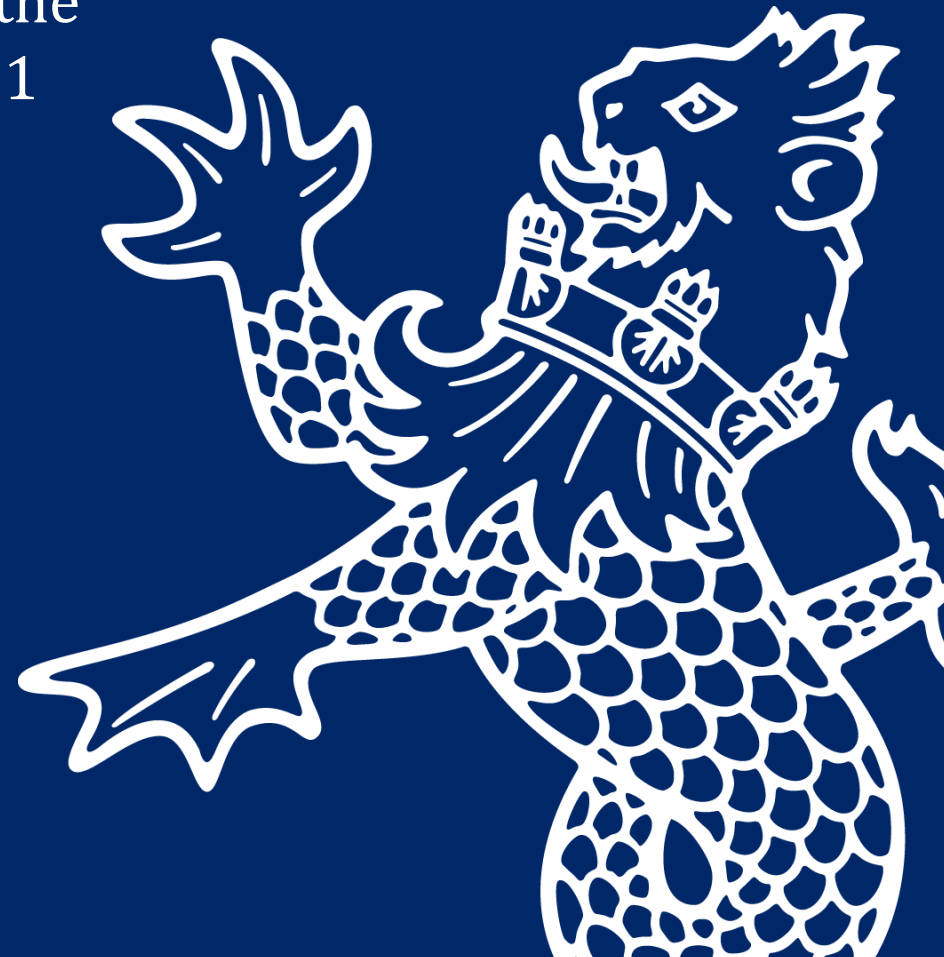




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Presentation of half-year results for the  
six months ended 30 September 2011





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# Introduction and Highlights for the six months

Will Wyatt  
Chief Executive

## Highlights six months to 30 September 2011

- 13.4% decrease in diluted NAV per share since 31 March 2011
- 0.1% NAV outperformance of FTSE All-Share Index (down -13.5%)
- 12.3% decrease in diluted NAV total return per share since March 2011 (0.5% underperformance vs FTSE All-Share TR)

