

THISTLE PUB COMPANY III plc

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16 May 2013

Dear Fellow Shareholder

Further to my letter of 22 March, 2013 advising that the contracts with our current Manager expire on 30 June, 2013, I am pleased to inform you that my fellow director Alan Stewart and I have now concluded an extensive tendering process for a new Management & Supply Contract with effect from 30 June, 2013. We are pleased to announce that we are planning to appoint our existing Manager, Maclay Inns Ltd, at a negotiated fee that was the best bid received and which will add a six figure increase per annum to our profits.

The agreed heads of terms for the new Contract have been drawn up with the advice of our solicitors Kergan Stewart LLP. The Contract is for an initial one year period and thereafter it becomes a rolling contract with 6 months termination notice on either side. The Manager's remuneration will be entirely performance related.

My own contract as Chairman is also due for review and, after nearly 7 successful and enjoyable years at the helm, I have at age 68 years decided to retire at the end of the current financial year on 28 September, 2013. In recent months I have retired from other non-executive directorships in the hope my wife and I can spend more time escaping from our increasingly lengthening winter climate and spend more time in the sun !!

I have enjoyed working for you and achieving what we set out to do in creating a pub portfolio that is successful, profitable and attractive to future purchasers. The new contract will significantly increase value to shareholders. The company

has now been taken beyond the creative development phase and is now in a strong and stable position as it enters its next phase up to exit.

Before I retire I will of course stay active in the business and assist my fellow director in the choice of a new Chairman. I will remain a shareholder.

I'd like to thank you for your support and also my fellow directors past and present, our Manager, our advisors and their teams.

Yours sincerely,

A handwritten signature in cursive script that reads "A. A. Meldrum".

ANGUS A. MELDRUM
CHAIRMAN