



HALF-YEARLY REPORT
FOR THE SIX MONTHS TO
30 SEPTEMBER 2017



UK Contact
PO Box 208
Epsom Surrey
KT18 7YF

Telephone: +44 (0)1372 271486

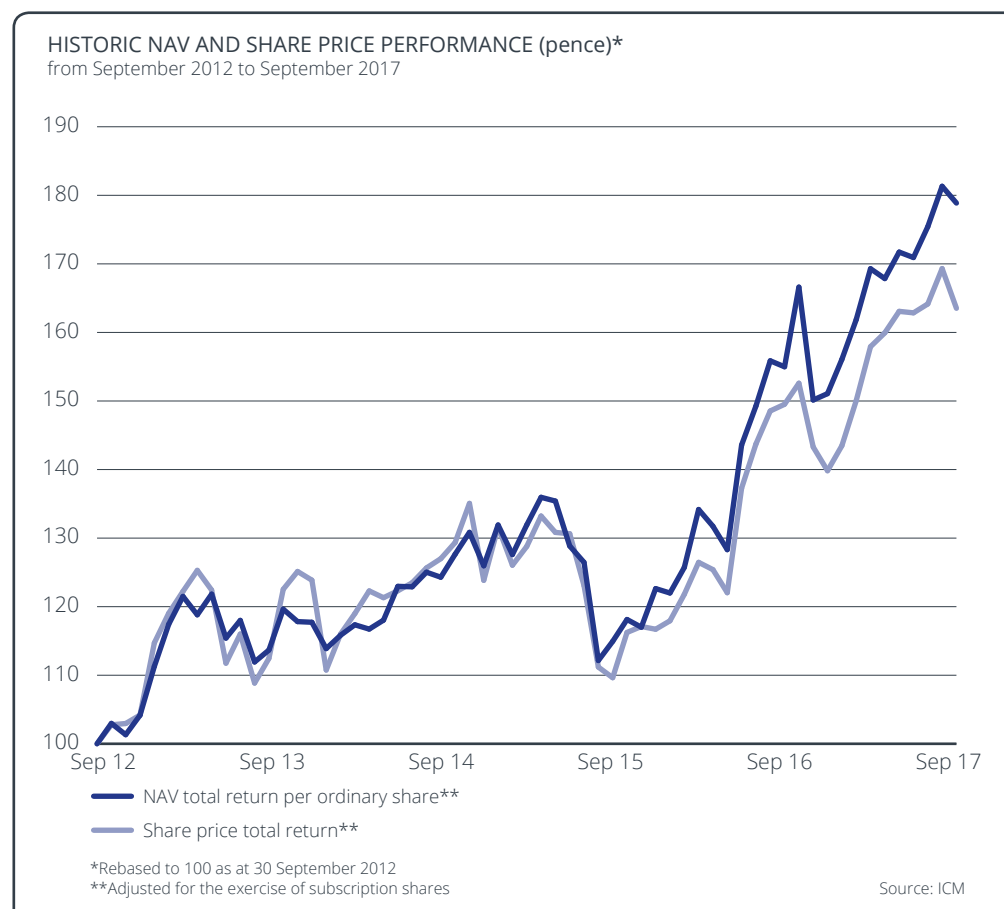
www.uem.limited



To provide long-term total return through a flexible investment policy that permits the Company to make investments predominantly in infrastructure, utility and related sectors, mainly in emerging markets.

Utilico Emerging Markets Limited's ("UEM") net asset value ("NAV") total return per ordinary share was 5.7% in the six months to 30 September 2017.

Since inception in 2005, UEM has achieved a NAV annual compound total return of 12.1%.



	Half-year 30 Sep 2017	Half-year 30 Sep 2016	Annual 31 Mar 2017	% change Mar-Sep2017
Total return ⁽²⁾ (%)	5.7	15.5	26.2	n/a
Annual compound total return (since inception) ⁽³⁾ (%)	12.1	11.8	12.1	n/a
Diluted NAV per ordinary share (pence)	250.46	226.23	241.29	3.8
Ordinary share price (pence)	217.50	206.75	214.50	1.4
Discount (%)	(13.2)	(8.6)	(11.1)	n/a
Subscription share price (pence)	28.50	21.63	27.25	4.6
Earnings per ordinary share (diluted) (pence)				
– Capital	7.35	26.35	43.90	(72.1) ⁽⁴⁾
– Revenue	6.37	5.10	7.70	24.9 ⁽⁴⁾
Total	13.72	31.45	51.60	(56.4) ⁽⁴⁾
Dividends per ordinary share (pence)	3.40 ⁽⁵⁾	3.25	6.65	4.6 ⁽⁴⁾
Equity holders' funds (£m)	561.8	503.2	532.2	5.6
Gross assets ⁽⁶⁾ (£m)	581.8	522.8	579.0	0.5
Ordinary shares bought back (£m)	0.5	–	10.0	n/a
Cash (including overdrafts) (£m)	2.8	16.7	15.3	(81.7)
Bank debt (£m)	(20.0)	(19.7)	(46.8)	(57.3)
Net debt (£m)	(17.2)	(3.0)	(31.5)	(45.4)
Net debt gearing on gross assets (%)	3.0	0.6	5.4	n/a
Management and administration fees and other expenses (£m)				
– excluding performance fee	2.8	2.4	5.2	16.7 ⁽⁴⁾
– including performance fee	2.3 ⁽⁷⁾	8.1	14.3	(71.6) ⁽⁴⁾
Ongoing charges figure ⁽⁸⁾ (%)				
– excluding performance fee	1.0 ⁽⁹⁾	1.0 ⁽⁹⁾	1.1	n/a
– including performance fee	1.0 ⁽⁹⁾	2.2 ⁽⁹⁾	2.9	n/a

(1) Historical performance can be found on page 36

(2) Total return is calculated based on NAV per ordinary share return plus dividends reinvested from the payment date and adjusted for the exercise of subscription shares

(3) Annual compound total return is calculated based on NAV per ordinary share return, plus dividends reinvested from the payment date and adjusted for the exercise of warrants and subscription shares

(4) Percentage change based on comparable six month period to 30 September 2016

(5) The second quarterly dividend declared has not been included as a liability in the accounts

(6) Gross assets less liabilities excluding loans

(7) See note 2 to the accounts regarding performance fee saving

(8) Expressed as a percentage of average net assets, ongoing charges comprise all operational, recurring costs that are payable by the Company or suffered within underlying investee funds, in the absence of any purchases or sales of investments

(9) For comparative purposes the figures have been annualised

I am pleased to report that UEM's positive performance continued in the six months to 30 September 2017. The NAV total return for the period (adjusted for the exercise of subscription shares) was 5.7%.

A combination of strengthening GDP across nearly all emerging markets with weak inflation numbers has given rise to a goldilocks scenario that has been supportive of corporate earnings and valuations. These positive uplifts have been somewhat muted by Sterling's relative strength over the six months against most currencies (with the principal exception being the Euro).

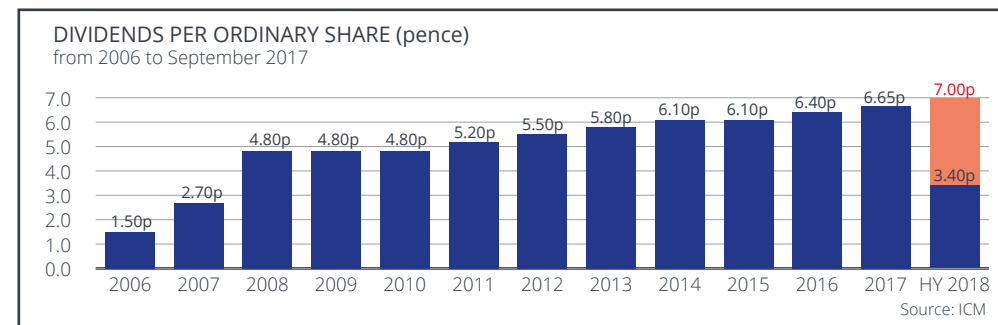
Since inception, UEM has delivered a positive total return of 302.3% versus the MSCI Emerging Markets Index (GBP adjusted) which has returned 219.0% over the same period. This strong performance ensured that UEM has continued to receive positive industry recognition. UEM was selected as one of Money Observer's rated funds for 2017.

UEM started the financial year with its bank facility of £50.0m nearly fully drawn at £46.8m. This near to full utilisation reflected the strong opinion that the Investment Managers had on investment opportunities and these convictions have proven to be correct. Following a number of realisations in August and September the bank debt was reduced to £20.0m as at 30 September 2017. The major realisations include the exit of our position in China Gas Holdings Limited ("China Gas"), one of the fund's top ten holdings as at 31 March 2017. Combined with relative performance, this realisation has seen the fund's exposure to China reduce from 18.5% to 13.7% as a percentage of the total portfolio. The top twenty holdings over the six months were 57.9% of the total portfolio.

It should be noted that the profile of the portfolio's investee companies has remained largely unchanged. UEM continues to focus on listed companies that are profitable, predominantly offering long-term growth and are paying dividends. Notwithstanding the strong recent outperformance of UEM's portfolio, companies remain attractive as growth and profitability have largely outpaced share price appreciation. With encouraging prospects for these underlying investee companies, the long-term opportunity in the emerging markets' utility and infrastructure sectors remains positive.

UEM's total revenue income was well ahead of expectations during the six months to 30 September 2017, rising 27.3% to £16.5m from £13.0m. This is a good outcome and reflects a combination of dividend increases by investee companies as a result of improved profitability, an increased portfolio weighting in companies from relatively higher dividend paying countries, such as those domiciled in Brazil and Romania, and the payment of additional special dividends by portfolio companies. It is also pleasing to see ongoing fund charges reduce to 1.0%, from a figure of 1.1% over the past two years.

Earnings per share ("EPS") for the six months were 6.56p, well ahead of the prior year period of 5.14p. A dividend of 1.70p was paid for the first quarter and a dividend of 1.70p has been declared for the second quarter, an uplift of 4.6% over the prior year's first two quarters. In view of the Group's strong EPS, the Board has determined to increase dividends and, in the absence of unforeseen circumstances, intends to declare dividends of 1.80p for each of the next two quarters. This would bring the total for the year to 31 March 2018 to 7.00p, representing an uplift of 5.3% over the prior year and a yield of 3.2%.



Given both the performance of the portfolio for the period and our attractive dividend yield, UEM's share price discount to NAV remains disappointingly and stubbornly high, averaging 10.6%. The Board keeps this under constant review and may exercise its buyback investment policy at a discount of over 10%. However, this remains a decision for the Investment Managers. Over the ten years that the Company has exercised its investment discretion to buy back shares, 32.9m ordinary shares have been repurchased, amounting to a total of £49.9m. This includes the buyback of 5.1m shares over the 12 months to 30 September 2017, at a cost of £10.6m. This represents an average purchase price of 207.73p per share.

