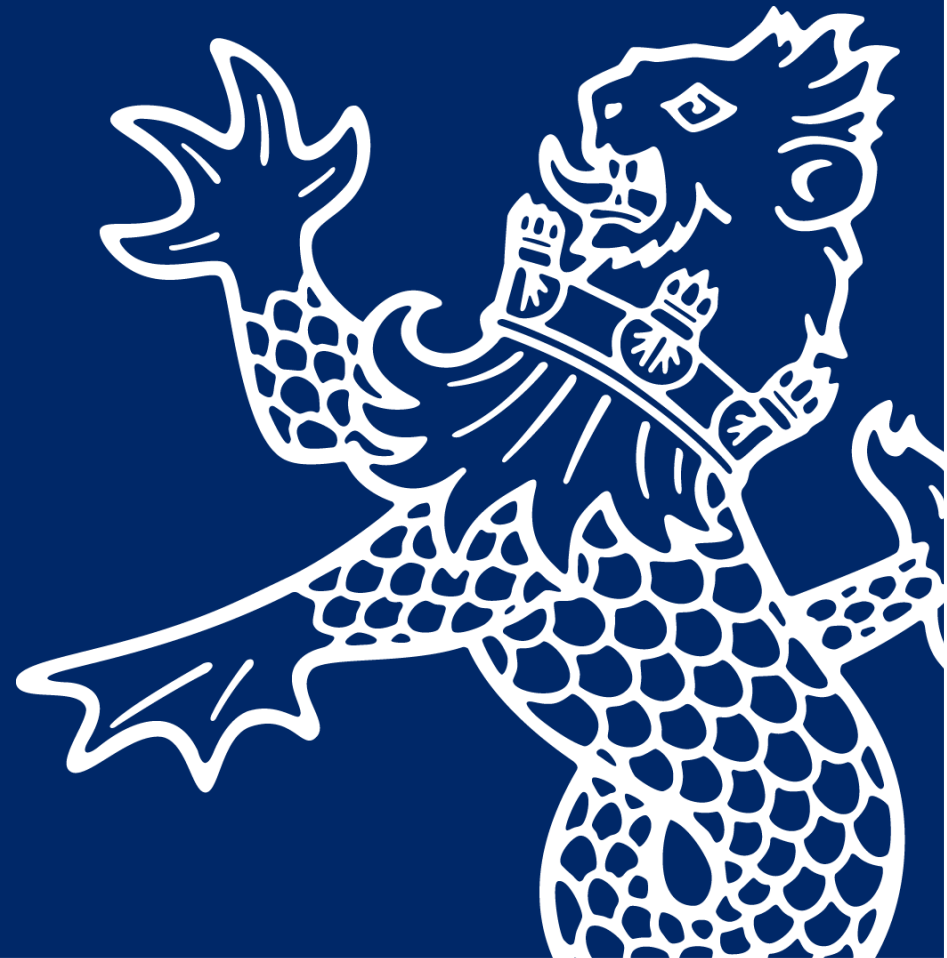




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Presentation of final results
for the year ending 31 March 2011





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Introduction and Highlights for the year

Will Wyatt
Chief Executive

Highlights year to 31 March 2011

- 6.4% increase in diluted NAV per share since 31 March 2010
- 1.0% outperformance of FTSE All-Share Index (up 5.4%)

Summary of the year

	31 Mar 2011	31 Mar 2010	Change
Diluted NAV per share	2165p	2034p	+6.4%
FTSE All-Share Index	3068	2910	+5.4%
Share price	1725p	1625p	+6.2%
Discount	20.3%	20.1%	
Dividend - Final	26.0p	24.7p*	+5.3%
- Full Year	37.1p	35.3p	+5.1%

* 2009/10 'Second Interim' dividend paid early in lieu of final dividend.