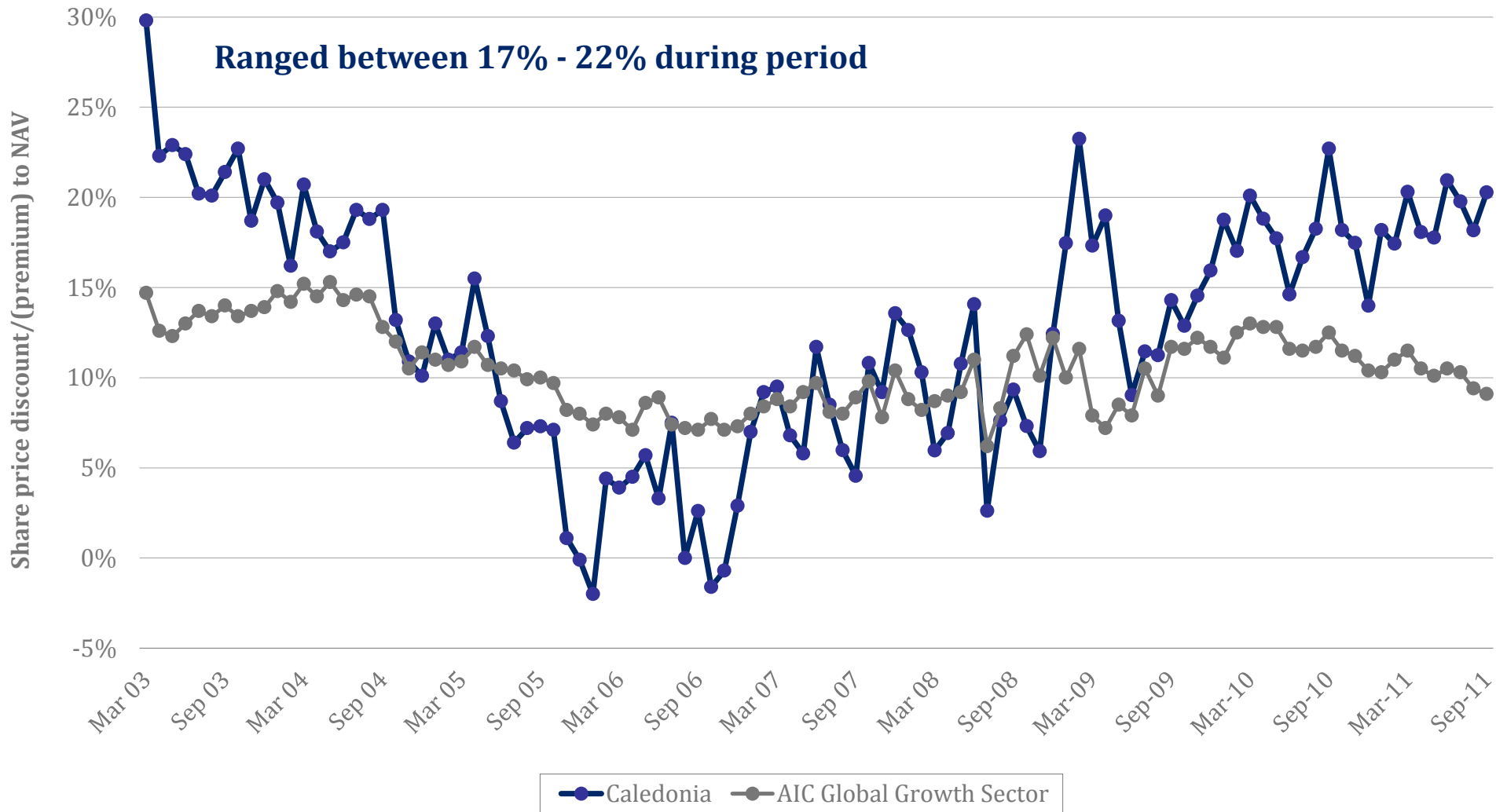
Summary of the six months	30 Sep 2011	31 Mar 2011	Change
Diluted NAV per share	1876	2165p	-13.4%
FTSE All-Share Index	2654	3068	-13.5%
Share price	1495p	1725p	-13.3%
Discount	20.3%	20.3%	
Interim Dividend	11.7p	11.1p	+5.4%

## Highlights six months to 30 September 2011

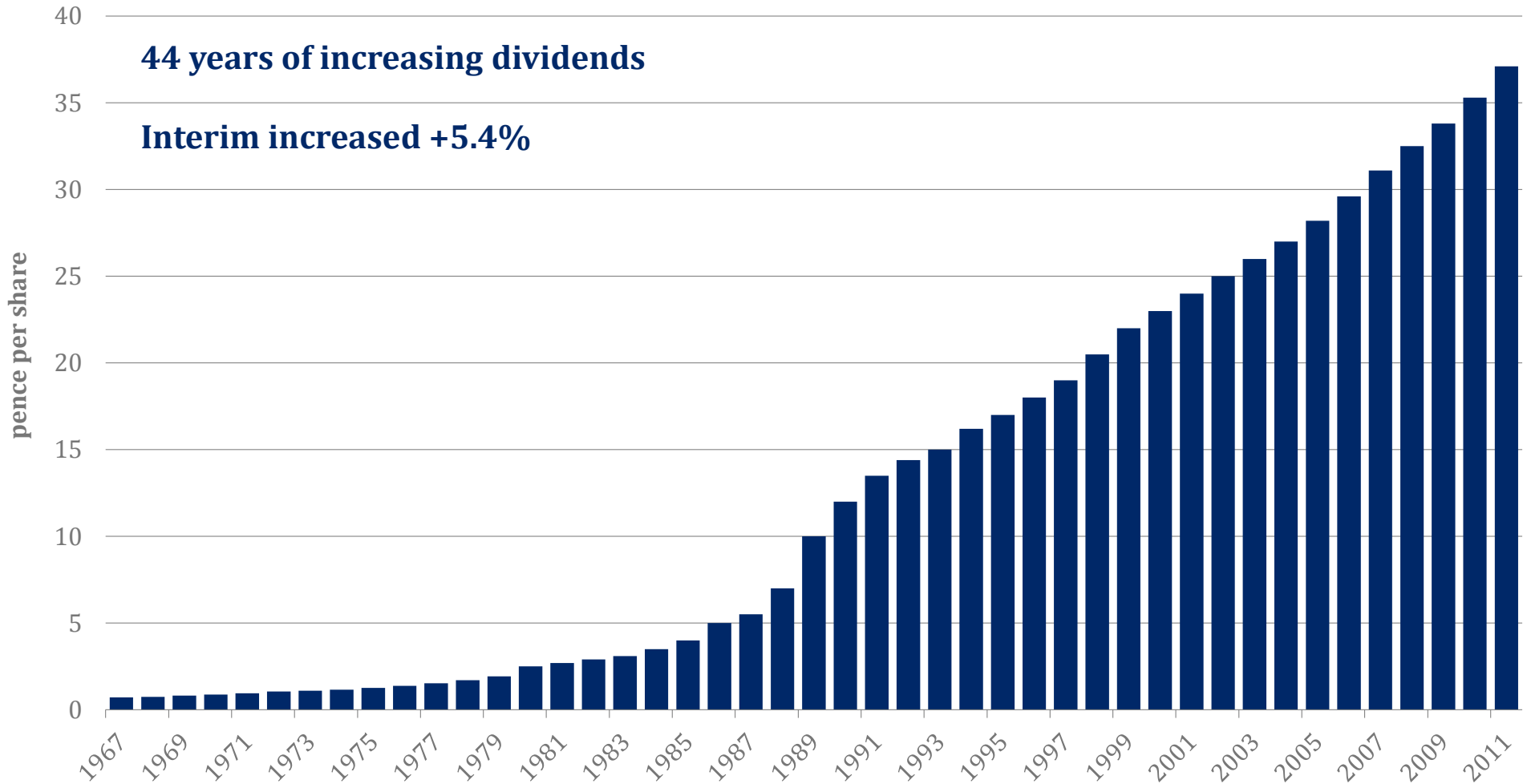
- NAV per share performance
  - 9% over 5 years (4.0% outperformance)
  - +104.6% over 8½ years since conversion to IT status (51.7% outperformance)
- TSR performance
  - 18.8% over 5 years (22.8% underperformance)
  - +177.9% over 10 years (118.7% outperformance)
- 44 years of rising dividends - interim increase +5.4%
  - 10 year CAGR 4.5%