MiFID II is currently occupying considerable time and effort by all our advisors including ICM and the Board. A key aspect of MiFID II regulation is the unbundling of execution and research costs. ICM has a well-regarded research team which undertakes in-depth research and modelling that underpins the investment process. However, the Investment Managers are also reliant on a wide range of external relationships to keep them informed of changes in over 40 different markets. As such, it is important that the Investment Managers maintain these ongoing research relationships. The Board has therefore agreed with ICM that this cost, budgeted at £0.3m for next year, will continue to be borne by UEM and is therefore not expected to increase UEM's cost base.

Over the last 18 months UEM has paid, or accrued for, taxes of £6.8m. Given this increasing tax charge, the Board and the Investment Managers are considering options for a possible change in UEM's domicile.

SUBSCRIPTION SHARES

At the end of August 2017, 4.1m ordinary shares were issued following the exercise of conversion rights by subscription shareholders leaving 33.8m subscription shares in issue. The final date for exercising the subscription shares is 28 February 2018 and if the share price remains around current levels it will be significantly above the exercise price of 183.00p per share. A reminder notice will be sent to all subscription shareholders in January 2018.

OUTLOOK

We have made the point for some time that markets in general remain outside normal historic parameters. From a monetary policy perspective, we remain in an environment where unconventional tools are being deployed, such as negative interest rates in several countries and quantitative easing still being implemented in both Europe and Japan.

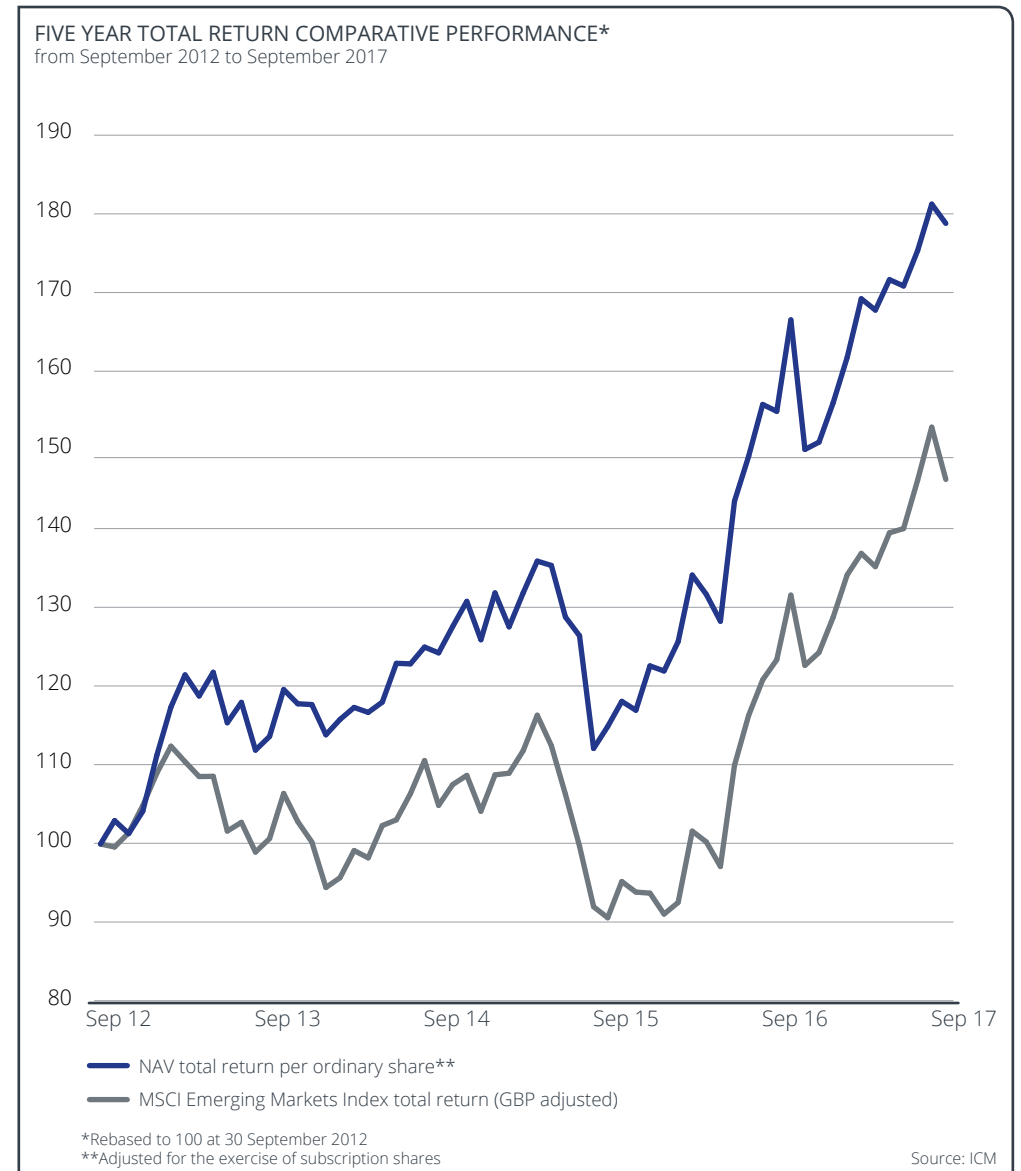
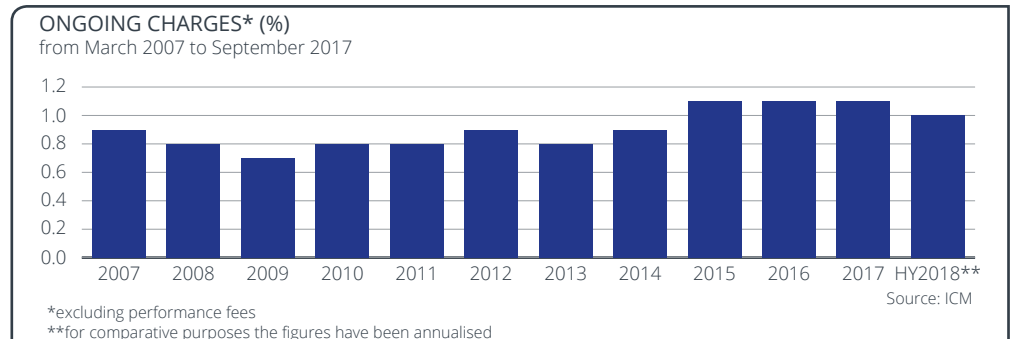
From a political perspective, we continue to witness a rise in populist politics with a move away from established parties and candidates as voters seek change. Additionally, we are noting an increase in geopolitical tensions in places such as North Korea and Turkey.

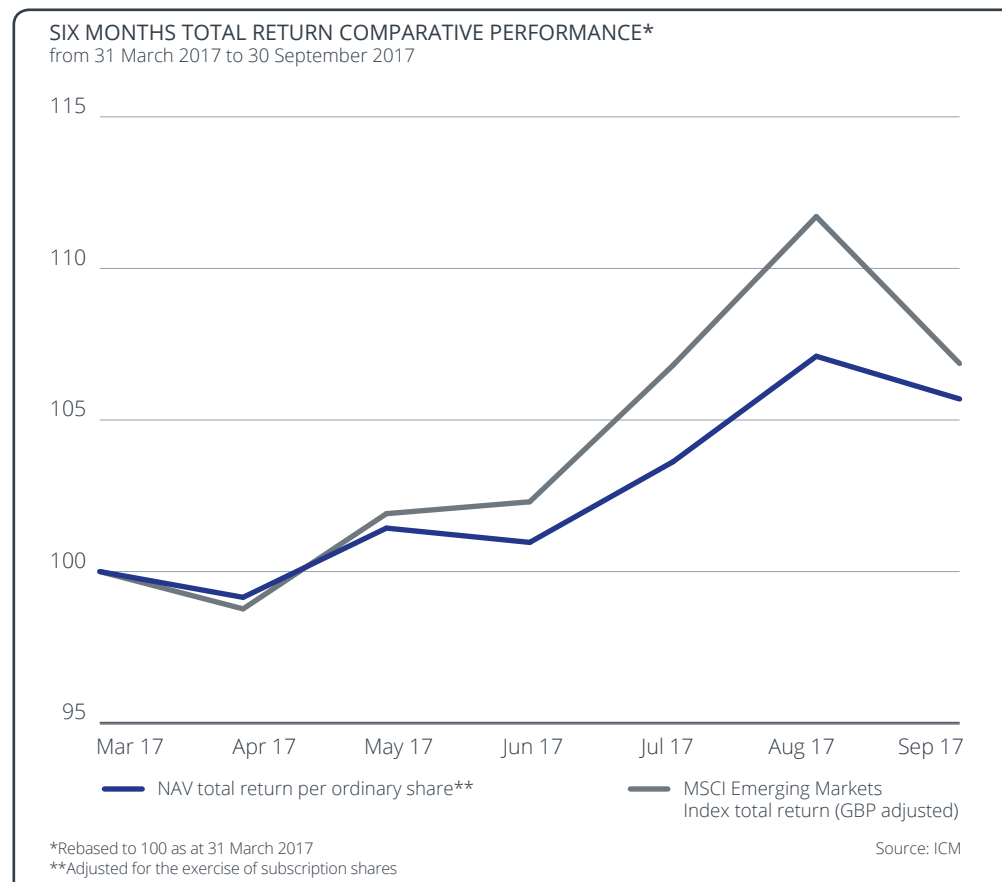
These factors, individually and collectively, create uncertainty and ultimately could have negative implications for markets. These issues are a concern from an investment perspective.

However, despite this uncertain backdrop, it is encouraging to see that most economies are delivering positive GDP growth with low inflation and especially low wage inflation which is expected to be positive for corporates and in turn investment markets.

While macro and political events will influence markets, UEM's investment approach and performance is driven by individual stock selection. The Board remains confident that the Investment Managers will continue to identify attractive long-term investments in the current prevailing macroeconomic environment.

John Rennocks
 Chairman
 21 November 2017





FORWARD-LOOKING STATEMENTS

This half-yearly report may contain forward-looking statements with respect to the financial condition, results of operations and business of UEM. Such statements involve risk and uncertainty because they relate to future events and circumstances that could cause actual results to differ materially from those expressed or implied by forward-looking statements. The forward-looking statements are based on the Directors' current views and on information known to them at the date of this report. Nothing in this half-yearly report should be construed as a profit forecast.

The continued robust underlying performance of emerging markets ("EM") has been translated into strengthened EM equity stock markets. While Sterling has been relatively strong over the six months, UEM shareholders have been more than compensated by rising EM. UEM's NAV total return for the six months to 30 September 2017 was 5.7%.

Brazil and China's investment exposure account for 39.4% of UEM's total portfolio as at 30 September 2017 (38.1% as at 31 March 2017). These two countries reflect a significant portion of EM positive performance over the past six months. The Ibovespa and Hang Seng indices were both up by 14.3% while the Brazilian Real and Hong Kong Dollar were down by 6.4% and 7.3% respectively versus Sterling. This sets UEM's NAV total return of 5.7% in context.

