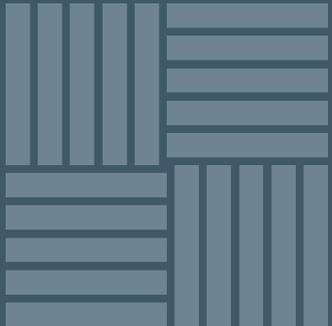
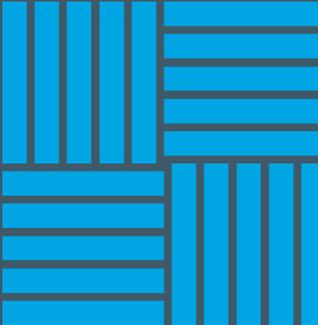
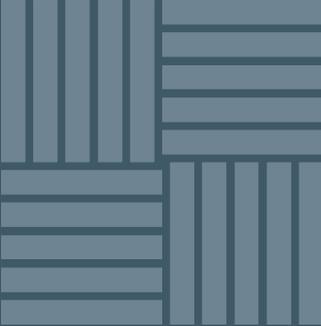


# EDINBURGH WORLDWIDE INVESTMENT TRUST plc

---



Half-Yearly Financial Report  
30 April 2014





## Objective

Edinburgh Worldwide's objective is the achievement of long term capital growth by investing primarily in listed companies throughout the world.

## Comparative Index

The index against which performance is compared is the S&P Citigroup Global Small Cap Index (in sterling terms). Prior to 1 February 2014 the comparative index was the MSCI All Countries World Index (in sterling terms). For periods commencing prior to this date, the returns on these indices for their respective periods are linked together to form a single comparative index.

## Principal Risks and Uncertainties

The principal risks facing the Company relate to the Company's investment activities. These risks are market risk (comprising currency risk, interest rate risk and other price risk), liquidity risk and credit risk. An explanation of these risks and how they are managed is contained in note 19 of the Company's Annual Report and Financial Statements for the year to 31 October 2013. The principal risks and uncertainties have not changed since the publication of the Annual Report which can be obtained free of charge from Baillie Gifford & Co (see contact details on the back cover of this report) and is available on the Edinburgh Worldwide page of the Managers' website: [www.edinburghworldwide.co.uk](http://www.edinburghworldwide.co.uk). Other risks facing the Company include the following:

**Regulatory Risk** – the loss of investment trust status or a breach of the UKLA Listing Rules could have adverse financial consequences and cause reputational damage.

**Operational/Financial Risk** – failure of service providers' accounting systems could lead to inaccurate reporting or financial loss.

**Discount Volatility** – the risk that the discount can widen.

**Gearing Risk** – the use of borrowing can magnify the impact of falling markets.

**Political Risk** – the Scottish Referendum vote introduces elements of political uncertainty which may have practical consequences.

Further information can be found on page 7 of the Annual Report.

## Responsibility Statement

We confirm that to the best of our knowledge:

- a) the condensed set of financial statements has been prepared in accordance with the Accounting Standards Board's statement 'Half-Yearly Financial Reports';
- b) the Half-Yearly Management Report includes a fair review of the information required by Disclosure and Transparency Rules 4.2.7R (indication of important events during the first six months, their impact on the financial statements and a description of principal risks and uncertainties for the remaining six months of the year); and
- c) the Half-Yearly Financial Report includes a fair review of the information required by Disclosure and Transparency Rules 4.2.8R (disclosure of related party transactions and changes therein).

By order of the Board  
David HL Reid  
Chairman  
6 June 2014

## Summary of Unaudited Results

	30 April 2014	31 October 2013 (audited)	% change
Total assets (before deduction of borrowings)	£213.8m	£241.9m	
Shareholders' funds	£184.8m	£212.1m	
Net asset value per ordinary share (after deducting borrowings at fair value)*	376.8p	432.3p	(12.8)
Share price	360.0p	405.0p	(11.1)
Comparative index (in sterling terms)†			(3.1)
Discount (after deducting borrowings at fair value)*	4.5%	6.3%	

	Six months to 30 April 2014	Six months to 30 April 2013
Revenue earnings per share	(0.05p)	0.86p
Interim dividend per share#	0.50p	0.50p

	Six months to 30 April 2014	Six months to 30 April 2013
<b>Total returns (%)‡</b>		
Net asset value (after deducting borrowings at fair value)	(12.4)	12.3
Share price	(10.8)	14.6
Comparative index (in sterling terms)	(2.2)	17.8

	Six months to 30 April 2014		Year to 31 October 2013	
<b>Period's high and low</b>	<b>High</b>	<b>Low</b>	<b>High</b>	<b>Low</b>
Share price	451.3p	360.0p	409.3p	274.3p
Net asset value (after deducting borrowings at fair value)	465.2p	377.2p	437.1p	310.6p
Premium/(discount) (after deducting borrowings at fair value)	3.5%	(11.3%)	(5.8%)	(15.7%)

### Notes

\* Borrowings are deducted at fair value (the estimate of market worth).

† MSCI All Countries World Index (in sterling terms) until 31 January 2014, thereafter the S&P Citigroup Global Small Cap Index (in sterling terms). The index data has been chain linked to form one comparative index figure.

# See note 5 on page 16.

‡ Source: Morningstar/Thomsons Reuters Datastream.

Past performance is not a guide to future performance.

# Half-Yearly Management Report

## Investment Managers' Review

Following shareholder approval at the Company's recent Annual General Meeting the portfolio has been realigned and is now invested in a broader portfolio of companies at an earlier stage of their development. Since 1 February 2014, the Company has been invested in a diversified portfolio of companies which individually offer significant long term growth potential and typically have a market capitalisation of less than \$5bn at the time of initial investment.

