HICL Infrastructure Company Limited

Annual Results Presentation

Year to 31 March 2014

21 May 2014

www.hicl.com

Agenda

HICL INFRASTRUCTURE

Summary Highlights for year to 31 March 2014

Strong total return in the year, driven in part by accretive acquisitions made over last 2 years

Portfolio performance	Portfolio of 93 projects with 92% in the UK and 93% operational[1]	Portfolio performing well reflecting good asset and portfolio management
Net asset value	Growth in NAV per share of 6.7p	Driven by acquisitions made, portfolio performance, reduction in discount rates and in UK tax rates and accretive tap issuance
Fees	New Investment Adviser Fees agreed	Additional fee taper No differentiated fee for construction assets
New Investments	16 new investments and 6 incremental stakes for £239.2m including first investments in France	Network of long-established relationships and reputation continue to facilitate deal flow
Disposals	2 UK investments sold for £9.2m	Rationalisation of the portfolio continues where it makes sense to do so
Funding	£109m of equity raised	Equity issuance used to repay Group's revolving credit facility and fund acquisition pipeline
Group facility	New Group revolving credit facility	Increased capacity, improved terms
Outlook & Pipeline	Competitive but active domestic and international pipeline through existing and developing relationships	Investment opportunities assessed critically. Maintain pricing discipline

[1] By value, based on Directors' valuation as at 31 March 2014

Highlights – Financial Performance

Good operating performance; distribution target achieved

- Second interim dividend of 3.60p per share taking total dividend for the year to 7.10p per share
- Cash receipts from investments ahead of projections
- Dividend cash covered 1.5 times (2013: 1.4 times)
- Ongoing Charges Percentage[2] - 1.15% for the year (2013: 1.19%)
- Target dividend remains 7.25p per share for year to 31 March 2015 – moving to quarterly interim dividends

	Year to 31 March 2014	Year to 31 March 2013 (restated)
Total income	£175.7m	£111.1m
Expenses and finance costs	£(21.9)m	£(18.0)m
Profit before tax	£153.8m	£93.1m
Earnings per share	**13.1p**	**10.4p**
Total dividend for the year	**7.10p**	**7.00p**
NAV per share (before second interim dividend)	**126.7p**	**120.0p[1]**
NAV per share (after second interim dividend)	**123.1p**	**116.4p**
Net cash	**£42.7m**	**£146.0m**

1 The NAV per share is that applicable to the 976m Ordinary Shares in issue as at 1 March 2013 (as the 140m shares issued pursuant to the capital raising in March 2013 were not eligible for the second interim dividend of 3.575p)
2 Ongoing Charges Percentage as defined by the AIC

Highlights – Market Performance

Total shareholder return[1] in year to 31 March 2014 was 10.3% and 9.7% p.a. since launch in March 2006

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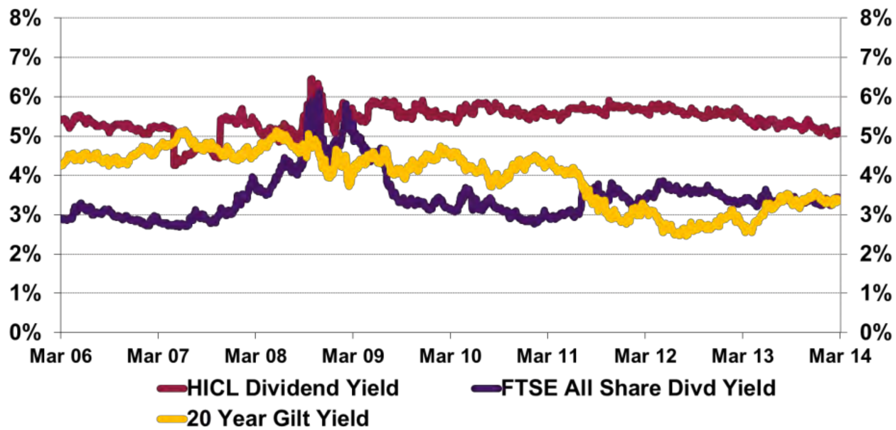
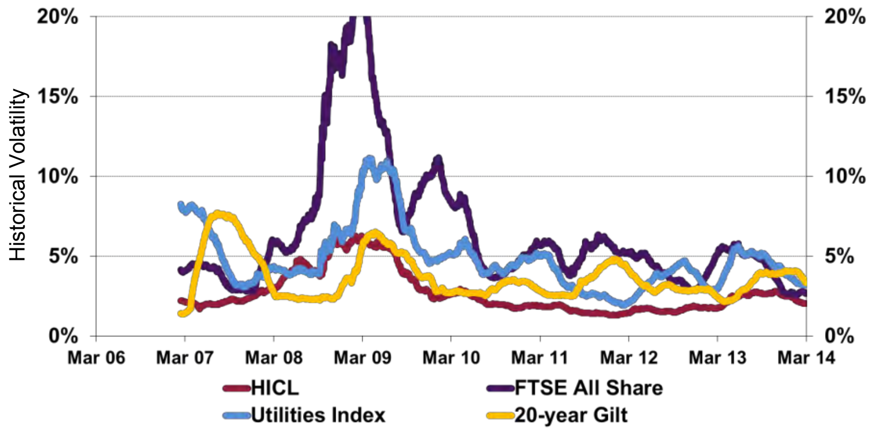
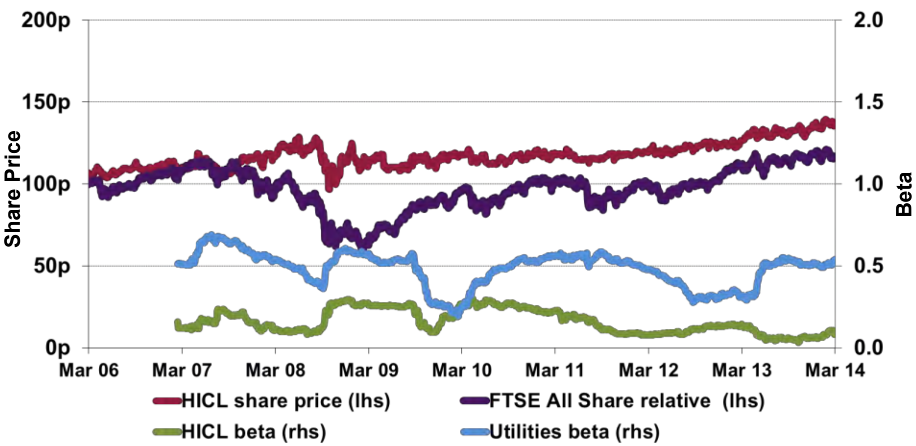
Stable, high dividend yield relative to the market and Gilts



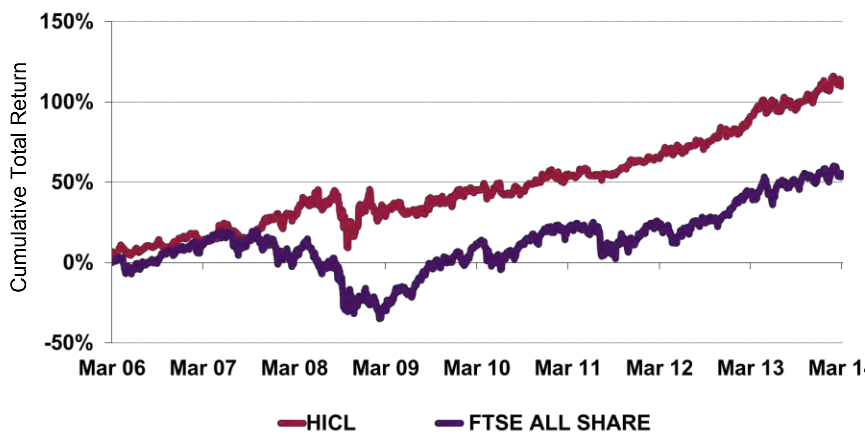
Low volatility relative to the market, utilities and Gilts



Low correlation with the market and utilities



Outperformance of FTSE



Source: Thomson Reuters Datastream. Past performance is not a reliable indicator of future performance. Investments can fluctuate in value.

