



CALEDONIA
INVESTMENTS

Presentation of half-year results
for the six months ended 30 September 2013



Financial highlights

Six months ended 30 September 2013



- 2.0% NAV total return per share for six months to 30 September
- 16.9% NAV total return over last twelve months
- 3.9% increase in interim dividend
- 2 new and 4 follow-on investments of note in period
- Acquisition of Choice Care Group completed; £50m cash invested
- Acquisition of Park Holidays completed post half year; £88m cash invested
- £146m of realisations, in particular from quoted pool

Summary of the half year	30 Sep 2013	31 Mar 2013	Change %
NAV per share	2311p	2299p	+2.0
Discount to NAV	22.6%	20.0%	+2.6
Interim dividend per share	13.4p	12.9p	+3.9

NAV summary performance by investment pool

Six months ended 30 September 2013



Investment pool	Value 30 Sep 2013 £m	Value 31 Mar 2013 £m	Investment income £m	Total return £m	Total return %
Quoted	442.8	517.2	5.3	13.2	2.5
Unquoted	419.9	348.1	4.4	24.8	6.1
Funds	182.6	166.8	0.8	(3.9)	(2.2)
Income & Growth	180.2	162.0	4.5	(8.4)	(5.1)
Portfolio	1,225.5	1,194.1	15.0	25.7	1.9
Net cash	56.6	96.5	1.1	1.1	
Other items	6.0	8.2	(5.6)	(2.6)	0.1
	1,288.1	1,298.8	10.5	24.2	2.0

Investment activity during the six months

Total investments of £170m

Significant investments include:	£m
Income & Growth pool	76.6
Choice Care	49.5
Polar Global Financials Trust	10.0
Jardine Matheson	5.0
Flag Capital	4.5

Total realisations of £146m

Significant realisations include:	Proceeds £m
Income & Growth pool	45.5
Bristow Group	35.2
Close Brothers	25.0
LondonMetric Property	13.8
Quintain Estates and Development	13.0

Choice Care Group – unquoted investment

- £89.5m acquisition of Choice Care Group in August 2013
- Company owns and operates 47 residential care homes providing support services focussed on adults with learning disabilities, mental health disorders and complex needs
- Caledonia subscribed £49.5m in cash for 97.7% of the equity
- Bank syndicate provided £40m of senior debt financing
- EBITDA of £8.9m
- Well invested, asset backed investment with strong cashflows and an established platform for growth

Park Holidays – post period unquoted investment

- £172m enterprise value acquisition of Park Holidays post period end; £88m cash invested
- UK based caravan holiday business
- UK's fourth largest caravan park operator
- 21 freehold and 2 leasehold caravan parks centred in south of England, 9,000 pitches
- EBITDA £20m; gross assets £256m (December 2012)
- Asset backed, high income generating investment providing an excellent total return opportunity over 5 – 10 years
- 4th new completed unquoted investment in last 24 months

Close Brothers

- Sold down a further £25m during period, bringing cumulative proceeds to £126m in last 16 months
- Investment NAV now £69m, 5% of portfolio (£152m, 13% in 2010)
- Continued strong growth in core banking division

