Date: 18 November 2015

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Utilico Emerging Markets Limited

Unaudited Statement of Results
for the six months to 30 September 2015

Highlights of results

- Utilico Emerging Markets Limited's ("UEM") net asset value ("NAV") total return per ordinary share was negative at 12.8% in the six months to 30 September 2015, ahead of the MSCI Emerging Markets Total Return Index (GBP adjusted) which was down 18.7%.
- Since inception in 2005, UEM has achieved an average annual compound total return of 10.7%.
- Increase in quarterly dividend payments to 1.625p from 1.525p meaning together with the first quarterly payment of 1.525p, the total for the year to 31 March 2016 is set to rise to 6.40p from 6.10p, an increase of 4.9%.
- The forecast 6.40p distribution represents a yield on the closing share price of 157.75p as at 30 September 2015 of 4.1%.

Chairman's Statement

Over the six months, UEM had a negative total return of 12.8% compared with the MSCI Emerging Markets Total Return Index's negative 18.7% (GBP adjusted). In a tough environment for capital growth in UEM's markets, the Board has decided to increase the quarterly dividend payment to 1.625p for the second quarter and expects to maintain it at this level for the next two quarters.

The challenging conditions are in part a consequence of expectations on US and UK central bank interest rate policy, with markets anticipating a return to more normal monetary conditions as the US and UK underlying economies strengthen. This has seen strong liquidity flow to both the US and UK currencies.

Concern over the China slowdown has contributed to weakness in global GDP. Of more immediate importance and impact has been the fall in China's infrastructure spending as it seeks to move toward a more consumer led economy. This has contributed to much weaker commodity prices.

Over the six months the main emerging markets in which UEM invests have seen their stock markets retreat. Further, most have seen their currencies weaken as well. These are tough conditions for emerging market investors.

Positively, most UEM investee companies continue to deliver top line growth and bottom line performance. However, the combined effect of weaker markets and currencies masked this performance in UK sterling terms.

Pleasingly, the revenue income strengthened considerably over the six months to £17.9m, from £11.1m last half year, up 60.5%. This has arisen mainly due to Asia Satellite Telecommunications Holdings Limited ("Asiasat") distributing its retained earnings to shareholders and UEM received £7.7m in total as a result. This is a welcome development, as we have been discussing this issue with Asiasat for a number of years.

The management and administration fees, including other expenses, charged to revenue were £1.3m, in-line with the last half year. Finance costs were markedly lower at £57,000 versus £237,000 last year, mainly due to lower overall borrowings. The net outcome of these is revenue earnings per share of 7.34p, up from 4.19p for the same period in the previous year, an increase of 75.2%.

The Board has decided to increase the quarterly dividend payment to 1.625p for the second quarter and expects to maintain it at this level for the next two quarters. Together with the first quarterly payment of 1.525p, the total for the year to 31 March 2016 is set to rise to 6.40p from 6.10p, an increase of 4.9%. The forecast 6.40p distribution represents a 4.1% yield on the closing share price of 157.75p as at 30 September 2015. The cumulative retained revenue reserves at 30 September 2015 were £15.6m, some 7.30p per share.

Our share price discount to NAV remains stubbornly high, despite both the impressive relative performance and the yield offered by UEM shares. It is disappointing to see it widen over the six months to 12.3%. The Board keeps this under constant review and exercises a buyback investment policy at over a 10% discount, but this is an investment decision and will remain so. Over the ten years since inception, the Investment Managers have exercised their investment discretion and have bought back 26.0m shares at a cost of £36.4m. In October 2015 the Investment Managers bought back 115,000 ordinary shares at 161.50p per share at a discount of 12.6% to the NAV.

In September 2015 UEM announced a one for five bonus issue of subscription shares. This was approved at a Special General Meeting held on 22 September 2015 and approximately 42.6m subscription shares were issued on 24 September 2015.

The subscription shares are exercisable on the last business day in each of February and August 2016 and 2017, with the final opportunity to exercise on 28 February 2018. The exercise price for the subscription shares is 183.00p per share. If exercised, the subscription shares will increase the funds available to the Company for investment and, by increasing the capital base of the Company, would reduce the ongoing charges per ordinary share as a number of costs are fixed in nature. In addition, liquidity in the market for the ordinary shares may improve on exercise of the subscription shares as the number of ordinary shares in issue will increase and the bonus issue may broaden the Company's shareholder base as the subscription shares are bought and sold in the market, attracting new investors.