1. Based on share price and dividends paid

Highlights – Investment & Financing

High quality origination and consistent appetite for the shares

Investment Activity and Portfolio Summary

- Acquired 16 new investments and 6 incremental stakes in existing investments during the year to 31 March 2014
- Four investments acquired through auction processes – remainder through relationships
- Total consideration of £239.2m of which £15.5m for follow-on incremental investments
- Two disposals for £9.2m in aggregate - Swindon Police and Dorset Police projects
- 93 investments at 31 March 2014 (2013: 79) with a further 3 investments made for £52.1m since year end[1]
- Average concession life of 22.0 years (2013: 22.3 years)
- Long-term debt financing in project companies with average remaining maturity of 20.3 years (2013: 20.7 years)

Funding & Capital Raising

- Remaining cash from share capital raising of £146.0m as at 31 March 2013 was fully invested ahead of plan
- £109.0m raised through tap issues in July 2013 and February 2014 to fund subsequent investments
- Revolving credit facility increased to £150m (from £100m), extended to May 2016 (from Feb 2015) with two additional new banks (Lloyds and SMBC) and on improved terms

1. Includes £47.0m for AquaSure which is in the process of being acquired as at 20 May 2014

Portfolio Overview - Summary Investment Activity

16 new investments and 6 follow-on investments for aggregate consideration of £239.2m

Amount	Type	Stage	Project	Sector	Stake Acquired	Date
£9.8m[1]	New	Operational	Medway LIFT	Health	60%	April-13
	New	Operational	Redbridge and Waltham Forest LIFT	Health	60%	
£16.0m	New	Operational	Tameside Hospital	Health	50%	May-13
£10.3m	New	Operational	Addiewell Prison	Accommodation	33%	May-13
£41.6m[1]	New	Operational	Enniskillen Hospital	Health	39%	May-13
	New	Operational	University of Sheffield	Accommodation	50%	
£107.9m[1]	New	Operational	Gloucester Fire & Rescue	Fire, Law & Order	75%	July-13
	New	Construction	Allenby & Connaught MoD Accommodation	Accommodation	12.5%	
	New	Operational	Salford Hospital	Health	50%	
	New	Operational	Miles Platting Social Housing	Accommodation	33%	
£1.9m	Follow-on	Operational	Birmingham & Solihull LIFT – Dental Hospital	Health	30%	Aug-13
£10.2m[1]	Follow-on	Operational	Newton Abbott Hospital	Health	50%	Aug-13
	Follow-on	Operational	Connect	Transport	5%	
£9.2m[1]	New	Operational	Falkirk NPD Schools	Education	29%	Oct-13
	New	Operational	Brighton Hospital	Health	50%	
£5.4m[1]	New	Construction	University of Bourgogne	Education	85%	Jan-14
	New	Construction	RD901 Road	Transport	90%	
£3.4m[1]	Follow-on	Operational	Derby Schools	Education	20%	Jan-14
	Follow-on	Operational	Newport Schools	Education	20%	
	Follow-on	Operational	Medway Police	Fire, Law & Order	20%	
£23.5m[1]	New	Construction	Royal School of Military Engineering	Accommodation	26%	Jan-14
	New	Operational	Sheffield BSF Schools	Education	40%	
£239.2m						

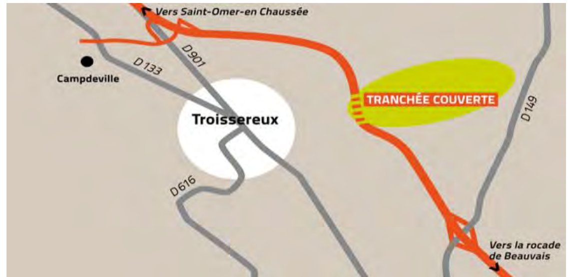
1. Aggregate value of consideration paid for multiple acquisitions announced on the same day.

Portfolio Overview – New Investments Since Interim Results (Nov 2013)

New investments from 20 Nov 2013 to 20 May 2014

University of Bourgogne academic buildings

- New investment in Jan 2014
- 85% stake
- Construction in progress



RD901 Troissereux by-pass, N. France

- New investment in Jan 2014
- Invested at financial close
- 90% stake
- Construction in progress

Royal School of Military Engineering

- New investment in Jan 2014
- 26% stake
- Under construction - completion 2015

Sheffield BSF Schools

- New investment in Jan 2014
- 40% stake
- Operational since 2009

AquaSure desalination plant, Melbourne, Australia[1]

- New investment in May 2014
- 5.85% stake
- Operational since Dec 2012

N17/N18 Gort-Tuam road, Ireland[2]

- New investment in May 2014
- Invested at financial close
- 10% stake
- Construction due to begin in June 2014

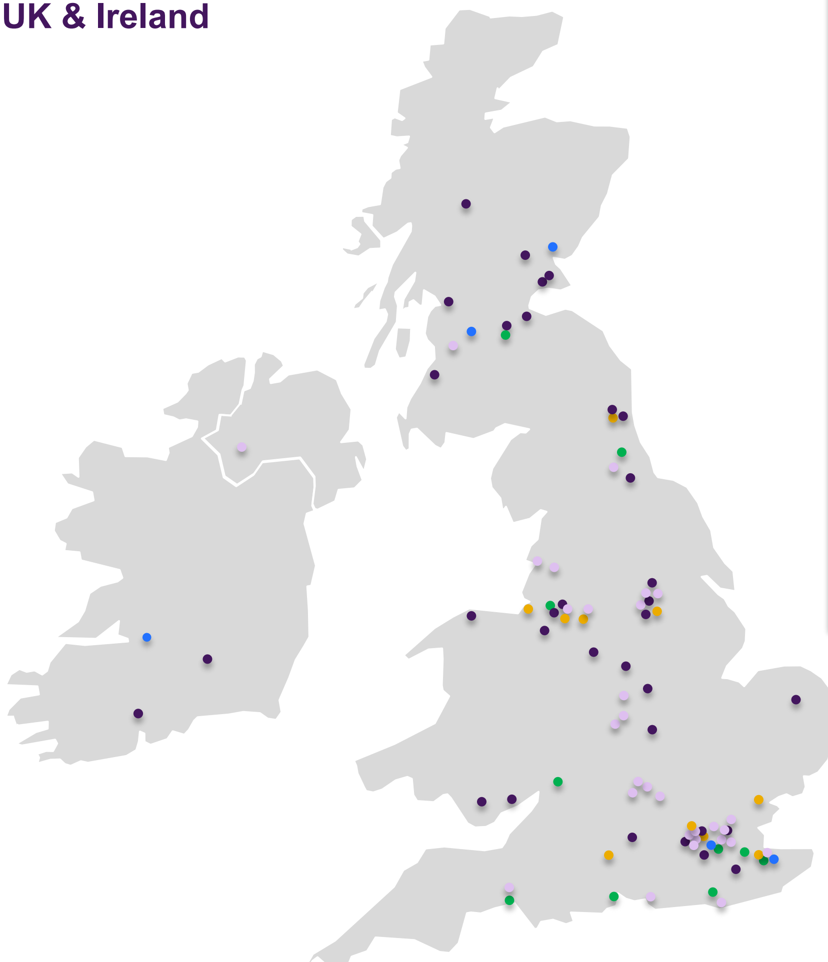
1. In the process of being acquired as at 20 May 2014
2. Acquired since 31 March 2014

Portfolio Overview - Diversification

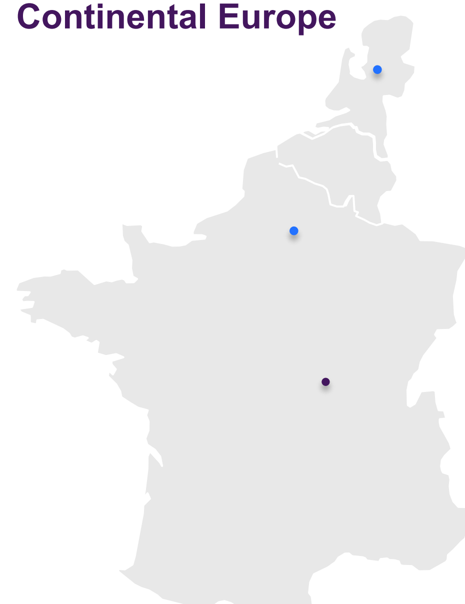
95 investments diversified by size, location and sector as at 20 May 2014

Canada

UK & Ireland



Continental Europe



Australia

Key:

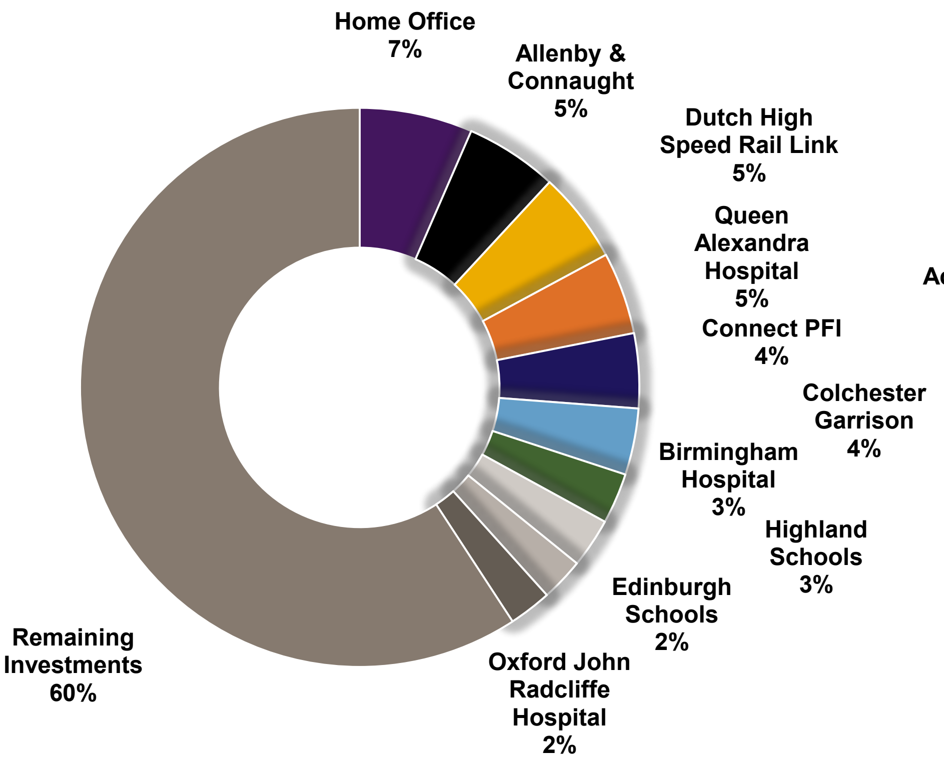
- Accommodation
- Transport
- Education
- Health
- Fire, Law & Order

NB: AquaSure PPP project in Australia is in the process of being acquired as at 20 May 2014

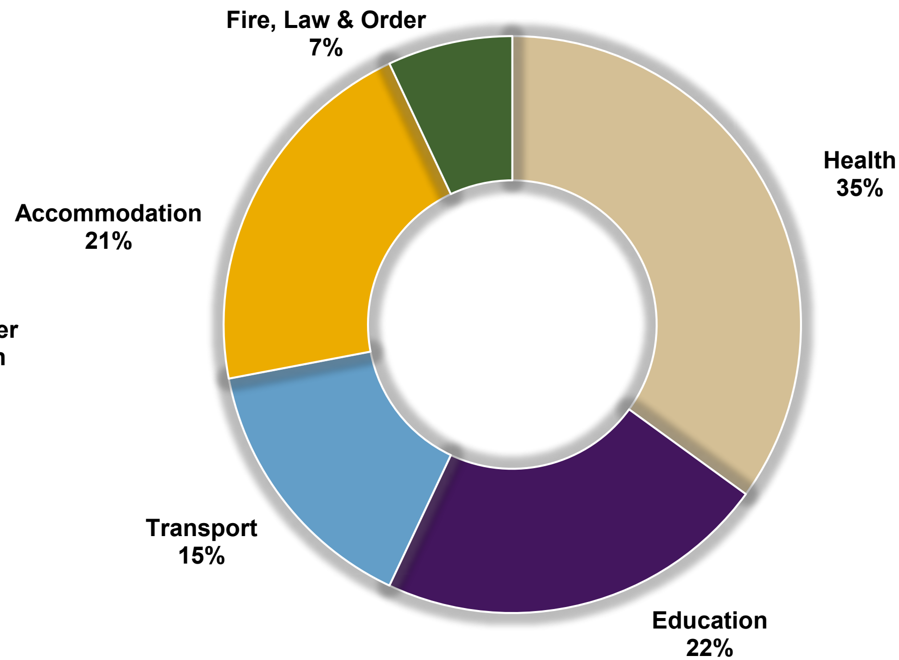
Portfolio Overview - Diversification

93 investments diversified by size and sector as at 31 March 2014

Size Breakdown



Sector Breakdown



By value, using Directors' valuation as at 31 March 2014

Portfolio Overview – Key Attributes

Evolution of the Group's portfolio – last 5 years to 31 March 2014[1]

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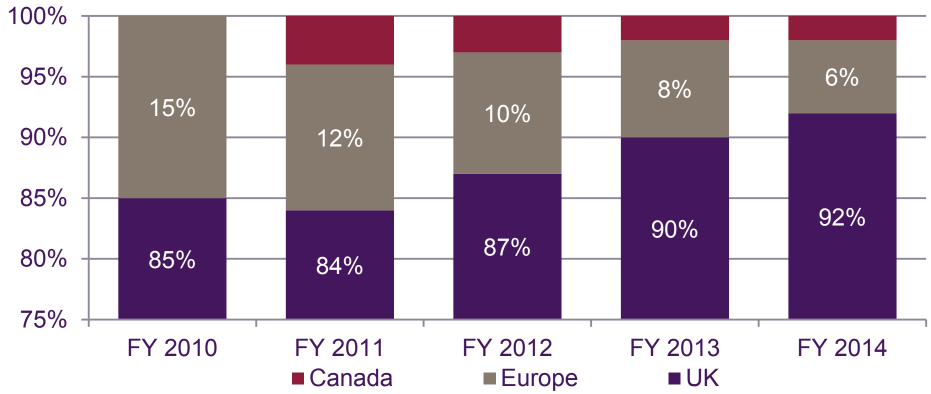
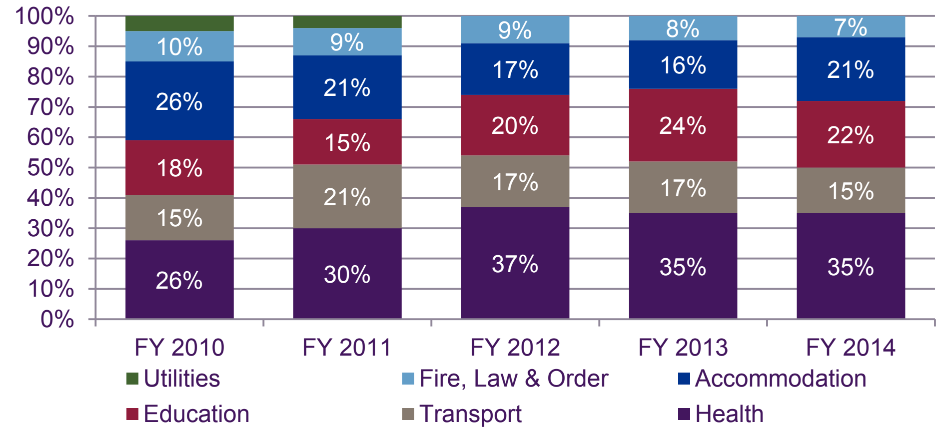
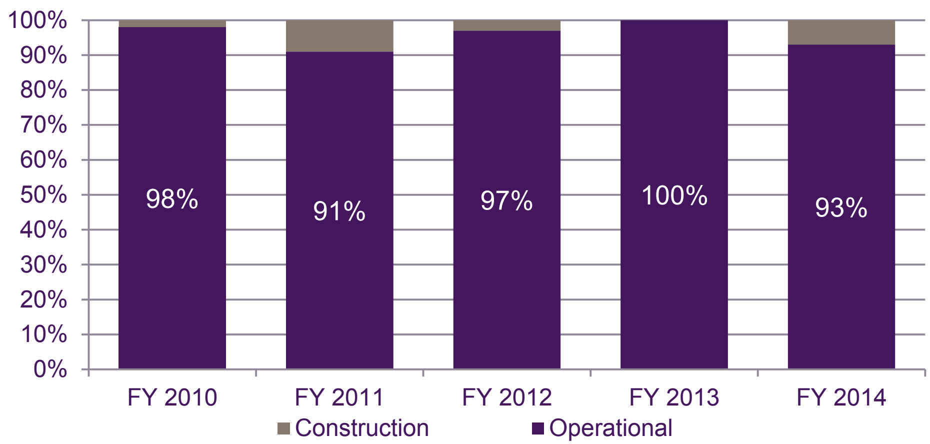
UK-focused portfolio



