

UTILICO INVESTMENTS LIMITED

(formerly Utilico Limited)

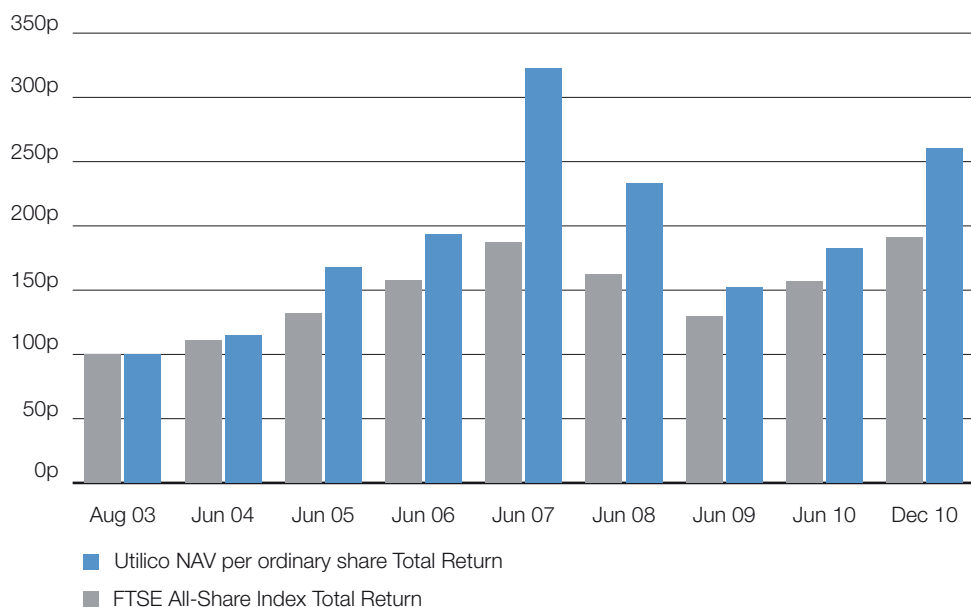
**Report and accounts
for the six months to 31 December 2010**

Our objective is to maximise shareholder returns by identifying and investing in investments where the underlying value is not reflected in the market price.⁽¹⁾

Utilico Limited (“the Company”) was incorporated on 17 January 2007 and began trading on 20 June 2007. All performance data relating to periods prior to 20 June 2007 are in respect of Utilico Investment Trust plc (“UIT”), Utilico’s predecessor. Since the period end Utilico has changed its name to Utilico Investments Limited.

(1) Prior to 7 January 2011, Utilico’s objective was to provide long-term capital appreciation by investing predominantly in infrastructure, utility and related companies. Subsequent to the proposals approved by shareholders in January 2011, the new objective is detailed above.

Rebased total return comparative performance to 31 December 2010
*Rebased to 100 at 14 August 2003**



*Inception of Utilico Investment Trust plc

Source: Utilico Investments Limited

	31 Dec 2010	30 Jun 2010	Change
Ordinary shares			
Capital Value			
Net asset value per ordinary share	236.75p	166.39p	42.3%
Share prices and indices			
Ordinary share price	149.75p	116.50p	28.5%
Discount	36.7%	30.0%	n/a
FTSE All-Share Index	3,063	2,543	20.4%
Zero dividend preference (ZDP) shares⁽¹⁾			
2012 ZDP shares			
Capital entitlement per ZDP share	156.81p	151.55p	3.5%
ZDP share price	164.25p	159.75p	2.8%
2014 ZDP shares			
Capital entitlement per ZDP share	128.16p	123.72p	3.6%
ZDP share price	135.50p	129.50p	4.6%
2016 ZDP shares			
Capital entitlement per ZDP share	128.16p	123.72p	3.6%
ZDP share price	133.25p	108.75p	22.5%
Warrants			
2012 warrant price	1.63p	2.00p	(18.5%)
Equity holders funds (£m)			
Gross assets ⁽²⁾	402.5	334.2	20.4%
Bank debt	31.1	29.3	6.2%
ZDP entitlement	166.9	161.2	3.5%
Equity holders' funds	204.5	143.7	42.3%
Financial ratios of the Group⁽³⁾			
Revenue yield on average Gross Assets	3.4%	4.2%	n/a
Total expense ratio ⁽⁴⁾ on average Gross Assets	0.8%	0.7%	n/a
Bank loans and ZDP shares gearing on Gross Assets	49.2%	57.0%	n/a
Returns and dividends			
	Six months to 31 Dec 2010	Six months to 31 Dec 2009	
Revenue return per ordinary share (undiluted)	3.92p	6.45p	
Capital return per ordinary share (undiluted)	67.24p	35.72p	
Total return per ordinary share (undiluted)	71.16p	42.17p	
Dividend per ordinary share (interim 3.25p; special 1.75p)	5.00p	-	

(1) Issued by Utilico Finance Limited, a wholly owned subsidiary of Utilico Investments Limited in June 2007.

2012 ZDP shares previously issued by Utilico Investment Trust plc

(2) Gross assets less current liabilities excluding loans.

(3) For comparative purposes the total expense and revenue figures have been annualised.

(4) Excluding performance fee.

