Artemis AiM VCT 2 plc

Interim Report

For the six months ended 31 March 2006

Contents

Corporate Policy

Investment Objective

The Company's investment objective is to achieve long-term capital and income growth and to generate tax-free distributions through an investment policy of focusing on AIM and, to a lesser extent, companies traded on OFEX and unquoted companies.

Investment Policy

The Company's investment policy is to invest in a diversified portfolio of companies with a particular emphasis on companies whose shares will be traded on AIM. It is anticipated that ultimately approximately 75 per cent of the Company's qualifying holdings will be shares traded on AIM although this is subject to the availability of suitable investment opportunities and market conditions.

Capital Structure

The capital structure of the Company is 40,122,004 (2005: 29,872,030) ordinary shares of 10p each.

Financial Highlights

	As at 31 March 2006	As at 30 September 2005	As at 31 March 2005
Capital values			
Net asset value per ordinary share	98.22p	97.70p*	95.09p*
Share price	91.50p	95.00p	106.00p
(Discount)/premium	(6.8%)	(2.8%)	11.5%
FTSE AIM Index	1,198.90	1,093.80	1,088.80
Net assets	£39.4m	£39.1m*	£28.4m*
Qualifying holdings	46.30%	26.20%	4.10%

* The net asset value per ordinary share and the net assets at 31 March 2006 and 30 September 2005 were calculated using bid prices for the Company's listed investments and those traded on AIM/OFEX and the comparatives at 31 March 2005 which were previously calculated using mid market prices, have been restated on a comparable basis. The net asset value and net assets at 30 September 2005 have been restated to reflect a change in the accounting treatment of dividends, which requires dividends to be recognised in the accounting period they are due to be paid, rather than in the period to which they relate. Further details of these changes are set out in the notes to the interim financial statements.

	Six months ended 31 March 2006	21 July 2004 to 30 September 2005	21 July 2004 to 31 March 2005
Revenue return per share	0.52p	2.02p	1.29p
Capital return per share	0.98p	3.61p	(0.38p)
Total return per share	1.50p	5.63p	0.91p

Chairman's Statement to Shareholders

Performance

Over the six months to 31 March 2006, the Company's net asset value total return was 1.6% and since 24 March 2005, the date on which the Company's Offers for Subscription were declared fully subscribed, the net asset value total return was 4.7%. For shareholders information, the FTSE All-Share Index returned 12.7% over the six months and 27.4% since 24 March 2005 and the FTSE AIM Index returned 10.0% and 12.7% respectively.

Results

The total return for the six month period to 31 March 2006 was 1.50p per share, comprising a revenue return of 0.52p and a capital return of 0.98p. The share price at 31 March 2006 was 91.50p and with the net asset value being 98.22p per share means that the discount was 6.8%.

Your Board is not proposing an interim dividend for the period. The dividend position will be reviewed after the year end, in light of portfolio developments in the second half of this accounting period. As stated previously, when the portfolio is more fully established, the Directors intend to adopt a policy of distributing substantially all of the available income and realised capital gains.

Investments

The Company has continued to make progress in establishing its portfolio and at 31 March 2006 had invested over 55% of the funds raised, with qualifying investments representing 46% of those funds. This latter percentage requires to be 70% or greater by 30 September 2007 in order to comply with the VCT regulations. Your Board is confident this requirement will be met within the timescale.

The portfolio now comprises 41 investments spread across a broad range of businesses and sectors and there have been some notable successes to date, with Accsys Technologies leading the winners. As mentioned in last year's annual report, Accsys Technologies, in which the Company invested when it was an unquoted company, successfully listed on the AIM market and I am pleased to report that the company has continued to develop positively. This has been reflected in its share price which has continued to rise and at 31 March 2006, your Company is showing a value of more than 2.5 times its cost, equating to an unrealised gain of £833,000.