I am pleased to welcome John Rennocks to the Board of UEM. John has recently retired as deputy chairman and senior independent director of Inmarsat plc. He has broad experience in conventional and renewable electricity generation and in biotechnology, support services and manufacturing. He is currently chairman of Bluefield Solar Income Fund Ltd and a non-executive director of Greenko Group plc and was previously a director of Foreign & Colonial Investment Trust plc and of JP Morgan Overseas Investment Trust plc.

OUTLOOK

The USA and UK central banks continue to edge towards normalisation, whilst Japan and Europe are expected to continue Quantitative Easing for some years. China is looking to move from an infrastructure led economy to a consumer-led economy, a shift with significant ramifications for global markets. These combined factors have to date been very difficult for emerging markets and volatility has increased. Most emerging market economies continue to achieve positive GDP growth and their outlook longer term remains positive. UEM's performance is driven by stock selection and the Investment Managers remain confident that attractive investment opportunities remain.

Alexander Zagoreos
Chairman
18 November 2015

Investment Managers' Report

The six months to 30 September 2015 have been challenging, with market indices and local currency (in Sterling terms) down in most emerging markets.

Much of this underperformance has arisen from the US and UK central banks' policies looking to "normalize" their interest rates, as their underlying economies strengthen. This has resulted in strong liquidity flow to both the US and UK currencies. China's slowdown has contributed to concerns over global GDP weakness. Of more immediate importance and impact has been China's move away from infrastructure spend to a consumer led economy. This has contributed to much weaker commodity prices as supply outstrips demand.

This has all contributed to a number of emerging markets seeing both their markets and currencies weaken. Over the six months, the main emerging markets in which UEM invests have seen their stock markets retreat significantly. The Shanghai Stock Exchange Composite Index, Philippine PSEi, Ibovespa Brasil Sao Paulo Stock Exchange, FTSE Bursa Malaysia KLCI, Thailand SET and The Santiago IPSA Index were down by 18.5%, 13.2%, 11.9%, 11.5%, 10.4% and 5.9% respectively.

Further, most emerging markets have seen their currencies weaken in the six months to 30 September 2015; the Brazilian Real, Malaysian Ringitt, Chilean Peso, Thai Baht, Philippine Peso and Chinese Renminbi were down by 21.3%, 17.4%, 12.4%, 12.1%, 6.3% and 4.4% respectively. Over the last two years the Brazilian Real has fallen by 40.2%.

Factoring in the currency declines, in Sterling terms the Ibovespa Brasil Sao Paulo Stock Exchange Index, FTSE Bursa Malaysia KLCI, Shanghai Stock Exchange Composite Index, Thailand SET, Philippine PSEi and The Santiago IPSA Index were all down by 30.1%, 26.6%, 22.1%, 21.4%, 18.6% and 17.2% respectively.

These are very significant headwinds and have held back UEM's portfolio valuations and income received. For the six months to 30 September 2015 UEM reported a negative NAV total return of 12.8%. UEM's relative performance in Sterling terms is set out in the graph opposite.

UEM remains focused on listed companies. For the most part, these companies offer long-term growth, are profitable and paying dividends; however currency weakness has significantly undermined the value progression of its portfolio investments.

Arising from recent market weakness the company valuations available within the utilities and infrastructure investable portfolio have and continue to improve.

PORTFOLIO

UEM's gross assets (less liabilities excluding loans) decreased from £479.2m to £401.7m over the six months to 30 September 2015.

The constituents of the top ten saw two changes with Transelectrica SA and China Resources Gas Group Limited ("CR Gas") replacing Asiasat and China Everbright International Limited ("China Everbright"). The top ten total, as a percentage of the portfolio, reduced further from 53.7% to 49.4% in the six months to 30 September 2015. This arose in part as a result of net disposals in the top ten investments, stronger performance from the rest of the portfolio and a significant distribution by Asiasat. Unlisted investments were 2.8% of the gross assets as at 30 September 2015. The number of investments rose as UEM took advantage of weak market prices to invest in attractive opportunities.

