



## Caledonia Investments plc

### Interim Management Statement for the quarter ended 31 December 2011

Caledonia Investments plc ("Caledonia" or the "Company") is one of the UK's largest investment trusts and is self-managed. The ability to identify opportunities through an extensive network, invest in significant stakes and become involved with the managements of investee companies underpins its investment approach, through which it seeks to deliver both a long term shareholder return in excess of the FTSE All-Share Total Return and maintain a progressive annual dividend.

Caledonia presents its interim management statement for the quarter ended 31 December 2011 and up to the date of publication.

#### **Material events**

- o Investments during the period totalled £51.7m, including £24.0m through the Unquoted pool for a 20% preferred equity stake in Bowers & Wilkins, a private UK company engaged in the design, manufacture and distribution of high-end audio equipment.
- o Realisations during the period totalled £35.0m, including £14.6m from the sale of Novae, the UK listed wholesale insurance underwriter, from the Quoted pool.
- o Investments and realisations each included some £11m relating to rebalancing of the Income & Growth pool. The net amount invested in global large and mid-cap equity securities through this pool at 31 December 2011 was £80.0m. This pool will continue to be dynamically managed to maximise returns.
- o During the period, the Company acquired 210,500 of its own shares for cancellation at a cost of £3.0m. These shares were bought at an average discount to NAV of 24.9%, thus benefitting NAV per share. In addition, the 572,230 shares previously held in treasury were cancelled when the discount was 27.7%.
- o An interim dividend of 11.7p per share was declared on 22 November 2011, an increase of 5.4% over last year. The dividend, totalling £6.7m, was paid on 5 January 2012 to holders of ordinary shares on the register on 9 December 2011. The ex-dividend date was 7 December 2011.
- o On 1 October and 1 November 2011 respectively, Rod Kent and Robert Woods joined the board as independent non-executive directors.

## Financial position and performance summary

	<i>At 31 Dec 2011</i>	<i>At 30 Sep 2011</i>
Net assets	£1,071m	£1,091m
NAV per share	1850p	1876p
Share price	1365p	1495p
Discount	26.2%	20.3%
FTSE All-Share index	2858	2654

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

2. 31 December 2011 was the latest date on which an NAV per share was prepared.

At 31 December 2011, the Company had £13.5m of cash and £35.0m of debt, compared with £1.7m of cash and £15.0m of debt at 30 September 2011. 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 is undrawn.

## Investment portfolio

Ten largest holdings as at 31 December 2011

<i>Name</i>	<i>Business</i>	<i>£m</i>	<i>%</i>
Close Brothers	Financial services	121.7	11.0
British Empire Securities	Investment trust	85.9	7.8
Cobepa	Investment company	84.6	7.7
Bristow Group	Helicopter services	74.3	6.7
A.G.Barr	Soft drinks	40.2	3.6
Avanti Communications	Satellite communications	36.8	3.3
London & Stamford Property	Property investment	36.2	3.3
Oval	Insurance broking	32.2	2.9
Satellite Information Services	Broadcasting services	29.2	2.7
Capital Today China	Private equity funds	28.1	2.5
		569.2	51.5
Other investments		539.9	48.8
Cash and other items		(3.0)	(0.3)
Total assets		1,106.1	100.0
Borrowings		(35.0)	
Net assets		1,071.1	

## 6 January 2012

### Enquiries

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## END

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](http://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.