UTILICO

UTILICO EMERGING MARKETS LIMITED

Report and accounts
for the six months to 30 September 2011

www.uem.bm

UEM/Int/11

Managed by
ICM Limited

To provide long-term total return by investing predominantly in infrastructure, utility and related sectors mainly in emerging markets.

Interim dividend maintained at 3.75p.

UEM has not been immune from the markets' sharp retreat and its NAV per ordinary share fell by 12.8%. While better than the wider markets, this was still a disappointment.

Since inception UEM's NAV per ordinary share has resulted in an average annual compound total return of 10.6%.

UEM historic performance (total return)
From 20 July 2005 to 30 September 2011

Source: Utilico Emerging Markets Limited

	Half-year 30 September 2011	Half-year 30 September 2010	Annual 31 March 2011	Half-year change % 2011
Total return[2]	(11.9%)	17.0%	21.4%	n/a
Annual compound total return (since inception)	10.6%	14.3%	13.8%	n/a
Net asset value per ordinary share	152.83p	172.53p	175.28p	(12.8)
Ordinary share price	137.00p	160.25p	157.75p	(13.2)
Discount	(10.4%)	(7.1%)	(10.0%)	n/a
Earnings per ordinary share (basic)				
– Capital	(24.21p)	21.19p	25.63p	n/a
– Revenue	3.05p	4.09p	5.61p	(25.4)[3]
– Total	(21.16p)	25.28p	31.24p	n/a
Dividends per ordinary share				
– Interim	3.75p[4]	3.75p	3.75p	–
– Final	n/a	n/a	1.45p	n/a
– Total	n/a	n/a	5.20p	n/a
Equity holders' funds (£m)	329.4	378.1	383.2	(14.0)
Gross assets (£m)[5]	341.6	378.1	393.4	(13.2)
Cash/(overdraft) (£m)	2.6	1.8	(0.7)	n/a
Bank debt (£m)	(12.2)	–	(10.2)	n/a
Net cash/(debt) (£m)	(9.6)	1.8	(10.9)	(11.9)
Net debt gearing on gross assets	2.8%	n/a	2.8%	n/a
Management and administration fees (£m)[6]	2.0	1.8	3.1	(11.1)[3]
Total expense ratio[7]	1.0%	0.9%	0.8%	n/a

(1) Historical performance can be found on page 25
(2) Total return is calculated based on NAV per share return plus dividends reinvested from the ex-dividend date
(3) Percentage change based on comparable six month period to 30 September 2010
(4) The dividend declared has not been included as a liability in these accounts
(5) Gross assets less liabilities excluding loans
(6) Excluding performance fee, including other expenses for both revenue and capital returns
(7) Annualised management and administration fees over monthly average gross assets

The world markets corrected sharply in the latter part of the six months to 30 September 2011. The MSCI Emerging Markets Index (GBP adjusted) fell by 17.7% over the six months and the MSCI Emerging Markets Utilities Index (GBP adjusted) fell by 22.3%. Utilico Emerging Markets Limited ("UEM") was not immune from this sharp retreat and its net asset value ("NAV") per ordinary share fell by 12.8%. While better than the wider markets, this was still a disappointment.

During the six months we announced our intention to migrate from AIM to the main market of the London Stock Exchange. This was achieved on 14 October 2011. This is a further milestone in the development of UEM as a substantial main market participant.

UEM's total return for the six months was down 11.9%, being 12.8% on its NAV, offset by a final dividend for the year to 31 March 2011 of 1.45p. Since inception UEM's NAV per ordinary share has gained 55.4%. Adding back dividends of 23.80p over the last six and a half years results in an average annual compound total return per ordinary share of 10.6%.

The decrease in NAV was driven by losses across the board as equity prices were marked down in nearly all UEM's positions. To put this in context, the Brazilian market retreated 24.6%, the Hong Kong market fell back 25.2% and the Malaysian market lost 5.2% over the six months.

The revenue earnings per share ("EPS") has reduced to 3.05p versus 4.09p last half year. This is due to two factors. First, other expenses increased by £451,000 to £930,000 mainly as a result of the costs of the migration to the main market of £345,000 which were expensed in the six months to 30 September 2011. Had these not been included, the EPS would have been 3.21p. Second, the investment and other income was £1.5m lower as a result of reduced dividends from smaller positions and investee companies' reductions or, in some cases, cancellation of dividends.

The board has declared a maintained interim dividend of 3.75p of which 0.70p is paid from revenue reserves brought forward.

The total expense ratio ("TER") increased to 1.0% in the six months, up from 0.9% in the prior year. This includes the cost of the migration to the main market. However, excluding these costs the adjusted TER for the six months reduces to 0.8%.

As at 30 September 2011, net debt had reduced to £9.6m reflecting prudence by the Investment Manager and the Board relating to the issues faced by the wider markets. Since the period end bank debt has been reduced to nil.

The ordinary share price declined by 13.2% and as a result the discount widened to 10.4% over the six months which is clearly disappointing. In April and May 2011 the Company bought back 3,068,441 ordinary shares, representing 1.4% of the issued ordinary shares, at an average price of 160.3p. Discounts had tightened especially after the announcement of the move to the main market. However, in the more recent market turmoil discounts have once again widened.

