

# UTILICO EMERGING MARKETS LIMITED



30 September 2010

**OBJECTIVE:** To provide long-term capital appreciation by investing predominantly in infrastructure, utility and related companies in emerging markets.

## ORDINARY SHARES

NAV at launch	98.37p
NAV (cum income)	172.49p
Share Price	160.25p
(Discount) / Premium to diluted NAV	(7.1%)
Annual average compound return (including dividends)	14.3%
Historic Dividend Yield	3.0%
Shares in issue	220,527,034
Ticker	UEM.L

## GROSS ASSETS BREAKDOWN

Investments and options	£ 383.4m
Cash less current liabilities	(£ 5.3m)
Gross Assets less Current Liabilities	£ 378.1m

Investments as a percentage of gross assets less current liabilities 101.4%

## CAPITAL STRUCTURE

Gross Assets less Current Liabilities	£ 378.1m
Bank Debt	£ 0.0m
Contract For Differences net Debt	£ 0.0m
Shareholders' Funds	£ 378.1m
Effective gearing on Ordinary Shares	1.00x

## KEY DATES

Launch Date	20 July 2005
Year End	31 March
AGM Date	30 August 2010
Ex-Dividend Dates	June & December
Dividend Paid Dates	June & December
Winding up provision	To be proposed at the AGM in 2012

## MANAGEMENT & ADMINISTRATIVE FEES

Investment Adviser Fee	0.5%
Administration Fee	£210k
Performance Fee	15% of the outperformance over benchmark subject to "high water" mark

## FURTHER INFORMATION

Further information regarding Utilico Emerging Markets Limited (including copies of the company's admission document and weekly NAV releases) is available on the company's website at

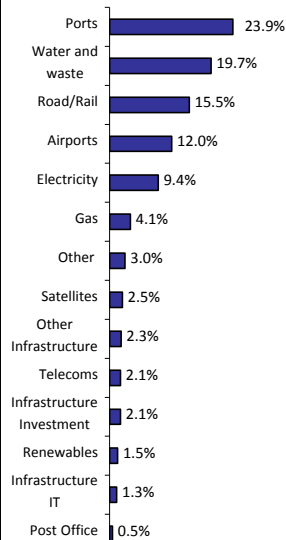
[www.uem.bm](http://www.uem.bm)

Utilico Emerging Markets Limited  
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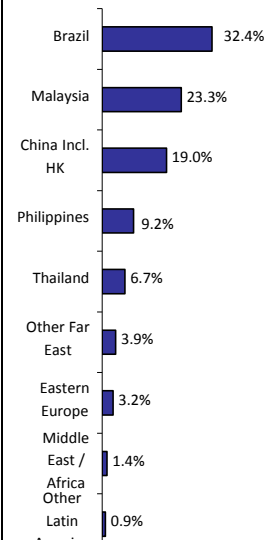
## PERFORMANCE



## SECTORAL SPLIT OF INVESTMENTS



## GEOGRAPHICAL SPLIT OF INVESTMENTS



## TOP TEN HOLDINGS

1	Malaysia Airport	11.0%
2	Ocean Wilsons Holdings Limited	9.0%
3	Intl Container Terminals	7.8%
4	Eastern Water Resources PCL	5.2%
5	Puncak Niaga Holdings	4.3%
6	Cia Saneamento Minas Gerais (COPASA)	3.8%
7	Companhia de Concessoes Rodoviaras (CCR)	3.6%
8	AES Tiete SA	3.2%
9	Sichuan Expressway	2.6%
10	My Eg Services	2.2%
	Total Top 10	52.7%

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## MONTHLY COMMENT

## INVESTMENT TEAM

### PERFORMANCE

UEM continued to gain value during September, with the NAV (cum income) adding 3.9% during the month to stand at 172.49p on a cum income basis. In the first six months of UEM's financial year to March 2011, UEM has accrued 3.80p of income, reflecting good earnings and dividend performance of the portfolio.

While September's performance was behind the MSCI Index (GBP adjusted) which gained 8.1% in the month, the first six months of the financial year have seen a total gain of 16.2% (taking as a start point the diluted NAV cum income at March 2010, thus removing the effects of the dilution from the July warrant conversion). This performance compares favourably against the MSCI Index (GBP adjusted) which gained 2.5% over the same 6 months. This performance is also well ahead of the developed markets, with the FTSE All Share and the S&P 500 Index (GBP adjusted) falling by 2.3% and 5.7% respectively.

Interim results reported by portfolio investments have continued to be robust, and we look forward with cautious optimism to the second half of the financial year.

### PORTFOLIO

Most investments within the portfolio recorded gains during the month, with strong performances recorded by International Container Terminals ("ICT"), up 18.8%, Ocean Wilsons Holdings up 7.1%, and Malaysia Airports, up 4.8%. ICT has benefited from growth in Philippine exports, and Ocean Wilsons should see future growth opportunities in serving the substantial increase in offshore oil activity in Brazil.

During September UEM made investments of £9.9 million, and realisations of £6.8 million. The majority of the investment was focussed on existing investments within the portfolio.

### DEBT & CASH

The investment activity above reduced UEM's cash balances from £6.7 million at the end of August, to £2.7 million at the end of September. UEM's £25 million bank facility remained undrawn.

### OTHER

UEM's Ordinary share price increased by 9.9% during September to 160.25p, and at the end of the month stood at a 7.1% discount to NAV (cum income).

The investment manager Ingot Capital Management Pty Limited ("ICM") is primarily responsible for running the investment portfolio in conjunction with the advice received from the Executive Director.

### ICM represented by Mr Duncan Saville

Mr Saville, aged 53, is a director of UEM's investment manager, ICM. He is a chartered accountant. He is a non-executive director of Infratil Limited and Vix-ERG Limited and was formerly a non-executive director of Utilico Investment Trust plc, The Special Utilities Investment Trust PLC, East Surrey Holdings plc, Dee Valley Group plc, Glasgow Prestwick International Airport Limited and Wellington International Airport Limited.

### MR CHARLES JILLINGS (Executive Director)

Mr Jillings, aged 54, is a Director of the Company. He is responsible for the day-to-day running of the Company and the investment portfolio in conjunction with the Investment Manager. Mr Jillings is qualified as a chartered accountant and previously worked in corporate finance at Hill Samuel for 10 years. He set up The Analysis & Research Company Limited in 1995 and has been a director of a number of listed companies. He is a director of Equest Balkan Properties plc (former Chairman) and Global Equity Risk Protection Limited. He was also until recently a director of Newtel Limited.

Assisting them are:

### MR JAMES SMITH

Mr Smith, aged 37, has been involved in the running of UEM and Utilico Limited since their inception and before that with Utilico Investment Trust plc and The Special Utilities Investment Trust PLC since 1999. Mr Smith is a barrister and a member of the Institute of Chartered Accountants in England and Wales.

### MR MARK LEBBELL

Mark Lebell, aged 38, has been involved in the running of UEM and Utilico Limited since their inception and before that with Utilico Investment Trust plc and The Special Utilities Investment Trust PLC since 2000. Mr Lebell is an associate member of the Institute of Electrical Engineering and Technology.

The information presented on this factsheet is solely for information purposes and is not intended to be, and should not be construed as, an offer or recommendation to buy and sell investments. If you are in any doubt as to the appropriate course of action, we would recommend that you consult your own independent financial adviser, stockbroker, solicitor, accountant or other professional adviser.

Past performance is no guide to the future. The value of investments and the income from them may go down as well as up and investors may not get back the full amount they originally invested. The information presented has been obtained from sources believed to be reliable but no representation or warranty is given or may be implied that they are accurate or complete.

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