

Fidelity Special Values PLC

Half-Yearly Report

For the 6 months ended 28 February 2011



Managed by



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Objective and Highlights

To achieve long term capital growth from an actively managed portfolio of special situation investments, consisting primarily of securities listed or traded on the London Stock Exchange.

Returns (%)

	Six months to 28 February 2011	From launch on 17 November 1994 to 28 February 2011
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Capital Returns

Net Asset Value (NAV) per share	+9.9	+576.4
Share price	+9.4	+510.8
FTSE All-Share Index	+15.2	+100.0

Total Returns¹

NAV per share	+11.8	+707.6
Share price	+11.6	+640.6
FTSE All-Share Index	+16.5	+233.5

1 Total returns include reinvested income

Total Annual Returns¹ (%)

	01/03/10 to 28/02/11	01/03/09 to 28/02/10	01/03/08 to 28/02/09	01/03/07 to 29/02/08	01/03/06 to 28/02/07
NAV per share	+14.9	+54.2	-31.0	-2.8	+11.5
Share price	+13.0	+54.1	-29.6	-7.5	+8.4
FTSE All-Share Index	+17.0	+47.3	-33.0	-2.7	+11.6

1 Total returns include reinvested income

Sources: Fidelity and Datastream

Past performance is not a guide to future returns

Summary of Results

	28 February 2011	31 August 2010	% change
Assets			
Total assets employed ¹	£366.77m	£333.78m	+9.9
Shareholders' funds	£366.77m	£333.78m	+9.9
NAV per share	644.14p	586.21p	+9.9
Number of ordinary shares in issue	56,938,896	56,938,896	

Stock market data

FTSE All-Share Index	3,106.58	2,696.72	+15.2
Share price at period end	580.00p	530.00p	+9.4
high	595.00p	585.00p	
low	530.00p	502.50p	
Discount at period end	(10.0)%	(9.6)%	
(Discount) low/premium high	(6.5)%	0.4%	
Discount high	(10.4)%	(12.3)%	

Returns for the six months to end February	2011	2010
Revenue return per ordinary share	3.42p	2.71p
Capital return/(loss) per ordinary share	65.01p	(10.98p)
Total return/(loss) per ordinary share	68.43p	(8.27p)

¹ Total assets less current liabilities

Sources: Fidelity and Datastream

Past performance is not a guide to future returns

SIX MONTH RETURNS TO 28 FEBRUARY 2011 (TOTAL RETURNS)

NAV: 644.14P PER SHARE (+11.8%)

SHARE PRICE: 580.00P PER SHARE (+11.6%)

BENCHMARK INDEX: 3,106.58 (+16.5%)

The NAV and share price posted positive returns during the six months under review (11.8% and 11.6% respectively), although this was below the return from the overall UK equity market, which rose by 16.5% (FTSE All-Share Index, total returns).

In the Manager's Review, which follows, Sanjeev Shah explains why he has chosen to invest in, or avoid, particular sectors and how these views have contributed towards performance. The Board supports Sanjeev's approach to identifying fundamental value and his consequent avoidance of some areas of the market, like commodities, which he assesses to be fundamentally overvalued. Although, in the short term, this has led to performance being below that of the Index, the objective of the Company is to achieve good long term performance. In particular, we look at the five year returns, where the NAV and share price performance has provided shareholders with positive returns (although the latter is slightly below the Index) as the total returns table shows. The three year returns are also relevant as Sanjeev has been managing the portfolio since the beginning of 2008. Both the NAV and share price returns are positive and above the Index for this period.

Total returns (%)	3 years	5 years	Since launch
NAV	+22.2	+32.5	+707.6
Share price	+22.7	+22.9	+640.6
Index	+15.6	+25.6	+233.5

The attribution of the Company's return for the latest six months is detailed in the table below.

	Pence
NAV @ 31 August 2010	586.21
Impact of index (ungeared)	96.87
Impact of equities	-25.38
Impact of derivatives	0.61
Operational costs	-3.42
Dividend paid	-10.50
Currency	-0.03
Residual	-0.22
NAV @ 28 February 2011	644.14

BOARD APPOINTMENTS

Following my appointment as Chairman on 9 July 2010 and a transitional handover period, Sharon Brown was appointed as Audit Committee Chairman on 26 October 2010.

