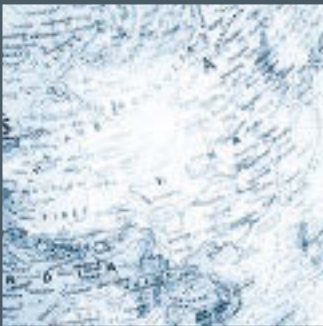


# EDINBURGH WORLDWIDE INVESTMENT TRUST plc

---



Interim Financial Report  
30 April 2016





## 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 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.

\* Formerly named S&P Citigroup Global Small Cap Index.

## Principal Risks and Uncertainties

The principal risks facing the Company are financial risk, regulatory risk, custody and depositary risk, small company risk, operational risk, discount/premium volatility and leverage risk. An explanation of these risks and how they are managed is set out on pages 7 and 8 of the Company's Annual Report and Financial Statements for the year to 31 October 2015 which is available on the Company's website: [www.edinburghworldwide.co.uk](http://www.edinburghworldwide.co.uk). The principal risks and uncertainties have not changed since the date of that 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 FRS 104 'Interim Financial Reporting';
- b) the Interim 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 Interim 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  
9 June 2016

## Summary of Unaudited Results

	30 April 2016	31 October 2015 (audited)	% change
Total assets (before deduction of loans)	£261.9m	£258.2m	
Loans	£32.3m	£30.8m	
Shareholders' funds	£229.6m	£227.4m	
Net asset value per ordinary share (after deducting borrowings at fair value)*	466.74p	462.74p	0.9
Share price	443.13p	438.00p	1.2
Comparative index (in sterling terms)†	327.39	310.10	5.6
Discount (after deducting borrowings at fair value)*	(5.1%)	(5.3%)	
Active share#	99%	98%	

	Six months to 30 April 2016	Six months to 30 April 2015
Revenue earnings per share	(0.35p)	(0.31p)
Interim dividend per share	–	–

	Six months to 30 April 2016	Six months to 30 April 2015
<b>Total returns (%)‡</b>		
Net asset value (after deducting borrowings at fair value)	0.9	15.5
Share price	1.2	18.1
Comparative index (in sterling terms)	6.6	11.4

	Six months to 30 April 2016		Year to 31 October 2015	
<b>Period's high and low</b>	<b>High</b>	<b>Low</b>	<b>High</b>	<b>Low</b>
Share price	466.00p	378.00p	500.50p	382.00p
Net asset value (after deducting borrowings at fair value)	504.29p	391.76p	518.89p	414.20p
(Discount)/premium (after deducting borrowings at fair value)	(1.1%)	(12.9%)	(0.9%)	(13.2%)

### Notes

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

† S&P Global Small Cap Index (in sterling terms).

# Active share, a measure of how actively a portfolio is managed, is the percentage of the portfolio that differs from its comparative index. It is calculated by deducting from 100 the percentage of the portfolio that overlaps with the comparative index. An active share of 100 indicates no overlap with the index and an active share of zero indicates a portfolio that tracks the index.

‡ Source: Morningstar/Thomsons Reuters Datastream.

Past performance is not a guide to future performance.

# Interim Management Report

## Performance

Over the six months from 31 October 2015 to 30 April 2016, the Trust's net asset value per share increased by 0.9%, which compares to a rise of 5.6% in the S&P Global Smaller Companies Index over the same period. The share price over the six months rose by 1.2% to 443.13p representing a discount of 5.1% to the net asset value at 30 April 2016. This is slightly narrower than the discount of 5.3% at the beginning of the period.

The six month period to end of April 2016 captured a number of elements that negatively impacted on the performance of the Trust. Most notably, there was a pronounced spike in share price volatility and an increase in investor risk aversion in the first few weeks of the calendar year. As we have seen before, such periods can create short term headwinds for the Trust as younger less mature businesses, to which the portfolio is skewed, tend to suffer disproportionately; this trend was most noticeable in the de-rating of several of the Trust's US biotechnology and healthcare holdings. Pin-pointing the root cause of market angst is difficult but our sense is that stock markets are grappling with the broad outlook for global growth in an environment where central bank stimulus is being removed and the Chinese economy appears to be slowing. Whilst markets have recovered off their February lows, we would characterise the near term investment environment as one where both macro and geopolitical concerns are likely to be a key determinant of broad stock market direction and volatility. While smaller, less mature businesses to which the Trust is exposed are not operationally immune from the broader economic environment, we have long believed that their success (or failure) is most heavily influenced by their own actions; while stock markets fret, the most dynamic management teams continue with building an interesting and viable business.

## Portfolio Update

Whilst the performance of the Trust lagged behind the comparative index over the 6 months to April we have been broadly happy with the operational

performance of the vast majority of the holdings. Notably, the top ten largest positive stock contributors to performance over the 6 months delivered an average sterling share price return of over 50%. This is indicative of the potential to identify attractive stock specific opportunities despite a market backdrop that has been challenging for younger, less developed businesses.

