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Edinburgh Worldwide Investment Trust plc

Annual Report and Accounts 31 October 2007

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If you have sold or otherwise transferred all of your ordinary shares in Edinburgh Worldwide Investment Trust plc, please forward this document and the accompanying form of proxy as soon as possible to the purchaser or transferee or to the stockbroker, bank or other agent through whom the sale or transfer was or is being effected for delivery to the purchaser or transferee

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Investment is made in companies from around the world

Company data at 31 October 2007

Total assets	Shareholders' funds	Market capitalisation
£174m†	**£149m**	**£131m**

† before deduction of loan

Company Summary

Edinburgh Worldwide's equity portfolio consists of forty investments drawn from around the world.

Objective and Policy

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

The Company's investment policy is contained within the Business Review on page 18

Benchmark

The portfolio benchmark against which performance is measured is the MSCI All Countries World Index (in sterling terms)

Management Details

Baillie Gifford & Co were appointed as Investment Managers and Secretaries to the Company with effect from 1 November 2003 The management contract can be terminated at 3 months' notice

Capital Structure

At the year end the Company's share capital consisted of 49,004,319 ordinary shares of 5p each which were issued and fully paid The Company has been granted authority to buy back a limited number of its own ordinary shares for cancellation and to hold shares bought back in treasury The Directors are seeking to renew this authority at the forthcoming Annual General Meeting

Management Fee

Baillie Gifford & Co's annual remuneration is 0 8% of the market value of the Company, calculated and payable on a quarterly basis

There is also a performance-related management fee which is calculated and paid annually in arrears The fee is based on any out performance of the net asset value per share by comparison to the MSCI All Countries World Index and is calculated as a percentage of the market value of the Company The fee is 5% of the out performance between zero and 2%, and 10% of the out performance thereafter A relative high water mark with neither cap nor collar will apply A performance fee could be payable in periods when the net asset value falls by a lesser rate than the benchmark index

ISA/PEP

ISA and PEP transfer facilities are available (see inside back cover)

AIC

The Company is a member of the Association of Investment Companies

Notes

None of the views expressed in this document should be construed as advice to buy or sell a particular investment

Investment trusts are UK public listed companies and as such comply with the requirements of the UK Listing Authority They are not authorised or regulated by the Financial Services Authority

Year's Summary

The following information illustrates how Edinburgh Worldwide has performed over the year to 31 October 2007.

	31 October 2007	31 October 2006	% change
Total assets (before deduction of loan)	£173 6m	£150 1m	
Loan	£24 3m	£26 1m	
Equity shareholders' funds	£149 3m	£124 0m	
Net asset value per ordinary share (after deducting borrowings at fair value)	304 68p	252 02p	20 9
Net asset value per ordinary share (after deducting borrowings at par)	304 68p	253 11p	20 4
Share price†	267 75p	234 00p	14 4
MSCI All Countries World Index (in sterling terms)	205 86	183 90	11 9
Dividend paid and proposed per ordinary share	2 00p	2 00p	–
Earnings per ordinary share	2 63p	1 67p	57 5
Total expense ratio	1 57%	1 29%	
Discount (after deducting borrowings at fair value)	12 1%	7 2%	
Discount (after deducting borrowings at par)	12 1%	7 6%	

	Year to 31 October 2007		Year to 31 October 2006	
Year's high and low	High	Low	High	Low
Share price†	281 50p	222 00p	261 50p	200 00p
Net asset value (after deducting borrowings at par)	311 45p	246 16p	271 76p	218 24p
(Discount)/premium	(6 2%)	(14 3%)	1 0%	(12 4%)

	31 October 2007	31 October 2006
Total return per ordinary share		
Revenue	2 63p	1 67p
Capital	50 94p	32 98p
Total	**53.57p**	**34.65p**

† At mid market price

Past performance is no guarantee of future performance

One Year Performance

(figures plotted on a monthly basis rebased to 100 at 31 October 2006)

Five Year Summary

The following charts indicate how Edinburgh Worldwide has performed relative to its benchmark, MSCI All Countries World Index in sterling terms, (applied retrospectively) and the relationship between share price and net asset value over the five year period to 31 October 2007.

The lines at 31 October 2003 signify the appointment of Baillie Gifford & Co as Managers and Secretaries

5 Year Total Return Performance

(figures rebased to 100 at 31 October 2002)

Discount to Net Asset Value

(plotted on a monthly basis)

Annual Net Asset Value and Share Price Total Returns

Relative Annual Net Asset Value and Share Price Total Returns (relative to the benchmark total return)

Past performance is no guarantee of future performance

Highlights

- Since the change in Managers in 2003, the net asset value average compound annual return has been 17% compared to the Benchmark's 11%
- Performance helped this year by considerable exposure to emerging markets companies and little exposure to Western banks
- The 40 equities held represent a spread of interests

Chairman's Statement

During the year the net asset value per share rose for the fifth successive year increasing by 20 4% By comparison the benchmark, the MSCI All Countries World Index, rose by 11 9% (in sterling terms)

Performance

It is the strategy of the Company to take a long term and patient approach to investment with an anticipated holding period of at least five years for each investment Consequently a fair measure of performance is a three to five year rolling period Over the four complete years that Baillie Gifford has been managing the Company, net asset value per share has risen from 163p to 305p, an 87% increase, or an average compound annual return of 17% By way of comparison the benchmark rose by 50% or 11% per annum on average

This is satisfactory but should be viewed against a perspective of relatively benign stockmarket and economic conditions over much of the period It is, however, inevitable that there will be periods when the Company's portfolio underperforms the index This is because the selection of the forty or so shares held do not match the index's composition and shape That said, the Board believe that the long term approach taken by the Managers whereby a limited number of shares from around the world are assessed and selected on the basis of their individual merits should, over time, provide superior returns to the index

It is disappointing that the shares stand on a wider discount at the end of the year than they did at the start reflecting share price performance which lagged that of the net asset value During the year net asset value rose by 20 4% and the share price rose by 14 4% This is due to a number of factors some of which apply across most global investment trusts The Managers have been given a clear brief by the Board to boost the marketing of the Company in a concerted effort with the Company's broker, Cazenove, so that the level of discount becomes a more accurate reflection of the Company's current record and potential after four years under the current Managers

The Managers earned a performance fee again this year Details of the fee arrangement are shown on page 34

Earnings and Dividend

Due to some dividend growth earnings per share this year were higher at 2 63p (1 67p last year and 2 26p the year before) As long term capital growth is paramount, the Board is recommending an unchanged final dividend of 1 50p giving an unchanged total of 2 00p The surplus of 0 63p will be added to the Revenue Reserve which will then stand at 1 81p per share The level of earnings from the portfolio is likely to continue to fluctuate as shares are chosen purely for their growth potential with no account being taken of their income generation capability A reasonable revenue reserve is, therefore, prudent accounting

Past performance is no guarantee of future performance

VAT

During the year the European Court of Justice ruled that investment trust management fees should be exempt from VAT, bringing them in line with open ended funds HM Revenue and Customs now accept this decision so the Company will be able to recover some of the VAT suffered on management fees in the past The terms of, and procedure for, reclaim are still to be clarified so the amount of the refund is still uncertain, however it will not be material Consequently no provision has been made for any refund in this set of financial statements

Investment Background and Outlook

Investment markets while up over the period, were marked by increasing nervousness and volatility There are fears that the US and other economies may slow down or tip into recession due to the unfolding credit crunch In global terms, this has to be balanced by the high rate of growth and demand from the several large, populous and rapidly growing countries in emerging markets, notably Brazil, China and India Against a backdrop that is more uncertain than for a long time, the Managers have continued to identify what they assess to be companies that are capable of returning strong growth in earnings in their respective fields The Managers have provided a thought provoking overview which is on pages 10 and 11 and also a detailed account of a number of the individual investments on pages 13 to 15 I recommend both to you

The Board

Robert Douglas Miller has decided to retire from the Board I am deeply appreciative of his valuable contribution over many years and the Board wish him well in his retirement This year we welcomed Jake Leslie Melville to your Board, along with his relative youth and enthusiasm, Jake also brings to the Board very relevant business experience, particularly in the energy sector

AGM

The Annual General Meeting of the Company will be held at Baillie Gifford's offices in Edinburgh at noon on 7 February 2008 I hope that you will be able to come, there is a map on page 42 Mark Urquhart, the partner at Baillie Gifford who manages your portfolio, will make a presentation and answer any questions The Directors too, of course, are always pleased to meet shareholders as well as potential shareholders

Change of Registrar

During the year Computershare Investor Services PLC was appointed as Registrar Details of the services they offer and how to contact them can be found in the section 'Further Shareholder Information' on page 44

David A Coltman
14 December 2007

Directors and Management

Members of the Board come from a broad variety of backgrounds. The Board can draw on a very extensive pool of knowledge and experience. Baillie Gifford & Co, a leading UK investment management firm, who act as Managers and Secretaries to the Company have done so since November 2003.

Directors

1 DA Coltman
David Coltman, who is 65, was appointed a Director and Chairman on 1 May 1998 He is Chairman of the Nomination Committee He is a director of John Menzies, Eredene Capital PLC, Trinity House Lighthouse Board and several other private companies Previously he was chief marketing officer of United Airlines, based in Chicago and chief executive of British Caledonian Airways

2 RAG Douglas Miller
Robert Douglas Miller, who is 70, was appointed a Director on 1 May 1998 He is the senior independent director and was formerly chairman of Jenners (Princes Street, Edinburgh) He was previously a director of Dunedin Income Growth Investment Trust PLC

3 WJ Ducas
William Ducas, who is 63, was appointed a Director on 22 March 2002 He is a member of the Board of the Weir Foundation charitable trust and is on the International Advisory board of Zamorano University He is a director of West LB Mellon Asset Management and was previously a managing director of F&C Management Ltd of North America

4 J Leslie Melville
Jake Leslie Melville, who is 37, was appointed a Director on 1 August 2007 He is a partner at Booz Allen Hamilton and currently leads all of their European energy and utilities activity

5 DHL Reid
David Reid, who is 61, was appointed a Director on 1 May 1998 and is Chairman of the Audit & Management Engagement Committee He is a director of Smith and Williamson He was previously a director of Fleming Private Asset Management

6 The Hon Kim Fraser
The Hon Kim Fraser, who is 61, was appointed a Director on 11 December 1998 He is an independent financial advisor responsible for a diverse family business and is a director of several private companies Previously, he was a director of Strauss Turnbull & Co

All Directors are members of the Nomination and Audit & Management Engagement Committees

1 2 3

4 5 6

Managers and Secretaries

Edinburgh Worldwide is managed by Baillie Gifford & Co, an investment management firm formed in 1927 out of the legal firm Baillie & Gifford, WS, which had been involved in investment management since 1908

Baillie Gifford is one of the largest investment trust managers in the UK and currently manages eight investment trusts Baillie Gifford also manages unit trusts and Open Ended Investment Companies, together with investment portfolios on behalf of pension funds, charities and other institutional clients, both in the UK and overseas Funds under the management or advice of Baillie Gifford total over £55 billion at 31 October 2007 Based in Edinburgh, they are one of the leading privately owned investment management firms in the UK, with 30 partners and a staff of around 500

The manager of Edinburgh Worldwide's portfolio is Mark Urquhart, a partner of Baillie Gifford Stock selection is primarily the responsibility of the global equity team which covers all the regions of the world

The firm of Baillie Gifford & Co is authorised and regulated by the Financial Services Authority

Managers' Overview

Our aim in managing Edinburgh Worldwide continues to be to run a concentrated portfolio of companies with good growth prospects for the long term It is now four years since Baillie Gifford assumed management of the Trust which we think is approaching a sensible timeframe over which to judge performance As reported in the Chairman's Statement both absolute and relative returns have been strong since November 2003 We would reiterate the caution expressed by the Chairman that this period has been one of strong equity returns globally and that this scale of out performance is most unlikely to be repeated in the future Indeed, since the year end we have seen a notable decline in the level of equity markets as the knock-on effects of the US sub-prime debacle start to make themselves felt – we discuss the opportunities and threats created by the credit crunch below

The number of equity holdings stood at 40 at the year end compared to 39 at October 2006 We also aim to keep portfolio turnover near 20% – this year's figure was lower at 15 4% – the changes to the stock names are discussed later in this report Given the concentration of holdings in Edinburgh Worldwide there will undoubtedly be periods of returns below those of the comparative index in the future We would reiterate that we pay no heed to country or sector weights in constructing the portfolio – it is comprised purely of companies where we are genuinely enthusiastic about their growth prospects for the next decade We feature ten of these companies later in the Annual Report and also provide performance figures for every holding

