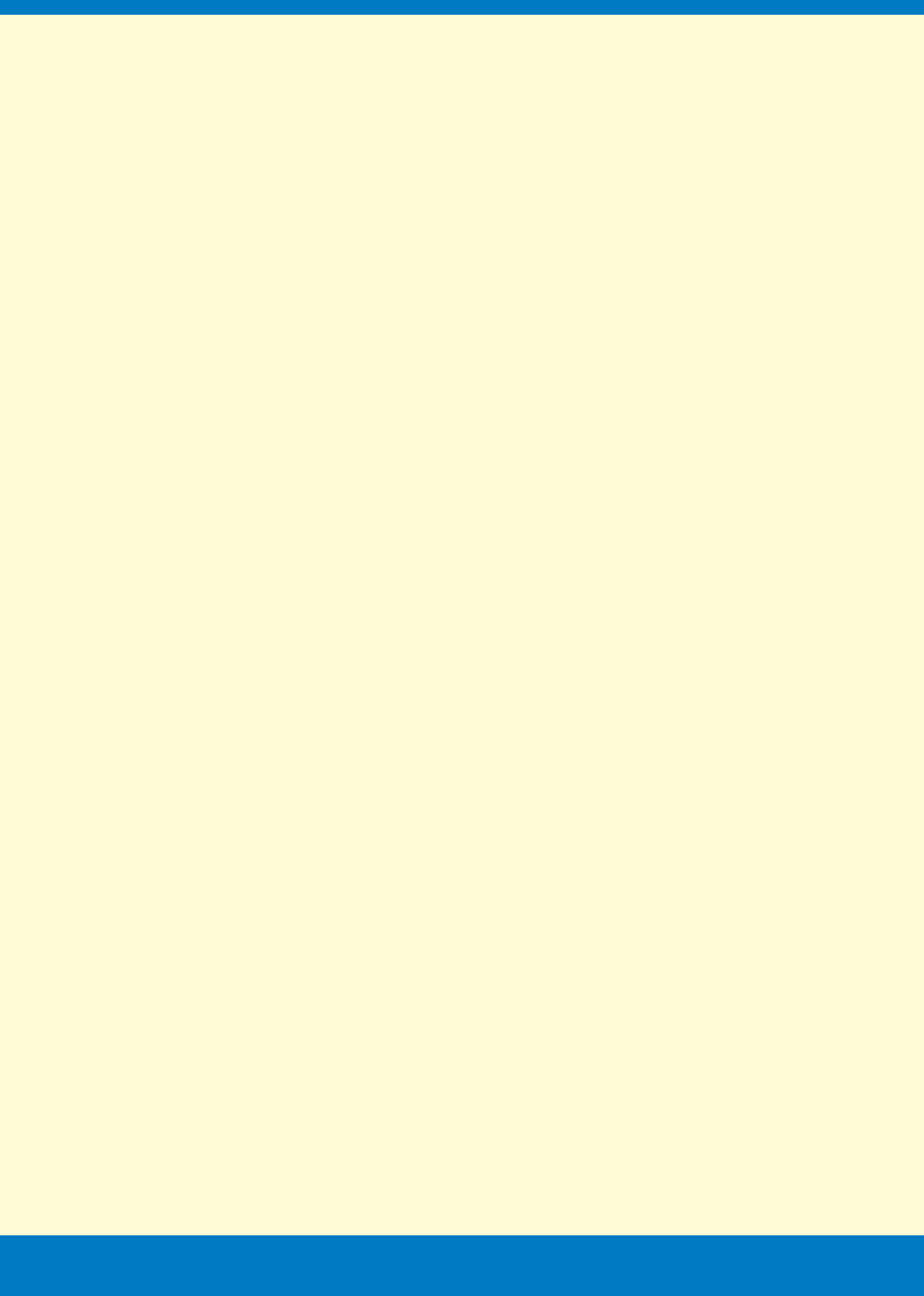

OCTOPUS

TITAN VCT 5 PLC



FINANCIAL HEADLINES

94.0p Net asset value (NAV) at 30 April 2011

£10.5 million Total funds raised since launch

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SHAREHOLDER INFORMATION AND CONTACT DETAILS

Financial Calendar

The Company's financial calendar is as follows:

February 2012 – Annual results for the period to 31 October 2011 announced; Annual Report and financial statements published

Share Price

The Company's share price can be found on various financial websites including www.londonstockexchange.com, with the following TIDM/EPIC code:

	Ordinary shares
TIDM/EPIC code	OTV5
Latest share price (29 June 2011)	100p per share

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, as well as Octopus Investments under the signature of the registered holder. Their contact details are provided on page 13.

Other Information for Shareholders

In future, Annual Reports and Half-yearly Reports will be available for viewing on the Investment Manager's website at www.octopusinvestments.com by navigating to Services, Investor Services, Venture Capital Trusts, Octopus Titan VCT 5. 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 the Company 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 TITAN VCT 5 PLC

Octopus Titan VCT 5 plc ('Titan 5', 'Company' or 'VCT') is a venture capital trust ('VCT') which aims to provide shareholders with attractive tax-free dividends and long-term capital growth, by investing in a diverse portfolio of predominately unquoted companies. The Company is managed by Octopus Investments Limited ('Octopus' or 'Investment Manager').

