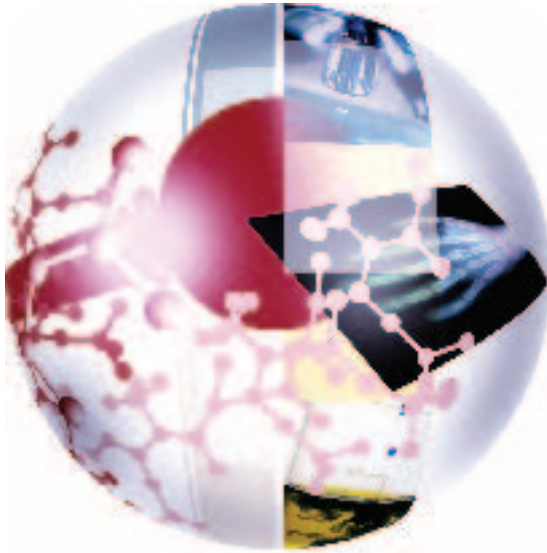


Finsbury Emerging Biotechnology Trust PLC

Interim Report

for the six months to 30 September 2006



CLOSE FINSBURY
DIFFERENT BY DESIGN

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The Association of
Investment Companies

(previously named the Association of Investment Trust Companies)

COMPANY SUMMARY

Performance Statistics

	30 September 2006	31 March 2006	% Change
Shareholders' Funds	£72.8m	£36.6m	+98.9
Net asset value per Ordinary share	110.4p	131.8p	-16.2
Share price	108.0p	135.5p	-20.3
(Discount)/premium of share price to net asset value per share	(2.2)%	2.8%	-
NASDAQ Biotechnology Index (sterling adjusted)	403.0	483.7	-16.7
FTSE All-Share Index (total return)	3,522.6	3,462.2	+1.7

Investment Objective and Policy

Finsbury Emerging Biotechnology Trust PLC seeks capital appreciation through investment in the worldwide biotechnology industry, principally by investing in emerging biotechnology companies. Performance is measured against the NASDAQ Biotechnology Index (sterling adjusted).

It is the Company's policy to invest no more than 15 per cent. of its gross assets in other listed investment companies (including listed investment trusts). Other than its investment in the Merlin Fund LP, which it has held since inception, the Company has never had a holding in an investment company of any sort, and the Directors do not currently envisage any circumstances in which it is likely to do so in the future.

Interim Dividend

The Company has not declared an interim dividend (2005: nil).

Capital Structure

Following a Placing and Offer for Subscription, which raised £40.8 million, 38,172,263 new shares were issued on 31 May 2006. At 30 September 2006, the Company had 65,912,263 25p Ordinary shares in issue.

Gearing

The Company has a £5 million loan facility with Allied Irish Bank plc.

Continuation Vote

The next continuation vote of the Company shall be held at the Annual General Meeting in 2010, further opportunities to vote on the continuation of the Company shall be given to shareholders every five years thereafter.

Subsidiary Undertaking

The Company's dormant subsidiary undertaking, FLIT Investments Limited, was dissolved on 27 June 2006.

CHAIRMAN'S STATEMENT

Investment Performance

During the period ended 30 September 2006, the Company's net asset value per share fell from 131.8p to 110.4p, a decrease of 16.2 per cent. The Company's benchmark, the NASDAQ Biotechnology Index (sterling adjusted), fell slightly more, by 16.7 per cent., over the same period. The Company's share price fell by 20.3 per cent. and stood at a 2.2 per cent. discount to the net asset value per share at the half-year-end, compared to a 2.8 per cent. premium as at 31 March 2006. This figure is still well within the 6.0 per cent. limit set by the Board as part of its active discount management policy.

It is now six months since the Placing and Offer for Subscription. OrbiMed Capital LLC, the new Investment Adviser, had by then already substantially reorganised the Portfolio and the bulk of the new funds were used to increase existing holdings. In addition, three new positions were added as noted in the Review of Investments on pages 3 and 4 of this Interim Report.

Results and Dividend

The total return for the six months ended 30 September 2006 was a loss of 6.9p per share (year to 31 March 2005: return of 30.1p per share, six months to 30 September 2005: return of 17.5p per share). This was made up of a revenue loss of 0.3p per share (year to 31 March 2006: loss of 1.9p per share, six months to 30 September 2005: loss of 1.5p per share) and a capital loss of 6.6p per share (year to 31 March 2006: gain of 32.0p per share, six months to 30 September 2005: gain of 19.0p per share). The investments comprising the Company's Portfolio typically provide little, if any, income and accordingly no interim dividend has been declared (2005: Nil).

