Fidelity European Values PLC

Half-Yearly Report

For the 6 months ended 30 June 2008

Managed by

Fidelity International

Contents

Investment Objective

The investment objective of the Company is to achieve long term capital growth from the stockmarkets of continental Europe.

Performance – total return (includes reinvested income)

	6 months to 30 June 2008	From launch 5 November 1991
Net asset value per share	-4.1%	+1,407.9%
Share price	-6.2%	+1,266.4%
FTSE World Europe (ex UK) Index	-12.8%	+430.8%

Standardised performance on a total return basis

	30/06/03 to 30/06/04	30/06/04 to 30/06/05	30/06/05 to 30/06/06	30/06/06 to 30/06/07	30/06/07 to 30/06/08
Net asset value per share	+25.7%	+33.9%	+25.4%	+24.8%	-3.0%
Share price	+30.2%	+41.7%	+21.8%	+24.1%	-5.2%

Sources: Fidelity and Datastream.
Past performance is not a guide to future returns. The value of your investment can go down as well as up.

Summary of Results

		30 June 2008	31 December 2007	% change
Assets				
Total assets employed[1]		£872.1m	£957.7m	-8.9
Shareholders' funds		£761.4m	£854.6m	-10.9
Borrowings as % of shareholders' funds		14.5	12.1	
Borrowings less cash as % of shareholders' funds[2]		(1.7)	(1.0)	
Net asset value per share (NAV)		1,375.42p	1,449.76p	-5.1
Stockmarket Data				
FTSE World Europe (ex UK) Index		376.91	442.50	-14.8
Share price[3]	period end	1,252.00p	1,350.00p	-7.3
	high	1,406.00p	1,422.00p	
	low	1,177.00p	1,195.00p	
Discount[3]	period end	9.0%	6.9%	
	high	9.7%	6.9%	
	low	1.6%	0.6%	

Returns for the six months to 30 June	2008	2007
Capital return per ordinary share	(92.97p)	133.58p
Capital + revenue return per ordinary share	(68.39p)	152.84p

Total Returns[4] for the six months to 30 June	2008	2007
NAV per share	-4.1%	+12.1%
Share price	-6.2%	+10.7%
FTSE World Europe (ex UK) Index	-12.8%	+10.9%

1 Total assets less liabilities, excluding loan liabilities.
2 Cash includes investment in Fidelity Institutional Cash Fund plc.
3 The high and low figures relate to the six month period to 30 June 2008 and the year to 31 December 2007.
4 Includes reinvested income.

Sources: Fidelity and Datastream.
Past performance is not a guide to future returns. The value of your investment can go down as well as up.

PERFORMANCE

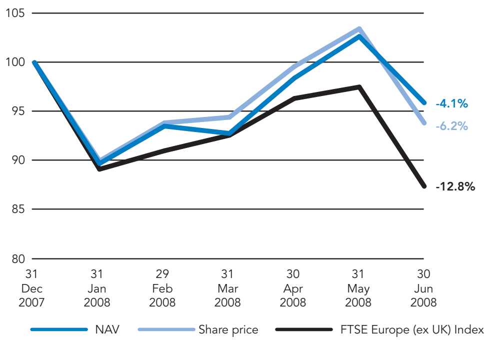
During the first six months of the year, the net asset value of the portfolio fell by 4.1%, compared with a decline of 12.8% for the FTSE World Europe (ex UK) Index, in sterling terms on a total return basis.

MARKET REVIEW

The first half of 2008 has proven to be a difficult period for European equities. Investor sentiment at the start of the year was fragile due to concerns about the outlook for the US economy. Then, with weakness in US residential real estate beginning to broaden, major European banks reported write-downs tied to US sub-prime mortgages. This, in turn, increased worries about wider credit-related losses. The bail out of Bear Stearns in mid-March marked a low in equity market performance as investors believed that systemic risks to financial markets were much reduced. Equity markets subsequently rallied until further signs of weakness emerged towards the end of the first half of the year. In addition, commodity price rises have been unprecedented which have, in turn, led to an increase in inflation expectations, which has caused further turmoil in equity markets.

