

UTILICO EMERGING MARKETS LIMITED



31 December 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) | 179.96p |
| Share Price | 164.25p |
| (Discount) / Premium to diluted NAV | (8.7%) |
| Annual average compound return (including dividends) | 14.5% |
| Historic Dividend Yield | 2.9% |
| Shares in issue | 218,772,234 |
| Ticker | UEM.L |

GROSS ASSETS BREAKDOWN

| | |
|--|-----------|
| Investments and options | £ 418.5m |
| Cash less current liabilities | (£ 14.8m) |
| Gross Assets less Current Liabilities | £ 403.7m |
| Investments as a percentage of gross assets less current liabilities | 103.7% |

CAPITAL STRUCTURE

| | |
|---------------------------------------|-----------|
| Gross Assets less Current Liabilities | £ 403.7m |
| Bank Debt | (£ 10.0m) |
| Contract For Differences net Debt | £ 0.0m |
| Shareholders' Funds | £ 393.7m |
| 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 |

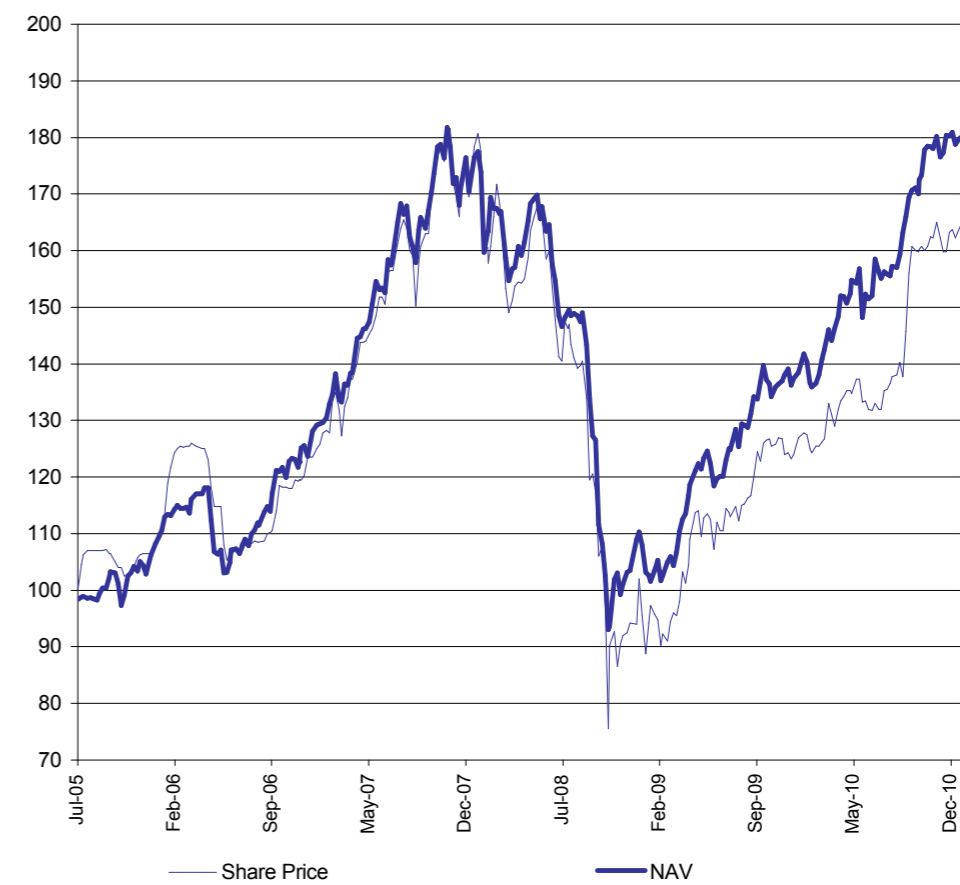
MANAGEMENT & ADMINISTRATIVE FEES

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

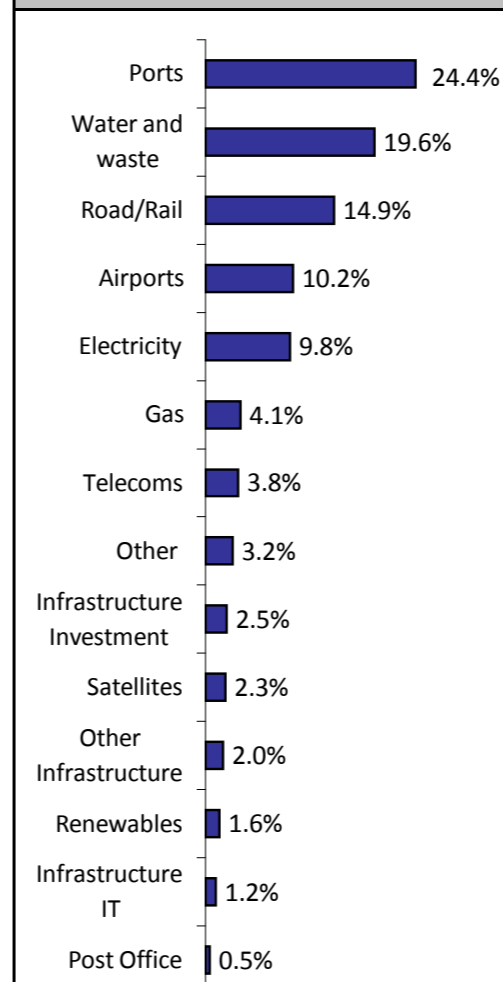
FURTHER INFORMATION

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

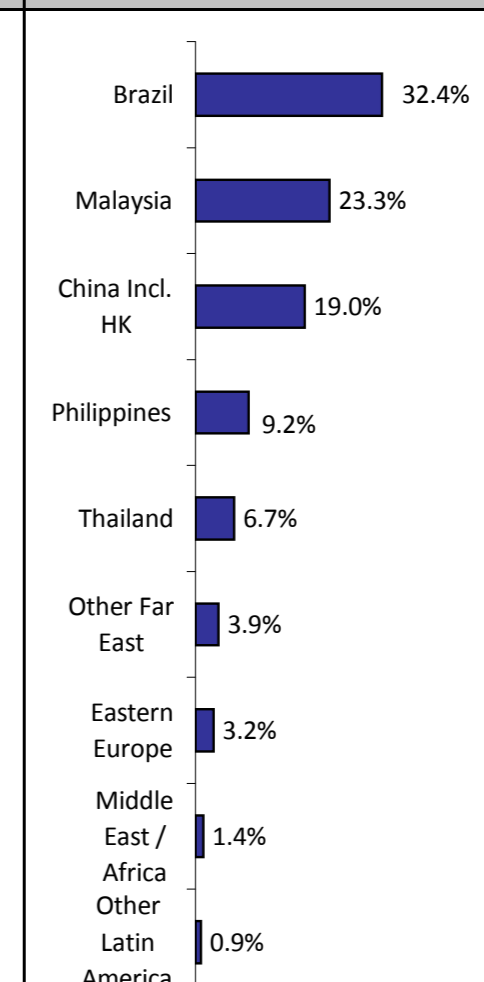
PERFORMANCE



SECTORAL SPLIT OF INVESTMENTS



GEOGRAPHICAL SPLIT OF INVESTMENTS



TOP TEN HOLDINGS

| | |
|---|-------|
| 1 Ocean Wilsons Holdings Limited | 10.3% |
| 2 Malaysia Airport | 9.7% |
| 3 Intl Container Terminals | 8.2% |
| 4 Eastern Water Resources PCL | 5.6% |
| 5 Cia Saneamento Minas Gerais (COPASA) | 3.9% |
| 6 Companhia de Concessoes Rodoviarias (CCR) | 3.6% |
| 7 AES Tiete SA | 3.3% |
| 8 Puncak Niaga Holdings | 3.1% |
| 9 Sichuan Expressway | 2.3% |
| 10 Santos Brasil Part | 2.2% |
| Total Top 10 | 52.2% |

Utilico Emerging Markets Limited
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MONTHLY COMMENT

PERFORMANCE

UEM's NAV increased by 1.5% (ex income), under-performing a strong market as the MSCI EMF Index (GBP adjusted) increased by 6.5%.

