3M CO
Form 424B2
May 14, 2015

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CALCULATION OF REGISTRATION FEE

Title of Each Class of Securities Offered	Maximum Aggregate Offering Price(1)	Amount of Registration Fee(2)
Floating Rate due 2020	$738,010,000	$85,756.77
0.950% Notes due 2023	$671,518,705.20	$78,030.48
1.750% Notes due 2030	$556,902,346	$64,712.06

(1) The U.S. dollar equivalent of the maximum aggregate offering price has been calculated using an exchange rate of $1.1354 per Euro 1.00 as of May 13, 2015.

(2) Calculated in accordance with Rule 456(b) and 457(r) of the Securities Act.

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PRICING SUPPLEMENT dated May 13, 2015
To Prospectus dated May 16, 2014 and
Prospectus Supplement dated May 16, 2014

3M Company
Medium-Term Notes, Series F
€650,000,000 Floating Rate Notes due 2020
€600,000,000 0.950% Notes due 2023
€500,000,000 1.750% Notes due 2030

We are offering for sale three new tranches of our medium-term notes, Series F, consisting of €650,000,000 aggregate principal amount of floating rate notes due 2020 (the "floating rate notes"), €600,000,000 aggregate principal amount of 0.950% notes due 2023 (the "2023 notes") and €500,000,000 aggregate principal amount of 1.750% notes due 2030 (the "2030 notes" and, together with the floating rate notes and the 2023 notes, the "notes"). We will pay interest on the floating rate notes on February 15, May 15, August 15 and November 15 of each year, commencing August 15, 2015, and interest on the 2023 notes and the 2030 notes on May 15 of each year, commencing May 15, 2016.

Unless earlier redeemed, the floating rate notes will mature on May 15, 2020, the 2023 notes will mature on May 15, 2023 and the 2030 notes will mature on May 15, 2030. We may redeem the 2023 notes and the 2030 notes prior to maturity in whole but not in part at the redemption prices described in this pricing supplement under "Description of Notes Optional Redemption." In addition, the notes of any tranche may be redeemed in whole but not in part, at any time at our option, in the event of certain developments affecting U.S. taxation. See "Description of Notes Redemption for Tax Reasons."

The notes will be our unsecured and unsubordinated obligations and will rank equally with all of our other existing and future unsecured and unsubordinated indebtedness. The notes will be issued in minimum denominations of €100,000 and integral multiples of €1,000 in excess thereof.

We intend to apply to list the notes on the New York Stock Exchange. Currently, there is no public market for the notes.

You should read carefully this pricing supplement, the accompanying prospectus supplement and the accompanying prospectus before you invest.

Investing in the notes involves risks that are described in the "Risk Factors" section beginning on page PS-4 of this pricing supplement and on page 64 of our most recent Quarterly Report on Form 10-Q.

	Public Offering Price(1)	Underwriting Discount	Proceeds before Expenses
Per floating rate note	100.000%	0.225%	99.775%
Total for floating rate notes	€650,000,000	€1,462,500	€648,537,500
Per 2023 note	98.573%	0.300%	98.273%
Total for 2023 notes	€591,438,000	€1,800,000	€589,638,000
Per 2030 note	98.098%	0.450%	97.648%
Total for 2030 notes	€490,490,000	€2,250,000	€488,240,000

(1) Plus accrued interest from May 20, 2015 if settlement occurs after that date.

Neither the Securities and Exchange Commission nor any state or other securities commission has approved or disapproved of these securities or determined if this pricing supplement, the accompanying prospectus supplement or the accompanying prospectus is truthful or complete. Any representation to the contrary is a criminal offense.

The notes will be ready for delivery in book-entry form through Clearstream Banking, société anonyme, and Euroclear Bank S.A./N.V., as operator of the Euroclear System, on or about May 20, 2015.

Joint Book-Running Managers

Barclays **Citigroup** **Deutsche Bank**

The date of this pricing supplement is May 13, 2015.

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You should rely only on the information contained or incorporated by reference in this pricing supplement, the accompanying prospectus supplement, the accompanying prospectus and any "free writing prospectus" we authorize to be delivered to you. We have not, and the underwriters have not, authorized anyone to provide you with additional information or information different from that contained in this pricing supplement, the accompanying prospectus supplement, the accompanying prospectus and any such "free writing prospectus." We are not, and the underwriters are not, making an offer to sell these securities in any jurisdiction where the offer or sale of these securities is not permitted. You should not assume that the information appearing in this pricing supplement, the accompanying prospectus supplement, the accompanying prospectus, any such "free writing prospectus" or the documents incorporated therein by reference is accurate as of any date other than

their respective dates. Our business, financial condition, results of operations and prospects may have changed since those dates.

This document is in three parts. The first part is this pricing supplement, which describes the specific terms of the securities offered hereby. The second part is the prospectus supplement, which relates to our Series F medium-term notes and adds to and updates information contained in the accompanying prospectus. The third part, the prospectus, provides more general information, some of which may not apply to this offering. Generally, when we refer to this prospectus, we are referring to all three parts of this document combined. To the extent there is a conflict between the information contained in this pricing supplement, on the one hand, and the information contained in the accompanying prospectus supplement and the accompanying prospectus, on the other hand, you should rely on the information in this pricing supplement.

The notes are being offered only for sale in jurisdictions where it is lawful to make such offers. The distribution of this pricing supplement, the accompanying prospectus supplement, the accompanying prospectus and any "free writing prospectus" and the offering of the notes in other jurisdictions may also be restricted by law. Persons who receive this pricing supplement, the accompanying prospectus supplement, the accompanying prospectus and any "free writing prospectus" should inform themselves about and observe any such restrictions. This pricing supplement, the accompanying prospectus supplement, the accompanying prospectus and any "free writing prospectus" do not constitute, and may not be used in connection with, an offer or solicitation by anyone in any jurisdiction in which such offer or solicitation is not authorized or in which the person making such offer or solicitation is not authorized or in which the person making such offer or solicitation is not qualified to do so or to any person to whom it is unlawful to make such offer or solicitation.

Before purchasing any securities, you should carefully read this pricing supplement, the accompanying prospectus supplement, the accompanying prospectus and any "free writing prospectus" we authorize to be delivered to you, together with the additional information described under the heading "Where You Can Find Additional Information" in the accompanying prospectus.

References in this pricing supplement to "$," "dollars," "U.S.$" or "U.S. dollars" are to the currency of the United States of America and to "€" or "euro" are to the currency introduced at the third stage of the European economic and monetary union pursuant to the Treaty establishing the European Union, as amended from time to time.

Notice to Prospective Investors in the European Economic Area

This pricing supplement, the accompanying prospectus supplement and the accompanying prospectus are not prospectuses for purposes of the Prospectus Directive (2003/71/EC, as amended) (the "Prospectus Directive"). This pricing supplement, the accompanying prospectus supplement and the accompanying prospectus are only addressed to and directed at persons in member states of the European Economic Area who are "qualified investors" within the meaning of Article 2(1)(e) of the Prospectus Directive.

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Notice to Prospective Investors in the United Kingdom

Without limitation to the other restrictions referred to herein, this pricing supplement and any documents and/or materials relating to the notes are directed only at and distributed only to persons located or resident outside the United Kingdom or, if located or resident in the United Kingdom, to (i) investment professionals falling within Article 19(5) of the Financial Services and Markets Act 2000 (Financial Promotion) Order 2005 (the "Order"), (ii) high net worth companies, unincorporated associations and other persons falling within Article 49(2)(a) to (d) of the Order or (iii) any other persons to whom this pricing supplement and such other documents or materials may otherwise lawfully be communicated in accordance with the Order (all such persons together being referred to as "relevant persons"). Without limitation to the other restrictions referred to herein, any investment or investment activity to which this pricing supplement relates is available only to, and will be engaged in only with relevant persons.

IN CONNECTION WITH THE ISSUE OF THE NOTES, DEUTSCHE BANK AG, LONDON BRANCH (IN THIS CAPACITY, THE "STABILIZING MANAGER") (OR ANY PERSON ACTING ON ITS BEHALF) MAY OVER-ALLOT NOTES OR EFFECT TRANSACTIONS WITH A VIEW TO SUPPORTING THE MARKET PRICE OF THE NOTES AT A LEVEL HIGHER THAN THAT WHICH MIGHT OTHERWISE PREVAIL. HOWEVER, THERE IS NO ASSURANCE THAT THE STABILIZING MANAGER (OR PERSONS ACTING ON BEHALF OF THE STABILIZING MANAGER) WILL UNDERTAKE ANY STABILIZATION ACTION. ANY STABILIZATION ACTION MAY BEGIN ON OR AFTER THE DATE ON WHICH ADEQUATE PUBLIC DISCLOSURE OF THE FINAL TERMS OF THE OFFER OF THE NOTES IS MADE, AND, IF BEGUN, MAY BE ENDED AT ANY TIME, BUT IT MUST END NO LATER THAN THE EARLIER OF 30 DAYS AFTER THE ISSUE OF THE NOTES AND 60 DAYS AFTER THE DATE OF THE ALLOTMENT OF THE NOTES.

ANY STABILIZATION ACTION COMMENCED WILL BE CARRIED OUT IN ACCORDANCE WITH APPLICABLE LAWS AND REGULATIONS.

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SUMMARY

The following summary contains basic information about this offering. It likely does not contain all the information that is important to you. For a more complete understanding of this offering, we encourage you to read this entire pricing supplement, the accompanying prospectus supplement, the accompanying prospectus and the documents we refer to, or incorporate by reference, herein and therein. When we refer to "3M," "our company," "we," "our" and "us" in this pricing supplement under the heading "The Company" below, we mean 3M Company and its consolidated subsidiaries unless the context indicates otherwise. When these terms are used elsewhere in this pricing supplement, we refer only to 3M Company unless the context indicates otherwise.

The Company

3M Company, formerly known as Minnesota Mining and Manufacturing Company, was incorporated in 1929 under the laws of the State of Delaware to continue operations begun in 1902. 3M's principal executive offices are located at 3M Center, St. Paul, Minnesota 55144 (telephone: 651-733-1110).

3M is a diversified technology company with a global presence in the following five operating business segments: Industrial; Safety and Graphics; Electronics and Energy; Health Care; and Consumer. 3M is among the leading manufacturers of products for many of the markets it serves. Most 3M products involve expertise in product development, manufacturing and marketing, and are subject to competition from products manufactured and sold by other technologically-oriented companies.

Our five business segments bring together common or related 3M technologies, enhancing the development of innovative products and services and providing for efficient sharing of business resources. These segments have worldwide responsibility for virtually all 3M product lines. Certain small businesses and lab-sponsored products, as well as various corporate assets and expenses, are not attributed to the business segments.

The Offering

The following is a brief summary of the principal terms of the notes. A more detailed description is contained in this pricing supplement under the section "Description of Notes."

Issuer	3M Company
Notes Offered	€650,000,000 aggregate principal amount of floating rate notes due 2020, €600,000,000 aggregate principal amount of 0.950% notes due 2023 and €500,000,000 aggregate principal amount of 1.750% notes due 2030. The notes are tranches of our Series F medium-term notes, of which $4,760,750,000 aggregate principal amount was outstanding on May 12, 2015.
Maturity Date	Unless earlier redeemed, the floating rate notes will mature on May 15, 2020, the 2023 notes will mature on May 15, 2023 and the 2030 notes will mature on May 15, 2030.
Optional Redemption	We may redeem the 2023 notes and the 2030 notes in whole but not in part at the redemption prices described under "Description of Notes Optional Redemption."
Floating Rate Interest Payment Dates	February 15, May 15, August 15 and November 15 of each year, beginning August 15, 2015.

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2023 and 2030 Interest Payment Dates	May 15 of each year, beginning May 15, 2016.
Currency of Payment	All payments of principal of, and premium, if any, and interest on, the notes, including any payments made upon any redemption of the notes, will be made in euro. If euro is unavailable to us due to the imposition of exchange controls or other circumstances beyond our control or the euro is no longer used by the member states of the European Monetary Union that have adopted the euro as their currency or for the settlement of transactions by public institutions within the international banking community, then all payments in respect of the notes will be made in U.S. dollars until the euro is again available to us or so used. See "Description of Notes Issuance in Euro."
Denomination	The notes will be issued in minimum denominations of €100,000 and integral multiples of €1,000 in excess thereof.
Ranking	The notes will be our unsecured and unsubordinated obligations and will rank equally with all of our other existing and future unsecured and unsubordinated indebtedness. See "Description of Notes."
Use of Proceeds	We intend to use the net proceeds of this offering for general corporate purposes, including repayment of commercial paper. See "Use of Proceeds" in this pricing supplement.
Payment of Additional Interest	We will, subject to the exceptions and limitations set forth herein, pay as additional interest to a noteholder that is a United States Alien (as defined in "Description of Notes Payment of Additional Interest") such amounts as may be necessary so that every net payment on such note after deduction or withholding for or on account of any present or future tax, assessment or other governmental charge of whatever nature imposed upon or as a result of such payment by the United States (or any political subdivision or taxing authority thereof or therein), will not be less than the amount provided for in such note to be then due and payable. See "Description of Notes Payment of Additional Interest."
Redemption for Tax Reasons	We may redeem all, but not less than all, of the notes of any tranche in the event of certain changes in the tax law of the United States (or any taxing authority thereof or therein) if, in the written opinion of independent counsel chosen by us, there is a substantial probability that we will become obligated to pay additional interest on the notes as described above. This redemption would be at a redemption price equal to 100% of the principal amount of the notes, together with accrued and unpaid interest on the notes to, but not including, the date fixed for redemption. See "Description of Notes Redemption for Tax Reasons."

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Listing	We intend to apply to list the notes on the New York Stock Exchange.
Trustee	The Bank of New York Mellon Trust Company, N.A.
London Paying Agent	The Bank of New York Mellon, London Branch
Calculation Agent	The Bank of New York Mellon, London Branch
Book-Entry	The notes will be issued in book-entry form and will be represented by global notes deposited with, or on behalf of, a common depositary on behalf of Clearstream Banking, *société anonyme* ("Clearstream") and Euroclear Bank S.A./N.V., as operator of the Euroclear System ("Euroclear") and registered in the name of the common depositary or its nominee. Beneficial interests in any of the notes will be shown on, and transfers will be effected only through, records maintained by Clearstream and Euroclear and their participants, and these beneficial interests may not be exchanged for certificated notes, except in limited circumstances. See "Description of Notes Book-Entry Delivery and Settlement."
Risk Factors	See "Risk Factors" and the other information included in or incorporated by reference into this pricing supplement, the accompanying prospectus supplement and the accompanying prospectus for a discussion of factors you should carefully consider before deciding to purchase the notes.
Governing Law	New York.

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RISK FACTORS

Your investment in the notes involves certain risks. In consultation with your own financial, tax, accounting and legal advisers, you should carefully consider, among other matters, the factors set forth below as well as the risk factors discussed in the accompanying prospectus supplement, the accompanying prospectus and in our most recent annual and quarterly reports which are incorporated by reference into this pricing supplement, the accompanying prospectus supplement and the accompanying prospectus before deciding whether to make an investment in the notes.

An investment in the notes by a purchaser whose home currency is not euro entails significant risks.

An investment in securities which are denominated and payable in a currency other than the currency of the country in which the purchaser is resident or the currency in which the purchaser primarily conducts its business or activities (in each case, the "home currency") entails significant risks not associated with securities denominated and payable in the home currency. Accordingly, an investment in the notes by a purchaser whose home currency is not euro entails significant risks. These risks include the possibility of significant changes in rates of exchange between the holder's home currency and the euro and the possibility of the imposition or subsequent modification of foreign exchange controls. These risks generally depend on factors over which we have no control, such as economic, financial and political events and the supply of and demand for the relevant currencies. In recent years, rates of exchange between euro and certain currencies have been highly volatile, and each holder should be aware that such volatility may occur in the future. Fluctuations in any particular exchange rate that have occurred in the past, however, are not necessarily indicative of fluctuations in the rate that may occur during the term of the notes. Depreciation of euro against the holder's home currency would result in a decrease in the effective yield of the notes below its coupon rate and, in certain circumstances, could result in a loss to the holder.

If as permitted by the notes, we make payments in U.S. dollars when we are unable to obtain euro, you will be exposed to significant risks if your home currency is not U.S. dollars.

If euro is unavailable to us due to the imposition of exchange controls or other circumstances beyond our control or the euro is no longer used by the member states of the European Monetary Union that have adopted the euro as their currency or for the settlement of transactions by public institutions within the international banking community, then all payments in respect of the notes will be made in U.S. dollars until euro is again available to us or so used. The amount payable on any date in euro will be converted into U.S. dollars on the basis of the then most recently available market exchange rate for euro. See "Description of Notes Issuance in Euro." Any payment in respect of the notes so made in U.S. dollars will not constitute an event of default under the indenture governing the notes. If your home currency is not U.S. dollars, any such payment will expose you to the significant risks described above under " *An investment in the notes by a purchaser whose home currency is not euro entails significant risks*."

In a lawsuit for payment on the notes, a noteholder may bear currency exchange risk.

The notes will be governed by, and construed in accordance with, the laws of the State of New York. Under New York law, a New York state court rendering a judgment on the notes would be required to render the judgment in euro. However, the judgment would be converted into U.S. dollars at the exchange rate prevailing on the date of entry of the judgment. Consequently, in a lawsuit for payment on the notes, investors would bear currency exchange risk until a New York state court judgment is entered, which could be a long time. A Federal court sitting in New York with diversity jurisdiction over a dispute arising in connection with the notes would apply the foregoing New York law.

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In courts outside of New York, noteholders may not be able to obtain a judgment in a currency other than U.S. dollars. For example, a judgment for money in an action based on the notes in many other U.S. federal or state courts ordinarily would be enforced in the United States only in U.S. dollars. The date used to determine the rate of conversion of euro into U.S. dollars would depend upon various factors, including which court renders the judgment.

The trading market for the notes may be limited.

The notes are a new issue of securities for which no established trading market exists. Although we intend to apply to list the notes on the New York Stock Exchange, no assurance can be given that we will be able to list the notes. Even if the notes are listed, no assurance can be given that a trading market for the notes will develop or be maintained. If an active trading market does not develop for the notes, noteholders may not be able to resell them at all or at prices acceptable to them. Although the underwriters for this offering have advised us that they intend to make a market in the notes after completion of the offering, they are not obligated to do so and may discontinue market making at any time. The liquidity of any trading market for, and future trading prices of, the notes will depend on many factors, including, among other things, the number of holders of the notes, our operating results, cash flows, financial performance and prospects, prevailing interest rates, changes in our credit rating or outlook, the market for similar securities and the overall securities market, and may be adversely affected by unfavorable changes in these factors. Therefore, no assurance can be given as to the liquidity of any trading market for the notes.

Noteholders are exposed to the consequences of denomination of a minimum specified denomination plus a higher integral multiple.

The notes will be issued in minimum denominations of €100,000 and integral multiples of €1,000 in excess thereof. As is the case with any issue of notes that have a denomination consisting of a minimum specified denomination plus a higher integral multiple of another smaller amount, it is possible that the notes may be traded in amounts in excess of €100,000 (or its equivalent) that are not integral multiples of €100,000 (or its equivalent). In such a case a noteholder who, as a result of trading such amounts, holds a principal amount of less than the minimum specified denomination may not receive a definitive note in respect of such holding (should definitive notes be printed) and would need to purchase a principal amount of notes such that its holding amounts to the minimum specified denomination.

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CURRENCY CONVERSION

Principal, premium, if any, and interest payments in respect of the notes will be payable in euro. If euro is unavailable to us due to the imposition of exchange controls or other circumstances beyond our control or the euro is no longer used by the member states of the European Monetary Union that have adopted the euro as their currency or for the settlement of transactions by public institutions within the international banking community, then all payments in respect of the notes will be made in U.S. dollars until euro is again available to us or so used. The amount payable on any date in euro will be converted into U.S. dollars on the basis of the most recently available market exchange rate for euro. See "Description of Notes Issuance in Euro." Any payment in respect of the notes so made in U.S. dollars will not constitute an event of default under the indenture governing the notes.

Investors will be subject to foreign exchange risks as to payments of principal of, and premium, if any, and interest on, the notes that may have important economic and tax consequences to them. See "Risk Factors." You should consult your own financial and legal advisors as to the risks involved in an investment in the notes.

On May 8, 2015, the euro/U.S.$ rate of exchange as reported by Bloomberg was €1.00/U.S.$1.1199.

USE OF PROCEEDS

We expect to receive net proceeds from the sale of the notes, after deducting the underwriting discount and expenses payable by us, of approximately €1,723,928,670, or $1,930,627,718, based on the euro/U.S.$ rate of exchange as of May 8, 2015. We intend to use the net proceeds of this offering for general corporate purposes, including repayment of commercial paper.

RATIO OF EARNINGS TO FIXED CHARGES

The following table presents the ratio of earnings to fixed charges for us and our consolidated subsidiaries for the periods indicated.

	Three months ended March 31,	Year ended December 31,				
	2015	2014	2013	2012	2011	2010
Ratio of earnings to fixed charges(1)	29.9x	27.7x	25.4x	23.2x	21.7x	20.2x

(1) For purposes of computing the ratio of earnings to fixed charges, earnings represent income from continuing operations before income taxes and net income attributable to noncontrolling interest, plus fixed charges and amortization of capitalized interest less equity in undistributed income of 20-50% owned companies and capitalized interest. Fixed charges include interest on debt, including capitalized interest and the portion of rent under operating leases representative of the interest component.

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DESCRIPTION OF NOTES

Each tranche of notes is part of our medium-term notes, Series F, of which $4,760,750,000 aggregate principal amount was outstanding on May 12, 2015. The notes will be issued under an indenture dated November 17, 2000, as amended on July 29, 2011, between us and The Bank of New York Mellon Trust Company, N.A., as trustee (the "Trustee") (the "Indenture"). The terms of the notes include those provisions contained in the Indenture and those made part of the Indenture by reference to the Trust Indenture Act of 1939, as amended (the "Trust Indenture Act"). We have summarized selected terms and provisions of the Indenture and the Trust Indenture Act below. This summary supplements the description of the notes that we may offer in the accompanying prospectus supplement and of the debt securities in the accompanying prospectus. The following summary of specified provisions of the Indenture and the notes does not purport to be complete and is subject to, and qualified in its entirety by reference to, the actual provisions of the Indenture, including the definitions contained in the Indenture of some of the terms used below, and the notes. If you would like more information on any of these provisions, you should read the relevant sections of the Indenture. Copies of the Indenture are available from us upon request.

The floating rate notes, the 2023 notes and the 2030 notes initially will be limited to an aggregate principal amount of €650,000,000, €600,000,000 and €500,000,000, respectively. See " Further Issuances" below.

The notes will be our direct, unsecured and unsubordinated obligations and will rank equally with all our other unsecured and unsubordinated indebtedness from time to time outstanding. The Indenture does not limit the amount of notes, debentures or other evidence of indebtedness that we may issue under the Indenture or otherwise and provides that debt securities under the Indenture may be issued from time to time in one or more series.

The entire principal amount of the floating rate notes will mature and become payable, together with accrued and unpaid interest, on May 15, 2020, the entire principal amount of the 2023 notes will mature and become payable, together with accrued and unpaid interest, on May 15, 2023 and the entire principal amount of the 2030 notes will mature and become payable, together with accrued and unpaid interest, on May 15, 2030 (each, a "Maturity Date" with respect to the applicable tranche of notes), in each case, unless redeemed earlier as described below under " Optional Redemption," in the case of the 2023 notes and the 2030 notes only, and " Redemption for Tax Reasons." The notes will not be subject to any sinking fund provisions and will not be convertible into or exchangeable for any of our equity interests. The notes will be issued in minimum denominations of €100,000 and integral multiples of €1,000 in excess thereof.

The principal of each note payable at maturity or earlier redemption will be paid in euro against presentation and surrender at the office or agency maintained for such purpose in London, initially the corporate trust office of the London Paying Agent, located at One Canada Square, London E14 3AL, United Kingdom.

Under the Indenture, holders of the floating rate notes, holders of the 2023 notes and holders of the 2030 notes will vote with holders of all other tranches of our medium-term notes, Series F, as a single class. As of May 8, 2015, we had $4,760,750,000 aggregate principal amount (€4,251,049,201 aggregate principal amount based on the euro/U.S.$ rate of exchange of €1.00/U.S.$1.1199 as of May 8, 2015 as reported by Bloomberg) of medium-term notes, Series F, outstanding under the Indenture.

The Indenture contains provisions that require the consent of or action by a specified percentage of the aggregate principal amount of our medium-term notes, Series F, acting as a single class. For example, holders of a majority in aggregate principal amount of our medium-term notes, Series F, as a single class, may consent to certain modifications to the Indenture and waivers of past defaults under the Indenture, as described under "Debt Securities Modification and Waiver" in the accompanying

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prospectus, and holders of at least 25% in aggregate principal amount of our medium-term notes, Series F, as a single class, may declare the entire principal of our medium-term notes, Series F, to be due and payable upon the occurrence of an event of default, as described under "Debt Securities Events of Default" in the accompanying prospectus. Therefore, because the medium-term notes, Series F, vote as a single class, a greater percentage of the principal amount of the floating rate notes, the 2023 notes or the 2030 notes, respectively, may be required to take action under the Indenture and the aggregate principal amount of the floating rate notes, the 2023 notes or the 2030 notes, acting alone or jointly, may not be sufficient to take action under the Indenture. In addition, we are able to issue up to $9,000,000,000 aggregate principal amount (€8,036,431,824 aggregate principal amount based on the euro/U.S.$ rate of exchange of €1.00/U.S.$1.1199 as of May 8, 2015 as reported by Bloomberg) of medium-term notes, Series F, under the Indenture (of which $4,760,750,000 principal amount has already been issued). We may increase the authorized amount of our medium-term notes Series F at any time without your consent.

Floating Rate Notes

The floating rate notes will bear interest at a rate equivalent to the 3-month EURIBOR (as defined below) (the "Base Rate") plus 0.23% per year; provided, however, that the minimum interest rate shall be zero. The floating rate notes will bear interest from May 20, 2015 or from the immediately preceding interest payment date to which interest has been paid. Interest on the floating rate notes is payable quarterly in arrears on February 15, May 15, August 15 and November 15, commencing August 15, 2015 (the "Floating Rate Interest Payment Date"). The interest rate on the floating rate notes will be reset quarterly on February 15, May 15, August 15 and November 15, commencing August 15, 2015. The initial base rate for the floating rate notes will be 3-month EURIBOR in effect on May 18, 2015. The interest rate on the floating rate notes will be determined on the second TARGET business day preceding the interest reset date (a "EURIBOR Interest Determination Date"). Interest on a Floating Rate Interest Payment Date will be paid to the persons, or "holders," in whose names the floating rate notes are registered on the security register at the close of business on the regular record date. The regular record date will be the fifteenth calendar day, whether or not a Business Day, immediately preceding the related Floating Rate Interest Payment Date. Interest on the floating rate notes will be computed on the basis of a 360-day year and the actual number of days in the period for which interest is being calculated.

The floating rate notes shall bear interest at a base rate equal to the interest rate for deposits in euros designated as "EURIBOR" and sponsored jointly by the European Banking Federation and ACI the Financial Market Association (or any company established by the joint sponsors for purposes of compiling and publishing that rate) on a EURIBOR Interest Determination Date, and will be determined in accordance with the following provisions:

EURIBOR will be the offered rate for deposits in euros having a maturity of three months beginning on such interest reset date, as that rate appears on Reuters Page EURIBOR01 as of 11:00 A.M., Brussels time, on the relevant EURIBOR Interest Determination Date.

If the rate described above does not appear on Reuters Page EURIBOR01, EURIBOR will be determined on the basis of the rates, at approximately 11:00 A.M., Brussels time, on the relevant EURIBOR Interest Determination Date, at which deposits of the following kind are offered to prime banks in the Euro-zone interbank market by the principal Euro-zone office of each of four major banks in that market selected by us: euro deposits having a maturity of three months and in a principal amount of not less than €1,000,000 that is representative for a single transaction in such market at such time. The Paying and Calculation Agent will request the principal Euro-zone office of each of these banks to provide a quotation in writing of its rate. If at least two quotations are provided in writing, EURIBOR for such EURIBOR Interest Determination Date will be the arithmetic mean (rounded upwards) of such quotations.

If fewer than two quotations are provided as described above, EURIBOR for the relevant EURIBOR Interest Determination Date will be the arithmetic mean of the rates for loans of the following kind to leading Euro-Zone banks quoted in writing, at approximately 11:00 A.M., Brussels time, on such EURIBOR Interest Determination Date, by three major banks in the Euro-Zone selected by us: loans of euros having a maturity of three months and in a principal amount of not less than €1,000,000 that is representative for a single transaction in such market at such time.

If fewer than three banks selected by us are quoting as described above, EURIBOR shall be the EURIBOR in effect on such EURIBOR Interest Determination Date.

If any Floating Rate Interest Payment Date, Maturity Date or earlier date of redemption falls on a day that is not a Business Day, the required payment will be made on the next Business Day as if it were made on the date the payment was due and no interest will accrue on the amount so payable for the period from and after that Floating Rate Interest Payment Date, that Maturity Date or that date of redemption, as the case may be. For purposes of the notes, "Business Day" means any day other than a Saturday or Sunday, (1) which is not a day on which banking institutions in The City of New York or London are authorized or required by law, regulation or executive order to close and (2) on which the Trans-European Automated Real Time Gross Settlement Express Transfer system (the TARGET2 system), or any successor thereto, is open.