Chairman's Statement

SHARE REPURCHASES

Following the end of the period under review, the Company's discount widened to slightly over 10%. The Board believed this to be too high and therefore took the opportunity to repurchase 115,000 ordinary shares for cancellation. Such repurchases will be carried out when deemed necessary and will only take place when the resulting NAV per share increases for the remaining shareholders.

OUTLOOK

Although the Company mainly invests in UK stocks, this does not protect it from the continued impact of the multitude of world events: shareholder and market concerns due to the situation in Libya and the Arab world; the earthquake, tsunami and nuclear problems in Japan; and, closer to home, the impacts of the UK coalition government's deficit reduction measures and Eurozone sovereign debt crisis. Against the backdrop of all these uncertainties, Sanjeev continues to focus investments in those companies where he recognises a valuation anomaly. The Board believes that this approach will continue to serve the Company well over the medium and long term.

Lynn Ruddick
Chairman
19 April 2011

Manager's Half-Yearly Review

HALF-YEARLY RETURNS:

NAV: +11.8% to 644.14p per share;

Share price: +11.6% to 580.00p;

Benchmark FTSE All-Share Index: +16.5%

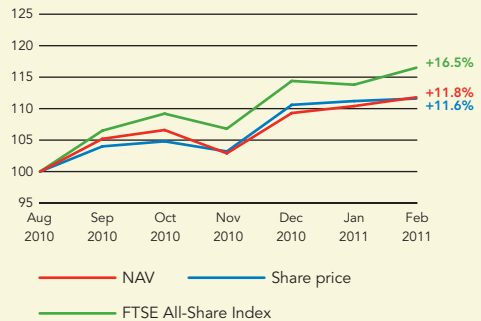
(All figures on a total return basis)

The six months under review produced positive gains for shareholders, although both the NAV and share price increased by less than the FTSE All-Share Index. This Half-Yearly Review covers the factors behind the performance of the net asset value, and outlines the portfolio's positioning going into the second half of the Company's year.

STOCK MARKET REVIEW

The UK stock market continued to rise strongly from the outset of our new financial year, buoyed by increasing investor confidence as a result of several factors. These included the continuation of low interest rates, anticipation of further quantitative easing in the US and strong economic growth in developing economies such as China which are important for UK exporters. The market largely ignored the potential impact of the UK coalition government's deficit reduction measures, and even a second leg of the Eurozone sovereign debt crisis resulting in November's Irish bailout failed to cause more than a short term downward blip in the Benchmark's rise. In the meantime, investor sentiment was given a further boost when the publication of GDP figures for the calendar quarter July to September suggested the UK economy was growing at a much higher rate than expected. Even the associated nervousness about possible interest rate rises would not dampen enthusiasm. Mining stocks listed in the UK proved unstintingly popular, their attraction

Total return performance for the six months to 28 February 2011



Sources: Fidelity and Datastream

to investors driven by optimism that global demand for commodities would keep growing from developing economies including China. However, share prices of banks were hurt by the Eurozone debt concerns.

Towards the end of the half year period, a number of factors combined to cool investor sentiment. Economic data released in January indicated the UK economy had shrunk by 0.5% in the final three months of 2010. It became clear that China would take action on its interest rates in order to manage the rate of economic growth within a range conducive to controlling inflation. The oil price spiked sharply, not least in response to a wave of instability amongst regimes either within or close to oil producing countries. Back in the UK, it became increasingly evident to people that the economy might be in for a tough couple of years. That evidence took the form of a stubbornly high inflation rate, an increase in the number of people

Manager's Half-Yearly Review

unemployed, greater recognition of the impact of tax increases and a realisation that any raising of interest rates to counter inflation would create a risk to the economy.

PORTFOLIO REVIEW

My style is contrarian, focussing in particular on significant valuation anomalies in sectors and shares which are unloved and underowned by other institutions.

I consequently continue to have virtually no exposure to commodity related areas such as mining stocks, with the only exception being the position in BP which I bought during the Macondo well crisis. Mining stocks are trading at 50 year highs on some valuation measures and I have a more negative view than the consensus on the demand and supply environment for a number of base metals. China today represents over 50% of the end demand for several commodities and any slowing of demand for infrastructure development will have a significant negative impact on commodity prices. The underweight in mining was the largest detractor to performance over the half year. However, I have strong conviction that I do not want exposure to this space.

