



Caledonia Investments plc

Interim Management Statement for the quarter ended 30 June 2012

Caledonia Investments plc ("Caledonia" or the "Company") is one of the UK's largest investment trusts and is self-managed. It aims to be a core investment for those seeking a store of increasing value and an increasing dividend, by investing for the longer term in a range of assets.

Caledonia presents its interim management statement for the quarter ended 30 June 2012 and up to the date of publication.

Material events

- o Investments during the period totalled £20.9m, including a further £5.5m through the Quoted pool in Spirax-Sarco Engineering, a UK listed steam engineering company.
- o Realisations during the period totalled £52.0m, including £10.7m from the sale of part of the Company's holding in British Empire Securities, the UK listed investment trust, £8.3m from the sale of the Company's holding in Tribal Group, the UK listed provider of technology and other services to the education sector, and £6.9m from the sale of the Company's holding in Bioquell, the UK listed supplier of medical equipment.
- o Investments and realisations included £6.7m and £11.2m respectively for rebalancing of the Income & Growth pool. The total value of the Company's investments in global large and mid-cap equity securities through this pool at 30 June 2012 was £103.8m. This pool will continue to be dynamically managed to maximise returns.
- o During the quarter ended 30 June 2012, the Company acquired 132,500 of its own shares for cancellation at a cost of £1.8m. Since that date, the Company has purchased a further 30,000 of its own shares for cancellation at a cost of £0.4m. These shares were bought at an average discount to NAV of 28.1%, thus benefitting NAV per share.
- o A final dividend of 31.2p per share was proposed on 24 May 2012, an increase of 20.0% over last year. Subject to approval by shareholders at the annual general meeting to be held on 25 July 2012, the dividend, totalling £17.8m, will be paid on 9 August 2012 to holders of ordinary shares on the register on 6 July 2012. The ex-dividend date was 4 July 2012.

Financial position and performance summary

	<i>At 30 Jun 2012</i>	<i>At 31 Mar 2012</i>
Net assets	£1,102m	£1,134m
NAV per share	1918p	1977p
Share price	1422p	1486p
Discount	25.9%	24.8%
FTSE All-Share index	2891	3003

1. NAVs per share are calculated on a diluted, cum-income basis.

2. 30 June 2012 was the latest date on which an NAV per share was prepared.

At 30 June 2012, the Company had £24.0m of cash and £25.0m of debt, compared with £8.4m of cash and £45.0m of debt at 31 March 2012. The debt was drawn on the Company's £100m of committed term bank facilities through two bilateral agreements for £50m revolving credit facilities with ING and The Royal Bank of Scotland, expiring in July 2013. The company also has an overdraft facility of £10m, which was undrawn.

Investment portfolio

Ten largest holdings as at 30 June 2012

<i>Name</i>	<i>Business</i>	<i>£m</i>	<i>%</i>
Close Brothers	Financial services	142.2	12.6
Cobehold	Investment company	84.9	7.5
Bristow Group	Helicopter services	63.5	5.6
Avanti Communications	Satellite communications	49.4	4.4
AG Barr	Soft drinks	40.9	3.6
British Empire Securities	Investment trust	37.4	3.3
London & Stamford Property	Property investment	37.4	3.3
Oval	Insurance broking	32.2	2.9
Satellite Information Services	Broadcasting services	29.8	2.7
Capital Today China	Private equity funds	29.5	2.6
		547.2	48.5
Other investments		568.7	50.5
Cash and other items		11.1	1.0
Total assets		1,127.0	100.0
Borrowings		(25.0)	
Net assets		1,102.0	

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Caledonia publishes monthly fact sheets, which give further details of the investment and other activities during each month. These fact sheets and other information are available on the Company's website at www.caledonia.com. Neither the contents of the Company's website nor the contents of any website accessible from hyperlinks on the Company's website (or any other website) is incorporated into, or forms part of, this announcement.