



**CALEDONIA**  
INVESTMENTS

Presentation of half-year results for  
the six months ended 30 September 2012



**CALEDONIA**  
INVESTMENTS

---

Introduction and  
Highlights for the six months

## Highlights six months to 30 September 2012

- 2.1% increase in NAV per share
- 1.9% NAV TR outperformance vs FTSE All-Share Total Return Index (up 1.9%)
- Interim dividend increased by 10.3% to 12.9p , reflecting continued progress in increasing income flowing from portfolio
- Active portfolio - £69m invested and £130m realised
- £27.2m invested into five North American businesses acquired from Latshaw Enterprises Inc.

Summary of the half year	30 Sep 2012	31 Mar 2012	Change
Net asset value	£1,153m	£1,134m	+1.6%
NAV per share	2019p	1977p	+2.1%
Interim dividend per share	12.9p	11.7p	+10.3%
Net cash/(debt)	£7m	£(37m)	+£44m
Discount	26.9%	24.8%	

# Longer Term Performance

- NAV total return per share performance
  - 8.6% underperformance over 5 years
  - 23.0% outperformance over 9½ years since becoming an approved IT
  
- TSR performance
  - 31.6% underperformance over 5 years (FTSE All-Share TR +8.7%)
  - 64.3% outperformance over 10 years (FTSE All-Share TR +135.7%)

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

## NAV Summary by Pool six months to 30 September 2012

Investment Pool	Value 30 Sep 12 £m	Value 31 Mar 12 £m	Investment income £m	Total return £m	TWR %
Quoted	400.6	402.7	3.2	33.4	+8.6%
Unquoted	311.3	272.7	8.7	20.7	+7.7%
Asia	121.1	147.7	1.4	(12.7)	-9.1%
Property	105.5	96.7	1.4	10.3	+10.7%
Funds	103.2	153.6	0.8	(1.8)	-1.4%
Income & Growth	116.0	110.6	2.8	3.1	+2.9%
<b>Portfolio</b>	<b>1,157.7</b>	<b>1,184.0</b>	<b>18.3</b>	<b>53.0</b>	<b>+4.7%</b>
Net cash/(debt)	6.8	(36.6)			
Other items	(11.5)	(13.4)			
<b>Net Asset Value</b>	<b>1,153.0</b>	<b>1,134.0</b>			

## Investment Activity six months to 30 September 2012

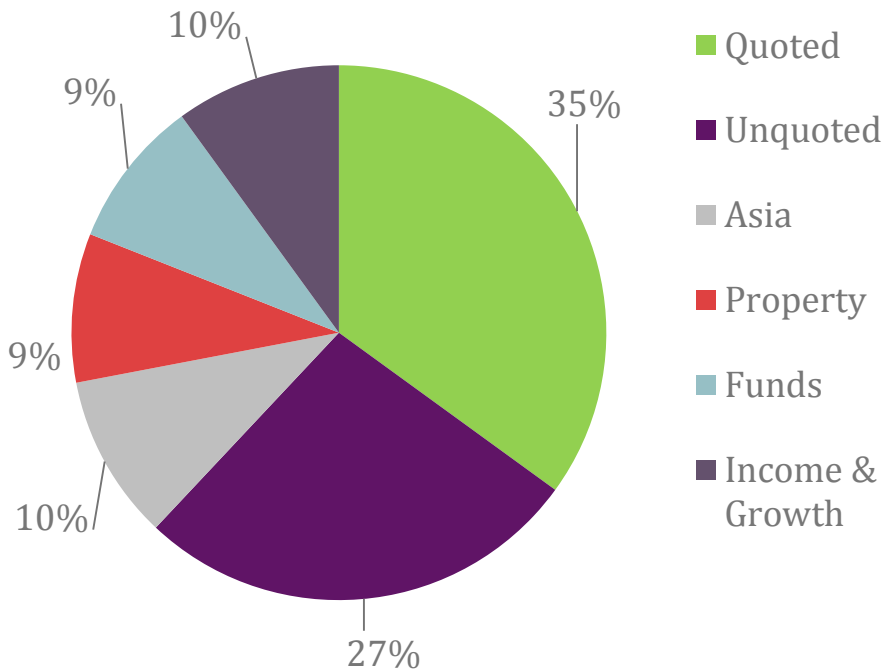
• Total investments of £69m	£m
Nova Shell (North American engineering group)	27.2
Income & Growth pool	24.6
Other	17.4
• Total realisations of £130m	Proceeds £m
British Empire Securities	48.5
Income & Growth pool	19.6
Close Brothers	17.3
Other (incl. sales of smaller non-core investments)	44.8

