

# Monthly fact sheet

31 July 2004



**CALEDONIA**  
INVESTMENTS

Caledonia invests in and actively manages, usually with a board position, a focused portfolio of significant stakes in companies and situations where it believes there to be good opportunities for building value. Caledonia's objective is consistently to achieve long term shareholder return in excess of the FTSE All-Share Total Return while maintaining a progressive annual dividend.

## Review

During the month, Caledonia invested £1.1m in a convertible bond issued by Alok Industries, the Indian listed textiles company, and £6.1m in follow-on situations, including £2.5m in Omniport, the unquoted UK regional airport operator, and £0.9m in an open offer from Melrose Resources, the UK listed oil and gas exploration and production company. Also, during the month, we realised £4.7m, including £2.1m on the rollover of the Lathes Investments' Redleaf II property fund into the new Redleaf V fund.

On 16 July 2004, we announced the conditional sale of 1.3m shares in Kerzner International, the resorts developer and operator, at a price of \$47.50 per share. The total proceeds at the current exchange rate amount to £34.0m. It is hoped that the closing conditions will be satisfied during August. The proceeds will be used to repay existing bank borrowings.

Other cash outflows during the month included the special dividend of £88.0m and final dividend of £13.4m. These payments were financed from the company's own resources and a £40.0m draw down on our bank facilities. Also, during the month, Caledonia purchased 100,000 of its own shares at a price of 1015p, to be held in treasury.

## Ten largest holdings

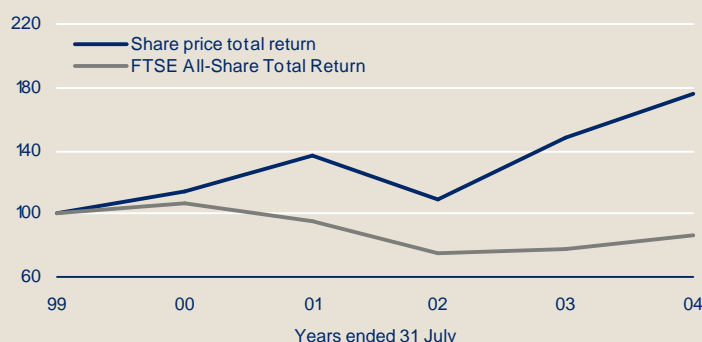
Name	Business	£m	%
Kerzner International	Resort operator	154.0	18.0
Close Brothers	Merchant bank	120.1	14.0
British Empire Securities	Investment trust	76.6	8.9
Paladin Resources	Oil and gas operator	45.2	5.2
Quintain Estates	Property developer	41.9	4.9
Aberforth LP fund	Investment fund	30.7	3.6
Rathbone Brothers	Fund manager	30.1	3.5
Offshore Logistics/Bristow	Helicopter operator	21.6	2.5
Cobepa	Investment company	19.9	2.3
ISIS Asset Management	Fund manager	18.5	2.2
		558.6	65.1
Other investments		300.0	35.0
Net current liabilities		(0.7)	(0.1)
Total assets		857.9	100.0
Borrowings		(40.0)	
Net assets		817.9	

In addition to British Empire Securities shown above, Caledonia has the following holdings in other investment companies: Active Capital Trust (£4.7m), Close Finsbury Eutotech Trust (£0.7m) and Discovery Trust (£5.9m).

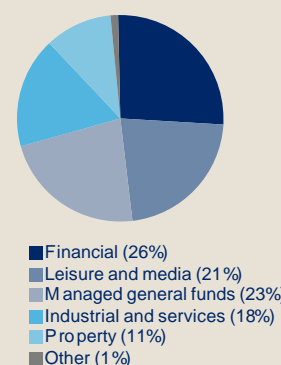
## Caledonia Investments plc

All figures as at 31 July 2004. All sources Caledonia Investments plc unless otherwise stated. The price of shares and the income from them may go down as well as up. Past performance is no guarantee of future performance. Under no circumstances should this information be considered as an offer, or solicitation, to deal in investments.

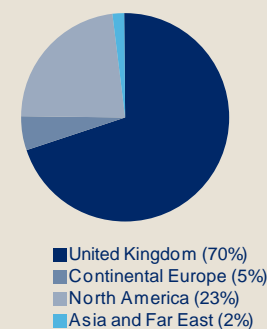
## Total return growth



## Sector analysis



## Geographic analysis



## Performance

	Value 31/07/04	Cumulative change % 5 yr	10 yr
NAV per share (p)	1275.8		
Share price (p)	1029.0		
FTSE All-Share	2192.2		
Share price total return		76.3	121.6
FTSE All-Share Total Return		(13.6)	95.0
Outperformance		89.9	26.6

Source: Caledonia Investments plc and FTSE/Datastream.

## Investor information

AIRC sector Global Growth  
Fund type Investment Trust  
Listing London Stock Exchange (SEDOL 0163992)  
Investing Direct, savings plan, ISA, PEP/ISA qualifying  
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