One of the consequences of our approach means that we will have very large variations compared to the level a particular sector or country might have in the world index Over the last twelve months our performance has undoubtedly been helped by having little direct exposure to the Anglo-Saxon financial sector as the credit crunch has developed It is worthwhile explaining how we reached this position as it is illustrative of our stock-picking process Simply put, we have struggled to see stock specific attractions of many financial shares based on the competitive landscape of markets, the commoditisation of products (a point very well illustrated by the copycat nature of the sub-prime mortgage vehicles), questionable capital allocation and the insecurity of book values We sold a holding in the US bank, M&T, earlier in the summer not because we had a crystal ball which foresaw the events of August and beyond but because we worried about profit margins and valuation The two banks which we do own in Edinburgh Worldwide's portfolio are domestic retail banks in Brazil – Banco Itau – and India – HDFC – which have very different tailwinds in terms of the penetration of financial products such as mortgages, loans and credit cards If we can not find any attractive banks worldwide we feel no compunction to own them and our overall weighting in any area of the market is merely the sum of the attractions of individual stocks

This is not to say that we have not owned some shares which have been effected negatively by the events of the last twelve months In particular, we underestimated the severity of the downturn in the US housing market as the pincer like effect of the decline of speculative buying and the increasing level of sub-prime defaults have led to a very severe squeeze on the volumes of homes and more recently to house prices which are now in decline Given the knock-on effects to the financial system and the tightening of lending criteria, we think the probability of a prolonged downturn has markedly increased and since the year end have sold holdings in Pulte Homes – a retirement home specialist and Wolseley – the UK based building materials supplier

Lest one gets too gloomy over what in essence is an example of poor lending and greedy marketing, it is worthwhile remembering that the global economy continues to enjoy a strong backdrop The demands created by the infrastructure build across a host of populous nations are unprecedented and the share prices of companies involved in this area contributed to our performance Whilst cognisant of the size of some holdings within the portfolio, we believe we are living through a seismic change in the make-up of the global economy during which the importance of the US, Western Europe and Japan will slowly atrophy

It would be astonishing if the current gyrations in markets did not afford long term investors some opportunities as good companies are marked down along with bad and we think UBS might be an example of this where the value of the wealth management arm may be currently undervalued because of problems with the investment bank and we have purchased a small initial holding since the year end Similarly, we took a position in Genentech during the year as we feel the shares have been driven down by general worries over the pharmaceutical sector whereas this company is in a strong position to provide meaningful developments in treatments for one of the great unsolved diseases, namely cancer

During the course of the last year, we have made several investments in companies related to the alternative energy area It is our belief that a combination of rising oil prices, energy security and environmental concerns has created a large change in the political backdrop which is evident in countries from Australia to the US This translates into a very different industry background with utilities being mandated to provide sizeable proportions of their energy output from alternative sources in fairly tight timescales Our approach has been to buy a basket of holdings given the difficulty at this early stage of the industry's genesis in picking long term winners Purchases over the last year have been – John Deere – the US agricultural equipment maker, IOI – a Malaysian based palm oil producer, Novozymes – a Danish enzyme manufacturer, Q-Cells – a German solar panel manufacturer, and Vestas – a Danish wind turbine maker It is our belief that a number of such names gives our shareholders good exposure to one of the most powerful investment themes of the next decade and beyond

The funding for these new purchases came from our process of selling holdings where we believe the market more fairly captures future prospects in valuation terms or we are disappointed by long term operational prospects or capital allocation Complete sales during the year were Getty Images and Patterson Companies where we felt the future growth and profitability of the companies were under pressure, Microsoft and Yamada Denki where we have mounting concerns on the allocation of capital and M&T Bank as discussed above

Equity markets will always remain volatile, myopic and unpredictable beasts It is our strong belief that by trying to separate the long term value of businesses from the inevitable short term noise of events that we can create a portfolio which rewards our shareholders with out performance over long term periods of measurement When writing this report in the midst of anxiety and fear over the extent of losses caused by the credit crunch and the risk of contagion to the real economy whilst at the same time observing the tremendous growth drivers in place in non Western economies, it feels very much a time to try to navigate through noise It is our strong belief that some excellent long term investment opportunities are present in the world and we will endeavour to continue to exploit these

Mark A Urquhart

Name	Business	Fair value £'000	% of total assets	Performance† Absolute %	Performance† Relative %	Fair value 2006 £'000
Equities						
CVRD	Mining	13,146	7 6	171 4	136 9	5,895
Petrobras*	Oil exploration and production	11,013	6 3	107 3	81 0	5,337
Porsche*	Luxury automobiles	9,739	5 6	110 7	83 9	5,230
Atlas Copco*	Industrial compressors and mining equipment	7,340	4 2	25 1	9 2	7,009
Gazprom*	Gas exploration and production	6,707	3 9	7 3	(6 4)	5,874
Sandvik	Tools and mining equipment	6,636	3 8	48 6	29 7	3,942
SAP*	Business software	6,014	3 5	0 8	(12 0)	5,501
eBay	Internet auction	5,275	3 0	3 2	(9 9)	4,437
HDFC	Mortgage provider	5,092	2 9	100 0	74 6	3,414
Canon*	Printers, copiers and cameras	5,082	2 9	(13 3)	(24 3)	5,939
Amazon com	Online retailer	5,060	2 9	114 9	87 6	2,354
Teva Pharmaceuticals*	Generic drugs manufacturer	4,661	2 7	23 6	7 9	3,805
Banco Itau	Retail and commercial bank	4,634	2 7	61 6	41 1	3,251
Samsung Electronics*	Electronics manufacturer	4,401	2 5	(12 9)	(24 0)	4,815
Lukoil*	Oil exploration and production	4,213	2 4	4 9	(8 4)	4,065
Zhejiang Expressway	Toll-road operator	4,056	2 3	100 9	75 4	2,089
Moody's*	Bond rating agency	4,049	2 3	(39 2)	(46 9)	6,684
VCA Antech	Animal hospitals and veterinary diagnostics	3,993	2 3	30 6	14 0	3,056
Infosys Technologies	Software outsourcer	3,827	2 2	(7 1)	(18 9)	4,147
Whole Foods Market	Organic food chain	3,302	1 9	(27 5)	(36 7)	2,874
Straumann	Dental implants	3,261	1 9	13 5	(0 9)	2,903
Essilor	Lenses for spectacles	3,185	1 8	12 6	(1 7)	2,860
Hermes*	Luxury goods	2,970	1 7	12 0	(2 2)	3,532
Vestas Windsystems	Wind turbines	2,948	1 7	22 8**	18 2**	–
Ericsson*	Telecommunications equipment	2,898	1 7	(26 3)	(35 7)	3,121
Carnival	Cruise ship operator	2,875	1 7	(7 7)	(19 5)	3,186
L'Oreal	Personal care	2,841	1 6	25 2	9 3	2,295
Iron Mountain	Document management services	2,785	1 6	10 3	(3 7)	2,539
Omnicom*	Advertising agency	2,766	1 6	(6 9)	(18 7)	2,995
Deere	Farm and construction machinery	2,673	1 6	26 7**	22 6**	–
Genentech	Biotech drugs manufacturer	2,497	1 4	(9 2)**	(11 0)**	–
Novozymes	Enzyme manufacturer	2,350	1 4	22 0**	8 1**	–
William Wrigley*	Chewing gum manufacturer	2,282	1 3	10 9	(3 2)	2,095
Q-cells	Solar energy production	2,239	1 3	68 4**	63 5**	–
Pulte Homes	American house builder	2,226	1 3	(55 8)	(61 4)	5,069
IOI	Palm oil producer and refiner	2,046	1 2	28 4**	23 9**	–
Walgreen*	Pharmacy chain	1,989	1 2	(16 1)	(26 8)	2,384
Progressive Ohio*	Auto insurance	1,961	1 1	(23 9)	(33 6)	2,789
Wolseley*	Builders' merchant	1,856	1 1	(30 5)	(39 3)	2,755
Pool	Swimming pool supplies	1,700	1 0	(46 6)	(53 4)	2,822
Total Equities		**168,588**	**97 1**			
Fixed Interest						
US$ denominated bond						
Bay Haven C FRN 2009/10		1,444	0 8			
Total Fixed Interest		**1,444**	**0 8**			
Total Investments		**170,032**	**97 9**			
Net Liquid Assets		**3,601**	**2 1**			
Total Assets at Fair Value (before deduction of loan)		**173,633**	**100 0**			

† Absolute and relative performance has been calculated on a total return basis over the period 1 November 2006 to 31 October 2007 Absolute performance is in sterling terms, relative performance is against MSCI All Countries World Index in sterling terms

* Held since November 2003 when Baillie Gifford & Co were appointed as Investment Managers and Secretaries to the Company

** Figures relate to part-period returns

Source Baillie Gifford & Co, StatPro

Past performance is no guarantee of future performance

Managers' Portfolio Review

EWIT's portfolio is constructed entirely from the attractions of individual stocks paying no heed to regional or sectoral weights In this context, we continue to believe that there is no value to our shareholders in making comments on macroeconomic developments in the different regions of the world over the last twelve months Rather we want to carry on using the Annual Report to highlight the investment case for a number of our stocks and in this context we are pleased that nine of the ten companies featured last year are still holdings

Below we have selected ten companies from different regions and sectors and we hope to provide an insight into our long term rationale for holding them

Amazon com

Amazon com is an on-line retailer that sells a range of products from books and DVDs to white goods and toys The company sells millions of items from its website and posts directly to consumers having already secured payment for the goods We believe that the business has a number of very attractive characteristics – the company has negative operating assets, turns its inventory very rapidly and has capital costs of expansion which are substantially lower than a traditional bricks and mortar retailer We believe that there is a substantial top-line growth opportunity as Amazon continues to expand the range of products it sells to customers, as well as successfully deploying the business model overseas The company is very much managed for the long term with the Chairman, Jeffrey Bezos, eschewing the quarterly obsession so beloved by Wall Street and we share his belief that Amazon may well become one of the world's largest and most profitable retailers over the next ten years

Banco Itau

Banco Itau is one of Brazil's leading private sector banks It has an impressive record of both organic growth and growth by acquisition It has been able to achieve high returns on equity during the periods of economic instability in Brazil It is now benefiting from the more stable economic environment and the opportunities that this has created for profitable expansion of its loan book We believe that Brazil is in the midst of a long term economic transformation as its prodigious natural resources allow the country to become a much more prosperous economy Against the backdrop of a burgeoning middle class with rising consumption, we believe a well-run domestic banking franchise should prove a profitable long term investment

1

Deere's tractors are benefiting from strong demand for agricultural equipment

2

Essilor is the leading global player in the production of lenses for spectacles

2

Deere

John Deere is a US-based manufacturer of agricultural, construction and industrial equipment We believe that the demand backdrop for agricultural equipment – which are around half of sales and profits – is better than for many years as farmed acreage increases both to feed an increasingly affluent world population and to provide feedstock for non-petroleum forms of energy The company has garnered 50% market shares in large tractors and harvesters as others have exited the market during tough times These market shares are enhanced by a brand which is strong both in the US and overseas and its competitive advantage is further strengthened by its large distribution network which provides the vital service element close to end users The market remains worried about the construction-related part of the business and sceptical about the long term agricultural outlook and we think there is room both for profit growth and re-rating over the coming years

Essilor

Essilor is the global leader in ophthalmic lens design and production for spectacles Progressive, photo chromic and polycarbonate lenses form the high end of the market where growth is faster and Essilor is increasingly dominant The group manufactures and sells both to laboratories, which finish the product, and to the end customer, normally opticians The barriers to entry are very high as evidenced by the recent failure of Johnson & Johnson – with a strong brand name in contact lenses – to break into the market We believe the potential for many further years of steady growth is undervalued by the market In fact growth rates could quite plausibly accelerate as the penetration of spectacles in developing economies increases

IOI

IOI is a Malaysian based manufacturer of palm oil and is the low cost producer in the industry The long term outlook for palm oil is positive as demand is underpinned by rising consumption of palm oil in China and India and supply growth is relatively restricted in the medium term with four years needed to bring new plantations to production level and lots of environmental protests about replacing rainforest to cultivate palms There is also potential blue sky in the use of palm oil for the manufacture of biodiesel although we think IOI is attractive for its existing palm oil business alone

L'Oreal

L'Oreal continues to enjoy steady and high quality sales and earnings growth The company spends over one third of sales on advertising, with twelve brands bringing in over 90% of revenues It is the foremost European example of a company that has built brand dominance not only within Europe but worldwide – for instance Lancome is currently the leading cosmetics brand in China Demand for beauty products continues to be very robust and tends to increase dramatically as incomes rise in emerging markets, presenting a good long term growth opportunity

3

Sandvik is a world leader in mining and construction equipment

4

Vestas is the leading independent manufacturer of wind turbines

4

Sandvik

Sandvik is the world's leading machine tools company, supplying metal cutting tools to a wide variety of industries and also has a leading position in the mining equipment industry Over its long history, the group has been successful in forging relationships with customers, resulting in a 20% global market share in cutting tools, a level double that of its nearest competitor As customers employ increasingly complex materials and more elaborate product designs these close relationships become stronger and more profitable This is backed by an R&D budget that is many times larger than that of its closest rival In mining equipment, the company was brave enough to invest counter cyclically and is now enjoying very strong demand on the back of booming commodities demand Whilst earnings will undoubtedly display some cyclicality, we believe Sandvik represents a compelling long term investment opportunity

