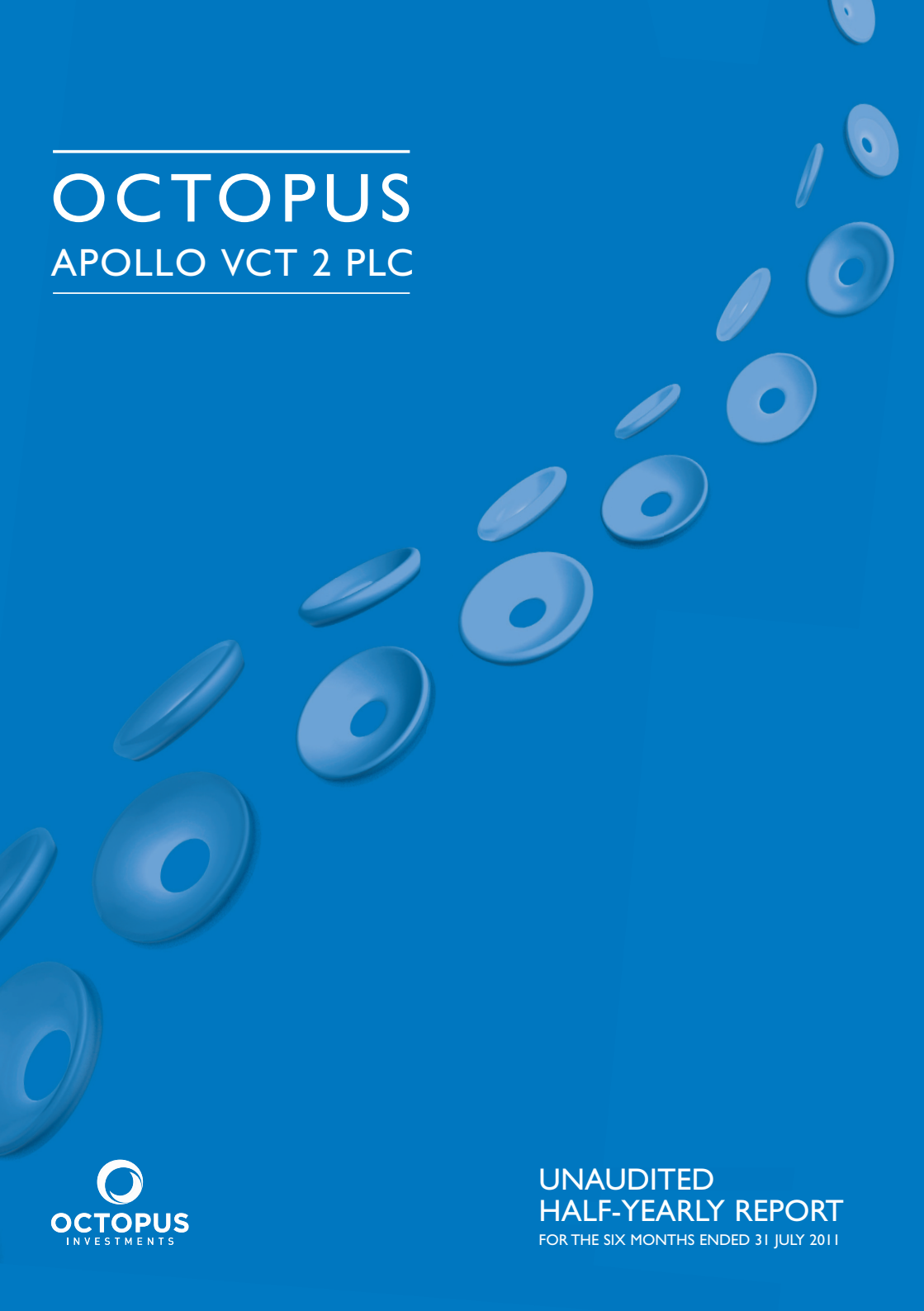

OCTOPUS

APOLLO VCT 2 PLC



FINANCIAL HEADLINES

- 93.0p Net Asset Value (NAV) at 31 July 2011
- 8.75p Cumulative dividends paid since launch
- 101.75p NAV plus cumulative dividends paid
- 1.50p Interim dividend declared for the half-year to 31 July 2011