I continue to be strongly overweight in financial stocks in the portfolio including banks and non-banks. Post the crisis, the valuation of financials is very attractive on a historic relative price to book basis, and financials continue to be significantly underowned by institutional investors – a good stock picking environment for contrarian value investors. During the half year, banks such as Lloyds detracted from performance largely as a result of regulatory concerns and questions over the long term

returns that can be achieved by banks in the new environment. I continue to believe that this is the time to be owning good retail banking franchises and have added to my position in banks as a result. Within the broader financials space including real estate, British Land and Land Securities have been significant positions in the portfolio as I felt the yield credentials of property and the rental outlook in areas such as the City of London were being overlooked. Both these stocks contributed to performance in the half year and I have scaled back my exposure as a result. London Stock Exchange, a top 10 stock position, announced a potential tie up with the Toronto Stock Exchange and delivered strong performance during the period.

I continue to have a strong position in technology and internet related names. This is despite the technology sector not being a typical contrarian idea. However in a low economic growth environment, the cash generative growth characteristics of technology companies should command a premium valuation. The 3 themes I am exposed to are names benefiting from a recovery in corporate capital expenditure such as Logica, companies benefiting from the growth of mobile data such as Vodafone, and finally companies such as Ocado benefiting from the internet transforming business models. Logica and Ocado were strong contributors to performance over the half year. Distributors such as Premier Farnell, whose business models have been transformed by the internet, also contributed to performance.

I continue to have a large exposure to media related names in the portfolio given the valuations are looking attractive from an

historical context. Names such as ITV have contributed strongly to performance given the cyclical recovery in TV advertising, and I have used the strength in cyclically exposed media names to reduce their weighting in the portfolio. Yell has been a costly mistake in terms of performance, including this half year. This has been attributable to the lack of recovery in the advertising spending intentions of small and medium sized businesses in this downturn, the difficult transition away from physical directory books, and Yell's geared balance sheet. Yell is a materially smaller position in the portfolio and I continue to believe there is long term value that can be unlocked under the new management team.

During the half year, online gaming stocks detracted from performance due to concerns over regulatory costs and competition. I have used the weakness in PartyGaming to add to my position. I continue to believe online gaming stocks will benefit from the structural growth of the internet and improving visibility around regulation in the US and EU. Xchanging in the support services space was a negative contributor to performance due to problems at an acquired company, Cambridge, and to concerns over cashflow. Having been through issues with the new interim CEO, I believe the stock price reaction is overdone and have added to my position.

Derivatives

I continued to use Contracts For Difference ("CFDs") for the purpose of gearing, as a cheaper alternative to conventional borrowing. As with borrowing, the use of CFDs in this way will magnify the direction of underlying share prices, one way or the other. I am also able to seek to derive

performance from shares that I consider to be overvalued and likely to fall over time, and I continued to use CFDs for this purpose too. Although the latter strategy detracted from performance during the review period, the positive contribution provided by gearing meant that the use of CFDs added value in total.

OUTLOOK

I continue to believe the UK economy will see a slow economic growth environment for the foreseeable future, but I am not a believer in a double dip recession scenario. However, there is a risk that the market begins to extrapolate what has been a sharp recovery from an economic abyss, into the future. In fact as a result of the strong cyclical recovery, higher growth companies were trading at similar valuations to their lower growth counterparts at the start of 2011. As a result I have been increasing my exposure to quality growth companies and reducing the consumer cyclical exposure in the portfolio. For example I have been adding to my position in GlaxoSmithKline. Even taking into account concerns over patent expiries, lack of new products, and regulatory risks I believe pharmaceutical companies offer compelling value but it will be contingent on the respective management teams unlocking that value through perhaps more radical measures.

I continue to have strong exposure to financials given the attractive valuations and have recently increased my exposure to Lloyds, RBS and Aviva. Meanwhile I have used the strength in property companies to reduce the exposure there. I continue to be very comfortable with my lack of exposure in commodity and industrial cyclical related areas and this is unlikely to change in the

Manager's Half-Yearly Review

short term. The fund has benefited from M&A activity in top 10 positions such as BSKyB and London Stock Exchange. M&A activity is likely to increase and I continue to search out names which may be attractive targets for corporate activity.

The portfolio has always taken a bottom up stock picking approach, and I firmly believe that with the increasing uncertainty likely to be created by UK economic data and recent geopolitical events, a stock picking investment style is going to be essential in generating good returns. I favour stocks which are valuation anomalies, which are unfashionable amongst brokers' analysts and which are under owned by mainstream investment institutions. Those opportunities are still available in the UK market, and I believe the recent increase in the level of investor uncertainty is itself likely to create an investment environment which can favour a stock picking investor such as myself.