Although there are more investments showing unrealised gains than losses, the portfolio is not without a number of underperforming investments, the most disappointing of which is Charterhouse Food Group. Subsequent to the period end, it became known that this company was experiencing trading difficulties and, in consultation with your Manager, your Board took the prudent view that the investment of £750,000 be written down to nil in the Company's balance sheet. Whilst it is very disappointing to have to report this to shareholders, it does serve as a reminder that an investment in a VCT, due to the nature of the companies they are required to invest in, carries a high level of risk.

Further information on the Company's investments is set out in the Investment Manager's Review.

Chairman's Statement to Shareholders continued

Budget Changes

Most shareholders will be aware of the changes to the regulations for VCTs announced by the Chancellor in his recent Budget, which will have implications for both investors in VCTs and VCTs themselves. The main impact for investors is that any new VCT shares acquired after 5 April 2006 will be eligible for income tax relief at 30% (compared to 40% for the last two years) on condition that the shares are held for 5 years (previously 3 years) from the date of investment. The most significant change for VCTs is to one of the investment tests, the gross assets test, which sets limits on the gross assets a VCT qualifying company can have before and after it raises any new capital. The limits have been dramatically reduced to £7 million pre, and £8 million post, any fund raising, whereas previously they had been £15 million and £16 million respectively. This is likely to have a significant impact on the VCT market, particularly for AIM focussed VCTs, as it is likely to reduce the number of VCT qualifying companies on AIM available for inclusion in VCT portfolios.

From your Company's perspective, as the change to the gross assets test will be applicable only to the investment of new money raised after 5 April 2006, investments which meet the £15 million pre, £16 million post fund raising criteria will continue to be eligible VCT investments for its portfolio and therefore it is not expected that it will have a detrimental effect on the management of your Company's investment portfolio.

In view of these changes your Board has considered the Company's dividend reinvestment scheme (the "scheme") and decided that, as any amount of new money received by the Company from the scheme will be relatively small and would have to be managed in accordance with the new rules as described above, it should be withdrawn with immediate effect.

Accounting changes

Shareholders will note that the financial statements have a number of figures re-stated. This is to reflect a number of changes introduced by the Accounting Standards Board. The change from mid market prices to bid prices was adopted at the Company's year end, however, the previous interim figures were stated using mid market prices and have been re-stated using bid prices. The changes also require dividends to be accounted for on a different basis, and these are now reflected in the accounting period in which they are due to be paid. Previously dividends were included in the period to which they relate. These changes do not have any significant effect on the Company's results and balance sheet.

Chairman's Statement to Shareholders continued

Outlook

The UK economy continues to grow, although there are signs that the rate of growth is starting to slow. There also appear to be signs of inflationary pressures building, due in part to rising energy costs, and this may have an impact on interest rates.

At the time of writing, the AIM market, and stockmarkets generally, have seen a sharp correction from their recent highs. Notwithstanding, your Manager continues to see strong deal flow, particularly from companies coming to AIM, which is now established as the market of choice for dynamic growth businesses. Your Manager is active in this market across a number of its managed funds, providing the basis for the continuation of a strong deal flow thereby enhancing the investment opportunities for Artemis AiM VCT 2 plc as it continues to establish its portfolio and meet the 70% qualifying investments test.

I look forward to reporting further on the progress of your Company and its portfolio in the Annual Report which will be sent to you in December 2006. In the meantime, however, developments can be followed on the Manager's website (www.artemisonline.co.uk/products/vct/aim_vct2.asp), where there is a dedicated page which is updated monthly.

Peter Arthur
Chairman

2 June 2006

Investment Manager's Review

With your Company having an investment focus of investing principally in companies traded on AIM, it is satisfactory to observe that, following its most successful year ever in 2005, the market has continued its success in attracting companies, and the first three months of this year has seen over £3.2 billion of new capital raised by 121 companies. Whilst this is encouraging from a general market perspective, a significant proportion (almost 40%) of the funds raised has been by companies in the Oil & Gas and Mining sectors which do not, in most cases, qualify as VCT investments. As shareholders are aware, the VCT regulations require that 70% of the funds raised must be held in qualifying investments, which narrows the Company's investment universe. That said, however, as a proportion of the Company's assets can be invested outwith qualifying investments, we will continue to make selective non qualifying investments where we believe there is a compelling investment case for so doing.