I am pleased to report that the Company's net asset value ("NAV") per ordinary share increased by 42.3% to 236.75p. This represented a strong performance over the six months and an outperformance against the FTSE All-Share Index which rose by 20.4%.

I am also pleased to report that the resolutions to amend the investment policy, acquire the assets of Eclectic Investment Company plc, acquire further ordinary shares in Resolute Mining Ltd ("Resolute"), from General Provincial Life Pension Fund, cancel the share premium account, increase the Company's authorised share capital and amend the Company's name were all passed, post the half year end on 7 January 2011. As a result of these proposals being passed we have a wider investment mandate, an increased asset base, the ability to pay dividends, and a new name, Utilico Investments Limited ("Utilico").

Following these proposals we have increased our position in our top five investments. We now hold 18.8% of Infratil Ltd ("Infratil"), 10.7% of Resolute (19.4% on a fully diluted basis), 27.1% of Utilico Emerging Markets Limited ("UEM"), 17.5% of Jersey Electricity Company ("JEL") and 35.6% of Bermuda Commercial Bank ("BCB"). These substantial holdings offer us a position of strength when in discussions with these companies.

Utilico's investment activity remained relatively modest with investments of £33.8m and disposals of £31.0m. Portfolio gains were £74.8m, resulting in a closing portfolio of £399.3m. The most significant investments were £8.5m invested in Resolute ordinary shares as a result of the exercise of 25.0m Resolute options and £7.5m invested in UEM as a result of the exercise of UEM 2010 warrants.

Revenue returns have been lower over the period, mainly due to the timing of the Infratil dividend. Last year the Infratil interim dividend was paid in July. This year the dividend of £2.1m was received in June.

The net result is a profit for the period of £3.4m and earnings per share ("EPS") of 3.92p (based on the average number of ordinary shares in issue in the period of 86,373, 863). We are now in a position to pay a dividend and based on 99,925,394 ordinary shares in issue at the date of this report, the current period revenue return equivalent is 3.38p with brought forward reserves of 4.14p.

The Directors wish to retain a proportion of reserves to enable them to sustain dividend payments looking forward. However, they do recognise that shareholders were not fully rewarded in prior years. Given this, the Directors have declared an interim dividend of 3.25p in respect of the first half and a special dividend of 1.75p from brought forward reserves.

Utilico has appointed Westhouse Securities ("Westhouse") as its financial adviser and stockbroker. Bermuda Commercial Bank Limited has taken a strategic stake in Westhouse by way of a convertible loan note.

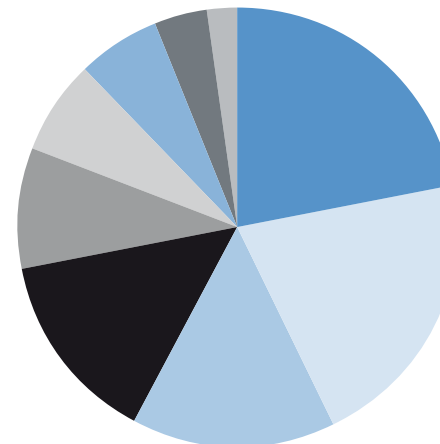
The discount to the ordinary shares remains stubbornly high and has been some 30.0% for most of the six months. The Board wishes to reduce this substantially, and will be considering possible options to achieve this.

Markets are distorted by long-term interest rates which remain low, market intervention by governments which remains high and sovereign debt which continues to be excessive. As a result of this distortion we are seeing rising inflation and significant movements in exchange rates. To date equity markets have weathered this process well. We remain vigilant to these distortions.

J. Michael Collier
24 February 2011

Geographical split of investments

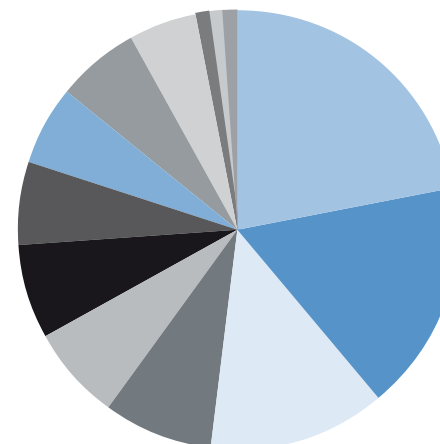
As at 31 December 2010



	Dec 2010	Jun 2010
Gold	22%	15%
New Zealand	21%	22%
Asia & Far East	15%	14%
UK	14%	16%
Latin America	9%	7%
Australia	7%	8%
Bermuda	6%	9%
Europe excluding UK	4%	5%
North America	2%	4%

Sectoral split of investments

As at 31 December 2010



	Dec 2010	Jun 2010
Gold	22%	15%
Renewable Energy	17%	21%
Electricity	13%	14%
Other*	8%	6%
Airports	7%	9%
Infrastructure IT	7%	8%
Toll Roads	6%	6%
Water & Waste	6%	6%
Ports	6%	5%
Telecoms	5%	7%
Other infrastructure*	1%	1%
Gas	1%	1%
Satellites	1%	1%

Utilico has performed well in the six months to 31 December 2010 with the net asset value ("NAV") up 42.3% to 236.75p, outperforming the FTSE All-Share Index which was up 20.4% over the same period. Since inception of Utilico's predecessor UIT, in August 2003, Utilico's NAV per share is up 138.0% or 160.0% on a total return basis. The average annual compound total return since inception is 13.9%.