Straumann

Straumann is a supplier of dental implants and has around one quarter of the global market Current growth rates for dental implants are accelerating from low-teens to mid high teens This reflects an increase in implant penetration, owing to a combination of greater knowledge amongst consumers, the aesthetic advantages of implants over bridges, and, most importantly, a generational impact as younger dentists trained in implants come through to practice Straumann is heavily involved in the training of dentists at university level which helps to build loyalty We think Straumann has a good opportunity to grow at high rates for many years to come as penetration increases

Vestas Windsystems

Vestas specialises in the manufacture of wind turbines The long term demand outlook for renewable energy is very positive driven by high oil prices, concerns about carbon dioxide emissions and the increasing desire for energy security Unlike currently expensive solar power, wind power is increasingly at cost parity with traditional sources of energy and this should drive increased penetration With around a third of the overall market, Vestas has built a strong reputation which should continue to position it well against the larger, less focussed competitors of GE and Siemens and we see many years worth of growth ahead

Zhejiang Expressway

Zhejiang Expressway operates toll roads in the region closest to the burgeoning port city of Shanghai The business offers an attractive combination of underlying growth and stability, with good internal cash generation We believe the management has been among the most responsible and sensible among mainland companies and as it gears up we expect returns to rise The growth prospects of the economy are excellent with strong rises in both commercial and domestic traffic likely to be seen over the coming years whilst the company has a near monopoly position within its locale

Distribution of Total Assets

Geographical 2007 (2006)

Sectoral 2007 (2006)

Investment Changes (£'000)

	Valuation at 31 October 2006	Net acquisitions (disposals)	Realised and unrealised appreciation (depreciation)	Valuation at 31 October 2007
Equities				
UK	2,755	–	(899)	1,856
Continental Europe	36,393	5,060	10,968	52,421
North America	52,544	(1,697)	(5,414)	45,433
Japan	8,195	(2,094)	(1,019)	5,082
Asia Pacific	6,904	1,843	1,756	10,503
Emerging Markets	35,788	(2,786)	20,291	53,293
Total equities	142,579	326	25,683	168,588
Fixed interest				
Sterling denominated bonds	1,188	(1,187)	(1)	–
US dollar denominated bonds	3,222	(1,577)	(201)	1,444
Yen denominated bonds	1,881	(1,809)	(72)	–
Total fixed interest	6,291	(4,573)	(274)	1,444
Total investments	148,870	(4,247)	25,409	170,032
Net current assets	1,228	2,377	(4)	3,601
Total assets	**150,098**	**(1,870)**	**25,405**	**173,633**

The figures above for total assets are made up of total assets before deduction of loan

Capital

At 31 October	Total assets £'000	Long and short term borrowings £'000	Equity shareholders' funds £'000	Net asset value per share p	Share price p	Discount † %
1998	138,363	(39,336)	99,027	202 08	167 50	17 1
1999	172,390	(39,673)	132,717	270 83	214 25	20 9
2000	195,719	(41,951)	153,768	313 78	270 00	14 0
2001	142,389	(41,521)	100,868	205 84	174 50	15 2
2002	104,964	(30,626)	74,338	151 70	123 00	18 9
2003	109,008	(29,255)	79,753	162 75	130 50	19 8
2004	110,796	(27,604)	83,192	169 76	138 50	18 4
2005††	135,861	(27,825)	108,036	220 46	200 00	9 3
2006	150,098	(26,062)	124,036	253 11	234 00	7 6
2007	**173,633**	**(24,326)**	**149,307**	**304.68**	**267.75**	**12.1**

† Discount is the difference between Edinburgh Worldwide's quoted share price and its underlying net asset value expressed as a percentage of net asset value
†† The figures prior to 2005 have not been restated for changes in accounting policies implemented in 2006

Revenue

Gearing Ratios

Year to 31 October	Gross revenue £'000	Available for ordinary shareholders £'000	Revenue earnings per ordinary share p	Dividend paid and proposed per ordinary share net p	Total expense ratio §• %	Actual gearing ¶	Potential gearing ll
1998*	709	189	0 39	0 25	1 34	104	140
1999	2,998	1,371	2 80	2 20	1 20	109	130
2000	2,713	1,041	2 12	2 20	1 40	111	127
2001	3,037	1,620	3 13	2 60‡	1 17	106††	141
2002	2,521	1,306	2 66	2 20	1 41	110††	141
2003	2,251	1,007	2 06	2 20	1 38	106	137
2004	1,940	869	1 77	2 20	1 21	119	133
2005	2,379	1,105	2 26	2 00	2 11	115	125
2006	2,116	817	1 67	2 00	1 29	115	121
2007	**2,827**	**1,287**	**2.63**	**2.00**	**1.57**	**112**	**116**

* For the period 9 July to 31 October 1998
§ Ratio of total operating costs to average shareholders' funds
¶ Total assets (including all debt used for investment purposes) less all cash and fixed interest securities (ex convertibles) divided by shareholders' funds
ll Total assets (including all debt used for investment purposes) divided by shareholders' funds
‡ Includes special interim dividend of 0 40p per share
†† Net of futures contracts
• Includes performance fee, see note 3 on page 34

Cumulative Performance (taking 1998 as 100)

At 31 October	Net asset value per share	Net asset value total return	Benchmark	Benchmark total return	Share price	Share price total return	Revenue earnings per ordinary share	Dividend paid and proposed per ordinary share net	Retail price index
1998	100	100	100	100	100	100			100
1999	134	134	127	129	128	128	100**	100**	101
2000	155	157	142	146	161	163	76	100	104
2001	102	104	105	109	104	107	112	118	106
2002	75	78	83	88	73	76	95	100	108
2003	81	85	93	102	78	83	74	100	111
2004	84	90	96	107	83	89	63	100	115
2005	109	117	112	128	119	131	81	91	118
2006	125	135	125	145	140	154	60	91	122
2007	**151**	**164**	**140**	**166**	**160**	**178**	**94**	**91**	**127**
Compound annual returns									
5 year	15 0%	16 2%	11 1%	13 6%	16 8%	18 5%	(0 2%)	(1 9%)	3 3%
9 year	4 7%	5 7%	3 8%	5 8%	5 4%	6 6%	(0 8%)▲	(1 2%)▲	2 7%

** Cumulative performance taking 31 October 1999 as 100 as 1998 relates to part period 9 July to 31 October 1998
▲ 8 year compound annual return
The figures prior to 2005 have not been restated for the changes in accounting policies implemented in 2006
Past performance is no guarantee of future performance
Baillie Gifford & Co was appointed as Investment Managers and Secretaries to the Company with effect from 1 November 2003 and the benchmark was changed from MSCI World Index (in sterling terms) to MSCI All Countries World Index (in sterling terms) with effect from that date

Directors' Report

The Directors have pleasure in submitting their Annual Report together with the results of the Company for the year to 31 October 2007

Business Review

Business and Status

The Company is an investment company within the meaning of section 266 of the Companies Act 1985

It was approved by the H M Revenue and Customs as an investment trust under section 842 of the Income and Corporation Taxes Act 1988 for the year ended 31 October 2006, subject to any matters that may arise from any subsequent enquiry by the H M Revenue and Customs into the Company's tax return In the opinion of the Directors the Company has subsequently conducted its affairs so as to enable it to continue to seek approval under section 842 of the Income and Corporation Taxes Act 1988 each year

Objective and Policy

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

While the policy is global investment, the approach adopted is to construct a portfolio through the identification of individual companies which offer long term growth potential, typically over at least a five year horizon The portfolio is actively managed and does not seek to track the benchmark hence a degree of volatility against the index is inevitable

In constructing the equity portfolio a spread of risk is achieved by diversifying the portfolio through investment in

- 25 to 50 holdings
- a minimum of six countries
- a minimum of six sectors

On acquisition, no holding shall exceed 5% of total assets and no more than 15% of the Company's gross assets will be invested in other listed investment companies

From time to time, fixed interest holdings, or non equity investments, may be held on an opportunistic basis

Derivative instruments are not normally used but, in certain circumstances and with the prior approval of the Board, their use may be considered either as a hedge or to exploit an investment opportunity

The Company recognises the long term advantages of gearing and would seek to have a maximum equity gearing level of 30% shareholders' funds in the absence of exceptional market conditions

Borrowings are invested in equity markets when it is considered that investment grounds merit the Company taking a geared position to equities Gearing levels, and the extent of equity gearing, are discussed by the Board and Managers at every Board meeting

Discount

The Board considers that the key driver of the discount is a good long term performance record The Company has buyback powers which are to be used on occasions when the Board considers that there is a need to balance supply and demand factors in the interest of all shareholders The discount is discussed at every Board meeting Shares which are bought back may be held in Treasury with a view to possible future re-issue at a premium should there be demand from appropriate potential long term holders No shares were bought back during the year

Performance

At each Board meeting, the Directors consider a number of performance measures to assess the Company's success in achieving its objectives

The key performance indicators (KPIs) used to measure the progress and performance of the Company over time are established industry measures and are as follows

- the movement in net asset value per ordinary share compared to the benchmark,
- the movement in the share price, and
- the discount

The one and five year records of the KPIs are shown on pages 3,5 and 17

A review of the year and the outlook is contained in the Chairman's Statement on pages 6 and 7 and the Managers' Overview and Portfolio Review on pages 10 and 11, and 13 to 15

Principal Risks and Uncertainties

The principal risks facing the Company relate to the Company's investment activities and include market risk, interest rate risk, credit risk, liquidity risk, foreign currency risk and loss of investment trust status

The Company operates as an investment trust company in accordance with section 842 of the Income and Corporation Taxes Act 1988 As such, the Company is exempt from capital gains tax on the sale of its investments The Managers monitor investment movements, the level of forecast income and expenditure and the amount of proposed dividends to ensure the provisions of section 842 are not breached An explanation of market risk, interest rate risk, credit risk, liquidity risk and foreign currency risk and how they are managed are contained in note 19 to the accounts on pages 39 and 41

Financials

The financial highlights for the year under review are as follows the net asset value per share increased by 20 4% during the year, compared to an increase in the benchmark of 11 9%, the total dividend was maintained at 2 00p per share and the discount widened from 7 6% to 12 1%

Dividends

The Board recommends a final dividend of 1 50p per ordinary share which, together with the interim of 0 50p already paid, makes a total of 2 00p for the year, unchanged from the previous year If approved, the recommended final dividend on the ordinary shares will be paid on 11 February 2008 to shareholders on the register at the close of business on 18 January 2008 The ex-dividend date is 16 January 2008

Corporate Governance

Compliance

The Board is committed to achieving and demonstrating high standards of Corporate Governance This statement outlines how the principles of The Combined Code on Corporate Governance, published in June 2006 (the "Combined Code") were applied throughout the financial year

The Board confirms that the Company has complied throughout the year under review with the provisions of The Combined Code except that no limit has been imposed on the overall length of service of Directors All Directors are, however, required to retire and, if appropriate, seek re-election at least every three years Directors who have more than nine years' service submit themselves for re-election annually

The Directors recognise the importance of succession planning for company boards and review the Board composition annually However, the Board is of the view that length of service will not necessarily compromise the independence or contribution of Directors of an investment trust company, where continuity and experience can be a benefit to the Board Consequently, no limit has been imposed on the overall length of service

The Association of Investment Companies (AIC) has published its own Code of Corporate Governance which provides a framework of best practice for investment companies The Board is of the opinion that the Company has complied with the recommendations of the AIC Code

The Board

The Board has overall responsibility for the Company's affairs It has a number of matters reserved for its approval including strategy, investment policy, borrowings, gearing, treasury matters, dividend and corporate governance policy The Board also reviews the financial statements, investment transactions, revenue budgets and performance Full and timely information is provided to the Board to enable the Board to function effectively and to allow Directors to discharge their responsibilities

The Board currently comprises six Directors all of whom are non-executive The executive responsibilities for investment management have been delegated to the Company's Managers and Secretaries, Baillie Gifford & Co, and in the context of a Board comprised entirely of non-executive Directors, there is no chief executive officer The senior independent director is Mr RAG Douglas Miller Following Mr Douglas Miller's retirement at the forthcoming Annual General meeting, Mr DHL Reid will be the senior independent director

The Directors believe that the Board has a balance of skills and experience which enable it to provide effective strategic leadership and proper governance of the Company Information about the Directors, including their relevant experience, can be found on page 8

There is an agreed procedure for Directors to seek independent professional advice if necessary at the Company's expense

The Company also maintains Directors' and Officers Liability insurance

Directors' Attendance at Meetings

	Board	Audit & Management Engagement Committee	Nomination Committee
Number of meetings	**5**	**2**	**1**
DA Coltman	5	2	1
RAG Douglas Miller	5	2	1
WJ Ducas	5	2	1
J Leslie Melville (appointed 1 August 2007)	1	–	–
DHL Reid	5	2	1
The Hon Kim Fraser	4	2	1

Independence of Directors

All of the Directors are considered by the Board to be independent of the Company and the Managers and free of any business or other relationship which could interfere with the exercise of their independent judgement

