

THIS DOCUMENT IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION.

If you are in any doubt as to the contents of this document or the action that you should take, you should seek your own personal financial advice from your stockbroker, bank manager, solicitor, accountant or other appropriate professional adviser authorised under the Financial Services and Markets Act 2000 or, if you are not in the United Kingdom, another appropriately authorised professional adviser. If you receive this letter in any country or jurisdiction outside the United Kingdom you may not treat it as an invitation to elect to receive Scrip Shares (as defined below) unless such an invitation could lawfully be made to you without HICL Infrastructure Company Limited (the “**Company**”) being required to comply with any registration or other legal requirements.

If you have sold, transferred or purchased any ordinary shares in the Company (“**Ordinary Shares**”) prior to 20 April 2012, but that sale, purchase or transfer is not reflected in the number shown in Box 1 on the enclosed form of election (the “**Form of Election**”), you should forward this document and the Form of Election to your stockbroker or other agent through whom the sale, transfer or purchase was made without delay.

HICL INFRASTRUCTURE COMPANY LIMITED

**(an authorised closed-ended investment company incorporated in
Guernsey with limited liability and with registered number 44185)**

Scrip Dividend Mandate Scheme and offer of a Scrip Dividend Alternative to the Proposed Interim Dividend for the year ended 31 March 2012

If you wish to receive the second interim dividend for the year ended 31 March 2012 in cash on the whole of your holding of Ordinary Shares, you should take no action.

If you hold share certificates for your Ordinary Shares and wish to elect for the Scrip Dividend Alternative in respect of all or some of the Ordinary Shares that you hold, you should complete the enclosed Form of Election and return it as soon as possible, but in any case so as to reach the London branch of the Company’s registrars, Capita Registrars Limited (the “**Transfer Agent**”), Corporate Actions, 34 Beckenham Road, Beckenham, Kent BR3 4TU, by no later than 5 p.m. on 12 June 2012.

If you wish to make a standing election (a “**Scrip Dividend Mandate**”) in respect of all of the Ordinary Shares for which you hold share certificates, you should mark Box 5 of the Form of Election with a cross.

If the Form of Election is not received by the Transfer Agent before 5 p.m. on 12 June 2012, and you do not have a Scrip Dividend mandate in place, the full cash dividend entitlement will be paid in respect of all the Ordinary Shares for which you hold share certificates.

If you hold your Ordinary Shares in CREST you should refer to paragraph 7 of the Appendix.

EXPECTED TIMETABLE OF EVENTS

Ordinary Shares quoted ex dividend (the “ Ex Dividend Date ”)	18 April 2012
Record date for the 2012 interim dividend (and for Scrip Dividend Alternative entitlements)	20 April 2012
Final date for receipt of Forms of Election, including Scrip Dividend Mandates, and dividend election input messages	12 June 2012
Posting of cheques	28 June 2012
Certificates for new Ordinary Shares (“ Scrip Shares ”) to be dispatched	29 June 2012
Dividend payment date: cash dividends credited to bank accounts (when mandated) and (where applicable) CREST member accounts credited with Scrip Shares	29 June 2012
Expected date for admission of Scrip Shares to the Official List and to trading on the London Stock Exchange	29 June 2012

Notes:

1. These times and dates are indicative only. If any of the above times and/or dates change, the revised times and/or dates will be notified to Shareholders by announcement through the Regulatory Information Service of the London Stock Exchange.
2. All references in this document to time are to London times unless otherwise stated.

HICL INFRASTRUCTURE COMPANY LIMITED (THE “COMPANY”)

(an authorised closed-ended investment company incorporated in Guernsey with limited liability and with registered number 44185)

Registered office:

1 Le Truchot, St Peter Port, Guernsey, GY1 1WD

17 May 2012

To holders of ordinary shares in the Company (“**Ordinary Shares**”)

Dear Shareholder

SCRIP DIVIDEND ALTERNATIVE

On 12 April 2012 your board declared a second interim dividend of 3.5p per Ordinary Share for the year ended 31 March 2012 (the “**2012 Interim Dividend**”). It is being proposed to offer shareholders with Ordinary Shares registered in their names at close of business on 20 April 2012 (the “**Record Date**”) the choice of receiving the whole or part of their dividends in fully paid new Ordinary Shares of the Company (“**Scrip Shares**”) instead of in cash (the “**Scrip Dividend Alternative**”).