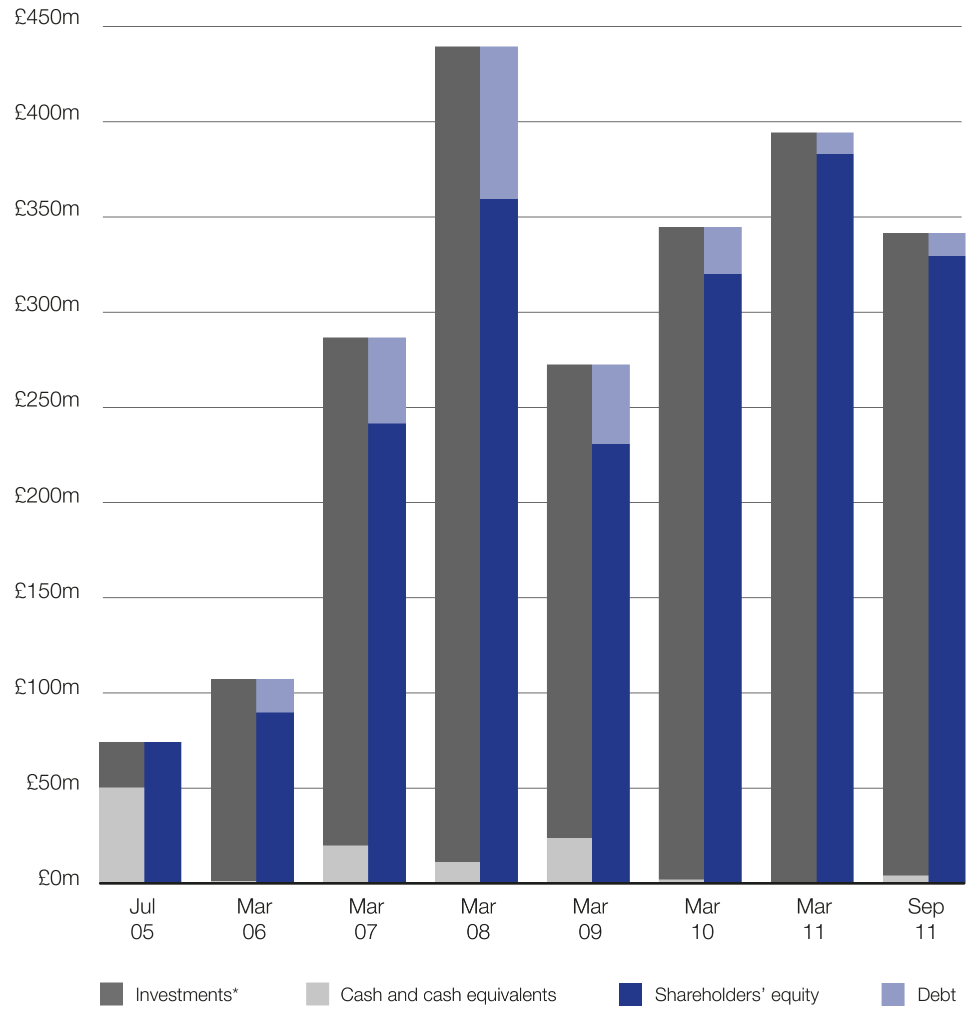
Outlook

The investment environment looks challenging and is likely to remain so across all asset classes, especially in the case in the European Union. Without a deliverable solution to the sovereign debt issues facing Europe and the resultant stresses in the European banking sector the equity markets will remain volatile.

However, the developing markets are delivering strong economic growth despite the turmoil in the wider markets. Predictably, this growth continues to feed through to increased growth in infrastructure and expanded activity in the utility sectors in most emerging markets. UEM's portfolio is well placed to benefit from this increased economic activity. While equity markets may well retreat we continue to believe in the long term outlook for the infrastructure and utility sectors and that our portfolio will benefit from this expanded activity.

Alexander Zagoreos
Chairman
24 November 2011

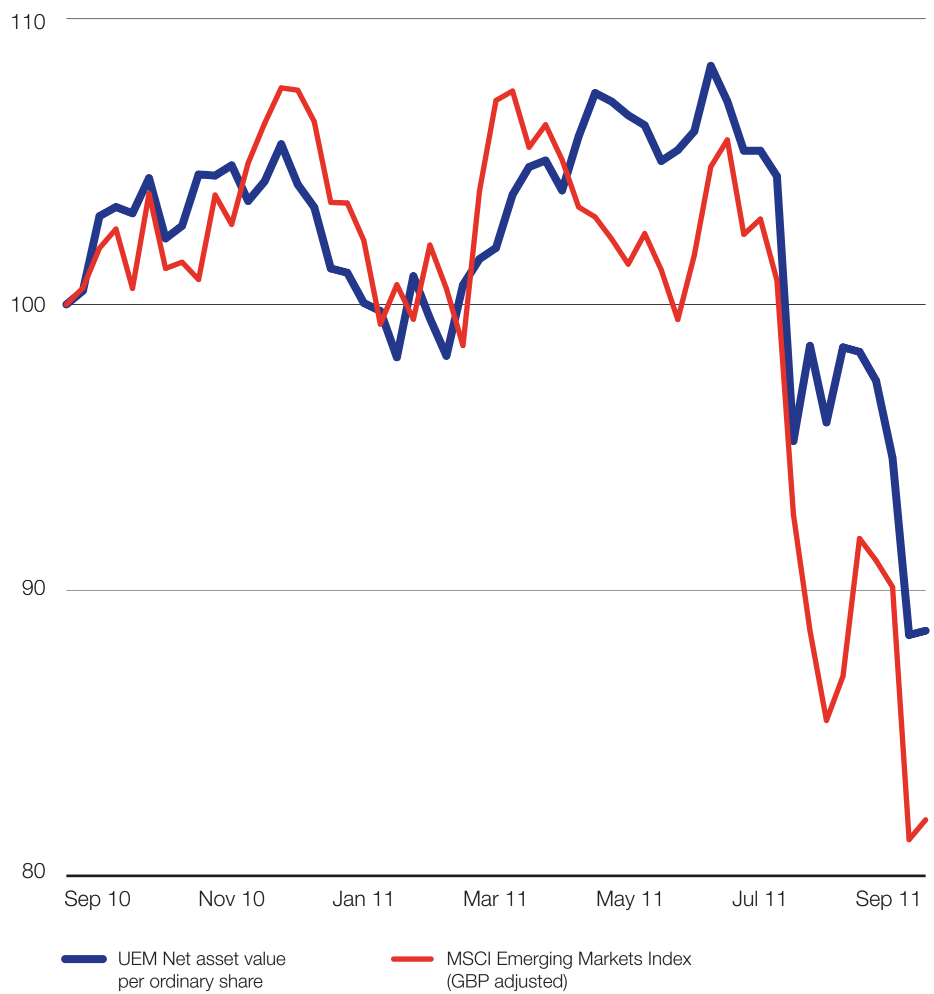
UEM capital structure
From 20 July 2005 to 30 September 2011



*gross assets less liabilities excluding cash and loans.

Source: Utilico Emerging Markets Limited

MSCI EM Index comparative performance*
30 September 2010 to 30 September 2011



**GBP adjusted and rebased to 100 at 30 September 2010*

Source: Bloomberg

The six months to 30 September 2011 has seen a sharp correction in emerging markets. By the end of September 2011 both the Brazilian Bovespa Index and the Hong Kong Hang Seng Index had fallen by 25.1% and 27.9% respectively from their highs during the period, placing them firmly in correction territory. This has continued into the second half. Further, currencies have weakened as central banks either have, or are expected to, reverse their tightening policies which are no longer needed in the face of weakening economies. The net result is the MSCI Emerging Market Index (GBP adjusted) being down 17.7% over the six months and 23.6% below its peak of 740.25.

UEM has not been immune to this process and has seen its NAV gains progressively erode as the market seeks liquidity. Over the six months to 30 September 2011 the share prices of seven out of UEM's ten largest holdings ended lower. Against this challenging environment, UEM's NAV held up well registering a decline of 12.8%. Adding back dividends paid, the decline reduces to 11.9%.

PORTFOLIO

UEM's gross assets declined by 13.2% from £393.4m to £341.6m, reflecting, in the main, losses on investments.