**Close Brothers share price
30 September 2007 to 30 September 2013**



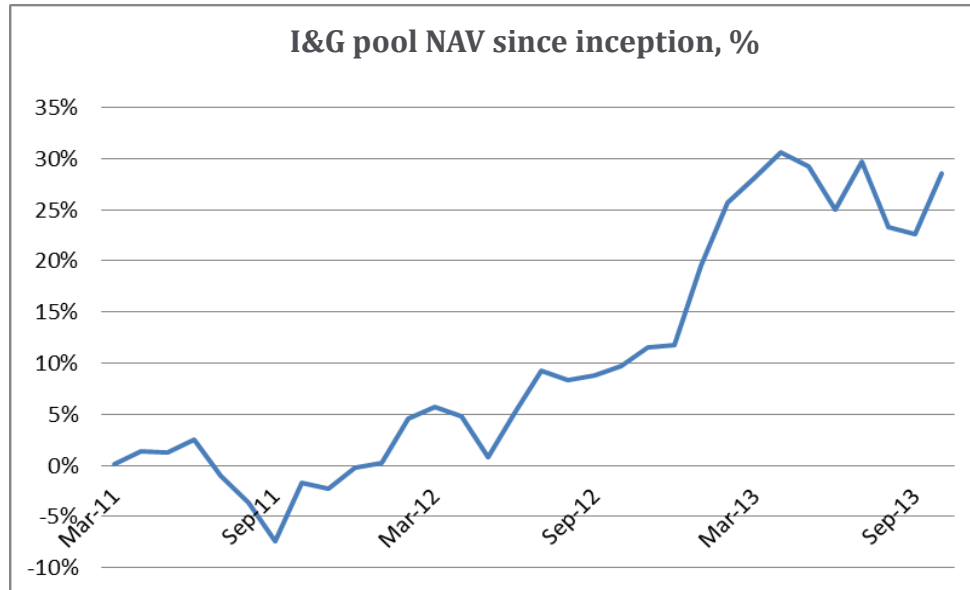
Bristow Group

- Sold down £35m during period
- Profit-taking followed strong performance, now circa 6% of portfolio
- Company continues to produce good results
- \$2.5bn revenue UK Search and Rescue contract win over 10 years
- Now yielding

Bristow Group share price
30 September 2007 to 30 September 2013



Income & Growth pool performance overview



- Return since inception annualises at 11% pa
- Kept pace with equity market rally despite defensive portfolio
- Strong outperformance 2 years with stock picks
- Gave back relative performance last 6 months
- Oct/Nov performance better with lower volatility and turnover

Top ten investments

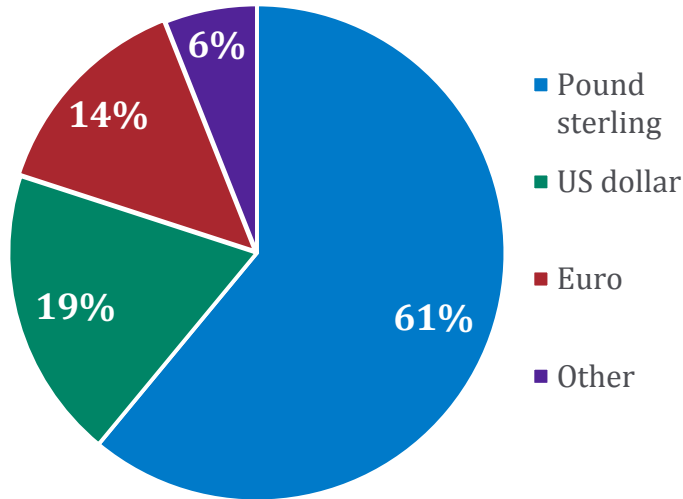
As at 30 September 2013



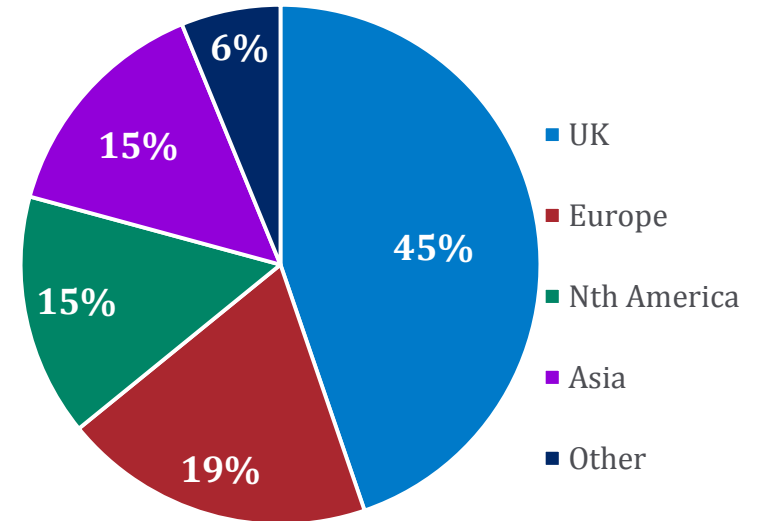
Name	Pool	Business	30 Sep 2013 £m	Six month total return %	30 Sep 2013 %	Six month change in weighting %
Cobehold	Unquoted	Investment company	91.1	1.5	7.1	-
Bristow Group	Quoted	Helicopter services	73.8	4.2	5.7	-2.4
Close Brothers	Quoted	Financial services	69.0	10.2	5.3	-1.4
AG Barr	Quoted	Soft drinks	49.7	(3.6)	3.9	-0.1
Choice Care	Unquoted	Care homes provider	49.5	-	3.8	+3.8
Oval	Unquoted	Insurance broking	42.7	15.6	3.3	+0.4
Sterling Industries	Unquoted	Engineering	38.9	27.2	3.0	+0.6
Avanti Communications	Quoted	Satellite communications	36.2	(23.4)	2.8	-0.8
Polar Capital	Quoted	Fund management	34.4	47.3	2.7	+0.8
Quintain Estates	Quoted	Property services	34.3	32.0	2.7	-0.1
			519.6		40.3	

