

Monthly fact sheet

28 February 2005



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 £0.5m in Alok Industries, the Indian listed textiles company, taking our holding up to 3.7%. We sold 886,000 shares in Kerzner International, the resorts developer and operator, for \$54.5m (£28.4m), reducing our holding in the company to 10.2%. Following the disposal of our 45% interest in Bateman Chapman in January 2004, we have now received a further £1.8m in deferred consideration. During the month, we also received further distributions of £5.3m from limited partnership funds, including £4.5m from the Aberforth Partners fund.

Caledonia had no bank borrowings at the month end and, including the Kerzner sale receivable, which has since been received and converted into sterling, our cash totalled £39.4m. Our US dollar hedging position remains unchanged, with \$184m of forward currency contracts against specific US dollar denominated investments.

Ten largest holdings

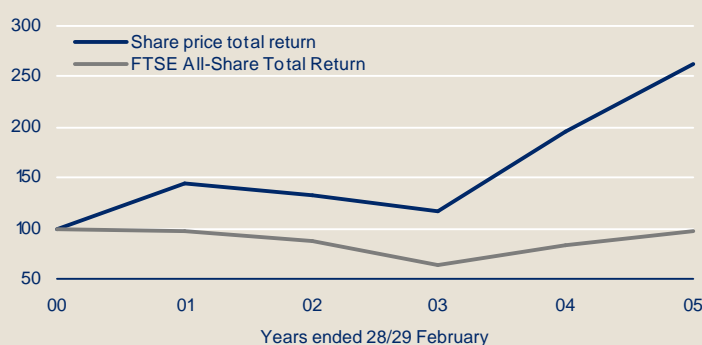
Name	Business	£m	%
Close Brothers	Merchant bank	148.9	15.0
Kerzner International	Resort operator	120.3	12.1
British Empire Securities	Investment trust	103.6	10.4
Paladin Resources	Oil and gas operator	56.4	5.7
Quintain Estates	Property developer	49.3	5.0
Rathbone Brothers	Fund manager	38.2	3.9
Cobepa	Investment company	25.8	2.6
Offshore Logistics	Helicopter operator	23.2	2.3
F&C Asset Management	Fund manager	22.4	2.3
Aberforth LP fund	Investment fund	22.0	2.2
		610.1	61.5
Other investments		346.4	34.9
Net current assets		35.3	3.6
Net assets		991.8	100.0

In addition to British Empire Securities shown above, Caledonia has the following holdings in other investment companies: Discovery Trust (£7.9m).

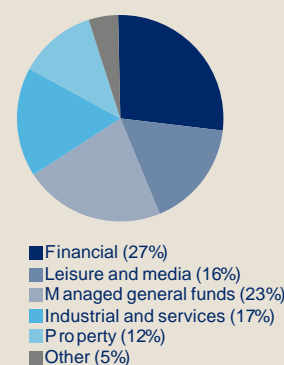
Caledonia Investments plc

All figures as at 28 February 2005. 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.

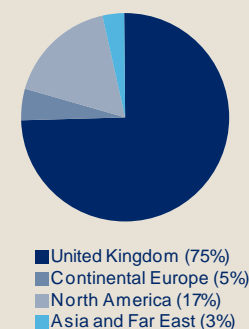
Total return growth



Sector analysis



Geographic analysis



Performance

	Value	Cumulative change %
	28/02/05	5 yr
NAV per share (p)	1560	
Share price (p)	1389	
FTSE All-Share	2495.5	
Share price total return		161.7
FTSE All-Share Total Return		(3.3)
Outperformance		165.0
		111.0

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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