## Top Ten Investments as at 30 September 2012

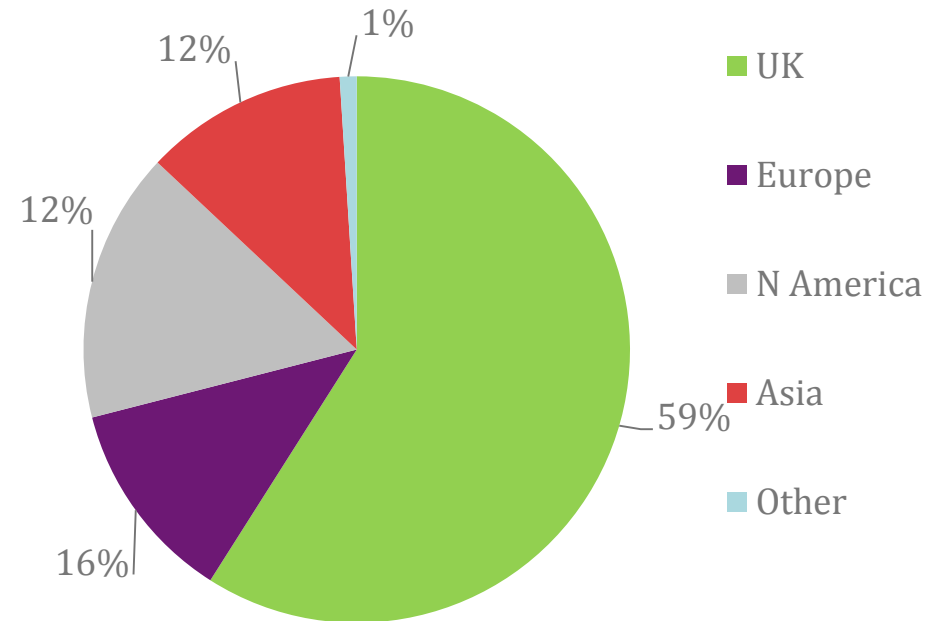
<b>Name</b>	<b>Business</b>	<b>£m</b>	<b>%</b>
Close Brothers	Financial services	144.4	12.5
Cobehold	Belgian investment company	88.6	7.7
Bristow Group	Helicopter services	76.4	6.6
Avanti Communications	Satellite communications	53.3	4.6
AG Barr	Soft drinks	44.4	3.9
London & Stamford Property	Property 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
		569.3	49.3
Other investments		588.4	51.1
Cash and other items		(4.7)	(0.4)
Net assets		1,153.0	100.0%

