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# OCTOPUS

## TITAN VCT PLC

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Unaudited Half-Yearly  
Report for the Six Months  
Ended 30 April 2016

Company Number: 06397765

FOR UK INVESTORS ONLY

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[octopusinvestments.com](http://octopusinvestments.com)

The logo for Octopus Investments features the word "OCTOPUS" in a bold, white, sans-serif font. Above the letters "O", "C", and "T" are several small, white, stylized octopus tentacles. Below "OCTOPUS" is the word "INVESTMENTS" in a smaller, white, sans-serif font.

**OCTOPUS**  
INVESTMENTS

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## Financial Headlines

- 95.7p** Net asset value per share ('NAV') as at 30 April 2016
- 59.0p** Cumulative dividends paid per share since launch
- 154.7p** Total Value (NAV plus cumulative dividends paid per share since launch) as at 30 April 2016
- 2.0p\*** Interim dividend declared for the half-year to 30 April 2016

\*This will be paid on 2 September 2016 to shareholders on the register as at 12 August 2016.

# About Octopus Titan VCT plc

Octopus Titan VCT plc ('Titan' or 'Company') 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.

Octopus Titan VCT 2 plc ('Titan 2') merged with Octopus Titan VCT 1, 3, 4 and 5 to form Octopus Titan VCT plc ('Titan') on 27 November 2014, as discussed in the 2014 Annual Report. The Company is managed by Octopus Investments Limited ('Octopus' or 'Investment Manager').

Titan 2 was originally incorporated on 12 October 2007. Including the original and subsequent offers for subscription a total of £342 million has been raised across the five Titan funds that merged to form Titan, and in Titan since the merger. Included within this total was £107.7 million (£104.1 million net of expenses) raised in the period. 59.0p per share of cumulative dividends (amounting to £36.6 million) have been paid to shareholders since inception, including 7.0p which was paid to shareholders in the six month period to 30 April and which amounted to £22.3 million.

## VCT LEGISLATION

The government continues to adjust the legislation surrounding VCTs to ensure that money remains directed at the companies and sectors that need it the most. The most recent changes, which came into effect on 6 April 2016, have tightened the conditions under which a VCT can make non-qualifying investments, typically made with assets over and above the 70% VCT qualifying threshold. Historically VCTs could invest up to 30% of their eligible assets into a wide range of non-qualifying investments. In future, non-qualifying investments can only be made into highly liquid investments such as main market listed securities, Alternative Investment Funds (AIFs) or Open-Ended Investment Companies (OEICs). We do not believe these changes will have a significant impact on Titan.

As the largest provider of VCTs in the market, Octopus continues to work closely with the UK Government to help achieve the best possible outcome for the VCT industry and for the UK's smaller companies. We welcome continued Government support for the VCT industry.

# Financial Summary

	Six months to 30 April 2016	Six months to 30 April 2015	Year to 31 October 2015
Net assets (£'000s)	309,060	215,042	228,461
Profit/(loss) after tax (£'000s)	621	(247)	15,196
Net asset value per share ('NAV')	95.7p	97.7p	102.7p
Cumulative dividends paid per share since launch	59.0p	50.0p	52.0p
Total Value (NAV plus cumulative dividends paid per share since launch)	154.7p	147.7p	154.7p
Special dividend paid*	5.0p	–	–
Dividends declared**	2.0p	2.0p	4.0p

\*Paid predominantly in relation to the disposal of Swiftkey on 29 April 2016 to shareholders on the register on 15 April 2016.

\*\*Year to 31 October 2015 includes a 2.0p interim and 2.0p final dividend.

# Chairman's Statement

I am pleased to present the unaudited half-yearly report for Titan for the six months ended 30 April 2016.

As shareholders will be aware, we have successfully raised £99.8 million before expenses in our fund raising which closed on 12 April 2016 following which we have raised a further £7.9 million from a small top-up and the shares allotted through the dividend reinvestment scheme associated with the recent dividend. With net assets of £309 million, we are proud that Titan is, by some margin, the largest VCT and that we are firmly committed to the overall objectives to which the VCT scheme is intended, namely supporting young and early stage companies in the technology sector.

