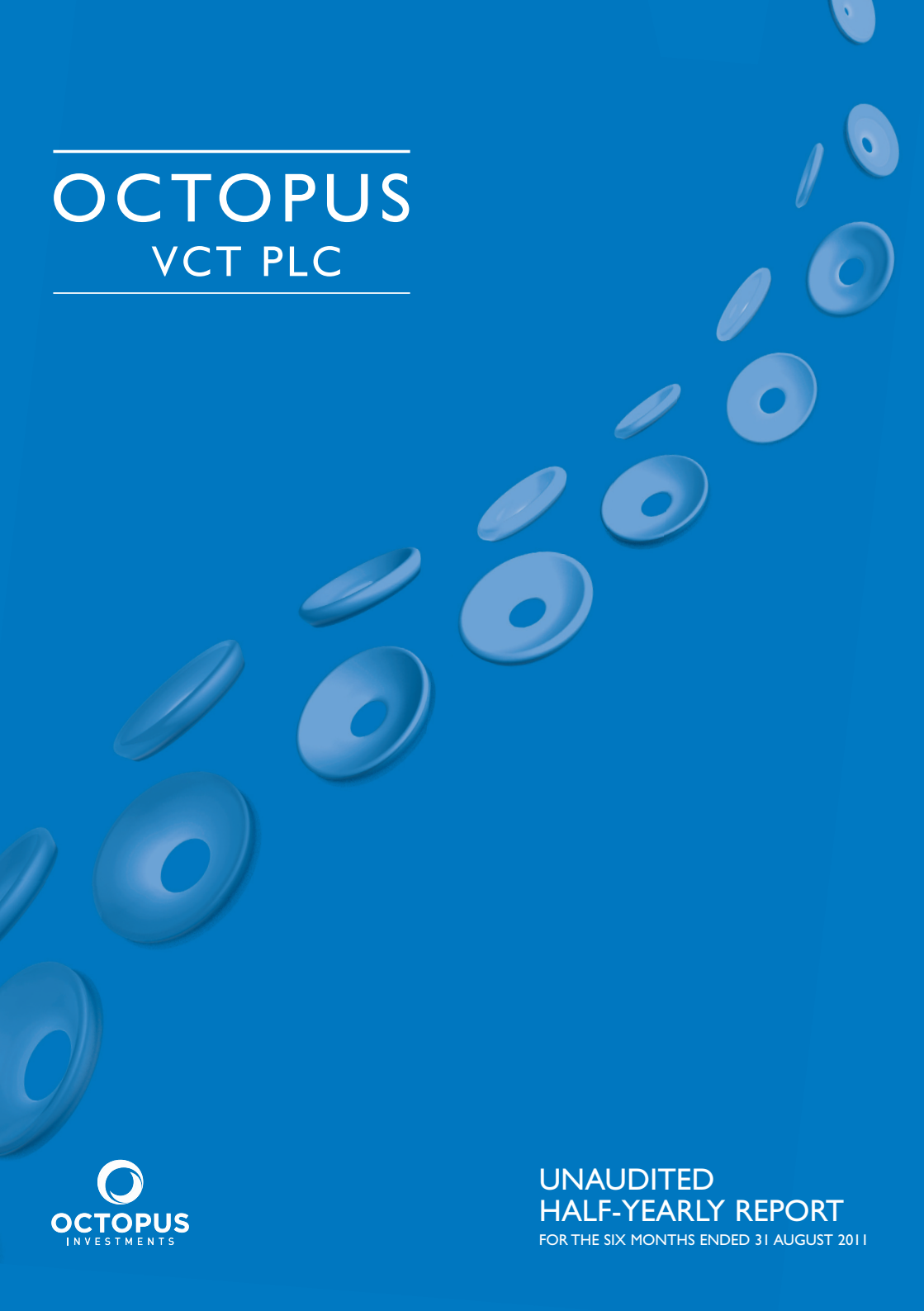

OCTOPUS

VCT PLC



FINANCIAL HEADLINES

(0.1%) Total return for the period to 31 August 2011

93.8p Net Asset Value (NAV) at 31 August 2011

1.0p Cumulative dividends paid to 31 August 2011

94.8p Total return at 31 August 2011

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SHAREHOLDER INFORMATION AND CONTACT DETAILS

Financial Calendar

The Company's financial calendar is as follows:

- May/June 2012 – Annual results for year to 28 February 2012 announced; Annual Report and financial statements published
- October 2012 – Half-yearly results to 31 August 2012 published

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 VCT plc:

Period Ended	NAV	Dividend paid in period	NAV + cumulative dividends
28 February 2010	93.0p	–	93.0p
31 August 2010	94.9p	–	94.9p
28 February 2011	95.3p	–	95.3p
31 August 2011	93.8p	1.0p	94.8p

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	OVCT
Latest share price (27 October 2011)	93.5p 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 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 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:

Other information for Shareholders

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 VCT. All other statutory information will also be found there.