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

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



## Dividend Growth – 10 year CAGR 4.5%

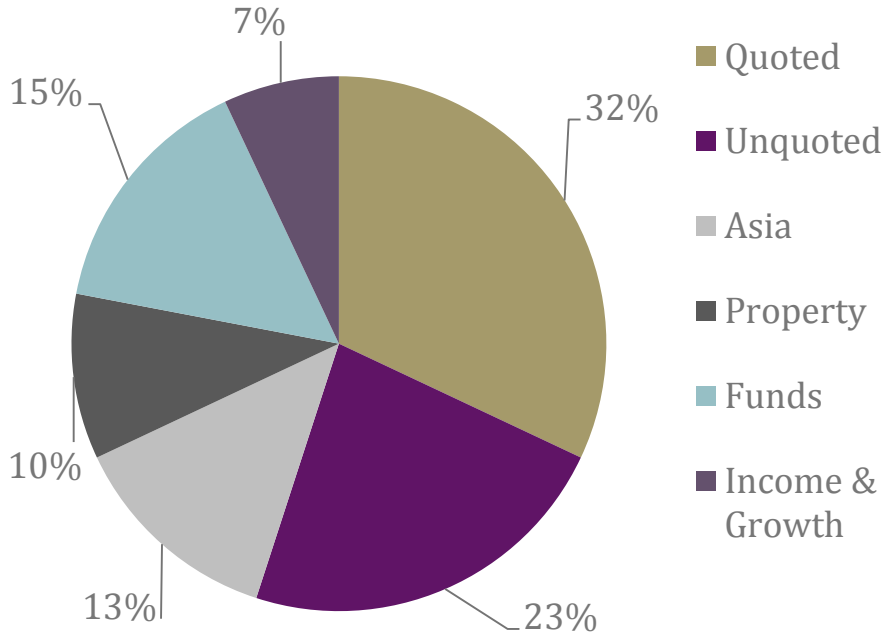


## NAV Summary by Pool period to 30 September 2011

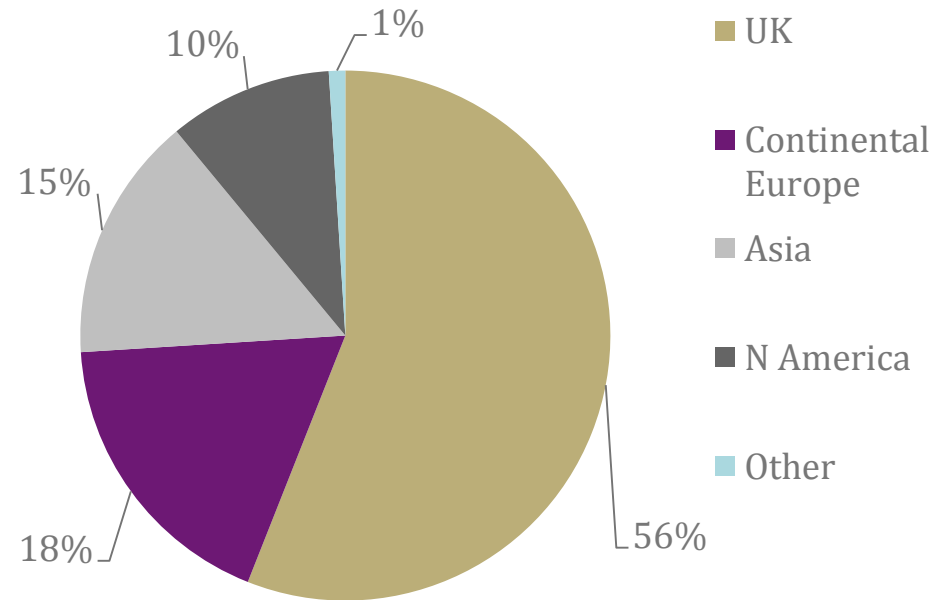
	Value 31 Mar 11 £m	Investments £m	Disposals £m	Net gains and other £m	Value 30 Sep 11 £m	Total return
Quoted	427.0	16.6	-	(88.2)	355.4	-19.8%
Unquoted	281.2	0.3	(4.9)	(16.2)	260.4	-4.3%
Asia	159.0	18.7	(11.9)	(18.1)	147.7	-10.4%
Property	105.3	4.7	(0.2)	(4.0)	105.8	-2.7%
Funds	198.6	12.6	(20.3)	(19.3)	171.6	-9.0%
Income & Growth	12.1	71.1	(1.8)	(7.2)	74.2	-12.9%
<b>Total Investments</b>	<b>1,183.2</b>	<b>124.0</b>	<b>(39.1)</b>	<b>(153.0)</b>	<b>1,115.1</b>	<b>-11.5%</b>
Cash	101.2	(130.9)	39.2	(7.8)	1.7	
Other	(25.7)	6.9	(0.1)	7.9	(11.0)	
<b>Total Assets</b>	<b>1,258.7</b>			<b>(152.9)</b>	<b>1,105.8</b>	<b>-12.1%</b>

# Portfolio by Pool and Geography as at 30 September 2011

### Pool Distribution



### Geographical Distribution



Region is based on the country of listing, country of domicile for unquoted investments and underlying regional analysis for funds.