2023 Notes

The 2023 notes will bear interest at 0.950% per year from May 20, 2015 or from the immediately preceding interest payment date to which interest has been paid. Interest on the 2023 notes is payable annually in arrears on May 15, commencing May 15, 2016 (the "2023 Interest Payment Date"). Interest on a 2023 Interest Payment Date will be paid to the persons, or "holders," in whose names the 2023 notes are registered on the security register at the close of business on the regular record date. The regular record date for the 2023 notes will be the fifteenth calendar day, whether or not a Business Day, immediately preceding the related 2023 Interest Payment Date. Interest on the 2023 notes will be computed on the basis of the actual number of days in the period for which interest is being calculated and the actual number of days from and including the last date on which interest was paid on the 2023 notes (or May 20, 2015, if no interest has been paid on the 2023 notes), to but excluding the next scheduled interest payment date. This payment convention is referred to as ACTUAL/ACTUAL (ICMA) as defined in the rulebook of the International Capital Market Association.

If any 2023 Interest Payment Date, the Maturity Date for the 2023 notes or earlier date of redemption falls on a day that is not a Business Day, the required payment will be made on the next Business Day as if it were made on the date the payment was due and no interest will accrue on the amount so payable for the period from and after that 2023 Interest Payment Date, that Maturity Date or that date of redemption, as the case may be. For purposes of the 2023 notes, "Business Day" means any day other than a Saturday or Sunday, (1) which is not a day on which banking institutions in The City of New York or London are authorized or required by law, regulation or executive order to close and (2) on which the TARGET2 system, or any successor thereto, is open.

2030 Notes

The 2030 notes will bear interest at 1.750% per year from May 20, 2015 or from the immediately preceding interest payment date to which interest has been paid. Interest on the 2030 notes is payable annually in arrears on May 15, commencing May 15, 2016 (the "2030 Interest Payment Date"). Interest on a 2030 Interest Payment Date will be paid to the persons, or "holders," in whose names the 2030 notes are registered on the security register at the close of business on the regular record date. The regular record date for the 2030 notes will be the fifteenth calendar day, whether or not a Business

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Day, immediately preceding the related 2030 Interest Payment Date. Interest on the 2030 notes will be computed on the basis of the ACTUAL/ACTUAL (ICMA) payment convention described above under "Description of Notes 2023 Notes."

If any 2030 Interest Payment Date, the Maturity Date for the 2030 notes or earlier date of redemption falls on a day that is not a Business Day, the required payment will be made on the next Business Day as if it were made on the date the payment was due and no interest will accrue on the amount so payable for the period from and after that 2030 Interest Payment Date, that Maturity Date or that date of redemption, as the case may be. For purposes of the 2030 notes, "Business Day" means any day other than a Saturday or Sunday, (1) which is not a day on which banking institutions in The City of New York or London are authorized or required by law, regulation or executive order to close and (2) on which the TARGET2 system, or any successor thereto, is open.

Issuance in Euro

Initial holders will be required to pay for the notes in euro, and principal, premium, if any, and interest payments in respect of the notes will be payable in euro.

If euro is unavailable to us due to the imposition of exchange controls or other circumstances beyond our control or the euro is no longer used by the member states of the European Monetary Union that have adopted the euro as their currency or for the settlement of transactions by public institutions within the international banking community, then all payments in respect of the notes will be made in U.S. dollars until euro is again available to us or so used. The amount payable on any date in euro will be converted to U.S. dollars on the basis of the Market Exchange Rate (as defined below). Any payment in respect of the notes so made in U.S. dollars will not constitute an event of default under the Indenture. Neither the Trustee nor the London Paying Agent shall be responsible for obtaining exchange rates, effecting conversions or otherwise handling redenominations.

"Market Exchange Rate" means the rate mandated by the U.S. Federal Reserve Board as of the close of business on the second Business Day prior to the relevant payment date or, in the event the U.S. Federal Reserve Board has not mandated a rate of conversion, on the basis of the most recent euro/U.S. dollar exchange rate available on or prior to the second Business Day prior to the relevant payment date, as reported by Bloomberg.

Further Issuances

We may, from time to time, without the consent of or notice to existing note holders, create and issue further notes having the same terms and conditions as the notes of any tranche in all respects, except for issue date, issue price and, to the extent applicable, the first payment of interest. Additional notes issued in this manner will be consolidated with and will form a single tranche of debt securities with the related previously outstanding notes of the related tranche; *provided*, *however*, that the issuance of such additional notes will not be so consolidated for United States federal income tax purposes unless such issuance constitutes a "qualified reopening" within the meaning of the Internal Revenue Code of 1986, as amended (the "Code"), and the Treasury regulations promulgated thereunder.

Optional Redemption

The 2023 notes and the 2030 notes will be redeemable, in whole but not in part at our option, at any time at a redemption price equal to the greater of (i) 100% of the principal amount of the notes of the applicable tranche or (ii) as determined by the Quotation Agent (as defined below), the sum of the present values of the remaining scheduled payments of principal and interest thereon (not including any portion of such payments of interest accrued as of the date of redemption) discounted to the redemption date on an annual basis (based on the actual number of days elapsed divided by 365 (or, if any of those days elapsed fall in a leap year, the sum of (x) the number of those days falling in a leap

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year divided by 366 and (y) the number of those days falling in a non-leap year divided by 365)) at the Reference Dealer Rate (as defined below), plus, in the case of the 2023 notes, 10 basis points, and in the case of the 2030 notes, 15 basis points, plus in each case, accrued interest thereon to the date of redemption.

For the purposes of this "Optional Redemption" section,

"Business Day" means, in relation to any place, a day on which commercial banks and foreign exchange markets settle payments in that place.

"Quotation Agent" means the Reference Dealer (as defined below).

"Reference Dealer" means any of Barclays Bank PLC, Citigroup Global Markets Limited, Deutsche Bank AG, London Branch or their respective successors.

"Reference Dealer Rate" means with respect to the Reference Dealer and any redemption date, the price, expressed as a percentage (rounded to three decimal places, 0.0005 being rounded upwards), at which the gross redemption yield (as calculated by the Reference Dealer) on the notes to be redeemed, if they were to be purchased at such price on the third Business Day prior to the date fixed for redemption, would be equal to the gross redemption yield on such Business Day of the Reference Bond on the basis of the middle market price of the Reference Bond prevailing at 11:00 a.m. (London time) on such Business Day as determined by the Reference Dealer.

"Reference Bond" means, in relation to the Reference Dealer Rate, at the discretion of the Reference Dealer, an European government bond whose maturity is closest to the maturity of the notes to be redeemed, or such other European government bond as the Reference Dealer, may, with the advice of three brokers of, or market makers in, European government bonds selected by the Reference Dealer, determine to be appropriate for determining the Reference Dealer Rate.

Notice of any redemption will be given to the Noteholders at least 30 days but not more than 60 days before the redemption date. Unless we default in payment of the redemption price, on and after the redemption date, interest will cease to accrue on the 2023 notes and the 2030 notes called for redemption.

The notes are also subject to redemption prior to maturity if certain events occur involving United States taxation. If any of these special tax events do occur, the notes may be redeemed at a redemption price of 100% of their principal amount plus accrued and unpaid interest to, but not including, the date fixed for redemption. See " Redemption for Tax Reasons."

Payment of Additional Interest

We will, subject to the exceptions and limitations set forth below, pay as additional interest to a noteholder that is a United States Alien (as defined below) such amounts as may be necessary so that every net payment on such note after deduction or withholding for or on account of any present or future tax, assessment or other governmental charge of whatever nature imposed upon or as a result of such payment by the United States (or any political subdivision or taxing authority thereof or therein), will not be less than the amount provided for in such note to be then due and payable. However, we will not be required to make any payment of additional interest for or on account of:

(a) any tax, assessment or other governmental charge that would not have been imposed but for (i) the existence of any present or former connection between such holder (or between a fiduciary, settlor or beneficiary of, or a person holding a power over, such holder, if such holder is an estate or a trust, or a member or shareholder of such holder, if such holder is a partnership or corporation) and the United States, including, without limitation, such holder (or such fiduciary, settlor, beneficiary, person holding a power, member or shareholder) being or having been a citizen or resident or treated as a resident thereof or being or having been

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engaged in trade or business or present therein or having or having had a permanent establishment therein, or (ii) the presentation by the holder of a note for payment more than 15 days after the date on which such payment became due and payable or on which payment thereof was duly provided for, whichever occurs later;

(b) any estate, inheritance, gift, sales, transfer, personal property or any similar tax, assessment or other governmental charge;

(c) any tax, assessment or other governmental charge that would not have been imposed but for such holder's past or present status as a controlled foreign corporation, passive foreign investment company (including a qualified election fund) or foreign private foundation or other tax exempt organization with respect to the United States or as a corporation that accumulates earnings to avoid United States Federal income tax;

(d) any tax, assessment or other governmental charge that is payable otherwise than by deduction or withholding from a payment on a note;

(e) any tax, assessment or other governmental charge required to be deducted or withheld by any paying agent from any payment on a note, if such payment can be made without such deduction or withholding by any other paying agent;

(f) any tax, assessment or other governmental charge that would not have been imposed but for the holder's failure to comply with any applicable certification, information, documentation or other reporting requirement concerning the nationality, residence, identity or connection with the United States of the holder or beneficial owner of a note if, without regard to any tax treaty, such compliance is required by statute or regulation of the United States as a precondition to relief or exemption from such tax, assessment or other governmental charge;

(g) any tax, assessment or other governmental charge imposed by reason of the holder (i) owning or having owned, directly or indirectly, actually or constructively, 10% or more of the total combined voting power of all classes of stock of the Company entitled to vote, (ii) receiving interest described in Section 881(c)(3)(A) of the United States Internal Revenue Code or (iii) being a controlled foreign corporation with respect to the United States that is related to the Company by actual or constructive stock ownership;

(h) any tax, assessment or other governmental charge that is imposed on a payment pursuant to Sections 1471 through 1474 of the United States Internal Revenue Code (FATCA), any Treasury regulations and official interpretations thereof, and any regulations or official law, agreement or interpretations thereof implementing an intergovernmental approach thereto; or

(i) any combination of items (a), (b), (c), (d), (e), (f) (g) and (h);

nor shall such additional interest be paid with respect to any payment on a note to a holder that is a fiduciary or partnership or other than the sole beneficial owner of such payment to the extent a beneficiary or settlor with respect to such fiduciary or a member of such partnership or a beneficial owner would not have been entitled to the additional interest had such beneficiary, settlor, member or beneficial owner been the holder of such note.

For purposes of the foregoing, the holding of or the receipt of any payment with respect to a note shall not constitute a connection between the holder (or between a fiduciary, settlor, beneficiary, member or shareholder of, or a person having power over, such holder if such holder is an estate, a trust, a partnership or a corporation) and the United States.

The term "United States Alien" means any person who, for United States Federal income tax purposes, is a foreign corporation, a non-resident alien individual, a non-resident alien fiduciary of a foreign estate or trust, or a foreign partnership one or more of the members of which is, for United

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States Federal income tax purposes, a foreign corporation, a nonresident alien individual or a non-resident alien fiduciary of a foreign estate or trust.

Redemption for Tax Reasons

If, in the written opinion of independent counsel chosen by the Company, there is a substantial probability that the Company has or will become obligated to pay additional interest on the notes as described above under the heading " Payment of Additional Interest," as a result of any of the following events occurring on or after May 13, 2015 (a) any change in, or amendment to, the laws (or any regulations or rulings promulgated thereunder) of the United States or any political subdivision or taxing authority thereof or therein affecting taxation, or any change in official position regarding the application or interpretation of such laws, regulations or rulings, (b) any action taken by a taxing authority of the United States or any political subdivision thereof or therein affecting taxation, which action is generally applied or is taken with respect to the Company, (c) a decision rendered by a court of competent jurisdiction in the United States or any political subdivision thereof or therein, whether or not such decision was rendered with respect to the Company, (d) a private letter ruling or technical advice memorandum issued by the National Office of the United States Internal Revenue Service on substantially the same facts as those affecting the Company or (e) any change, amendment, application, interpretation or execution of the laws of the United States (or any regulations or rulings promulgated thereunder) shall have been officially proposed, which change, amendment, action, application, interpretation or execution would have effect after May 13, 2015 and the Company determines that such obligation cannot be avoided by the use of reasonable measures then available to the Company, then the Company may, at its option, upon not less than 30 nor more than 60 days' prior notice to the holders for the time being of the notes, redeem the notes in whole, but not in part, at a redemption price equal to 100%. of the principal amount thereof plus accrued interest, if any, to the date fixed for redemption, provided that no such notice of redemption shall be given earlier than 90 days prior to the earliest date on which the Company would be obligated to pay such additional interest if a payment in respect to the notes were due on such date and, at the time such notification of redemption is given, such obligation to pay such additional interest remains in effect. Prior to the publication of any notice of redemption pursuant to this paragraph, the Company shall deliver to the Trustee (i) a certificate stating that the Company is entitled to effect such redemption and that the conditions precedent to the right of the Company to so redeem have occurred and (ii) an opinion of independent counsel chosen by the Company to the effect that there is a substantial probability that the Company has or will become obligated to pay additional interest on the notes.

Modification of the Indenture

See "Debt Securities Modification and Waiver" in the accompanying prospectus.

Events of Default, Notice and Waiver

See "Debt Securities Events of Default" in the accompanying prospectus.

Discharge, Defeasance and Covenant Defeasance

The defeasance provisions described in the accompanying prospectus under "Debt Securities Defeasance" will be applicable to the 2023 notes and the 2030 notes but not the floating rate notes.

Governing Law

The Indenture is governed by, and construed in accordance with, the laws of the State of New York, and once issued the notes will be as well.

Book-Entry Delivery and Settlement

We have obtained the information in this section concerning Clearstream and Euroclear and their book-entry systems and procedures from sources that we believe to be reliable. We take no responsibility for an accurate portrayal of this information. In addition, the description of the clearing systems in this section reflects our understanding of the rules and procedures of Clearstream and Euroclear as they are currently in effect. Those systems could change their rules and procedures at any time.

Global Clearance and Settlement

The notes will be issued in the form of one or more global notes in fully registered form, without coupons, and will be deposited with, or on behalf of, a common depositary for, and in respect of interests held through, Euroclear and Clearstream. Except as described herein, certificates will not be issued in exchange for beneficial interests in the global notes.

Except as set forth below, the global notes may be transferred, in whole and not in part, only to Euroclear or Clearstream or their respective nominees.

Beneficial interests in the global notes will be represented, and transfers of such beneficial interests will be effected, through accounts of financial institutions acting on behalf of beneficial owners as direct or indirect participants in Euroclear or Clearstream. Those beneficial interests will be in denominations of €100,000 and integral multiples of €1,000 in excess thereof. Investors may hold notes directly through Euroclear or Clearstream, if they are participants in such systems, or indirectly through organizations that are participants in such systems.

Owners of beneficial interests in the global notes will not be entitled to have notes registered in their names, and, except as described herein, will not receive or be entitled to receive physical delivery of notes in definitive form. So long as the common depositary for Euroclear and Clearstream is the registered owner of the global notes, the common depositary for all purposes will be considered the sole holder of the notes represented by the global notes under the Indenture and the global notes. Except as provided below, beneficial owners will not be considered the owners or holders of the notes under the Indenture, including for purposes of receiving any reports delivered by us or the Trustee pursuant to the Indenture. Accordingly, each beneficial owner must rely on the procedures of the clearing systems and, if such person is not a participant of the clearing systems, on the procedures of the participant through which such person owns its interest, to exercise any rights of a holder under the Indenture. Under existing industry practices, if we request any action of holders or a beneficial owner desires to give or take any action which a holder is entitled to give or take under the Indenture, the clearing systems would authorize their participants holding the relevant beneficial interests to give or take action and the participants would authorize beneficial owners owning through the participants to give or take such action or would otherwise act upon the instructions of beneficial owners. Conveyance of notices and other communications by the clearing systems to their participants, by the participants to indirect participants and by the participants and indirect participants to beneficial owners will be governed by arrangements among them, subject to any statutory or regulatory requirements as may be in effect from time to time. The laws of some jurisdictions require that certain purchasers of securities take physical delivery of such securities in certificated form. These limits and laws may impair the ability to transfer beneficial interests in global notes.

Clearstream

Clearstream has advised that it is incorporated under the laws of Luxembourg and licensed as a bank and professional depositary. Clearstream holds securities for its participating organizations and facilitates the clearance and settlement of securities transactions among its participants through electronic book-entry changes in accounts of its participants, thereby eliminating the need for physical movement of certificates. Clearstream provides to its participants, among other things, services for safekeeping, administration, clearance and settlement of internationally traded securities and securities lending and borrowing. Clearstream interfaces with domestic markets in several countries. Clearstream has established an electronic bridge with the Euroclear Operator (as defined below) to facilitate the settlement of trades between Clearstream and Euroclear. As a registered bank in Luxembourg, Clearstream is subject to regulation by the Luxembourg Commission for the Supervision of the Financial Sector. Clearstream customers are recognized financial institutions around the world, including underwriters, securities brokers and dealers, banks, trust companies, clearing corporations and certain other organizations and may include the underwriters. Indirect access to Clearstream is also available to others, such as banks, brokers, dealers and trust companies that clear through, or maintain a custodial relationship with, a Clearstream participant, either directly or indirectly.

Distributions with respect to notes held beneficially through Clearstream will be credited to cash accounts of Clearstream participants in accordance with its rules and procedures.

Euroclear

Euroclear has advised that it was created in 1968 to hold securities for its participants and to clear and settle transactions between Euroclear participants through simultaneous electronic book-entry delivery against payment, thereby eliminating the need for physical movement of certificates and any risk from lack of simultaneous transfers of securities and cash. Euroclear includes various other services, including securities lending and borrowing and interfaces with domestic markets in several countries. Euroclear is operated by Euroclear Bank S.A./N.V. (the "Euroclear Operator"). All operations are conducted by the Euroclear Operator, and all Euroclear securities clearance accounts and Euroclear cash accounts are accounts with the Euroclear Operator. Euroclear participants include banks (including central banks), securities brokers and dealers and other professional financial intermediaries and may include the underwriters. Indirect access to Euroclear is also available to other firms that clear through or maintain a custodial relationship with a Euroclear participant, either directly or indirectly.

Securities clearance accounts and cash accounts with the Euroclear Operator are governed by the Terms and Conditions Governing Use of Euroclear and the related operating procedures of Euroclear, and applicable Belgian law (collectively, the "Terms and Conditions"). The Terms and Conditions govern transfers of securities and cash within Euroclear, withdrawals of securities and cash from Euroclear, and receipts of payments with respect to securities in Euroclear. All securities in Euroclear are held on a fungible basis without attribution of specific certificates to specific securities clearance accounts. The Euroclear Operator acts under the Terms and Conditions only on behalf of Euroclear participants, and has no records of or relationship with persons holding through Euroclear participants.

Distributions with respect to the notes held beneficially through Euroclear will be credited to the cash accounts of Euroclear participants in accordance with the Terms and Conditions.

Euroclear and Clearstream Arrangements

So long as Euroclear or Clearstream or their nominee or their common depositary is the registered holder of the global notes, Euroclear, Clearstream or such nominee, as the case may be, will be considered the sole owner or holder of the notes represented by such global notes for all purposes under the Indenture and the notes. Payments of principal, interest and additional amounts, if any, in respect of the global notes will be made to Euroclear, Clearstream, such nominee or such common depositary, as the case may be, as registered holder thereof. None of us, the Trustee, any agent and any affiliate of any of the above or any person by whom any of the above is controlled (as such term is defined in the Securities Act of 1933, as amended, or the Securities Act) will have any responsibility or liability for any records relating to or payments made on account of beneficial ownership interests in

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the global notes or for maintaining, supervising or reviewing any records relating to such beneficial ownership interests.

Distributions of principal, premium, if any, and interest with respect to the global notes will be credited in euro to the extent received by Euroclear or Clearstream from the paying agent to the cash accounts of Euroclear or Clearstream customers in accordance with the relevant system's rules and procedures.

Because Euroclear and Clearstream can only act on behalf of participants, who in turn act on behalf of indirect participants, the ability of a person having an interest in the global notes to pledge such interest to persons or entities which do not participate in the relevant clearing system, or otherwise take actions in respect of such interest, may be affected by the lack of a physical certificate in respect of such interest.

Initial Settlement

We understand that investors that hold their notes through Clearstream or Euroclear accounts will follow the settlement procedures that are applicable to conventional eurobonds in registered form. Subject to applicable procedures of Clearstream and Euroclear, notes will be credited to the securities custody accounts of Clearstream and Euroclear participants on the business day following the settlement date, for value on the settlement date.

Secondary Market Trading

Because the purchaser determines the place of delivery, it is important to establish at the time of trading of any notes where both the purchaser's and seller's accounts are located to ensure that settlement can be made on the desired value date.

We understand that secondary market trading between Clearstream and/or Euroclear participants will occur in the ordinary way following the applicable rules and operating procedures of Clearstream and Euroclear. Secondary market trading will be settled using procedures applicable to conventional eurobonds in registered form.

You should be aware that investors will only be able to make and receive deliveries, payments and other communications involving the notes through Clearstream and Euroclear on days when those systems are open for business. Those systems may not be open for business on days when banks, brokers and other institutions are open for business in the United States.

In addition, because of time-zone differences, there may be problems with completing transactions involving Clearstream and Euroclear on the same business day as in the United States. U.S. investors who wish to transfer their interests in the notes, or to make or receive a payment or delivery of the notes, on a particular day, may find that the transactions will not be performed until the next business day in Luxembourg or Brussels, depending on whether Clearstream or Euroclear is used.

Clearstream or Euroclear will credit payments to the cash accounts of Clearstream customers or Euroclear participants, as applicable, in accordance with the relevant system's rules and procedures, to the extent received by its depositary. Clearstream or the Euroclear Operator, as the case may be, will take any other action permitted to be taken by a holder under the Indenture on behalf of a Clearstream customer or Euroclear participant only in accordance with its relevant rules and procedures.

Clearstream and Euroclear have agreed to the foregoing procedures in order to facilitate transfers of the notes among participants of Clearstream and Euroclear. However, they are under no obligation to perform or continue to perform those procedures, and they may discontinue those procedures at any time.

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Exchange of Global Notes for Certificated Notes

Subject to certain conditions, the notes represented by the global notes are exchangeable for certificated notes in definitive form of like tenor in minimum denominations of €100,000 principal amount and multiples of €1,000 in excess thereof if:

(1) the common depositary notifies us that it is unwilling, unable or no longer qualified to continue as depositary for the global notes and we fail to appoint a successor depositary within 90 calendar days;

(2) we, at our option, notify the Trustee in writing that we elect to cause the issuance of certificated notes; or

(3) there has occurred and is continuing an Event of Default with respect to the notes.

In all cases, certificated notes delivered in exchange for any global note or beneficial interest therein will be registered in the names, and issued in any approved denominations, requested by or on behalf of the common depositary (in accordance with its customary procedures).

Payments (including principal, premium and interest) and transfers with respect to notes in certificated form may be executed at the office or agency maintained for such purpose in London (initially the corporate trust office of the London Paying Agent) or, at our option, by check mailed to the holders thereof at the respective addresses set forth in the register of holders of the notes, provided that all payments (including principal, premium and interest) on notes in certificated form, for which the holders thereof have given wire transfer instructions, will be required to be made by wire transfer of immediately available funds to the accounts specified by the holders thereof. No service charge will be made for any registration of transfer, but payment of a sum sufficient to cover any tax or governmental charge payable in connection with that registration may be required.

The paying agent and calculation agent for the notes will initially be The Bank of New York Mellon, London Branch (the "London Paying Agent").

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MATERIAL UNITED STATES FEDERAL INCOME TAX CONSIDERATIONS

The following summarizes certain material United States federal income tax consequences expected to result from the purchase at the issue price (the first price at which a substantial amount of notes is sold to purchasers other than bond houses, brokers or similar persons or organizations acting in the capacity of underwriters, placement underwriters or wholesalers), ownership and disposition of notes by holders acquiring notes at original issue for cash.

This discussion is based on:

- the Internal Revenue Code of 1986, as amended (the "Code");
- current, temporary and proposed Treasury regulations promulgated under the Code;
- the legislative history of the Code;
- current administrative interpretations and practices of the Internal Revenue Service (the "IRS"); and
- court decisions,

all as of the date of this pricing supplement. In addition, the administrative interpretations and practices of the IRS include its practices and policies as expressed in private letter rulings that are not binding on the IRS, except with respect to the particular taxpayers who requested and received those rulings. Future legislation, Treasury regulations, administrative interpretations and practices and/or court decisions may adversely affect the tax considerations contained in this discussion. Any change could apply retroactively to transactions preceding the date of the change. The tax considerations contained in this discussion may be challenged by the IRS, and we have not requested, and do not plan to request, any rulings from the IRS concerning the notes.

The tax treatment of a holder of notes may vary depending upon a holder's particular situation. Certain holders (including, but not limited to, certain financial institutions, insurance companies, broker-dealers, partnerships and other pass-thru entities, persons who mark-to-market the notes, tax-exempt organizations, regulated investment companies, real estate investment trusts, U.S. Holders (as defined below) whose functional currency for tax purposes is not the U.S. dollar, expatriates and persons holding notes as part of a "straddle," "hedge" or "conversion transaction") may be subject to special rules not discussed below. This discussion is limited to holders who will hold the notes as "capital assets" (generally, property held for investment) within the meaning of Section 1221 of the Code.

YOU SHOULD CONSULT YOUR TAX ADVISOR AS TO THE PARTICULAR TAX CONSEQUENCES OF YOUR PURCHASE, OWNERSHIP AND DISPOSITION OF THE NOTES.

As used herein, the term "U.S. Holder" means a beneficial owner of a note that is for United States federal income tax purposes (1) a citizen or resident of the United States, (2) a corporation, including for this purpose an entity treated as a corporation for United States federal income tax purposes, created or organized in or under the laws of the United States or of any political subdivision thereof, (3) an estate whose income is subject to United States federal income tax regardless of its source, or (4) a trust, if both (a) a court within the United States is able to exercise primary supervision over the administration of the trust and (b) one or more United States persons have the authority to control all substantial decisions of the trust. Notwithstanding the preceding sentence, to the extent provided in Treasury regulations, certain trusts that are beneficial holders of notes and in existence on August 20, 1996, and treated as United States persons prior to such date, that elect to continue to be treated as United States persons also will be U.S. Holders. As used herein, the term "Non-U.S. Holder" means a beneficial owner (other than a partnership) of notes that is not a U.S. Holder.

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If a partnership (including for this purpose any entity treated as a partnership for United States federal income tax purposes) holds a note, the treatment of a partner in the partnership will generally depend on the status of the partner and activities of the partnership. A holder that is a partnership and partners in such partnership should consult their tax advisors regarding the United States federal income tax consequences of purchasing, owning and disposing of the notes.

U.S. Holders

Interest. Stated interest on a note will be included in the income of a U.S. Holder as ordinary income at the time such interest is received or accrued, in accordance with the U.S. Holder's regular method of tax accounting.

U.S. Holders that use the cash receipts and disbursements method of accounting for tax purposes must recognize income equal to the U.S. dollar value of the euro received as a payment of interest (which includes proceeds in euro from a sale, exchange, or other disposition of the notes to the extent attributable to accrued interest), determined by translating the euro amount into U.S. dollars at the spot rate in effect on the date of receipt, regardless of whether the euro received is actually converted into U.S. dollars. U.S. Holders that use an accrual method of accounting for tax purposes may determine the amount of income recognized with respect to the euro received on each interest payment date by using one of two methods. Under the first method, the amount of income accrued is determined by translating the euro amount into U.S. dollars at the average exchange rate in effect during the accrual period (or, if the accrual period spans two taxable years, at the exchange rate for the partial period within the taxable year). Alternatively, such U.S. Holders may elect to determine the amount of income accrued on the basis of the spot rate in effect on the last day of the accrual period (or the last day of the taxable year in the case of an accrual period that straddles the U.S. Holder's taxable year) (and may use the spot rate on the date the interest payment is received if that date is within five days of the end of the accrual period). U.S. Holders that make this election must apply it consistently to all debt instruments from year to year and cannot change the election without the consent of the IRS. Accrual method U.S. Holders will recognize foreign currency gain or loss on the receipt of an interest payment (including a payment attributable to accrued but unpaid interest upon the sale or retirement of a note) if the spot rate of exchange on the date the payment is received differs from the rate applicable to a previous accrual of that interest income. Such foreign currency gain or loss generally will be treated as ordinary income or loss, but generally will not be treated as an adjustment to interest income received on the notes. A U.S. Holder will have a tax basis in euro received as interest equal to the U.S. dollar value of such euro.

Sale, Exchange, Redemption or Retirement of the Notes. Upon the disposition of a note by sale, exchange, redemption or retirement, a U.S. Holder generally will recognize gain or loss equal to the difference between (i) the sum of all cash plus the fair market value of all other property received on such disposition (other than amounts attributable to accrued interest, which amounts would be treated as ordinary interest income to the extent not previously so taxed) and (ii) the U.S. Holder's adjusted tax basis in such note. A U.S. Holder's adjusted tax basis in a note generally will equal the cost of the note to the U.S. Holder based on the spot exchange rate on the settlement date of the initial purchase, decreased by the amount of any payments (other than payments of qualified stated interest) on the note (converted using the same exchange rate).