The composition of the top ten has seen some movements in the six months. In particular Puncak Niaga Holdings Berhad fell from 8th position to 15th and Sichuan Expressway Co. Ltd fell from 10th position to 20th. They have been replaced by Infrastructure India plc and Tractebel Energia S.A.

▸ International Container Terminal Services Inc. ("ICT")
ICT's share price rose 12.2% over the six months to 30 September 2011 increasing the holding from £32.8m to £37.5m. ICT continues to deliver operational gains and in the period to 30 June 2011, ICT reported port volumes up by 23.6% against the prior period. Since year-end we have realised 4.8% of our holding in ICT.

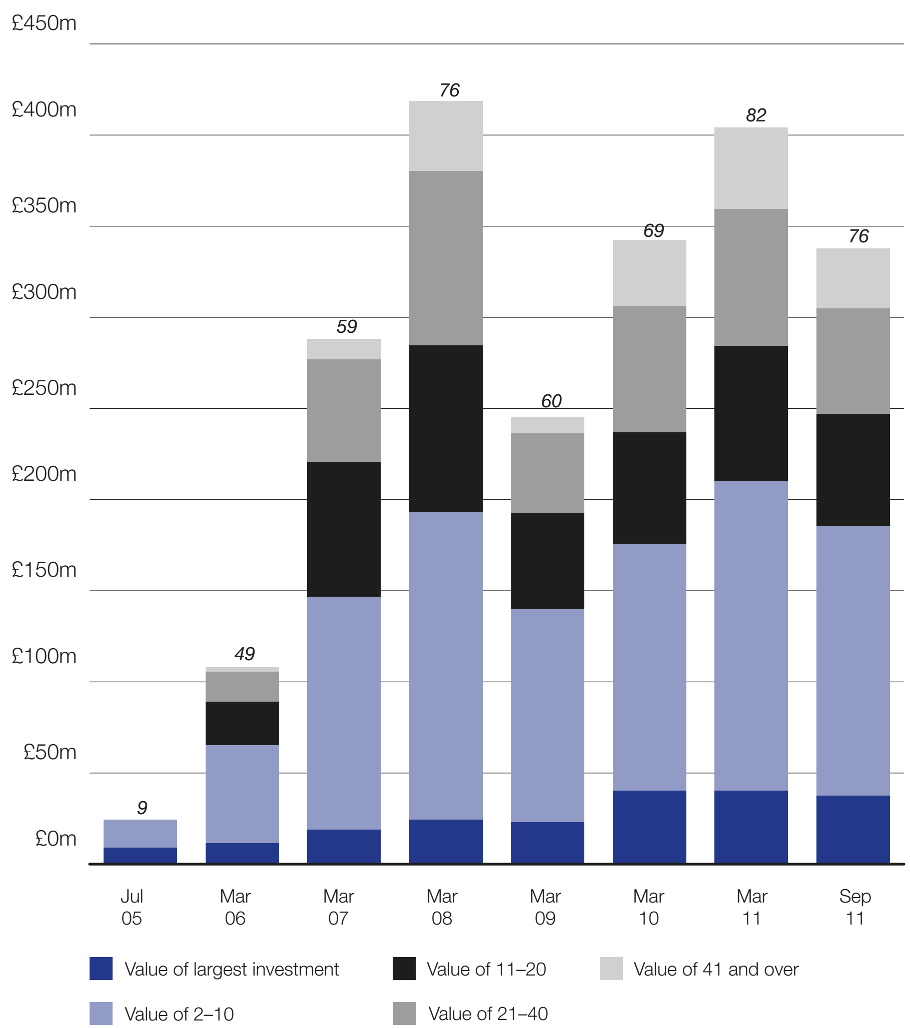
▸ Malaysia Airport Holdings Berhad ("MAHB")
MAHB continues to make good progress both expanding the airport and improving its returns. This resulted in stronger share price performance which peaked at MYR6.65. We took the opportunity to reduce our shareholding by 10.8% at an average price of MYR6.59 realising £4.3m for UEM. The shares ended the half-year at MYR5.29, down 13.0%. UEM's investment ended the half-year at £30.7m, down from £40.0m. We remain strong supporters of MAHB. The new runway and terminal which are under construction should enable MAHB to leverage its operational asset base and significantly enhance returns to shareholders. Results for the first half year to 30 June 2011, reported revenues up 23.6% underpinned by growth of 12.6% in passenger volumes.

▸ Ocean Wilsons Holdings Limited ("Ocean Wilsons")
Ocean Wilsons had a strong six months with its share price up 11.5%. During the six months to 30 September 2011 the share price rose to £14.50 and we took the opportunity to place 32.4% of our holding at an average price of £14.30. This realised £11.7m for UEM. As a result our investment reduced from £36.1m to £29.9m over the six months. Interim results from Wilson Sons, the 58.25% owned Brazilian port business and the largest part of Ocean Wilsons operating revenue, announced revenues up 29.0% to US$156.6m as a result of increased volumes across all business lines.

▸ Eastern Water Resources PCL ("Eastern Water")
Eastern Water's share price retreated 7.6%, despite results for the half year to June 2011 reporting revenues up 5.2%. Water volumes were marginally improved but impacted by heavy rainfall during the period; net earnings for the six months were THB492.0m up 2.7%.

UTILICO EMERGING MARKETS LIMITED
SIX MONTHS TO 30 SEPTEMBER 2011

Portfolio progression and number of investments
From 20 July 2005 to 30 September 2011



Source: Utilico Emerging Markets Limited

▸ Companhia de Saneamento de Minas Gerais S.A. ("Copasa")
Copasa's share price fell by 4.4% over the six months to 30 September 2011. Revenues for the half year to June 2011, showed increases of 9.9% and net earnings were up by 10.7% to BR$227.0m. Billed water volumes were up 3.7% and look set to continue to rise. During the 2nd quarter of 2011, Copasa signed three new sewage concessions and renewed four water supply concessions.

▸ Companhia de Concessoes Rodoviarias ("CCR")
CCR's share price was up by 3.0% during the six months to 30 September 2011. Results to the half year to June 2011 reported strong top line growth of 22.4%, driven by the traffic growth. CCR announced an interim dividend of BR$1.59, down 6.5% on the comparable period, representing a yield of 3.5%.

▸ Santos Brasil Participacoes S.A. ("Santos")
Despite strong results Santos shares declined 10.0% over the six months. We took this opportunity to increase our holding in the ordinary shares of Santos by 25.4%. In the six months to June 2011 Santos reported revenues up 47.8% on the prior six month period to BR$603.9m and a staggering 236.0% growth on net earnings up to BR$83.0m driven by strong earnings growth across all divisions and only marginal growth in costs.