The portfolio at 31 March 2006 comprised 41 investments and of these, 33 were qualifying investments and represented 46% of the funds raised. This percentage requires to be 70% or greater by 30 September 2007 in order to comply with the VCT regulations and it is intended that the portfolio will be managed to achieve a level of approximately 80% in qualifying investments before this deadline. Since the reporting period end, a further 4 new qualifying investments have been made with a total investment cost of £1.9 million.

Your Manager is aiming to establish a well diversified portfolio across a broad range of businesses and sectors and good progress has been made on this front. Details of the companies and sectors are set out on the following pages. To give shareholders a feel for the diversity in the portfolio, a short description of four companies is set out below.

Accuma Group (website: www.accumagroup.com)

Accuma Group's core business is the arrangement and management of personal debt repayment schemes. These are referred to as Individual Voluntary Arrangements ("IVA") and are regulated agreements between an individual and their creditors with the aim of providing a mechanism for individuals to become debt free, typically within 5 years. Prospects for the business continue to look attractive, underpinned by high consumer indebtedness and the increasing awareness of IVAs as often a more effective option for debtor and creditor alike.

Healthcare Locums (website: www.healthcarelocums.com)

Healthcare Locums is one of the largest and fastest growing specialist healthcare recruitment businesses in the UK. It provides professional staff across a broad range of sectors in the National Health Service and private hospitals, and residential and care homes. It also provides specialist support staff (plaster technicians, sterile services technicians and phlebotomists) to NHS and private hospitals. It has been growing its business through a series of acquisitions and one of its latest, Recruitment Specialist Group Limited, has enabled it to broaden further its offering with the addition of qualified social workers to its portfolio of healthcare professionals.

Healthcare Locums is now one of the top three specialist healthcare agencies in the UK, and is well positioned in each of its market sectors to achieve solid growth over the next few years.

SPI Lasers (website: www.spilasers.com)

SPI is now a recognised leader in the design and manufacture of Fibre Lasers. Fibre Lasers can do almost everything that traditional lasers can do but with many advantages, such as higher quality beam, increased product throughput and low cost of ownership. The company's technology is rapidly becoming an integral part of producing many end-user products by improving, and in some cases enabling, its customers' manufacturing processes. Examples where its lasers are used in materials processing include Medical Components, Automotive, Electronics, Rapid Prototyping, Marking, Food Packaging and Printing.

The laser industry is mature, but SPI is well placed to benefit from the shift to fibre lasers that is forecast for new applications and as part of the replacement cycle drive.

Vimio (website: www.vimio.com)

Vimio, is a leading provider of media distribution and content solutions to major mobile network operators. The company's technology, which has been developed over 20 years, enables the compression of wireless media content, such as streaming video, to be delivered to portable devices such as mobile phones. The technology also includes an advanced digital rights management system which prevents the copying of copyrighted material. The company has signed strategic contracts with major mobile network operators throughout the Middle Eastern and Southern American mobile territories offering the technology to over 35 million subscribers.

Outlook

The recent stock market volatility can be attributed to a number of factors, but concerns over the rate of global growth and a re-emergence of inflationary pressures has impacted confidence and led to a reassessment of risk. After almost three years of uninterrupted stock market growth, some form of correction was inevitable, but the levels of dividend yield and corporate share buy backs should provide a degree of market support going forward.

Our deal flow continues to be strong and we are generally happy with the quality of the deals we are seeing. We will continue to manage the funds awaiting investment cautiously with the preservation of capital of paramount importance and will seek to take advantage of investment opportunities as and when they arise.