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SHAREHOLDER INFORMATION AND CONTACT DETAILS

Financial Calendar

The Company's financial calendar is as follows:

18 November 2011	– 2011 half-year dividend paid
May 2012	– Annual results for the year to 31 January 2012 announced; Annual Report and financial statements published
July 2012	– 2012 final dividend paid

Dividends

Dividends will be paid by the Registrar on behalf of the Company. Shareholders who wish to have dividends paid directly into their bank account rather than by cheque to their registered address can complete a mandate form for this purpose. Queries relating to dividends, shareholdings and requests for mandate forms should be directed to the Company's Registrar, Capita Registrars, by calling 0871 664 0300 (calls cost 10p per minute plus network extras. Lines are open Monday-Friday 8.30am-5.30pm), or by writing to them at:

Capita Registrars Limited
Northern House
Woodsome Park
Fenay Bridge
Huddersfield
HD8 0GA

The table below shows the movement in NAV per share and lists the dividends that have been paid since the launch of Octopus Apollo VCT 2 plc:

Period Ended	NAV	Dividends paid in period	NAV + cumulative dividends (return)
31 January 2007	93.40p	–	93.40p
31 July 2007	94.40p	–	94.40p
31 January 2008	94.70p	–	94.70p
31 July 2008	93.20p	0.75p	93.95p
31 January 2009	92.30p	0.50p	93.55p
31 July 2009	91.80p	1.00p	94.05p
31 January 2010	94.00p	1.00p	97.25p
31 July 2010	91.20p	2.50p	96.95p
31 January 2011	92.30p	1.50p	99.55p
31 July 2011	93.00p	1.50p	101.75p

The interim dividend of 1.5p will be paid on 18 November 2011 to shareholders on the register on 21 October 2011.

Share Price

The Company's share price can be found on various financial websites with the following TIDM/EPIC code:

	Ordinary shares
TIDM/EPIC code	OAP2
Latest share price (30 September 2011)	82.5p per share

Buying and Selling Shares

The Company's Ordinary shares can be bought and sold in the same way as any other company quoted on the London Stock Exchange via a stockbroker. There may be tax implications in respect of selling all or part of your holdings, so shareholders should contact their independent financial adviser if they have any queries.

The Company operates a policy of buying its own shares for cancellation as they become available. The Company is, however, unable to buy back shares directly from shareholders. If you are considering selling your shares or trading in the secondary market, please contact the Company's Corporate Broker, Matrix Corporate Capital ('Matrix').

Matrix is able to provide details of close periods (when the Company is prohibited from buying in shares) and details of the price at which the Company has bought in shares. Matrix can be contacted as follows:

Chris Lloyd 0203 206 7176
 chris.lloyd@matrixgroup.co.uk

Paul Nolan 0203 206 7177
 paul.nolan@matrixgroup.co.uk

Notification of Change of Address

Communications with shareholders are mailed to the registered address held on the share register. In the event of a change of address or other amendment this should be notified to the Company's Registrar, Capita Registrars, under the signature of the registered holder. Their contact details can be found at the end of this report.

Other Information for Shareholders

Previously published Annual Reports and Half-yearly Reports are available for viewing on the Investment Manager's website at www.octopusinvestments.com by navigating to Services, Investor Services, Venture Capital Trusts, Octopus Apollo VCT 2. All other statutory information will also be found there.

Warning to Shareholders

Many companies are aware that their shareholders have received unsolicited phone calls or correspondence concerning investment matters. These are typically from overseas based "brokers" who target UK shareholders offering to sell them what often turn out to be worthless or high risk shares in US or UK investments. They can be very persistent and extremely persuasive. Shareholders are therefore advised to be very wary of any unsolicited advice, offer to buy shares at a discount or offer for free company reports.