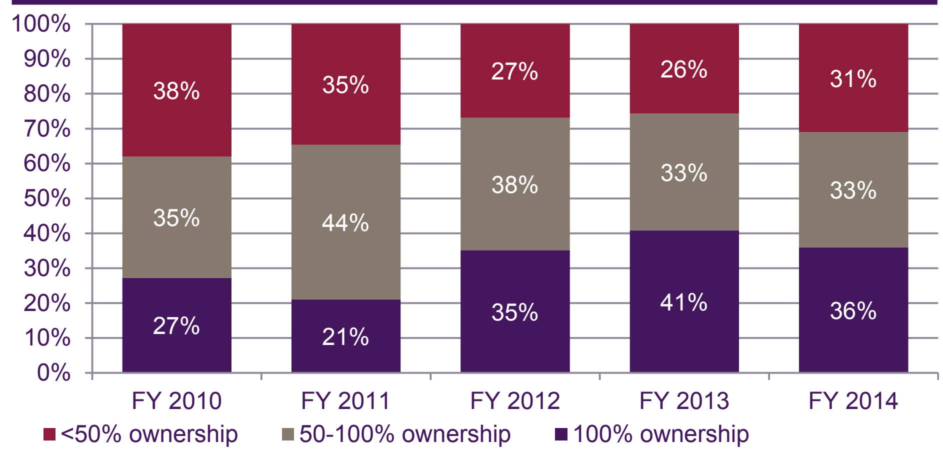
Good sector spread



Predominantly operational projects



Opportunities to increase ownership stakes

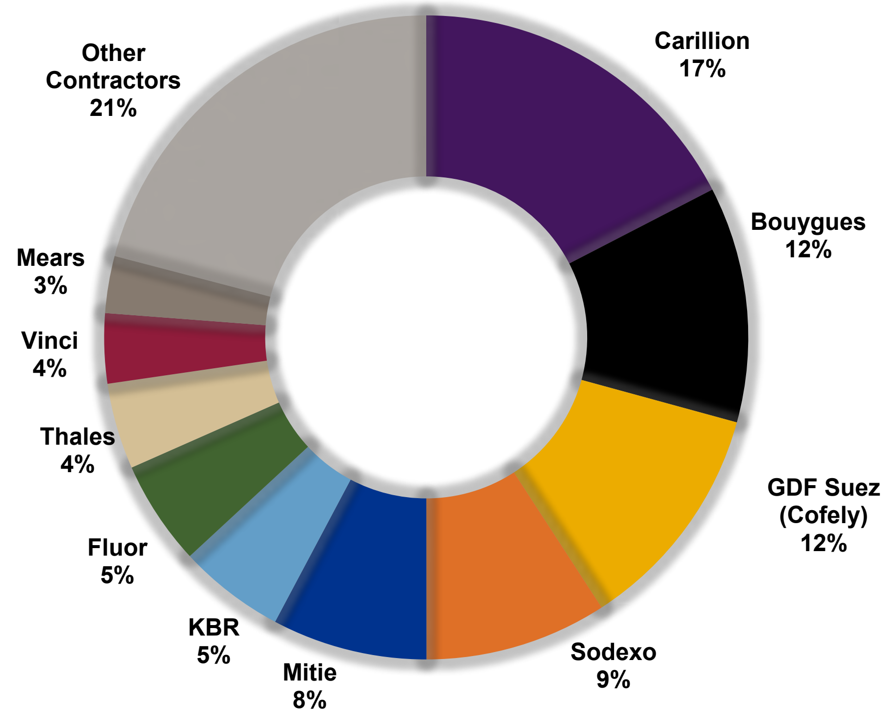


[1] By value, using Directors' valuation as at 31 March each year from 2010 to 2014

Portfolio Overview - Contractor Counterparty Exposure

Diversified spread of quality supply chain providers

- Counterparties continue to perform
- Diversity of contractors ensures no over-reliance on any single entity
- Quarterly reviews by Investment Adviser
- Four providers have consolidated relevant businesses during the year (Balfour Beatty selling to GDF Suez, and John Laing to Carillion)

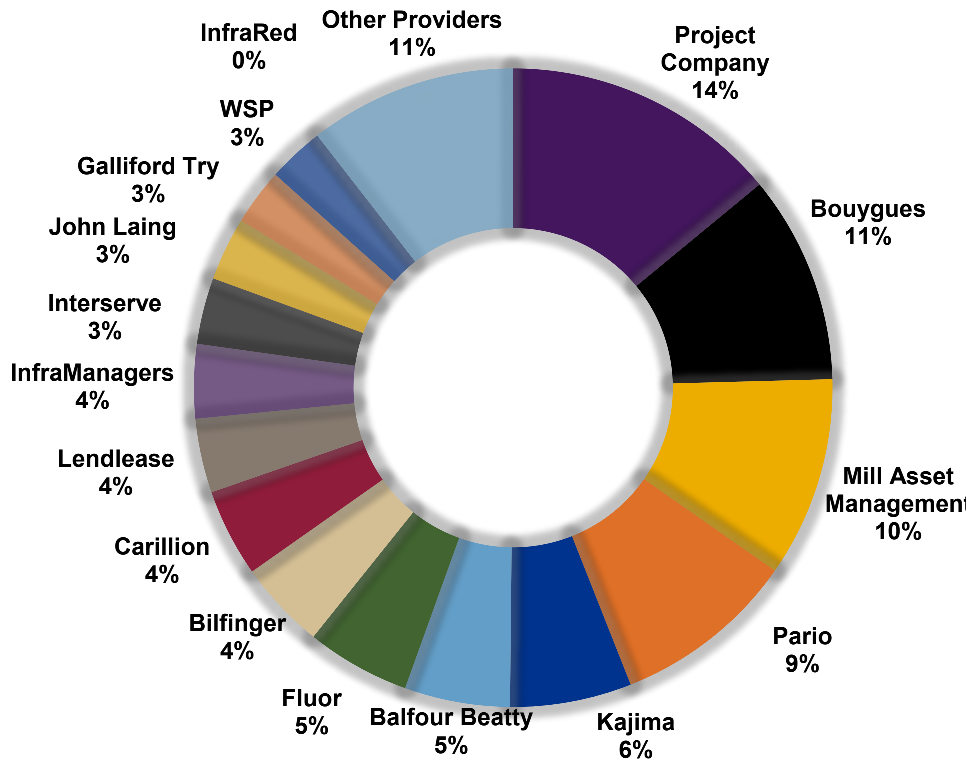


1 By value, as at 31 March 2014, using Directors' valuation
2 Ten largest exposures shown
3 Where a project has more than one operations contractor in a joint and several contract, the better credit counterparty has been selected (based on analysis by the Investment Adviser)
4 Where a project has more than one operations contractor, not in a joint and several contract, the exposures is split equally among the contractors, so the sum of the pie segments equals the Directors' valuation
5 There were four projects under construction as at 31 March 2014, Allenby & Connaught with Carillion and KBR as construction contractors on a joint and several basis, RSME with Carillion, and RD901 and University of Bourgogne with subsidiaries of Bouygues.

Portfolio Overview – Project Company Management Exposure

Diversified spread of project company management

- Project company management teams continue to perform to expected standards
- Spread of providers ensures no over-reliance on single entity, team or individual
- InfraRed does not provide this type of management service
- Ongoing review by Investment Adviser of quality of service provided
- Implementing guidance on controls and good practice
- The Investment Adviser regularly engages with the main management team providers to ensure knowledge sharing across the portfolio



1. By value, as at 31 March 2014, using Directors' valuation
2. Fifteen largest exposures shown
3. In-house project company management includes: Allenby and Connaught, Colchester Garrison, Connect PFI, Falkirk Schools NPD and Helicopter Training Facility

Portfolio Overview – Portfolio and Asset Management

- Portfolio performing well with no material issues – number of small operational matters being worked through
- Four new investments made where projects are under construction:
  - Allenby and Connaught Ministry of Defence Accommodation: construction completion expected summer 2014
  - RD901 road in France : financial close January 2014 with construction in progress
  - University of Bourgogne academic buildings : financial close July 2013 with construction in progress
  - Royal School of Military Engineering : construction completion scheduled for 2015
- Since the year end, acquisition of a 10% stake in N17/N18 PPP road project at financial close with construction due to begin in June 2014
- Investment Adviser has recruited further asset management resource
- Active and regular engagement with all project stakeholders
- Continue to work with clients and contractors to drive cost efficiencies and utilise portfolio lessons learnt
- Continuing implementation and refinement of ESG principles within project companies

Picture – construction underway at the Royal School of Military Engineering

Financial Review - Summary Income Statement

	Year to March 2014	Year to March 2013
£m		**Restated**
Total Income	175.7	111.1
Expenses & finance costs	(21.9)	(18.0)
Profit/(loss) before tax	**153.8**	**93.1**
Tax	(0.2)	(0.1)
Earnings	**153.6**	**93.0**
Earnings per share	**13.1p**	**10.4p**