The changes occurred midway through the 6 months to the end of April 2014. Over this period, the Company's net asset value per share fell by 12.8%, which compares to a 3.1% fall in the comparative index\* over the same period. The share price over the six months declined by 11.1% to 360p and ended the period at a 4.5% discount to the Company's net asset value, narrower than the 6.3% discount at the start of the period. The absolute and relative performance of the portfolio over the 6 months was influenced heavily by price falls towards the end of the period, brought about by a largely indiscriminate sell-off in technology and biotech stocks, an area of the market to which the portfolio is exposed. The sell-off was mainly sentiment-led, possibly reflecting some profit taking in areas of the market that had performed well over the past year and likely exacerbated by fund flows. Whilst it is disappointing to be behind the comparative index over this short period, our investment philosophy remains index agnostic and long term, typically with at least a 5 year horizon and often longer, so there will be periods when performance differs notably from the comparative index.

## Investment Philosophy

Most small businesses are destined to stay small given their limited scope for both structural growth and meaningful differentiation. Such businesses constitute the bulk of the smaller companies' universe yet are of no appeal to us. However, what is intriguing about the smaller companies' universe is

that it contains a subset of immature but potentially high growth companies. By identifying attractive growth companies earlier we seek to benefit from growth at an earlier stage in a company's lifecycle and retain ownership of successful companies as they grow and thrive; we see our role as investing in what are potentially the larger companies of the future as opposed to the smaller companies of today.

In refocusing the Company's remit towards the opportunity initially offered by smaller companies, we are looking to concentrate on the part of the market where we believe our analytical effort and the pursuit of genuinely transformational growth can be better exploited. Although the focus at time of initial investment has shifted towards younger, more immature companies, the emphasis on strong growth and the global philosophy that has served the Company well over recent years is retained; in this regard it is notable that 10 of the 38 holdings held at the start of the period were retained, which now make up nearly 20% of the portfolio.

It is important to remember that big successful ideas typically start out as small, tentative and unproven. Early iterations are easy to dismiss as unworkable but experimentation with, and evolution of, an initially raw concept can, over time, yield huge commercial relevance. Our philosophy involves weighing up what is proven and tangible alongside what has promise and long term potential. Integral to this approach is recognising the role of innovation in business development; it provides the fuel for business creation, growth and long term competitive differentiation. Consequently, identifying companies that value innovation, having both a cultural acceptance of it and a means to develop commercial opportunities around it, is fundamental to our investment approach.

The current environment is unprecedented with regard to innovation and the ever increasing role played by technology in both building new businesses and disrupting incumbents. In this more dynamic world, it's the nimble, more innovative

\* MSCI All Countries World Index (in sterling terms) until 31 January 2014, thereafter the S&P Citigroup Global Small Cap Index (in sterling terms). The index data has been chain linked to form one comparative index figure.

Past performance is not a guide to future performance.

smaller businesses that are best positioned to prosper; they lack the bureaucracy of larger incumbents while the technology toolkit now at their disposal has radically changed the trajectory and magnitude of growth that a small business can achieve. Innovation is at its most powerful when it creates novel platforms with wide ranging relevance. While technology platforms can come in many forms they appeal because validation of the initial platform can create emerging winners with a very large and highly scalable opportunity. We would highlight the holding in the biotechnology company Alynlyam as a case in point. Here is a company which is pioneering the development of highly specific gene suppression technology which, given the modular nature of its drug platform, can be customised to treat a wide range of genetically-linked disorders. Another example would be Ocado, which is at the forefront of using automation and digitisation to create a globally-relevant platform for online grocery. All too frequently we believe the market underestimates the long term relevance of platform-based companies as it tends to obsess about their immediate relevance and near-term financial characteristics.

Growth companies, especially those which are young and hard to model, are difficult businesses to value. The wide range of potential outcomes and profitability that is heavily skewed to future years is a combination of uncertainties that many investors struggle with. We do not have all the answers but by approaching the challenge with a genuine long term perspective, accepting a degree of uncertainty, backing robust innovation and entrepreneurial management, we believe we are well positioned to identify the smaller businesses most likely to shape the world in which we live.

### **Dividend**

The Company's objective remains that of generating capital growth and any income received from the underlying holdings is a by-product of this. The revenue loss per share for the period was 0.05p which compares to a revenue gain of 0.86p for the

corresponding period last year reflecting the lower yield on the underlying portfolio. The Directors have declared an unchanged interim dividend of 0.50p per share, however, due to the decline in expected earnings for the year, the amount of any final dividend will be kept under review.

### **Portfolio Activity**

Transactions in the period were dominated by the reorganisation of the portfolio which was substantially completed by 31 January 2014. As mentioned, 10 of the stocks held at the start of the period were retained as part of the broadened investment approach. The retained stocks were Tesla, LinkedIn, TripAdvisor, Splunk, Stratasys, Seattle Genetics, FEI, IP Group, iRobot and China Financial Services. In light of recent performance, we have reviewed the composition and overall positioning of the portfolio and in aggregate are satisfied that the respective investment hypotheses remain intact and that the seemingly indiscriminate sell-off in the more technology-orientated areas of the market has resulted in increased long term investment opportunities. Consequently, we remain geared, with gearing at the end of April standing at 12% compared to 8% six months earlier.

### **Scottish Independence**

The Board is very aware of the issues arising out of the referendum on Scottish Independence on 18 September 2014 and is monitoring developments. The Board understands that in the event of a 'Yes' vote there will be a transitional period in excess of 12 months during which the Board will assess the situation and take any appropriate action.

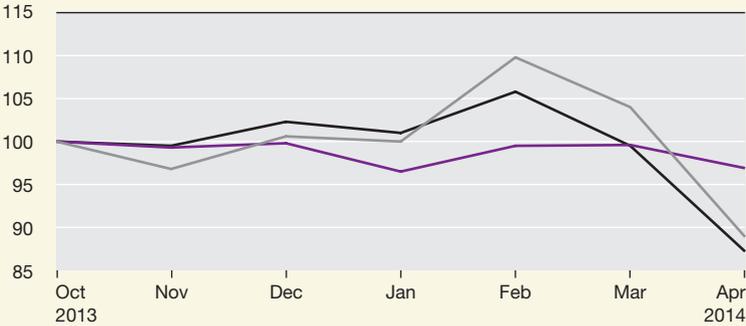
The principal risks and uncertainties facing the Company are set out on the inside front cover of this report.

