

# Monthly fact sheet

31 March 2006



**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 £12.5m. We invested £6.8m in convertible redeemable preference shares in Dewan Housing Finance, an Indian quoted home loan and mortgage provider in which we already hold a 2.2% stake. If the preference shares are converted, this further investment would increase our holding to 14%. We also made a number of smaller new and follow-on investments totalling £5.7m.

During the month, we completed the successful sale of our holding in Wallem, the Hong Kong-based shipping services group, to a company jointly owned by UK and Norwegian shipping investors for cash of £35.3m. Easybox, our wholly-owned European self-storage company, sold its Spanish operations for £13.5m, of which £7.0m was returned to Caledonia. The other significant realisation in the month was of our investment in the Polar Capital Market Neutral Absolute Return Fund for £11.1m.

As a result of the above transactions, our liquidity increased to £179.6m at the month end. On 17 March 2006, we announced our intention to propose an optional return of funds to shareholders of up to some £125m, by way of an elective special dividend and associated capital reduction. Full details of this are expected to be announced at the end of May.

Also during the month, we announced our agreement to take a 60% stake in Liberty Hermitage, a Jersey-based fund of hedge funds manager, which we expect to complete shortly and will involve us investing £21.9m. We also announced that Kerzner International, the resorts owner and operator in which we have an 8.0% stake, has agreed a cash bid at \$76 per share, subject to a 45-day period for active solicitation of a higher offer, valuing our holding at \$222.1m (£128.0m).

## Ten largest holdings

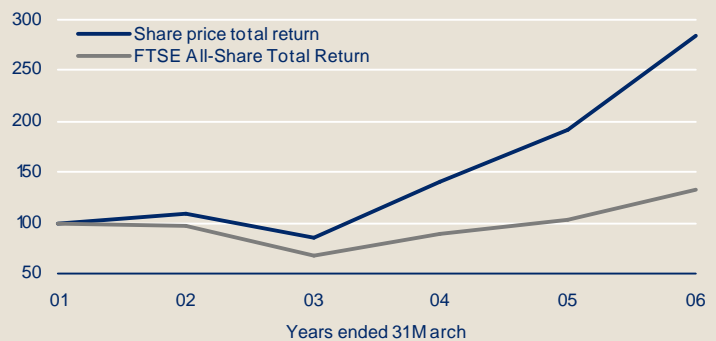
Name	Business	£m	%
Close Brothers	Merchant bank	191.9	14.7
British Empire	Investment trust	141.7	10.9
Kerzner International	Resorts operator	131.1	10.0
Quintain Estates	Property developer	61.0	4.7
Rathbone Brothers	Fund manager	53.6	4.1
Sterling Industries	Engineering	33.1	2.5
Polar Capital funds	Managed funds	30.2	2.3
Cobepa	Investment company	30.1	2.3
Savills	Property agency	24.1	1.8
Bristow Group	Helicopter services	24.0	1.8
		720.8	55.1
Other investments		426.9	32.7
Net current assets		159.3	12.2
<b>Net assets</b>		<b>1,307.0</b>	<b>100.0</b>

Sterling Industries includes cash proceeds from the sale of its hydraulics business, which is planned to be remitted to Caledonia in the near future.

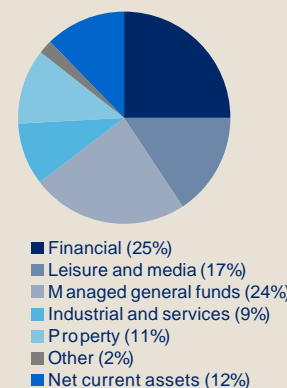
## Caledonia Investments plc

All figures as at 31 March 2006. 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.

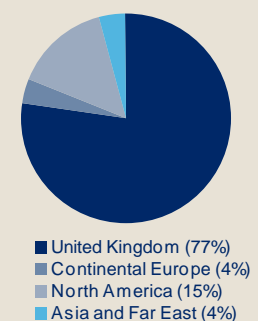
## Total return growth



## Sector analysis



## Geographic analysis



## Performance

	Value 31/03/06	Cumulative change %	
		5 yr	10 yr
NAV per share (p)	2061		
Share price (p)	1980		
FTSE All-Share	3048.0		
Share price total return		183.8	302.0
FTSE All-Share Total Return		31.7	123.4
<b>Outperformance</b>		<b>152.1</b>	<b>178.6</b>

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 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