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If you sell or have sold or otherwise transferred all of your Ordinary Shares, please send this document, Form of Proxy and/or Voting Instruction Form at once to the purchaser or transferee or to the bank, stockbroker or other agent through whom or by whom the sale or transfer was made, for delivery to the purchaser or transferee.

This document comprises a circular relating to Fidelity European Values PLC prepared in accordance with the Listing Rules of the United Kingdom Listing Authority. This Circular has been approved by the Financial Services Authority and published in accordance with the Listing Rules.

FIDELITY EUROPEAN VALUES PLC

Proposed changes to investment policy and Notice of General Meeting

The contents of this Circular relate only to the proposed changes to the investment policy of Fidelity European Values PLC and the Notice of General Meeting seeking shareholder approval of the proposed changes.

A Form of Proxy for use in relation to the General Meeting is enclosed with this document. To be valid, Forms of Proxy must be completed and returned in accordance with the instructions printed thereon so as to be received by the Company's Registrars, Capita Registrars, The Registry, 34 Beckenham Road, Beckenham, Kent BR3 4TU no later than 48 hours before the time of the General Meeting.

A list of defined terms used in this Circular is set out at pages 9 and 10 of this Circular.

LETTER FROM THE CHAIRMAN

FIDELITY EUROPEAN VALUES PLC

*(An investment company within the meaning of section 833 of the Companies Act 2006
incorporated and registered in England and Wales with registered number 2638812)*

Directors: all of whom are non-executive

Humphrey van der Klugt (Chairman)

Simon Duckworth

Simon Fraser

Robin Niblett

James Robinson

Registered Office:

Beech Gate

Millfield Lane

Lower Kingswood

Tadworth

Surrey KT20 6RP

7 April 2011

To Shareholders and Scheme Participants

Dear Sir/Madam

PROPOSED CHANGES TO THE COMPANY'S INVESTMENT POLICY

The Board is proposing changes to the Existing Investment Policy of Fidelity European Values PLC ("the Company") to permit the use of Contracts for Difference ("CFDs") which will increase the gearing options available to the Company.

The changes are being proposed in anticipation of repaying the fixed term loan with Barclays Bank PLC and the maturity of the Company's revolving credit facility with Lloyds TSB Bank PLC, each due to occur on 15 December 2011. In previous years, the Company has been able to utilise traditional forms of bank debt to refinance its expiring debt facilities. However, due to current conditions in the lending markets, bank debt, if available, is more difficult and expensive to obtain than it has been previously.

The Board believes that it is in the best interests of Shareholders for the Company to continue to have the ability to employ gearing and that the use of CFDs in the manner proposed will provide an appropriate method of gearing the assets of the Company without having to rely entirely on traditional forms of borrowing. The ability to use CFDs will increase gearing flexibility and add to the range of options available to the Board and the Manager in changing market conditions. The costs of using CFDs in the manner proposed are currently lower than the costs involved in traditional borrowing.

Under the New Investment Policy, the Company's aggregate exposure to equities, whether through bank lending or the use of CFDs (or any combination thereof), will not exceed 130% of total net assets. This places an upper limit on gearing that is easier to interpret than the existing maximum level of gross gearing, which is an amount of twice the adjusted capital and reserves pursuant to the Company's Articles of Association. The majority of the Company's exposure to equities will continue to be through direct investment, not CFDs. In addition, the limits on exposure to individual companies and groups as set out in the New Investment Policy in Part II of this document will be calculated on the basis that the Company had acquired the securities to which any CFD is providing exposure.

The investment in equities, whether through borrowed money or gearing achieved through the use of CFDs, will be subject to the exposure limits set out in the New Investment Policy. The Board has taken the opportunity, in this context, of re-wording the second paragraph of the New Investment Policy to emphasise the core focus of the Company's investments.

The Board also wishes to clarify that the maximum amount that may be held by the Company in cash will be 25% of the value of the Company's gross assets, but this limit will not include any cash or cash equivalent paid as collateral for unrealised losses on CFDs. In practice, the cash position is expected normally to be much lower.