Review and Outlook

This has been a difficult period for the biotechnology sector which has seen a significant underperformance of the wider market. In addition, the continued weakness of the US dollar has adversely affected the sterling value of the Portfolio as the majority of the Company's assets are denominated in US dollars. The Board continues to take the view that the investment policy should be to identify the best companies in the sector without being swayed by currency fluctuations. The Board believes that the prospects for emerging biotechnology companies remain good, particularly as long-term growth fundamentals remain strong and as a pick-up in merger and acquisition activity, following a quiet period during the summer, will help buoy performance in the sector.

John Sclater

Chairman

27 November 2006

REVIEW OF INVESTMENTS

Performance

In the six months ending 30 September 2006, the Company's net asset value per share outperformed its benchmark by approximately 0.5 per cent. In absolute terms it declined 16.2 per cent. versus a 16.7 per cent. decline in the NASDAQ Biotechnology Index (sterling adjusted).

Generally this period was a challenging one for the biotechnology industry. Small and mid-sized biotechnology company share prices have generally languished since mid-2004 despite strong share price performance from the larger biotechnology companies during that time.

The funds raised from the Placing and offer for Subscription were invested quickly into existing holdings within the Portfolio together with three new holdings, namely **Gilead Sciences**, **PDL BioPharma** and **Teva**.

We believe this year will finish on a strong note, and already the Company has posted healthy performance early in the final quarter of 2006. Two of the Company's holdings, **ICOS** and **Myogen**, have received acquisition offers at significant premiums.

Environment and Outlook

Our overriding strategic investment theme coming into this period was to position the Portfolio for an increase in mergers and acquisitions (M&A) activity. Although there was virtually no activity during the traditionally slow summer months, M&A activity has increased sharply since the month of September. As this M&A theme develops we feel that the Company is well-positioned for a strong remainder of the year. As mentioned, the Company held sizable positions in many of the recent acquisition targets and we expect several more announcements before this spate of takeover activity is complete.

The current flurry of M&A activity is driven by large pharmaceutical and biotechnology companies competing to acquire new products. For many "big pharma" companies these deals represent a potential to reinvigorate their languishing internal research and development programmes. For the biotechnology acquirers, most of whom are experiencing a period of strong growth, the acquisitions are often motivated by a drive to sustain high internal growth rates.

The table below shows acquisitions that have been announced over recent months. Total deal size is now well over \$20 billion.

Announce Date	Target	Acquirer	Deal Size	Premium*
17/10/06	ICOS	Eli Lilly	\$2,100 million	18%
02/10/06	Myogen	Gilead	\$2,500 million	50%
25/09/06	Schwarz Pharma	UCB	\$5,600 million	20%
21/09/06	Serono	Merck KGaA	\$13,300 million	18%
27/09/06	AnorMED	Genzyme	\$580 million	168%
07/06/06	NeuTec Pharma	Novartis	\$550 million	109%
15/05/06	Cambridge Antibody	AstraZeneca	\$1,300 million	67%

*The percentage increase offered by a prospective acquirer above the existing share price of the target acquisition.

REVIEW OF INVESTMENTS (Continued)

The attitude of the US Food and Drug Administration (FDA) has become more favourable for the industry over the past quarter, as a number of new products under consideration were finally approved. In fact, there were four product approvals (Fentora, Vectibix, Pylera and Duodote) over just a three day period in September. This acceleration in the rate of new drug approvals contrasts with a more difficult environment earlier in the year, during which the FDA delayed or rejected several drugs which appeared to be approvable. The recent approvals have reassured skittish investors about the pace and tenor of new drug evaluation at the FDA.

With regard to the recent change in the political landscape in US, whilst we believe that this may put pressure on drug pricing, we think that this should have less impact on biotechnology companies than on the larger pharmaceutical companies.

From a geographic perspective, our emphasis is currently on North American biotechnology companies, which account for just over 90 per cent. of assets. We have also identified several promising opportunities in Europe (9.4 per cent. of assets). The legacy unquoted positions continue to mature and now represent just 2.0 per cent. of assets.

OrbiMed Capital LLC, *Investment Adviser*
Close Finsbury Asset Management Limited, *Manager*

