

CORPORATE DETAILS

Registered Address

HICL INFRASTRUCTURE COMPANY LTD
1 Le Truchot
St Peter Port
Guernsey
GY1 3SZ

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

COMPANY INFORMATION

Listing	London SE
Index Inclusion	FTSE250 FTSE All-Share
SEDOL	BOT4LH6
Registered Number	44185
Ticker	HICL.L
Dividend Payments	Quarterly
Financial Year End	31 March
Website	www.hicl.com

KEY STATISTICS AT 31 MARCH 2014

No. of Ordinary Shares	1,207,428,625
Share Price	135.9p
Market Capitalisation	£1,641m
NAV	£1,529.5m
NAV per Share ¹	123.1p
Premium to NAV	10.3%
AIC Ongoing Charges Percentage	1.15% p.a.
Dividend per Share ²	7.1p p.a.
Dividend Yield	5.2%p.a.

¹ After the second interim dividend of 3.6p per share

² For year to 31 March 2014

Past performance is not a guide to future performance

The ordinary shares are eligible for inclusion in PEPs and ISAs (subject to applicable subscription limits) provided that they have been acquired by purchase in the market and they are permissible assets for SIPPs.

INTRODUCTION

- ▶ HICL Infrastructure Company Limited ("HICL") is an investment company registered in Guernsey specialising in infrastructure investments predominantly in **operational, social and transportation infrastructure projects**. It **listed on the London Stock Exchange in 2006** and now has a **market capitalisation of over £1.6bn**.
- ▶ The Board comprises seven experienced independent directors (see left), while the investment management of the Group is undertaken by the Investment Adviser and Operator, InfraRed Capital Partners Limited (see page 2 for more information) within delegated parameters agreed with the Board.

PORTFOLIO, PERFORMANCE AND OUTLOOK

- ▶ As at 1 June 2014 the investment portfolio comprised stakes in **96 infrastructure projects** (as set out on page 4) which are mainly operational, UK-based, social and transportation infrastructure schemes with public sector clients; producing **long-term, partially inflation-linked project revenues** with a weighted average concession life of circa 22 years (charts 5-8).
- ▶ 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's stock has displayed a **low correlation with the public equity market** with a beta of 0.1 compared with 0.48 for the listed utility sector (chart 1), and **low price volatility even compared to UK government bonds** (chart 2).
- ▶ Dividends have been cash covered with an annual dividend increase since IPO such that the **cash yield to shareholders has been consistently over 5% p.a.** (chart 3).
- ▶ 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 around 2m shares** (chart 4).
- ▶ Through selective acquisitions and asset management HICL has, to date, exceeded its stated (at IPO) target return of 7-8% p.a. with a **total shareholder return of 9.7% p.a. since IPO** and 10.3% in the year to 31 March 2014 (table 1). A semi-annual portfolio valuation is provided by the Investment Adviser, and the Board benefits from a private independent expert opinion from a third party.
- ▶ HICL continues to assess a pipeline of potential new investment opportunities in the UK as well as other developed markets such as Australia, North America and selected European countries.

INVESTMENT OBJECTIVES

- ▶ The Company 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.
- ▶ The Board has set a target distribution for the year to 31 March 2015 of 7.25p 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.

CURRENT INVESTMENT STRATEGY

- ▶ The investment policy is relatively broad, but the strategy has **focused on social infrastructure** (public sector availability contracts relating to schools, hospitals and public buildings) **and transportation infrastructure** (such as road concessions), rather than economic infrastructure (e.g. airports and ports) where there is typically much higher demand/volume risk and/or counterparty risk.
- ▶ As at 1 June 2014 the Group has five assets in construction and it may acquire further such assets in order to increase capital growth, subject to maintaining a satisfactory running yield from the portfolio.
- ▶ Social infrastructure programmes are being developed by a number of countries and the Investment Adviser continues to examine a wide range of Investment opportunities.
- ▶ Acquiring incremental stakes in existing investments will continue as they are typically value-accretive.
- ▶ Please see the HICL website (<http://hicl.com>) for the Company's full Investment Policy.