A U.S. Holder that uses the cash receipts and disbursements method of accounting determines the amount realized in U.S. dollars by using the relevant spot exchange rate on the settlement date of the disposition of a note, provided that the notes are traded on an established securities market. A U.S. Holder that uses an accrual method of accounting may elect such treatment for all purchases and sales for foreign currency of stock or securities traded on an established securities market (which election cannot be changed without the consent of the IRS). Absent such an election, the amount realized by an accrual method U.S. Holder in U.S. dollars is the U.S. dollar value of the euro received, determined at the spot rate on the trade date of the sale, exchange or retirement of the note. A U.S. Holder's adjusted tax basis in a note generally will be the U.S. dollar value of the euro purchase price on the settlement date of the purchase. Gain or loss realized upon the taxable disposition of a note that is attributable to fluctuations in currency exchange rates will be ordinary income or loss and such income or loss will not be treated as interest income or expense. Payments received on a disposition that are attributable to accrued stated interest will be treated in accordance with the foreign currency exchange gain and loss rules applicable to payments of stated interest (and described above). Furthermore, the gain or loss of a U.S. Holder attributable to fluctuations in currency exchange rates will be the difference between (i) the U.S. dollar value of the U.S. Holder's purchase price for the note, determined using the spot rate on the date the note is disposed of (or the settlement date, if the notes are traded on an established securities market and the U.S. Holder is either a cash basis taxpayer or an electing accrual basis taxpayer), and (ii) the U.S. dollar value of the purchase price for the note, determined using the spot rate on the date the U.S. Holder acquired the note. The foreign currency gain or loss will be recognized only to the extent of the total gain or loss realized by the U.S. Holder on the disposition of the note.

Gain or loss recognized on the sale, exchange, retirement, or other taxable disposition of a note (except gain or loss attributable to foreign currency gains or losses) generally will constitute capital gain or loss and will be long-term capital gain or loss if the U.S. Holder has held the note for more than one year. The deductibility of capital losses is subject to limitations.

A U.S. Holder that purchases notes with previously owned euro will generally recognize gain or loss equal to the difference, if any, between such U.S. Holder's basis in the euro and the U.S. dollar fair market value of the notes on the date of purchase. A U.S. Holder will have a tax basis in euro received on the sale, exchange or retirement of a note equal to the U.S. dollar value of such euro, determined at the time of such sale, exchange or retirement. Any gain or loss realized by a U.S. Holder on a sale or other disposition of euro will be ordinary income or loss.

Medicare Tax on Net Investment Income. Certain U.S. Holders that are individuals, estates or trusts will be subject to a 3.8% tax on all or a portion of their "net investment income," which may include all or a portion of their interest income and net gains from the disposition of notes, and potentially foreign currency gains. Each U.S. Holder that is an individual, estate or trust is urged to consult its tax advisors regarding the applicability of the Medicare tax to its income and gains in respect of its investment in the notes.

Backup Withholding and Information Reporting. A U.S. Holder of a note may be subject, under certain circumstances, to information reporting and backup withholding with respect to payments of interest on, and gross proceeds from a sale, exchange, redemption, retirement or other disposition of, a note. These backup withholding rules apply if the U.S. Holder, among other things:

- fails to furnish a social security number or other taxpayer identification number ("TIN") certified under penalties of perjury within a reasonable time after the request therefor;
- furnishes an incorrect TIN;
- is notified it is subject to backup withholding because such holder previously failed to properly report interest or dividends;
- under certain circumstances, fails to provide a certified statement, signed under penalties of perjury, that the TIN furnished is the correct number and that such U.S. Holder is not subject to backup withholding; or
- otherwise fails to comply with applicable requirements of the backup withholding rules.

A U.S. Holder of a note that does not provide his, her or its correct TIN may be subject to penalties imposed by the IRS. Certain persons are exempt from backup withholding, including

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corporations and tax-exempt entities, provided their exemption is properly established. U.S. Holders of notes should consult their tax advisors as to their qualifications for exemption from withholding and the procedure for obtaining such exemption. U.S. Holders that are not corporations or tax-exempt organizations generally will be subject to information reporting requirements.

Backup withholding is not an additional tax. Any amount paid as backup withholding is creditable against the U.S. Holder's federal income tax liability, provided the requisite information is timely provided to the IRS.

Non-U.S. Holders

The following discussion is limited to the U.S. federal income and estate tax consequences to a holder of a note that is a beneficial owner and that, for U.S. federal income tax purposes, is an individual, corporation, estate or trust other than a U.S. Holder (a "Non-U.S. Holder"). Because U.S. federal tax law uses different tests to determine whether an individual is a non-resident alien for income tax and estate tax purposes, some individuals may be "Non-U.S. Holders" for purposes of the U.S. federal income tax discussion, but not for the purpose of the U.S. federal estate tax discussion, and vice versa. For purposes of the discussion below, interest and any gain on the sale, exchange, redemption, retirement or other disposition of a note will be considered to be "U.S. trade or business income" if such income or gain is effectively connected with the Non-U.S. Holder's conduct of a U.S. trade or business.

Stated Interest. Subject to the discussions of backup withholding and "FATCA" below, generally, interest (including additional interest, if any) paid to a Non-U.S. Holder of a note will not be subject to United States federal income or withholding tax if such interest is not U.S. trade or business income and is "portfolio interest." Generally, interest on the notes will qualify as portfolio interest and will be eligible for the portfolio interest exception if the Non-U.S. Holder:

- does not actually or constructively own 10% or more of the total combined voting power of all classes of our stock entitled to vote;
- is not a "controlled foreign corporation" with respect to which we are a "related person" within the meaning of the Code;
- is not a bank described in Section 881(c)(3)(A) of the Code; and
- certifies, under penalties of perjury, on a properly executed Form W-8BEN or W-8BEN-E (or any successor form) prior to the payment of interest that such holder is not a United States person and provides such holder's name and address.

The gross amount of payments of interest that do not qualify for the portfolio interest exception and that are not U.S. trade or business income will be subject to U.S. withholding tax at a rate of 30% unless a treaty applies to reduce or eliminate withholding.

Unless an applicable treaty otherwise provides, U.S. trade or business income will be taxed on a net basis at regular graduated U.S. rates rather than the 30% gross rate. In addition, in the case of a Non-U.S. Holder that is a corporation, any effectively connected earnings and profits may be subject to a 30% branch profits tax, unless an applicable treaty otherwise provides.

To claim an exemption from withholding in the case of U.S. trade or business income, or to claim the benefits of a treaty, a Non-U.S. Holder must provide a properly executed Form W-8ECI (in the case of U.S. trade or business income not exempt under a treaty) or Form W-8BEN or Form W-8BEN-E (in the case of a treaty), or any successor form as the IRS designates, as applicable, prior to the payment of interest. These forms must be periodically updated. A Non-U.S. Holder that is claiming the benefits of a treaty will be required to obtain and to provide a TIN unless the notes are actively traded property under applicable Treasury regulations. If the notes are actively traded, in certain circumstances the Non-U.S. Holder may provide certain documentary evidence issued by foreign governmental authorities to prove residence in the foreign country. Also, special procedures are provided under applicable Treasury regulations for payments through qualified intermediaries or certain financial institutions that hold customers' securities in the ordinary course of their trade or business.

Sale, Exchange, Redemption or Retirement of notes. Except as described below and subject to the discussions concerning backup withholding and "FATCA," any gain realized by a Non-U.S. Holder on the sale, exchange, redemption or retirement of a note generally will not be subject to U.S. federal income or withholding tax, unless:

- such gain is U.S. trade or business income, in which case the Non-U.S. Holder generally will be taxed as discussed above under " Stated Interest"; or

- subject to certain exceptions, the Non-U.S. Holder is an individual and is present in the United States for 183 days or more in the taxable year of the disposition, in which case the Non-U.S. Holder will be subject to a flat 30% U.S. federal income tax on any gain recognized (except as otherwise provided by an applicable income tax treaty), which may be offset by certain U.S. source losses.

Payments received on a disposition that are attributable to accrued stated interest will be treated in accordance with the rules applicable to payments of stated interest (and described above).

Federal Estate Tax. Any notes held (or treated as held) by an individual who is a Non-U.S. Holder at the time of his or her death will not be subject to U.S. federal estate tax, provided that the individual does not actually or constructively own 10% or more of the total voting power of all of our classes of stock entitled to vote and income on the notes was not U.S. trade or business income.

Information Reporting and Backup Withholding. We must report annually to the IRS and to each Non-U.S. Holder any interest that is paid to the Non-U.S. Holder. Copies of these information returns also may be made available under the provisions of a specific treaty or other agreement to the tax authorities of the country in which the Non-U.S. Holder resides.

Treasury regulations provide that the backup withholding tax and certain information reporting will not apply to payments of interest with respect to which either the requisite certification that the Non-U.S. Holder is not a U.S. person, as described above, has been received or an exemption otherwise has been established, provided that neither we nor our paying agent have actual knowledge, or reason to know, that the Non-U.S. Holder is a U.S. person or that the conditions of any other exemption are not, in fact, satisfied.

The payment of the gross proceeds from the sale, exchange, redemption, retirement or other disposition of the notes to or through the U.S. office of any broker, U.S. or foreign, will be subject to information reporting and possible backup withholding unless the Non-U.S. Holder certifies as to its non-U.S. status under penalties of perjury or otherwise establishes an exemption, provided that the broker does not have actual knowledge, or reason to know, that the Non-U.S. Holder is a U.S. person or that the conditions of any other exemption are not, in fact, satisfied. The payment of the gross proceeds from the sale, exchange, redemption, retirement or other disposition of the notes to or through a non-U.S. office of a non-U.S. broker will not be subject to information reporting or backup withholding unless the non-U.S. broker is a U.S. person or has certain types of relationships with the United States (a "U.S. related person"). In the case of the payment of the gross proceeds from the sale, exchange, redemption, retirement or other disposition of the notes to or through a non-U.S. office of a broker that is either a U.S. person or a U.S. related person, the Treasury regulations require information reporting (but not backup withholding) on the payment unless the broker has documentary evidence in its files that the owner is a Non-U.S. Holder and the broker has no knowledge, or reason to know, to the contrary.

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Backup withholding is not an additional tax. Any amounts withheld under the backup withholding rules may be refunded or credited against the Non-U.S. Holder's United States federal income tax liability, provided that the required information is timely provided to the IRS.

All certifications described above under the heading " Non-U.S. Holders" are subject to special rules with respect to reliance standards, under which certifications provided by holders may not be relied on under certain circumstances (for example, if we, our paying agent, or the broker had actual knowledge or reason to know that the certification is false).

FATCA

The Foreign Account Tax Compliance provisions of the Hiring Incentives to Restore Employment Act ("FATCA") will generally impose a withholding tax of 30% on interest income from, and the gross proceeds from a disposition of, debt obligations paid to a foreign financial institution, unless such foreign financial institution enters into an agreement with the U.S. government to collect and provide to the U.S. tax authorities substantial information regarding certain U.S. account holders of such institution (which would include certain account holders that are foreign entities with U.S. owners). The U.S. government has entered into intergovernmental agreements with the governments of certain countries that may in certain circumstances modify the foregoing requirements, including, in the case of a "Model 1" intergovernmental agreement, by requiring substantially similar information to be reported to the tax authorities in such country rather than to the U.S. tax authorities. In addition, FATCA will generally impose a withholding tax of 30% on interest income from, and the gross proceeds from a disposition of, debt obligations paid to a non-financial foreign entity unless such non-financial foreign entity provides the withholding agent with certain certifications or information relating to U.S. ownership of the entity. Under certain circumstances, such foreign persons might be eligible for refunds or credits of such taxes. U.S. Treasury regulations issued under FATCA provide that no withholding tax under FATCA will be imposed with respect to payments of gross proceeds from the disposition of debt obligations prior to January 1, 2017. Prospective investors should consult their tax advisors regarding the applicability of FATCA to their ownership of the notes.

THE PRECEDING DISCUSSION OF CERTAIN UNITED STATES FEDERAL TAX CONSIDERATIONS RELATING TO THE ACQUISITION, OWNERSHIP AND DISPOSITION OF THE NOTES IS FOR GENERAL INFORMATION ONLY AND IS NOT TAX ADVICE. ACCORDINGLY, EACH INVESTOR SHOULD CONSULT HIS, HER OR ITS OWN TAX ADVISOR AS TO PARTICULAR TAX CONSEQUENCES TO IT OF PURCHASING, HOLDING AND DISPOSING OF NOTES, INCLUDING THE APPLICABILITY AND EFFECT OF ANY U.S. FEDERAL INCOME, MEDICARE, ESTATE AND GIFT TAX LAWS OR FOREIGN TAX LAWS, AND OF ANY PROPOSED CHANGES IN APPLICABLE LAW.

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EU SAVINGS DIRECTIVE

Under Council Directive 2003/48/EC on the taxation of savings income (the "EU Savings Directive"), each member state of the European Union (a "Member State") is required to provide to the tax authorities of another Member State details of payments of interest (or similar income) made by a person within its jurisdiction to, or collected by such a person for, an individual resident in that other Member State or certain limited types of entity established in that other Member State. However, for a transitional period, Austria may instead apply (unless during such period it elects otherwise) a withholding system in relation to such payments deducting tax at a rate of 35%. The transitional period is to terminate at the end of the first full fiscal year following agreement by certain non EU countries to the exchange of information relating to such payments.

A number of non EU countries and certain dependent or associated territories of certain Member States have adopted similar measures (either provision of information or transitional withholding) in relation to payments made by a person within their respective jurisdictions to, or collected by such a person for, an individual resident or certain limited types of entity established in a Member State. In addition, the Member States have entered into provision of information or transitional withholding arrangements with certain of those dependent or associated territories in relation to payments made by a person in a Member State to, or collected by such a person for, an individual resident or certain limited types of entity established in one of those territories.

On March 24, 2014, the Council of the European Union adopted a directive amending the EU Savings Directive (the "Amending Directive"), amending and broadening the scope of the requirements described above. The Amending Directive requires Member States to apply these new requirements from January 1, 2017, and if they were to take effect, the changes would expand the range of payments covered by the EU Savings Directive, in particular to include additional types of income payable on securities. The Amending Directive would also expand the circumstances in which payments that indirectly benefit an individual resident in a Member State must be reported or be subject to withholding. This approach would apply to payments made to, or secured for, persons, entities or legal arrangements (including trusts) where certain conditions are satisfied, and may in some cases apply where the person, entity or arrangement is established or effectively managed outside of the EU.

However, on March 18, 2015, the European Commission proposed the repeal of the EU Savings Directive from January 1, 2017 in the case of Austria and from January 1, 2016 in the case of all other Member States (subject to on-going requirements to fulfill administrative obligations such as the reporting and exchange of information relating to, or accounting for withholding taxes on, payments made before those dates and to certain other transitional provisions in the case of Austria). This is to prevent overlap between the EU Savings Directive and a new automatic exchange of information regime to be implemented under Council Directive 2011/16/EU on administrative cooperation in the field of taxation (as amended by Council Directive 2014/107/EU). The proposal also provides that, if it proceeds, Member States will not be required to apply the new requirements of the Amending Directive.

SUPPLEMENTAL PLAN OF DISTRIBUTION

Pursuant to a terms agreement dated May 13, 2015 (the "terms agreement"), we have appointed the underwriters to act as agents under our distribution agreement dated May 16, 2014, between ourselves and the agents named therein, in connection with the purchase and sale of the notes. Barclays Bank PLC, Citigroup Global Markets Limited and Deutsche Bank AG, London Branch are acting as representatives of each of the underwriters named below. Subject to the terms and conditions stated in the terms agreement, each underwriter named below has severally agreed to purchase, and we have agreed to sell to that underwriter, the principal amount of notes set forth opposite the underwriter's name.

Underwriters	Principal Amount of Floating Rate Notes	Principal Amount of 2023 Notes	Principal Amount of 2030 Notes
Barclays Bank PLC	€216,667,000	€200,000,000	€166,667,000
Citigroup Global Markets Limited	216,667,000	200,000,000	166,667,000
Deutsche Bank AG, London Branch	216,666,000	200,000,000	166,666,000
Total	€650,000,000	€600,000,000	€500,000,000

The underwriters have agreed to purchase all of the notes sold under the terms agreement if any of the notes are purchased. If an underwriter defaults, the terms agreement provides that the purchase commitments of the nondefaulting underwriters may be increased or the terms agreement may be terminated.

We have agreed to indemnify the underwriters against certain liabilities, including liabilities under the Securities Act, or to contribute to payments the underwriters may be required to make in respect of those liabilities.

The underwriters are offering the notes, subject to prior sale, when, as and if issued to and accepted by them, subject to approval of legal matters by their counsel and other conditions contained in the terms agreement, such as the receipt by the underwriters of officers' certificates and legal opinions. The underwriters reserve the right to withdraw, cancel or modify offers to the public and to reject orders in whole or in part.

Commissions and Discounts

The underwriters propose to offer the notes directly to the public at the public offering price set forth on the cover page of this pricing supplement. After the initial offering of the notes to the public, the representatives may change the public offering price for the notes.

The following table shows the underwriting discount that we have agreed to provide to the underwriters in connection with this offering (expressed as a percentage of the principal amount of the notes).

	Underwriting discount
Per floating rate note	0.225%
Per 2023 note	0.300%
Per 2030 note	0.450%

The expenses of this offering, not including the underwriting discount, are estimated at approximately €2,486,830, or $2,785,000, based on the euro/U.S.$ rate of exchange as of May 8, 2015 and are payable by us.

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New Issue of Notes

The notes are a new issue of securities for which no established trading market exists. Although we intend to apply to list the notes on the New York Stock Exchange, no assurance can be given that we will be able to list the notes. Even if the notes are listed, no assurance can be given that a trading market for the notes will develop or be maintained. If an active trading market does not develop for the notes, noteholders may not be able to resell them at all or at prices acceptable to them. Although the underwriters for this offering have advised us that they intend to make a market in the notes after completion of the offering, they are not obligated to do so and may discontinue market making at any time. We cannot assure you that a liquid trading market will develop for the notes, that you will be able to sell your notes at a particular time or that the prices that you receive when you sell will be favorable.

Price Stabilization and Short Positions

In connection with this offering, the representatives, on behalf of the underwriters, may purchase and sell notes in the open market. These transactions may include overallotment, syndicate covering transactions and stabilizing transactions. Overallotment involves syndicate sales of notes in excess of the principal amount of the notes to be purchased by the underwriters in this offering, which creates a syndicate short position. Syndicate covering transactions involve purchases of notes in the open market after the distribution of the notes has been completed in order to cover syndicate short positions. Stabilizing transactions consist of certain bids or purchases of notes made for the purpose of preventing or retarding a decline in the market price of such notes while the offering of such notes is in progress.

The underwriters also may impose a penalty bid. Penalty bids permit the underwriters to reclaim a selling concession from a syndicate member when the representatives, in covering syndicate short positions or making stabilizing purchases, repurchase notes originally sold by that syndicate member.

Any of these activities may have the effect of raising or maintaining the market price of the notes or preventing or retarding a decline in the market price of the notes. As a result, the price of the notes may be higher than the price that might otherwise exist in the open market in the absence of these transactions. The underwriters may conduct these transactions in the over-the-counter market or otherwise. If the underwriters commence any of these transactions, they may discontinue them at any time.

Extended Closing

We expect to deliver the notes against payment for the notes on or about May 20, 2015, the fifth business day following the date of the pricing of the notes. Under Rule 15c6-1 of the Exchange Act, trades in the secondary market generally are required to settle in three business days, unless the parties to a trade expressly agree otherwise. Accordingly, purchasers who wish to trade notes on or before May 18, 2015 will be required to specify alternative settlement arrangements to prevent a failed settlement.

Other Relationships

Certain of the underwriters and their affiliates have provided in the past to the Company and its affiliates and may provide from time to time in the future certain commercial banking, financial advisory, investment banking and other services for the Company and such affiliates in the ordinary course of their business, for which they have received and may continue to receive customary fees and commissions. In addition, certain of the underwriters and their affiliates are lenders under the Company's credit agreement dated August 5, 2014.

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In the ordinary course of their various business activities, the underwriters and their respective affiliates have made or held, and may in the future make or hold, a broad array of investments including serving as counterparties to certain derivative and hedging arrangements, and may have actively traded, and, in the future may actively trade, debt and equity securities (or related derivative securities), and financial instruments (including bank loans) for their own account and for the accounts of their customers and may have in the past and at any time in the future hold long and short positions in such securities and instruments. Such investment and securities activities may have involved, and in the future may involve, securities and instruments of the Company.

Notice to Prospective Investors in the United Kingdom

The applicable provisions of the United Kingdom's Financial Services and Markets Act 2000 (the "FSMA") must be complied with in respect of anything done in relation to the notes in, from or otherwise involving the United Kingdom.

Any invitation or inducement to engage in investment activity (within the meaning of Section 21 of the FSMA), in connection with the issue or sale of the notes, has only been and will only be communicated or caused to be communicated in circumstances in which Section 21(1) of the FSMA does not apply to us.

LEGAL MATTERS

The validity of the notes will be passed upon for us by Gregg M. Larson, who is our Deputy General Counsel, or another one of our lawyers. Sidley Austin LLP, New York, New York and London, United Kingdom, will act as counsel to the underwriters in this offering.

INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM

The consolidated financial statements and management's assessment of the effectiveness of internal control over financial reporting (which is included in Management's Report on Internal Control over Financial Reporting) incorporated in this pricing supplement by reference to 3M Company's Annual Report on Form 10-K for the year ended December 31, 2014 have been so incorporated in reliance on the report of PricewaterhouseCoopers LLP, an independent registered public accounting firm, given on the authority of said firm as experts in auditing and accounting.

With respect to the unaudited financial information of 3M Company for the three-month periods ended March 31, 2015 and 2014 incorporated by reference in this pricing supplement, PricewaterhouseCoopers LLP reported that they have applied limited procedures in accordance with professional standards for a review of such information. However, their separate report dated April 30, 2015 incorporated by reference herein states that they did not audit and they do not express an opinion on that unaudited financial information. Accordingly, the degree of reliance on their report on such information should be restricted in light of the limited nature of the review procedures applied. PricewaterhouseCoopers LLP is not subject to the liability provisions of Section 11 of the Securities Act of 1933 for their report on the unaudited financial information because that report is not a "report" or a "part" of the registration statement prepared or certified by PricewaterhouseCoopers LLP within the meaning of Sections 7 and 11 of the Securities Act of 1933.

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3M Company

Medium-Term Notes, Series F
€650,000,000 Floating Rate Notes due 2020
€600,000,000 0.950% Notes due 2023
€500,000,000 1.750% Notes due 2030

PRICING SUPPLEMENT
May 13, 2015

Barclays
Citigroup
Deutsche Bank

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Kearny Financial	50,862	465,896
Mauritius Commercial Bank	40,000	178,056
Mechanics Bank	200	2,200,000
Old Point Financial	25,000	325,500
Peapack-Gladstone Financial	10,500	122,850
State Bank of Mauritius	46,000	113,919
Timberland Bancorp [d]	469,200	1,538,976
Vontobel Holding	20,400	540,572
Whitney Holding Corporation	41,500	383,875
Wilber Corporation (The)	122,685	729,976
Wilmington Trust	43,500	482,415
		23,873,708

Insurance - 5.4%

Alleghany Corporation [a]

28,657 8,405,098

Amil Participacoes

100,000 811,634

Argo Group International Holdings

64,751 1,980,733

Aspen Insurance Holdings

47,000 1,162,780

	SHARES	VALUE
Financial Intermediaries (continued)		
Insurance (continued)		
China Taiping Insurance Holdings [a]	45,000	$ 145,429
CNA Surety [a]	100,600	1,616,642
CoreLogic	44,000	777,040
Discovery Holdings	250,000	1,139,490
E-L Financial	7,400	3,162,839
Enstar Group [a]	20,217	1,343,218
Erie Indemnity Cl. A	131,800	5,996,900
Independence Holding	317,658	1,896,418
Leucadia National [a]	44,940	876,780
Markel Corporation [a]	6,200	2,108,000
Montpelier Re Holdings	32,000	477,760
NYMAGIC	202,200	3,900,438
Platinum Underwriters Holdings	63,000	2,286,270
ProAssurance Corporation [a]	22,000	1,248,720
RLI	90,724	4,763,917
Validus Holdings	6,291	153,626
		44,253,732
Real Estate Investment Trusts - 0.1%		
Gladstone Commercial	30,000	490,200
Securities Brokers - 3.1%		
Close Brothers Group	43,000	442,115
Cowen Group Cl. A [a]	708,600	2,905,260
Daewoo Securities	5,000	81,430
DundeeWealth	33,300	422,917
Egyptian Financial Group-Hermes Holding	401,500	2,065,690
FBR Capital Markets [a]	249,600	831,168
GFI Group	166,247	927,658
Gleacher & Co. [a]	293,000	747,150
HQ	40,000	283,841
Interactive Brokers Group Cl. A [a]	100,000	1,660,000
Investcorp Bank GDR [a]	27,000	128,250
KBW [a]	70,058	1,502,044
Kim Eng Holdings	240,000	272,046
Lazard Cl. A	109,300	2,919,403
MF Global Holdings [a]	225,000	1,284,750
Mirae Asset Securities	38,850	1,702,148

Mizuho Securities	492,300	1,091,144
Oppenheimer Holdings Cl. A	75,000	1,796,250
Paris Orleans et Cie	183,785	4,181,245
Phatra Securities	775,000	428,649
UOB-Kay Hian Holdings	190,000	201,013
Woori Investment & Securities	11,000	140,443
		26,014,614
Securities Exchanges - 0.1%		
Hellenic Exchanges	100,000	526,979
Other Financial Intermediaries - 0.5%		
KKR & Company (Guernsey) L.P.	105,000	979,768
KKR Financial Holdings	481,404	3,591,274
		4,571,042
Total (Cost $126,804,852)		99,730,275

THE ACCOMPANYING NOTES ARE AN INTEGRAL PART OF THESE FINANCIAL STATEMENTS.

Royce Value Trust

Schedule of Investments

	SHARES	VALUE
Financial Services 12.6%		
Diversified Financial Services - 0.4%		
Encore Capital Group [a]	68,000	$ 1,401,480
Franco-Nevada Corporation	10,000	304,354
IOOF Holdings	123,592	614,189
Ocwen Financial [a]	123,600	1,259,484
		3,579,507
Information and Processing - 2.3%		
Altisource Portfolio Solutions [a]	41,199	1,019,263
Interactive Data	112,300	3,748,574
MoneyGram International [a]	228,500	559,825
Morningstar [a]	109,800	4,668,696
SEI Investments	350,400	7,134,144
Total System Services	137,500	1,870,000
		19,000,502
Insurance Brokers - 1.0%		
Brown & Brown	287,400	5,500,836
Crawford & Company Cl. B [a,c]	1,160	3,666
Gallagher (Arthur J.) & Co.	111,200	2,711,056
		8,215,558
Investment Management - 7.1%		
A.F.P. Provida ADR	22,100	933,946
ABG Sundal Collier Holding	115,000	108,608
Affiliated Managers Group [a]	42,800	2,600,956
AllianceBernstein Holding L.P.	284,600	7,354,064
AP Alternative Assets L.P.	233,200	1,428,857
Artio Global Investors Cl. A	150,000	2,361,000
Ashmore Group	545,500	1,962,656
Azimut Holding	72,183	595,382
BKF Capital Group [a]	130,000	120,900
BT Investment Management	207,000	423,850
Coronation Fund Managers	526,000	749,728
Eaton Vance	125,300	3,459,533
Endeavour Financial[c]	300,000	619,980
Endeavour Financial (Warrants) [a]	75,000	57,771
Equity Trustees	34,176	436,171
Evercore Partners Cl. A	132,700	3,098,545
F&C Asset Management	60,000	46,380
Federated Investors Cl. B	204,700	4,239,337
Fiducian Portfolio Services	227,000	235,025
GAMCO Investors Cl. A	110,575	4,113,390
GIMV	18,000	813,679
GP Investments BDR [a]	15,604	52,042

Investec	118,000	793,635
MVC Capital	384,200	4,963,864
MyState	152,000	398,685
Onex Corporation	50,000	1,201,916
Partners Group Holding	15,400	1,858,280
Perpetual	13,078	308,186
Platinum Asset Management	149,000	581,387
Rathbone Brothers	35,400	420,470
Reinet Investments [a]	53,127	745,882
RHJ International [a]	102,500	758,797
Schroders	41,100	739,665
SHUAA Capital [a]	485,000	137,751
SPARX Group [a]	1,320	115,796

	SHARES	VALUE
Financial Services (continued)		
Investment Management (continued)		
Sprott	269,600	$ 906,644
Teton Advisors Cl. A [a]	723	6,507
Treasury Group	51,500	218,302
Trust Company	97,283	450,203
Value Partners Group	5,281,800	3,326,196
VZ Holding	8,500	687,032
Waddell & Reed Financial Cl. A	139,300	3,047,884
Westwood Holdings Group	23,460	824,619
		58,303,501
Special Purpose Acquisition Corporation - 0.1%		
Liberty Acquisition Holdings [a,c]	66,455	658,569
Westway Group [a]	31,500	128,520
		787,089
Specialty Finance - 0.8%		
Credit Acceptance [a]	62,801	3,062,805
World Acceptance [a]	85,700	3,283,167
		6,345,972
Other Financial Services - 0.9%		
E-House China Holdings ADR[c]	189,500	2,806,495
Hilltop Holdings [a]	290,400	2,906,904
Kennedy-Wilson Holdings [a]	150,000	1,515,000
		7,228,399
Total (Cost $104,464,179)		103,460,528
Health 7.5%		
Commercial Services - 1.0%		
Affymetrix [a]	10,000	59,000
Chindex International [a,c]	41,600	521,248
OdontoPrev	15,000	522,715
PAREXEL International [a]	332,400	7,206,432
		8,309,395

Drugs and Biotech - 1.9%		
American Oriental Bioengineering [a,c]	53,300	134,316
Biogen Idec [a]	7,080	335,946
BioMarin Pharmaceutical [a,c]	9,100	172,536
Boiron	20,000	703,703
Bukwang Pharmaceutical	15,000	170,927
China Nuokang Bio-Pharmaceutical ADR [a,c]	27,500	123,750
China Shineway Pharmaceutical Group	47,400	144,239
Daewoong Pharmaceutical	2,884	108,847
Endo Pharmaceuticals Holdings [a]	158,300	3,454,106
Green Cross	13,500	1,539,400
LG Life Sciences [a]	8,500	331,931
Luminex Corporation [a,c]	20,000	324,400
Pharmaceutical Product Development	100,000	2,541,000
Pharmacyclics [a]	158,746	1,057,248
Simcere Pharmaceutical Group ADR [a]	60,300	499,284
Sino Biopharmaceutical	2,176,600	841,653
Sinovac Biotech [a]	141,900	656,997
Sunesis Pharmaceuticals [a,c]	211,500	99,405
3SBio ADR [a]	122,700	1,427,001
Virbac	7,500	796,720

THE ACCOMPANYING NOTES ARE AN INTEGRAL PART OF THESE FINANCIAL STATEMENTS.