Positive contributions were made from several of the Trust's larger positions. MarketAxess, an electronic bond trading platform, continued to take an increasing amount of share in the trading of US investment grade bonds and we are encouraged that the business is beginning to broaden its platform into other illiquid asset classes such as high yield, municipal bonds and emerging market debt. We sense that the network effects are really starting to build to the advantage of MarketAxess and we are intrigued by the possibility that an efficient bond trading platform might provide a mechanism to increase overall bond volumes in the secondary market; a development which could significantly increase the addressable opportunity for MarketAxess. Tesla unveiled its Model 3 electric vehicle to the world and has already taken approaching 400,000 pre-orders. With a base price expected to be around \$35,000, the Model 3 is Tesla's opening shot in the electrification of mass market vehicles. The aura that Tesla has created with its premium, technology-laden Model S and X cars clearly resonates with a broad audience and the strength of the pre-orders effectively destroys the negative argument that consumers are not accepting of fully electric vehicles. The investment case with Tesla is morphing from one based on pioneering a disruptive product to one where scalability, manufacturing excellence and the company's vertically integrated approach will be key determinants of future success; the challenge is evolving but we feel the competitive differentiation is becoming much clearer and more durable.

Detractors to performance included several of our healthcare focused holdings, such as the gene-silencing company Alnylam Pharmaceuticals

Past performance is not a guide to future performance.

and real-time blood glucose monitoring company Dexcom. In both cases we think the share price falls were unjustified given the significant progress the companies have made and the large audience of potential beneficiaries they are looking to address. The holding in LinkedIn impacted negatively on performance after the company reduced its profit guidance for 2016. The core recruiting business within LinkedIn continues to perform well but our hopes that the platform could evolve to support more targeted advertising have yet to be demonstrated.

We acquired a number of new holdings in the period including an additional unlisted investment in the travel comparison and booking website Skyscanner, taking our current number of unlisted investments to three. Skyscanner's business model is based on direct, bespoke links to airlines and hotels, which allows it to offer both its users and suppliers a cost effective, efficient way to make and receive travel bookings. With much of the power and profitability in online travel having migrated to online agents and their associated networks, we believe that Skyscanner's proposition has appeal to the airline and hotel owners. The characteristics of efficient digital distribution, as seen in Skyscanner, have parallels in another of the Trust's new holding LendingTree, a company that is emerging as an important facilitator for US consumers to access financial products. The core product is mortgages but it is making very strong progress in broadening the offering to personal loans, credit cards, auto finance and student loans. As lenders increasingly recognise the commoditised nature of their product and accept that their consumers will likely find them through digital channels, we think the role played by an aggregator, such as LendingTree, is of increasing importance to both lenders and borrowers. As the business scales and builds on its emerging competitive strengths we see significant potential for an improvement on its mid-teens margin structure. The Trust also took a new holding in Pacira Pharmaceutical, a US biotechnology company that has developed a proprietary drug delivery

technology that enables slow controlled release, potentially extending the drug's active life from just a few hours to several days or weeks. Initial applications of the technology have been directed to reformulating existing surgical anaesthetics which have limitations owing to their short duration of action. Early data appears to be encouraging and indicates that Pacira's technology allows significant improvements in pain relief and, importantly, much lower reliance on it when used post-operatively (potentially enabling some surgical procedures to shift to the out-patient setting). We see significant potential for the current near-term anaesthesia opportunities to expand and believe longer term opportunities exist in reformulating additional drug compounds.

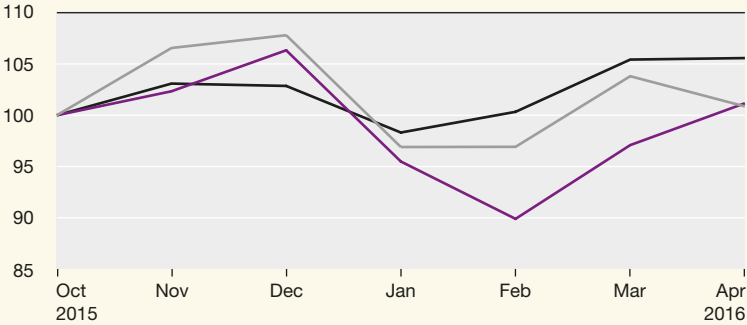
The relatively small holdings in Medgenics, MakeMyTrip, Noah Holdings and BitAuto were sold in the period.

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

# Six Months Performance and Discount to Net Asset Value (unaudited)

## Six Months Performance

(figures plotted on a monthly basis and rebased to 100 at 31 October 2015)



Source: Thomson Reuters Datastream/Baillie Gifford.

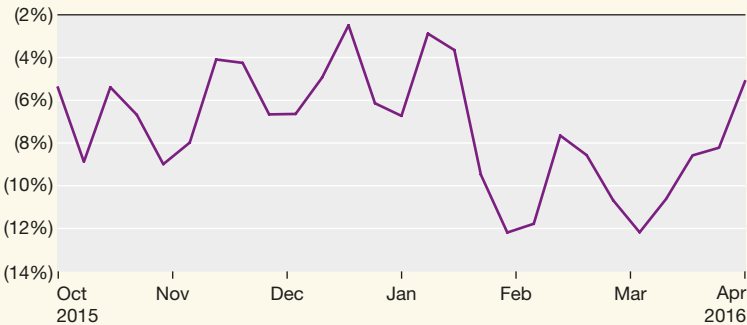
- Share price
- NAV (after deducting borrowings at fair value)
- Comparative index\*

Dividends are not reinvested.

\* S&P Global Small Cap Index (in sterling terms).

## Premium/(Discount) to Net Asset Value

(plotted on a weekly basis)



Source: Thomson Reuters Datastream/Baillie Gifford.

— 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.