Portfolio

The top ten investments on a look through basis have seen changes as a result of strong performance by the underlying portfolio, in particular Resolute, Infratil and UEM. Resolute is now our largest investment, at £89.2m on a look through basis.

Three new entries in the top ten are Ocean Wilsons Holdings ("Ocean Wilsons"), Malaysia Airports Holdings ("MAHB"), both of which are held via Utilico's investment in UEM, and Greenstone Energy, held through Utilico's investment in Infratil.

Permanent Investments Limited ("PIL") has moved out of the top ten as its holdings were transferred out of PIL and into Utilico. As a result Utilico now holds ordinary shares of BCB directly. BCB is now at number 12 in the portfolio.

Resolute continues to do well. The 12% convertible loans notes that Utilico has invested in have increased from A\$1.11 to A\$1.45, and the ordinary share is up 35.5% to A\$1.43 during the period under review. This resulted in gains of £35.4m in the six months to 31 December 2010. In October 2010 we converted most of our listed options into ordinary shares at a cost of £10.1m. Interest on the 12% convertible loan note has been paid in ordinary shares in the period.

The share price performance of **Infratil** (which holds the investments in Trustpower, Wellington

Airport, Infratil Energy Australia and Greenstone Energy) has been strong, gaining 20.5% over the six months. The value of Utilico's investment has in turn increased by £25.8m, driven by the rising share price. During the six months we realised £6.6m from the sale of ordinary shares.

UEM has benefited from the strong growth in many of the emerging markets. Its NAV per share increased by 8.4% to 179.96p. UEM's portfolio and strategy remained broadly unchanged over the six months under review.

TrustPower Ltd's ("TPW") September 2010 interim result was relatively weak due to high levels of rainfall which depressed NZ power prices. This benefited its generation volumes, which increased by 16% in New Zealand, but was insufficient to offset the lower prices. In addition wind speeds in Australia were lower than prior year, which reduced generation at their Australian wind farm. Despite this, the shares gained 2.2% in the six months to December 2010, with the stock benefiting from the permitting of some of TPW's key generation growth projects, amounting to 560MW of clean energy generation.

Jersey Electricity ("JEL") reported excellent full year results for September 2010, with strong profit growth in all areas, but particularly in its core electricity business. Lower wholesale power prices in France, where the company sources most of its electricity requirements, allowed JEL to reduce tariffs in January 2010 and keep them unchanged in 2011. JEL's shares have responded well, increasing in price by 7.4% during the six months.

Infratil Energy Australia ("IAE") is Infratil's Australian energy business and consists of peak load generation assets and an energy retailing business, Lumo Energy. This business has begun to substantially step up its performance, showing healthy supply margins, customer growth, volumes,

and profit in the six months to September 2010. In addition, the commissioning of a new 120MW power station at Kwinana, more than doubling the generation capacity, should enable future growth balanced between generation and retailing.

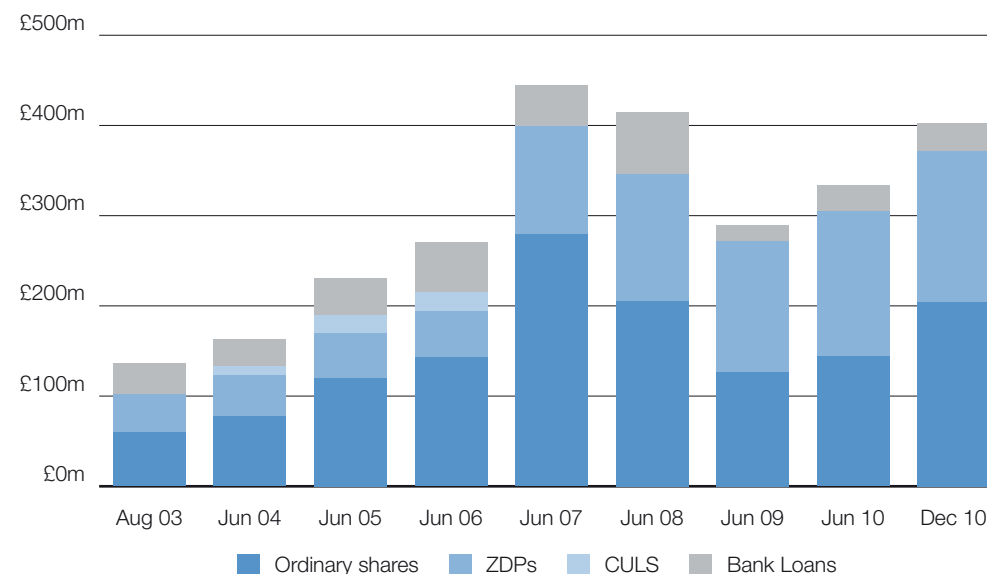
Wellington International Airport ("Wellington") has seen an increase in passenger numbers of 1.8% in the six month period to September 2010 as the economy slowly emerged from recession and positive steps were taken by key airlines to increase their capacity. The completion of Wellington's international terminal expansion, The Rock, has also helped to enhance the quality and efficiency of the airport which going forward should improve Wellington's prospects as a gateway to Asia.