Initially, against a challenging background for European markets, the European Central Bank (ECB) kept its key interest rate on hold, but took measures to inject liquidity into the market to ease the pressure on high inter-bank lending rates. Several headwinds for the region remain including a strong euro exchange rate, higher energy and food prices, credit and money market turmoil as well as the downturn in the US economy. With inflation trending upwards the ECB has more recently moved to tighten interest rates. Thus far, the eurozone

TOTAL RETURN PERFORMANCE FOR THE 6 MONTHS TO 30 JUNE 2008



Sources: Fidelity and Datastream.
Past performance is not a guide to future returns. The value of your investment can go down as well as up.

appears to be resilient in the face of some strong challenges and, in fact, growth in the first quarter proved to be the strongest in five quarters, boosted by Germany.

PORTFOLIO MANAGER REPORT

During the period under review, stock selection within three key sectors positively contributed to performance. An underweight exposure to banks helped performance as the sector came under pressure due to write-downs of US sub-prime exposure and stock specific issues. Most notably lack of exposure to UBS and Société Générale boosted relative performance. In addition, exposure to K+S and Israel Chemicals helped performance as shares in both companies rose significantly as a tight demand and supply situation boosted earnings. Finally, selecting Grifols, which enjoys a strong position in the European blood plasma market, and Roche Holdings, which enjoys a strong product pipeline, both from the pharmaceuticals sector, also benefited the portfolio.

Over the six months to the end of June, the core of the portfolio continued to be focused on companies that could grow earnings at a faster rate than the market average at attractive valuations. There were also holdings in the portfolio that had corporate potential, as well as various special situations stocks. The portfolio manager is cautious about stocks that are affected by movements in the value of the US dollar, as well as those that are overly sensitive to changes in the macroeconomic outlook. There was little change in the second quarter to the portfolio positioning, though the weightings in the financials, healthcare and utilities sectors were reduced somewhat over the period.

DISCOUNT MANAGEMENT AND GEARING

During the period under review, a further 3.6 million shares were repurchased for cancellation, with the continued purpose of reducing share price volatility and resulting in an enhancement of the NAV per share. The level of net gearing has remained around zero during the period, with cash held producing negative gearing of 1.7% at the period end.

The Board has no immediate plans to reintroduce gearing.

OUTLOOK

2008 has, so far, proved to be a difficult year for equity investors with high levels of volatility and an almost continuous stream of poor newsflow dampening investor sentiment. We are seeing a deteriorating macroeconomic environment caused by fears of a high inflation low growth scenario (stagflation) and, at the company level, disappointing profits data led by the struggling financial sector. Indeed, the financial sector, in particular, could now be entering a period of markedly weaker growth. As provisions rise and leverage is reigned in, profit margins will be significantly reduced and this is likely to affect banks for some time to come. On the positive side, European equities are currently trading at valuation levels which are attractive relative to other regions and compared to their longer term history, particularly if earnings do stand up. Indeed, for stock pickers with a longer term horizon there are some good opportunities to be found, particularly, with stocks that offer good longer-term fundamentals that have been indiscriminately sold as a result of uncertain markets.

NEW ARTICLES OF ASSOCIATION

Finally, the Board has decided to convene an Extraordinary General Meeting for 22 September 2008 (the formal notice for which appears on pages 19 and 20) at which a special resolution will be proposed to adopt new Articles of Association (the "New Articles") in order to update the Company's current Articles of Association (the "Current Articles") primarily to take account of changes in company law brought about by the Companies Act 2006.

The principal changes introduced in the New Articles are summarised in the Appendix at the end of this report. Other changes, which are of a minor, technical or clarifying nature, merely reflect changes made by the Companies Act 2006 and have not been noted in the Appendix. The New Articles showing all the changes to the Current Articles are available for inspection, as described in note 8 to the Notice.

By order of the Board
FIL Investments International
6 August 2008

Responsibility Statement

The Directors confirm to the best of their knowledge that:

a) the condensed set of financial statements contained within the half-yearly financial report has been prepared in accordance with the UK Accounting Standards Board's Statement 'Half Yearly Financial Reports';

b) the half-yearly report narrative on pages 3,4 & 5 (constituting the interim management report) includes a fair review of the information required by Rule 4.2.7R of the FSA's Disclosure and Transparency Rules and their impact on the condensed set of financial statements and a description of the principal risks and uncertainties for the remaining six months of the financial year; and

c) in accordance with Disclosure and Transparency Rule 4.2.8R there have been no related parties transactions during the six months to 30 June 2008 and therefore nothing to report on any material effect by such a transaction on the financial position or the performance of the Company during that period; and there have been no changes in this position since the last annual report that could have a material effect on the financial position or performance of the Company in the first six months of the current financial year.

