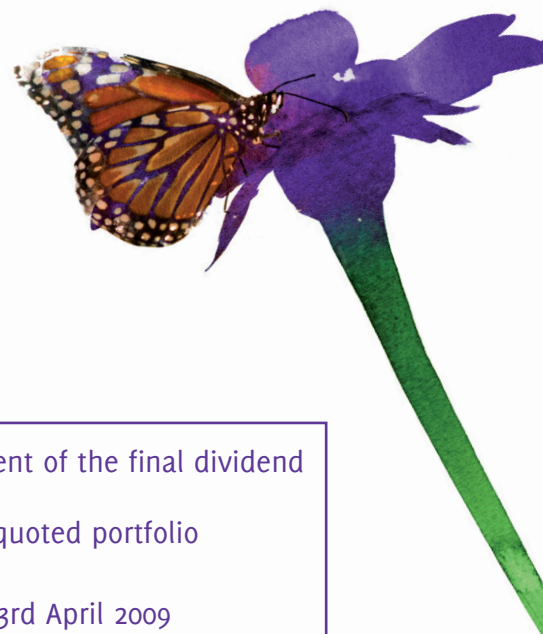


# BARONSMEAD

Baronsmead VCT 3 plc  
Quarterly update  
For the three month period to 31 March 2009



## Financial Headlines

<b>0.9p or 0.9%</b>	increase in Net Asset Value (NAV) per share before payment of the final dividend of 4.5p per share (FTSE All-Share Index fell 10.2%) <ul style="list-style-type: none"><li>• 0.7p or 0.7% due to the rise in the valuation of the unquoted portfolio</li><li>• 0.2p or 0.2% due to the increase in the AIM shares</li></ul>
<b>£1.5m</b>	raised through an offer for subscription which closed on 3rd April 2009

## Investment Objective and Dividend Policy

Baronsmead VCT 3 plc is a tax efficient listed company which aims to achieve long-term capital growth and generate tax-free dividends for private investors.

The Board wishes to maintain a minimum annual dividend level of around 4.5p per ordinary share if possible, but this depends primarily on the level of realisations achieved and it cannot be guaranteed. There will be variations in the amount of dividends paid year on year.

## Performance Summary for the quarter to 31 March 2009

Capital Return Ordinary Shares	As at 31 March 2009	As at 31 Dec 2008	Movement %
Total net assets	£52.6m	£55.1m	
Net asset value per share	99.11p	98.22p*	0.9%
Share price	87.00p	90.00p	(3.3%)
Premium/(Discount) to NAV	(12.22%)	(12.38%)†	

\* This is stated after adjusting for the payment of the final dividend for 2008 of 4.5p per share (paid on 20 March 2009) for comparative purposes.

† To NAV at 31 December 2008 of 102.72p.

## Investment Performance

Over the quarter to 31 March 2009, the FTSE ALL-Share Index fell 10.2% while the FTSE AIM Index rose by 4.7%.

The NAV per share of the Company increased by 0.9% over the quarter with both unquoted and AIM portions of the portfolio holding their value. Upward revaluations of the unquoted investments in Nexus and Scriptswitch were balanced out by further provisions taken on the investments in Empire World Trade and TVC Group. There was an even spread of ups and downs on the AIM portfolio with the first positive movement in a quarter for nearly two years as equity markets showed some tentative signs of stabilisation. The AIM portfolio now represents 19% of the total NAV.

## Fund Raising

The recent offer for subscription raised gross proceeds of £1.5m. Of the 166 individuals who subscribed to the offer, 111 were existing shareholders with 55 new shareholders subscribing 36% of the amount raised.

## Performance Summary to 31 March 2009

Total Return Ordinary Shares	3 months to 31 Mar 2009	1 year to 31 Mar 2009	5 years to 31 Mar 2009	Since launch in Jan 2001
Net asset value <sup>1</sup>	0.9%	(7.1%)	29.6%	50.9%
Share price <sup>2</sup>	0.5%	(12.9%)	35.4%	29.8%
FTSE All-share <sup>3</sup>	(9.1%)	(29.3%)	7.2%	(14.0%)

<sup>1</sup> NAV Total return = NAV + reinvested dividends; Source: ISIS EP LLP

<sup>2</sup> Share price Total return = Mid to mid share price + reinvested dividends; Source: AIC

<sup>3</sup> FTSE All-Share = FTSE All-Share Index + reinvested dividends; Source: AIC

## Investment Activity

Three investments totalling £0.2m were completed in existing portfolio companies, Occam, Xention Discovery and IDOX.

