

Monthly fact sheet

28 February 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 £7.3m and realised £2.7m. We realised £1.0m from a further reduction in our holding in British Empire, managed by Asset Value Investors, to 18.3% and invested the proceeds in the CF Asset Value Investors Global Fund. We also made a number of smaller follow-on investments and realisations.

As at the month end, Caledonia had £142.3m of liquidity, including £75m invested in three Sterling liquidity funds, managed by HBOS, RBS and Standard Life. These funds aim to deliver returns in excess of bank deposits.

Ten largest holdings

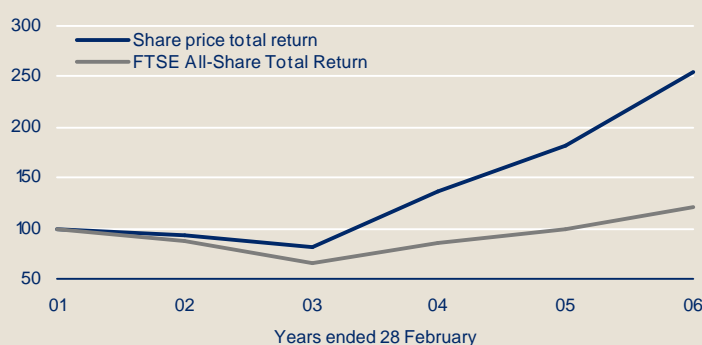
Name	Business	£m	%
Close Brothers	Merchant bank	186.1	14.8
British Empire	Investment trust	138.2	11.0
Kerzner International	Resort operator	112.2	8.9
Quintain Estates	Property developer	62.2	4.9
Rathbone Brothers	Fund manager	52.7	4.2
Polar Capital funds	Managed funds	40.6	3.2
Sterling Industries	Engineering	33.3	2.6
Cobepa	Investment company	26.1	2.1
Wallem	Shipping services	25.7	2.0
Oval	Insurance services	23.2	1.8
		700.3	55.5
Other investments		433.0	34.3
Net current assets		128.2	10.2
Net assets		1,261.5	100.0

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

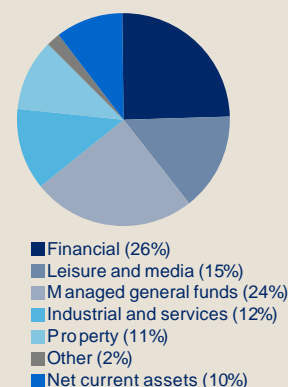
Caledonia Investments plc

All figures as at 28 February 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.

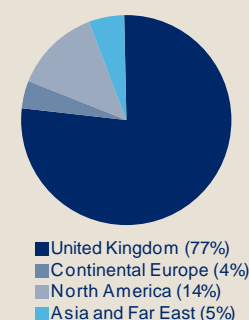
Total return growth



Sector analysis



Geographic analysis



Performance

	Value	Cumulative change %	
	28/02/06	5 yr	10 yr
NAV per share (p)	1992		
Share price (p)	1905		
FTSE All-Share	2956.1		
Share price total return		154.4	293.0
FTSE All-Share Total Return		20.5	117.1
Outperformance		133.9	175.9

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 plan, ISA, PEP/ISA qualifying
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