Capital – Annex Fund I-A	United States	Private equity	21.1	0.8%
Gobi Fund II	China	Private equity	16.5	0.6%
ICQ Holdings 6	United States	Private equity	13.8	0.5%
Other Private Investments – Funds	–	–	159.5	5.7%
Total Private Investments – Funds			357.9	12.9%
Absolute Return & Credit:				
Eisler Capital Fund	Global	Macro strategy	134.1	4.8%
Attestor Value Fund	Global	Distressed and special situations	102.8	3.7%
Elliott International	Global	Multi-strategy	62.0	2.2%
ENA Opportunity Offshore Fund	Global	Multi-strategy	51.9	1.9%
Farmstead Fund	United States	Distressed and special situations	49.4	1.8%
Blue Mountain Credit Alternatives Fund	Global	Fixed income, relative value	41.8	1.5%
Sand Grove Tactical	Global	Multi-strategy	41.0	1.5%
JPS Credit Opportunities Fund	Global	Fixed income, relative value	40.7	1.5%
Emso Opportunity Strategies Fund	Global	Opportunistic credit	35.5	1.3%
Oaktree Strategic Credit Fund	Global	Opportunistic credit	33.5	1.2%
Other Absolute Return & Credit	–	–	44.6	1.6%
Total Absolute Return & Credit			637.3	23.0%
Real Assets:				
Spencer House	United Kingdom	Investment Property	35.5	1.3%
Investment Properties	United Kingdom	Investment Property	28.9	1.0%
BlackRock World Gold Fund	Global	Gold and precious metal equities	19.5	0.7%
Gold Futures	United States	Long, 2.5% notional	(0.9)	(0.0%)
Other Real Assets	–	–	4.7	0.2%
Total Real Assets			87.7	3.2%
Government Bonds & Rates:				
UK Interest Rate Swaps ⁶	United Kingdom	Short, 6.1% notional	2.6	0.1%
US Interest Rate Swaps ⁶	United States	Short, 2.2% notional	2.0	0.1%
Interest Rate Options	Various	Premium	1.6	0.0%
Total Government Bonds & Rates			6.2	0.2%

Investment Portfolio

Investment holdings	Country/Region	Industry/Description	Value of Investment £ million	% of NAV
Other Investments:				
Currency Contracts	Global	Forward currency contracts	20.5	0.8%
Other Investments	–	–	1.3	0.0%
Total Other Investments			21.8	0.8%
Total Investments			2,893.4	104.5%
Liquidity:				
Liquidity	–	Cash at bank/margins	295.1	10.6%
Total Liquidity			295.1	10.6%
Borrowings:				
Commonwealth Bank of Australia Loan	–	Revolving credit facility	(125.0)	(4.5%)
National Australia Bank Loan	–	Revolving credit facility	(150.0)	(5.4%)
RIT Senior Notes	–	Long-term debt financing	(161.4)	(5.8%)
Total Borrowings			(436.4)	(15.7%)
Other Assets/(Liabilities)			19.0	0.6%
Total Net Asset Value			2,771.1	100.0%

¹ This stock is held via a co-investment vehicle.

² This is a co-investment vehicle with underlying exposure to General Electric, Sysco and Procter & Gamble.

³ This stock is also held via an equity derivative giving a total exposure of £27.0 million or 1.0%.

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

⁵ This contains investments with five emerging hedge fund managers, the largest of which is Darsana (£28.6 million).

⁶ In relation to interest rate derivatives, as the underlying instruments have different durations, notional exposure is measured in units of a 10-year equivalent bond to allow comparability.