## Significant Contributors to Performance during the period

Investment	Pool	Value 31 Mar 2011 £m	Value 30 Sep 2011 £m	Income in period £m	Total return in period £m
<i>Significant Outperformers</i>					
Capital Today China	Asia	20.7	27.2	-	10.2
Polar Capital	Quoted	14.5	19.3	0.6	5.4
Sterling Industries	Unquoted	25.4	28.1	1.5	4.2
<i>Significant Underperformers</i>					
Avanti Communications	Quoted	55.9	33.8	-	(23.4)
Close Brothers	Quoted	165.9	129.8	-	(36.1)
Melrose Resources	Quoted	29.5	16.2	0.4	(12.9)

## Investment Activity during the period

- Total investments of £124m

	Holding %	£m
<i>Significant Investments</i>		
Income and Growth pool	n.a.	71.1
Fund investments	n.a.	12.6
Eredene Capital	21.6	6.5

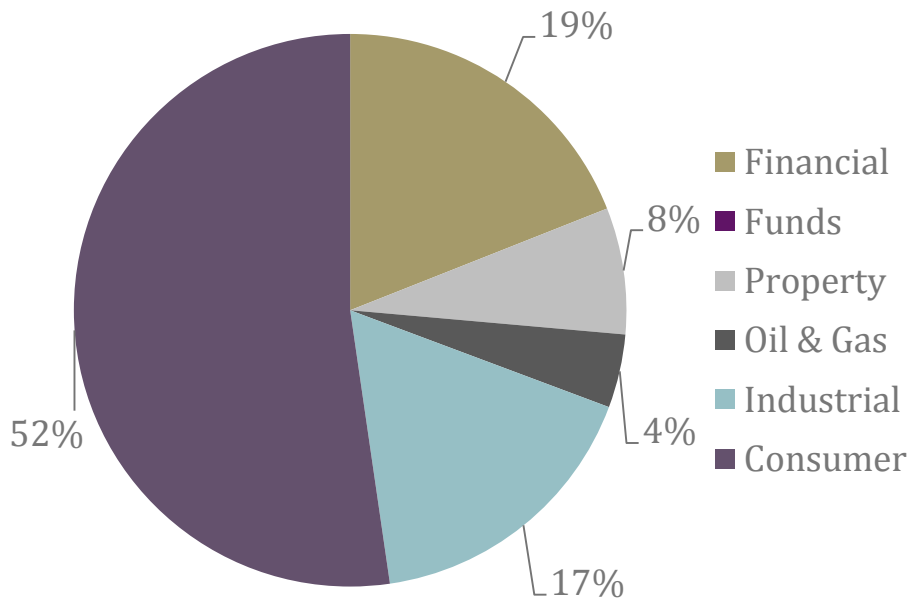
- Total realisations of £39m

	Proceeds £m	Realised gain/(losses) £m
<i>Significant Realisations</i>		
Nova Springboard	10.9	0.1
Alok Industries	5.3	0.4
Ermitage	5.3	(26.4)
Sacombank	2.2	(3.4)

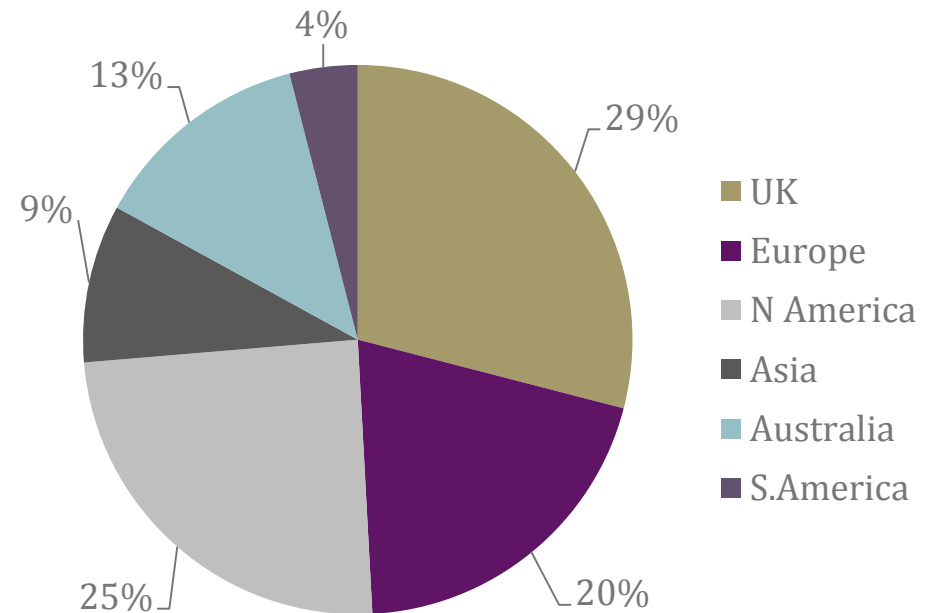
## Income and Growth Pool as at 30 September 2011