The Board is also proposing that the Company will not invest more than 10% of the Company's gross assets in any one quoted company at the time of acquisition. This is an existing internal constraint that the Board feels is appropriate to include in the New Investment Policy.

The Board will continue to monitor and review the Company's gearing level, whether through the use of CFDs or traditional borrowing.

The New Investment Policy and an annotated version detailing the proposed changes to the Existing Investment Policy are set out in Part II of this Circular.

Using CFDs

CFDs are derivative instruments that may be used for hedging and to achieve the Company's investment objective.

These over the counter ("OTC") contracts are used to purchase exposure to equity stocks selected by the Manager. The buyer of the CFD avoids capital outlay initially, with the Company paying a daily funding charge to the counterparty in exchange for the equity exposure: for this reason the buyer's exposure is sometimes referred to as "unfunded" exposure. Since single positions can be freely increased, decreased or closed, they offer the same or greater gearing flexibility as a loan.

The Manager may use one or more separate counterparties to undertake CFD transactions on behalf of the Company, and may be required to pledge collateral paid out of the net assets of the Company in order to secure the Company's obligations under such contracts. The Manager will assess the creditworthiness of counterparties on a continuing basis as part of its risk management process but, for the avoidance of doubt, would not be liable for any default by any counterparty (in the absence of any negligence, recklessness, wilful default or fraud by the Manager).

Costs involved in using CFDs

A funding charge will accrue daily on the initial cost of the equities to which the CFDs give exposure adjusted to reflect changes in the value of the equities and the daily payments of collateral by and to the counterparty. If cash is deposited with the counterparty as collateral to act as security for the unrealised losses on CFDs, the Company will receive interest on this amount.

Under current market conditions the costs involved in using CFDs as outlined above would be less than the costs that would be incurred using traditional methods of borrowing.

RISKS RELATING TO THE COMPANY'S BORROWING

Borrowing and gearing

The Company intends to borrow and will use gearing to enhance returns. Borrowings may be secured against the Company's assets. While the use of gearing should enhance the returns on the NAV of the Company's Shares when the value of the Company's underlying assets is rising, it will have the opposite effect when the underlying asset value is falling. Further, the return on the Company's investments and the amount of cash available for distribution to Shareholders may be reduced to the extent that changes in market conditions cause the cost of these borrowings to increase relative to the income that can be derived from the Company's underlying assets. This may lead to a higher volatility in the NAV and Share price than would otherwise be the case.

Interest rates

The Company will be exposed to risks associated with movements in prevailing interest rates. In the unlikely event that prevailing interest rates rise to such an extent that the Company is not able to meet its debt service obligations from cash reserves available for use at the time, it may be required to dispose of investments at a time not of its choosing and at a price less than the Company's valuation of such investments in order to meet such debt obligations.

Additional risks relating to CFDs

The risk to the Company in buying a CFD is the change in value of the underlying security. Although they are priced in a manner similar to stock, these OTC contracts are privately negotiated between two parties and are not standardised. Further, since the opening of a contract does not involve an exchange of cash, the two parties must bear each other's credit risk.

A CFD has no value when the contract is written, as the Company will not own the underlying securities to which the CFD give exposure. However, the value of the contract to the Company, and the credit risk exposure, becomes positive as the underlying asset price rises from its starting value and negative as the value of the underlying asset declines. The Manager adopts a counterparty risk framework which measures, monitors and manages counterparty risk through the use of internal and external credit agency ratings and evaluates financial derivative instrument credit risk exposure.

Collateral is used to reduce the credit risk exposure for both parties to the CFD. From the Company's perspective this means that collateral – in the form of cash – has to be provided to the CFD counterparty when the price of the asset underlying the CFD declines. The value of such collateral provided will very closely match the negative mark-to-market value of the CFD (i.e., the loss the Company would have made had it held the asset directly) and hence does not contribute to the Company's counterparty exposure in its own right. Where the price of the asset underlying the CFD rises, the counterparty must provide the Company with collateral.