27 November 2006

INVESTMENTS

as at 30 September 2006

Investment	Country	Market value £'000	Investment as a percentage of portfolio
Amgen	United States	6,944	9.5
Genentech	United States	5,134	7.0
Genzyme	United States	4,912	6.7
MedImmune	United States	3,526	4.8
Gilead Sciences	United States	3,129	4.3
Vertex Pharmaceuticals	United States	2,878	3.9
Onyx Pharmaceuticals	United States	2,606	3.6
Genmab	Denmark	2,562	3.5
InterMune	United States	2,343	3.2
Gen-Probe	United States	2,280	3.1
Top 10 investments		36,314	49.6
OSI Pharmaceuticals	United States	2,212	3.0
Amylin Pharmaceuticals	United States	2,194	3.0
Array Biopharma	United States	2,114	2.9
Indevus Pharmaceuticals	United States	2,112	2.9
Momenta Pharmaceuticals	United States	1,935	2.7
Biomarin Pharmaceutical	United States	1,925	2.6
Basilea Pharmaceutica	Switzerland	1,925	2.6
Regeneron Pharmaceuticals	United States	1,861	2.5
Panacos Pharmaceuticals	United States	1,833	2.5
Ariad Pharmaceuticals	United States	1,815	2.5
Top 20 investments		56,240	76.8
Myogen	United States	1,652	2.3
PDL Biopharma	United States	1,611	2.2
Millennium Pharmaceuticals	United States	1,571	2.2
ImClone Systems	United States	1,471	2.0
Infinity Pharmaceuticals	United States	1,387	1.9
Savient Pharmaceuticals	United States	1,259	1.7
Vion Pharmaceuticals	United States	1,156	1.6
Icos Corporation	United States	1,126	1.5
Merlin Fund (unquoted)+	United Kingdom	1,043	1.4
Tepnel Life Sciences	United Kingdom	824	1.1
Top 30 investments		69,340	94.7
Encysive Pharmaceuticals	United States	735	1.0
Cytokinetics	United States	686	0.9
Kosan Biosciences	United States	675	0.9
Curis	United States	339	0.6
Idera Pharmaceuticals	United States	321	0.5
Biowisdom (unquoted)	United Kingdom	300	0.4
UK Treasury 7.5% 07/12/06	United Kingdom	261	0.4
Decode Genetics	United States	253	0.4
Cyclacel Pharmaceuticals	United States	171	0.2
Total investments		73,081	100.0

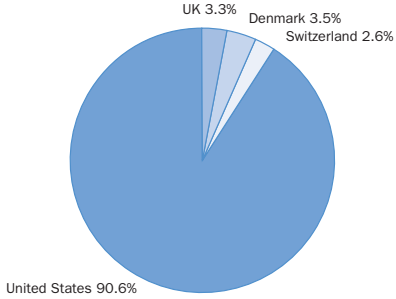
The Merlin Fund LP is a Jersey based limited partnership. As at 30 September 2006, The

+Merlin Fund was composed of quoted investments, 75.6%, unquoted investments, 20.2% and other assets, 4.2%.

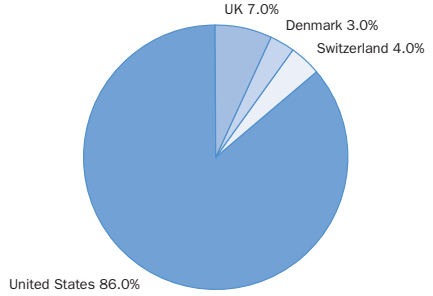
PORTFOLIO ANALYSIS

Geographical Analysis

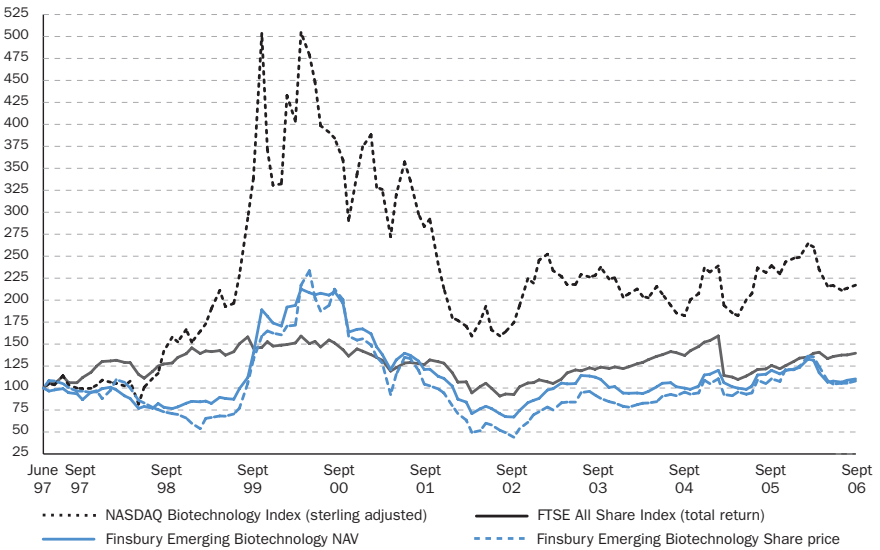
as at 30 September 2006



as at 31 March 2006



PERFORMANCE GRAPH



Performance is on mid to mid basis, in sterling terms, rebased to 100 at launch (June 1997).