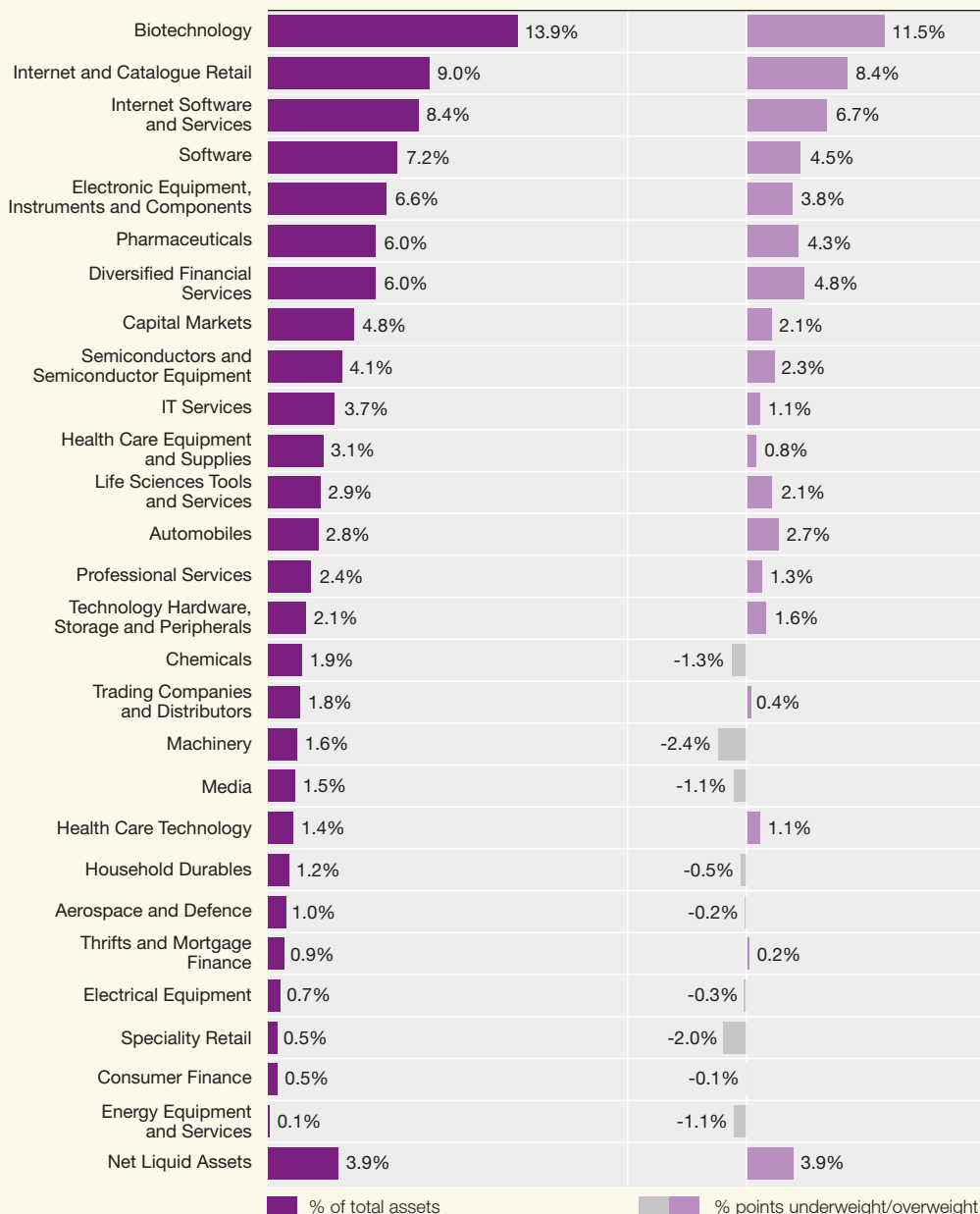
## Distribution of Total Assets\* (unaudited)

At 30 April 2016

Industry Analysis

Portfolio Weightings

(relative to comparative index†)



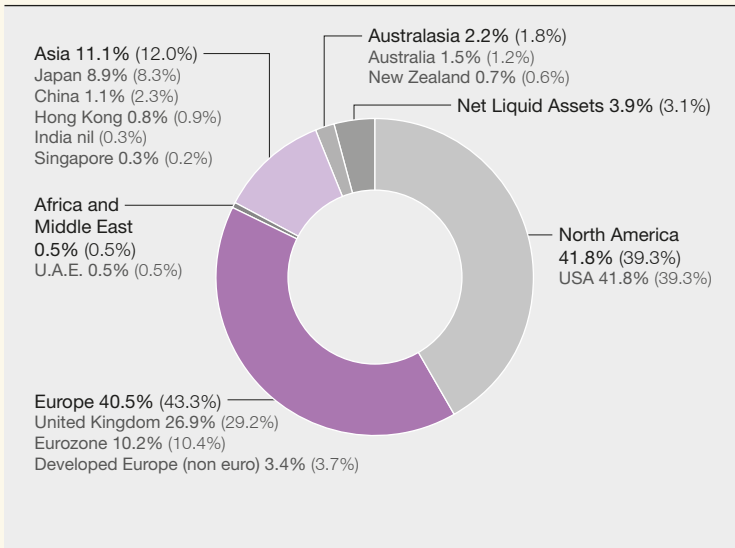
\* Total assets before deduction of loans.