Vix Technology Pty Ltd ("Vix") had a promising six months to 31 December 2010 acquiring ACIS Ltd, a UK based transport solutions company. ACIS Ltd is the dominant supplier of real time passenger information systems to public transport authorities. ACIS and Vix are currently tendering for projects with a combined value of £50.0m. During the period Vix returned £4.6m to Utilico while £1.4m was advanced in two new loans.

Ocean Wilsons is a new entrant into the top 10 after the ordinary share price rose 53.6% over the period. The Group's principal activities are provision of towage, port operations and ship agency services in Brazil, via its 58.3% share holding of Wilsons Sons Ltd, one of Brazil's largest providers

Allocation of Gross Assets

From 14 August 2003 to 31 December 2010



Note: August 2003 is based on proforma figures assuming ZDP shares were in issue at the launch of Utilico in August 2003

Source: Utilico Investments Limited

of integrated port and maritime logistics and supply chain solutions. The Group also holds a portfolio of internationally listed investments and equity funds. The company has reported strong results with revenue for the first half of the year to 30 June 2010 up 20.0%, driven by increases in all business areas.

Greenstone Energy ("GE") is Infratil's 50% owned joint venture with the Guardians of the New Zealand Superannuation Fund, set up to purchase and operate Shell NZ's downstream New Zealand business, including 220 service stations, refining, port infrastructure, and pipelines. 2010 is the first year of Infratil's ownership of this business, but has started positively, winning new commercial supply contracts and strengthening its refining margins.

Malaysia Airports ("MAHB") is also a new entrant into the top 10 after the ordinary share price rose 25.6% in the period. MAHB has been held in UEM's portfolio since September 2005. The company is the sole operator of civilian airports in Malaysia and operates 39 airports, the largest of which is Kuala Lumpur. Over the period, the stock performed well, encouraged by strong passenger growth of 15.1% and revenue growth of 13.6% over the financial year to September 2010 relative to the corresponding period last year.

Renewable Energy Generation Limited ("REG") has managed to complete major repowering exercises at existing wind farms, and has received planning permission for new projects in Lancashire, Cambridgeshire, and Yorkshire. The share price, however, did not reflect this positive performance, falling by 14.4% as the renewable energy sector continued to be out of favour with investors. Despite this, we believe that REG's recent and forthcoming investments will generate value for shareholders.

During the six months Utilico invested £33.8m and realised £31.0m. The majority of these transactions

were conversions and exercise of existing holdings. £8.5m was invested into Resolute ordinary shares as a result of the exercise of Resolute Mining options, £8.0m was transferred out of PIL and invested directly into BCB ordinary shares and Utilico partially exercised its UEM 2010 warrants at a cost of £7.5m. Notable realisations were the sale of £6.6m Infratil ordinary shares and the return of £4.5m cash from Vix Technology.

The top ten has become more concentrated and has risen from 58.6% to 59.7% of the total portfolio.

The geographic and sectoral weightings have remained broadly in line with the position at June 2010 with the exception of Gold, which increased from 15% to 22% both geographically and sectorally as a result of the strong performance of Resolute together with the exercise of most of Utilico's options position.

Bank Debt

Bank debt increased from £29.3m to £31.1m and Utilico remains fully invested. This reflects full utilisation of the bank facility. As at 31 December 2010 this was drawn in New Zealand Dollars. This facility was due to expire on 30 November 2010 and has been extended to 31 March 2011. Utilico is currently negotiating a new facility to commence at that date.

Hedging

The derivative position of S&P500 Index options has been greatly reduced over the six months under review, ending December 2010 with a value of £581k. This position remains modest.

Utilico has maintained currency hedges to partially protect the Sterling value of certain investments. At the period end, forward currency sale contracts were in place for a nominal NZ\$64.0m, US\$32.2m, €20.4m and A\$23.3m. This level of protection reflects the investment manager's view that Sterling

is likely to be stronger rather than weaker against certain currencies of Utilico's investments.

Revenue Return

The Revenue returns are down in the six months to 31 December 2010 compared to the prior year, as a result of the timing of the 2009 Infratil dividend which fell into the interim period to December 2009, flattering the revenue income total last year. Other dividends remained strong, with UEM maintaining its 3.75p interim dividend. Management and administration fees increased as a result of higher gross assets and finance costs were up due to increased debt. The combined effect of the above resulted in the revenue EPS falling 39.2% to 3.92p.

Capital Return

Capital returns were up significantly to £58.1m versus £30.9m in the six months to December 2009 due mostly to gains on investments of £74.8m, compared to £46.7m in the same period in 2009.