The half-yearly financial report has not been audited or reviewed by the Company's auditors.

The half-yearly report was approved by the Board on 6 August 2008 and the above responsibility statement was signed on its behalf by Robert Walther, Chairman.

Top 20 Holdings as at 30 June 2008

Holding	Market Value £'000	%†
E.ON German generator and distributor of electricity and gas	41,021	4.7
Roche Holdings Swiss developer and manufacturer of pharmaceutical and chemical products	37,624	4.3
Telefonica Spanish provider of telecommunications services	30,216	3.5
KPN Dutch provider of telecommunications services	28,021	3.2
Suez French distributor of electricity and natural gas	23,608	2.7
Grifols Spanish company engaged in the healthcare sector	21,861	2.5
Gazprom Russian gas company	20,560	2.4
Allianz European insurance and financial services company	18,928	2.2
Eni Integrated energy company	17,100	2.0
Repsol International integrated oil and gas company	16,874	2.0
OMV Austrian oil and gas company	16,654	1.9
RWE Holding company providing electricity, gas and water in continental Europe	14,649	1.7
Deutsche Boerse German based international financial marketplace operator	14,625	1.7
Linde Global developer, producer and seller of premium quality chocolate products	14,317	1.7
Finmeccanica Italian holding company engaged in aeronautics, helicopters, space, defence electronics and defence systems	13,809	1.6
ArcelorMittal Global steel producer	13,519	1.6
Fresenius Preferred German operator in the healthcare sector	13,494	1.6
StatoilHydro Norwegian integrated oil and gas company	12,402	1.4
Fresenius German operator in the healthcare sector	10,978	1.3
Alstom French manufacturer and supplier of transport and energy infrastructure	10,712	1.2
Top 20 holdings	390,972	45.2

† % total assets less liabilities excluding fixed term loan liabilities.

Income Statement

	Notes	revenue £'000	capital £'000	total £'000
		for the six months ended 30.06.08 unaudited		
(Losses)/gains on investments		–	(46,311)	(46,311)
Income	2	21,789	–	21,789
Investment management and performance fees		(2,875)	(5,900)	(8,775)
Other expenses		(539)	–	(539)
Exchange gains/(losses)		32	6,870	6,902
Exchange losses on loans		–	(7,756)	(7,756)
Net return/(loss) before finance costs and taxation		**18,407**	**(53,097)**	**(34,690)**
Interest payable		(2,153)	–	(2,153)
Net return/(loss) on ordinary activities before taxation		**16,254**	**(53,097)**	**(36,843)**
Taxation on return on ordinary activities	3	(2,215)	–	(2,215)
Net return/(loss) on ordinary activities after taxation for the period		**14,039**	**(53,097)**	**(39,058)**
Return/(loss) per ordinary share	4	**24.58p**	**(92.97p)**	**(68.39p)**

A Statement of Total Recognised Gains and Losses has not been prepared as there are no gains and losses other than those reported in this Income Statement.

The total column of the Income Statement is the profit and loss account of the Company.

These financial statements have been prepared in accordance with the AIC Statement of Recommended Practice (SORP) issued in January 2003 and revised in December 2005.

for the year ended 31.12.07 audited			for the six months ended 30.06.07 unaudited		
revenue £'000	capital £'000	total £'000	revenue £'000	capital £'000	total £'000
–	98,812	98,812	–	84,531	84,531
24,305	–	24,305	20,839	–	20,839
(8,002)	–	(8,002)	(4,058)	(1,639)	(5,697)
(898)	–	(898)	(349)	–	(349)
18	5,011	5,029	54	(452)	(398)
–	(9,692)	(9,692)	–	(53)	(53)
15,423	94,131	109,554	16,486	82,387	98,873
(4,275)	–	(4,275)	(2,032)	–	(2,032)
11,148	94,131	105,279	14,454	82,387	96,841
(2,812)	(97)	(2,909)	(2,575)	-	(2,575)
8,336	94,034	102,370	11,879	82,387	94,266
13.79p	155.60p	169.39p	19.26p	133.58p	152.84p