▸ AES Tietê S.A. ("AES")
AES's share price corrected by 18.5%. This correction reflected concerns with the upcoming renewal of AES's concession. The Sao Paulo state government may fine power generator AES for the delay in increasing capacity by 15% (400 MW) as was agreed at privatisation. The obligation incurred was to build a new generation plant within state borders and to do so by 2007. Most likely, a new agreement will be reached moving the expansion date back. The Company reported weak first half results, due to contract seasonality with Eletropaulo which reduced sales. This should be offset in the second half of the year.

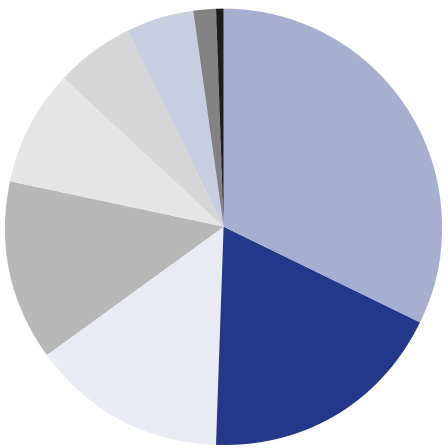
▸ Infrastructure India plc. ("IIP")
IIP's share price declined by 16.9% in the six months to 30 September 2011. This is disappointing as IIP is positioned to be an exciting opportunity within the Indian market. UEM has struggled to find investments in India which are attractive on a risk adjusted basis. There has been a stream of opportunities to invest in greenfield businesses with valuations reflecting no discount for the execution risks. UEM has for the most part stayed away from these investments. UEM's cost of initial investment in IIP was at 27.0p per share. This was followed by further investments ranging between 46.0p and 68.0p, and included a placing of 62.0p at the time IIP was expanded through the injection by Guggenheim Global Infrastructure, a US Investment fund, of their Indian assets. In the six month period IIP took over Indian Energy, in which UEM was a substantial shareholder and loan note holder, and UEM elected for shares thus increasing our investment. IIP is a long-term investment and has investments in logistic parks, toll roads, hydro projects and wind farms.

▸ Tractebel Energia S.A. ("Tractebel")
Tractebel's share price declined by 13.1%, and despite this UEM's investment rose to 10th position due to the poor performances of Puncak Niaga and Sichuan Expressway. In the interim period to June 2011, gross revenues were up by 9.5% to BR$2,334.2m mainly due to higher average sales prices and higher margins. In 2Q11, the Company issued notice to begin the construction of five wind farms in the Brazilian Northeast adding a further 145.4MW of complementary renewable energy to its generation portfolio.

▸ Puncak Niaga Holdings Berhad ("Puncak)
Puncak's share price declined by 52.0% in the six months, clearly a very poor outcome. We are

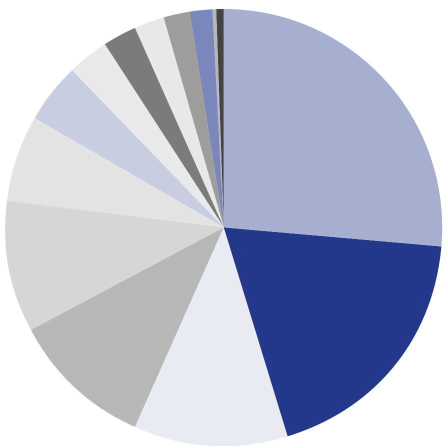
UTILICO EMERGING MARKETS LIMITED
SIX MONTHS TO 30 SEPTEMBER 2011

Geographical split of investments
As at 30 September 2011



Brazil	32.3%	(33.7%)
China	18.4%	(20.3%)
Malaysia	14.5%	(17.2%)
Philippines	13.2%	(9.9%)
Other Asia	8.7%	(6.8%)
Thailand	5.8%	(6.1%)
Eastern Europe	5.1%	(3.6%)
Middle East/Africa	1.5%	(2.2%)
Other Latin America	0.5%	(0.2%)

Sectoral split of investments
As at 30 September 2011



Ports	26.4%	(23.0%)
Water and waste	19.1%	(19.0%)
Toll Roads	11.4%	(14.5%)
Electricity	10.4%	(10.9%)
Airports	9.9%	(10.2%)
Other	6.3%	(4.4%)
Infrastructure Investment Funds	4.5%	(3.4%)
Satellites	3.1%	(2.5%)
Gas	2.5%	(3.6%)
Telecoms	2.2%	(2.7%)
Other Infrastructure	1.9%	(2.2%)
Renewables	1.5%	(2.0%)
Infrastructure IT	0.5%	(1.1%)
Post Office	0.3%	(0.5%)

Source: Utilico Emerging Markets Limited
Figures in brackets 31 March 2011

disappointed with the political positioning of the State of Selangor and ineffective action by the Federal government in regard to Puncak. Puncak is legally entitled to a price increase and this has not been granted. As a result Puncak's entire business model is at risk. We have made our concerns known at the highest level. As a result Puncak fell out of the top ten to 15th place representing 1.8% of UEM's gross assets.

Sichuan Expressway Co. Limited ("Sichuan")

Sichuan's share price corrected strongly in September 2011 and ended the six months down 37.5% at HKD3.15. The Chinese government announced it is going to review all toll road operations. The entire sector corrected significantly in a matter of days. As time has passed it has become clear the focus of attention is directed at illegal toll plazas, illegal or high toll rates and even illegal toll roads. Our investments look to be outside the concerns raised by the Chinese government. This is best illustrated by the fact that Sichuan was awarded a new toll road contract in October 2011. However, the market will take time to recover. In addition, the sector has seen a noticeable weakening in toll road usage since June as the Chinese economy slows as a result of the various tightening measures introduced.

Market Hedging

There has been no material hedging during the six months. The maintenance of any hedge positions has continued to be difficult. Subsequent to the period end, UEM has re-established a small net S&P 500 Index option position.

Bank Debt

Net bank debt has remained at around £10.0m over the six months. At 30 September 2011 the bank debt stood at £12.2m all drawn in US Dollars and cash was at £2.6m mainly in US Dollars. Since the half-year bank debt has been reduced to nil. The £25.0m bank facility remains available until 31 March 2012. UEM has been offered an alternative facility which is currently being negotiated.

Revenue returns

Revenue income was lower at £8.8m, a decrease of 14.8%, than in the comparable period to 30 September 2010. The revenue yield on average gross assets was 2.4% at 30 September 2011. This is due mainly to decreased dividends from Malaysia Airports as a result of realisations, lower dividends from Dalian Ports and no dividend from Puncak Niaga.

Management and administration fees remained broadly flat at £0.4m. Other expenses nearly doubled to £0.9m. This mainly arose due to costs of £0.35m incurred by UEM moving its listing from AIM to the London Stock Exchange main market. The increase in expenses has caused the TER to increase to 1.0%, up 0.2% since 31 March 2011. However, excluding the migration costs the underlying TER is 0.8%. Significantly, as a result of the decreased revenue and the migration costs the EPS decreased to 3.05p (2010: 4.09p), down 25.4% on the six month period to September 2010.