Sanjeev Shah
Portfolio Manager

PRINCIPAL RISKS AND UNCERTAINTIES

The Board believes that the principal risks and uncertainties faced by the Company continue to fall into two broad categories. The first, external risks, being stock market, share price and discount and the second, internal risks, being portfolio and governance, operational, financial, compliance, administration etc. Information on each of these is given in the Business Review section of the Annual Report for the year ended 31 August 2010.

By order of the Board
FIL Investments International
19 April 2011

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 Chairman's Statement and Manager's Half-Yearly Review of the Half-Yearly report narrative on pages 3 to 8 (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 28 February 2011 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 Independent Auditor.

The Half-Yearly financial report was approved by the Board on 19 April 2011 and the above responsibility statement was signed on its behalf by Lynn Ruddick, Chairman.

Twenty Largest Investment Exposures as at 28 February 2011

Investments including derivatives	Exposure £'000	Fair Value ² £'000	% ¹
HSBC Banking and financial services	26,188	26,188	6.9
Vodafone Mobile telecommunications	22,862	22,862	6.0
GlaxoSmithKline Pharmaceuticals	19,972	19,972	5.3
Lloyds Banking Group Banking and financial services	18,924	18,924	5.0
British Sky Broadcasting Broadcasting	18,658	18,658	4.9
BP International oil and gas	13,849	13,849	3.6
AstraZeneca Pharmaceuticals	12,598	12,598	3.3
London Stock Exchange United Kingdom's primary stock exchange	11,421	11,421	3.0
Ericsson Global telecommunications equipment and related services	10,907	2,498	2.9
J Sainsbury Grocery and related retailing and financial services	10,015	10,015	2.6
Aviva Global financial services	9,584	9,584	2.5
British Land Property	9,318	9,318	2.5
Logica Information technology consulting services	8,704	8,704	2.3
Kingfisher International home improvement retailer	8,239	8,239	2.2
Royal Bank of Scotland Global financial services	7,937	7,937	2.1
Wolters Kluwer Global information services and publishing	7,385	633	1.9
ITV Media	7,245	7,245	1.9
Citigroup Global diversified financial services	7,039	3,302	1.9
Land Securities Real estate investment trust	6,404	6,404	1.7

Twenty Largest Investment Exposures as at 28 February 2011

Investments including derivatives	Exposure £'000	Fair Value ² £'000	% ¹
PartyGaming			
Online gaming	5,979	5,979	1.5
Twenty largest investments including derivatives	243,228	224,330	64.0

¹ % based on total exposure which is the fixed asset investments and options at fair value plus the fair value of the underlying securities within the CFD contracts

² Fair value is measured as:

- Listed and AIM quoted investments are valued at bid prices where available otherwise, at published price quotations
- Unlisted investments are valued using an appropriate valuation technique in the absence of an active market
- Options are valued at the quoted trade price for the contract
- CFDs – the difference between the settlement price and the value of the underlying shares in the contract (unrealised gains/(losses))

Income Statement

		for the six months ended 28 February 2011 unaudited		
	Notes	revenue £'000	capital £'000	total £'000
Gains/(losses) on investments designated at fair value through profit or loss		–	35,458	35,458
Gains/(losses) on derivative instruments held at fair value through profit or loss		–	1,543	1,543
Income	2	4,296	–	4,296
Net derivative (expenses)/income	3	(174)	–	(174)
Investment management fee		(1,906)	–	(1,906)
Other expenses		(268)	–	(268)
Exchange gains/(losses) on other net assets		–	16	16
Net return/(loss) before finance costs and taxation		1,948	37,017	38,965
Interest paid on bank loans		–	–	–
Net return/(loss) on ordinary activities before taxation		1,948	37,017	38,965
Taxation on return/(loss) on ordinary activities	4	–	–	–
Net return/(loss) on ordinary activities after taxation for the period		1,948	37,017	38,965
Return/(loss) per ordinary share	5	3.42p	65.01p	68.43p

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 this Income Statement is the profit and loss account of the Company. All revenue and capital items in the above statement derive from continuing operations.

No operations were acquired or discontinued in the period.