Lindsay Whitelaw
Artemis Investment Management Limited

2 June 2006

Top Ten Investments

As at 31 March 2006

Company	Business description	Cost £'000	Valuation £'000	% of net assets
Bango	Mobile Internet Solutions	938	1,433	3.6
Accsys Technologies	Chemical Production Processes	514	1,347	3.4
SPI Lasers	Design & Manufacture of lasers	720	1,114	2.8
Imprint	Recruitment Agencies	801	1,089	2.8
Eclipse Energy	Gas & Wind Power Generation	975	975	2.5
Earthport	Secure Internet Payment System	850	956	2.4
Ovum	Research and Consulting Services	698	735	1.9
Sovereign Oilfield Group	Oil & Gas Exploration and Extraction	434	704	1.8
Vimio	Media Distribution Solutions	500	700	1.8
Accuma Group	Personal Debt Management	500	685	1.7
Total		6,930	9,738	24.7

Sector Analysis of Investments

As at 31 March 2006

Sector	% of Portfolio* 31 March 2006	% of Portfolio* 30 September 2005
Software & Computer Services	24.3	26.0
Support Services	16.4	16.9
Electronic & Electrical Equipment	11.1	3.2
Pharmaceuticals & Biotechnology	7.3	14.8
General Industrials	5.9	4.2
Oil Equipment, Services & Distribution	5.9	8.1
Media	4.6	6.4
Electricity	4.2	7.9
Technology Hardware & Equipment	3.5	3.6
General Retailers	3.3	1.9
General Financial	3.0	-
Oil & Gas Producers	2.9	-
Travel & Leisure	2.8	-
Food & Drug Retailers	2.2	4.9
Aerospace & Defence	1.5	-
Industrial Engineering	1.1	2.1
Food Producers	-	-
	100.0	100.0

Sectors are those used by FTSE AIM Index.
*Excludes fixed interest holdings.

Investment Portfolio

As at 31 March 2006

Company	Sector	Cost £'000	Valuation £'000	% of net assets
AIM Traded				
@UK	Software & Computer Services	400	449	1.1
Abcam	General Retailers	350	516	1.3
Accsys Technologies*#	General Industrials	514	1,347	3.4
Accuma Group	General Financial	500	685	1.7
Angle	Support Services	400	424	1.1
Bango	Software & Computer Services	938	1,433	3.6
Croma Group	Aerospace & Defence	350	350	0.9
Cyan Holdings	Technology Hardware & Equipment	390	412	1.0
Datong Electronics	Electronic & Electrical Equipment	750	541	1.4
Earthport	Software & Computer Services	850	956	2.4
Elevation Events	Media	800	467	1.2
Ffastfill#	Software & Computer Services	600	343	0.9
Gourmet Holdings	Travel & Leisure	500	399	1.0
Healthcare Locums	Support Services	600	641	1.6
Imprint#	Support Services	801	1,089	2.8
Independent Resources*	Oil & Gas Producers	690	647	1.6
Inspicio	Support Services	500	626	1.6
Interregnum*	Support Services	462	586	1.5
Judges Capital	Industrial Engineering	250	258	0.7
Kiotech	Pharmaceuticals & Biotechnology	250	223	0.6
Mama Group	Media	495	600	1.5
Neutrahealth#	Food & Drug Retailers	451	505	1.3
Ovum*	Software & Computer Services	698	735	1.9
Proximagen Neuroscience	Pharmaceuticals & Biotechnology	500	460	1.2
Sovereign Oilfield Group	Oil Equipment, Services & Distribution	434	704	1.8
SPI Lasers	Electronic & Electrical Equipment	720	1,114	2.8
Strategic Thought	Software & Computer Services	280	638	1.6
Vianet Group	Technology Hardware & Equipment	500	400	1.0
Vimio*	Software & Computer Services	500	700	1.8
Visual Defence*	Support Services	425	249	0.6
Vividas	Software & Computer Services	600	327	0.8
Western & Oriental	Travel & Leisure	250	270	0.7
		16,748	19,094	48.4

Investment Portfolio continued

As at 31 March 2006

Company	Sector	Cost £'000	Valuation £'000	% of net assets
Unquoted				
Charterhouse Food Group	Food Producers	750	-	-
Connectus Direct Solutions*#	Support Services	272	154	0.4
Eclipse Energy	Electricity	975	975	2.5
Infrared Integrate	Electronic & Electrical Equipment	500	500	1.3
IQUR#	Pharmaceuticals & Biotechnology	500	500	1.3
Pelikon	Electronic & Electrical Equipment	400	400	1.0
Starnevesse*	General Retailers	240	240	0.6
TMO Biotech	Pharmaceuticals & Biotechnology	500	500	1.3
Vienco Oil & Gas#	Oil Equipment, Services & Distribution	650	650	1.6
		4,787	3,919	10.0
Listed fixed interest				
European Investment Bank FRN 2006	-	15,997	15,990	40.6
		15,997	15,990	40.6
Net current assets		406	406	1.0
Net assets		37,938	39,409	100.0

* Non qualifying investments for VCT purposes.

