

BOARD OF DIRECTORS

Chairman	Ian Russell
SID	Frank Nelson
Director	Susie Farnon
Director	Simon Holden
Director	Kenneth D. Reid
Director	Chris Russell

INVESTMENT ADVISOR



InfraRed Capital Partners
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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 7 JUNE 2017

(EXCEPT AS OTHERWISE STATED)

No. of Shares	1,785,507,302
Share Price	164.8p
Market Cap.	£2,942.5m
NAV ¹	£2,419.4m
NAV per Share ¹	149.0p
Premium to NAV ²	10.6%
Target IRR (long-term) ³	7-8% p.a.
Target Dividend per Share	7.85p (2017-18) 8.05p (2018-19)
Dividend Yield (prospective) ⁴	4.8% p.a.
AIC Ongoing Charges Percentage ⁵	1.06% p.a.

¹ NAV as at 31 March 2017

² Based on the NAV per Share of 149.0p (as above) and the Share Price of 164.8p as at 7 June 2017 (as above)

³ As set out at IPO

⁴ Based on the Target Dividend per Share (2017-18) and the Share Price as at 7 June 2017

⁵ For the year ended 31 March 2017

⁶ Including Affinity Water which completed in May 2017

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 assets.
- ▶ Listed in 2006 on the London Stock Exchange, HICL has a **market capitalisation of over £2.9bn**.
- ▶ InfraRed Capital Partners Limited, a dedicated infrastructure and real estate investment manager (see left), acts as investment adviser.

INVESTMENT OBJECTIVES

- ▶ To provide investors with **long-term, stable income** and to **preserve portfolio's capital value** over the long term with **potential for capital growth**.
- ▶ Focussed on managing and growing a portfolio of infrastructure investments positioned at the **lower end of the risk spectrum**, which generates **inflation-linked** returns.
- ▶ **Aggregate dividends of 7.65p per share** for the year to 31 March 2017.
- ▶ **Dividend guidance** for the year to 31 March 2018 and to 31 March 2019 of **7.85p per share (+2.6% YoY) and 8.05p (+2.5% YoY)** respectively (this is a target only and not a profit forecast).

INVESTMENT STRATEGY

- ▶ Target market segments are **PPP projects** (social and transportation projects), **regulated assets** (e.g. gas and electricity transmission and distribution; water utilities) and **demand-based assets** (e.g. toll road concessions and student accommodation).
- ▶ Current investments are located primarily in the UK, but also in Europe, North America and Australia.
- ▶ Assets in construction now comprise five in number (2% by value), but may increase so as to generate an element of capital growth, whilst maintaining a satisfactory running yield from the portfolio.

PORTFOLIO, PERFORMANCE AND OUTLOOK

- ▶ The portfolio comprises stakes in **115⁶ infrastructure** assets (see Portfolio section of www.hicl.com for details).
- ▶ Investments have a **weighted average concession life of 32.1 years⁶**.
- ▶ Returns from the portfolio are **positively (0.8)⁶ correlated to inflation**.
- ▶ **Cash yield to shareholders has been consistently 4.5+% p.a.**: dividends being cash covered and increasing annually since IPO.
- ▶ Liquidity continues to increase as the market cap has risen, with the **average daily share trading volume of over 2.75m shares**.
- ▶ Through selective acquisitions and asset management, HICL has **exceeded its stated (at IPO) target return of 7-8% p.a.** (total shareholder return statistics provided overleaf).
- ▶ Market demand for infrastructure investments in today's low interest rate environment remains high.
- ▶ Evaluating a pipeline of further attractive investment opportunities across all segments of the Company's investment strategy

PORTFOLIO VALUATION

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

COMPANY INFORMATION

Registered Address	East Wing Trafalgar Court 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
Financial Year End	31 March