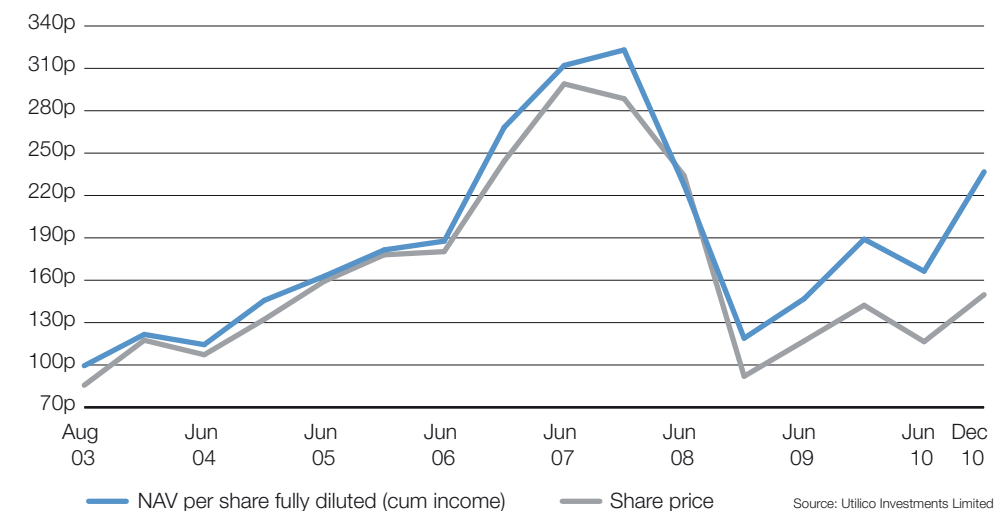
Losses on derivatives remained broadly in line with the previous period and exchange losses were increased as Sterling strengthened against the Australian and New Zealand Dollar. Finance costs were up marginally. The resulting EPS on the capital return was 67.24p, up from 35.72p in the same period in 2009.

Way Forward

The investment policy was widened at the special general meeting held on 7 January 2011. While the policy today enables the investment manager to invest in any asset class the expectation is that utility and infrastructure assets will remain core to the portfolio over the shorter term. There is unlikely to be an immediate shift. As investments are realised in the normal course re-investments are likely to broaden the asset base.

Full details of the investment objective can be found on Utilico's website.

Utilico ordinary share price and diluted NAV performance
From 14 August 2003 to 31 December 2010



31 Dec 2010	30 Jun 2010	Company (country)	Fair value £'000s	% of total investments
1	(2)	Resolute Mining Ltd (Australia) Gold mining company	89,157	22.3%
2	(1)	TrustPower Ltd (New Zealand) Integrated electricity company	52,304	13.1%
3	(3)	Jersey Electricity Company Limited (Jersey) Integrated electricity company	18,793	4.7%
4	(7)	Infratil Energy Australia (Australia) Electricity generation and supply	15,907	4.0%
5	(5)	Wellington International Airport Limited (New Zealand) Airport Operator	12,267	3.1%
6	(4)	Vix Technology Pty Ltd (Australia) Automated fare collection systems operator	10,708	2.7%
7	–	Ocean Wilsons Holdings (Brazil) Port Operator, provider of shipping services and investment fund	10,111	2.5%
8	–	Greenstone Energy (New Zealand) Oil & Gas assets	10,020	2.5%
9	–	Malaysia Airport Holdings Berhad (Malaysia) Airport Operator	9,548	2.4%
10	(6)	Renewable Energy Generation Ltd (UK) Wind power	9,445	2.4%
Ten largest holdings			238,260	59.7%
Other investments			161,069	40.3%
Total Investments			399,329	100.0%

(1) The values of the ten largest holdings of the Group are based on a look through basis. To achieve this, the portfolios of investment companies Infratil and UEM, are consolidated with that of Utilico on a proportionate basis, based on those companies' valuations of their own holdings.

The Group's assets consist mainly of quoted equity securities and its principal risks are therefore market related. The large number of investments held, together with the geographic and sector diversity of the portfolio, enables the Group to spread its risk with regard to liquidity, market volatility, currency movements and revenue streams.

Other key risks faced by the Group relate to investment strategy, external events, management

and resources, regulatory issues, operational matters and financial controls.

These risks, and the way in which they are managed, are described in more detail under the heading "Principal risks and risk mitigation" within the Report of the Directors' contained within the Group's Report and Accounts for the year ended 30 June 2010. The Group's principal risks and uncertainties have not changed materially since the date of that report.

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

DIRECTORS' STATEMENT OF RESPONSIBILITIES

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

- (i) the condensed set of financial statements has been prepared in accordance with applicable International Accounting Standards and gives a true and fair view of the assets, liabilities, financial position and return of the Group;
- (ii) the half-yearly 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;

(iii) the Directors' Statement of Principal Risks and Uncertainties shown above is a fair review of the principal risks and uncertainties for the remainder of the financial year; and

(iv) the half-yearly report includes details on related party transactions.

