

Monthly fact sheet

31 May 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.

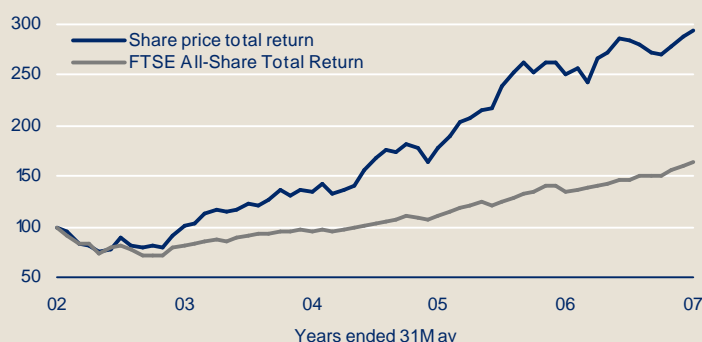
Our ability to identify opportunities through our extensive network, invest in significant stakes and involve ourselves with the managements of investee companies underpins our investment approach, through which we seek to deliver both a long term shareholder return in excess of the FTSE All-Share Total Return and a positive total return over rolling five year periods, whilst maintaining a progressive annual dividend.

Review

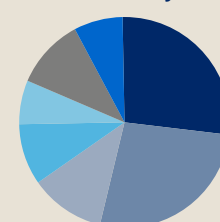
During the month, we invested a total of £1.0m and realised £2.6m. We invested a further £1.0m in Serica Energy, the AIM-listed international oil and gas exploration and production company, increasing our stake to 9.1%. We realised £2.5m from the share repurchase by Ashby Park, the private UK property investor, and £0.1m from loan repayments.

For the duration of our close period from the year end to the announcement of our results on 31 May 2007, we had given irrevocable instructions to JPMorgan Cazenove, our broker, to purchase the company's shares on our behalf. Under this mandate, 30,000 shares were purchased on 11 May 2007 at 2130p and will be held in treasury. The company now holds 170,000 shares in treasury. At the end of the month, net liquidity totalled £118.6m.

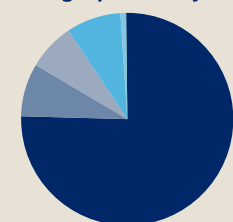
Total return growth



Business analysis



Geographic analysis



Ten largest holdings

Name	Business	£m	%
Close Brothers	Merchant bank	169.9	12.7
British Empire	Investment trust	141.7	10.6
Quintain Estates	Property developer	76.9	5.7
Rathbone Brothers	Fund manager	61.1	4.6
Bristow Group	Helicopter services	51.0	3.8
Polar Capital funds	Managed funds	48.0	3.6
Cobepa	Investment company	37.8	2.8
Melrose Resources	Oil and gas exploration	33.1	2.5
Oval Group	Insurance broking	32.6	2.4
Satellite Information Services	Betting information	25.9	1.9
		678.0	50.6
Other investments		560.7	41.8
Net current assets		101.8	7.6
Net assets		1,340.5	100.0

Performance

	Value at 31/05/07	Cumulative change % 5 yr	10 yr
NAV per share – undiluted (p)	2314		
NAV per share – diluted (p)	2286		
Share price (p)	2179		
FTSE All-Share	3439		
Share price total return		194.5	315.6
FTSE All-Share Total Return		63.8	108.7
Outperformance		130.7	206.9

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

Caledonia Investments plc

All figures as at 31 May 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.