OTHER SERVICE PROVIDERS

CORPORATE BROKER

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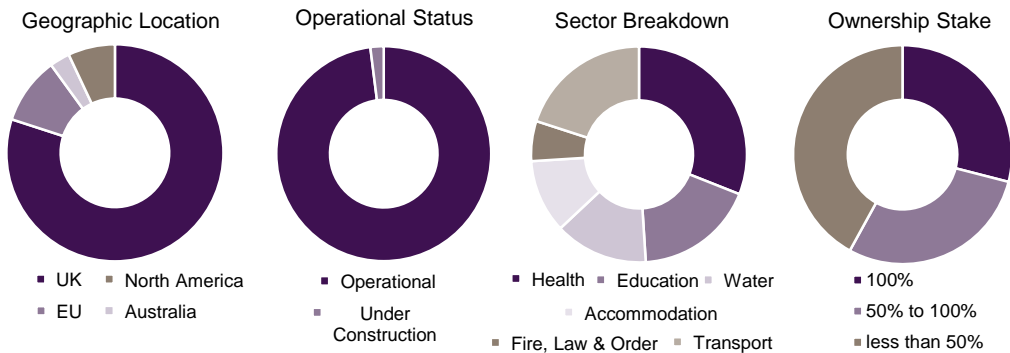
CORPORATE CALENDAR – 2017/18

AGM	17 Jul. 2017
Quarterly interim dividend announcements	May 2017 Jul. 2017 Nov. 2017 Feb. 2018
Quarterly interim dividend payments	30 Jun. 2017 29 Sep. 2017 29 Dec. 2017 30 Mar. 2018
Quarterly Update Statements	Jul. 2017 Feb. 2018
Reporting period end	30 Sep. 2017 (H1) 31 Mar. 2018 (FY)
Results announced	Nov. 2017 (H1) May 2018 (FY)

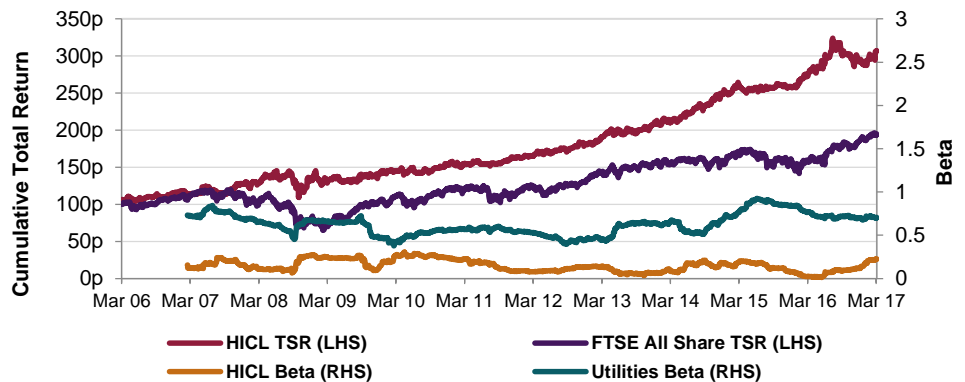
RECENT NEWS

- ▶ During the year ended 31 March 2017, the Group completed ten new investments and five incremental investment for £266.6m. Since the year end, the Group also acquired an investment in Affinity Water for £269.0m¹.
- ▶ In March 2017, the Company raised £260.0m through an oversubscribed Placing, Open Offer, Offer for Subscription and Intermediaries Offer.
- ▶ On 5 June 2017, the Company raised a further £267.7m through an oversubscribed Tap Issuance.
- ▶ On 2 May 2017, the Group announced an increase in the size of its revolving credit facility to £400m.
- ▶ The latest valuation of the portfolio was £2,380.0m at 31 March 2017.
- ▶ Key variables impacting the valuation included the continued downward pressure on discount rates (reflecting the on-going 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 VALUE OF 115 INVESTMENTS²)



STRONG TOTAL SHAREHOLDER RETURN (VS FTSE ALL SHARE³) & LOW VOLATILITY



Total Shareholder Returns	12 months ended 31 March 2017	Since IPO (March 2006) ⁴
TSR (share price + dividends)	11.3%	10.7% p.a.
TSR (NAV + dividends)	10.3%	9.6% 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 On 22 May 2017, the Company announced its intention to sell down to co-investors up to £25m of its investment in Affinity Water

² Charts are by value at 23 May 2017 using Directors' Valuation of £2,380.0m as at 31 March 2017 plus Affinity Water at £269m cost which completed in May 2017

³ FTSE index data rebased to 100 as at 29 March 2006

⁴ Until 31 March 2017 (the latest valuation date for the Company)

Disclaimer

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It is important to remember that **past performance is not a guide to future performance.**

Furthermore, the value of any investment or the income deriving from them may go down as well as up and you may not get back the full amount invested.