- 5.0% yield
- Stephen Mitchell

**Sector Distribution**



**Geographic Distribution**





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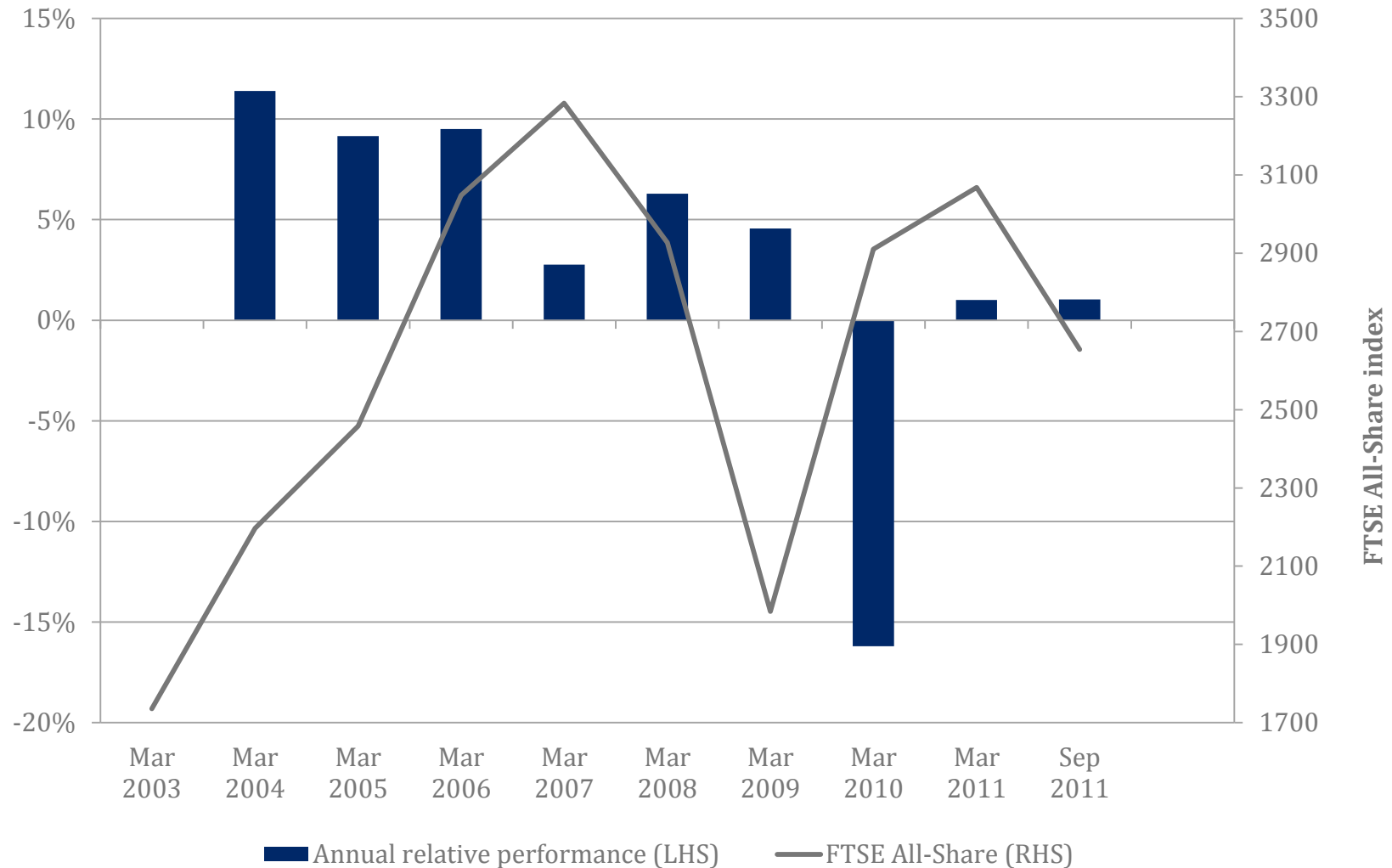
## Financial Review