During the period part of the shareholding in Craneware was sold for a £77,000 profit. Three AIM investments with a combined value of £70,000 as at 31 December 2008 were written off during the quarter. The portfolio decreased in number from 74 to 71 companies.

## Investments

Company	Date	Cost (£'000)	VCT status
<i>Follow on Investments</i>			
IDOX*	January 09	118	Non Qualifying
Occam DM Ltd	March 09	8	Qualifying
Xention Discovery	February 09	91	Qualifying
<b>Total follow on investment</b>		<b>217</b>	

\*AIM Traded Investments

# BARONSMEAD

## Baronsmead VCT 3 plc Quarterly update For the three month period to 31 March 2009

### Top Ten Investment Holdings

Position as at 31 March 2009	Position as at 31 December 2008	Company	Percentage of net assets as at 31 March 2009
1	1	Scripswitch	5.99%
2	2	Reed and Mackay	5.14%
3	3	Carnell Contractors	4.59%
4	5	Nexus Vehicle	4.58%
5	4	Independent Living Services	4.20%
6	6	Cablecom	3.28%
7	8	Quantix	3.05%
8	7	Kafévend	3.00%
9	9	Fisher Outdoor	2.73%
10	10	Crew Clothing	2.46%
<b>Total</b>			<b>39.02%</b>

### Sector breakdown

(excluding cash and interest bearing securities)

	Percentage of total investments at 31 March 2009	Percentage of total investments at 31 Dec 2008
Business Services	33	33
Consumer Markets	14	14
Energy & Environmental	0	0
Financial Services	6	7
Healthcare & Education	23	21
IT & Media	24	25
<b>Total</b>	<b>100</b>	<b>100</b>

### 8th Annual General Meeting on 18 March 2009

Around 50 Shareholders attended this AGM, which included a number of presentations and a shareholder workshop. The Chairman gave his exposition on the current economic situation followed by comment on the investment environment from the Manager. Neil McCrossan, CEO of Nexus, presented the growth story of this business including the acquisition of a similar vehicle rental activity in autumn 2008. At the heart of Nexus is its IRIS software platform that can enable good scalable growth.

All figures as at 31 March 2009 unless otherwise stated. All sources ISIS EP LLP (ISIS Equity Partners) unless otherwise stated. Past performance is not necessarily a guide to future performance. Stock markets and currency movements may cause the value of investments and the income from them to fall as well as rise and investors may not get the amount they originally invested. Where investments are made in unquoted securities or smaller companies, their potential volatility may increase the risk to the value of, and income from, the investment. Tax rates and reliefs depend on the circumstances of the individual investors and may be subject to change. Investors should take their own financial and tax advice before investing, based on their own individual circumstances. VCTs should be regarded as long term in nature. An investment is only suitable for private investors who are capable of evaluating the risks and merits of such investment and who have sufficient resources to bear any loss which might result. ISIS Equity Partners does not give investment advice.

Baronsmead VCT 3 plc is managed by ISIS EP LLP, which is Authorised and regulated by the Financial Services Authority (FSA). For more information about Baronsmead VCT 3 please visit [www.baronsmeadvct3.co.uk](http://www.baronsmeadvct3.co.uk)

ISIS Equity Partners manages the five Baronsmead VCTs.

### 30 April 2009 NAV Announcement

The NAV per share at 30 April 2009 was 101.93p largely driven by a continued increase in the value of the AIM portfolio.

The Board is not aware of any significant events or transactions which have occurred between 31 March 2009 and the date of publication of this statement, save as stated above, which would have a material impact on the financial position of the Company.

### Daily and key information

Further information regarding the Company, including latest financial statements or quarterly factsheets, can be found at the Company's website [www.baronsmeadvct3.co.uk](http://www.baronsmeadvct3.co.uk)

### Future Contact

For further information please contact:

Michael Probin, VCT Investor Relations, ISIS EP LLP on  
020 7506 5796 or [michael.probin@isisep.com](mailto:michael.probin@isisep.com)

Paul Forster, Company Secretary on 020 7506 5652 or  
[paul.forster@isisep.com](mailto:paul.forster@isisep.com)

**ISIS** /  
EQUITY PARTNERS  
Investment Manager  
T: 020 7506 5600  
[www.isisep.com](http://www.isisep.com)