Our earnings for the six months were a modest 0.2p per share and our Total Value (NAV plus cumulative dividends paid per share since launch) is 154.7p, following the payment of a dividend in April of 7p per share, 5p of which was a special dividend following the successful exit from Swiftkey. This return brings the average tax-free annual return to original shareholders to 6.3% on their original investment of £1, or 11.4% on their net investment of 70p taking account of the 30% up front tax relief. I believe these returns justify the support shown by our existing and new shareholders in the recent fund raisings and I would like to express the Board's thanks to all those who took part.

As more fully explained below, we have invested almost £20 million in the six months and have a portfolio of 50 exciting young companies. Managing this portfolio is a challenge and we are very grateful to our Managers for their continued energy in supporting our portfolio of investee companies. The recent changes to the VCT legislation provide their own challenges but, since we are providing investment to exactly those companies which find raising early stage finance so difficult, we do not believe that we will need to change our investment strategy to any significant degree.

## FUNDRAISING

Following this period's successful fundraise, I would like to thank shareholders for their support in helping us to raise over £100 million. The fundraising closed to new applications on the 5 April 2016, nearly five months ahead of our scheduled close date. We are excited about the investment opportunities we are seeing, both from the wide range of new companies that are keen to work with us but perhaps more importantly from the exciting entrepreneurs and companies already within our portfolio.

Over a third of our portfolio companies are growing revenues by more than 50% per year, generating over £100 million of additional revenue and 800 new jobs last year. As shareholders will know, we like to start by investing small, and then as a portfolio company gathers momentum we like to invest more, increasing our exposure to the high performers in the portfolio. This strategy has served us well with an enviable performance history to date. With a portfolio of 50 companies, we are enthusiastic about the ability to deploy this newly raised capital to continue to back our best entrepreneurs as they scale up and grow, in return providing Titan shareholders with the opportunity to continue to share in that success. The board regularly monitors cash flow forecasts for Titan over future years to ensure that there is sufficient liquidity to conduct its ongoing operations, including funding shareholder buybacks and annual running costs, but more importantly to ensure that we have the appropriate amount of capital to continue to invest in our portfolio companies as they grow.

## RESULTS

During the six months to 30 April 2016, Titan generated net earnings of 0.2p per share (April 2015: 0.1p loss), comprised of an increase in the capital element of the fund of 1.0p per share, offset by the running costs of the fund of 0.8p per share.

## INVESTMENT PORTFOLIO REVIEW

I am pleased to report a net uplift in the value of the portfolio of £6.9 million during the period, excluding additions and disposals. This comprised £15.9 million upward and £9.0 million downward revaluations.

Details of the most significant holdings and a list of all of the portfolio investments are set out on page 9. I would like to draw your attention to five of the 10 largest investments by value, which comprise nearly 44% of the value of the portfolio:

### Zenith Holding Company

This is a holding company with a stake in a limited partnership, Zenith LP, which has underlying investments in Zoopla Property Group, Graze, Calastone and Secret Escapes.

Zoopla Property Group share price has seen good strength in the last few months with half year results pleasing the market. Uswitch is trading particularly well following the acquisition by Zoopla last year. The company also announced the purchase of Property Software Group, which has been similarly well received by the market.

Graze is seeing the benefits of their multi-channel approach with wide distribution through major UK retailers, including WHSmith, Sainsbury's, Waitrose, Tesco Express, Asda and Boots. The business has established itself as one of the leading healthier snacks brands in both the UK and the US.

Calastone continues to trade well despite a period affected by volatile Asian markets and concern over the EU referendum vote. In February Calastone announced the launch of the Calastone Data Services offering fund managers detailed insight and transparency into their global funds flow. In addition Hargreaves Lansdown announced they went live with Calastone Settlements in April.

Secret Escapes continues to perform well; in recent months there have been four new country launches in Asia (Singapore, Hong Kong, Malaysia and Indonesia) which follow several new country launches in Europe (Switzerland, Denmark, Hungary, Slovakia, France and the Czech Republic). In addition to its core travel agency model, the business has launched a tour operating division. The company is now operating on a global basis and has 28 million members.