UEM's strategy has remained largely unchanged over the past six months as it continued to focus on listed companies which are profitable, predominately offering long-term growth, and paying dividends. Notwithstanding the strong recent performance, valuations remain attractive as growth in profitability has largely outpaced share price appreciation in the investee companies. The encouraging prospects for underlying investee companies means the opportunity in the EM utility and infrastructure sectors remains positive.

PORTFOLIO

UEM's gross assets (less liabilities excluding loans) increased from £579.0m to £581.8m over the six months to 30 September 2017.

The constituents of the top twenty investments saw two changes with Energisa S.A. ("Energisa") replacing China Gas following UEM's exit from this holding and Companhia de Gas de Sao Paulo ("Comgas") replacing Grupo Aeroportuario del Centro Norte, S.A.B. de C.V.

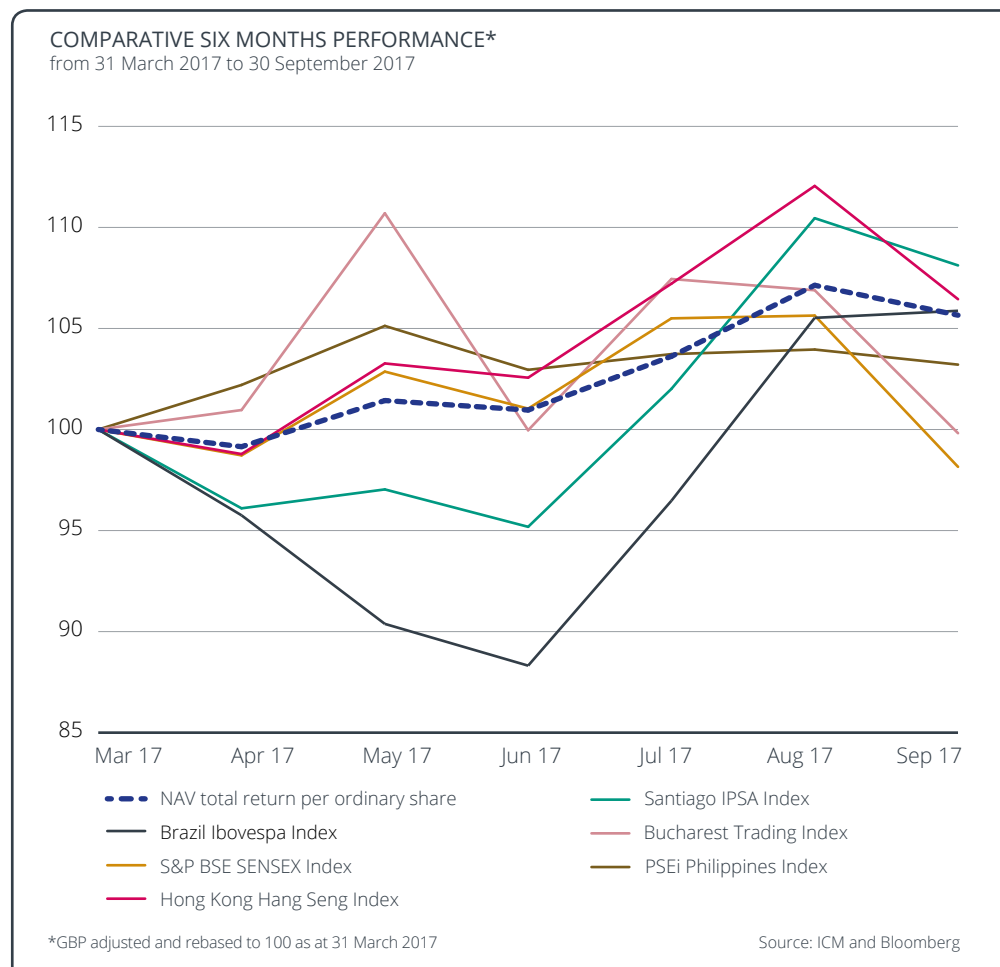
The top ten and the top twenty percentages have largely remained the same at 35.4% (35.8% as at 31 March 2017) and 57.9% (58.2% as at 31 March 2017) respectively in the six months to 30 September 2017. Unlisted investments accounted for 3.0% (3.5% as at 31 March 2017) of the total portfolio as at 30 September 2017, again broadly unchanged over the period. The number of investments in the portfolio reduced from 92 to 83 in the six-month period.

Brazil remains UEM's largest country investment and in the six months to 30 September 2017, has increased from 19.6% to 25.7% of the total portfolio, largely as a result of increased investments.

UEM's top twenty holdings include five investments in Brazil and these are reviewed below.

Ocean Wilsons Holdings Limited ("Ocean Wilsons") is UEM's second largest investment. In the six months to 30 June 2017, its subsidiary Wilson Sons delivered top-line growth of 14.4% as export-driven port and towage operations grew revenues by 37.0% and 7.5%, respectively. This translated to a 12.9% increase in EBITDA and a 3.0% increase in recurring net income. The investment portfolio recorded an 8.4% increase but continued to underperform the MSCI World Index, which was up by 9.4% over the same period.

Ocean Wilsons' share price increased by 6.9% and there was no change in UEM's shareholding in the company over the six months to 30 September 2017.



Rumo S.A. ("Rumo"), UEM's third largest investment, posted a strong set of results for the six months to 30 June 2017. Transport volumes increased by 6.8%, benefitting from 7.6% growth in agricultural products. While port loading volumes declined by 9.0%, mainly due to sugar transportation and commercialisation down from the previous year, the pace of decline decelerated in the second quarter. Net revenues over the period increased by 5.6%, reflecting higher average yields, while EBITDA growth measured a pleasing 18.1% as good cost management resulted in margins expanding 4.8pp to 45.3%. While overall leverage

saw some improvement at 4.3 times net debt/EBITDA as at 30 June 2017, the company initiated a circa. BRL 2.6bn (USD 800m) equity raise towards the end of September 2017 in order to accelerate the transition to a more optimal capital structure.

Rumo's share price increased by 41.6% over the period and UEM increased its position in Rumo by 19.5%.

Alupar Investimento S.A. ("Alupar") slipped one place since 31 March 2017 to fourth largest holding in UEM's portfolio. Having won several new concessions at attractive real returns in auctions held at the end of 2016 and in early 2017, Alupar is entering a new investment phase which is expected to enhance financials in the medium term. In its six months results to 30 June 2017, Alupar reported robust underlying results with revenues from energy generation up by 15.7% due to higher spot rates and ongoing inflation adjustments to its electricity transmission assets. As such, regulatory group revenue grew by 12.9% and adjusted EBITDA grew by 7.5%. Normalised earnings per unit was flat on last year as higher profit growth was offset by the higher number of units in issue following its BRL 350m capital raise in 2016 to fund growth. Dividends per unit were reduced by 59% as Alupar preserved cash for investment purposes.

In the six months to 30 September 2017, UEM increased its position in Alupar by 14.0% and the share price fell by 8.1%.

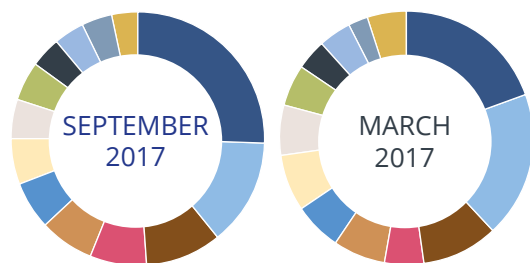
Companhia de Gas de Sao Paulo ("Comgas") is a new entry to UEM's top twenty holdings at number eleven (although it could be considered a re-entry given it previously appeared in the top ten back in 2009). Having divested the position entirely over five years ago, UEM re-initiated a shareholding at the start of 2016 and has been steadily acquiring shares since. Comgas is the dominant gas distribution company in Sao Paulo, with 1.17m connections and a pipeline network of over 14,000km. It is regulated by the Sao Paulo State Sanitation and Energy Regulatory Agency under five-year regulatory cycles. In 2014 the planned tariff revision for 2014-2019 was postponed and subsequently Comgas has been receiving adjustments for inflation and input gas costs, whilst pursuing the formal tariff review process through the Courts.

In its interim results to 30 June 2017 Comgas reported piped gas volumes up by 4.1% year-on-year with strong growth evident in residential and commercial demand, partly offset by subdued industrial demand reflecting the gradual recovery in the local economy. Industrial demand accounts for over 70% of volumes delivered by Comgas. However, volume growth was offset by a 19.3% cut in effective tariffs as Comgas had accrued a net surplus in its regulatory account and this over-recovery is now being clawed back. As a result, group revenues fell by 15.2% and reported EBITDA by 41.5%. If adjusted for the over-recovery implicit in the tariff, normalised EBITDA grew 28.3% and EPS by 58.2%. Dividends per share paid in the period fell by 65% although this reflects an extraordinary dividend paid in Q1 2016, with a pay-out close to 100% of earnings.

In the six months to 30 September 2017 Comgas shares appreciated by 19.0% and UEM increased its holding by 79.6%.

Energisa S.A. ("Energisa") is a new entrant into UEM's top twenty holdings at number nineteen, a position acquired following a public offer of new units in July 2016. Energisa is the sixth largest electricity distribution

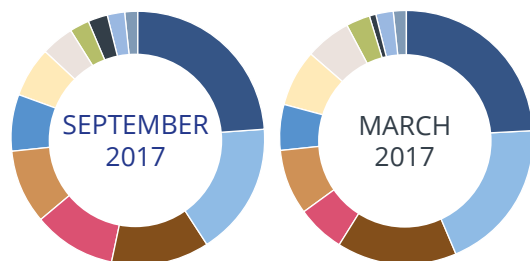
GEOGRAPHICAL SPLIT OF INVESTMENTS



COUNTRY	% OF TOTAL	
	SEP 2017	MAR 2017
Brazil	25.7	19.6
China	13.7	18.5
Romania	9.7	9.9
Argentina	7.1	4.8
The Philippines	6.9	6.7
India	6.1	6.1
Middle East / Africa	5.8	7.2
Other Latin America	5.1	6.6
Malaysia	5.1	5.3
Chile	3.9	3.8
Other Europe	3.8	4.0
Other Asia	3.8	2.7
Thailand	3.3	4.8

Source: ICM

SECTOR SPLIT OF INVESTMENTS



SECTOR	% OF TOTAL	
	SEP 2017	MAR 2017
Electricity	24.0	24.3
Gas	17.1	19.4
Ports	12.4	15.3
Road and rail	10.5	6.1
Airports	9.5	8.5
Other	7.2	5.7
Water and waste	6.5	7.3
Satellites	4.1	5.7
Telecoms	2.5	3.1
Renewables	2.5	0.9
Other Infrastructure	2.1	2.2
Infrastructure Investment Funds	1.6	1.5

Source: ICM

company in Brazil with 6.6m customer connections. It has 13 separate concessions across Brazil and is widely viewed as one of the highest quality operators, with a strong track record of surpassing regulatory targets and of maintaining financial discipline. Energisa's concessions are wholly regulated and two of its largest assets are set to undergo the tariff review process in 2018 which should allow a material uplift in its regulated asset base and returns.