China (including Hong Kong) continues to be UEM's largest country investment, although decreasing further in the past six months from 30.9% to 28.4% of the portfolio. This reflects a mix of realisations, investments, market movements and a significant dividend distribution by Asiasat. The Hang Seng Index was down by 16.3% eroding the gains of 12.4% in the prior twelve months. This combined with a weaker Hong Kong Dollar, which is pegged to the US Dollar and was down by 2.0% over the six months, resulted in the Hang Seng index being down by 17.9% in Sterling terms. This presented a negative background for UEM as an investor. It should be noted UEM is predominantly invested in China through the Hong Kong "H share" market.

There are three investments in China within UEM's top ten holdings and these are reviewed below. Asiasat dropped out of the top ten due, in large part, to the payment of a significant special dividend distribution, of which UEM's share amounted to HK$88.8m (£7.4m), equivalent to 40.0% of the position in Sterling terms as at 31 March 2015 of £18.5m. Asiasat is currently UEM's fifteenth largest holding. China Everbright's position was reduced by 51.1%, along with a number of other smaller positions which were mainly exited in the strong market rally in April 2015.

China Gas Holdings Ltd ("China Gas") rose from fourth to second in UEM's portfolio and has delivered another year of superb operational and financial results notwithstanding a tough market backdrop. Government-controlled price cuts have lagged the rapid declines in prices of competing energy sources such as fuel oil, at a time when high-consumption manufacturing industries, such as glass-making, have been affected by the wider economic slowdown. Against this backdrop China Gas reported excellent progress in its financial year to 31 March 2015, with piped gas sales volumes up 11.6%, and its connected base expanding by 22.2% to 12.7m households. Penetration remains low at 44.3%. The LPG business also achieved excellent growth, with LPG volumes up 37.4%. Group revenues increased by 21.8%, underlying EBITDA rose by 24.7% and the dividend per share improved by 33.9%.

Disappointingly, although in-line with the wider emerging markets sell-off, China Gas shares performed poorly in the six months to 30 September 2015, falling 16.2% notwithstanding its excellent results. During the period UEM realised 0.8% of its shareholding in China Gas. With a move to more frequent tariff re-basing and the government focused on increasing the share of natural gas in the primary energy mix, we remain positive on China Gas' outlook.

APT Satellite Holding Limited ("APT") is UEM's fifth largest holding. In the first half of 2015, APT reported a revenue decline of 4.8% and a fall of 6.7% in EBITDA. The company cited a more competitive satellite marketplace in Asia and unfavourable exchange rates for the weaker performance.

Post the period end, the company successfully launched a new satellite, AP Star 9, in October; it has secured contracts on the new satellite which should result in a return to revenue growth in 2016.

UEM increased its shareholding in APT Satellite by 0.4% during the period. APT's share price (adjusted for a 1 for 2 bonus issue in May) increased by 14.2% over the period.

CR Gas is a new entry into the top ten at tenth position in the portfolio. CR Gas is a natural gas distribution company which had 21.8m household connections across 213 city gas concessions in mainland China as at 30 June 2015. UEM has been invested in this company since 2011, over which time CR Gas has achieved a compound annual growth rate in connections and EBITDA of 18.4% and 23.0% respectively, partially through acquisition and organic growth. The penetration base of its network remains low at just 43.1%, implying strong future growth potential. Similar to China Gas Holdings, growth has been restrained by the tough market conditions, which should normalise as tariffs re-base and new gas supplies come onstream to several concession areas which are currently lacking gas volumes. In the six months to 30 June 2015 CR Gas reported natural gas volume growth of 10.9% and new connections growth of 9.2%. Group revenues and EBITDA increased by 17.5% and 17.4% respectively, and the interim dividend per share was doubled.

In the six months to 30 September 2015 CR Gas' share price fell by 17.5% in-line with other H-share listed gas peers. During the period under review UEM increased its shareholding in CR Gas by 8.0%, investing £0.7m.

Malaysia continues to be UEM's second largest country investment but has decreased from 17.8% to 14.9% of the portfolio. This is primarily due to market movements. Malaysia, as a producer of oil, has seen its economy negatively impacted by the weakness in commodity markets. This has been reflected in both the market and currency. In Sterling terms the FTSE Bursa Malaysia KLCI Index was down by 26.6% over the six months to 30 September 2015.

The top ten investments includes MyEG Services Berhad ("MyEG") and Malaysia Airport Holdings Berhad ("MAHB"), both of which are reviewed below.