Titan 5 was incorporated on 13 October 2010 with the first allotment of equity being on 1 March 2011. The total amount raised by 30 April 2011 was £10.5 million. The Offer for new subscriptions for shares will remain open until 31 October 2011. Titan 5 will invest primarily in unquoted UK smaller companies and aims to deliver a substantial level of returns on its investments over the medium to long term.

Venture Capital Trusts (VCTs)

VCTs were introduced in the Finance Act 1995 to provide a means for private individuals to invest in unquoted 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:

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

Titan 5 has been provisionally approved as a VCT by HM Revenue & Customs (HMRC). In order to maintain its approval the VCT must comply with certain requirements on a continuing basis. By the end of its third accounting period at least 70% of the VCT's investments must comprise 'qualifying holdings' of which at least 30% must be in eligible ordinary shares. A 'qualifying holding' consists of up to £1 million invested in any one year in new shares or securities in an unquoted company (or companies quoted on AIM) which is carrying on a qualifying trade and whose gross assets do not exceed a prescribed limit at the time of investment. The definition of a 'qualifying trade' excludes certain activities such as property investment and development, financial services and asset leasing. Titan 5 will continue to ensure its compliance with these qualification requirements.

FINANCIAL SUMMARY

	Period to 30 April 2011*
Net assets (£'000s)	9,906
Return on ordinary activities after tax (£'000s)	(57)
Net asset value per share (NAV)	94.0p

*Period covered by this report is 13 October 2010 to 30 April 2011

CHAIRMAN'S STATEMENT

I am delighted to be presenting to you in my capacity as Chairman the first half-yearly report for Octopus Titan VCT 5 plc for the period to 30 April 2011.

In the period to 30 April 2011, Titan 5 raised gross proceeds of £10.5 million and a further £0.5 million has been raised between 1 May 2011 and the signing of this report. The Offer for new subscriptions for shares will remain open until 31 October 2011. To date your Investment Manager has not made an investment into a qualifying business although a number are under consideration.

Investment Policy

The investment policy of Titan 5 is designed to provide investors with exposure to a range of UK smaller companies with the aim of generating a substantial level of returns over the medium to long term. In order to achieve this, the VCT will focus on providing early stage, development and expansion funding to unquoted companies with a typical deal size of £0.2 million to £2 million. In the prospectus we explained that we expected that Titan 5's portfolio of holdings would encompass investments in 20-30 unquoted companies (assuming full subscription under the Offer). However, as we do not expect the VCT will be fully subscribed when we close the Offer, the portfolio is likely to encompass a smaller number of companies. It is important that a suitable number of businesses are invested into to provide investors with the benefits of a portfolio of different high growth companies.

Net Asset Value

As at 30 April 2011 Titan 5's net asset value per share (NAV) had declined slightly from the initial NAV of 94.5p to 94.0p. This was due to £42,000

of expenses incurred by the VCT since its formation. Over the longer term as the underlying portfolio of investments is created, Titan 5's NAV will be linked increasingly to the value of the investments in the portfolio companies.

Investment Portfolio

No investments were made during the period under review or have been made in the period from 1 May 2011 to the date of publication.

The Investment Manager, Octopus, has a number of investment propositions under review by the Titan family of VCTs which will enable Titan 5 to commence investing shortly. We look forward to updating you as the VCT starts to deploy funds into qualifying businesses.

When investments are made, they will be held and valued in accordance with the International Private Equity and Venture Capital valuation guidelines and Financial Reporting Standards and are therefore subject to regular valuation reviews.

Cash and Liquid Resources

As set out in the prospectus, prior to investment into Qualifying Investments, Titan 5 will invest in money market funds and other instruments where Octopus believes that the overall downside risk is low. In addition to this, up to 50% of the proceeds will be invested in other funds managed by Octopus. We have now deployed the VCT's assets in order to meet the objective of capital preservation while awaiting investment into Qualifying Holdings and the VCT has started to receive dividend income.

Principal Risks and Uncertainties

Risks faced by Titan 5 include economic, investment and strategic, regulatory, reputational, operational and financial risks. These risks, and

CHAIRMAN'S STATEMENT (continued)

the ways in which they are managed will be described in more detail in the VCT's Annual Report and Accounts for the period ended 31 October 2011.

VCT Legislation

The Chancellor announced in his Budget on 23 March 2011 that the Government intends to make several changes to VCTs. His proposals are good news for both entrepreneurs and private investors seeking to invest in small companies with high growth potential and should widen the scope for investment by VCTs. The key points are that it is intended that VCT qualifying company limits will increase from April 2012 as follows:

- maximum number of employees to increase from fewer than 50 to fewer than 250 employees;
- pre-investment gross assets limit to increase from £7m to £15m.

We are encouraged by these reforms as it indicates that the Government recognises that VCTs play an important part in providing both financial and advisory support to entrepreneurial companies which it sees as being an important sector of the UK economy.