\# Other funds managed by members of the Artemis Investment Management group are also invested in this company.

Independent Review Report to Artemis AiM VCT 2 plc

Introduction

We have been instructed by the Company to review the financial information for the six months ended 31 March 2006 which comprises the Income Statement, Balance Sheet, Cash Flow Statement, Reconciliation of Movements in Shareholders' Funds and the related notes 1 to 5. We have read the other information contained in the Interim Report and considered whether it contains any apparent misstatements or material inconsistencies with the financial information.

This Report is made solely to the Company in accordance with guidance contained in Bulletin 1999/4 'Review of interim financial information' issued by the Auditing Practices Board. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the Company, for our work, for this report, or for the conclusions we have formed.

Directors' Responsibilities

The Interim Report, including the financial information contained therein, is the responsibility of, and has been approved by, the Directors. The Directors are responsible for preparing the Interim Report in accordance with the Listing Rules of the Financial Services Authority which require that the accounting policies and presentation applied to the interim figures should be consistent with those applied in preparing the preceding annual accounts except where any changes, and the reasons for them, are disclosed.

Review Work Performed

We conducted our review in accordance with guidance contained in Bulletin 1999/4 'Review of interim financial information' issued by the Auditing Practices Board for use in the United Kingdom. A review consists principally of making enquiries of management and applying analytical procedures to the financial information and underlying financial data, and based thereon, assessing whether the accounting policies and presentation have been consistently applied, unless otherwise disclosed. A review excludes audit procedures such as tests of controls and verification of assets, liabilities and transactions. It is substantially less in scope than an audit performed in accordance with UK Auditing Standards and therefore provides a lower level of assurance than an audit. Accordingly we do not express an audit opinion on the financial information.

Review Conclusion

On the basis of our review we are not aware of any material modifications that should be made to the financial information as presented for the six months ended 31 March 2006.

Ernst & Young LLP
Ten George Street
Edinburgh, EH2 2DZ

2 June 2006

Income Statement (unaudited)

For the six months ended 31 March 2006

	Note	Six months ended 31 March 2006 Revenue £'000	Capital £'000	Total £'000	21 July 2004 to 31 March 2005 (restated) Revenue £'000	Capital £'000	Total £'000	21 July 2004 to 30 September 2005 (restated) Revenue £'000	Capital £'000	Total £'000
Gains on investments		-	634	634	-	35	35	-	1,011	1,011
Currency gains		-	-	-	-	-	-	-	4	4
Investment income		461	-	461	199	-	199	896	-	896
Investment management fees		(95)	(287)	(382)	(26)	(78)	(104)	(127)	(380)	(507)
Other expenses		(108)	-	(108)	(56)	-	(56)	(181)	-	(181)
Return/(loss) on ordinary activities before taxation		258	347	605	117	(43)	74	588	635	1,223
Taxation on ordinary activities		(49)	49	-	(22)	15	(7)	(163)	122	(41)
Return attributable to equity shareholders		209	396	605	95	(28)	67	425	757	1,182
Return per ordinary share (pence)	2	0.52	0.98	1.50	1.29	(0.38)	0.91	2.02	3.61	5.63

The total column of this statement represents the profit and loss account of the Company.
All revenue and capital items in the above statement derive from continuing operations.
The result for the periods 21 July 2004 to 31 March 2005 and 21 July 2004 to 30 September 2005 have been restated to comply with the requirements of new Financial Reporting Standards. Further details are set out in the notes to the Interim Financial Statements.

