FORM N-CSRS

Certified semi-annual shareholder report of registered management investment companies filed on Form N-CSR

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FLOATING RATE INCOME STRATEGIES FUND INC
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Business Address
MERRILL LYNCH ASSET MANAGEMENT
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PLAINSBORO NJ 08536
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UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549

FORM N-CSRS

CERTIFIED SHAREHOLDER REPORT OF REGISTERED MANAGEMENT INVESTMENT COMPANIES

Investment Company Act file number 811-21413

Name of Fund: Floating Rate Income Strategies Fund, Inc.

Fund Address: P.O. Box 9011
Princeton, NJ 08543-9011

Name and address of agent for service: Robert C. Doll, Jr., Chief Executive Officer, Floating Rate Income Strategies Fund, Inc., 800 Scudders Mill Road, Plainsboro, NJ, 08536. Mailing address: P.O. Box 9011, Princeton, NJ, 08543-9011

Registrant's telephone number, including area code: (609) 282-2800

Date of fiscal year end: 08/31/05

Date of reporting period: 09/01/04 - 02/28/05

Item 1 - Report to Stockholders

Floating Rate
Income Strategies
Fund, Inc.

Semi-Annual Report
February 28, 2005

(BULL LOGO) Merrill Lynch Investment Managers
www.mlim.ml.com

Mercury Advisors
A Division of Merrill Lynch Investment Managers
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Floating Rate Income Strategies Fund, Inc. seeks a high current income and such preservation of capital as is consistent with investment in a diversified, leveraged portfolio consisting primarily of floating rate debt securities and instruments.

This report, including the financial information herein, is transmitted for use only to the shareholders of Floating Rate Income Strategies Fund, Inc. for their information. It is not a prospectus, circular or representation intended for use in the purchase of shares of the Fund or any securities mentioned in this report. Past performance results shown in this report should not be considered a representation of future performance. The Fund leverages its Common Stock to provide Common Stock shareholders with a potentially higher rate of return. Leverage creates risk for Common Stock shareholders, including the likelihood of greater volatility of net asset value and market price of Common Stock shares, and the risk that fluctuations in short-term interest rates may reduce the Common Stock's yield. Statements and other information herein are as dated and are subject to change.

A description of the policies and procedures that the Fund uses to determine how to vote proxies relating to portfolio securities is available (1) without charge, upon request, by calling toll-free 1-800-MER-FUND (1-800-637-3863); (2) at www.mutualfunds.ml.com; and (3) on the Securities and Exchange Commission's Web site at http://www.sec.gov. Information about how the Fund voted proxies relating to securities held in the Fund's portfolio during the most recent 12-month period ended June 30 is available (1) at www.mutualfunds.ml.com and (2) on the Securities and Exchange Commission's Web site at http://www.sec.gov.

Floating Rate Income Strategies Fund, Inc.
Box 9011
Princeton, NJ
08543-9011

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Floating Rate Income Strategies Fund, Inc.

The Benefits and Risks of Leveraging

Floating Rate Income Strategies Fund, Inc. utilizes leverage through borrowings or issuance of short-term debt securities or shares of Preferred Stock. The concept of leveraging is based on the premise that the cost of assets to be obtained from leverage will be based on short-term interest rates, which normally will be lower than the income earned by the Fund on its longer-term portfolio investments. To the extent that the total assets of the Fund (including the assets obtained from leverage) are invested in higher-yielding portfolio investments, the Fund's Common Stock shareholders will be the beneficiaries of the incremental yield.

Leverage creates risks for holders of Common Stock including the likelihood of greater net asset value and market price volatility. In addition, there is the risk that fluctuations in interest rates on borrowings (or in the dividend rates on any Preferred Stock, if the Fund were to issue the Preferred Stock) may reduce the Common Stock's yield and negatively impact its market price. If the income derived from securities purchased with assets received from leverage exceeds the cost of leverage, the Fund's net income will be greater than if leverage had not been used. Conversely, if the income from the securities purchased is not sufficient to cover the cost of leverage, the Fund's net income will be less than if leverage had not been used, and therefore the amount available for distribution to Common Stock shareholders will be reduced.

A Letter From the President

Dear Shareholder

Financial markets broadly posted positive returns over the most recent reporting period, with international equities providing some of the most impressive results.
<TABLE>
<CAPTION>

Total Returns as of February 28, 2005	6-month	12-month
<S>	<C>	<C>
U.S. equities (Standard & Poor's 500 Index)	+ 9.99%	+ 6.98%
International equities (MSCI Europe Australasia Far East Index)	+21.18	+18.68
Fixed income (Lehman Brothers Aggregate Bond Index)	+ 1.26	+ 2.43
Tax-exempt fixed income (Lehman Brothers Municipal Bond Index)	+ 2.40	+ 2.96
High yield bonds (Credit Suisse First Boston High Yield Index)	+ 7.53	+11.21

</TABLE>

The U.S. economy has continued to show resilience in the face of the Federal Reserve Board's (the Fed) continued interest rate hikes and, more recently, higher oil prices. The Fed's measured tightening program recently brought the federal funds rate to 2.75% en route to a more "neutral" short-term interest rate target (relative to inflation). Since the U.S. presidential election, progress has been monitored on many fronts in Washington, although concerns remain about the structural problems of debt and deficits, as reflected by a significant decline in the U.S. dollar.

U.S. equities ended 2004 in a strong rally, but remained in a fairly narrow trading range for the first two months of 2005. Divergences were notable among sectors, with energy emerging as a clear leader. On the positive side, corporations have accelerated their hiring plans, capital spending remains reasonably robust and merger-and-acquisition activity has increased. Offsetting the positives are slowing corporate earnings growth, renewed energy price concerns and the potential for an economic slowdown. International equities, particularly in Asia, have benefited from higher economic growth rates (China recorded growth of 9.3% in 2004), stronger currencies and relatively reasonable valuations.

The major action in the bond market has been a flattening of the yield curve. As short-term interest rates continued to rise, yields on the long end of the curve remained relatively stable - even declining at certain points since the Fed's monetary tightening program began in June 2004. This phenomenon has been largely attributed to continued foreign interest in U.S. bonds, which has served to absorb much of the excess supply. By period-end, many believed long-term yields were long overdue for a rise.

Looking ahead, the environment is likely to be a challenging one for investors, with diversification and selectivity becoming increasingly important themes. With this in mind, we encourage you to meet with your financial advisor to review your goals and asset allocation and to rebalance your portfolio, as necessary, to ensure it remains aligned with your objectives and risk tolerance. As always, we thank you for trusting Merrill Lynch Investment Managers with your investment assets, and we look forward to serving you in the months and years ahead.

Sincerely,

(Robert C. Doll, Jr.)
Robert C. Doll, Jr.
President and Director

A Discussion With Your Fund's Portfolio Manager

Good security selection in the energy-other, telecommunication services and U.S. cable sectors was the primary factor in the Fund's outperformance versus its composite benchmark for the period.

Describe market conditions during the past six months.

Throughout the period, the leverage loan market continued to benefit from the significant demand that it has experienced since the beginning of 2004. This created an excess cash imbalance that was left virtually intact through the end of February 2005, as new inflows have continued to match the value of new issues. Demand in the marketplace has led to higher secondary-market loan prices and new issues with generally lower interest spreads over London InterBank Offered Rate (LIBOR), and average new-issue allocation amounts per investor that are lower than their historical levels.

A significant rise in LIBOR more than offset declines in the interest rate spreads on BB-rated and B-rated new issues during the period. Another positive development in the leveraged loan sector has been the improving default rate. As of the end of February 2005, the lagging 12-month institutional loan default rate stood at 1.36% by number of loans and 1.37% of principal amount, according to Standard & Poor's Leveraged Commentary & Data. Although this is a

12-month high due to the recent default of Tower Automotive Inc., the default rates are still well below the recent historical averages (since 1998) of 3.87% by number of loans and 4.18% by principal amount.

The fixed rate high yield bond market, in which the Fund can invest up to 20% of its assets, has been affected by some of the same fundamentals driving the leveraged loan market. The excess cash in the market has been the primary factor in the rally in high yield securities. Although concern surrounding higher interest rates has hung over the market for some time, 10-year U.S. Treasury note yields did not begin to rise until early 2005.

How did the Fund perform during the period in light of the existing market conditions?