Only delayed return of collateral from the counterparty to the Company adds to counterparty exposure and this process is monitored closely by the Manager. However, there may be a risk that the counterparty will wholly or partially fail to honour its contractual obligations regarding the return of collateral and any other payments due to the Company. In the event of bankruptcy or insolvency of a counterparty, the Company may only have the rights of a general creditor and so recovery of money owed may be slow or impossible and the Company may incur losses. In accordance with the risk management process which the Manager employs to oversee and manage derivative exposures, the Manager will seek to minimise such risk by only entering into transactions with counterparties that it believes to have an adequate credit rating at the time the

transaction is entered into, by ensuring that formal legal agreements covering the terms of the contract are entered into in advance.

Collateral is managed and monitored on a daily basis for all relevant OTC transactions and collateral received will be held by the Company's custodian.

GENERAL MEETING

Under the Listing Rules the Company is required to seek the approval of Shareholders for any material change to its investment policy. An ordinary resolution to approve the changes to the Existing Investment Policy and to adopt the New Investment Policy will be proposed at the General Meeting. The full text of the Resolution is set out in the Notice of General Meeting at the end of this Circular.

ACTION TO BE TAKEN

You will find enclosed a Form of Proxy for use in relation to the General Meeting. Whether or not you propose to attend the meeting, you are asked to complete the Form of Proxy in accordance with the instructions printed thereon and return it to the Company's Registrars, Capita Registrars, The Registry, 34 Beckenham Road, Beckenham, Kent BR3 4TU as soon as possible and, in any event, so that it is received no later than 48 hours before the time of the General Meeting.

VOTING INTENTION OF THE MANAGER

The Manager has declared its intention that FIL Limited, the ultimate parent company of the Manager, will vote its holding of 112,379 Ordinary Shares (representing approximately 0.23% of the issued Ordinary Share capital of the Company) in favour of the Resolution.

Some Shareholders have chosen to hold their Shares through the Fidelity ISA or the Fidelity Investment Trust Share Plan. As at 6 April 2011, 11,840,302 Ordinary Shares representing approximately 24.34% of the issued Ordinary Share capital of the Company were held this way. Scheme Participants are being given the opportunity to vote on the proposal. Where voting directions are not received, Shares will be voted in favour of the Resolution by the Savings Schemes managers in line with the terms and conditions of the Savings Schemes.

RECOMMENDATION

The Board considers the Resolution to be in the best interests of the Company and its Shareholders as a whole.

Accordingly, the Board unanimously recommends that Shareholders vote in favour of the Resolution to be proposed at the General Meeting. Those Directors who hold Shares intend to vote in favour of the Resolution in respect of their holdings of Ordinary Shares amounting to 13,946 Ordinary Shares in aggregate (representing approximately 0.03% of the issued Ordinary Share capital of the Company as at the date of this document).

Yours faithfully

Humphrey van der Klugt
Chairman

PART II

AMENDMENTS TO THE COMPANY'S INVESTMENT POLICY

NEW INVESTMENT POLICY

The Company invests principally in continental European securities with a view to achieving long term capital growth for shareholders. The portfolio is selected by the Manager on the basis of its assessment of the fundamental value available in individual situations. Whilst the Company's overall exposure to individual countries and industry sectors is monitored, the portfolio is not structured primarily on a country or industrial weightings basis, although certain investment restrictions apply in an attempt to diversify risk.

A minimum of 80% of gross assets will be invested in companies from countries which are included in the benchmark Index (the FTSE World Europe (ex UK) Index) and a maximum of 5% of gross assets may be invested in companies of non-European countries which have some European exposure or connection. A maximum of 10% of the Company's gross assets may be invested in the aggregate of: a) securities not listed on a recognised stock exchange and b) holdings in which the interest of the Company amounts to 20% or more of the equity capital of any listed company.

The Company will not invest more than 10% of gross assets in any one quoted company at the time of acquisition. A maximum of 5% of the Company's gross assets may be held in unquoted securities in aggregate at any one time.