Balance Sheet (unaudited)

As at 31 March 2006

	Note	31 March 2006 £'000	31 March 2005 (restated) £'000	30 September 2005 (restated) £'000
Fixed assets				
Investments		39,003	1,135	12,336
Current assets				
Debtors		31	294	104
Cash at bank		672	28,657	26,955
		703	28,951	27,059
Creditors: amounts falling due within one year		(297)	(1,681)	(313)
Net current assets		406	27,270	26,746
Net assets		39,409	28,405	39,082
Capital and reserves				
Called-up share capital		4,012	2,987	4,000
Share premium		110	25,351	33,900
Special reserve		33,900	-	-
Capital reserve - realised		(318)	(63)	(254)
Capital reserve - unrealised		1,471	35	1,011
Revenue reserve		234	95	425
Equity shareholders' funds		39,409	28,405	39,082
Net asset value per ordinary share (pence)	3	98.22	95.09	97.70

Cash Flow Statement (unaudited)

For six months ended 31 March 2006

	Six months to to 31 March 2006 £'000	21 July 2004 to 31 March 2005 £'000	21 July 2004 to 30 September 2005 £'000
Operating activities			
Investment income received	344	-	-
Interest received	194	123	797
Investment management fees paid	(389)	-	(312)
Administrator's fees paid	(37)	(4)	(40)
Cash paid to and on behalf of directors	(28)	(16)	(30)
Other cash payments	(56)	(6)	(39)
Net cash inflow from operating activities	28	97	376
Financial investment			
Purchase of investments	(28,436)	-	(11,325)
Sale of investments	2,403	-	-
Net cash outflow from financial investment	(26,033)	-	(11,325)
Net cash (outflow)/inflow before financing	(26,005)	97	(10,949)
Equity dividends paid	(400)	-	-
Financing			
Share issues	122	29,656	40,000
Share issue expenses	-	(1,096)	(2,100)
Net cash inflow from financing	122	28,560	37,900
(Decrease)/increase in cash	(26,283)	28,657	26,951

Reconciliation of Movements in Shareholders' Funds (unaudited)

For the six months ended 31 March 2006

	Note	Share capital £'000	Share premium £'000	Special reserve £'000	Capital reserve realised £'000	Capital reserve unrealised £'000	Revenue reserve £'000	Total £'000
Six months ended 31 March 2006								
Balance as at 30 September 2005		4,000	33,900	-	(254)	1,011	425	39,082
New share issue		12	110	-	-	-	-	122
Transfer to distributable reserve		-	(33,900)	33,900	-	-	-	-
Net return on ordinary activities after taxation		-	-	-	(64)	460	209	605
Dividends paid	1	-	-	-	-	-	(400)	(400)
Balance at 31 March 2006		4,012	110	33,900	(318)	1,471	234	39,409
Period from 21 July 2004 to 31 March 2005								
Opening shareholders' funds		-	-	-	-	-	-	-
New share issues		2,987	26,885	-	-	-	-	29,872
Share issue expenses		-	(1,534)	-	-	-	-	(1,534)
Net return on ordinary activities after taxation	1	-	-	-	(63)	35	95	67
Balance at 31 March 2005		2,987	25,351	-	(63)	35	95	28,405
Period from 21 July 2004 to 30 September 2005								
Opening shareholders' funds		-	-	-	-	-	-	-
New share issues		4,000	36,000	-	-	-	-	40,000
Share issue expenses		-	(2,100)	-	-	-	-	(2,100)
Net return on ordinary activities after taxation	1	-	-	-	(254)	1,011	425	1,182
Balance at 30 September 2005		4,000	33,900	-	(254)	1,011	425	39,082

Notes to the Interim Financial Statements

1. Accounting policies

The financial statements have been prepared in accordance with UK Generally Accepted Accounting Practice ("UK GAAP") and with the Statement of Recommended Practice for "Financial Statements of Investment Trust Companies" (December 2005).

For the accounting period beginning 1 October 2005 the Company had the option to prepare its financial statements in accordance with International Financial Reporting Standards ("IFRS") as set by the International Accounting Standards Board ("IASB") and adopted by the EU. The Board has elected to continue to prepare its financial statements under UK GAAP and therefore comply with the new Financial Reporting Standards ("FRS's") issued by the Accounting Standards Board as part of a programme to converge UK GAAP with IFRS.