Please note that it is very unlikely that either Octopus Investments or the Company's Registrar would make unsolicited telephone calls to shareholders and that any such calls would relate only to official documentation already circulated to shareholders and never in respect of investment "advice".

If you are in any doubt about the veracity of an unsolicited phone call, please call either Octopus Investments, or the Registrar, at the numbers provided at the back of this report.

ABOUT OCTOPUS APOLLO VCT 2 PLC

Octopus Apollo VCT 2 plc (“Apollo 2”, “Company” or “Fund”) is a venture capital trust (“VCT”) and is managed by Octopus Investments Limited (“Octopus”).

The Fund was launched in May 2006 together with Octopus Apollo VCT 1 plc. Both companies have identical investment policies, and together launched an offer for subscription comprising 25,000,000 Ordinary shares each, or 50,000,000 in aggregate (the “Offer”). The Offer closed on 5 April 2007 having raised £17.6 million in aggregate (£16.8 million net of expenses). The objective of the Fund is to invest in a diversified portfolio of UK smaller companies in order to generate income and capital growth over the long-term.

Venture Capital Trusts (VCTs)

VCTs were introduced in the Finance Act 1995 to provide a means for private individuals to invest in unlisted companies in the UK. Subsequent Finance Acts have introduced changes to VCT legislation. The tax benefits currently available to eligible new investors in VCTs include:

- upfront income tax relief of 30%
- exemption from income tax on dividends paid; and
- exemption from capital gains tax on disposals of shares in VCTs

The Company has been approved as a VCT by HM Revenue & Customs. In order to maintain its approval, the Company must comply with certain requirements on a continuing basis. Above all, the Company is required at all times to hold at least 70% of its investments (as defined in the legislation) in VCT qualifying holdings, of which at least 30% must comprise eligible Ordinary shares. For this purpose, a ‘VCT qualifying holding’ consists of up to £1 million invested in any one year in new shares or securities of a UK unquoted company (which may be quoted on AIM) which is carrying on a qualifying trade, and whose gross assets at the time of investment do not exceed a prescribed limit. The definition of ‘qualifying trade’ excludes certain activities such as property investment and development, financial services and asset leasing. The Company will continue to ensure its compliance with these qualification requirements.

FINANCIAL SUMMARY

	Six months to 31 July 2011	Six months to 31 July 2010	Year to 31 January 2011
Net assets (£'000s)	8,083	7,925	8,020
Net profit/(loss) after tax (£'000s)	192	(24)	202
Net asset value per share ("NAV")	93.0p	91.2p	92.3p
Cumulative dividends since launch – paid and proposed	10.25p	7.25p	8.75p

CHAIRMAN'S STATEMENT

Introduction and Performance

Welcome to the half-yearly report of Octopus Apollo VCT 2 plc for the period ended 31 July 2011. The Fund has enjoyed a good performance in the first 6 months of the year; the NAV has increased from 92.3 pence per share to 93.0 pence per share. With the 1.5 pence dividend paid within the period, Total Return for the half year has increased 2.4%.

This stems from both increased levels of interest income and an uplift in portfolio valuations of £144,000.

Investment Portfolio

At CSL DualCom and Autologic, follow on VCT qualifying investments were made, in both cases the Investment Manager has agreed lending terms more favourable to the Fund, enabling it to receive higher rates of interest on the monies invested.

With Autologic, the Fund has acquired equity at a discounted rate, causing recognition of an immediate gain in value. This accounts for the larger part of the increase in portfolio valuations recognised in the period.

One new investment has been made, Kala Power – a company that has constructed solar power units to be connected to the National Grid. Your Board and Investment Manager believe that solar represents an appropriate investment opportunity; it is an established and reliable technology that offers predictable returns for low risk due to the government administered Feed-in-tariff (FiT) scheme. The UK government introduced a 25 year duration FiT in April 2010 to encourage greater investment into renewable energy. FiT is a form of cashback, with guaranteed payments (the rates of FiTs rise with

inflation) made to households, organisations or companies that produce electricity from renewable sources, either for themselves or to be sold back to the National Grid.