The Company's normal policy is to be geared in the belief that long term investment returns will exceed the costs of gearing. This gearing will be obtained through the use of borrowing and/or through the use of Contracts for Difference ("CFDs") to obtain exposure to securities selected by the Manager. The effect of gearing is to magnify the consequence of market movements on the portfolio and if the portfolio value rises the NAV will be positively impacted, but if it falls the NAV will be adversely impacted. The Board is responsible for the level of gearing in the Company and reviews the position on a regular basis.

The aggregate exposure of the Company to equities, as a result of borrowing or under CFDs, will not exceed 130% of the total net assets at the time at which any CFD is entered into or a security acquired. It should be stressed that the majority of the Company's exposure to equities will be through direct investment, not CFDs. In addition, the limits on exposure to individual companies and groups will be calculated on the basis that the Company has acquired the securities to which any CFD is providing exposure.

The maximum amount of cash or cash equivalents held by the Company will be 25% of the Company's total net assets, but this limit will not include any cash or cash equivalent paid as collateral for unrealised losses on CFDs. In practice the cash position will normally be much lower.

The Board reserves the right to lend stock and/or assets of up to 10% of the Company's total net assets. The Board also reserves the right to hedge the portfolio by way of currency.

A maximum of 10% of the Company's gross assets may be invested in the securities of other investment companies (including listed investment trusts).

NEW INVESTMENT POLICY DETAILING THE PROPOSED CHANGES TO THE EXISTING INVESTMENT POLICY

The Company invests principally in continental European securities with a view to achieving long term capital growth for shareholders. The portfolio is selected by the Manager on the basis of its assessment of the fundamental value available in individual situations. Whilst the Company's overall exposure to individual countries and industry sectors is monitored, the portfolio is not structured primarily on a country or industrial weightings basis, although certain investment restrictions apply in an attempt to diversify risk.

~~A maximum of 20% of gross assets may be invested in companies of countries which are not included in the benchmark Index (the FTSE World Europe (ex UK) Index) of which A minimum of 80% of gross assets will be invested in companies from countries which are included in the benchmark Index (the FTSE World Europe (ex UK) Index) and a maximum of 5% of gross assets may be invested in ~~other~~ companies of non-European countries which have some European exposure or connection. A maximum of 10% of the Company's gross assets may be invested in the aggregate of: a) securities not listed on a recognised stock exchange and b) holdings in which the interest of the Company amounts to 20% or more of the equity capital of any ~~one~~-listed company.~~

The Company will not invest more than 10% of gross assets in any one quoted company at the time of acquisition. A maximum of 5% of the Company's gross assets may be held in unquoted securities in aggregate at any one time.

~~The maximum level of gross gearing is an amount of twice the adjusted capital and reserves pursuant to the Company's Articles of Association. In normal circumstances a gearing level of below 20% of net assets will be maintained.~~

The Company's normal policy is to be geared in the belief that long term investment returns will exceed the costs of gearing. This gearing will be obtained through the use of borrowing and/or through the use of Contracts For Difference ("CFDs") to obtain exposure to securities selected by the Manager. The effect of gearing is to magnify the consequence of market movements on the portfolio and if the portfolio value rises the NAV will be positively impacted, but if it falls the NAV will be adversely impacted. The Board is responsible for the level of gearing in the Company and reviews the position on a regular basis.

The aggregate exposure of the Company to equities, as a result of borrowing or under CFDs, will not exceed 130% of total net assets at the time at which any CFD is entered into or a security acquired. It should be stressed that the majority of the Company's exposure to equities will be through direct investment, not CFDs. In addition, the limits on exposure to individual companies and groups will be calculated on the basis that the Company has acquired the securities to which any CFD is providing exposure.

The maximum amount of cash or cash equivalents held by the Company will be 25% of the Company's total net assets, but this limit will not include any cash or cash equivalent paid as collateral for unrealised losses on CFDs. In practice the cash position will normally be much lower.