# Portfolio by Pool and Geography as at 30 September 2012

### Pool Distribution



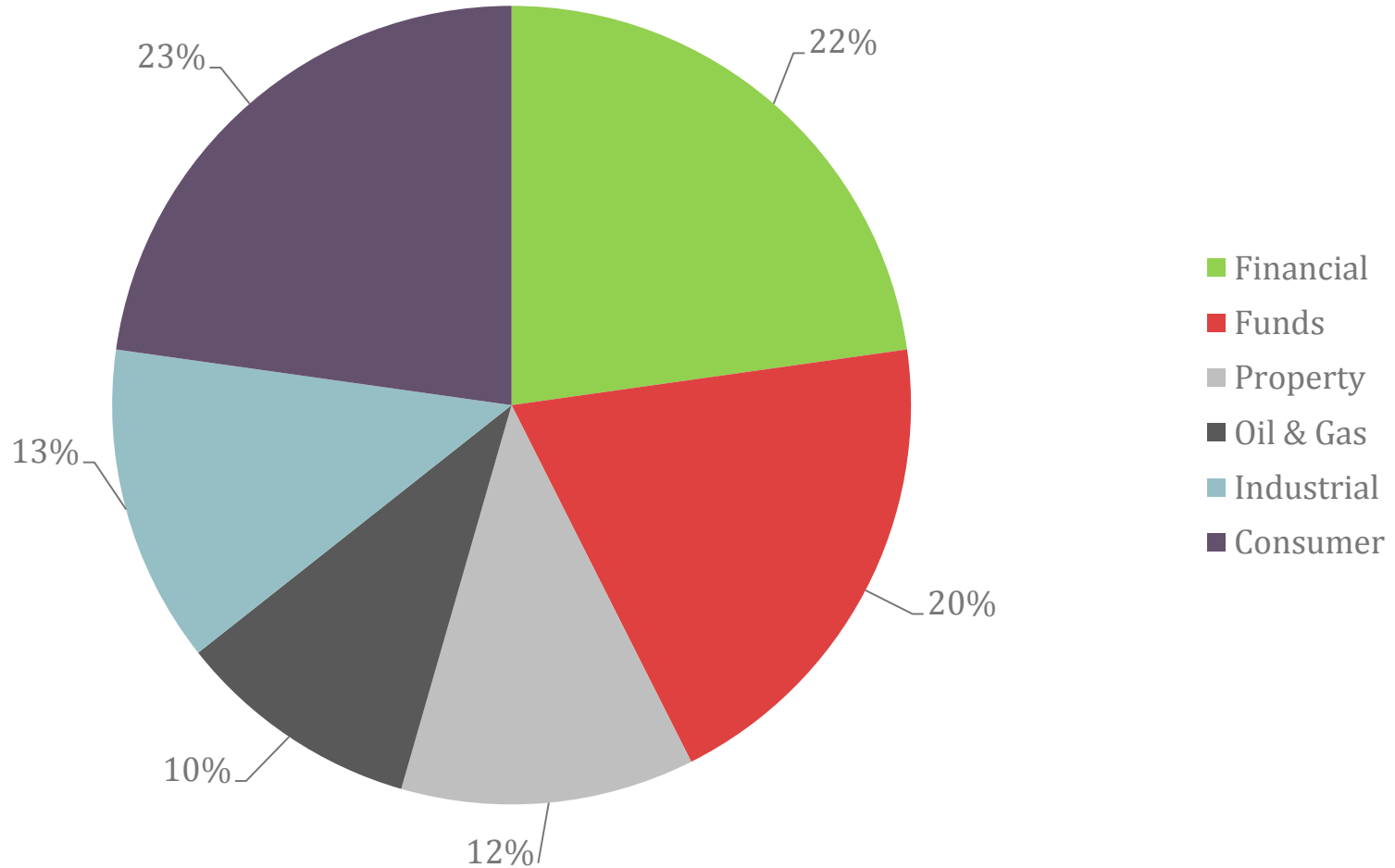
### Geographic Distribution



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



## Portfolio Distribution by Sector as at 30 September 2012



# Discount

- Range of 23% – 34% during period
- Share buy-backs of £7m in past six months (represents a good investment in the existing portfolio)
- Buy-backs not the answer to discount management unless a fixed mechanism implemented
- Cayzer Concert Party constraint (max buyback of 2.7% of remaining non-Cayzer Concert Party holding)





**CALEDONIA**  
INVESTMENTS

---

## Financial Review

## Summary of Comprehensive Income six months to 30 September 2012

	30 Sep 2012 £m	30 Sep 2011 £m	Change £m
Investment income	18.3	12.2	+6.1
Gains/(losses) on investments and derivatives	33.8	(153.9)	+187.7
<b>Total revenue</b>	<b>52.1</b>	<b>(141.7)</b>	<b>+193.8</b>
Management expenses	(6.5)	(6.2)	-0.3
Other income and expenses	(3.4)	(5.2)	+1.8
Taxation	1.7	1.0	+0.7
<b>Total comprehensive income</b>	<b>43.9</b>	<b>(152.1)</b>	<b>+196.0</b>

## Summary Balance Sheet as at 30 September 2012

	30 Sep 2012 £m	31 Mar 2012 £m	Change £m
Investments	1,151.8	1,181.5	-29.7
Derivative financial instruments	5.9	2.5	+3.4
<b>Investment portfolio</b>	<b>1,157.7</b>	<b>1,184.0</b>	<b>-26.3</b>
Trade and other receivables	8.3	8.0	+0.3
Net cash/(debt)	6.8	(36.6)	+43.4
Other items	(19.8)	(21.4)	+1.6
Other net current assets less debt	(4.7)	(50.0)	+45.3
<b>Net assets</b>	<b>1,153.0</b>	<b>1,134.0</b>	<b>+19.0</b>
Net asset value per share	2019p	1977p	+42p