Investment Strategy

The original mandate set out in the prospectus continues to set our investment strategy: investments are made on the basis of taking less risk than a typical VCT. The Fund generally receives its return from interest paid on secured loan notes and from exposure to the value of the shares of investee companies. We seek to derive sufficient return from the secured loan notes to achieve the Fund's investment aims and to use the equity exposure to boost returns.

As the cost of borrowing for private companies remains high, the Investment Manager is able to find appropriate investment opportunities to meet these objectives.

Dividend and Dividend Policy

Dividends paid out of a VCT are received by shareholders free of tax. For that reason your Board intends to maintain a consistent dividend flow when circumstances allow this to be done prudently. Given the performance of the Fund, your Board has proposed a dividend of 1.5 pence per share (payable from revenue reserves) in respect of the half year end. This will be paid on 18 November 2011 to shareholders on the register on 21 October 2011.

This follows the 1.5 pence dividend that was paid to shareholders on 8 July 2011 in relation to the year ended 31 January 2011.

VCT Qualifying Status

PricewaterhouseCoopers LLP provides the Board and Investment Manager with advice concerning ongoing compliance with Her Majesty's Revenue & Customs (HMRC) rules and regulations concerning VCTs. The Board is pleased to announce it has been advised that Octopus Apollo VCT 2 plc is in compliance with the conditions laid down by HMRC for maintaining approval as a VCT.

A key requirement is to maintain at least the 70% qualifying investment level. As at 31 July 2011, 85.2% of the portfolio, as measured by HMRC rules, was invested in VCT qualifying investments.

Principal Risks and Uncertainties

The principal risks and uncertainties are set out in note 6 of the Notes to the Half-Yearly Report on page 16.

Outlook

The economic climate, both domestically and internationally, remains uncertain, which dissuades some investors from small unquoted companies. However, although the Investment Manager is having to work closely with Bruce Dunlop, a company which has experienced difficulties, all other investments continue to trade positively.

The investee companies and ourselves share common objectives, to boost growth and profitability. We are confident that the Fund has successfully adhered to its lower risk mandate and expect the Total Return to continue to progress.

If you have any questions on any aspect of your investment, please call one of the team on 0800 316 2347.