Capital Return

The portfolio losses on investments were £51.9m reversing the gains in the comparative period of £50.6m. This is a result of the correction in the markets in comparison to the recoveries seen in the six months to September 2010.

Gains and losses on derivatives comprised mainly of the gains on the market hedging position.

Management and administration fees decreased to £0.4m, largely as a result of there being no accrual of a performance fee, with the NAV having now fallen below its highwater mark.

Finance costs were in-line with the prior period due to the stable bank debt and taxation was a positive £0.2m as a result of a reduction in Brazilian capital gains tax accrual since the last year end at 31 March 2011 as values declined.

The loss for the six months on the Capital account was £52.3m, compared with a profit of £44.0m in the comparable period last year.

Buybacks

UEM has bought back 3.1m ordinary shares in the six month period at an average cost of 160.3p within a price range of 160.00p to 163.50p. We continue to believe that buybacks are an investment decision as evidence in the wider markets suggests it has a modest impact on the discount to NAV.

Outlook

We continue to be encouraged by the strong operational performances within the majority of our investments. This has resulted in rising earnings and in some cases lower valuation metrics as market values have not always mirrored the rising performance.

ICM Limited
24 November 2011

30 Sep 2011	31 Mar 2011	Company *Country*	Fair value £'000s	% of total investments
1	*3*	**International Container Terminal Services, Inc.** *Philippines* Global container port operator	37,528	11.1%
2	*1*	**Malaysia Airport Holdings Berhad** *Malaysia* Airport operator	30,723	9.1%
3	*2*	**Ocean Wilsons Holdings Limited** *Brazil* Port operator, provider of shipping services and investment fund	29,928	8.9%
4	*4*	**Eastern Water Resources PCL** *Thailand* Water treatment and supply	19,008	5.6%
5	*5*	**Companhia de Saneamento de Minas Gerais S.A.** *Brazil* Water treatment and supply	15,477	4.6%
6	*7*	**Companhia de Concessoes Rodoviarias S.A.** *Brazil* Toll road operator	11,148	3.3%
7	*9*	**Santos Brasil Particpacoes S.A.** *Brazil* Brazilian port operator	11,067	3.3%
8	*6*	**AES Tietê S.A.** *Brazil* Electricity generation	11,067	3.3%
9	–	**Infrastructure India plc** *India* Indian infrastructure investment fund	10,331	3.0%
10	–	**Tractebel Energia S.A.** *Brazil* Electricity generation	9,024	2.7%
		Other investments	152,404	45.1%
		Total Portfolio	337,705	100.0%

DIRECTORS' STATEMENT OF PRINCIPAL RISKS AND UNCERTAINTIES

The principal risk faced by the Group is the failure to maintain its objective of long-term total return and that the NAV does not rise over the longer term. The risks which might give rise to this can be categorised as investment and strategy, manager, gearing, operational and financial.

These risks and the way they are mitigated are described in more detail under the heading Internal Controls and Management of Risk in the Corporate Governance section of the Group's Annual Report for the year ended 31 March 2011. The Group's principal risks and uncertainties have not changed materially since the date of that report and are not expected to change materially for the remaining six months of the Group's financial year.

The Annual Report and Accounts is published on the Company's website, **www.uem.bm.**

DIRECTORS' STATEMENT OF RESPONSIBILITIES

The Directors confirm that to the best of their knowledge:

i) the condensed set of financial statements has been prepared in accordance with International Accounting Standard 34 "Interim Financial Reporting" and gives a true and fair view of the assets, liabilities, financial position and return of the Group;

ii) the Chairman's Statement and Investment Manager's Report (constituting the Interim Report) includes a fair review of the important events that have occurred in the six months to 30 September 2011 and their impact on the condensed set of financial statements and a description of the principal risks and uncertainties for the remaining six months of the financial year; and

iii) the Interim Report includes a fair review of the related party transactions that have taken place in the six months to 30 September 2011 and that have materially affected the financial position or performance of the Group during the period, and any changes in the related party transactions described in the last Annual Report that could do so.

The current Directors of the Company are listed on page 24 of this Report.

Approved by the Board on 24 November 2011
and signed on its behalf by
Alexander Zagoreos
Chairman

Notes		Six months to 30 September 2011			Six months to 30 September 2010			Year to 31 March 2011		
		Revenue return £'000s	Capital return £'000s	Total return £'000s	Revenue return £'000s	Capital return £'000s	Total return £'000s	Revenue return £'000s	Capital return £'000s	Total return £'000s
	Gains and losses on investments	–	(51,855)	(51,855)	–	50,637	50,637	–	70,427	70,427
	Gains and losses on derivative instruments	–	617	617	–	(1,421)	(1,421)	–	(5,461)	(5,461)
	Exchange gains and losses	–	(215)	(215)	–	(251)	(251)	–	(433)	(433)
	Investment and other income	8,805	–	8,805	10,333	–	10,333	15,190	–	15,190
	Total income	8,805	(51,453)	(42,648)	10,333	48,965	59,298	15,190	64,533	79,723
2	Management and administration fees	(401)	(420)	(821)	(395)	(4,461)	(4,856)	(773)	(7,790)	(8,563)
3	Other expenses	(930)	(12)	(942)	(479)	(19)	(498)	(963)	(26)	(989)
	Profit/(loss) before finance costs and taxation	7,474	(51,885)	(44,411)	9,459	44,485	53,944	13,454	56,717	70,171
	Finance costs	(304)	(710)	(1,014)	(304)	(710)	(1,014)	(547)	(1,277)	(1,824)
	Profit/(loss) before taxation	7,170	(52,595)	(45,425)	9,155	43,775	52,930	12,907	55,440	68,347
4	Taxation	(580)	312	(268)	(682)	185	(497)	(951)	(805)	(1,756)
	Profit/(loss) for the period	6,590	(52,283)	(45,693)	8,473	43,960	52,433	11,956	54,635	66,591
5	**Earnings per ordinary share (basic) – pence**	3.05	(24.21)	(21.16)	4.09	21.19	25.28	5.61	25.63	31.24
5	**Earnings per ordinary share (diluted) – pence**	n/a	n/a	n/a	3.95	20.49	24.44	5.50	25.13	30.63

The total column of this statement represents the Group's Condensed Income Statement and the Group's Condensed Statement of Comprehensive Income, prepared in accordance with IFRS.

The supplementary revenue return and capital return columns are both prepared under guidance published by the Association of Investment Companies in the UK.