## Cash / Facilities

- £6.8m of net cash at 30 September 2012 (£36.6m of net debt at 31 March 2012)
- £100m five year committed facilities: expiry July 2013
  - Revolver £100m
  - Margin: 80-85bp over LIBOR
  - Currently negotiating renewal terms
- Overdraft facility £10m



## Appendices

	Page
Key Themes for Each Pool	15
Pools – Significant Investments	16-20
Income & Growth Pool	21
Change in NAV per share	22
Net cash movements by Pool	23
Significant contributors to Performance	24

## 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 12 £m	Net cash realisation and income £m	Net return £m	Value 30 Sep 12 £m	TWR %
Close Brothers	154.2	(17.3)	7.5	144.4	+5%
Bristow Group	72.9	(0.6)	4.1	76.4	+6%
AG Barr	40.2	(2.1)	6.3	44.4	+16%
Avanti Communication	39.9	-	13.4	53.3	+34%
Polar Capital	21.4	(5.8)	0.2	15.8	+1%
Other	74.1	(9.7)	1.9	66.3	
<b>Total</b>	<b>402.7</b>	<b>(35.5)</b>	<b>33.4</b>	<b>400.6</b>	<b>+9%</b>

## Unquoted Pool

Significant investments	Value 31 Mar 12 £m	Net cash realisations and income £m	Net return £m	Value 30 Sep 12 £m	TWR %
Cobehold	85.0	(1.6)	5.2	88.6	+6%
Oval	32.2	(0.6)	4.1	35.7	+13%
Satellite Information Services	29.8	(1.1)	1.1	29.8	+4%
Sterling Industries	29.0	(3.0)	3.1	29.1	+10%
The Sloane Club	26.1	(1.5)	1.4	26.0	+5%
Other	70.7	25.7	5.7	102.1	
<b>Total</b>	<b>272.7</b>	<b>17.9</b>	<b>20.7</b>	<b>311.3</b>	<b>+8%</b>

## Asia Pool

	Value 31 Mar 12 £m	Net cash realisations and income £m	Net return £m	Value 30 Sep 12 £m	TWR %
<b>Significant investments</b>					
Capital Today China	29.6	(4.8)	0.3	25.1	+2%
Dewan Housing Finance	29.4	(0.3)	(5.5)	23.6	-19%
Alok Industries	14.6	(6.4)	(3.6)	4.6	-34%
First Blue Home Finance	13.9	(0.4)	(2.3)	11.2	-31%
Eredene Capital	12.8	(3.4)	0.7	10.1	+12%
Other	47.4	1.4	(2.3)	46.5	
<b>Total</b>	<b>147.7</b>	<b>(13.9)</b>	<b>(12.7)</b>	<b>121.1</b>	<b>-9%</b>

## Property Pool

Significant investments	Value 31 Mar 12 £m	Net cash realisations and income £m	Net return £m	Value 30 Sep 12 £m	TWR %
London & Stamford	37.0	(1.1)	2.6	38.5	+7%
Quintain Estates	21.3	-	7.8	29.1	+37%
Buckingham Gate	12.7	-	0.3	13.0	+2%
Real Estate Investors	9.5	(0.1)	(1.3)	8.1	-25%
Edinmore Investments	7.5	-	0.2	7.7	+5%
Other	8.7	(0.3)	0.7	9.1	
<b>Total</b>	<b>96.7</b>	<b>(1.5)</b>	<b>10.3</b>	<b>105.5</b>	<b>+11%</b>

