

THISTLE PUB COMPANY III plc

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11 February 2013

Dear Fellow Shareholder

It is your Board's intention to seek an exit for shareholders during the first half of 2013 or, if unsuccessful in that endeavour, then securing competitive tenders for new management arrangements to be in place by June 30, 2013, when the current contract comes to an end. The Directors have been preparing for these events for some time and have now commenced a formal sale process to seek offers for the entire issued share capital of the Company, with the objective of achieving what is in the best interests of the shareholders as a whole. To that end, please find enclosed a copy of an announcement that was released on the Regulatory News Service of the London Stock Exchange today, which means that the Company is now in an offer period under the City Code on Takeovers and Mergers.

Previously we have used the same legal and financial advisors as our Manager. However, as we are entering a possible exit period we wish to avoid any perceived conflicts of interest and we have appointed as our corporate lawyers Kergan Stewart LLP, based in Glasgow, and as corporate finance advisors, Spark Advisory Partners Limited ("Spark"), based in London and Leeds; both are experienced in Takeover Code work. The Spark team was formerly with Brewin Dolphin, our advisors when our EIS prospectus was launched to shareholders originally.

In anticipation of this, Stephen Mallon resigned from the board at the end of the last financial year to remove any conflicts of interest. We thank Stephen, MD of our Manager, for his sterling work for our company since its inception. He will still attend board meetings representing our Manager on operational reporting matters.

I will update shareholders on developments as appropriate. Our Annual General Meeting will now be held towards the end of March. Meanwhile I wish you all the very best in 2013.

Yours sincerely,



ANGUS A MELDRUM
CHAIRMAN

Note : Under the Takeover Code (Rule 2.12) I am obliged to point out that addresses, electronic addresses and certain other information provided by shareholders for the receipt of communications from the Company may be provided to an offeror during the offer period as required under Section 4 of Appendix 4 of the Code. Additionally all holders who have over 1% of the share capital should be aware that they are obliged to make Opening Position Disclosures under the Takeover Code. Copies of the relevant form (Form 8.3) are available from the Takeover Panel (www.thetakeoverpanel.org.uk) and are also available on the Company's website: www.thistle3.co.uk

Registered No. SC306747

Registered Office: Edinburgh Quay, 133 Fountainbridge, Edinburgh EH3 9BA