June 30, 2010 (unaudited)

	SHARES	VALUE
Health (continued)		
Drugs and Biotech (continued)		
Warner Chilcott Cl. A [a,c]	4,600	$ 105,110
		15,568,519
Health Services - 2.1%		
Advisory Board (The) [a]	128,500	5,520,360
Albany Molecular Research [a]	85,000	439,450
Bangkok Chain Hospital	1,185,000	181,009
Cross Country Healthcare [a]	30,000	269,700
eResearchTechnology [a]	67,624	532,877
HMS Holdings [a]	50,000	2,711,000
ICON ADR [a]	95,500	2,758,995
On Assignment [a]	375,400	1,888,262
Raffles Medical Group	563,100	685,860
Res-Care [a]	90,460	873,844
Sonic Healthcare	2,000	17,421
VCA Antech [a]	60,500	1,497,980
		17,376,758
Medical Products and Devices - 2.5%		
Allied Healthcare Products [a]	180,512	617,351
Atrion Corporation	15,750	2,127,037
Biosensors International Group [a]	1,260,000	687,957
C.R. Bard	1,800	139,554
Carl Zeiss Meditec	135,000	1,846,256
CONMED Corporation [a]	81,500	1,518,345
DiaSorin	12,000	437,918
Edwards Lifesciences [a]	2,600	145,652
IDEXX Laboratories [a]	55,201	3,361,741
Kinetic Concepts [a]	6,300	230,013
Kossan Rubber Industries	100,300	234,935
Shandong Weigao Group Medical Polymer	139,800	609,050
St. Shine Optical	98,700	786,704
Straumann Holding	5,000	1,081,795
Techne Corporation	71,000	4,078,950
Teleflex	3,900	211,692
Urologix [a,c]	445,500	481,140
Young Innovations	62,550	1,760,782
Zoll Medical [a]	400	10,840
		20,367,712
Total (Cost $43,567,233)		61,622,384

	SHARES	VALUE
Industrial Products 22.4%		
Automotive - 1.7%		
Gentex Corporation	77,000	1,384,460
LKQ Corporation [a]	300,000	5,784,000
Minth Group	198,000	234,240
Nokian Renkaat	60,000	1,469,434
Norstar Founders Group [a,b]	524,000	24,562
SORL Auto Parts [a,c]	35,723	297,215
Superior Industries International	40,000	537,600
Tianneng Power International	2,236,000	754,056
WABCO Holdings [a]	103,800	3,267,624
Wonder Auto Technology [a,c]	17,945	131,357
Industrial Products (continued)		
Automotive (continued)		
Xinyi Glass Holdings	400,000	$ 149,372
		14,033,920
Building Systems and Components - 1.6%		
Armstrong World Industries [a]	133,200	4,019,976
Decker Manufacturing	6,022	139,409
NCI Building Systems [a]	2,780	23,269
Preformed Line Products	91,600	2,560,220
Simpson Manufacturing	258,400	6,343,720
		13,086,594
Construction Materials - 1.3%		
Ash Grove Cement Cl. B	50,518	8,891,168
Duratex	156,464	1,421,612
USG Corporation [a,c]	50,000	604,000
		10,916,780
Industrial Components - 2.4%		
AMETEK	6,300	252,945
Bel Fuse Cl. A	36,672	608,755
CLARCOR	92,500	3,285,600
Donaldson Company	92,800	3,957,920
GrafTech International [a]	309,690	4,527,668
II-VI [a]	13,500	400,005
Mueller Water Products Cl. A	72,500	268,975
PerkinElmer	185,800	3,840,486
Powell Industries [a]	92,400	2,526,216
Precision Castparts	2,300	236,716
		19,905,286
Machinery - 5.1%		
Astec Industries [a]	25,000	693,250
Baldor Electric	62,900	2,269,432
Burckhardt Compression Holding	12,000	2,114,732
Burnham Holdings Cl. B	36,000	518,400
China High Speed Transmission Equipment Group	44,200	92,952
China Valves Technology [a,c]	20,000	186,600
Columbus McKinnon [a]	95,000	1,327,150

Duoyuan Global Water ADR [a,c]	25,000	440,000
Duoyuan Printing [a,c]	49,300	380,596
Franklin Electric	104,600	3,014,572
Hardinge	105,345	897,540
Hollysys Automation Technologies [a,c]	11,535	103,930
Jinpan International	39,500	598,820
Lincoln Electric Holdings	104,180	5,312,138
Nordson Corporation	102,100	5,725,768
Rofin-Sinar Technologies [a]	313,700	6,531,234
Spirax-Sarco Engineering	40,000	809,682
Takatori Corporation [a]	12,100	67,902
Wabtec Corporation	106,725	4,257,260
Wasion Group Holdings	119,000	74,721
Williams Controls [a]	37,499	339,366
Woodward Governor	231,600	5,912,748
		41,668,793
Metal Fabrication and Distribution - 3.6%		
Central Steel & Wire	6,062	3,997,889
Commercial Metals	36,600	483,852

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Royce Value Trust

Schedule of Investments

	SHARES	VALUE
Industrial Products (continued)		
Metal Fabrication and Distribution (continued)		
CompX International Cl. A	185,300	$ 1,825,205
Fushi Copperweld [a]	13,145	107,526
Haynes International	24,000	739,920
Kennametal	155,000	3,941,650
NN [a]	197,100	985,500
Nucor Corporation	54,350	2,080,518
RBC Bearings [a]	47,000	1,362,530
Reliance Steel & Aluminum	152,220	5,502,753
Schnitzer Steel Industries Cl. A	100,000	3,920,000
Sims Metal Management ADR	241,375	3,417,870
Sung Kwang Bend	75,200	1,216,414
		29,581,627
Miscellaneous Manufacturing - 3.2%		
AZZ	36,273	1,333,758
Barnes Group	20,000	327,800
Brady Corporation Cl. A	124,600	3,105,032
China Automation Group	244,800	158,803
Matthews International Cl. A	37,000	1,083,360
Mettler-Toledo International [a]	33,500	3,739,605
PMFG [a]	344,900	5,225,235
Rational	6,000	926,645
Raven Industries	96,200	3,242,902
Semperit AG Holding	58,500	2,000,213
Synalloy Corporation	198,800	1,661,968
Valmont Industries	43,000	3,124,380
		25,929,701
Paper and Packaging - 0.9%		
Greif Cl. A	84,499	4,693,074
Mayr-Melnhof Karton	25,000	2,226,024
Taiwan Hon Chuan Enterprise	360,285	659,817
		7,578,915
Pumps, Valves and Bearings - 1.3%		
FAG Bearings India	13,300	162,985
Gardner Denver	65,500	2,920,645
Graco	116,376	3,280,639
IDEX Corporation	67,400	1,925,618
Pfeiffer Vacuum Technology	30,000	2,209,416
Rotork	25,000	472,486

		10,971,789
Specialty Chemicals and Materials - 1.1%		
Agrium	3,700	181,078
Chemspec International ADR	35,000	252,350
China BlueChemical	158,400	87,870
China XD Plastics [a,c]	39,000	265,200
FMC Corporation	2,300	132,089
Gulf Resources [a,c]	40,000	343,600
Hawkins	186,178	4,483,166
Huchems Fine Chemical	10,285	219,271
Kingboard Chemical Holdings	16,900	72,341
OM Group [a]	90,000	2,147,400
Victrex	60,000	974,854
		9,159,219
Textiles - 0.1%		
Pacific Textiles Holdings	670,000	330,126

	SHARES	VALUE
Industrial Products (continued)		
Textiles (continued)		
Texwinca Holdings	275,000	$ 266,623
Unifi [a]	121,000	462,220
		1,058,969
Other Industrial Products - 0.1%		
China Fire & Security Group [a,c]	11,300	103,734
Cooper Industries	7,800	343,200
Harbin Electric [a,c]	25,835	430,153
		877,087
Total (Cost $123,523,575)		184,768,680
Industrial Services 14.6%		
Advertising and Publishing - 0.3%		
Lamar Advertising Cl. A [a]	51,000	1,250,520
SinoMedia Holding	350,000	79,653
ValueClick [a]	145,000	1,550,050
		2,880,223
Commercial Services - 7.3%		
Animal Health International [a]	17,000	42,160
Brink s Company (The)	127,200	2,420,616
Cintas Corporation	84,500	2,025,465
Convergys Corporation [a]	121,000	1,187,010
Copart [a]	85,600	3,065,336
Corinthian Colleges [a,c]	242,900	2,392,565
CRA International [a]	47,087	886,648
Diamond Management & Technology Consultants	80,400	828,924
Fidelity National Information Services	9,800	262,836
Forrester Research [a]	40,300	1,219,478

FTI Consulting [a]	7,850	342,182
Gartner [a]	213,000	4,952,250
Global Sources [a,c]	19,936	156,298
Hackett Group [a]	655,000	1,840,550
Hewitt Associates Cl. A [a]	126,720	4,366,771
Landauer	75,500	4,596,440
Manpower	69,300	2,992,374
MAXIMUS	110,900	6,417,783
Michael Page International	175,000	965,960
Monster Worldwide [a]	60,800	708,320
Pico Far East Holdings	4,477,000	815,199
RINO International [a,c]	11,000	137,610
Ritchie Bros. Auctioneers	337,700	6,152,894
Robert Half International	94,000	2,213,700
SFN Group [a]	62,800	342,888
Singapore Airport Terminal Services	275,000	523,523
Sotheby s	319,400	7,304,678
Sound Global [a]	50,000	27,419
TeleTech Holdings [a]	13,000	167,570
Universal Technical Institute [a]	43,100	1,018,884
		60,374,331
Engineering and Construction - 1.1%		
Desarrolladora Homex ADR [a]	14,100	355,884
Integrated Electrical Services [a]	355,400	1,240,346
Jacobs Engineering Group [a]	6,400	233,216

THE ACCOMPANYING NOTES ARE AN INTEGRAL PART OF THESE FINANCIAL STATEMENTS.

June 30, 2010 (unaudited)

	SHARES	VALUE
Industrial Services (continued)		
Engineering and Construction (continued)		
KBR	180,000	$ 3,661,200
NVR [a]	5,000	3,275,150
		8,765,796
Food, Tobacco and Agriculture - 0.8%		
Alico [a,c]	27,000	620,460
Chaoda Modern Agriculture	178,872	173,433
China Green (Holdings)	1,216,000	1,219,146
Genting Plantations	50,000	102,500
Hanfeng Evergreen [a]	69,700	380,402
Intrepid Potash [a]	91,427	1,789,226
MGP Ingredients [a,c]	127,400	844,662
Origin Agritech [a,c]	87,500	642,250
Yuhe International [a]	28,286	202,528
Zhongpin [a,c]	32,900	386,904
		6,361,511
Industrial Distribution - 0.8%		
Lawson Products	161,431	2,741,098
MSC Industrial Direct Cl. A	75,400	3,819,764
		6,560,862
Transportation and Logistics - 4.3%		
Alexander & Baldwin	60,000	1,786,800
C. H. Robinson Worldwide	60,000	3,339,600
Forward Air	209,750	5,715,687
Frozen Food Express Industries [a]	286,635	1,003,223
Hub Group Cl. A [a]	174,400	5,233,744
Kirby Corporation [a]	83,000	3,174,750
Landstar System	145,400	5,669,146
Patriot Transportation Holding [a]	70,986	5,743,477
Universal Truckload Services [a]	129,476	1,803,601
UTi Worldwide	175,000	2,166,500
		35,636,528
Total (Cost $94,888,582)		120,579,251
Natural Resources 10.9%		
Energy Services - 5.3%		

Cal Dive International [a]	50,000	292,500
Calfrac Well Services	80,000	1,469,166
CARBO Ceramics	59,700	4,309,743
China Power New Energy Development [a]	3,260,000	289,723
Core Laboratories	10,000	1,476,100
ENSCO ADR	15,000	589,200
Ensign Energy Services	225,100	2,647,365
Exterran Holdings [a]	103,600	2,673,916
Frontier Oil [a]	60,000	807,000
Helmerich & Payne	57,300	2,092,596
ION Geophysical [a]	361,500	1,258,020
Lufkin Industries	62,000	2,417,380
Oil States International [a]	165,000	6,530,700
Pason Systems	178,800	1,899,608
SEACOR Holdings [a]	101,300	7,157,858
ShawCor Cl. A	77,000	1,942,088
TETRA Technologies [a]	68,000	617,440

	SHARES	VALUE
Natural Resources (continued)		
Energy Services (continued)		
Tidewater	36,000	$ 1,393,920
Trican Well Service	99,900	1,279,073
Unit Corporation [a]	46,000	1,867,140
Willbros Group [a]	103,800	768,120
		43,778,656
Oil and Gas - 1.1%		
Bill Barrett [a]	50,000	1,538,500
China Integrated Energy [a,c]	37,000	307,100
Cimarex Energy	95,490	6,835,174
EQT Corporation	6,000	216,840
Questar Corporation	10,400	473,096
		9,370,710
Precious Metals and Mining - 3.1%		
Aquarius Platinum	270,000	1,309,817
Cliffs Natural Resources	40,000	1,886,400
Etruscan Resources [a]	745,900	308,296
Fresnillo	110,000	1,589,189
Gammon Gold [a]	198,300	1,082,718
Hecla Mining [a,c]	528,600	2,759,292
Hochschild Mining	520,000	2,361,504
IAMGOLD Corporation	95,620	1,690,562
Kimber Resources [a]	560,000	453,600
Major Drilling Group International	183,200	3,732,664
New Gold [a]	510,000	3,156,900
Northam Platinum	325,000	1,909,252
Northgate Minerals [a]	160,000	480,000
Pan American Silver	41,000	1,036,480
Royal Gold	34,400	1,651,200
Zhaojin Mining Industry	15,000	35,180
		25,443,054
Real Estate - 1.2%		
Consolidated-Tomoka Land	13,564	386,574
Midland Holdings	732,700	598,906

PICO Holdings [a]	106,100	3,179,817
Shimao Property Holdings	27,500	42,676
St. Joe Company (The) [a]	48,000	1,111,680
Tejon Ranch [a,c]	195,496	4,512,048
		9,831,701
Other Natural Resources - 0.2%		
China Forestry Holdings	2,700,000	968,548
Hidili Industry International Development [a]	60,000	43,947
Sino-Forest Corporation [a,c]	11,900	169,130
		1,181,625
Total (Cost $66,288,920)		89,605,746
Technology 19.9%		
Aerospace and Defense - 1.7%		
AerCap Holdings [a]	45,000	467,100
Ducommun	117,200	2,004,120
FLIR Systems [a]	75,000	2,181,750
Goodrich Corporation	3,800	251,750
HEICO Corporation	134,625	4,835,730

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Royce Value Trust

Schedule of Investments

	SHARES	VALUE
Technology (continued)		
Aerospace and Defense (continued)		
HEICO Corporation Cl. A	67,875	$ 1,829,231
Hexcel Corporation [a]	47,500	736,725
L-3 Communications Holdings	2,800	198,352
Mercury Computer Systems [a]	40,500	475,065
Moog Cl. A [a]	25,000	805,750
		13,785,573
Components and Systems - 4.8%		
AAC Acoustic Technologies Holdings	194,100	276,312
Analogic Corporation	40,135	1,826,544
Belden	57,800	1,271,600
Benchmark Electronics [a]	165,200	2,618,420
Checkpoint Systems [a]	56,060	973,202
China Digital TV Holding Company ADR [a]	5,000	27,300
Diebold	151,600	4,131,100
Dionex Corporation [a]	52,900	3,938,934
Electronics for Imaging [a]	8,517	83,041
Energy Conversion Devices [a,c]	84,500	346,450
EVS Broadcast Equipment	30,000	1,205,945
Hana Microelectronics	305,000	253,186
Intermec [a]	23,000	235,750
Newport Corporation [a]	483,500	4,380,510
Otsuka Corporation	3,200	203,711
Paragon Technologies	116,800	289,572
Perceptron [a]	357,700	1,573,880
Plexus Corporation [a]	215,700	5,767,818
Richardson Electronics	520,712	4,686,408
Shin Zu Shing	74,500	224,762
Technitrol	286,200	904,392
Teradata Corporation [a]	30,000	914,400
Vaisala Cl. A	116,000	2,635,174
VTech Holdings	24,050	255,122
Western Digital [a]	8,950	269,932
		39,293,465
Distribution - 1.0%		
Agilysys [a]	165,125	1,104,686
Anixter International [a]	61,795	2,632,467
Avnet [a]	8,000	192,880
China 3C Group [a]	6,600	1,987
Cogo Group [a]	51,965	324,261
Tech Data [a]	86,500	3,081,130
WPG Holdings	299,500	552,875

		7,890,286
Internet Software and Services - 0.1%		
NetEase.com ADR [a]	3,500	110,985
Perficient [a]	10,000	89,100
RealNetworks [a]	245,400	809,820
Sohu.com [a]	4,000	164,360
		1,174,265
IT Services - 2.4%		
AsiaInfo Holdings [a]	14,900	325,714
Black Box	43,798	1,221,526
ManTech International Cl. A [a]	35,400	1,506,978
Sapient Corporation	756,602	7,671,944
SRA International Cl. A [a]	248,800	4,893,896

	SHARES	VALUE
Technology (continued)		
IT Services (continued)		
Syntel	122,379	$ 4,154,767
Yucheng Technologies [a]	89,840	327,018
		20,101,843
Semiconductors and Equipment - 3.8%		
Analog Devices	19,104	532,237
ASM Pacific Technology	9,000	69,981
BE Semiconductor Industries [a]	58,000	249,400
Brooks Automation [a]	5,152	39,825
Chroma ATE	186,315	357,108
Cognex Corporation	236,200	4,152,396
Coherent [a]	215,500	7,391,650
Comba Telecom Systems Holdings	203,247	223,847
Cymer [a]	77,500	2,328,100
Delta Electronics	204,400	654,309
Diodes [a]	252,450	4,006,381
Exar Corporation [a]	157,576	1,092,002
Himax Technologies ADR [a]	80,500	234,255
Image Sensing Systems [a]	8,310	108,861
Integrated Device Technology [a]	395,000	1,955,250
International Rectifier [a]	120,000	2,233,200
Intevac [a]	57,450	612,991
Power Integrations	49,000	1,577,555
Seoul Semiconductor	8,200	289,406
TTM Technologies [a]	221,400	2,103,300
Vimicro International ADR [a]	240,000	1,084,800
		31,296,854
Software - 3.8%		
ACI Worldwide [a]	201,150	3,916,391
Activision Blizzard	23,100	242,319
Advent Software [a,c]	130,300	6,118,888
ANSYS [a]	100,000	4,057,000
Aspen Technology [a]	42,100	458,469
Aveva Group	40,000	669,757
Avid Technology [a]	176,000	2,240,480
Blackbaud	41,890	911,945

CA	8,100	149,040
DynaVox Cl. A [a,c]	55,000	880,550
Epicor Software [a]	79,900	638,401
Fair Isaac	44,500	969,655
JDA Software Group [a]	49,900	1,096,802
Majesco Entertainment [a,c]	36,255	25,741
National Instruments	167,900	5,335,862
NCSoft Corporation	1,700	280,264
Net 1 UEPS Technologies [a]	50,000	670,500
Novell [a]	309,284	1,756,733
Parametric Technology [a]	59,300	929,231
THQ [a]	20,000	86,400
		31,434,428
Telecommunications - 2.3%		
Adaptec [a]	1,568,800	4,533,832
ADTRAN	65,000	1,772,550
Citic 1616 Holdings	8,286,500	2,218,304
Comtech Telecommunications [a]	68,627	2,054,006
Globecomm Systems [a]	233,700	1,928,025

THE ACCOMPANYING NOTES ARE AN INTEGRAL PART OF THESE FINANCIAL STATEMENTS.

	SHARES	VALUE
Technology (continued)		
Telecommunications (continued)		
LiveWire Mobile	38,000	$ 115,900
NeuStar Cl. A [a]	154,000	3,175,480
Sonus Networks [a]	604,000	1,636,840
Sycamore Networks	88,100	1,464,222
Zhone Technologies [a]	224,000	333,760
		19,232,919
Total (Cost $159,102,839)		164,209,633
Miscellaneous[e] **4.7%**		
Total (Cost $39,229,087)		38,745,362
TOTAL COMMON STOCKS (Cost $851,823,517)		969,375,558
PREFERRED STOCKS 0.2%		
Bank of N.T. Butterfield & Son 0% Conv.[b]	39,800	41,445
Seneca Foods Conv. [a,b]	55,000	1,596,650
TOTAL PREFERRED STOCKS (Cost $844,625)		1,638,095

	VALUE
REPURCHASE AGREEMENT 9.1%	
State Street Bank & Trust Company, 0.005% dated 6/30/10, due 7/1/10, maturity value $75,361,010 (collateralized by obligations of various U.S. Government Agencies, 1.125% due 6/30/11, valued at $77,245,025) (Cost $75,361,000)	$ 75,361,000
COLLATERAL RECEIVED FOR SECURITIES LOANED 1.5%	
Money Market Funds	
Federated Government Obligations Fund (7 day yield-0.0409%) (Cost $12,049,430)	12,049,430
TOTAL INVESTMENTS 128.4% (Cost $940,078,572)	1,058,424,083
	(14,311,665)

LIABILITIES LESS CASH AND OTHER ASSETS (1.7)%	
PREFERRED STOCK (26.7)%	(220,000,000)
NET ASSETS APPLICABLE TO COMMON STOCKHOLDERS 100.0%	**$ 824,112,418**

New additions in 2010.

[a] Non-income producing.

[b] Securities for which market quotations are not readily available represent 0.2% of net assets. These securities have been valued at their fair value under procedures established by the Fund s Board of Directors.

[c] All or a portion of these securities were on loan at June 30, 2010. Total market value of loaned securities at June 30, 2010 was $11,334,559.

[d] At June 30, 2010, the Fund owned 5% or more of the Company s outstanding voting securities thereby making the Company an Affiliated Company as that term is defined in the Investment Company Act of 1940. See notes to financial statements.

[e] Includes securities first acquired in 2010 and less than 1% of net assets applicable to Common Stockholders.

Bold indicates the Fund s 20 largest equity holdings in terms of June 30, 2010 market value.

TAX INFORMATION: The cost of total investments for Federal income tax purposes was $941,004,426. At June 30, 2010, net unrealized appreciation for all securities was $117,419,657, consisting of aggregate gross unrealized appreciation of $259,955,293 and aggregate gross unrealized depreciation of $142,535,636. The primary difference between book and tax basis cost is the timing of losses on securities sold.

THE ACCOMPANYING NOTES ARE AN INTEGRAL PART OF THESE FINANCIAL STATEMENTS.

Royce Value Trust

June 30, 2010 (unaudited)

Statement of Assets and Liabilities

ASSETS:	
Investments at value (including collateral on loaned securities)*	
Non-Affiliated Companies (Cost $858,979,256)	$ 981,524,107
Affiliated Companies (Cost $5,738,316)	1,538,976
Total investments at value	983,063,083
Repurchase agreements (at cost and value)	75,361,000
Cash and foreign currency	162,891
Receivable for investments sold	2,273,632
Receivable for dividends and interest	835,402
Prepaid expenses and other assets	370,703
Total Assets	1,062,066,711
LIABILITIES:	
Payable for collateral on loaned securities	12,049,430
Payable for investments purchased	5,347,224
Preferred dividends accrued but not yet declared	288,449
Accrued expenses	269,190
Total Liabilities	17,954,293
PREFERRED STOCK:	
5.90% Cumulative Preferred Stock - $0.001 par value, $25 liquidation value per share; 8,800,000 shares outstanding	220,000,000
Total Preferred Stock	220,000,000
NET ASSETS APPLICABLE TO COMMON STOCKHOLDERS	$ 824,112,418
ANALYSIS OF NET ASSETS APPLICABLE TO COMMON STOCKHOLDERS:	
Common Stock paid-in capital - $0.001 par value per share; 66,023,310 shares outstanding (150,000,000 shares authorized)	$ 783,354,589
Undistributed net investment income (loss)	9,323,557
Accumulated net realized gain (loss) on investments and foreign currency	(80,099,704)
Net unrealized appreciation (depreciation) on investments and foreign currency	118,312,425
Unallocated and accrued distributions	(6,778,449)
Net Assets applicable to Common Stockholders (net asset value per share - $12.48)	$ 824,112,418
*Investments at identified cost (including $12,049,430 of collateral on loaned securities)	$ 864,717,572
Market value of loaned securities	11,334,559

THE ACCOMPANYING NOTES ARE AN INTEGRAL PART OF THESE FINANCIAL STATEMENTS.

Royce Value Trust

Six Months Ended June 30, 2010 (unaudited)

Statement of Operations

INVESTMENT INCOME:	
Income:	
Dividends*	
Non-Affiliated Companies	$ 7,450,392
Affiliated Companies	4,692
Interest	119,464
Securities lending	143,451
Total income	7,717,999
Expenses:	
Investment advisory fees	
Custody and transfer agent fees	167,495
Stockholder reports	133,620
Administrative and office facilities	60,991
Directors fees	55,803
Professional fees	37,701
Other expenses	74,794
Total expenses	530,404
Compensating balance credits	(51)
Net expenses	530,353
Net investment income (loss)	7,187,646
REALIZED AND UNREALIZED GAIN (LOSS) ON INVESTMENTS AND FOREIGN CURRENCY:	
Net realized gain (loss):	
Investments	25,603,414
Foreign currency transactions	(91,514)
Net change in unrealized appreciation (depreciation):	
Investments and foreign currency translations	(51,842,304)
Other assets and liabilities denominated in foreign currency	(31,572)
Net realized and unrealized gain (loss) on investments and foreign currency	(26,361,976)
NET INCREASE (DECREASE) IN NET ASSETS FROM INVESTMENT OPERATIONS	(19,174,330)
DISTRIBUTIONS TO PREFERRED STOCKHOLDERS	(6,490,000)
NET INCREASE (DECREASE) IN NET ASSETS APPLICABLE TO COMMON STOCKHOLDERS FROM INVESTMENT OPERATIONS	$ (25,664,330)

* Net of foreign withholding tax of $320,164.

THE ACCOMPANYING NOTES ARE AN INTEGRAL PART OF THESE FINANCIAL STATEMENTS.

Royce Value Trust

Statement of Changes in Net Assets Applicable to Common Stockholders

	Six months ended 6/30/10 (unaudited)	Year ended 12/31/09
INVESTMENT OPERATIONS:		
Net investment income (loss)	$ 7,187,646	$ 11,139,693
Net realized gain (loss) on investments and foreign currency	25,511,900	(81,218,148)
Net change in unrealized appreciation (depreciation) on investments and foreign currency	(51,873,876)	340,204,807
Net increase (decrease) in net assets from investment operations	(19,174,330)	270,126,352
DISTRIBUTIONS TO PREFERRED STOCKHOLDERS:		
Net investment income		(11,909,351)
Net realized gain on investments and foreign currency		
Return of capital		(1,070,649)
Unallocated distributions*	(6,490,000)	
Total distributions to Preferred Stockholders	(6,490,000)	(12,980,000)
NET INCREASE (DECREASE) IN NET ASSETS APPLICABLE TO COMMON STOCKHOLDERS FROM INVESTMENT OPERATIONS	(25,664,330)	257,146,352
DISTRIBUTIONS TO COMMON STOCKHOLDERS:		
Net investment income		
Net realized gain on investments and foreign currency		
Return of capital		(20,600,435)
Total distributions to Common Stockholders		(20,600,435)
CAPITAL STOCK TRANSACTIONS:		
Reinvestment of distributions to Common Stockholders		9,996,769
Total capital stock transactions		9,996,769
NET INCREASE (DECREASE) IN NET ASSETS APPLICABLE TO COMMON STOCKHOLDERS	(25,664,330)	246,542,686
NET ASSETS APPLICABLE TO COMMON STOCKHOLDERS:		
Beginning of period	849,776,748	603,234,062
End of period (including undistributed net investment income (loss) of $9,323,557 at 6/30/10 and $2,135,911 at 12/31/09)	$ 824,112,418	$ 849,776,748

* To be allocated to net investment income, net realized gains and/or return of capital at year end.

THE ACCOMPANYING NOTES ARE AN INTEGRAL PART OF THESE FINANCIAL STATEMENTS.

Royce Value Trust

Financial Highlights

This table is presented to show selected data for a share of Common Stock outstanding throughout each period, and to assist stockholders in evaluating the Fund s performance for the periods presented.