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

## Distribution of Total Assets\* (unaudited)

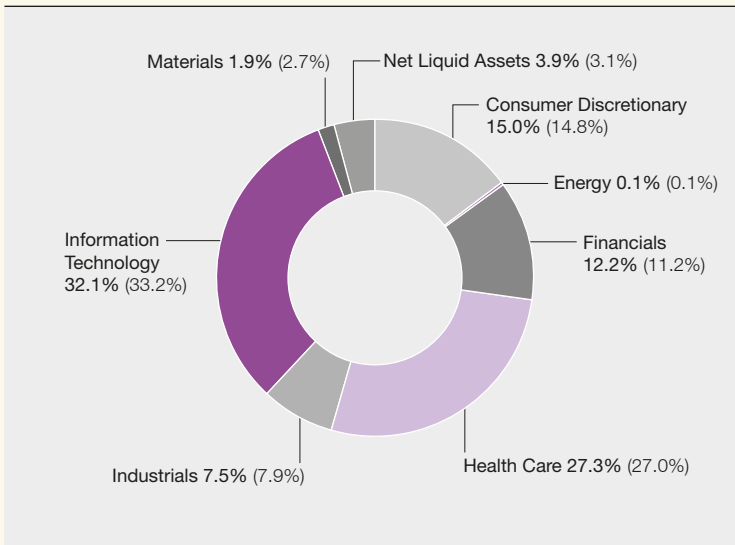
### Geographical Analysis at 30 April 2016

(31 October 2015)



### Sectoral Analysis at 30 April 2016

(31 October 2015)



\* Total assets before deduction of loans.



## Portfolio and Equity Performance at 30 April 2016 (unaudited)

Name	Business	Value £'000	% of total assets	Performance†	
				Absolute %	Relative %
MarketAxess	Electronic bond trading platform	13,839	5.3	28.2	20.3
4D Pharma	Bacteria derived novel therapeutics	9,668	3.7	17.0	9.8
Alnylam Pharmaceuticals	Therapeutic gene silencing	8,451	3.2	(17.7)	(22.8)
IP Group	Intellectual property commercialisation	8,427	3.2	(27.7)	(32.2)
Tesla Motors	Electric cars	7,377	2.8	22.7	15.1
Stamps.com	Website for postage services	6,031	2.3	14.8	7.7
IPG Photonics	High-power fibre lasers	5,781	2.2	10.6	3.8
Ocado	Online food retailer	5,306	2.0	(21.5)	(26.4)
TripAdvisor	Online travel review platform	4,872	1.9	(18.7)	(23.7)
EPAM Systems	Outsourced software and services	4,714	1.8	(0.6)	(6.8)
MonotaRO	Online business supplies	4,581	1.8	27.6	19.7
Financial Engines	Investment advisory firm	4,178	1.6	6.0	(0.6)
Next	Provides online property information	3,960	1.5	65.3	55.1
Cosmo Pharmaceuticals	Therapies for gastrointestinal diseases	3,765	1.4	13.1	6.1
Genmab	Therapeutic antibody company	3,640	1.4	58.1	48.3
SEEK	Online recruitment portal	3,407	1.3	45.8	36.8
Genus	Animal breeding services	3,305	1.3	4.6	(1.9)
Xeros Technology Group	Commercial laundry manufacturer	3,267	1.3	(20.6)	(25.5)
M3	Online medical database	3,265	1.2	52.2	42.8
Temenos	Banking software	3,238	1.2	16.6	9.4
Dexcom	Real time blood glucose monitoring	3,205	1.2	(18.5)	(23.6)
Novadaq Technologies	Medical systems for intra-surgical imaging	3,113	1.2	(9.5)	(15.1)
iRobot	Domestic and military robots	3,079	1.2	31.3	23.2
Oxford Nanopore Technologies#	Novel DNA sequencing technology	3,000	1.1	0.0	(6.2)
Zillow Class C	US online real estate portal	2,981	1.1	(8.5)	(14.1)
Start Today	Internet fashion retailer	2,943	1.1	36.1	27.7
Wayfair	Online furniture and homeware retailer	2,846	1.1	(5.4)	(11.2)
Cellectis	Biotech focused on genetic engineering	2,826	1.1	10.1	3.3
Xaar	Ink jet printing technology	2,783	1.1	(5.1)	(11.0)
Splunk	Data diagnostics	2,749	1.1	(2.4)	(8.5)
Seattle Genetics	Antibody conjugates based biotechnology	2,748	1.1	(9.8)	(15.4)
Aerovironment	Small unmanned aircraft systems	2,696	1.0	32.2	24.0
Renishaw	Measurement and calibration equipment	2,667	1.0	1.0	(5.2)
Rightmove	UK online property portal	2,661	1.0	0.5	(5.7)
Xing	Professional networking	2,601	1.0	0.8	(5.4)
Dialog Semiconductor	Analogue chips for mobile phones	2,540	1.0	(1.4)	(7.5)
Digital Garage	Internet business incubator	2,515	1.0	37.2	28.7
LinkedIn	Professional networking site	2,504	1.0	(45.2)	(48.5)
ASOS	Online fashion retailer	2,445	0.9	10.5	3.7
Galapagos	Clinical stage biotechnology company	2,396	0.9	(1.4)	(7.5)
Imagination Technologies	Graphics semiconductor designer	2,356	0.9	(29.7)	(34.0)