The Group does not have any income or expense that is not included in the profit for the period, and therefore the 'profit for the period' is also the 'total comprehensive income for the period', as defined in International Accounting Standard 1 (revised).

All items in the above statement derive from continuing operations.

All income is attributable to the equity holders of the Company. There are no minority interests.

Notes						Retained earnings		
	for the six months to 30 September 2011	**Ordinary share capital £'000s**	**Share premium account £'000s**	**Special reserve £'000s**	**Other non-distributable reserve £'000s**	**Capital reserves £'000s**	**Revenue reserve £'000s**	**Total £'000s**
	Balance at 31 March 2011	21,860	12,136	204,587	11,093	128,906	4,569	383,151
	(Loss)/profit for the period	–	–	–	–	(52,283)	6,590	(45,693)
6	Ordinary dividend paid	–	–	–	–	–	(3,125)	(3,125)
	Shares and warrants purchased by the Company	(307)	(4,626)	–	–	–	–	(4,933)
	Balance at 30 September 2011	**21,553**	**7,510**	**204,587**	**11,093**	**76,623**	**8,034**	**329,400**

Notes								Retained earnings		
	for the six months to 30 September 2010	Ordinary share capital £'000s	Share premium account £'000s	Special reserve £'000s	Warrant reserve £'000s	S share reserve £'000s	Other non-distributable reserve £'000s	Capital reserves £'000s	Revenue reserve £'000s	Total £'000s
	Balance at 31 March 2010	20,331	–	206,394	8,089	8,729	994	72,378	2,967	319,882
	Profit for the period	–	–	–	–	–	–	43,960	8,473	52,433
	Ordinary dividend paid	–	–	–	–	–	–	–	(2,135)	(2,135)
	Conversion of warrants and S shares	2,338	21,044	–	(5,144)	(4,955)	10,099	–	–	23,382
	Shares and warrants purchased by the Company	(752)	(8,041)	(1,807)	(2,945)	(3,774)	–	1,893	–	(15,426)
	Balance at 30 September 2010	21,917	13,003	204,587	–	–	11,093	118,231	9,305	378,136

Notes								Retained earnings		
	for the year to 31 March 2011	Ordinary share capital £'000s	Share premium account £'000s	Special reserve £'000s	Warrant reserve £'000s	S share reserve £'000s	Other non-distributable reserve £'000s	Capital reserves £'000s	Revenue reserve £'000s	Total £'000s
	Balance at 31 March 2010	20,331	–	206,394	8,089	8,729	994	72,378	2,967	319,882
	Profit for the year	–	–	–	–	–	–	54,635	11,956	66,591
	Ordinary dividends paid	–	–	–	–	–	–	–	(10,354)	(10,354)
	Conversion of warrants and S shares	2,339	21,044	–	(5,144)	(4,955)	10,099	–	–	23,383
	Shares and warrants purchased by the Company	(810)	(8,908)	(1,807)	(2,945)	(3,774)	–	1,893	–	(16,351)
	Balance at 31 March 2011	21,860	12,136	204,587	–	–	11,093	128,906	4,569	383,151

Notes		30 September 2011 £'000s	30 September 2010 £'000s	31 March 2011 £'000s
	Non-current assets			
	Investments	**337,705**	379,579	403,026
	Current assets			
	Other receivables	**6,155**	3,587	2,418
	Derivative financial instruments	**–**	6,451	1,769
	Cash and cash equivalents	**4,189**	1,789	211
		10,344	11,827	4,398
	Current liabilities			
	Bank loans	**(12,197)**	–	(10,231)
	Other payables	**(4,142)**	(7,037)	(8,612)
	Derivative financial instruments	**(746)**	(4,829)	(3,153)
		(17,085)	(11,866)	(21,996)
	Net current liabilities	**(6,741)**	(39)	(17,598)
	Total assets less current liabilities	**330,964**	379,540	385,428
	Non-current liabilities			
	Deferred tax	**(1,564)**	(1,404)	(2,277)
	Net assets	**329,400**	378,136	383,151
	Equity attributable to equity holders			
7	Ordinary share capital	**21,553**	21,917	21,860
	Share premium account	**7,510**	13,003	12,136
	Special reserve	**204,587**	204,587	204,587
	Other non-distributable reserve	**11,093**	11,093	11,093
	Capital reserves	**76,623**	118,231	128,906
	Revenue reserve	**8,034**	9,305	4,569
	Total attributable to equity holders	**329,400**	378,136	383,151
	Net asset value per ordinary share			
8	Basic – pence	**152.83**	172.53	175.28

Notes		Six months to 30 September 2011 £'000s	Six months to 30 September 2010 £'000s	Year to 31 March 2011 £'000s
9	Cash flows from operating activities	**9,609**	18,905	15,467
	Cash flows from investing activities	**–**	–	–
	Cash flows before financing activities	**9,609**	18,905	15,467
	Financing activities			
	Ordinary dividends paid	**(3,125)**	(2,135)	(10,354)
	Movements from loans	**1,452**	(24,620)	(14,576)
	Cost of ordinary shares purchased	**(4,933)**	(10,600)	(11,525)
	Proceeds from warrants converted	**–**	18,497	18,497
	Proceeds from S shares converted	**–**	4,885	4,886
	Cost of warrants purchased	**–**	(3,612)	(3,612)
	Cost of S shares purchased	**–**	(1,215)	(1,214)
	Cash flows from financing activities	**(6,606)**	(18,800)	(17,898)
	Net movement in cash and cash equivalents	**3,003**	105	(2,431)
	Cash and cash equivalents at the beginning of the period	**(742)**	1,974	1,974
	Effect of movement in foreign exchange	**297**	(290)	(285)
	Cash and cash equivalents at the end of the period	**2,558**	1,789	(742)
	Comprised of:			
	Cash	**4,189**	1,789	211
	Bank overdraft	**(1,631)**	–	(953)
	Total	**2,558**	1,789	(742)

1. ACCOUNTING POLICIES

The condensed Group Accounts have been prepared in accordance with International Financial Reporting Standards ('IFRS'), IAS 34 'Interim Financial Reporting' and the accounting policies set out in the statutory accounts of the Group for the year ended 31 March 2011. The condensed Group Accounts do not include all of the information required for full annual accounts and should be read in conjunction with the Group Accounts of the Group for the year ended 31 March 2011, which were prepared under full IFRS requirements.

2. MANAGEMENT AND ADMINISTRATION FEES

ICM Limited ("ICM") provides investment management services to the Company for a fee of 0.5% per annum, payable quarterly in arrears. The Agreement with ICM may be terminated upon six months notice.

The management fee is allocated 70% to capital return and 30% to revenue return.