Stuart Brocklehurst

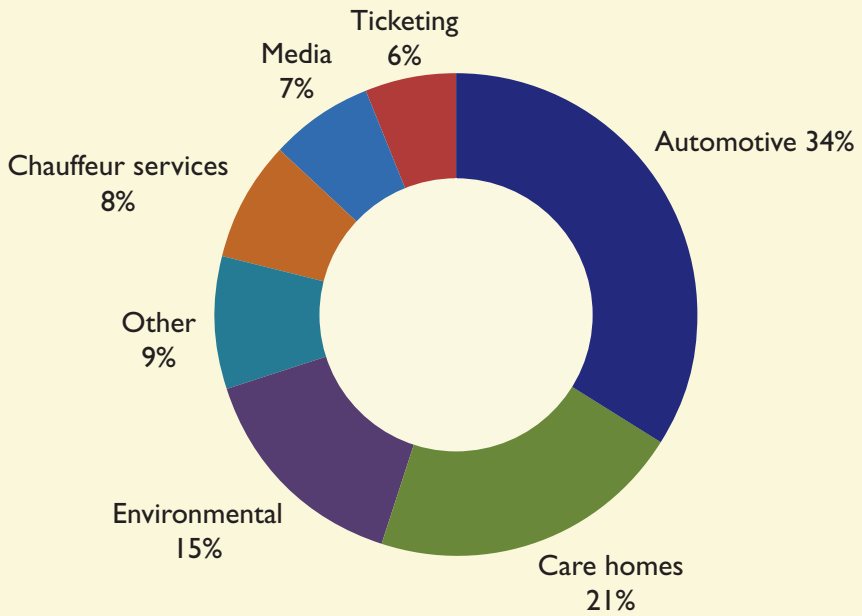
Chairman
30 September 2011

INVESTMENT PORTFOLIO

Qualifying investments	Sector	Cost of investment as at 31 July 2011 £'000	Movement in valuation as at 31 July 2011 £'000	Fair value as at 31 July 2011 £'000	% equity held by Apollo 2	% equity held by all funds managed by Octopus
Salus Services 1 Holdings Limited	Care homes	1,365	–	1,365	14.2%	100.0%
Clifford Thames Group Limited	Automotive	965	152	1,117	1.5%	8.0%
Autologic Diagnostics Holdings Limited	Automotive	1,025	112	1,137	1.7%	10.0%
CSL DualCom Limited	Environmental	1,000	16	1,016	0.0%	45.3%
Project Tristar Limited	Chauffeur services	500	26	526	1.3%	35.0%
Bruce Dunlop & Associates International Limited	Media	509	(24)	485	0.9%	30.0%
Bluebell Telecom Services Limited	Telecommunications	225	25	250	0.5%	6.5%
Hydrobolt Limited	Manufacturing	197	32	229	0.9%	43.5%
Ticketing Services 1 Limited	Ticketing	200	–	200	25.3%	100.0%
Ticketing Services 2 Limited	Ticketing	200	–	200	25.3%	100.0%
Kala Power Limited	Solar	142	–	142	5.2%	100.0%
Total qualifying investments		6,328	339	6,667		
Non-qualifying investments		128	–	128		
Total fixed asset investments		6,456	339	6,795		
Money market funds				943		
Cash at bank				244		
Debtors less creditors				101		
Total net assets				8,083		

SECTOR ANALYSIS

Qualifying investments by fair value as at 31 July 2011:



RESPONSIBILITY STATEMENT OF THE DIRECTORS' IN RESPECT OF THE HALF-YEARLY REPORT

We confirm that to the best of our knowledge:

- the half-yearly financial statements have been prepared in accordance with the statement "Half-Yearly Financial Reports" issued by the UK Accounting Standards Board;
- the half-yearly report includes a fair review of the information required by the Financial Services Authority Disclosure and Transparency Rules, being:
 - in indication of the important events that have occurred during the first six months of the financial year and their impact on the condensed set of financial statements;
 - a description of the principal risks and uncertainties for the remaining six months of the year; and
 - a description of related party transactions that have taken place in the first six months of the current financial year; that may have materially affected the financial position or performance of the Company during that period and any changes in the related party transactions described in the last annual report that could do so.

On behalf of the Board



Stuart Brocklehurst

Chairman

30 September 2011

INCOME STATEMENT

	Six months to 31 July 2011			Six months to 31 July 2010			Year to 31 January 2011		
	Revenue £'000	Capital £'000	Total £'000	Revenue £'000	Capital £'000	Total £'000	Revenue £'000	Capital £'000	Total £'000
Gain on disposal of fixed asset investments	-	-	-	-	-	-	-	(6)	(6)
Gain on disposal of current asset investments	-	-	-	-	-	-	-	6	6
Fixed asset investment holding gains	-	144	144	-	-	-	-	195	195
Current asset investment holding gains	-	-	-	-	7	7	-	-	-
Income	201	-	201	155	-	155	378	-	378
Investment management fees	(15)	(46)	(61)	(21)	(64)	(85)	(42)	(125)	(167)
Other expenses	(92)	-	(92)	(101)	-	(101)	(202)	-	(202)
Profit/(loss) on ordinary activities before tax	94	98	192	33	(57)	(24)	134	70	204
Taxation on profit/(loss) on ordinary activities	-	-	-	-	-	-	(2)	-	(2)
Profit/(loss) on ordinary activities after tax	94	98	192	33	(57)	(24)	132	70	202
Earnings per share – basic and diluted	1.1p	1.1p	2.2p	0.4	(0.7)	(0.3)	1.5p	0.8p	2.3p

- The 'Total' column of this statement is the profit and loss account of the Company; the supplementary revenue return and capital return columns have been prepared under guidance published by the Association of Investment Companies.
- All revenue and capital items in the above statement derive from continuing operations.
- The accompanying notes are an integral part of the half-yearly report.
- The Company has no recognised gains or losses other than those disclosed in the income statement.