Stephen King  
Finance Director

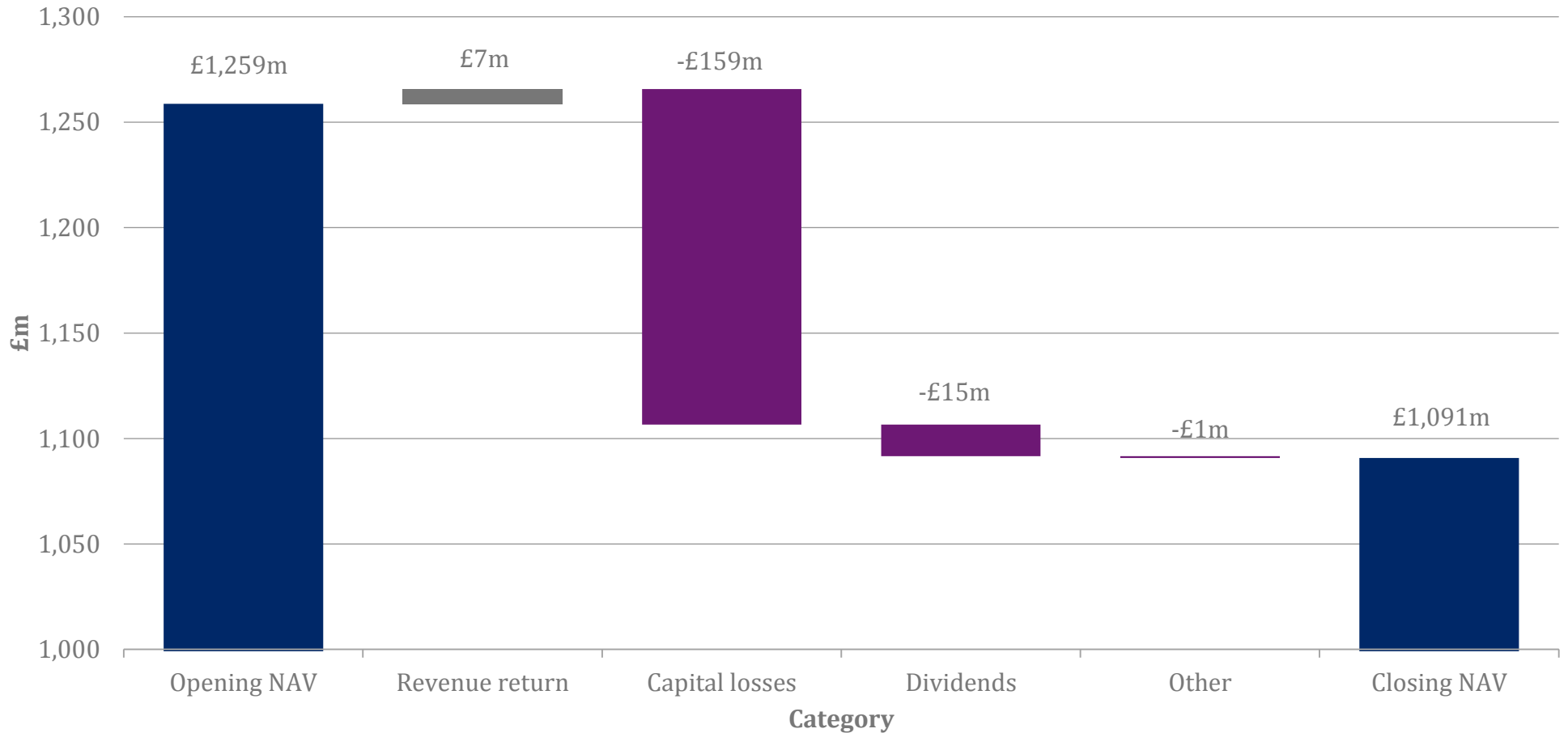
## Summary Statement of Financial Position as at 30 September 2011

	Sep 2011 £m	Mar 2011 £m	Change £m
<b>Investments and other non-current assets</b>	<b>1,113.9</b>	<b>1,184.0</b>	<b>(70.1)</b>
Trade and other receivables	7.4	3.6	3.8
Cash and cash equivalents	1.7	101.2	(99.5)
<b>Current assets</b>	<b>9.1</b>	<b>104.8</b>	<b>(95.7)</b>
<b>Total assets</b>	<b>1,123.0</b>	<b>1,288.8</b>	<b>(165.8)</b>
Interest-bearing loans and borrowings	(15.0)	–	(15.0)
Other liabilities	(17.2)	(30.1)	12.9
<b>Total liabilities</b>	<b>(32.2)</b>	<b>(30.1)</b>	<b>(2.1)</b>
<b>Net assets</b>	<b>1,090.8</b>	<b>1,258.7</b>	<b>(167.9)</b>
Diluted net asset value per share	1876p	2165p	(289p)