For the six-month period ended February 28, 2005, the Common Stock of the Fund had net annualized yields of 5.55% and 5.63%, based on a period-end per share net asset value of $19.65 and a per share market price of $19.38, respectively, and $.541 per share in ordinary income dividends. For the same period, the total investment return on the Fund's Common Stock was +5.47%, based on a change in net asset value from $19.16 to $19.65, and assuming reinvestment of all distributions. For the same period, the Fund's unmanaged benchmark, a composite comprised 80% of the Credit Suisse First Boston (CSFB) Leveraged Loan Index and 20% of the CSFB High Yield Index, posted a total return of +3.91%.

For a description of the Fund's total investment return based on a change in the per share market value of the Fund's Common Stock (as measured by the trading price of the Fund's shares on the New York Stock Exchange), and assuming reinvestment of dividends, please refer to the Financial Highlights section of this report. As a closed-end fund, the Fund's shares may trade in the secondary market at a premium or discount to the Fund's net asset value. As a result, total investment returns based on changes in the market value of the Fund's Common Stock can vary significantly from total investment returns based on changes in the Fund's net asset value.

Our holdings in the energy-other, telecommunication services and U.S. cable sectors performed well during the period, while our positions in food and tobacco, automotive and transportation had a negative effect on the Fund's return.

The Fund's strong performance in the energy-other sector resulted primarily from our position in Trico Marine Services, Inc., a company that provides boat services to the energy industry, mainly in the Gulf of Mexico and North Sea. Trico declared bankruptcy in late 2004 after suffering through declining sales due to lower levels of drilling in its markets. However, surges in the price of oil significantly improved the company's sales and the loan security rallied considerably upon the company's emergence from bankruptcy. The Fund's positive return in the telecommunication services sector was attributable to our holdings in Cincinnati Bell, Inc., Qwest Communications International and Time Warner Telecom Holdings, Inc. All three companies experienced improving operating results. In addition, Cincinnati Bell and Qwest also benefited from the de-leveraging of their balance sheets, while Time Warner's debt security rose on investors' expectations that the company would call the bond. In the U.S. cable sector, the Fund received positive contributions from its positions in Rainbow National Services LLC, Charter Communications Operating LLC and Century Cable Holdings LLC. The bonds of Rainbow National, a division of Cablevision, rallied because of the company's plan to spin-off its satellite business. The price of Charter Communications' bank loan rose as the company completed a refinancing to improve its liquidity. Finally, the bank loan of Century Cable Holdings, an Adelphia company, gained as the company nears the completion of its auction.

Conversely, the Fund's holdings in the food and tobacco sector hindered its performance. We sold our Atkins Nutritionals, Inc. loan because sales of the company's products declined and we believed that this downward trend would continue. We liquidated our position in a bank loan of Intermet Corp., which manufactures iron and aluminum castings for the automotive and industrial markets, in advance of what we believed would be a lengthy restructuring process. In the transportation sector, the bank loan of Laidlaw International, Inc. detracted from the Fund's return, as the company repaid the loan at par value following an asset sale. The loan had been trading above its par value at the beginning of the period.

What changes were made to the portfolio during the period?

During the period, we purchased assets of approximately $96.2 million in par amount (face value), sold $25.5 million, and received $105.7 million in repayments from the issuers of several of our holdings. Reinvested proceeds from repayments comprised approximately $25 million of the funds used for new purchases.

Most of the assets we purchased during the period have subsequently traded at premiums (above their par values). However, no individual security contributed significantly to the Fund's outperformance.

How would you characterize the Fund's position at the close of the period?

At the end of the period, the portfolio was composed of 167 issuers spread among 31 industries. The Fund was underweight versus its composite benchmark in securities rated Ba or better, credits rated Caa or below, and unrated issues, and was overweight in B-rated securities.

Looking forward, we anticipate that many of the same factors that had an impact on leveraged loans in the past six months will continue to influence the fundamentals in the market. We believe that the trend of small allocation amounts for issuances of new loans, lower interest rate spreads and above-par secondary market prices will continue, especially given the benign credit environment we expect over the next six months. A further benefit to the market during the period would be an increase in LIBOR. Therefore, we plan to continue to purchase assets predominately in the primary market, while selectively participating in the secondary market.

Joseph P. Matteo
Vice President and Portfolio Manager

March 25, 2005

FLOATING RATE INCOME STRATEGIES FUND, INC., FEBRUARY 28, 2005

Portfolio Information

As of February 28, 2005

Ten Largest Holdings	Percent of Net Assets
Charter Communications Operating LLC Tranche B Term Loan, due 4/07/2011	5.9%
Dow Jones CDX.NA.HY.3 Trust 3 December 2009, 8% due 12/29/2009	2.8
Century Cable Holdings LLC, Discretionary Term Loan, due 12/31/2009	2.2
PanAmSat Corp. Tranche B Term Loan, due 8/20/2011	2.0
Nalco Co. Tranche B Term Loan, due 11/04/2010	1.9
Huntsman International LLC Term Loan B, due 12/31/2010	1.8
Cincinnati Bell, Inc., 8.375% due 1/15/2014	1.7

Berry Plastics Corp. Term Loan, due 7/22/2010	1.7
SBA Senior Finance, Inc. Tranche C Term Loan, due 10/31/2008	1.6
Dr. Pepper/Seven Up Bottling Group, Inc. Tranche B Term Loan, due 12/19/2010	1.6

Five Largest Industries++	Percent of Net Assets
Cable--US	17.5%
Utilities	12.4
Chemicals	11.0
Manufacturing	8.1
Telecommunications	6.1

++ For Fund compliance purposes, "Industries" means any one or more of the industry sub-classifications used by one or more widely recognized market indexes or ratings group indexes, and/or as defined by Fund management. This definition may not apply for purposes of this report, which may combine industry sub-classifications for reporting ease.

Quality Ratings by S&P/Moody's	Percent of Total Investments
BB/Ba	34.8%
B/B	55.1
CCC/Caa	4.0
CC/Ca	0.6
NR (Not Rated)	5.2
Other*	0.3

* Includes portfolio holdings in common stocks and short-term investments.

FLOATING RATE INCOME STRATEGIES FUND, INC., FEBRUARY 28, 2005

<TABLE>
Schedule of Investments (in U.S. dollars)
<CAPTION>

Industry++	Face Amount	Floating Rate Loan Interests++++	Value
<S>	<C>	<S>	<C>
Aerospace & Defense--2.2%	$ 2,101,911	MRO Acquisitions Corp. First Lien Term Loan, due 8/27/2010	$ 2,130,812
		Vought Aircraft Industries, Inc:	
	2,940,000	Term Loan, due 12/22/2011	2,985,938
	560,000	Tranche B L/C Deposit, due 12/22/2010	569,100
	2,000,000	Wyle Laboratories 2nd Lien Term Loan, due 7/20/2011	2,050,000

			7,735,850
Automotive--3.7%	3,000,000	Affinia Group Tranche B, due 11/30/2011	3,050,250
	2,000,000	Goodyear Tire & Rubber Term Loan, due 9/30/2007	2,016,876
	1,826,087	Keystone Automotive Operations, Inc. Term Loan, due 10/30/2009	1,846,630
	1,825,078	NFIL Holdings Corp. Term Loan B, due 2/27/2010	1,853,595
		Tenneco Automotive, Inc.:	
	2,884,828	Term Loan B, due 12/12/2010	2,941,321
	1,458,621	Tranche B-1 Credit Linked, due 12/12/2010	1,487,185

			13,195,857
Broadcasting--1.4%	2,992,500	Emmis Operating Company Term Loan B, due 11/10/2011	3,034,817
	2,000,000	Gray Television, Inc. Term Incremental, due 6/30/2011	2,028,334

			5,063,151
Cable--U.S.--15.7%	8,000,000	Century Cable Holdings LLC, Discretionary Term Loan, due 12/31/2009	7,970,000
	21,143,750	Charter Communications Operating LLC Tranche B Term Loan, due 4/07/2011	21,242,428

	2,064,796	DIRECTV Holdings, Inc. Term Loan B-1, due 3/06/2010	2,097,919
		Inmarsat Facility Term:	
	2,292,136	Loan B, due 1/08/2011	2,304,415
	2,297,523	Loan C, due 1/08/2012	2,317,955
	4,950,000	Insight Midwest Holdings, LLC Term Loan B, due 12/31/2009	5,042,813
	3,000,000	Intelsat Ltd. Term Loan, due 7/28/2011	3,049,218
	2,450,000	Mediacom Broadband Group Tranche A Term Loan, due 3/31/2010	2,439,281
	3,200,000	Mediacom Communications, LLC Tranche B Term Loan, due 3/31/2013	3,243,715
	6,947,289	PanAmSat Corp. Tranche B Term Loan, due 8/20/2011	7,065,192