RECONCILIATION OF MOVEMENTS IN SHAREHOLDERS' FUNDS

	Six months to 31 July 2011 £'000	Six months to 31 July 2010 £'000	Year to 31 January 2011 £'000
Shareholders' funds at start of period	8,020	8,167	8,167
Profit/(loss) on ordinary activities after tax	192	(24)	202
Dividends paid	(129)	(218)	(349)
Shareholders' funds at end of period	8,083	7,925	8,020

BALANCE SHEET

	As at 31 July 2011		As at 31 July 2010		As at 31 January 2011	
	£'000	£'000	£'000	£'000	£'000	£'000
Fixed asset investments*		6,795		6,771		6,691
Current assets:						
Investments*	943		1,053		1,124	
Debtors	133		10		92	
Cash at bank	244		111		153	
	1,320		1,174		1,369	
Creditors: amounts falling due within one year	(32)		(20)		(40)	
Net current assets		1,288		1,154		1,329
Net assets		8,083		7,925		8,020
Called up equity share capital		869		869		869
Special distributable reserve		6,952		7,346		7,081
Capital redemption reserve		16		16		16
Capital reserve						
– gains & losses on disposal		(361)		(258)		(315)
– holding gains & losses		340		(122)		196
Revenue reserve		267		74		173
Total equity shareholders' funds		8,083		7,925		8,020
Net asset value per share		93.0p		91.2p		92.3p

*Held at fair value through profit and loss

The statements were approved by the Directors and authorised for issue on 30 September 2011 and are signed on their behalf by:



Stuart Brocklehurst

Chairman

Company Number: 05770744

CASH FLOW STATEMENT

	Six months to 31 July 2011 £'000	Six months to 31 July 2010 £'000	Year to 31 January 2011 £'000
Net cash outflow from operating activities	(1)	(31)	(53)
Taxation	–	–	(2)
Financial investment:			
Purchase of fixed asset investments	(270)	(110)	(109)
Sale of fixed asset investments	310	–	269
Management of liquid resources:			
Purchase of current asset investments	(2,161)	(250)	(1,819)
Sale of current asset investments	2,342	626	2,122
Dividends paid	(129)	(218)	(349)
Increase in cash at bank	91	17	59

RECONCILIATION OF PROFIT BEFORE TAXATION TO CASH FLOW FROM OPERATING ACTIVITIES

	Six months to 31 July 2011 £'000	Six months to 31 July 2010 £'000	Year to 31 January 2011 £'000
Profit/(loss) on ordinary activities before tax	192	(24)	204
Gain on disposal of current asset investments	–	–	(6)
Loss on disposal of fixed asset investments	–	–	6
Holding gain on current asset investments	–	(7)	–
Holding gain on fixed asset investments	(144)	–	(195)
(Increase)/decrease in debtors	(41)	32	(50)
Decrease in creditors	(8)	(32)	(12)
Net cash outflow from operating activities	(1)	(31)	(53)

RECONCILIATION OF NET CASH FLOW TO MOVEMENT IN NET FUNDS

	Six months to 31 July 2011 £'000	Six months to 31 July 2010 £'000	Year to 31 January 2011 £'000
Increase in cash at bank	91	17	59
Decrease in cash equivalents	(181)	(368)	(297)
Opening net cash resources	1,277	1,515	1,515
Net cash resources at end of period	1,187	1,164	1,277

NOTES TO THE HALF-YEARLY REPORT

1. Basis of preparation

The unaudited half-yearly results which cover the six months to 31 July 2011 have been prepared in accordance with the Accounting Standard Board's (ASB) statement on half-yearly financial reports (July 2007) and adopting the accounting policies set out in the statutory accounts of the Company for the year ended 31 January 2011, which were prepared under UK GAAP and in accordance with the Statement of Recommended Practice for Investment Companies issued by the Association of Investment Companies in January 2009.

