

UTILICO EMERGING MARKETS LIMITED

31 January 2008

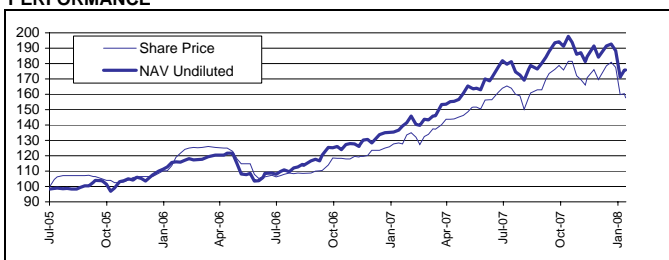


OBJECTIVE: To provide long-term capital appreciation by investing predominantly in infrastructure, utility and related companies in emerging markets.

KEY DATES

Launch Date	20 July 2005
Year End	31 March
AGM Date	07 September 2007
Ex-Dividend Dates	June & December
Dividend Paid Dates	June & December
Warrant Exercise Dates	31 January & 31 July
Warrant Expiry	July 2010
Winding up provision	To be proposed at the AGM in 2012

PERFORMANCE



GROSS ASSETS BREAKDOWN (ORDINARY SHARE POOL)

Investments	£ 389.9m
Cash less current liabilities	(£ 12.1m)
Gross Assets less Current Liabilities	£ 377.8m
Investments as a percentage of gross assets less current liabilities	103.2%

GROSS ASSETS BREAKDOWN (C SHARE POOL)

Investments	£ 46.8m
Cash less current liabilities	£ 36.7m
Gross Assets less Current Liabilities	£ 83.5m
Investments as a percentage of gross assets less current liabilities	56.1%

CAPITAL STRUCTURE (ORDINARY SHARE POOL)

Gross Assets less Current Liabilities	£ 377.8m
Bank Debt	(£ 78.5m)
Contract For Differences net Debt	(£ 6.9m)
Shareholders' Funds	£ 292.4m
Effective gearing on Ordinary Shares	1.29x

CAPITAL STRUCTURE (C SHARE POOL)

Gross Assets less Current Liabilities	£ 83.5m
Bank Debt	£ 0.0m
Contract For Differences net Debt	(£ 1.0m)
Shareholders' Funds	£ 82.5m
Effective gearing on Ordinary Shares	1.01x

ORDINARY SHARES

NAV at launch	98.37p
NAV (undiluted, cum income)	175.76p
NAV (diluted, cum income)	163.37p
Share Price	157.75p
(Discount) / Premium to diluted NAV	(3.4%)
Annual average compound return (including dividends)	28.3%
Historic Dividend Yield	2.7%
Shares in issue	166,362,044
Ticker	UEM.L

C SHARES

NAV at launch	98.37p
NAV (undiluted, cum income)	97.10p
NAV (diluted, cum income)	97.10p
Share Price	91.25p
(Discount) / Premium to diluted NAV	(6.0%)
Shares in issue	85,000,000
Ticker	UEMC.L

WARRANTS

Price	81.25p
Warrants in issue	32,542,518
Ticker	UEMW.L
Exercise Terms	1 ordinary share at a subscription price of 100p

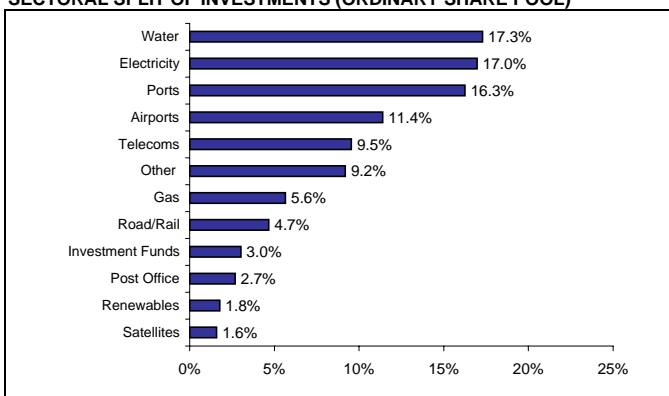
SUBSCRIPTION SHARES

Price	54.75p
Warrants in issue	17,000,000
Ticker	UEMX.L
Exercise Terms	1 C share at a subscription price of 100p

MANAGEMENT & ADMINISTRATIVE FEES

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

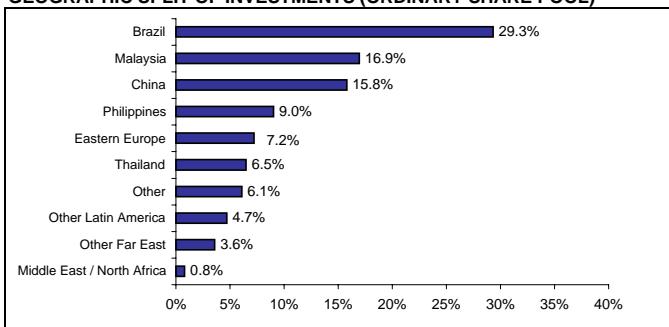
SECTORAL SPLIT OF INVESTMENTS (ORDINARY SHARE POOL)