Reconciliation of Movement in Shareholders' Funds

	Notes	called up share capital £'000	share premium account £'000
Opening shareholders' funds: 1 January 2007		15,611	58,615
Net recognised gains for the period		–	–
Performance fee to capital		–	–
Repurchase of ordinary shares	9	(433)	–
Net revenue after taxation		–	–
Dividend paid		–	–
Closing shareholders' funds: 30 June 2007		**15,178**	**58,615**
Opening shareholders' funds: 1 January 2007		15,611	58,615
Net recognised gains/(losses) for the year		–	–
Repurchase of ordinary shares	9	(874)	–
Net revenue after taxation		–	–
Dividend paid		–	–
Closing shareholders' funds: 31 December 2007		14,737	58,615
Transfer between reserves*		–	–
Net recognised losses for the period		–	–
Performance fee to capital		–	–
Repurchase of ordinary shares	9	(899)	–
Net revenue after taxation		–	–
Dividend paid	7	–	–
Closing shareholders' funds: 30 June 2008		**13,838**	**58,615**

* In accordance with TECH 02/07: Distributable Profits – with effect from 1 January 2008, changes in fair value of investments which are readily convertible to cash, without accepting adverse terms, at the balance sheet date are included in realised, rather than unrealised, capital reserves. The balances on both reserves at 1 January 2008 have been amended by a reserve transfer to reflect this change.

capital redemption reserve £'000	capital reserve realised £'000	capital reserve unrealised £'000	revenue reserve £'000	total equity £'000
214	567,640	152,116	7,467	801,663
–	70,111	13,915	–	84,026
–	(1,639)	–	–	(1,639)
433	(22,635)	–	–	(22,635)
–	–	–	11,879	11,879
–	–	–	(3,243)	(3,243)
647	**613,477**	**166,031**	**16,103**	**870,051**
214	567,640	152,116	7,467	801,663
–	127,956	(33,922)	–	94,034
874	(46,145)	–	–	(46,145)
–	–	–	8,336	8,336
–	–	–	(3,243)	(3,243)
1,088	649,451	118,194	12,560	854,645
–	125,443	(125,443)	–	–
–	(40,444)	(6,753)	–	(47,197)
–	(5,900)	–	–	(5,900)
899	(46,236)	–	–	(46,236)
–	–	–	14,039	14,039
–	–	–	(7,991)	(7,991)
1,987	**682,314**	**(14,002)**	**18,608**	**761,360**

Balance Sheet

	Notes	30.06.08 unaudited £'000	31.12.07 audited £'000	30.06.07 unaudited £'000
Fixed assets				
Investments at fair value through profit or loss		750,125	848,119	966,136
Current assets				
Debtors		14,210	4,543	22,005
Fidelity Institutional Cash Fund plc		64,541	–	–
Cash at bank		59,529	111,233	4,895
		138,280	115,776	26,900
Creditors – amounts falling due within one year				
Fixed rate unsecured loan	8	(27,694)	(25,755)	(10,109)
Other creditors		(16,269)	(6,230)	(18,526)
Net current liabilities		(43,963)	(31,985)	(28,635)
Net current assets/(liabilities)		94,317	83,791	(1,735)
Total assets less current liabilities		844,442	931,910	964,401
Creditors – amounts falling due after more than one year				
Fixed rate unsecured loans	8	(83,082)	(77,265)	(94,350)
Total net assets		**761,360**	**854,645**	**870,051**
Capital and reserves				
Called up share capital		13,838	14,737	15,178
Share premium account		58,615	58,615	58,615
Capital redemption reserve		1,987	1,088	647
Capital reserve - realised		682,314	649,451	613,477
Capital reserve - unrealised		(14,002)	118,194	166,031
Revenue reserve		18,608	12,560	16,103
Total equity shareholders' funds		**761,360**	**854,645**	**870,051**
Net asset value per ordinary share	5	**1,375.42p**	**1,449.76p**	**1,433.00p**