## Portfolio and Equity Performance at 30 April 2016 (unaudited)

Name	Business	Value £'000	% of total assets	Performance†	
				Absolute %	Relative %
Peptidream	Drug discovery platform	2,353	0.9	165.0	148.7
Wirecard	Internet payment and processing services	2,328	0.9	(12.2)	(17.6)
LendingTree	Online loan marketplace	2,262	0.9	59.9 *	44.0 *
Morphosys	Therapeutic antibodies	2,190	0.8	(15.1)	(20.4)
AAC Technologies	Miniature acoustic components	2,168	0.8	15.1	8.0
Puretech Health	IP commercialisation focused on health care	2,140	0.8	(15.9)	(21.1)
National Instruments Corp	Instrumentation equipment used in research and testing	2,059	0.8	(3.5)	(9.4)
Basware	Software solutions for financial transactions	2,034	0.8	11.7	4.8
Skyscanner#	Flight metasearch platform	2,000	0.8	0.0 *	(2.5)*
GrubHub	Online and mobile platform for restaurant pick-up and delivery orders	1,968	0.8	17.6	10.4
SDL	Language translation services	1,957	0.7	4.5	(2.0)
Exa	Simulation software and services	1,941	0.7	43.2	34.3
Teradyne	Semiconductor testing equipment manufacturer	1,935	0.7	2.7	(3.7)
Stratasys	3D printer manufacturer	1,914	0.7	1.2	(5.1)
On Deck Capital	Provider of capital finance to businesses	1,912	0.7	24.9 *	18.6 *
Abcam	Scientific reagent supplier	1,887	0.7	(0.3)	(6.5)
Tissue Regenix	Regenerative medical devices	1,869	0.7	11.3	4.4
Yoox Net-A-Porter	Online luxury fashion retailer	1,862	0.7	(9.4)	(15.0)
Horizon Discovery	Customised cell lines to aid drug discovery	1,853	0.7	41.8	33.0
Pacira Pharmaceutical	Development, commercialisation and manufacturing of proprietary pharmaceutical products	1,847	0.7	(12.5)*	(11.1)*
Xero	Cloud-based accounting software	1,844	0.7	11.7	4.8
Avacta Group	Analytical reagents and instrumentation	1,811	0.7	(16.4)	(21.5)
Victrex	High-performance thermo-plastics	1,780	0.7	(22.5)	(27.3)
Ellie Mae	Provides technology solutions to automate mortgage origination process	1,712	0.7	(5.1)*	(8.9)*
Kingdee International Software	Enterprise management software	1,693	0.6	(17.0)	(22.1)
Infomart Corp	Internet platform for restaurant supplies	1,688	0.6	2.7	(3.6)
Barco	Designs and develops visualisation solutions	1,593	0.6	11.6	4.7
Zillow Class A	US online real estate portal	1,550	0.6	(14.4)	(19.7)
Faro Technologies	Designs and develops measurement devices	1,543	0.6	(9.5)	(15.1)
hVIVO (formerly Retroscreen Virology)	Outsourced pre-clinical analytical services	1,507	0.6	(23.7)	(28.4)
Oxford Instruments	Produces advanced instrumentation equipment	1,457	0.6	27.1	19.2
Suss Microtec	Fabrication and inspection equipment	1,443	0.6	47.0	37.9
Power Integrations	Analogue integrated circuits	1,379	0.5	1.0	(5.3)
Souq Group#	Middle East e-commerce website	1,365	0.5	5.4	(1.1)

Name	Business	Value £'000	% of total assets	Performance†	
				Absolute %	Relative %
Nanocarrier	Drug delivery technology	1,273	0.5	84.5	73.1
Digimarc	Digital watermarking technology	1,251	0.5	40.3	31.6
China Financial Services	Small and medium-sized enterprises lending in China	1,198	0.5	32.1	24.0
Aduro Biotechnology	Immunotherapy services provider	1,147	0.4	(43.7)*	(47.9)*
Ricardo	Automotive engineer	1,113	0.4	(9.7)	(15.3)
Ilika	Discovery and development of materials for mass market applications	1,109	0.4	(5.2)	(11.0)
Nanoco	Quantum dot manufacturer	1,102	0.4	(19.2)	(24.2)
Foundation Medicine	Develops cancer diagnostic technology	1,089	0.4	(25.0)	(29.6)
Zumtobel	Commercial lighting	928	0.4	(40.0)	(43.7)
Thin Film Electronics	Develops printed, rewritable memory media	834	0.3	16.9	9.7
Ceres Power Holding	Developer of fuel cells	821	0.3	(1.6)	(7.6)
Bioamber	Bioengineering company	802	0.3	(40.0)	(43.7)
Evola Holdings	Yeast-based industrial biotechnology	795	0.3	(40.5)	(44.1)
Oisix	Organic food website	774	0.3	1.2	(5.1)
Acacia Research	Patent licensor	730	0.3	(22.5)	(27.3)
Sarine Technologies	Systems for diamond grading and cutting	719	0.3	17.4	10.1
Codexis	Manufacturer of custom industrial enzymes	640	0.2	2.3	(4.0)
C4X Discovery Holdings	Rational drug design and optimisation	598	0.2	33.8	25.5
Senomyx	Developer of additives to amplify certain flavours in foods	577	0.2	(47.8)	(51.0)
Applied Graphene Materials	Manufactures graphene nanoplatelets	540	0.2	(19.6)	(24.6)
Summit Therapeutics	Drug discovery and development	512	0.2	(2.7)	(8.7)
Fusionex	Software for data analytics	508	0.2	(54.8)	(57.6)
Foamix Pharmaceuticals	Drug reformulation technology	479	0.2	(6.7)	(12.5)
Ensogo	South East Asian e-commerce	402	0.2	(11.4)	(16.9)
Velocys	Gas to liquid technology	142	0.1	(46.2)	(49.5)
Intelligent Energy Holding	Developer of modular fuel cells	55	0.0	(90.3)	(90.9)
GI Dynamics	Develops and markets medical devices	11	0.0	(38.2)	(42.0)
China Lumena New Materials	Mines, processes and manufactures natural thenardite products	0	0.0	(100.0)	(100.0)
<b>Total equities</b>		<b>251,719</b>	<b>96.1</b>		
<b>Net liquid assets</b>		<b>10,206</b>	<b>3.9</b>		
<b>Total assets at fair value</b> (before deduction of loans)		<b>261,925</b>	<b>100.0</b>		