More details can be found online at the following websites: [zoopla.co.uk](http://zoopla.co.uk), [graze.com](http://graze.com), [calastone.com](http://calastone.com) and [secretescapes.com](http://secretescapes.com).

### **Secret Escapes**

An international luxury hotels and holidays provider. Both Titan and Zenith Holding Company hold stakes in this company. A brief update on the progress of the company can be found above.

### **Uniplaces**

An international online marketplace for student accommodation. The company secured Series B follow on funding from Atomico (totalling £15 million) with participation from high profile angel investors. The business is now operating in 39 European countries and is focusing on building stronger partnerships with Universities to help drive further bookings and establish an efficient marketing channel. Uniplaces also closed an international, exclusive, two year partnership with ESN (Erasmus Student Network) which will hopefully help to drive brand awareness and inbound supply requests from landlords. More details can be found at [uniplaces.com](http://uniplaces.com)

### **Amplience**

Helps retailers deliver profitable growth through improved online shopping experiences across desktop computers, tablets and smartphones. Amplience continues to make good progress with recent customer wins including Furniture Village, Sears and Playmobile. Future growth will be

underpinned by the recent launch of its new content authoring product (a next generation content management system) which is attracting significant interest from new and existing customers. More details can be found at [amplience.com](http://amplience.com)

### **Sourceable Limited (Swoon Editions)**

An online furniture designer and retailer. Swoon has launched two new product lines: mattresses (and beds) and a made-to-order sofa and chair business. It has carried out a re-branding exercise and has rolled out new marketing materials across the entire business. It has also hired several new senior members to the management team. More details can be found at [swooneditions.com](http://swooneditions.com). Swoon is one of the three companies which have contributed most significantly to the capital value uplift in the period.

A brief update on the other two companies contributing most to the capital value uplift are below:

### **Property Partner**

Uniquely combines residential crowdfunding with a secondary exchange upon which investors can trade their holdings. As a result of the company's progress since launch, Titan was delighted to lead the latest £15.9 million investment round, a significant increase from the value at the initial investment in 2014 and the follow-on investment in April 2015. As at the end of May 2016, more than £33 million had been invested in 229 properties by over 7,500 investors on the platform, with several properties having set new crowdfunding world records for the speed of their funding.

### **Magic Pony**

An innovative technology company which has pioneered new machine learning techniques for visual processing. Titan first invested in the company in the summer of 2015 and then invested subsequently in this period, making it the largest institutional investor in the business. I am delighted to report that Magic Pony was acquired by Twitter on 20 June 2016.

During the six months to 30 April 2016, nearly £20 million was invested into three new companies (Segura Systems, Wave Optics and Streetbees.com) and 15 follow-on investments (listed on page 9). Since 30 April 2016, four more follow-on investments and two new investments (Chronext and Big Health) have been made amounting to £10.1 million.

In the period both Swiftkey and Vision Direct were sold as previously publicly released, generating significant gains on initial investment. Magic Pony was sold after the period end to Twitter.



It is the Board's strategy to continue to support portfolio businesses which have met or exceeded performance expectations, and where our Manager considers that multiple returns on investment are achievable, as well as investing into new companies which they believe have potential for significant growth. We are delighted that the recent fundraising will allow us to continue this strategy.

## DIVIDENDS

Your Board has decided to declare an interim dividend of 2.0p (2015 2.0p) per share, which will be paid on 2 September 2016 to shareholders on the register on 12 August 2016.

## VCT QUALIFYING STATUS

PricewaterhouseCoopers LLP provides both the Board and Octopus with advice concerning ongoing compliance with HMRC rules and regulations concerning VCTs. The Board has been advised that Titan continues to be in compliance with the conditions laid down by HMRC for maintaining approval as a VCT.

As at 30 April 2016, over 90% of the portfolio (as measured by HMRC rules) was invested in VCT-qualifying investments as reviewed and confirmed by PwC, significantly above the 70% VCT-qualifying threshold.

## PRINCIPAL RISKS AND UNCERTAINTIES

The Board continues to regularly review the risk environment in which Titan operates. There have been no significant changes to the key risks which were fully described on page 15 of the annual report for the year ended 31 October 2015.