	Six months ended June 30, 2010 (unaudited)	Years ended December 31,				
		2009	2008	2007	2006	2005
NET ASSET VALUE, BEGINNING OF PERIOD	$ 12.87	$ 9.37	$ 19.74	$ 20.62	$ 18.87	$ 18.95
INVESTMENT OPERATIONS:						
Net investment income (loss)	0.11	0.17	0.14	0.09	0.13	0.01
Net realized and unrealized gain (loss) on investments and foreign currency	(0.40)	3.87	(8.50)	1.13	3.63	1.75
Total investment operations	(0.29)	4.04	(8.36)	1.22	3.76	1.76
DISTRIBUTIONS TO PREFERRED STOCKHOLDERS:						
Net investment income		(0.18)	(0.01)	(0.01)	(0.02)	
Net realized gain on investments and foreign currency			(0.20)	(0.21)	(0.21)	(0.24)
Return of capital		(0.02)				
Unallocated distributions*	(0.10)					
Total distributions to Preferred Stockholders	(0.10)	(0.20)	(0.21)	(0.22)	(0.23)	(0.24)
NET INCREASE (DECREASE) IN NET ASSETS APPLICABLE TO COMMON STOCKHOLDERS FROM INVESTMENT OPERATIONS	(0.39)	3.84	(8.57)	1.00	3.53	1.52

DISTRIBUTIONS TO COMMON STOCKHOLDERS:						
Net investment income			(0.06)	(0.09)	(0.14)	
Net realized gain on investments and foreign currency			(1.18)	(1.76)	(1.64)	(1.61)
Return of capital		(0.32)	(0.48)			
Total distributions to Common Stockholders		(0.32)	(1.72)	(1.85)	(1.78)	(1.61)
CAPITAL STOCK TRANSACTIONS:						
Effect of reinvestment of distributions by Common Stockholders		(0.02)	(0.08)	(0.03)	(0.00)	0.01
Total capital stock transactions		(0.02)	(0.08)	(0.03)	(0.00)	0.01
NET ASSET VALUE, END OF PERIOD	$ 12.48	$ 12.87	$ 9.37	$ 19.74	$ 20.62	$ 18.87
MARKET VALUE, END OF PERIOD	$ 10.57	$ 10.79	$ 8.39	$ 18.58	$ 22.21	$ 20.08
TOTAL RETURN (a):						
Market Value	(2.04)%***	35.39%	(48.27)%	(8.21)%	20.96%	6.95%
Net Asset Value	(3.03)%***	44.59%	(45.62)%	5.04%	19.50%	8.41%
RATIOS BASED ON AVERAGE NET ASSETS APPLICABLE TO COMMON STOCKHOLDERS:						
Total expenses (b,c)	0.12%**	0.16%	1.39%	1.38%	1.29%	1.49%
Investment advisory fee expense (d)	0.00%**	0.00%	1.27%	1.29%	1.20%	1.37%
Other operating expenses	0.12%**	0.16%	0.12%	0.09%	0.09%	0.12%
Net investment income (loss)	1.63%**	1.66%	0.94%	0.43%	0.62%	0.03%
SUPPLEMENTAL DATA:						
Net Assets Applicable to Common Stockholders, End of Period (in thousands)	$ 824,112	$ 849,777	$ 603,234	$1,184,669	$1,180,428	$1,032,120
Liquidation Value of Preferred Stock,						

End of Period (in thousands)	$ 220,000	$ 220,000	$ 220,000	$ 220,000	$ 220,000	$ 220,000
Portfolio Turnover Rate	13%	31%	25%	26%	21%	31%
PREFERRED STOCK:						
Total shares outstanding	8,800,000	8,800,000	8,800,000	8,800,000	8,800,000	8,800,000
Asset coverage per share	$ 118.65	$ 121.57	$ 93.55	$ 159.62	$ 159.14	$ 142.29
Liquidation preference per share	$ 25.00	$ 25.00	$ 25.00	$ 25.00	$ 25.00	$ 25.00
Average month-end market value per share	$ 24.82	$ 23.18	$ 22.51	$ 23.68	$ 23.95	$ 24.75

(a) The Market Value Total Return is calculated assuming a purchase of Common Stock on the opening of the first business day and a sale on the closing of the last business day of each period reported. Dividends and distributions are assumed for the purposes of this calculation to be reinvested at prices obtained under the Fund s Distribution Reinvestment and Cash Purchase Plan. Net Asset Value Total Return is calculated on the same basis, except that the Fund s net asset value is used on the purchase and sale dates instead of market value.

(b) Expense ratios based on total average net assets including liquidation value of Preferred Stock were 0.10%, 0.12%, 1.13%, 1.17%, 1.08% and 1.22% for the periods ended June 30, 2010 and December 31, 2009, 2008, 2007, 2006 and 2005 respectively.

(c) Expense ratios based on average net assets applicable to Common Stockholders before waiver of fees and after earnings credits would have been 0.12%, 0.16%, 1.39%, 1.38%, 1.29% and 1.49% for the periods ended June 30, 2010 and December 31, 2009, 2008, 2007, 2006 and 2005, respectively.

(d) The investment advisory fee is calculated based on average net assets over a rolling 60-month basis, while the above ratios of investment advisory fee expenses are based on the average net assets applicable to Common Stockholders over a 12-month basis.

* To be allocated to net investment income, net realized gains and/or return of capital at year end.

** Annualized.

*** Not annualized.

THE ACCOMPANYING NOTES ARE AN INTEGRAL PART OF THESE FINANCIAL STATEMENTS.

Royce Value Trust

Notes to Financial Statements (unaudited)

Summary of Significant Accounting Policies:

Royce Value Trust, Inc. (the Fund), was incorporated under the laws of the State of Maryland on July 1, 1986 as a diversified closed-end investment company. The Fund commenced operations on November 26, 1986.

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and the disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of income and expenses during the reporting period. Actual results could differ from those estimates.

Under the Fund s organizational documents, the officers and directors are indemnified against certain liabilities that may arise out of the performance of their duties to the Fund. Additionally, in the normal course of business, the Fund enters into contracts with service providers that contain general indemnification clauses. The Fund s maximum exposure under these arrangements is unknown as this would involve future claims that may be made against the Fund that have not yet occurred. However, based on experience, the Fund expects the risk of loss to be remote.

Valuation of Investments:

Securities are valued as of the close of trading on the New York Stock Exchange (NYSE) (generally 4:00 p.m. Eastern time) on the valuation date. Securities that trade on an exchange, and securities traded on Nasdaq s Electronic Bulletin Board, are valued at their last reported sales price or Nasdaq official closing price taken from the primary market in which each security trades or, if no sale is reported for such day, at their bid price. Other over-the-counter securities for which market quotations are readily available are valued at their highest bid price, except in the case of some bonds and other fixed income securities which may be valued by reference to other securities with comparable ratings, interest rates and maturities, using established independent pricing services. The Fund values its non-U.S. dollar denominated securities in U.S. dollars daily at the prevailing foreign currency exchange rates as quoted by a major bank. Securities for which market quotations are not readily available are valued at their fair value under procedures established by the Fund s Board of Directors. In addition, if, between the time trading ends on a particular security and the close of the customary trading session on the NYSE, events occur that are significant and may make the closing price unreliable, the Fund may fair value the security. The Fund uses an independent pricing service to provide fair value estimates for relevant non-U.S. equity securities on days when the U.S. market volatility exceeds a certain threshold. This pricing service uses proprietary correlations it has developed between the movement of prices of non-U.S. equity securities and indices of U.S.-traded securities, futures contracts and other indications to estimate the fair value of relevant non-U.S. securities. When fair value pricing is employed, the prices of securities used by the Fund may differ from quoted or published prices for the same security. Investments in money market funds are valued at net asset value per share.

Various inputs are used in determining the value of the Fund s investments, as noted above. These inputs are summarized in the three broad levels below:

Level 1 quoted prices in active markets for identical securities

Level 2 other significant observable inputs (including quoted prices for similar securities, foreign securities that may be fair valued and repurchase agreements)

Level 3 significant unobservable inputs (including the Fund s own assumptions in determining the fair value of investments)

The inputs or methodology used for valuing securities are not necessarily an indication of the risk associated with investing in those securities.

The following is a summary of the inputs used to value the Fund s investments as of June 30, 2010:

	Level 1	Level 2	Level 3	Total
Common stocks	$783,907,625	$185,300,216	$ 167,717	$969,375,558
Preferred stocks			1,638,095	1,638,095
Cash equivalents	12,049,430	75,361,000		87,410,430

Level 3
Reconciliation:

Realized
and

	Balance as of 12/31/09	Purchases	Transfers In	Sales	Unrealized Gain (Loss)[1]	Balance as of 6/30/10
Common stocks	$ 215,542	$	$	$ 56	$ (47,769)	$ 167,717
Preferred stocks	1,826,055	48,157		482,781	246,664	1,638,095

[1] The net change in unrealized appreciation (depreciation) is included in the accompanying Statement of Operations. Change in unrealized appreciation (depreciation) includes net unrealized appreciation (depreciation) resulting from changes in investment values during the reporting period and the reversal of previously recorded unrealized appreciation (depreciation) when gains or losses are realized. Net realized gain (loss) from investments and foreign currency transactions is included in the accompanying Statement of Operations.

Royce Value Trust

Notes to Financial Statements (unaudited) (continued)

Repurchase Agreements:

The Fund may enter into repurchase agreements with institutions that the Fund s investment adviser has determined are creditworthy. The Fund restricts repurchase agreements to maturities of no more than seven days. Securities pledged as collateral for repurchase agreements, which are held until maturity of the repurchase agreements, are marked-to-market daily and maintained at a value at least equal to the principal amount of the repurchase agreement (including accrued interest). Repurchase agreements could involve certain risks in the event of default or insolvency of the counter-party, including possible delays or restrictions upon the ability of the Fund to dispose of its underlying securities.

Foreign Currency:

Net realized foreign exchange gains or losses arise from sales and maturities of short-term securities, sales of foreign currencies, expiration of currency forward contracts, currency gains or losses realized between the trade and settlement dates on securities transactions, and the difference between the amounts of dividends, interest, and foreign withholding taxes recorded on the Fund s books and the U.S. dollar equivalent of the amounts actually received or paid. Net unrealized foreign exchange gains and losses arise from changes in the value of assets and liabilities, including investments in securities at the end of the reporting period, as a result of changes in foreign currency exchange rates.

Securities Lending:

The Fund loans securities to qualified institutional investors for the purpose of realizing additional income. Collateral for the Fund on all securities loaned is accepted in cash and cash equivalents and invested temporarily by the custodian. The collateral maintained is at least 100% of the current market value of the loaned securities. The market value of the loaned securities is determined at the close of business of the Fund and any additional required collateral is delivered to the Fund on the next business day. The Fund retains the risk of any loss on the securities on loan as well as incurring the potential loss on investments purchased with cash collateral received for securities lending.

Taxes:

As a qualified regulated investment company under Subchapter M of the Internal Revenue Code, the Fund is not subject to income taxes to the extent that it distributes substantially all of its taxable income for its fiscal year. The Schedule of Investments includes information regarding income taxes under the caption Tax Information .

Distributions:

Effective May 18, 2009, the Fund pays any dividends and capital gain distributions annually in December on the Fund s Common Stock. Prior to that date, the Fund paid quarterly distributions on the Fund s Common Stock at the annual rate of 9% of the rolling average of the prior four calendar quarter-end NAVs of the Fund s Common Stock, with the fourth quarter distribution being the greater of 2.25% of the rolling average or the distribution required by IRS regulations. Distributions to Preferred Stockholders are accrued daily and paid quarterly and distributions to Common Stockholders are recorded on ex-dividend date. Distributable capital gains and/or net investment income are first allocated to Preferred Stockholder distributions, with any excess allocable to Common Stockholders. If capital gains and/or net investment income are allocated to both Preferred and Common Stockholders, the tax character of such allocations is proportional. To the extent that distributions are not paid from long-term capital gains, net investment income or net short-term capital gains, they will represent a return of capital. Distributions are determined in accordance with income tax regulations that may differ from accounting principles generally accepted in the United States of America. Permanent book and tax differences relating to stockholder distributions will result in reclassifications within the capital accounts. Undistributed net investment income may include temporary book and tax basis differences, which will reverse in a subsequent period. Any taxable income or gain remaining undistributed at fiscal year end is distributed in the following year.

Investment Transactions and Related Investment Income:

Investment transactions are accounted for on the trade date. Dividend income is recorded on the ex-dividend date. Non-cash dividend income is recorded at the fair market value of the securities received. Interest income is recorded on an accrual basis. Premium and discounts on debt securities are amortized using the effective yield-to-maturity method. Realized gains and losses from investment transactions are determined on the basis of identified cost for book and tax purposes.

Expenses:

The Fund incurs direct and indirect expenses. Expenses directly attributable to the Fund are charged to the Fund s operations, while expenses applicable to more than one of the Royce Funds are allocated equitably. Certain personnel, occupancy costs and other administrative expenses related to The Royce Funds are allocated by Royce & Associates, LLC (Royce) under an administration agreement and are included in administrative and office facilities and professional fees. The Fund has adopted a deferred fee agreement that allows the Directors to defer the receipt of all or a portion of Directors Fees otherwise payable. The deferred fees are invested in certain Royce Funds until distributed in accordance with the agreement.

Compensating Balance Credits:

The Fund has an arrangement with its custodian bank, whereby a portion of the custodian s fee is paid indirectly by credits earned on the Fund s cash on deposit with the bank. This deposit arrangement is an alternative to purchasing overnight investments. Conversely, the Fund pays interest to the custodian on any cash overdrafts, to the extent they are not offset by credits earned on positive cash balances.

Royce Value Trust

Notes to Financial Statements (unaudited) (continued)

Capital Stock:

The Fund issued 1,646,914 shares of Common Stock as reinvestment of distributions by Common Stockholders for the year ended December 31, 2009.

At June 30, 2010, 8,800,000 shares of 5.90% Cumulative Preferred Stock were outstanding. The Fund, at its option, may redeem the Cumulative Preferred Stock, in whole or in part, at the redemption price. The Cumulative Preferred Stock is classified outside of permanent equity (net assets applicable to Common Stockholders) in the accompanying financial statements in accordance with accounting for redeemable equity instruments, that requires preferred securities that are redeemable for cash or other assets to be classified outside of permanent equity to the extent that the redemption is at a fixed or determinable price and at the option of the holder or upon the occurrence of an event that is not solely within the control of the issuer.

The Fund is required to meet certain asset coverage tests with respect to the Cumulative Preferred Stock as required by the 1940 Act. In addition, pursuant to the Rating Agency Guidelines established by Moody s, the Fund is required to maintain a certain discounted asset coverage. If the Fund fails to meet these requirements and does not correct such failure, the Fund may be required to redeem, in part or in full, the Cumulative Preferred Stock at a redemption price of $25.00 per share, plus an amount equal to the accumulated and unpaid dividends, whether or not declared on such shares, in order to meet these requirements. Additionally, failure to meet the foregoing asset coverage requirements could restrict the Fund s ability to pay dividends to Common Stockholders and could lead to sales of portfolio securities at inopportune times. The Fund has met these requirements since issuing the Cumulative Preferred Stock.

Investment Advisory Agreement:

As compensation for its services under the Investment Advisory Agreement, Royce receives a fee comprised of a Basic Fee (Basic Fee) and an adjustment to the Basic Fee based on the investment performance of the Fund in relation to the investment record of the S&P SmallCap 600 Index (S&P 600).

The Basic Fee is a monthly fee equal to 1/12 of 1% (1% on an annualized basis) of the average of the Fund s month-end net assets applicable to Common Stockholders, plus the liquidation value of Preferred Stock, for the rolling 60-month period ending with such month (the performance period). The Basic Fee for each month is increased or decreased at the rate of 1/12 of .05% for each percentage point that the investment performance of the Fund exceeds, or is exceeded by, the percentage change in the investment record of the S&P 600 for the performance period by more than two percentage points. The performance period for each such month is a rolling 60-month period ending with such month. The maximum increase or decrease in the Basic Fee for any month may not exceed 1/12 of .5%. Accordingly, for each month, the maximum monthly fee rate as adjusted for performance is 1/12 of 1.5% and is payable if the investment performance of the Fund exceeds the percentage change in the investment record of the S&P 600 by 12 or more percentage points for the performance period, and the minimum monthly fee rate as adjusted for performance is 1/12 of .5% and is payable if the percentage change in the investment record of the S&P 600 exceeds the investment performance of the Fund by 12 or more percentage points for the performance period.

Notwithstanding the foregoing, Royce is not entitled to receive any fee for any month when the investment performance of the Fund for the rolling 36-month period ending with such month is negative. In the event that the Fund s investment performance for such a performance period is less than zero, Royce will not be required to refund to the Fund any fee earned in respect of any prior performance period.

Royce has voluntarily committed to waive the portion of its investment advisory fee attributable to an issue of the Fund s Preferred Stock for any month in which the Fund s average annual NAV total return since issuance of the Preferred Stock fails to exceed the applicable Preferred Stock s dividend rate.

For each of the six rolling 36-month periods ended June 30, 2010, the Fund had negative investment performance and, accordingly, paid no investment advisory fee.

Purchases and Sales of Investment Securities:

For the six months ended June 30, 2010, the costs of purchases and proceeds from sales of investment securities, other than short-term securities and collateral received for securities loaned, amounted to $129,995,181 and $130,884,494, respectively.

Transactions in Affiliated Companies:

An Affiliated Company as defined in the Investment Company Act of 1940, is a company in which a fund owns 5% or more of the company s outstanding voting securities at any time during the period. The Fund effected the following transactions in shares of such companies for the six months ended June 30, 2010:

Affiliated Company	Shares 12/31/09	Market Value 12/31/09	Cost of Purchases	Cost of Sales	Realized Gain (Loss)	Dividend Income	Shares 6/30/10	Market Value 6/30/10
Timberland Bancorp	469,200	$2,083,248				$4,692	469,200	$1,538,976
		$2,083,248				$4,692		$1,538,976

Royce Micro-Cap Trust

June 30, 2010 (unaudited)

Schedule of Investments

	SHARES	VALUE
COMMON STOCKS 115.4%		
Consumer Products 9.1%		
Apparel, Shoes and Accessories - 2.2%		
K-Swiss Cl. A [a]	72,400	$ 813,052
Luk Fook Holdings (International)	748,300	939,143
Movado Group [a]	132,814	1,418,454
Steven Madden [a]	15,450	486,984
True Religion Apparel [a]	19,300	425,951
Weyco Group	48,000	1,093,440
Yamato International	40,000	149,989
		5,327,013
Consumer Electronics - 0.7%		
DTS [a]	50,000	1,643,500
Food/Beverage/Tobacco - 2.8%		
Asian Citrus Holdings	1,060,000	776,156
Binggrae Company	19,100	785,886
Cal-Maine Foods	22,500	718,425
Heckmann Corporation [a,b]	200,000	928,000
HQ Sustainable Maritime Industries [a,b]	72,800	364,000
Seneca Foods Cl. A [a]	51,400	1,658,164
Seneca Foods Cl. B [a]	42,500	1,378,700
		6,609,331
Health, Beauty and Nutrition - 0.4%		
NutriSystem	38,500	883,190
Home Furnishing and Appliances - 2.8%		
American Woodmark	72,000	1,231,200
Ethan Allen Interiors	66,600	931,734
Flexsteel Industries	172,500	1,897,500
Koss Corporation	73,400	386,084
Lumber Liquidators Holdings [a,b]	23,900	557,587
Natuzzi ADR [a]	409,800	1,208,910
Universal Electronics [a]	33,000	548,790
		6,761,805
Sports and Recreation - 0.1%		
Sturm, Ruger & Company	12,300	176,259

Other Consumer Products - 0.1%		
CSS Industries	20,243	334,010
Total (Cost $16,417,987)		21,735,108
Consumer Services 3.4%		
Media and Broadcasting - 0.5%		
Ascent Media Cl. A [a]	41,500	1,048,290
Online Commerce - 0.3%		
CryptoLogic [a,b]	88,300	169,536
PetMed Express	33,600	598,080
		767,616
Retail Stores - 2.6%		
America s Car-Mart [a]	92,800	2,100,064
Charming Shoppes [a]	266,200	998,250
DSW Cl. A [a]	1,800	40,428
Le Chateau Cl. A	27,900	332,583
Lewis Group	57,000	436,301
QKL Stores [a,b]	38,740	162,708
Stein Mart [a]	178,900	1,114,547

	SHARES	VALUE
Consumer Services (continued)		
Retail Stores (continued)		
West Marine [a]	86,000	$ 935,680
Wet Seal (The) Cl. A [a]	50,000	182,500
		6,303,061
Total (Cost $7,884,791)		8,118,967
Diversified Investment Companies 1.3%		
Closed-End Funds - 1.3%		
ASA	30,000	811,200
Central Fund of Canada Cl. A	131,700	1,984,719
Urbana Corporation [a]	237,600	334,789
Total (Cost $1,534,612)		3,130,708
Financial Intermediaries 9.8%		
Banking - 4.7%		
Alliance Bancorp, Inc. of Pennsylvania	50,420	418,486
Banca Finnat Euramerica	910,000	598,697
BCB Holdings [a]	806,207	1,114,213
BofI Holding [a,b]	136,000	1,920,320
Cass Information Systems	15,000	513,750
Centrue Financial [a]	66,600	133,200
CFS Bancorp	75,000	364,500
Chemung Financial	40,000	806,400
Commercial National Financial	20,000	323,000
Fauquier Bankshares	135,800	2,070,950
Financial Institutions	36,000	639,360
First Bancorp	40,200	527,826
HopFed Bancorp	55,000	496,650

LCNB Corporation	30,000	352,500
Mechanics Bank	5	55,000
Wilber Corporation (The)	137,908	820,553
		11,155,405
Insurance - 0.8%		
Greenlight Capital Re Cl. A [a]	9,500	239,305
Independence Holding	95,800	571,926
Presidential Life	132,100	1,202,110
		2,013,341
Real Estate Investment Trusts - 1.0%		
Colony Financial	124,717	2,107,717
Vestin Realty Mortgage II [a,b]	214,230	291,353
		2,399,070
Securities Brokers - 2.7%		
Cowen Group Cl. A [a]	377,834	1,549,119
Diamond Hill Investment Group	24,479	1,387,715
FBR Capital Markets [a]	326,600	1,087,578
International Assets Holding Corporation [a]	17,310	276,960
Sanders Morris Harris Group	199,000	1,104,450
Thomas Weisel Partners Group [a]	176,200	1,037,818
		6,443,640
Securities Exchanges - 0.6%		
Bolsa Mexicana de Valores	948,500	1,490,253
Total (Cost $28,960,782)		23,501,709

THE ACCOMPANYING NOTES ARE AN INTEGRAL PART OF THESE FINANCIAL STATEMENTS.

Royce Micro-Cap Trust

Schedule of Investments

	SHARES	VALUE
Financial Services 9.8%		
Diversified Financial Services - 0.2%		
Encore Capital Group [a]	22,000	$ 453,420
Information and Processing - 0.2%		
Value Line	32,487	589,314
Insurance Brokers - 0.1%		
Western Financial Group	148,000	353,126
Investment Management - 5.3%		
BKF Capital Group [a]	130,200	121,086
Cohen & Steers	27,900	578,646
Dundee Corporation Cl. A [a]	140,200	1,602,775
Endeavour Financial[b]	618,200	1,277,573
Endeavour Financial (Warrants) [a]	50,000	38,514
Epoch Holding Corporation	196,500	2,411,055
Evercore Partners Cl. A	13,200	308,220
JZ Capital Partners	293,999	1,193,234
MVC Capital	126,200	1,630,504
Queen City Investments	948	1,028,580
Sceptre Investment Counsel	78,000	482,119
Sprott Resource [a]	70,000	264,337
U.S. Global Investors Cl. A	91,500	507,825
VZ Holding	15,000	1,212,410
		12,656,878
Special Purpose Acquisition Corporation - 0.4%		
Westway Group [a]	220,000	897,600
Specialty Finance - 0.5%		
NGP Capital Resources	68,080	488,134
World Acceptance [a,b]	16,500	632,115
		1,120,249
Other Financial Services - 3.1%		
Hilltop Holdings [a]	101,400	1,015,014
Kennedy-Wilson Holdings [a]	631,766	6,380,836
		7,395,850
Total (Cost $21,005,886)		23,466,437

Health 9.6%

Commercial Services - 0.7%		
PAREXEL International [a]	40,000	867,200
PDI [a]	96,800	801,504
		1,668,704
Drugs and Biotech - 1.6%		
Adolor Corporation [a,b]	460,500	501,945
American Oriental Bioengineering [a,b]	100,400	253,008
China Nuokang Bio-Pharmaceutical ADR [a,b]	11,147	50,161
Hi-Tech Pharmacal [a]	17,700	405,507
Lannett Company [a,b]	34,410	157,254
Simcere Pharmaceutical Group ADR [a]	25,700	212,796
Sinovac Biotech [a]	90,400	418,552
Strategic Diagnostics [a]	150,000	271,500
Theragenics Corporation [a]	306,900	352,935
3SBio ADR [a]	58,880	684,774
ViroPharma [a]	37,000	414,770
		3,723,202

	SHARES	VALUE
Health (continued)		
Health Services - 2.4%		
Advisory Board (The) [a]	51,700	$ 2,221,032
Genoptix [a]	6,173	106,176
Gentiva Health Services [a]	23,000	621,230
HMS Holdings [a]	11,900	645,218
On Assignment [a]	41,100	206,733
PharMerica Corporation [a]	40,000	586,400
Psychemedics Corporation	37,500	305,250
Res-Care [a]	80,620	778,789
U.S. Physical Therapy [a]	10,000	168,800
		5,639,628
Medical Products and Devices - 4.9%		
Allied Healthcare Products [a]	226,798	775,649
Atrion Corporation	5,500	742,775
CAS Medical Systems [a]	62,600	110,802
Exactech [a]	121,000	2,066,680
Kensey Nash [a]	33,981	805,690
Medical Action Industries [a]	147,950	1,773,920
Mesa Laboratories	48,267	1,159,373
NMT Medical [a]	198,500	104,153
Quidel [a,b]	25,000	317,250
STRATEC Biomedical Systems	14,000	465,568
Syneron Medical [a,b]	69,200	711,376
Utah Medical Products	42,300	1,054,962
Young Innovations	61,450	1,729,818
		11,818,016
Total (Cost $19,324,616)		22,849,550

Industrial Products 23.2%		
Automotive - 0.9%		
Fuel Systems Solutions [a,b]	10,000	259,500
Norstar Founders Group [a,c]	771,500	36,163
SORL Auto Parts [a,b]	68,277	568,065
US Auto Parts Network [a]	160,900	965,400
Wonder Auto Technology [a,b]	39,550	289,506
Xinyi Glass Holdings	424,800	158,633
		2,277,267
Building Systems and Components - 2.7%		
AAON	73,000	1,701,630
Apogee Enterprises	57,900	627,057
Drew Industries [a]	90,000	1,818,000
LSI Industries	79,812	389,483
NCI Building Systems [a]	8,400	70,308
Preformed Line Products	22,800	637,260
WaterFurnace Renewable Energy	45,200	1,132,388
		6,376,126
Construction Materials - 1.9%		
Ash Grove Cement	8,000	1,408,000
Monarch Cement	52,303	1,367,723
Trex Company [a]	90,000	1,808,100
		4,583,823
Industrial Components - 2.1%		
Bel Fuse Cl. A	67,705	1,123,903
Deswell Industries	564,371	2,088,173

THE ACCOMPANYING NOTES ARE AN INTEGRAL PART OF THESE FINANCIAL STATEMENTS.

	SHARES	VALUE
Industrial Products (continued)		
Industrial Components (continued)		
Graham Corporation	48,500	$ 727,015
Powell Industries [a]	36,800	1,006,112
		4,945,203
Machinery - 6.5%		
Burckhardt Compression Holding	2,100	370,078
Burnham Holdings Cl. A	113,000	1,627,200
Columbus McKinnon [a]	25,100	350,647
Duoyuan Printing [a,b]	70,900	547,348
Eastern Company (The)	39,750	582,735
FreightCar America	52,800	1,194,336
Hardinge	77,151	657,327
Hollysys Automation Technologies [a,b]	162,292	1,462,251
Hurco Companies [a]	52,366	777,635
Jinpan International	90,224	1,367,796
Rofin-Sinar Technologies [a]	37,000	770,340
Sun Hydraulics	65,425	1,534,870
Tennant Company	92,300	3,121,586
Williams Controls [a]	125,000	1,131,250
		15,495,399
Metal Fabrication and Distribution - 3.0%		
Central Steel & Wire	1,088	717,536
CompX International Cl. A	107,500	1,058,875
Encore Wire	15,000	272,850
Foster (L.B.) Company Cl. A [a]	20,900	541,728
Fushi Copperweld [a]	29,483	241,171
Horsehead Holding Corporation [a]	57,300	433,188
Ladish Company [a]	45,000	1,022,400
NN [a]	114,300	571,500
Olympic Steel	22,000	505,340
RBC Bearings [a]	6,500	188,435
RTI International Metals [a]	69,900	1,685,289
		7,238,312
Miscellaneous Manufacturing - 2.8%		
AZZ	15,000	551,550
China Automation Group	341,700	221,663
Griffon Corporation [a]	89,500	989,870
PMFG [a]	143,800	2,178,570
Raven Industries	58,400	1,968,664
Semperit AG Holding	12,500	427,396

Synalloy Corporation	58,200	486,552
		6,824,265
Pumps, Valves and Bearings - 0.3%		
CIRCOR International	28,000	716,240
Specialty Chemicals and Materials - 2.7%		
Aceto Corporation	72,219	413,815
Balchem Corporation	63,375	1,584,375
China XD Plastics [a,b]	86,000	584,800
Gulf Resources [a,b]	12,250	105,227
Hawkins	69,866	1,682,373
Park Electrochemical	15,400	375,914
Rogers Corporation [a]	58,400	1,621,768
		6,368,272

	SHARES	VALUE
Industrial Products (continued)		
Textiles - 0.1%		
Interface Cl. A	27,000	$ 289,980
Other Industrial Products - 0.2%		
MTS Systems	10,000	290,000
Research Frontiers [a,b]	50,000	221,000
		511,000
Total (Cost $39,763,605)		55,625,887
Industrial Services 13.8%		
Commercial Services - 5.8%		
Acacia Research-Acacia Technologies [a]	65,290	929,077
ATC Technology [a]	32,000	515,840
CBIZ [a]	47,000	298,920
Diamond Management & Technology Consultants	138,100	1,423,811
Exponent [a]	58,400	1,910,848
Forrester Research [a]	54,900	1,661,274
Global Sources [a,b]	29,015	227,477
Heidrick & Struggles International	10,000	228,200
Heritage-Crystal Clean [a]	113,301	912,073
Kforce [a]	60,000	765,000
Rentrak Corporation [a]	63,300	1,540,089
SFN Group [a]	426,600	2,329,236
Spectrum Group International [a,b]	6,925	12,673
Team [a]	93,940	1,225,917
		13,980,435
Engineering and Construction - 1.7%		
Cavco Industries [a]	12,491	439,434
Comfort Systems USA	22,600	218,316
Insituform Technologies Cl. A [a]	34,300	702,464

Integrated Electrical Services [a]	132,000	460,680
Layne Christensen [a]	13,900	337,353
MYR Group [a]	28,500	475,665
Skyline Corporation	62,100	1,118,421
Sterling Construction [a]	25,000	323,500
		4,075,833
Food, Tobacco and Agriculture - 1.2%		
Farmer Bros.	51,400	775,626
Hanfeng Evergreen [a]	85,100	464,451
Origin Agritech [a]	121,488	891,722
Yuhe International [a]	46,314	331,608
Zhongpin [a,b]	42,600	500,976
		2,964,383
Industrial Distribution - 0.8%		
Houston Wire & Cable	67,375	731,019
Lawson Products	63,269	1,074,307
		1,805,326
Printing - 0.7%		
Bowne & Co.	68,989	774,057
Courier Corporation	30,450	371,794
Domino Printing Sciences	80,000	542,042
		1,687,893
Transportation and Logistics - 2.9%		
Dynamex [a]	86,000	1,049,200

THE ACCOMPANYING NOTES ARE AN INTEGRAL PART OF THESE FINANCIAL STATEMENTS.