The Board reserves the right to lend stock and/or assets of up to 10% of the Company's total net assets. The Board also reserves the right to hedge the portfolio by way of currency. ~~The Board has not used this right during the life of the Company.~~

A maximum of 10% of the Company's ~~total-gross~~ assets may be invested in the securities of other investment companies (including listed investment trusts) ~~It is the Company's policy to invest no more than 15% of its gross assets in other investment companies admitted to the Official List of the UK Listing Authority.~~

DEFINITIONS

Board or Directors	the board of directors of the Company (or any duly authorised committee thereof)
Circular	this document
Company	Fidelity European Values PLC
Existing Investment Policy	the Company's investment policy
Financial Services Authority or FSA	the single regulatory authority for the UK financial services industry
Form of Proxy	the form of proxy which accompanies this document for use by Shareholders in connection with the General Meeting
FSMA	the Financial Services and Markets Act 2000 (as amended)
General Meeting	the general meeting of the Company to be held at 25 Cannon Street, London EC4M 5TA on 18 May 2011 immediately following the annual general meeting of the Company which is being held at 12 noon, or any adjournment thereof, notice of which is set out at the end of this document
Manager	FIL Investments International
NAV	net asset value as calculated in accordance with the Company's valuation policies and the Articles
New Investment Policy	the proposed investment policy that will be adopted by the Company if the Resolution is passed
Official List	the official list maintained by the UK Listing Authority pursuant to Part IV of FSMA
Ordinary Shareholders or Shareholders	holders of Ordinary Shares
Ordinary Shares	ordinary shares of 25p each in the capital of the Company
Registrars	Capita Registrars, The Registry, 34 Beckenham Road, Beckenham, Kent BR3 4TU
Resolution	the ordinary resolution to be proposed at the General Meeting
Savings Schemes	the Fidelity Investment Share Plan and Fidelity ISA schemes or either of them
Scheme Participants	beneficial owners of Shares held through the Savings Schemes

UK	the United Kingdom of Great Britain and Northern Ireland
UK Listing Authority	the Financial Services Authority acting in its capacity as the competent authority for the purposes of admissions to the Official List
Voting Instruction Form	the voting instruction form which accompanies (where relevant) this document for use by Scheme Participants in connection with the General Meeting

FIDELITY EUROPEAN VALUES PLC

(Incorporated and registered in England and Wales with registered number 2638812)

NOTICE OF GENERAL MEETING

Notice is hereby given that a General Meeting of shareholders will be held at 25 Cannon Street, London EC4M 5TA on 18 May 2011, immediately following the annual general meeting of the Company which is being held at 12 noon, for the purpose of considering and, if thought fit, passing the following resolution which will be proposed as an ordinary resolution:

Ordinary Resolution

The resolution is an ordinary resolution which, if approved, will amend the Company's Existing Investment Policy. The complete text of the New Investment Policy is included in Part II of a circular of the Company dated 7 April 2011 (the "Circular"). Terms defined in the Circular shall have the same meanings in this Notice unless otherwise defined.

THAT the New Investment Policy set out in Part II of the Circular, a copy of which will be marked "A" and signed for the purpose of identification by the Chairman of the Meeting, be and is hereby approved and adopted with immediate effect as the Company's investment policy in place of its Existing Investment Policy.

Registered office:
Beech Gate
Millfield Lane
Lower Kingswood
Tadworth
Surrey KT20 6RP