ABOUT OCTOPUS VCT PLC

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

Octopus VCT was incorporated on 30 June 2009 under the name of Octopus Secure VCT plc; this was subsequently amended to Octopus VCT plc on 18 November 2009, with the first allotment of equity occurring on 14 December 2009. Octopus VCT opened for subscription (the “Offer”) on 17 September 2009 and raised £50 million through an offer for subscription by the time it closed on 5 April 2010. A further £1.8 million was raised through a top up issue of shares on 30 April 2010. The investment policy of Octopus VCT is to focus on making Qualifying Investments into companies which have contractual revenues from financially sound counterparties or which have a strong asset base.

Venture Capital Trusts (VCTs)

VCTs were introduced in the Finance Act 1995 to provide a means for private individuals to invest in smaller 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-front income tax relief of 30%
- exemption from income tax on dividends paid
- exemption from capital gains tax on disposals of shares in VCTs

The Company has been provisionally approved as a VCT by Her Majesty’s Revenue & Customs (HMRC). In order to maintain its approval, the Company must comply with certain requirements on a continuing basis. By the end of the Company’s third accounting period at least 70% of the Company’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 (including companies listed on AIM) which is carrying on a qualifying trade, whose gross assets do not exceed £7 million and whose total number of employees is less than 50, all at the time of investment.

FINANCIAL SUMMARY

	Six months to 31 August 2011	Six months to 31 August 2010	Year to 28 February 2011
Net assets (£'000s)	48,992	49,583	49,765
Net (loss)/profit after tax (£'000s)	(251)	293	492
Net asset value per share (NAV)	93.8p	94.9p	95.3p
Cumulative dividends paid to date	1.0p	–	–
Total return	94.8p	94.9p	95.3p

CHAIRMAN'S STATEMENT

Introduction

I am pleased to present the half-yearly report of Octopus VCT plc for the period ended 31 August 2011.

Performance

The Total Return of the Fund has been relatively flat in the period with the Net Asset Value (NAV) decreasing marginally from 95.3 pence per share to 94.8 pence per share when adding back the 1.0 pence dividend paid.

This is in-line with expectations at this stage of the Fund's life, as receipts from loan based investments are still gaining momentum, and we are yet to recognise any appreciation in equity valuations due to their infancy.

Investment Portfolio

A total of £19.6 million has been invested in the period, of which £12.6 million has been invested into companies that own and operate solar power units that have been, or will be, connected to the National Grid. These investments were made as your Board and Investment Manager believe that solar represents an appropriate investment opportunity. This is because it is a well-established, reliable form of technology that offers more predictable returns in exchange for minimal risk due to the government administered Feed-in-tariff (FiT) scheme, providing inflation linked returns.

£3.2 million was loaned into ticketing companies. These are companies that provide a good yield by buying and re-selling tickets, at a margin, to various events. To date, these loans have been repaid on schedule.

Other Investments were made into CSL DualCom, a company that provides building security devices and Autologic, a company that develops automotive diagnostic software. An investment was also made into Salus Services, a company funding the development of a high-quality care home, predominantly for private residents, in particular patients suffering with dementia who have a need for specialist care. In the case of CSL and Autologic, the Investment Manager has structured the investments so that the majority of funds receive loan interest, and there is also potential for boosting Fund returns via a small equity stake.

The Salus investment is fully asset backed, in keeping with the lower risk nature of this Fund.

Investment Strategy

The Fund continues to be managed in line with the mandate that was set out in the prospectus whereby investments are made on the basis of taking less risk than a typical VCT. Generally the Fund receives its return from interest paid on secured loan notes as well as an exposure to the value of the shares of investee companies. The investment strategy is to derive sufficient return from the secured loan notes to achieve the Fund's investment aims and to use the small equity exposure to boost returns.

The Investment Manager continues to be able to identify appropriate investment opportunities to meet these objectives.

Dividend and Dividend Policy

As mentioned in my statement at the year end, due to the high level of income the Fund generated from its cash deposits, your Board proposed a dividend of 1.0 pence per share that was paid on 29 July 2011. However, given the current opportunities the Investment Manager is seeing to deploy material levels of cash into investments, in which a greater than 5% yield can be achieved, your Board has decided it prudent not to pay an interim dividend.