Baillie Gifford & Co  
6 June 2014

# Six Months Performance and Discount to Net Asset Value

## Six Months Performance

(figures plotted on a monthly basis and rebased to 100 at 31 October 2013)



Source: Thomson Reuters Datastream/Baillie Gifford & Co.

- Comparative index\*
- Share price
- NAV (after deducting borrowings at fair value)

Dividends are not reinvested.

\* S&P Citigroup Global Small Cap Index (in sterling terms). Prior to 1 February 2014 the comparative index was the MSCI All Countries World Index (in sterling terms). For periods commencing prior to this date, the returns on these indices for their retrospective periods are linked together to form a single comparative index.

## Premium/(Discount) to Net Asset Value

(plotted on a weekly basis)



Source: Thomson Reuters Datastream/Baillie Gifford & Co.

- Edinburgh Worldwide premium/(discount) (after deducting borrowings at fair value)

The premium/(discount) is the difference between Edinburgh Worldwide's quoted share price and its underlying net asset value calculated after deducting borrowings at fair value.

Past performance is not a guide to future performance.

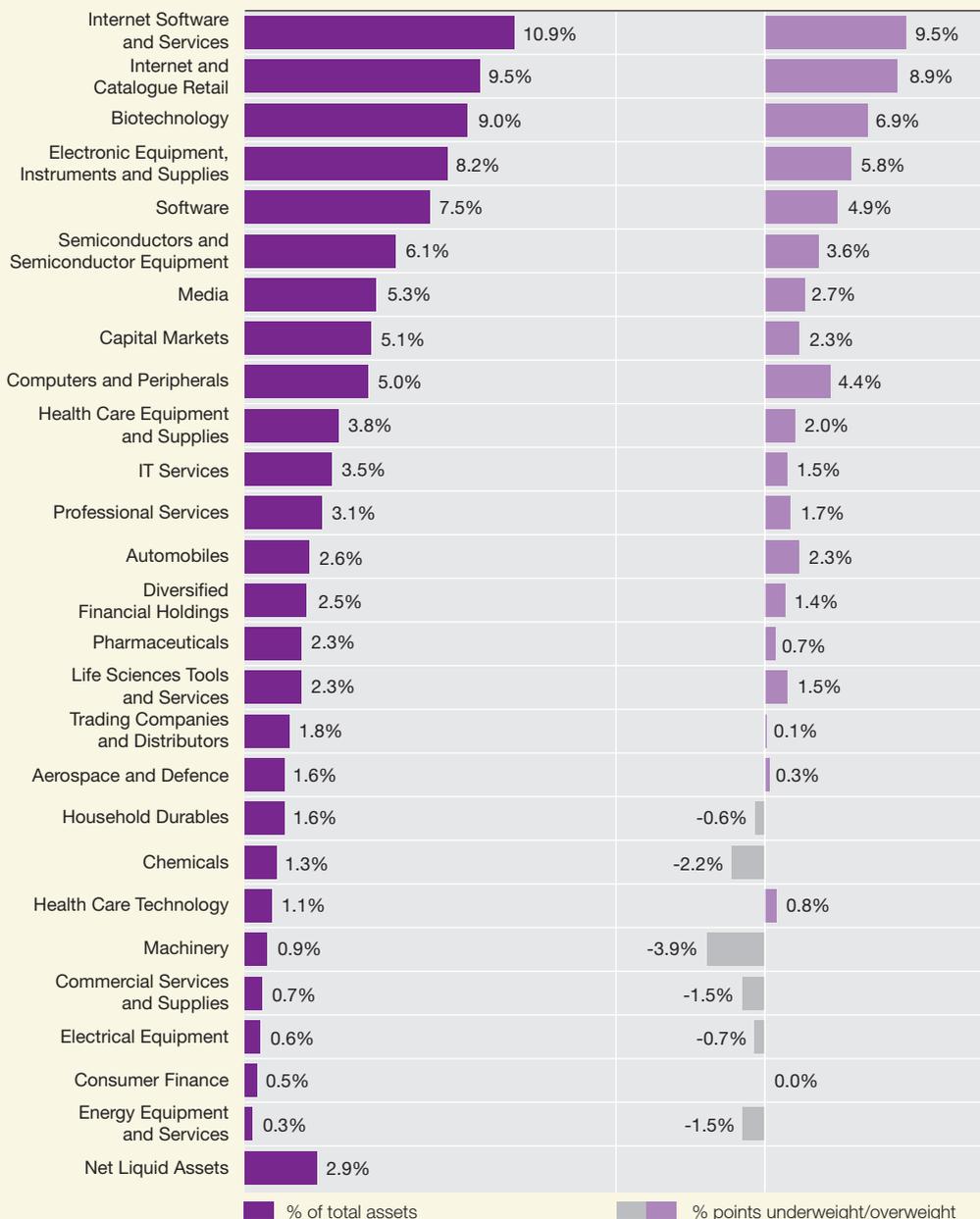
# Distribution of Total Assets\*

At 30 April 2014

Industry Analysis

Portfolio Weightings

(relative to comparative index†)



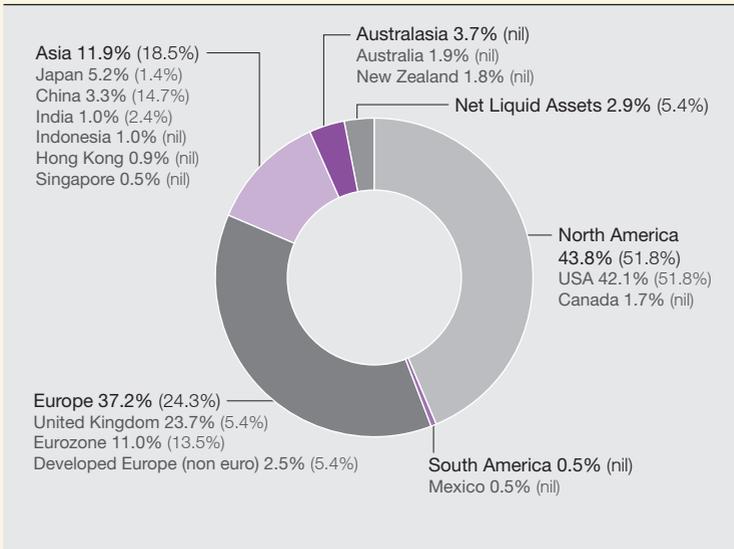
\* Total net assets before deduction of bank loans.