For the avoidance of doubt, no part of the 2012 Interim Dividend or the Scrip Dividend Alternative shall be payable in respect of the Ordinary Shares which arose on conversion of the Company’s C Shares on 27 April 2012, as the conversion occurred after the Record Date.

At the time of the Company’s C share capital raising in 2008, a number of shareholders enquired whether the Company could offer distributions which could be treated for tax purposes as capital rather than revenue. The directors of the Company (the “**Directors**”) were advised that certain shareholders may be able to treat distributions of Scrip Shares as capital for tax purposes. At the annual general meeting of the Company on 28 July 2008, resolutions were passed approving amendments to the Company’s articles of association to permit payment of a Scrip Dividend Alternative and granting the Directors the authority to offer a Scrip Dividend Alternative until the annual general meeting in August 2009. This authority has been renewed by resolution at subsequent annual general meetings in 2009, 2010 and 2011. Shareholders who elect to take Scrip Shares instead of receiving cash dividends will increase their holdings without incurring dealing costs or stamp duty. The Company benefits from the retention of cash which would otherwise be paid out as dividend.

To enable you to elect to receive Scrip Shares if you hold share certificates for your Ordinary Shares, you will find enclosed a Form of Election. Completed Forms of Election must be received by the Transfer Agent by no later than 5 p.m. on 12 June 2012, otherwise the full cash dividend entitlement will be paid in respect of all the Ordinary Shares that you hold (unless you signed a standing election previously). If you wish to receive cash (a dividend of 3.5p per Ordinary Share) on all of your holding you should take no action in response to this letter or Form of Election, and your dividend will be paid to you in the usual way on the dividend payment date, which is 29 June 2012. Further details are set out in paragraph 5 of the Appendix.

Shareholders who hold share certificates for their Ordinary Shares can make a standing election (the “**Scrip Dividend Mandate**”) so that they receive not only the 2012 Interim Dividend, but also all future dividends in respect of which the Directors decide to offer a Scrip Dividend Alternative, in the form of Scrip Shares in respect of their entire holding. The Company will write to shareholders each time a Scrip Dividend Alternative is made available, advising them of the basis to their entitlement to Scrip Shares. Further details are set out in paragraph 6 of the Appendix.

To enable you to elect to receive Scrip Shares if you hold your Ordinary Shares in CREST, you should submit a Dividend Election Input Message (as defined in the CREST Manual) by 5 p.m. on 12 June 2012, as set out in paragraph 7 of the Appendix.

As explained in more detail in the Appendix, the Scrip Dividend Alternative and the proposals described in this letter are conditional upon the listing of the Scrip Shares on the Official List and the admission of the Scrip Shares to trading being granted by the UK Listing Authority (the “**UKLA**”) and the London Stock Exchange plc respectively.

The Appendix provides more information on the Scrip Dividend Alternative, the Scrip Dividend Mandate scheme and on some of the UK taxation consequences as at the date of this letter. Only if you would like to consider taking all or part of the 2012 Interim Dividend in the form of Scrip Shares need you read the rest of this document. When considering what action to take, you are recommended to obtain appropriate professional advice.

Yours sincerely

Graham Picken
Chairman

APPENDIX:

TERMS AND EXPLANATORY NOTES

1. TERMS OF ELECTION

Shareholders with Ordinary Shares registered in their names at the close of business on the Record Date may elect to receive all or part of their entitlement to the 2012 Interim Dividend (the **“Full Cash Dividend”**) in the form of Scrip Shares credited as fully paid, instead of in cash at a price of 120.0p per Ordinary Share. No fraction of a Scrip Share can be allotted and the cash representing any fractional entitlement to a Scrip Share will be dealt with as described in paragraph 3 below. All elections will be subject to fulfilment of the conditions specified in paragraph 2 below. If the conditions are not satisfied, an election will automatically become void and shareholders will receive the Full Cash Dividend in the usual way. The entitlement to receive Scrip Shares under the Scrip Dividend Alternative is personal and non-transferable.

This election may be made by a shareholder in respect of all or part of the holding of Ordinary Shares registered in his/her name at the close of business on the Record Date.