	30.06.08 unaudited £'000	31.12.07 audited £'000	30.06.07 unaudited £'000
Operating activities			
Investment income received	16,002	19,971	17,487
Deposit interest received	2,269	628	217
Investment management fee paid	(3,189)	(8,841)	(5,189)
Directors' fees paid	(52)	(62)	(34)
Other cash payments	(451)	(1,084)	(385)
Net cash inflow from operating activities	14,579	10,612	12,096
Returns on investments and servicing of finance			
Interest paid	(2,142)	(4,265)	(2,049)
Net cash outflow from servicing of finance	(2,142)	(4,265)	(2,049)
Taxation			
Overseas taxation recovered	428	1,232	866
Taxation recovered	428	1,232	866
Financial investment			
Purchase of investments	(324,353)	(995,838)	(461,110)
Disposal of investments	376,191	1,152,214	475,496
Net cash inflow from financial investment	51,838	156,376	14,386
Equity dividend paid	(7,991)	(3,243)	(3,243)
Net cash inflow before financing	56,712	160,712	22,056
Financing			
Repurchase of ordinary shares	(44,897)	(45,361)	(21,168)
4.335% credit facility drawn down	–	10,191	10,191
4.595% credit facility drawn down	–	10,109	10,109
5.165% credit facility drawn down	–	10,462	–
4.1465% credit facility repaid	–	(10,191)	(10,191)
4.335% credit facility repaid	–	(10,109)	(10,109)
4.595% credit facility repaid	–	(10,462)	–
5.165% credit facility repaid	–	(11,078)	–
Net cash outflow from financing	(44,897)	(56,439)	(21,168)
Increase in cash	11,815	104,273	888

Notes to the Financial Statements

1 ACCOUNTING POLICIES

The half-yearly financial statements have been prepared on the basis of the accounting policies set out in the Company's annual report and financial statements dated 31 December 2007.

2 INCOME

	30.06.08 unaudited £'000	31.12.07 audited £'000	30.06.07 unaudited £'000
Overseas dividends	19,637	23,153	20,559
Overseas scrip dividends	82	169	77
Deposit interest	881	983	203
Income from Fidelity Institutional Cash Fund plc	1,189	–	–
	21,789	**24,305**	**20,839**

3 TAXATION ON RETURN ON ORDINARY ACTIVITIES

	30.06.08 unaudited			31.12.07 audited			30.06.07 unaudited		
	revenue £'000	capital £'000	total £'000	revenue £'000	capital £'000	total £'000	revenue £'000	capital £'000	total £'000
Overseas taxation suffered	3,112	–	3,112	3,695	48	3,743	3,341	–	3,341
Overseas taxation recovered	(897)	–	(897)	(834)	–	(834)	(766)	–	(766)
Taxation (credit)/charge for use of revenue expenses	–	–	–	(49)	49	–	–	–	–
	2,215	**–**	**2,215**	**2,812**	**97**	**2,909**	**2,575**	**–**	**2,575**

4 RETURN/(LOSS) PER ORDINARY SHARE

	30.06.08 unaudited	31.12.07 audited	30.06.07 unaudited
Revenue	24.58p	13.79p	19.26p
Capital	(92.97p)	155.60p	133.58p
	(68.39p)	**169.39p**	**152.84p**

Returns/(losses) per ordinary share are based on the net revenue return on ordinary activities after taxation of £14,039,000 (31.12.07: £8,336,000; 30.06.07: £11,879,000), the net capital loss in the period of £53,097,000 (31.12.07: return £94,034,000; 30.06.07: return £82,387,000) and the total loss of £39,058,000 (31.12.07: return £102,370,000; 30.06.07: return £94,266,000) and on 57,113,675 ordinary shares (31.12.07: 60,434,721; 30.06.07: 61,674,171), being the weighted average number of ordinary shares in issue during the period.

5 NET ASSET VALUE PER ORDINARY SHARE

The net asset value per ordinary share is based on net assets of £761,360,000 (31.12.07: £854,645,000; 30.06.07: £870,051,000) and on 55,354,851 ordinary shares (31.12.07: 58,950,751; 30.06.07: 60,715,551), being the number of ordinary shares in issue at the period end.

6 COSTS OF INVESTMENT TRANSACTIONS

Included in the (losses)/gains on investments are the following costs of investment transactions:

	30.06.08 unaudited £'000	31.12.07 audited £'000	30.06.07 unaudited £'000
Purchase expenses	391	773	576
Sales expenses	489	686	487
	880	1,459	1,063

7 DIVIDENDS

No dividend has been declared in respect of the current period. The dividend shown on the Reconciliation of Movements in Shareholders' Funds for the six months ended 30.06.08 relates to the year ended 31.12.07.

8 LOAN FACILITIES

The fixed rate loan from Lloyds TSB Bank plc of euro 40,000,000 was drawn down on 22 June 2005 for a period of five years at an interest rate of 3.23% per annum. The loan is repayable on 22 June 2010.

The fixed rate loan from Lloyds TSB Bank plc of euro 35,000,000 was drawn down on 22 November 2005 for a period of three years at an interest rate of 3.54% per annum. The loan is repayable on 24 November 2008.