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

Consolidated Income Statement

For the six months ended 30 June

£ million

	Notes	Revenue	Capital	2017 Total	Revenue	Capital	2016 Total
Income and Gains							
Investment income		12.3	–	12.3	15.5	–	15.5
Other income		6.3	–	6.3	3.0	–	3.0
Gains/(losses) on fair value investments		–	119.3	119.3	–	131.1	131.1
Gains/(losses) on monetary items and borrowings		–	(7.3)	(7.3)	–	(41.6)	(41.6)
		18.6	112.0	130.6	18.5	89.5	108.0
Expenses							
Operating expenses		(11.1)	(2.5)	(13.6)	(10.6)	(2.0)	(12.6)
Profit/(loss) before finance costs and tax	2	7.5	109.5	117.0	7.9	87.5	95.4
Finance costs		(5.9)	–	(5.9)	(5.8)	–	(5.8)
Profit/(loss) before tax		1.6	109.5	111.1	2.1	87.5	89.6
Taxation		(0.5)	–	(0.5)	0.2	–	0.2
Profit/(loss) for the period	3	1.1	109.5	110.6	2.3	87.5	89.8
Earnings per ordinary share – basic	3	0.7p	71.0p	71.7p	1.5p	56.6p	58.1p
Earnings per ordinary share – diluted	3	0.7p	70.7p	71.4p	1.5p	56.5p	58.0p

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	2017 Total	Revenue	Capital	2016 Total
Profit/(loss) for the period	1.1	109.5	110.6	2.3	87.5	89.8
Other comprehensive income/(expense)						
that will not be subsequently reclassified to profit or loss:						
Revaluation gain/(loss) on property, plant and equipment	–	0.2	0.2	–	0.1	0.1
Actuarial gain/(loss) in defined benefit pension plan	1.0	–	1.0	(3.5)	–	(3.5)
Deferred tax (charge)/credit allocated to actuarial loss	(0.3)	–	(0.3)	0.6	–	0.6
Total comprehensive income/(expense) for the period	1.8	109.7	111.5	(0.6)	87.6	87.0

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 2017	31 December 2016
Non-current assets			
Investments held at fair value		2,826.6	2,938.8
Investment property		36.0	35.5
Property, plant and equipment		28.7	28.8
Deferred tax asset		3.4	3.7
Derivative financial instruments		6.3	6.1
		2,901.0	3,012.9
Current assets			
Derivative financial instruments		33.5	35.0
Other receivables		121.8	178.6
Amounts owed by group undertakings		5.4	0.9
Tax receivable		0.1	0.1
Cash at bank		203.8	131.2
		364.6	345.8
Total assets		3,265.6	3,358.7
Current liabilities			
Borrowings		(275.0)	(275.0)
Derivative financial instruments		(13.5)	(35.6)
Provisions		–	(0.9)
Other payables		(40.7)	(61.2)
Amounts owed to group undertakings		–	(128.5)
		(329.2)	(501.2)
Net current assets/(liabilities)		35.4	(155.4)
Total assets less current liabilities		2,936.4	2,857.5
Non-current liabilities			
Borrowings		(161.4)	(156.4)
Derivative financial instruments		(0.5)	(4.0)
Provisions		(2.6)	(2.7)
Finance lease liability		(0.5)	(0.5)
Retirement benefit liability		(0.3)	(1.8)
		(165.3)	(165.4)
Net assets		2,771.1	2,692.1
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		(19.0)	(14.4)
Share-based payment reserve		4.3	7.5
Capital reserve		2,556.4	2,471.6
Revenue reserve		2.9	1.1
Revaluation reserve		17.2	17.0
Other reserves		0.3	0.3
Total equity		2,771.1	2,692.1
Net asset value per ordinary share – basic	4	1,792p	1,739p
Net asset value per ordinary share – diluted	4	1,784p	1,730p

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 2017 £ 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 2017	155.4	17.3	36.3	(14.4)	7.5	2,471.6	1.1	17.0	0.3	2,692.1
Profit/(loss) for the period	–	–	–	–	–	109.5	1.1	–	–	110.6
Revaluation gain on property, plant and equipment	–	–	–	–	–	–	–	0.2	–	0.2
Actuarial gain/(loss) in defined benefit plan	–	–	–	–	–	–	1.0	–	–	1.0
Deferred tax (charge)/credit relating to pension plan	–	–	–	–	–	–	(0.3)	–	–	(0.3)
Total comprehensive income/(expense) for the period	–	–	–	–	–	109.5	1.8	0.2	–	111.5
Dividends paid (note 5)	–	–	–	–	–	(24.7)	–	–	–	(24.7)
Movement in Own shares reserve	–	–	–	(4.6)	–	–	–	–	–	(4.6)
Movement in Share-based payment reserve	–	–	–	–	(3.2)	–	–	–	–	(3.2)
Movement in Other reserves	–	–	–	–	–	–	–	–	–	–
Balance at 30 June 2017	155.4	17.3	36.3	(19.0)	4.3	2,556.4	2.9	17.2	0.3	2,771.1

