

BRITISH EMPIRE TRUST PLC ("the Company")

Legal Entity Identifier (LEI): 213800QUODCLWWRVI968

29 April 2019

REFINANCING OF DEBENTURE TO REDUCE INTEREST COSTS AND ENHANCE CAPITAL RETURNS

The Company has today entered into an agreement with Scotiabank Europe PLC for a Japanese Yen4.0 billion revolving credit facility for a period of three years. The facility is equivalent to £27.7 million at current exchange rates.

The facility will initially be drawn down and funds used to repay early the Company's £15m 8 1/8% Debenture stock. The Company has today given notice to debenture stock holders of its intention to repay these borrowings to stock holders on the register on 31 May 2019. The debenture stock was due to mature on 2 July 2023. The total cost of redeeming the debt is £19.9 million including accrued interest to 31 May 2019.

Following this refinancing exercise, the Company's weighted average interest on all borrowings will be reduced to 2.9%, compared with 4.3% currently.

Commenting on the refinancing, British Empire Chairman, Susan Noble said:

"The Company's Board has taken the decision to repay the debenture early in order to achieve a balance of financing sources and maturities. The revolving credit facility introduces some flexibility in managing the Company's gearing, which in recent years has been entirely through long term, fixed rate debt and borrowing in Japanese Yen which provides a natural hedge against exchange rate fluctuations.

While the cost of redemption will initially reduce the Net Asset Value ("NAV") per share by 0.1% (or 0.8 pence per share) with debt at fair value and 0.5% (or 4.2 pence per share) at book value, the refinancing exercise described above is expected to reduce the total annual interest cost by approximately £930,000 (or 0.8 pence per share), based on current short term interest rates for the revolving credit facility. This will potentially marginally enhance both the revenue earnings and capital returns."

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Notes:

The information contained within this announcement is deemed by the Company to constitute inside information as stipulated under the Market Abuse Regulation (EU) No. 596/2014. Upon the publication of this announcement via a Regulatory Information Service this information is now considered to be in the public domain.