If the Directors decide to offer Scrip Shares instead of any cash dividend in the future you will be informed separately and further Forms of Election will be sent to you unless you have made, and not elected to revoke or had cancelled by the Company, a Scrip Dividend Mandate (as described in paragraph 6 below), in which case a notice detailing the basis of your entitlement to Scrip Shares and any residual cash balance will be sent to you instead.

2. CONDITIONS

The Scrip Dividend Alternative is conditional on:

- (a) listing of the Scrip Shares on the Official List being granted by the UKLA and admission of the Scrip Shares to trading being granted by the London Stock Exchange plc (see paragraph 10 below); and
- (b) the Directors not revoking their decision to offer Scrip Shares instead of the Full Cash Dividend.

The Directors have the power at any time up to 5 p.m. on 12 June 2012 to revoke their decision to offer Scrip Shares instead of the Full Cash Dividend. It is envisaged that the Directors would only revoke this decision in the event of a change in market conditions or a significant fall in the price of the Ordinary Shares, such that the Directors consider that the Scrip Dividend Alternative would be substantially less beneficial to shareholders accepting the offer.

3. FRACTIONAL ENTITLEMENTS

Any residual cash amount representing a fraction of a Scrip Share arising as a result of an election for the Scrip Dividend Alternative in respect of all or part of a holding will never exceed the value of one Ordinary Share at the Reference Share Price (as defined in paragraph 4 below). A cheque for the value of any such residual cash amount will be posted to you on 28 June 2012.

4. BASIS OF ENTITLEMENT

Your entitlement to Scrip Shares under the Scrip Dividend Alternative in respect of the 2012 Interim Dividend is based on a price for each Scrip Share of 120.0p (being the average of the middle market prices of the Ordinary Shares derived from the Daily Official List of the London Stock Exchange for the Ex dividend Date and the four subsequent dealing days (the **“Reference Share Price”**)), and the 2012 Interim Dividend.

The formulae used for calculating the maximum Scrip Share entitlement are as follows:

$$\begin{array}{l} \text{number of Ordinary Shares} \\ \text{held at the Record Date} \end{array} \quad \times \quad \text{dividend per share} \quad = \quad \begin{array}{l} \text{aggregate dividend} \\ \text{available for share election} \end{array}$$

And

$$\frac{\text{aggregate dividend available for share election}}{\text{Reference Share Price}} \quad = \quad \text{number of Scrip Shares}$$

(rounded down to the nearest whole number)

5. HOW TO MAKE THE ELECTION FOR THE SCRIP DIVIDEND ALTERNATIVE: HOLDERS OF SHARE CERTIFICATES

This paragraph 5 applies only to shareholders who hold share certificates for their Ordinary Shares.

5.1. Full entitlement to Scrip Shares

To receive the maximum number of Scrip Shares to which you are entitled, sign, date and post the enclosed Form of Election so as to reach the Transfer Agent by no later than 5 p.m. on 12 June 2012.

If you would like to take Scrip Shares on this occasion but would like to consider your options each time a Scrip Dividend Alternative is made available, then you should sign, date and post the Form of Election but **not** mark Box 5 with a cross. If, however, you also wish to elect for the maximum number of Scrip Shares receivable in respect of each future dividend when a Scrip Dividend Alternative is offered, you **should** mark Box 5 on the Form of Election with a cross (see paragraph 6 below).

5.2. Combination of Scrip Shares and cash

To receive your dividend as a combination of Scrip Shares and cash insert in Box 4 on the Form of Election the exact number of Ordinary Shares of your existing holding in respect of which you wish to elect to receive Scrip Shares instead of the Full Cash Dividend. Then sign, date and post the enclosed Form of Election so as to reach the Transfer Agent by no later than 5 p.m. on 12 June 2012. If on the Form of Election you do not specify in Box 4 the number of Ordinary Shares in respect of which you are making your election, or if you make the election in respect of a greater number of Ordinary Shares than shown in Box 1 on the form, your election will be deemed to be in respect of all the Ordinary Shares shown in Box 1.

5.3. Full Cash Dividend

To receive the Full Cash Dividend in the usual way, take no action. Your dividend will be paid in the usual way.