MyEG is UEM's largest holding and reported another set of exceptional results for its year to 30 June 2015. Revenues were up by 28.8% and EBITDA was 28.9% ahead of the previous year. The company continues to report strong results from its online vehicle tax renewal, traffic fine payments and car insurance services. The company has seen strong growth from foreign worker permit renewals. MyEG's online system became the only way to renew these permits from May 2015.

The implementation of the cash register monitoring system to verify GST (sales tax) returns has been delayed, but is expected to commence imminently. The company has proposed a 2 for 1 share split by means of a bonus issue, which it intends to implement before the end of Q1 2016.

UEM sold 2.6% of its investment over the period realising £0.9m, mostly driven by a decision to balance the portfolio and take profits. MyEG's share price increased by 1.1% over the six months to the end of September 2015.

MAHB is UEM's third largest holding having declined from being the largest. The company reported mixed results in the six months to 30 June 2015. Though revenue from Malaysian operations was up 9.4% on the previous year, core EBITDA declined by 25.1% as its new terminal, KLIA 2, remained heavily underutilised. A combination of weaker passenger growth (flat over the period), and higher costs associated with operations at KLIA 2 continued to weigh on core margins. However, with the full consolidation of Istanbul Sabiha Gökcen airport ("ISG") in 2015, group EBITDA recorded an increase of 54.5% on the previous year. Group earnings declined sharply on increased depreciation and financing costs. ISG is expected to break even in 2015 and begin contributing positively to net earnings in 2016. Management have maintained original EBITDA guidance for both Malaysian and Turkish operations. MAHB's largest client, Air Asia, took legal action against MAHB in July, citing a failure to maintain appropriate operating conditions at KLIA 2. The MYR 409.4m damages claim renewed concerns of ground settlement issues at the new terminal, which has negatively impacted the share price.

MAHB's share price decreased by 26.3% over the six months to the end of September 2015, and UEM invested a further £0.2m during the period.

Brazil remains the third largest country investment but exposure reduced further from 11.2% to 9.6% of the portfolio, partially due to disposals but predominantly to a weak currency. The Brazilian Real declined a further 21.3% over the six months and the Ibovespa Index was down by 11.9% as a number of concerns are overshadowing the longer term outlook. In Sterling terms the Ibovespa Index was down by 30.1% over the six months to 30 September 2015.

Ocean Wilsons Holdings Limited ("Ocean Wilsons") is UEM's seventh largest investment and recorded solid results in the six months to 30 June 2015, demonstrating resilience in a challenging operating environment. As primarily export-driven ports, Salvador and Rio Grande benefitted from a weaker Brazilian Real, with volumes showing signs of recovery, particularly in the second quarter. EBITDA from container operations declined just 3.1% on the previous year, despite a 29.0% decline in the Brazilian Real / US Dollar exchange rate. Consolidated EBITDA at Wilson Sons was up 22.9% on the year, benefitting from strong growth in towage – partly due to special operations as a result of a fire in the port of Santos - and a turnaround in logistics operations. Unfortunately, net income was impacted by large exchange losses on US Dollar denominated debt and the translation effect of monetary items on the balance sheet. This was partially hedged by US Dollar revenues and lower US Dollar interest rates versus the higher Brazilian SELIC rate. While the macroeconomic environment remains challenging, improvements in towage and logistics and the potential for greater export-led growth bode well for future performance.

Ocean Wilson's share price decreased by 10.1% over the six months to the end of September 2015.

Romania is now UEM's fourth largest country investment increasing from 5.3% to 7.6%. This is mainly due to additional investment and relative outperformance. Romania has performed well as an emerging economy and in Sterling terms the local index was up 0.7%.

Transelectrica is a new entry into the top ten, becoming the ninth largest investment. Transelectrica manages and operates the Romanian electricity transmission system and provides the electricity exchanges between central and eastern European countries. It is a wholly-regulated entity which is currently in its third regulatory period which runs from 1 July 2014 to 30 June 2019, and the Romanian government holds a 59.7% stake in the company. In the six months to 30 June 2015 billed volumes grew by 3.2% which, combined with tariff increases, delivered revenue growth of 8.1%. Higher transmission losses, primarily due to greater export volumes, meant that EBITDA fell by 2.4% and normalised earnings fell by 7.0%. Dividends per share paid from the prior year profits were increased by 25.8%.

