

# Monthly fact sheet

31 August 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.

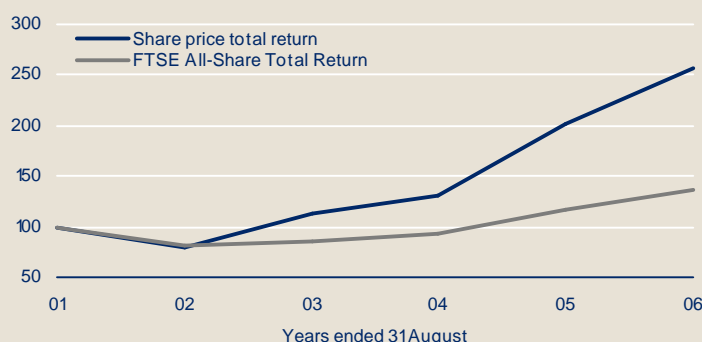
## Review

During the month, we invested a total of £3.3m and realised £2.2m. We invested a further £1.7m in a number of investments and a further £1.6m in private equity funds. Realisations during the month, totalling £2.2m, comprised a number of fund distributions.

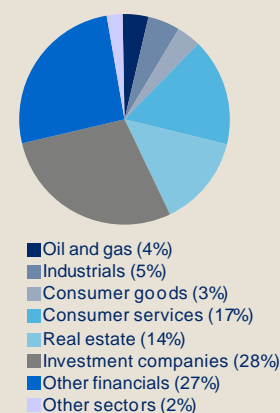
At the month end, we had net borrowings of £35.4m.

On 1 September 2006, Kerzner International announced the completion of its buyout at \$81 per share. Taking into account the dollar hedging we took out, we have now received £131.0m from this realisation. We will use these funds to repay our bank borrowings – all of which are short term – and to provide liquidity for further investment activity.

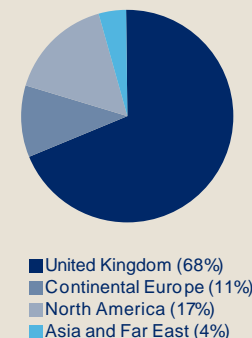
## Total return growth



## FTSE sector analysis



## Geographic analysis



## Ten largest holdings

Name	Business	£m	%
Close Brothers	Merchant bank	164.5	14.3
British Empire	Investment trust	133.6	11.6
Kerzner International	Resorts operator	124.2	10.8
Quintain Estates	Property developer	61.8	5.4
Rathbone Brothers	Fund manager	52.6	4.6
Polar Capital funds	Managed funds	47.6	4.1
Melrose Resources	Oil and gas exploration	33.7	2.9
Cobepa	Investment company	30.5	2.7
Edinmore	Property trading	29.5	2.6
Bristow Group	Helicopter services	26.4	2.3
		704.4	61.3
Other investments		499.5	43.5
Net current liabilities		(55.2)	(4.8)
Net assets		1,148.7	100.0

## Caledonia Investments plc

All figures as at 31 August 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.

## Performance

	Value at 31/08/06	Cumulative change % 5 yr	10 yr
NAV per share (p)	1980		
Share price (p)	1980		
FTSE All-Share	3008		
Share price total return		157.4	300.7
FTSE All-Share Total Return		36.6	110.8
Outperformance		120.8	189.9

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