



CALEDONIA INVESTMENTS

30 September 2012

Share price: 1476p

NAV/share: 2019p

Discount: 26.9%

About Caledonia

Caledonia is a self-managed investment trust with net assets of over £1bn. We take significant holdings in listed equities, private companies and funds. We take a long term investment approach – often over ten years – and have a predominantly ‘value’ style of investing providing development capital for growing companies at sensible prices. We have a global outlook with a spread of currencies and economic exposure.

Our investment approach is underpinned by our extensive network from which we derive proprietary deal flow. We often involve ourselves with the boards of investee companies and always approach investments with a co-operative and long term mindset.

We aim to be a core investment for those seeking capital growth coupled to an increasing income stream over the long term.

Review

During the month, we invested a total of £32.0m and realised £12.0m. We invested £25.4m in Nova Shell LP, to acquire five industrial businesses in the US from Latshaw Enterprises.

During the month, we purchased for cancellation 90,000 of our own shares at a total cost of £1.3m. At the end of the month, we held cash of £6.8m.

From 1 October until 26 November 2012, being the close period before the release of our half-year results planned for 27 November 2012, we have given an irrevocable mandate to J.P. Morgan Securities to purchase the company’s shares on our behalf, within certain parameters.

Ten largest holdings

| Name | Business | £m | % |
|--------------------------------|--------------------------|---------|-------|
| Close Brothers | Financial services | 144.4 | 12.5 |
| Cobehold | Investment company | 88.6 | 7.7 |
| Bristow Group | Helicopter services | 76.4 | 6.6 |
| Avanti Communications | Satellite communications | 53.3 | 4.6 |
| AG Barr | Soft drinks | 44.4 | 4.0 |
| London & Stamford Property | Property investment | 38.5 | 3.3 |
| Oval | Insurance broking | 35.7 | 3.1 |
| Satellite Information Services | Broadcasting services | 29.8 | 2.6 |
| Sterling Industries | Engineering | 29.1 | 2.5 |
| Quintain Estates | Property services | 29.1 | 2.5 |
| Other investments | | 569.3 | 49.4 |
| Cash and other items | | (4.8) | (0.4) |
| Net assets | | 1,152.8 | 100.0 |

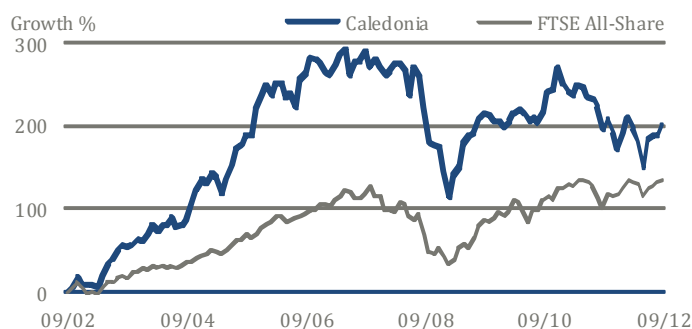
Caledonia Investments plc

Sources: Caledonia Investments plc (‘Caledonia’) and FTSE International Limited (‘FTSE’) © FTSE 2012. ‘FTSE®’ is a trade mark of the London Stock Exchange Group companies and is used by FTSE International Limited under licence. All rights in the FTSE indices and/or FTSE ratings vest in FTSE and/or its licensors. Neither FTSE nor its licensors accept any liability for any errors or omissions in the FTSE indices and/or FTSE ratings or underlying data. No further distribution of FTSE Data is permitted without FTSE’s express written consent.

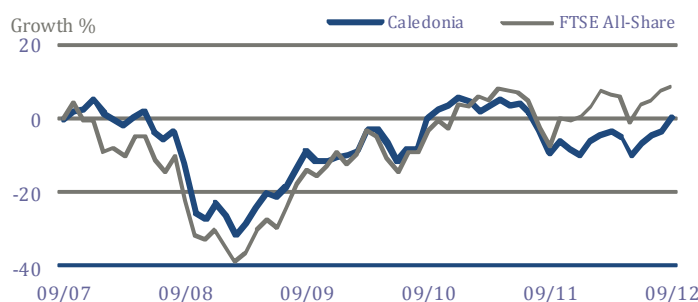
Caledonia reviews the valuation of its unquoted investments semi-annually, in March and September.

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.

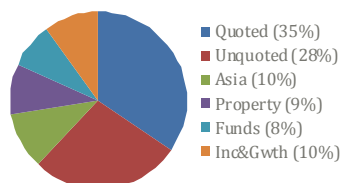
Total shareholder return performance over ten years



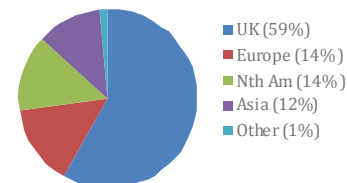
NAV total return performance over five years



Pool allocation



Geographic allocation



UK includes cash and other items.

Performance (%)

| | 6 mths | 1 year | 3 years | 5 years | 10 years |
|-----------------------------|--------|--------|---------|---------|----------|
| NAV total return increase | 3.8 | 10.5 | 10.0 | 0.1 | |
| FTSE All-Share Total Return | 1.9 | 17.2 | 26.1 | 8.7 | |
| Out/(under) performance | 1.9 | (6.7) | (16.1) | (8.6) | |
| Total shareholder return | 1.2 | 1.4 | (5.0) | (22.9) | 200.0 |
| FTSE All-Share Total Return | 1.9 | 17.2 | 26.1 | 8.7 | 135.7 |
| Out/(under) performance | (0.7) | (15.8) | (31.1) | (31.6) | 64.3 |

NAV per share is calculated on a diluted, cum-income basis.
Source: Caledonia and FTSE.

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
enquiries@caledonia.com, www.caledonia.com