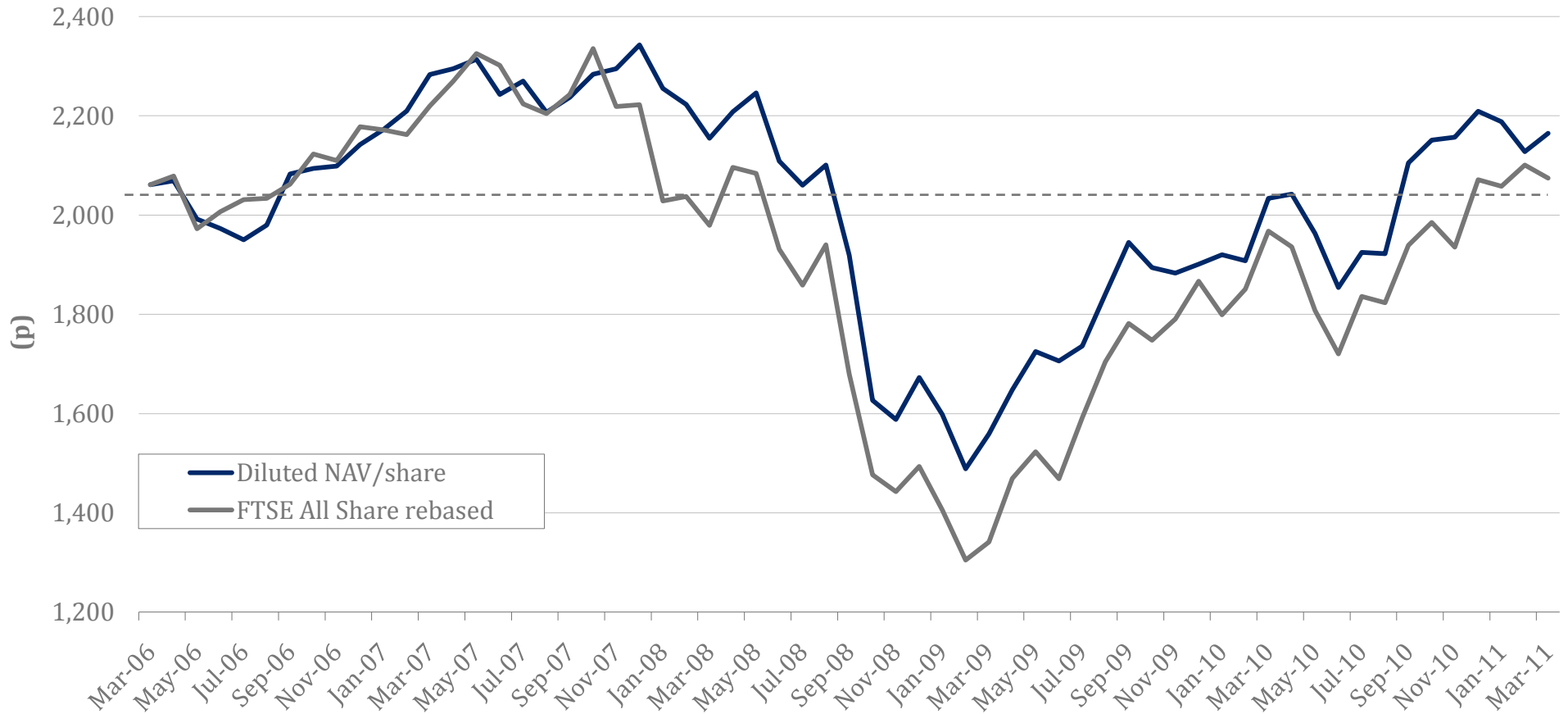
Highlights year to 31 March 2011

- NAV per share performance
 - +5.9% over 5 years (5.3% outperformance)
 - +136.1% over 8 years* (59.3% outperformance)
- TSR performance
 - 4.4% over 5 years (24.4% underperformance)
 - +171.5% over 10 years (113.5% outperformance)
- 44 years of rising dividends – 10 year CAGR 4.5%
- Global Growth TSR ranking (source: AIC)
 - 26th out of 28 trusts (5 years)
 - 4th out of 24 trusts (10 years)

Notes: TSR performance compared with FTSE All-Share Total Return Index
NAV performance compared with FTSE All-Share Index

* Eight years since conversion to investment trust status

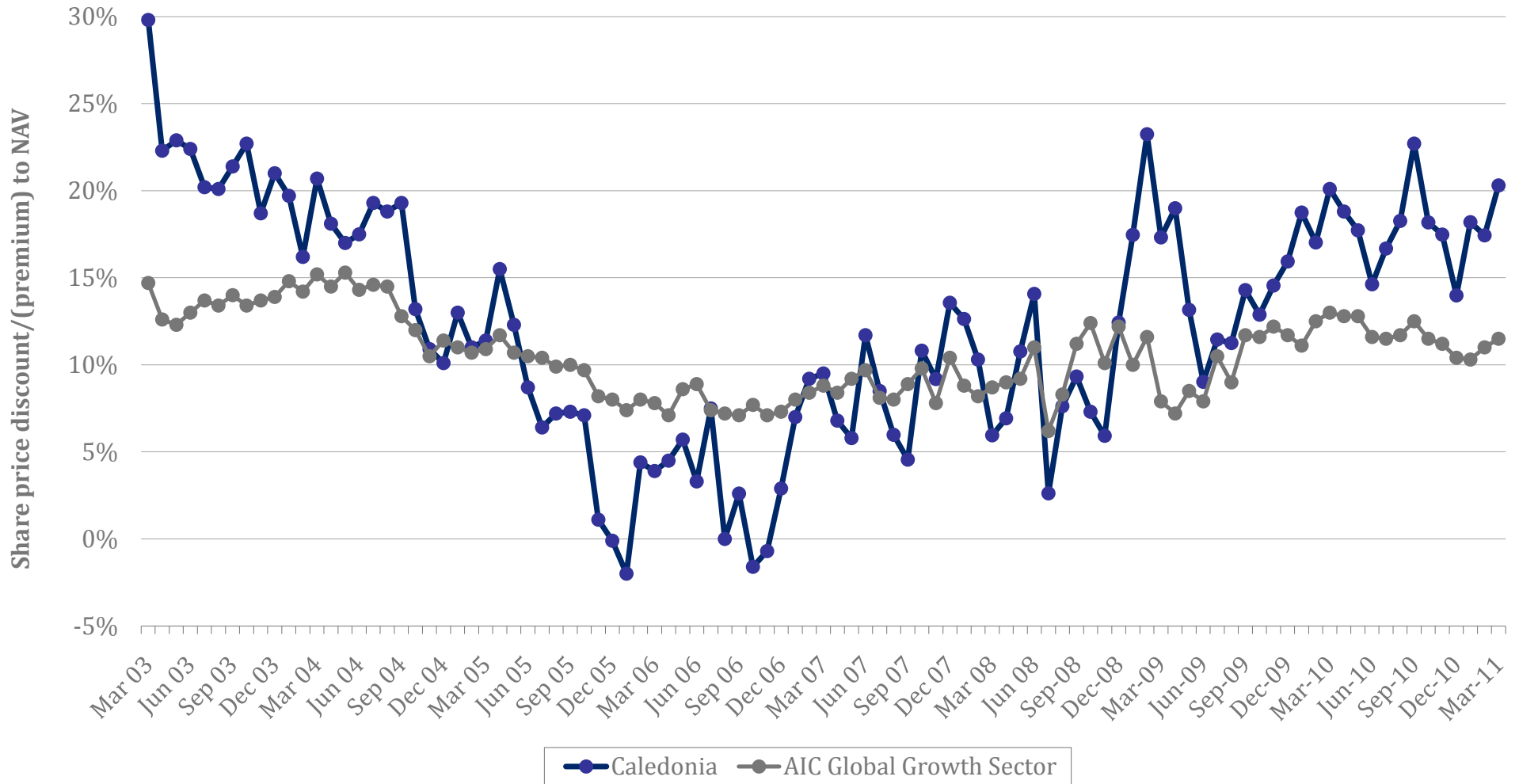
Diluted NAV per Share Performance since 31 March 2006



