

For immediate release: 11 February 2013

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11 February 2013

Thistle Pub Company III plc

(the "Company" or "TPC III")

Commencement of Formal Sale Process

TPC III is a successful pub owner, owning a bespoke portfolio of seven freehold pubs ("the Estate") across central Scotland. TPC III was established under the Enterprise Investment Scheme ("EIS") of 2006/7 and raised money from the public by way of offers for subscription. Following the expiry of the EIS holding period and before the conclusion of the current Management and Supply Agreements in mid-2013, by which Maclay Inns Ltd ("the Manager") operates the Estate, it is the Board's intention to seek an exit for shareholders during the first half of 2013 or, if unsuccessful in that endeavour, securing competitive tenders for new management arrangements to be in place by 30 June 2013, when the current contract comes to an end.

Having consulted with its advisers and given the matter careful consideration, the Board has now concluded that such a step would best serve shareholder interests and is therefore seeking potential offerors for the entire issued share capital the Company, initiating a formal sale process and putting the Company into an offer period, as defined in the Code, with immediate effect.

The Takeover Panel has granted a dispensation from the requirements of Rules 2.4(a), 2.4(b) and 2.6(a) of the Code such that any party interested in participating in the formal sale process will not be required to be publicly identified as a result of this announcement (subject to note 3 to Rule 2.2 of the Code) and will not be subject to the 28 day deadline referred to in Rule 2.6(a), for so long as it is participating in the formal sale process. Interested parties should note Rule 21.2 of the Code, which will prohibit any form of inducement fee or other offer-related arrangement, and that the Company has not requested any dispensation from this prohibition under Note 2 of Rule 21.2 at this stage.

The Company will conduct the formal sale process through its financial adviser, SPARK Advisory Partners Limited ("SPARK"), in the following manner:

Potential offerors for the entire issued share capital of TPC III are hereby invited to contact SPARK (contact details as below) without delay. Any interested party will be required to enter into a non-disclosure agreement with the Company on terms reasonably satisfactory to the Board and on the same terms, in all material respects, as all other interested parties, before being permitted to participate in the process.

The Company will then release to interested parties an information memorandum and make available certain limited information by means of an online data room to participants who have entered into such non-disclosure agreements and who will then be invited to submit indicative proposals to the Company through SPARK by no later than 5.00p.m. on 8 March 2013.

The Board will consider indicative proposals before determining whether to continue or terminate the sale process. If appropriate, selected participants will then be given access to more detailed due

diligence information through an online data room and management presentations, following which revised proposals shall be requested.

As a final stage, the Board would expect to engage with one or more participants with a view to agreeing an offer, which it is able to recommend for acceptance by shareholders.

The Board reserves the right to alter any aspect of the formal sale process as outlined above or to terminate it at any time and in such cases will make an announcement as appropriate. The Board also reserves the right to reject any approach or terminate discussions with any interested party or participant at any time. There can be no certainty that any offer will be made for the Company, or even proposed, or as to the level of any proposal or offer that may be made.

SPARK is acting for the Company in relation to its role as Rule 3 and financial adviser to the Company.

Further announcements will be made in due course, as and when appropriate.

- Ends -

For further information please contact:

SPARK Advisory Partners Limited – Financial Advisor

Mark Brady, Partner
Neil Baldwin, Partner

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Thistle Pub Company III plc

Angus A Meldrum, Non-executive Chairman
Alan Stewart, Non-executive Director

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A copy of this announcement will be available at www.thistle3.co.uk. The content of the website referred to in this announcement is not incorporated into and does not form part of this announcement.

SPARK Advisory Partners Limited, which is authorised and regulated in the United Kingdom by the Financial Services Authority, is acting exclusively for TPC III and no-one else in connection with the matters described in this announcement and will not be responsible to any person other than TPC III for providing the protections afforded to customers of SPARK Advisory Partners Limited or for providing advice in relation to the matters described in this announcement.

This announcement is not intended to, and does not, constitute or form part of any offer, invitation or the solicitation of an offer to purchase, otherwise acquire, subscribe for, sell or otherwise dispose of, any securities whether pursuant to this announcement or otherwise. The distribution of this announcement in jurisdictions outside the United Kingdom may be restricted by law and therefore persons into whose possession this announcement comes should inform themselves about, and observe, such restrictions. Any failure to comply with the restrictions may constitute a violation of the securities law of any such jurisdiction.

Rule 2.10 disclosure

In accordance with Rule 2.10 of the Code, the Company confirms that it has 7,500,000 Ordinary shares of 50p each nominal value in issue. These shares are not admitted to trading on any public market.

Disclosure requirements of the Takeover Code (the "Code")

Under Rule 8.3(a) of the Code, any person who is interested in 1% or more of any class of relevant securities of an offeree company or of any paper offeror (being any offeror other than an offeror in respect of which it has been announced that its offer is, or is likely to be, solely in cash) must make an Opening Position Disclosure following the commencement of the offer period and, if later, following the announcement in which any paper offeror is first identified. An Opening Position Disclosure must contain details of the person's interests and short positions in, and rights to subscribe for, any relevant securities of each of (i) the offeree company and (ii) any paper offeror(s). An Opening Position Disclosure by a person to whom Rule 8.3(a) applies must be made by no later than 3.30 pm (London time) on the 10th business day following the commencement of the offer period and, if appropriate, by no later than 3.30 pm (London time) on the 10th business day following the announcement in which any paper offeror is first identified. Relevant persons who deal in the relevant securities of the offeree company or of a paper offeror prior to the deadline for making an Opening Position Disclosure must instead make a Dealing Disclosure.

Under Rule 8.3(b) of the Code, any person who is, or becomes, interested in 1% or more of any class of relevant securities of the offeree company or of any paper offeror must make a Dealing Disclosure if the person deals in any relevant securities of the offeree company or of any paper offeror. A Dealing Disclosure must contain details of the dealing concerned and of the person's interests and short positions in, and rights to subscribe for, any relevant securities of each of (i) the offeree company and (ii) any paper offeror, save to the extent that these details have previously been disclosed under Rule 8. A Dealing Disclosure by a person to whom Rule 8.3(b) applies must be made by no later than 3.30 pm (London time) on the business day following the date of the relevant dealing.

If two or more persons act together pursuant to an agreement or understanding, whether formal or informal, to acquire or control an interest in relevant securities of an offeree company or a paper offeror, they will be deemed to be a single person for the purpose of Rule 8.3.

Opening Position Disclosures must also be made by the offeree company and by any offeror and Dealing Disclosures must also be made by the offeree company, by any offeror and by any persons acting in concert with any of them (see Rules 8.1, 8.2 and 8.4).

Details of the offeree and offeror companies in respect of whose relevant securities Opening Position Disclosures and Dealing Disclosures must be made can be found in the Disclosure Table on the Takeover Panel's website at www.thetakeoverpanel.org.uk, including details of the number of relevant securities in issue, when the offer period commenced and when any offeror was first identified. You should contact the Panel's Market Surveillance Unit on +44 (0)20 7638 0129 if you are in any doubt as to whether you are required to make an Opening Position Disclosure or a Dealing Disclosure.