Mr DA Coltman, Mr DHL Reid and the Hon Kim Fraser have now served on the Board for nine years The Board subscribes to the views expressed in the AIC Code of Corporate Governance that long serving Directors should not be prevented from being considered independent and that independence stems from the ability to make those objective decisions that may be in conflict with the interests of management This in turn is a function of confidence (born of courage and experience), integrity (personal character) and judgement (born of knowledge and experience)

Following formal performance evaluation the Board considers that Mr DA Coltman, Mr DHL Reid and the Hon Kim Fraser continue to be independent in character and judgement and their experience adds significantly to the strength of the Board Also, although they have been Directors for nine years, there has only been a relationship with the Managers for four years as Baillie Gifford were appointed in 2003

Meetings

There is an annual cycle of Board meetings which is designed to address in a systematic way, overall strategy, review of investment policy, investment performance, marketing, revenue budgets, dividend policy and communication with shareholders The Board considers that it meets sufficiently regularly to discharge its duties effectively The table above shows the attendance record for the Board and Committee meetings held during the year All of the Directors attended the Annual General Meeting Mr J Leslie Melville attended all of the meetings following his appointment on 1 August 2007

Nomination Committee

The Nomination Committee consists of the whole Board and the Chairman of the Board is Chairman of the Committee The Committee meets on an annual basis and at such other times as may be required The Committee has written terms of reference which include reviewing the Board, identifying and nominating new candidates for appointment to the Board, Board appraisal, succession planning and training The Committee also considers whether Directors should be recommended for re-election by shareholders The terms of reference are available on request from the Company and on the Company's page on the Managers' website **www edinburghworldwide co uk**

The Nomination Committee reviewed the Directors' balance of age, skills, knowledge and experience during the year and concluded that the Board would be strengthened by the appointment of an additional Director Mr Leslie Melville was identified as the preferred candidate and following an initial meeting with the Chairman, he was interviewed by the other members of the Nomination Committee At the conclusion of this process he was appointed to the Board with effect from 1 August 2007

Given the quality of the candidate identified, it was unnecessary to either appoint external search consultants or use open advertising on this occasion

Mr Leslie Melville brings extensive knowledge of energy and utility companies to the Board

Performance Evaluation

A performance evaluation of the Chairman, each Director, the Board as a whole and its committees was carried out during the year The Chairman and each Director completed a performance evaluation questionnaire and each Director had an interview with the Chairman The appraisal of the Chairman was led by Mr RAG Douglas Miller The evaluations considered, amongst other criteria, the balance of skills of the Board, the contribution of individual Directors and the overall effectiveness of the Board and its Committees Following this process it was concluded that the performance of each Director, the Chairman, the Board and its Committees continues to be effective and each Director and the Chairman remain committed to the Company A review of the Chairman's and other Directors' commitments was carried out and the Nomination Committee is satisfied that they are capable of devoting sufficient time to the Company There were no significant changes to the Chairman's other commitments during the year

Terms of Appointment

Letters which specify the terms of appointment are issued to new Directors The letters of appointment are available for inspection on request

Under the provisions of the Company's Articles of Association, a director appointed during the year is required to retire and seek election by shareholders at the next Annual General Meeting The Articles also require that directors retire by rotation and submit themselves for re-election at least once every three years

Induction and Training

New Directors appointed to the Board have a formal induction meeting with the Managers Regular briefings are provided on changes in regulatory requirements that could affect the Company and the Directors The Directors will receive other training as necessary

Remuneration

As all the Directors are non-executive, the provisions of the Combined Code in respect of Directors' remuneration are not relevant to the Company except to the extent that they relate specifically to non-executive directors

Directors' Interests

Name	Nature of interest	Ordinary 5p shares held at 31 October 2007	Ordinary 5p shares held at 1 November 2006
DA Coltman	Beneficial	133,000	123,375
RAG Douglas Miller	Beneficial	170,727	170,682
WJ Ducas	Beneficial	10,000	10,000
J Leslie Melville*	–	–	–
DHL Reid	Beneficial	269,715	269,715
The Hon Kim Fraser	Beneficial	13,650	13,650

*Appointed 1 August 2007

The Directors at the year end, and their interests in the Company, were as shown above There have been no other changes intimated in the Directors' interests up to 13 December 2007

Consequently there is no requirement for a separate Remuneration Committee Directors' fees are considered by the Board as a whole within the limits approved by shareholders The Company's policy on remuneration is set out in the Directors' Remuneration Report on pages 24 and 25

Internal Controls and Risk Management

The Directors acknowledge their responsibility for the Company's system of internal controls and for reviewing its effectiveness The system of internal controls is designed to manage rather than eliminate the risk of failure to achieve business objectives and can only provide reasonable and not absolute assurance against material misstatement or loss The Directors confirm that they have reviewed the effectiveness of the system and they have procedures in place to ensure regular future reviews

The Board confirms that there is an ongoing process for identifying, evaluating and managing the significant risks faced by the Company in accordance with the guidance "Internal Control Revised Guidance for Directors on the Combined Code"

The practical measures to ensure compliance with regulation and company law, and to provide effective and efficient operations and investment management, have been delegated to the Managers and Secretaries, Baillie Gifford & Co, under the terms of the Management Agreement The Board acknowledges its responsibilities to supervise and control the discharge by the Managers and Secretaries of their obligations

Baillie Gifford & Co has been delegated responsibility for the design, implementation and maintenance of control policies and procedures to safeguard the assets of the Company and to manage its affairs properly This responsibility also extends to maintaining effective operational and compliance controls and risk management

The Baillie Gifford & Co heads of Business Risk & Internal Audit and Regulatory Risk provide the Board with regular reports on Baillie Gifford & Co's monitoring programmes The reporting procedures for these departments are defined and formalised within a service level agreement Baillie Gifford & Co conducts an annual review of its system of internal controls which is documented within an internal controls report This report is independently reviewed by Baillie Gifford & Co's auditors and a copy is submitted to the Board

The Company's investments are segregated from those of Baillie Gifford & Co and its other clients through the appointment of RBC Dexia Investor Services Trust as independent custodian of the Company's investments

A detailed risk map is prepared which identifies the significant risks faced by the Company and the key controls to manage these risks are confirmed as in place and operating effectively

These procedures ensure that consideration is given regularly to the nature and extent of the risks facing the Company and that they are being actively monitored Where changes in risk have been identified during the year they also provide a mechanism to assess whether further action is required to manage the risks identified The Board confirms that these procedures have been in place throughout the Company's financial year and continue to be in place up to the date of approval of this Report

Internal Audit

The Audit and Management Engagement Committee carries out an annual review of the need for an internal audit function The Committee continues to believe that the compliance and internal control systems and the internal audit function in place within the Investment Managers provide sufficient assurance that a sound system of internal control which safeguards shareholders' investment and the Company's assets, is maintained An internal audit function, specific to the Company, is therefore considered unnecessary

Accountability and Audit

The respective responsibilities of the Directors and the Auditors in connection with the Financial Statements are set out on pages 26 to 28

The accounts 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

Audit and Management Engagement Committee

An Audit and Management Engagement Committee has been established in compliance with the Combined Code consisting of all independent Directors Its authority and duties are clearly defined within its written terms of reference which are available on request from the Company and on the Managers' website Mr DHL Reid is Chairman of the Audit and Management Engagement Committee The Committee's duties which were discharged during the year, include

- monitoring and reviewing the integrity of the interim and annual financial statements and the internal financial controls,
- making recommendations to the Board in relation to the appointment of the external auditors and approving the remuneration and terms of their engagement,
- developing and implementing policy on the engagement of the external auditors to supply non-audit services (there were no non-audit services provided in the period),
- reviewing and monitoring the independence, objectivity and effectiveness of the external auditors,

Major Interests in Shares

Name	No of ordinary 5p shares held	% of issue
D C Thomson & Company Limited (direct)	3,500,000	7 1
Lloyds TSB Group Plc (indirect)	2,047,937	4 2
Legal & General Group Plc (direct)	1,962,567	4 0

The above information has been intimated to the Company as at 13 December 2007

- reviewing the arrangements in place within Baillie Gifford & Co whereby their staff may, in confidence, raise concerns about possible improprieties in matters of financial reporting or other matters insofar as they may affect the Company,
- reviewing the terms of the Investment Management Agreement, and
- considering annually whether there is a need for the Company to have its own internal audit function

The Committee considers the experience and tenure of the audit partner and staff and the nature and level of services provided The Committee receives confirmation from the auditors that they have complied with the relevant UK professional and regulatory requirements on independence

Relations with Shareholders
The Board places a great importance on communication with shareholders The Company's Managers meet regularly with shareholders and their representatives and report shareholders' views to the Board The Chairman is available to meet with shareholders as appropriate Shareholders wishing to communicate with any member of the Board may do so by writing to him at the Company's registered office

The Company's Annual General Meeting provides a forum for all communication with shareholders The level of proxies lodged for each resolution is announced at the meeting and is published on the Manager's website The notice period for the Annual General Meeting is at least 20 working days Shareholders and potential investors may obtain up-to-date information on the Company from the Managers' website

Voting Policy and Socially Responsible Investment
The Company has given discretionary voting powers to the investment managers, Baillie Gifford & Co The Managers vote against resolutions they consider may damage shareholders' rights or economic interests

The Company believes that it is in the shareholders' interests to consider environmental, social and governance factors when selecting and retaining investments and have asked the Managers to take these issues into account as long as the investment objectives are not compromised The Managers do not exclude companies from their investment universe purely on the grounds of environmental, social and governance issues but adopt a positive engagement approach whereby matters are discussed with management with the aim of improving the relevant policies and management systems

The Managers' policy has been reviewed and endorsed by the Board

The Managers are signatories to the Carbon Disclosure Project, and so take an active interest in companies' policies and management systems to mitigate risks associated with greenhouse gas emissions and global warming

Investment Manager

An Investment Management Agreement between the Company and Baillie Gifford & Co sets out the matters over which the Managers have authority in accordance with the policies and directions of, and subject to restrictions imposed by, the Board The Management Agreement is terminable on not less than 3 months' notice Details of the fee arrangements with Baillie Gifford & Co are shown on page 34

The Board considers the Company's investment management and secretarial arrangements on a continuing basis and a formal review is conducted by the Audit and Management Engagement Committee annually An independent report, prepared by Bestinvest (Research) Ltd is used as the basis of the annual review The Committee considers, amongst others, the following topics in its review

- investment performance,
- risk analysis,
- developments at the Managers, including staff turnover,
- share price discount, and
- charges and fees

Following the most recent review the Audit and Management Engagement Committee concluded that the continuing appointment of Baillie Gifford & Co as Managers, on the terms agreed is in the interests of shareholders as a whole This was subsequently approved by the Board

Directors

Mr RAG Douglas Miller, having reached the age of 70, will retire from the Board at the conclusion of the Annual General Meeting Mr DA Coltman, Mr DHL Reid and The Hon Kim Fraser, all having served more than 9 years, offer themselves for re-election

Mr J Leslie Melville was appointed to the Board on 1 August 2007, his appointment falls to be confirmed at the Annual General Meeting

Following performance evaluation, their performance continues to be effective and they remain committed to the Company Their contribution to the Board is greatly valued and the Board recommends their re-election to shareholders

Share Capital

Capital structure
The Company's capital structure consists of 49,004,319 ordinary shares of 5p each (2006 – 49,004,319 ordinary shares)

Dividends
The Ordinary Shares carry a right to receive dividends which are declared from time to time by an ordinary resolution of the Company (up to the amount recommended by the Directors) and to receive any interim dividends which the Directors may resolve to pay

Capital entitlement
On a winding up, after meeting the liabilities of the Company, the surplus assets will be paid to ordinary shareholders in proportion to their shareholdings

Voting

On a show of hands, every ordinary shareholder present in person or by proxy has one vote and on a poll every ordinary shareholder present in person has one vote for every share he/she holds and a proxy has one vote for every share in respect of which he/she is appointed

Information on the deadlines for proxy appointments can be found on page 43

Authority to Allot and Disapplication of Pre-emption Rights

At the Annual General Meeting on 31 January 2005 the Directors were given the authority to allot 16,171,420 ordinary shares During the year no shares were allotted This authority expires on 30 January 2010

The existing disapplication of pre-emption rights, which authorises the Directors to allot new shares or re-sell existing shares from treasury up to an aggregate nominal amount of £122,510 (2,450,200 ordinary shares) representing 5% of the issued ordinary share capital of the Company, for cash without first offering such shares to existing shareholders pro-rata to their existing holdings, also expires on 30 January 2010 Such authority will only be used to issue shares or re-sell shares from treasury at above net asset value and only when the Directors believe that it would be in the best interests of the Company to do so

Market Purchases of Own Shares

The Directors are seeking shareholders' approval at the Annual General Meeting to renew the authority to purchase up to 14 99% of the issued ordinary share capital of the Company as at the date of the passing of the resolution (7,345,747 ordinary shares) No shares were bought back during the year

The principal reasons for share buy-backs are

(i) to enhance the net asset value for continuing shareholders by purchasing shares at a discount to the prevailing net asset value, and