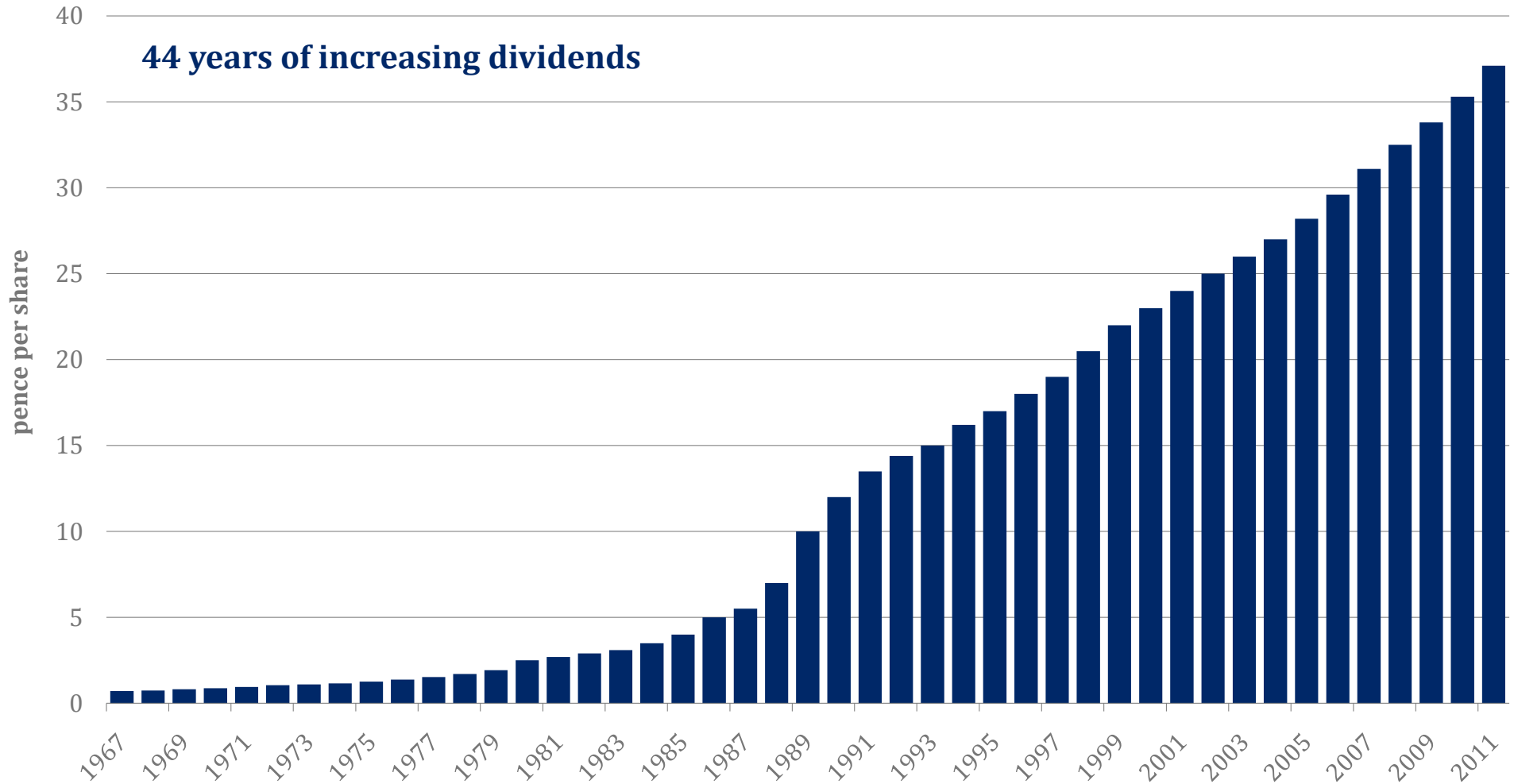
CAGR: Caledonia = +1.2%

FTSE All-Share = +0.1%

Share Price – discount/(premium) to NAV per share



Dividend Growth – 10 year CAGR 4.5%



Performance Attribution

	5 year change (%)	Change since conversion (%)
Net asset value per share performance	+5.9%	+136.1%
FTSE All-Share Index	+0.6%	+76.8%
Outperformance	+5.3%	+59.3%
Relative performance due to sector exposure	-3.1%	+9.4%
Relative performance due to stock selection	+13.7%	+56.6%
Management expenses as a % of NAV	-4.7%	-7.9%
Other	-0.6%	+1.2%
Outperformance	+5.3%	+59.3%

Note: Analysis of outperformance contains estimates

Significant Contributors to Performance during the year

Investment	Pool	Value 31 Mar 2010 £m	Value 31 Mar 2011 £m	Income in year £m	Total return in year £m
Close Brothers	Quoted	152.1	165.9	7.7	21.5
British Empire Securities	Funds	121.9	103.3	2.0	15.8
Amber Group	Unquoted	15.4	11.5	8.3	14.1
Cobepa	Unquoted	72.9	85.1	1.5	13.4
Bristow Group	Quoted	60.7	72.0	-	11.2
AG Barr	Quoted	32.3	42.0	0.8	10.5

Investment Activity during the year

- Total investments of £107m

	Holding %	£m
DP Home Finance	13.9	20.6
Income and Growth pool	n.a.	12.1
Gateway to India fund	93.8	9.8
Avanti Communications	14.6	8.7
Perlus Microcap	33.0	8.5

- Total realisations of £180m

	Proceeds £m	Realised gain £m
British Empire Securities	32.5	28.8
Rathbone Brothers	29.9	18.4
Eddington Capital Fund	29.2	(3.1)
Amber Group	9.6	8.2