Source: Close Investments Limited

INCOME STATEMENT

for the six months ended 30 September 2006

	Note	(Unaudited) Six months ended 30 September 2006			(Unaudited) Six months ended 30 September 2005			(Audited) Year ended 31 March 2006		
		Revenue £'000	Capital £'000	Total £'000	Revenue £'000	Capital £'000	Total £'000	Revenue £'000	Capital £'000	Total £'000
Investment Income										
Investment income	3	18	–	18	9	–	9	93	–	93
Other income	3	2	–	2	10	–	10	18	–	18
Total income		20	–	20	19	–	19	111	–	111
Gains and losses on investments										
(Losses)/gains on investments held at fair value through profit or loss		–	(2,947)	(2,947)	–	5,878	5,878	–	9,774	9,774
Exchange losses on currency balances		–	(104)	(104)	–	(101)	(101)	–	(207)	(207)
Expenses										
Investment management fees	4	–	(463)	(463)	–	(505)	(505)	–	(752)	(752)
Other expenses		(178)	–	(178)	(436)	–	(436)	(605)	–	(605)
(Loss)/profit before finance costs and taxation		(158)	(3,514)	(3,672)	(417)	5,272	4,855	(494)	8,815	8,321
Finance costs		(6)	–	(6)	(2)	(21)	(23)	(16)	(21)	(37)
(Loss)/profit before taxation		(164)	(3,514)	(3,678)	(419)	5,251	4,832	(510)	8,794	8,284
Taxation		–	–	–	–	–	–	–	–	–
(Loss)/profit for the period		(164)	(3,514)	(3,678)	(419)	5,251	4,832	(510)	8,794	8,284
(Loss)/earnings per Ordinary share	2			(6.9)p			17.5p			30.1p

The total column of this statement represents the Company's Income Statement, prepared in accordance with IFRS. The revenue and capital columns are supplementary to this and are prepared under guidance published by the Association of Investment Companies (formerly known as the Association of Investment Trust Companies). All items in the above statement derive from continuing operations.

All income is attributable to the equity holders of Finsbury Emerging Biotechnology Trust PLC. There are no minority interests.

STATEMENT OF CHANGES IN EQUITY

for the six months ended 30 September 2006

	six months ended 30 September 2006						
	Ordinary Share Capital	Share Premium Account	Special Reserve	Capital Redemption Reserve	Capital Reserve	Retained Earnings	Total
	£'000	£'000	£'000	£'000	£'000	£'000	£'000
At 31 March 2006	6,935	272	19,167	653	11,201	(1,672)	36,556
Net loss for the period	-	-	-	-	(3,514)	(164)	(3,678)
Issue of ordinary shares	9,543	31,267	-	-	-	-	40,810
Issue expenses	-	(938)	-	-	-	-	(938)
Share premium account cancelled	-	(30,601)	30,601	-	-	-	-
Issue expenses written back	-	-	-	-	37	-	37
At 30 September 2006	16,478	-	49,768	653	7,724	(1,836)	72,787

	for the year ended 31 March 2006						
	Ordinary Share Capital	Share Premium Account	Special Reserve	Capital Redemption Reserve	Capital Reserve	Retained Earnings	Total
	£'000	£'000	£'000	£'000	£'000	£'000	£'000
At 31 March 2005	7,525	-	21,679	-	2,407	(1,162)	30,449
Net profit/(loss) for the year	-	-	-	-	8,794	(510)	8,284
Buyback of ordinary shares	(653)	-	(2,512)	653	-	-	(2,512)
Issue of ordinary shares	63	272	-	-	-	-	335
At 31 March 2006	6,935	272	19,167	653	11,201	(1,672)	36,556

BALANCE SHEET

as at 30 September 2006

		(Unaudited) 30 September 2006 £'000	(Unaudited) 30 September 2005 £'000	(Audited) 31 March 2006 £'000
	Note			
Non current assets				
Investments held at fair value through profit or loss	1(a)	73,081	33,610	37,043
Current assets				
Other receivables		170	58	1,302
Cash and cash equivalents		538	329	729
		<u>708</u>	<u>387</u>	<u>2,031</u>
Total assets		<u>73,789</u>	<u>33,997</u>	<u>39,074</u>
Current liabilities				
Other payables		742	1,225	1,369
Bank overdrafts		260	3	1,149
		<u>1,002</u>	<u>1,228</u>	<u>2,518</u>
Net assets		<u>72,787</u>	<u>32,769</u>	<u>36,556</u>
Equity attributable to equity holders				
Ordinary share capital		16,478	6,872	6,935
Share premium		–	–	272
Special reserve		49,768	19,167	19,167
Capital redemption reserve		653	653	653
Capital reserve		7,724	7,658	11,201
Retained earnings		(1,836)	(1,581)	(1,672)
Total equity		<u>72,787</u>	<u>32,769</u>	<u>36,556</u>
Net asset value per ordinary share	6	<u>110.4p</u>	<u>119.2p</u>	<u>131.8p</u>