Signed on behalf of the Board
J Michael Collier
Chairman
24 February 2011

Notes	Six months to 31 December 2010			Six months to 31 December 2009			Year to 30 June 2010			
	Revenue return £'000s	Capital return £'000s	Total return £'000s	Revenue return £'000s	Capital return £'000s	Total return £'000s	Revenue return £'000s	Capital return £'000s	Total return £'000s	
	Gains on investments	–	74,783	74,783	–	46,730	46,730	–	36,852	36,852
	Losses on derivative instruments	–	(9,679)	(9,679)	–	(9,944)	(9,944)	–	(8,510)	(8,510)
	Exchange gains/(losses)	22	(1,311)	(1,289)	19	(255)	(236)	23	1,068	1,091
	Investment and other income	6,003	43	6,046	7,817	–	7,817	13,758	–	13,758
	Total income	6,025	63,836	69,861	7,836	36,531	44,367	13,781	29,410	43,191
2	Management and administration fees	(871)	–	(871)	(768)	–	(768)	(1,573)	–	(1,573)
	Other expenses	(444)	(5)	(449)	(372)	(5)	(377)	(819)	(22)	(841)
	Profit before finance costs and taxation	4,710	63,831	68,541	6,696	36,526	43,222	11,389	29,388	40,777
	Finance costs	(1,082)	(5,754)	(6,836)	(637)	(5,296)	(5,933)	(1,356)	(10,764)	(12,120)
	Increase of ZDP share liability	–	–	–	–	(374)	(374)	–	(374)	(374)
	Profit before taxation	3,628	58,077	61,705	6,059	30,856	36,915	10,033	18,250	28,283
3	Taxation	(241)	–	(241)	(488)	–	(488)	(971)	–	(971)
	Profit for the period	3,387	58,077	61,464	5,571	30,856	36,427	9,062	18,250	27,312
4	Earnings per ordinary share (basic) – pence	3.92	67.24	71.16	6.45	35.72	42.17	10.49	21.13	31.62
4	Earnings per ordinary share (diluted) – pence	3.92	67.24	71.16	6.45	35.72	42.17	10.49	21.13	31.62

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 for the period, and therefore the 'profit for the period' is also the 'total comprehensive income for the period', as defined in International Accounting Standard 1 (revised).

All items in the above statement derive from continuing operations.

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

for the six months to 31 December 2010	Ordinary share capital £'000s	Share premium account £'000s	Special reserve £'000s	Warrant reserve £'000s	Non-distributable reserve £'000s	Retained earnings		Total £'000s
						Capital reserves £'000s	Revenue reserve £'000s	
Balance at 30 June 2010	8,637	223,501	10,365	3,050	32,068	(138,218)	4,317	143,720
Profit for the period	–	–	–	–	–	58,077	3,387	61,464
¹¹ Costs incurred for corporate action	–	(693)	–	–	–	–	–	(693)
Balance at 31 December 2010	8,637	222,808	10,365	3,050	32,068	(80,141)	7,704	204,491

for the six months to 31 December 2009	Ordinary share capital £'000s	Share premium account £'000s	Special reserve £'000s	Warrant reserve £'000s	Non-distributable reserve £'000s	Retained earnings		Total £'000s
						Capital reserves £'000s	Revenue reserve £'000s	
Balance at 30 June 2009	8,637	233,951	–	3,051	32,067	(156,168)	5,320	126,858
Profit for the period	–	–	–	–	–	30,856	5,571	36,427
Conversion of warrants	–	2	–	(1)	1	–	–	2
Balance at 31 December 2009	8,637	233,953	–	3,050	32,068	(125,312)	10,891	163,287

for the year to 30 June 2010	Ordinary share capital £'000s	Share premium account £'000s	Special reserve £'000s	Warrant reserve £'000s	Non-distributable reserve £'000s	Retained earnings		Total £'000s
						Capital reserves £'000s	Revenue reserve £'000s	
Balance at 30 June 2009	8,637	233,951	–	3,051	32,067	(156,168)	5,320	126,858
Profit for the year	–	–	–	–	–	18,250	9,062	27,312
Conversion of warrants	–	3	–	(1)	1	–	–	3
Bonus issue of ordinary shares	785	(785)	–	–	–	–	–	–
Ordinary shares repurchased by the Company	(785)	(9,580)	–	–	–	–	–	(10,365)
Transfer on share issue and buyback	–	–	10,365	–	–	–	(10,365)	–
Issue costs of ordinary share capital	–	(88)	–	–	–	–	–	(88)
Transfer on loss of control of subsidiary	–	–	–	–	–	(300)	300	–
Balance at 30 June 2010	8,637	223,501	10,365	3,050	32,068	(138,218)	4,317	143,720

Notes	31 December 2010 £'000s	31 December 2009 £'000s	30 June 2010 £'000s
Non current assets			
Investments	399,329	324,362	321,708
Current assets			
Other receivables	2,668	4,064	1,615
Derivative financial instruments	581	1,649	6,368
Cash and cash equivalents	3,832	11,332	6,495
	7,081	17,045	14,478
Current liabilities			
Bank loans	(31,135)	(20,547)	(29,320)
Other payables	(1,578)	(853)	(1,000)
Derivative financial instruments	(2,292)	(1,028)	(986)
	(35,005)	(22,428)	(31,306)
Net current liabilities	(27,924)	(5,383)	(16,828)
Total assets less current liabilities	371,405	318,979	304,880
Non current liabilities			
Zero dividend preference shares	(166,914)	(155,692)	(161,160)
Net assets	204,491	163,287	143,720
Equity attributable to equity holders			
6 Ordinary share capital	8,637	8,637	8,637
Share premium account	222,808	233,953	223,501
Special reserve	10,365	–	10,365
Warrant reserve	3,050	3,050	3,050
Non-distributable reserve	32,068	32,068	32,068
Capital reserves	(80,141)	(125,312)	(138,218)
Revenue reserve	7,704	10,891	4,317
Total attributable to equity holders	204,491	163,287	143,720
Net asset value per ordinary share			
7 Basic – pence	236.75	189.05	166.39