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Financial Review

Stephen King
Finance Director

Summary of Comprehensive Income

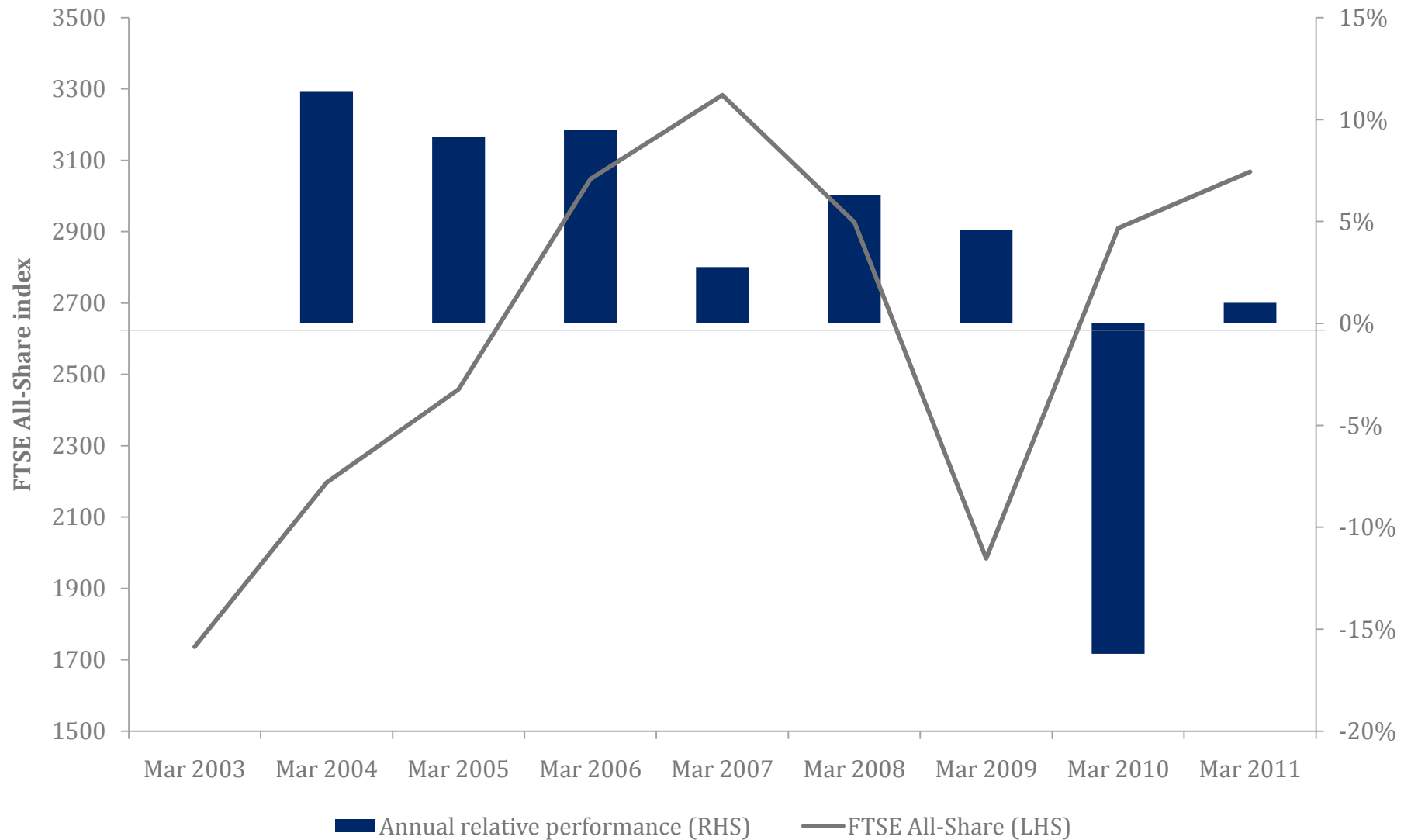
	2011 £m	2010 £m	Change £m
Investment and other income	33.2	33.0	0.2
Gains on investments	71.7	295.3	(223.6)
Total revenue	104.9	328.3	(223.4)
Management expenses	(10.2)	(13.1)	2.9
Other (including investment provisions)	(10.6)	(3.5)	(7.1)
Total comprehensive income	84.1	311.7	(227.6)

- TER 0.81% (industry average 1.4%)
- Reduction in management expenses reflects both the lapsing of 2008 deferred bonus awards and other staff related cost savings
- Increase in 'other' includes increase in investment provisions

Summary Balance Sheet

	2011 £m	2010 £m	Change £m
Investments and other non-current assets	1,184.0	1,184.6	(0.6)
Trade and other receivables	3.6	5.9	(2.3)
Cash and cash equivalents	101.2	8.3	92.9
Current assets	104.8	14.2	90.6
Total assets	1,288.8	1,198.8	90.0
Total liabilities	(30.1)	(17.2)	(12.9)
Net assets	1,258.7	1,181.6	77.1
Diluted net asset value per share	2165p	2034p	131p

