

Monthly fact sheet

31 July 2010



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 £10.9m and realised £21.0m. We invested £5.0m in a £70.0m share placing by Avanti Communications, the AIM quoted satellite communications company, diluting our holding to 14.5%. The purpose of the share placing was principally to repay fixed term facilities (which included £7.0m of principal and £4.7m of interest and premium due to Caledonia) taken out to finance Avanti's first satellite, HYLAS 1, and to initiate the purchase of a third satellite, HYLAS 3. We also invested £5.9m in other investments and fund drawdowns. In addition to the Avanti loan repayment noted above, we redeemed our investment in Polar Capital Discovery Fund for £11.0m and realised £3.0m from fund distributions and other investment realisations.

Due to the significant decline in the FTSE All-Share during the period since our latest review of unquoted investment valuations at 31 March 2010, we had reduced net assets by £47.8m at 30 June 2010, based on the 12.6% fall in this index. At 31 July 2010, this adjustment was reduced to £25.3m, calculated by applying the 6.7% decline in the FTSE All-Share index between 31 March and 31 July 2010 to the aggregate valuation of unquoted investments for which market prices were not readily available.

At the end of the month, we held net liquidity of £23.7m.

Ten largest holdings

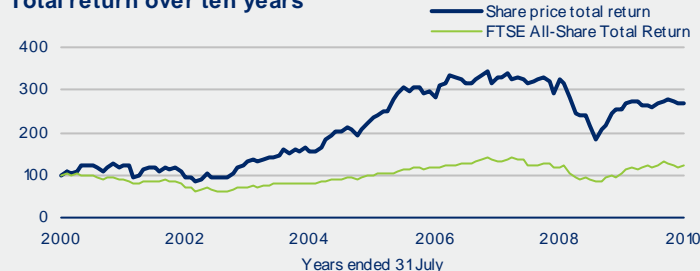
Name	Business	£m	%
Close Brothers	Merchant banking	131.9	11.8
British Empire Securities	Investment trust	117.5	10.5
Cobepa	Investment company	68.2	6.1
Avanti Communications	Satellite communications	53.7	4.8
Bristow Group	Helicopter services	52.2	4.7
Oval	Insurance broking	43.9	3.9
AG Barr	Soft drinks	40.7	3.6
Dewan Housing Finance	Housing finance	38.0	3.4
Melrose Resources	Oil and gas E&P	36.7	3.3
London & Stamford Property	Property investment	36.2	3.2
		619.0	55.3
Other investments		515.1	46.0
Valuation adjustment		(25.3)	(2.3)
Cash and other net assets		11.1	1.0
Net assets		1,119.9	100.0

In addition to British Empire Securities shown above, Caledonia has the following holdings in other investment companies: Polar Capital Global Healthcare (£1.7m).

Caledonia Investments plc

All figures as at 31 July 2010. 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.

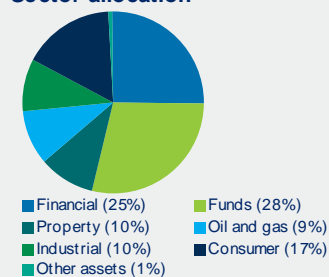
Total return over ten years



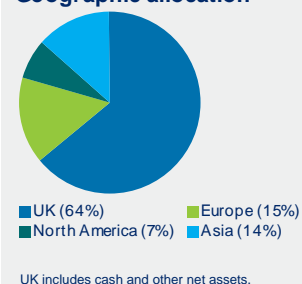
Diluted NAV per share over five years



Sector allocation



Geographic allocation



Allocations exclude valuation adjustment.

Performance

	Value at 31/07/10	Cumulative change % 5 yr	10 yr
Diluted NAV per share (p)	1925	18.8	n/a
Share price (p)	1604	4.3	114.9
FTSE All-Share	2715	2.7	(11.3)
Share price total return		14.4	170.3
FTSE All-Share Total Return		22.7	23.5
Relative TSR performance		(8.3)	146.8
Relative NAV performance		16.1	n/a

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 Contact: Direct, Caledonia Savings Scheme and ISA
 Cayzer House, 30 Buckingham Gate, London SW1E 6NN
 tel 020 7802 8080, fax 020 7802 8090
 email enquiries@caledonia.com, web www.caledonia.com