Sector, geographical & currency distribution

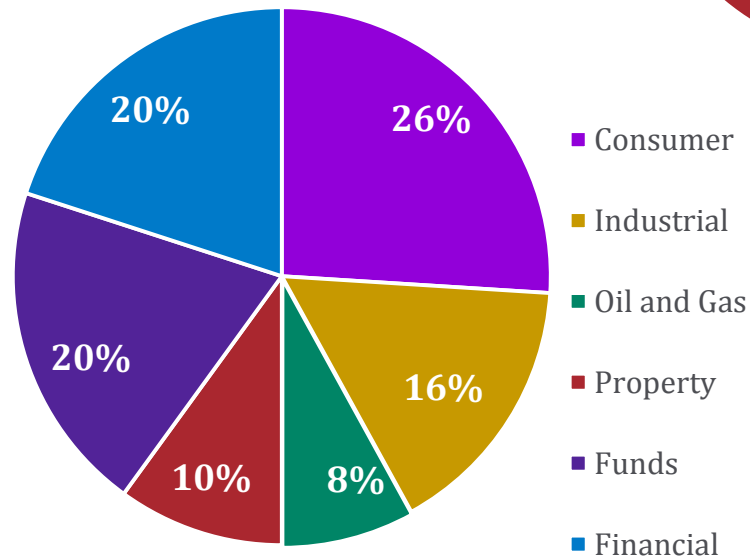
Analysis by currency



Analysis by revenue



Analysis by sector



Split by geography based on revenue of investments using latest available financial information

Net cash and facilities

- £56.6m net cash at 30 September 2013 (£96.5m net cash at 31 March 2013)
- Committed facilities increased by £50m to £125m
 - £125m revolving facility (RBS/ING)
 - Blended average margin: 208bp over LIBOR
- Overdraft facility £10m

Summary and outlook

- Six months - solid NAV total return following 15% return in previous six months
- Strong dealflow and active portfolio management
- Quoted equity markets look highly priced
- Welcome return of liquidity to unquoted markets in which we are active as both buyers and sellers
- Portfolio substantially reshaped and well positioned to deliver long term outperformance in volatile short term balanced markets

Balanced portfolio, tailored to shareholders' requirements

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Summary of comprehensive income

	30 Sep 2013 £m	30 Sep 2012 £m	Change £m
Investment income	15.0	18.3	(3.3)
Gains on investments	10.3	33.8	(23.5)
Gross return	25.3	52.1	(26.8)
Management expenses	(6.1)	(6.5)	0.4
Provisions (net)	2.9	(3.3)	6.2
Treasury/taxation	2.1	1.6	0.5
Profit and total comprehensive income for the period	24.2	43.9	(19.7)
Dividends paid (final 2012/13 year)	(19.1)	(17.8)	(1.3)
Retained profit for the period	5.1	26.1	(21.0)

Summary balance sheet

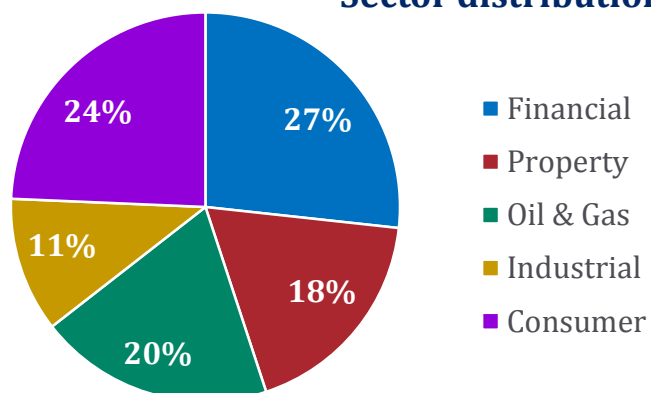


	30 Sep 2013 £m	31 Mar 2013 £m	Change £m
Investments and other non-current assets	1,236.6	1,205.6	31.0
Trade and other receivables	6.6	14.0	(7.4)
Net cash	56.6	96.5	(39.9)
Other liabilities	(11.7)	(17.3)	5.6
Net current assets less provisions	51.5	93.2	(41.7)
Net assets	1288.1	1,298.8	(10.7)
Net asset value per share	2311p	2299p	12p