The fixed rate loan from Barclays Bank PLC of euro 65,000,000 was drawn down on 29 December 2006 for a period of five years at an interest rate of 4.38% per annum. The loan is repayable on 15 December 2011.

The Company has entered into a euro 25,000,000 credit facility agreement with Lloyds TSB Bank plc which expires on 15 December 2011. As at 30 June 2008 no amount was drawn down.

Notes to the Financial Statements

9 SHARE REPURCHASES

The following share repurchases were made in the period:

	30.06.08 unaudited	31.12.07 audited	30.06.07 unaudited
Number of shares repurchased	3,595,000	3,494,901	1,730,101
Average price per share	1,286.12p	1,320.35p	1,308.31p
Total cost including stamp duty and commission	£46,236,000	£46,145,000	£22,635,000

10 UNAUDITED FINANCIAL STATEMENTS

The results for the six months to 30 June 2008 and 30 June 2007, which are unaudited, constitute non-statutory financial statements within the meaning of s240 of the Companies Act 1985. The figures and financial information for the year ended 31 December 2007 are extracted from the latest published financial statements. These financial statements, on which the auditors gave an unqualified report, have been delivered to the Registrar of Companies.

CONTACT INFORMATION

Private investors can call free on 0800 41 41 10 9am to 6pm, seven days a week.

Financial advisers can call free on 0800 41 41 81 8am to 6pm, on any business day.

Existing shareholders who have specific queries regarding their holding, for example a change of address, should contact the appropriate administrator.

Holders of ordinary shares

Capita Registrars, Registrars to Fidelity European Values PLC, The Registry, 34 Beckenham Road, Beckenham, Kent BR3 4TU.
Telephone: 0871 664 0300 (calls cost 10p per minute plus network extras)
email: ssd@capitaregistrars.com

Details of individual shareholdings and other information can also be obtained from the Registrars' website: www.capitaregistrars.com

Fidelity Share Plan investors

Fidelity Investment Trust Share Plan, Equiniti Limited, PO Box 4605, Aspect House, Spencer Road, Lancing, West Sussex, BN99 6QY.
Telephone: 0871 384 2781 (calls to this number are charged at 8p per minute from a BT landline. Other telephony providers' costs may vary.)

Fidelity ISA investors

Fidelity, using the freephone number given opposite, or by writing to: UK Customer Service, Fidelity International, Oakhill House, 130 Tonbridge Road, Hildenborough, Tonbridge, Kent TN11 9DZ.
www.fidelity.co.uk/its

Fidelity ShareNetwork:

www.fidelity.co.uk/sharenetwork

General enquiries should be made to FIL Investments International, the Investment Manager and Secretary, at the Company's registered office: FIL Investments International, Investment Trusts, Beech Gate, Millfield Lane, Lower Kingswood, Tadworth, Surrey KT20 6RP.
Telephone: 01732 36 11 44
Fax: 01737 83 68 92
www.fidelity.co.uk/its

FINANCIAL CALENDAR

30 June 2008
– half-yearly period end

August 2008
– announcement of half-yearly results

End August 2008
– publication of half-yearly report

31 December 2008
– financial year end

March 2009
– publication of annual report

May 2009
– Annual General Meeting

Directory

BOARD OF DIRECTORS

Robert Walther (Chairman)
Simon Duckworth
Simon Fraser
James Robinson
David Simpson (Audit Committee Chairman and Senior Independent Director)
Humphrey van der Klugt

MANAGER, SECRETARY AND REGISTERED OFFICE

FIL Investments International
Beech Gate, Millfield Lane
Lower Kingswood
Tadworth
Surrey, KT20 6RP

FINANCIAL ADVISERS AND STOCKBROKERS

Winterflood Investment Trust
The Atrium Building
Cannon Bridge
25 Dowgate Hill
London, EC4R 2GA

INDEPENDENT AUDITORS

Grant Thornton UK LLP
Chartered Accountants and Registered Auditors
30 Finsbury Square
London, EC2P 2YU

BANKERS AND CUSTODIAN

JP Morgan Chase Bank (London Branch)
125 London Wall
London, EC2Y 5AJ

REGISTRARS

Capita Registrars
The Registry
34 Beckenham Road
Beckenham
Kent, BR3 4TU

LAWYERS

Slaughter and May
One Bunhill Row
London, EC1Y 8YY

Notice is hereby given that an Extraordinary General Meeting of Fidelity European Values PLC will be held at 25 Cannon Street, London EC4M 5TA on 22 September 2008 at 2.30pm for the purpose of considering the following resolution, which will be proposed as a Special Resolution.