In the six months to 30 June 2017, Energisa reported volume growth of 2.3% year-on-year, driven primarily by new customer connections. However, effective tariffs increased by 9.0%, in part due to regulatory hikes implemented in July 2016 and as a result group revenues grew 11.7%. Good control of operating expenses combined with operational leverage delivered EBITDA growth of 24.1% and normalised EPS moved into profit from losses in the prior year. In addition, dividends per unit were doubled.

In the six months to 30 September 2017, UEM increased its position in Energisa by 35.8% while the share price has performed well, up by 13.8%.

China (including Hong Kong) is UEM's second largest country investment, decreasing from 18.5% to 13.7% of the total portfolio during the period.

Yuexiu Transport Infrastructure Limited ("Yuexiu") is UEM's eighth largest investment. Yuexiu delivered a solid set of interim results in the six months to 30 June 2017, despite the expiry of its Xian Expressway concession on 30 September 2016. While revenues declined by 2.7%, adjusted EBITDA and net income increased by 3.9% and 8.2% respectively, reflecting strong profitability growth in the company's underlying toll portfolio. On a like-for-like basis, toll traffic increased by 14.9% over the period. However, Yuexiu's share price decreased by 2.2% over the six months to 30 September 2017 during which UEM increased its shareholding by 17.4%.

Shanghai International Airport Co Ltd ("SHIA"), UEM's tenth largest holding, continued to deliver strong financial results, despite a deceleration in passenger traffic growth. In the six months to 30 June 2017, passenger throughput increased by 6.5%, led primarily by lower-yielding domestic traffic. Nevertheless, improved commercial and rental incomes contributed to a 14.7% uplift in revenue and a 20.4% increase in net income. The contribution of non-aeronautical revenues is expected to improve further as the expiry of duty-free contracts in the first half of 2018 provides an opportunity for the renegotiation of revenue sharing agreements.

In the period under review, SHIA's share price rose by 31.5% and there was no change in UEM's shareholding.

China Resources Gas Group Ltd ("CR Gas") is UEM's twelfth largest holding as at 30 September 2017, unchanged from its position as at 31 March 2017. The share price over the period has declined by 0.9%. This performance was disappointing given the backdrop of improving regulatory policy and the competitiveness of natural gas providing a boost to demand. This was evident in its interim results to 30 June 2017, as piped gas volumes grew by 21.7% year-on-year and connections were up 16.0% to 29.0m customers. Notable strong performance was seen in industrial and commercial demand, up by 29.1%.

Tariff cuts partly offset the growth from gas sales, with group revenues up by 14.8% and with a shift in mix towards lower-margin gas sales versus higher-margin connections, adjusted EBITDA growth was more muted at 7.4%. Normalised EPS was up by 5.7% and the interim dividend per share was kept flat on last year. In the six months to 30 September 2017 there was no change in UEM's holding in CR Gas.

APT Satellite Holdings Limited ("APT"), UEM's fourteenth largest holding, reported solid interim results for the six months to 30 June 2017 when set against a backdrop of highly competitive conditions in the satellite sector. Whilst revenues were 0.8% lower than that reported in the same period last year, EBITDA grew by 1.9% and underlying net profit rose by 6.3%. APT continues to invest in two new satellites, APStar 5C and APStar 6C, both of which are expected to be launched in the first half of 2018. These will replace existing satellites nearing the end of their service life, but will also offer enhanced capacity and expanded coverage. Margins remain strong with EBITDA margins of 85.6% and net profit margins of 40.4% recorded for the six-month period to 30 June 2017. The share price however was weaker, declining by 12.3% over the six months to 30 September 2017. UEM's holding in APT was unchanged over the period.

Romania is UEM's third largest country investment, marginally down from 9.9% to 9.7% of the total portfolio.

Transgaz S.A. ("Transgaz") moved up two places to fifth largest position in UEM's portfolio in the six months to 30 September 2017, driven predominantly by improved share price performance. The past winter weather was particularly harsh in Romania, which has resulted in a significant rise in gas demand. In the six months to 30 June 2017, transmitted gas volumes grew by 16.8% year-on-year, which was complemented by effective tariff increases of 5.0%. Whilst gas transit posted more moderate growth, overall group revenues increased by 9.9%. With good control of grid losses this translated to EBITDA growth of 33.5%. Normalised EPS grew by 42.1% and an additional RON 14.52 dividend per share has been proposed on top of the full year dividend which had equated to a 12.2% yield on the share price as at 31 March 2017. In addition to this dividend received, in the six months to 30 September 2017 Transgaz's share price appreciated by 4.5%. UEM increased its shareholding by 2.6% in the period.

Transelectrica S.A. ("Transelectrica") is UEM's seventh largest position as at 30 September 2017. In its interim results to 30 June 2017 billed energy volumes transmitted by the network increased by 3.5% year-on-year, driven by domestic demand. However, the Regulator has been reducing tariffs steadily to compensate for over-recovery of profits in the previous regulatory years and this was evident with effective tariffs falling by 8.6%. This resulted in group revenues, excluding balancing market services, falling by 5.0%. Operational leverage and higher unit electricity costs saw EBITDA fall by 16.9%, and normalised EPS fell by 33.6%. An additional RON 2.33 dividend per share has been proposed. In the six months to 30 September 2017, Transelectrica's share price fell by 13.6%, which was partly offset by the full year dividend which equated to a 6.8% yield on the share price as at 31 March 2017. There was no change in UEM's shareholding in Transelectrica.

Conpet S.A. ("Conpet") remained in thirteenth position in UEM's portfolio. In the six months to 30 June 2017 Conpet reported oil transport volume declines of 7.1%. This was driven by two notable factors, a

3.8% decline in domestic volumes, reflecting ongoing reductions in output from Romanian oil fields due to falling investment, and an 11.1% drop in imports following major maintenance at the Petrotel refinery. This decline was mostly offset by effective tariffs increasing by 6.3%, such that group revenues were flat with growth of just 0.2%. Nonetheless, the company continued to demonstrate strong cost control such that EBITDA grew by 8.1% and normalised EPS 9.0%. Conpet continues to accumulate excess cash on its balance sheet, but following the payment of dividends amounting to a 15.9% yield on the share price as at 31 March 2017, an additional dividend of RON 9.819 per share has been proposed.

In the six months to 30 September 2017 Conpet's share price decreased by 6.3% and UEM realised 1.9% of its position.

Argentina is UEM's fourth largest country investment, increasing from 4.8% to 7.1% of the total portfolio.

Transportadora de Gas del Sur S.A. ("TGS") climbed to ninth position in the portfolio from eighteenth as at 31 March 2017 driven by strong share price performance. In the six months to 30 June 2017 natural gas volumes delivered by TGS fell by 2.9% year-on-year as higher tariffs modestly dampened demand. The effective tariffs increased by 94.6% as the company implemented regulatory adjustments necessary to achieve the allowed returns following years without any increase. Liquids production increased by 4.8%, with effective rates up 47.2% in part to reflect FX movements given this is a USD denominated operation. Combining these two business lines, group revenues increased by 64.9% and EBITDA more than doubled, up 101.8%. Normalised EPS increased by 68.2%. Although no dividends have been announced, we expect these to be re-initiated in 2018 after a long hiatus.

In the six months to 30 September 2017, TGS's share price increased by 42.9% and there was no change in UEM's shareholding.

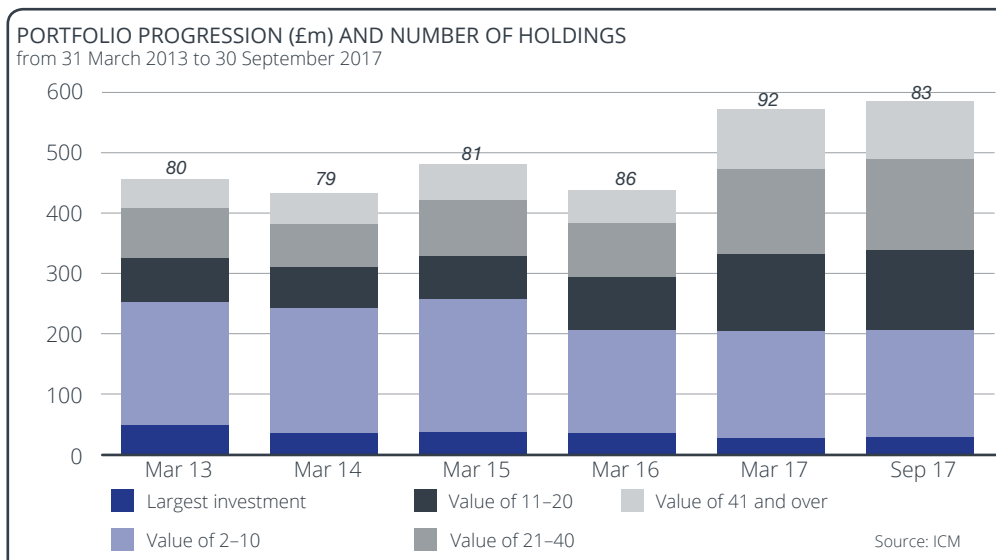
The Philippines represents UEM's fifth largest country investment, advancing modestly from 6.7% to 6.9% of the total portfolio.

International Container Services, Inc. ("ICT") is UEM's largest holding as at 30 September 2017. In the six months to 30 June 2017, container throughput increased by 6.6%, with Asia, America and EMEA volumes recording growth rates of 5.6%, -0.4% and 30.5%, respectively. Revenues increased by 9.6% on higher yielding throughput, while cost optimisation saw EBITDA increase by 12.5%. Net income climbed 18.7%, reflecting improved profitability across new terminals and a one-off gain from the termination of a sub-concession agreement in Nigeria. With the onboarding of Victoria terminal, in Australia now complete and capex requirements diminishing, the outlook for free-cash-flow generation is positive.

ICT's share price increased by 15.4% over the period under review and there was no change in UEM's shareholding.

India is UEM's sixth largest country investment.

SJVN Limited ("SJVN") is UEM's seventeenth largest holding. In its financial year to 31 March 2017 SJVN reported a decline in energy generation of 3.2% year-on-year as hydrology normalised following an



exceptionally strong prior year. Of note, SJVN's flagship 1.5GW Nathpa Jhakri hydro plant saw output fall by 3.6% as plant load factor eased back to 53.7% from record levels. This was only partly offset by an overall effective tariff increase of 1.1% and including other operating income, group revenues fell by 2.3%. With this decline exacerbated by increases to wages resulting in higher costs, EBITDA fell by 4.6%, although normalised EPS increased by 23.5%, in part due to the recognition of additional income from late payment charges. With a strong net cash balance sheet, SJVN increased dividends per share by 257%, the majority of which was received by UEM in its prior financial year.