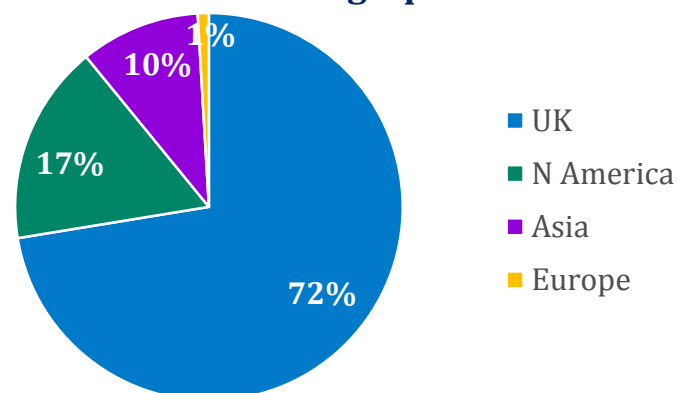
Quoted pool

Significant investments	Value 30 Sep 2013 £m	Value 31 Mar 2013 £m	Income £m	Capital gain/(loss) £m	Total return %
Bristow Group	73.8	105.7	0.6	3.3	4.2
Close Brothers	69.0	86.7	-	7.3	10.2
AG Barr	49.7	51.5	-	(1.8)	(3.6)
Avanti Communication	36.2	47.2	-	(11.0)	(23.4)
Polar Capital	34.4	24.1	0.9	10.3	47.3
Quintain Estates	34.3	36.7	-	10.6	32.0
Other	145.4	165.3	3.8	(10.8)	(4.3)
Total	442.8	517.2	5.3	7.9	2.5

Sector distribution



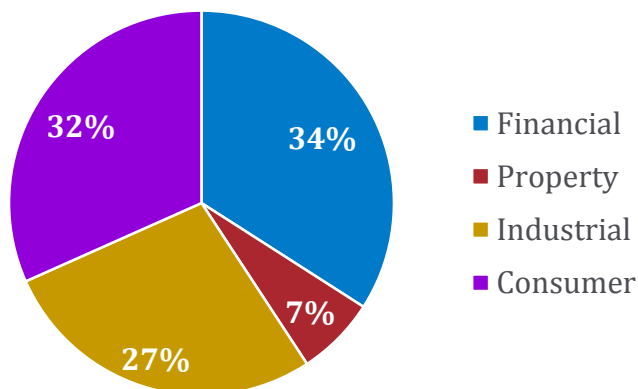
Geographic distribution



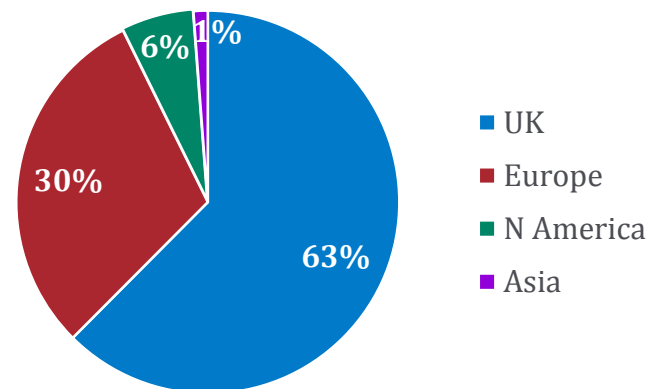
Unquoted pool

Significant investments	Value 30 Sep 2013 £m	Value 31 Mar 2013 £m	Income £m	Capital gain/(loss) £m	Total return %
Cobehold	91.1	91.6	1.9	(0.5)	1.5
Choice Care	49.5	-	-	-	-
Oval	42.7	37.8	0.6	7.9	15.6
Sterling Industries	38.9	30.7	-	8.2	27.2
Sloane Club	30.3	28.8	-	1.7	5.8
Other	167.4	159.2	1.9	3.1	2.7
Total	419.9	348.1	4.4	20.4	6.1