"That the Articles of Association produced to the Meeting and initialled by the Chairman of the Meeting for the purpose of identification be adopted as the Articles of Association of the Company in substitution for, and to the exclusion of, the existing Articles of Association."

NOTES:

1. A shareholder entitled to attend and vote is entitled to appoint a proxy or proxies (who need not be a shareholder of the Company) to exercise all or any of his rights to attend, speak and vote at the EGM).

2. A form of proxy is enclosed for use by shareholders. Completion and return of the form of proxy will not prevent a shareholder from subsequently attending the Meeting and voting in person if they so wish.

3. To be effective, the instrument appointing a proxy, and any power of attorney or other authority under which it is signed (or a copy of any such authority certified notarially or in some other way approved by the Directors), must be deposited with Capita Registrars, The Registry, 34 Beckenham Road, Beckenham, Kent BR3 4BR not less than 48 hours before the time for holding the Meeting or adjourned Meeting or, in the case of a poll taken more than 48 hours after it is demanded, not less than 24 hours before the time appointed for the taking of the poll at which it is to be used.

4. In the case of joint holders, the vote of the senior who tenders the vote shall be accepted to the exclusion of the votes of the other joint holders and for this purpose, seniority shall be determined by the order in which the names stand in the Register of Members.

5. In accordance with Section 325 of the Companies Act 2006 ("2006 Act") the right to appoint proxies does not apply to persons nominated to receive information rights under Section 146 of the 2006 Act. Persons nominated to receive information rights under Section 146 of the 2006 Act who have been sent a copy of this Notice of Meeting are hereby informed, in accordance with Section 149(2) of the 2006 Act, that they may have the right under an agreement with the registered member by whom they were nominated to be appointed, or to have someone else appointed, as a proxy for this Meeting. If they have no such right, or do not wish to exercise it, they may have a right under such an agreement to give instructions to the member as to the exercise of voting rights. Nominated persons should contact the registered member by whom they were nominated in respect of these arrangements.

6. Pursuant to Regulation 41 of the Uncertificated Securities Regulations 2001, the Company has specified that only those shareholders registered in the Register of Members of the Company at 6.30pm on 20 September 2008 shall be entitled to attend and vote at the Meeting in respect of the number of shares registered in their name at that time. Changes to the Register of Members after 5.30pm on 20 September 2008 shall be disregarded in determining the rights of any person to attend and vote at the Meeting.

7. Shareholders and any proxies or representatives they appoint agree by attending the meeting that they are expressly agreeing that they are willing to receive any communications, including communications relating to the Company's securities, made at the Meeting.

8. A copy of the Articles of Association to be produced to the Meeting will be available for inspection at the Company's registered office from the date of this notice until the close of the Meeting.

9. No Director has a service contract with the Company. Registered Office: Beech Gate, Millfield Lane, Lower Kingswood, Tadworth, Surrey KT20 6RP.

By order of the Board

FIL Investments International
Secretary
15 August 2008

EXPLANATORY NOTES OF PRINCIPAL CHANGES TO THE COMPANY'S ARTICLES OF ASSOCIATION

1. Articles which duplicate statutory provisions

Provisions in the Current Articles which replicate provisions contained in the Companies Act 2006 are in the main to be removed in the New Articles. This is in line with the approach advocated by the Government that statutory provisions should not be duplicated in a company's constitution. Examples include provisions as to the form of resolutions, the variation of class rights, the requirement to keep accounting records and provisions regarding the period of notice required to convene general meetings. The main changes made to reflect this approach are detailed below.

2. Form of resolution

The Current Articles contain a provision that, where for any purpose an ordinary resolution is required, a special or extraordinary resolution is also effective and that, where an extraordinary resolution is required, a special resolution is also effective. This provision is being removed as the concept of extraordinary resolutions has not been retained under the Companies Act 2006. Further, the remainder of the provision is reflected in full in the Companies Act 2006.

The Current Articles enable members to act by written resolution. Under the Companies Act 2006 public companies can no longer pass written resolutions. These provisions have therefore been removed in the New Articles.