† Absolute and relative performance has been calculated on a total return basis over the period 1 November 2015 to 30 April 2016. Absolute performance is in sterling terms; relative performance is against S&P Global Small Cap Index (in sterling terms).

\* Figures relate to part-period returns where the equity has been purchased during the period.

# Denotes unlisted equity.

Source: Baillie Gifford, StatPro.

Past performance is not a guide to future performance.

## Income Statement (unaudited)

	For the six months ended 30 April 2016		
	Revenue £'000	Capital £'000	Total £'000
Gains on sales of investments	–	5,282	<b>5,282</b>
Movements in investment holding gains and (losses)	–	(814)	<b>(814)</b>
Currency (losses)/gains	–	(1,108)	<b>(1,108)</b>
Income from investments and interest receivable	418	–	<b>418</b>
Investment management fee (note 3)	(202)	(605)	<b>(807)</b>
Other administrative expenses	(244)	–	<b>(244)</b>
<b>Net return before finance costs and taxation</b>	<b>(28)</b>	<b>2,755</b>	<b>2,727</b>
Finance costs of borrowings	(114)	(341)	<b>(455)</b>
<b>Net return on ordinary activities before taxation</b>	<b>(142)</b>	<b>2,414</b>	<b>2,272</b>
Tax on ordinary activities	(28)	–	<b>(28)</b>
<b>Net return on ordinary activities after taxation</b>	<b>(170)</b>	<b>2,414</b>	<b>2,244</b>
<b>Net return per ordinary share</b> (note 4)	<b>(0.35p)</b>	<b>4.93p</b>	<b>4.58p</b>
<b>Dividends paid and proposed per ordinary share</b> (note 5)	–		

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 Comprehensive Income 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 2015			For the year ended 31 October 2015 (audited)		
Revenue £'000	Capital £'000	Total £'000	Revenue £'000	Capital £'000	Total £'000
–	2,637	<b>2,637</b>	–	8,319	<b>8,319</b>
–	29,211	<b>29,211</b>	–	14,926	<b>14,926</b>
–	466	<b>466</b>	–	479	<b>479</b>
445	–	<b>445</b>	1,106	–	<b>1,106</b>
(205)	(614)	<b>(819)</b>	(415)	(1,245)	<b>(1,660)</b>
(259)	–	<b>(259)</b>	(498)	–	<b>(498)</b>
(19)	31,700	<b>31,681</b>	193	22,479	<b>22,672</b>
(110)	(330)	<b>(440)</b>	(220)	(660)	<b>(880)</b>
(129)	31,370	<b>31,241</b>	(27)	21,819	<b>21,792</b>
(24)	–	<b>(24)</b>	(63)	–	<b>(63)</b>
<b>(153)</b>	<b>31,370</b>	<b>31,217</b>	<b>(90)</b>	<b>21,819</b>	<b>21,729</b>
<b>(0.31p)</b>	<b>64.01p</b>	<b>63.70p</b>	<b>(0.18p)</b>	<b>44.52p</b>	<b>44.34p</b>
–			–		

## Balance Sheet (unaudited)

	At 30 April 2016 £'000	At 31 October 2015 (audited) £'000
<b>Fixed assets</b>		
Investments held at fair value through profit or loss (note 6)	251,719	250,178
<b>Current assets</b>		
Debtors	160	5,801
Cash and short term deposits	10,733	2,734
	10,893	8,535
<b>Creditors</b>		
Amounts falling due within one year	(687)	(558)
<b>Net current assets</b>	10,206	7,977
<b>Total assets less current liabilities</b>	261,925	258,155
<b>Creditors</b>		
Amounts falling due after more than one year (note 7)	(32,325)	(30,799)
<b>Net assets</b>	<b>229,600</b>	<b>227,356</b>
<b>Capital and reserves</b>		
Called up share capital	2,450	2,450
Share premium	82,180	82,180
Special reserve	35,220	35,220
Capital reserve	109,039	106,625
Revenue reserve	711	881
<b>Shareholders' funds</b>	<b>229,600</b>	<b>227,356</b>
<b>Net asset value per ordinary share</b> (after deducting borrowings at fair value) (note 7)	<b>466.74p</b>	<b>462.74p</b>
<b>Net asset value per ordinary share</b> (after deducting borrowings at par)	<b>468.53p</b>	<b>463.95p</b>
<b>Ordinary shares in issue</b> (note 8)	<b>49,004,319</b>	<b>49,004,319</b>

