



CALEDONIA INVESTMENTS

31 August 2014

Share price: 2157p

NAV/share: 2563p

Discount: 15.9%

About Caledonia

Caledonia is a self-managed investment trust, with net assets of £1.4bn. We invest in well-managed, long term businesses and funds, both listed and private, in a range of sectors and regions. We have a long term investment horizon – often over ten years – and a predominantly value investment style.

We focus on established businesses, where return on capital employed is a differentiator of longer term performance and where underlying real assets provide risk mitigation to the balance sheet.

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 £10.4m and realised £17.2m, including £7.4m from disposals within our Quoted pool. We also invested £7.0m and realised £6.2m through our Income & Growth pool.

During the month, we paid our final dividend of 35.7p per share in respect of the year ended 31 March 2014, amounting to £19.7m. At the end of the month, our net cash was £40.3m, net of £20.0m drawn against our facilities.

Ten largest holdings

| Name | Business | £m | % |
|----------------------|------------------------|---------|-------|
| Cobehold | Investment company | 96.2 | 6.7 |
| Park Holidays | Caravan parks operator | 81.1 | 5.7 |
| Bristow Group | Helicopter services | 72.4 | 5.1 |
| Close Brothers | Financial services | 61.9 | 4.3 |
| AG Barr | Soft drinks | 60.7 | 4.3 |
| Choice Care | Care homes provider | 50.2 | 3.5 |
| Sloane Club | Residential club | 43.8 | 3.1 |
| Capital Today China | Private equity fund | 43.0 | 3.0 |
| TGE Marine AG | LNG Engineering | 37.7 | 2.6 |
| Polar Capital | Fund manager | 37.5 | 2.6 |
| | | 584.5 | 40.9 |
| Other investments | | 809.3 | 56.5 |
| Cash and other items | | 37.9 | 2.6 |
| Net assets | | 1,431.7 | 100.0 |

1. Caledonia held an investment in the following investment trust company: Polar Capital Global Financials Trust (£9.9m).

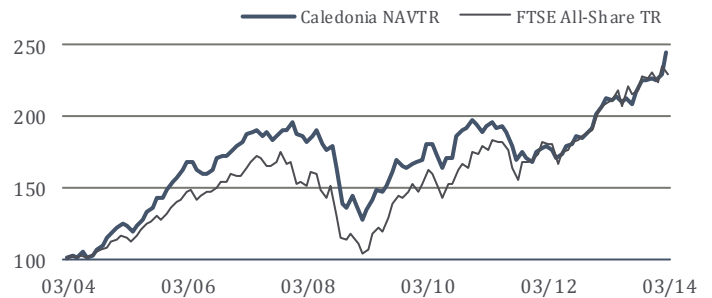
Caledonia Investments plc

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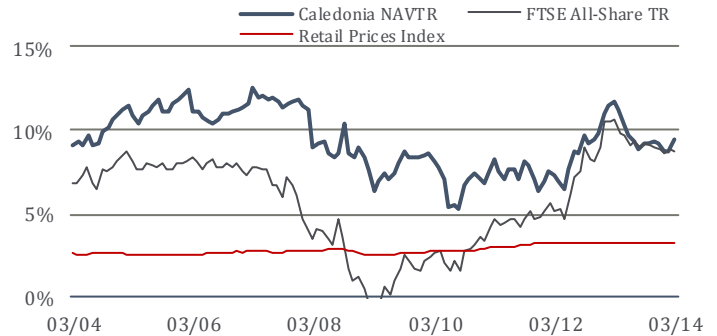
Caledonia reviews the valuation of its unquoted investments biannually, in March and September.

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.

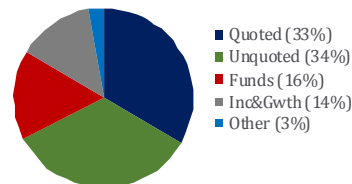
NAV total return performance ten years



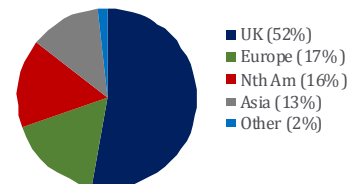
Annualised ten year rolling performance



Pool allocation



Geographic allocation



Performance to 31 March 2014 (%)

| | 1 year | 3 year | 5 years | 10 years |
|--|-------------|------------|------------|------------|
| NAV total return (cumulative) | 14.9 | 27.4 | 83.6 | 146.0 |
| NAV total return (annualised) | 14.9 | 8.4 | 12.9 | 9.4 |
| Retail Prices Index (annualised) | 2.5 | 3.1 | 3.8 | 3.3 |
| Outperformance against RPI | 12.4 | 5.3 | 9.1 | 6.1 |
| FTSE All-Share Total Return (annualised) | | | | 8.6 |
| Outperformance against FTSE | | | | 0.8 |

1. NAV per share is calculated on a diluted, cum-income basis.

2. Source: Caledonia and FTSE.

Investor information

Sector: Global
 Fund type: Investment Trust
 Listing: London Stock Exchange (SEDOL 0163992, TIDM CLDN)
 Investing: Direct, Caledonia Savings Scheme and ISA
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