

Monthly fact sheet

31 July 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 £31.2m and realised £17.9m. We invested a further £7.4m in Quintain Estates & Development, the UK listed property investment and development business, increasing our holding to 7.9%. We invested £7.0m in a £32.0m high-yield debt financing of Avanti Communications, the UK listed provider of satellite telecommunications services, to complete the financing of its HYLAS satellite project in conjunction with the European Space Agency. We hold a 19.9% equity stake in Avanti Communications. We invested £10.0m in the newly launched Eddington Macro Opportunities fund, which will invest in macro and macro-related hedge fund managers with the potential to generate significant absolute returns in the medium to long term. In addition, we invested a total of £3.2m in other follow-on investments and £1.6m in fund drawdowns. During the month, we realised £9.3m and £6.1m respectively from our investments in the CF AVI Global Fund and the Polar Capital Global Technology Fund. We also realised £2.5m from other fund distributions.

At the beginning of July, via a wholly-owned subsidiary, we purchased a second FTSE 250 index put option, to partially hedge our portfolio against potential weakening in the UK equity market over the next year, at a cost of £2.0m.

During the month we bought into treasury 18,000 of our own shares at a price of 2006.66p.

At the end of the month, net liquidity totalled £91.3m. Net current assets included a £12.5m accrual for the final dividend for the year ended 31 March 2007 of 21.6p per share, payable on 2 August 2007.

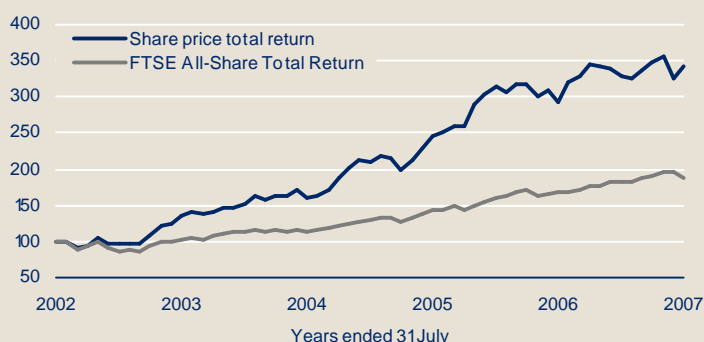
Ten largest holdings

Name	Business	£m	%
Close Brothers	Merchant bank	146.5	11.1
British Empire	Investment trust	139.3	10.6
Quintain Estates	Property developer	94.6	7.2
Rathbone Brothers	Fund manager	59.6	4.5
Bristow Group	Helicopter services	47.9	3.6
Polar Capital funds	Managed funds	43.8	3.3
Cobepa	Investment company	37.5	2.9
Melrose Resources	Oil and gas exploration	35.9	2.7
Oval Group	Insurance broking	32.6	2.5
Satellite Information Services	Betting information	25.9	2.0
		663.6	50.4
Other investments		573.8	43.7
Net current assets		77.0	5.9
Net assets		1,314.4	100.0

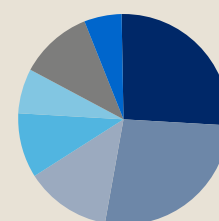
Caledonia Investments plc

All figures as at 31 July 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.

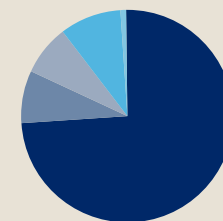
Total return growth



Business analysis



Geographic analysis



Performance

	Value at 31/07/07	Cumulative change % 5 yr	10 yr
NAV per share – undiluted (p)	2270		
NAV per share – diluted (p)	2243		
Share price (p)	2077		
FTSE All-Share	3289		
Share price total return		241.7	352.1
FTSE All-Share Total Return		89.0	91.3
Outperformance		152.7	260.8

NAV per share is stated after accruing for the final dividend of 21.6p.

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
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