## Statement of Changes in Equity (unaudited)

### For the six months ended 30 April 2016

	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 2015	2,450	82,180	35,220	106,625	881	<b>227,356</b>
Net return on ordinary activities after taxation	–	–	–	2,414	(170)	<b>2,244</b>
Dividends paid during the period (note 5)	–	–	–	–	–	–
<b>Shareholders' funds at 30 April 2016</b>	<b>2,450</b>	<b>82,180</b>	<b>35,220</b>	<b>109,039</b>	<b>711</b>	<b>229,600</b>

### For the six months ended 30 April 2015

	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 2014	2,450	82,180	35,220	84,806	1,706	<b>206,362</b>
Net return on ordinary activities after taxation	–	–	–	31,370	(153)	<b>31,217</b>
Dividends paid during the period (note 5)	–	–	–	–	(735)	<b>(735)</b>
<b>Shareholders' funds at 30 April 2015</b>	<b>2,450</b>	<b>82,180</b>	<b>35,220</b>	<b>116,176</b>	<b>818</b>	<b>236,844</b>

\* The Capital Reserve as at 30 April 2016 includes investment holding gains of £18,120,000 (30 April 2015 – gains of £33,219,000).

## Condensed Cash Flow Statement (unaudited)

	Six months to 30 April 2016 £'000	Six months to 30 April 2015 £'000
<b>Cash flows from operating activities</b>		
Net return on ordinary activities before taxation	2,272	31,241
Net gains on investments	(4,468)	(31,848)
Currency losses/(gains)	1,108	(466)
Finance costs of borrowings	455	440
Overseas withholding tax	(24)	(20)
Changes in debtors and creditors	(76)	26
<b>Cash from operations</b>	(733)	(627)
Interest paid	(454)	(441)
<b>Net cash outflow from operating activities</b>	(1,187)	(1,068)
<b>Net cash inflow/(outflow) from investing activities</b>	9,186	(533)
<b>Equity dividends paid (note 5)</b>	–	(735)
<b>Increase/(decrease) in cash and cash equivalents</b>	7,999	(2,336)
Cash and cash equivalents at start of period	2,734	10,595
<b>Cash and cash equivalents at end of period*</b>	<b>10,733</b>	<b>8,259</b>

\* Cash and cash equivalents represent cash at bank and short term money market deposits repayable on demand.



## Notes to the Condensed Financial Statements (unaudited)

- The condensed Financial Statements for the six months to 30 April 2016 comprise the statements set out on pages 10 to 14 together with the related notes on pages 15 to 18. They have been prepared in accordance with FRS 104 'Interim Financial Reporting' and the AIC's Statement of Recommended Practice issued in November 2014 and have not been audited or reviewed by the Auditor pursuant to the Auditing Practices Board Guidance on 'Review of Interim Financial Information'. The Company has adopted FRS 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' and has early adopted the amendments to section 34 of FRS 102 regarding fair value hierarchy disclosures for its financial year ending 31 October 2016. The application of the new reporting standards and the AIC's Statement of Recommended Practice has had no impact on the Company's Income Statement, Balance Sheet or Statement of Changes in Equity (previously called the Reconciliation of Movements in Shareholders' Funds) for periods previously reported. The Condensed Cash Flow Statement has been restated to reflect presentational changes required and does not include any other material changes. The Financial Statements for the six months to 30 April 2016 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 2015.

### Going Concern

Having considered the nature of the Company's assets, its liabilities, projected income and expenditure together with the Company's investment objective and policy, dividend policy and principal risks and uncertainties, as set out on the inside front cover, it is the Directors' opinion that the Company has adequate resources to continue in operational existence for the foreseeable future. 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 Directors consider it appropriate to adopt the going concern basis of accounting in preparing these Financial Statements and confirm that they are not aware of any material uncertainties which may affect its ability to continue to do so.

- The financial information contained within this Interim 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 2015 has been extracted from the statutory accounts which have been filed with the Registrar of Companies. The Auditor's Report on those accounts was not qualified and did not contain a statement under sections 498(2) or (3) of the Companies Act 2006.
- Baillie Gifford & Co Limited, a wholly owned subsidiary of Baillie Gifford & Co, has been appointed by the Company as its Alternative Investment Fund Manager and Company Secretary. The investment management function has been delegated to Baillie Gifford & Co. The management agreement is terminable on not less than three months' notice. The annual management fee is 0.95% on the first £50m of net assets and 0.65% on the remaining net assets, calculated and payable quarterly.

## Notes to the Condensed Financial Statements (unaudited)

	Six months to 30 April 2016 £'000	Six months to 30 April 2015 £'000	Year to 31 October 2015 (audited) £'000
<b>4 Net return per ordinary share</b>			
Revenue return on ordinary activities after taxation	(170)	(153)	(90)
Capital return on ordinary activities after taxation	2,414	31,370	21,819
<b>Total return</b>	<b>2,244</b>	<b>31,217</b>	<b>21,729</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.

	Six months to 30 April 2016 £'000	Six months to 30 April 2015 £'000	Year to 31 October 2015 (audited) £'000
<b>5 Dividends</b>			
<b>Amounts recognised as distributions in the period:</b>			
Previous year's final dividend of Nil (2014 – 1.50p)	Nil	735	735
	<b>Nil</b>	<b>735</b>	<b>735</b>
<b>Paid and proposed in respect of the financial period</b>	<b>Nil</b>	<b>Nil</b>	<b>Nil</b>

No interim dividend has been declared.

## 6 Fair Value Hierarchy

The fair value hierarchy used to analyse the basis on which the fair values of financial instruments held at fair value through the profit or loss account are measured is described below. Fair value measurements are categorised on the basis of the lowest level input that is significant to the fair value measurement.

