

Monthly fact sheet

31 January 2007



CALEDONIA
INVESTMENTS

Caledonia is one of the UK's largest investment trusts and is self-managed. We aim to be a core investment for those seeking a store of increasing value, by investing for the longer term in a range of assets.

Our ability to identify opportunities through our extensive network, invest in significant stakes and involve ourselves with the managements of investee companies underpins our investment approach, through which we seek 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.

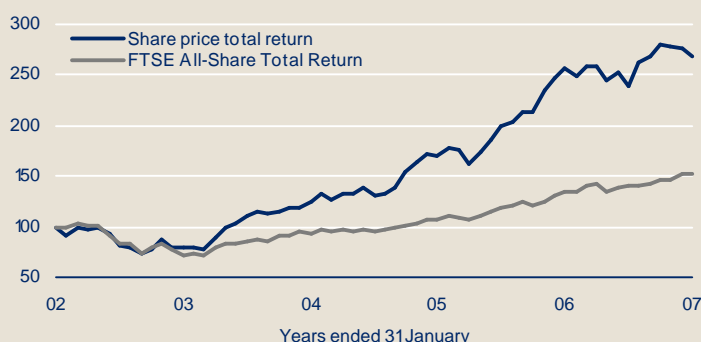
Review

During the month, we invested a total of £10.6m and realised £17.7m. We invested a further £3.7m in Avanti Screenmedia, the AIM listed screen-based advertising media and satellite communications business, increasing our stake to 22.8%. We invested a further £3.2m in Serica Energy, increasing our holding to 6.2%. Serica Energy is an AIM listed oil and gas exploration company, with primary activities in the UK North Sea and Indonesia. We also invested a total of £3.7m in other new and follow-on situations. We realised £7.4m in loan repayments from Celerant and Ermitage and redeemed our investment in the Polar Capital Market Neutral Absolute Return Fund for £3.2m. In addition, we received £5.0m in distributions from private equity funds and £2.1m from other realisations.

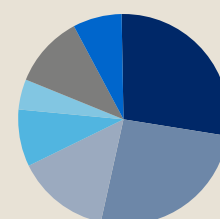
During the month, Polar Capital announced its intention to list on AIM on 6 February 2007. Accordingly, we have increased the valuation of our investment by £6.7m to £20.3m, reflecting the planned IPO value.

On 9 January 2007, we paid our interim dividend of 9.5p per share, amounting to £5.5m. At the end of the month, net liquidity totalled £112.0m.

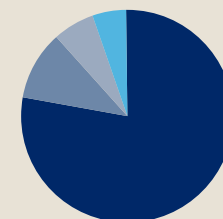
Total return growth



Business analysis



Geographic analysis



Ten largest holdings

Name	Business	£m	%
Close Brothers	Merchant bank	182.4	14.5
British Empire	Investment trust	131.5	10.5
Quintain Estates	Property developer	82.0	6.5
Rathbone Brothers	Fund manager	53.1	4.2
Polar Capital funds	Managed funds	40.6	3.2
Bristow Group	Helicopter services	39.8	3.2
Melrose Resources	Oil and gas exploration	37.4	3.0
Cobepa	Investment company	29.3	2.3
Oval	Insurance broking	25.7	2.0
Satellite Information Services	Betting information	25.6	2.0
		647.4	51.4
Other investments		516.5	41.0
Net current assets		95.8	7.6
Net assets		1,259.7	100.0

Caledonia Investments plc

All figures as at 31 January 2007. 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 31/01/07	Cumulative change % 5 yr	10 yr
NAV per share – undiluted (p)	2172		
NAV per share – diluted (p)	2149		
Share price (p)	2020		
FTSE All-Share	3212		
Share price total return		168.2	290.9
FTSE All-Share Total Return		51.4	105.7
Outperformance		116.8	185.2

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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