			56,772,936
Chemicals--8.1%	1,985,000	Hercules Inc. Term Loan B, due 10/08/2010	2,011,363
	6,459,621	Huntsman International LLC Term Loan B, due 12/31/2010	6,583,968
		Invista B.V. New Tranche:	
	2,355,088	B-1 Term Loan, due 4/29/2011	2,394,830
	1,062,559	B-2 Term Loan, due 4/29/2011	1,080,490
	737,064	Kraton Polymers Term Loan, due 12/16/2010	749,655
	995,000	Lyondell-Citgo Refining Term Loan, due 5/21/2007	1,006,194
	6,658,852	Nalco Co. Tranche B Term Loan, due 11/04/2010	6,791,103
	1,334,127	Pinnacle Polymers (Epsilon Products) Term Loan, due 12/15/2006	1,354,005
	2,000,000	Rockwood Specialties Group, Inc. Tranche D Term Loan, due 12/10/2012	2,034,286
	4,750,000	Wellman, Inc. Second Lien Term Loan, due 2/10/2010	5,005,313

			29,011,207
Consumer--		Simmons Co.:	
Durables--2.0%	4,500,000	Term Loan, due 6/19/2012	4,584,375
	2,448,148	Tranche B Term Loan, due 12/19/2011	2,502,211

			7,086,586
Consumer-- Non-Durables--0.5%	1,864,163	American Achievement Corp. Term Loan B, due 3/22/2011	1,894,456
Diversified	3,761,046	Dex Media West Inc. Term Loan B, due 3/09/2010	3,818,101
Media--4.4%	3,000,000	Freedom Communications, Inc. Term Loan B, due 5/18/2012	3,049,875
	5,486,250	Metro-Goldwyn-Mayer Studios Inc. Term Loan B, due 4/30/2011	5,500,821
	1,356,407	PRIMEDIA Inc. Term Loan B, due 6/30/2009	1,357,891
	2,097,606	RH Donnelley Tranche D Term Loan, due 8/30/2011	2,131,811

			15,858,499

</TABLE>

FLOATING RATE INCOME STRATEGIES FUND, INC., FEBRUARY 28, 2005

<TABLE>
Schedule of Investments (continued) (in U.S. dollars)
<CAPTION>

Industry++	Face Amount	Floating Rate Loan Interests++++	Value
<S>	<C>	<S>	<C>
Energy--	$ 2,750,000	Dresser, Inc. Term Loan Unsecured, due 2/25/2010	$ 2,798,125
Other--1.2%	1,391,250	Pride Offshore Inc. Term Loan, due 7/07/2011	1,416,177

			4,214,302
Food & Drug--0.2%	757,653	Alimentation Couche-Tard, Inc. US Term Loan, due 12/17/2010	769,491
Food/Tobacco--4.4%	1,412,917	Constellation Brands Term Loan B, due 11/30/2011	1,435,104
	1,745,625	Doane Pet Care Enterprises, Inc. Term Loan, due 11/05/2009	1,777,264
	5,738,301	Dr. Pepper/Seven Up Bottling Group, Inc. Tranche B Term Loan, due 12/19/2010	5,847,329
	2,988,709	Meow Mix, Inc. First Lien Term Loan, due 10/10/2009	2,983,105
	2,757,879	Michael Foods, Inc. Term Loan, due 11/21/2010	2,807,865
	910,000	Pierre Foods, Inc. Term Loan B, due 6/30/2010	921,754

			15,772,421
Gaming--2.2%	1,990,000	Boyd Gaming Corp. Term Loan, due 6/30/2011	2,018,606
	1,169,471	Global Cash Access LLC Term Loan B, due 3/10/2010	1,178,242
	1,985,000	Green Valley Ranch Gaming, LLC Term Loan, due 12/22/2010	2,012,294
	992,500	Isle of Capri Black Hawk LLC Term Loan C, due 12/31/2007	1,005,527
	1,800,000	Pinnacle Entertainment, Inc. Term Loan, due 8/27/2010	1,827,000

			8,041,669

Health Care--3.2%	2,793,000	Community Health Systems, Inc. Term Loan, due 8/19/2011	2,828,130
	4,186,364	Orthofix International NV Term Loan B, due 12/15/2008	4,246,543
	683,311	Rotech Healthcare, Inc. Term Loan B, due 3/31/2008	691,711
	3,661,204	Triad Hospitals Holdings, Inc. Term Loan B, due 9/30/2008	3,727,311

			11,493,695
Housing--4.1%	2,100,000	General Growth Properties, Inc. Tranche B Term Loan, due 11/12/2008	2,135,198
	4,148,438	Headwaters, Inc. Term Loan B, due 4/30/2011	4,208,934
	1,096,023	Juno Lighting, Inc. First Lien Term Loan, due 11/21/2010	1,117,943
	2,487,500	Nortek, Inc.,Term Loan, due 8/27/2011	2,533,623
	4,855,000	PGT Industries, Inc. First Lien Term Loan, due 1/31/2009	4,930,859

			14,926,557
Information Technology--1.0%	3,412,500	VUTEK Inc. Term Loan, due 6/25/2010	3,429,563
Leisure--1.4%	4,469,860	24 Hour Fitness Worldwide Term Loan B, due 7/01/2009	4,542,496
	782,564	Wyndham International, Inc. Term Loan II, due 4/01/2006	785,987

			5,328,483
Manufacturing--6.4%	2,379,776	Communications & Power Industries, Inc. Term Loan, due 7/23/2010	2,414,357
	1,875,000	High Voltage Engineering Corp.Term Loan A, due 7/31/2006	1,865,625
	2,000,000	Invensys International Holdings Ltd. Second Lien Term Loan, due 12/04/2009	2,058,750
	1,460,270	Itron, Inc. Tranche B, due 12/17/2010	1,476,089
	4,500,000	Metokote Corp. Second Lien Term Loan, due 2/13/2011	4,590,000
	3,071,101	Mueller Group, Inc. Initial Term Loan, due 4/23/2011	3,107,570
	939,730	SPX Corp. Term Loan B, due 9/30/2009	945,839
		Sensus Metering Systems Inc.:	
	5,539,130	Term Loan B-1, due 12/17/2010	5,600,294
	830,870	Term Loan B-2, due 12/19/2010	840,044

			22,898,568
Packaging--4.2%	6,082,063	Berry Plastics Corp. Term Loan, due 7/22/2010	6,177,095
	3,000,000	Graham Packaging Co. LP Term Loan B, due 10/07/2011	3,058,500
	1,995,000	Intertape Polymer US Inc. Term Loan B, due 7/28/2011	2,034,900
		Owens-Illinois Group Inc.:	
	3,328,443	French Tranche C-1 Term Loan, due 4/01/2008	3,390,851
	539,945	Term Loan B-1, due 4/01/2008	550,002

			15,211,348

</TABLE>

FLOATING RATE INCOME STRATEGIES FUND, INC., FEBRUARY 28, 2005

<TABLE>
Schedule of Investments (continued) (in U.S. dollars)
<CAPTION>

Industry++	Face Amount	Floating Rate Loan Interests++++	Value
<S>	<C>	<S>	<C>
Paper--1.7%	$ 1,401,252	Boise Cascade Holdings, LLC Tranche B Term Loan, due 10/28/2011	$ 1,428,665
		SP Newsprint Co., Tranche B:	
	966,667	Line of Credit, due 1/09/2010	978,750
	518,333	Term Loan, due 1/09/2010	529,348
		Smurfit Stone Container Corp.:	
	2,294,118	Tranche B, due 11/01/2011	2,333,308
	705,882	Tranche C, due 11/01/2011	718,059

			5,988,130
Retail--0.9%	1,750,000	American Reprographics Co. LLC Second Lien Term Loan, due 12/18/2009	1,863,750
	1,704,386	General Nutrition Centers, Inc. Tranche B Term Loan, due 12/05/2009	1,729,952

			3,593,702
Services--2.8%	2,442,000	Baker Tanks, Inc., Term Loan, due 1/30/2011	2,477,868
	2,885,500	Buhrmann US, Inc. Term C-1 Facility, due 12/23/2010	2,948,620
	2,494,233	Coinstar, Inc. Term, due 7/07/2011	2,537,882
		United Rentals, Inc.:	
	1,654,167	Term Loan, due 2/14/2011	1,684,148

