

Monthly fact sheet

31 May 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 £29.0m in new and follow-on situations and realised £30.6m. We acquired a 22% stake in Satellite Information Services, a UK unquoted company specialising in the distribution of betting related media, for £18.1m. We invested a further £8.2m in convertible bonds in Alok Industries, the Indian listed textiles company, bringing the total cost of our investment to £11.4m. In addition, we made a number of small follow-on investments totalling £2.7m. We realised our holding in F&C Asset Management for £20.4m and received £2.7m on the sale of our 50% holding in Landsdown, a UK unquoted property business. We also realised a further £7.5m from various small disposals and fund distributions.

Caledonia had no bank borrowings at the month end and our cash totalled £38m. We have now decreased our US dollar hedging position to cover 50% of our US dollar denominated investments by buying forward a net \$144m during the month.

Ten largest holdings

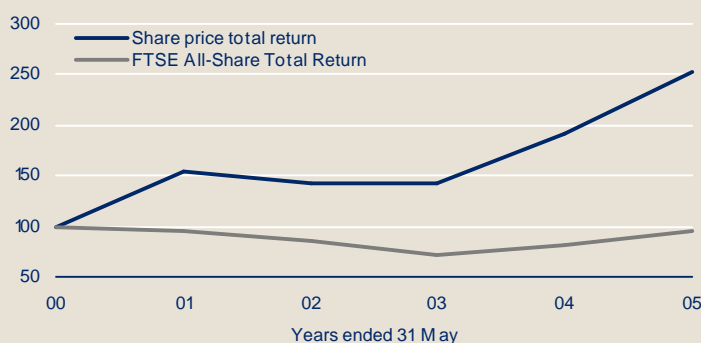
Name	Business	£m	%
Close Brothers	Merchant bank	131.5	13.4
Kerzner International	Resort operator	122.4	12.5
British Empire Securities	Investment trust	101.3	10.3
Paladin Resources	Oil and gas operator	56.7	5.8
Quintain Estates	Property developer	48.9	5.0
Rathbone Brothers	Fund manager	36.0	3.7
Cobepa	Investment company	26.0	2.6
Offshore Logistics/Bristow	Helicopter operator	23.3	2.4
Polar Capital funds	Managed funds	23.0	2.3
Aberforth LP fund	Investment fund	22.5	2.3
		591.6	60.3
Other investments		356.8	36.4
Net current assets		32.4	3.3
Net assets		980.8	100.0

In addition to British Empire Securities shown above, Caledonia has the following holdings in other investment companies: Discovery Trust (£7.4m).

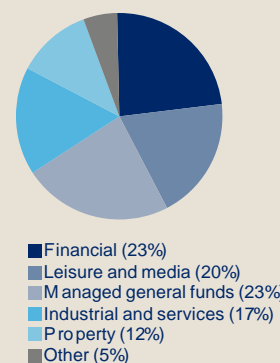
Caledonia Investments plc

All figures as at 31 May 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 indication of future performance. Under no circumstances should this information be considered as an offer, or solicitation, to deal in investments.

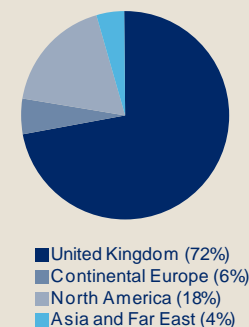
Total return growth



Sector analysis



Geographic analysis



Performance

	Value 31/05/05	Cumulative change % 5 yr	10 yr
NAV per share (p)	1547		
Share price (p)	1357		
FTSE All-Share	2483.3		
Share price total return		152.0	224.3
FTSE All-Share Total Return		(4.2)	107.7
Outperformance		156.2	116.6

Source: Caledonia Investments plc and FTSE/Datastream.

Investor information

Sector: Global Growth
 Fund type: Investment Trust
 Listing: London Stock Exchange (SEDOL 0163992)
 New Zealand Exchange (code CDN)
 Investing Contact: Direct, savings plan, ISA, PEP/ISA qualifying
 Cayzer House, 30 Buckingham Gate, London SW1E 6NN
 tel 020 7802 8080, fax 020 7802 8090
 email enquiries@caledonia.com, web www.caledonia.com