Notes	Six months to 31 December 2010 £'000s	Six months to 31 December 2009 £'000s	Year to 30 June 2010 restated* £'000s
8 Cash flows from operating activities	(3,098)	(1,426)	(5,909)
Cash flows from investing activities	–	–	–
Cash flows before financing activities	(3,098)	(1,426)	(5,909)
Financing activities:			
Movement on loans	(442)	3,000	11,567
Cash flows from ZDP shares	–	4,948	4,948
Proceeds from warrants exercised	–	3	3
Cost of share buyback	–	–	(10,452)
Cost of issuing ordinary shares	(87)	–	–
Cash flows from financing activities	(529)	7,951	6,066
Net (decrease)/increase in cash and cash equivalents	(3,627)	6,525	157
Cash and cash equivalents at the beginning of the period	6,495	4,496	4,496
Effect of movement in foreign exchange	964	311	1,842
Cash and cash equivalents at the end of the period	3,832	11,332	6,495

* See note 12.

1. SIGNIFICANT ACCOUNTING POLICIES

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 audited statutory accounts of the Group for the year ended 30 June 2010.

The condensed 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 30 June 2010, which were prepared under full IFRS requirements.

The Group Accounts comprise the results of the Company and its subsidiaries, Utilico Finance Limited and Utilico NZ Limited and its special purpose entity, Global Equity Risk Protection Limited ("GERP"). The Group is engaged in a single segment of business, focusing on maximising shareholder returns by identifying and investing in investments where the underlying value is not reflected in the market price.

The Company is an investment company incorporated in Bermuda and quoted on the London Stock Exchange.

2. MANAGEMENT AND ADMINISTRATION FEES

The Company agreed with Ingot Capital Management Pty Limited ("ICM Pty") on 22 September 2010 for investment management services to be provided by ICM Limited ("ICM"), an associated company of ICM Pty to the Company, with effect from 22 September 2010. This change is expected to have no impact on the Company. There have been no changes to the terms of the investment management agreement or investment management personnel.

ICM is entitled as Investment Manager to a management fee and a performance fee. The management fee of 0.5% per annum is based on total assets less current liabilities (excluding borrowings and excluding the value of all holdings in companies managed or advised by the Investment Manager or any of its subsidiaries), payable semi-annually in arrears. The agreement with ICM may be terminated upon one year's notice given by the Company and not less than six months notice given by ICM.

In addition, ICM is entitled to a performance fee payable in respect of each financial period, equal to 15% of the amount by which the Company's net asset value attributable to the holders of ordinary shares, outperforms the real after tax yield on the FTSE Actuaries Government Securities UK Gilt 5 to 10 years index during the period. The opening equity funds for calculation of the performance fee are the higher of the equity funds on the last day of a calculation period in respect of which a performance fee was last paid and the equity funds on the last day of the previous calculation period increased by the real percentage yield on the reference index during the calculation period. A performance fee was last paid in respect of a 12 month period to 30 June 2007. As at that date the Equity holder's funds were £279.0m. In calculating any performance fee payable, the holding in UEM is removed from the calculation in order that any such fee is charged solely on the performance of the portfolio excluding the investment in UEM.

For the period to 31 December 2010, the attributable shareholders' funds were below the high watermark and therefore no performance fee has been accrued. The amount payable in respect of the full reporting period ending 30 June 2011 is dependent upon the performance of the Company in the year to 30 June 2011.

F&C Management Limited ("F&C") provides accounting, secretarial, dealing and administration services to the Company for a fixed fee of £295,000 per annum, payable monthly in arrears. The agreement with F&C may be terminated upon six months' notice given by either party in writing.

3. TAXATION

The taxation charge of £241,000 (31 December 2009: £488,000 and 30 June 2010: £971,000) relates to overseas taxation suffered on dividend income. Taxation suffered on income in Utilico NZ Limited is New Zealand income tax. Profits of the Company and subsidiaries for the period are not subject otherwise to any other taxation within their countries of residence.

4. EARNINGS PER SHARE

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

	Six months to 31 Dec 2010 £'000s	Six months to 31 Dec 2009 £'000s	Year to 30 Jun 2010 £'000s
Revenue	3,387	5,571	9,062
Capital	58,077	30,856	18,250
Total	61,464	36,427	27,312
	Number	Number	Number
Weighted average number of shares in issue during the period for basic earnings per share calculations	86,373,863	86,373,219	86,373,529

Diluted earnings per ordinary share

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

	Six months to 31 Dec 2010 Number	Six months to 31 Dec 2009 Number	Year to 30 Jun 2010 Number
Weighted average number of shares in issue during the period for basic earnings per share calculations	86,373,863	86,373,219	86,373,529
Dilutive potential shares	-	-	-
Weighted average number of shares for diluted earnings per share calculations	86,373,863	86,373,219	86,373,529

5. DIVIDENDS

The Directors have declared an interim dividend in respect of the period ended 31 December 2010 of 3.25p per ordinary share and a special dividend in respect of revenue reserves brought forward of 1.75p per ordinary share. These dividends are payable on 26 April 2011 to shareholders on the register at close of business on 25 March 2011.

6. ORDINARY SHARE CAPITAL

	Authorised		Issued and fully paid	
	Number	£'000s	Number	£'000s
Equity share capital:				
Ordinary shares of 10p each				
Balance at 31 December 2010	127,479,500	12,748	86,373,863	8,637

Since the period end a further 13,551,531 ordinary shares have been issued (see note 11 for details).