(ii) to address any imbalance between the supply of and demand for the Company's shares that results in a discount of the quoted market price to the published net asset value per ordinary share

The Company may cancel any shares bought back or hold them "in treasury" and then

(a) sell such shares (or any of them) for cash (or its equivalent under the Treasury Shares Regulations), or

(b) cancel the shares (or any of them)

All buy-backs up to the 10% issued share capital limit imposed by the Treasury Share Regulations will initially be held in treasury (while shares bought back in excess of that limit will be cancelled) Shares will only be re-sold from treasury at above net asset value

No dividends will be paid on treasury shares and the Company shall not be entitled to exercise the voting rights attaching to them

In accordance with the Listing Rules of the UK Listing Authority of the Financial Services Authority, the maximum price for an ordinary share (exclusive of expenses) must not exceed the higher of

(i) 105% of the average of the middle market quotations (as derived from the Daily Official List of the London Stock Exchange) for the Company's ordinary shares over the five business days immediately preceding the date of purchase, and

(ii) the higher of the last independent trade and the highest current independent bid on the London Stock Exchange

The minimum price which may be paid for an ordinary share shall be 5p (again exclusive of expenses) This buy-back authority, if conferred, will only be exercised if to do so would result in an increase in net asset value per ordinary share for the remaining shareholders and if it is in the best interests of shareholders generally The authority being sought will last until the earlier of 6 August 2009 or the conclusion of the Annual General Meeting of the Company to be held in 2009 unless previously revoked, varied or renewed by the Company in general meeting The decision to buy back any shares will be at the absolute discretion of the Directors

Your attention is drawn to Resolution 10 in the notice of the Annual General Meeting

Recommendation

The Board unanimously recommends you to vote in favour of the resolutions to be proposed at the Annual General Meeting as it is their view that the resolutions are in the best interest of shareholders as a whole

Creditor Payment Policy

It is the Company's payment policy for the forthcoming financial year to obtain the best terms for all business In general, the Company agrees with its suppliers the terms on which business will take place and it is its policy to abide by these terms The Company had no trade creditors at 31 October 2007 or 31 October 2006

Disclosure of Information to Auditors

The Directors confirm that so far as each of the Directors is aware there is no relevant audit information of which the Company's auditors are unaware and the Directors have taken all the steps that they ought to have taken as Directors in order to make themselves aware of any relevant audit information and to establish that the Company's auditors are aware of that information

Auditors

The auditors, KPMG Audit Plc, are willing to continue in office and in accordance with section 385 and section 390A of the Companies Act 1985 resolutions concerning their reappointment and remuneration will be submitted to the Annual General Meeting

Baillie Gifford & Co.

By order of the Board

BAILLIE GIFFORD & CO

Managers and Secretaries

14 December 2007

Directors' Emoluments for the Year (audited)

	2007 £	2006 £
Directors who served during the year		
DA Coltman	19,500	17,437
RAG Douglas Miller	13,125	11,625
WJ Ducas	13,125	11,625
J Leslie Melville (appointed 1 August 2007)	3,375	–
DHL Reid	13,125	11,625
The Hon Kim Fraser	13,125	11,625
	75,375	**63,937**

The Directors who served in the year received the above emoluments in the form of fees

Directors' Remuneration Report

The Board has prepared this report, in accordance with the requirements of Schedule 7A to the Companies Act 1985 An ordinary resolution for the approval of this report will be put to the members at the forthcoming Annual General Meeting

The law requires the Company's auditors to audit certain of the disclosures provided Where disclosures have been audited, they are indicated as such The auditors' opinion is included in their report on pages 27 and 28

Remuneration Committee

The Company has six Directors, all of whom are non-executive There is no separate remuneration committee and the Board as a whole considers changes to Directors' fees from time to time Baillie Gifford & Co, who have been appointed by the Board as Managers and Secretaries, provide advice and comparative information when the Board considers the level of Directors' fees

Policy on Directors' fees

The Board's policy is that the remuneration of Directors should be set at a reasonable level that is commensurate with the duties and responsibilities of the role and consistent with the requirement to attract and retain Directors of the appropriate quality and experience It should also reflect the experience of the Board as a whole, be fair and should take account of the level of fees paid by comparable investment trusts This policy will continue for the year ending 31 October 2008 and subsequent years

The fees for the non-executive Directors are determined within the limits set out in the Company's Articles of Association Shareholders' approved an increase of the aggregate limits (pursuant to Article 94 of the Articles of Association) at the Annual General Meeting held on 1 February 2007 Article 94 of the Company's Articles of Association now states that the fees paid to, and benefits in kind received by, the Directors for the services in the office of director, shall not exceed in aggregate £100,000 per annum or such higher amount as the Company may from time to time by ordinary resolution determine Non-executive Directors are not eligible for any other remuneration apart from the reimbursement of allowable expenses

The Board carried out a review of the level of Directors' fees during the year, and concluded that the fees should be increased from £18,000 to £20,000 for the Chairman and from £12,000 to £13,500 per Director The increase was effective from 1 February 2007

Directors' Service Contracts

It is the Board's policy that none of the Directors has a service contract but are provided with a letter of appointment

Directors' Service Details

	Date of appointment	Due date for re-election
DA Coltman	1 May 1998	AGM held in 2008
RAG Douglas Miller	1 May 1998	Retires AGM held in 2008
WJ Ducas	22 March 2002	AGM held in 2009
J Leslie Melville	1 August 2007	AGM held in 2008
DHL Reid	1 May 1998	AGM held in 2008
The Hon Kim Fraser	11 December 1998	AGM held in 2008

The terms of their appointment provide that a Director shall retire and be subject to re-election at the first Annual General Meeting after their appointment Thereafter they are obliged to retire by rotation, and subject to performance evaluation, if they wish, to offer themselves for re-election, no longer than every 3 years after that Any Director who has served on the Board for more than 9 years will submit himself for re-election annually There is no notice period and no provision for compensation upon early termination of appointment Directors are required to retire at the Annual General Meeting following their 70th birthday

Company Performance

The graph opposite compares the total return (assuming all dividends are reinvested) to ordinary shareholders compared to the total shareholder return on a notional investment made up of shares in the component parts of the FTSE All-Share Index This index was chosen for comparison purposes, as it is a widely used measure of performance for UK listed companies (Benchmark provided for information purposes only)

Performance Graph

Edinburgh Worldwide's Share Price, FTSE All Share Index and Benchmark*

(figures have been rebased to 100 at 31 October 2002)

The line at 31 October 2003 signifies the appointment of Baillie Gifford & Co as Managers and Secretaries

Past performance is no guarantee of future performance

Approval

The Directors' Remuneration Report on pages 24 and 25 was approved by the Board of Directors and signed on its behalf on 14 December 2007

DAVID A COLTMAN

Chairman

Statement of Directors' Responsibilities in Respect of the Annual Report and the Financial Statements

The Directors are responsible for preparing the Annual Report and the financial statements in accordance with applicable law and regulations

Company law requires the Directors to prepare financial statements for each financial year Under that law they have elected to prepare the financial statements in accordance with UK Accounting Standards

The financial statements are required by law to give a true and fair view of the state of affairs of the Company and of the profit or loss of the Company for that period

In preparing those financial statements, the Directors are required to

- select suitable accounting policies and then apply them consistently,
- make judgements and estimates that are reasonable and prudent,
- state whether applicable UK accounting standards have been followed, subject to any material departures disclosed and explained in the financial statements, and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Company will continue in business

The Directors are responsible for keeping proper accounting records that disclose with reasonable accuracy at any time the financial position of the Company and enable them to ensure that the financial statements comply with the Companies Act 1985 They have general responsibility for taking such steps as are reasonably open to them to safeguard the assets of the Company and to prevent and detect fraud and other irregularities

Under applicable law and regulations, the Directors are also responsible for preparing a Directors' Report, Directors' Remuneration Report and Corporate Governance Statement that comply with that law and those regulations

Independent Auditors' Report

to the members of Edinburgh Worldwide Investment Trust plc ('the Company')

We have audited the financial statements of Edinburgh Worldwide Investment Trust plc for the year ended 31 October 2007 which comprise the Income Statement, Balance Sheet, Reconciliation of Movements in Shareholders' Funds, the Cash Flow Statement and the related notes These financial statements have been prepared under the accounting policies set out therein We have also audited the information in the Directors' Remuneration Report that is described as having been audited

This report is made solely to the Company's members, as a body, in accordance with section 235 of the Companies Act 1985 Our audit work has been undertaken so that we might state to the Company's members those matters we are required to state to them in an auditor's report and for no other purpose To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the Company and the Company's members as a body, for our audit work, for this report, or for the opinions we have formed

Respective Responsibilities of Directors and Auditors

The Directors' responsibilities for preparing the Annual Report, the Directors' Remuneration Report and the financial statements in accordance with applicable law and UK Accounting Standards (UK Generally Accepted Accounting Practice) are set out in the Statement of Directors' Responsibilities on page 26

Our responsibility is to audit the financial statements and the part of the Directors' Remuneration Report to be audited in accordance with relevant legal and regulatory requirements and International Standards on Auditing (UK and Ireland)

We report to you our opinion as to whether the financial statements give a true and fair view and whether the financial statements and the part of the Directors' Remuneration Report to be audited have been properly prepared in accordance with the Companies Act 1985 We also report to you whether in our opinion the information given in the Directors' Report is consistent with the financial statements The information given in the Directors' Report includes the specific information presented in the Year's Summary, the Five Year Summary, the Chairman's Statement, the Managers' Overview, the Managers' Portfolio Review, and the Long Term Record that is cross referenced from the Business Review section of the Directors' Report We also report to you if, in our opinion, the Company has not kept proper accounting records, if we have not received all the information and explanations we require for our audit, or if information specified by law regarding Directors' remuneration and other transactions is not disclosed

We review whether the Corporate Governance Statement reflects the Company's compliance with the nine provisions of the 2006 FRC Combined Code specified for our review by the Listing Rules of the Financial Services Authority, and we report if it does not We are not required to consider whether the Board's statements on internal control cover all risks and controls, or form an opinion on the effectiveness of the Company's corporate governance procedures or its risk and control procedures

We read the other information contained in the Annual Report and consider whether it is consistent with the audited financial statements We consider the implications for our report if we become aware of any apparent misstatements or material inconsistencies with the financial statements Our responsibilities do not extend to any other information

Basis of Audit Opinion

We conducted our audit in accordance with International Standards on Auditing (UK and Ireland) issued by the Auditing Practices Board An audit includes examination, on a test basis, of evidence relevant to the amounts and disclosures in the financial statements and the part of the Directors' Remuneration Report to be audited It also includes an assessment of the significant estimates and judgments made by the directors in the preparation of the financial statements, and of whether the accounting policies are appropriate to the Company's circumstances, consistently applied and adequately disclosed

We planned and performed our audit so as to obtain all the information and explanations which we considered necessary in order to provide us with sufficient evidence to give reasonable assurance that the financial statements and the part of the Directors' Remuneration Report to be audited are free from material misstatement, whether caused by fraud or other irregularity or error In forming our opinion we also evaluated the overall adequacy of the presentation of information in the financial statements and the part of the Directors' Remuneration Report to be audited

Opinion

In our opinion

- the financial statements give a true and fair view, in accordance with UK Generally Accepted Accounting Practice, of the state of the Company's affairs as at 31 October 2007 and of its return for the year then ended,
- the financial statements and the part of the Directors' Remuneration Report to be audited have been properly prepared in accordance with the Companies Act 1985, and
- the information given in the Directors' Report is consistent with the financial statements

KPMG Audit Plc

KPMG Audit Plc
Chartered Accountants
Registered Auditor
Edinburgh
14 December 2007

	Notes	For the year ended 31 October 2007 Revenue £'000	Capital £'000	**Total £'000**	For the year ended 31 October 2006 Revenue £'000	Capital £'000	**Total £'000**
Gains on investments	9	–	25,424	**25,424**	–	16,264	**16,264**
Currency gains	14	–	1,732	**1,732**	–	1,751	**1,751**
Income	2	2,827	–	**2,827**	2,116	–	**2,116**
Investment management fee	3	(252)	(1,479)	**(1,731)**	(253)	(841)	**(1,094)**
Other administrative expenses	4	(415)	–	**(415)**	(399)	–	**(399)**
Net return before finance costs and taxation		2,160	25,677	**27,837**	1,464	17,174	**18,638**
Finance costs of borrowings	5	(352)	(1,057)	**(1,409)**	(382)	(1,146)	**(1,528)**
Net return on ordinary activities before taxation		1,808	24,620	**26,428**	1,082	16,028	**17,110**
Tax on ordinary activities	6	(521)	344	**(177)**	(265)	135	**(130)**
Net return on ordinary activities after taxation		**1,287**	**24,964**	**26,251**	**817**	**16,163**	**16,980**
Net return per ordinary share	8	**2.63p**	**50.94p**	**53.57p**	**1 67p**	**32.98p**	**34.65p**

A final dividend for the year of 1 50p per share is proposed (2006 – 1 50p) making a total of 2 00p for the year (2006 – 2 00p) More information on dividend distributions can be found in note 7 on pages 35 and 36

