



Caledonia Investments plc

Interim Management Statement for the quarter ended 30 June 2010

Caledonia Investments plc ("Caledonia" or the "Company") is one of the UK's largest investment trusts and is self-managed. The ability to identify opportunities through an extensive network, invest in significant stakes and become involved with the managements of investee companies underpins its investment approach, through which it seeks 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.

Caledonia presents its interim management statement for the quarter ended 30 June 2010 and up to the date of publication.

Material events

- o Investments and realisations during the period totalled £14.4m and £9.8m respectively.
- o Due to the significant decline in the FTSE All-Share index since Caledonia's latest review of unquoted investment valuations at 31 March 2010, net assets were reduced by £47.8m. This adjustment was calculated by applying the 12.6% decline in the FTSE All-Share index between 31 March and 30 June 2010 to the aggregate valuation of unquoted investments for which market prices were not readily available.

Financial position and performance summary

	<i>At 30 Jun 2010</i>	<i>At 31 Mar 2010</i>
Net assets	£1,078m	£1,182m
Diluted NAV per share	1854p	2034p
Share price	1583p	1625p
Discount	14.6%	20.1%
FTSE All-Share index	2544	2910

1. NAVs per share are calculated on a cum-income basis.

2. 30 June 2010 was the latest date on which an NAV per share was prepared.

At 30 June 2010, the Company had £3.8m of net liquidity, compared with £8.3m at 31 March 2010. The Company also has £100m of committed term bank facilities through two bilateral agreements for £50m revolving credit facilities with ING and The Royal Bank of Scotland, expiring in 2013, together with an overdraft facility of £10m. None of the facilities are presently drawn.

Investment portfolio

Ten largest holdings as at 30 June 2010

<i>Name</i>	<i>Business</i>	<i>Net assets</i>	
		<i>£m</i>	<i>%</i>
Close Brothers	Merchant banking	135.6	12.6
British Empire Securities	Investment trust	113.0	10.5
Cobepa	Investment company	67.2	6.2
Avanti Communications	Satellite communications	57.7	5.4
Bristow Group	Helicopter services	48.2	4.5
Oval	Insurance broking	43.9	4.1
London & Stamford Property	Property investment	36.7	3.4
A G Barr	Soft drinks	35.9	3.3
Eddington Capital funds	Funds of hedge funds	35.8	3.3
Dewan Housing Finance	Housing finance	33.6	3.1
		607.6	56.4
Other investments		522.7	48.4
Valuation adjustment		(47.8)	(4.4)
Cash and other net liabilities		(4.1)	(0.4)
Net assets		1,078.4	100.0

Further information

Caledonia publishes monthly fact sheets, which give further details of the investment and other activities during each month. These fact sheets and other information can be found on the Company's website at www.caledonia.com.

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Enquiries

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