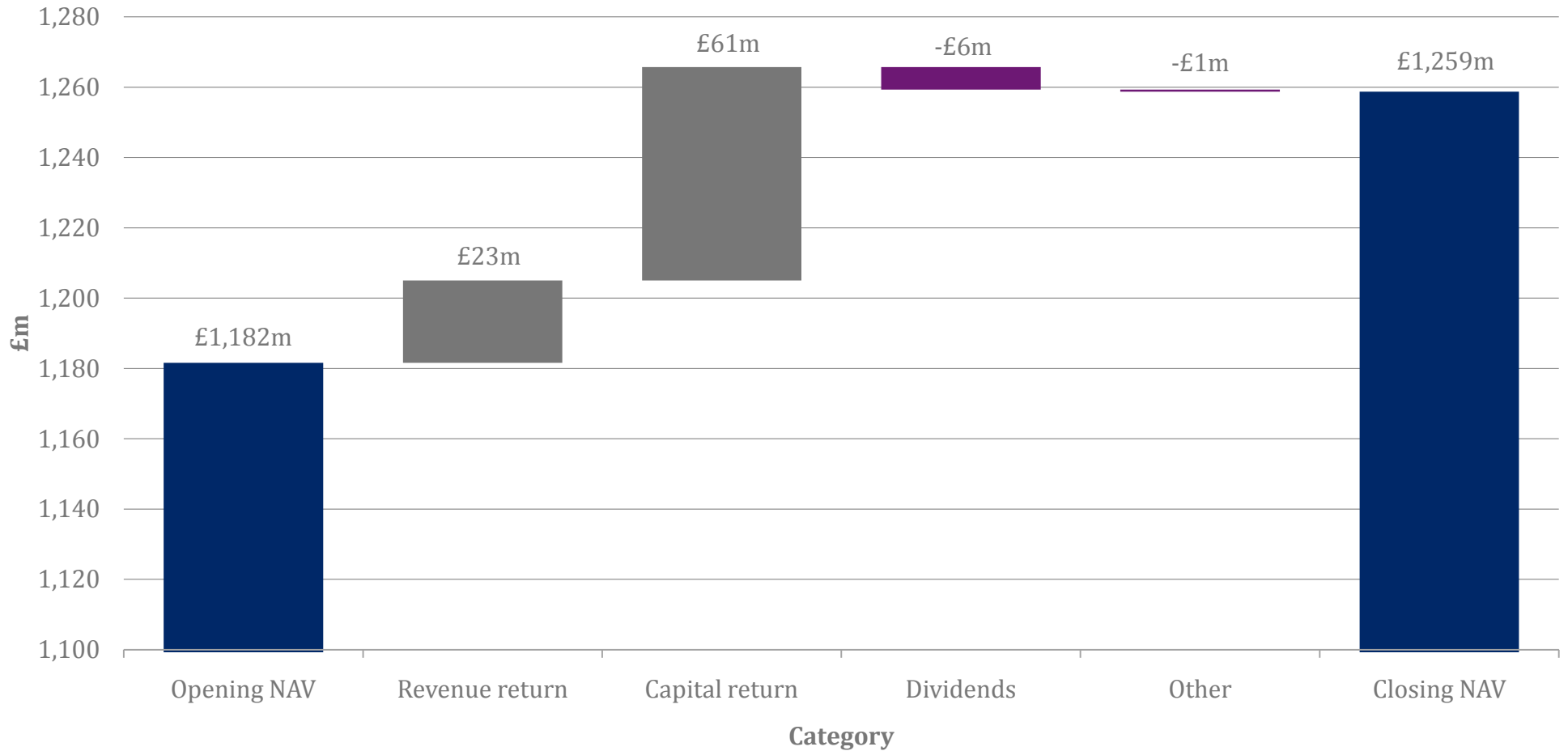
Caledonia NAV annual relative performance since conversion



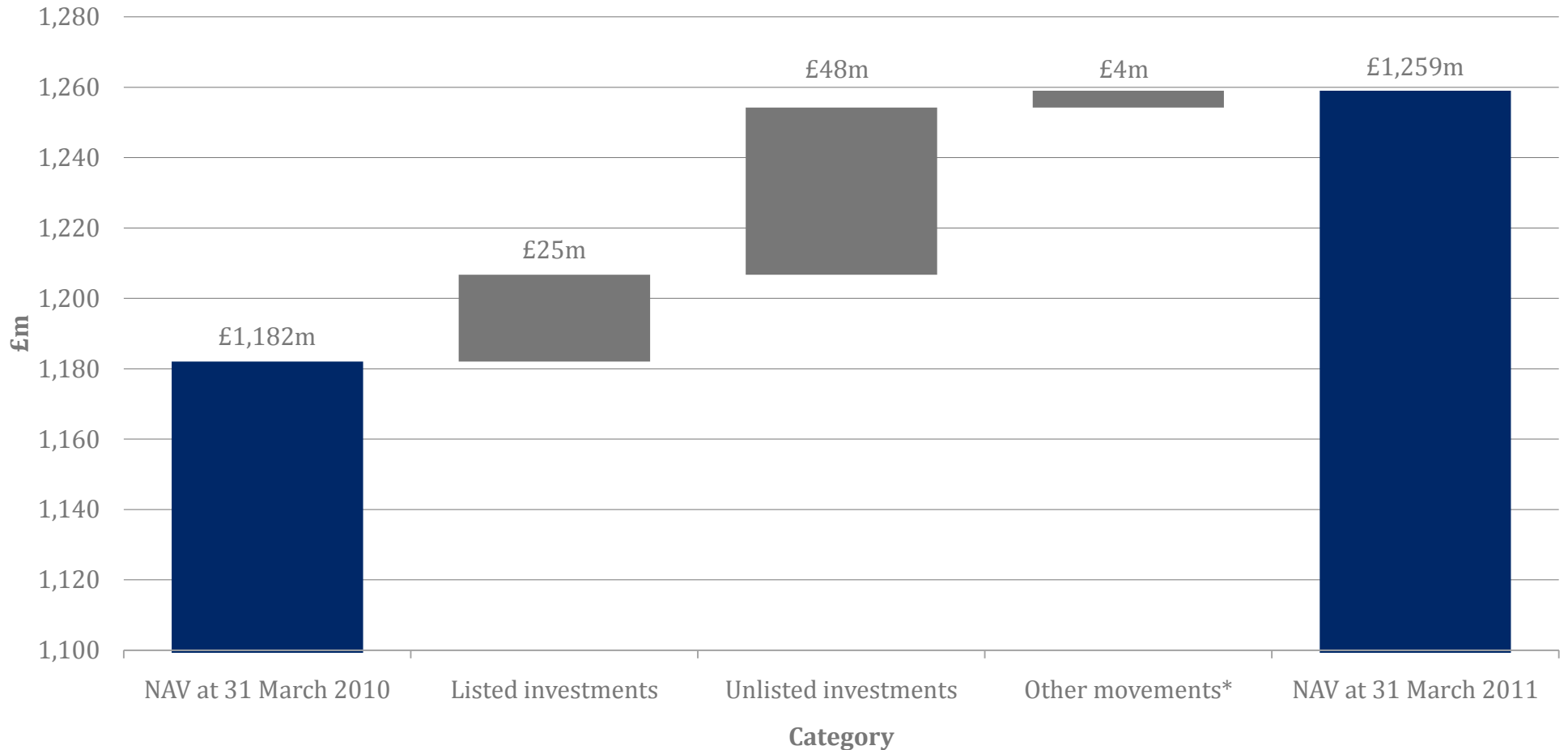
NAV Summary by Pool year to 31 March 2011