Royce Micro-Cap Trust

Schedule of Investments

	SHARES	VALUE
Industrial Services (continued)		
Transportation and Logistics (continued)		
Forward Air	50,700	$ 1,381,575
Frozen Food Express Industries [a]	157,000	549,500
Pacer International [a]	35,000	244,650
Patriot Transportation Holding [a]	19,000	1,537,290
Transat A.T. Cl. B [a]	31,800	301,705
Universal Truckload Services [a]	134,200	1,869,406
		6,933,326
Other Industrial Services - 0.7%		
US Ecology	112,500	1,639,125
Total (Cost $29,535,968)		33,086,321
Natural Resources 12.1%		
Energy Services - 4.3%		
CE Franklin [a]	90,450	581,594
Dawson Geophysical [a]	53,213	1,131,841
Dril-Quip [a]	22,500	990,450
Global Geophysical Services [a,b]	35,000	243,950
Gulf Island Fabrication	29,116	451,880
ION Geophysical [a]	50,000	174,000
Lamprell	202,400	644,120
Lufkin Industries	2,000	77,980
North American Energy Partners [a]	50,000	441,500
OYO Geospace [a]	7,130	345,662
Pason Systems	139,200	1,478,890
Pioneer Drilling [a]	57,500	326,025
T-3 Energy Services [a]	39,150	1,092,285
Tesco Corporation [a]	50,000	614,000
Willbros Group [a]	183,600	1,358,640
World Energy Solutions [a]	72,920	210,739
		10,163,556
Oil and Gas - 0.6%		
Approach Resources [a]	12,000	82,560
China Integrated Energy [a,b]	65,000	539,500
GeoMet [a]	75,000	85,500
GeoResources [a]	30,000	417,900
VAALCO Energy [a]	70,400	394,240
		1,519,700
Precious Metals and Mining - 3.8%		
Alamos Gold	47,100	722,505

Allied Nevada Gold [a]	108,700	2,139,216
Aurizon Mines [a]	197,000	973,180
Brush Engineered Materials [a]	27,000	539,460
Chesapeake Gold [a]	20,000	147,480
Exeter Resource[b]	140,000	882,000
Extorre Gold Mines [a,b]	140,000	352,449
Gammon Gold [a]	83,836	457,745
Midway Gold [a]	345,000	158,800
Minefinders Corporation [a]	36,000	320,760
New Gold [a]	141,200	874,028
Northgate Minerals [a]	270,000	810,000
Seabridge Gold [a]	16,700	516,865
Victoria Gold [a]	200,000	123,996

	SHARES	VALUE
Natural Resources (continued)		
Precious Metals and Mining (continued)		
Vista Gold [a,b]	50,000	$ 85,000
		9,103,484
Real Estate - 2.6%		
Avatar Holdings [a]	18,104	347,234
Consolidated-Tomoka Land	41,950	1,195,575
PICO Holdings [a]	45,700	1,369,629
Pope Resources L.P.	57,205	1,462,160
Tejon Ranch [a]	80,749	1,863,687
ZipRealty [a]	25,000	65,250
		6,303,535
Other Natural Resources - 0.8%		
China Hydroelectric ADS [a,b]	83,100	624,081
J.G. Boswell Company	2,490	1,332,150
		1,956,231
Total (Cost $23,123,730)		29,046,506
Technology 18.4%		
Aerospace and Defense - 2.1%		
Applied Signal Technology	25,000	491,250
Ducommun	72,100	1,232,910
HEICO Corporation	42,000	1,508,640
Innovative Solutions and Support [a]	100,000	440,000
Integral Systems [a]	138,222	877,710
SIFCO Industries	45,800	490,060
		5,040,570
Components and Systems - 3.2%		
Frequency Electronics [a]	269,898	1,255,026
Hana Microelectronics	500,000	415,058
Methode Electronics	66,223	645,012
Newport Corporation [a]	80,900	732,954
Richardson Electronics	250,900	2,258,100
Rimage Corporation [a]	79,200	1,253,736
Technitrol	150,000	474,000

TransAct Technologies [a]	78,600	573,780
		7,607,666
Distribution - 0.5%		
Agilysys [a]	90,000	602,100
Cogo Group [a]	88,115	549,838
ScanSource [a]	7,600	189,468
		1,341,406
Internet Software and Services - 1.7%		
ActivIdentity Corporation [a]	160,000	305,600
Internet Capital Group [a]	135,000	1,026,000
iPass [a]	210,000	224,700
Marchex Cl. B	95,000	365,750
Support.com [a]	390,000	1,622,400
WebMediaBrands [a]	525,000	472,500
		4,016,950
IT Services - 4.8%		
Computer Task Group [a]	236,100	1,525,206
iGATE Corporation	248,400	3,184,488
Sapient Corporation	500,000	5,070,000
Syntel	43,300	1,470,035

THE ACCOMPANYING NOTES ARE AN INTEGRAL PART OF THESE FINANCIAL STATEMENTS.

June 30, 2010 (unaudited)

	SHARES	VALUE
Technology (continued)		
IT Services (continued)		
Yucheng Technologies [a]	50,960	$ 185,494
		11,435,223
Semiconductors and Equipment - 2.4%		
ATMI [a]	6,400	93,696
Exar Corporation [a]	121,208	839,971
Inficon Holding	3,600	464,165
Mentor Graphics [a]	22,400	198,240
Micrel	60,000	610,800
Microtune [a]	362,000	771,060
PLX Technology [a]	80,000	335,200
TTM Technologies [a]	114,400	1,086,800
Virage Logic [a]	120,000	1,426,800
		5,826,732
Software - 3.0%		
ACI Worldwide [a]	69,600	1,355,112
Actuate Corporation [a]	81,100	360,895
American Software Cl. A	104,500	482,790
Bottomline Technologies [a]	12,300	160,269
Convio [a,b]	15,000	110,100
DynaVox Cl. A [a,b]	20,000	320,200
Fundtech [a]	51,000	529,890
Geeknet [a,b]	875,000	1,085,000
Pegasystems	84,000	2,697,240
		7,101,496
Telecommunications - 0.7%		
Anaren [a]	8,000	119,520
Atlantic Tele-Network	14,700	607,110
Diguang International Development [a]	230,000	69,230
Novatel Wireless [a]	35,000	200,900
PC-Tel [a]	44,100	222,264
Zhone Technologies [a]	266,320	396,817
		1,615,841
Total (Cost $29,178,166)		43,985,884
Miscellaneous [d] 4.9%		
Total (Cost $12,381,786)		11,741,379

TOTAL COMMON STOCKS (Cost $229,111,929)	276,288,456		
		SHARES	**VALUE**
PREFERRED STOCK 0.6%			
Seneca Foods Conv. [a] (Cost $578,719)		45,409	$ 1,321,402
REPURCHASE AGREEMENT 9.1%			
State Street Bank & Trust Company, 0.005% dated 6/30/10, due 7/1/10, maturity value $21,826,003 (collateralized by obligations of various U.S. Government Agencies, 0.875% due 1/31/11, valued at $22,376,575) (Cost $21,826,000)			21,826,000
COLLATERAL RECEIVED FOR SECURITIES LOANED 3.5%			
Money Market Funds Federated Government Obligations Fund (7 day yield-0.0409%) (Cost $8,497,916)			8,497,916
TOTAL INVESTMENTS 128.6% (Cost $260,014,564)			307,933,774
LIABILITIES LESS CASH AND OTHER ASSETS (3.5)%			(8,526,025)
PREFERRED STOCK (25.1)%			(60,000,000)
NET ASSETS APPLICABLE TO COMMON STOCKHOLDERS 100.0%			**$239,407,749**

New additions in 2010.

a Non-income producing.

b All or a portion of these securities were on loan at June 30, 2010. Total market value of loaned securities at June 30, 2010 was $8,100,965.

c A security for which market quotations are not readily available represents 0.0% of net assets. This security has been valued at its fair value under procedures established by the Fund s Board of Directors.

d Includes securities first acquired in 2010 and less than 1% of net assets applicable to Common Stockholders.

Bold indicates the Fund s 20 largest equity holdings in terms of June 30, 2010 market value.

TAX INFORMATION: The cost of total investments for Federal income tax purposes was $260,492,746. At June 30, 2010, net unrealized appreciation for all securities was $47,441,028, consisting of aggregate gross unrealized appreciation of $82,620,054 and aggregate gross unrealized depreciation of $35,179,026. The primary difference between book and tax basis cost is the timing of the recognition of losses on securities sold.

THE ACCOMPANYING NOTES ARE AN INTEGRAL PART OF THESE FINANCIAL STATEMENTS.

Royce Micro-Cap Trust

June 30, 2010 (unaudited)

Statement of Assets and Liabilities

ASSETS:	
Total investments at value (including collateral on loaned securities)*	$ 286,107,774
Repurchase agreements (at cost and value)	21,826,000
Cash and foreign currency	1,077
Receivable for investments sold	142,781
Receivable for dividends and interest	238,568
Prepaid expenses and other assets	26,551
Total Assets	308,342,751
LIABILITIES:	
Payable for collateral on loaned securities	8,497,916
Payable for investments purchased	26,777
Payable for investment advisory fee	208,098
Preferred dividends accrued but not yet declared	80,000
Accrued expenses	122,211
Total Liabilities	8,935,002
PREFERRED STOCK:	
6.00% Cumulative Preferred Stock - $0.001 par value, $25 liquidation value per share; 2,400,000 shares outstanding	60,000,000
Total Preferred Stock	60,000,000
NET ASSETS APPLICABLE TO COMMON STOCKHOLDERS	$ 239,407,749
ANALYSIS OF NET ASSETS APPLICABLE TO COMMON STOCKHOLDERS:	
Common Stock paid-in capital - $0.001 par value per share; 27,333,915 shares outstanding (150,000,000 shares authorized)	$ 225,210,492
Undistributed net investment income (loss)	(1,516,649)
Accumulated net realized gain (loss) on investments and foreign currency	(30,304,699)
Net unrealized appreciation (depreciation) on investments and foreign currency	47,898,605
Unallocated and accrued distributions	(1,880,000)
Net Assets applicable to Common Stockholders (net asset value per share - $8.76)	$ 239,407,749
*Investments at identified cost (including $8,497,916 of collateral on loaned securities)	$ 238,188,564
Market value of loaned securities	8,100,965

THE ACCOMPANYING NOTES ARE AN INTEGRAL PART OF THESE FINANCIAL STATEMENTS.

Royce Micro-Cap Trust

Six Months Ended June 30, 2010 (unaudited)

Statement of Operations

INVESTMENT INCOME:	
Income:	
Dividends*	$ 1,920,678
Interest	7,885
Securities lending	81,008
Total income	2,009,571
Expenses:	
Investment advisory fees	1,380,281
Stockholder reports	43,933
Custody and transfer agent fees	41,579
Directors fees	27,850
Professional fees	22,703
Administrative and office facilities	17,365
Other expenses	29,756
Total expenses	1,563,467
Compensating balance credits	(15)
Fees waived by investment adviser	(72,500)
Net expenses	1,490,952
Net investment income (loss)	518,619
REALIZED AND UNREALIZED GAIN (LOSS) ON INVESTMENTS AND FOREIGN CURRENCY:	
Net realized gain (loss):	
Investments	6,788,606
Foreign currency transactions	7,301
Net change in unrealized appreciation (depreciation):	
Investments and foreign currency translations	(9,247,776)
Other assets and liabilities denominated in foreign currency	(15,121)
Net realized and unrealized gain (loss) on investments and foreign currency	(2,466,990)
NET INCREASE (DECREASE) IN NET ASSETS FROM INVESTMENT OPERATIONS	(1,948,371)
DISTRIBUTIONS TO PREFERRED STOCKHOLDERS	(1,800,000)
NET INCREASE (DECREASE) IN NET ASSETS APPLICABLE TO COMMON STOCKHOLDERS FROM INVESTMENT OPERATIONS	$ (3,748,371)

* Net of foreign withholding tax of $22,843.

THE ACCOMPANYING NOTES ARE AN INTEGRAL PART OF THESE FINANCIAL STATEMENTS.

Royce Micro-Cap Trust

Statement of Changes in Net Assets Applicable to Common Stockholders

	Six months ended 6/30/10 (unaudited)	Year ended 12/31/09
INVESTMENT OPERATIONS:		
Net investment income (loss)	$ 518,619	$ 37,740
Net realized gain (loss) on investments and foreign currency	6,795,907	(8,011,984)
Net change in unrealized appreciation (depreciation) on investments and foreign currency	(9,262,897)	87,498,482
Net increase (decrease) in net assets from investment operations	(1,948,371)	79,524,238
DISTRIBUTIONS TO PREFERRED STOCKHOLDERS:		
Net investment income		(1,009,948)
Net realized gain on investments and foreign currency		
Return of capital		(2,590,052)
Unallocated distributions*	(1,800,000)	
Total distributions to Preferred Stockholders	(1,800,000)	(3,600,000)
NET INCREASE (DECREASE) IN NET ASSETS APPLICABLE TO COMMON STOCKHOLDERS FROM INVESTMENT OPERATIONS	(3,748,371)	75,924,238
DISTRIBUTIONS TO COMMON STOCKHOLDERS:		
Net investment income		
Net realized gain on investments and foreign currency		
Return of capital		(5,846,946)
Total distributions to Common Stockholders		(5,846,946)
CAPITAL STOCK TRANSACTIONS:		
Reinvestment of distributions to Common Stockholders		3,224,397
Total capital stock transactions		3,224,397
NET INCREASE (DECREASE) IN NET ASSETS APPLICABLE TO COMMON STOCKHOLDERS	(3,748,371)	73,301,689
NET ASSETS APPLICABLE TO COMMON STOCKHOLDERS:		
Beginning of period	243,156,120	169,854,431
End of period (including undistributed net investment income (loss) of $(1,516,649) at 6/30/10 and $(2,035,268) at 12/31/09)	$ 239,407,749	$ 243,156,120

* To be allocated to net investment income, net realized gains and/or return of capital at year end.

THE ACCOMPANYING NOTES ARE AN INTEGRAL PART OF THESE FINANCIAL STATEMENTS.

Royce Micro-Cap Trust

Financial Highlights

This table is presented to show selected data for a share of Common Stock outstanding throughout each period, and to assist stockholders in evaluating the Fund s performance for the periods presented.

	Six months ended June 30, 2010 (unaudited)	Years ended December 31, 2009	2008	2007	2006	2005
NET ASSET VALUE, BEGINNING OF PERIOD	$ 8.90	$ 6.39	$ 13.48	$ 14.77	$ 13.43	$ 14.34
INVESTMENT OPERATIONS:						
Net investment income (loss)	0.02	0.00	0.02	(0.00)	0.01	(0.03)
Net realized and unrealized gain (loss) on investments and foreign currency	(0.09)	2.88	(5.70)	0.24	3.04	1.14
Total investment operations	(0.07)	2.88	(5.68)	0.24	3.05	1.11
DISTRIBUTIONS TO PREFERRED STOCKHOLDERS:						
Net investment income		(0.04)	(0.01)	(0.01)	(0.02)	
Net realized gain on investments and foreign currency			(0.13)	(0.14)	(0.14)	(0.17)
Return of capital		(0.09)				
Unallocated distributions*	(0.07)					
Total distributions to Preferred Stockholders	(0.07)	(0.13)	(0.14)	(0.15)	(0.16)	(0.17)
NET INCREASE (DECREASE) IN NET ASSETS APPLICABLE TO COMMON STOCKHOLDERS FROM INVESTMENT OPERATIONS	(0.14)	2.75	(5.82)	0.09	2.89	0.94

DISTRIBUTIONS TO COMMON STOCKHOLDERS:						
Net investment income			(0.09)	(0.08)	(0.20)	
Net realized gain on investments and foreign currency			(0.83)	(1.27)	(1.35)	(1.85)
Return of capital		(0.22)	(0.27)			
Total distributions to Common Stockholders		(0.22)	(1.19)	(1.35)	(1.55)	(1.85)
CAPITAL STOCK TRANSACTIONS:						
Effect of reinvestment of distributions by Common Stockholders		(0.02)	(0.08)	(0.03)	(0.00)	0.00
Total capital stock transactions		(0.02)	(0.08)	(0.03)	(0.00)	0.00
NET ASSET VALUE, END OF PERIOD	$ 8.76	$ 8.90	$ 6.39	$ 13.48	$ 14.77	$ 13.43
MARKET VALUE, END OF PERIOD	$ 7.34	$ 7.37	$ 5.62	$ 11.94	$ 16.57	$ 14.56
TOTAL RETURN (a):						
Market Value	(0.41)%***	37.91%	(45.84)%	(20.54)%	26.72%	8.90%
Net Asset Value	(1.57)%***	46.47%	(45.45)%	0.64%	22.46%	6.75%
RATIOS BASED ON AVERAGE NET ASSETS APPLICABLE TO COMMON STOCKHOLDERS:						
Total expenses (b,c)	1.17%**	1.59%	1.55%	1.56%	1.64%	1.63%
Investment advisory fee expense (d)	1.03%**	1.38%	1.39%	1.44%	1.49%	1.43%
Other operating expenses	0.14%**	0.21%	0.16%	0.12%	0.15%	0.20%
Net investment income (loss)	0.41%**	0.02%	0.15%	(0.07)%	0.05%	(0.27)%
SUPPLEMENTAL DATA:						
Net Assets Applicable to Common Stockholders, End of Period (in thousands)	$239,408	$243,156	$169,854	$331,476	$343,682	$293,719
Liquidation Value of Preferred Stock,						

End of Period (in thousands)	$60,000	$60,000	$60,000	$60,000	$60,000	$60,000
Portfolio Turnover Rate	10%	30%	42%	41%	34%	46%
PREFERRED STOCK:						
Total shares outstanding	2,400,000	2,400,000	2,400,000	2,400,000	2,400,000	2,400,000
Asset coverage per share	$ 124.75	$ 126.32	$ 95.77	$ 163.11	$ 168.20	$ 147.38
Liquidation preference per share	$ 25.00	$ 25.00	$ 25.00	$ 25.00	$ 25.00	$ 25.00
Average month-end market value per share	$ 24.98	$ 23.47	$ 23.08	$ 24.06	$ 24.15	$ 24.97

(a) The Market Value Total Return is calculated assuming a purchase of Common Stock on the opening of the first business day and a sale on the closing of the last business day of each period reported. Dividends and distributions are assumed for the purposes of this calculation to be reinvested at prices obtained under the Fund s Distribution Reinvestment and Cash Purchase Plan. Net Asset Value Total Return is calculated on the same basis, except that the Fund s net asset value is used on the purchase and sale dates instead of market value.

(b) Expense ratios based on total average net assets including liquidation value of Preferred Stock were 0.95%, 1.21%, 1.26%, 1.33%, 1.38% and 1.35% for the periods ended June 30, 2010 and December 31, 2009, 2008, 2007, 2006 and 2005, respectively.

(c) Expense ratios based on average net assets applicable to Common Stockholders before waiver of fees by the investment adviser would have been 1.23%, 1.74% and 1.58% for the periods ended June 30, 2010 and December 31, 2009 and 2008, respectively; before waiver of fees and after earnings credits would have been 1.23%, 1.74%, 1.58% 1.56%, 1.64% and 1.63% for the periods ended June 30, 2010 and December 31, 2009, 2008, 2007, 2006 and 2005, respectively.

(d) The investment advisory fee is calculated based on average net assets over a rolling 36-month basis, while the above ratios of investment advisory fee expenses are based on the average net assets applicable to Common Stockholders over a 12-month basis.

* To be allocated to net investment income, net realized gains and/or return of capital at year end.

** Annualized. *** Not annualized.

THE ACCOMPANYING NOTES ARE AN INTEGRAL PART OF THESE FINANCIAL STATEMENTS.

Royce Micro-Cap Trust

Notes to Financial Statements (unaudited)

Summary of Significant Accounting Policies:

Royce Micro-Cap Trust, Inc. (the "Fund"), was incorporated under the laws of the State of Maryland on September 9, 1993 as a diversified closed-end investment company. The Fund commenced operations on December 14, 1993.

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and the disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of income and expenses during the reporting period. Actual results could differ from those estimates.

Under the Fund s organizational documents, the officers and directors are indemnified against certain liabilities that may arise out of the performance of their duties to the Fund. Additionally, in the normal course of business, the Fund enters into contracts with service providers that contain general indemnification clauses. The Fund s maximum exposure under these arrangements is unknown as this would involve future claims that may be made against the Fund that have not yet occurred. However, based on experience, the Fund expects the risk of loss to be remote.

Valuation of Investments:

Securities are valued as of the close of trading on the New York Stock Exchange (NYSE) (generally 4:00 p.m. Eastern time) on the valuation date. Securities that trade on an exchange, and securities traded on Nasdaq s Electronic Bulletin Board, are valued at their last reported sales price or Nasdaq official closing price taken from the primary market in which each security trades or, if no sale is reported for such day, at their bid price. Other over-the-counter securities for which market quotations are readily available are valued at their highest bid price, except in the case of some bonds and other fixed income securities which may be valued by reference to other securities with comparable ratings, interest rates and maturities, using established independent pricing services. The Fund values its non-U.S. dollar denominated securities in U.S. dollars daily at the prevailing foreign currency exchange rates as quoted by a major bank. Securities for which market quotations are not readily available are valued at their fair value under procedures established by the Fund s Board of Directors. In addition, if, between the time trading ends on a particular security and the close of the customary trading session on the NYSE, events occur that are significant and may make the closing price unreliable, the Fund may fair value the security. The Fund uses an independent pricing service to provide fair value estimates for relevant non-U.S. equity securities on days when the U.S. market volatility exceeds a certain threshold. This pricing service uses proprietary correlations it has developed between the movement of prices of non-U.S. equity securities and indices of U.S.-traded securities, futures contracts and other indications to estimate the fair value of relevant non-U.S. securities. When fair value pricing is employed, the prices of securities used by the Fund may differ from quoted or published prices for the same security. Investments in money market funds are valued at net asset value per share.

Various inputs are used in determining the value of the Fund s investments, as noted above. These inputs are summarized in the three broad levels below:

Level 1 quoted prices in active markets for identical securities

Level 2 other significant observable inputs (including quoted prices for similar securities, foreign securities that may be fair valued and repurchase agreements)

Level 3 significant unobservable inputs (including the Fund s own assumptions in determining the fair value of investments)

The inputs or methodology used for valuing securities are not necessarily an indication of the risk associated with investing in those securities. The following is a summary of the inputs used to value the Fund s investments as of June 30, 2010:

	Level 1	Level 2	Level 3	Total
Common stocks	$ 244,985,967	$ 31,266,326	$ 36,163	$ 276,288,456
Preferred stocks		1,321,402		1,321,402
Cash equivalents	8,497,916	21,826,000		30,323,916

Level 3 Reconciliation:

	Balance as of 12/31/09	Purchases	Transfers Out	Sales	Realized and Unrealized Gain (Loss)[1]	Balance as of 6/30/10

Common stocks	$73,019	$	$386,084	$	$349,228	$36,163

[1] The net change in unrealized appreciation (depreciation) is included in the accompanying Statement of Operations. Change in unrealized appreciation (depreciation) includes net unrealized appreciation (depreciation) resulting from changes in investment values during the reporting period and the reversal of previously recorded unrealized appreciation (depreciation) when gains or losses are realized. Net realized gain (loss) from investments and foreign currency transactions is included in the accompanying Statement of Operations.

Royce Micro-Cap Trust

Notes to Financial Statements (unaudited) (continued)

Repurchase Agreements:

The Fund may enter into repurchase agreements with institutions that the Fund s investment adviser has determined are creditworthy. The Fund restricts repurchase agreements to maturities of no more than seven days. Securities pledged as collateral for repurchase agreements, which are held until maturity of the repurchase agreements, are marked-to-market daily and maintained at a value at least equal to the principal amount of the repurchase agreement (including accrued interest). Repurchase agreements could involve certain risks in the event of default or insolvency of the counter-party, including possible delays or restrictions upon the ability of the Fund to dispose of its underlying securities.

Foreign Currency:

Net realized foreign exchange gains or losses arise from sales and maturities of short-term securities, sales of foreign currencies, expiration of currency forward contracts, currency gains or losses realized between the trade and settlement dates on securities transactions, and the difference between the amounts of dividends, interest, and foreign withholding taxes recorded on the Fund s books and the U.S. dollar equivalent of the amounts actually received or paid. Net unrealized foreign exchange gains and losses arise from changes in the value of assets and liabilities, including investments in securities at the end of the reporting period, as a result of changes in foreign currency exchange rates.

Securities Lending:

The Fund loans securities to qualified institutional investors for the purpose of realizing additional income. Collateral for the Fund on all securities loaned is accepted in cash and cash equivalents and invested temporarily by the custodian. The collateral maintained is at least 100% of the current market value of the loaned securities. The market value of the loaned securities is determined at the close of business of the Fund and any additional required collateral is delivered to the Fund on the next business day. The Fund retains the risk of any loss on the securities on loan as well as incurring the potential loss on investments purchased with cash collateral received for securities lending.

Taxes:

As a qualified regulated investment company under Subchapter M of the Internal Revenue Code, the Fund is not subject to income taxes to the extent that it distributes substantially all of its taxable income for its fiscal year. The Schedule of Investments includes information regarding income taxes under the caption Tax Information .

Distributions:

Effective May 18, 2009, the Fund pays any dividends and capital gain distributions annually in December on the Fund s Common Stock. Prior to that date, the Fund paid quarterly distributions on the Fund s Common Stock at the annual rate of 9% of the rolling average of the prior four calendar quarter-end NAVs of the Fund s Common Stock, with the fourth quarter distribution being the greater of 2.25% of the rolling average or the distribution required by IRS regulations. Distributions to Preferred Stockholders are accrued daily and paid quarterly and distributions to Common Stockholders are recorded on ex-dividend date. Distributable capital gains and/or net investment income are first allocated to Preferred Stockholder distributions, with any excess allocable to Common Stockholders. If capital gains and/or net investment income are allocated to both Preferred and Common Stockholders, the tax character of such allocations is proportional. To the extent that distributions are not paid from long-term capital gains, net investment income or net short-term capital gains, they will represent a return of capital. Distributions are determined in accordance with income tax regulations that may differ from accounting principles generally accepted in the United States of America. Permanent book and tax differences relating to stockholder distributions will result in reclassifications within the capital accounts. Undistributed net investment income may include temporary book and tax basis differences, which will reverse in a subsequent period. Any taxable income or gain remaining undistributed at fiscal year end is distributed in the following year.

Investment Transactions and Related Investment Income:

Investment transactions are accounted for on the trade date. Dividend income is recorded on the ex-dividend date. Non-cash dividend income is recorded at the fair market value of the securities received. Interest income is recorded on an accrual basis. Premium and discounts on debt securities are amortized using the effective yield-to-maturity method. Realized gains and losses from investment transactions are determined on the basis of identified cost for book and tax purposes.

Expenses:

The Fund incurs direct and indirect expenses. Expenses directly attributable to the Fund are charged to the Fund s operations, while expenses applicable to more than one of the Royce Funds are allocated equitably. Certain personnel, occupancy costs and other administrative expenses related to The Royce Funds are allocated by Royce & Associates, LLC (Royce) under an administration agreement and are included in administrative and office facilities and professional fees. The Fund has adopted a deferred fee agreement that allows the Directors to defer the receipt of all or a portion of Directors Fees otherwise payable. The deferred fees are invested in certain Royce Funds until distributed in accordance with the agreement.

Compensating Balance Credits:

The Fund has an arrangement with its custodian bank, whereby a portion of the custodian s fee is paid indirectly by credits earned on the Fund s cash on deposit with the bank. This deposit arrangement is an alternative to purchasing overnight investments. Conversely, the Fund pays interest to the custodian on any cash overdrafts, to the extent they are not offset by credits earned on positive cash balances.

Royce Micro-Cap Trust

Notes to Financial Statements (unaudited) (continued)

Capital Stock:

The Fund issued 756,901 shares of Common Stock as reinvestment of distributions by Common Stockholders for the year ended December 31, 2009.