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
Actuarial gain/(loss) in defined benefit pension plan	–	–	–	–	–	–	(3.5)	–	–	(3.5)
Deferred tax (charge)/credit relating to pension plan	–	–	–	–	–	–	0.6	–	–	0.6
Reallocation of segregated account fees	–	–	–	–	–	(1.5)	1.5	–	–	–
Total comprehensive income/(expense) for the period	–	–	–	–	–	87.5	(0.6)	0.1	–	87.0
Dividends paid (note 5)	–	–	–	–	–	(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	2,279.9	4.5	17.5	0.3	2,505.3

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 2017	Six months ended 30 June 2016
Cash flows from operating activities:		
Cash inflow/(outflow) before interest	75.1	27.6
Interest paid	(5.9)	(5.7)
Net cash inflow/(outflow) from operating activities	69.2	21.9
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	(10.9)	(2.9)
Equity dividend paid	(24.7)	(23.9)
Net cash inflow/(outflow) from financing activities	(35.6)	(26.8)
Increase/(decrease) in cash and cash equivalents in the period	33.6	(4.9)
Cash and cash equivalents at the start of the period	170.5	134.8
Effect of foreign exchange rate changes on cash and cash equivalents	(0.3)	(13.4)
Cash and cash equivalents at the period end	203.8	116.5
Reconciliation:		
Cash at bank	203.8	82.4
Money market funds (included in portfolio investments)	–	34.1
Cash and cash equivalents at the period end	203.8	116.5

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 2017. 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 11 August 2017. These half-yearly consolidated financial statements should be read in conjunction with the Report and Accounts for the year ended 31 December 2016, which were prepared in accordance with 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 2016. The Income Statement comparative figures reflect the treatment of segregated account fees adopted in the consolidated financial statements at 31 December 2016.

Critical Accounting Assumptions and Judgements

As further described in the Report and Accounts for the year ended 31 December 2016, areas requiring a higher degree of judgment or complexity and areas where assumptions and estimates are significant to the consolidated financial statements, are in relation to:

- The valuation of property;
- Share-based payments; and
- The valuation of private investments.

Direct private investments 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

For both the six months ended 30 June 2017 and the six months ended 30 June 2016, the Group is considered to have four principal operating segments as follows:

Segment	Business	AUM £ million ¹	Employees ¹
RIT	Investment trust	–	–
JRCM ²	Asset manager/ administration	2,771	44
GVQ ³	Asset manager	709	10
SHL ⁴	Events/premises management	–	13

¹ At 30 June 2017.

² J. Rothschild Capital Management Limited.

³ GVQ Investment Management Limited.

⁴ Spencer House Limited.

The Group's operations are all based in the UK.

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

£ million	2017			2016		
	Income/ Gains ¹	Operating Expenses ¹	Profit ²	Income/ Gains ¹	Operating Expenses ¹	Profit ²
RIT	126.2	(17.9)	108.3	105.1	(15.9)	89.2
JRCM	15.7	(9.0)	6.7	14.2	(8.7)	5.5
GVQ	4.4	(2.7)	1.7	1.9	(1.4)	0.5
SHL	1.8	(1.5)	0.3	1.7	(1.5)	0.2
Adjustments ³	(17.5)	17.5	–	(14.9)	14.9	–
Total	130.6	(13.6)	117.0	108.0	(12.6)	95.4

¹ Includes intra-group income and expenses.

² Profit before finance costs and tax.