Financial Review - Cost Analysis

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	Year to March 2014	Year to March 2013
£m		**Restated**
Expenses and finance cost		
Interest expense	2.3	3.2
Investment Adviser [1]	17.2	13.0
Auditor – KPMG – for the Group	0.3	0.3
Directors' fees and expenses	0.2	0.2
Other expenses[2]	1.9	1.3
Total	**21.9**	**18.0**
Ongoing Charges Percentage [3]	**1.15%**	**1.19%**

1 Investment Adviser's fees include £2.2m relating to acquisitions made (financial and commercial due diligence) (2013: £1.7m)
2 Other expenses include £0.7m related to third-party bid costs on unsuccessful bids (2013: £0.2m)
3 Calculated using the methodology set out by the AIC

Financial Review - Summary Balance Sheet

	As at March 2014	As at March 2013
£m		**Restated**
Investments at fair value[1]	**1,495.5**	**1,200.4**
Working capital	(8.7)	(11.7)
Net cash/(borrowings)	42.7	146.0
Net assets	**1,529.5**	**1,334.7**
NAV per Ordinary Share (before dividend) [2]	126.7p	120.0p
NAV per Ordinary Share (post dividend)	123.1p	116.4p

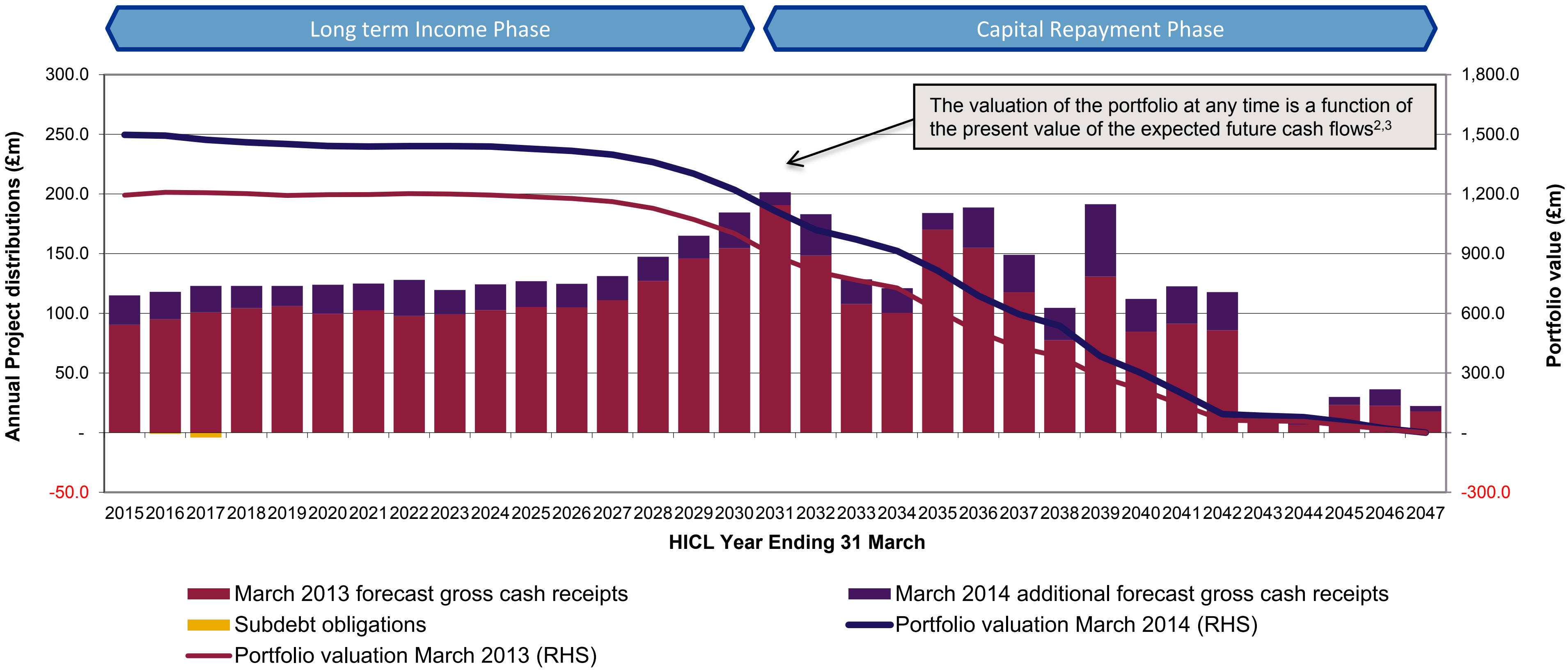
1. Investments at Fair Value at 31 March 2014 of £1,500.6m net of future investment commitments of £5.1m (2013: £1,213.1, net of future commitments of £12.7m)
2. The NAV per share at 31 March 2014 is that applicable to the ordinary shares in issue as at 31 March 2014. The NAV per share at 31 March 2013 was that applicable to the ordinary shares in issue as at 1 March 2013 (as the 140m shares issued pursuant to the capital raising in March 2013 were not eligible for the second interim dividend of 3.575p)

Financial Review - Summary Cash Flow

	Year to March 2014		Year to March 2013	
£m			**Restated**	
Net cash at start of year		**146.0**		**129.4**
Cash from investments[1]	112.4		78.2	
Operating and finance costs outflow	(17.5)		(13.9)	
Net cash inflow before acquisitions/financing		**94.9**		**64.3**
Disposal of investments		8.1		3.9
Cost of new investments		(251.2)		(270.2)
Forex movement on borrowings/hedging[2]		4.3		(3.4)
Share capital raised net of costs		107.7		270.1
Distributions paid				
Attributable to operational investments	(63.0)		(46.6)	
Attributable to investments in construction	(4.1)		(1.5)	
		(67.1)		**(48.1)**
Net cash at end of year		**42.7**		**146.0**

1. The year to 31 March 2014 includes £1.1m gain on disposal of Swindon Police and Dorset Police
2. Forex movements include cash settlement and revaluation of Euro and Canadian dollar borrowings/hedging at period end, as well as amortisation of debt issue costs of £1.1m (2013: £1.7m)

Portfolio Overview - Cashflow Profile[1]