At June 30, 2010, 2,400,000 shares of 6.00% Cumulative Preferred Stock were outstanding. The Fund, at its option, may redeem the Cumulative Preferred Stock, in whole or in part, at the redemption price. The Cumulative Preferred Stock is classified outside of permanent equity (net assets applicable to Common Stockholders) in the accompanying financial statements in accordance with accounting for redeemable equity instruments, that requires preferred securities that are redeemable for cash or other assets to be classified outside of permanent equity to the extent that the redemption is at a fixed or determinable price and at the option of the holder or upon the occurrence of an event that is not solely within the control of the issuer.

The Fund is required to meet certain asset coverage tests with respect to the Cumulative Preferred Stock as required by the 1940 Act. In addition, pursuant to the Rating Agency Guidelines established by Moody s, the Fund is required to maintain a certain discounted asset coverage. If the Fund fails to meet these requirements and does not correct such failure, the Fund may be required to redeem, in part or in full, the Cumulative Preferred Stock at a redemption price of $25.00 per share, plus an amount equal to the accumulated and unpaid dividends, whether or not declared on such shares, in order to meet these requirements. Additionally, failure to meet the foregoing asset coverage requirements could restrict the Fund s ability to pay dividends to Common Stockholders and could lead to sales of portfolio securities at inopportune times. The Fund has met these requirements since issuing the Cumulative Preferred Stock.

Investment Advisory Agreement:

As compensation for its services under the Investment Advisory Agreement, Royce receives a fee comprised of a Basic Fee (Basic Fee) and an adjustment to the Basic Fee based on the investment performance of the Fund in relation to the investment record of the Russell 2000.

The Basic Fee is a monthly fee equal to 1/12 of 1% (1% on an annualized basis) of the average of the Fund s month-end net assets applicable to Common Stockholders, plus the liquidation value of Preferred Stock, for the rolling 36-month period ending with such month (the "performance period"). The Basic Fee for each month is increased or decreased at the rate of 1/12 of .05% for each percentage point that the investment performance of the Fund exceeds, or is exceeded by, the percentage change in the investment record of the Russell 2000 for the performance period by more than two percentage points. The performance period for each such month is a rolling 36-month period ending with such month. The maximum increase or decrease in the Basic Fee for any month may not exceed 1/12 of .5%. Accordingly, for each month, the maximum monthly fee rate as adjusted for performance is 1/12 of 1.5% and is payable if the investment performance of the Fund exceeds the percentage change in the investment record of the Russell 2000 by 12 or more percentage points for the performance period, and the minimum monthly fee rate as adjusted for performance is 1/12 of .5% and is payable if the percentage change in the investment record of the Russell 2000 exceeds the investment performance of the Fund by 12 or more percentage points for the performance period.

Royce has voluntarily committed to waive the portion of its investment advisory fee attributable to an issue of the Fund s Preferred Stock for any month in which the Fund s average annual NAV total return since issuance of the Preferred Stock fails to exceed the applicable Preferred Stock s dividend rate.

For six rolling 36-month periods in 2010, the Fund s investment performance ranged from 3% to 6% below the investment performance of the Russell 2000. Accordingly, the net investment advisory fee consisted of a Basic Fee of $1,607,248 and a net downward adjustment of $226,967 for the performance of the Fund relative to that of the Russell 2000. Additionally, Royce voluntarily waived a portion of its investment advisory fee ($72,500) attributable to issues of the Fund s Preferred Stock for those months in which the Fund s average annual NAV total return failed to exceed the applicable Preferred Stock s dividend rate. For the six months ended June 30, 2010, the Fund accrued and paid Royce investment advisory fees totaling $1,307,781.

Purchases and Sales of Investment Securities:

For the six months ended June 30, 2010, the costs of purchases and proceeds from sales of investment securities, other than short-term securities and collateral received for securities loaned, amounted to $39,640,409 and $28,703,637, respectively.

Royce Focus Trust

June 30, 2010 (unaudited)

Schedule of Investments

	SHARES	VALUE
COMMON STOCKS 100.5%		
Consumer Products 12.1%		
Apparel, Shoes and Accessories - 2.6%		
Coach	50,000	$ 1,827,500
Timberland Company (The) Cl. A [a]	100,000	1,615,000
		3,442,500
Food/Beverage/Tobacco - 6.7%		
Cal-Maine Foods	80,000	2,554,400
Industrias Bachoco ADR	105,000	1,802,850
Sanderson Farms	85,000	4,312,900
		8,670,150
Health, Beauty and Nutrition - 1.2%		
Nu Skin Enterprises Cl. A	60,000	1,495,800
Sports and Recreation - 1.6%		
Thor Industries	90,000	2,137,500
Total (Cost $15,606,436)		15,745,950
Consumer Services 5.8%		
Retail Stores - 5.8%		
Buckle (The)	120,000	3,890,400
GameStop Corporation Cl. A [a]	120,000	2,254,800
Men s Wearhouse (The)	75,000	1,377,000
Total (Cost $7,671,643)		7,522,200
Financial Intermediaries 7.0%		
Insurance - 4.9%		
Berkshire Hathaway Cl. B [a]	80,000	6,375,200
Securities Brokers - 2.1%		
Knight Capital Group Cl. A [a]	200,000	2,758,000
Total (Cost $8,654,100)		9,133,200
Financial Services 11.0%		
Investment Management - 7.9%		
Artio Global Investors Cl. A	80,300	1,263,922
Endeavour Financial	1,100,000	2,273,261
Franklin Resources	30,000	2,585,700
Partners Group Holding	15,000	1,810,013

Sprott	450,000	1,513,315
U.S. Global Investors Cl. A	147,849	820,562
		10,266,773
Other Financial Services - 3.1%		
Kennedy-Wilson Holdings [a]	400,771	4,047,787
Total (Cost $16,382,721)		14,314,560
Health 1.3%		
Drugs and Biotech - 1.3%		
Endo Pharmaceuticals Holdings [a]	80,000	1,745,600
Total (Cost $1,121,094)		1,745,600
Industrial Products 19.7%		
Building Systems and Components - 2.6%		
Simpson Manufacturing	65,000	1,595,750

	SHARES	VALUE
Industrial Products (continued)		
Building Systems and Components (continued)		
WaterFurnace Renewable Energy	70,000	$ 1,753,699
		3,349,449
Industrial Components - 2.8%		
GrafTech International [a]	250,000	3,655,000
Machinery - 1.4%		
Lincoln Electric Holdings	35,000	1,784,650
Metal Fabrication and Distribution - 7.5%		
Kennametal	30,000	762,900
Nucor Corporation	75,000	2,871,000
Reliance Steel & Aluminum	90,000	3,253,500
Schnitzer Steel Industries Cl. A	75,000	2,940,000
		9,827,400
Miscellaneous Manufacturing - 0.9%		
Rational	8,000	1,235,526
Pumps, Valves and Bearings - 2.1%		
Gardner Denver	30,000	1,337,700
Pfeiffer Vacuum Technology	20,000	1,472,944
		2,810,644
Specialty Chemicals and Materials - 2.4%		

Mosaic Company (The)	80,000	3,118,400
Total (Cost $20,003,122)		25,781,069
Industrial Services 5.1%		
Commercial Services - 1.1%		
Korn/Ferry International [a]	100,000	1,390,000
Engineering and Construction - 1.4%		
Jacobs Engineering Group [a]	50,000	1,822,000
Food, Tobacco and Agriculture - 0.7%		
Intrepid Potash [a]	50,000	978,500
Transportation and Logistics - 1.9%		
Patriot Transportation Holding [a]	30,000	2,427,300
Total (Cost $7,167,862)		6,617,800
Natural Resources 29.7%		
Energy Services - 10.8%		
ENSCO ADR	90,000	3,535,200
Pason Systems	180,000	1,912,357
Tesco Corporation [a]	210,000	2,578,800
Trican Well Service	240,000	3,072,848
Unit Corporation [a]	75,000	3,044,250
		14,143,455
Oil and Gas - 1.3%		
Exxon Mobil	30,000	1,712,100
Precious Metals and Mining - 15.9%		
Alamos Gold	120,000	1,840,778
Allied Nevada Gold [a]	80,000	1,574,400
Centamin Egypt [a]	1,000,000	2,432,953
Fresnillo	120,000	1,733,660
Ivanhoe Mines [a]	108,400	1,413,536
Major Drilling Group International	120,000	2,444,977
Pan American Silver	100,000	2,528,000
Seabridge Gold [a]	150,000	4,642,500

THE ACCOMPANYING NOTES ARE AN INTEGRAL PART OF THESE FINANCIAL STATEMENTS.

Royce Focus Trust

June 30, 2010 (unaudited)

Schedule of Investments

	SHARES	VALUE
Natural Resources (continued)		
Precious Metals and Mining (continued)		
Silver Standard Resources [a]	120,000	$ 2,142,000
		20,752,804
Real Estate - 0.7%		
PICO Holdings [a]	30,000	899,100
Other Natural Resources - 1.0%		
Magma Energy [a]	1,000,000	1,249,354
Total (Cost $31,202,292)		38,756,813
Technology 7.9%		
Components and Systems - 2.0%		
Western Digital [a]	85,000	2,563,600
Semiconductors and Equipment - 2.5%		
MKS Instruments [a]	120,000	2,246,400
Sigma Designs [a]	100,325	1,004,253
		3,250,653
Software - 1.7%		
Microsoft Corporation	100,000	2,301,000
Telecommunications - 1.7%		
ADTRAN	80,000	2,181,600
Total (Cost $11,044,942)		10,296,853
Miscellaneous [b] **0.9%**		
Total (Cost $1,334,725)		1,191,500
TOTAL COMMON STOCKS (Cost $120,188,937)		131,105,545

	VALUE
REPURCHASE AGREEMENT 18.7%	
State Street Bank & Trust Company, 0.005% dated 6/30/10, due 7/1/10, maturity value $24,442,003 (collateralized by obligations of various U.S. Government	

Agencies, 0.875% due 1/31/11, valued at $25,056,525) (Cost $24,442,000)	$ 24,442,000
TOTAL INVESTMENTS 119.2% (Cost $144,630,937)	155,547,545
LIABILITIES LESS CASH AND OTHER ASSETS (0.0)%	(97,162)
PREFERRED STOCK (19.2)%	(25,000,000)
NET ASSETS APPLICABLE TO COMMON STOCKHOLDERS 100.0%	**$ 130,450,383**

New additions in 2010.

a Non-income producing.

b Includes securities first acquired in 2010 and less than 1% of net assets applicable to Common Stockholders.

Bold indicates the Fund s 20 largest equity holdings in terms of June 30, 2010 market value.

TAX INFORMATION: The cost of total investments for Federal income tax purposes was $144,630,937. At June 30, 2010 net unrealized appreciation for all securities was $10,916,608, consisting of aggregate gross unrealized appreciation of $24,562,832 and aggregate gross unrealized depreciation of $13,646,224.

THE ACCOMPANYING NOTES ARE AN INTEGRAL PART OF THESE FINANCIAL STATEMENTS.

Royce Focus Trust

June 30, 2010 (unaudited)

Statement of Assets and Liabilities

ASSETS:	
Total investments at value*	$ 131,105,545
Repurchase agreements (at cost and value)	24,442,000
Cash and foreign currency	240
Receivable for dividends and interest	113,016
Prepaid expenses and other assets	28,143
Total Assets	155,688,944
LIABILITIES:	
Payable for investment advisory fee	134,091
Preferred dividends accrued but not yet declared	33,327
Accrued expenses	71,143
Total Liabilities	238,561
PREFERRED STOCK:	
6.00% Cumulative Preferred Stock - $0.001 par value, $25 liquidation value per share; 1,000,000 shares outstanding	25,000,000
Total Preferred Stock	25,000,000
NET ASSETS APPLICABLE TO COMMON STOCKHOLDERS	$ 130,450,383
ANALYSIS OF NET ASSETS APPLICABLE TO COMMON STOCKHOLDERS:	
Common Stock paid-in capital - $0.001 par value per share; 19,759,064 shares outstanding (150,000,000 shares authorized)	$ 129,051,196
Undistributed net investment income (loss)	(1,310,065)
Accumulated net realized gain (loss) on investments and foreign currency	(7,422,970)
Net unrealized appreciation (depreciation) on investments and foreign currency	10,915,555
Unallocated and accrued distributions	(783,333)
Net Assets applicable to Common Stockholders (net asset value per share - $6.60)	$ 130,450,383
*Investments at identified cost	$ 120,188,937

THE ACCOMPANYING NOTES ARE AN INTEGRAL PART OF THESE FINANCIAL STATEMENTS.

Royce Focus Trust

Six Months Ended June 30, 2010 (unaudited)

Statement of Operations

INVESTMENT INCOME:	
Income:	
Dividends*	$ 785,134
Interest	6,765
Securities lending	7,245
Total income	799,144
Expenses:	
Investment advisory fees	835,101
Stockholder reports	29,937
Custody and transfer agent fees	29,496
Professional fees	19,626
Directors fees	16,358
Administrative and office facilities	9,393
Other expenses	36,025
Total expenses	975,936
Net investment income (loss)	(176,792)
REALIZED AND UNREALIZED GAIN (LOSS) ON INVESTMENTS AND FOREIGN CURRENCY:	
Net realized gain (loss):	
Investments	4,303,499
Foreign currency transactions	(3,484)
Net change in unrealized appreciation (depreciation):	
Investments and foreign currency translations	(14,418,315)
Other assets and liabilities denominated in foreign currency	(1,553)
Net realized and unrealized gain (loss) on investments and foreign currency	(10,119,853)
NET INCREASE (DECREASE) IN NET ASSETS FROM INVESTMENT OPERATIONS	(10,296,645)
DISTRIBUTIONS TO PREFERRED STOCKHOLDERS	(750,000)
NET INCREASE (DECREASE) IN NET ASSETS APPLICABLE TO COMMON STOCKHOLDERS FROM INVESTMENT OPERATIONS	$ (11,046,645)

* Net of foreign withholding tax of $48,845.

THE ACCOMPANYING NOTES ARE AN INTEGRAL PART OF THESE FINANCIAL STATEMENTS.

Royce Focus Trust

Statement of Changes in Net Assets Applicable to Common Stockholders

	Six months ended 6/30/10 (unaudited)	Year ended 12/31/09
INVESTMENT OPERATIONS:		
Net investment income (loss)	$ (176,792)	$ 547,725
Net realized gain (loss)on investments and foreign currency	4,300,015	(10,501,276)
Net change in unrealized appreciation (depreciation) on investments and foreign currency	(14,419,868)	61,002,195
Net increase (decrease) in net assets from investment operations	(10,296,645)	51,048,644
DISTRIBUTIONS TO PREFERRED STOCKHOLDERS:		
Net investment income		(1,500,000)
Net realized gain on investments and foreign currency		
Unallocated distributions*	(750,000)	
Total distributions to Preferred Stockholders	(750,000)	(1,500,000)
NET INCREASE (DECREASE) IN NET ASSETS APPLICABLE TO COMMON STOCKHOLDERS FROM INVESTMENT OPERATIONS	(11,046,645)	49,548,644
DISTRIBUTIONS TO COMMON STOCKHOLDERS:		
Net investment income		(76,678)
Net realized gain on investments and foreign currency		
Return of capital		(1,674,712)
Total distributions to Common Stockholders		(1,751,390)
CAPITAL STOCK TRANSACTIONS:		
Reinvestment of distributions to Common Stockholders		1,150,102
Total capital stock transactions		1,150,102
NET INCREASE (DECREASE) IN NET ASSETS APPLICABLE TO COMMON STOCKHOLDERS	(11,046,645)	48,947,356
NET ASSETS APPLICABLE TO COMMON STOCKHOLDERS:		
Beginning of period	141,497,028	92,549,672
End of period (including undistributed net investment income (loss) of $(1,310,065) at 6/30/10 and $(1,133,274) at 12/31/09)	$ 130,450,383	$ 141,497,028

* To be allocated to net investment income, net realized gains and/or return of capital at year end.

THE ACCOMPANYING NOTES ARE AN INTEGRAL PART OF THESE FINANCIAL STATEMENTS.

Royce Focus Trust

Financial Highlights

This table is presented to show selected data for a share of Common Stock outstanding throughout each period, and to assist stockholders in evaluating the Fund s performance for the periods presented.

	Six months ended June 30, 2010 (unaudited)	Years ended December 31,				
		2009	2008	2007	2006	2005
NET ASSET VALUE, BEGINNING OF PERIOD	$ 7.16	$ 4.76	$ 8.92	$ 9.75	$ 9.76	$ 9.75
INVESTMENT OPERATIONS:						
Net investment income (loss)	(0.01)	0.03	0.07	0.15	0.16	0.06
Net realized and unrealized gain (loss) on investments and foreign currency	(0.51)	2.54	(3.67)	1.12	1.50	1.44
Total investment operations	(0.52)	2.57	(3.60)	1.27	1.66	1.50
DISTRIBUTIONS TO PREFERRED STOCKHOLDERS:						
Net investment income		(0.08)	(0.01)	(0.02)	(0.01)	(0.01)
Net realized gain on investments and foreign currency			(0.07)	(0.07)	(0.09)	(0.11)
Unallocated distributions*	(0.04)					
Total distributions to Preferred Stockholders	(0.04)	(0.08)	(0.08)	(0.09)	(0.10)	(0.12)
NET INCREASE (DECREASE) IN NET ASSETS APPLICABLE TO COMMON STOCKHOLDERS FROM INVESTMENT	(0.56)	2.49	(3.68)	1.18	1.56	1.38

OPERATIONS						
DISTRIBUTIONS TO COMMON STOCKHOLDERS:						
Net investment income		(0.00)	(0.07)	(0.44)	(0.20)	(0.06)
Net realized gain on investments and foreign currency			(0.37)	(1.57)	(1.37)	(1.15)
Return of capital		(0.09)	(0.03)			
Total distributions to Common Stockholders		(0.09)	(0.47)	(2.01)	(1.57)	(1.21)
CAPITAL STOCK TRANSACTIONS:						
Effect of reinvestment of distributions by Common Stockholders		(0.00)	(0.01)	(0.00)	(0.00)	(0.03)
Effect of rights offering						(0.13)
Total capital stock transactions		(0.00)	(0.01)	(0.00)	(0.00)	(0.16)
NET ASSET VALUE, END OF PERIOD	$ 6.60	$ 7.16	$ 4.76	$ 8.92	$ 9.75	$ 9.76
MARKET VALUE, END OF PERIOD	$ 5.74	$ 6.33	$ 4.60	$ 8.97	$ 10.68	$ 9.53
TOTAL RETURN (a):						
Market Value	(9.32)%***	40.84%	(44.94)%	3.02%	30.50%	3.03%
Net Asset Value	(7.82)%***	53.95%	(42.71)%	12.22%	16.33%	13.31%
RATIOS BASED ON AVERAGE NET ASSETS APPLICABLE TO COMMON STOCKHOLDERS:						
Total expenses (b,c)	1.37%**	1.42%	1.34%	1.32%	1.36%	1.48%
Investment advisory fee expense	1.17%**	1.16%	1.13%	1.14%	1.16%	1.21%
Other operating expenses	0.20%**	0.26%	0.21%	0.18%	0.20%	0.27%
Net investment income (loss)	(0.25)%**	0.49%	0.72%	1.13%	1.54%	0.63%
SUPPLEMENTAL DATA:						
Net Assets Applicable to Common Stockholders, End of Period (in	$130,450	$141,497	$92,550	$165,807	$158,567	$143,244

thousands)						
Liquidation Value of Preferred Stock, End of Period (in thousands)	$25,000	$25,000	$25,000	$25,000	$25,000	$25,000
Portfolio Turnover Rate	20%	46%	51%	62%	30%	42%
PREFERRED STOCK:						
Total shares outstanding	1,000,000	1,000,000	1,000,000	1,000,000	1,000,000	1,000,000
Asset coverage per share	$ 155.45	$ 166.48	$ 117.55	$ 190.81	$ 183.57	$ 168.24
Liquidation preference per share	$ 25.00	$ 25.00	$ 25.00	$ 25.00	$ 25.00	$ 25.00
Average month-end market value per share	$ 25.21	$ 23.56	$ 22.89	$ 24.37	$ 24.98	$ 25.38

(a) The Market Value Total Return is calculated assuming a purchase of Common Stock on the opening of the first business day and a sale on the closing of the last business day of each period reported. Dividends and distributions are assumed for the purposes of this calculation to be reinvested at prices obtained under the Fund s Distribution Reinvestment and Cash Purchase Plan. Net Asset Value Total Return is calculated on the same basis, except that the Fund s net asset value is used on the purchase and sale dates instead of market value.

(b) Expense ratios based on total average net assets including liquidation value of Preferred Stock were 1.17%, 1.16%, 1.14%, 1.15%, 1.17% and 1.22% for the periods ended June 30, 2010 and December 31, 2009, 2008, 2007, 2006 and 2005, respectively.

(c) Expense ratios based on average net assets applicable to Common Stockholders before waiver of fees by the investment adviser would have been 1.48% and 1.39% for the years ended December 31, 2009 and 2008, respectively; before waiver of fees and after earnings credits would have been 1.37%%, 1.48%, 1.39%, 1.31%, 1.36% and 1.48% for the periods ended June 30, 2010 and December 31, 2009, 2008, 2007, 2006 and 2005, respectively.

* To be allocated to net investment income, net realized gains and/or return of capital at year end.

** Annualized. *** Not annualized.

THE ACCOMPANYING NOTES ARE AN INTEGRAL PART OF THESE FINANCIAL STATEMENTS.

Royce Focus Trust

Notes to Financial Statements (unaudited)

Summary of Significant Accounting Policies:

Royce Focus Trust, Inc. (the "Fund"), is a diversified closed-end investment company incorporated under the laws of the State of Maryland. The Fund commenced operations on March 2, 1988 and Royce & Associates, LLC (Royce) assumed investment management responsibility for the Fund on November 1, 1996.

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and the disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of income and expenses during the reporting period. Actual results could differ from those estimates.

Under the Fund s organizational documents, the officers and directors are indemnified against certain liabilities that may arise out of the performance of their duties to the Fund. Additionally, in the normal course of business, the Fund enters into contracts with service providers that contain general indemnification clauses. The Fund s maximum exposure under these arrangements is unknown as this would involve future claims that may be made against the Fund that have not yet occurred. However, based on experience, the Fund expects the risk of loss to be remote.

At June 30, 2010, officers, employees of Royce, Fund directors, the Royce retirement plans and other affiliates owned 25% of the Fund.

Valuation of Investments:

Securities are valued as of the close of trading on the New York Stock Exchange (NYSE) (generally 4:00 p.m. Eastern time) on the valuation date. Securities that trade on an exchange, and securities traded on Nasdaq s Electronic Bulletin Board, are valued at their last reported sales price or Nasdaq official closing price taken from the primary market in which each security trades or, if no sale is reported for such day, at their bid price. Other over-the-counter securities for which market quotations are readily available are valued at their highest bid price, except in the case of some bonds and other fixed income securities which may be valued by reference to other securities with comparable ratings, interest rates and maturities, using established independent pricing services. The Fund values its non-U.S. dollar denominated securities in U.S. dollars daily at the prevailing foreign currency exchange rates as quoted by a major bank. Securities for which market quotations are not readily available are valued at their fair value under procedures established by the Fund s Board of Directors. In addition, if, between the time trading ends on a particular security and the close of the customary trading session on the NYSE, events occur that are significant and may make the closing price unreliable, the Fund may fair value the security. The Fund uses an independent pricing service to provide fair value estimates for relevant non-U.S. equity securities on days when the U.S. market volatility exceeds a certain threshold. This pricing service uses proprietary correlations it has developed between the movement of prices of non-U.S. equity securities and indices of U.S.-traded securities, futures contracts and other indications to estimate the fair value of relevant non-U.S. securities. When fair value pricing is employed, the prices of securities used by the Fund may differ from quoted or published prices for the same security. Investments in money market funds are valued at net asset value per share.

Various inputs are used in determining the value of the Fund s investments, as noted above. These inputs are summarized in the three broad levels below:

Level 1	quoted prices in active markets for identical securities
Level 2	other significant observable inputs (including quoted prices for similar securities, foreign securities that may be fair valued and repurchase agreements)
Level 3	significant unobservable inputs (including the Fund s own assumptions in determining the fair value of investments)

The inputs or methodology used for valuing securities are not necessarily an indication of the risk associated with investing in those securities. The following is a summary of the inputs used to value the Fund s investments as of June 30, 2010:

	Level 1	Level 2	Level 3	Total
Common stocks	$106,359,860	$24,745,685		$131,105,545
Cash equivalents		24,442,000		24,442,000

Repurchase Agreements:

The Fund may enter into repurchase agreements with institutions that the Fund s investment adviser has determined are creditworthy. The Fund restricts repurchase agreements to maturities of no more than seven days. Securities pledged as collateral for repurchase agreements, which are held until maturity of the repurchase agreements, are marked-to-market daily and maintained at a value at least equal to the principal amount of the repurchase agreement (including accrued interest). Repurchase agreements could involve certain risks in the event of default or insolvency of the counter-party, including possible delays or restrictions upon the ability of the Fund to dispose of its underlying securities.

Foreign Currency:

Net realized foreign exchange gains or losses arise from sales and maturities of short-term securities, sales of foreign currencies, expiration of currency forward contracts, currency gains or losses realized between the trade and settlement dates on securities transactions, and the difference between the amounts of dividends, interest, and foreign withholding taxes recorded on the Fund s books and the U.S. dollar equivalent of the amounts actually received or paid. Net unrealized foreign exchange gains and losses arise from changes in the value of assets and liabilities, including investments in securities at the end of the reporting period, as a result of changes in foreign currency exchange rates.

Royce Focus Trust

Notes to Financial Statements (unaudited) (continued)

Securities Lending:

The Fund loans securities to qualified institutional investors for the purpose of realizing additional income. Collateral for the Fund on all securities loaned is accepted in cash and cash equivalents and invested temporarily by the custodian. The collateral maintained is at least 100% of the current market value of the loaned securities. The market value of the loaned securities is determined at the close of business of the Fund and any additional required collateral is delivered to the Fund on the next business day. The Fund retains the risk of any loss on the securities on loan as well as incurring the potential loss on investments purchased with cash collateral received for securities lending.

Taxes:

As a qualified regulated investment company under Subchapter M of the Internal Revenue Code, the Fund is not subject to income taxes to the extent that it distributes substantially all of its taxable income for its fiscal year. The Schedule of Investments includes information regarding income taxes under the caption Tax Information .

Distributions:

Effective May 18, 2009, the Fund pays any dividends and capital gain distributions annually in December on the Fund s Common Stock. Prior to that date, the Fund paid quarterly distributions on the Fund s Common Stock at the annual rate of 5% of the rolling average of the prior four calendar quarter-end NAVs of the Fund s Common Stock, with the fourth quarter distribution being the greater of 1.25% of the rolling average or the distribution required by IRS regulations. Distributions to Preferred Stockholders are accrued daily and paid quarterly and distributions to Common Stockholders are recorded on ex-dividend date. Distributable capital gains and/or net investment income are first allocated to Preferred Stockholder distributions, with any excess allocable to Common Stockholders. If capital gains and/or net investment income are allocated to both Preferred and Common Stockholders, the tax character of such allocations is proportional. To the extent that distributions are not paid from long-term capital gains, net investment income or net short-term capital gains, they will represent a return of capital. Distributions are determined in accordance with income tax regulations that may differ from accounting principles generally accepted in the United States of America. Permanent book and tax differences relating to stockholder distributions will result in reclassifications within the capital accounts. Undistributed net investment income may include temporary book and tax basis differences, which will reverse in a subsequent period. Any taxable income or gain remaining undistributed at fiscal year end is distributed in the following year.

Investment Transactions and Related Investment Income:

Investment transactions are accounted for on the trade date. Dividend income is recorded on the ex-dividend date. Non-cash dividend income is recorded at the fair market value of the securities received. Interest income is recorded on an accrual basis. Premium and discounts on debt securities are amortized using the effective yield-to-maturity method. Realized gains and losses from investment transactions are determined on the basis of identified cost for book and tax purposes.

Expenses:

The Fund incurs direct and indirect expenses. Expenses directly attributable to the Fund are charged to the Fund s operations, while expenses applicable to more than one of the Royce Funds are allocated equitably. Certain personnel, occupancy costs and other administrative expenses related to The Royce Funds are allocated by Royce under an administration agreement and are included in administrative and office facilities and professional fees. The Fund has adopted a deferred fee agreement that allows the Directors to defer the receipt of all or a portion of Directors Fees otherwise payable. The deferred fees are invested in certain Royce Funds until distributed in accordance with the agreement.

Compensating Balance Credits:

The Fund has an arrangement with its custodian bank, whereby a portion of the custodian s fee is paid indirectly by credits earned on the Fund s cash on deposit with the bank. This deposit arrangement is an alternative to purchasing overnight investments. Conversely, the Fund pays interest to the custodian on any cash overdrafts, to the extent they are not offset by credits earned on positive cash balances.

Capital Stock:

The Fund issued 299,149 shares of Common Stock as reinvestment of distributions by Common Stockholders for the year ended December 31, 2009.

At June 30, 2010, 1,000,000 shares of 6.00% Cumulative Preferred Stock were outstanding. The Fund, at its option, may redeem the Cumulative Preferred Stock, in whole or in part, at the redemption price. The Cumulative Preferred Stock is classified outside of permanent equity (net assets applicable to Common Stockholders) in the accompanying financial statements in accordance with accounting for redeemable equity instruments, that requires preferred securities that are redeemable for cash or other assets to be classified outside of permanent equity to the extent that the redemption is at a fixed or determinable price and at the option of the holder or upon the occurrence of an event that is not solely within the control of the issuer.

