

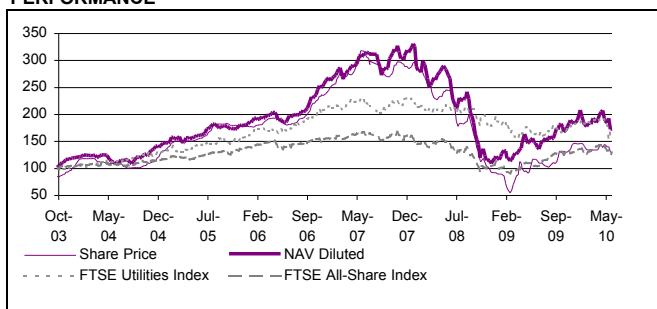
**31 May 2010**

**OBJECTIVE:** To provide long-term capital appreciation by investing predominantly in infrastructure, utility and related businesses including other investment companies investing in these businesses.

**KEY DATES**

Launch Date*	August 2003
Year End	30 June
AGM Date	November
Ex-Dividend Dates	March & September
Dividend Paid Dates	April & October
Warrant Exercise Date	30 April & 31 October
2012 Warrant Expiry	April 2012
2012 ZDP Shares Expiry	October 2012
2014 ZDP Shares Expiry	October 2014
2016 ZDP Shares Expiry	October 2016

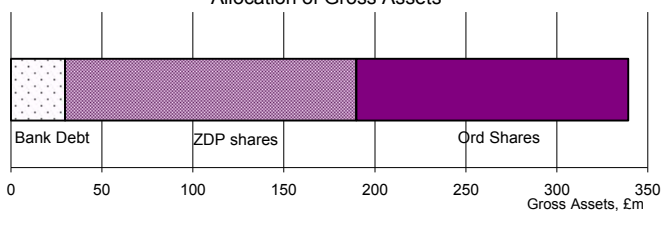
\* Utilico Investment Trust plc ("UIT") - Utilico Limited's predecessor

**PERFORMANCE**


Includes data from August 2003 incorporating Utilico Investment Trust plc to June 2007

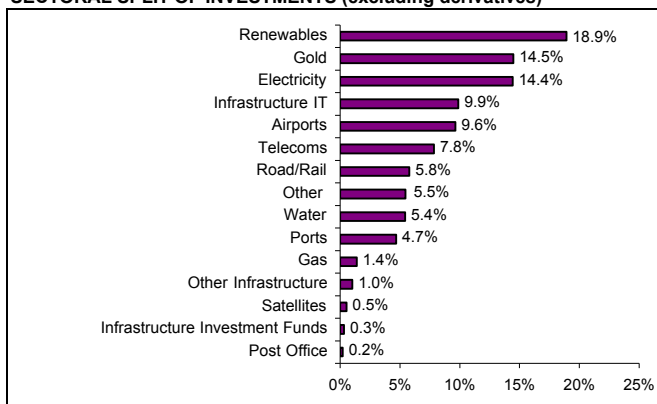
**CAPITAL STRUCTURE**

Gross Assets less Current Liabilities	£ 339.5m
Bank Debt	£ 29.7m
ZDP shares 2012	£ 68.6m
ZDP shares 2014	£ 45.9m
ZDP shares 2016	£ 45.9m
Shareholders' Funds (Ordinary Shares)	£ 149.6m
	<u>£ 339.5m</u>
Effective Gearing on Ordinary Shares	2.27x

**Allocation of Gross Assets**

**ORDINARY SHARES**

NAV at launch of UIT	99.47p
NAV (undiluted, cum income)	173.17p
NAV (diluted, cum income)	173.17p
Share Price	128.50p
(Discount) / Premium to Diluted NAV	(25.8%)
Annual average compound return (including dividends)*	10.2%
Historic Dividend Yield	0.0%
Shares in issue	86,373,835
Ticker	UTL.L