These financial statements have been prepared in accordance with the AIC Statement of Recommended Practice ("SORP") issued in January 2009.

for the year ended 31 August 2010 audited			for the six months ended 28 February 2010 unaudited		
revenue £'000	capital £'000	total £'000	revenue £'000	capital £'000	total £'000
–	3,613	3,613	–	(922)	(922)
–	(5,219)	(5,219)	–	(5,189)	(5,189)
10,605	–	10,605	4,151	–	4,151
261	–	261	54	–	54
(3,515)	–	(3,515)	(1,730)	–	(1,730)
(587)	–	(587)	(315)	–	(315)
(4)	(117)	(121)	(5)	(141)	(146)
6,760	(1,723)	5,037	2,155	(6,252)	(4,097)
(591)	–	(591)	(591)	–	(591)
6,169	(1,723)	4,446	1,564	(6,252)	(4,688)
(56)	–	(56)	(22)	–	(22)
6,113	(1,723)	4,390	1,542	(6,252)	(4,710)
10.74p	(3.03p)	7.71p	2.71p	(10.98p)	(8.27p)

Reconciliation of Movements in Shareholders' Funds

	Note	share capital £'000	share premium account £'000
Opening shareholders' funds: 1 September 2009		14,234	95,767
Net recognised capital losses for the period		–	–
Net revenue return after taxation for the period		–	–
Dividend paid to shareholders	6	–	–
Closing shareholders' funds: 28 February 2010		14,234	95,767
Opening shareholders' funds: 1 September 2009		14,234	95,767
Net recognised capital losses for the year		–	–
Net revenue return after taxation for the year		–	–
Dividend paid to shareholders	6	–	–
Closing shareholders' funds: 31 August 2010		14,234	95,767
Net recognised capital gains for the period		–	–
Net revenue return after taxation for the period		–	–
Dividend paid to shareholder	6	–	–
Closing shareholders' funds: 28 February 2011		14,234	95,767

capital redemption reserve £'000	other non- distributable reserve £'000	capital reserve £'000	revenue reserve £'000	total equity £'000
2,554	5,152	210,488	6,323	334,518
–	–	(6,252)	–	(6,252)
–	–	–	1,542	1,542
–	–	–	(5,125)	(5,125)
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2,554	5,152	204,236	2,740	324,683
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2,554	5,152	210,488	6,323	334,518
–	–	(1,723)	–	(1,723)
–	–	–	6,113	6,113
–	–	–	(5,125)	(5,125)
<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
2,554	5,152	208,765	7,311	333,783
–	–	37,017	–	37,017
–	–	–	1,948	1,948
–	–	–	(5,979)	(5,979)
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2,554	5,152	245,782	3,280	366,769
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Balance Sheet

	Note	28.02.11 unaudited £'000	31.08.10 audited £'000	28.02.10 unaudited £'000
Fixed assets				
Investments designated at fair value through profit or loss		353,545	323,663	318,651
Current assets				
Derivative assets held at fair value through profit or loss		3,669	1,995	1,934
Debtors		3,644	2,451	3,659
Amounts held at futures clearing houses		2,302	2,470	2,395
Cash at bank		10,408	11,165	3,460
		20,023	18,081	11,448
Creditors – amounts falling due within one year				
Derivative liabilities held at fair value through profit or loss		(5,253)	(4,180)	(3,568)
Other creditors		(1,546)	(3,781)	(1,848)
		(6,799)	(7,961)	(5,416)
Net current assets		13,224	10,120	6,032
Total net assets		366,769	333,783	324,683
Capital and reserves				
Share capital		14,234	14,234	14,234
Share premium account		95,767	95,767	95,767
Capital redemption reserve		2,554	2,554	2,554
Other non-distributable reserve		5,152	5,152	5,152
Capital reserve		245,782	208,765	204,236
Revenue reserve		3,280	7,311	2,740
Total equity shareholders' funds		366,769	333,783	324,683
Net asset value per ordinary share	7	644.14p	586.21p	570.23p

