

Monthly fact sheet

30 September 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 £2.8m and realised £3.0m. We invested a further £1.4m in Begbies Traynor, the AIM-quoted corporate rescue and recovery specialists, through its £13.0m placing of shares, increasing our stake to 10.9%. We also invested £0.2m in fund drawdowns and £1.2m in other follow-on situations. During the month, we realised £1.8m from the sale of part of our holding in British Empire Securities, the UK-listed investment trust, reducing our stake to 18.1%. We also realised £1.2m in fund distributions.

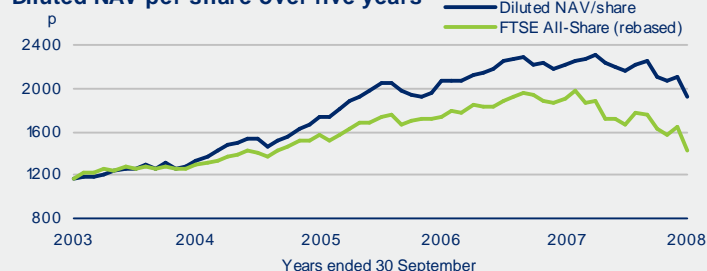
From 1 October 2008 until 24 November 2008, being the close period prior to the announcement of our half-year results planned for 25 November 2008, we have given an irrevocable mandate to our broker, JPMorgan Cazenove, to purchase the company's shares on our behalf, within certain parameters.

At the end of the month, net liquidity totalled £16.9m.

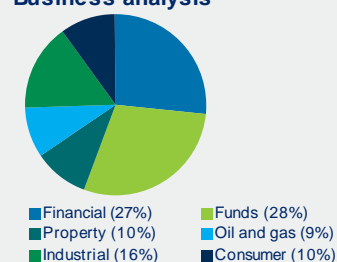
Total return growth over five years



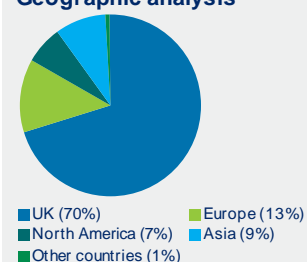
Diluted NAV per share over five years



Business analysis



Geographic analysis



Ten largest holdings

Name	Business	£m	%
British Empire Securities	Investment trust	115.5	10.3
Close Brothers	Merchant banking	109.1	9.8
Oval	Insurance broking	56.5	5.1
TGE Marine	Gas engineering	47.2	4.2
Cobepa	Investment company	45.6	4.1
Bristow Group	Helicopter services	44.6	4.0
Rathbone Brothers	Fund management	43.4	3.9
Melrose Resources	Oil and gas E&P	37.0	3.3
Eddington Capital funds	Funds of hedge funds	36.1	3.2
Polar Capital funds	Hedge and long-only funds	33.4	3.0
		568.4	50.9
Other investments		546.7	49.0
Cash and other net assets		1.5	0.1
Net assets		1,116.6	100.0

Caledonia Investments plc

All figures as at 30 September 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.

Performance

	Value at 30/09/08	Cumulative change %	
		5 yr	10 yr
Diluted NAV per share (p)	1919		
Share price (p)	1740		
FTSE All-Share	2484		
Share price total return		109.5	234.0
FTSE All-Share Total Return		44.5	43.3
Outperformance		65.0	190.7

NAV per share is 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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