## OUTLOOK

As shareholders will discern from my report, the last six months have been a particularly busy period for our Managers. Titan is delighted with the response to its recent fundraising which will allow us to continue our mission to seek out and invest in tomorrow's emerging technology companies. Our Managers continue to see a vibrant deal flow but we believe that our number of portfolio of investments should not increase significantly and so we will also concentrate more fully on exits in the future as the portfolio matures. The recent disposals of Swiftkey, Vision Direct and Magic Pony demonstrate the success of our investment strategy.

This will allow us to continue the Company's dividend policy of paying a regular tax-free annual dividend of at least 4.0p per share, increasing to 5.0p per share by the year to 31 October 2017 together with special dividends when investments are sold for a profit from the portfolio.

Your Board views the future for Titan with confidence and we will continue to seek further funds to support our investee portfolio, the average holding period since Titan's original investment is currently only 3-4 years. As shareholders will understand, the average period from investment until realisation for young technology businesses is normally more than 7 years. We were delighted that Swiftkey was sold to Microsoft, VisionDirect to Essilor, and subsequent to the period end, Magic Pony to Twitter; all of which generated realised gains for Titan.

I would like to conclude by thanking our Managers, on behalf of all shareholders, for their hard work, without which our investment strategy would not achieve the success we now see.



John Hustler  
Chairman  
24 June 2016

# Investment Portfolio

Investments	Sector	Investment cost at 30 April 2016* (£'000)	Accounting cost at 30 April 2016* (£'000)	Unrealised profit/(loss) (£'000)	Carrying value at 30 April 2016* (£'000)	Unrealised profit/(loss) in the period (£'000)
Zenith Holding Company Limited**	Various	14,701	24,843	8,638	33,481	(688)
Secret Escapes Limited	Consumer lifestyle and wellbeing	4,256	15,636	3,973	19,609	–
Uniplaces Limited	Consumer lifestyle and wellbeing	4,657	5,847	4,781	10,628	–
Amplience Limited	Technology	5,986	9,905	18	9,923	–
Sourceable Limited (trades as Swoon Editions)	Consumer lifestyle and wellbeing	4,029	4,621	4,347	8,968	2,654
London House Exchange Limited (trades as Property Partner)	Consumer lifestyle and wellbeing	5,175	5,175	2,922	8,097	2,693
Zynstra Limited	Technology	5,840	6,190	787	6,977	–
Conversocial Limited	Technology	4,165	4,157	2,381	6,538	–
Magic Pony Technology Limited	Consumer lifestyle and wellbeing	807	806	5,292	6,098	5,292
MIRACL Limited	Technology	5,652	6,672	(1,404)	5,268	–
Other ***		80,710	83,597	(10,919)	72,678	(3,096)
<b>Total investments</b>		<b>135,978</b>	<b>167,449</b>	<b>20,816</b>	<b>188,265</b>	<b>6,855</b>
Money market securities					7,479	
OEICs					6,924	
Cash at bank					99,062	
<b>Total investments, cash and cash equivalents</b>					<b>301,730</b>	
Debtors less creditors					7,330	
<b>Total net assets</b>					<b>309,060</b>	

\*Investment cost reflects the amount invested into each portfolio company. Accounting cost reflects the uplift at the merger as a result of the transfer of the investments of Titan's 1, 3, 4 & 5 to Titan 2 (now Titan) in November 2014 at their fair value, plus all other investments made in Titan 2 and now Titan, at investment cost. Carrying value is accounting cost plus unrealised profit / (loss).