In the six months to 30 September 2017 SJVN's share price declined by 4.7% and UEM increased its shareholding by 6.0%.

Power Grid Corporation of India Limited ("Powergrid") is UEM's twentieth largest holding. In its financial year ended 31 March 2017, Powergrid continued to invest heavily in the electricity transmission network, spending over INR 300bn of capital in new lines and substations. With agreed regulated returns on these assets upon commissioning, this has resulted in revenue growth of 20.7% year-on-year and EBITDA growth of 22.2%. The business still operates with significant financial leverage and, as a result, this translated into a 22.7% increase in normalised EPS. Encouragingly, the dividend pay-out as a percentage of earnings was increased by 50% from 20% to 30% which, combined with the EPS growth, saw dividends per share increase by 88.3%.

In the six months to 30 September 2017 UEM increased its shareholding in Powergrid by 12.0%. The share price experienced modest growth, increasing by 6.1% over the period.

Malaysia declined as a percentage of UEM's total portfolio over the six months to 30 September 2017, from 5.3% to 5.1%.

Malaysia Airports Holdings Berhad ("MAHB"), UEM's sixth largest investment, continued to benefit from strong growth momentum in passenger traffic. In the six months to 30 June 2017, passenger movements across MAHB airports (excluding Turkey) increased by 12.2%, led by stronger international traffic. Meanwhile, operations in Turkey showed signs of recovery with passenger growth accelerating in the second quarter. Group revenues and EBITDA increased by 8.8% and 10.6% respectively, while net earnings recorded a five-fold increase as amortisation charges were reduced to reflect a longer concession period following the award of a 35-year extension at the start of the year.

MAHB's share price increased by 22.8% and UEM sold 17.9% of its shareholding during the six months under review.

MyEG Services Berhad ("MyEG"), UEM's eighteenth largest holding, once again exhibited strong growth. Revenues for the financial year to 30 June 2017 grew by 32.0% compared to the prior year. EBITDA was up by 37.0% and net income rose by 39.9%. Growth continues to be driven by its foreign workers' permit renewal system as well as associated services, such as the sale of employees' health insurance and mobile telephony packages tailored for overseas workers. MyEG is looking to extend its services in the sector, including a new recruitment platform for foreign workers and the provision of hostel accommodation. MyEG also continues to grow its motor vehicle related services (driving licence issuance, car tax, insurance sales, fine payments etc.). The first phase of MyEG's long-awaited GST monitoring system is now being deployed in restaurants and bars in the Klang Valley, with the nationwide rollout expected to commence by the end of 2017.

During the six months to 30 September 2017, MyEG's share price increased by 10.8%. UEM reduced its shareholding over the period by 7.5%.

Chile as a percentage of UEM's total portfolio was 3.9% as at 30 September 2017, increasing from 3.8% as at 31 March 2017.

Engie Energia Chile S.A. ("E.CL") is the sixteenth largest position in UEM. In the six months to 30 June 2017 E.CL reported electricity volumes down by 5.9% year-on-year, as a number of contracts in the unregulated sector (predominantly mining companies) ended. This was partly balanced by steady growth in the regulated market. However, this growth was more than offset by higher tariffs, mainly reflecting partial pass-through of higher commodity prices, with overall effective tariffs increasing by 18.5%. As a result, group revenues grew by 12.6%. The higher input costs were not fully factored into the regulated tariff which only adjusts every six months on a lagged basis and so adjusted EBITDA growth was limited to 4.4%. Excluding exceptional items, normalised EPS grew by 31.5% and dividends per share fell by 81.7%, as the previous year included a special pay-out on the back of a partial disposal in the TEN transmission line project.

In the period under review E.CL's share price increased by 14.0% and there was no change in UEM's shareholding.

Thailand declined as a percentage of UEM's total portfolio over the six months to 30 September 2017, from 4.8% to 3.3%.

Eastern Water Resources Development and Management PCL ("Eastwater") fell from being UEM's fourth largest holding to fifteenth on the back of relatively weak share price performance and significant shareholding realisations. One of Eastwater's largest customers, the Provincial Waterworks Authority, has greatly reduced its offtake resulting in raw water volumes falling by 7.9% year-on-year in its interim results to 30 June 2017. By comparison, tap water demand has remained steady with volumes up by 1.9%. Tariff increases were limited with effective tariffs for raw and tap water posting growth of 0.6% and -1.3% respectively. As a result, overall group revenue growth of 1.6% was sustained by the inclusion of non-operational construction revenues while EBITDA fell by 1.2%. Normalised EPS fell by 4.0%, though interim dividends per share increased by 15.0%.

In the six months to 30 September 2017 UEM decreased its position in Eastwater by 37.2% while the share price increased by 6.0%.

PORTFOLIO GENERAL

Investment activity increased during the six months to 30 September 2017, primarily reflecting a number of significant realisations and new investments. In the period under review, investment purchases totalled £93.6m, well above the average for the UEM portfolio. Within the top twenty, UEM increased its investments in Comgas by £6.0m, Alupar by £3.3m, Energisa by £3.0m and Rumo by £2.9m contributing to the increased position in Brazil by UEM. Yuexiu was increased by £2.5m, Powergrid by £1.2m, SJVN by £0.8m and Trangaz by £0.5m.

Realisations during the period totalled £102.0m, again well above the average for the UEM portfolio. Within the top twenty, UEM decreased its investments in MAHB by £4.2m and MyEG by £1.1m both contributing to the reduced UEM position in Malaysia. Eastwater was reduced by £7.9m and Conpet by £0.4m. UEM also exited China Gas for £23.1m.

Changes in the geographic and sector splits reflect the combination of relative market performance, currency fluctuations, investments and realisations, as outlined above. The main sector changes have seen gas and ports exposure fall from 19.4% to 17.1% and from 15.3% to 12.4% respectively. Road and rail exposure increased from 6.1% to 10.5%.

BANK DEBT

Bank debt decreased from £46.8m to £20.0m over the six months to 30 September 2017, reflecting net realisations in the portfolio especially in August and September. At period-end the debt facility was drawn in Hong Kong Dollars. The £50.0m multicurrency revolving facility with Scotiabank Europe is due for renewal on 27 April 2018.

REVENUE RETURN

UEM's revenue income is well ahead of internal expectations for the year to 30 September 2017, rising 27.3% to £16.5m from £13.0m. This is a good result and reflects a combination of dividend increases by investee companies because of improved profitability, an increased portfolio weighting in higher dividend paying investments, such as those in Romania, an increase in the payment of special dividends by investee companies and increased leverage.

The management, administration and other expenses increased by 12.2% to £1.5m, mainly due to rising portfolio valuations. Finance costs rose by 40.0% to £0.1m as a result of higher average borrowings over the twelve months to 30 September 2017.

Taxation remains a feature of the Company and increased from £0.7m as at 30 September 2016 to £1.0m as at 30 September 2017, broadly in line with revenue increases.

The net result of the above was a pleasing increase in revenue profits from £10.9m at the end of the prior half year to £13.9m, up 27.7%. Similarly, revenue EPS rose by 27.6%, from 5.14p to 6.56p.

CAPITAL RETURN

The portfolio gained £20.9m in the six months to 30 September 2017 reflecting the positive performance of UEM's investments. This was partly offset by losses on derivatives of £1.7m.

Management, administration and other expenses reduced as no performance fee was accrued during the six months. Finance costs rose by 41.1% as a result of the higher average borrowings, increasing from £0.2m as at 30 September 2016 to £0.3m as at 30 September 2017.

Taxation also remains a feature on the capital account and was £1.7m, up on the prior half year's £1.3m, mainly as a continuing result of capital gains on the Brazilian portfolio.

The net result is a profit on the capital account of £16.1m and capital EPS of 7.57p.

SUBSCRIPTION SHARES

In the six months under review, the Company issued 4.1m ordinary shares following the exercise of conversion rights by subscription shareholders. As at the period end, there were 33.8m subscription shares in issue.

Charles Jillings
ICM Investment Management Limited and ICM Limited
21 November 2017

TWENTY LARGEST HOLDINGS

Utilico Emerging Markets Limited
Half-yearly report for
the six months to 30 September 2017

30 Sep 2017	31 Mar 2017	Company (Country)	Fair value £'000s	% of total investments
1	(1)	International Container Terminal Services, Inc. (The Philippines) Global container port operator	30,702	5.3%
2	(2)	Ocean Wilsons Holdings Limited (Brazil) Port operator, provider of shipping services and worldwide investment fund	26,687	4.6%
3	(9)	Rumo S.A. (Brazil) Rail-based logistics operator	26,202	4.5%
4	(3)	Alupar Investimento S.A. (Brazil) Electricity generation and transmission	23,432	4.0%
5	(7)	Transgaz S.A. (Romania) Gas transmission	19,108	3.3%
6	(8)	Malaysia Airport Holdings Berhad (Malaysia) Airport operator	17,187	2.9%
7	(6)	Transelectrica S.A. (Romania) Electricity transmission	16,649	2.8%
8	(11)	Yuexiu Transport Infrastructure Limited (China) Toll roads operator	16,584	2.8%
9	(18)	Transportadora de Gas del Sur S.A. (Argentina) Gas distribution	15,441	2.6%
10	(15)	Shanghai International Airport Co Ltd (China) Airport operator	15,378	2.6%
11	-	Companhia de Gas de Sao Paulo (Brazil) Gas distribution	14,985	2.6%

Utilico Emerging Markets Limited
Half-yearly report for
the six months to 30 September 2017

30 Sep 2017	31 Mar 2017	Company (Country)	Fair value £'000s	% of total investments
12	(12)	China Resources Gas Group Ltd (China) Gas distribution	14,110	2.4%
13	(13)	Conpet S.A. (Romania) Oil pipeline operator	13,946	2.4%
14	(10)	APT Satellite Holdings Limited (Hong Kong) Satellite operator	13,420	2.3%
15	(4)	Eastern Water Resources Development and Management PCL (Thailand) Water treatment and supply	13,291	2.3%
16	(17)	Engie Energia Chile S.A. (Chile) Electricity generation and transmission	13,278	2.3%
17	(14)	SJVN Limited (India) Electricity generation	13,113	2.2%
18	(16)	MyEG Services Berhad (Malaysia) IT services	12,495	2.1%
19	-	Energisa S.A. (Brazil) Electricity distribution	11,562	2.0%
20	(19)	Power Grid Corporation of India Limited (India) Electricity transmission	11,190	1.9%
Other investments			245,957	42.1%
Total Portfolio			584,717	100.0%

The Chairman's Statement on page 2 and the Investment Managers' Report on page 7 give details of the important events which have occurred during the period and their impact on the financial statements.

PRINCIPAL RISKS AND UNCERTAINTIES

Most of UEM's principal risks and uncertainties are market related and are similar to those of other investment companies investing mainly in listed equities in emerging markets.

The principal risks and uncertainties were described in more detail under the heading "Principal Risks and Risk Mitigation" within the Strategic Report and Business Review section of the Annual Report and Accounts for the year ended 31 March 2017 and have not changed materially since the date of that report.