In the six months to 30 September 2015 Transelectrica's share price fell by 9.3%, although this includes the impact of the substantial annual dividend. Adjusting for this, the total return was positive at 1.1%. In the period under review UEM increased its shareholding in Transelectrica by 26.5%, investing £2.3m.

Thailand remained UEM's fifth largest country investment at 6.9%, up from 6.4%. The Thailand SET Index was down by 10.4% and the Thai Baht was down by 12.1%. The small increase in the weighting reflects relative performance rather than active change in positions. In the six months to 30 September 2015, the SET index was down by 21.4%, in Sterling terms.

Eastern Water Resources Development and Management PCL ("Eastwater") rose from fifth to fourth in the portfolio and delivered a strong operational and financial performance in the six months to 30 June 2015. Raw water demand increased by 7.4% as demand from the Provincial Waterworks Authority ("PWA"), one of Eastwater's largest customers and a shareholder in the company, rebounded significantly from low levels. PWA offtake increased by 39.4%, which was only partly offset by lacklustre demand from industrial estates, where volumes fell by 2.5%. At the same time, treated tap water volumes increased by 8.0% in the six months to 30 June 2015. Group revenues were flat on last year due to accounting for construction activities, though EBITDA growth of 8.9% in the six months to 30 June 2015 is a better reflection of underlying activity. Dividends per share were increased by 4.8%.

Notwithstanding good results, Eastwater's share price performance continues to be range-bound, increasing by 1.8% during the period under review. UEM has reduced its shareholding in Eastwater by 2.0% in the six months to 30 September 2015.

The **Philippines** declined from fourth to sixth largest country investment, decreasing from 7.9% to 6.8% of the portfolio, mainly as a result of market price weakness of International Container Terminals, Inc. ("ICT"). The country continues to see good economic growth, but this has not been reflected in the Philippine PSEi Index and the Philippine Peso, which were down by 13.2% and 6.3% respectively for the six months to 30 September 2015. The PSEi Index, in Sterling terms, was down by 18.6% in the six months to 30 September 2015.

ICT declined from third to sixth in the portfolio. ICT posted solid results in the six months to 30 June 2015, albeit with operations slowing significantly in the second quarter. Consolidated volumes registered 9.0% growth over the previous year (8.0% organic) while revenue and EBITDA increased by 8.2% and 11.9% respectively. Net income was down by 1.0%, impacted by higher financing costs – owing to increased debt – and a higher effective tax rate as several tax benefits expired. Operations in the second quarter were also affected by the loss of two major shipping lines at ICTSI Oregon owing to continued labour disruptions. However, the decline in activity is likely to be temporary. A weaker global demand outlook, prompted by slowing growth in China, has fuelled greater uncertainty around global volume growth. Nevertheless, further expansion in Mexico, Honduras and Iraq and the start of operations at Melbourne in 2017 should continue to improve the company's position over the longer term.

In the six months to 30 September 2015 ICT's share price declined by 30.6% and UEM's shareholding remained unchanged.

Chile remained broadly unchanged in the portfolio at 5.2% versus 5.1% as at 31 March 2015. The Chile IPSA index was down by 5.9% and the Chilean Peso was down by 12.4%. In Sterling terms, the index was down by 17.2% in the six months.

Gasco S.A. ("Gasco"), UEM's eighth largest investment, has experienced extremely challenging conditions over the past year, as energy sector reforms have resulted in increased regulatory scrutiny on gas distribution operations, leading to tariff cuts across all the customer bases. At the same time Gasco has had to contend with the rapid fall in commodity prices and improving hydrological conditions, resulting in diminished demand from gas-fired thermal electricity plants. In the six months to June 2015 natural gas volumes fell by 7.2% at Metrogas, Gasco's key asset and the monopoly supplier to Santiago. The primary driver of this was a 13.2% reduction in demand from gas-fired plants. This volume decline was exacerbated by effective tariffs falling by 19.1%, reflecting lower commodity prices and lower allowed returns. Meanwhile the unregulated LPG business also saw the direct impact of commodity movements, with revenues falling by 40.9%. As such, in the six months to June 2015 group revenues and EBITDA fell by 28.1% and 26.0% respectively.