\*\*Owns stakes in Nature Delivered Limited (trades as Graze), Secret Escapes Limited, Calastone Limited and Zoopla plc

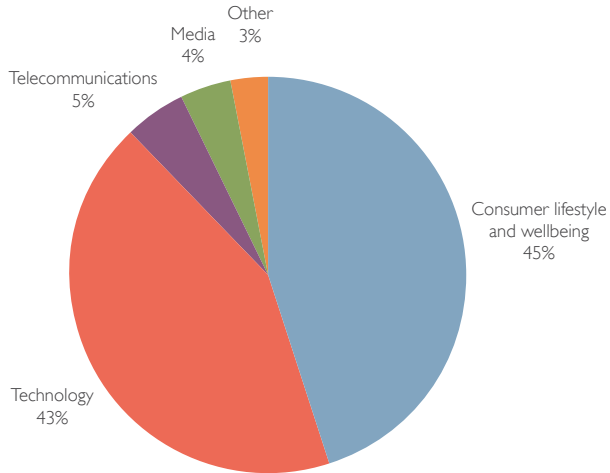
\*\*\*Comprises 40 investments: 38 unquoted and two quoted (Mi-Pay Group plc and e-Therapeutics plc), including two companies in liquidation at period end (Shopa Limited and Phase Vision Limited) but excluding one in administration (Aframe Media Group Limited) which has £nil value and cost.

The other 36 unquoted investment are Leanworks Limited (YPlan), Artesian Solutions Limited, Semafone Limited, Eve Sleep Limited, Sofar Sounds Limited, Oxcis Aviation Limited (trades as Strataget), CurrencyFair Limited, Adbrain Limited, The Faction Collective SA, UltraSoC Technologies Limited, Origami Energy Limited, Metrasens Limited, Surrey NanoSystems Limited, Elliptic Enterprise Limited, Ecrebo Limited, Iovox Limited, Smartkem Limited, TailSCO Limited, Bowman Power Limited, TrialReach Limited, BridgeU Corporation, Michelson Diagnostics Limited, Streethub Limited, Trafi Limited, Affectv Limited, Segura Systems Limited, Hubbub Deliveries Limited, Behaviometrics AB, Permutive Inc., Wave Optics Limited, Kabbie Exchange Limited, Streetbees.com Limited, Phasor Inc., Excession Technologies Limited, Seedcamp III LP and Mailcloud Limited.

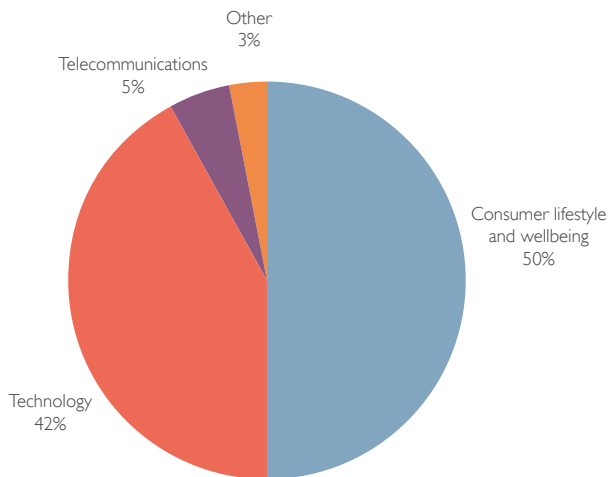
The following 15 follow-on investments were made in the period: Uniplaces, Property Partner, Zynstra, Conversocial, Magic Pony, MIRACL, Eve Sleep, Strataget, CurrencyFair, The Faction Collective, Origami Energy, Elliptic Enterprise, TailSCO, TrialReach and Seedcamp.

## SECTOR ANALYSIS

Total investments by book cost



Total investments by value



\*Other comprises Environmental, Partnerships and Financial Services in both charts, and also Media in the value chart.

# Directors' Responsibilities Statement 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 'Interim Financial Reporting' issued by Financial Reporting Council;
- 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