CASH FLOW STATEMENT

for the six months ended 30 September 2006

	(Unaudited) Six months ended 30 September 2006 £'000	(Unaudited) Six months ended 30 September 2005 £'000	(Audited) Year ended 31 March 2006 £'000
Net cash (outflow)/inflow from operating activities (note 7)	(39,107)	2,638	1,657
Net cash (outflow)/inflow before financing	(39,107)	2,638	1,657
Net cash inflow/(outflow) from financing activities	39,909	(2,512)	(2,177)
Net increase/(decrease) in cash and cash equivalents	802	126	(520)
Cash and cash equivalents at start of period	(420)	301	301
Realised loss on foreign currency	(104)	(101)	(201)
Cash and cash equivalents at period end	278	326	(420)

NOTES TO THE FINANCIAL STATEMENTS

ACCOUNTING POLICIES

1 Basis of Presentation

The financial statements have been prepared under the historical cost convention, except where stated in (a) below. Where presentational guidance set out in the revised Statement of Recommended Practice (“the SORP”) for Investment Trust Companies produced by the Association of Investment Companies (formerly known as the Association of Investment Trust Companies) (“AIC”) dated December 2005 is consistent with the requirements of IFRS, the Directors have sought to prepare the financial statements on a basis compliant with the recommendations of the SORP. The same accounting policies used for the year ended 31 March 2006 have been applied. The Company’s dormant subsidiary undertaking, FLIT Investments Limited, was dissolved on 27 June 2006.

The financial statements of the Company have been prepared in accordance with International Financial Reporting Standards (“IFRS”). These comprise standards and interpretations approved by the International Accounting Standards Board (“IASB”), together with interpretations of the International Accounting Standards and Standing Interpretations Committee approved by the International Accounting Standards Committee (“IASC”) that remain in effect, to the extent that IFRS have been adopted by the European Union. These financial statements are presented in pounds sterling because that is the currency of the primary economic environment in which the Company operates. The financial statements of the Company for the year ending 31 March 2007 will also be prepared in accordance with IFRS.

(a) Investments

Investments are recognised and derecognised on the trade date where a purchase or sale is under a contract whose terms require delivery within the timeframe established by the market concerned, and are initially measured at fair value.

Investments have been designated by the Board as held at fair value through profit or loss and accordingly are valued at fair value, deemed to be bid market prices. As the entity’s business is investing in financial assets with a view to profiting from their total return in the form of interest, dividends or increases in fair value, listed equities and fixed income securities are designated as fair value through profit or loss on initial recognition. The entity manages and evaluates the performance of these investments on a fair value basis in accordance with its investment strategy, and information about the Company is provided internally on this basis to the entity’s key management personnel.

Financial assets designated as at fair value through profit or loss, which are quoted investments, are measured at subsequent reporting dates at fair value, which is either the bid or the last traded price, depending on the convention of the exchange on which the investment is quoted.

NOTES TO THE FINANCIAL STATEMENTS (Continued)

1 Accounting policies (continued)

(a) Investments (continued)

In respect of unquoted investments, or where the market for a financial instrument is not active, fair value is established by using valuation techniques, which may include using recent arm's length market transactions between knowledgeable, willing parties, if available, reference to the current fair value of another instrument that is substantially the same, discounted cash flow analysis and option pricing models. Where there is a valuation technique commonly used by market participants to price the instrument and that technique has been demonstrated to provide reliable estimates of prices obtained in actual market transactions, that technique is utilised.

On disposal, realised gains and losses are also recognised in the Income Statement.

Purchase and sale transaction costs for the six months ended 30 September 2006 were £214,000, 31 March 2006 £210,000 and 30 September 2005 £112,000. These costs comprise of mainly stamp duty and commission.

(b) Presentation of Income Statement

In order to better reflect the activities of an investment trust company, and in accordance with guidance issued by the AIC, supplementary information which analyses the Income Statement between items of a revenue and capital nature has been presented alongside the Income Statement. In accordance with the Company's status as a UK investment company under section 266 of the Companies Act 1985, net capital returns may not be distributed by way of dividend. Additionally, the net revenue is the measure the Directors believe appropriate in assessing the Company's compliance with certain requirements set out in section 842 of the Income and Corporation Taxes Act 1988.

