



CALEDONIA INVESTMENTS

31 December 2012

Share price: 1536p

NAV/share: 2063p

Discount: 25.5%

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 £19.0m, including £15.7m in global equities through the Income & Growth pool, and realised £50.6m. We sold our equity stake in Celerant Consulting Investments, the global operations management consultancy, together with the repayment of debt, for a cash amount of £43.4m, including £10.7m of accrued loan interest, and a further £4.3m placed in escrow. In addition, we realised £8.0m from sales of our holding in Close Brothers, the UK listed financial services company.

At the end of the month, cash and other items totalled £64.4m, comprising cash of £83.9m, offset by £19.5m of net liabilities, including a £7.3m accrual for the interim dividend. The interim dividend of 12.9p per share was declared on 27 November 2012 and will be paid on 10 January 2013 to shareholders registered on 14 December 2012.

During the month, we purchased for cancellation a further 90,478 of our own shares for a total consideration of £1.4m.

Ten largest holdings

Name	Business	£m	%
Close Brothers	Financial services	115.8	9.9
Cobehold	Investment company	83.5	7.1
Bristow Group	Helicopter services	80.5	6.9
AG Barr	Soft drinks	46.4	3.9
Avanti Communications	Satellite communications	38.3	3.3
London & Stamford Property	Property investment	36.1	3.1
Oval	Insurance broking	35.7	3.0
Satellite Information Services	Broadcasting services	29.8	2.5
Quintain Estates	Property services	29.5	2.5
Sterling Industries	Engineering	29.1	2.5
		524.7	44.7
Other investments		584.5	49.8
Cash and other items		64.4	5.5
Net assets		1,173.6	100.0

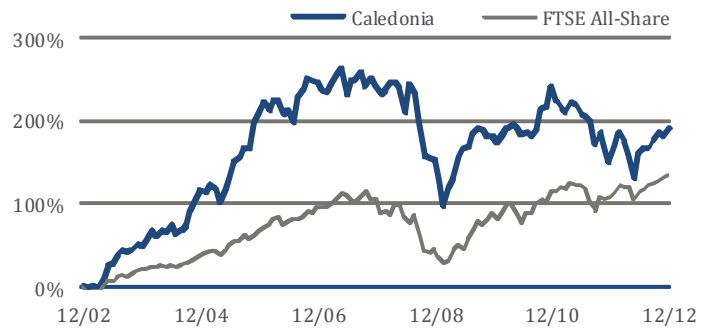
Caledonia Investments plc

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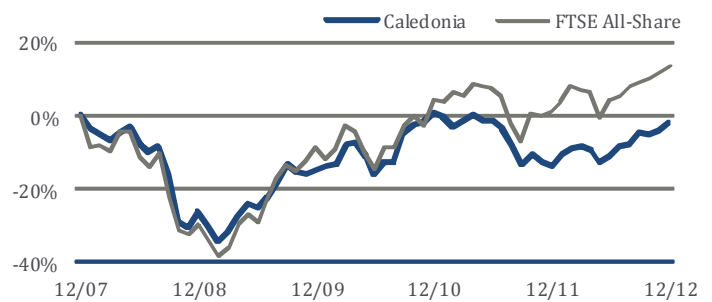
Caledonia reviews the valuation of its unquoted investments semi-annually, in March and September.

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.

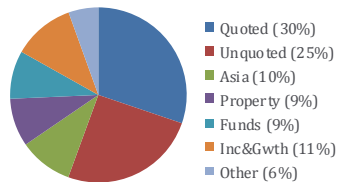
Total shareholder return performance over ten years



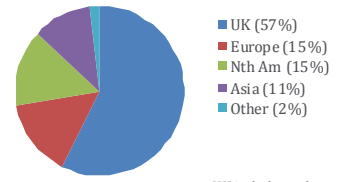
NAV total return performance over five years



Pool allocation



Geographic allocation



UK includes cash and other items.

Performance (%)

	1 year	3 years	5 years	10 years
NAV total return increase	13.9	14.9	(2.2)	
FTSE All-Share Total Return	12.3	24.2	13.2	
Out/(under) performance	1.6	(9.3)	(15.4)	
Total shareholder return	15.9	3.5	(14.9)	191.4
FTSE All-Share Total Return	12.3	24.2	13.2	133.8
Out/(under) performance	3.6	(20.7)	(28.1)	57.6

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: Direct, Caledonia Savings Scheme and ISA
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