TOP 10 HOLDINGS (ORDINARY SHARE POOL)

1 Intl Container Terminals	6.2%
2 Puncak Niaga Holdings	5.7%
3 Ocean Wilsons Holdings Limited	5.2%
4 Saneamento Basico de Estrado de Sao Paulo (SABESP)	5.1%
5 Malaysia Airport	4.6%
6 AES Tiete SA	4.3%
7 Companhia de Gas de Sao Paulo	4.0%
8 Datang International Power Generation Co Ltd	3.4%
9 Eastern Water Resources PCL	3.1%
10 Companhia de Concessoes Rodoviaras (CCR)	2.7%
Total Top 10	44.3%

GEOGRAPHIC SPLIT OF INVESTMENTS (ORDINARY SHARE POOL)



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

MONTHLY COMMENT

PERFORMANCE

Global stock markets remained volatile in January with continued fears over a possible US recession and its impact on economies globally. For UEM, the undiluted NAV per ordinary share declined by 8.2% in January. This decline compares with a 12.5% fall in the MSCI EMF Index (Sterling adjusted) over the month.

Since UEM's year end at 31 March, the undiluted NAV has increased by 23.1%, adjusting for the dividends paid over the period. This compares with the (Sterling adjusted) MSCI EMF index which has increased by 15.6% over the same period.

PORTFOLIO

Performance over the month was predominantly negative among the top ten holdings. The largest declines being in Datang International (-31%), ICT (-13%), AES Tiete (-10%) and Sabesp (-9%). There were modest gains for CCR, Malaysia Airports and Ocean Wilsons. CCR regained its place in the top 10, replacing POS Malaysia.

During the month UEM's Ordinary share pool invested a total of £4.4m and made disposals totalling £3.9m.

The sector and geographical exposures remained broadly unchanged, with the weakness in Datang International contributing to reductions in the exposures to electricity and China.

DEBT AND CASH

During the month UEM's £80m facility remained fully drawn with all of the loans denominated in US dollars. The gearing provided by CFDs decreased over the month to £6.9m of net debt (defined as the gross market exposure of the positions less the cash held as collateral) giving UEM a gearing level of 22.6% of gross assets as at the end of December.

Our HBOS loan facility and the CFD positions are in US Dollars to partially remove the currency risk as the portfolio has significant amounts of US dollar linked assets.

HEDGING

As part of UEM's equity market risk management strategy, UEM has invested in long dated index put options and short dated put option spreads mainly over the S&P 500 Index.

OTHER

The share price of UEM decreased by 11.6% to 157.75p at the end of January, a discount of 3.4% to the fully diluted NAV. The combined market capitalisation of the ordinary shares and warrants stood at £288.9m, a discount of 1.2% to the shareholders' funds.

C SHARE POOL

The managers continued to invest the funds raised in December's C Share issue during January. At the end of the month, investments totalled £46.8m, representing 56% of the gross assets less current liabilities. When this proportion reaches 80% it is the intention to merge the UEM C Share pool with the UEM ordinary share portfolio.

The NAV per C share fell to 97.1p, a decline of 1.8% on the month and 1.4% since the launch in December. The smaller decline relative to the ordinary pool is a reflection both of the cash held and the purchases that took advantage of the volatile markets during the month.

The share price fell to 91.25p, representing a 6.0% discount to NAV. The combined market capitalisation of the C shares and Subscription Shares traded at a 5.2% premium to the C pool Shareholders' funds.

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 50, is a director of Utilico's investment manager, ICM. He is a chartered accountant with experience in corporate finance and corporate investment. His companies have invested in the utility sector for over twenty years. He was formerly a non-executive director of The Special Utilities Investment Trusts PLC, East Surrey Holdings plc, Dee Valley Group plc, Glasgow Prestwick International Airport Limited and Wellington International Airport and is currently a non-executive director of Infratil Ltd & ERG Ltd.

MR CHARLES JILLINGS (Executive Director)

Mr Jillings, aged 52, is the executive Director of the Company. He is responsible for the running of the Company and the investment portfolio in conjunction with the Investment Manager. Mr Jillings 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.

Assisting them are three employees of Utilico who are:

MR JAMES SMITH

Mr Smith, aged 35, has been involved in the running of Utilico since its inception and before that with 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

Mr Lebbell, aged 36, has been involved in the running of Utilico since its inception and before that with The Special Utilities Investment Trust PLC since 2000. Mr Lebbell is an associate member of the Institution of Engineering and Technology.

MR DAVID MCILROY

Mr McIlroy, aged 46, joined Utilico in June 2005 having previously been employed for 10 years within the emerging markets team at F&C Management Ltd. Mr McIlroy is an Associate of the UK Society of Investment Professionals and an Associate of the Chartered Institute of Bankers (Scotland).

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.

Further information (including copies of the company's admission document and weekly NAV releases) is available from the company's website at www.uem.bm

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