	Value 31 Mar 10 £m	Investments £m	Disposals £m	Net gains and other £m	Value 31 Mar 11 £m	Total return
Quoted	444.2	19.6	(55.3)	18.5	427.0	7.1%
Unquoted	264.1	2.6	(26.6)	41.1	281.2	19.6%
Asia	125.0	40.5	(8.3)	1.8	159.0	2.4%
Property	106.7	8.3	(1.3)	(8.4)	105.3	(6.7)%
Funds	244.6	23.6	(88.6)	19.0	198.6	10.2%
Income & Growth	-	12.1	-	-	12.1	0.8%
Total Investments	1,184.6	106.7	(180.1)	72.0	1,183.2	8.4%
Cash	8.3	(98.6)	181.2	10.3	101.2	
Other	(11.3)	(8.1)	(1.1)	(5.2)	(25.7)	
Net Assets	1,181.6			77.1	1,258.7	6.1%

Movements in Net Asset Value

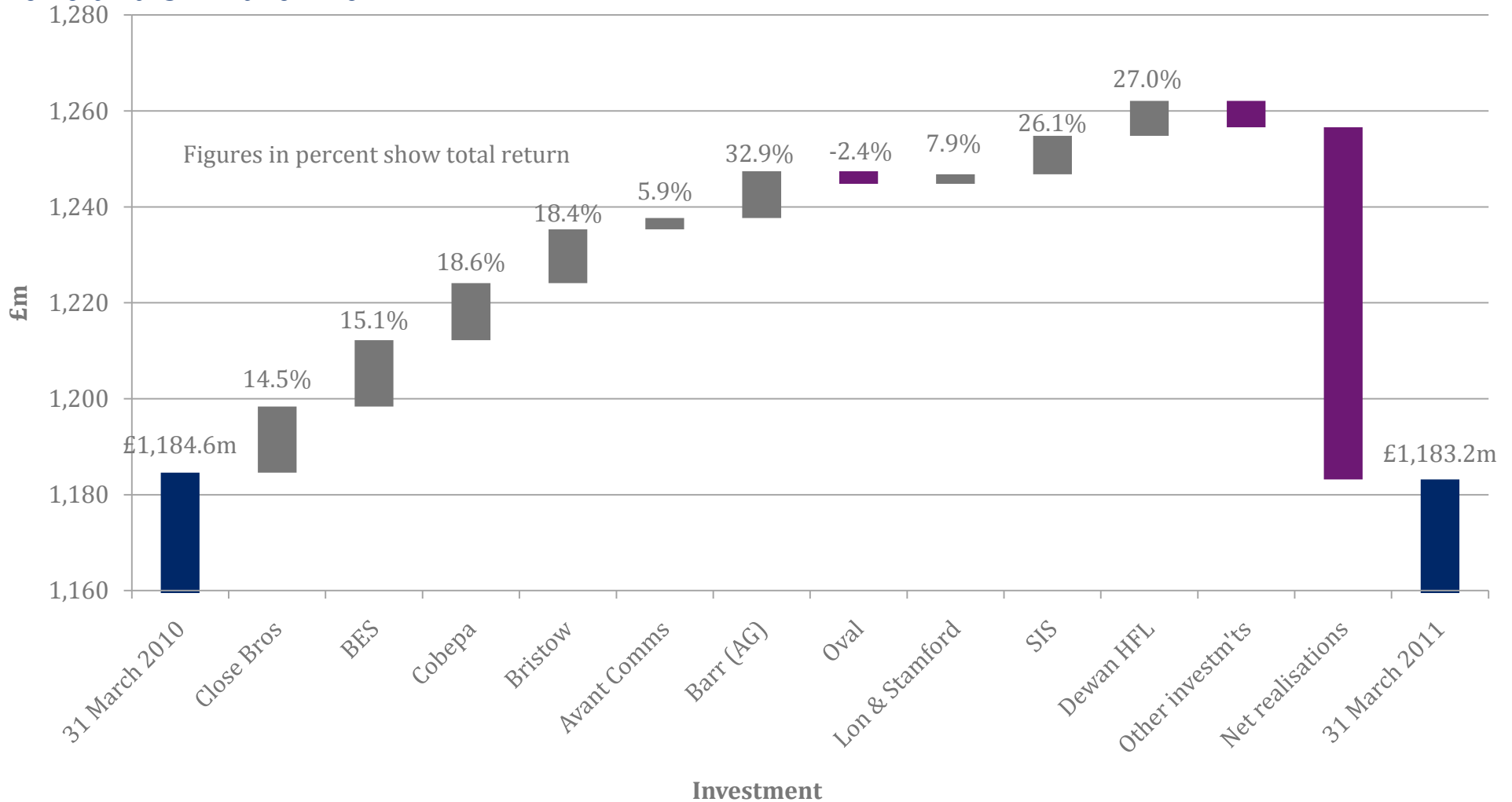


Change in Net Asset Value between 31 March 2010 and 31 March 2011



*Includes: income, dividends paid, management fees, change in provisions etc.