Cash Flow Statement

	28.02.11 unaudited £'000	31.08.10 audited £'000	28.02.10 unaudited £'000
Operating activities			
Investment income received	1,288	4,823	2,741
Net derivative (expenses)/income	(200)	236	(67)
Underwriting commission received	–	28	28
Deposit interest received	14	17	8
Investment management fee paid	(1,856)	(3,518)	(1,746)
Directors' fees paid	(65)	(122)	(68)
Other cash (payments)/receipts	(220)	52	274
Net cash (outflow)/inflow from operating activities	(1,039)	1,516	1,170
Servicing of finance			
Interest paid on bank loans	–	(736)	(736)
Net cash outflow from servicing of finance	–	(736)	(736)
Overseas taxation recovered	12	25	5
Financial investment			
Purchase of investments	(88,715)	(187,551)	(91,611)
Disposal of investments	93,987	223,444	120,610
Net cash inflow from financial investment	5,272	35,893	28,999
Derivative activities			
Premium received on options	300	1,111	172
Premium paid on options	–	(1,390)	(182)
Proceeds/(costs) of derivative instruments	642	406	(384)
Movements in amounts held at futures clearing houses and brokers	35	(1,627)	–
Net cash inflow/(outflow) from derivative instruments	977	(1,500)	(394)
Dividend paid to shareholders	(5,979)	(5,125)	(5,125)
Net cash (outflow)/inflow before financing	(757)	30,073	23,919
Financing			
5.435% fixed rate unsecured loan repaid	–	(27,000)	(27,000)
Net cash outflow from financing	–	(27,000)	(27,000)
(Decrease)/increase in cash	(757)	3,073	(3,081)

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 August 2010.

2 INCOME

	28.02.11 unaudited £'000	31.08.10 audited £'000	28.02.10 unaudited £'000
Income from investments designated at fair value through profit or loss			
Franked investment income	1,603	3,671	1,898
UK scrip dividends	2,279	5,531	1,534
Overseas dividends	57	764	367
Overseas scrip dividends	31	320	47
Income from REIT investments	312	273	269
	<u>4,282</u>	<u>10,559</u>	<u>4,115</u>
Other income			
Deposit interest	14	18	8
Underwriting commission	–	28	28
Total income	<u>4,296</u>	<u>10,605</u>	<u>4,151</u>

3 DERIVATIVE (EXPENSES)/INCOME

	28.02.11 unaudited £'000	31.08.10 audited £'000	28.02.10 unaudited £'000
Income from derivative instruments held at fair value through profit or loss			
Interest received on short CFDs	13	11	6
Dividends received on long CFDs	59	680	215
	<u>72</u>	<u>691</u>	<u>221</u>
Expenses from derivative instruments held at fair value through profit or loss			
Interest paid on long CFDs	(194)	(329)	(150)
Dividends paid on short CFDs	(52)	(92)	(17)
Derivative expenses on futures and equity forwards	–	(9)	–
Net derivative (expenses)/income	<u>(174)</u>	<u>261</u>	<u>54</u>

Notes to the Financial Statements

4 TAXATION ON RETURN/(LOSS) ON ORDINARY ACTIVITIES

	28.02.11 unaudited £'000	31.08.10 audited £'000	28.02.10 unaudited £'000
Overseas taxation suffered	–	56	22

5 RETURN/(LOSS) PER ORDINARY SHARE

	28.02.11 unaudited	31.08.10 audited	28.02.10 unaudited
Revenue return per ordinary share	3.42p	10.74p	2.71p
Capital return/(loss) per ordinary share	65.01p	(3.03p)	(10.98p)
Total return/(loss) per ordinary share	68.43p	7.71p	(8.27p)

	28.02.11 unaudited £'000	31.08.10 audited £'000	28.02.10 unaudited £'000
Revenue return	1,948	6,113	1,542
Capital return/(loss)	37,017	(1,723)	(6,252)
Total return/(loss)	38,965	4,390	(4,710)
Weighted average number of ordinary shares in issue	56,938,896	56,938,896	56,938,896

6 DIVIDENDS

No dividend has been declared in respect of the current period. The dividend shown in the Reconciliation of Movements in Shareholders' Funds for the six months ended 28 February 2011 is the final dividend of 10.50 pence per ordinary share in respect of the year ended 31 August 2010 which was paid on 21 December 2010. The dividend shown in the Reconciliation of Shareholders' Funds for the six months ended 28 February 2010 and the year ended 31 August 2010 is the final dividend of 9.00 pence per ordinary share in respect of the year ended 31 August 2009 which was paid on 23 December 2009.