Source: InfraRed Capital Partners, Thomson Reuters Datastream, and Bloomberg

INVESTMENT ADVISER

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INFRA RED CAPITAL PARTNERS LTD ("INFRA RED") IS A UK BASED INFRASTRUCTURE AND REAL ESTATE MANAGER WITH OVER US\$7BN OF EQUITY CAPITAL UNDER MANAGEMENT.

INFRA RED IS AUTHORISED AND REGULATED BY THE FINANCIAL CONDUCT AUTHORITY AND HAS OFFICES IN LONDON, NEW YORK, PARIS, HONG KONG AND SYDNEY. WITH OVER 100 STAFF GLOBALLY IT HAS 50 PROFESSIONALS DEDICATED TO INFRASTRUCTURE INVESTMENT AND MANAGEMENT.

TONY ROPER
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KEITH PICKARD
DIRECTOR, INFRASTRUCTURE



ROBIN HUBBARD
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RECENT NEWS

- ▶ In the year to 31 March 2014 the Group completed 16 new investments, acquired incremental stakes in six existing investments and disposed of two investments for an aggregate net consideration of £230m.
- ▶ The Company raised £109m through of new equity capital through value-accretive tap issues in July 2013 and February 2014.
- ▶ As at 31 March 2014 the Company had a net cash balance of £42.7m, and with three new investments and one additional stake acquired in April and May, the Company has a current net funding requirement of c. £50m as at 1 June 2014.
- ▶ Given the contractual nature of the cashflows underpinning the Group's investments they are valued using a discounted cash flow (DCF) basis. The weighted average discount rate was 8.2% as at 31 March 2014, the most recent valuation date, down 0.2% over the year due principally to increased market demand for this type of infrastructure asset.
- ▶ The Company achieved its dividend target of 7.1p per share for the year to 31 March 2014 and the Board has re-iterated its previous guidance of 7.25p per share for the year to 31 March 2015 as well as announcing that dividends will be paid quarterly, with the first quarterly interim dividend being declared in July 2014 and paid at the end of September 2014.
- ▶ For further detail on the Company's results, recent acquisitions and other corporate announcements please refer to the Investor Relations section of the HICL website (www.hicl.com/investor-relations).

MARKET PERFORMANCE (IPO IN MARCH 2006 TO 31 MARCH 2014)