In the six months to 30 September 2015 Gasco's share price fell by 6.9% and dividends per share were reduced by 61.6% as the special dividend paid last year was not repeated this year. Post the period end it is notable that Gas Natural

Fenosa, Gasco's ultimate controlling shareholder, acquired an additional 8.3% stake in Metrogas for €116m.

PORTFOLIO GENERAL

Investment activity increased mainly due to realising China "H share" investments in April 2015. For the six months, investment purchases were £53.4m (£89.3m for the year to 31 March 2015) and realisations were £65.4m (£87.3m for the year to 31 March 2015). Much of this investment was outside the top ten. UEM halved its investment in China Everbright on the back of strong share price performance in April 2015. Within the top ten investments, UEM realised £0.9m from MyEG and invested £2.2m in Transelectrica and £0.7m in CR Gas.

Changes in the geographic split reflect the realisations plus relative market performance and are discussed above. The main sector changes have been an increase in gas from 15.5% to 17.4% and electricity from 9.9% to 13.7%, with toll roads reducing from 7.3% to 4.5%.

BANK DEBT

Bank debt decreased from £31.9m to £18.1m over the six months to 30 September 2015, mainly as a result of realisations but also as a result of Asiasat's increased distribution this year. At the year end this was all drawn in Euros. The Board will seek a two year extension on the Scotiabank facility of £50.0m which currently matures on 30 April 2016.

MARKET HEDGING

Given market conditions UEM began to increase modestly the S&P 500 net market put positions and these resulted in gains of £3.9m in the six months to 30 September 2015.

REVENUE RETURN

Revenue income increased substantially over the six months mainly driven by Asiasat distributing its revenue reserves by way of dividends, with UEM receiving £7.7m in total from Asiasat. As a result revenue income increased by 60.5% from £11.1m to £17.9m. Taking out the Asiasat dividends in both six month periods, other revenue income increased by 3.9%.

Management fees and administration expenses were broadly unchanged on the prior year.

Finance costs were lower at £57,000 from £237,000 the year before, reflecting lower borrowings over the six months and costs from the aborted retail bond proposal.

The net outcome of the above is a substantial increased revenue return of £15.7m, up from £8.9m, an increase of 75.2% on the comparable six months in the prior financial year.

The cumulative retained revenue reserves at 30 September 2015 were £15.6m, some 7.3p per share.

CAPITAL RETURN

The portfolio lost £75.4m in the six months to 30 September 2015 reflecting weak markets and currencies in Sterling terms. This was partly offset by gains on derivatives and exchange losses of £3.6m.

Management and administration fees were again almost unchanged at £1.0m for both six month periods. The borrowing costs reduced substantially from £0.6m to £0.1m as a result of lower borrowings but also due to the prior comparable period including the costs of the aborted retail bond proposal.

Taxation reduced as deferred tax decreased as the value of investments in a number of Brazilian holdings reduced.

The net outcome of the above was a loss on the capital return of £72.5m, versus a prior year gain of £15.3m.

CDO Jillings
ICM Investment Management Limited and ICM Limited
18 November 2015

Group Performance Summary

	Half-year 30 Sep 15	Half-year 30 Sep 14	Annual 31 Mar 15	%Change March - Sep 15
Total return(1) (%)	(12.8)	5.9	12.2	n/a
Annual compound total return (since inception)(2) (%)	10.7	12.4	12.4	n/a
Net asset value per ordinary share (pence)	179.92	200.68	209.79	(14.2)
Ordinary share price (pence)	157.75	189.00	188.50	(16.3)
Discount (%)	(12.3)	(5.8)	(10.1)	n/a
Earnings per ordinary share (basic)				
- Capital (pence)	(34.01)	7.16	18.53	n/a
- Revenue (pence)	7.34	4.19	4.98	75.2(3)
- Total (pence)	(26.67)	11.35	23.51	n/a
Dividends per ordinary share (pence)	3.15(4)	3.05	6.10	3.3(3)
Equity holders' funds (£m)	383.7	427.9	447.4	(14.2)
Gross assets(5) (£m)	401.7	442.1	479.2	(16.2)
Cash (£m)	3.0	3.2	0.5	500.0
Bank debt (£m)	(18.1)	(14.2)	(31.9)	(43.3)
Net debt (£m)	(15.1)	(11.0)	(31.4)	(51.9)
Net debt gearing on gross assets (%)	3.8	2.5	6.6	n/a
Management and administration fees and other expenses (£m)				
- excluding performance fee	2.2	2.2	4.6	0.0(3)
- including performance fee	2.2	2.2	7.7	0.0(3)
Ongoing charges figure(6) (%)				
- excluding performance fee	1.0	1.0	1.1	n/a
- including performance fee	1.0	1.0	1.8	n/a