(c) Income

Dividends receivable on equity shares are recognised on the ex-dividend date. Where no ex-dividend date is quoted, dividends are recognised when the Company's right to receive payment is established.

Dividends and interest on investments in unquoted shares and securities are recognised when they become receivable.

Fixed returns on non-equity shares are recognised on a time apportionment basis so as to reflect the effective yield, provided there is no reasonable doubt that payment will be received in due course.

Underwriting commission is recognised as income in so far as it relates to shares not required to be taken up. Where a proportion of the shares underwritten is required to be taken up the same proportion of commission received is treated as a deduction from the cost of the shares taken up, the balance taken to the income statement and allocated to revenue.

(d) Expenses and Finance costs

All expenses are accounted for on an accruals basis. Expenses are charged through the Income Statement except as follows:

- (i) expenses which are incidental to the acquisition or disposal of an investment are charged to the Income Statement and allocated to the Capital Reserve;

NOTES TO THE FINANCIAL STATEMENTS (Continued)

1 Accounting Policies (continued)

(e) Expenses and Finance Costs (continued)

- (ii) expenses are charged to the Income Statement and allocated to the Capital Reserve where a connection with the maintenance or enhancement of the value of the investments can be demonstrated, and accordingly;
- (iii) investment management fees and related irrecoverable VAT are charged to the Income Statement and allocated to the Capital Reserve as the Directors expect that in the long term virtually all of the Company's returns will come from capital; and
- (iv) loan interest is charged to the Income Statement and allocated to capital as the Directors expect that in the long-term virtually all of the Company's returns will come from capital.

(f) Taxation

The payment of taxation is deferred or accelerated because of timing differences between the treatment of certain items for accounting and taxation purposes. Full provision for deferred taxation is made under the liability method, without discounting, on all timing differences that have arisen, but not reversed by the Balance Sheet date, unless such treatment is not permitted by International Accounting Standard 12.

In line with the recommendations of the SORP, the allocation method used to calculate tax relief on expenses presented against capital returns in the supplementary information in the Income Statement is the "marginal basis".

Under this basis, if taxable income is capable of being offset entirely by expenses presented in the revenue column of the Income Statement, then no tax relief is transferred to the capital column.

(g) Foreign Currencies

The currency of the primary economic environment in which the Company operates (the functional currency) is pounds sterling ("sterling"), which is also the presentational currency of the Company. Transactions involving currencies other than sterling, are recorded at the exchange rate ruling on the transaction date. At each Balance Sheet date, monetary items and non-monetary assets and liabilities that are fair valued, which are denominated in foreign currencies, are retranslated at the closing rates of exchange.

Exchange differences arising on settlements of monetary items and from retranslating at the Balance Sheet date:

- investments and other financial instruments measured as fair value through profit or loss; and
- other monetary items.

All foreign exchange differences are taken to the income statement and allocated to income and capital accordingly.

NOTES TO THE FINANCIAL STATEMENTS (Continued)

1 Accounting Policies (continued)

(i) Reserves

Capital reserves

The following are charged or credited in the Income Statement and then transferred to the Capital Reserve:

- gains or losses on the realisation of investments
- realised exchange differences of a capital nature
- expenses charged to this reserve in accordance with the above referred policies
- increases and decreases in the valuation of investments held at year end
- unrealised exchange differences of a capital nature

2. (Loss)/Earnings per Ordinary Share

The (loss)/earnings per Ordinary share figure is based on the net loss for the six months of £3,678,000 (six months ended 30 September 2005: £4,832,000 gain; year ended 31 March 2006: £8,284,000 gain) and on 53,188,176 (six months ended 30 September 2005: 27,612,574 and year end 31 March 2006: 27,490,000) Ordinary shares, being the weighted average number of Ordinary shares in issue during the period.

The return per Ordinary share detailed above can be further analysed between revenue and capital, as below.

	(Unaudited) 30 September 2006 £'000	(Unaudited) 30 September 2005 £'000	(Audited) 31 March 2006 £'000
Net revenue loss	(164)	(419)	(510)
Net capital (loss)/gain	(3,514)	5,251	8,794
Net total (loss)/gain	(3,678)	4,832	8,284
Weighted average number of Ordinary shares in issue during the period	53,188,176	27,612,514	27,490,000
Revenue loss per Ordinary share	Pence (0.3)	Pence (1.5)	Pence (1.9)
Capital (loss)/earnings per Ordinary share	(6.6)	19.0	32.0
Total (loss)/earnings per Ordinary share	(6.9)	17.5	30.1

NOTES TO THE FINANCIAL STATEMENTS (Continued)

3. Income

	(Unaudited) 30 September 2006 £'000	(Unaudited) 30 September 2005 £'000	(Audited) 31 March 2006 £'000
Investment income	18	9	93
Bank interest	2	10	18
	20	19	111

4. Investment Management Fees

	(Unaudited) 30 September 2006 £'000	(Unaudited) 30 September 2005 £'000	(Audited) 31 March 2006 £'000
Periodic fee	294	345	519
Performance fee	169	96	168
Irrecoverable VAT thereon	–	64	65
	463	505	752

5. Comparative Information

The financial information contained in this interim report does not constitute statutory accounts as defined in section 240 of the Companies Act 1985. The financial information for the six months ended 30 September 2006 and 2005 has not been audited.