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

The accompanying notes on pages 33 to 41 are an integral part of this statement

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

	Notes	At 31 October 2007 £'000	At 31 October 2007 £'000	At 31 October 2006 £'000	At 31 October 2006 £'000
Fixed assets					
Investments held at fair value through profit or loss	9		170,032		148,870
Current assets					
Debtors	10	1,067		1,629	
Cash and short term deposits	19	4,646		3,934	
		5,713		5,563	
Creditors					
Amounts falling due within one year	11	(26,438)		(4,335)	
Net current (liabilities)/assets			(20,725)		1,228
Total assets less current liabilities			149,307		150,098
Creditors					
Amounts falling due after more than one year	12		–		(26,062)
			149,307		**124,036**
Capital and reserves					
Called-up share capital	13		2,450		2,450
Share premium	14		82,180		82,180
Special reserve	14		35,220		35,220
Capital reserve – realised	14		(35,187)		(34,132)
Capital reserve – unrealised	14		63,023		37,004
Revenue reserve	14		1,621		1,314
Equity shareholders' funds			**149,307**		**124,036**
Net asset value per ordinary share	15		**304.68p**		**253 11p**

The Accounts were approved by the Board and authorised for issue on 14 December 2007

DAVID A COLTMAN
Chairman

The accompanying notes on pages 33 to 41 are an integral part of this statement

For the year ended 31 October 2007

	Notes	Called-up share capital £'000	Share premium £'000	Special reserve £'000	Capital reserve – realised £'000	Capital reserve – unrealised £'000	Revenue reserve £'000	**Equity shareholders' funds £'000**
Shareholders' funds at 1 November 2006		2,450	82,180	35,220	(34,132)	37,004	1,314	**124,036**
Net return on ordinary activities after taxation	14	–	–	–	(1,055)	26,019	1,287	**26,251**
Dividends paid during the year	7	–	–	–	–	–	(980)	**(980)**
Shareholders' funds at 31 October 2007		**2,450**	**82,180**	**35,220**	**(35,187)**	**63,023**	**1,621**	**149,307**

For the year ended 31 October 2006

	Notes	Called-up share capital £'000	Share premium £'000	Special reserve £'000	Capital reserve – realised £'000	Capital reserve – unrealised £'000	Revenue reserve £'000	**Equity shareholders' funds £'000**
Shareholders' funds at 1 November 2005		2,450	82,180	35,220	(45,920)	32,629	1,477	**108,036**
Net return on ordinary activities after taxation		–	–	–	11,788	4,375	817	**16,980**
Dividends paid during the year	7	–	–	–	–	–	(980)	**(980)**
Shareholders' funds at 31 October 2006		**2,450**	**82,180**	**35,220**	**(34,132)**	**37,004**	**1,314**	**124,036**

The accompanying notes on pages 33 to 41 are an integral part of this statement

	Notes	For the year ended 31 October 2007 £'000	For the year ended 31 October 2007 £'000	For the year ended 31 October 2006 £'000	For the year ended 31 October 2006 £'000
Net cash inflow/(outflow) from operating activities	16		1,319		(82)
Servicing of finance					
Interest paid		(1,439)		(1,554)	
Net cash outflow from servicing of finance			(1,439)		(1,554)
Taxation					
Overseas tax incurred		(175)		(128)	
Total tax paid			(175)		(128)
Financial investment					
Acquisitions of investments		(22,536)		(35,655)	
Disposals of investments		24,527		42,040	
Realised currency loss		(4)		(12)	
Net cash inflow from financial investment			1,987		6,373
Equity dividends paid	7		(980)		(980)
Increase in cash	17		**712**		**3,629**
Reconciliation of net cash flow to movement in net debt	17				
Increase in cash in the period			712		3,629
Exchange movement on bank loans			1,736		1,763
Movement in net debt in the year			2,448		5,392
Net debt at 1 November			(22,128)		(27,520)
Net debt at 31 October			**(19,680)**		**(22,128)**

The accompanying notes on pages 33 to 41 are an integral part of this statement

1 Principal Accounting Policies

The financial statements for the year to 31 October 2007 have been prepared on the basis of the accounting policies set out in the Company's Annual Financial Statements at 31 October 2006

The Directors consider the Company's functional currency to be sterling as the Company's shareholders are predominantly based in the UK and the Company is subject to the UK's regulatory environment

(a) Basis of Accounting
The accounts are prepared on the assumption that approval as an investment trust will continue to be granted

The accounts have been prepared in accordance with applicable UK accounting standards and with the Statement of Recommended Practice 'Financial Statements of Investment Trust Companies' issued in 2003, revised 2005

In order to reflect better the activities of the trust and in accordance with guidance issued by the AIC, supplementary information which analyses the profit and loss account between items of a revenue and capital nature has been presented in the Income Statement

Financial assets and financial liabilities are recognised in the Company's balance sheet when it becomes a party to the contractual provisions of the instrument

(b) Investments
Purchases and sales of investments are accounted for on a trade date basis

All investments are designated at fair value through profit or loss

The fair value of listed security investments is bid value, or in the case of FTSE 100 constituents, at last traded prices issued by the London Stock Exchange

(c) Income

(i) Income from equity investments is brought into account on the date on which the investments are quoted ex dividend or, where no ex-dividend date is quoted, when the Company's right to receive payment is established

(ii) Interest from fixed interest securities is recognised on an effective yield basis

(iii) Franked income is stated net of tax credits

(iv) Unfranked investment income includes the taxes deducted at source

(v) Interest receivable on deposits is recognised on an accruals basis

(vi) If scrip is taken in lieu of dividends in cash, the net amount of the cash dividend declared is credited to the revenue account Any excess in the value of the shares received over the amount of the cash dividend foregone is recognised as capital

(d) Expenses
All expenses are accounted for on an accruals basis Expenses are charged through the revenue column of the income statement except as follows where they relate directly to the acquisition or disposal of an investment, in which case they are added to the cost of the investment or deducted from the sale proceeds and where they are connected with the maintenance or enhancement of the value of investments In this respect the investment management fee is allocated 25% to revenue and 75% to capital, in line with the Board's expectation of returns from the Company's investments over the long term in the form of revenue and capital respectively The performance fee has been charged 100% to capital as the revenue component is considered immaterial in the overall context of the performance fee, the fee has arisen predominantly by virtue of the capital performance of the investments

(e) Long Term Borrowings and Finance Costs
The finance costs of such borrowings are allocated 25 75 to the revenue column of the income statement and realised capital reserve Gains and losses on the repurchase or early settlement of debt is wholly charged to capital

(f) Taxation
Deferred taxation is provided on all timing differences, calculated at the current tax rate relevant to the benefit or liability Deferred tax assets are recognised only to the extent that it will be more likely than not that there will be taxable profits from which underlying timing differences can be deducted

(g) Foreign Currencies
Transactions involving foreign currencies are converted at the rate ruling at the time of the transaction Assets and liabilities in foreign currencies are translated at the closing rates of exchange at the balance sheet date with the exception of foreign exchange contracts which are valued at the forward rate ruling at the time of the balance sheet date
Any gain or loss arising from a change in exchange rate subsequent to the date of the transaction is included as an exchange gain or loss in capital reserve or revenue reserve as appropriate

(h) Capital Reserves

(i) Capital Reserves Realised
Gains and losses on realisation of investments and realised exchange differences of a capital nature are dealt with in this reserve The investment performance fee has been charged 100% to capital as it has arisen predominantly by virtue of the capital performance of the investments 75% of management fees, including related VAT (see note 20), and finance costs are allocated to the realised capital reserve in line with the Board's expectation of returns from the Company's investments over the long term in the form of revenue and capital respectively Any associated tax relief is also credited to this reserve

(ii) Capital Reserves Unrealised
Unrealised appreciation represents the amount by which assets and liabilities valued at fair value differs from their book value and is dealt with in this reserve

2 Income

	2007 £'000	2006 £'000
Income from investments		
Franked investment income	72	168
UK unfranked investment income	23	75
Overseas dividends	2,257	1,605
Overseas interest	322	242
	2,674	**2,090**
Other income		
Deposit interest	153	26
Total income	**2,827**	**2,116**
Total income comprises		
Dividends	2,329	1,773
Interest from investments	345	317
Deposit interest	153	26
	2,827	**2,116**
Income from investments		
Listed UK	86	297
Listed overseas	2,588	1,793
	2,674	**2,090**

3 Investment Management Fee

	2007 Revenue £'000	2007 Capital £'000	2007 Total £'000	2006 Revenue £'000	2006 Capital £'000	2006 Total £'000
Investment management fee	244	731	**975**	233	699	**932**
Investment performance fee	–	723	**723**	–	79	**79**
Unrecovered VAT thereon (see note 20)	8	25	**33**	20	63	**83**
	252	**1,479**	**1,731**	**253**	**841**	**1,094**

Baillie Gifford & Co were appointed as Managers and Secretaries with effect from 1 November 2003 The management agreement is terminable on not less than three months notice The fee in respect of each quarter is 0 2% of the market value of the Company on each valuation date In addition, Baillie Gifford are entitled to a performance fee, calculated annually in arrears The performance fee is based on any out performance of the net asset value per share by comparison to the MSCI All Countries World Index and is calculated as a percentage of the market value of the Company The fee is 5% of the out performance between zero and 2%, and 10% of the out performance thereafter A relative high water mark with neither cap nor collar will apply

In addition to the investment management fee, the Company also pays a secretarial fee to Baillie Gifford which is adjusted annually in line with the Retail Price Index The secretarial fee is shown in note 4

4 Other Administrative Expenses – all charged to the revenue column of the income statement

	2007 £'000	2006 £'000
Directors' fees (see Directors' Remuneration Report page 24)	75	64
Auditors' remuneration for audit services	12	12
Secretarial fees	66	63
Registrar's fees	39	35
Marketing and promotional fees	57	63
Printing expenses	8	26
Other expenses	158	136
	415	**399**

5 Finance Costs of Borrowings

	2007 Revenue £'000	2007 Capital £'000	2007 Total £'000	2006 Revenue £'000	2006 Capital £'000	2006 Total £'000
Bank loans repayable in one year or less, or on demand	352	1,057	**1,409**	–	–	–
In more than one year but not more than five years	–	–	–	382	1,146	**1,528**
	352	**1,057**	**1,409**	**382**	**1,146**	**1,528**

6 Tax on Ordinary Activities

	2007 Revenue £'000	2007 Capital £'000	2007 Total £'000	2006 Revenue £'000	2006 Capital £'000	2006 Total £'000
UK corporation tax	521	(344)	**177**	265	(135)	**130**
Overseas taxation	177	–	**177**	130	–	**130**
Double taxation relief	(177)	–	**(177)**	(130)	–	**(130)**
	521	**(344)**	**177**	**265**	**(135)**	**130**

	2007 £'000	2006 £'000
The tax charge for the year is lower than the standard rate of corporation tax in the UK (30%) The differences are explained below		
Revenue return on ordinary activities before taxation	1,808	1,082
Revenue return on ordinary activities multiplied by the standard rate of corporation tax in the UK of 30% (2006 – 30%)	542	325
Income not taxable (franked investment income)	(21)	(50)
Double taxation relief	(177)	(130)
Overseas tax charge	177	130
Marginal small companies relief	–	(10)
Current tax charge for the year	**521**	**265**

Capital returns are not included in the above analysis since, as an Investment Trust, the Company's capital gains are not taxable

There is no corporation tax charge at 31 October 2007 or 31 October 2006 as the Company has sufficient allowable management expenses/non-trading loan relationship losses to cover taxable income The tax charge for 31 October 2007 and 2006 comprises overseas withholding taxes written off

At 31 October 2007 the Company had net surplus management expenses, loan relationship losses and eligible unrelieved foreign tax of £14,363,000 (2006 – £13,260,000) which have not been recognised as a deferred tax asset This is because the Company is not in a future period expected to generate taxable income in excess of the deductible expenses and, accordingly, it is unlikely that the Company will be able to reduce future tax liabilities through the use of existing surplus expenses

7 Ordinary Dividends

	2007	2006	2007 £'000	2006 £'000
Amounts recognised as distributions in the period				
Previous year's final (paid 2 February 2007)	1 50p	1 50p	735	735
Interim (paid 3 July 2007)	0 50p	0 50p	245	245
	2.00p	**2 00p**	**980**	**980**

We also set out below the total dividends paid and proposed in respect of the financial year, which is the basis on which the requirements of section 842 of the Income and Corporation Taxes Act 1988 are considered The revenue available for distribution by way of dividend for the year is £1,287,000 (2006 – £817,000)

7 Ordinary Dividends (continued)

	2007	2006	2007 £'000	2006 £'000
Dividends paid and proposed in the period				
Interim dividend per ordinary share (paid 3 July 2007)	0 50p	0 50p	245	245
Proposed final dividend per ordinary share (payable 11 February 2008)	1 50p	1 50p	735	735
	2 00p	**2.00p**	**980**	**980**