The principal risks faced by UEM include not achieving long-term total returns for its shareholders, the adverse impact gearing could have, the sudden withdrawal of the bank facility, loss of key management and losses due to inadequate controls of third party service providers.

The Annual Report and Accounts is available on the Company's website, www.uem.limited

RELATED PARTY TRANSACTIONS

Details of related party transactions in the six months to 30 September 2017 are set out in Note 14 to the accounts and details of the fees paid to the Investment Managers are set out in Note 2 to the accounts.

Directors' fees were increased by approximately 2.3% with effect from 1 April 2017 to:
Chairman £44,000 per annum
Chair of Audit Committee £41,000 per annum
Directors £32,500 per annum

The fee entitlement of each Director is satisfied in ordinary shares of the Company, purchased in the market on behalf of, or issued to, each Director as soon as possible after each quarter end.

DIRECTORS' RESPONSIBILITY STATEMENT

In accordance with Chapter 4 of the Disclosure Guidance and Transparency Rules, the Directors confirm that to the best of their knowledge:

- The condensed set of financial statements contained within the report for the six months to 30 September 2017 has been prepared in accordance with International Accounting Standard 34 "Interim Financial Reporting" on a going concern basis and gives a true and fair view of the assets, liabilities, financial position and return of the Group;
- The half-yearly financial report, together with the Chairman's Statement and Investment Managers' Report, includes a fair review of the important events that have occurred during the first six months of the financial year and their impact on the financial statements as required by DTR 4.2.7R;
- The Directors' statement of principal risks and uncertainties above is a fair review of the principal risks and uncertainties for the remainder of the year as required by DTR 4.2.7R; and
- The half-yearly report includes a fair review of the related party transactions that have taken place in the first six months of the financial year as required by DTR 4.2.8R.

On behalf of the Board
John Rennocks
Chairman
21 November 2017

UNAUDITED CONDENSED GROUP INCOME STATEMENT

Utilico Emerging Markets Limited
Half-yearly report for
the six months to 30 September 2017

Notes

Six months to 30 September 2017			
	Revenue	Capital	Total
	return	return	return
	£'000s	£'000s	£'000s
Gains on investments	-	20,864	20,864
Losses on derivative instruments	-	(1,691)	(1,691)
Foreign exchange gains/(losses)	1	(316)	(315)
Investment and other income	16,545	-	16,545
Total income	16,546	18,857	35,403
2 Management and administration fees	(674)	(817)	(1,491)
Other expenses	(837)	(14)	(851)
Profit before finance costs and taxation	15,035	18,026	33,061
Finance costs	(119)	(278)	(397)
Profit before taxation	14,916	17,748	32,664
3 Taxation	(1,012)	(1,696)	(2,708)
Profit for the period	13,904	16,052	29,956
4 Earnings per ordinary share (basic) - pence	6.56	7.57	14.13
4 Earnings per ordinary share (diluted) - pence	6.37	7.35	13.72

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 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/(loss) for the period, and therefore the profit/(loss) for the period is also the total comprehensive income/(expense) 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.

Utilico Emerging Markets Limited
Half-yearly report for
the six months to 30 September 2017

Six months to 30 September 2016			Year to 31 March 2017		
Revenue	Capital	Total	Revenue	Capital	Total
return	return	return	return	return	return
£'000s	£'000s	£'000s	£'000s	£'000s	£'000s
-	68,663	68,663	-	114,638	114,638
-	(3,793)	(3,793)	-	(6,411)	(6,411)
345	(437)	(92)	449	1,058	1,507
12,655	-	12,655	20,153	-	20,153
13,000	64,433	77,433	20,602	109,285	129,887
(598)	(6,743)	(7,341)	(1,234)	(11,374)	(12,608)
(749)	(11)	(760)	(1,701)	(22)	(1,723)
11,653	57,679	69,332	17,667	97,889	115,556
(85)	(197)	(282)	(195)	(454)	(649)
11,568	57,482	69,050	17,472	97,435	114,907
(679)	(1,251)	(1,930)	(935)	(3,188)	(4,123)
10,889	56,231	67,120	16,537	94,247	110,784
5.14	26.53	31.67	7.80	44.46	52.26
5.10	26.35	31.45	7.70	43.90	51.60

UNAUDITED CONDENSED GROUP STATEMENT OF CHANGES IN EQUITY

Utilico Emerging Markets Limited
Half-yearly report for
the six months to 30 September 2017

Notes	Ordinary share capital £'000s	Share premium account £'000s	Special reserve £'000s
for the six months to 30 September 2017			
Balance at 31 March 2017	21,141	915	203,169
Profit for the period	-	-	-
5 Ordinary dividends paid	-	-	-
Shares issued on exercise of subscription share rights	407	7,026	-
Shares purchased by the Company	(25)	(519)	-
Balance at 30 September 2017	21,523	7,422	203,169

Notes	Ordinary share capital £'000s	Share premium account £'000s	Special reserve £'000s
for the six months to 30 September 2016			
Balance at 31 March 2016	21,146	771	204,587
Profit for the period	-	-	-
5 Ordinary dividends paid	-	-	-
Shares issued on exercise of subscription share rights	347	5,993	-
Balance at 30 September 2016	21,493	6,764	204,587

Notes	Ordinary share capital £'000s	Share premium account £'000s	Special reserve £'000s
for the year to 31 March 2017			
Balance at 31 March 2016	21,146	771	204,587
Profit for the year	-	-	-
5 Ordinary dividends paid	-	-	-
Shares issued on exercise of subscription share rights	478	8,265	-
Shares purchased by the Company	(483)	(8,121)	(1,418)
Balance at 31 March 2017	21,141	915	203,169

Utilico Emerging Markets Limited
Half-yearly report for
the six months to 30 September 2017

Non- distributable reserve £'000s	Retained earnings		Total £'000s
	Capital reserves £'000s	Revenue reserve £'000s	
11,093	282,675	13,168	532,161
-	16,052	13,904	29,956
-	-	(7,188)	(7,188)
-	-	-	7,433
-	-	-	(544)
11,093	298,727	19,884	561,818

Non- distributable reserve £'000s	Retained earnings		Total £'000s
	Capital reserves £'000s	Revenue reserve £'000s	
11,093	188,428	10,537	436,562
-	56,231	10,889	67,120
-	-	(6,872)	(6,872)
-	-	-	6,340
11,093	244,659	14,554	503,150

Non- distributable reserve £'000s	Retained earnings		Total £'000s
	Capital reserves £'000s	Revenue reserve £'000s	
11,093	188,428	10,537	436,562
-	94,247	16,537	110,784
-	-	(13,906)	(13,906)
-	-	-	8,743
-	-	-	(10,022)
11,093	282,675	13,168	532,161

UNAUDITED CONDENSED GROUP BALANCE SHEET

Utilico Emerging Markets Limited
Half-yearly report for
the six months to 30 September 2017

Notes	30 September 2017 £'000s	30 September 2016 £'000s	31 March 2017 £'000s
Non-current assets			
6	584,717	510,065	572,264
Current assets			
	2,548	3,375	1,966
8	505	1,323	3,170
	7,429	16,693	15,336
	10,482	21,391	20,472
Current liabilities			
	(20,031)	-	-
	(8,318)	(7,350)	(10,504)
8	(266)	-	(110)
	(28,615)	(7,350)	(10,614)
Net current (liabilities)/assets	(18,133)	14,041	9,858
Total assets less current liabilities	566,584	524,106	582,122
Non-current liabilities			
	-	(19,675)	(46,816)
	(4,766)	(1,281)	(3,145)
Net assets	561,818	503,150	532,161
Equity attributable to equity holders			
9	21,523	21,493	21,141
	7,422	6,764	915
	203,169	204,587	203,169
	11,093	11,093	11,093
	298,727	244,659	282,675
	19,884	14,554	13,168
Total attributable to equity holders	561,818	503,150	532,161
10	Net asset value per ordinary share		
	261.04	234.10	251.72
	250.46	226.23	241.29

UNAUDITED CONDENSED GROUP STATEMENT OF CASH FLOWS

Utilico Emerging Markets Limited
Half-yearly report for
the six months to 30 September 2017

Notes	Six months to 30 September 2017 £'000s	Six months to 30 September 2016 £'000s	Year to 31 March 2017 £'000s
11	3,346	8,734	12,487
Investing activities:			
	(91,732)	(70,314)	(159,338)
	101,572	67,058	141,232
	(926)	(3,234)	(9,014)
	2,056	1,454	2,879
	10,970	(5,036)	(24,241)
	14,316	3,698	(11,754)
Financing activities:			
	(7,188)	(6,872)	(13,906)
	(26,400)	55	26,858
	-	-	(10,022)
	7,433	6,340	8,743
	(26,155)	(477)	11,673
	(11,839)	3,221	(81)
	15,336	12,609	12,609
	(682)	863	2,808
Cash and cash equivalents at the end of the period	2,815	16,693	15,336
Comprised of:			
	7,429	16,693	15,336
	(4,614)	-	-
Total	2,815	16,693	15,336

1. ACCOUNTING POLICIES

The Company is an investment company incorporated in Bermuda. Its ordinary and subscription shares are traded on the London Stock Exchange. The unaudited 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 2017. The condensed consolidated group Accounts do not include all of the information required for full annual accounts and should be read in conjunction with the consolidated Accounts of the Group for the year ended 31 March 2017, which were prepared under full IFRS requirements.

The group Accounts comprise the results of the Company and its subsidiaries, Utilico Emerging Markets (Mauritius), UEM (HK) Limited and Global Equity Risk Protection Limited (for the year to 31 March 2017 and for the period ended 30 September 2016 the group Accounts comprised of the results of the Company and its subsidiaries, Utilico Emerging Markets (Mauritius) and Global Equity Risk Protection Limited).

2. MANAGEMENT AND ADMINISTRATION FEES

The Company has appointed ICM Investment Management Limited ("ICMIM") as its Alternative Investment Fund Manager and joint portfolio manager with ICM Limited ("ICM"), for which they are entitled to a management fee and a performance fee. The aggregate fees payable by the Company are apportioned between the joint portfolio managers as agreed by them. ICM also acts as UEM's Company Secretary for which it receives a company secretarial fee (as described below).

The relationship between ICMIM and ICM is compliant with the requirements of the EU Alternative Investment Fund Managers Directive and also such other requirements applicable to ICMIM by virtue of its regulation by the Financial Conduct Authority.

The annual management fee is 0.65% per annum of net assets, payable quarterly in arrears. The management fee is allocated 70% to capital return and 30% to revenue return. The investment management agreement may be terminated upon six months' notice.

In addition, the Investment Managers are 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 higher of (i) the post-tax yield on the FTSE Actuaries Government Securities UK Gilt 5 to 10 years Index, plus inflation (on the RPIX basis), plus 2%; and (ii) 8%. The maximum amount of a performance fee payable in respect of any financial year is 1.85% of the average net assets of the Company and any performance fee in excess of this cap is written off. The net asset value ("NAV") must also exceed the high watermark established when the performance fee was last paid (at 31 March 2017), adjusted for capital events and dividends paid since that date. The high watermark was 251.72p as at 31 March 2017.

