

BOARD OF DIRECTORS

Chairman	Ian Russell
SID	Frank Nelson
Director	Sarah Evans
Director	Susie Farnon
Director	Simon Holden
Director	Chris Russell



INFRARED CAPITAL PARTNERS
12 CHARLES II STREET
LONDON SW1Y 4QU

INFRARED IS A UK BASED
INFRASTRUCTURE AND REAL ESTATE
MANAGER WITH OVER US\$9BN OF
EQUITY CAPITAL UNDER
MANAGEMENT.

INFRARED IS AUTHORISED AND
REGULATED BY THE FINANCIAL
CONDUCT AUTHORITY AND HAS
OFFICES IN LONDON, NEW YORK,
PARIS, HONG KONG, SEOUL AND
SYDNEY. WITH OVER 120 STAFF
GLOBALLY IT HAS 60 PROFESSIONALS
DEDICATED TO INFRASTRUCTURE
INVESTMENT AND MANAGEMENT.

KEY STATISTICS

AT 30 JUNE 2016

(EXCEPT AS OTHERWISE STATED)

No. of Shares	1,390,010,145
Share Price	170.5p
Market Cap.	£2,370m
NAV ¹	£1,933m
NAV per Share ^{1,2}	140.3p
Premium to NAV ³	21.5%
Target IRR (long-term) ⁴	7-8% p.a.
Target Dividend per Share	7.65p (2016-17) 7.85p (2017-18)
Dividend Yield (prospective) ⁵	4.5% p.a.
AIC Ongoing Charges Percentage ⁶	1.12% p.a.

¹ NAV based on 31 Mar. 2016 valuation

² NAV per Share at 31 Mar. 2016, ex. fourth quarterly interim dividend (1.87p / share, paid on 30 Jun. 2016)

³ Based on the NAV per Share of 140.3p (as above) and the Share Price of 170.5p as at 30 Jun. 2016 (as above)

⁴ As set out at IPO

⁵ Based on the Target Dividend per Share (2016-17) and the Share Price as at 30 Jun. 2016

⁶ For the financial year ended 31 Mar. 2016

Past performance is not a guide to future performance

Source: InfraRed Capital Partners and Thomson Reuters Datastream

INTRODUCTION

- ▶ An investment company registered in Guernsey, investing in a portfolio of infrastructure projects generating **stable, long-term inflation-correlated cash flows on an attractive risk-adjusted basis**. The company **listed in 2006** on the London Stock Exchange, raising £250m in its IPO; it now has a **market capitalisation of over £2.3bn**.
- ▶ Experienced board of six independent directors, while the investment adviser is InfraRed Capital Partners Limited, a dedicated infrastructure and real estate investment manager (see left).

INVESTMENT OBJECTIVES

- ▶ Seeks to provide investors with **long term distributions**, at levels that are sustainable, and to **preserve the capital value** of its investment portfolio over the long term with **potential for capital growth**.
- ▶ **On track to deliver aggregate dividends of 7.65p per share for the current financial year** and, in May, the Board announced **new dividend guidance for the year to 31 March 2018 of 7.85p per share**. Any subsequent increases will be subject to regular reviews of the macro-economic outlook and operating performance and only sanctioned if the Board feels they are sustainable in the long-term, thereby avoiding volatility for shareholders.

INVESTMENT STRATEGY

- ▶ Strategy focused on assets positioned at the lower end of the risk spectrum, generally with public sector clients, for example **social infrastructure** (schools, hospitals and public buildings) and **transportation infrastructure** (roads, rail). This includes seeking selective exposure to certain types of economic infrastructure (such as tolls road, transmission assets and student accommodation) where there may be some element of demand/volume, regulatory and/or counterparty risk.
- ▶ Assets in construction now comprise six in number (1%-2% by value), but InfraRed is seeking further such investments to generate an element of capital growth, whilst maintaining a satisfactory running yield from the portfolio.
- ▶ Procurement programmes are being developed by a number of countries and InfraRed continues to assess a pipeline of potential new investment opportunities in the UK as well as other developed markets such as North America and selective Australasian and European countries.
- ▶ Acquiring incremental stakes in existing investments will continue as they are typically value-accretive.