8 Net Return per Ordinary Share

	2007 Revenue	2007 Capital	2007 **Total**	2006 Revenue	2006 Capital	2006 **Total**
Net return on ordinary activities after taxation	**2.63p**	**50 94p**	**53 57p**	**1.67p**	**32.98p**	**34.65p**

Revenue return per ordinary share is based on the net revenue on ordinary activities after taxation of £1,287,000 (2006 – £817,000) and on 49,004,319 ordinary shares, being the number of ordinary shares in issue during each year

Capital return per ordinary share is based on the net capital gain for the financial year of £24,964,000 (2006 – £16,163,000) and on 49,004,319 ordinary shares, being the number of ordinary shares in issue during each year

There are no dilutive or potentially dilutive shares in issue

9 Fixed Assets – Investments

	2007 £'000	2006 £'000
Listed at fair value – UK	1,856	4,276
– Overseas	168,176	144,594
	170,032	**148,870**

	Listed in UK £'000	Listed overseas £'000	**Total £'000**
Cost of investments held at 1 November 2006	3,299	111,157	**114,456**
Unrealised appreciation at 1 November 2006	977	33,437	**34,414**
Value of investments held at 1 November 2006	4,276	144,594	**148,870**
Movements in year			
Purchases at cost	–	20,355	**20,355**
Sales – proceeds	(1,485)	(23,117)	**(24,602)**
– realised (losses)/profits on sales	(194)	1,335	**1,141**
Amortisation of fixed income book cost	(2)	(13)	**(15)**
(Decrease)/increase in unrealised appreciation	(739)	25,022	**24,283**
Value of investments held at 31 October 2007	**1,856**	**168,176**	**170,032**
Cost of investments held at 31 October 2007	1,618	109,717	**111,335**
Unrealised appreciation at 31 October 2007	238	58,459	**58,697**
Value of investments held at 31 October 2007	**1,856**	**168,176**	**170,032**

The Company incurred transaction costs on purchases of £21,000 (2006 – £58,000) and on sales of £18,000 (2006 – £36,000)

9 Fixed Assets – Investments (continued)

	2007 £'000	2006 £'000
Gains on investments		
Realised gains on sales	1,141	13,652
Increase in unrealised appreciation	24,283	2,612
	25,424	**16,264**

Of the realised gains on sales during the year a net loss of £340,000 (2006 – net gain of £7,419,000) was included in unrealised appreciation at the previous year end

10 Debtors

	2007 £'000	2006 £'000
Due within one year		
Income accrued	385	261
Sales for subsequent settlement	605	530
FX sales for subsequent settlement	–	697
Other debtors and prepayments	77	141
	1,067	**1,629**

11 Creditors – Amounts falling due within one year

	2007 £'000	2006 £'000
ING Bank N V multi-currency loan	24,326	–
Purchases for subsequent settlement	613	2,794
FX purchases for subsequent settlement	–	697
Investment management fee	263	229
Investment performance fee	723	79
Secretarial fee	16	16
Other creditors and accruals	497	520
	26,438	**4,335**

Borrowing Facility

A 10 year multi-currency loan facility has been arranged with ING Bank N V which is due for repayment in July 2008
At 31 October 2007 and 31 October 2006 drawings were as follows

US$31,250,000 at an interest rate of 6 45% per annum
¥1,313,200,000 at an interest rate of 2 52% per annum
£3,800,000 at an interest rate of 6 93% per annum

Interest on the unsecured multi-currency loan is payable in half yearly instalments in January and July

The following covenants relate to the loan with ING Bank N V
(i) Total borrowings shall not exceed 60% of the Company's adjusted net asset value
(ii) The Company's minimum adjusted net asset value shall be £50 million

12 Creditors – Amounts falling due after more than one year

	2007 £'000	2006 £'000
ING Bank N V multi-currency loan (see note 11)	-	**26,062**

13 Called up Share Capital

	2007 Number	2007 £'000	2006 Number	2006 £'000
Authorised ordinary shares of 5p each	**65,175,744**	**3,259**	**65,175,744**	**3,259**
Allotted called-up and fully paid ordinary shares of 5p each	**49,004,319**	**2,450**	**49,004,319**	**2,450**

At the Annual General Meeting on 1 February 2007 the Company renewed its authority to purchase shares in the market, in respect of 7,345,747 ordinary shares (equivalent to 14 99% of its issued share capital at that date) No shares were bought back during the year to 31 October 2007 or 2006 At 31 October 2007 the Company had authority to buy back 7,345,747 ordinary shares

14 Capital and Reserves

	Called-up share capital £,000	Share premium £'000	Special reserve £'000	Capital reserve – realised £'000	Capital reserve – unrealised £'000	Revenue reserve £'000	**Equity shareholders' funds £'000**
At 1 November 2006	2,450	82,180	35,220	(34,132)	37,004	1,314	**124,036**
Net gains on realisation of investments	–	–	–	1,141	–	–	**1,141**
Increase in unrealised appreciation	–	–	–	–	24,283	–	**24,283**
Exchange differences on bank loans	–	–	–	–	1,736	–	**1,736**
Other exchange differences	–	–	–	(4)	–	–	**(4)**
Investment management and performance fees	–	–	–	(1,479)	–	–	**(1,479)**
Finance costs of borrowings	–	–	–	(1,057)	–	–	**(1,057)**
Tax relief on management fees and finance costs	–	–	–	344	–	–	**344**
Dividends paid in the year	–	–	–	–	–	(980)	**(980)**
Revenue return on ordinary activities after taxation	–	–	–	–	–	1,287	**1,287**
At 31 October 2007	**2,450**	**82,180**	**35,220**	**(35,187)**	**63,023**	**1,621**	**149,307**

15 Net Asset Value per Ordinary Share

The net asset value per ordinary share and the net asset value attributable to the ordinary shareholders at the year end calculated in accordance with the Articles of Association were as follows

	2007	2006	2007 £'000	2006 £'000
Ordinary shares	**304.68p**	**253.11p**	**149,307**	**124,036**

Net asset value per ordinary share is based on the net assets as shown above and 49,004,319 ordinary shares, being the number of ordinary shares in issue at each year end

Deducting borrowings at fair value (see note 19, page 41) has no material effect on the net asset value per ordinary share at 31 October 2007 At 31 October 2006 the effect would have been to reduce net asset value per ordinary share from 253 11p to 252 02p Taking the market price of the ordinary shares at 31 October 2006 of 234 00p, this would have given a discount to net asset value of 7 2% as against 7 6% on a traditional basis

16 Reconciliation of Net Return before Finance Costs and Taxation to Net Cash Inflow/(Outflow) from Operating Activities

	2007 £'000	2006 £'000
Net return on ordinary activities before finance costs and taxation	27,837	18,638
Gains on investments – securities	(25,424)	(16,264)
Currency gains	(1,732)	(1,751)
Amortisation of fixed income book cost	15	73
(Increase)/decrease in accrued income	(126)	121
Decrease/(increase) in debtors	64	(71)
Increase/(decrease) in creditors	685	(828)
Net cash inflow/(outflow) from operating activities	**1,319**	**(82)**

17 Analysis of Change in Net Debt

	At 1 November 2006 £'000	Cash flows £'000	Exchange movement £'000	At 31 October 2007 £'000
Cash at bank and in hand	3,934	712	–	**4,646**
Loan due in more than one year	(26,062)	–	1,736	**(24,326)**
	(22,128)	**712**	**1,736**	**(19,680)**

18 Directors' Interests in Contracts

No Director has a contract of service with the Company

During the year no Director was interested in any contract or other matter requiring disclosure under section 232 of the Companies Act 1985

19 Financial Instruments and Risk Exposure

The international nature of the Company's investment activities provides opportunities for both market appreciation and currency gains, but leaves it exposed to the risk of market volatility and currency fluctuations

In the case of an investment trust, capital profits from investing activities and currency gains are prohibited from being distributed in the form of dividends

Gearing

The Company's borrowings are detailed in notes 11 and 12 the aim of which is to enhance long term returns to shareholders by investing borrowed funds in equities and other assets

The Company's financial instruments, which provide finance for investment activities comprise its borrowings, cash and liquid resources In addition to the equity portfolio, the Company can maintain investments in UK and overseas corporate bonds as part of its investment strategy

All borrowing facilities require Board authorisation

Derivatives

The Company may, from time to time, enter into derivative transactions to hedge specific currency or interest rate risk No such transactions were undertaken in the year

The Company has precisely defined guidelines to govern the purchase or writing of options on individual shares No options were purchased or written in the year

Trading in financial instruments is not within the normal activities of an investment trust, nor is it the Company's policy to trade in such instruments Transactions in financial instruments generally arise as a result of strategic investment decisions

The Company's Managers may not enter into derivative transactions without the prior approval of the Board

The Board agrees policies for managing risk with the Company's Managers

The main risks arising from the Company's financial instruments are as follows

Market Risk

The Company is exposed to market risk due to fluctuation in the market prices of its investments The Company's Managers actively monitor market and economic data and report to the Board, which considers investment policy on a regular basis

Interest Rate Risk

The Company finances its operations by means of called-up share capital, realised capital profits, retained revenue reserves and bank borrowings The value of the Company's bond portfolio is subject to interest rate risk It is not the Company's policy to hedge this risk The Company has multi-currency borrowing facilities at fixed rates The Company's income may be affected by fluctuations in short term interest rates

Credit Risk

In addition to interest rate risk, the Company's investments in bonds are also subject to credit risk Credit risk reflects the possibility that a borrower will not be able to meet its obligation to make payments of interest or principal when they fall due The Managers analyse the credit risk of the Company's bond investments prior to purchase and continue to monitor developments in credit quality subsequently

Liquidity Risk

The Company's policy with regard to liquidity is to ensure continuity of funding Short term flexibility is achieved by overdraft facilities The Company's assets comprise mainly readily realisable securities which can be sold freely to meet funding commitments if necessary

Foreign Currency Risk

The international nature of the Company's investment activities gives rise to a currency risk which is inherent in the performance of its overseas investments It is not currently the Company's policy to hedge this risk on a continuing basis, but the Company may from time to time match specific overseas investment with foreign currency borrowings

The revenue account is subject to currency fluctuation arising on overseas income The Company does not hedge this currency risk

19 Financial Instruments and Risk Exposure (continued)

Foreign Currency Risk

Exposure to currency risk through asset allocation is indicated below

Financial Assets

	2007 Investments £'000	2007 Cash and deposits £'000	2007 Short term debtors £'000	2006 Investments £'000	2006 Cash and deposits £'000	2006 Short term debtors £'000
Sterling	1,856	3,719	107	3,943	3,934	179
US dollar	91,251	–	915	83,993	–	690
Euro	26,988	867	7	19,418	–	700
Danish kroner	5,298	–	–	–	–	–
Swedish kroner	16,874	–	–	14,072	–	20
Swiss franc	3,261	–	11	2,903	–	3
Japanese yen	5,082	–	–	10,076	–	–
Hong Kong dollar	4,056	–	–	2,089	–	–
Chinese yuan	–	–	27	–	–	27
Korean won	4,401	–	–	4,815	–	–
Malaysian dollar	2,046	60	–	–	–	–
Indian rupee	8,919	–	–	7,561	–	10
	170,032	**4,646**	**1,067**	**148,870**	**3,934**	**1,629**

Financial Liabilities

	2007 Bank loans £'000	2007 Purchases and FX purchases for subsequent settlement £'000	2007 Other creditors and accruals £'000	2006 Bank loans £'000	2006 Purchases and FX purchases for subsequent settlement £'000	2006 Other creditors and accruals £'000
Sterling	3,800	–	1,150	3,800	697	466
US dollar	15,043	613	305	16,385	1,749	332
Euro	–	–	–	–	697	–
Swiss franc	–	–	–	–	348	–
Japanese yen	5,483	–	44	5,877	–	46
	24,326	**613**	**1,499**	**26,062**	**3,491**	**844**

Interest Rate Risk

The interest rate risk profile of the Company's financial assets and financial liabilities at 31 October was

Financial Assets

	2007 Fair value £'000	2007 Weighted average yield to redemption	2007 Weighted average period until maturity	2006 Fair value £'000	2006 Weighted average yield to redemption	2006 Weighted average period until maturity
Fixed rate						
UK bonds	–	–	–	626	5 3%	1 year
UK bonds (interest rate linked to sterling LIBOR from 2009)	–	–	–	562	5 9%	13 years
US bonds	–	–	–	3,222	4 7%	3 years
Yen bonds	–	–	–	1,881	0 6%	2 years
Floating rate						
US bonds (interest rate linked to US dollar LIBOR)	1,444	18 4%	2 years	–	–	–
Total fixed interest	**1,444**	**18.4%**	**2 years**	**6,291**	**3 6%**	**2 years**

The cash and deposits generally comprise call or short term money market deposits of less than one month which are repayable on demand The benchmark rate that determines the interest payments received on cash balances is the bank base rate