As at 30 September 2017, 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 2018.

A performance fee was paid in respect of the year ended 31 March 2017 of £9,162,000. Of this ICM and ICMIM received £4,581,000 in cash and 1,898,582 ordinary shares were purchased in the market at a cost to the Company of £4,160,000. The saving arising on buying the shares at a discount in the market was £421,000. This saving has been recognised in the accounts for the six-month period ended 30 September 2017.

From 1 July 2017 ICM also provides company secretarial services to the Company (prior to 1 July 2017 ICMIM provided the company secretarial services), with the Company paying one-third of the costs associated with this post.

ICM Limited owns 100% of ICM Corporate Services (Pty) Ltd, making ICM Corporate Services a related party to UEM. ICM Corporate Services (Pty) Ltd provides administration services to UEM (Mauritius) for a fee of US\$24,000 per annum and to GERP for a fee of £15,000 per annum. The agreements are terminable upon one month's notice in writing.

F&C Management Limited ("FCM") provides accounting, dealing and administration services to the Company for a fixed fee from 1 October 2017 of £227,000 per annum (prior to 30 September 2017: £220,000 per annum), payable monthly in arrears and is entitled to reimbursement of certain expenses incurred by it in connection with its duties. The agreement with FCM is terminable on six months' notice in writing.

3. TAXATION

The revenue return taxation charge of £1,012,000 (30 September 2016: £679,000 and 31 March 2017: £935,000) relates to overseas taxation. The capital return taxation expense of £1,696,000 (30 September 2016: £1,251,000 and 31 March 2017: £3,188,000) relates to realised capital gains on sale of overseas investments and deferred tax in respect of overseas unrealised investment gains that may be subject to taxation in future years. Profits for the year are subject to nil rate Bermuda tax.

4. EARNINGS PER ORDINARY SHARE

Earnings for the purpose of basic and diluted earnings per ordinary share is the profit attributable to ordinary shareholders and based on the following data:

	Six months to 30 Sep 2017	Six months to 30 Sep 2016	Year to 31 Mar 2017
	£'000s	£'000s	£'000s
Revenue return	13,904	10,889	16,537
Capital return	16,052	56,231	94,247
Total return	29,956	67,120	110,784

	Number	Number	Number
Weighted average number of ordinary shares in issue during the period for basic earnings per share calculations	211,982,031	211,916,881	211,986,846

Diluted earnings per share

Diluted earnings per share has been calculated in accordance with IAS33, under which the Company's outstanding subscription shares are considered dilutive only if the exercise price is lower than the average market price of the shares during the period. The dilution is calculated by reference to the additional number of shares which subscription share holders would have received on exercise as compared with the number of shares which the subscription proceeds would have purchased in the open market.

	Six months to 30 Sep 2017	Six months to 30 Sep 2016	Year to 31 Mar 2017
	£'000s	£'000s	£'000s
Weighted average number of shares in issue during the period for diluted earnings per share calculations	218,377,684	213,426,747	214,716,963

5. DIVIDENDS

	Record date	Payment date	Six months to 30 Sep 2017 £'000s	Six months to 30 Sep 2016 £'000s	Year to 31 Mar 2017 £'000s
2016 Fourth quarterly interim of 1.625p	03-Jun-16	20-Jun-16	-	3,436	3,436
2017 First quarterly interim of 1.625p	26-Aug-16	21-Sep-16	-	3,436	3,436
2017 Second quarterly interim of 1.625p	02-Dec-16	16-Dec-16	-	-	3,444
2017 Third quarterly interim of 1.700p	24-Feb-17	17-Mar-17	-	-	3,590
2017 Fourth quarterly interim of 1.700p	02-Jun-17	16-Jun-17	3,594	-	-
2018 First quarterly interim of 1.700p	25-Aug-17	21-Sep-17	3,594	-	-
			7,188	6,872	13,906

The Directors have declared a second quarterly dividend in respect of the year ended 31 March 2018 of 1.700p per ordinary share payable on 20 December 2017 to shareholders on the register at close of business on 8 December 2017. The total cost of the dividend, which has not been accrued in the results for the period to 30 September 2017, is £3,642,000 based on 214,226,276 ordinary shares in issue at the date of this report.

6. INVESTMENTS

	Level 1 £'000s	Level 2 £'000s	Level 3 £'000s	Total £'000s
Investments brought forward at 31 March 2017				
Cost	295,647	61,296	50,357	407,300
Gains/(losses)	188,225	7,207	(30,468)	164,964
Valuation	483,872	68,503	19,889	572,264
Movements in the period:				
Purchases at cost	80,626	10,895	2,103	93,624
Transfers between levels*	5,932	(4,780)	(1,152)	-
Sales proceeds	(91,041)	(7,313)	(3,681)	(102,035)
Gains on investments sold in the period	39,846	2,082	315	42,243
(Losses)/gains on investments held at period end	(23,230)	1,708	143	(21,379)
Valuation at 30 September 2017	496,005	71,095	17,617	584,717
Analysed at 30 September 2017				
Cost	331,632	61,550	47,950	441,132
Gains/(losses)	164,373	9,545	(30,333)	143,585
Valuation	496,005	71,095	17,617	584,717

*Transfers due to the changes in liquidity of the investee companies' securities and listing of investee companies

Level 1 includes investments quoted on any recognised stock exchange or on any secondary market

Level 2 includes quoted investments that are thinly traded and participatory notes

Level 3 includes investments in private companies or securities

7. SUBSIDIARY UNDERTAKINGS

The following were subsidiary undertakings of the Company at 30 September 2017 (at 30 September 2016 and 31 March 2017: Utilico Emerging Markets (Mauritius) and Global Equity Risk Protection Limited were subsidiary undertakings):

Company	Country of registration and incorporation	Number and class of shares held	Holdings and voting rights %
Utilico Emerging Markets (Mauritius) ⁽¹⁾	Mauritius	38,752,635 ordinary shares	100
Global Equity Risk Protection Limited ⁽²⁾	Bermuda	3,920 Class B shares linked to a segregated account in GERP	100
UEM (HK) Limited ⁽³⁾	Hong Kong	1,000 ordinary shares	100

(1) Incorporated, and commenced trading, on 6 September 2011 to carry on business as an investment company.

(2) A Bermuda segregated accounts company which was incorporated and commenced trading on 4 May 2006. The segregated account, which is structured as the Bermuda law equivalent of a protected cell, exists for the sole purpose of carrying out derivative transactions on behalf of the Company. The holding represents 100% of the issued Class B shares and has no voting rights.

(3) Incorporated on 26 January 2017 and commenced trading on 18 July 2017 to carry on business as an investment company.

8. DERIVATIVE FINANCIAL INSTRUMENTS

	30 Sep 2017 £'000s	30 Sep 2016 £'000s	31 Mar 2017 £'000s
Current assets			
Forward exchange contracts - level 2	-	97	633
S&P options - US\$ - level 1	505	1,226	2,537
	505	1,323	3,170
Current liabilities			
Forward exchange contracts - level 2	(266)	-	-
S&P options - US\$ - level 1	-	-	(110)
	(266)	-	(110)
Net current assets	239	1,323	3,060

Changes in derivatives	30 Sep 2017 £'000s	30 Sep 2016 £'000s	31 Mar 2017 £'000s
Valuation brought forward	3,060	3,336	3,336
Purchases	926	3,234	9,408
Settlements	(2,056)	(1,454)	(3,273)
Losses	(1,691)	(3,793)	(6,411)
Valuation carried forward	239	1,323	3,060

9. SHARE CAPITAL

Ordinary shares of 10p each	Authorised Number	£'000s	Total ordinary shares in issue Number	Total ordinary shares in issue £'000s
Equity share capital:				
Balance at 31 March 2017	1,350,010,000	135,001	211,406,551	21,141
Issued on exercise of subscription share rights	-	-	4,069,725	407
Purchased for cancellation by the Company	-	-	(250,000)	(25)
Balance at 30 September 2017	1,350,010,000	135,001	215,226,276	21,523

During the period the Company purchased for cancellation 250,000 ordinary shares at a total cost of £544,000.

Since the half-year end a further 1,000,000 shares have been purchased for cancellation at a cost of £2,270,000.

Subscription shares

As at 31 March 2017, 37,828,282 subscription shares were in issue. On 31 August 2017, holders of 4,069,725 subscription shares exercised their right to subscribe for ordinary shares and as at 30 September 2017, 33,758,557 subscription shares were in issue.

Holders of subscription shares have the right to subscribe for one ordinary share per subscription share at a price of £1.83 payable in cash. The subscription rights can be exercised on the final date of 28 February 2018.

Subscription shares rank equally with each other and do not carry the right to receive any dividends from the Company or to attend and/or vote at general meetings of the Company (although the subscription shareholders have the right to vote in certain circumstances where a variation of the subscription share rights is proposed). Ordinary shares arising on the exercise of the subscription shares will rank pari passu with the ordinary shares currently in issue except they will not rank for any dividend declared or paid on the ordinary shares by reference to a record date prior to the relevant subscription date.

10. NET ASSET VALUE PER ORDINARY SHARE

(a) Net asset value per ordinary share is based on net assets at the period end of £561,818,000 (30 September 2016: £503,150,000 and 31 March 2017: £532,161,000) and on 215,226,276 ordinary shares in issue at the period end (30 September 2016: 214,926,502 and 31 March 2017: 211,406,551).

(b) Diluted net asset value per ordinary share is based on net assets at the period end and assuming the receipt of proceeds arising from the exercise of 33,758,557 subscription shares in issue at a price of £1.83 per ordinary share issued (30 September 2016: 39,141,990 and 31 March 2017: 37,828,282).

	30 Sep 2017 Number	30 Sep 2016 Number	31 Mar 2017 Number
Ordinary shares in issue at the period end	215,226,276	214,926,502	211,406,551
Ordinary shares created on exercise of all subscription shares	33,758,557	39,141,990	37,828,282
Number of ordinary shares for diluted calculation	248,984,833	254,068,492	249,234,833
	£'000s	£'000s	£'000s
Attributable net assets	623,596	574,780	601,387

11. RECONCILIATION OF PROFIT BEFORE TAX TO NET CASH INFLOW FROM OPERATING ACTIVITIES

	30 Sep 2017 £'000s	30 Sep 2016 £'000s	31 Mar 2017 £'000s
Profit before taxation	32,664	69,050	114,907
Adjust for non-cash flow items:			
Gains on investments	(20,864)	(68,663)	(114,638)
Losses on derivative financial instruments	1,691	3,793	6,411
Foreign exchange losses/(gains)	315	92	(1,507)
Effective yield interest	(199)	(3)	(133)
Increase in accrued income	(99)	(352)	(714)
(Decrease)/increase in creditors	(8,978)	5,753	9,335
Decrease/(increase) in other debtors	1	(13)	(18)
Tax on overseas income	(1,111)	(690)	(849)
	(29,244)	(60,083)	(102,113)
Other cash flow adjustments:			
Taxation on capital gains	(74)	(233)	(307)
Net cash flows from operating activities	3,346	8,734	12,487

12. RECONCILIATION OF LIABILITIES ARISING FROM FINANCING ACTIVITIES

	30 Sep 2017 £'000s	30 Sep 2016 £'000s	31 Mar 2017 £'000s
Loans			
Balance brought forward	46,816	18,657	18,657
Cash flows	(26,400)	55	26,858
Non-cash flow changes - foreign exchange movement	(385)	963	1,301
Balance carried forward	20,031	19,675	46,816

13. OPERATING SEGMENTS

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

14. RELATED PARTY TRANSACTIONS

There have been no changes in group related party relationships and no significant changes to group related party transactions since 31 March 2017.