PORTFOLIO, PERFORMANCE AND OUTLOOK

- ▶ The investment portfolio comprises stakes in **106 infrastructure** projects (and one conditional investment) (see Portfolio section of www.hicl.com for details) which are mainly **operational social and transportation infrastructure schemes** with public sector clients, producing **stable, long-term, inflation-correlated project revenues** with a weighted average concession life of over 21 years. The ten largest investments represent 39% of the portfolio by value.
- ▶ The Group's predominantly availability-based contracts mean that there is **limited exposure to variation in GDP** or reliance on usage of the assets. HICL shares have displayed a **low correlation with public equity markets and utilities** (0.1 beta vs FTSE AS) (see chart overleaf).
- ▶ Dividends have been cash covered with an annual dividend increase since IPO such that the **cash yield to shareholders has been consistently 4.5+% p.a.**
- ▶ Since April 2009 the shares have traded at a premium to last reported Net Asset Value per share. Liquidity continues to increase as the market cap has risen with the current **average daily share trading volume of over 2m shares**.
- ▶ Through selective acquisitions and asset management HICL has, to date, **exceeded its stated (at IPO) target return of 7-8% p.a.** (total shareholder return statistics provided overleaf).

PORTFOLIO VALUATION

- ▶ Investments are valued on a **discounted cash flow (DCF) basis** given the contractual nature of the cashflows. A semi-annual portfolio valuation is provided by InfraRed, and the Board benefits from a **private independent expert opinion** from a third party.

COMPANY INFORMATION

Registered Address	East Wing Trafalgar Ct Les Banques St Peter Port Guernsey, GY1 1WD
Listing	London (LSE)
Index Inclusion	FTSE250 FTSE All-Share
SEDOL	BOT4LH6
Ticker	HICL.L
ISA / SIPP eligible?	Yes
Dividend Frequency	Quarterly (see over)
Financial Year End	31 March

OTHER SERVICE PROVIDERS

CORPORATE BROKER

CANACCORD GENUITY
88 WOOD ST., LONDON, EC2V 7QR

CONTACT:
DAVID YOVICHIC
+44 20 7523 8361

ADMINISTRATOR & SECRETARY

AZTEC FINANCIAL SERVICES
(GUERNSEY) LIMITED
(PER REGISTERED ADDRESS ABOVE)