	333,333	Tranche B, Credit-Linked Deposit, due 2/14/2011	338,646

			9,987,164
Telecommunications--2.1%	2,185,333	Consolidated Communications, Inc. Term Loan C, due 10/14/2011	2,207,187
		WilTel Communications, LLC:	
	3,590,526	First Lien Term Loan, due 6/30/2011	3,556,865
	1,800,000	Second Lien Term Loan, due 12/31/2010	1,711,125

			7,475,177
Utilities--9.9%	1,571,429	AES Corp. Term Loan, due 4/30/2008	1,607,768
	4,939,812	Calpine Corp. Second Lien Term Loan, due 7/16/2007	4,420,104
		Calpine Generating Co. LLC:	
	1,500,000	First Priority Term Loan, due 4/01/2009	1,540,625
	2,500,000	Second Priority Term Loan, due 3/11/2010	2,450,625
	5,458,750	Cogentrix Delaware Holdings, Inc. Term, due 2/25/2009	5,472,397
	2,786,000	Dynegy Holdings Inc. Term, due 5/27/2010	2,838,238
		El Paso Corp.:	
	1,425,000	Deposit Account, due 11/23/2009	1,449,604
	2,365,500	Term Loan, due 11/23/2009	2,409,853
	906,995	Midwest Generation LLC Term Loan C, due 4/27/2011	921,828
		NRG Energy:	
	700,000	Credit Linked Deposit, due 12/24/2007	710,063
	900,000	Term Loan, due 12/24/2011	913,275
	2,475,000	Quanta Services, Inc. Credit Linked Deposit, due 6/19/2008	2,510,578
	3,100,000	Reliant Energy, Inc., Term Loan, due 4/30/2010	3,151,206
	4,953,846	Texas Genco Initial Term Loan, due 12/14/2011	5,038,819

			35,434,983
Wireless Communications--2.6%	2,326,500	Centennial Cellular Operating Co. Term Loan, due 2/09/2011	2,367,214
	1,000,000	Nextel Partners Operating Corp. Tranche C Term Loan, due 5/31/2011	1,015,089
	5,773,494	SBA Senior Finance, Inc. Tranche C Term Loan, due 10/31/2008	5,864,905

			9,247,208
		Total Investments in Floating Rate Loan Interests (Cost--$306,487,998)--86.3%	310,431,003

</TABLE>

FLOATING RATE INCOME STRATEGIES FUND, INC., FEBRUARY 28, 2005

<TABLE>
Schedule of Investments (continued) (in U.S. dollars)
<CAPTION>

Industry++	Face Amount	Corporate Debt Obligations	Value
<S>	<C>	<S>	<C>
Airlines--0.7%		Delta Air Lines, Inc.:	
	$ 1,700,000	7.90% due 12/15/2009	$ 799,000
	3,550,000	2.875% due 2/18/2024 (b)(f)	1,832,688

			2,631,688
Automotive--0.3%	250,000	Delco Remy International, Inc., 6.66% due 4/15/2009	255,000
	700,000	Tenneco Automotive, Inc., 8.625% due 11/15/2014 (b)	745,500

			1,000,500
Broadcasting--2.5%	4,000,000	Granite Broadcasting Corp., 9.75% due 12/01/2010	3,830,000
	4,750,000	Paxson Communications Corp., 5.41% due 1/15/2010 (b)(c)	4,856,875
	250,000	XM Satellite Radio, Inc., 8.243% due 5/01/2009 (c)	257,188

			8,944,063
Cable--U.S.--1.8%	850,000	Inmarsat Finance Plc, 7.625% due 6/30/2012	890,375
		Intelsat Bermuda Ltd. (b):	
	750,000	7.794% due 1/15/2012	770,625
	500,000	8.25% due 1/15/2013	523,750
	350,000	Mediacom Broadband LLC, 11% due 7/15/2013	387,187
	250,000	New Skies Satellites NV, 7.438% due 11/01/2011 (b)(c)	262,187
	3,000,000	Rainbow National Services LLC, 10.375% due 9/01/2014 (b)	3,570,000

			6,404,124

Cable--International--1.1%	400,000	Kabel Deutschland GmbH, 10.625% due 7/01/2014 (b)	460,000
		NTL Cable Plc (b):	
	3,000,000	7.66% due 10/15/2012 (c)	3,093,750
	375,000	8.75% due 4/15/2014	426,562

			3,980,312
Chemicals--2.8%	1,950,000	Crompton Corp., 8.71% due 8/01/2010 (c)	2,115,750
	2,186,000	GEO Speciality Chemicals, Inc., 11.064% due 12/31/2009 (f)	2,333,555
	5,000,000	PolyOne Corp., 10.625% due 5/15/2010	5,700,000

			10,149,305
Consumer--Non-Durables--0.8%	250,000	Elizabeth Arden, Inc., 7.75% due 1/15/2014	265,937
	2,000,000	Playtex Products, Inc., 8% due 3/01/2011	2,195,000
	350,000	Samsonite Corp., 8.875% due 6/01/2011	377,125

			2,838,062
Diversified Media--0.1%	250,000	CanWest Media, Inc., 8% due 9/15/2012 (b)	269,375
	250,000	Universal City Florida Holding Co., 7.493% due 5/01/2010 (b)(c)	261,875

			531,250
Energy--Exploration & Production--0.1%	250,000	Belden & Blake Corp., 8.75% due 7/15/2012	254,375
Energy--Other--1.1%	250,000	Aventine Renewable Energy Holdings, Inc., 8.501% due 12/15/2011 (b)(c)	257,500
	4,000,000	Trico Marine Services, Inc., 8.875% due 5/15/2012 (d)	3,600,000

			3,857,500
Food & Drug--0.1%	275,000	Duane Reade, Inc., 7.01% due 12/15/2010 (b)	275,000
Food/Tobacco--1.2%	3,000,000	Smithfield Foods, Inc., 7% due 8/01/2011	3,225,000
	1,050,000	The Wornick Co., 10.875% due 7/15/2011	1,134,000

			4,359,000
Gaming--3.0%	5,000,000	Majestic Star Casino LLC, 9.50% due 10/15/2010	5,293,750
	250,000	Mohegan Tribal Gaming Authority, 7.125% due 8/15/2014	260,312
	325,000	River Rock Entertainment Authority, 9.75% due 11/01/2011	361,563
		Station Casinos, Inc.:	
	4,000,000	6% due 4/01/2012	4,145,000
	775,000	6.50% due 2/01/2014	809,875

			10,870,500
Health Care--0.2%	575,000	US Oncology, Inc., due 8/15/2012 (b)	628,188

</TABLE>

FLOATING RATE INCOME STRATEGIES FUND, INC., FEBRUARY 28, 2005

<TABLE>
Schedule of Investments (continued) (in U.S. dollars)
<CAPTION>

Industry++	Face Amount	Corporate Debt Obligations	Value
<S>	<C>	<S>	<C>
Housing--0.1%	$ 450,000	Nortek, Inc., 8.50% due 9/01/2014	$ 459,000
Hybrid--2.8%	10,000,000	Dow Jones CDX.NA.HY.3 Trust 3 December 2009, 8% due 12/29/2009 (b)	10,112,500
Information Technology--0.9%	2,050,000	Freescale Semiconductor, Inc., 5.41% due 7/15/2009 (c)	2,139,687
	625,000	MagnaChip SemiConductor SA, 5.78% due 12/15/2011 (b)	643,750
	250,000	Telcordia Technologies, 8.875% due 3/01/2013 (b)	258,125

			3,041,562
Leisure--1.4%	3,900,000	Felcor Lodging LP, 6.874% due 6/01/2011 (c)	4,138,875
	1,000,000	True Temper Sports, Inc., 8.375% due 9/15/2011	962,500

			5,101,375

Manufacturing--1.7%	250,000	Altra Industrial Motion, Inc., 9% due 12/01/2011 (b)	251,875
	2,500,000	Case New Holland, Inc., 6% due 6/01/2009 (b)	2,462,500
	325,000	ERICO International Corp., 8.875% due 3/01/2012	338,812
	2,900,000	Invensys Plc, 9.875% due 3/15/2011 (b)	3,132,000

			6,185,187
Metal--Other--0.2%	700,000	Novelis, Inc., 7.25% due 2/15/2015 (b)	724,500
Packaging--0.9%	1,550,000	Consolidated Container Co. LLC, 10.75% due 6/15/2009 (a)	1,356,250
	250,000	Constar International, Inc., 6.149% due 2/15/2012 (b)	253,750
	250,000	Portola Packaging, Inc., 8.25% due 2/01/2012	203,750
	600,000	Tekni-Plex, Inc., 8.75% due 11/15/2013 (b)	588,000
	725,000	Wise Metals Group LLC, 10.25% due 5/15/2012	739,500