Sector distribution



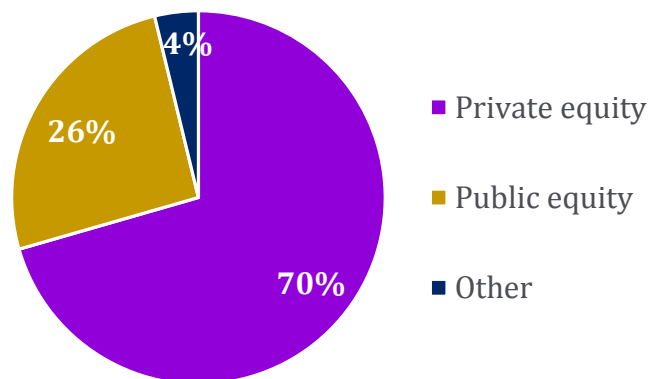
Geographic distribution



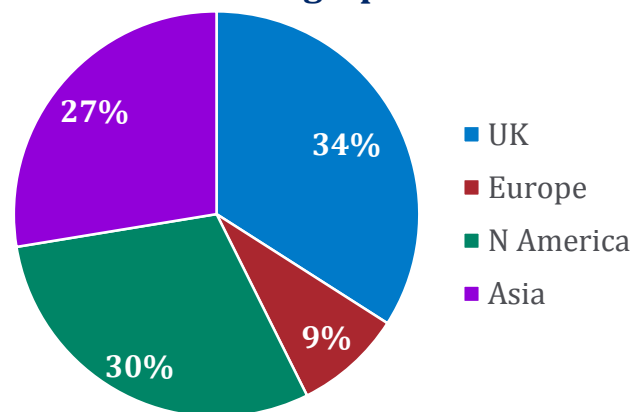
Funds pool

Significant investments	Value 30 Sep 2013 £m	Value 31 Mar 2013 £m	Income £m	Capital gain/(loss) £m	Total return %
Capital Today China	27.9	29.2	0.3	(1.4)	(3.9)
Perlus Microcap	22.7	22.2	-	0.5	2.4
Pragma Capital funds	15.7	14.3	-	1.3	8.6
Nova Springboard	13.3	12.9	-	0.4	2.4
Nova Caledonia	10.8	10.0	0.1	0.7	9.1
Other	92.2	78.2	0.4	(6.2)	(7.1)
Total	182.6	166.8	0.8	(4.7)	(2.2)

Fund investment style



Geographic distribution



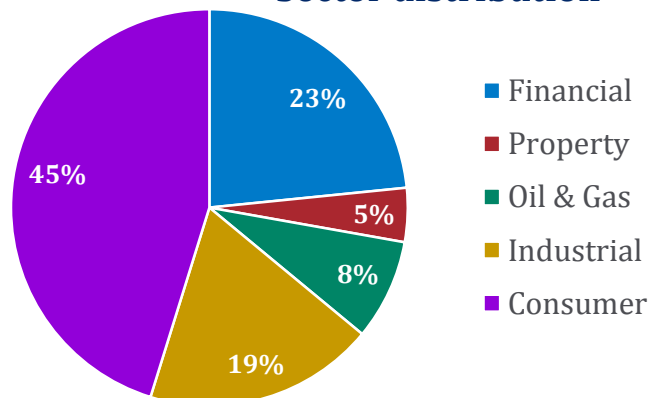
Income & Growth pool

As at 30 September 2013

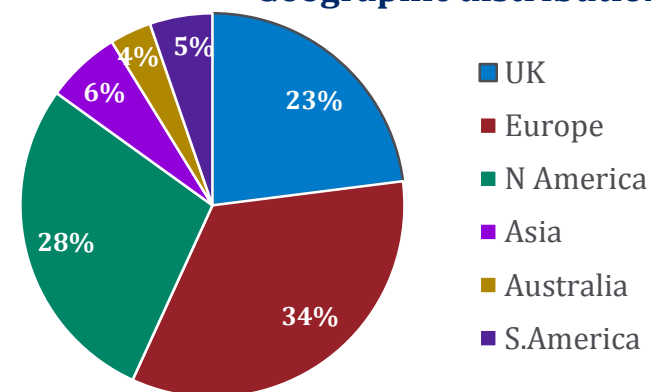


Top five holdings	Country	Value 30 Sep 2013 £m	Total return %
HSBC	UK	6.7	(10.4)
Zurich Insurance	Switzerland	6.2	(10.0)
SES SA	Luxembourg	5.9	(22.9)
General Electric	US	5.8	(23.4)
Hugo Boss	Germany	5.8	11.1
Other		149.8	(4.6)
TOTAL		180.2	(5.1)