6. HOW TO MAKE THE ELECTION FOR THE SCRIP DIVIDEND MANDATE

This paragraph 6 applies only to shareholders who hold share certificates for their Ordinary Shares.

To receive your maximum entitlement to Scrip Shares for the 2012 Interim Dividend and all future dividends when a Scrip Dividend Alternative is offered, mark Box 5 on the Form of Election with a cross and sign, date and post the enclosed Form of Election so as to reach the Transfer Agent by no later than 5 p.m. on 12 June 2012. Box 5 cannot be used to elect for future Scrip Dividend Alternatives if you only wish to elect to receive future dividends in the form of Scrip Shares in respect of part of your holding.

A Scrip Dividend Mandate, until revoked, instructs the Company to treat you as having elected to take the maximum whole number of Scrip Shares available instead of cash in respect of all future dividends for which a Scrip Dividend Alternative is offered. The Scrip Dividend Mandate will apply to your entire holding of Ordinary Shares on the record date for the relevant dividend. If you acquire or dispose of any Ordinary Shares, the Scrip Dividend Mandate will continue to apply (until revoked) to such increased or decreased shareholding.

Your Scrip Dividend Mandate may be cancelled by the Company at any time, or by you giving written notice to the Transfer Agent so as to be received before the final time and date for receipt of Forms of Election in respect of the relevant dividend. Your Scrip Dividend Mandate will automatically be revoked if the Company registers a transfer of all your Ordinary Shares or if the Company receives notice of your death.

All shareholders for whom a Scrip Dividend Mandate is in force receive, prior to each dividend payment date, a notice containing details of the basis of their entitlement to Scrip Shares.

The Scrip Dividend Mandate is subject to the subsequent renewal in general meeting of the Directors' authority to offer a Scrip Dividend Alternative. It will only apply in respect of any future dividend if the Directors decide to offer a Scrip Dividend Alternative in respect of that dividend. If the Directors' authority is not renewed or the Directors decide not to offer a Scrip Dividend Alternative in respect of any particular dividend, a full cash dividend will be paid in the usual way.

7. HOW TO MAKE THE ELECTION FOR THE SCRIP DIVIDEND ALTERNATIVE: CREST SHAREHOLDERS

This paragraph 7 applies only to shareholders who hold their Ordinary Shares in CREST. Terms defined in the CREST Manual and not re-defined herein shall bear the meanings attributed to them in the CREST Manual unless the context otherwise requires.

7.1. Election for Scrip Shares

You can only elect to receive your dividend in the form of Scrip Shares by means of CREST procedures to effect such an election. **No other form of election will be permitted and if received will be rejected and returned to you.** If you are a CREST Personal Member, or other CREST Sponsored Member, you should consult your CREST sponsor, who will be able to take appropriate action on your behalf.

The CREST procedures require the use of the Dividend Election Input Message in accordance with the CREST Manual. The Dividend Election Input Message submitted must contain the number of Ordinary Shares on which the election is being made, whether this is all or part of your holding at the Record Date. **An election for a Scrip Dividend Mandate will not be permitted.** The Dividend Election Input Message includes a number of fields which, for a valid election to be made, must be input correctly as indicated below:

- (a) Dividend Election Reference - You must indicate here a reference for the dividend election which is unique to your CREST participant ID;
- (b) Account I.D. - If you have more than one member account, you must indicate the member account I.D. to which the election relates;
- (c) ISIN - This is GB00B0T4LH64;
- (d) Distribution type - You must enter "SCRIP" here;
- (e) Corporate Action - You must enter here the Corporate Action number for the dividend on which your election is being made. A Scrip Dividend Mandate cannot be made;
- (f) Number of shares - You must enter here the number of Ordinary Shares over which your election is made whether this is all or part of your holding. If you leave this field blank or enter zero your election will be rejected. If you enter a number of Ordinary Shares greater than your holding in CREST on the Record Date, the election will be applied to the total holding in the relevant CREST member account at the Record Date; and
- (g) Contact details - This field is optional, although you are asked to include details of whom to contact in the event of a query relating to your election.

The Company and/or the Transfer Agent reserve the right to treat as valid an election which is not complete in all respects.