\* Proforma based on existing capital structure at launch of UIT

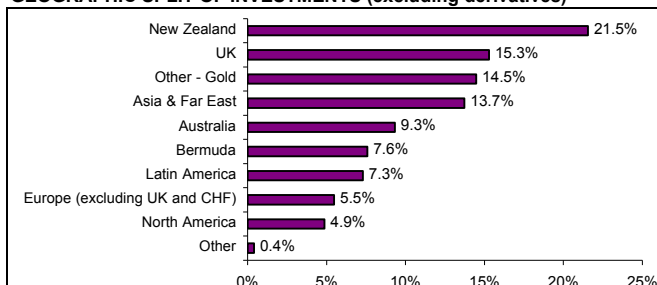
**SECTORAL SPLIT OF INVESTMENTS (excluding derivatives)**

**WARRANTS**

	<b>2012</b>
Price	2.50p
Warrants in issue	3,588,643
Ticker	UTLX.L
Exercise Terms	1 ordinary share per warrant at a subscription price of 315.0p

**ZDP shares**

	2012	2014	2016
Accrued Capital Entitlement	150.54p	122.87p	122.87p
Share Price	155.50p	128.75p	109.75p
(Discount) / Premium to NAV	3.3%	4.8%	(10.7%)
ZDP Cover*	3.07x	1.96x	1.38x
Yield to Redemption*	5.6%	6.1%	9.2%
ZDP Redemption Value	177.52p	167.60p	192.78p
Shares in issue	45,486,200	37,500,000	37,500,000
Ticker	UTLA.L	UTLB.L	UTLC.L

\* based on final redemption values

**GEOGRAPHIC SPLIT OF INVESTMENTS (excluding derivatives)**

**MANAGEMENT & ADMINISTRATIVE FEES**

Investment Adviser Fee	0.5%
Administration Fee	£295k
Performance Fee	15% of the outperformance over benchmark subject to "high water" mark

**FURTHER INFORMATION**

Further information regarding Utilico Limited (including copies of the company's annual and interim reports and weekly NAV releases) is available on the company's website at

[www.utilico.bm](http://www.utilico.bm)

**TOP 10 HOLDINGS**

	% of gross assets
1 Infratil Limited	27.0%
2 Utilico Emerging Markets Ltd	21.7%
3 Resolute Mining Limited	14.2%
4 Jersey Electricity Company Limited	5.5%
5 Vix Technology	4.7%
6 Keytech Limited	3.3%
7 Renewable Energy Generation Limited	3.1%
8 Billing Services	2.3%
9 Ascendant Group Ltd	2.2%
10 Permanent Investments Limited	1.7%
Total Top 10	85.7%

31 May 2010

**MONTHLY COMMENT****PERFORMANCE**

Following the pleasing performances seen in both March and April, May was a difficult month for Utilico, with the NAV per share falling by 8.4%. This represents an under-performance of both the FTSE All-Share, the FTSE Utilities, and the Dow Jones World Utilities (GBP adjusted) indices which all fell by 6.6%, 6.8%, and 3.7% respectively.

During May, markets were mainly concerned with the continued uncertainties regarding European sovereign debt. The European Union has announced a Euro 750bn package which is intended to provide stability in the debt markets by enabling the European Central Bank to purchase bonds. In addition, the package includes the creation of a Special Purpose Vehicle which itself will issue bonds. The funds raised will be used to provide financial support to European countries experiencing difficulties. At the same time Governments have begun to announce details of austerity programs in an effort to bring budgets into balance. Three main issues have come to the fore. Firstly that any "bail-out" package simply defer the problem of debt repayment and swaps the potential liability from investors to taxpayers. Secondly, the size of the package is insufficient. Thirdly, uncertainty over the potential effect that reductions in Government spending will have on output, employment and corporate earnings.

While Europe has been wrestling with a lack of growth, much of the rest of the world is experiencing the opposite. Interest rate rises have occurred in Brazil, Australia, New Zealand, and Malaysia to try and control inflationary pressures. China continues to experience strong growth and price pressures, with property prices and wages all moving upwards.

**PORTFOLIO**

Most positions within the top 10 investments fell in value including Infratil (down 5.3%), Utilico Emerging Markets (down 1.1%), Resolute (down 8.8%), Jersey Electricity (down 5.2%), and Renewable Energy Generation (down 5.9%). These falls were caused by general market, rather than stock specific, conditions. The fall in Resolute was somewhat surprising given the continued strength in the gold price. Offsetting these declines was modest strength in Keytech, Billing Services, and Ascendant.