Sector distribution

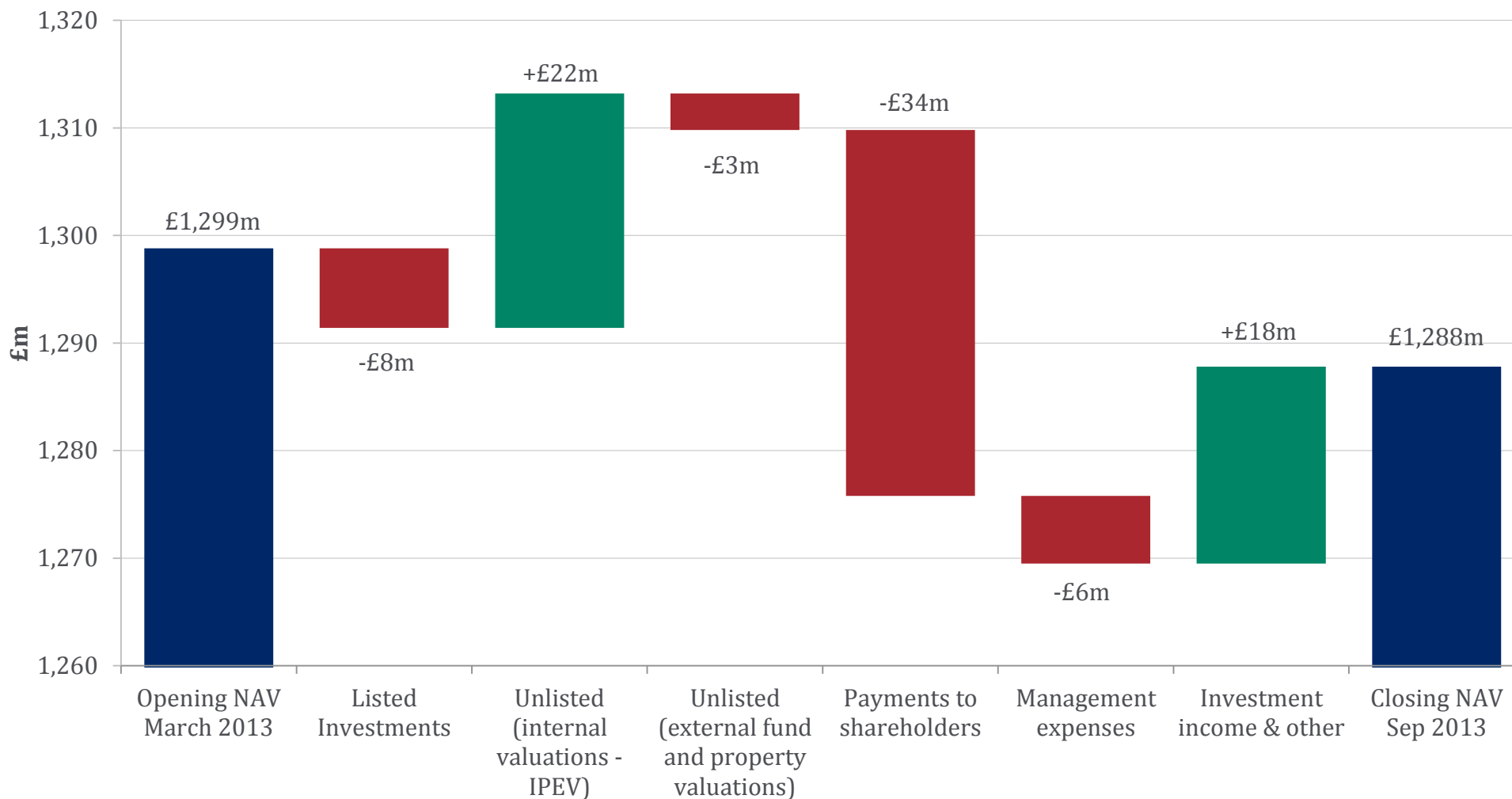


Geographic distribution

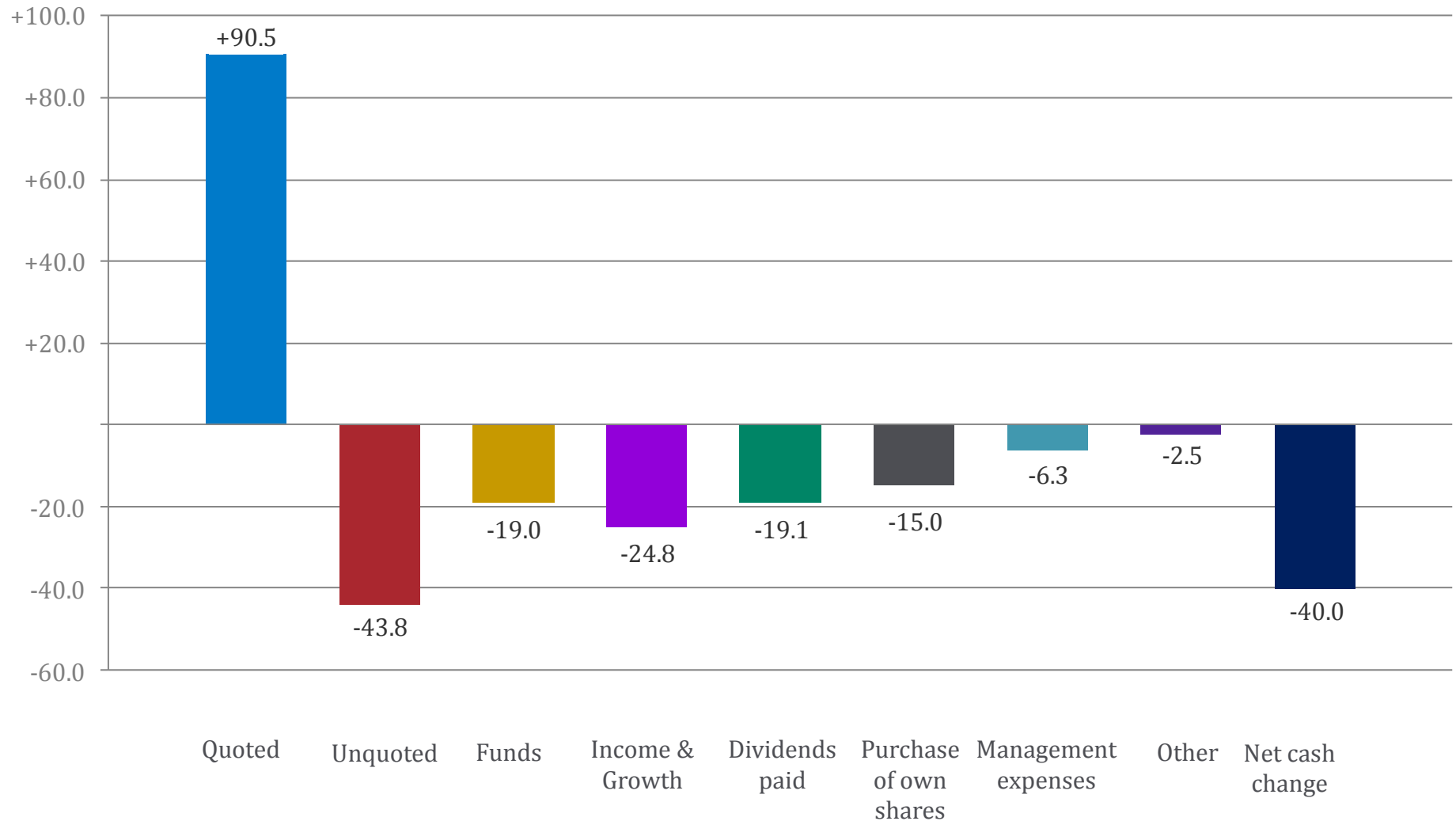


Change in net asset value

As at 30 September 2013



Net cash movements for the period - by pool - £m



Significant contributors to six month performance

Investment	Pool	Value 30 Sep 2013 £m	Value 31 Mar 2013 £m	Income £m	Total return £m
Significant outperformers					
Polar Capital	Quoted	34.4	24.1	0.9	11.2
Quintain Estates	Quoted	34.3	36.7	–	10.6
Oval	Unquoted	42.7	37.8	0.6	8.5
Sterling Industries	Unquoted	38.9	30.7	–	8.2
Close Brothers	Quoted	69.0	86.7	–	7.3
Significant underperformers					
Dewan Housing Finance	Quoted	14.4	27.8	0.4	(13.0)
Avanti Communications	Quoted	36.2	47.2	–	(11.0)

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