John Hustler  
Chairman  
24 June 2016

# Income Statement

	Six months to 30 April 2016			Six months to 30 April 2015		
	Revenue £'000	Capital £'000	Total £'000	Revenue £'000	Capital £'000	Total £'000
Realised losses on fixed asset investments	–	(2,521)	(2,521)	–	–	–
Fixed asset investment holding gains	–	6,855	6,855	–	2,059	2,059
Current asset investment holding gains	–	25	25	–	156	156
Investment income	(160)	–	(160)	210	–	210
Investment management fees	(611)	(1,834)	(2,445)	(368)	(1,156)	(1,524)
Other expenses and income	(1,136)	3	(1,133)	(1,148)	–	(1,148)
<b>Profit/(loss) before tax</b>	<b>(1,907)</b>	<b>2,528</b>	<b>621</b>	<b>(1,306)</b>	<b>1,059</b>	<b>(247)</b>
Taxation	–	–	–	–	–	–
<b>Profit/(loss) after tax</b>	<b>(1,907)</b>	<b>2,528</b>	<b>621</b>	<b>(1,306)</b>	<b>1,059</b>	<b>(247)</b>
<b>Earnings per share – basic and diluted</b>	<b>(0.8)p</b>	<b>1.0p</b>	<b>0.2p</b>	<b>(0.7)p</b>	<b>0.6p</b>	<b>(0.1)p</b>

- 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 money market funds.
- The Company has no recognised gains or losses other than the results for the period as set out above.
- The Company has no other comprehensive income.
- The accompanying notes are an integral part of the half-yearly report.

# Statement of Changes in Equity

	Six months to 30 April 2016 £'000	Year ended 31 October 2015 £'000	Six months to 30 April 2015 £'000
Shareholders' funds at start of period	228,461	32,876	32,876
Profit/(loss) after tax	621	15,196	(247)
Net proceeds from share issues	104,134	53,897	185,335
Merger share issues	–	137,417	–
Titan's 1, 3, 4 and 5 fee write offs	–	110	–
Purchase of own shares	(1,868)	(5,729)	(2,111)
Dividends paid	(22,288)	(5,306)	(811)
Shareholders' funds at end of period	309,060	228,461	215,042

# Balance Sheet

	Six months to 30 April 2016		Year to 31 October 2015	
	£'000	£'000	£'000	£'000
Fixed asset investments*		188,265		211,581
Current assets:				
Cash at bank	99,062		10,630	
Money market securities	7,479		9,462	
OEICs*	6,924		6,899	
Debtors	9,562		1,790	
	123,027		28,781	
Creditors: amounts falling due within one year	(2,232)		(11,901)	
Net current assets		120,795		16,880
<b>Net assets</b>		<b>309,060</b>		<b>228,461</b>
Called up equity share capital		32,296		22,246
Share premium		93,886		–
Special distributable reserve		158,703		182,331
Capital redemption reserve		523		325
Capital reserve – realised gains/ (losses)		7,908		(4,279)
Capital reserve – holding gains		21,034		31,221
Revenue reserve		(5,290)		(3,383)
<b>Total equity shareholders' funds</b>		<b>309,060</b>		<b>228,461</b>
<b>Net asset value per share</b>		<b>95.7p</b>		<b>102.7p</b>

\*Held at fair value and unrealised gains in the period have been accounted for in the 'Capital reserve – holding gains' reserve.

The statements were approved by the Directors and authorised for issue on 24 June 2016 and are signed on their behalf by:



John Hustler  
Chairman

Company Number: 06397765



# Cash Flow Statement

	Six months to 30 April 2016 £'000	Six months to 30 April 2015 £'000
<b>Reconciliation of profit to cash flows from operating activities</b>		
Profit/(loss) before tax	621	(247)
Increase in debtors	(7,772)	(1,192)
Decrease in creditors	(9,669)	(637)
Debtors obtained from merger	–	6,123
Creditors obtained from merger	–	(13,412)
Gains on disposal of fixed assets	2,521	–
Gains on valuation of fixed asset investments	(6,855)	(2,059)
<b>Outflow from operating activities (a)</b>	<b>(21,154)</b>	<b>(11,424)</b>
<b>Cash flows from investing activities</b>		
Purchase of fixed asset investments	(19,569)	(16,940)
Sale of fixed asset investments	47,219	150
<b>Inflow/(outflow) from investing activities (b)</b>	<b>27,650</b>	<b>(16,790)</b>
<b>Cash flows from financing activities</b>		
Dividends paid	(22,288)	(811)
Purchase of own shares	(1,868)	(2,111)
Net proceeds from share issues	104,134	47,107
<b>Inflow from financing activities (c)</b>	<b>79,978</b>	<b>44,185</b>
<b>Cash and cash equivalents acquired in merger</b>		
Cash acquired in merger	–	8,237
OEICS acquired in merger	–	11,282
<b>Acquired from merger (d)</b>	<b>–</b>	<b>19,519</b>
<b>Increase in cash and cash equivalents (a+b+c+d)</b>	<b>86,474</b>	<b>35,490</b>
Opening cash and cash equivalents	26,991	6,144
<b>Closing cash and cash equivalents</b>	<b>113,465</b>	<b>41,634</b>

