

# Monthly fact sheet

31 December 2003



**CALEDONIA**  
INVESTMENTS

Caledonia invests in and actively manages a focused portfolio of significant stakes in companies and situations where it believes there to be good opportunities for building value. Caledonia's objective is consistently to achieve a long term shareholder return in excess of the FTSE All-Share Total Return while maintaining a progressive annual dividend.

## Review

During the month, Caledonia invested £15m in Marketform, the unlisted insurance group operating in the Lloyd's market. Marketform specialises in the management and underwriting of medical malpractice and other specialist liability insurance outside the USA. In addition, £4.9m was invested in a £50m 7% convertible bond issued by SVB, the quoted specialist Lloyd's underwriting business in which Caledonia is a 5.3% shareholder.

Subject to finalisation of the purchaser's financing arrangements, Caledonia has agreed to sell its 45% holding in loss adjuster Bateman Chapman for £6.3m in cash, with up to a further £2.6m of deferred consideration. This compares with a September 2003 valuation of £5.7m made in accordance with internal valuation guidelines. In addition, the company sold its remaining holding in ICAP for £7.7m.

Because of expectations of further weakness in the US dollar, the company entered into a forward contract to sell \$100m at \$1.6788 to hedge against a portion of the currency exposure on the Kerzner investment.

## Ten largest holdings

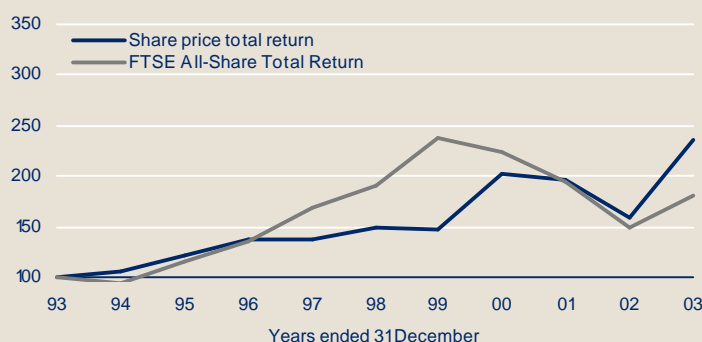
Name	Business	£m	%
Close Brothers	Merchant bank	186.4	21.0
Kerzner International	Resort operator	128.6	14.5
British Empire Securities	Investment trust	71.5	8.1
Rathbone Brothers	Fund manager	34.1	3.8
Quintain Estates	Property developer	31.8	3.6
Paladin Resources	Oil and gas operator	30.9	3.5
Aberforth Partners fund	Investment fund	28.0	3.2
Offshore Logistics/Bristow	Helicopter operator	27.4	3.1
The Sloane Club	Residential club	24.6	2.8
ISIS Asset Management	Fund manager	23.5	2.7
		586.8	66.3
Other investments		280.3	31.5
Net liquid assets		19.2	2.2
Total assets		886.3	100.0

In addition to British Empire Securities shown above, Caledonia has the following holdings in other investment companies: Active Capital Trust (£4.3m), Amerindo Internet Fund (£2.8m), Close Finsbury Eutotech Trust (£0.8m) and Discovery Trust (£5.2m).

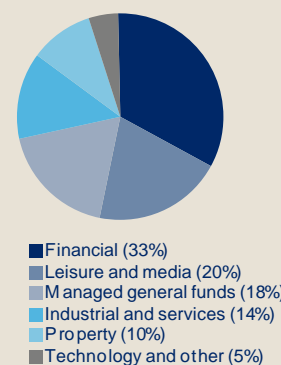
## Investor information

AITC sector Global Growth  
 Fund type Investment Trust  
 Listing London Stock Exchange (SEDOL 0163992)  
 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

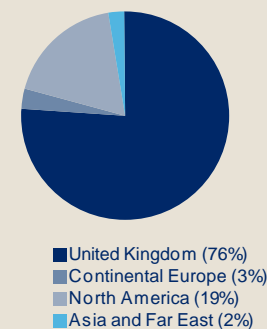
## Total return growth



## Sector analysis



## Geographic analysis



## Performance

	Value 31/12/03	Cumulative change %	
		5 yr	10 yr
NAV per share (p)	1200		
Share price (p)	948		
FTSE All-Share	2207.38		
Share price total return		58.0	136.2
FTSE All-Share Total Return		(5.3)	81.1
Outperformance		63.3	55.1

Source: Caledonia Investments plc and FTSE/Datastream.

## Caledonia Investments plc

All figures as at 31 December 2003. 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 guarantee of future performance. Under no circumstances should this information be considered as an offer, or solicitation, to deal in investments.