The information for the year ended 31 March 2006 has been extracted from the latest published audited financial statements. The audited financial statements for the year ended 31 March 2006 have been filed with the Registrar of the Companies. The report of the auditors on those accounts contained no qualification, reference to any matters to which the auditors drew attention by way of emphasis without qualifying the report, or statement under section 237(2) or (3) of the Companies Act 1985.

6. Net Asset Value per Ordinary Share

The net asset value per Ordinary share is based on the net assets attributable to equity shareholders of £72,787,000 (30 September 2005: £32,769,000 as restated; 31 March 2006: £36,556,000) and on 65,912,263 (six months ended 30 September 2005: 27,740,000; year ended 31 March 2006: 27,740,000) Ordinary shares, being the number of Ordinary shares in issue at the period end.

NOTES TO THE FINANCIAL STATEMENTS (Continued)

7. Reconciliation of Profit before Taxation to Net Cash Outflow from Operating Activities

	(Unaudited) Six months ended 30 September 2006 £'000	(Unaudited) Six months ended 30 September 2005 £'000	(Audited) Year ended 31 March 2006 £'000
(Loss)/gain before taxation	(3,678)	4,832	8,284
(Gain)/loss on investments held at fair value through profit or loss	3,051	(5,777)	(9,567)
Net (purchases)/sales of investments held at fair value through profit or loss	(38,622)	3,541	2,979
(Increase)/decrease in other receivables	(16)	(14)	22
Increase/(decrease) in other payables	158	56	(62)
Taxation on overseas income	–	–	1
	(39,107)	2,638	1,657

COMPANY INFORMATION

Directors

John Sclater, Chairman
Paul Gaunt
Sven Borho
Dr John Gordon
Peter Keen
Anthony Townsend
Lord Waldegrave of North Hill

Company Registration Number

3376377 (Registered in England)

Registered Office

10 Crown Place
London EC2A 4FT
Telephone: 020 7426 4000

Manager and Company Secretary

Close Finsbury Asset Management Limited
10 Crown Place, London EC2A 4FT
Authorised and regulated by the Financial Services Authority
A member of the Close Brothers Group

Investment Adviser

OrbiMed Capital LLC
767 Third Avenue, 30th Floor,
New York NY10017
Registered under the US Securities Exchange Commission

Auditors

RSM Robson Rhodes LLP
30 Finsbury Square
London EC2P 2YU

Stockbrokers

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

Registrars

Capita Registrars
Northern House
Woodsome Park
Fenay Bridge
Huddersfield
West Yorkshire
HD8 0LA
Telephone: 0870 162 3100
Facsimile: 020 8639 2342
E-Mail: ssd@capitaregistrars.com
Website: www.capitaregistrars.com

Please contact the Registrars if you have a query about a certificated holding in the Company's shares.

Close Investments Savings Scheme, MileStones Plan, ISA and PEP

Block C, Western House, Lynchwood Business Park, Peterborough, PE2 6BP
Client Services Team: 0845 600 1213*
Professional Advisers Helpline: 020 7426 4372
E-Mail: info@closeinvestments.com
Website: www.closeinvestments.com

* Calls to this number are recorded for monitoring purposes.

Please contact the Close Investments Investor Helpline to obtain information and literature concerning the Company or other Close Finsbury investment trusts, or if you have a query concerning a Close Investments Savings Scheme, MileStones Plan, ISA or PEP account. Online investment and account management is available for the Close Investment Savings Scheme, MileStones Plan, ISA and PEP at www.closeinvestments.com

Share Price Listings

The price of your shares can be found in various publications including the Financial Times under the heading Investment Companies and in the Daily Telegraph under the heading Investment Trusts.

The Company's net asset value per share is announced daily and is available on the Close Investments website at www.closeinvestments.com and on the TrustNet website at www.trustnet.com

Identification Codes

Ordinary shares: SEDOL	: 0038551
ISIN	: GB0000385517
BLOOMBERG	: FEB LN
EPIC	: FEB

CAPITA REGISTRARS – SHARE DEALING SERVICE

A quick and easy share dealing service is available to either sell or buy more shares. An online and telephone dealing facility is available providing shareholders with an easy to access and simple to use service.