In addition, ICM is entitled to a performance fee payable in respect of each financial period, equal to 15% of the amount of any outperformance in that period by equity funds attributable to shareholders of the post-tax yield on the FTSE Actuaries Government Securities UK Gilt 5 to 10 years Index, plus inflation (on the RPIX basis), plus two percent. Half of the performance fee is payable in cash and half in ordinary shares of the Company, based on the diluted NAV per share at the year end. The full performance fee is payable to ICM as soon as practicable following the year end date in order to reduce the risk to the Company of material movements in the price of ordinary shares between the year end date and the date of payment. Any subsequent adjustment to the fee arising out of the audit process will be paid to or recouped from ICM in cash within 7 days of the publication of the Report and Accounts. Under the terms of the performance fee agreement, no future performance fee is payable until the net asset value exceeds the high watermark established at the last payment of the performance fee at 31 March 2011. The high watermark adjusted for capital events and dividends paid following the period in respect of which a performance fee was last paid is £378.2m as at 30 September 2011.

For the period ended 30 September 2011 the attributable shareholders' funds were below the high watermark and therefore no performance fee has been accrued. The final amount payable is dependent upon the performance of the Company in the year to 31 March 2012. Based upon an unaudited fee of £6,415,000 for the year to 31 March 2011, ICM was awarded 1,831,559 ordinary shares for half the fee (based upon the fully diluted NAV of those shares at 31 March 2011). These shares were purchased in the market place on 5 April 2011 at a cost of £2,936,000, a saving of £271,000 to the Group which is recognised in the Accounts for the period ended 30 September 2011. The audited performance fee of £6,477,000, recognised in the Accounts for the year ended 31 March 2011, was £62,000 more than that paid to ICM in April 2011 in cash and shares. This amount was paid to ICM after the publication of the 2011 Report and Accounts.

F&C Management Limited ("FCM") provides accounting, secretarial, dealing and administration services to the Company for a fixed fee of £210,000 per annum, payable monthly in arrears and will be entitled to reimbursement of certain expenses incurred by it in connection with its duties. The Agreement with FCM is terminable on three months' notice in writing.

3. OTHER EXPENSES

Other expenses include fees of £345,000 in respect of obtaining a listing on the main market of the London Stock Exchange.

4. TAXATION

The revenue return taxation charge of £580,000 (30 September 2010: £682,000 and 31 March 2011: £951,000) relates to overseas taxation. The capital return taxation income of £312,000 (30 September 2010: income of £185,000 and 31 March 2011:charge of £951,000) relates to Brazilian overseas investment taxation, capital gains on realised gains on sale of overseas investments and deferred tax in respect of capital gains tax on overseas unrealised investment gains that may be subject to taxation in future years. Profits for the period to 30 September 2011 are not subject to Bermuda tax.

UTILICO EMERGING MARKETS LIMITED
SIX MONTHS TO 30 SEPTEMBER 2011

5. EARNINGS PER ORDINARY SHARE

Earnings for the purpose of basic and diluted earnings per ordinary share is the profit attributable to ordinary shareholders.

The calculation of the basic and diluted earnings per ordinary share from continuing operations is based on the following data:

	Six months to 30 Sep 2011 £'000s	Six months to 30 Sep 2010 £'000s	Year to 31 Mar 2011 £'000s
Revenue	**6,590**	8,473	11,956
Capital	**(52,283)**	43,960	54,635
Total	**(45,693)**	52,433	66,591
	Number	Number	Number
Weighted average number of ordinary shares in issue during the period for basic earnings per share calculations	**215,991,319**	207,436,675	213,169,337

Diluted earnings per ordinary share

The warrants and S shares were fully converted in August 2010 and therefore for the period to 30 September 2011 there is no dilution of earnings per share. For the period to 30 September 2010 and the year to 31 March 2011 the following applies:

Diluted earnings per share have been calculated in accordance with IAS 33 "Earnings per share", under which the Company's outstanding warrants and S shares are considered dilutive only if the exercise price is lower than the average market price of the ordinary shares during the period. The dilution is calculated by reference to the additional number of ordinary shares which warrantholders and S shareholders would have received on exercise as compared with the number of ordinary shares which the subscription proceeds would have purchased in the open market.

	Six months to 30 Sep 2010 £'000s	Year to 31 Mar 2011 £'000s
Weighted average number of shares in issue during the period for basic earnings per share calculations	207,436,675	213,169,337
Dilutive potential shares – Warrants	5,559,903	3,300,025
Dilutive potential shares – S shares	1,576,402	935,658
Weighted average number of shares for diluted earnings per share calculations	214,572,980	217,405,020

6. DIVIDENDS

The final dividend of 1.45p in respect of the year ended 31 March 2011 was paid on 15 July 2011 to shareholders on the register at 1 July 2011.

The Directors have declared an interim dividend in respect of the period ended 30 September 2011 of 3.75p per ordinary share payable on 16 December 2011 to shareholders on the register at close of business on 2 December 2011.

7. ORDINARY SHARE CAPITAL

	Authorised number	£'000s	Issued and fully paid Number	£'000s
Equity share capital:				
Ordinary shares of 10p each				
Balance at 31 March 2011	1,350,009,078	135,001	218,597,234	21,860
Purchased for cancellation			(3,068,441)	(307)
Balance at 30 September 2011	**1,350,009,078**	**135,001**	**215,528,793**	**21,553**

Ordinary shares

During the period 3,068,441 ordinary shares were purchased at a total cost of £4,933,000 and cancelled.

Since the period end no further ordinary shares have been purchased.

8. NET ASSET VALUE PER ORDINARY SHARE

Net asset value per ordinary share is based on net assets at the period end of £329,400,000 (30 September 2010: £378,136,000 and 31 March 2011: £383,151,000) and on 215,528,793 ordinary shares in issue at the period end (30 September 2010: 219,172,234 and 31 March 2011: 218,597,234).

9. RECONCILIATION OF LOSS BEFORE TAX TO NET CASH FLOWS FROM OPERATING ACTIVITIES

	30 Sep 2011 £'000s	30 Sep 2010 £'000s	31 Mar 2011 £'000s
(Loss)/profit before taxation	**(45,425)**	52,930	68,347
Adjust for non-cash flow items:			
Losses/(gains) on investments	**51,855**	(50,637)	(70,427)
(Gains)/losses on derivative financial instruments	**(617)**	1,421	5,461
Exchange losses	**215**	251	433
Effective yield interest	**(119)**	–	–
Decrease/(increase) in accrued income	**1,082**	1,150	(413)
(Decrease)/increase in creditors	**(6,089)**	3,190	5,825
(Increase)/decrease in other debtors	**(6)**	17	24
Tax on overseas income	**(688)**	(839)	(942)
	45,633	(45,447)	(60,039)
Adjust for cash flow items not within Income Statement			
Taxation on capital gains	**(145)**	(24)	(112)
Overseas investment tax	**(118)**	(47)	(77)
Net cash flows on investments	**9,684**	15,083	11,971
Net cash flows on derivatives	**(20)**	(3,590)	(4,623)
	9,401	11,422	7,159
Net cash flows from operating activities	**9,609**	18,905	15,467

UTILICO EMERGING MARKETS LIMITED
SIX MONTHS TO 30 SEPTEMBER 2011

10. BUSINESS AND GEOGRAPHICAL SEGMENTS

The Directors are of the opinion that the Group and Company are engaged in a single segment of business of investing in equity and debt securities, issued by companies operating and generating revenue in emerging markets, and therefore no segmental reporting is provided.

