



9 July 2014

Thistle Pub Company III plc

(“TPC III” or the “Company”)

Admission Statement

The Board of Thistle Pub Company III plc, a company that owns a bespoke portfolio of heritable (freehold) pubs based in central Scotland, is pleased to announce the admission of its ordinary shares to trading on Asset Match ahead of its first auction.

Trading in the Company’s ordinary shares will be conducted via half yearly auctions, with the first auction closing at 4.00 p.m. on 25 September 2014. Thereafter, auctions will close on the last Thursday in the months of March and September. All auctions close at 4.00 p.m. Shareholders and other interested parties will be able to enter expressions of interest for a period of two weeks before the auction closes.

The directors of the Company are:

Alan Stewart (*Chairman*)

Paul Theakston (*Non-Executive Director*)

Registered office:

Edinburgh Quay, 133 Fountainbridge, Edinburgh EH3 9BA

Alan Stewart, Chairman of Thistle Pub Company III plc, commented:

“For some time now we have been considering ways in which transactions in our Company’s shares could be improved. The Board considers that the services offered by Asset Match have the capacity to improve liquidity in the Company’s shares. We look forward to working with Asset Match to that end and to producing results that will stimulate share-buying interest in the Company.”

1. Company description

The Company was established in October 2006 under the Enterprise Investment Scheme to acquire freehold community pubs with development and/or growth potential based in central Scotland. TPC III now has a portfolio of seven pubs which have been consistently profitable and produced turnover of £5.6m and profit before tax of £0.3m in the Company’s last financial year to 28 September 2013. At that date the Company’s shareholders’ funds amounted to £8.3m and bank loans amounted to £2.3m representing gearing of only 27%.

The pub estate consists of seven freehold units which are noted below. Each of these makes a positive contribution to the estate and most have a strong food offering. Trading at most of the units reacts well to good weather as they have popular outside seating areas.

The pubs in the estate are as follows:

The Clockwork Beer Company, Glasgow
DRAM!, Glasgow
Canal Station, Paisley
The Steading, Edinburgh
The Laird & Dog Inn, Lasswade, Lothian
The Wheel Inn, Scone, Perthshire
The Dog House, Balloch, Loch Lomond

Further information on each of the pubs is available on their websites.

The Laird & Dog is a small hotel and the quality of the rooms is being upgraded in this financial year. Also, additional capital expenditure has been allocated to Clockwork to improve it further. Clockwork is adjacent to Hampden Park, a major venue at the Commonwealth Games this summer.

The Company has a small board with two Non-Executive Directors overseeing the pub estate, the day-to-day management of which is sub-contracted to Maclays Inns Limited (“Maclays”). Maclays is a long established pub owning and management company in central Scotland.

In early 2013 the Company undertook a Formal Sale Process under the Takeover Code in an attempt to create a possible exit for shareholders. However, this did not result in any offers for the Company that the Directors deemed acceptable.

There have been expressions of interest from potential new shareholders and the Directors are aware that some of the original shareholders, for personal reasons, now wish to realise their holdings. Asset Match is a regulated trading platform which helps non-quoted companies to trade their shares on a matched bargain basis. The Board has been advised that the Enterprise Investment Scheme tax reliefs available to existing shareholders will not change as a result of the move to Asset Match. The Board considers that the services offered by Asset Match should benefit existing and potential shareholders in terms of liquidity.

2. Strategy and prospects

The Directors noted, at the time of the Formal Sale Process, that a number of national and local pub companies elected not to bid citing, *inter alia*, the uncertain economic conditions, the difficulty of obtaining bank funding and the uncertainty caused by the referendum on Scottish independence. Since then, the Directors have adopted a strategy of at least maintaining and, where possible, improving the good quality of the Company’s trading units and the profits generated from the business. At the same time the Directors have no intention of increasing bank borrowings to any significant extent from their current level. Following the Formal Sales Process the Company renegotiated its management contract with Maclays to a more favourable rate.

The Board is focussed on generating cash returns to shareholders and will consider achieving this through share buy-ins, dividends and, in time, when appropriate, through a sale of the whole company. At this time the uncertainty of the referendum still persists. Further, although pub companies that operate within the M25, such as Youngs and Fullers, have achieved strong results in the recent past, improvement has been slower in Scotland. In addition the level of pub closures

throughout the UK in combination with a continuing lack of business credit is serving to keep values down. The Directors are strongly of the opinion that the overall economy will continue to recover, that referendum uncertainty will be resolved satisfactorily and that attainable capital values will then improve.

3. Board of directors

Brief biographies of the directors of the Company are set out below.

Alan Stewart, BSc CA - Chairman

Mr Stewart is a corporate finance executive with Cenkos Securities, the specialist independent securities firm, prior to which he was a director with Brewin Dolphin. He has worked on or led many Main Market and AIM flotations and other market-facing transactions since 1985. He trained originally as a Chartered Accountant with KPMG and has worked across a wide variety of sectors. He is Non-Executive Director of Thistle Pub Company II plc and of BIP Solutions Ltd, a company specialising in advising on government procurement.

Paul Theakston - Non-Executive Director

Mr Theakston has almost 50 years experience in the brewing trade having joined the family company T and R Theakston Ltd in 1964. Thereafter, he was successively Brewer, Managing Director and Chairman until Theakston's was taken over by Scottish & Newcastle Breweries in 1987. He subsequently founded the Black Sheep Brewery in Masham, which started brewing traditional cask and bottled beers in 1992. Black Sheep beers are now sold nationally in both the on and off trade, as well as exported to a number of countries.

Paul is now non-executive Chairman of Black Sheep, and a director of Cask Marque, which is the beer and pub industry's leading independent quality assurance organization. He is a Liveryman of the Brewers' Company.

4. Share capital and significant shareholders

At 9 July 2014 the Company's issued share capital consists of 7,500,000 ordinary shares with a nominal value of 50 pence each, each share having equal voting rights.

The Company does not hold any Ordinary Shares in treasury and therefore the number of Ordinary Shares with voting rights is 7,500,000.

The ordinary shares are not admitted to trading on any exchange or trading platform other than Asset Match.

The following shareholders are shown on the share register as having a holding of 3% or more of the issued share capital of the Company:

<i>Name of shareholder</i>	<i>Number of shares</i>	<i>Percentage holding</i>
Giltspur Nominees Limited	823,585	10.98%
Speirs & Jeffrey Client Nominees Limited	615,000	8.20%
Maclay Inns Limited	480,325	6.40%
Rathbone Nominees Limited	332,339	4.43%
Octopus Investments Nominees Limited	255,524	3.40%
TC Nominees (No1) Limited	251,125	3.34%

5. Financial statements

The Company's latest annual report and accounts for the year ended 28 September 2013 can be accessed on the [company profile page](#) and at www.thistle3.co.uk.

6. Legal and arbitration proceedings

The Company is not engaged in any material legal or arbitration proceedings and so far as the Directors are aware there are no such proceedings pending or threatened which are having or may have a material effect on the Company's financial position.

7. Responsibility statement

The directors of Thistle Pub Company III plc, as set about above, accept responsibility for the information contained within this document. To the best of the knowledge and belief of the directors (who have taken reasonable care to ensure that such is the case) the information contained in this document is in accordance with the facts and does not omit anything likely to affect the import of such information.

REMINDER: Trading in ordinary shares will be conducted via half yearly auctions, with the first auction closing at 4.00pm on 25 September 2014. Thereafter, auctions will close on the last Thursday in the months of March and September. All auctions close at 4.00 p.m. Shareholders and other interested parties will be able to enter expressions of interest for a period of two weeks before the auction closes.

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