

BOARD OF DIRECTORS

Chairman	Graham Picken
Director	Sarah Evans
Director	Susie Farnon
Director	John Hallam
Director	Frank Nelson
Director	Chris Russell
Director	Ian Russell (Chairman Elect)

INVESTMENT ADVISER



INFRARED CAPITAL PARTNERS LTD
12 CHARLES II STREET
LONDON SW1Y 4QU

INFRARED IS A UK BASED
INFRASTRUCTURE AND REAL ESTATE
MANAGER WITH OVER US\$8BN 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 50 PROFESSIONALS
DEDICATED TO INFRASTRUCTURE
INVESTMENT AND MANAGEMENT.

KEY STATISTICS

AT 30 NOVEMBER 2015
(EXCEPT AS OTHERWISE STATED)

No. of Shares	1,329,780,579
Share Price	152.5p
Market Cap.	£2,028m
NAV ¹	£1,850m
NAV per Share ^{1,2}	137.2p
Premium to NAV ³	11.2%
Target IRR (long-term) ⁴	7% p.a.
Target Dividend per Share (2015-16)	7.45p
Dividend Yield (prospective) ⁵	4.9% p.a.
AIC Ongoing Charges Percentage ⁶	1.13% p.a.

¹ NAV based on 30 Sep. 2015 valuation

² NAV per Share post second quarterly interim dividend of 1.86p per share to be paid on 31 Dec. 2015

³ Based on the NAV per Share (post div.) as at 30 Sep. 2015 (137.2p) and the Share Price as at 30 Nov. 2015 (152.5)

⁴ As set out in the Feb. 2013 prospectus based on a 119p.5p issue price

⁵ Based on the Target Dividend per Share (2015-16) and the Share Price as at 30 Nov. 2015⁴

⁶ Based on the six months to 30 Sep. 2015

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, 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 £2bn**.
- ▶ Experienced board of seven 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 7.45p per share for the current financial year** and, in November, the Board announced its **target distribution for the year to 31 March 2017 of 7.60p 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 predominantly focused on assets that have availability-based contracts with public sector clients, for example **social infrastructure** (schools, hospitals and public buildings) and **transportation infrastructure** (roads, rail); also selectively seeking exposure to certain types of economic infrastructure (such as tolls road, transmission assets) where there may be some element of demand/volume, regulatory and/or counterparty risk.
- ▶ Assets in construction comprise five in number (~1% by value), but InfraRed is seeking further investments under construction to generate an element of capital growth, whilst maintaining a satisfactory running yield.
- ▶ Social and transportation infrastructure 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 **102 infrastructure projects** (see Portfolio tab of www.hicl.com) which are mainly **operational, social and transportation infrastructure schemes** with public sector clients, producing **long-term, partially inflation-linked project revenues** with a weighted average concession life of c.21 years. The ten largest investments represent 40% 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 the public equity market and utilities** (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 over 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 c.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 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	1 Le Truchot St Peter Port Guernsey GY1 1WD
Listing	London SE
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

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ADMINISTRATOR & SECRETARY

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FINANCIAL PR

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CORPORATE CALENDAR – 2015/16

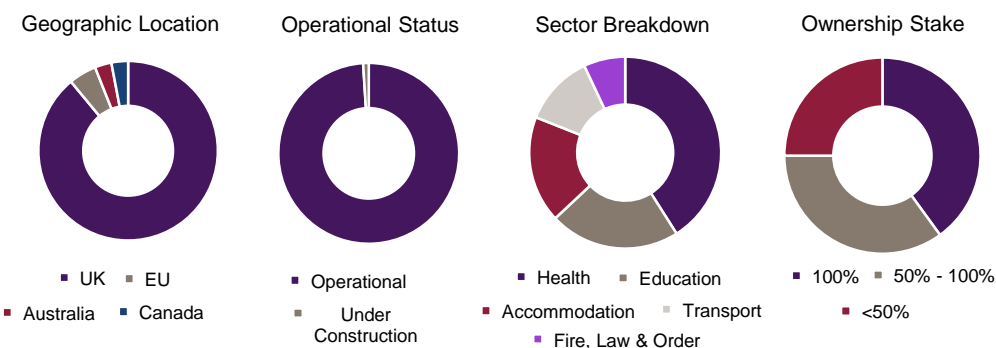
AGM	Jul. 2016
Quarterly interim dividend announcements	Jul. 2015 Nov. 2015 Feb. 2016 May 2016
Quarterly interim dividend payments	30 Sep. 2015 31 Dec. 2015 31 Mar. 2016 30 Jun. 2016
Quarterly Update Statements	Jul. 2015 Feb. 2016
Reporting period end	30 Sep. 2015 (H1) 31 Mar. 2016 (FY)
Results announced	Nov. 2015 (H1) May 2016 (FY)

Past performance is not a guide to future performance

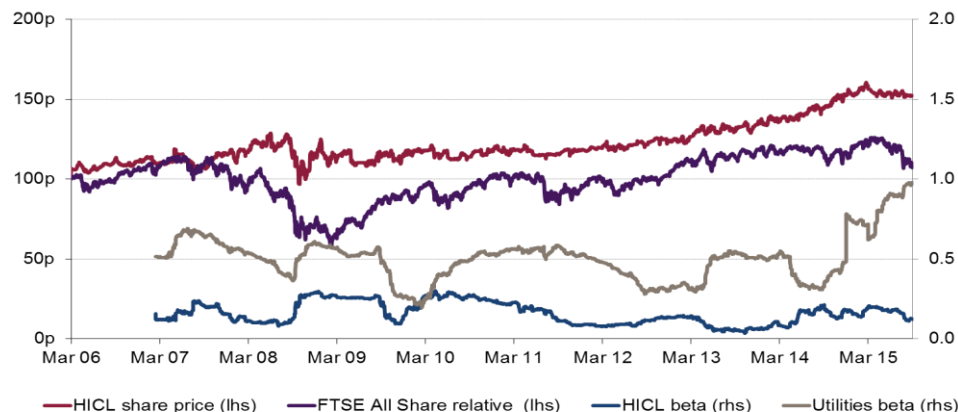
RECENT NEWS

- ▶ In the six months to 30 September, the Group acquired two incremental stakes in existing projects and made two sizeable new investments (Southmead Hospital and a Canadian Police Headquarters) for an aggregate consideration of £130.7m. Following a recent tap issue raising c.£50m of new equity, the Company has a zero net funding requirement.
- ▶ The weighted average discount rate was 7.7% as at 30 September 2015, the most recent valuation date, down 0.2% over the past 6 months due to increased market demand for infrastructure assets and because Allenby & Connaught Project became operational in the period.
- ▶ Effective 1 March 2016, Ian Russell will succeed Graham Picken as Chairman of the Board, and Frank Nelson will succeed John Hallam as Senior Independent Director.
- ▶ 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 102 INVESTMENTS AS AT 30 SEP. 2015¹)



HICL – STRONG TOTAL SHAREHOLDER RETURN (VS FTSE ALL SHARE²) AND LOW VOLATILITY (RELATIVE TO UTILITIES)



Shareholder Returns to 30 November 2015³

	Last 6 months	Since IPO (March 2006)
Total Shareholder Return (share price + dividends)	2.1%	10.4% p.a.
Total Shareholder Return (NAV ³ + dividends)	4.5%	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 Portfolio valuation as at 30 Sep. 2015 (latest valuation date)

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

³ NAV as at 30 Sep. 2015, the latest valuation date for the Company

Disclaimer

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