

## **Gateway Tax Credit Fund III, Series 8 responds to ‘Mini-Tender’ Offer for its Limited Partnership Units.**

March 7, 2006

The general partners of Gateway Tax Credit Fund III Ltd. (the “Fund”), Raymond James Tax Credit Funds, Inc., the managing general partner and Raymond James Partners, Inc., both sponsors of the Fund (together the “General Partners”), have recently become aware that Peachtree Partners (Ira Gaines/Barry Zemel) (together “Peachtree”) has offered to purchase units of “series 8” of the Fund for \$40.00 per unit (up to 4.9% of the outstanding limited partnership interests) through a tender offer dated February 15, 2006 (the “Offer to Purchase”).

Please understand that the General Partners neither authorize nor support Peachtree’s Offer to Purchase. Mr. Ira Gaines, who is apparently a principal of Peachtree, is a registered holder of limited partnership units in certain series of the Fund. In no other manner is Peachtree associated with either the Fund or its General Partners, and neither the Fund nor its General Partners are associated with the Offer to Purchase or the offer documentation.

The Fund takes no position with respect to the Offer to Purchase.

The Fund urges that each investor, regardless of the size of his or her holding, contemplating tendering his or her units to Peachtree consider the following:

- 1) There is not an active market for the units. The units are not listed on any national securities exchange or quoted on the Nasdaq(tm) computerized over-the-counter market. As a rule the Fund has no specific knowledge of the prices at which Fund series 8 units have traded. The Peachtree Offer to Purchase states “there is no established market for the units and this price may not represent fair value of your unit.”
- 2) The one-time administrative fee of \$150 that Peachtree will assess each investor who tenders units under its Offer to Purchase means, effectively, that a holder of 3 or fewer units will receive nothing for his or her holding and that a holder of 10 units will net consideration of \$250 (or \$25 per unit in such case).
- 3) According to the Peachtree Offer to Purchase document, “in 2003, Mr. Gaines entered into consent with the SEC enjoining him from offering, making or engaging in mini-tenders for a public company’s equity securities. This consent specifies that it does not pertain to offers to purchase limited partnership interests such as this.”

The Securities and Exchange Commission has cautioned investors about offers of this nature. Mini-tender offers, which are offers to buy less than 5 percent of a company’s stock or of a limited partnership’s units, “have been increasingly used to catch investors off guard,” according to an investor alert posted on the SEC’s website. Investors should be aware that many of the SEC’s tender offer rules do not apply to mini-tender offers. Among other things, the SEC recommends that before accepting a mini-tender offer, each investor should consult with his or her broker or financial advisor and determine where to get the best price if he or she wants to sell. The SEC warns investors not to assume that a premium over the market is being offered for their units.

To read more about the risks of a mini-tender offer, please review the alert at: <http://www.sec.gov/investor/pubs/minitend.htm>.

In fact, Mr. Gaines and Peachtree Partners each have been a defendant in a proceeding brought by the SEC in connection with “mini-tender offers”. To read about the orders against Mr. Gaines in connection with such offers go to:

<http://www.sec.gov/litigation/litreleases/lr18535.htm>, and  
<http://www.sec.gov/litigation/admin/34-41760.htm>.

Investors who have tendered their units to Peachtree under the Offer to Purchase are advised that, according to the offer, investors may withdraw and rescind this offer for a period of 15 days from the postmark of their acceptance of Peachtree’s Offer to Purchase.

#### About the Fund

Gateway Tax Credit Fund III, Ltd is a Florida limited partnership that was formed in October, 1991 and commenced operations in July, 1992, and is engaged in the acquisition of limited partnership interests in unaffiliated limited partnerships, each of which owns and operates one or more apartment complexes eligible for Low-Income Housing Tax Credits under Section 42 of the Internal Revenue Code (“Tax Credits”).

#### Forward Looking Statement

This press release contains forward-looking statements. These statements involve risks and uncertainties, which may cause results to differ materially from those set forth in the statements. The forward-looking statements may include statements regarding transactions in Fund units. No forward-looking statement can be guaranteed, and actual results may differ materially from those projected. The Fund undertakes no obligation to publicly update any forward-looking statement, whether as a result of new information, future events, or otherwise. Forward-looking statements in this press release should be evaluated together with the many uncertainties that affect the Fund’s business, particularly those mentioned in the Fund’s Form 10-K for the year ended March 31, 2005, and its periodic reports on Form 10-Q and Form 8-K which the Fund incorporates by reference.

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