VCT Qualifying Status

As at 31 August 2011 the Company was compliant with all necessary regulations.

A key requirement is to invest at least the 70% of the funds raised into qualifying investments. As at 31 August 2011, 43.9% of the portfolio, as measured by HMRC rules, was invested in VCT qualifying investments. The Manager does not foresee any issues with reaching the required investment hurdle of 70% before the third financial year end.

Principal Risks and Uncertainties

The principal risks and uncertainties are set out in note 5 of the Notes to the Half-Yearly Report on page 16.

Outlook

Uncertainty over the current economic climate continues both from a domestic and international point of view which has had the effect of dissuading investors from investing into small unquoted companies. However all investments that have been made by this Fund are currently trading in line with their budgets and were selected on the basis that they are largely shielded from the macro-economic environment.

Our interests remain aligned with that of the entrepreneurs' companies we have invested into, being that of boosting growth and profitability, and we have confidence that the Fund has been successful in adhering to the lower risk mandate offered in the prospectus.

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



James Otter

Chairman
27 October 2011

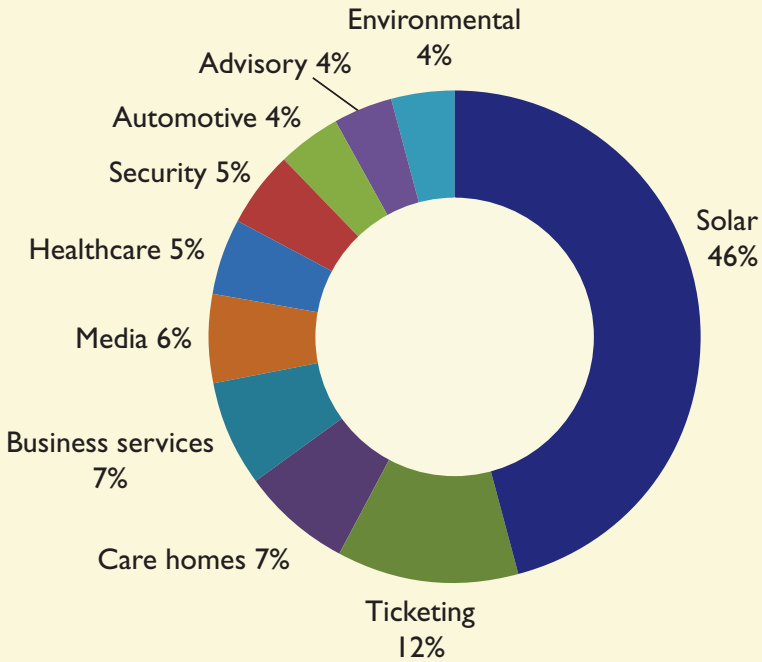
INVESTMENT PORTFOLIO

		Investment at cost as at 31 August 2011 £'000	Movement in valuation to 31 August 2011 £'000	Fair value as at 31 August 2011 £'000	% equity held by Octopus VCT	% equity held by all funds managed by Octopus
AIM-quoted investments	Sector					
EKF Diagnostics Holdings plc	Healthcare	378	231	609	1.0%	6.4%
Total AIM-quoted investments		378	231	609		
Unquoted investments						
Shakti Power Ltd	Solar	2,808	–	2,808	0.0%	0.0%
Season Ticket Credit Ltd	Ticketing	2,671	–	2,671	0.0%	0.0%
CSL Dualcom Ltd	Security	1,300	–	1,300	0.0%	45.3%
Donoma Power Ltd	Solar	1,220	–	1,220	18%	100%
Salus Services Holdings 1 Ltd	Care homes	1,000	–	1,000	10.4%	100.0%
Salus Services 2 Ltd	Care homes	1,000	–	1,000	49.0%	49.0%
Personnel Advisory Services Ltd	Advisory	1,000	–	1,000	49.0%	49.0%
GreenCo Services 2 Ltd	Environmental	1,000	–	1,000	49.0%	49.0%
SaaS Business Services Ltd	Business services	1,000	–	1,000	49.0%	49.0%
Autologic Diagnostics Holdings Ltd	Automotive	1,000	–	1,000	16.3%	49.0%
Resilient Corporate Services Ltd	Business services	1,000	–	1,000	16.3%	49.0%
Healthcare Education Business Services Ltd	Healthcare	1,000	–	1,000	49.0%	49.0%
MediaCo Business Services Ltd	Media	1,000	–	1,000	49.0%	49.0%
Ticketus 34 LLP	Ticketing	625	–	625	0.0%	0.0%
Howbery Solar Ltd	Solar	600	–	600	32%	32%
Aashman Power Ltd	Solar	500	–	500	17%	100%
Grian Power Ltd	Solar	500	–	500	25%	100%
Helaku Power Ltd	Solar	500	–	500	25%	100%
Intina Power Ltd	Solar	500	–	500	25%	100%
Kala Power Ltd	Solar	500	–	500	18%	100%
Nima Power Ltd	Solar	500	–	500	25%	100%
Tonatiuh Trading Ltd	Solar	500	–	500	21%	100%