			3,141,250
Paper--1.9%	2,650,000	Abitibi-Consolidated, Inc., 5.99% due 6/15/2011 (c)	2,729,500
	700,000	Ainsworth Lumber Co. Ltd, 6.30% due 10/01/2010 (b)(c)	721,000
	250,000	Boise Cascade LLC, 5.535% due 10/15/2012 (b)(c)	258,125
	2,912,000	Western Forest Products, Inc., 15% due 7/28/2009 (e)	3,174,482

			6,883,107
Retail--0.4%	1,300,000	Jean Coutu Group, Inc., 8.50% due 8/01/2014	1,332,500
Services--1.5%	3,375,000	Allied Waste North America Series B, 7.375% due 4/15/2014	3,240,000
	2,000,000	United Rentals North America, Inc., 7.75% due 11/15/2013 (b)	2,005,000

			5,245,000
Steel--2.4%	3,000,000	CSN Islands VIII Corp., 9.75% due 12/16/2013 (b)	3,270,000
	5,000,000	Ispat Inland ULC, 9.31% due 4/01/2010 (c)	5,462,500

			8,732,500
Telecommunications-- 4.0%	6,000,000	Cincinnati Bell, Inc., 8.375% due 1/15/2014	6,202,500
	3,700,000	Qwest Communications International, 6.294% due 2/15/2009 (b)(c)	3,774,000
	1,000,000	Terremark Worldwide Inc., 9% due 6/15/2009	927,500
	3,500,000	Time Warner Telecom Holdings, Inc., 6.794% due 2/15/2011 (c)	3,631,250

			14,535,250
Utilities--2.5%	2,000,000	Aquila, Inc., 7.625% due 11/15/2009	2,110,000
	3,000,000	Calpine Canada Energy Finance Ulc, 8.50% due 5/01/2008	2,250,000
	3,000,000	Calpine Corp., 9.875% due 12/01/2011 (b)	2,520,000
	1,675,000	Reliant Energy, Inc., 6.75% due 12/15/2014	1,662,438
	250,000	Sierra Pacific Resources, 8.625% due 3/15/2014	276,250

			8,818,688
Wireless Communications-- 0.7%		Rogers Wireless Communications, Inc.:	
	250,000	5.525% due 12/15/2010 (c)	263,750
	1,100,000	7.25% due 12/15/2012	1,190,750
	250,000	8% due 12/15/2012	270,938
	250,000	Rural Cellular Corp., 6.99% due 3/15/2010 (c)	262,500
	350,000	SBA Communications Corp., 8.50% due 12/01/2012 (b)	378,000
	250,000	SBA Telecommunications, Inc., 9.75% due 12/15/2011 (a)	218,750

			2,584,688
		Total Investments in Corporate Debt Obligations (Cost--$127,430,647)--37.2%	133,620,974

</TABLE>

FLOATING RATE INCOME STRATEGIES FUND, INC., FEBRUARY 28, 2005

<TABLE>
Schedule of Investments (concluded) (in U.S. dollars)
<CAPTION>

Industry++	Shares Held	Common Stocks	Value
<S>	<C>	<S>	<C>
Chemicals--0.0%	13,117	GEO Specialty Chemicals, Inc. (g)	$ 196,755

Paper--0.2%	84,448	Western Forest Products, Inc.	542,743
		Total Investments in Common Stocks (Cost--$420,193)--0.2%	739,498

<CAPTION>

	Beneficial Interest	Short-Term Securities	
	<C>	<S>	<C>
	$ 742,145	Merrill Lynch Liquidity Series, LLC Cash Sweep Series I**	742,145
		Total Investments in Short-Term Securities (Cost--$742,145)--0.2%	742,145
Total Investments (Cost--$435,080,983*)--123.9%			445,533,620
Liabilities in Excess of Other Assets--(23.9%)			(85,921,221)
Net Assets--100.0%			$ 359,612,399

(a) Represents a step-up bond; the interest rate shown is the effective yield at the time of purchase by the Fund.

(b) The security may be offered and sold to "qualified institutional buyers" under Rule 144A of the Securities Act of 1933.

(c) Floating rate note.

(d) Non-income producing security; issuer filed for bankruptcy or is in default of interest payments.

(e) Represents a pay-in-kind security which may pay interest/dividends in additional face/shares.

(f) Convertible security.

(g) Non-income producing security.

++ For Fund compliance purposes, "Industry" means any one or more of the industry sub-classifications used by one or more widely recognized market indexes or ratings group indexes, and/or as defined by Fund management. This definition may not apply for purposes of this report, which may combine industry sub-classifications for reporting ease. Industries are shown as a percent of net assets.

++++ Floating rate loan interests in which the Fund invests generally pay interest at rates that are periodically predetermined by reference to a base lending rate plus a premium. These base lending rates are generally (i) the lending rate offered by one or more major European banks, such as LIBOR (London InterBank Offered Rate), (ii) the prime rate offered by one or more major U.S. banks or (iii) the certificate of deposit rate.

* The cost and unrealized appreciation (depreciation) of investments as of February 28, 2005, as computed for federal income tax purposes, were as follows:

Aggregate cost	$ 435,098,808
Gross unrealized appreciation	$ 12,210,564
Gross unrealized depreciation	(1,775,752)
Net unrealized appreciation	$ 10,434,812

** Investments in companies considered to be an affiliate of the Fund (such companies are defined as "Affiliated Companies" in Section 2(a)(3) of the Investment Company Act of 1940) were as follows:

Affiliate	Net Activity	Interest Income
Merrill Lynch Liquidity Series, LLC Cash Sweep Series I	$(5,612,425)	$19,637

See Notes to Financial Statements.
</TABLE>

FLOATING RATE INCOME STRATEGIES FUND, INC., FEBRUARY 28, 2005

<TABLE>
Statement of Assets, Liabilities and Capital
<CAPTION>

As of February 28, 2005

<S>	<S>	<C>	<C>
Assets			
	Investments in unaffiliated securities, at value (identified cost--$434,338,838)		$ 444,791,475
	Investments in affiliated securities, at value (identified cost--$742,145)		742,145
	Cash		52,967
	Unfunded loan commitment		7,373
	Receivables:		
	Interest (including $1,597 from affiliates)	$ 4,339,792	
	Securities sold	3,450,988	
	Principal paydowns	194,758	
	Commitment fees	12,380	7,997,918
	Prepaid expenses		25,606
	Total assets		453,617,484
Liabilities			
	Loans		88,800,000
	Deferred income		12,117
	Payables:		
	Securities purchased	4,397,744	
	Dividends to shareholders	472,517	
	Investment adviser	204,935	
	Interest on loans	28,794	
	Commitment fees	4,793	
	Other affiliates	3,125	5,111,908
	Accrued expenses and other liabilities		81,060
	Total liabilities		94,005,085
Net Assets			
	Net Assets		$ 359,612,399
Capital			
	Common Stock, par value $.10 per share; 200,000,000 shares authorized (18,298,439 shares issued and outstanding)		$ 1,829,844
	Paid-in capital in excess of par		347,243,873
	Undistributed investment income--net	$ 2,171,648	
	Accumulated realized capital loss--net	(2,092,976)	
	Unrealized appreciation--net	10,460,010	
	Total accumulated earnings--net		10,538,682
	Total capital--Equivalent to $19.65 net asset value per share of Common Stock (market price--$19.38)		$ 359,612,399

See Notes to Financial Statements.
</TABLE>

FLOATING RATE INCOME STRATEGIES FUND, INC., FEBRUARY 28, 2005

<TABLE>
Statement of Operations
<CAPTION>

For the Six Months Ended February 28, 2005

<S> <S> <C> <C>

Investment Income		
Interest (including $19,637 from affiliates)		$ 13,877,973
Facility and other fees		101,974
Total income		13,979,947
Expenses		
Investment advisory fees	$ 1,744,580	
Loan interest expense	1,327,099	
Borrowing costs	121,421	
Professional fees	84,816	
Accounting services	66,102	
Printing and shareholder reports	31,042	
Transfer agent fees	26,604	
Directors' fees and expenses	24,086	
Listing fees	10,873	
Custodian fees	7,901	
Pricing services	3,759	
Other	20,773	
Total expenses		3,469,056
Investment income--net		10,510,891
Realized & Unrealized Gain (Loss)--Net		
Realized loss on investments--net		(2,092,976)
Change in unrealized appreciation (depreciation) on:		
Investments	10,229,514	
Unfunded corporate loans	33,382	10,262,896
Total realized and unrealized gain--net		8,169,920
Net Increase in Net Assets Resulting from Operations		$ 18,680,811