Notes to the Financial Statements

7 NET ASSET VALUE PER ORDINARY SHARE

The net asset value per ordinary share is based on net assets of £366,769,000 (31.08.10: £333,783,000; 28.02.10: £324,683,000) and on 56,938,896 (31.08.10: 56,938,896; 28.02.10: 56,938,896) ordinary shares, being the number of ordinary shares in issue at the period end.

8 INVESTMENT TRANSACTION COSTS

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

	28.02.11 unaudited £'000	31.08.10 audited £'000	28.02.10 unaudited £'000
Purchases expenses	440	821	298
Sales expenses	108	204	90
	<u>548</u>	<u>1,025</u>	<u>388</u>

9 UNAUDITED FINANCIAL STATEMENTS

The results for the six months to 28 February 2011 and 28 February 2010, which are unaudited, constitute non-statutory accounts within the meaning of s435 of the Companies Act 2006. The figures and financial information for the year ended 31 August 2010 are extracted from the latest published financial statements. These financial statements, on which the Independent Auditor 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, Monday to Saturday.

Financial advisers can call free on:

0800 41 41 81

8am to 6pm, Monday to Friday.

www.fidelity.co.uk/its

Existing shareholders who have a specific query regarding their holding or need to provide update information, for example a change of address, should contact the appropriate administrator.

Holders of ordinary shares:

Capita Registrars, Registrars to Fidelity Special Values PLC, The Registry, 34 Beckenham Road, Beckenham, Kent, BR3 4TU.

Telephone: **0871 664 0300** (calls cost 10p per minute plus network extras) Lines are open from 8.30am to 5.30pm, Monday to Friday. If calling from overseas, telephone **+44 208 639 3399**

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, BNP Paribas Securities Services, Block C, Western House, Lynchwood Business Park, Peterborough PE2 6BP.

Telephone: **0845 358 1107** (calls to this number are charged at 4p per minute from a BT landline. Other telephone providers' costs may vary).

Fidelity ISA investors:

Fidelity, using the freephone numbers 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 Fidelity, 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 2011

28 February – Half-Yearly period end

20 April – Announcement of Half-Yearly results

Beginning of May – Publication of Half-Yearly report

July – Interim Management Statement (as at 31 May 2011)

31 August – Financial year end

November – Publication of Annual Report

December – Annual General Meeting

BOARD OF DIRECTORS

Lynn Ruddick (Chairman)
Sharon Brown (Chairman of
the Audit Committee)
Ben Thomson (Senior Independent
Director)
Andy Irvine
Douglas Kinloch Anderson
Nicky McCabe

MANAGER, SECRETARY AND REGISTERED OFFICE

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London, EC2R 7AS.

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Chartered Accountants
and Registered Auditor,
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Beckenham,
Kent, BR3 4TU.

LAWYERS

Slaughter and May,
One Bunhill Row,
London, EC1Y 8YY.

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Please note that the value of investments and the income from them may fall as well as rise and the investor may not get back the amount originally invested. Past performance is not a guide to future returns. For funds that invest in overseas markets, changes in currency exchange rates may affect the value of your investment. Investing in small and emerging markets can be more volatile than other more developed markets.

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Many companies are aware that their shareholders have received unsolicited phone calls or correspondence concerning investment matters. These are typically from overseas based ‘brokers’ who target UK shareholders, offering to sell them what often turn out to be worthless or high risk shares in US or UK investments. These operations are commonly known as ‘boiler rooms’. These ‘brokers’ can be very persistent and extremely persuasive, and a 2006 survey by the Financial Services Authority (“FSA”) reported that the average amount lost by investors is around £20,000. It is not just the novice investor that has been duped in this way; many of the victims had been successfully investing for several years. Shareholders are advised to be very wary of any unsolicited advice, offers to buy shares at a discount or offers of free company reports.

If you receive any unsolicited investment advice:

- Make sure you get the correct name of the person and organisation
- Check that they are properly authorised by the FSA before getting involved by visiting www.fsa.gov.uk/register
- Report the matter to the FSA either by calling 0845 606 1234 or visiting www.moneymadeclear.fsa.gov.uk
- If the calls persist, hang up.

If you deal with an unauthorised firm, you will not be eligible to receive payment under the Financial Services Compensation Scheme. The FSA can be contacted by completing an online form at www.fsa.gov.uk/pages/doing/regulated/law/alerts/overseas.html

Details of any share dealing facilities that the Company endorses will be included in Company mailings. More detailed information on this or similar activity can be found on the FSA website www.moneymadeclear.fsa.gov.uk





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