

Monthly fact sheet

31 December 2008



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.

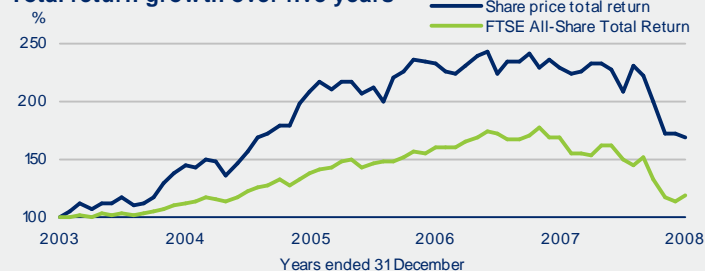
Review

During the month, we invested a total of £4.6m and realised £6.4m. We invested in further FTSE 100 put option contracts costing £2.0m. We also invested £1.9m in fund drawdowns and £0.7m in other follow-on situations. We received an initial £4.1m from the redemption of our investment in the Polar Capital Columbus fund. We realised a further £1.5m from the winding-up of Ermitage's Strategic Partners Fund and £0.8m from fund distributions and other realisations.

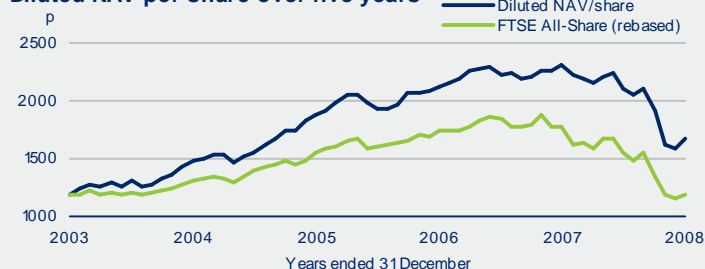
At the end of the month, net liquidity totalled £63.6m. Other net assets included a £5.9m accrual for the interim dividend of 10.3p per share, declared on 25 November 2008. The dividend will be paid on 8 January 2009 to shareholders registered on 12 December 2008.

In view of the recent volatility of equity markets and the fact that we revalue unquoted investments less frequently than our quoted portfolio, as an interim measure, we have included in the calculation of our net assets an overall valuation adjustment in respect of our unquoted portfolio as described in note 1 to the table below.

Total return growth over five years



Diluted NAV per share over five years



Ten largest holdings

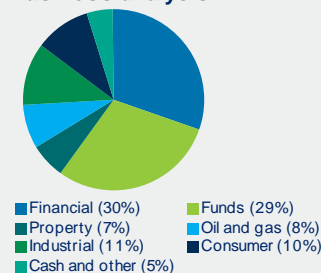
Name	Business	£m	%
Close Brothers	Merchant banking	103.5	10.6
British Empire Securities	Investment trust	95.5	9.8
Oval	Insurance broking	61.7	6.3
Cobepa	Investment company	56.0	5.7
Bristow Group	Helicopter services	44.3	4.5
Rathbone Brothers	Fund management	38.0	3.9
FTSE index options	FTSE index hedging	36.3	3.7
Eddington Capital funds	Funds of hedge funds	35.0	3.6
Satellite Information Services	Betting information	25.1	2.6
Polar Capital funds	Hedge and long-only funds	25.0	2.6
		520.4	53.3
Other investments		449.8	46.1
Valuation adjustment ¹		(40.3)	(4.1)
Cash and other net assets		45.6	4.7
Net assets		975.5	100.0

¹ The valuation adjustment comprises the 11.0% decline in the FTSE All-Share index since 30 September 2008, being the date of our last formal review, applied to the valuation of unquoted investments in aggregate, for which market prices are not readily available.

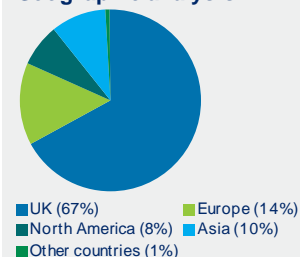
Caledonia Investments plc

All figures as at 31 December 2008. 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.

Business analysis



Geographic analysis



Performance

	Value at 31/12/08	Cumulative change % 5 yr	10 yr
Diluted NAV per share (p)	1673	39.7	n/a
Share price (p)	1465	54.5	91.3
FTSE All-Share	2209	0.1	(17.4)
Share price total return		69.5	167.8
FTSE All-Share Total Return		18.6	12.4
Outperformance		50.9	155.4

NAV per share is calculated on a cum-income basis.
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 scheme, ISA, PEP/ISA qualifying
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