All transactions incur a compliance charge of £2.50 in addition to the charges below, stamp duty may also be payable on purchases:

Type of trade	Online	Telephone
Share certificates	1% of the value of the deal (Minimum £17.50, max £40)	1.25% of the value of the deal (Minimum £20, max £50)

There is no need to pre-register and there are no complicated forms to fill in. The online and telephone dealing service allows you to trade “real time” at a known price which will be given to you at the time you give your instruction.

To deal online or by telephone all you need is your surname, shareholder reference number, full postcode and your date of birth. Your shareholder reference number can be found on your latest statement or Certificate where it will appear as either a ‘folio number’ or ‘investor code’. Please have the appropriate documents to hand when you log on or call, as this information will be needed before you can buy or sell shares.

For further information on this service please contact:
www.capitadeal.com (online dealing) or 0870 458 4577 (telephone dealing)

Disability Act

Copies of this interim report and other documents issued by the Company are available from the Company Secretary. If needed, copies can be made available in a variety of formats, including Braille, audio tape or larger type as appropriate. You can contact the Registrar to the Company, Capita IRG plc, which has installed telephones to allow speech and hearing impaired people who have their own telephone to contact them directly, without the need for an intermediate operator, for this service please call 020 8639 2062. Specially trained operators are available during normal business hours to answer queries via this service. Alternatively, if you prefer to go through a ‘typetalk’ operator (provided by The Royal National Institute for Deaf People) you should dial 18001 followed by the number you wish to dial.

INVESTING WITH FINSBURY EMERGING BIOTECHNOLOGY TRUST PLC

Retail Investment Plans

There are a variety of ways you can buy shares in the Company through the Close Investments ISA, Savings Scheme or the MileStones Plan. The MileStones Plan is a dedicated children's savings plan aimed not only at parents, grandparents but all those wanting to give a child a financial head start in life. There is also a PEP transfer facility if you already hold a PEP plan with another manager.

The investment schemes are both flexible and accessible. You can opt to save either on a monthly basis, drip-feeding with regular investments, or with lump sum/top-up investments at any time, subject to the minimum investment levels stated below. There is a 1% dealing fee on all purchases and sales (no minimum, maximum £50). Stamp duty is also payable.

Each of the investment plans has the benefit of automatic income reinvestment, therefore compounding your returns. Alternatively you can buy shares direct through your stockbroker or bank, or via the Company's registrar as detailed on page 18.

You will receive a half yearly report, which shows the value of your investments and details of share transactions, dividends, interest received and charges incurred. You will also receive a copy of the Company's annual and interim reports as soon as they are published, and you will be able to attend and vote at all shareholder meetings subject to submission of a written request.

Online Investing

You can open an account and deal online for the ISA and Savings Scheme on the Close Investments website www.closeinvestments.com

Account management for all the investment schemes is also available on the site. This enables you to:

- Access you account 24 hours a day
- Obtain up-to-date valuations
- View current and historic statements
- Purchase online by debit card
- Sell online
- Amend your personal details
- Change direct debit details
- Set up income payments

Phone: 0845 600 1213*
Click: www.closeinvestments.com
Email: info@closeinvestments.com

Range of Investment Trusts

All of the Close INVESTMENTS managed investment trusts are available within the Close Investments ISA, Savings Scheme, MileStones Plan and PEP transfer. The range includes:

- Close Finsbury EuroTech Trust PLC
- Finsbury Emerging Biotechnology Trust PLC
- Finsbury Growth & Income Trust PLC
- Finsbury Technology Trust PLC
- Finsbury Worldwide Pharmaceutical Trust PLC

INVESTMENT LIMITS

	Minimum Investment	Maximum Investment
MileStones Plan	£25 per month £100 lump sum/top-ups	No upper limit
ISA	£100 per month/top-ups £1,000 lump sum	Maxi ISA: £7,000 annual limit Mini ISA: £4,000 annual limit
Savings Scheme	£100 per month/top-ups £1,000 lump sum	No upper limit
PEP Transfer	£1,000 transfer	No upper limit

*calls to this number are recorded for monitoring purposes, calls will be charged at local rates, non-BT line charges may vary.

Past performance is not a guide to future performance. Changes in the rates of exchange between currencies may cause the value of investments to fluctuate. Fluctuation may be particularly marked in the case of a higher volatility fund and the value of an investment may fall suddenly and substantially. It is important to note that shares in the technology sector can be particularly volatile. The price of shares and any income from them may fall as well as rise and is not guaranteed. The investor may not get back the original amount invested. This document does not constitute an offer or invitation to purchase shares in the Company.