19 Financial Instruments and Risk Exposure (continued)

Interest Rate Risk (continued)
Financial Liabilities

	2007 £'000	2006 £'000
The interest rate risk profile of the Company's financial liabilities at 31 October was		
Fixed rate – Sterling denominated	3,800	3,800
Fixed rate – US$ denominated	15,043	16,385
Fixed rate – Yen denominated	5,483	5,877
	24,326	**26,062**
The maturity profile of the Company's financial liabilities at 31 October was		
In one year or less, or on demand	24,326	–
In more than one year but not more than five years	–	26,062
	24,326	**26,062**

Fair Value of Financial Assets and Financial Liabilities
The Directors are of the opinion that the financial assets and liabilities of the Company are stated at fair value in the balance sheet with the exception of borrowings The fair value is shown under the heading 'Financial Liabilities' below

Financial Assets
Fixed asset investments are valued at bid prices which equate to their fair value A full list of the Company's investments is given on page 12 In addition, a geographical analysis of the portfolio and an analysis of the investment portfolio by broad industrial or commercial sector are contained on page 16

Financial Liabilities
The Company's borrowings are included in the accounts in accordance with FRS 25 A comparison with the fair value is as follows

	2007 Book value £'000	2007 Fair value £'000	2006 Book value £'000	2006 Fair value £'000
Fixed rate multi-currency bank loan	**24,326**	**24,326**	**26,062**	**26,596**

For short term loans par value is considered to be equal to fair value

Gains and Losses on Hedges
At 31 October 2006 and 2007 there were no unrecognised gains/losses on hedges

Realised currency gains/losses are taken to the capital reserve and are not reflected in the revenue account unless they are of a revenue nature

20 Contingent Asset

In June this year the European Court of Justice ruled that investment trust management fees should be exempt from VAT and this decision has now been accepted in principle by HM Revenue and Customs The result of this decision is that future management fees will not be subject to VAT and the Company will be able to recover some of the VAT suffered on past management fees A number of legal and procedural matters remain to be resolved however before certainty is reached in respect of the amount of VAT that will be repaid Consequently, no amounts have been recognised as an asset within these Accounts The amount recoverable however will not be material and for the four year period that Baillie Gifford have been Managers, the amount is not expected to be more than 0 1% of shareholders' funds

The Annual General Meeting of the Company will be held within the offices of Baillie Gifford & Co, Calton Square, 1 Greenside Row, Edinburgh EH1 3AN on Thursday, 7 February 2008 at 12 noon, a buffet lunch will be provided

If you have any queries as to how to vote or how to attend the meeting, please call us on 0800 027 0133

Baillie Gifford may record your call

Notice of Annual General Meeting

Notice is hereby given that the tenth Annual General Meeting of Edinburgh Worldwide Investment Trust plc will be held within the Registered Office of the Company, Calton Square, 1 Greenside Row, Edinburgh EH1 3AN on Thursday, 7 February 2008, at 12 noon for the following purposes

Ordinary Business

To consider and, if thought fit, to pass the following resolutions as Ordinary Resolutions

1 To receive the Accounts of the Company for the year to 31 October 2007 with the Directors' Report, the Directors' Remuneration Report and the Independent Auditors' Report
2 To approve the Directors' Remuneration Report for the year ended 31 October 2007
3 To declare a dividend
4 To re-elect Mr DA Coltman as a Director
5 To re-elect Mr DHL Reid as a Director
6 To re-elect The Hon Kim Fraser as a Director
7 To elect Mr J Leslie Melville as a Director
8 To reappoint KPMG Audit Plc as Independent Auditors of the Company to hold office until the conclusion of the next Annual General Meeting at which the accounts are laid before the Company
9 To authorise the Directors to determine the remuneration of the Independent Auditors of the Company

To consider and, if thought fit, to pass the following resolution as a Special Resolution

10 That, in substitution for any existing authority under section 166 of the Companies Act 1985 (the "Act"), the Company be and is hereby generally and unconditionally authorised, pursuant to and in accordance with section 166 of the Act, to make market purchases (within the meaning of section 163(3) of the Act) of fully paid ordinary shares of 5p each in the capital of the Company (either for retention as treasury shares for future sale or cancellation) ("ordinary shares"), provided that

(i) the maximum aggregate number of ordinary shares hereby authorised to be purchased is 14 99% of the issued ordinary share capital of the Company as at the date of the passing of this resolution,

(ii) the minimum price which may be paid for an ordinary share is 5p (exclusive of expenses), and

(iii) the maximum price (exclusive of expenses) which may be paid for an ordinary share must not exceed the higher of

(a) 105% of the average of the middle market quotations (as derived from the Daily Official List of the London Stock Exchange) for the ordinary shares for the five business days immediately preceding the date of purchase, and

(b) the higher of the last independent trade and the highest current independent bid on the London Stock Exchange

such authority to expire on the earlier of 6 August 2009 or at the conclusion of the Annual General Meeting of the Company to be held in 2009, unless previously revoked, varied or renewed by the Company in general meeting, save that the Company may at any time prior to the expiry of such authority enter into a contract or contracts to purchase ordinary shares under such authority which will or might be completed or executed wholly or partly after the expiration of such authority and may make a purchase of ordinary shares in pursuance of any such contract or contracts

By order of the Board

Baillie Gifford & Co

Managers and Secretaries

19 December 2007

Baillie Gifford & Co.

Notes

1 A member entitled to attend, speak and vote at the meeting is entitled to appoint one or more proxies to attend, speak and vote and, on a poll vote on his/her behalf A proxy need not be a member of the Company A Form of Proxy for the use of members is enclosed and to be valid must be lodged with the Registrar of the Company not less than 48 hours before the time set for the meeting, or any adjourned meeting (or, in the case of a poll taken subsequent to the date of the meeting or an adjourned meeting, not less than 24 hours) The appointment of a proxy will not prevent a member from subsequently attending and voting at the meeting in person

2 Pursuant to Regulation 41 of the Uncertificated Securities Regulations 2001, the Company specifies that only those shareholders entered on the Register of Members of the Company as at 6 00 pm on 5 February 2008 or, in the event that the meeting is adjourned, on the Register of Members as at 6 00 pm two days prior to the adjourned meeting, shall be entitled to attend or vote at the meeting in respect of the number of ordinary shares registered in their name at that time Changes to the entries on the Register of Members after 6 00 pm on 5 February 2008 or, in the event that the meeting is adjourned, in the Register of Members as at 6 00 pm two days prior to the adjourned meeting, shall be disregarded in determining the rights of any person to attend or vote at the meeting, notwithstanding any provisions in any enactment, the Articles of Association of the Company or other instrument to the contrary

3 Shareholders participating in the Baillie Gifford Investment Trust Share Plan, Children's Savings Plan or the Baillie Gifford Investment Trust ISA/PEP who wish to vote and/or attend the meeting must complete and return the enclosed reply-paid Form of Direction

4 There are special arrangements for holders of shares through Aberdeen Investment Trusts ISA, Share Plan and PEP and The Edinburgh Fund Managers Investment Trust Pension These are explained in the "Form of Direction" which such holders will have received with this report

5 No Director has a contract of service with the Company

6 Electronic proxy appointment through CREST CREST members who wish to appoint a proxy or proxies through the CREST electronic proxy appointment service may do so for the annual general meeting to be held on 7 February 2008 and any adjournment(s) thereof by using the procedures described in the CREST Manual CREST Personal Members or other CREST sponsored members, and those CREST members who have appointed a voting service provider(s), should refer to their CREST sponsor or voting service provider(s), who will be able to take the appropriate action on their behalf

In order for a proxy appointment or instruction made using the CREST service to be valid, the appropriate CREST message (a "CREST Proxy Instruction") must be properly authenticated in accordance with CRESTCo's specifications and must contain the information required for such instructions, as described in the CREST Manual The message, regardless of whether it constitutes the appointment of a proxy or to an amendment to the instruction given to a previously appointed proxy must, in order to be valid, be transmitted so as to be received by the issuer's agent (ID 3RA50) by the latest time for receipt of proxy appointments specified in the notice of meeting For this purpose, the time of receipt will be taken to be the time (as determined by the timestamp applied to the message by the CREST Applications Host) from which the issuer's agent is able to retrieve the message by enquiry to CREST in the manner prescribed by CREST After this time any change of instructions to proxies appointed through CREST should be communicated to the appointee through other means

CREST members and, where applicable, their CREST sponsors or voting service providers should note that CRESTCo does not make available special procedures in CREST for any particular messages Normal system timings and limitations will therefore apply in relation to the input of CREST Proxy Instructions It is the responsibility of the CREST member concerned to take (or, if the CREST member is a CREST personal member or sponsored member or has appointed a voting service provider(s), to procure that his CREST sponsor or voting service provider(s) take(s)) such action as shall be necessary to ensure that a message is transmitted by means of the CREST system by any particular time In this connection, CREST members and, where applicable, their CREST sponsors or voting service providers are referred, in particular, to those sections of the CREST Manual concerning practical limitations of the CREST system and timings

The Company may treat as invalid a CREST Proxy Instruction in the circumstances set out in Regulation 35(5)(a) of the Uncertificated Securities Regulations 2001

Analysis of Shareholders

	At 31 October 2007 Number of shares held	%	At 31 October 2006 Number of shares held	%
Institutions	17,924,641	36 6	15,187,178	31 0
Intermediaries	18,710,223	38 2	20,366,848	41 6
Individuals	10,347,066	21 1	11,644,392	23 8
Baillie Gifford Share Plan/PEP/ISA	1,187,725	2 4	1,046,259	2 1
Marketmakers	834,664	1 7	759,642	1 5
	49,004,319	**100.0**	**49,004,319**	**100.0**

Further Shareholder Information

How to Invest

The Company's shares are traded on the London Stock Exchange They can be bought by placing an order with a stockbroker, by asking a professional adviser to do so, or through the Baillie Gifford savings vehicles (see inside back cover for details)

Sources of Further Information on the Company

The price of shares is quoted daily in the Financial Times and can also be found on the Company's page on Baillie Gifford's website at **www edinburghworldwide co uk**, Trustnet at **www trustnet co uk** and on other financial websites Company factsheets are also available on the Baillie Gifford website and are updated monthly These are available from Baillie Gifford on request

Key Dates

Ordinary shareholders normally receive two dividends in respect of each financial year An interim dividend is paid in July and a final dividend is paid in February The AGM is normally held in late January or early February

Share Register Enquiries

Computershare Investor Services PLC maintains the share register on behalf of the Company In the event of queries regarding shares registered in your own name, please contact the Registrars on 0870 707 1643 They also offer a free, secure, share management website sevice which allows you to

- view your share portfolio and see the latest market price of your shares,
- calculate the total market price of each shareholding,
- view price histories and trading graphs,
- register your e-mail address,
- view dividend and transaction histories,
- view all terms and conditions,
- update bank mandates and change address details, and
- use online dealing services

You can even link accounts for companies where Computershare do not act as registrar

To take advantage of this service, please log in at **www-uk computershare com/investor** and enter your Shareholder Reference Number and Company Code (this information can be found on your Form of Proxy) The share dealing service is also offered by telephone on 0870 703 0084

Edinburgh Worldwide is an investment trust Investment trusts offer investors the following

- Participation in a diversified portfolio of shares
- Constant supervision by experienced professional managers
- The Company is free from capital gains tax on capital profits realised within its portfolio although investors are still liable for capital gains tax on profits when selling their investment

These accounts have been approved by the Directors of Edinburgh Worldwide Investment Trust plc Baillie Gifford Savings Management Limited is the ISA Manager of the Baillie Gifford Investment Trust ISA, the PEP Manager of the Baillie Gifford Investment Trust PEP and the Manager of the Baillie Gifford Investment Trust Share Plan and Children's Savings Plan Baillie Gifford Savings Management Limited is wholly owned by Baillie Gifford & Co Both are authorised and regulated by the Financial Services Authority Baillie Gifford only provides information about its products and does not provide investment advice The staff of Baillie Gifford and the Directors may hold shares in Edinburgh Worldwide and may buy or sell such shares subject to Baillie Gifford's personal account dealing rules

Risks

Past performance is no guarantee of future performance

The value of your investment and income from it is not guaranteed and may go down as well as up and you may not get back the amount originally invested The price of an investment trust share will fluctuate in accordance with supply and demand and may not reflect the underlying net asset value

The Trust's risk is increased as it has a more concentrated portfolio than a typical investment trust As a result, the share price will be more volatile than investment trusts with a more diversified portfolio

Investment trusts can borrow money to make further investments, which is commonly referred to as gearing The risk is that when this money is repaid by the trust, the value of these investments may not be enough to cover the borrowing and interest costs and the trust makes a loss If the trust's investments fall in value, gearing will increase the amount of the loss in value to investors The more highly the trust is geared, the greater this effect will be

As Edinburgh Worldwide invests in overseas securities, changes in the rates of exchange may also cause the value of your investment to go down or up

The value of ISA and PEP tax advantages will depend on personal circumstances Tax rates and reliefs may change in future

Baillie Gifford Savings Vehicles

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 from £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 £250 or from £30 per month

Baillie Gifford's Investment Trust PEP Transfer

You can transfer an existing PEP to access a different market or to change your investment manager (minimum value of £2,000)

Further Information

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We may record your call

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