† S&P Citigroup Global Small Cap Index. Weightings exclude industries where the Company has no exposure.

## Distribution of Total Assets\*

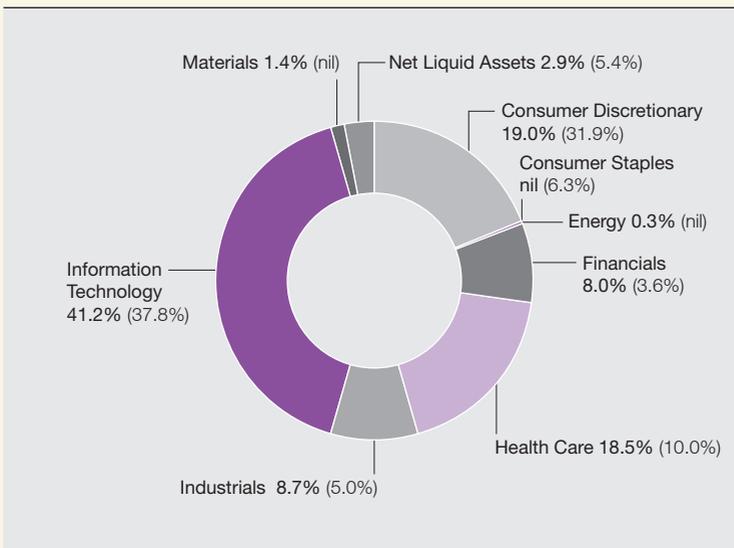
### Geographical Analysis at 30 April 2014

(31 October 2013)



### Sectoral Analysis at 30 April 2014

(31 October 2013)



\* Total net assets before deduction of bank loans.

## Portfolio Performance at 30 April 2014 (unaudited)

Name	Business	Value £'000	% of total assets	Performance†	
				Absolute %	Relative %
IP Group	Intellectual property commercialisation	7,249	3.4	27.5 *	27.2 *
Zillow	US online real estate portal	5,848	2.8	29.8	27.8
Stratasys	3D printer manufacturer	5,828	2.7	(18.3)*	(18.5)*
Tesla Motors	Electric cars	5,526	2.6	24.2 *	23.9 *
Ocado	Online food retailer	5,359	2.6	(34.1)	(35.1)
TripAdvisor	Online travel review platform	5,284	2.5	(7.1)*	(7.3)*
Marketaxess	Electronic bond trading platform	5,266	2.5	(14.3)	(15.6)
Alnylam					
Pharmaceuticals	RNA interference based biotechnology	5,124	2.5	(42.7)	(43.6)
Dexcom	Real time blood glucose monitoring	3,919	1.8	(13.1)	(14.4)
Xaar	Ink jet printing technology	3,896	1.8	(27.3)	(28.4)
Dialog Semiconductor	Analogue chips for mobile phones	3,896	1.8	19.2	17.4
Xero	Cloud-based accounting software	3,857	1.8	(23.0)	(24.2)
Novadaq	Medical systems for intra-surgical				
Technologies	imaging	3,783	1.8	(26.9)	(28.0)
IPG Photonics	Produces high-power fibre lasers				
	and amplifiers	3,741	1.7	(14.3)	(15.6)
Seek	Online recruitment portal	3,670	1.7	38.9	36.7
ASOS	Online fashion retailer	3,631	1.7	(28.8)	(29.9)
IMAX	Film and cinema equipment	3,624	1.7	(7.5)	(8.9)
Opentable	Online restaurant booking platform	3,556	1.7	(16.8)	(18.1)
Aerovironment	Small unmanned aircraft systems	3,438	1.6	14.9	13.2
iRobot	Robot manufacturer	3,383	1.6	(5.9)*	(6.1)*
LinkedIn	Professional networking site	3,297	1.5	(34.7)*	(34.9)*
Morphosys	Antibody development company	3,235	1.5	(7.1)	(8.5)
Seattle Genetics	Antibody conjugates based biotechnology	3,088	1.4	(5.2)*	(5.5)*
FEI	Electron microscopes	3,046	1.4	(14.7)*	(14.9)*
Financial Engines	Investment advisory firm	3,013	1.4	(23.8)	(22.1)
Imagination					
Technologies	Graphics semiconductor designer	2,982	1.4	4.8	3.2
Wirecard	Internet payment and processing services	2,981	1.4	(5.4)	(6.8)
Oxford Instruments	Advanced instrumentation equipment	2,877	1.3	(24.0)	(25.2)
Genomic Health	Genomic-based diagnostic tests				
	for cancer	2,877	1.3	(17.3)	(18.5)
Temenos	Banking software	2,781	1.3	1.5	-
Autonavi	Manufactures map software				
	and products	2,616	1.2	41.8	39.7
Nanoco	Quantum dot manufacturer	2,575	1.2	(15.8)	(16.5)
Renishaw	Measurement and calibration equipment	2,556	1.2	(1.8)	(3.2)
Splunk	Data diagnostics	2,504	1.2	(17.3)*	(17.5)*
Victrex	High-performance thermo-plastics	2,366	1.1	5.8	4.3