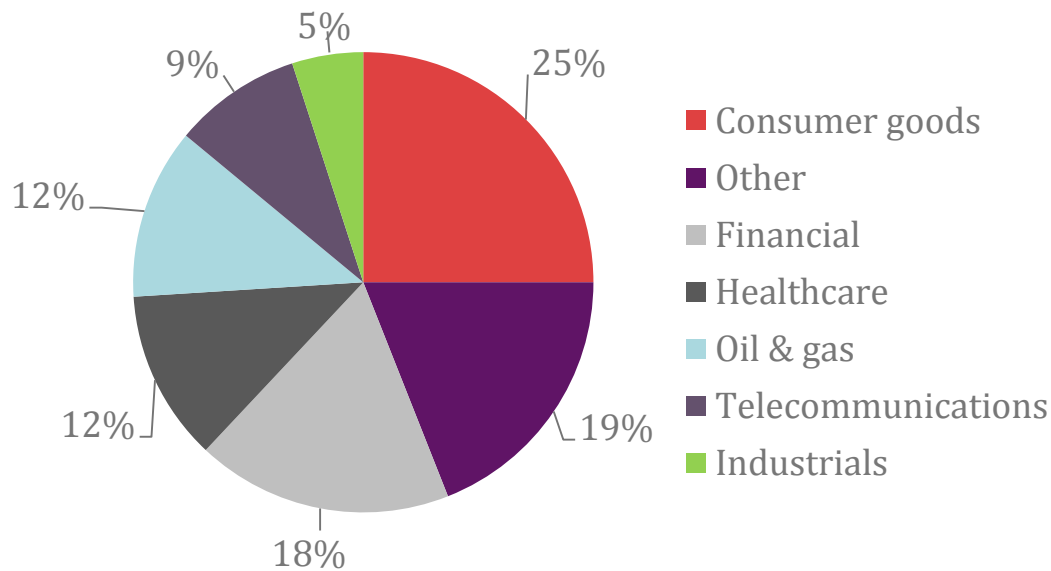
## Funds Pool

Significant investments	Value 31 Mar 12 £m	Net cash investment and income £m	Net return £m	Value 30 Sep 12 £m	TWR %
British Empire Securities	50.0	(48.7)	(1.3)	-	-9%
Perlus Microcap	19.5	-	(0.5)	19.0	-3%
Pragma funds	15.6	(1.9)	(1.1)	12.6	-8%
Nova Springboard	12.2	0.1	0.2	12.5	+2%
Greenhill Capital funds	9.3	-	0.9	10.2	+10%
Other	47.0	1.9	-	48.9	
<b>Total</b>	<b>153.6</b>	<b>(48.6)</b>	<b>(1.8)</b>	<b>103.2</b>	<b>-1%</b>

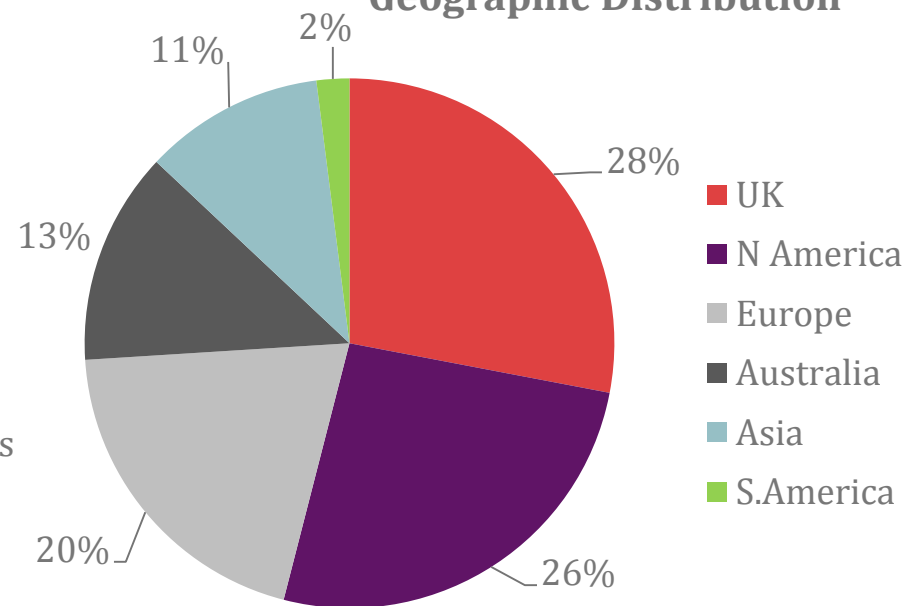
# Income & Growth Pool

Top five holdings	Country	Value 30 Sep 12 £m	Dividend yield %
Pfizer Inc	US	3.7	3.8%
Imperial Tobacco	UK	3.6	4.9%
Hugo Boss	Germany	3.6	4.6%
Giant Manufacturing	Taiwan	3.6	4.2%
Spectra Energy	US	3.5	4.3%