Warrants

At 30 June 2010 and at 31 December 2010 3,588,617 Utilico 2012 warrants were in issue.

Holders of Utilico 2012 warrants have the right to subscribe for 1.090909 ordinary shares per warrant at £2.8875 in cash on 30 April or on 31 October in any of the years 2011 to 2012 (inclusive).

7. NET ASSET VALUE PER SHARE

- (a) Net asset value per ordinary share is based on net assets at the period end of £204,491,000 (31 December 2009: £163,287,000 and 30 June 2010: £143,720,000) and on 86,373,863 ordinary shares in issue at the period end (31 December 2009: 86,373,835 and 30 June 2010: 86,373,863).
- (b) Diluted net asset value per ordinary share is based on net assets at the period end and assumes the receipt of proceeds arising from the exercise of warrants outstanding. At 31 December 2010, 31 December 2009 and 30 June 2010 the diluted net asset value is not applicable as the market price of the ordinary shares at the period end is lower than the exercise price of the warrants.

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

	31 Dec 2010 £'000s	31 Dec 2009 £'000s	30 Jun 2010 £'000s
Profit before taxation	61,705	36,915	28,283
Adjust for non-cash flow items:			
Gains on investments	(74,783)	(46,730)	(36,852)
Losses on derivative financial instruments	9,679	9,944	8,510
Exchange losses/(gains)	1,289	236	(1,091)
Stock interest	(1,481)	(1,068)	(2,109)
Increase of ZDP share liability	-	374	374
(Increase)/decrease in accrued income	(1,131)	348	(380)
Decrease in other debtors	24	22	668
Increase in creditors	30	29	196
ZDP share finance costs	5,754	5,296	10,764
Tax on overseas income	(241)	(488)	(971)
	(60,860)	(32,037)	(20,891)
Adjust for cash flow items not within Income Statement			
Net cash flows on investments	(1,357)	3,191	(478)
Net cash flows on derivatives	(2,586)	(9,495)	(12,823)
	(3,943)	(6,304)	(13,301)
Net cash flows from operating activities	(3,098)	(1,426)	(5,909)

9. BUSINESS SEGMENTS

Business segments are considered to be a secondary reporting segment. The Directors are of the opinion that the Group's activities comprise a single business segment, that of investing in equity, debt and derivative securities to maximise shareholder returns and therefore no segmental reporting is provided.

10. RELATED PARTY TRANSACTIONS

Except for the change of investment manager (see note 2) and the transaction with General Provincial Life Pension Fund (L) Limited ("GPLPF"), see note 11, there have been no significant changes to related party transactions as detailed in the Report and Accounts for the year ended 30 June 2010.

11. POST BALANCE SHEET EVENT: CORPORATE ACTION

The following resolutions, set out in a circular to shareholders on 6 December 2010, were passed on 7 January 2011:

1. Amendments to the Company's investment policy;
2. Acquisition of the assets of Eclectic Investment Company plc;
3. Acquisition of certain assets from GPLPF;
4. Cancellation of the Company's share premium account (transferring the balance to a special reserve);
5. Increase in the authorised share capital of the Company; and
6. Change of the Company's name to Utilico Investments Limited.

On 18 January 2011 the Company changed its name and issued 7,430,643 new ordinary shares to GPLPF in consideration for 19,965,369 shares in Resolute Mining Limited valued at £17.5m and 6,120,888 new ordinary shares in satisfaction of the acquisition of the assets of Eclectic Investment Company, valued at £14.7m.

12. RESTATEMENT OF THE GROUP STATEMENT OF CASH FLOWS FOR THE YEAR TO 30 JUNE 2010

	Previously reported £'000s	Effect of re-classification of ZDP share cash flow £'000s	Restated £'000s
Cash flows from operating activities	(961)	(4,948)	(5,909)
Cash flows from investing activities	-	-	-
Cash flows before financing activities	(961)	(4,948)	(5,909)
Financing activities:			
Movement on loans	11,567	-	11,567
Cash flows from ZDP shares	-	4,948	4,948
Proceeds from warrants exercised	3	-	3
Cost of share buyback	(10,452)	-	(10,452)
Cost of issuing ordinary shares	-	-	-
Cash flows from financing activities	1,118	4,948	6,066
Net increase in cash and cash equivalents	157	-	157
Cash and cash equivalents at the beginning of the period	4,496	-	4,496
Effect of movement in foreign exchange	1,842	-	1,842
Cash and cash equivalents at the end of the period	6,495	-	6,495

The Group cash flows from ZDP shares were classified in the Report and Accounts for the year to 30 June 2010 within Operating activities as cash flows on investments. These cash flows have been re-classified to Financing Activities as cash flows from ZDP shares.

13. RESULTS

The condensed set of financial statements, forming the half-year accounts, has been neither audited nor reviewed by the Company's auditors. The latest published accounts are for the period ended 30 June 2010; the report of the auditors thereon was unqualified. The condensed financial statements shown above for the year ended 30 June 2010 are an extract from those accounts.

By order of the Board

F&C Management Limited, Secretary

Exchange House, Primrose Street, London EC2A 2NY

24 February 2011

UTILICO INVESTMENTS LIMITED

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