Level 1 – using unadjusted quoted prices for identical instruments in an active market;

Level 2 – using inputs, other than quoted prices included within Level 1, that are directly or indirectly observable (based on market data); and

Level 3 – using inputs that are unobservable (for which market data is unavailable).

An analysis of the Company's financial asset investments based on the fair value hierarchy described above is shown below.

### Investments held at fair value through profit or loss

As at 30 April 2016	Level 1 £'000	Level 2 £'000	Level 3 £'000	Total £'000
Listed equities	245,354	–	–	<b>245,354</b>
Unlisted equities	–	–	6,365	<b>6,365</b>
<b>Total financial asset investments</b>	<b>245,354</b>	<b>–</b>	<b>6,365</b>	<b>251,719</b>

As at 31 October 2015	Level 1 £'000	Level 2 £'000	Level 3 £'000	Total £'000
Listed equities	245,883	–	–	<b>245,883</b>
Unlisted equities	–	–	4,295	<b>4,295</b>
<b>Total financial asset investments</b>	<b>245,883</b>	<b>–</b>	<b>4,295</b>	<b>250,178</b>

There have been no transfers between levels of the fair value hierarchy during the period. The fair value of listed investments is bid price or, in the case of FTSE 100 constituents or holdings on certain recognised overseas exchanges, last traded price. They are categorised as Level 1 if they trade in an active market and Level 2 if they are traded on a market which is not considered to be active. The fair value of unlisted investments is determined using valuation techniques, determined by the Directors, based upon observable and/or non-observable data such as latest dealing prices, stockbroker valuations, net asset values and other information, as appropriate. The Company's holdings in unlisted investments are categorised as Level 3 as the valuation techniques applied include the use of non-observable data.

## Notes to the Condensed Financial Statements (unaudited)

- 7** At 30 April 2016 creditors falling due after more than one year comprise borrowings of £32,325,000 (31 October 2015 – £30,799,000) drawn down under a five year fixed rate facility with National Australia Bank Limited which expires on 30 September 2019. The loans drawn down consisted €9.4m, US\$25.6m and £7.5m at 30 April 2016 and 31 October 2015.  
The fair value of the bank loans at 30 April 2016 was £33,202,000 (31 October 2015 – £31,394,000).
- 8** The Company has authority to buy back its ordinary shares. In the six months to 30 April 2016 no ordinary shares were bought back therefore the Company's authority remains unchanged at 7,345,747 ordinary shares.
- 9** During the period the Company incurred transaction costs on purchases of investments of £4,000 (30 April 2015 – £18,000; 31 October 2015 – £29,000) and transaction costs on sales of £7,000 (30 April 2015 – £11,000; 31 October 2015 – £22,000).

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.

### 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 0370 707 1694.

### Risk Warnings

Past performance is not a guide to future performance.

Edinburgh Worldwide is a UK listed company. The value of the shares and any income from them can fall as well as rise and you may not get back the amount invested.

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 has borrowed money to make further investments (sometimes known as 'gearing' or 'leverage'). 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 overleaf, are increased when the Company buys back its own 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.

Edinburgh Worldwide invests in smaller, immature 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, immature companies may do less well in periods of unfavourable economic conditions.

Edinburgh Worldwide's risk could be increased by its investment in unlisted investments. These assets may be more difficult to buy or sell, so changes in their prices may be greater.

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

Edinburgh Worldwide charges 75% of the investment management fee and 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 Edinburgh Worldwide 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 staff of Baillie Gifford & Co and Edinburgh Worldwide's Directors may hold shares in Edinburgh Worldwide and may buy and sell such shares from time to time.

Edinburgh Worldwide is a UK public listed company and as such complies with the requirements of the UK Listing Authority 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 19 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 Interim 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.

## The Common Reporting Standard

On 1 January 2016 a new piece of tax legislation, The OECD Common Reporting Standard for Automatic Exchange of Financial Account Information ('The Common Reporting Standard'), came into effect.

The legislation requires investment trust companies to provide personal information to HMRC on certain investors who purchase shares in investment trusts. As an affected company, Edinburgh Worldwide Investment Trust plc will have to provide information annually to the local tax authority on the tax residencies of a number of non-UK based certificated shareholders and corporate entities.

All new shareholders, excluding those whose shares are held in CREST, who come on to the share register with effect from 1 January 2016 will be sent a certification form for the purposes of collecting this information.

For further information, please see HMRC's Quick Guide: Automatic Exchange of Information – information for account holders

**<https://www.gov.uk/government/publications/exchange-of-information-account-holders>**.

## Directors

Chairman:  
DHL Reid

DAJ Cameron  
WJ Ducas  
H James  
HCT Strutt

## Alternative Investment Fund Managers, Secretaries and Registered Office

Baillie Gifford & Co Limited  
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: 0370 707 1643

## Depository

BNY Mellon Trust & Depository  
(UK) Limited  
BNY Mellon Centre  
160 Queen Victoria Street  
London  
EC4V 4LA

## Banker

The Bank of  
New York Mellon SA/NV  
One Canada Square  
London  
E14 5AL

## Company Broker

Numis Securities Limited  
The London Stock  
Exchange Building  
10 Paternoster Square  
London  
EC4M 7LT

## Independent 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  
E-mail:  
[trustenquiries@bailliegifford.com](mailto:trustenquiries@bailliegifford.com)  
Fax: 0131 275 3955