By order of the Board:
FIL Investments International
Secretary

7 April 2011

NOTES TO NOTICE OF MEETING

1. A member of the Company entitled to attend and vote at the General Meeting may appoint a proxy or proxies to attend and to speak and vote instead of him. A member may appoint more than one proxy in relation to the General Meeting provided that each proxy is appointed to exercise the rights attached to a different Share or Shares held by that member. A proxy need not be a member of the Company.
2. A Form of Proxy is enclosed and must be returned to the Registrars at the address on the form to arrive no later than 48 hours before the time of the General Meeting. 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 the Company's Registrars, Capita Registrars, The Registry, 34 Beckenham Road, Beckenham, Kent BR3 4TU 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. To appoint a proxy or to give or amend an instruction to a previously appointed proxy via the CREST system, the CREST message must be received by the issuer's agent RA10 by 12 noon on 16 May 2011. 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. After this time any change of instructions to a proxy appointed through CREST should be communicated to the proxy by other means. CREST Personal Members or other CREST sponsored members and those CREST Members who have appointed voting service provider(s) should contact their CREST sponsor or voting service provider(s) for assistance with appointing proxies via CREST. For further information on CREST procedures, limitations and systems timings please refer to the CREST Manual. We may treat as invalid a proxy appointment sent by CREST in the circumstances set out in Regulation 35(5)(a) of the Uncertificated Securities Regulations 2001. In any case your proxy form must be received by the Company's Registrars no later than 48 hours before the time of the General Meeting.
6. All members are entitled to attend and vote at the General Meeting and ask questions. The right to vote at the meeting will be determined by reference to the Register of Members as at 6.00 p.m. on 16 May 2011.
7. Any person to whom this Notice is sent who is a person nominated under Section 146 of the Companies Act 2006 to enjoy information rights (a "Nominated Person") may, under an agreement between him and the member by whom he was nominated, have a right to be appointed (or to have someone else appointed) as a proxy for the meeting. If a Nominated Person has no such proxy appointment right or does not wish to exercise it, he may, under any such agreement, have a right to give instructions to the member as to the exercise of voting rights. The statement of the rights of members in relation to the appointment of proxies in paragraph 1 above does not apply to Nominated Persons. The right described in that paragraph can only be exercised by members of the Company.
8. If the Chairman, as a result of any proxy appointments, is given discretion as to how the votes which are the subject of those proxies are cast and the voting rights in respect of those discretionary proxies, when added to the interests in the Company's securities already held by the Chairman, result in the Chairman holding such number of voting rights that he has a notifiable obligation under the Disclosure and Transparency Rules, the Chairman will make the necessary notifications to the Company and the Financial Services Authority. As a result, any member holding 3 per cent or more of the voting rights in the Company who grants the Chairman a discretionary proxy in respect of some or all of those voting rights and so would otherwise have a notification obligation under the Disclosure and Transparency Rules, need not make separate notification to the Company and the Financial Services Authority.
9. Pursuant to Regulation 41 of the Uncertificated Securities Regulations 2001, the Company has specified that to be entitled to attend and vote at the General Meeting (and for the purpose of determining the number of votes they may cast), members must be entered on the Register of Members by 6.00 p.m. on 16 May 2011. If the meeting is adjourned then, to be so entitled, members must be entered on the Register of Members at 6.00 p.m. on the day two days before the time fixed for the adjourned meeting, or, if the Company gives notice of the adjourned meeting, at any other time specified in that notice.
10. As at 6 April 2011 (the latest practicable date prior to the publication of this document) the Company's issued Ordinary Share capital consisted of 48,636,986 Ordinary Shares carrying one vote each. Therefore, the total number of voting rights in the Company as at 6 April 2011 was 48,636,986.
11. Any corporation which is a member can appoint one or more corporate representatives who may exercise on its behalf all of its powers as a member provided that they do not do so in relation to the same Shares.
12. Shareholders and any proxies or representatives they appoint understand that by attending the General 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 General Meeting.
13. No Director has a service contract with the Company.
14. The New Investment Policy is available for inspection at the registered office of the Company, Beech Gate, Millfield Lane, Lower Kingswood, Tadworth, Surrey, KT20 6RP during usual business hours on any weekday (Saturdays, Sundays and public holidays excluded) from the date of this Notice until the conclusion of the General Meeting and will be available for inspection at the place of the General Meeting for at least 15 minutes prior to and during the General Meeting.
15. A copy of this Notice and other information required by Section 311A of the Companies Act 2006 is published on the Company's website at www.fidelity.co.uk/investor/research-funds/investment-trusts/european-values-plc.page The content of the website referred to in this document does not form part of this document.