See Notes to Financial Statements.
</TABLE>

FLOATING RATE INCOME STRATEGIES FUND, INC., FEBRUARY 28, 2005

<TABLE>
Statements of Changes in Net Assets
<CAPTION>

Increase (Decrease) in Net Assets:	For the Six Months Ended February 28, 2005	For the Period October 31, 2003++ to August 31, 2004
<S> <S>	<C>	<C>
Operations		
Investment income--net	$ 10,510,891	$ 12,084,220
Realized gain (loss)--net	(2,092,976)	216,488
Change in unrealized appreciation (depreciation)--net	10,262,896	197,114
Net increase in net assets resulting from operations	18,680,811	12,497,822
Dividends & Distributions to Shareholders		
Investment income--net	(9,521,307)	(10,902,156)
Realized gain--net	(216,488)	--
Net decrease in net assets resulting from dividends and distributions to shareholders	(9,737,795)	(10,902,156)
Common Stock Transactions		
Proceeds from issuance of Common Stock	--	345,232,500
Value of shares issued to Common Stock shareholders in reinvestment of dividends and distributions	415,791	3,760,823

Offering costs resulting from the issuance of Common Stock	--	(435,405)
Net increase in net assets resulting from Common Stock transactions	415,791	348,557,918
Net Assets		
Total increase in net assets	9,358,807	350,153,584
Beginning of period	350,253,592	100,008
End of period*	$ 359,612,399	$ 350,253,592
* Undistributed investment income--net	$ 2,171,648	$ 1,182,064

++ Commencement of operations.

See Notes to Financial Statements.
</TABLE>

FLOATING RATE INCOME STRATEGIES FUND, INC., FEBRUARY 28, 2005

<TABLE>
Statement of Cash Flows
<CAPTION>

For the Six Months Ended February 28, 2005
<S> <S> <C>

Cash Provided By Operating Activities	
Net increase in net assets resulting from operations	$ 18,680,811
Adjustments to reconcile net increase in net assets resulting from operations to net cash provided by operating activities:	
Increase in receivables	(482,995)
Increase in other assets	(1,966)
Increase in other liabilities	180,928
Realized and unrealized gain--net	(8,169,920)
Amortization of premium and discount--net	(281,560)
Proceeds from sales and paydowns of long-term securities	131,005,632
Proceeds on other investment related transactions	87,723
Purchases of long-term securities	(105,363,793)
Sales of short-term investments--net	5,612,425
Net cash provided by investing activities	41,267,285
Cash Used for Financing Activities	
Cash receipts from borrowings--net	100,840,000
Cash payments from borrowings	(135,265,000)
Dividends and distributions paid to shareholders	(8,849,487)
Net cash used for financing activities	(43,274,487)
Cash	
Net decrease in cash	(2,007,202)
Cash at beginning of period	2,060,169
Cash at end of period	$ 52,967
Cash Flow Information	
Cash paid for interest	$ 1,341,441
Non-Cash Financing Activities	
Capital shares issued in reinvestment of dividends paid to shareholders	$ 415,791

See Notes to Financial Statements.
</TABLE>

<TABLE>
Financial Highlights
<CAPTION>

The following per share data and ratios have been derived from information provided in the financial statements.	For the Six Months Ended February 28, 2005	For the Period October 31, 2003++ to August 31, 2004
<S> <S>	<C>	<C>
Per Share Operating Performance		
Net asset value, beginning of period	$ 19.16	$ 19.10
Investment income--net	.57***	.66
Realized and unrealized gain--net	.45	.02
Total from investment operations	1.02	.68
Less dividends and distributions from:		
Investment income--net	(.52)	(.60)
Realized gain--net	(.01)	--
Total dividends and distributions	(.53)	(.60)
Offering costs resulting from the issuance of Common Stock	--	(.02)
Net asset value, end of period	$ 19.65	$ 19.16
Market price per share, end of period	$ 19.38	$ 19.44
Total Investment Return**		
Based on net asset value per share	5.47%+++	3.50%+++
Based on market price per share	2.52%+++	.29%+++
Ratios to Average Net Assets		
Expenses, net of waiver and excluding interest expense	1.22%*	.71%*
Expenses, net of waiver	1.97%*	.87%*
Expenses	1.97%*	1.08%*
Investment income--net	5.97%*	3.80%*
Leverage		
Amount of borrowings, end of period (in thousands)	$ 88,800	$ 123,225
Average amount of borrowings outstanding during the period (in thousands)	$ 114,256	$ 38,654
Average amount of borrowings outstanding per share during the period***	$ 6.25	$ 2.11
Supplemental Data		
Net assets, end of period (in thousands)	$ 359,612	$ 350,254
Portfolio turnover	22.09%	43.32%

* Annualized.

** Total investment returns based on market price, which can be significantly greater or lesser than the net asset value, may result in substantially different returns. Total investment returns exclude the effects of sales charges.

*** Based on average shares outstanding.

++ Commencement of operations.

+++ Aggregate total investment return.

See Notes to Financial Statements.
</TABLE>

FLOATING RATE INCOME STRATEGIES FUND, INC., FEBRUARY 28, 2005

Notes to Financial Statements

1. Significant Accounting Policies:
Floating Rate Income Strategies Fund, Inc. (the "Fund") is registered under the Investment Company Act of 1940, as amended, as a diversified, closed-end management investment company. The Fund's financial statements are prepared in conformity with U.S. generally accepted accounting principles, which may require the use of management accruals and estimates. Actual results may differ from these estimates. These unaudited financial statements reflect all adjustments, which are, in the opinion of management, necessary to present a fair statement of the results for the interim period. All such adjustments are of a normal, recurring nature. The Fund determines and makes available for publication the net asset value of its Common Stock on a daily basis. The Fund's Common Stock is listed on the New York Stock Exchange ("NYSE") under the symbol FRA.

(a) Corporate debt obligations--The Fund invests principally in floating rate debt obligations of companies, including floating rate loans made by banks and other financial institutions and both privately and publicly offered corporate bonds and notes. Because agents and intermediaries are primarily commercial banks or other financial institutions, the Fund's investment in floating rate loans could be considered concentrated in financial institutions.

(b) Valuation of investments--Floating rate loans are valued in accordance with guidelines established by the Fund's Board of Directors. Floating rate loans are valued at the mean between the last available bid and asked prices from one or more brokers or dealers as obtained from Loan Pricing Corporation. For the limited number of floating rate loans for which no reliable price quotes are available, such floating rate loans may be valued by Loan Pricing Corporation through the use of pricing matrixes to determine valuations. If the pricing service does not provide a value for a floating rate loan, the Investment Adviser will value the floating rate loan at fair value, which is intended to approximate market value.

Securities that are held by the Fund that are traded on stock exchanges or the Nasdaq National Market are valued at the last sale price or official close price on the exchange on which such securities are traded, as of the close of business on the day the securities are being valued or, lacking any sales, at the last available bid price for long positions, and at the last available ask price for short positions. In cases where securities are traded on more than one exchange, the securities are valued on the exchange designated as the primary market by or under the authority of the Board of Directors of the Fund. Long positions in securities traded in the over-the-counter ("OTC") market, Nasdaq Small Cap or Bulletin Board are valued at the last available bid price or yield equivalent obtained from one or more dealers or pricing services approved by the Board of Directors of the Fund. Short positions traded in the OTC market are valued at the last available ask price. Portfolio securities that are traded both in the OTC market and on a stock exchange are valued according to the broadest and most representative market. When the Fund writes an option, the amount of the premium received is recorded on the books of the Fund as an asset and an equivalent liability. The amount of the liability is subsequently valued to reflect the current market value of the option written, based on the last sale price in the case of exchange-traded options or, in the case of options traded in the OTC market, the last ask price. Options purchased by the Fund are valued at their last sale price in the case of exchange traded options or, in the case of options traded in the OTC market, the last bid price. The value of swaps, including interest rate swaps, caps and floors, will be determined by obtaining dealer quotations. Other investments, including futures contracts and related options, are stated at market value. Obligations with remaining maturities of 60 days or less are valued at amortized cost unless the Investment Adviser believes that this method no longer produces fair valuations. Repurchase agreements will be valued at cost plus accrued interest. The Fund employs certain pricing services to provide securities prices for the Fund. Securities and assets for which market quotations are not readily available are valued at fair value as determined in good faith by or under the direction of the Board of Directors of the Fund, including valuations furnished by the pricing services retained by the Fund, which may use a matrix system for valuations.