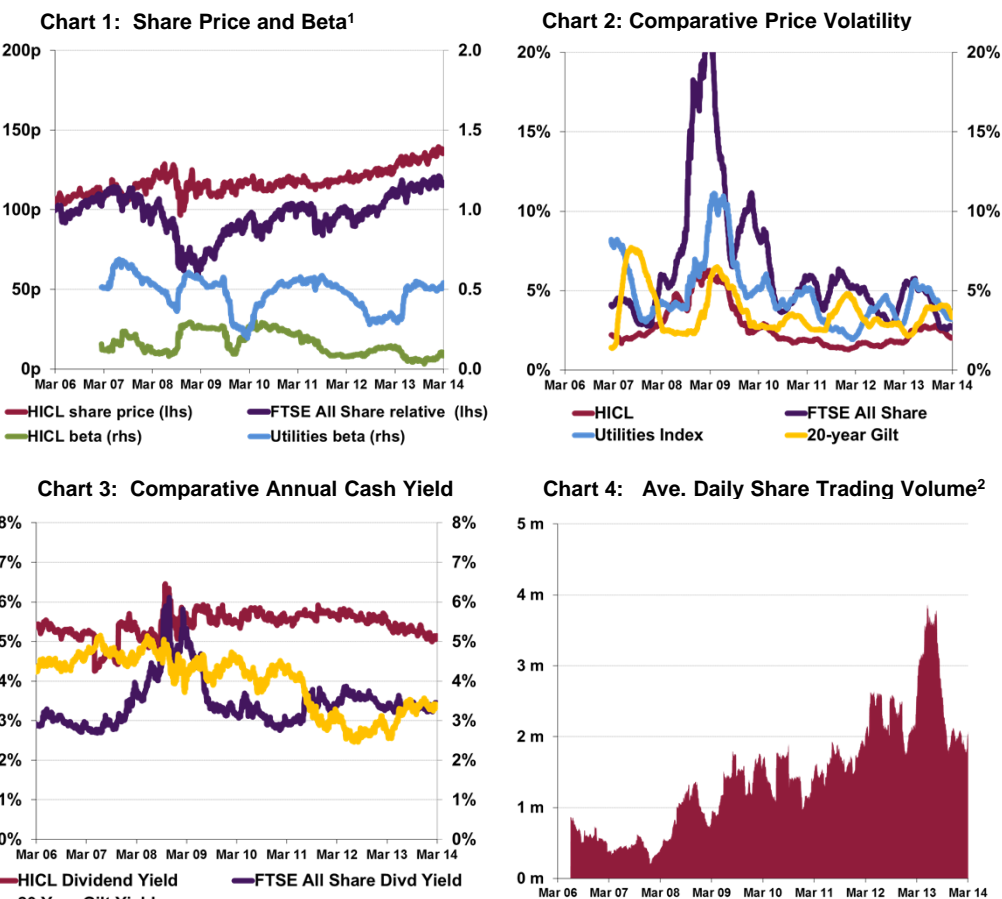


Table 1	Shareholder Returns to 31 March 2014	Last 12 months	Since IPO (March 2006)
	Total Shareholder Return	10.3%	9.7%

Source: All data for charts and tables sourced from Thomson Reuters Datastream and Bloomberg. Past performance is not a guide to future performance

¹ FTSE 250 index data rebased to 100 as at 29 March 2006
² Rolling 3 month basis

ADVISERS

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PORTFOLIO OVERVIEW AT 1 JUNE 2014 (96 INVESTMENTS VALUED AT £1,559M¹)

Chart 5: Geographic Location

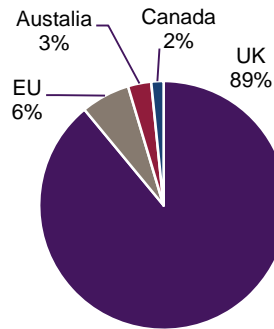


Chart 6: Operational Status

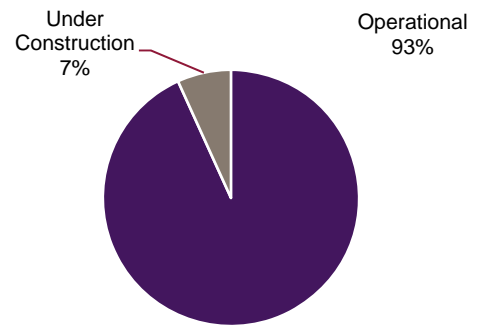


Chart 7: Ownership Stake

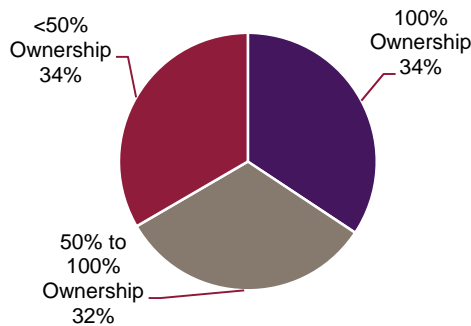


Chart 8: Sector Breakdown

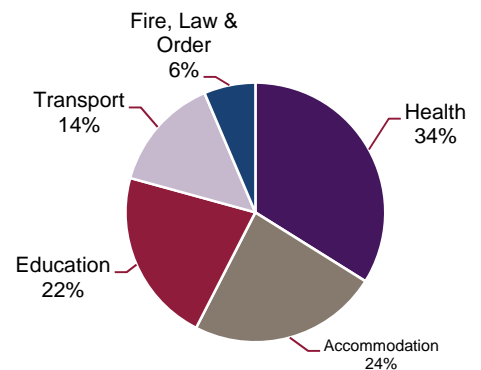
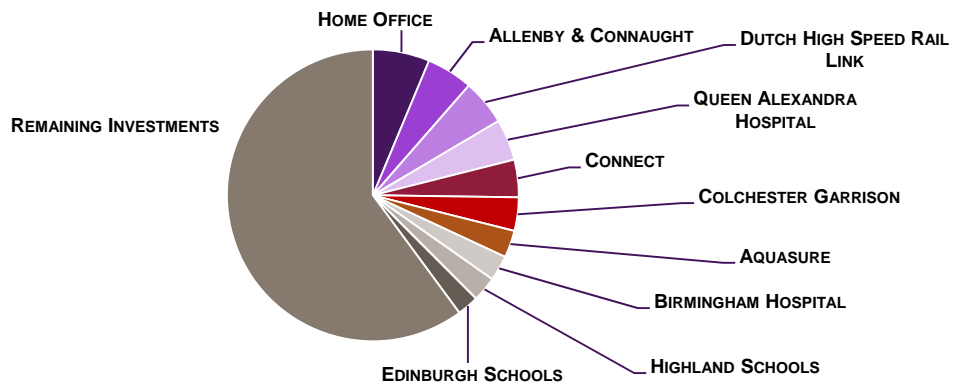