15. RESULTS

The condensed set of financial statements, forming the half-year accounts, has been neither audited nor reviewed by the Company's auditor. The latest published accounts are for the year ended 31 March 2017; the report of the auditors thereon was unqualified. The condensed financial statements shown above for the year ended 31 March 2017 are an extract from those accounts.

16. GOING CONCERN

The financial statements have been prepared on a going concern basis. The Company's assets consist mainly of equity shares in quoted companies and in most circumstances are realisable within a short timescale. The use of the going concern basis of accounting is appropriate because there are no material uncertainties related to events or conditions that may cast significant doubt about the ability of the Company to continue as a going concern.

After making enquiries, the Directors have a reasonable expectation that the Company has adequate resources to continue in operational existence for the foreseeable future.

As at the period end, the Company had a £50m secured multicurrency loan facility with Scotiabank Europe PLC, expiring on 27 April 2018. The Company will either extend or replace the facility or repay the outstanding debt when due from portfolio realisations.

COMPANY INFORMATION

DIRECTORS

John Rennocks (Chairman)
Garth Milne (Deputy Chairman)
Susan Hansen
Garry Madeiros OBE
Anthony Muh

REGISTERED OFFICE

34 Bermudiana Road, Hamilton HM 11
Bermuda
Company Registration Number:
LEI: 213800UYZLSYB84N2H09

AIFM AND JOINT PORTFOLIO MANAGER

ICM Investment Management Limited
PO Box 208, Epsom Surrey KT18 7YF
Telephone +44 (0)1372 271486
Authorised and regulated in the UK by
the Financial Conduct Authority

JOINT PORTFOLIO MANAGER AND SECRETARY

ICM Limited
34 Bermudiana Road, Hamilton HM 11
Bermuda

ASSISTANT SECRETARY

BCB Charter Corporate Services Limited
34 Bermudiana Road, Hamilton HM 11
Bermuda

ADMINISTRATOR

F&C Management Limited (trading as BMO GAM)
Exchange House, Primrose Street
London EC2A 2NY

Authorised and regulated in the UK by
the Financial Conduct Authority

BROKER

Stockdale Securities Limited
Beaufort House, 15 St Botolph Street
London EC3A 7BB

Authorised and regulated in the UK by
the Financial Conduct Authority

PUBLIC RELATIONS

Montfort Communications Limited
2nd Floor, Berkeley Square House
Berkeley Square, Mayfair
London W1J 6BD

Telephone +44 (0) 20 7887 6287

LEGAL ADVISOR TO THE COMPANY (as to English law)

Norton Rose Fulbright LLP
3 More London Riverside, London SE1 2AQ

LEGAL ADVISOR TO THE COMPANY (as to Bermuda law)

Appleby (Bermuda) Limited
Canon's Court, 22 Victoria Street
Hamilton HM 12, Bermuda

REPORTING ACCOUNTANTS AND REGISTERED AUDITOR

KPMG LLP
15 Canada Square, London E14 5GL
Member of the Institute of Chartered Accountants
in England and Wales

DEPOSITARY SERVICES PROVIDER

J.P. Morgan Europe Limited
25 Bank Street, Canary Wharf, London E14 5JP
Authorised and regulated in the UK by
the Financial Conduct Authority

CUSTODIANS

JPMorgan Chase Bank N.A.
JPMorgan House, Grenville Street
St Helier, Jersey JE4 8QH

Bermuda Commercial Bank Limited
34 Bermudiana Road, Hamilton HM 11
Bermuda

REGISTRAR

Computershare Investor Services (Bermuda) Ltd
5 Reid Street, Hamilton HM 11
Bermuda

Telephone +44 (0)370 707 4040

REGISTRAR TO THE DEPOSITARY INTERESTS AND CREST AGENT

Computershare Investor Services PLC
The Pavilions, Bridgwater Road
Bristol BS99 6ZY

COMPANY BANKER

Scotiabank Europe PLC
201 Bishopsgate, 6th Floor, London EC2M 3NS

HISTORICAL PERFORMANCE

Utilico Emerging Markets Limited
Half-yearly report for
the six months to 30 September 2017

Utilico Emerging Markets Limited
Half-yearly report for
the six months to 30 September 2017

	30 Sep 2017	31 Mar 2017	31 Mar 2016	31 Mar 2015
Total return ⁽¹⁾ (annual) (%)	15.4	26.2	1.7	12.4
Annual compound total return ⁽²⁾ (since inception) (%)	12.1	12.1	10.9	11.9
Undiluted NAV per ordinary share (pence)	261.04	251.72	206.45	209.79
Diluted NAV per ordinary share (pence)	250.46	241.29	202.52	209.79 ⁽³⁾
Ordinary share price (pence)	217.50	214.50	178.50	188.50
Discount ⁽⁴⁾ (%)	(13.2)	(11.1)	(11.9)	(10.1)
Earnings per ordinary share (basic)				
– Capital (pence)	7.57	44.46	(5.50)	18.53
– Revenue (pence)	6.56	7.80	8.23	4.98
Total (pence)	14.13	52.26	2.73	23.51
Dividends per ordinary share (pence)	3.40 ⁽⁵⁾	6.65	6.40	6.10
Equity holders' funds (£m)	561.8	532.2	436.6	447.4
Gross assets ⁽⁸⁾ (£m)	581.8	579.0	455.2	479.2
Ordinary shares bought back (£m)	0.5	10.0	3.0	–
Cash/ (overdraft) (£m)	2.8	15.3	12.6	0.5
Bank debt (£m)	(20.0)	(46.8)	(18.7)	(31.9)
Net debt (£m)	(17.2)	(31.5)	(6.1)	(31.4)
Net debt gearing on gross assets (%)	3.0	5.4	1.3	6.6
Management and administration fees and other expenses (£m)				
– excluding performance fee	2.8	5.2	4.5	4.6
– including performance fee	2.3 ⁽⁹⁾	14.3	4.5	7.7
Ongoing charges ⁽¹⁰⁾ (%)				
– excluding performance fee (%)	1.0 ⁽¹¹⁾	1.1	1.1	1.1
– including performance fee (%)	1.0 ⁽¹¹⁾	2.9	1.1	1.8

(1) Total return is calculated based on NAV per ordinary share plus dividends reinvested from the payment date and adjusted for the exercise of warrants and subscription shares

(2) Annual compound total return is calculated based on NAV per ordinary plus dividends reinvested from the payment date and adjusted for the exercise of warrants and subscription shares

(3) There was no dilution

(4) Based on diluted NAV

(5) The second quarterly dividend has not been included as a liability in the accounts

	31 Mar 2014	31 Mar 2013	31 Mar 2012	31 Mar 2011	31 Mar 2010	31 Mar 2009	31 Mar 2008	31 Mar 2007
Total return ⁽¹⁾ (annual) (%)	(3.4)	20.9	3.4	19.5	51.1	(32.9)	18.5	25.3
Annual compound total return ⁽²⁾ (since inception) (%)	11.8	13.9	12.9	14.7	13.7	5.3	24.4	28.1
Undiluted NAV per ordinary share (pence)	192.38	205.49	175.60	175.28	157.33	107.76	168.39	146.45
Diluted NAV per ordinary share (pence)	192.38 ⁽³⁾	205.49 ⁽³⁾	175.60 ⁽³⁾	175.28 ⁽³⁾	148.37	106.51	157.20	138.80
Ordinary share price (pence)	180.00	191.20	164.00	157.75	132.00	95.50	153.75	137.25
Discount ⁽⁴⁾ (%)	(6.4)	(7.0)	(6.6)	(10.0)	(11.0)	(10.3)	(2.2)	(1.1)
Earnings per ordinary share (basic)								
– Capital (pence)	(12.13)	30.71	1.19	25.63	48.57	(60.28)	17.89	34.19
– Revenue (pence)	4.80	5.20	4.12	5.61	4.67	5.08	5.24	2.96
Total (pence)	(7.33)	35.91	5.31	31.24	53.24	(55.20)	23.13	37.15
Dividends per ordinary share (pence)	6.10	5.80	5.50	5.20	4.80	4.80	4.80	2.70
Equity holders' funds (£m)	410.2	442.9	378.5	383.2	319.9	230.7	359.5 ⁽⁶⁾	241.6 ⁽⁷⁾
Gross assets ⁽⁸⁾ (£m)	433.4	452.1	382.9	393.4	344.5	272.5	441.3 ⁽⁶⁾	288.6 ⁽⁷⁾
Ordinary shares bought back (£m)	3.9	–	4.9	11.5	16.0	0.2	–	–
Cash/ (overdraft) (£m)	(0.9)	2.6	(1.8)	(0.7)	2.0	24.1	11.9	19.9
Bank debt (£m)	(23.1)	(9.2)	(4.4)	(10.2)	(24.7)	(41.8)	(79.9)	(45.0)
Net debt (£m)	(24.0)	(6.6)	(6.2)	(10.9)	(22.7)	(17.7)	(68.0)	(25.1)
Net debt gearing on gross assets (%)	5.5	1.5	1.6	2.8	6.6	6.5	15.5	8.8
Management and administration fees and other expenses (£m)								
– excluding performance fee	3.7	3.4	3.9	3.1	2.5	2.7	3.1	2.1
– including performance fee	3.7	12.9	3.6	9.6	2.5	2.7	6.5	9.2
Ongoing charges ⁽¹⁰⁾ (%)								
– excluding performance fee (%)	0.9	0.8	0.9	0.8	0.8	0.7	0.8	0.9
– including performance fee (%)	0.9	3.2	0.9	2.5	0.8	0.7	1.7	4.0

(6) Includes the £85.0m fund raising in December 2007

(7) Includes the £100.0m fund raising in May 2006

(8) Gross assets less liabilities excluding loans

(9) See note 2 to the accounts regarding performance fee saving

(10) Expressed as a percentage of average net assets, ongoing charges comprise all operational, recurring costs that are payable by the Company or suffered within underlying investee funds, in the absence of any purchases or sales of investments

(11) For comparative purposes the figures have been annualised