

Certain information contained within this announcement is deemed by the Company to constitute inside information as stipulated under the Market Abuse Regulations (EU) No. 596/2014 ("MAR")

28 April 2017

Caledonian Trust plc
("Caledonian Trust" or the "Company")
Further loan from Leafrealm Limited
Arrangements with Leafrealm Land Limited
Related party transactions

Further Leafrealm Loan

The Company announces that on 28 April 2017 Leafrealm Limited ("**Leafrealm**") provided an additional loan of £200,000 to the Company (the "**Further Leafrealm Loan**") under the existing loan facility in place between Leafrealm and the Company, details of which were announced on 1 July 2016. Leafrealm is a company controlled by Douglas Lowe, Caledonian Trust's Chairman, Chief Executive and major shareholder.

The Further Leafrealm Loan has been put in place in order to provide the Company with further working capital and to assist the Company in funding certain of its property developments. £30,000 of the Further Leafrealm Loan has been immediately drawn down by the Company.

The Further Leafrealm Loan was agreed on the following key terms:

- The Further Leafrealm Loan carries an annual interest rate of 3% above the base rate of the Bank of Scotland from time to time (currently 0.25%). Interest shall be paid in quarterly instalments.
- Leafrealm has agreed to waive the margin element of the interest until further notice, resulting in the effective annual interest rate on the Further Leafrealm Loan being the base rate of the Bank of Scotland from time to time. Leafrealm will be entitled to re-instate the margin at any time;
- The Further Leafrealm Loan will not be convertible into new ordinary shares in the Company;
- The Further Leafrealm Loan is repayable on demand by Leafrealm giving 12 months and 1 day's written notice requiring repayment;
- The Further Leafrealm Loan has no specific loan maturity date; and
- The Further Leafrealm Loan is unsecured.

The Further Leafrealm Loan is separate to the existing £360,000 loan facility (the "**Brunstane Loan Facility**"), also from Leafrealm, put in place to provide funding for the construction of two new semi-detached houses at Brunstane Road South, Edinburgh, Scotland, details of which were previously announced on 16 September 2016 and 17 February 2017. As at the date of this announcement, a total of £310,000 has been drawn down under the Brunstane Loan Facility. The Board intends to continue to draw down on the Brunstane Loan Facility until construction on the houses has been completed.

Following the draw down of £30,000 under the Further Leafrealm Loan, the aggregate amount advanced by Leafrealm to the Company across various loan arrangements totals £4,020,000 as at the date of this announcement.

Related party transaction

Leafrealm is a company controlled by Douglas Lowe, Caledonian Trust's Chairman, Chief Executive and major shareholder and, as such, is considered a related party of the Company for the purposes of the AIM Rules for

Companies. The provision of the Further Leafrealm Loan constitutes a related party transaction pursuant to Rule 13 of the AIM Rules for Companies. Having consulted with the Company's nominated adviser, Allenby Capital Limited, the Company's directors, with the exception of Mr Lowe, consider that the terms of the Further Leafrealm Loan are fair and reasonable insofar as Caledonian Trust's shareholders are concerned.

Arrangements with Leafrealm Land Limited

As referred to in the Company's report and annual results for the year ended 30 June 2016 (as announced on 23 December 2016), contracting work on certain of the Company's development and investment property sites is undertaken by Leafrealm Land Limited ("**Leafrealm Land**"), a company under the control of Douglas Lowe, Caledonian Trust's Chairman, Chief Executive and major shareholder, and therefore classified as a related party for the purposes of the AIM Rules for Companies.

To date, there has been no formal agreement between the Company and Leafrealm Land. Leafrealm Land's work is undertaken on an *ad hoc* basis as part of the Company's ordinary course of business and is charged by Leafrealm Land at cost price/rates which do not exceed normal commercial rates.

The Company's costs incurred from Leafrealm Land have increased substantially over the last 12 months, primarily as a result of the increased workload at the Company's Belford Road development site in Edinburgh. Leafrealm Land has today charged the Company a total of £62,900 for work undertaken between 1 July 2015 and 31 March 2017 with such amounts expected to accrue in full in the annual accounts for the Company for the year ended 30 June 2017.

Related party transaction

The work undertaken by Leafrealm Land for the Company, as detailed above, constitutes a related party transaction pursuant to Rule 13 of the AIM Rules for Companies. Having consulted with the Company's nominated adviser, Allenby Capital Limited, the Company's directors, with the exception of Mr Lowe, consider that the terms of the transaction are fair and reasonable insofar as Caledonian Trust's shareholders are concerned.

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