# Notes to the Half-Yearly Report

## 1. BASIS OF PREPARATION

The unaudited half-yearly results which cover the six months to 30 April 2016 have been prepared in accordance with the Financial Reporting Council's (FRC) Financial Reporting Standard 104 Interim Financial Reporting (March 2015) and the Statement of Recommended Practice (SORP) for Investment Companies re-issued by the Association of Investment Companies in November 2014.

## 2. PUBLICATION OF NON-STATUTORY ACCOUNTS

The unaudited half-yearly results for the six months ended 30 April 2016 do not constitute statutory accounts within the meaning of Section 415 of the Companies Act 2006 and have not been delivered to the Registrar of Companies. The comparative figures for the year ended 31 October 2015 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, 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 is based on 257,724,319 (30 April 2015: 172,852,500) ordinary shares, being the weighted average number of ordinary 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 as at 30 April 2016 is based on 322,961,628 (30 April 2015: 220,109,949 and 31 October 2015: 222,460,762) ordinary shares in issue at that date.

## 5. DIVIDENDS

The interim dividend declared of 2.0 pence per share for the six months ending 30 April 2016 will be paid on 2 September 2016 to those shareholders on the register on 12 August 2016.

On 29 April 2016 a 2.0p final dividend relating to the 2015 financial year and a 5.0p special dividend relating to the disposal of Swiftkey were paid.

## 6. BUYBACKS AND ALLOTMENTS

During the six months ended 30 April 2016 the Company bought back 1,979,621 ordinary shares at a weighted average price of 94.40p pence per share (six months ended 30 April 2015: 2,274,915 ordinary shares at a weighted average price of 92.75 pence per share and year ended 31 October 2015: 6,225,734 ordinary shares at a weighted average price of 92.00p pence per share).

During the six months to 30 April 2016, 102,480,487 shares were issued at a weighted average price of 108.0 pence per share.

## 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 £2,445,000 payable to Octopus (30 April 2015: £1,524,000 and 31 October 2015: £3,651,000 with a further fee of £2,841,000 relating to performance fees). At the period end there was £nil outstanding to Octopus (30 April 2015: £nil and 31 October 2015: £nil). 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 £20,000 per annum for company secretarial services.

## 8. VOTING RIGHTS AND EQUITY MANAGEMENT

The following table shows the % voting rights held by Titan and the % equity managed by Octopus for each of the top 10 investments held in the Company.

Investments	% voting rights held by Titan	% equity managed by Octopus*
Zenith Holding Company Limited	100.00%	100.00%
Secret Escapes Limited	9.29%**	27.44%
Uniplaces Limited	25.22%	25.64%
Amplience Limited	41.74%	49.95%
Sourceable Limited (trades as Swoon Editions)	23.54%	31.02%
London House Exchange Limited (trades as Property Partner)	12.93%	16.41%
Zynstra Limited	27.60%	29.36%
Conversocial Limited	19.62%	28.11%
Magic Pony Technology Limited	8.00%	19.95%
MIRACL Limited	32.83%	32.02%

\*This is on a fully diluted basis.

\*\*13.29% when the Zenith Holding Company stake in Secret Escapes is included.

## 9. ADDITIONAL INFORMATION

Copies of this report are available from the registered office of the Company at 33 Holborn, London, EC1N 2HT.