CONTACT:
CHRIS COPPERWAITE
+44 1481 748 831, info@hicl.com

FINANCIAL PR

TULCHAN COMMUNICATIONS
85 FLEET ST., LONDON EC4Y 1AE

CONTACT:
DAVID LLOYD-SEED / LATIKA SHAH
+44 20 7353 4200

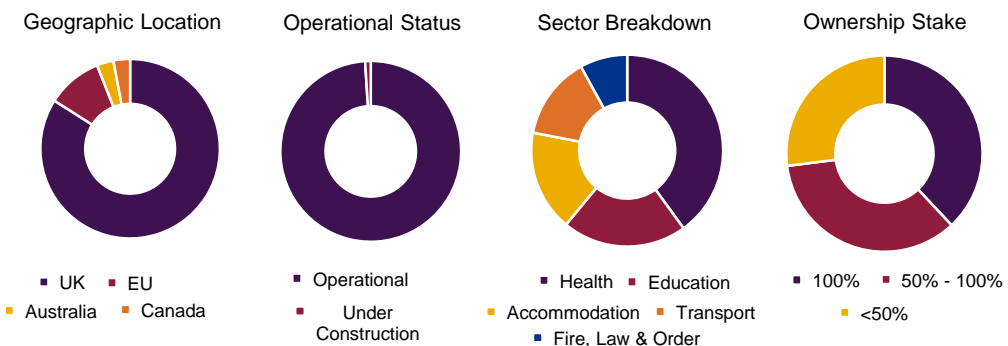
CORPORATE CALENDAR – 2016/17

AGM	Jul. 2017
Quarterly interim dividend announcements	Jul. 2016 Nov. 2016 Feb. 2017 May 2017
Quarterly interim dividend payments	30 Sep. 2016 30 Dec. 2016 31 Mar. 2017 30 Jun. 2017
Quarterly Update Statements	Jul. 2016 Feb. 2017
Reporting period end	30 Sep. 2016 (H1) 31 Mar. 2017 (FY)
Results announced	Nov. 2016 (H1) May 2017 (FY)

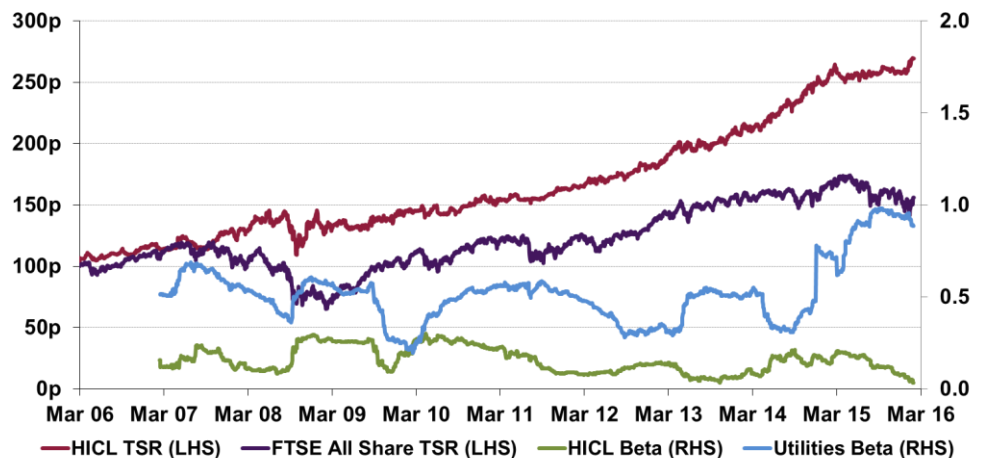
RECENT NEWS

- ▶ In the three months to 30 June, the Group acquired three new investments and made one incremental acquisition in an existing project for an aggregate consideration of c.£30m.
- ▶ On 1 March 2016, Ian Russell succeeded Graham Picken as Chairman of the Board, and Frank Nelson succeeded John Hallam as Senior Independent Director. Graham and John retired from the Board on 30 June 2016 and Simon Holden was appointed as a Director on 1 July 2016.
- ▶ The next valuation of the portfolio will be as at 30 September 2016. Key variables expected to impact this valuation are the continued downward pressure on discount rates (reflecting the ongoing competitive dynamics seen in the market) offset by low historic inflation.
- ▶ For further detail on the Company's results, recent transactions and other corporate announcements, please refer to www.hicl.com/investor-relations.

PORTFOLIO OVERVIEW (BASED ON PORTFOLIO'S VALUE OF 104 INVESTMENTS¹)



STRONG TOTAL SHAREHOLDER RETURN (VS FTSE ALL SHARE²) & LOW VOLATILITY



Total Shareholder Returns	FYE 31 March 2016	Since IPO (March 2006) ³
TSR (share price + dividends)	6.8%	10.7% p.a.
TSR (NAV + dividends)	9.6%	9.7% p.a.

Source: All data for charts and tables sourced from Thomson Reuters Datastream and Bloomberg, other than the Portfolio Overview charts (which are produced by the Company)

¹ Portfolio valuation as at 31 March 2016, the latest valuation date; 104 investments includes one conditional investment which is expected to complete in early 2017

² FTSE 250 index data rebased to 100 as at 29 March 2006

³ Until 31 March 2016 (the latest valuation date for the Company)

Disclaimer

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