Tuwale Power Ltd	Solar	500	–	500	25%	100%
Cyrach Power Ltd	Solar	500	–	500	50%	100%
Evaki Power Ltd	Solar	500	–	500	50%	100%
Gnowee Power Ltd	Solar	500	–	500	25%	100%
Sula Power Ltd	Solar	500	–	500	25%	100%
Teruko Power Ltd	Solar	500	–	500	50%	100%
Tonatiuh Power 2 Ltd	Solar	500	–	500	21%	100%
Yata Power Ltd	Solar	500	–	500	50%	100%
Palk Power Ltd	Solar	500	–	500	25%	100%
PTB Films Ltd	Media	249	–	249	12.5%	100.0%
Quickfire 2 Ltd	Media	247	–	247	6.5%	99.9%
Quickfire Ltd	Media	246	–	246	6.6%	99.7%
Total unquoted investments		26,966	–	26,966		
Total fixed asset investments		27,344	231	27,575		
Money market funds				14,642		
Cash at bank				6,118		
Debtors less creditors				657		
Total net assets				48,992		

INVESTMENT PORTFOLIO (continued)

SECTOR ANALYSIS

Investment by fair value as at 31 August 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



James Otter
Chairman
27 October 2011

INCOME STATEMENT

	Six months to 31 August 2011			Six months to 31 August 2010			Year to 28 February 2011		
	Revenue £'000	Capital £'000	Total £'000	Revenue £'000	Capital £'000	Total £'000	Revenue £'000	Capital £'000	Total £'000
Income	208	–	208	315	–	315	602	–	602
Fixed asset investment holding (losses)/gains	–	(6)	(6)	–	194	194	–	237	237
Investment management fees	–	–	–	–	–	–	–	–	–
Other expenses	(453)	–	(453)	(216)	–	(216)	(304)	–	(304)
(Loss)/profit on ordinary activities before tax	(245)	(6)	(251)	99	194	293	298	237	535
Taxation on (loss)/profit on ordinary activities	–	–	–	–	–	–	(43)	–	(43)
(Loss)/profit on ordinary activities after tax	(245)	(6)	(251)	99	194	293	255	237	492
(Loss)/profit per share – basic and diluted	(0.5)p	0.0p	(0.5)p	0.2p	0.4p	0.6p	0.5p	0.5p	1.0p

- 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 ended 31 August 2011	Six months ended 31 August 2010	Year to 28 February 2011
Shareholders' funds at start of period	49,765	4,729	4,729
(Loss)/profit on ordinary activities after tax	(251)	293	492
Issue of equity	–	44,561	44,562
Dividends paid	(522)	–	–
Shares bought back for cancellation	–	–	(18)
Shareholders' funds at end of period	48,992	49,583	49,765

BALANCE SHEET

	As at 31 August 2011		As at 31 August 2010		As at 28 February 2011	
	£'000	£'000	£'000	£'000	£'000	£'000
Fixed asset investments		27,575		569		8,615
Current assets:						
Investments – money market funds*	14,642		–		35,038	
Debtors	657		5		12	
Cash at bank	6,118		49,150		6,235	
	20,864		49,155		41,825	
Creditors: amounts falling due within one year	–		(141)		(135)	
Net current assets	21,417		49,014		41,150	
Net assets	48,992		49,583		49,765	
Called up equity share capital	522		522		522	
Share premium	–		48,843		–	
Special distributable reserve	48,305		–		48,827	
Capital reserve holding gains and losses	231		194		237	
Revenue reserve	(66)		24		179	
Total equity shareholders' funds	48,992		49,583		49,765	
Net asset value per share	93.8p		94.9p		95.3p	

*Held at fair value through profit and loss

The statements were approved by the Directors and authorised for issue on 27 October 2011 and are signed on their behalf by:

