

# Monthly fact sheet

31 October 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 £10.0m, comprising £7.3m in the Polar Capital European Market Neutral Absolute Return Fund and £2.7m in smaller investments and follow-on situations. Realisations totalled £107.0m. We received £88.8m from the sale of 25m of our 30.5m shares held in Paladin Resources, the UK listed oil and gas exploration and production company, to Talisman Energy Resources and have given an undertaking to Talisman to accept its 355p per share agreed public offer for Paladin in respect of our remaining 1.6% holding. This sale represents a substantial return on our investment. We also received £10.0m from the sale of our holding in MORI, the UK market research organisation, in which we invested jointly with ISIS Private Equity. The realisation represented a near doubling in value of our original investment made in March 2004. Other realisations amounted to £8.2m, including a further distribution of £7.1m from the Aberforth LP fund.

Also during October, Sterling Industries, our wholly owned engineering group, sold its hydraulics business for £33.2m. Proceeds from this disposal have been retained by Sterling, but we plan to distribute these to Caledonia in the near future.

Caledonia had £179.4m in cash and liquid deposits at the month end, excluding proceeds from the sale of Sterling's hydraulics business.

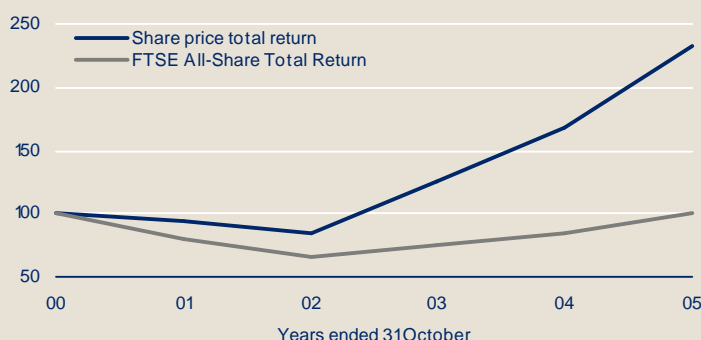
## Ten largest holdings

Name	Business	£m	%
Close Brothers	Merchant bank	138.0	12.4
British Empire Securities	Investment trust	119.3	10.7
Kerzner International	Resort operator	96.2	8.6
Quintain Estates	Property developer	49.0	4.4
Rathbone Brothers	Fund manager	38.6	3.5
Sterling Industries	Engineering	33.2	3.0
Polar Capital funds	Managed funds	31.7	2.8
Cobepa	Investment company	26.0	2.3
Offshore Logistics/Bristow	Helicopter operator	25.8	2.3
Wallem	Shipping services	20.7	1.9
		578.5	51.9
Other investments		366.5	32.9
Net current assets		169.0	15.2
Net assets		1,114.0	100.0

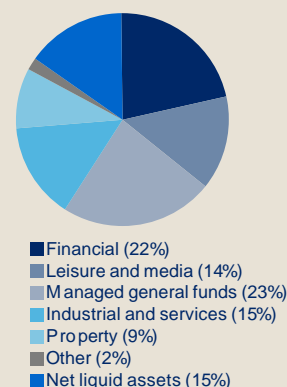
## Caledonia Investments plc

All figures as at 31 October 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.

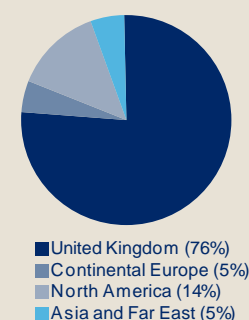
## Total return growth



## Sector analysis



## Geographic analysis



## Performance

	Value	Cumulative change %	
	31/10/05	5 yr	10 yr
NAV per share (p)	1760		
Share price (p)	1635		
FTSE All-Share	2664.4		
Share price total return		133.0	268.6
FTSE All-Share Total Return		1.0	108.7
Outperformance		132.0	159.9

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  
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