# Shareholder Information and Contact Details

## FINANCIAL CALENDAR

The Company's financial calendar is as follows:

2 September 2016 2016 interim dividend to be paid

February 2017 Annual results for the year to 31 October 2016 announced; Annual Report and financial statements 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 Asset Services, by calling 0371 664 0324 (calls cost 10p per minute plus network extras. Lines are open Monday–Friday 9.00am–5.30pm), or by writing to them at:

Capita Asset Services  
The Registry  
34 Beckenham Road  
Beckenham  
Kent  
BR3 4TU

The table below shows the NAV and lists the dividends that have been paid since the launch of Titan (formerly Titan 2):

Period Ended	NAV	Dividends paid in period	Total Value
30 April 2008	95.0p	–	95.0p
31 October 2008	89.9p	–	89.9p
30 April 2009	91.5p	0.5p	92.0p
31 October 2009	96.1p	0.5p	97.1p
30 April 2010	92.0p	0.5p	93.5p
31 October 2010	94.9p	0.5p	96.9p
30 April 2011	92.1p	0.75p	94.85p
31 October 2011	91.5p	0.75p	95.0p
30 April 2012	92.8p	1.0p	97.3p
31 October 2012	121.9p	1.5p	127.9p
30 April 2013	88.7p	34.0p	128.7p
31 October 2013	95.2p	2.5p	137.7p
30 April 2014	92.2p	2.5p	137.2p
31 October 2014	101.4p	2.5p	148.9p
30 April 2015	97.7p	2.5p	147.7p
31 October 2015	102.7p	2.0p	154.7p
30 April 2016	95.7p	7.0p	154.7p

The interim dividend of 2.0p per share for the six months ending 30 April 2016 will be paid on 2 September 2016, to those shareholders on the register on 12 August 2016.

## SHARE PRICE

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

	<u>Ordinary shares</u>
TIDM/EPIC code	OTV2
Latest share price (24 June 2016)	90.12p per share

## BUYING AND SELLING SHARES

The Company's ordinary shares can be bought and sold through a stockbroker in the same way as any other company quoted on the London Stock Exchange. 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, Panmure Gordon (UK) Limited ("Panmure").

Panmure 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 brought in shares. Panmure can be contacted as follows:

Chris Lloyd	020 7886 2716	<a href="mailto:chris.lloyd@panmure.com">chris.lloyd@panmure.com</a>
Paul Nolan	020 7886 2717	<a href="mailto:paul.nolan@panmure.com">paul.nolan@panmure.com</a>

## 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, as well as Octopus under the signature of the registered holder. Their contact details are provided 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 [octopusinvestments.com](http://octopusinvestments.com). 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 wary of any unsolicited advice, offer to buy shares at a discount or offer for free company reports.

Please note that it is extremely unlikely that either the Company or Octopus 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, or the Registrar, at the numbers provided at the back of this report.



# Directors and Advisers

## BOARD OF DIRECTORS

John Hustler (Chairman)  
Mark Hawkesworth  
Matt Cooper  
Jane O'Riordan

## COMPANY NUMBER

Registered in England & Wales  
No. 06397765

## SECRETARY AND REGISTERED OFFICE

Nicola Board ACIS  
33 Holborn  
London  
EC1N 2HT

## INVESTMENT AND ADMINISTRATION MANAGER

Octopus Investments Limited  
33 Holborn  
London  
EC1N 2HT  
Tel: 0800 316 2295  
[www.octopusinvestments.com](http://www.octopusinvestments.com)

## INDEPENDENT AUDITOR AND TAXATION ADVISER

James Cowper LLP  
Reading Bridge House  
George Street  
Reading  
Berkshire  
RG1 8LS

## VCT STATUS ADVISER

PricewaterhouseCoopers LLP  
1 Embankment Place  
London  
WC2N 6RH

## BANKERS

HSBC Bank plc  
31 Holborn  
London  
EC1N 2HR

## REGISTRARS

Capita Asset Services  
The Registry  
34 Beckenham Road  
Beckenham  
Kent  
BR3 4TU  
Tel: 0371 664 0324  
(Calls are charged at the standard geographic rate and will vary by provider. Calls from outside the United Kingdom will be charged at the applicable international rate.)  
[www.capitaassetservices.com](http://www.capitaassetservices.com)  
[www.capitashareportal.com](http://www.capitashareportal.com)

## CORPORATE BROKER

Panmure Gordon (UK) Limited  
One New Change  
London  
EC4M 9AF  
Tel: 020 7886 2500

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