3. Convening extraordinary and annual general meetings

The provisions in the Current Articles dealing with the convening of general meetings and the length of notice required to convene general meetings are being removed in the New Articles because the relevant matters are provided for in the Companies Act 2006. In particular an extraordinary general meeting to consider a special resolution can be convened on 14 days' notice whereas previously 21 days' notice was required.

4. Votes of members

Under the Companies Act 2006 proxies are entitled to vote on a show of hands whereas under the Current Articles proxies are only entitled to vote on a poll. The time limits for the appointment or termination of a proxy appointment have been altered by the Companies Act 2006 so that the articles of association cannot provide that they should be received more than 48 hours before the meeting or in the case of a poll taken more than 48 hours after the meeting, more than 24 hours before the time for the taking of a poll, with weekends and bank holidays being permitted to be excluded for this purpose. The New Articles give the Directors discretion, when calculating the time limits, to exclude weekend and bank holidays. Multiple proxies may be appointed provided that each proxy is appointed to exercise the rights attached to a different share held by the shareholder. The New Articles reflect all of these new provisions.

5. Age of Directors on appointment

The Current Articles contain a provision limiting the age at which a Director can be appointed. Such a provision could now fall foul of the Employment Equality (Age) Regulations 2006 and so has been removed from the New Articles.

6. Conflicts of interest

The Companies Act 2006 sets out directors' general duties which largely codify the existing law but with some changes. Under the Companies Act 2006, from 1 October 2008 a director must avoid a situation where he has, or can have, a direct or indirect interest that conflicts, or possibly may conflict with the company's interests. The requirement is very broad and could apply, for example, if a director becomes a director of another investment trust (or other company) or a trustee of another organisation. The Companies Act 2006 allows directors of public companies to authorise conflicts and potential conflicts, where appropriate, where the articles of association contain a provision to this effect. The Companies Act 2006 also allows the articles of association to contain other provisions for dealing with directors' conflicts of interest to avoid a breach of duty. The New Articles give the Directors authority to approve such situations and to include other provisions to allow conflicts of interest to be dealt with in a similar way to the current position.

There are safeguards which will apply when Directors decide whether to authorise a conflict or potential conflict. First, only Directors who have no interest in the matter being considered will be able to take the relevant decision, and secondly, in taking the decision the Directors must act in a way they consider, in good faith, will be most likely to promote the Company's success. The Directors will be able to impose limits or conditions when giving authorisation if they think this is appropriate.

It is also proposed that the New Articles should contain provisions relating to confidential information, attendance at Board meetings and availability of Board papers to protect a Director being in breach of duty if a conflict of interest or potential conflict of interest arises. These provisions will only apply where the position giving rise to the potential conflict has previously been authorised by the Directors. It is the Board's intention to report annually on the Company's procedures for ensuring that the Board's powers of authorisation of conflicts are operated effectively and that the procedures have been followed.

7. Notice of Board meetings

Under the Current Articles, when a Director is abroad he can request that notice of Directors' meetings are sent to him at a specified address and if he does not do so he is not entitled to receive notice while he is away. This provision has been removed, as modern communications mean that there may be no particular obstacle to giving notice to a Director who is abroad.

8. Records to be kept

The provision in the Current Articles requiring the Board to keep accounting records has been removed as this requirement is contained in the Companies Act 2006.

9. Distribution of assets otherwise than in cash

The Current Articles contain provisions dealing with the distribution of assets in kind in the event of the Company going into liquidation. These provisions have been removed in the New Articles on the grounds that a provision about the powers of liquidators is a matter for insolvency law rather than the articles of association and that the Insolvency Act 1986 confers powers on the liquidator which would enable it to do what is envisaged by the Current Articles.

10. Electronic and web communications

Provisions of the Companies Act 2006 which came into force in January 2007 enable companies to communicate with members by electronic and/or website communications. The New Articles permit communications to members in electronic form and permit the Company to take advantage of the new provisions relating to website communications. Before the Company can communicate with a member by means of website communication, the relevant member must be asked individually by the Company to agree that the Company may send or supply documents or information to him by means of a website and the Company must either have received a positive response or have received no response within the period of 28 days beginning with the date on which the request was sent. The Company will notify the member (either in writing, or by other permitted means) when a relevant document or information is placed on the website and a member can always request a hard copy version of the document or information.

11. General

Generally the opportunity has been taken to bring clearer language into the New Articles.

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