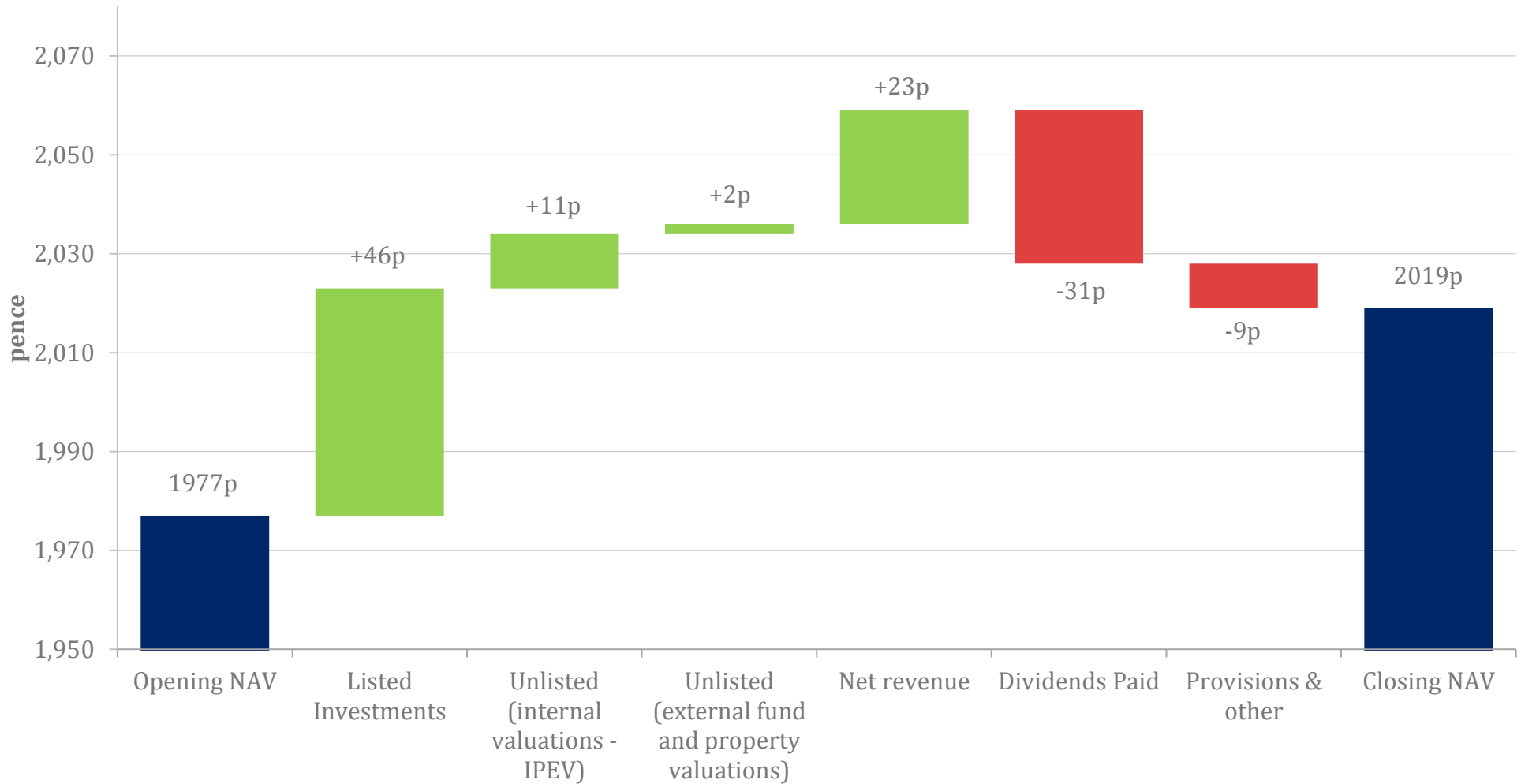
## Sector Distribution



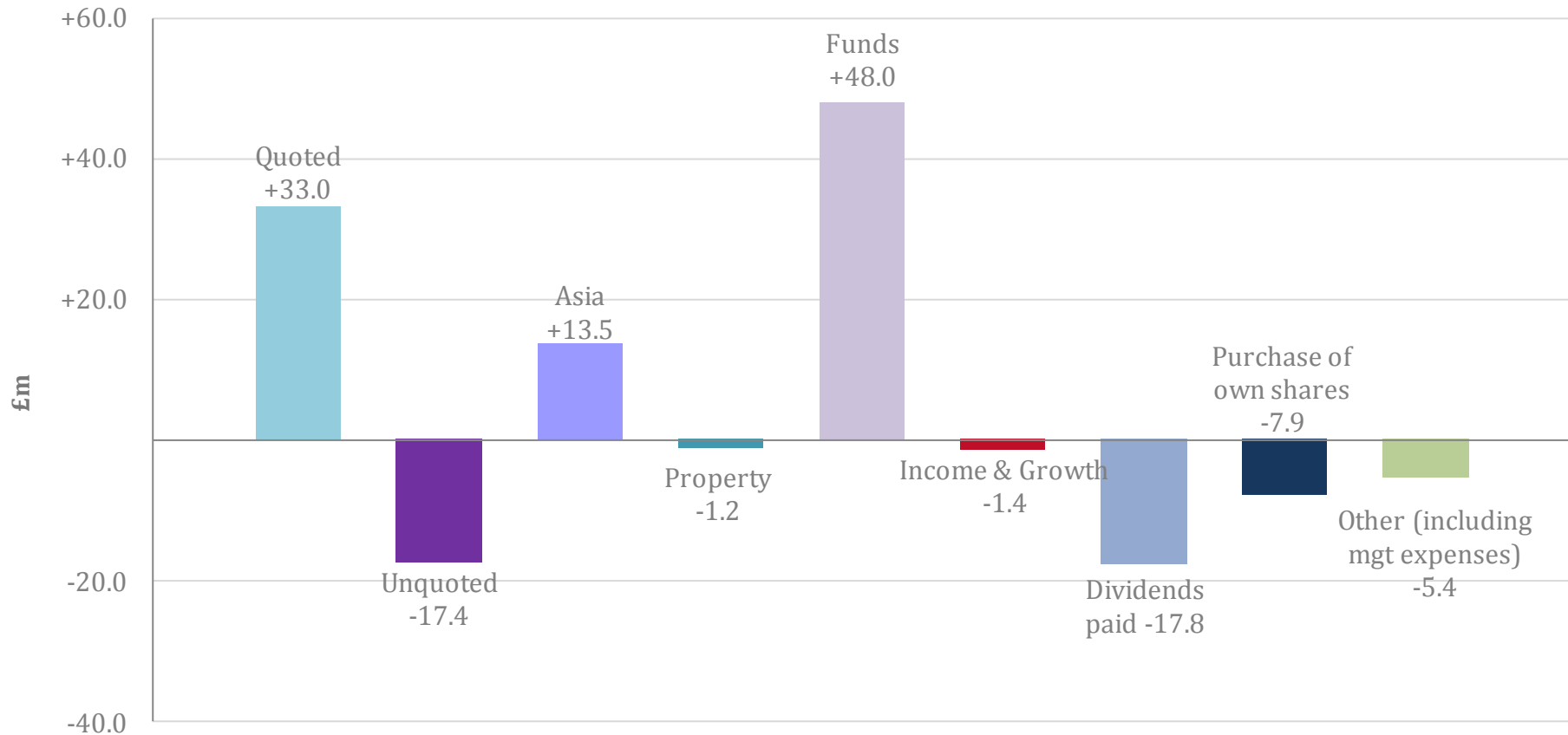
## Geographic Distribution



## Change in Net Asset Value per Share six months to 30 September 2012



## Net Cash Movements by Pool (£m) six months to 30 September 2012





## Significant Contributors to Performance six months to 30 September 2012

Investment	Pool	Value 30 Sep 2012 £m	Value 31 Mar 2012 £m	Income in period £m	Total return in period £m	TWR %
<i>Significant Outperformers</i>						
Avanti Communications	Quoted	53.3	39.9	-	13.4	34%
Quintain Estates	Quoted	29.1	21.3	-	7.8	37%
AG Barr	Quoted	44.4	40.2	0.7	6.3	16%
<i>Significant Underperformers</i>						
Dewan Housing Finance	Asia	23.6	29.4	0.3	(5.5)	-19%
Ocean Dial	Asia	13.2	16.9	-	(3.7)	-22%
Alok Industries	Asia	4.6	14.6	0.1	(3.6)	-34%

## Contact Details

Caledonia Investments plc  
Cayzer House  
30 Buckingham Gate  
London  
SW1E 6NN

Tel: +44 20 7802 8080  
[www.caledonia.com](http://www.caledonia.com)