The Fund is required to meet certain asset coverage tests with respect to the Cumulative Preferred Stock as required by the 1940 Act. In addition, pursuant to the Rating Agency Guidelines established by Moody s, the Fund is required to maintain a certain discounted asset coverage. If the Fund fails to meet these requirements and does not correct such failure, the Fund may be required to redeem, in part or in full, the Cumulative Preferred

Royce Focus Trust

Notes to Financial Statements (unaudited) (continued)

Capital Stock (continued):

Stock at a redemption price of $25.00 per share, plus an amount equal to the accumulated and unpaid dividends, whether or not declared on such shares, in order to meet these requirements. Additionally, failure to meet the foregoing asset coverage requirements could restrict the Fund s ability to pay dividends to Common Stockholders and could lead to sales of portfolio securities at inopportune times. The Fund has met these requirements since issuing the Cumulative Preferred Stock.

Investment Advisory Agreement:

The Investment Advisory Agreement between Royce and the Fund provides for fees to be paid at an annual rate of 1.0% of the Fund s average daily net assets applicable to Common Stockholders plus the liquidation value of Preferred Stock. Royce has voluntarily committed to waive the portion of its investment advisory fee attributable to an issue of the Fund s Preferred Stock for any month in which the Fund s average annual NAV total return since issuance of the Preferred Stock fails to exceed the applicable Preferred Stock s dividend rate. For the six months ended June 30, 2010, the Fund accrued and paid Royce investment advisory fees totaling $835,101.

Purchases and Sales of Investment Securities:

For the six months ended June 30, 2010, the costs of purchases and proceeds from sales of investment securities, other than short-term securities and collateral received for securities loaned, amounted to $29,150,349 and $28,097,820, respectively.

Directors and Officers

All Directors and Officers may be reached c/o The Royce Funds, 745 Fifth Avenue, New York, NY 10151

Charles M. Royce, Director*, President
Age: 70 | Number of Funds Overseen: 31 | Tenure: Since 1986
Non-Royce Directorships: Director of Technology Investment Capital Corp.

Principal Occupation(s) During Past Five Years: President, Co-Chief Investment Officer and Member of Board of Managers of Royce & Associates, LLC (Royce), the Trust s investment adviser.

Mark R. Fetting, Director*
Age: 55 | Number of Funds Overseen: 44 | Tenure: Since 2001
Non-Royce Directorships: Director/Trustee of registered investment companies constituting the 14 Legg Mason Funds.

Principal Occupation(s) During Past 5 Years: President, CEO, Chairman and Director of Legg Mason, Inc. and Chairman of Legg Mason Funds. Mr. Fetting s prior business experience includes having served as a member of the Board of Managers of Royce; President of all Legg Mason Funds; Senior Executive Vice President of Legg Mason, Inc.; Director and/or officer of various Legg Mason, Inc. affiliates; Division President and Senior Officer of Prudential Financial Group, Inc. and related companies.

Patricia W. Chadwick, Director
Age: 61 | Number of Funds Overseen: 31 | Tenure: Since 2010
Non-Royce Directorships: Trustee of ING Mutual Funds and Director of Wisconsin Energy Corp.

Principal Occupation(s) During Past 5 Years: Consultant and President of Ravengate Partners LLC (since 2000).

Richard M. Galkin, Director
Age: 72 | Number of Funds Overseen: 31 | Tenure: Since 1986
Non-Royce Directorships: None

Principal Occupation(s) During Past Five Years: Private investor. Mr. Galkin s prior business experience includes having served as President of Richard M. Galkin Associates, Inc., telecommunications consultants, President of Manhattan Cable Television a (subsidiary of Time, Inc.), President of Haverhills Inc. (another Time, Inc. subsidiary), President of Rhode Island Cable Television and Senior Vice President of Satellite Television Corp. (a subsidiary of Comsat).

Stephen L. Isaacs, Director

Age: 70 | Number of Funds Overseen: 31 | Tenure: Since 1989
Non-Royce Directorships: None

Principal Occupation(s) During Past Five Years: President of The Center for Health and Social Policy (since September 1996); Attorney and President of Health Policy Associates, Inc., consultants. Mr. Isaacs s prior business experience includes having served as Director of Columbia University Development Law and Policy Program and Professor at Columbia University (until August 1996).

Arthur S. Mehlman, Director

Age: 68 | Number of Funds Overseen: 44 | Tenure: Since 2004

Non-Royce Directorships: Director/Trustee of registered investment companies constituting the 14 Legg Mason Funds and Director of Municipal Mortgage & Equity, LLC.

Principal Occupation(s) During Past Five Years: Director of The League for People with Disabilities, Inc.; Director of University of Maryland Foundation (non-profits). Formerly: Director of University of Maryland College Park Foundation (non-profit) (from 1998 to 2005); Partner, KPMG LLP (international accounting firm) (from 1972 to 2002); Director of Maryland Business Roundtable for Education (from July 1984 to June 2002).

David L. Meister, Director

Age: 70 | Number of Funds Overseen: 31 | Tenure: Since 1986
Non-Royce Directorships: None

Principal Occupation(s) During Past Five Years: Consultant. Chairman and Chief Executive Officer of The Tennis Channel (from June 2000 to March 2005). Mr. Meister s prior business experience includes having served as Chief Executive Officer of Seniorlife.com, a consultant to the communications industry, President of Financial News Network, Senior Vice President of HBO, President of Time-Life Films and Head of Broadcasting for Major League Baseball.

G. Peter O Brien, Director

Age: 64 | Number of Funds Overseen: 44 | Tenure: Since 2001
Non-Royce Directorships: Director/Trustee of registered investment companies constituting the 14 Legg Mason Funds; Director of Technology Investment Capital Corp.

Principal Occupation(s) During Past Five Years: Trustee Emeritus of Colgate University (since 2005) ; Board Member of Hill House, Inc. (since 1999); Formerly: Trustee of Colgate University (from 1996 to 2005), President of Hill House, Inc. (from 2001 to 2005) and Managing Director/Equity Capital Markets Group of Merrill Lynch & Co. (from 1971 to 1999).

John D. Diederich, Vice President and Treasurer

Age: 58 | Tenure: Since 2001

Principal Occupation(s) During Past Five Years: Chief Operating Officer, Managing Director and member of the Board of Managers of Royce; Chief Financial Officer of Royce; Director of Administration of the Trust; and President of RFS, having been employed by Royce since April 1993.

Jack E. Fockler , Jr. , Vice President

Age: 51 | Tenure: Since 1995

Principal Occupation(s) During Past Five Years: Managing Director and Vice President of Royce, and Vice President of RFS, having been employed by Royce since October 1989.

W. Whitney George, Vice President

Age: 52 | Tenure: Since 1995

Principal Occupation(s) During Past Five Years: Co-Chief Investment Officer, Managing Director and Vice President of Royce, having been employed by Royce since October 1991.

Daniel A. O Byrne, Vice President and Assistant Secretary

Age: 48 | Tenure: Since 1994

Principal Occupation(s) During Past Five Years: Principal and Vice President of Royce, having been employed by Royce since October 1986.

John E. Denneen, Secretary and Chief Legal Officer

Age: 43 | Tenure: 1996-2001 and Since April 2002

Principal Occupation(s) During Past Five Years: General Counsel, Principal, Chief Legal and Compliance Officer and Secretary of Royce; Secretary and Chief Legal Officer of The Royce Funds.

Lisa Curcio, Chief Compliance Officer

Age: 50 | Tenure: Since 2004

Principal Occupation(s) During Past Five Years: Chief Compliance Officer of The Royce Funds (since October 2004) and Compliance Officer of Royce (since June 2004); Vice President, The Bank of New York (from February 2001 to June 2004).

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* Interested Director

Directors will hold office until their successors have been duly elected and qualified or until their earlier resignation or removal. The Statement of Additional Information, which contains additional information about the Trust s directors and officers, is available and can be obtained without charge at **www.roycefunds.com** or by calling (800)

221-4268.

Notes to Performance and Other Important Information

The thoughts expressed in this *Review and Report* concerning recent market movements and future prospects for small company stocks are solely the opinion of Royce at June 30, 2010, and, of course, historical market trends are not necessarily indicative of future market movements. Statements regarding the future prospects for particular securities held in the Funds portfolios and Royce s investment intentions with respect to those securities reflect Royce s opinions as of June 30, 2010 and are subject to change at any time without notice. There can be no assurance that securities mentioned in this *Review and Report* will be included in any Royce-managed portfolio in the future. The Funds invest primarily in securities of micro-, small- and mid-cap companies, which may involve considerably more risk than investments of larger-cap companies. All publicly released material information is always disclosed by the Funds on the website at www.roycefunds.com.

The Russell 2000 is an index of domestic small-cap stocks. It measures the performance of the 2,000 smallest publicly traded U.S. companies in the Russell 3000 index. The Russell 2000 Value and Growth indices consist of the respective value and growth stocks within the Russell 2000 as determined by Russell Investments. The Russell Microcap Index measures the performance of the smallest 1,000 companies in the Russell 2000. The S&P 500 and S&P SmallCap 600 are indices of U.S. large- and small-cap stocks, respectively, selected by Standard & Poor s based on market size, liquidity and industry grouping, among other factors. The Nasdaq Composite is an index of the more than 3,000 common equities listed on the Nasdaq stock exchange. The MSCI EAFE Index (Europe, Australasia, Far East) is designed to measure the equity market performance of developed equity markets, excluding the U.S. and Canada. The MSCI World ex USA Small Core index represents the small-cap segment in the world s developed equity markets excluding the United States. Returns for the market indices used in this *Review and Report* were based on information supplied to Royce by Russell Investments and Morningstar. Royce has not independently verified the above described information. *The Royce Funds* is a service mark of The Royce Funds.

Forward-Looking Statements

This material contains forward-looking statements within the meaning of the Securities Exchange Act of 1934, as amended (the Exchange Act), that involve risks and uncertainties, including, among others, statements as to:

- the Funds future operating results
- the prospects of the Funds portfolio companies
- the impact of investments that the Funds have made or may make
- the dependence of the Funds future success on the general economy and its impact on the companies and industries in which the Funds invest, and

the ability of the Funds portfolio companies to achieve their objectives.

This *Review and Report* uses words such as anticipates, believes, expects, future, intends, and similar expressions to identify forward-looking statements. Actual results may differ materially from those projected in the forward-looking statements for any reason.

The Royce Funds have based the forward-looking statements included in this Review and Report on information available to us on the date of the report, and we assume no obligation to update any such forward-looking statements. Although The Royce Funds undertake no obligation to revise or update any forward-looking statements, whether as a result of new information, future events or otherwise, you are advised to consult any additional disclosures that we may make through future stockholder communications or reports.

Authorized Share Transactions

Royce Value Trust, Royce Micro-Cap Trust and Royce Focus Trust may each repurchase up to 5% of the issued and outstanding shares of its respective common stock and up to 10% of the issued and outstanding shares of its respective preferred stock during the year ending December 31, 2010. Any such repurchases would take place at then prevailing prices in the open market or in other transactions. Common stock repurchases would be effected at a price per share that is less than the share s then current net asset value, and preferred stock repurchases would be effected at a price per share that is less than the share s liquidation value.

Royce Value Trust, Royce Micro-Cap Trust and Royce Focus Trust are also authorized to offer their common stockholders an opportunity to subscribe for additional shares of their common stock through rights offerings at a price per share that may be less than the share s then current net asset value. The timing and terms of any such offerings are within each Board s discretion.

Annual Certifications

As required, the Funds have submitted to the New York Stock Exchange (NYSE) for Royce Value Trust and Royce Micro-Cap Trust and to Nasdaq for Royce Focus Trust, respectively, the annual certification of the Funds Chief Executive Officer that he is not aware of any violation of the NYSE s or Nasdaq s Corporate Governance listing standards. The Funds also have included the certification of the Funds Chief Executive Officer and Chief Financial Officer required by section 302 of the Sarbanes-Oxley Act of 2002 as exhibits to the Funds form N-CSR for the period ended December 31, 2009, filed with the Securities and Exchange Commission.

Proxy Voting

A copy of the policies and procedures that The Royce Funds use to determine how to vote proxies relating to portfolio securities and information regarding how each of The Royce Funds voted proxies relating to portfolio securities during the most recent 12-month period ended June 30 is available, without charge, on The Royce Funds website at www.roycefunds.com, by calling 1-800-221-4268 (toll-free) and on the website of the Securities and Exchange Commission (SEC), at www.sec.gov.

Form N-Q Filing

The Funds file their complete schedules of investments with the SEC for the first and third quarters of each fiscal year on Form N-Q. The Funds Forms N-Q are available on the SEC s website at www.sec.gov. The Royce Funds holdings are also on the Funds website approximately 15 to 20 days after each calendar quarter end and remain available until the next quarter s holdings are posted. The Funds Forms N-Q may also be reviewed and copied at the SEC s Public Reference Room in Washington, D.C. To find out more about this public service, call the SEC at 1-800-732-0330. The Funds complete schedules of investments are updated quarterly, and are available at www.roycefunds.com.

Board Approval of Investment Advisory Agreements

At meetings held on June 9-10, 2010, each of the Funds respective Boards of Directors, including all of the non-interested directors, approved the continuance of the Investment Advisory Agreements between Royce & Associates, LLC (R&A) and each of Royce Value Trust, Royce Micro-Cap Trust and Royce Focus Trust (the Funds). In reaching these decisions, the Board reviewed the materials provided by R&A, which included, among other things, information prepared internally by R&A and independently by Morningstar Associates, LLC (Morningstar) containing detailed expense ratio and investment performance comparisons for the Funds with other funds in their peer group, information regarding the past performance of Funds managed by R&A and a memorandum outlining the legal duties of the Board prepared by independent counsel to the non-interested directors. R&A also provided the directors with an analysis of its profitability with respect to providing investment advisory services to each of the Funds. In addition, the Board took into account information furnished throughout the year at regular Board meetings, including reports on investment performance, stockholder services, regulatory compliance, brokerage commissions and research, brokerage and execution products and services provided to the Funds. The Board also considered other matters they deemed important to the approval process such as allocation of Fund brokerage commissions and other direct and indirect benefits to R&A and its affiliates, from their relationship with the Funds. The directors also met throughout the year with investment advisory personnel from R&A. The Board, in its deliberations, recognized that, for many of the Funds stockholders, the decision to purchase Fund shares included a decision to select R&A as the investment adviser and that there was a strong association in the minds of Fund stockholders between R&A and each Fund. In considering factors relating to the approval of the continuance of the Investment Advisory Agreements, the non-interested directors received assistance and advice from, and met separately with, their independent counsel. While the Investment Advisory Agreements for the Funds were considered at the same Board meetings, the Board dealt with each agreement separately. Among other factors, the directors considered the following:

The nature, extent and quality of services provided by R&A: The Board considered the following factors to be of fundamental importance to their consideration of whether to approve the continuance of the Funds Investment Advisory Agreements: (i) R&A s more than 35 years of value investing experience and track record; (ii) the history of long-tenured R&A portfolio managers managing the Funds; (iii) R&A s focus on mid-cap, small-cap and micro-cap value investing; (iv) the consistency of R&A s approach to managing both the Funds and open-end mutual funds over more than 35 years; (v) the integrity and high ethical standards adhered to at RA (vi) R&A s specialized experience in the area of trading small- and micro-cap securities; (vii) R&A s historical ability to attract and retain portfolio management talent and (viii) R&A s focus on stockholder interests as exemplified by its voluntary fee waiver policy on preferred stock assets in certain circumstances where the Funds total return performance from the issuance of the preferred does not exceed the coupon rate on the preferred, and expansive stockholder reporting and communications. The Board reviewed the services that R&A provides to the Funds, including, but not limited to, managing each Fund s investments in accordance with the stated policies of each Fund. The Board considered the fact that R&A provided certain administrative services to the Funds at cost pursuant to the Administration Agreement between the Funds and R&A which went into effect on January 1, 2008. The Board determined that the services to be provided to each Fund by R&A would be the same as those it previously provided to the Funds. They also took into consideration the histories, reputations and backgrounds of R&A s portfolio managers for the Funds, finding that these would likely have an impact on the continued success of the Funds. Lastly, the Board noted R&A s ability to attract and retain quality and experienced personnel. The directors concluded that the services provided by R&A to each Fund compared favorably to services provided by R&A to other R&A client accounts, including other funds, in both nature and quality, and that the scope of services provided by R&A would continue to be suitable for each Fund.

Investment performance of the Funds and R&A: In light of R&A s risk averse approach to investing, the Board believes that risk-adjusted performance continues to be an appropriate measure of each Fund s investment performance. One measure of risk-adjusted performance the Board has historically used in their review of the Funds performance is the Sharpe Ratio. The Sharpe Ratio is a risk-adjusted measure of performance developed by Nobel Laureate William Sharpe. It is calculated by dividing a fund s annualized excess returns by its annualized standard deviation to determine reward per unit of risk. The higher the Sharpe Ratio, the better a fund s historical risk-adjusted performance. The Board attaches primary importance to risk-adjusted performance over relatively long periods of time, typically three to 10 years. Morningstar compared each of the Funds risk-adjusted performance to that of its applicable open-end fund category. Royce Value Trust s Sharpe Ratio placed in the third quartile within the small blend category assigned by Morningstar for the three- and five-year periods and in the middle quintile for the ten-year period ended December 31, 2009. Royce Micro-Cap Trust s Sharpe Ratio placed in the middle quintile for the three- and five-year period and in the first quartile within the small blend, growth or value category assigned by Morningstar for the ten-year period ended December 31, 2009. Finally, Royce Focus Trust s Sharpe Ratio placed in the top quartile within the small growth category assigned by Morningstar for the three-, five- and ten-year periods ended December 31, 2009.

The Board noted that R&A manages a number of funds that invest in small-cap and micro-cap issuers, many of which were outperforming the Russell 2000 Index and their competitors. Although the Board recognized that past performance is not necessarily an indicator of future results, they found that R&A had the necessary qualifications, experience and track record in managing mid-cap, small-cap and micro-cap securities to manage the Funds. The directors determined that R&A continued to be an appropriate investment adviser for the Funds and concluded that each Fund s performance supported the renewal of its Investment Advisory Agreement.

Cost of the services provided and profits realized by R&A from its relationship with each Fund: The Board considered the cost of the services provided by R&A and profits realized by R&A from its relationship with each Fund. As part of the analysis, the Board discussed with R&A its methodology in allocating its costs to each Fund and concluded that its allocations were reasonable. The Board concluded that R&A s profits were reasonable in relation to the nature and quality of services provided.

The extent to which economies of scale would be realized as the Funds grow and whether fee levels would reflect such economies of scale: The Board considered whether there have been economies of scale in respect of the management of the Funds, whether the Funds have appropriately benefited from any economies of scale and whether there is potential for realization of any further economies of scale. The Board noted the time and effort involved in managing portfolios of small- and micro-cap stocks and that they did not involve the same efficiencies as do portfolios of large-cap stocks. The Board concluded that the current fee structure for each Fund was reasonable, and that no changes were currently necessary.

Comparison of services to be rendered and fees to be paid to those under other investment advisory contracts, such as contracts of the same and other investment advisers or other clients: The Board reviewed the investment advisory fee paid by each Fund and compared both the services to be rendered and the fees to be paid under the Investment Advisory Agreements to other contracts of R&A and to contracts of other investment advisers with registered investment companies investing in small- and micro-cap stocks, as provided by Morningstar. The Board noted that, in the case of Royce Value Trust, the 1.00% basic fee that is subject to adjustment up or down (up to 0.50% in either direction) based on the Fund s performance versus the S&P 600 SmallCap Index, an unmanaged index, over rolling periods of 60 months. The fee is charged on average net assets over those rolling periods. As a result, in a rising market, the fee will be smaller than a fee calculated on the current year s average net assets, and visa versa. The Board determined that the performance adjustment feature continued to serve as an appropriate incentive to R&A to manage the Fund for the benefit of its long-term common stockholders. The Board noted that R&A had also agreed to waive its management fee on Fund assets in an amount equal to the liquidation preference of the Fund s outstanding preferred stock if the Fund s total return from issuance of the preferred on such amount is less than the preferred s fixed dividend rate. The Board also noted that the fee arrangement, includes a provision for no fee in periods where the Fund s trailing three-year performance is negative. Instead of receiving a set fee regardless of its performance, R&A is penalized for poor performance. The Board noted that the Fund s trailing three-year performances earned R&A no fee in 2009.

In the case of Royce Micro-Cap Trust, the directors noted that the Fund has a 1.00% basic fee subject to adjustment up or down (up to 0.50% either direction) based on the Fund s performance versus the Russell 2000 Index, an unmanaged index, over rolling 36-month periods. The fee is charged on average net assets over those rolling periods. As a result, in a rising market, the fee will be smaller than a fee calculated on the current year s average net assets, and visa versa. The Board determined that the performance adjustment feature continued to serve as an incentive to R&A to manage the Fund for the benefit of its long-term stockholders. The Board also noted R&A s voluntarily waiver of its fee on the liquidation value of the outstanding preferred stock in circumstances where the Fund s total return performance from the issuance of the preferred is less than the fixed dividend rate on the preferred for each month during the year. The Board noted that if the Fund s expense ratio were based on total average net assets including net assets applicable to Preferred Stock, it would rank in the second quartile when compared to its Morningstar-assigned open-end peer group.

Finally, in the case of Royce Focus Trust, the Board noted that R&A had agreed to waive its management fee on the liquidation value of outstanding preferred stock if the Fund s total return from issuance of the preferred is less than the preferred s fixed dividend rate. The Board noted that if the Fund s expense ratio were based on total average net assets including net assets applicable to Preferred Stock, it would place in the first quartile of its Morningstar-assigned open-end peer group.

The Board also considered fees charged by R&A to institutional and other clients and noted that, given the greater levels of services that R&A provides to registered investment companies such as the Funds as compared to other accounts, the Funds base advisory fees compared favorably to those other accounts.

The entire Board, including all the non-interested directors, approved the renewal of the existing Investment Advisory Agreements, concluding that a contract renewal on the existing terms was in the best interest of the stockholders of each Fund and that each investment advisory fee rate was reasonable in relation to the services provided.

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How To Swim Upstream, Against The Grain, Away From The Crowd

When in Rome, do as the Greeks.

Kenneth Burke

Here at Royce, we occasionally describe ourselves as contrarian investors. Although we regularly (and affectionately) define our approach as value investing, we also realize that the terms value and growth now carry so many varying shades of meaning not all of them necessarily useful or sound that for some people they may not go to the heart of what characterizes our time-tested style of asset management. We won t be dispensing with the term value anytime soon, but contrarian also nicely encapsulates the way in which we conduct our daily investment practice.

There is also the important factor of one s investment time horizon how long is one willing to wait for other investors to recognize those allegedly sterling qualities that first attracted one s money and interest? Closely related to this is conviction level if the stock price continues to decline, but the company otherwise seems to be in sound financial condition, does an investor have the stomach to stick it out or, in some cases, add to the position? These are questions a contrarian investor must be able to answer if he or she seeks to successfully go against Wall Street s consensus.

The American Heritage Dictionary defines contrarian as, One who takes a contrary view or action, especially an investor who makes decisions that contradict prevailing wisdom, as in buying securities that are unpopular at the time. In defining our own contrarian bent, Royce s Co-Chief Investment Officer, Whitney George, puts it this way: More often than not, being a contrarian means standing alone. It requires an enormous amount of self-confidence to buy securities when the rest of the world is telling us, These are bad ideas. Every day, we might be doing things that other smart people are insisting are wrong, so we have to believe strongly in what we are buying. To us, then, being a contrarian involves far more than a willingness to swim against the current. It s not just a matter of moving in the opposite direction of the market, a strategy that, if applied with no core investment principles of one s own, would almost certainly lead to financial disaster.

In fact, as useful as the dictionary definition is, it also leaves important questions unanswered. All value investors are, to some degree, contrarians because every investor who uses a value approach is looking for what they judge to be good

Our own habit of being contrarian comes not out of a desire to flout conventional wisdom for its own sake, but from our commitment to doing what we think works best, regardless of what other investors may be buying or selling.

Our own habit of being contrarian comes not out of a desire to flout conventional wisdom for its own sake, but from our commitment to doing what we think works best, regardless of what other investors may be buying or selling. Purchasing small-cap stocks when they are out of favor, when we may not have a firm idea of when their fortunes may be reversed, when it may take years and several more stomach-churning plummets in the stock price for an idea to be successful all of this makes having a high level of conviction about companies an absolute necessity.

The disciplined approach that we have been refining since the 70s focuses on absolute, long-term returns. While we are hardly the only asset manager, even in the small-cap space, to adhere to this standard, much of Wall Street operates on a much narrower calendar, one in which quarterly results matter more than those of the full market or business cycle. Patience is a rare commodity in equity investing, as is the idea that, while beating a benchmark is wonderful, it is still far less important than helping investors to build wealth over long-term time periods.

The qualities that we most commonly seek in small-cap companies strong balance sheets, high returns on invested capital companies selling at attractively low share prices. (Not to belabor the obvious, but for any stock price to be considered attractively low typically means one of two things: that much of the market believes it is not a worthwhile investment or that the majority of investors have failed to even notice the company s existence.) Another issue is that how one determines company quality is likely to vary considerably from manager to manager.

and the ability to generate free cash flow are also not universally sought on Wall Street. Many investors who see the value in these qualities may not be as willing as we are to wait for them to bear fruit in the form of a company s rising share price. This results in a relatively small number of people who share our passion for quality businesses as well as the patience to stick with them, even as others are busy following the pack. Which is exactly how we like it.

Wealth Of Experience

With approximately $29 billion in open- and closed-end fund assets under management, Royce & Associates is committed to the same small-company investing principles that have served us well for more than 35 years. Charles M. Royce, our President and Co-Chief Investment Officer, enjoys one of the longest tenures of any active mutual fund manager. Royce s investment staff also includes Co-Chief Investment Officer W. Whitney George, 15 Portfolio Managers, 11 assistant portfolio managers and analysts, and eight traders.

Multiple Funds, Common Focus

Our goal is to offer both individual and institutional investors the best available small-cap value portfolios. Unlike a lot of mutual fund groups with broad product offerings, we have chosen to concentrate on small-company value investing by providing investors with a range of funds that take full advantage of this large and diverse sector.

Consistent Discipline

Our approach emphasizes paying close attention to risk and maintaining the same discipline, regardless of market movements and trends. The price we pay for a security must be significantly below our appraisal of its current worth. This requires a thorough analysis of the financial and business dynamics of an enterprise, as though we were purchasing the entire company.

Co-Ownership Of Funds

It is important that our employees and shareholders share a common financial goal; our officers, employees and their families currently have approximately $99 million invested in *The Royce Funds.*

745 Fifth Avenue | New York, NY 10151 | (800) 221-4268 | www.roycefunds.com

General Information	**RIA Services**	**Broker/Dealer Services**	**Computershare**
Additional Report Copies and Prospectus Inquiries	Fund Materials and Performance Updates	Fund Materials and Performance Updates	Transfer Agent and Registrar
(800) 221-4268	(800) 33-ROYCE (337-6923)	(800) 59-ROYCE (597-6923)	(800) 426-5523

Item 2. Code(s) of Ethics. Not applicable to this semi-annual report.

Item 3. Audit Committee Financial Expert. Not applicable to this semi-annual report.

Item 4. Principal Accountant Fees and Services. Not applicable to this semi-annual report.

Item 5. Audit Committee of Listed Registrants. Not applicable to this semi-annual report.

Item 6. Investments.
(a) See Item 1.

(b) Not applicable.

Item 7. Disclosure of Proxy Voting Policies and Procedures for Closed-End Management Investment Companies. Not applicable to this semi-annual report.
Item 8. Portfolio Managers of Closed-End Management Investment Companies. Not applicable to this semi-annual report.

Item 9. Purchases of Equity Securities by Closed-End Management Investment Company and Affiliated Purchasers. Not applicable.

Item 10. Submission of Matters to a Vote of Security Holders. Not applicable.

Item 11. Controls and Procedures.

(a) Disclosure Controls and Procedures. The Principal Executive and Financial Officers concluded that the Registrant s Disclosure Controls and Procedures are effective based on their evaluation of the Disclosure Controls and Procedures as of a date within 90 days of the filing date of this report.

(b) Internal Control over Financial Reporting. There were no significant changes in Registrant s internal control over financial reporting or in other factors that could significantly affect this control subsequent to the date of the evaluation, including any corrective actions with regard to significant deficiencies and material weaknesses during the second fiscal quarter of the period covered by this report.

Item 12. Exhibits. Attached hereto.
(a)(1) Not applicable to this semi-annual report.
(a)(2) Separate certifications by the Registrant s Principal Executive Officer and Principal Financial Officer as required by Rule 30a-2(a) under the Investment Company Act of 1940.

(a)(3) Not applicable.

(b) Separate certifications by the Registrant s Principal Executive Officer and Principal Financial Officer, pursuant to Section 906 of the Sarbanes-Oxley Act of 2002 and required by Rule 30a-2(b) under the Investment Company Act of 1940.

Pursuant to the requirements of the Securities Exchange Act of 1934 and the Investment Company Act of 1940, the registrant has duly caused this report to be signed on its behalf by the undersigned, thereunto duly authorized.

ROYCE VALUE TRUST, INC.
BY: **/s/ Charles M. Royce**
Charles M. Royce
President
Date: August 27, 2010

Pursuant to the requirements of the Securities Exchange Act of 1934 and the Investment Company Act of 1940, this report has been signed below by the following persons on behalf of the registrant and in the capacities and on the dates indicated.

ROYCE VALUE TRUST, INC.	**ROYCE VALUE TRUST, INC.**
BY: /s/ **Charles M. Royce**	BY: **/s/ John D. Diederich**
Charles M. Royce	**John D. Diederich**
President	**Chief Financial Officer**
Date: August 27, 2010	Date: August 27, 2010