## Portfolio and Equity Performance at 30 April 2014 (unaudited)

Name	Business	Value £'000	% of total assets	Performance†	
				Absolute %	Relative %
Bitauto	Chinese automotive website	2,342	1.1	12.1	10.5
Digital Garage	Internet business incubator	2,331	1.1	(48.2)	(49.1)
Next	Provides online property information	2,304	1.1	(14.4)	(15.8)
M3	Online medical database	2,276	1.1	(10.9)	(12.3)
Genus	Animal breeding services	2,234	1.0	(31.3)	(32.4)
Stamps.com	Website for postage services	2,200	1.0	(12.1)	(13.4)
Faro Technologies	Designs and develops measurement devices	2,194	1.0	(25.3)	(26.5)
Rightmove	UK online property portal	2,169	1.0	(4.1)	(5.5)
Angie's List	Household services review website	2,144	1.0	(32.3)	(33.3)
Galapagos	Drug discovery company	2,143	1.0	(11.6)	(12.9)
AKR Corporindo	Distributes chemical products	2,126	1.0	9.6	9.7
Xing	Professional networking	2,124	1.0	12.3	10.7
EPAM Systems	Outsourced software and services	2,111	1.0	(26.3)	(27.5)
Yoox	Online luxury fashion retailer	1,977	0.9	(10.6)	(12.1)
CTS Eventim	Event ticketing and promotion	1,903	0.9	16.0	14.3
AAC Technologies	Miniature acoustic components	1,829	0.9	24.7	22.7
Acacia Research	Patent licensor	1,826	0.9	15.1	13.4
MonotaRO	Distribution of business supplies	1,758	0.8	(8.3)	(9.8)
Start Today	Internet fashion retailer	1,729	0.8	(9.1)	(10.6)
Teradyne	Semiconductor testing equipment	1,569	0.7	(9.8)	(11.1)
Xeros	Commercial laundry manufacturer	1,564	0.7	(16.9)	(14.3)
MakeMyTrip	Indian travel website	1,556	0.7	(3.2)	(4.6)
Cosmo Pharmaceuticals	Therapies for gastrointestinal diseases	1,550	0.7	27.9	29.0
Abcam	Scientific reagent supplier	1,536	0.7	(24.2)	(25.3)
Barco	Designs and develops visualization solutions	1,470	0.7	(2.9)	(4.5)
SDL	Language translation services	1,454	0.7	(14.2)	(15.5)
EXA	Simulation software and services	1,392	0.7	(19.9)	(21.1)
Perform	Commercialises online sports rights	1,381	0.6	(8.3)	(9.6)
Horizon Discovery	Customised cell lines to aid drug discovery	1,350	0.6	2.8	5.2
Zumtobel	Lighting company	1,282	0.6	1.3	(0.3)
Power Integrations	Analogue integrated circuits	1,170	0.5	(22.3)	(23.5)
Genomma Lab	Distributes over-the-counter drugs and personal care products	1,170	0.5	(4.8)	(5.0)
4D Pharma	Biotechnology company	1,138	0.5	80.0	77.7
Thin Film Electronics	Develops printed, rewritable memory media	1,133	0.5	(15.2)	(16.6)

Name	Business	Value £'000	% of total assets	Performance†	
				Absolute %	Relative %
Suss Microtec	Fabrication and inspection equipment	1,120	0.5	0.7	(0.8)
Sarine Technologies	Systems for diamond grading and cutting	1,117	0.5	42.6	40.3
Intralinks	Secure collaboration tools	1,054	0.5	(20.4)	(21.6)
Retroscreen Virology	Outsourced pre-clinical analytical services	978	0.5	(1.0)	(3.4)
China Financial Services	SME lending in China	950	0.5	(6.3)*	(6.5)*
Ricardo	Automotive engineer	927	0.5	3.6	2.1
Medgenics	Therapeutic protein delivery technology	866	0.4	(4.2)	(5.6)
Westport Innovations	Natural gas engine technology	849	0.4	(23.4)	(21.9)
Basware	Software solutions for financial transactions	838	0.4	17.6	15.8
Tissue Regenix	Regenerative medical devices company	799	0.4	22.0	20.1
Oisix	Organic food website	727	0.3	(52.8)	(53.6)
Noah	Distributes wealth management products in China	716	0.3	(7.7)	(9.1)
Summit Corporation	Drug discovery and development company	697	0.3	(1.3)	(1.0)
Velocys	Gas to liquid technology	652	0.3	10.0	8.3
Just Dial	Offers a search engine to users throughout India	643	0.3	(13.9)	(14.6)
Collectis	Biotech focused on genetic engineering	541	0.3	45.6	43.2
GI Dynamics	Develops and markets medical devices	385	0.2	(33.5)	(34.5)
Applied Graphene Materials	Manufactures graphene nanoplatelets	382	0.2	19.5	18.4
Kingdee	Enterprise management software	351	0.2	(21.9)	(23.2)
<b>Total equities</b>		<b>207,699</b>	<b>97.1</b>		
<b>Net liquid assets</b>		<b>6,133</b>	<b>2.9</b>		
<b>Total assets at fair value</b> (before deduction of loans)		<b>213,832</b>	<b>100.0</b>		

† Absolute and relative performance has been calculated on a total return basis over the period 1 November 2013 to 30 April 2014 (performance figures for investments bought during the period are part-period returns – see note below). Absolute performance is in sterling terms; relative performance is against S&P Citigroup Global Small Cap Index (in sterling terms).

\* Investments marked with an asterisk were held at 31 October 2013; the performance for these investments is for the six months to 30 April 2014. All other investments were purchased following the portfolio re-organisation and their performance figures are part-period returns.

Source: Baillie Gifford & Co, StatPro.

Past performance is not a guide to future performance.

## Income Statement (unaudited)

	For the six months ended 30 April 2014		
	Revenue £'000	Capital £'000	Total £'000
Gains on sales of investments	–	103,222	<b>103,222</b>
Movements in investment holding losses/gains	–	(129,385)	<b>(129,385)</b>
Currency gains/(losses)	–	396	<b>396</b>
Income from investments and interest receivable	522	–	<b>522</b>
Investment management fee (note 3)	(181)	(543)	<b>(724)</b>
Other administrative expenses	(217)	–	<b>(217)</b>
<b>Net return before finance costs and taxation</b>	124	(26,310)	<b>(26,186)</b>
Finance costs of borrowings	(96)	(289)	<b>(385)</b>
<b>Net return on ordinary activities before taxation</b>	28	(26,599)	<b>(26,571)</b>
Tax on ordinary activities	(52)	–	<b>(52)</b>
<b>Net return on ordinary activities after taxation</b>	<b>(24)</b>	<b>(26,599)</b>	<b>(26,623)</b>
<b>Net return per ordinary share</b> (note 4)	<b>(0.05p)</b>	<b>(54.28p)</b>	<b>(54.33p)</b>
<b>Dividends paid and proposed per ordinary share</b> (note 5)	<b>0.50p</b>		

The total column of this statement is the profit and loss account of the Company.

