

UTILICO EMERGING MARKETS LIMITED



28 February 2011

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)	169.33p
Share Price	157.00p
(Discount) / Premium to diluted NAV	(7.3%)
Annual average compound return (including dividends)	13.4%
Historic Dividend Yield	3.1%
Shares in issue	218,772,234
Ticker	UEM.L

GROSS ASSETS BREAKDOWN

Investments and options	£ 389.4m
Cash less current liabilities	(£ 6.2m)
Gross Assets less Current Liabilities	£ 383.2m
Investments as a percentage of gross assets less current liabilities	101.6%

CAPITAL STRUCTURE

Gross Assets less Current Liabilities	£ 383.2m
Bank Debt	(£ 12.7m)
Contract For Differences net Debt	£ 0.0m
Shareholders' Funds	£ 370.4m
Effective gearing on Ordinary Shares	1.03x

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

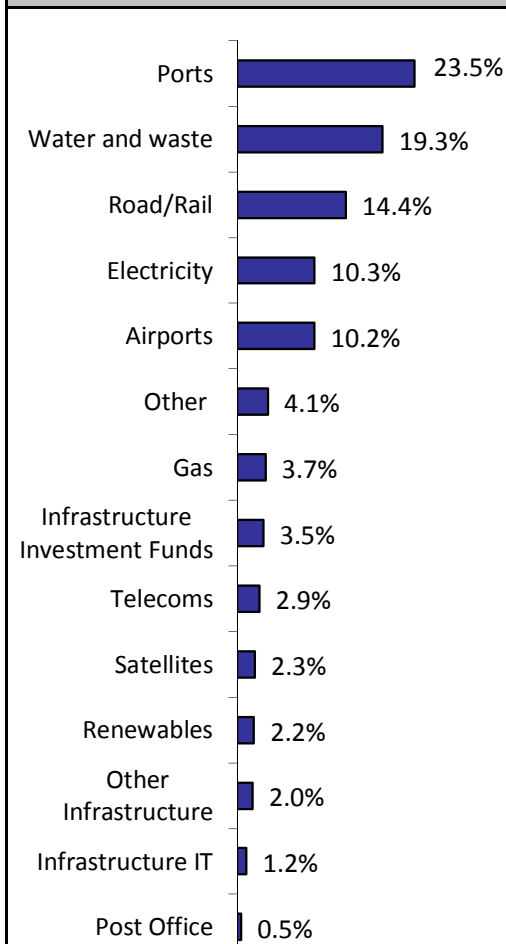
FURTHER INFORMATION

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

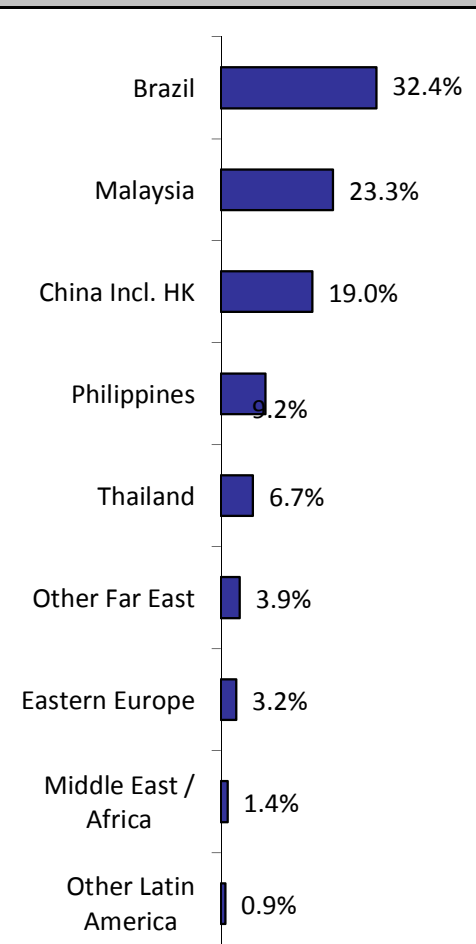
PERFORMANCE



SECTORAL SPLIT OF INVESTMENTS



GEOGRAPHICAL SPLIT OF INVESTMENTS



TOP TEN HOLDINGS

1	Ocean Wilsons Holdings Limited	10.3%
2	Malaysia Airport	10.0%
3	Intl Container Terminals	7.2%
4	Eastern Water Resources PCL	5.3%
5	Cia Saneamento Minas Gerais (COPASA)	4.1%
6	Companhia de Concessoes Rodoviaras (CCR)	3.7%
7	AES Tiete SA	3.6%
8	Puncak Niaga Holdings	3.4%
9	Santos Brasil Part	2.4%
10	Sichuan Expressway	2.4%
Total Top 10		52.3%

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MONTHLY COMMENT

PERFORMANCE

UEM's NAV decreased by 3.1% over the month, against a fall of 2.5% for the MSCI EMF Index (GBP adjusted).

Sterling strengthened marginally against most emerging market currencies in February, up 0.8% against the Malaysian Ringgit, 1.1% against the Chinese Renminbi, 0.6% against the Brazilian Real and 0.5% against Thai Baht.

The markets maintain their focus on rising inflation, in particular inflation related to oil prices as worries over the crisis in Libya increased. Oil prices have risen 20 per cent during the past five weeks, prompting a warning on the risks to global growth. The rise in oil prices comes as record food and metals prices were already pushing up inflation rates, especially in developing countries.

Brazil's central bank raised interest rates by 50 basis points for the second time this year in an attempt to curb rising inflation. The rate of 11.75% puts Brazil at the highest of the G20 group of developed and emerging economies. Rate increases are also expected in Chile, Indonesia and Malaysia. While soaring food prices are the biggest concerns for emerging market investors, the latest wave of inflation could be a temporary spike.

PORTFOLIO

Over the month under review the majority of UEM's top ten fell in value notably International Container Services Terminal which fell 14.2% to the end of February but rebounded during the first week of March. Copasa was up 6.0%, AES Tiete up 2.9% and CCR up 0.8% confirming that Brazilian markets are still strong regardless of the inflationary pressures.

Investments of £8.9 million were made in the month and realisations totalled £9.4 million, the largest of these being the sale of £3.3 million Companhia de Gas de Sao Paulo (Comgas) shares.

DEBT & CASH

Bank debt increased marginally to £12.7 million and was drawn £9.3 million in US Dollars and £3.5 million in Sterling. Cash balances increased to £2.4 million.

OTHER

UEM's Ordinary share price fell by 3.7% during February to 157.00p, and at the end of the month stood at a 7.3% discount to NAV (cum income)

INVESTMENT TEAM

The investment manager ICM 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 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 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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