



## Caledonia Investments plc

### Interim Management Statement for the quarter ended 31 December 2008

Caledonia Investments plc ("Caledonia" or the "Company") is one of the UK's largest investment trusts and is self-managed. The ability to identify opportunities through an extensive network, invest in significant stakes and become involved with the managements of investee companies underpins its investment approach, through which it seeks 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.

Caledonia presents its interim management statement for the quarter ended 31 December 2008 and up to the date of publication.

#### **Material events**

- o The very sad death of the Company's Chairman, Peter Buckley, on 2 December 2008 after a short illness. James Loudon, Deputy Chairman, was appointed as Acting Chairman on the same date and as Chairman on 17 December 2008.
- o Investments during the period, totalling £12.0m, included a further £5.2m in Oval, the unquoted UK provider of insurance and financial services.
- o Realisations during the period, totalling £46.0m, included £24.9m of subsidiaries' loan repayments and share buy-backs and £13.4m from the redemption of investments in Ermitage and Polar Capital funds.
- o Realisation of FTSE 250 index put options and put spreads, costing £4.0m, for £13.1m, and investment of £6.3m in FTSE 100 put options by Caledonia and its hedging subsidiary.
- o 10.3p interim dividend, totalling £5.9m, declared on 25 November 2008 in respect of the year ending 31 March 2009. The ex-dividend date was 10 December 2008 and the dividend will be paid on 8 January 2009 to holders of shares on the register on 12 December 2008.

## Financial position and performance summary

	<i>At 31 Dec 2008</i>	<i>At 30 Sep 2008</i>
Net assets	£976m	£1,117m
Diluted NAV per share	1673p	1919p
Share price	1465p	1740p
Discount	12.4%	9.3%
FTSE All-Share index	2209	2484

1. NAVs per share are calculated on a cum-income basis.
2. 31 December 2008 was the latest date on which an NAV per share was prepared.
3. In view of volatility in the equity markets and the fact that the Company revalues unquoted investments less frequently than the quoted portfolio, the net assets at 31 December 2008 included an overall valuation adjustment, comprising the movement in the FTSE All Share Index since 30 September 2008 to the unquoted portion of the portfolio for which market prices are not readily available.

At 31 December 2008, the Company had £63.6m of net liquidity, compared with £17.1m at 30 September 2008. The Company also has £100m of committed term bank facilities through two bilateral agreements for £50m five year revolving credit facilities with ING and The Royal Bank of Scotland, arranged in July 2008, together with an overdraft facility of £10m. None of the facilities are presently drawn.

## Investment portfolio

Ten largest holdings as at 31 December 2008

<i>Name</i>	<i>Business</i>	<i>Net assets</i>	
		<i>£m</i>	<i>%</i>
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 comprised the 11.0% decline in the FTSE All-Share index since 30 September 2008, being the date of the Company's last formal review, applied to the valuation of unquoted investments in aggregate, for which market prices are not readily available

## Further information

Caledonia publishes monthly fact sheets, which give further details of the investment and other activities during each month. These fact sheets and other information can be found on the Company's website at [www.caledonia.com](http://www.caledonia.com).

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**Enquiries**

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