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

3. Earnings Per Ordinary Share – Basic and Diluted

The basic earnings per ordinary share for the six months ended 30 June 2017 is based on the net profit of £110.6 million (six months ended 30 June 2016: net profit of £89.8 million) and the weighted average number of ordinary shares for the purposes of earnings per share (EPS) during the period of 154.2 million (six months ended 30 June 2016: 154.4 million) as shown below:

million	Six months ended 30 June 2017	Six months ended 30 June 2016
Weighted average number of shares for the purposes of basic EPS	154.2	154.4
Weighted average effect of share-based payment awards	0.7	0.5
Total shares for the purposes of diluted EPS	154.9	154.9

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

£ million	Six months ended 30 June 2017	Six months ended 30 June 2016
Net revenue profit/(loss)	1.1	2.3
Net capital profit/(loss)	109.5	87.5
Net profit/(loss)	110.6	89.8
Pence per share	Six months ended 30 June 2017	Six months ended 30 June 2016
Revenue earnings/(loss) per ordinary share – basic	0.7	1.5
Capital earnings/(loss) per ordinary share – basic	71.0	56.6
Earnings per ordinary share – basic	71.7	58.1

Notes to the Financial Statements

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

	Six months ended 30 June 2017	Six months ended 30 June 2016
Pence per share		
Revenue earnings/(loss) per ordinary share – diluted	0.7	1.5
Capital earnings/(loss) per ordinary share – diluted	70.7	56.5
Earnings per ordinary share – diluted	71.4	58.0

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

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

	30 June 2017	31 December 2016
Net assets (£ million)	2,771.1	2,692.1
Number of shares in issue (million)	155.4	155.4
Own shares (million)	(0.7)	(0.6)
Basic shares (million)	154.7	154.8
Effect of share-based payment awards (million)	0.6	0.8
Diluted shares (million)	155.3	155.6

	30 June 2017	31 December 2016
Pence per share		
Net asset value per ordinary share - basic	1,792	1,739
Net asset value per ordinary share - diluted	1,784	1,730

5. Dividends

	Six months ended 30 June 2017	Six months ended 30 June 2016
Dividends (£ million)	24.7	23.9
Dividends (Pence per share)	16.0	15.5

The Board of Directors declared an interim dividend of 16.0 pence per ordinary share (£24.7 million) on 27 February 2017. This amount was paid on 28 April 2017. The Board has declared the payment of a second interim dividend of 16.0 pence per ordinary share (£24.7 million) in respect of the year ending 31 December 2017. This will be paid on 31 October 2017 to shareholders on the register on 6 October 2017.

A more detailed commentary may be found in the Chairman's Statement in the Report and Accounts for the year ended 31 December 2016.

6. Financial Instruments

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, which is not itself listed on an active market, the categorisation of such investment between levels 2 and 3 is determined by reference to the nature of the underlying investments. If such 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.

If the proportion of the underlying investments categorised between levels changes during the period, these will be reclassified to the most appropriate level.

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.

Notes to the Financial Statements

6. Financial Instruments (continued)

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 into illiquid stocks, these are also considered by the Group to be level 3 assets.

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, and which represents the Group's pro-rata proportion of the fund's net asset value. Where such statements are dated prior to the period end, the valuation is adjusted for subsequent investments or distributions. A review is conducted annually in respect of 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 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 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 2017 comprise bank loans and senior loan notes. The bank loans are 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. The loan notes were issued in June 2015 with tenors of between 10 and 20 years with a weighted 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 2017 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 within the fair value hierarchy at 30 June 2017:

