

Statement on behalf of the Board

I am pleased to report satisfactory progress in the six months to 31 August 2003. Net assets per share showed a modest increase from £0.97 at 28 February 2003 to £1.00 at 31 August 2003. The fund continued to invest in new opportunities and also made investments in companies in which OT1 and/or OT2 were already investors.

OT3 is now almost fully invested in the sense that the fund will make very few more investments, if any, in new companies. But it will make additional investments to support those companies in which it is already an investor and where such investment is appropriate. It is important to be able to support investee companies in this way, especially in the current investment climate.

The Board is pleased with the overall development of the portfolio, although would also caution that these are early days in the life of this fund. It is likely that there will be some failures and it is likely that the failures may depress the net asset value before the anticipated successes come through. Funds such as OT3 which invest in very early stage and start-up companies would normally expect their net asset values to follow a J curve, with a downward trend coming before an up trend. So far OT3 has not shown such a down trend, but shareholders should not be surprised if one emerges in future.

On behalf of the Board
John Jackson
Chairman

Unaudited Financial Information

Summarised Statement of Total Return for the Period

	Six months 1 Mar 03 to 31 Aug 03 £'000	Period 11 Jan 02 to 31 Aug 02 £'000	Period 11 Jan 02 to 28 Feb 03 £'000
Gain on investments	165	12	50
Income	57	47	94
Expenses	(65)	(43)	(108)
Net return before taxation	157	16	36
Tax on ordinary activities	-	-	-
Return attributable to equity shareholders	157	16	36
Dividends in respect of equity shares	-	-	-
Transfers to reserves	157	16	36
Revenue earnings / (loss) per share	(0.16)p	0.11p	(0.36)p
Capital return / (loss) per share	3.15p	0.33p	(1.30)p
Total return / (loss) per ordinary share	2.99p	0.44p	(0.94)p

2

Summarised Balance Sheet

	31 Aug 03 £'000	31 Aug 02 £'000	28 Feb 03 £'000
Unquoted investments	2,397	563	1,294
Government stocks	2,513	1,893	1,848
Other net current assets	464	1,359	1,229
	—	—	—
Net assets	5,374	3,815	4,371
	=====	=====	=====
Capital and Reserves			
Called up share capital	540	396	452
Share premium: Share issues	4,856	3,561	4,063
Expenses on share issues	(215)	(158)	(180)
	—	—	—
	5,181	3,799	4,335
Capital reserve - unrealised	215	12	50
Revenue reserve	(22)	4	(14)
	—	—	—
	5,374	3,815	4,371
	=====	=====	=====
Net asset value per share	100p	96p	97p
	=====	=====	=====

Cash Flow Statement for the Period

	Six months 1 Mar 03 to 31 Aug 03 £'000	Period 11 Jan 02 to 31 Aug 02 £'000	Period 11 Jan 02 to 28 Feb 03 £'000
Net cash inflow from operating activities	3	39	53
Capital expenditure and financial investment			
Purchase of investments	(2,277)	(3,589)	(4,277)
Redemption on maturity of government stocks	600	1,100	1,100
	—	—	—
Net cash outflow for capital expenditure and financial investment	(1,677)	(2,489)	(3,177)
Financing			
Issue of shares	881	3,957	4,515
Expenses paid in connection with share issue	(32)	(158)	(180)
	—	—	—
Net cash inflow from financing	849	3,799	4,335
	—	—	—
Increase / (decrease) in cash	(825)	1,349	(1,211)
	=====	=====	=====

3

Company Information

Directors

John Jackson (Chairman)
Charles Breese
Lucius Cary
Michael O'Regan
Sir Martin Wood

Secretary

James Gordon

Investment Adviser and Registered Office

Seed Capital Ltd
Magdalen Centre
Oxford Science Park
Oxford
OX4 4GA

Registrars

Capita IRG plc
34 Beckenham Road
Beckenham
Kent
BR3 4TH

Brokers

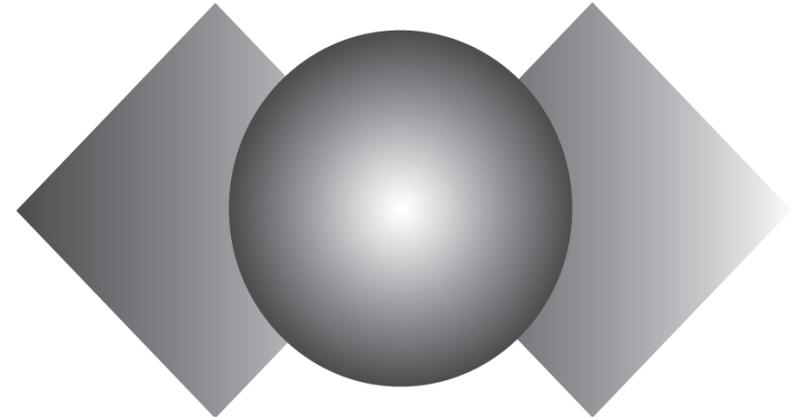
Cazenove & Co
12 Tokenhouse Yard
London EC2R 7AN

Notes to the Unaudited Financial Information on pages 2 and 3

- 1 The financial information for each of the interim periods ended 31 August 2003 and 31 August 2002 is unaudited and does not constitute statutory accounts within the meaning of the Companies Act 1985. It has been prepared using accounting policies consistent with those set out in the company's statutory accounts for the year ending 28 February 2003. The financial information for the year ended 28 February 2003 has been extracted from the company's statutory accounts for that period which contained an unqualified audit report and which have been filed with the Registrar of Companies.
- 2 The calculation of earnings per share for the period is based on the return attributable to shareholders divided by the weighted average number of shares in issue during the period.
- 3 Listed investments are stated at market value based upon middle market prices at the accounting period end. The unrealised depreciation or appreciation on the valuation of investments and the gains and losses arising on the disposal of investments are dealt with in the capital reserve.
- 4 Copies of the Interim Statement are being sent to shareholders and further copies can be obtained from the Company's Registered Office.

Oxford Technology 3

Venture Capital Trust plc



Interim Statement

**For the period
1 March 2003 to 31 August 2003**