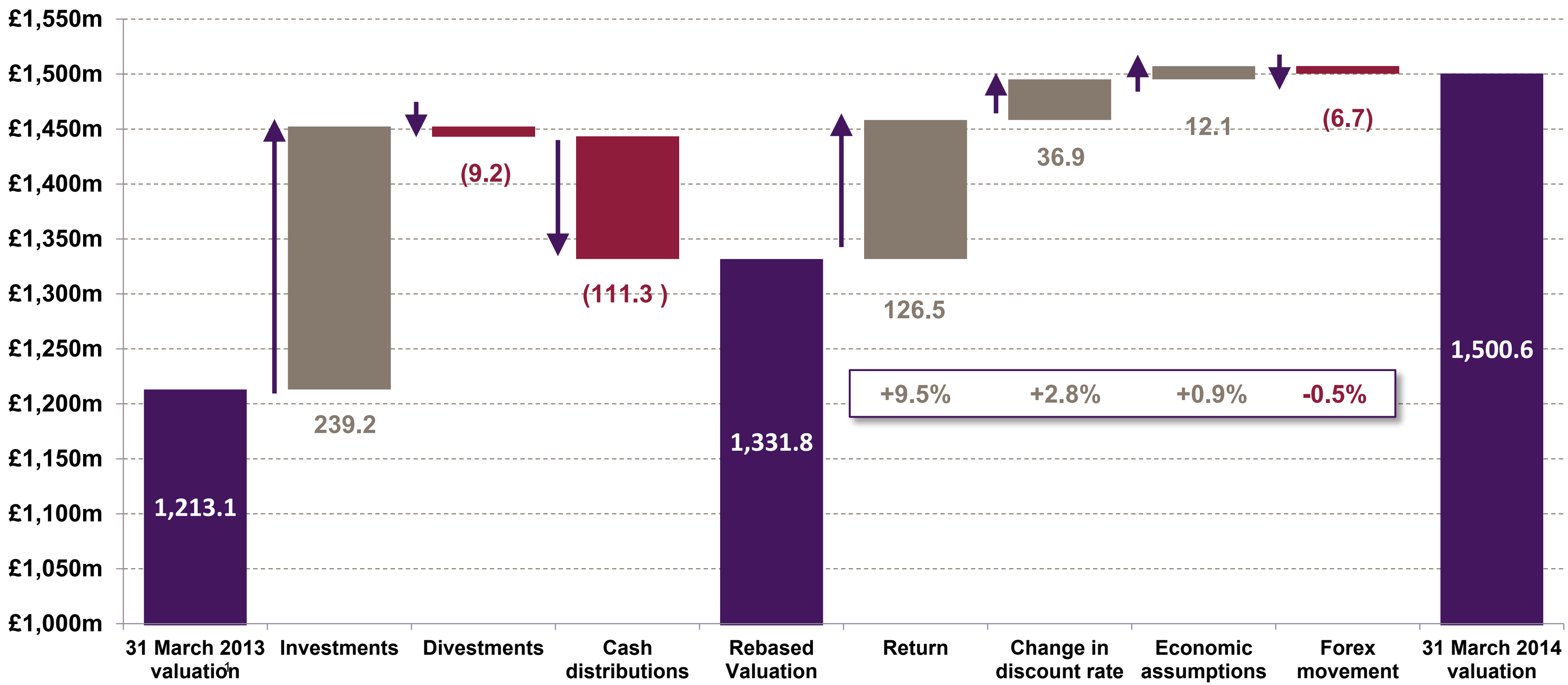


Source: Investment Adviser

1. The illustration represents a target only as at 31 March 2014 and is not a profit forecast. There can be no assurance that this target will be met.
2. The illustration assumes a Euro to Sterling exchange rate of 0.83, a Canadian dollar to Sterling exchange rate of 0.54 and a weighted average discount rate of 8.2 per cent. per annum. These and value of the Group's portfolio may vary over time.
3. The valuation is of the portfolio of 93 investments and does not include other assets or liabilities of the Group, and assumes that during the period illustrated above (i) no new investments are purchased, (ii) no existing investments are sold and (iii) the Group suffers no material liability to withholding taxes, or taxation on income or gains

Financial Review - Analysis of Change in Directors' Valuation

Return driven by portfolio performance and accretive acquisitions



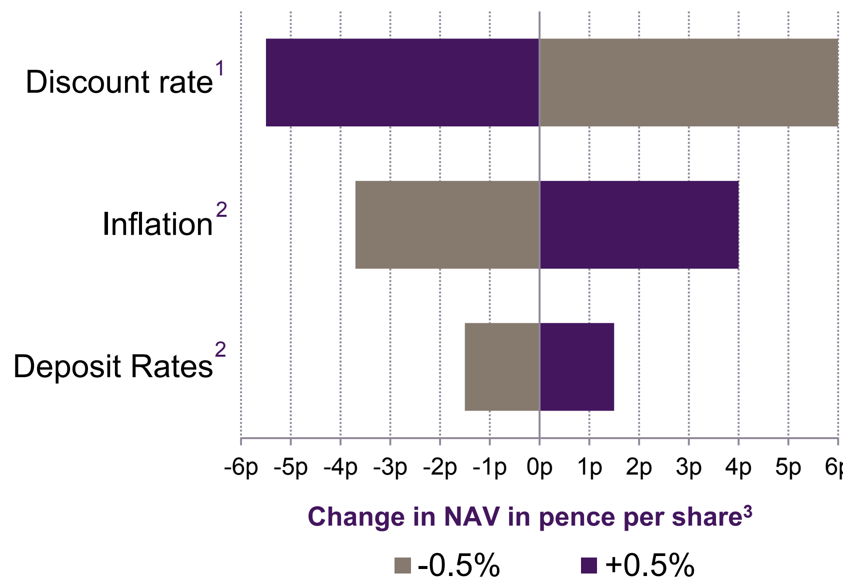
- Divestments includes £1.1m of profit on disposal of Dorset Police and Swindon Police
- "Return" comprises the unwinding of the discount rate; cost efficiencies in managing projects; value-accretive acquisitions; and variations
- Portfolio return for year to 31 March 2014 is 9.5% (being £126.5m return on rebased Valuation of £1,331.8m)

Valuation – Key Assumptions and Sensitivities

Key assumptions based on the knowledge of the Investment Adviser and third party advice

		31 March 2014	31 March 2013
Discount Rate	Weighted Average	8.2%	8.4%
Inflation[1]	UK (RPI[2] & RPIx[2]) Euro (CPI) Canada (CPI)	2.75% p.a. 2.00% p.a. 2.00% p.a.	2.75% p.a. 2.00% p.a. 2.00% p.a.
Deposit Rates	UK Short Term UK Long Term	1.0% p.a. to 31 March 2018 3.5% p.a. thereafter	1.0% p.a. to 31 March 2017 3.5% p.a. thereafter
Foreign Exchange	CAD / GBP EUR / GBP	0.54 0.83	0.65 0.84
Tax Rate	UK	21%	23%

Sensitivity to key economic assumptions



- If the annual inflation assumption is 3.75% (i.e. up 1.0%), expected return[4] from portfolio (before Group expenses) would increase from 8.2% to 8.8%

[1] Some project income fully indexed, whilst some partially indexed
[2] Retail Price Index and Retail Price Index excluding Mortgage Interest Payments
[3] Based on 1,207m shares in issue
[4] Return is expected gross internal rate of return

[1] Analysis of whole portfolio
[2] Analysis of 20 largest investments and results pro rata to the total portfolio value

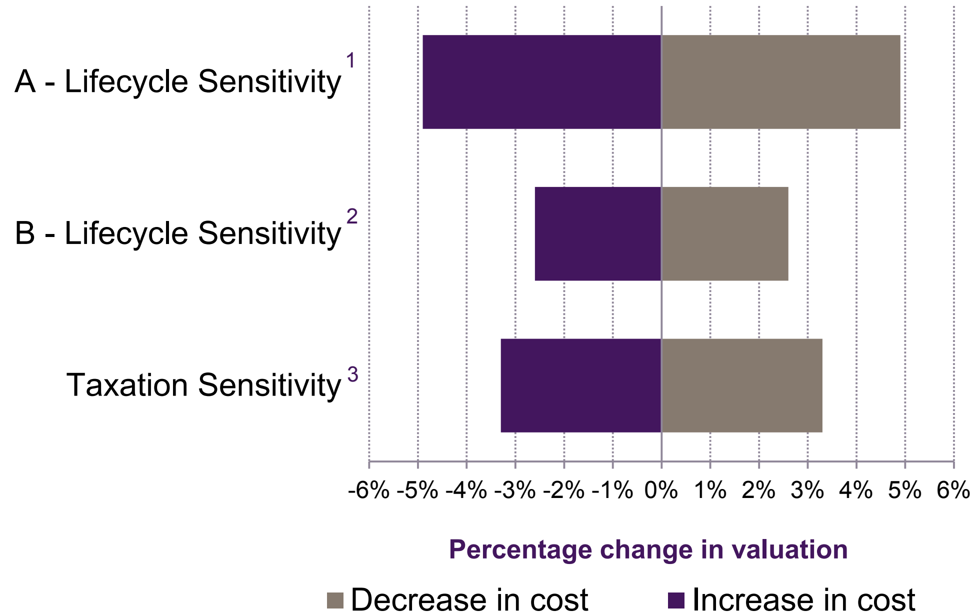
Valuation – Additional Sensitivities

- Lifecycle (also called asset renewal or major maintenance) obligation can either be with project company or subcontracted to FM contractor
- Of 20 largest investments:
  - 11 have obligation with project company (and hence equity risk/opportunity)
  - Remaining 9 sub-contract obligation
- Sensitivities:

  A – change in valuation of 11 investments to changing lifecycle budgets by +/- 10% p.a.

  B – change in valuation across 20 largest investments to changing lifecycle budgets by +/- 10% p.a.
- Tax sensitivity shows changing tax rate across 20 largest investments by +/- 5% p.a.