Notes to Financial Statements (continued)

The procedures of a pricing service and its valuations are reviewed by the officers of the Fund under the general supervision of the Fund's Board of Directors. Such valuations and procedures will be reviewed periodically by the Fund's Board of Directors.

Generally, trading in foreign securities, as well as U.S. government securities and money market instruments, is substantially completed each day at various times prior to the close of business on the NYSE. The values of such securities used in computing the net asset value of the Fund's shares are determined as of such times. Foreign currency exchange rates also are generally determined prior to the close of business on the NYSE. Occasionally, events affecting the values of such securities and such exchange rates may occur between the times at which they are determined and the close of business on the NYSE that may not be reflected in the computation of the Fund's net asset value. If events (for example, a company announcement, market volatility or a natural disaster) occur during such periods that are expected to materially affect the value of such securities, those securities may be valued at their fair value as determined in good faith by the Fund's Board of Directors or by the Investment Adviser using a pricing service and/or procedures approved by the Fund's Board of Directors.

(c) Derivative financial instruments--The Fund may engage in various portfolio investment strategies both to increase the return of the Fund and to hedge, or protect, its exposure to interest rate movements and movements in the securities markets. Losses may arise due to changes in the value of the contract or if the counterparty does not perform under the contract.

* Financial futures contracts--The Fund may purchase or sell financial futures contracts and options on such futures contracts. Futures contracts are contracts for delayed delivery of securities at a specific future date and at a specific price or yield. Upon entering into a contract, the Fund deposits and maintains as collateral such initial margin as required by the exchange on which the transaction is effected. Pursuant to the contract, the Fund agrees to receive from or pay to the broker an amount of cash equal to the daily fluctuation in value of the contract. Such receipts or payments are known as variation margin and are recorded by the Fund as unrealized gains or losses. When the contract is closed, the Fund records a realized gain or loss equal to the difference between the value of the contract at the time it was opened and the value at the time it was closed.

* Options--The Fund may write and purchase call and put options. When the Fund writes an option, an amount equal to the premium received by the Fund is reflected as an asset and an equivalent liability. The amount of the liability is subsequently marked-to-market to reflect the current market value of the option written. When a security is purchased or sold through an exercise of an option, the related premium paid (or received) is added to (or deducted from) the basis of the security acquired or deducted from (or added to) the proceeds of the security sold. When an option expires (or the Fund enters into a closing transaction), the Fund realizes a gain or loss on the option to the extent of the premiums received or paid (or gain or loss to the extent the cost of the closing transaction is less than or exceeds the premiums paid or received).

Written and purchased options are non-income producing investments.

* Swaps--The Fund may enter into swap agreements, which are over-the-counter contracts in which the Fund and a counterparty agree to make periodic net payments on a specified notional amount. The net payments can be made for a set period of time or may be triggered by a predetermined credit event. The net periodic payments may be based on a fixed or variable interest rate; the change in market value of a specified security, basket of securities, or index; or the return generated by a security. These periodic payments received or made by the Fund are recorded in the accompanying Statement of Operations as realized gains or losses, respectively. Gains or losses are also realized upon termination of the swap agreements. Swaps are marked-to-market daily based on dealer-supplied valuations and changes in value are recorded as unrealized appreciation (depreciation). Risks include changes in the returns of the underlying instruments, failure of the counterparties to perform under the contracts' terms and the possible lack of liquidity with respect to the swap agreements.

(d) Income taxes--It is the Fund's policy to comply with the requirements of the Internal Revenue Code applicable to regulated investment companies and to distribute substantially all of its taxable income to its shareholders. Therefore, no federal income tax provision is required.

(e) Security transactions and investment income--Security transactions are recorded on the dates the transactions are entered into (the trade dates). Realized gains and losses on security transactions are determined on the identified cost basis. Interest income is recognized on the accrual basis. The Fund amortizes all premiums and discounts on debt securities.

(f) Offering costs--Direct expenses relating to the public offering of the Fund's Common Stock were charged to capital at the time of issuance of the shares.

(g) Dividends and distributions--Dividends from net investment income are declared and paid monthly. Distributions of capital gains are recorded on the ex-dividend dates. The Fund may at times pay out less than the entire amount of net investment income earned in any particular period and may at times pay out such accumulated undistributed income in other periods to permit the Fund to maintain a more stable level of dividends.

(h) Securities lending--The Fund may lend securities to financial institutions that provide cash or securities issued or guaranteed by the U.S. government as collateral, which will be maintained at all times in an amount equal to 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. Where the Fund receives securities as collateral for the loaned securities, it collects a fee from the borrower. The Fund typically receives the income on the loaned securities but does not receive the income on the collateral. Where the Fund receives cash collateral, it may invest such collateral and retain the amount earned on such investment, net of any amount rebated to the borrower. Loans of securities are terminable at any time and the borrower, after notice, is required to return borrowed securities within five business days. The Fund may pay reasonable finder's, lending agent, administrative and custodial fees in connection with its loans. In the event that the borrower defaults on its obligation to return borrowed securities because of insolvency or for any other reason, the Fund could experience delays and costs in gaining access to the collateral. The Fund also could suffer a loss where the value of the collateral falls below the market value of the borrowed securities, in the event of borrower default or in the event of losses on investments made with cash collateral.

2. Investment Advisory Agreement and Transactions with Affiliates:
The Fund has entered into an Investment Advisory Agreement with Fund Asset Management, L.P. ("FAM"). The general partner of FAM is Princeton Services, Inc. ("PSI"), an indirect, wholly-owned subsidiary of Merrill Lynch & Co., Inc. ("ML & Co."), which is the limited partner.

FAM is responsible for the management of the Fund's portfolio and provides the necessary personnel, facilities, equipment and certain other services necessary to the operations of the Fund. For such services, the Fund pays a monthly fee at an annual rate of ..75% of the Fund's average daily net assets plus the proceeds of any outstanding borrowings used for leverage. During the Fund's start-up phase, FAM elected to waive a portion of its management fee.

The Fund has received an exemptive order from the Securities and Exchange Commission permitting it to lend portfolio securities to Merrill Lynch, Pierce, Fenner & Smith Incorporated, an affiliate of FAM, or its affiliates. Pursuant to that order, the Fund also has retained Merrill Lynch Investment Managers, LLC ("MLIM, LLC"), an affiliate of FAM, as the securities lending agent for a fee based on a share of the returns on investment of cash collateral. MLIM, LLC may, on behalf of the Fund, invest cash collateral received by the Fund for such loans, among other things, in a private investment company managed by MLIM, LLC or in registered money market funds advised by FAM or its affiliates.

For the six months ended February 28, 2005, the Fund reimbursed FAM $3,828 for certain accounting services.

Certain officers and/or directors of the Fund are officers and/or directors of FAM, PSI, and/or ML & Co.

Notes to Financial Statements (concluded)

3. Investments:
Purchases and sales (including paydowns) of investments, excluding short-term securities, for the six months ended February 28, 2005 were $101,925,662 and $125,980,249, respectively.

4. Common Stock Transactions:
The Fund is authorized to issue 200,000,000 shares of capital stock par value $.10, all of which are initially classified as Common Stock. The Board of Directors is authorized, however, to classify and reclassify any unissued shares of capital stock without approval of the holders of Common Stock.

Shares issued and outstanding for the six months ended February 28, 2005 increased by 21,622 from reinvestment of dividends and during the period October 31, 2003 to August 31, 2004 increased by 18,075,000 from shares sold and 196,581 from reinvestment of dividends.

5. Unfunded Loan Interest:
As of February 28, 2005, the Fund had unfunded loan commitments of $6,606,000 which would be extended at the option of the borrower, pursuant to the following loan agreement:

Borrower	Unfunded Commitment (in Thousands)
Vought Aircraft Industries, Inc.	$3,000
Pinnacle Entertainment, Inc.	$1,560
Texas Genco	$2,046

6. Short-Term Borrowings:
The Fund has entered into a revolving credit and security agreement

funded by a commercial paper asset securitization program with Citicorp North America, Inc. ("Citicorp") as Agent, certain secondary backstop lenders, and certain asset securitization conduits as lenders (the "Lenders"). The credit facility has a maximum limit of $172,500,000. Under the Citicorp program, the conduits will fund advances to the Fund through the issuance of highly rated commercial paper. As security for its obligations to the Lenders under the revolving securitization facility, the Fund has granted a security interest in substantially all of its assets to and in favor of the Lenders. The interest rate on the Fund's borrowings is based on the interest rate carried by the commercial paper plus a program fee. The Fund pays additional borrowing costs including a backstop commitment fee.