As at 30 June 2017 £ million	Level 1	Level 2	Level 3	Total
Financial assets at fair value				
through profit or loss:				
Portfolio investments	335.0	1,635.0	847.6	2,817.6
Non-consolidated subsidiaries	–	–	9.0	9.0
Investments held at fair value	335.0	1,635.0	856.6	2,826.6
Derivative financial instruments	1.9	37.9	–	39.8
Total financial assets at fair value through profit or loss	336.9	1,672.9	856.6	2,866.4
Non-financial assets measured at fair value:				
Investment property	–	–	36.0	36.0
Financial liabilities at fair value				
through profit or loss:				
Borrowings	–	–	(436.4)	(436.4)
Derivative financial instruments	(5.5)	(8.5)	–	(14.0)
Total financial liabilities at fair value through profit or loss	(5.5)	(8.5)	(436.4)	(450.4)
Total net assets measured at fair value	331.4	1,664.4	456.2	2,452.0

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

Movement in level 3 assets

Period ended 30 June 2017 £ million	Investments held at fair value	Investment Property	Total
Opening Balance	977.7	35.5	1,013.2
Purchases	28.7	–	28.7
Sales	(226.3)	–	(226.3)
Realised gains/(losses) through profit or loss	9.4	–	9.4
Unrealised gains/(losses) through profit or loss	(9.9)	0.5	(9.4)
Reclassifications	77.0	–	77.0
Closing Balance	856.6	36.0	892.6

During the period, investments in funds with a fair value of £77.0 million were reclassified from level 2 to level 3 as a result of new financial information received in respect of the underlying investments of the funds.

There were no reclassifications into or out of level 1.

Notes to the Financial Statements

6. Financial Instruments (continued)

Further information in relation to investment property and the directly held private investment portfolio at 30 June 2017 is set out below:

Sector	Fair Value £ million	Valuation methods/inputs
UK Commercial Property	36.0	Sales comparisons (£1,500 - £2,750/ft ²); Discounted expected rental values (£65 - £83/ft ²)
Financials	51.6	P/E (17.5x), EV/Sales (3.3x), EV/AUM (1.9%), DCF (20% WACC)
Technology	125.9	EV/EBITDA (12.0x - 13.0x), EV/Sales (7.2x)
Energy	4.1	EV/EBITDA (7.0x - 8.0x)
Other investments (less than £3 million each)	13.8	Various methods
Total	231.4	

The remainder of the portfolio was valued using the following primary methods: third party valuations (£78.8 million), option strike price (£14.0 million) and price of recent offer (£3.1 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 within the fair value hierarchy at 31 December 2016:

As at 31 December 2016 £ million	Level 1	Level 2	Level 3	Total
Financial assets at fair value				
through profit or loss:				
Portfolio investments	399.6	1,561.5	847.8	2,808.9
Non-consolidated subsidiaries	–	–	129.9	129.9
Investments held at fair value	399.6	1,561.5	977.7	2,938.8
Derivative financial instruments	1.8	39.3	–	41.1
Total financial assets at fair value through profit or loss	401.4	1,600.8	977.7	2,979.9
Non-financial assets measured at fair value:				
Investment property	–	–	35.5	35.5
Financial liabilities at fair value				
through profit or loss:				
Borrowings	–	–	(431.4)	(431.4)
Derivative financial instruments	(7.8)	(31.8)	–	(39.6)
Total financial liabilities at fair value through profit or loss	(7.8)	(31.8)	(431.4)	(471.0)
Total net assets measured at fair value	393.6	1,569.0	581.8	2,544.4

Movement in level 3 assets

Year ended 31 December 2016 £ million	Investments held at fair value	Investment Property	Total
Opening Balance	782.0	33.7	815.7
Purchases	181.8	–	181.8
Sales	(204.1)	–	(204.1)
Realised gains through profit or loss	23.4	–	23.4
Unrealised gains through profit or loss	134.7	1.8	136.5
Reclassifications	59.9	–	59.9
Closing Balance	977.7	35.5	1,013.2

Further information in relation to investment property and the directly held private investment portfolio at 31 December 2016 is set out below:

Sector	Fair Value £ million	Valuation methods/inputs
UK Commercial Property	35.5	Sales comparisons (£1,500 - £2,500/ft ²); Discounted expected rental values (£65 - £83/ft ²)
Financials	51.9	P/E (19.4x), EV/Sales (3.4x), EV/AUM (2.1%), DCF (20% WACC)
Technology	128.0	EV/EBITDA (12.0x - 14.0x), EV/Sales 7.5x
Other investments (less than £3 million each)	22.4	Various methods
Total	237.8	

The remainder of the portfolio was valued using the following primary methods: third party valuations (£54.1 million), and cost of recent investment (£47.3 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 2017 and 30 June 2016 has been neither reviewed nor audited.

