

Monthly fact sheet

30 September 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 total of £8.7m, comprising £3.4m in Kingdom Group Holdings, a Hong Kong company that undertakes linen manufacture in China, and £5.3m in various follow-on situations, mainly managed funds. Realisations totalled £29.3m, including £25.1m from our share in the sale of assets of General Practice Group, which builds and owns doctors' surgeries in the UK. As a result, our cash holding increased to £82m.

Also during September, the sale of Sterling Hydraulics, part of Sterling Industries, our wholly owned engineering group, for £33.2m was conditionally agreed. This sale is expected to complete in mid-October.

30 September 2005 is Caledonia's half-year end and we will be publishing our interim report under International Financial Reporting Standards ('IFRS'). Consequently, our 30 September 2005 NAV per share of 1762p has been prepared under IFRS, and is some 10p less than the equivalent UK GAAP calculation. The principal element of this adjustment is the valuation of quoted securities at bid, rather than mid, price.

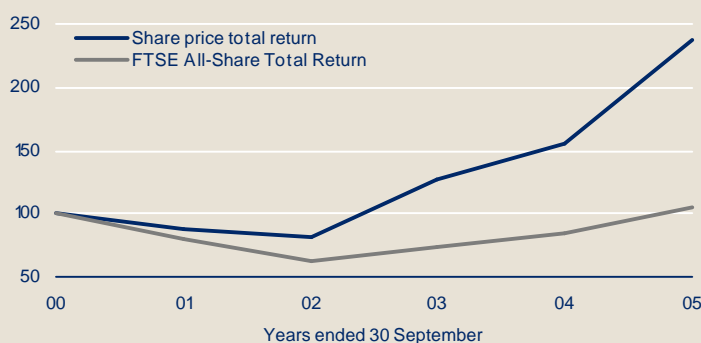
Ten largest holdings

Name	Business	£m	%
Close Brothers	Merchant bank	149.5	13.4
British Empire Securities	Investment trust	119.4	10.7
Paladin Resources	Oil and gas operator	95.7	8.6
Kerzner International	Resort operator	91.5	8.2
Quintain Estates	Property developer	52.2	4.7
Rathbone Brothers	Fund manager	39.7	3.6
Sterling Industries	Engineering	30.3	2.7
Offshore Logistics/Bristow	Helicopter operator	28.1	2.5
Cobepa	Investment company	26.2	2.3
Polar Capital funds	Managed funds	25.1	2.3
		657.7	59.0
Other investments		388.7	34.8
Net current assets		69.1	6.2
Net assets		1,115.5	100.0

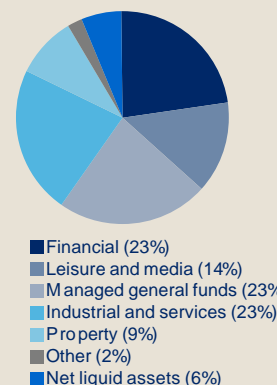
Caledonia Investments plc

All figures as at 30 September 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.

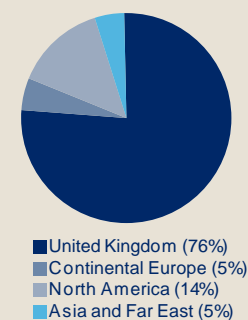
Total return growth



Sector analysis



Geographic analysis



Performance

	Value 30/09/05	Cumulative change % 5 yr	10 yr
NAV per share (p)	1762		
Share price (p)	1633		
FTSE All-Share	2745.8		
Share price total return		137.1	268.2
FTSE All-Share Total Return		5.8	115.5
Outperformance		131.3	152.7

Source: Caledonia Investments plc and FTSE/Datastream.

Investor information

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