James Otter

Chairman

Company Number: 06948448

CASH FLOW STATEMENT

	Six months ended 31 August 2011 £'000	Six months ended 31 August 2010 £'000	Year to 28 February 2011 £'000
Net cash (outflow)/inflow from operating activities	(1,025)	121	264
Financial investment:			
Purchase of fixed asset investments	(19,622)	(375)	(8,378)
Sale of fixed asset investments	656	–	–
Management of liquid resources:			
Purchase of current asset investments	(12,430)	–	(64,155)
Sale of current asset investments	32,826	–	29,117
Dividends paid	(522)	–	–
Financing:			
Issue of own shares	–	46,978	47,156
Share issue expense	–	(2,417)	(2,594)
Purchase of own shares	–	–	(18)
(Decrease)/increase in cash at bank	(117)	44,307	1,392

RECONCILIATION OF NET CASH FLOW TO MOVEMENT IN NET FUNDS

	Six months ended 31 August 2011 £'000	Six months ended 31 August 2010 £'000	Year to 28 February 2011 £'000
(Decrease)/increase in cash at bank	(117)	44,307	1,392
(Decrease)/increase in cash equivalents	(20,396)	–	35,038
Opening net cash resources	41,273	4,843	4,843
Net cash resources at end of period	20,760	49,150	41,273

RECONCILIATION OF PROFIT BEFORE TAXATION TO CASH FLOW FROM OPERATING ACTIVITIES

	Six months ended 31 August 2011 £'000	Six months ended 31 August 2010 £'000	Year to 28 February 2011 £'000
(Loss)/profit on ordinary activities before tax	(251)	293	492
(Increase) in debtors	(645)	(2)	(9)
(Decrease)/increase in creditors	(135)	24	18
Loss on disposal of fixed asset investments	–	–	12
Holding gain/(loss) on fixed asset investments	6	(194)	(237)
Net cash (outflow)/inflow from operating activities	(1,025)	121	264

NOTES TO THE HALF-YEARLY REPORT

1. Basis of preparation

The unaudited half-yearly results which cover the six months to 31 August 2011 have been prepared in accordance with the Accounting Standards 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 period ended 28 February 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 August 2011 do not constitute statutory accounts within the meaning of s.415 of the Companies Act 2006. The comparative figures for the period ended 28 February 2011 have been extracted from the audited financial statements for that period, which have been delivered to the Registrar of Companies. The independent auditor's report on those financial statements, in accordance with chapter 3, 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 at 31 August 2011 is calculated on the basis of 52,214,787 (31 August 2010: 45,343,019 and 28 February 2011: 49,318,293) 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 return 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 calculated on the basis of 52,214,787 (31 August 2010: 52,233,294 and 28 February 2011: 52,214,787) shares in issue at that date.

5. 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 period ended 28 February 2011. The Company's principal risks and uncertainties have not changed materially since the date of that report.

6. Related Party Transactions

Chris Hulatt, a non-executive director of Octopus VCT plc, is a director of Octopus Investments Limited. Octopus VCT plc has employed Octopus throughout the period as Investment Manager. Octopus VCT plc has paid Octopus £nil in the period as a management fee and there is £nil outstanding at the balance sheet date.

Octopus is entitled to an annual management fee of 2.0% of net assets. In order to ensure the alignment of interests between Octopus and shareholders, the annual management fee will be rolled up (without interest) and will only be paid to Octopus once shareholders have received dividends during the life of the Fund and distributions at the time of the winding-up of a total of 105p per share. Octopus will only be entitled to receive an annual management fee for the period from the date on which shares are first allotted under the Offer until the date on which the general meeting is held (expected to be in August 2015) at which shareholders will be asked to approve the winding-up of Octopus VCT and the return of capital to shareholders.

The fee in respect of the accounting and administrative services, charged at 0.3% of the net asset value, is payable quarterly in arrears and is calculated at annual intervals as at 28 February.

In addition, Octopus also provides secretarial services for an additional fee of £15,000 per annum.

7. Copies 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

James Otter (Chairman)

Charles Breese

Chris Hulatt

Company Number

Registered in England No. 06948448

Secretary and Registered office

Celia L Whitten FCIS

20 Old Bailey

London

EC4M 7AN

Investment 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

Grant Thornton UK LLP

1 Westminster Way

Oxford

OX2 0PZ

VCT Status Adviser

PricewaterhouseCoopers LLP

1 Embankment Place

London

WC2N 6RH

Bankers

HSBC Bank plc

31 Holborn

London

EC1N 2HR