For calendar 2010 as a whole, UEM's NAV managed an increase of 23.6%, being ahead of the MSCI EMF Index (GBP adjusted) which gained 20.5%. However, as a result of the UEM warrant exercise in July, the undiluted NAV was diluted by the resulting new shares being issued at 100p per warrant exercised. Therefore, a more meaningful indicator of performance is the movement in the diluted NAV during the year, which increased by 30.0%.

PORTFOLIO

Of UEM's top 10 investments at the end of December, 5 rose in value during the month and 5 fell. However, the gainers were weighted towards the top of the list, giving a modest overall gain. Within the top 10, the best performing positions were Copasa (up 9.5%), AES Tiete (up 6.2%), and International Container Terminals (up 5.8%). The largest decliner was Puncak Niaga which fell by 10.5%, although has recovered this decline during early January following a new proposal from the Selangor State Government to acquire the company's assets.

December is a light month for company announcements, but what news regarding the portfolio there was, was generally positive. For instance, Malaysia Airports announced that October passenger numbers at Kuala Lumpur airport were 10.7% higher year on year, and Copasa announced that billed volumes increased by 3.6% year on year during November 2010. In early January Eastern Water announced water volumes had increased by 10.9% during 2010 as compared to 2009.

Investments of £11.1 million were made in the month, funded by modest realisations of £1.2 million and a drawdown of £10.0 million on the bank facility.

DEBT & CASH

Cash balances increased from £5.9 million to £6.7 million during the month. The 3.75p interim dividend was paid on 7th January at a cost of £8.2 million utilising the cash balance. UEM's £25 million bank facility was £10.0 million drawn at the end of the month, all in GBP.

OTHER

UEM's Ordinary share price increased by 2.8% during December to 164.25p, and at the end of the month stood at an 8.7% discount to NAV.

INVESTMENT TEAM

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 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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