## Caledonia NAV annual relative performance since conversion



## Movements in Net Asset Value for the period as at 30 September 2011



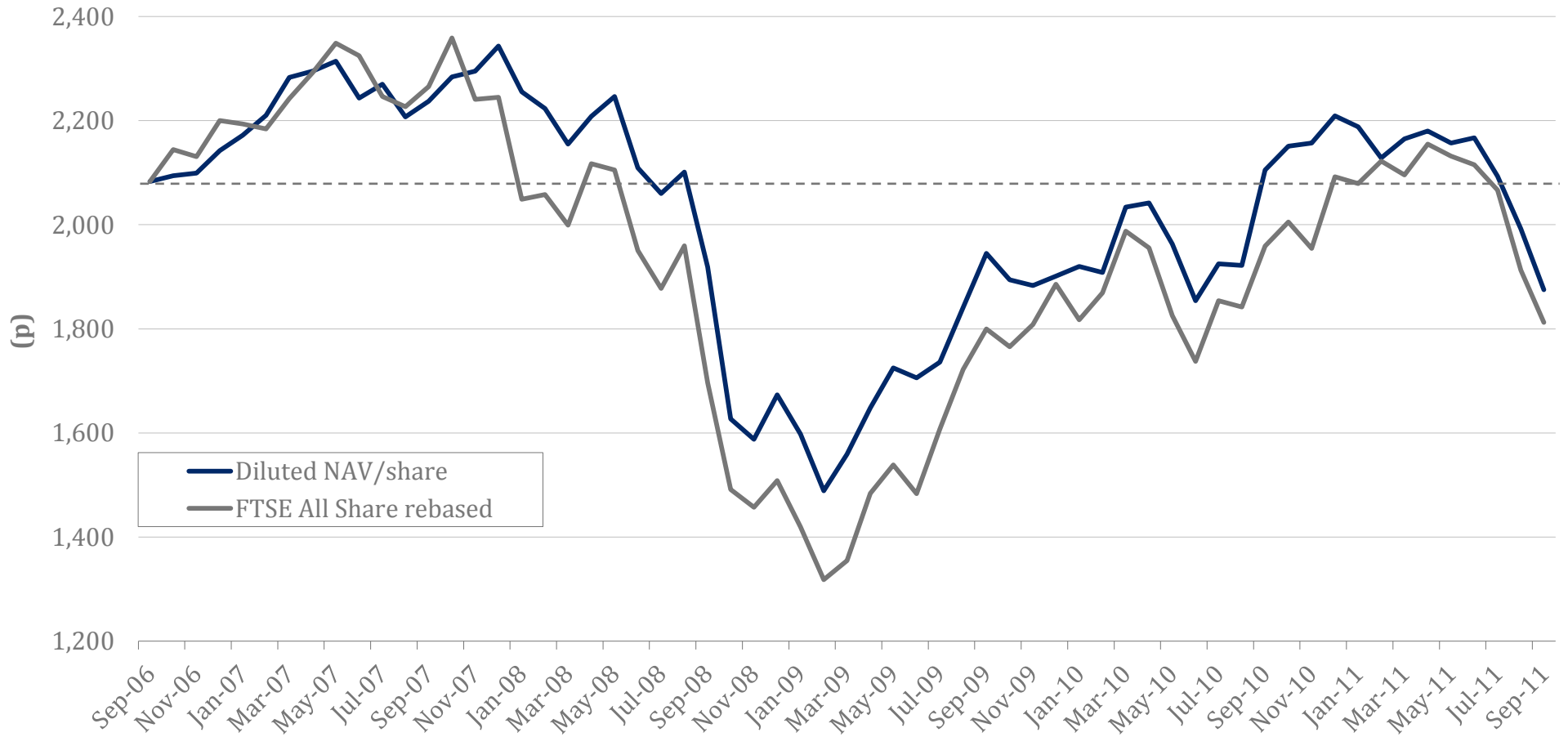


## Appendices

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• 5 year NAV Performance	16
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• Strategy and Themes for each Pool	18-19
• Top Five in each Pool	20-24



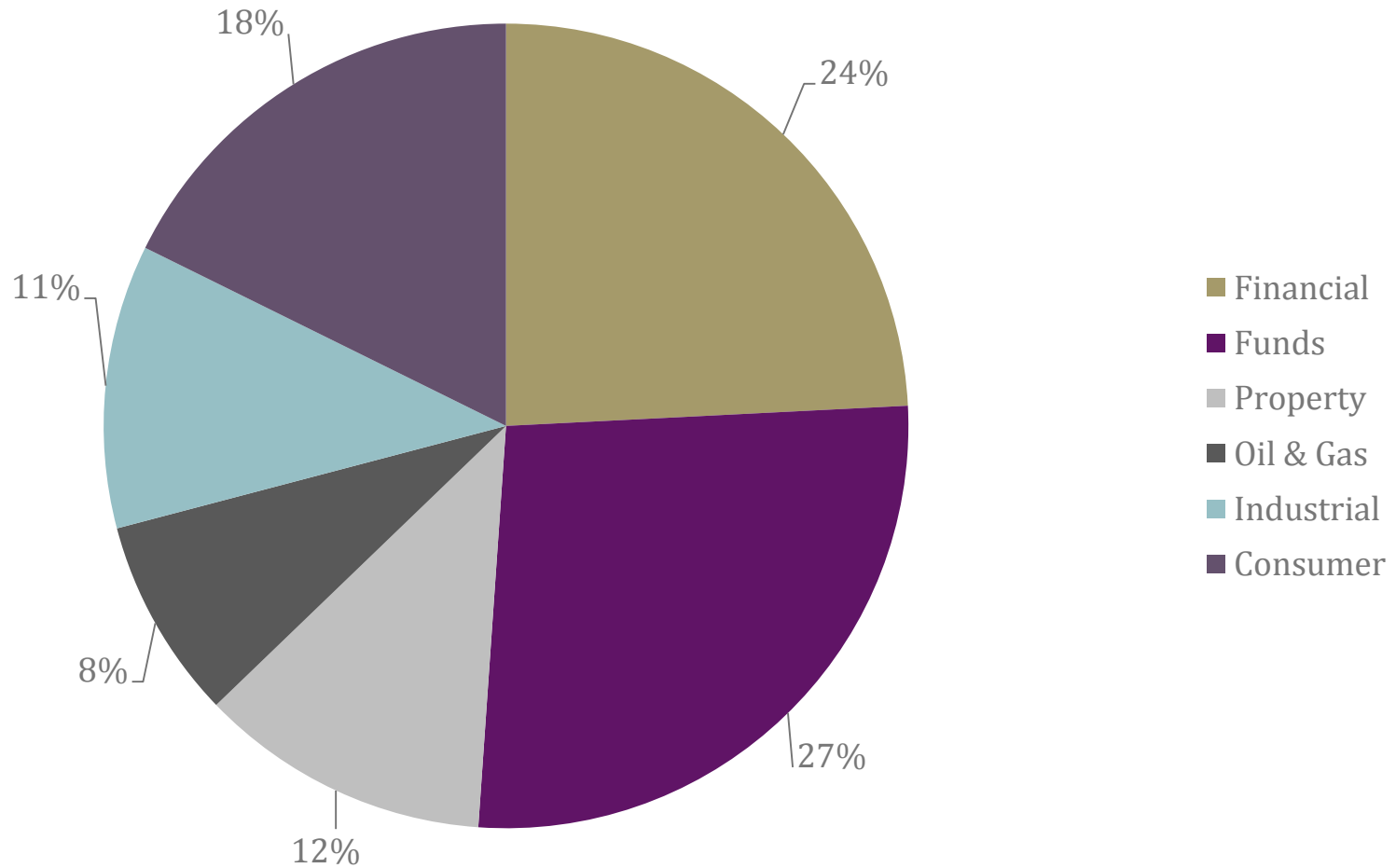
## 5 Year Diluted NAV per Share Performance



