

Monthly fact sheet

30 June 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 and a positive total return over rolling five year periods 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 £17.2m and realised £7.3m. We invested a further £6.1m in Novae Group, pursuant to its rights issue. Novae Group is the new holding company of SVB, a Lloyd's insurance business. We invested a further £2.5m in Quintain Estates, the UK listed property investment and development company, increasing our stake to 7.3%. In addition, we invested a further £2.7m in some of our Indian quoted investments and £5.4m in investment funds. Realisations during the month comprised part of our holding in the Polar Capital Asia ex-Japan fund for £2.8m and the receipt of other fund distributions.

As a result of the above transactions, our liquidity decreased to £90m at the month end. The company is planning to distribute up to around £128m by way of an elective special on 13 July 2006. The actual amount paid out for the elective special dividend will depend upon the company's NAV per share net of the proposed final dividend of 20.5p per share as at the certification date of 7 July 2006 and on the level of elections by shareholders. In order to ensure full cash cover for a maximum possible take up, we have agreed a short term bank facility of £75m, in addition to our existing £10m working capital facility.

As previously reported, Kerzner International has agreed a cash offer of \$81 per share, subject to shareholder approval, valuing Caledonia's 8.0% stake at £131.0m (\$236.7m). This transaction is expected to be completed in August 2006 and we have hedged against currency movements on the expected sales.

Caledonia's shares went ex-dividend on 28 June 2006. However, the NAV as at 30 June 2006 is stated before the deduction of the proposed final dividend for the year ended 31 March 2006 of 20.5p per share in accordance with the requirements of International Financial Reporting Standards.

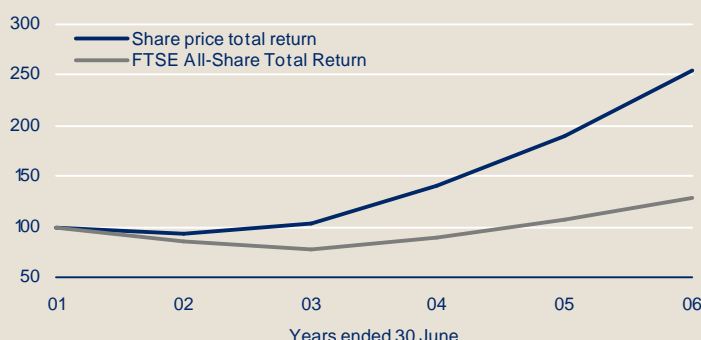
Ten largest holdings

Name	Business	£m	%
Close Brothers	Merchant bank	164.0	13.1
British Empire	Investment trust	130.5	10.4
Kerzner International	Resorts operator	125.2	10.0
Rathbone Brothers	Fund manager	60.5	4.8
Quintain Estates	Property developer	51.0	4.1
Polar Capital funds	Managed funds	47.1	3.8
Cobepa	Investment company	31.3	2.5
Edinmore	Property trading	29.0	2.3
Bristow Group	Helicopter services	26.1	2.1
Satellite Information Services	Betting information	25.6	2.1
		690.3	55.2
Other investments		487.4	39.0
Net current assets		73.2	5.8
Net assets		1,250.9	100.0

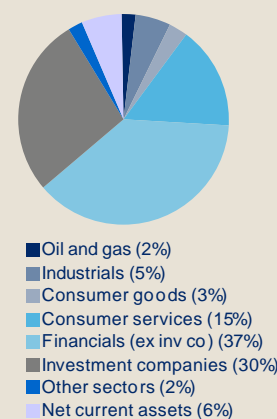
Caledonia Investments plc

All figures as at 30 June 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.

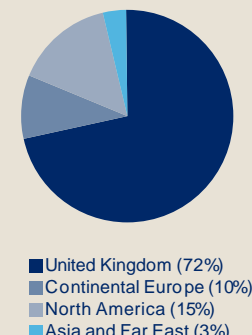
Total return growth



FTSE sector analysis



Geographic analysis



Performance

	Value at 30/06/06		Cumulative change %	
	Cum div	Ex div	5 yr	10 yr
NAV per share (p)	1973	1952		
Share price (p)	-	1907		
FTSE All-Share		2968		
Share price total return			154.9	269.2
FTSE All-Share Total Return			27.8	115.3
Outperformance			127.1	153.9

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 Contact	Direct, savings plan, ISA, PEP/ISA qualifying Cayzer House, 30 Buckingham Gate, London SW1E 6NN tel 020 7802 8080, fax 020 7802 8090 email enquiries@caledonia.com, web www.caledonia.com