11. RELATED PARTY TRANSACTIONS

There has been no change in related party relationships and no significant changes to related party transactions post 31 March 2011.

12. RESULTS

The condensed set of financial statements, forming the half-year accounts, has been neither audited nor reviewed by the Company's auditors. The latest published accounts are for the year ended 31 March 2011; the report of the auditors thereon was unqualified. The condensed financial statements shown above for the year ended 31 March 2011 are an extract from those accounts.

By order of the Board
F&C Management Limited, Secretary
Exchange House, Primrose Street, London EC2A 2NY
24 November 2011

UTILICO EMERGING MARKETS LIMITED
COMPANY REGISTRATION NUMBER: 36941
www.uem.bm

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Kevin O'Connor (Deputy Chairman)
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Anthony Muh

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The Company is listed on the London Stock Exchange.
The Company currently operates a Dividend Reinvestment Plan. Please contact the Registrar for an application form if you wish to participate.

	30 September 2011	31 March 2011	31 March 2010	31 March 2009	31 March 2008	31 March 2007	31 March 2006[1]	20 July 2005[2]	Half-year change % 2011	Change % 2011/10	Change % 2010/09	Change % 2009/08	Change % 2008/07	Change % 2007/06	Change % 2006/05
Total return[3]	(11.9%)	21.4%	44.0%	(28.9%)	16.3%	22.4%	18.2%	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a
Annual compound total return (since inception)	10.6%	13.8%	13.7%	5.9%	24.5%	28.4%	32.2%	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a
Undiluted net asset value per ordinary share	152.83p	175.28p	157.33p	107.76p	168.39p	146.45p	119.48p	98.36p	(12.8)	11.4	46.0	(36.0)	15.0	22.6	21.5
Diluted net asset value per ordinary share	152.83p[4]	175.28p[4]	148.37p	106.51p	157.20p	138.80p	116.23p	98.36p[4]	(12.8)	18.1	39.3	(32.2)	13.3	19.4	18.2
Ordinary share price	137.00p	157.75p	132.00p	95.50p	153.75p	137.25p	126.00p	100.00p	(13.2)	19.5	38.2	(37.9)	12.0	8.9	26.0
(Discount)/premium[5]	(10.4%)	(10.0%)	(11.0%)	(10.3%)	(2.2%)	(1.1%)	8.4%	1.7%	n/a	n/a	n/a	n/a	n/a	n/a	n/a
Earnings per ordinary share (basic)															
– Capital	(24.21p)	25.63p	48.57p	(60.28p)	17.89p	34.19p	19.50p	n/a	n/a	(47.2)	n/a	n/a	(47.7)	75.3	n/a
– Revenue	3.05p	5.61p	4.67p	5.08p	5.24p	2.96p	1.62p	n/a	(25.4)[6]	20.1	(8.1)	(3.1)	77.0	82.7	n/a
– Total	(21.16p)	31.24p	53.24p	(55.20p)	23.13p	37.15p	21.12p	n/a	n/a	(41.3)	n/a	n/a	(37.7)	75.9	n/a
Dividends per ordinary share															
– Interim	3.75p[7]	3.75p	3.75p	4.00p	3.50p	2.00p	–	n/a	–	–	(6.3)	14.3	75.0	n/a	n/a
– Final	n/a	1.45p	1.05p	0.80p	1.30p	0.70p	1.50p	n/a	n/a	38.1	31.3	(38.5)	85.7	(53.3)	n/a
– Total	n/a	5.20p	4.80p	4.80p	4.80p	2.70p	1.50p	n/a	n/a	8.3	–	–	77.8	80.0	n/a
Equity holders' funds (£m)	329.4	383.2	319.9	230.7	359.5[9]	241.6[8]	89.7	73.8	(14.0)	19.8	38.7	(35.8)	48.8	169.4	n/a
Gross assets (£m)[10]	341.6	393.4	344.5	272.5	441.3[9]	288.6[8]	107.2	73.8	(13.2)	14.2	26.4	(38.0)	53.3	169.2	n/a
Cash/(overdraft) (£m)	2.6	(0.7)	2.0	24.1	11.9	19.9	1.2	–	n/a	n/a	(91.7)	102.5	(40.2)	n/a	n/a
Bank debt (£m)	(12.2)	(10.2)	(24.7)	(41.8)	(79.9)	(45.0)	(17.5)	–	n/a	(58.7)	(40.9)	(47.7)	77.5	157.2	n/a
Net cash/(debt) (£m)	(9.6)	(10.9)	(22.7)	(17.7)	(68.0)	(25.1)	(16.3)	–	(11.1)[6]	(52.0)	28.2	(74.0)	170.9	54.0	n/a
Net debt gearing on gross assets	2.8%	2.8%	6.6%	6.5%	15.5%	8.8%	15.2%	–	n/a	n/a	n/a	n/a	n/a	n/a	n/a
Management and administration fees (£m)[11]															
– excluding performance fee	2.0	3.1	2.5	2.7	3.1	2.1	0.8	–	(2.1)	24.0	(7.4)	(12.9)	47.6%	n/a	n/a
– including performance fee	2.0	9.6	2.5	2.7	6.5	9.2	3.0	–	n/a	n/a	n/a	n/a	n/a	n/a	n/a
Total expense ratio[12]															
– excluding performance fee	1.0%	0.8%	0.8%	0.7%	0.8%	0.9%	0.9%	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a
– including performance fee	1.0%	2.5%	0.8%	0.7%	1.7%	4.0%	3.4%	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a

(1) Period from 9 June 2005, the date of incorporation of the Company, to 31 March 2006
(2) Date of admission to trading on Alternative Investment Market
(3) Total return is calculated based on diluted NAV per share return plus dividends reinvested from the ex-dividend date
(4) There was no dilution
(5) Based on diluted net asset value
(6) Percentage change based on comparable six month period to 30 September 2010
(7) The dividend declared has not been included as a liability in these accounts
(8) Includes the £100.0m fund raising in May 2006
(9) Includes the £85.0m fund raising in December 2007
(10) Gross assets less liabilities excluding loans
(11) Including other expenses for both the revenue and capital returns
(12) Management and administration fees over monthly average gross assets