The weighted average annual interest rate was 2.36% and the average borrowing was approximately $114,256,000 for the six months ended February 28, 2005.

7. Distributions to Shareholders:
The Fund paid an ordinary income dividend to holders of Common Stock in the amount of $.095833 per share on March 31, 2005 to shareholders of record on March 15, 2005.

Officers and Directors

Robert C. Doll, Jr., President and Director
Ronald W. Forbes, Director
Cynthia A. Montgomery, Director
Jean Margo Reid, Director
Roscoe S. Suddarth, Director
Richard R. West, Director
Edward D. Zinbarg, Director
Joseph P. Matteo, Vice President
Donald C. Burke, Vice President and Treasurer
Jeffrey Hiller, Chief Compliance Officer
Alice A. Pellegrino, Secretary

Custodian
State Street Bank and Trust Company
P.O. Box 351
Boston, MA 02101

Transfer Agent
EquiServe
P.O. Box 43010
Providence, RI 02940-3010

NYSE Symbol
FRA

Effective January 1, 2005, Terry K. Glenn, President and Director and Kevin A. Ryan, Director of Floating Rate Income Strategies Fund, Inc. retired. The Fund's Board of Directors wishes Messrs. Glenn and Ryan well in their retirements.

Effective January 1, 2005, Robert C. Doll, Jr. became President and Director of the Fund.

Availability of Quarterly Schedule of Investments

The Fund files its complete schedule of portfolio holdings with the Securities and Exchange Commission ("SEC") for the first and third quarters of each fiscal year on Form N-Q. The Fund's Forms N-Q are available on the SEC's Web site at http://www.sec.gov. The Fund's Forms N-Q may also be reviewed and copied at the SEC's Public Reference Room in Washington, DC. Information on the operation of the Public Reference Room may be obtained by calling 1-800-SEC-0330.

Electronic Delivery

The Fund offers electronic delivery of communications to its shareholders. In order to receive this service, you must register your account and provide us with e-mail information. To sign up for this service, simply access this Web site at http://www.icsdelivery.com/live and follow the instructions. When you visit this site, you will obtain a personal identification number (PIN). You will need this PIN should you wish to update your e-mail address, choose to discontinue this service and/or make any other changes to the service. This service is not available for certain retirement accounts at this time.

FLOATING RATE INCOME STRATEGIES FUND, INC., FEBRUARY 28, 2005

Item 2 - Code 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 - Schedule of Investments - 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

11(a) - The registrant's certifying officers have reasonably designed such disclosure controls and procedures to ensure material information relating to the registrant is made known to us by others particularly during the period in which this report is being prepared. The registrant's certifying officers have determined that the registrant's disclosure controls and procedures are effective based on our evaluation of these controls and procedures as of a date within 90 days prior to the filing date of this report.

11(b) - There were no changes in the registrant's internal control over financial reporting (as defined in Rule 30a-3(d) under the Act (17 CFR 270.30a-3(d)) that occurred during the last fiscal half-year of the period covered by this report that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting.

Item 12 - Exhibits attached hereto

12(a)(1) - Code of Ethics - Not Applicable to this semi-annual report

12(a)(2) - Certifications - Attached hereto

12(a)(3) - Not Applicable

12(b) - Certifications - Attached hereto

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.

Floating Rate Income Strategies Fund, Inc.

By: _/s/ Robert C. Doll, Jr._______
Robert C. Doll, Jr.,
Chief Executive Officer of
Floating Rate Income Strategies Fund, Inc.

Date: April 22, 2005

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.

By: _/s/ Robert C. Doll, Jr.________
Robert C. Doll, Jr.,
Chief Executive Officer of
Floating Rate Income Strategies Fund, Inc.

Date: April 22, 2005

By: _/s/ Donald C. Burke________
Donald C. Burke,
Chief Financial Officer of
Floating Rate Income Strategies Fund, Inc.

Date: April 22, 2005

EX-99. CERT

CERTIFICATION PURSUANT TO SECTION 302
OF THE SARBANES-OXLEY ACT OF 2002

I, Robert C. Doll, Jr., Chief Executive Officer of Floating Rate Income Strategies Fund, Inc., certify that:

1. I have reviewed this report on Form N-CSR of Floating Rate Income Strategies Fund, Inc.;

2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;

3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations, changes in net assets, and cash flows (if the financial statements are required to include a statement of cash flows) of the registrant as of, and for, the periods presented in this report;

4. The registrant's other certifying officer(s) and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Rule 30a-3(c) under the Investment Company Act of 1940) and internal control over financial reporting (as defined in Rule 30a-3(d) under the Investment Company Act of 1940) for the registrant and have:

a) designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;

b) designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;

c) evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of a date within 90 days prior to the filing date of this report based on such evaluation; and

d) disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the second fiscal quarter of the period covered by this report that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and

5. The registrant's other certifying officer(s) and I have disclosed to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):

a) all significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize, and report financial information; and

b) any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

Date: April 22, 2005

/s/ Robert C. Doll, Jr.
Robert C. Doll, Jr.,
Chief Executive Officer of
Floating Rate Income Strategies Fund, Inc.

EX-99. CERT

CERTIFICATION PURSUANT TO SECTION 302
OF THE SARBANES-OXLEY ACT OF 2002

I, Donald C. Burke, Chief Financial Officer of Floating Rate Income Strategies Fund, Inc., certify that:

1. I have reviewed this report on Form N-CSR of Floating Rate Income Strategies Fund, Inc.;

2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact

necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;

3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations, changes in net assets, and cash flows (if the financial statements are required to include a statement of cash flows) of the registrant as of, and for, the periods presented in this report;

4. The registrant's other certifying officer(s) and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Rule 30a-3(c) under the Investment Company Act of 1940) and internal control over financial reporting (as defined in Rule 30a-3(d) under the Investment Company Act of 1940) for the registrant and have:

a) designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;

b) designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;

c) evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of a date within 90 days prior to the filing date of this report based on such evaluation; and

d) disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the second fiscal quarter of the period covered by this report that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and

5. The registrant's other certifying officer(s) and I have disclosed to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):

a) all significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize, and report financial information; and

b) any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

Date: April 22, 2005

/s/ Donald C. Burke
Donald C. Burke,
Chief Financial Officer of
Floating Rate Income Strategies Fund, Inc.

Exhibit 99.1350CERT

Certification Pursuant to Section 906 of the Sarbanes Oxley Act

I, Robert C. Doll, Jr., Chief Executive Officer of Floating Rate Income Strategies Fund, Inc. (the "Fund"), certify that:

1. The N-CSR of the Fund (the "Report") fully complies with the requirements of Section 13(a) or 15(d) of the Securities Exchange Act of 1934; and

2. The information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of the Fund.

Dated: April 22, 2005

/s/ Robert C. Doll, Jr.
Robert C. Doll, Jr.,
Chief Executive Officer of
Floating Rate Income Strategies Fund, Inc.

A signed original of this written statement required by Section 906, or other document authenticating, acknowledging, or otherwise adopting the signature that appears in typed form within the electronic version of this written statement required by Section 906, has been provided to Floating Rate Income Strategies Fund, Inc.

and will be retained by Floating Rate Income Strategies Fund, Inc. and furnished to the Securities and Exchange Commission or its staff upon request.

Exhibit 99.1350CERT

Certification Pursuant to Section 906 of the Sarbanes Oxley Act

I, Donald C. Burke, Chief Financial Officer of Floating Rate Income Strategies Fund, Inc. (the "Fund"), certify that:

1. The N-CSR of the Fund (the "Report") fully complies with the requirements of Section 13(a) or 15(d) of the Securities Exchange Act of 1934; and

2. The information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of the Fund.

Dated: April 22, 2005

/s/ Donald C. Burke
Donald C. Burke,
Chief Financial Officer of
Floating Rate Income Strategies Fund, Inc.

A signed original of this written statement required by Section 906, or other document authenticating, acknowledging, or otherwise adopting the signature that appears in typed form within the electronic version of this written statement required by Section 906, has been provided to Floating Rate Income Strategies Fund, Inc. and will be retained by Floating Rate Income Strategies Fund, Inc. and furnished to the Securities and Exchange Commission or its staff upon request.