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

A Statement of Total Recognised Gains and Losses is not required as all gains and losses of the Company have been reflected in the above statement.

For the six months ended 30 April 2013			For the year ended 31 October 2013		
Revenue £'000	Capital £'000	Total £'000	Revenue £'000	Capital £'000	Total £'000
–	1,120	<b>1,120</b>	–	4,036	<b>4,036</b>
–	18,952	<b>18,952</b>	–	53,698	<b>53,698</b>
–	(732)	<b>(732)</b>	–	(699)	<b>(699)</b>
1,024	–	<b>1,024</b>	1,987	–	<b>1,989</b>
(156)	(469)	<b>(625)</b>	(341)	(1,024)	<b>(1,365)</b>
(231)	–	<b>(231)</b>	(435)	–	<b>(435)</b>
637	18,871	<b>19,508</b>	1,211	56,011	<b>57,222</b>
(99)	(297)	<b>(396)</b>	(200)	(599)	<b>(799)</b>
538	18,574	<b>19,112</b>	1,011	55,412	<b>56,423</b>
(114)	–	<b>(114)</b>	(188)	–	<b>(188)</b>
<b>424</b>	<b>18,574</b>	<b>18,998</b>	<b>823</b>	<b>55,412</b>	<b>56,235</b>
<b>0.86p</b>	<b>37.90p</b>	<b>38.76p</b>	<b>1.68p</b>	<b>113.07p</b>	<b>114.75p</b>
<b>0.50p</b>			<b>2.00p</b>		

## Balance Sheet (unaudited)

	At 30 April 2014 £'000	At 30 April 2013 £'000	At 31 October 2013 £'000
<b>Fixed assets</b>			
Investments held at fair value through profit or loss	207,699	199,931	229,025
<b>Current assets</b>			
Debtors	162	622	715
Cash and short term deposits	6,422	4,984	13,081
	6,584	5,606	13,796
<b>Creditors</b>			
Amounts falling due within one year (note 6)	(29,495)	(222)	(30,675)
<b>Net current (liabilities)/assets</b>	(22,911)	5,384	(16,879)
<b>Total assets less current liabilities</b>	184,788	205,315	212,146
<b>Creditors</b>			
Amounts falling due after more than one year (note 6)	–	(30,161)	–
<b>Total net assets</b>	<b>184,788</b>	<b>175,154</b>	<b>212,146</b>
<b>Capital and reserves</b>			
Called up share capital	2,450	2,450	2,450
Share premium	82,180	82,180	82,180
Special reserve	35,220	35,220	35,220
Capital reserve	63,079	52,840	89,678
Revenue reserve	1,859	2,464	2,618
<b>Shareholders' funds</b>	<b>184,788</b>	<b>175,154</b>	<b>212,146</b>
<b>Net asset value per ordinary share</b> (after deducting borrowings at fair value) (note 6)	<b>376.8p</b>	<b>356.4p</b>	<b>432.3p</b>
<b>Net asset value per ordinary share</b> (after deducting borrowings at par)	<b>377.1p</b>	<b>357.4p</b>	<b>432.9p</b>
<b>Ordinary shares in issue</b> (note 7)	<b>49,004,319</b>	<b>49,004,319</b>	<b>49,004,319</b>

## Reconciliation of Movements in Shareholders' Funds (unaudited)

### For the six months ended 30 April 2014

	Called up share capital £'000	Share premium £'000	Special reserve £'000	Capital reserve* £'000	Revenue reserve £'000	Shareholders' funds £'000
Shareholders' funds at 1 November 2013	2,450	82,180	35,220	89,678	2,618	<b>212,146</b>
Net return on ordinary activities after taxation	–	–	–	(26,599)	(24)	<b>(26,623)</b>
Dividends paid during the period (note 5)	–	–	–	–	(735)	<b>(735)</b>
<b>Shareholders' funds at 30 April 2014</b>	<b>2,450</b>	<b>82,180</b>	<b>35,220</b>	<b>63,079</b>	<b>1,859</b>	<b>184,788</b>

### For the six months ended 30 April 2013

	Called up share capital £'000	Share premium £'000	Special reserve £'000	Capital reserve* £'000	Revenue reserve £'000	Shareholders' funds £'000
Shareholders' funds at 1 November 2012	2,450	82,180	35,220	34,266	2,775	<b>156,891</b>
Net return on ordinary activities after taxation	–	–	–	18,574	424	<b>18,998</b>
Dividends paid during the period (note 5)	–	–	–	–	(735)	<b>(735)</b>
<b>Shareholders' funds at 30 April 2013</b>	<b>2,450</b>	<b>82,180</b>	<b>35,220</b>	<b>52,840</b>	<b>2,464</b>	<b>175,154</b>

### For the year ended 31 October 2013

	Called up share capital £'000	Share premium £'000	Special reserve £'000	Capital reserve* £'000	Revenue reserve £'000	Shareholders' funds £'000
Shareholders' funds at 1 November 2012	2,450	82,180	35,220	34,266	2,775	<b>156,891</b>
Net return on ordinary activities after taxation	–	–	–	55,412	823	<b>56,235</b>
Dividends paid during the year (note 5)	–	–	–	–	(980)	<b>(980)</b>
<b>Shareholders' funds at 31 October 2013</b>	<b>2,450</b>	<b>82,180</b>	<b>35,220</b>	<b>89,678</b>	<b>2,618</b>	<b>212,146</b>

\* The Capital reserve as at 30 April 2014 includes investment holding losses of £16,387,000 (30 April 2013 – gains of £78,253,000 and 31 October 2013 – gains of £112,998,000).