The main effects on these financial statements arising as a result of these new FRS's are as follows:

> In accordance with the requirements of FRS 21 "Events after the Balance Sheet Date", dividends should only be accrued if they are a liability at the Balance Sheet date. The final dividend for the year ended 30 September 2005 was approved by the Shareholders at the Annual General Meeting held on 12 January 2006 and therefore, no provision should have been made for this in the financial statements for the period to 30 September 2005. Accordingly the figures for this period have been restated, increasing shareholders' funds by £400,000.
>
> In accordance with the requirements of FRS 26 "Financial Instruments: Measurement" the Company's investments have been designated as "financial assets at fair value through profit or loss". For listed investments and those traded on AIM/OFEX, fair value is deemed to be the bid market price. Unlisted investments will be valued by the Directors at fair value. In anticipation of this requirement the accounting policy was amended at 30 September 2005. Figures for the period ended 31 March 2005 have been restated accordingly, reducing shareholders' funds and gains on investments by £17,000.

All other accounting policies for the period ended 30 September 2005 have been applied consistently.

2. Return per ordinary share

The return per share has been calculated based on a weighted average number of ordinary shares in issue for the six months to 31 March 2006 of 40,039,552 (30 September 2005: 20,992,557; 31 March 2005: 7,387,433).

3. Net asset value per share

The net asset value per ordinary share has been calculated based on 40,122,004 shares (30 September 2005: 40,000,002; 31 March 2005: 29,872,030).

Notes to the Interim Financial Statements continued

4. Transaction costs

During the period, the Company incurred transaction costs on purchases of £nil (30 September 2005: £nil; 31 March 2005: £nil), and on sales of £2,000 (30 September 2005: £nil; 31 March 2005: £nil).

5. The financial information for the six months ended 31 March 2006 and 31 March 2005 has not been audited and does not comprise full financial statements within the meaning of Section 240 of the Companies Act 1985. The financial information for the period ended 30 September 2005 has been extracted from the Company's full financial statements for the period then ended that have been delivered to the Registrar of Companies, and on which the report of the Auditors was unqualified. The interim financial statements have been prepared on the same basis as the annual Financial Statements, with the exception of the disclosures in note 1.

General Information

Directors

P A K Arthur (Chairman)
R A Field
E D Murray
F E Wollocombe

Investment Manager and Secretary

Artemis Investment Management Limited
42 Melville Street
Edinburgh EH3 7HA

Telephone: 0800 092 2051
Email: investorsupport@artemisfunds.com
Website: www.artemisonline.co.uk

Registered Office

42 Melville Street
Edinburgh EH3 7HA

Registrars

Lloyds TSB Registrars Scotland
PO Box 28506
Finance House
Orchard Brae
Edinburgh EH4 1XZ

Shareholder enquiries: 0870 601 5366

Website: www.shareview.co.uk

Bankers and Custodian

HSBC Global Investor Services
Mariner House
Pepys Street
London EC3N 4DA

Auditors, Tax and VCT Adviser

Ernst & Young LLP
Ten George Street
Edinburgh EH2 2DZ

Administrator

BNP Paribas Fund Services UK Limited
55 Moorgate
London EC2R 6PA

Telephone: 020 7410 4186
Email: secretarialservices@bnpparibas.com

Solicitors

Dickson Minto W.S.
16 Charlotte Square
Edinburgh EH2 4DF

Reporting Calendar

Year end:	30 September
Results announced:	Interim – June
	Annual – December
Annual General Meeting:	January

An investment company as defined under Sections 265 and 266 of the Companies Act 1985.

Registered in Scotland Number SC270952.

Artemis Investment Management Limited
42 Melville Street, Edinburgh EH3 7HA
Cassini House, 57 St James's Street, London SW1A 1LD

Telephone 0800 092 2051
Email investorsupport@artemisfunds.com
Website www.artemisonline.co.uk