Top Ten Investments: contribution to change in portfolio value between 31 March 2010 and 31 March 2011



Cash / Facilities

- £101.2m liquidity at 31 March 2011 (£8.3m at 31 March 2010)
- £100m five year committed facilities: expiry July 2013
 - Revolver £100m
 - Margin: 80-85bp over LIBOR
 - Available but undrawn
- Overdraft facility £10m



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Strategy

Will Wyatt
Chief Executive

Aims

- To provide an increasing store of wealth for shareholders
- To provide an increasing annual income for shareholders

Strategy – investment philosophy

- Core investment philosophy
 - Invest in quoted and unquoted companies and funds
 - Global reach
 - Significant minority stakes with board representation
 - Long term approach
 - Value orientated style
 - Emphasis on high quality management
 - Concentrated portfolio
 - Introduce a new income and growth pool
- Avoid
 - Start-up or very early stage companies
 - Highly leveraged companies
 - Business models that we do not understand

Strategy – conclusions of review

- Long term returns excellent, deterioration in medium term TR performance
- Use of management resource inefficient
- Too many investments (68)
- Many were subscale (<£10m)
- Investment process required refreshing
- Portfolio yield too low at 1.9%
- Caledonia dividend yield at 2.0% low V's FTSE All-Share at 3.0%

Strategy – actions

- Reorientation of portfolio into pools of capital
- Investment and divestment process and criteria sharpened up
- Low portfolio yield to be addressed by:
 - new income and growth pool
 - requirement for yield from new investments
- Sub-scale investments being divested
- Minimum £10m size for new investments to be rigidly applied (max c.£50m)
- Direct unquoted investments restricted primarily to UK and India

Strategy – actions to improve returns

- Focus on investment themes – pools of capital
 - Managed by executives with relevant skills
 - New talent recruited to enhance existing team
- Concentrate on fewer larger investments in direct investments
- Increase portfolio yield – income to be an increasingly important part of overall return in the future
- Increased exposure to Asia

Strategy – pools of capital

Pool	Investment executive	31 Mar 2011 £m	31 Mar 2011 %	Possible future disposition
Quoted	Mathew Masters	427.0	34%	20-30%
Unquoted	Duncan Johnson	281.2	22%	20-30%
Asia	John May	159.0	13%	15-20%
Property	Charles Cayzer	105.3	8%	5-10%
Funds	Jamie Cayzer-Colvin	198.6	16%	10-15%
Income & Growth	Stephen Mitchell	12.1	1%	15-20%
Cash		101.2	8%	10-(10)%
Other		(25.7)	(2)%	
Net Assets		1,258.7	100%	