## Condensed Cash Flow Statement (unaudited)

	Six months to 30 April 2014 £'000	Six months to 30 April 2013 £'000	Year to 31 October 2013 £'000
Net cash (outflow)/inflow from operating activities	(518)	(264)	365
Net cash outflow from servicing of finance	(389)	(394)	(801)
Total tax paid	(51)	(110)	(199)
Net cash (outflow)/inflow from financial investment	(4,966)	3,130	11,339
Equity dividends paid (note 5)	(735)	(735)	(980)
<b>(Decrease)/increase in cash</b>	<b>(6,659)</b>	<b>1,627</b>	<b>9,724</b>
<b>Reconciliation of net cash (outflow)/inflow to movement in net debt</b>			
(Decrease)/increase in cash in the period	(6,659)	1,627	9,724
Exchange movement on bank loans	779	(843)	(505)
<b>Movement in net debt in the period</b>	<b>(5,880)</b>	<b>784</b>	<b>9,219</b>
<b>Net debt at start of the period</b>	<b>(16,742)</b>	<b>(25,961)</b>	<b>(25,961)</b>
<b>Net debt at end of the period</b>	<b>(22,622)</b>	<b>(25,177)</b>	<b>(16,742)</b>

## Reconciliation of net return before finance costs and taxation to net cash (outflow)/inflow from operating activities

	Six months to 30 April 2014 £'000	Six months to 30 April 2013 £'000	Year to 31 October 2013 £'000
Net return before finance costs and taxation	(26,186)	19,508	57,222
Losses/(gains) on investments	26,163	(20,072)	(57,734)
Currency (gains)/losses	(396)	732	699
Changes in debtors and creditors	(99)	(432)	178
<b>Net cash (outflow)/inflow from operating activities</b>	<b>(518)</b>	<b>(264)</b>	<b>365</b>

## Notes to the Condensed Financial Statements (unaudited)

- 1 The condensed financial statements for the six months to 30 April 2014 comprise the statements set out on pages 10 to 14 together with the related notes on pages 15 and 16. They have been prepared on the basis of the same accounting policies as set out in the Company's Annual Report and Financial Statements at 31 October 2013 and in accordance with the ASB's Statement 'Half-Yearly Financial Reports' and have not been audited or reviewed by the Auditors pursuant to the Auditing Practices Board Guidance on 'Review of Interim Financial Information'.

The Company's assets, the majority of which are investments in quoted securities which are readily realisable, exceed its liabilities significantly. All borrowings require the prior approval of the Board. Gearing levels and compliance with borrowing covenants are reviewed by the Board on a regular basis. Accordingly the financial statements have been prepared on the going concern basis as it is the Directors' opinion that the Company will continue in operational existence for the foreseeable future.

- 2 The financial information contained within this Half-Yearly Financial Report does not constitute statutory accounts as defined in sections 434 to 436 of the Companies Act 2006. The financial information for the year ended 31 October 2013 has been extracted from the statutory accounts which have been filed with the Registrar of Companies. The Auditors' Report on those accounts was not qualified and did not contain a statement under sections 498(2) or (3) of the Companies Act 2006.

- 3 Baillie Gifford & Co are appointed as Managers and Secretaries. The management agreement is terminable on not less than three months' notice. With effect from 1 April 2013 the annual management fee became 0.95% on the first £50m of net assets and 0.65% on the remaining net assets, calculated quarterly. The fee previously was 0.8% per annum of the market value of the Company's shares, calculated quarterly, plus a performance fee. No performance fee was payable for the period to 31 March 2013 and none is payable under the new arrangements.

Until 31 March 2013, the Company paid a secretarial fee to Baillie Gifford which was adjusted annually in line with the Retail Price Index. The secretarial fee for the five months to 31 March 2013 was £34,000.

	Six months to 30 April 2014 £'000	Six months to 30 April 2013 £'000	Year to 31 October 2013 £'000
<b>4 Net return per ordinary share</b>			
Revenue return on ordinary activities after taxation	(24)	424	823
Capital return on ordinary activities after taxation	(26,599)	18,574	55,412
<b>Total return</b>	<b>(26,623)</b>	<b>18,998</b>	<b>56,235</b>

Net return per ordinary share is based on the above totals of revenue and capital and on 49,004,319 ordinary shares, being the number of ordinary shares in issue during each period. There are no dilutive or potentially dilutive shares in issue.

## Notes to the Condensed Financial Statements (unaudited)

	Six months to 30 April 2014 £'000	Six months to 30 April 2013 £'000	Year to 31 October 2013 £'000
<b>5 Dividends</b>			
<b>Amounts recognised as distributions in the period:</b>			
Previous year's final dividend of 1.50p (2012 – 1.50p), paid 6 February 2014	735	735	735
Interim dividend for the year ended 31 October 2013 paid 18 July 2013	–	–	245
	<b>735</b>	<b>735</b>	<b>980</b>
<b>Paid and proposed in respect of the financial period:</b>			
Interim dividend for the year ending 31 October 2014 of 0.50p (2013 – 0.50p)	245	245	245
Final dividend (31 October 2013 – 1.50p)	–	–	735
	<b>245</b>	<b>245</b>	<b>980</b>

The interim dividend was declared after the period end date and has therefore not been included as a liability in the balance sheet. It is payable on 17 July 2014 to shareholders on the register at the close of business on 20 June 2014. The ex-dividend date is 18 June 2014. The registrars offer a dividend reinvestment plan. The final date for the receipt of elections for the dividend reinvestment plan is 26 June 2014.

- 6** Creditors include borrowings of £29,044,000 (30 April 2013 – £30,161,000 and 31 October 2013 – £29,823,000) drawn down under a three year fixed rate loan facility expiring on 30 September 2014 in loans of €11.4m, US\$16.35m and £10.0m (30 April 2013 – same; 31 October 2013 – same). The fair value of the bank loans at 30 April 2014 was £29,179,000 (30 April 2013 – £30,647,000; 31 October 2013 – £30,117,000).
- 7** The Company has authority to buy back its ordinary shares. In the six months to 30 April 2014 no ordinary shares were bought back therefore the Company's authority remains unchanged at 7,345,747 ordinary shares.
- 8** During the period the Company incurred transaction costs on purchases of investments of £351,000 (30 April 2013 – £27,000; 31 October 2013 – £55,000) and transaction costs on sales of £118,000 (30 April 2013 – £21,000; 31 October 2013 – £34,000).
- 9** None of the views expressed in this document should be construed as advice to buy or sell a particular investment.