(1) Total return is calculated based on NAV per ordinary share return plus dividends reinvested from the payment date
(2) Annual compound total return based on diluted NAV per ordinary share return, plus dividends reinvested from the payment date and return on warrants exercised on 2 August 2010
(3) Percentage change based on comparable six month period to 30 September 2014
(4) The second quarterly dividend declared has not been included as a liability in the accounts
(5) Gross assets less liabilities excluding loans
(6) 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

Half-Yearly Financial Report and Responsibility Statement

The Chairman's Statement and the Investment Managers' Report 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 Business Review section of the Annual Report and Accounts for the year ended 31 March 2015 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.bm

RELATED PARTY TRANSACTIONS

Details of related party transactions in the six months to 30 September 2015 are set out in Note 12 to the Report and Accounts, and details of the fees paid to the Investment Managers are set out in Note 2 to the Report and Accounts.

Directors' fees were increased with effect from 1 April 2015 to:
Chairman £42,000 per annum
Chair of Audit Committee £39,000 per annum
Directors £31,000 per annum

DIRECTORS' RESPONSIBILITY STATEMENT

In accordance with Chapter 4 of the Disclosure 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 2015 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;

• 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
Alexander Zagoreos
Chairman

18 November 2015

Unaudited Condensed Group Income Statement

	Six months to 30 September 2015			Six months to 30 September 2014		
	Revenue return £'000s	Capital return £'000s	Total Return £'000s	Revenue return £'000s	Capital return £'000s	Total Return £'000s
(Losses)/gains on investments	-	(75,434)	(75,434)	-	17,131	17,131
Profits/(losses) on derivative instruments	-	3,936	3,936	-	(2,094)	(2,094)
Exchange losses/(profits)	(183)	(337)	(520)	(23)	1,774	1,751
Investment and other income	18,051	-	18,051	11,159	-	11,159
Total income	17,868	(71,835)	(53,967)	11,136	16,811	27,947
Management and administration fees	(571)	(951)	(1,522)	(543)	(957)	(1,500)
Other expenses	(711)	(14)	(725)	(725)	(13)	(738)
Profit/(loss) before finance costs and taxation	16,586	(72,800)	(56,214)	9,868	15,841	25,709
Finance costs	(57)	(133)	(190)	(237)	(553)	(790)
Profit/(loss) before taxation	16,529	(72,933)	(56,404)	9,631	15,288	24,919
Taxation	(875)	397	(478)	(697)	(16)	(713)
Profit/(loss) for the period	15,654	(72,536)	(56,882)	8,934	15,272	24,206
Earnings per ordinary share (basic) – pence	7.34	(34.01)	(26.67)	4.19	7.16	11.35
Earnings per ordinary share (diluted) – pence	7.34	(34.01)	(26.67)	n/a	n/a	n/a

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/(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.

Unaudited Condensed Group Statement of Changes in Equity

for the six months to 30 September 2015

	Ordinary share capital £'000s	Share premium account £'000s	Special reserve £'000s	Other non-distributable reserve £'000s	Retained earnings Capital reserves £'000s	Retained earnings Revenue reserve £'000s	Total £'000s
Balance at 31 March 2015	21,324	3,796	204,587	11,093	203,380	3,181	447,361
(Loss)/profit for the period	-	-	-	-	(72,536)	15,654	(56,882)
Ordinary dividends paid	-	-	-	-	(3,252)	(3,252)	(6,504)
Issue cost of subscription shares	-	(300)	-	-	-	-	(300)
Balance at 30 September 2015	21,324	3,496	204,587	11,093	127,592	15,583	383,675

