

THISTLE PUB COMPANY III Plc

Incorporated in Scotland, company number SC306747
Registered Office
c/o Saffery Champness, Edinburgh Quay, 133 Fountainbridge, Edinburgh EH3 9BA

26 January 2015

Dear Shareholder

Appointment of new Management Company

I am writing to let you know that the Company has appointed a new Manager. This has become necessary following the Maclay Group, our previous long standing Managers, going into administration last Friday, January 23rd 2015.

From the start of Thistle PubCo3, the management and administration of our pubs has been contracted to Maclay Inns Limited, itself a wholly owned subsidiary of Maclay Group plc. As a direct result of Maclay Group plc going into administration, I am writing to let you know that with effect from 23 January the Directors have appointed LT Management Services Limited ("LTMS") to manage our pubs. It may interest you to know that our sister company, Thistle Pub Company II plc, changed to LTMS in mid 2014. Its Directors, including myself, have been pleased with the level of service and detailed attention provided following that change.

We had recently identified that monies were due back to the Company from Maclay Inns. This has been the subject of investigation by us as the creation of the debt between the companies was not authorised. The cash amount involved (which is still subject to final confirmation but estimated to be around £330,000) is a very significant sum, but is by no means unsustainable by us. In the ordinary course, we would seek to agree the repayment of such monies with the Maclay Group and, if this was not possible, would, take legal action to recover such monies through the court. Given that the Maclay Group is now in administration it remains to be seen whether these monies can be recovered from that source, although we will be taking every step in our power possible to effect recovery of the full amount, together with the additional costs of recovery.

I would like to reassure Shareholders that in the current year to date our pubs have been trading in line with our expectations. The change of Manager will be seamless, and Thistle Pub Company II's experience with LTMS leads us to believe that the recent performance for the rest of the year will be maintained. The Company is therefore in sound financial health, trading profitably with net debt of £2.2m in relation to assets of £8.3m. The Company has made its bank aware of the issues and is satisfied that the bank will continue to support the business. The Statutory accounts for the year ended 27 September 2014 may be a little delayed as a result of our ongoing investigations, but these will be sent to shareholders in late February with a formal notice to convene an AGM toward the end of March.

I look forward to seeing shareholders at that meeting.

Yours sincerely

A Stewart

Chairman