2. Publication of non-statutory accounts

The unaudited half-yearly results for the six months ended 31 July 2011 do not constitute statutory accounts within the meaning of s.415 of the Companies Act 2006. The comparative figures for the year ended 31 January 2011 have been extracted from the audited financial statements for that year, which have been delivered to the Registrar of Companies. The independent auditor's report on those financial statements, in accordance with chapter 3 of part 16 of the Companies Act 2006, was unqualified. This half-yearly report has not been reviewed by the Company's auditor.

3. Earnings per share

The earnings per share figures as at 31 July 2011 are calculated on the basis of 8,693,486 (31 July 2010: 8,693,486 and 31 January 2011: 8,693,486) shares, being the weighted average number of shares in issue during the period.

There are no potentially dilutive capital instruments in issue and, therefore, no diluted earnings per share figures are relevant. The basic and diluted earnings per share are therefore identical.

4. Net asset value per share

The net asset value per share is based on net assets as at 31 July 2011 divided by 8,693,486 (31 July 2010: 8,693,486 and 31 January 2011: 8,693,486) shares in issue at that date.

5. Dividends

The interim dividend of 1.5 pence per share for the six months ending 31 July 2011 will be paid on 18 November 2011, to those shareholders on the register on 21 October 2011. This will be paid from revenue reserves.

A final dividend, for the year ending 31 January 2011, of 1.5 pence per share was paid on 8 July 2011 to shareholders on the register on 10 June 2011, comprising a payment of 0.75 pence from revenue reserves and 0.75 pence from capital reserves.

6. Principal Risks and Uncertainties

The Company's assets consist of equity and fixed-rate interest investments, cash and liquid resources. Its principal risks are therefore market risk, credit risk and liquidity risk. Other risks faced by the Company include economic, loss of approval as a VCT, investment and strategic, regulatory, reputational, operational and financial risks. These risks, and the way in which they are managed, are described in more detail in the Company's Annual Report and Accounts for the year ended 31 January 2011. The Company's principal risks and uncertainties have not changed materially since the date of that report.

7. Related Party Transactions

Octopus acts as the Investment Manager of the Company. Under the management agreement, Octopus receives a fee of 2.0 per cent per annum of the net assets of the Company for the investment management services. During the period, the Company incurred management fees of £61,000 (31 July 2010: £85,000 and 31 January 2011: £167,000) payable to Octopus. At the period end there was £nil (31 July 2010: £nil and 31 January 2011: £nil) outstanding to Octopus. Furthermore, Octopus provides administration and company secretarial services to the Company. Octopus receives a fee of 0.3 per cent per annum of net assets of the Company for administration services and £7,500 per annum for company secretarial services.

8. A version of this statement will be made available to all shareholders. Copies are also available from the registered office of the Company at 20 Old Bailey, London, EC4M 7AN, and will also be available to view on the Investment Manager's website at www.octopusinvestments.com.

DIRECTORS AND ADVISERS

Board of Directors

Stuart Brocklehurst (Chairman)
Alan Pepper
Matt Cooper

Secretary and Registered office

Celia L Whitten FCIS
20 Old Bailey
London
EC4M 7AN
Registered in England No. 05770744

Investment and Administration

Manager

Octopus Investments Limited
20 Old Bailey
London
EC4M 7AN
Tel: 0800 316 2349
www.octopusinvestments.com

Registrars

Capita Registrars
The Registry
34 Beckenham Road
Beckenham
Kent
BR3 4TU
Tel: 0871 664 0300
(calls cost 10p per minute plus network extras)
www.capitaregistrars.com

Independent Auditor and Taxation Adviser

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Oxford
OX2 0PZ

VCT Status Adviser

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WC2N 6RH

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