

Monthly fact sheet

31 May 2008



CALEDONIA
INVESTMENTS

Caledonia is one of the UK's largest investment trusts and is self-managed. We aim to be a core investment for those seeking a store of increasing value, by investing for the longer term in a range of assets.

Our ability to identify opportunities through our extensive network, invest in significant stakes and involve ourselves with the managements of investee companies underpins our investment approach, through which we seek to deliver both a long term shareholder return in excess of the FTSE All-Share Total Return and a positive total return over rolling five year periods, whilst maintaining a progressive annual dividend.

Review

During the month, we invested a total of £8.7m and realised £10.0m. We invested £3.0m in Cobepa, the private Belgian-based investment company, increasing our stake to 10.0%, and £3.0m in Omniport, the private UK regional airport operator, in bridging finance pending a rights issue. In addition, we invested £0.4m in fund drawdowns and £2.3m in other follow-on situations.

On 15 May 2008, TGE Marine was listed on AIM. We originally invested in the company in April 2006 through a mixture of ordinary equity and loan notes, at a total cost of £19.2m. On listing, the value of our overall investment was £89.0m, including £8.7m received from the part sale of our holding. A further receipt of about £23.0m is expected in June 2008, being full repayment of our loans and accrued interest.

In addition to the £8.7m part sale of TGE Marine stock during the month, we realised £1.3m from fund distributions and other investments. Also, we converted £37.6m of our investment in Eddington Capital funds into Nomura Bank International notes, which are index linked to the performance of baskets of Eddington Capital funds.

During the month, our hedging subsidiary realised £4.0m from the sale of our first FTSE 250 put option, which originally cost £2.0m. £2.0m of these proceeds were reinvested in a FTSE 250 put spread.

For the duration of our close period from 1 April to 28 May 2008, we gave an irrevocable instruction to our broker, JPMorgan Cazenove, to purchase the company's shares on our behalf, within certain parameters. No shares were purchased under this authority.

At the end of the month, net liquidity totalled £27.5m.

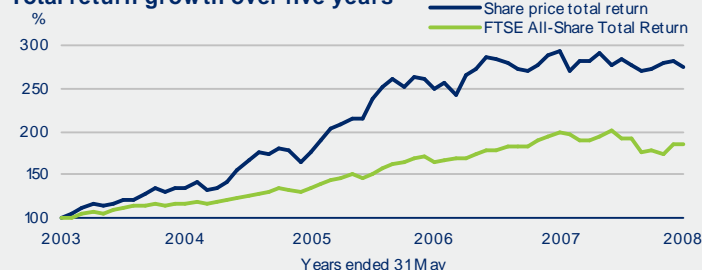
Ten largest holdings

Name	Business	£m	%
British Empire Securities	Investment trust	140.6	10.7
Close Brothers	Merchant banking	110.9	8.5
TGE Marine	Gas engineering	76.2	5.8
Oval	Insurance broking	65.9	5.0
Bristow Group	Helicopter services	53.8	4.1
Cobepa	Investment company	50.2	3.8
Quintain Estates	Property investor/developer	46.5	3.6
Rathbone Brothers	Fund management	44.9	3.4
Melrose Resources	Oil and gas exploration	42.6	3.3
Eddington Capital funds	Funds of hedge funds	38.5	2.9
		670.1	51.1
Other investments		617.3	47.1
Cash and other net assets		23.9	1.8
Net assets		1,311.3	100.0

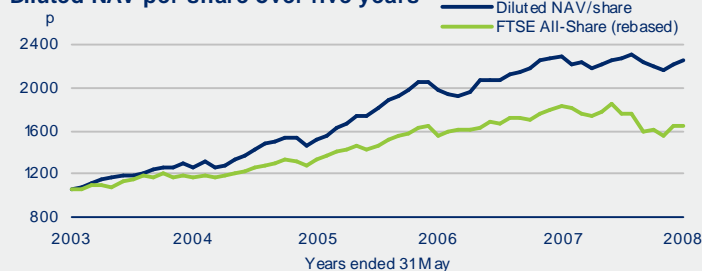
Caledonia Investments plc

All figures as at 31 May 2008. 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.

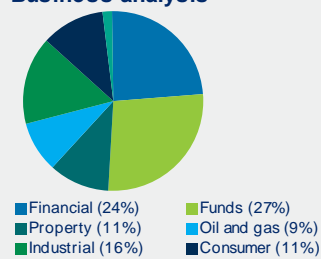
Total return growth over five years



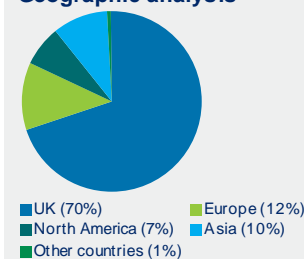
Diluted NAV per share over five years



Business analysis



Geographic analysis



Performance

	Value at 31/05/08	Cumulative change %	
		5 yr	10 yr
Diluted NAV per share (p)	2246		
Share price (p)	2004		
FTSE All-Share	3082		
Share price total return		174.0	206.0
FTSE All-Share Total Return		84.6	48.3
Outperformance		89.4	157.7

NAV per share are calculated on a cum-income basis.
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 scheme, ISA, PEP/ISA qualifying
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