VCT Qualifying Status

PricewaterhouseCoopers LLP provides the Board and Octopus with advice on the ongoing compliance with HMRC rules and regulations concerning VCTs. Octopus does not foresee any issues with reaching the required investment hurdle of 70% before the third anniversary of the end of the financial period in which investors subscribed to the VCT.

Outlook

Octopus is currently seeing a strong deal flow and it is in active negotiations with several companies in which it hopes will provide investment opportunities for Titan 5. Your Board is therefore confident that Titan 5 will be able to meet its investment objectives and produce returns for shareholders that are consistent with the objectives of the VCT. I look forward to updating you in the annual report early in 2012 with investment progress over the next six months.



Jane O'Riordan


Chairman
29 June 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:
 - an 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



Jane O'Riordan

Chairman
29 June 2011

INCOME STATEMENT

	Period to 30 April 2011		
	Revenue £'000	Capital £'000	Total £'000
Investment management fees	(5)	(15)	(20)
Other expenses	(37)	–	(37)
Return on ordinary activities before tax	(42)	(15)	(57)
Taxation on return on ordinary activities	–	–	–
Return on ordinary activities after tax	(42)	(15)	(57)
Earnings per share – basic and diluted	(0.6)p	(0.2)p	(0.8)p

- 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 Company has only one class of business and derives its income from investments made in shares and securities and from bank and money market funds.
- The Company has no recognised gains or losses other than the results for the period as set out above.
- The accompanying notes are an integral part of the half-yearly report.

RECONCILIATION OF MOVEMENTS IN SHAREHOLDERS' FUNDS

	Period to 30 April 2011 £'000
Shareholders' funds at start of period	–
Return on ordinary activities after tax	(57)
Issue of equity (net of expenses)	9,963
Shareholders' funds at end of period	9,906

BALANCE SHEET

	As at 30 April 2011	
	£'000	£'000
Current assets:		
Debtors	30	
Cash at bank	10,006	
	10,036	
Creditors: amounts falling due within one year	(130)	
Net current assets		9,906
Net assets		9,906
Called up equity share capital	1,054	
Share premium	8,909	
Capital reserve – losses on disposal	(15)	
Revenue reserve	(42)	
Total equity shareholders' funds		9,906
Net asset value per share		94.0p

*Held at fair value through profit and loss

The statements were approved by the Directors and authorised for issue on 29 June 2011 and are signed on their behalf by:

Jane O'Riordan
Chairman

Company Number: 07406399

CASH FLOW STATEMENT

	Period to 30 April 2011 £'000
Net cash inflow from operating activities	43
Financing:	
Issue of equity	10,495
Share issue expenses	(532)
Increase in cash resources at bank	10,006

RECONCILIATION OF NET CASH FLOW TO MOVEMENT IN NET FUNDS

	Period to 30 April 2011 £'000
Increase in cash resources at bank	10,006
Movement in cash equivalents	–
Opening net cash resources	–
Net funds at period end	10,006

RECONCILIATION OF RETURN BEFORE TAXATION TO CASH FLOW FROM OPERATING ACTIVITIES

	Period to 30 April 2011 £'000
Return on ordinary activities before tax	(57)
Increase in debtors	(30)
Increase in creditors	130
Inflow from operating activities	43

NOTES TO THE HALF-YEARLY REPORT

1. Basis of preparation

The unaudited half-yearly results which cover the period to 30 April 2011 have been prepared in accordance with the Accounting Standards Board's (ASB) statement on half-yearly financial reports (July 2007).

2. Publication of non-statutory accounts

The unaudited half-yearly results for the six months ended 30 April 2011 do not constitute statutory accounts within the meaning of Section 415 of the Companies Act 2006.

3. Earnings per share

The earnings per share is based on 6,585,848 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 returns per share figures are relevant. The basic and diluted earnings per share are therefore identical.

4. Net asset value per share

The calculation of NAV per share as at 30 April 2011 is based on 10,542,272 ordinary shares in issue at that date.

5. Share Issues

During the period, the Company issued 10,542,272 ordinary shares at a price of 100.0p per share. Since 30 April 2011, a further 496,072 ordinary shares have been issued at a price of 100.0p per share.

6. Related Party Transactions

Octopus Investments Limited 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 £20,000 payable 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 £15,000 per annum for company secretarial services. At the period end there was £26,000 outstanding to Octopus in relation to management fees, administration and company secretarial services to the Company.

7. Copies of this report are available from the registered office of the Company at 20 Old Bailey, London, EC4M 7AN.

DIRECTORS AND ADVISERS

Board of Directors

Jane O'Riordan (Chairman)
Stefan Cassar
Chris Hulatt

Company Number

Registered in England & Wales
No. 07406399

Secretary and Registered office

Celia L Whitten FCIS
Octopus Investments Limited
20 Old Bailey
London EC4M 7AN

Investment and Administration

Manager

Octopus Investments Limited
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London EC4M 7AN
Tel: 0800 316 2295
www.octopusinvestments.com

Independent Auditor and Taxation

Adviser

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VCT Status Adviser

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London WC2N 6RH

Bankers

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London EC1N 2HR

Registrars

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