**CAGR: Caledonia = -2.0%**

**FTSE All-Share = -2.7%**

## Portfolio Distribution by Sector as at 30 September 2011



## Strategy – pools of capital

Pool	31 Mar 2011 £m	31 Mar 2011 %	30 Sep 2011 £m	30 Sep 2011 %	Possible future disposition
Quoted	427.0	34%	355.4	32%	20-30%
Unquoted	281.2	22%	260.4	24%	20-30%
Asia	159.0	13%	147.7	13%	15-20%
Property	105.3	8%	105.8	10%	5-10%
Funds	198.6	16%	171.6	16%	10-15%
Income & Growth	12.1	1%	74.2	7%	15-20%
Cash/borrowings	101.2	8%	(13.3)	(1)%	10-(10)%
Other	(25.7)	(2)%	(11.0)	(1)%	
Net Assets	1,258.7	100%	1,090.8	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, 40-45 core mid to large cap holdings, growth in business and dividends, diversified across geography and sector, store of liquidity

## Quoted Pool

Significant investments	Value 31 Mar 11 £m	Net cash investment and income £m	Net gains and income £m	Value 30 Sep 11 £m	Total return %
Close Brothers	165.9	-	(36.1)	129.8	-22%
Bristow Group	72.0	(0.4)	(5.1)	66.5	-7%
AG Barr	42.0	(0.6)	(0.7)	40.7	-2%
Avanti Communication	55.9	1.3	(23.4)	33.8	-41%
Melrose Resources	29.5	(0.4)	(12.9)	16.2	-44%
Other	61.7	13.6	(6.9)	68.4	
<b>Total</b>	<b>427.0</b>	<b>13.5</b>	<b>(85.1)</b>	<b>355.4</b>	<b>-20%</b>

## Unquoted Pool

Significant investments	Value 31 Mar 11 £m	Net cash investment and income £m	Net gains and income £m	Value 30 Sep 11 £m	Total return %
Cobepa	85.1	(1.4)	2.7	86.4	+3%
Oval	41.6	(0.6)	(8.8)	32.2	-21%
Satellite Information Services	38.5	-	(9.3)	29.2	-24%
Sterling Industries	25.4	(1.5)	4.2	28.1	+17%
Celerant Group	23.9	-	(3.1)	20.8	-11%
Other	66.7	2.1	(5.1)	63.7	
<b>Total</b>	<b>281.2</b>	<b>(1.4)</b>	<b>(19.4)</b>	<b>260.4</b>	<b>-4%</b>

## Asia Pool

Significant investments	Value 31 Mar 11 £m	Net cash investment and income £m	Net gains and income £m	Value 30 Sep 11 £m	Total return %
Dewan Housing Finance	37.6	(0.5)	(6.2)	30.9	-17%
Alok Industries	28.8	(5.4)	(4.4)	19.0	-18%
First Blue Home Finance	21.0	-	(6.6)	14.4	-31%
Capital Today China	20.7	(3.7)	10.2	27.2	+53%
Eredene Capital	10.6	6.5	(2.4)	14.7	-15%
Other	40.3	8.7	(7.5)	41.5	
<b>Total</b>	<b>159.0</b>	<b>5.6</b>	<b>(16.9)</b>	<b>147.7</b>	<b>-10%</b>

## Property Pool

Significant investments	Value 31 Mar 11 £m	Net cash investment and income £m	Net gains and income £m	Value 30 Sep 11 £m	Total return %
London & Stamford	39.4	(1.0)	(1.5)	36.9	-4%
Quintain Estates	24.4	-	(2.3)	22.1	-9%
Edinmore Investments	12.3	-	1.3	13.6	+10%
Buckingham Gate	10.5	-	0.2	10.7	+2%
Real Estate Investors	7.0	3.4	0.1	10.5	+1%
Other	11.7	1.1	(0.8)	12.0	
<b>Total</b>	<b>105.3</b>	<b>3.5</b>	<b>(3.0)</b>	<b>105.8</b>	<b>-3%</b>



## Funds Pool

Significant investments	Value 31 Mar 11 £m	Net cash investment and income £m	Net gains and income £m	Value 30 Sep11 £m	Total return %
British Empire Securities	103.3	(0.4)	(15.0)	87.9	-14%
Nova Springboard	24.2	(10.7)	(1.5)	12.0	-10%
Pragma funds	13.4	2.7	(0.6)	15.5	-4%
Perlus Microcap	10.3	4.3	(1.2)	13.4	-9%
Greenhill Capital funds	9.0	0.4	(0.1)	9.3	-1%
Other	38.4	(5.9)	1.0	33.5	
<b>Total</b>	<b>198.6</b>	<b>(9.6)</b>	<b>(17.4)</b>	<b>171.6</b>	<b>-9%</b>