

Monthly fact sheet

31 October 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 £9.6m and realised £7.4m. We invested a further £3.0m in Novae Group, the UK listed specialist insurance and reinsurance carrier, increasing our stake to 7.2%. We invested a further £1.8m in Empresaria Group, the UK listed international staffing group, increasing our holding to 17.3%. We also invested £2.3m to increase our stakes in some Indian and Vietnamese investments, £0.9m in fund drawdowns and £1.6m in other follow-on investments. We realised £3.0m from the sale of part of our holding in Oval, the private UK regional insurance broker, reducing our stake to 24.3%. We also realised £4.4m from fund distributions.

Via a wholly-owned subsidiary, we purchased a fifth FTSE 250 index put option, to hedge a further part of our portfolio against potential weakening in the UK equity market over the next year, at a cost of £2.0m. Our aggregate investment at cost in such options is £10.0m.

For the duration of our close period from 1 October 2007 until 27 November 2007, the planned date for the announcement of our interim results, we have given an irrevocable instruction to our broker, JPMorgan Cazenove, to purchase the company's shares on our behalf, within certain parameters. No shares were purchased under this mandate during the month.

At the end of the month, net liquidity totalled £36.4m.

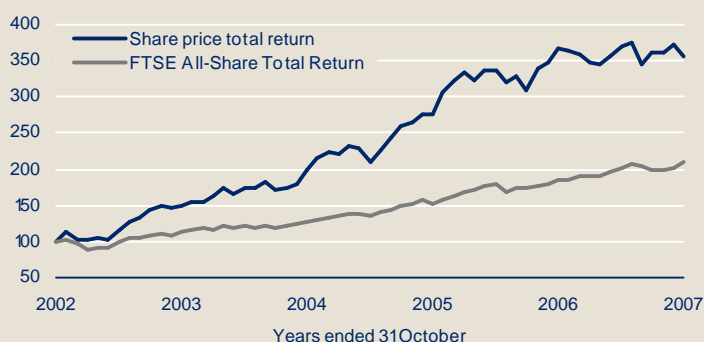
Ten largest holdings

Name	Business	£m	%
British Empire	Investment trust	143.1	10.9
Close Brothers	Merchant bank	138.2	10.5
Quintain Estates	Property developer	77.0	5.8
Rathbone Brothers	Fund manager	63.0	4.8
Bristow Group	Helicopter services	49.3	3.7
Polar Capital funds	Managed funds	42.0	3.2
Cobepa	Investment company	41.6	3.2
Oval	Insurance broking	39.8	3.0
Melrose Resources	Oil and gas exploration	39.4	3.0
Incisive Media	Business publishing	32.1	2.4
		665.5	50.5
Other investments		628.3	47.7
Cash and other net assets		23.3	1.8
Net assets		1,317.1	100.0

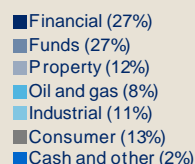
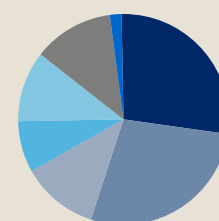
Caledonia Investments plc

All figures as at 31 October 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.

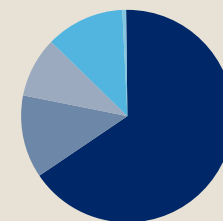
Total return growth



Business analysis



Geographic analysis



Performance

	Value at 31/10/07	Cumulative change % 5 yr	10 yr
NAV per share – undiluted (p)	2284		
NAV per share – diluted (p)	2257		
Share price (p)	2037		
FTSE All-Share	3454		
Share price total return		255.3	370.6
FTSE All-Share Total Return		110.0	101.5
Outperformance		145.3	269.1

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