Chart 9: Ten Largest Investments



Source: All chart data is sourced from InfraRed Capital Partners

¹ Based on the Directors' valuation at 31 March 2014 plus acquisitions up to 1 June 2014 at cost

CORPORATE CALENDAR

2 nd interim dividend paid	30 June 2014
AGM	22 July 2014
First quarterly dividend announced	July 2014
Interim Management Statement	July/August 2014
First quarterly dividend paid	30 September 2014
Half year end	30 September 2014
Second quarterly dividend announced	November 2014
Half year results announced	November 2014
Second quarterly dividend paid	31 December 2014

INVESTMENT PORTFOLIO AS AT 1 JUNE 2014

Category	Asset 1	Asset 2	Asset 3	Asset 4
Education	Barking & Dagenham Schools	Boldon School	Bradford Schools 1	Bradford Schools 2
	Conwy Schools	Cork School of Music	Croydon School	Darlington Schools
	Defence Sixth Form College	Derby Schools	Ealing Schools	Edinburgh Schools
	Falkirk NPD	Fife Schools	Fife Schools 2	Haverstock School
	Health & Safety Labs	Helicopter Training Facility	Highland Schools PPP	Irish Grouped Schools
	Kent Schools	Manchester School	Newport Schools	North Tyneside Schools
	Norwich Schools	Oldham Schools	Perth & Kinross Schools	Renfrewshire Schools
	Rhondda Schools	Sheffield BSF Schools	Sheffield Schools	South Ayrshire Schools
	University of Bourgogne	West Lothian Schools	Wooldale Centre for Learning	
	Health	Barnet Hospital	Birmingham Hospitals	Birmingham & Solihull LIFT
Blackburn Hospital		Blackpool Primary Care Facility	Brentwood Community Hospital	Brighton Hospital
Central Middlesex Hospital		Doncaster Mental Health Hospital	Ealing Care Homes	South West Hospital, Enniskillen
Glasgow Hospital		Lewisham Hospital	Medway LIFT	Newton Abbot Hospital
Nuffield Hospital		Oxford Churchill Oncology	Oxford John Radcliffe Hospital	Pinderfields & Pontefract Hospitals
Queen Alexandra Hospital		Redbridge & Waltham Forest LIFT	Romford Hospital	Salford Hospital
Sheffield Hospital		Staffordshire LIFT	Stoke Mandeville Hospital	Tameside General Hospital
West Middlesex Hospital		Willesden Hospital		
Fire, Law and Order	Addiewell Prison	Dorset Fire & Rescue	D & C Firearms Training Centre	Exeter Crown Courts
	Greater Manchester Police Stations	Gloucester Fire & Rescue	Medway Police	Metropolitan Police Training Centre
	South East London Police Stations	Sussex Custodial Centre	Tyne & Wear Fire Stations	
Transport	A249 Road	A92 Road	Connect PF1	Dutch High Speed Rail Link
	Kicking Horse Canyon P3	M80 Motorway DBFO	N17/N18 Road	NW Anthony Henday P3
	RD 901			
Accommodation	Allenby & Connaught MoD Accommodation	Aquasure	Colchester Garrison	Health & Safety Headquarters
	Home Office	Miles Platting Social Housing	Newcastle Libraries	Northwood MoD HQ
	Oldham Library	Royal School of Military Engineering	University of Sheffield Accommodation	

Disclaimer

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Key:

Portfolio as at 31 March 2014

Acquired since 31 March 2014

Additional stake acquired since 31 March 2014