The information for the year ended 31 December 2016 has been extracted from the latest published audited financial statements. The audited financial statements for the year ended 31 December 2016 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) In addition, in accordance with the disclosures required under the Disclosure and Transparency Rule 4.2.8R, 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 2016 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 2016. These comprise:

- Investment Strategy Risk;
- Market Risk;
- Liquidity Risk;
- Credit Risk;
- Key Person Dependency;
- Legal & Regulatory Risk; and
- Operational Risk.

As with any investment company, the main risk is considered to be market risk.

Going Concern

The factors likely to affect the Group's ability to continue as a going concern were set out in the Report and Accounts for the year ended 31 December 2016. As at 30 June 2017, 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

11 August 2017

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 30 June 2017 Consolidated Balance Sheet, as shown on page 9.

£ million	Quoted Equity	Private Investments	Absolute Return & Credit	Real Assets	Other Investments	Net Liquidity/ Borrowings/ Other	Consolidated Balance Sheet
Non-current assets							
Portfolio investments at fair value	1,519.6	636.5	637.3	24.2	—	—	2,817.6
Non-consolidated subsidiaries	0.2	12.7	—	—	—	(3.9)	9.0
Investments held at fair value	1,519.8	649.2	637.3	24.2	—	(3.9)	2,826.6
Investment property	—	—	—	36.0	—	—	36.0
Property, plant and equipment	—	—	—	28.4	—	0.3	28.7
Deferred tax asset	—	—	—	—	—	3.4	3.4
Derivative financial instruments	—	—	—	—	6.3	—	6.3
	1,519.8	649.2	637.3	88.6	6.3	(0.2)	2,901.0
Current assets							
Derivative financial instruments	9.3	—	—	—	24.2	—	33.5
Other receivables	0.1	—	—	—	—	121.7	121.8
Amounts owed by group undertakings	—	—	—	—	—	5.4	5.4
Tax receivable	—	—	—	—	—	0.1	0.1
Cash at bank	4.8	—	—	—	2.6	196.4	203.8
	14.2	—	—	—	26.8	323.6	364.6
Total assets	1,534.0	649.2	637.3	88.6	33.1	323.4	3,265.6
Current liabilities							
Borrowings	—	—	—	—	—	(275.0)	(275.0)
Derivative financial instruments	(8.0)	—	—	(0.9)	(4.6)	—	(13.5)
Other payables	—	(34.8)	—	—	—	(5.9)	(40.7)
	(8.0)	(34.8)	—	(0.9)	(4.6)	(280.9)	(329.2)
Total assets less current liabilities	1,526.0	614.4	637.3	87.7	28.5	42.5	2,936.4
Non-current liabilities							
Borrowings	—	—	—	—	—	(161.4)	(161.4)
Derivative financial instruments	—	—	—	—	(0.5)	—	(0.5)
Provisions	—	—	—	—	—	(2.6)	(2.6)
Finance lease liability	—	—	—	—	—	(0.5)	(0.5)
Retirement benefit liability	—	—	—	—	—	(0.3)	(0.3)
	—	—	—	—	(0.5)	(164.8)	(165.3)
Net assets	1,526.0	614.4	637.3	87.7	28.0	(122.3)	2,771.1

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 and The Daily Telegraph. 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
Philippe Costeletos (appointed 20 July 2017)
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 (Chief Executive Officer)
Andrew Jones (Chief Financial Officer)
Jonathan Kestenbaum (Chief Operating Officer)
Ron Tabbouche (Chief Investment Officer)

MANAGER, COMPANY SECRETARY AND REGISTERED OFFICE

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AIC

The Company is a member of the Association of Investment Companies
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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.