## Further Shareholder Information

Edinburgh Worldwide's shares are traded on the London Stock Exchange. They can be bought through a stockbroker, by asking a professional adviser to do so, or through the Baillie Gifford savings vehicles.

### Baillie Gifford's Investment Trust Share Plan

You can invest a minimum of £250 or from £30 per month. The plan is designed to be a cost-effective way of saving on a regular or lump sum basis.

### Baillie Gifford's Investment Trust ISA

You can invest in a tax efficient way by investing a minimum of £2,000 or from £100 per month or by transferring an ISA with a value of at least £2,000 from your existing manager.

### Baillie Gifford's Children's Savings Plan

A cost-effective plan tailored especially to meet the requirements to save for children. You can invest a minimum of £100 or from £25 per month.

### Online Management Service

You can open and manage your Share Plan, Children's Savings Plan\* and/or ISA online, through our secure Online Management Service (OMS) which can be accessed through the Baillie Gifford website at [www.bailliegifford.com/OMS](http://www.bailliegifford.com/OMS). As well as being able to view the details of your plan online, the service also allows you to:

- obtain current valuations;
- make lump sum investments, except where there is more than one holder;
- sell part or all of your holdings, except where there is more than one holder;
- switch between investment trusts, except where there is more than one holder; and
- update certain personal details e.g. address and telephone number.

\* Please note that a Bare Trust cannot be opened via OMS. A Bare Trust application form must be completed.

The information about the ISA, Share Plan and Children's Savings Plan has been approved by Baillie Gifford Savings Management Limited ('BGSM'). BGSM is the ISA Manager and the

Manager of the Share Plan and Children's Savings Plan. BGSM is wholly owned by Baillie Gifford & Co. Both are authorised and regulated by the Financial Conduct Authority and both are based at Calton Square, 1 Greenside Row, Edinburgh EH1 3AN. Baillie Gifford only provides information about its products and does not provide investment advice. The staff of Baillie Gifford and Edinburgh Worldwide's Directors may hold shares in Edinburgh Worldwide and may buy or sell such shares from time to time.

### Dividend Reinvestment Plan

Computershare operate a Dividend Reinvestment Plan which can be used to buy additional shares instead of receiving your dividend via cheque or into your bank account. For further information, log on to [www.investorcentre.co.uk](http://www.investorcentre.co.uk) and follow the instructions, or telephone 0870 707 1694.

### Risk Warnings

Past performance is not a guide to future performance.

Edinburgh Worldwide is a UK listed company. As a result, the value of its shares and any income from those shares can fall as well as rise and you may not get back the amount invested. You should view your investment as long term.

As Edinburgh Worldwide invests in overseas securities changes in the rates of exchange may also cause the value of your investment (and any income it may pay) to go down or up.

Edinburgh Worldwide invests in emerging markets where difficulties in dealing, settlement and custody could arise resulting in a negative impact on the value of your investment.

Edinburgh Worldwide has borrowed money to make further investments (sometimes known as 'gearing'). The risk is that when this money is repaid by the Company, the value of the investments may not be enough to cover the borrowing and interest costs, and the Company will make a loss. If the Company's investments fall in value, any borrowings will increase the amount of this loss.

*(Risk Warnings continued on next page)*

## Risk Warnings (continued)

Edinburgh Worldwide can buy back its own shares. The risks from borrowing, referred to above, are increased when the Company buys back its shares.

Market values for securities which have become difficult to trade may not be readily available, and there can be no assurance that any value assigned to such securities will accurately reflect the price the Company might receive upon their sale.

The Company invests in smaller companies which are generally considered higher risk as changes in their share prices may be greater and the shares may be harder to sell. Smaller companies may do less well in periods of unfavourable economic conditions.

Edinburgh Worldwide can make use of derivatives. The use of derivatives may impact on its performance.

Edinburgh Worldwide charges 75% of the investment management fee and 75% of borrowing costs to capital which reduces the capital value. Also, where income is low, the remaining expenses may be greater than the total income received, meaning the Company may not pay a dividend and the capital value would be further reduced.

As the aim of the Company is to achieve capital growth you should not expect a significant, or steady, annual income from the Company.

You should note that tax rates and reliefs may change at any time and their value depends on your circumstances.

The favourable tax treatment of ISAs may change.

The Company is listed on the London Stock Exchange and is not authorised or regulated by the Financial Conduct Authority.

Details of other risks that apply to investment in the savings vehicles shown on page 17 are contained in the product brochures.

Further details of the risks associated with investing in the Company, including how charges are applied, can be found at [www.edinburghworldwide.co.uk](http://www.edinburghworldwide.co.uk), or by calling Baillie Gifford on 0800 917 2112.

The information and opinions expressed within this half-yearly financial report are subject to change without notice. This information has been issued and approved by Baillie Gifford & Co and does not in any way constitute investment advice.

## Directors

Chairman:  
DHL Reid

DAJ Cameron  
WJ Ducas  
H James  
HCT Strutt

## Managers, Secretaries and Registered Office

Baillie Gifford & Co  
Calton Square  
1 Greenside Row  
Edinburgh  
EH1 3AN  
Tel: 0131 275 2000  
[www.bailliegifford.com](http://www.bailliegifford.com)

## Registrar

Computershare  
Investor Services PLC  
The Pavilions  
Bridgwater Road  
Bristol BS99 6ZZ  
Tel: 0870 707 1643

## Banker

RBC Investor Services

## Company Broker

JP Morgan Cazenove  
10 Aldermanbury  
London  
EC2V 7RF

## Auditor

KPMG LLP  
Saltire Court  
20 Castle Terrace  
Edinburgh  
EH1 2EG

## Company Details

[www.edinburghworldwide.co.uk](http://www.edinburghworldwide.co.uk)  
Company Registration  
No. SC184775  
ISIN GB0002916335  
Sedol 0291633  
Ticker EWI

## Further Information

Client Relations Team  
Baillie Gifford Savings  
Management Limited  
Calton Square  
1 Greenside Row  
Edinburgh  
EH1 3AN

Tel: 0800 917 2112  
Your call may be recorded  
E-mail:  
[trustenquiries@bailliegifford.com](mailto:trustenquiries@bailliegifford.com)  
Fax: 0131 275 3955