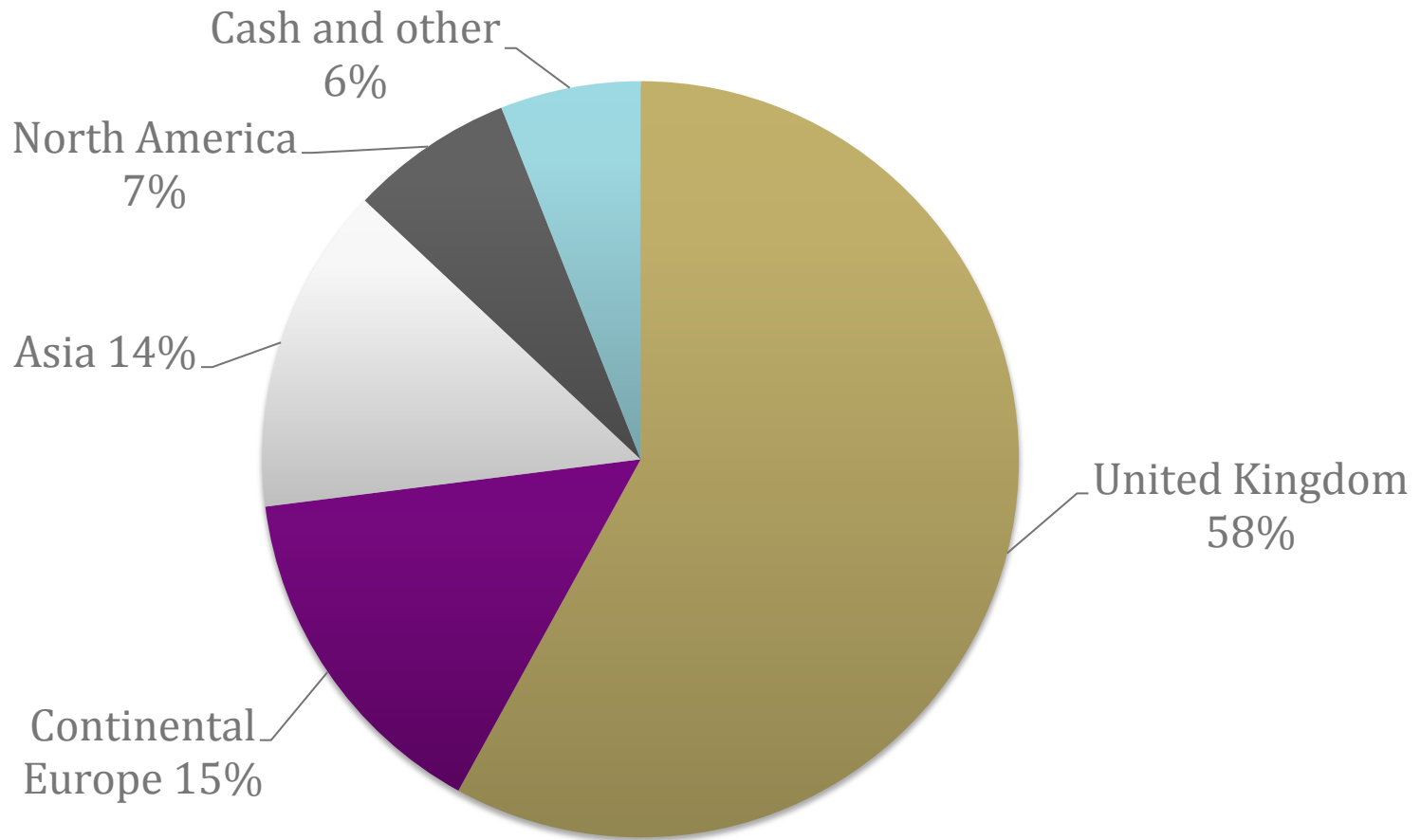
Key Themes for each Pool

- Quoted - Concentrated portfolio of 10-15 companies, partnership approach, long hold periods
- Unquoted - 8-10 companies, MBOs, growth/development capital, structured equity, co-investment
- Asia
 - India – selective direct portfolio of 3-5 companies with local partners, funds and private equity
 - China/SE Asia – via funds, private equity, holding companies
- Property - Principally via quoted companies, some direct/internal management team, UK only
- Funds - Private equity, long only, hedge funds, to access geographies/parts of market we want exposure to not covered by other pools (Europe & USA) and top class managers
- Income & Growth - 4.5-5.0% target yield, 35-45 core mid to large cap holdings, growth in business and dividends, diversified across geography and sector, store of liquidity

Strategy – actions to improve returns

- Focus on investment themes – pools of capital
 - Managed by executives with relevant skills
 - New talent recruited to enhance existing team
- Concentrate on fewer larger investments in direct investments
- Increase portfolio yield – income to be an increasingly important part of overall return in the future
- Increased exposure to Asia

Geography – 31 March 2011





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Closing Remarks

Will Wyatt
Chief Executive

Outlook

- Outlook for Western developed markets likely to reflect continued low economic growth
- Better growth opportunities exist in Asia and Far East
- Value to be found in certain equity markets but UK mid cap looks expensive
- Continued volatility expected in capital markets which can present opportunities
- Prices in unquoted markets back to historical highs
- Caledonia will seek good value in well managed companies
- Transition the portfolio to focus on fewer investments
- Invest in Income and Growth Pool
- Concentrate on stimulating deal flow



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Appendices

NAV Summary by Pool year to 31 March 2011

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Property	106.7	8.3	(1.3)	(8.4)	105.3	(6.7)%
Funds	244.6	23.6	(88.6)	19.0	198.6	10.2%
Income & Growth	-	12.1	-	-	12.1	0.8%
Total Investments	1,184.6	106.7	(180.1)	72.0	1,183.2	8.4%
Cash	8.3	(98.6)	181.2	10.3	101.2	
Other	(11.3)	(8.1)	(1.1)	(5.2)	(25.7)	
Net Assets	1,181.6	-	-	77.1	1,258.7	6.1%

Quoted Pool

Significant investments	Value 31 Mar 10 £m	Net cash investment and income £m	Net gains and income £m	Value 31 Mar 11 £m	Total return %
Close Brothers	152.1	(7.7)	21.5	165.9	15%
Bristow Group	60.7	0.1	11.2	72.0	18%
Avanti Communication	55.5	(3.0)	3.4	55.9	6%
AG Barr	32.3	(0.8)	10.5	42.0	33%
Melrose Resources	35.0	(0.4)	(5.1)	29.5	(15)%
Other	108.6	(35.7)	(11.2)	61.7	
Total	444.2	(47.5)	30.3	427.0	7.1%

Unquoted Pool

Significant investments	Value 31 Mar 10 £m	Net cash investment and income £m	Net gains and income £m	Value 31 Mar 11 £m	Total return %
Cobepa	72.9	(1.2)	13.4	85.1	19%
Oval	43.9	(1.2)	(1.1)	41.6	(2)%
Satellite Information Services	30.5	-	8.0	38.5	26%
Sterling Industries	15.6	-	9.8	25.4	63%
Celerant Group	16.6	-	7.3	23.9	44%
Other	84.6	(38.1)	20.2	66.7	
Total	264.1	(40.5)	57.6	281.2	19.6%

Asia Pool

Significant investments	Value 31 Mar 10 £m	Net cash investment and income £m	Net gains and income £m	Value 31 Mar 11 £m	Total return %
Dewan Housing Finance	27.1	2.8	7.7	37.6	27%
Alok Industries	31.7	(2.2)	(0.7)	28.8	(2)%
DP Home Finance	-	20.6	0.4	21.0	3%
Capital Today China	11.7	2.2	6.8	20.7	53%
Eredene Capital	11.1	-	(0.5)	10.6	(4)%
Other	43.4	7.4	(10.5)	40.3	
Total	125.0	30.8	3.2	159.0	2.4%

Property Pool

Significant investments	Value 31 Mar 10 £m	Net cash investment and income £m	Net gains and income £m	Value 31 Mar 11 £m	Total return %
London & Stamford	37.4	(0.9)	2.9	39.4	8%
Quintain Estates	31.5	-	(7.1)	24.4	(22)%
Edinmore Investments	5.1	6.9	0.3	12.3	4%
Buckingham Gate	10.3	-	0.2	10.5	1%
Real Estate Investors	8.7	-	(1.7)	7.0	(20)%
Other	13.7	-	(2.0)	11.7	
Total	106.7	6.0	(7.4)	105.3	(6.7)%

Funds Pool

Significant investments	Value 31 Mar 10 £m	Net cash investment and income £m	Net gains and income £m	Value 31 Mar 11 £m	Total return %
British Empire Securities	122.0	(34.5)	15.8	103.3	15%
Nova Springboard	22.7	-	1.5	24.2	7%
Pragma funds	12.8	0.1	0.5	13.4	4%
Perlus Microcap	-	8.5	1.8	10.3	44%
Greenhill Capital funds	8.4	(0.3)	0.9	9.0	10%
Other	78.7	(41.4)	1.1	38.4	
Total	244.6	(67.6)	21.6	198.6	10.2%