

Monthly fact sheet

31 December 2004



CALEDONIA
INVESTMENTS

Caledonia is a self-managed investment trust company investing in and actively managing a focused portfolio of significant stakes in companies and situations where we believe there to be good opportunities for building value. We usually take a board position in our investee companies. Our objective is consistently to achieve a long term shareholder return in excess of the FTSE All-Share Total Return whilst maintaining a progressive annual dividend.

Whilst the source of funding for new investments generally comes from our own resources, the policy of the board is to allow the company to enhance returns by incurring third party borrowings when appropriate up to a maximum amount of 20% of net assets.

Review

During the month, we invested a further £15.6m in the UK unquoted General Practice group, a leading investor in primary healthcare properties, to help fund the purchase of a portfolio of 75 such properties from Norwich Union, bringing our total investment in this group to £19.9m. We also invested a further £1.8m in Seven Publishing, an unquoted UK consumer magazine publisher, and a further £0.8m in Tribal Group, a UK quoted provider of consultancy and professional support services for the UK public sector, taking our holding up to 7.4%. During the month, we received distributions from the Aberforth LP fund of £8.9m and sold our stake in Active Capital Trust, a UK listed investment trust, for £5.1m. Caledonia had no bank borrowings at the month end.

During the month, \$100m of our forward currency contracts matured, realising a gain of £7.9m. To maintain a hedge against our US dollar denominated investment in Kerzner International, we entered into a new one year contract to sell \$100m forward at \$1.8998.

Our NAV per share at 31 December 2004 is quoted after accounting for the interim dividend of 8.7p at a cost of £5.5m. The interim dividend was paid on 6 January 2005.

Ten largest holdings

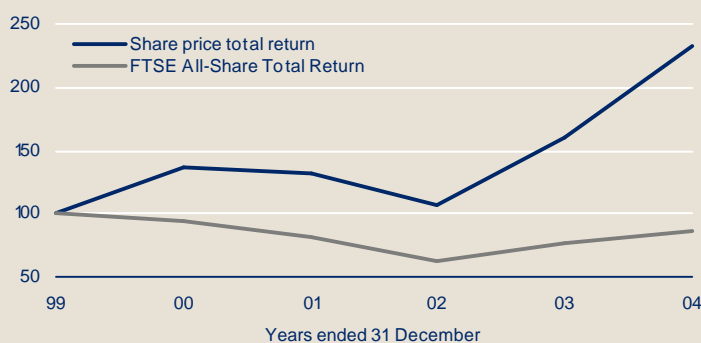
Name	Business	£m	%
Kerzner International	Resort operator	141.0	14.8
Close Brothers	Merchant bank	132.2	13.9
British Empire Securities	Investment trust	96.7	10.2
Paladin Resources	Oil and gas operator	53.3	5.6
Quintain Estates	Property developer	52.1	5.5
Rathbone Brothers	Fund manager	39.2	4.1
Aberforth LP fund	Investment fund	26.3	2.8
Cobepa	Investment company	23.4	2.4
F&C Asset Management	Fund manager	23.1	2.4
Offshore Logistics	Helicopter operator	22.9	2.4
		610.2	64.1
Other investments		339.3	35.6
Net current assets		2.7	0.3
Net assets		952.2	100.0

In addition to British Empire Securities shown above, Caledonia has the following holdings in other investment companies: Close Finsbury Eurotech Trust (£0.8m) and Discovery Trust (£6.9m).

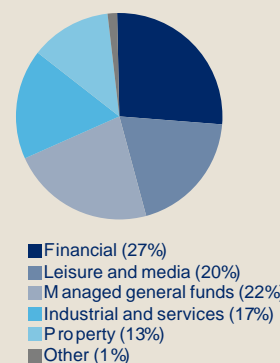
Caledonia Investments plc

All figures as at 31 December 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.

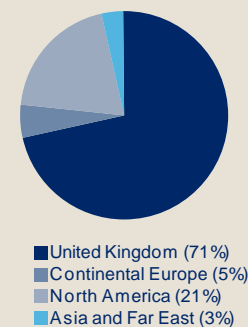
Total return growth



Sector analysis



Geographic analysis



Performance

	Value 31/12/04	Cumulative change % 5 yr	10 yr
NAV per share (p)	1497		
Share price (p)	1346		
FTSE All-Share	2412.3		
Share price total return		132.5	225.7
FTSE All-Share Total Return		(14.0)	117.1
Outperformance		146.5	108.6

NAV per share is stated after accruing for the interim dividend of 8.7p per share. Source: Caledonia Investments plc and FTSE/Datastream.

Investor information

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