A new investment into the top 10 is Permanent Investments Limited, an SPV investment into the capital of Bermuda Commercial Bank. This replaces Oceania Capital Partners, an investment which was discussed in April's report, which fell in value in May due to a cash return of capital worth some £620,000 to Utilico.

During the month, Utilico exercised its Infratil 2010 warrants, investing a further £9.8m into Infratil Ordinary shares.

**CURRENCY**

The company maintained unchanged its forward currency contracts against the New Zealand Dollar at NZ\$90.5 million, corresponding to the Utilico's underlying exposure in this currency. In addition, forward currency contracts were also held for USD 22.9m, AUD 56.7m and EUR 10.5m.

**DEBT & CASH**

Utilico's £20.0m debt facility with the Royal Bank of Scotland was extended to £30.0 million during the month, and was fully utilised at the month end. Cash on hand at the end of May amounted to £3.5m.

**ZDPs**

The market prices of Utilico's 2012, 2014, and 2016 ZDP Shares all fell during May, by 1.3%, 2.8%, and 4.4% respectively. The three tranches offered yields to maturity of 5.6%, 6.1%, and 9.2% for the 2012, 2014 and 2016 maturities respectively. Asset covers at final redemption value stood at 3.07x, 1.96x and 1.38x for the 2012, 2014, and 2016 maturities respectively.

**OTHER**

Utilico's Ordinary Share Price fell by 11.1% during May, to close the month at 128.50p. At the end of May, Utilico's ordinary shares stood at a discount of 25.8% to their underlying NAV, while a combination of all Utilico's traded instruments, including ZDPs and warrants, were priced at a 12.5% discount to NAV.

**INVESTMENT TEAM**

The investment manager Ingot Capital Management Pty Limited ("ICM") is primarily responsible for running the investment portfolio.

**ICM represented by Mr Duncan Saville**

Mr Saville, aged 53, is a director of UEM's investment manager, ICM. He is a chartered accountant. He is a non-executive director of Infratil Limited and Vix-ERG Limited and was formerly a non-executive director of Utilico Investment Trust plc, The Special Utilities Investment Trust PLC, East Surrey Holdings plc, Dee Valley Group plc, Glasgow Prestwick International Airport Limited and Wellington International Airport Limited.

**MR CHARLES JILLINGS**

Mr Jillings, aged 54, is a Director of the Company. He is responsible for the day-to-day running of the Company and the investment portfolio in conjunction with the Investment Manager. Mr Jillings is qualified as a chartered accountant and previously worked in corporate finance at Hill Samuel for 10 years. He set up The Analysis & Research Company Limited in 1995 and has been a director of a number of listed companies. He is a director of Equest Balkan Properties plc (former Chairman) and Global Equity Risk Protection Limited. He was also until recently a director of Newtel Limited.

Assisting them are:

**MR JAMES SMITH**

James Smith, aged 37, has been involved in the running of Utilico Limited and Utilico Emerging Markets Limited since their inception and before that with Utilico Investment Trust plc and The Special Utilities Investment Trust PLC since 1999. Mr Smith is a barrister and a member of the Institute of Chartered Accountants in England and Wales.

**MR MARK LEBBELL**

Mark Lebbell, aged 38, has been involved in the running of Utilico Limited and Utilico Emerging Markets Limited since their inception and before that with Utilico Investment Trust plc and The Special Utilities Investment Trust PLC since 2000. Mr Lebbell is an associate member of the Institute of Electrical Engineering and Technology.

**MR ITTAN ALI**

Ittan Ali, aged 38, has been employed by The Analysis & Research Company Ltd since March 2008 and was previously employed at TRW Investment Management as a Pan European fund manager. Prior to that he was employed for six years as a fund manager with Majedie Investments plc. Mr Ali is an associate of the UK Society of Investment Professionals.

The information presented on this factsheet is solely for information purposes and is not intended to be, and should not be construed as, an offer or recommendation to buy and sell investments. If you are in any doubt as to the appropriate course of action, we would recommend that you consult your own independent financial adviser, stockbroker, solicitor, accountant or other professional adviser.

Past performance is no guide to the future. The value of investments and the income from them may go down as well as up and investors may not get back the full amount they originally invested. The information presented has been obtained from sources believed to be reliable but no representation or warranty is given or may be implied that they are accurate or complete.

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Utilico Limited

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