By inputting a Dividend Election Input Message as described above, you confirm your election to participate in the Scrip Dividend Alternative in accordance with the details input and the terms and conditions of the Scrip Dividend Alternative as amended from time to time.

There is no facility to amend an election which has been made by Dividend Election Input Message; if you wish to change your election details, you must first cancel the existing election as described in paragraph 7.4 below and then input a Dividend Election Input Message with the required new details.

7.2. Partial elections

You can elect to receive Scrip Shares over part of your holding. You will then receive the balance as a cash dividend.

7.3. Timing

If you wish to receive Scrip Shares in respect of some or all of your holding, you must make your election by 5 p.m. on 12 June 2012.

7.4. Cancelling an election

You may only cancel an election by utilising the CREST procedures for deletions described in the CREST Manual. Your deletion must be received and, in accordance with CREST procedures, accepted by 5 p.m. on 12 June 2012 for it to be valid for the 2012 Interim Dividend. It is recommended that you input any deletion message 24 hours in advance of the above deadline to give the Company and the Transfer Agent sufficient time to accept the deletion.

7.5. Basis of entitlement

Your entitlement to Scrip Shares is calculated as set out in paragraph 4 above. Once your Scrip Shares have been allotted an accounting statement will be sent to you showing the number of Scrip Shares allotted, the Reference Share Price and the total cash equivalent of the Scrip Shares for tax purposes.

7.6. Residual cash balance

If you have elected to receive Scrip Shares in respect of your entire holding, then any residual cash balance will be paid to you as a cash dividend. No fractions of a Scrip Share will be allotted.

If you elect to only receive part of your dividend as Scrip Shares, you will receive the balance as a cash dividend.

7.7. Future dividends

If you wish to receive Scrip Shares for future dividends where a Scrip Dividend Alternative is offered, you must complete a Dividend Election Input Message on each occasion. If you do not complete a Dividend Election Input Message then you will receive your dividend in cash.

If the Directors decide not to offer a Scrip Dividend Alternative in respect of any dividend in the future, a cash dividend will be paid to you in the usual way.

8. SHAREHOLDERS OUTSIDE THE UNITED KINGDOM

If you receive this letter in any country or jurisdiction outside the United Kingdom you may not treat it as an invitation to elect to receive Scrip Shares unless such an invitation could lawfully be made to you without the Company being required to comply with any registration or other legal requirements.

It is the responsibility of any person resident outside the UK wishing to elect to receive Scrip Shares, either in respect of the 2012 Interim Dividend or by way of a Scrip Dividend Mandate on each occasion that a Scrip Dividend Alternative is being offered by the Company, to be satisfied as to full observance of the laws of the relevant territory, including obtaining any government or other consents which may be required and observing any other formalities in such territories.

Shareholders electing to take Scrip Shares under a Scrip Dividend Alternative will not be charged Guernsey or UK stamp duty on the shares.

9. IF YOU HAVE MORE THAN ONE REGISTERED HOLDING

If for any reason your Ordinary Shares are, on the Record Date, registered in more than one holding and as a result you have received more than one Form of Election then, unless you are able to make arrangements with the Transfer Agent to have your holdings consolidated before 12 June 2012, they will be treated for all purposes as separate and you should complete separate Forms of Election or, in the case of holdings in CREST, separate Dividend Election Input Messages accordingly.

10. LISTING AND RANKING OF THE SCRIP SHARES

Application will be made to the UKLA for admission of the Scrip Shares to the Official List and to the London Stock Exchange plc for admission of the Scrip Shares to trading on the Main Market of the London Stock Exchange. The Scrip Shares will on issue be credited as fully paid and will rank *pari passu* in all respects with the existing Ordinary Shares, except for participation in the 2012 Interim Dividend, and will rank for all future dividends.

11. GENERAL

No acknowledgement of Forms of Election, Scrip Dividend Mandates or Dividend Election Input Messages will be issued. Subject to satisfaction of the conditions set out in this letter, definitive share certificates for the Scrip Shares held outside CREST will be posted, at the risk of the persons entitled thereto, on 28 June 2012, while CREST members should have their accounts credited on 29 June 2012. Dealings in the Scrip Shares are expected to begin on 29 June 2012. In the unlikely event that the UKLA does not agree before 29 June 2012 to admit the Scrip Shares to the Official List, or if any of the other conditions are not fulfilled, Forms of Election and Dividend Election Input Messages will be disregarded and the Company will pay the 2012 Interim Dividend in cash in the usual way as soon as practicable on or after 29 June 2012.