for the six months to 30 September 2014

	Ordinary share capital £'000s	Share premium account £'000s	Special reserve £'000s	Other non-distributable reserve £'000s	Retained earnings Capital reserves £'000s	Retained earnings Revenue reserve £'000s	Total £'000s
Balance at 31 March 2014	21,324	3,796	204,587	11,093	167,117	2,318	410,235
Profit for the period	-	-	-	-	15,272	8,934	24,206
Ordinary dividends paid	-	-	-	-	(3,252)	(3,252)	(6,504)
Balance at 30 September 2014	21,324	3,796	204,587	11,093	179,137	8,000	427,937

for the year to 31 March 2015

	Ordinary share capital £'000s	Share premium account £'000s	Special reserve £'000s	Other non-distributable reserve £'000s	Retained earnings Capital reserves £'000s	Retained earnings Revenue reserve £'000s	Total £'000s
Balance at 31 March 2014	21,324	3,796	204,587	11,093	167,117	2,318	410,235
Profit for the year	-	-	-	-	39,515	10,619	50,134
Ordinary dividends paid	-	-	-	-	(3,252)	(9,756)	(13,008)
Balance at 31 March 2015	21,324	3,796	204,587	11,093	203,380	3,181	447,361

Unaudited Condensed Group Balance Sheet

	30 September 2015 £'000s	30 September 2014 £'000s	31 March 2015 £'000s
Non-current assets			
Investments	393,792	438,829	481,268
Current assets			
Other receivables	817	1,766	3,082
Derivative financial instruments	8,961	659	1,839
Cash and cash equivalents	3,014	3,782	1,804
	12,792	6,207	6,725
Current liabilities			
Bank loans	(18,055)	-	-
Other payables	(1,330)	(1,912)	(7,313)
Derivative financial instruments	(3,524)	-	(524)
	(22,909)	(1,912)	(7,837)
Net current (liabilities)/assets	(10,117)	4,295	(1,112)
Total assets less current liabilities	383,675	443,124	480,156
Non-current liabilities			
Bank loans	-	(14,188)	(31,862)
Deferred tax	-	(999)	(933)
Net assets	383,675	427,937	447,361
Equity attributable to equity holders			
Ordinary share capital	21,324	21,324	21,324
Share premium account	3,496	3,796	3,796
Special reserve	204,587	204,587	204,587
Other non-distributable reserve	11,093	11,093	11,093
Capital reserves	127,592	179,137	203,380
Revenue reserve	15,583	8,000	3,181
Total attributable to equity holders	383,675	427,937	447,361
Net asset value per ordinary share			
Basic – pence	179.92	200.68	209.79
Diluted - pence	179.92	n/a	n/a

Unaudited Condensed Group Statement of Cash Flows

	Six months to 30 September 2015 £'000s	Six months to 30 September 2014 £'000s	Year to 31 March 2015 £'000s
Cash flows from operating activities	11,486	6,586	7,718
Investing activities:			
Purchases of investments	(55,319)	(45,860)	(87,749)
Sales of investments	67,476	57,894	85,255
Purchases of derivatives	(3,899)	(1,277)	(3,004)
Sales of derivatives	3,713	381	825
Cash flows from investing activities	11,971	11,138	(4,673)
Cash flows before financing activities	23,457	17,724	3,045
Financing activities:			
Ordinary dividends paid	(6,504)	(6,504)	(13,008)
Movements from loans	(13,700)	(7,590)	10,973
Issue cost of subscription shares	(136)	-	-
Cash flows from financing activities	(20,340)	(14,094)	(2,035)
Net movement in cash and cash equivalents	3,117	3,630	1,010
Cash and cash equivalents at the beginning of the period	526	(875)	(875)
Effect of movement in foreign exchange	(629)	396	391
Cash and cash equivalents at the end of the period	3,014	3,151	526
Comprised of:			
Cash	3,014	3,782	1,804
Bank overdraft	-	(631)	(1,278)
Total	3,014	3,151	526

NOTES

The Directors have declared a second quarterly dividend in respect of the year ending 31 March 2016 of 1.625p per ordinary share payable on 15 December 2015 to shareholders on the register at close of business on 27 November 2015. The total cost of the dividend, which has not been accrued in the results for the six months to 30 September 2015, is £3,463,000 based on 213,128,793 ordinary shares in issue at the date of this report.

The half-yearly report will be posted to shareholders in early December 2015 and made available on the website www.uem.bm shortly. Copies may be obtained during normal business hours from Exchange House, Primrose Street, London, EC2A 2NY.