

THE TAKEOVER PANEL

CALEDONIA INVESTMENTS PLC

("CALEDONIA")

CAYZER CONTINUATION LIMITED ("CC") AND CALEDONIA REALISATION LIMITED ("CR")

Following recent representations made by the respective advisers to Caledonia and CC and CR, the Panel Executive has been considering the application of Rule 35.1(b) of the Code to the announcement made by CC and CR on 5 September about proposals (the "Proposals") which, if implemented, would lead to the restructuring of Caledonia and The Cayzer Trust Company Limited ("CTC"). The Proposals, insofar as they relate to Caledonia, would be effected through a transaction which would be subject to the Code.

The Panel Executive has noted the announcement made by CTC on 15 September that it has convened an EGM of CTC shareholders to be held on 2 October (the "EGM") to consider a resolution (the "Resolution") that the decision of the Board of CTC to reject the Proposals be endorsed.

The Panel Executive has ruled that, if the Resolution is passed at the EGM, CC and CR must, by 12 noon on Friday 17 October, either announce an offer for Caledonia under Rule 2.5 of the Code or announce that the Proposals have been withdrawn. No extension to this deadline will be granted, except with the consent of the Panel. In the event that CC and CR announce that the proposals have been withdrawn, CC and CR and each of the parties named below (being those persons acting in concert with CC and CR) will, except with the consent of the Panel, be prohibited for a period of six months from the date of that announcement from:

- further promoting the Proposals;

- promoting any other transaction or proposal that would be governed by the Code;
- acting in concert with any person to do either of the above.

For the avoidance of doubt, this would not prevent CC, CR or any of the parties named below from taking any action in respect of a transaction or proposal that would not be governed by the Code or otherwise exercising any rights attaching to, or in respect of, any shares held in CTC or Caledonia.

The parties bound by this ruling are CC, CR, the directors of CC and CR and the members of the Cayzer-Rotherwick Group being Lord Robin Rotherwick, Sir James Cayzer, Mr Nigel Cayzer, Mr Ian Molson and family members acting in concert with any of them.

In the event that the Resolution is not passed at the EGM, the Panel Executive will at that time consult with the parties as to the appropriate steps to take.

The parties concerned have accepted this ruling.

1 October 2003