If all shareholders were to decide to receive the 2012 Interim Dividend in cash (ignoring any dividend waivers), the total cash dividend payable by the Company would be approximately £23.3 million subject (where relevant) to a non-payable tax credit of one ninth of the amount of such dividend. If all shareholders were to elect to receive Scrip Shares instead of cash in respect of their entire holdings, approximately 19.4 million Scrip Shares would be issued based on the Reference Share Price (ignoring any dividend waivers and any reduction in respect of fractions), representing 2.2% of the issued Ordinary Share capital of the Company as at the date of this circular (and representing 2.9% of the issued Ordinary Share capital of the Company as at 20 April 2012).

As at the Record Date for the 2012 Interim Dividend, the authorised share capital of the Company was £100,000 of which 665,422,215 Ordinary Shares of 0.01p each were in issue. As at the date of this circular, there are 883,472,215 Ordinary Shares of 0.01p each in issue.

Further copies of this letter and/or Forms of Election may be obtained free of charge during normal business hours from any of the following:

Capita Registrars Ltd. 34 Beckenham Road Beckenham Kent BR3 4TU Telephone 0870 162 3100	Canaccord Genuity Ltd 9 th Floor 88 Wood Street London EC2V 7QR
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up to and including 29 June 2012. All enquiries in respect of the Scrip Dividend Alternative and completing the Form of Election should be addressed to the Transfer Agent (Shareholder Helpline – 0871 664 0300 or overseas +44 208 639 3399, lines are open from 8.30 a.m. to 5.30 p.m. Monday to Friday).

Completed Forms of Election should be posted to Capita Registrars Limited, Corporate Actions, The Registry, 34 Beckenham Road, Beckenham, Kent, BR3 4TU.

12. UNITED KINGDOM TAXATION

The following is a general summary of the UK tax consequences of electing to receive Scrip Shares under the Scrip Dividend Alternative instead of the cash dividend and is based on current UK law and HMRC practice as at the date of this document (which are subject to changes possibly with retrospective effect) and applies only to shareholders who hold their shares as an investment. In particular, the following does not address the position of certain classes of shareholders, such as dealers in securities.

An election to receive Scrip Shares will be a matter for individual decision by each shareholder and will depend upon their circumstances as will the precise tax consequences of such an election. The summary set out below is not exhaustive and (except where otherwise indicated) only relates to the position of UK-resident shareholders who are the beneficial owners of their shares. **Investors should consult their own professional tax advisors, however, in relation to the tax consequences of electing to receive Scrip Shares.**

Shareholders who are in any doubt as to what action to take or who are subject to tax in a jurisdiction other than the UK should consult an independent professional advisor.

12.1. UK taxation of chargeable gains

On the basis of case law, UK-resident shareholders should not receive any income liable to UK income tax or corporation tax to the extent that they elect to receive Scrip Shares instead of the cash dividend. Nor should they make any disposal for chargeable gains tax purposes at the time the Scrip Shares are allotted. Instead the Scrip Shares and the original registered holding of Ordinary Shares (the “**Original Holding**”) should be treated as a single holding acquired at the time of the Original Holding. There will be no allowable expenditure for chargeable gains tax purposes arising in respect of the Scrip Shares and the allowable expenditure arising in respect of the Original Holding will be apportioned across the Original Holding and the Scrip Shares. A disposal for chargeable gains tax purposes will only arise at the time the shareholder subsequently disposes of the Scrip Shares or the Original Holding (a “**Subsequent Disposal**”).

UK-resident individual shareholders may be subject to capital gains tax in respect of chargeable gains arising on a Subsequent Disposal depending on their individual circumstances. UK-resident corporate shareholders may be subject to corporation tax in respect of chargeable gains arising on a Subsequent Disposal depending on their individual circumstances. UK-resident exempt funds will not be liable to tax on chargeable gains arising upon a Subsequent Disposal of investments held for the purposes of the fund.

12.2. Stamp duty

No UK stamp duty or stamp duty reserve tax will be payable on the issue of the Scrip Shares.