Sensitivity showing percentage change in Valuation



1 Lifecycle Sensitivity 1 is the percentage value impact on 11 of the 20 largest investments where the lifecycle risk sits with the project company. The percentage change is the movement in the value of those 11 investments as a result of a 10% change (+/-) in the existing profiled lifecycle expenditure

2 Lifecycle Sensitivity 2 is the percentage value impact on all 20 investments as a result of a 10% change (+/-) in the existing profiled lifecycle expenditure

3 Taxation Sensitivity is the percentage value impact on the 20 largest investments as a result of a 5% change (+/-) in the taxation rate assumption

Valuation - Discount Rate Analysis

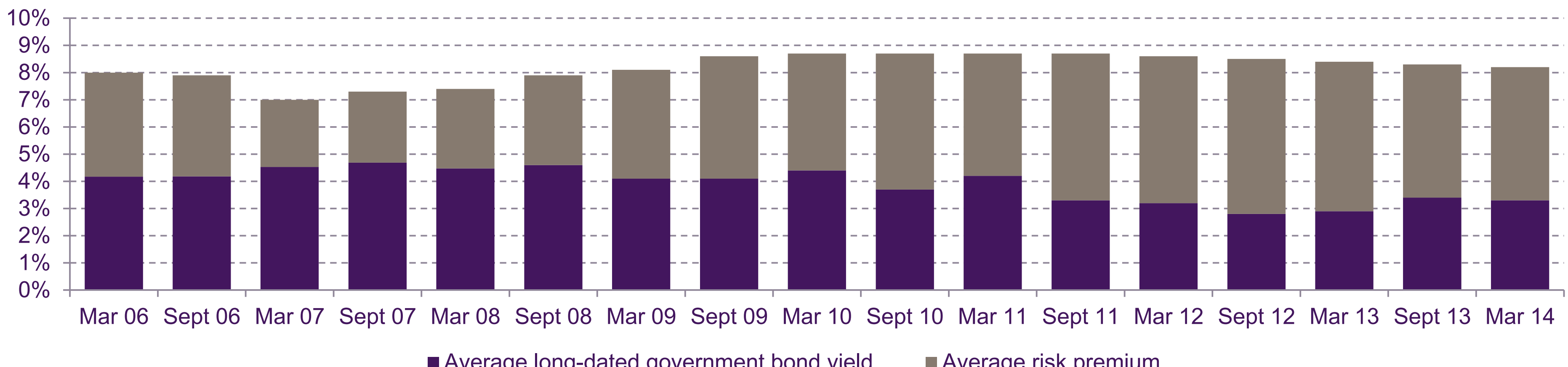
Directors' Valuation as at 31 March 2014

Market valuation of assets increased in the year

- Discount rates for projects range between 7.8% and 11.0%
- Weighted average discount rate of 8.2%, down from 8.4% at 31 March 2013
- Risk premium over long-dated government bonds reduced 0.6% in the year to 4.9%

	Appropriate long-dated government bond yield		Risk Premium		Total discount rate[1] 31 Mar 2014	Total 31 Mar 2013
UK	3.4%	+	4.8%	=	8.2%	8.4%
Canada	2.9%	+	5.0%	=	7.9%	8.1%
France	3.0%	+	7.6%	=	10.6%	n/a
Holland	2.5%	+	5.8%	=	8.3%	8.6%
Ireland	3.2%	+	5.8%	=	9.0%	10.0%
Portfolio	3.3%		4.9%		8.2%	**8.4%**

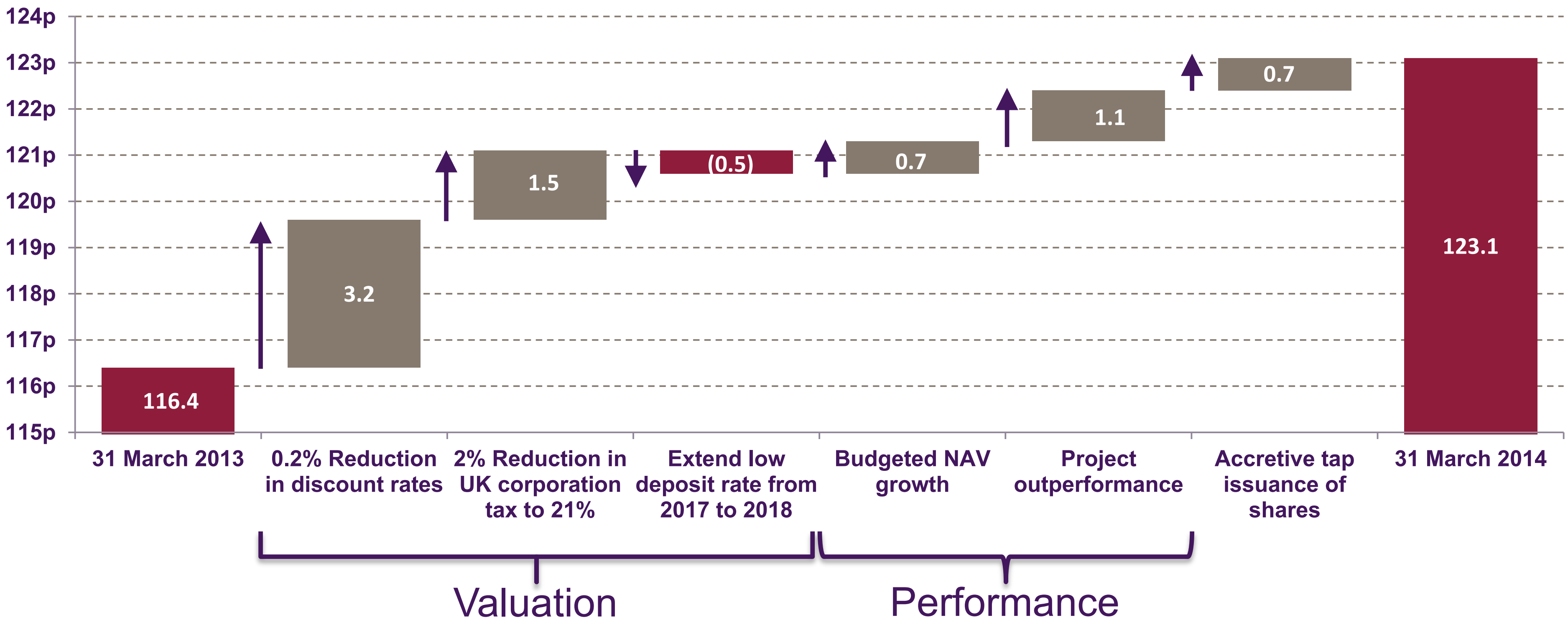
Discount rates since launch



[1] Weighted average discount rate

NAV total return of 11.9%, including NAV per share growth of 6.7p

31 March 2013 to 31 March 2014



NAV per share performance delivered from:

- Rising market valuations (reduction in discount rates)
- Changes in tax rate and deposit rate assumptions
- Portfolio outperformance, including accretive acquisitions
- Tap issuance above NAV per share

Market Update and Pipeline

Reputation and relationships remain integral to success in a competitive market

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Upward pricing pressure continuing and unlikely to abate in short term

- Investor interest in real assets increasing
- Infrastructure investments particularly in demand and interest is unlikely to dissipate even if rates rise in the medium term
- More vendors undertaking formal auction processes

Supply more constrained in the near term, but positive medium term outlook

- In the UK, PF2 and National Infrastructure Plan generating limited opportunities currently, but longer term looks promising
- Continuing number of corporate disposals of secondary stakes as sellers wish to recycle capital and realise gains
- The pool of secondary opportunities growing in Europe through new primary procurement
- US procurement varies by State, but is gradually building momentum and could be a significant medium to long-term opportunity

Despite competitive landscape, Group still well-positioned to capitalise on its reputation and global network of relationships

- Evaluated similar number of opportunities as previous year
- Only completed acquisitions which met the investment criteria – avoided overpaying; minimised abortive bid costs
- Outbid on a number of competitive bid processes – secured four investments in 18 auctions in which participated
- In year, increased number of investments overseas and with construction risk

HICL Group Strategy

Manage existing portfolio:

- Add value through active management
- Engage with public sector clients to generate cost savings

Source and evaluate investment opportunities which are:

- Predominantly social and transportation infrastructure
    - PFI/PPP/P3 concession contracts with public sector clients
    - Availability-based revenues with inflation-linkage
- Of possible interest, if risk/return appropriate:
    - infrastructure debt, transmission lines, small utilities and toll roads with mitigated traffic risk

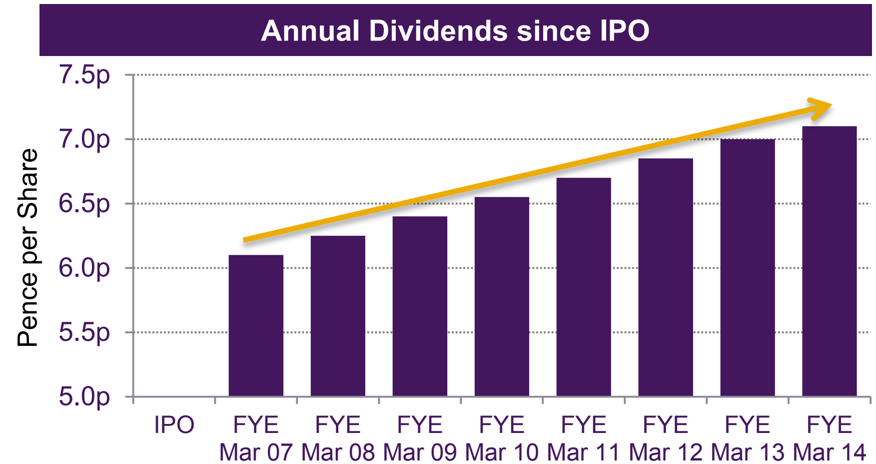
Maintain position by:

- Adherence to clear, stated strategy and delivering target returns
- Focused investment strategy, with value accretive new investments
- Maintain pricing discipline
- Sourcing carefully, through relationships
- Achieving continued portfolio delivery

Summary

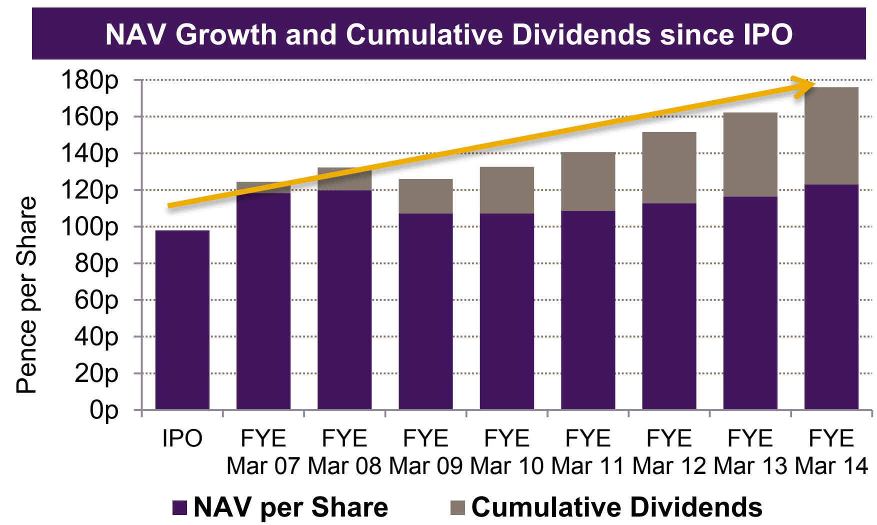
Group performance

- Quality, well-diversified portfolio
- Assets performing and distributing ahead of expectations in year
- Value growth through pro-active asset management, judicious acquisitions, and accretive equity issuance
- Seek further investment opportunities where they can be accretive to existing portfolio



Distributions and Performance

- Met target distribution of 7.1p per share for year to 31 March 2014
- Total returns of 11.9% p.a. in year on NAV growth plus dividends
- Deliver sustainable distributions – Board has reiterated target distribution for the year to 31 March 2015 of 7.25p per share
- Moving to quarterly dividends
- Seek some further NAV growth from selective acquisitions and portfolio performance



Appendix I

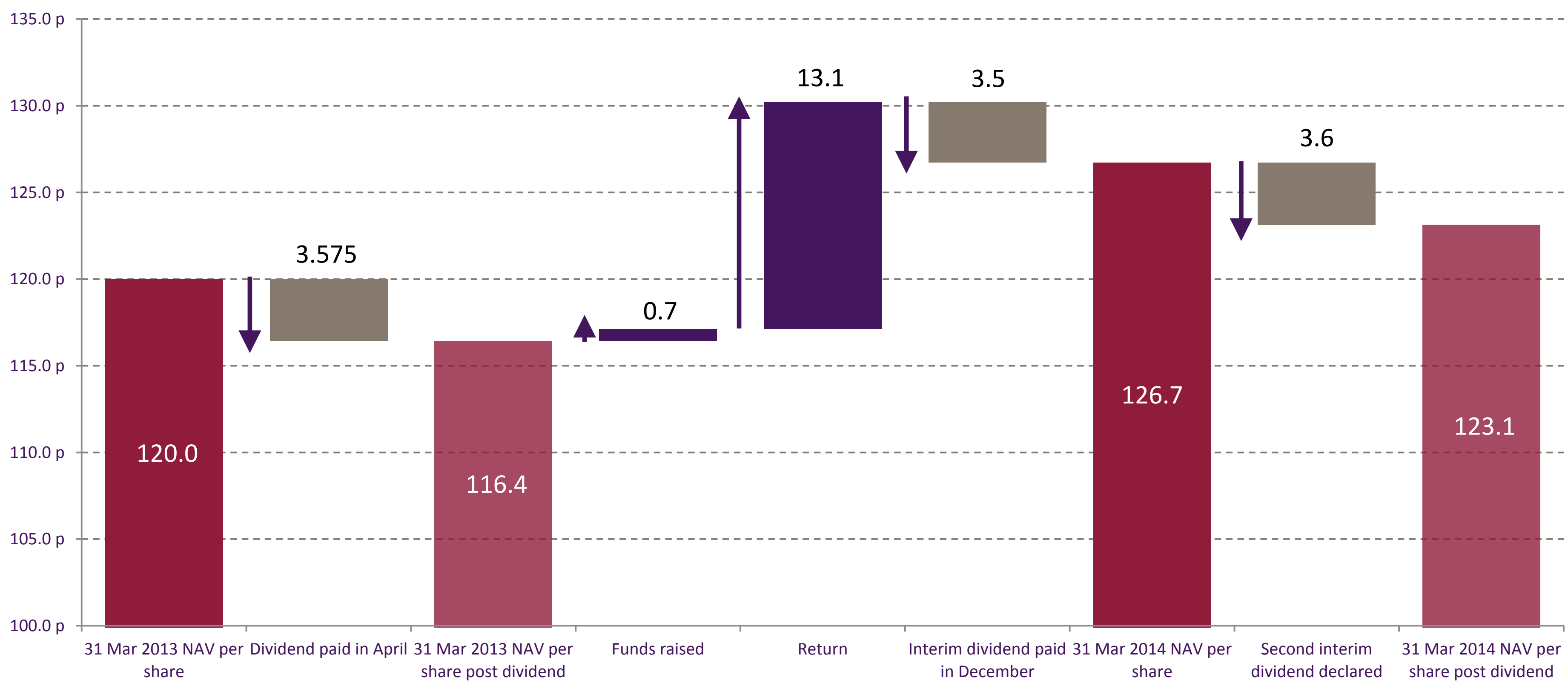
Additional Financial Information

Company's key performance indicators ("KPIs")

KPI	31 March 2014	31 March 2013	Target
Dividends declared in year	7.1p per share	7.0p per share	7.0p per share 2013 7.1p per share 2014
Total return in year (NAV per share growth plus dividends per share)	11.9%	9.4%	7% to 8% p.a. as set out at IPO
Total return in year (share price plus dividends per share)	10.3%	14.7%	7% to 8% p.a. as set out at IPO
Total return since IPO (NAV plus dividends per share)	9.1%	8.9%	7% to 8% p.a. as set out at IPO
Total return since IPO (share price plus dividends per share)	9.7%	9.7%	7% to 8% p.a. as set out at IPO
Cash cover in year	1.5 times	1.4 times	To be cash covered
Ongoing Charge in year	1.15%	1.19%	To reduce ongoing charges where possible
Weighted average discount rate	8.2%	8.4%	Market rate
Rebased growth	9.5%	8.9%	Seek to outperform the discount rate
Weighted average portfolio life	22.0 years	22.3 years	Seek to maintain, where possible, by suitable acquisitions
Weighted average life of portfolio project debt	20.3 years	20.7 years	Limit the refinancing risk in the portfolio
Ten largest investments as percentage of the portfolio by value	40%	45%	Seek to reduce to increase diversification
Largest investment (as percentage of portfolio valuation)	7%	8%	To be less than 20%
Inflation correlation of the portfolio (See Section 2.7 for details)	0.6% change in gross return for a 1.0% p.a. change in inflation	0.6% change in gross return for a 1.0% p.a. change in inflation	Maintain current correlation

Analysis of Change in NAV per Share

31 March 2013 to 31 March 2014



1. Increase in NAV per share due to 'Funds raised' arises from issuing shares at a premium to NAV, includes scrip dividends and is net of expenses

Valuation Methodology

The Company's valuation methodology is consistent with industry standard

- Semi-annual valuation and NAV reporting:
  - Carried out by Investment Adviser
  - Approved by Directors
  - Independent opinion for Directors from third-party valuation expert

- Non traded - DCF methodology on investment cash flows
  - Discount rate comprising risk free rate plus investment specific premium
    - For risk free, average of 20 and 30 year government bonds (matching concession lengths)

- Traded (not currently applicable): market quotation

Portfolio valuation - Sensitivities

Sensitivities		- 0.5% change	Base Case	+ 0.5% change
Discount Rate[1]			**8.2%**	
	Directors' valuation, and change	**+ £72.1m**	£1,500.6m	**- £66.7m**
	Implied change in NAV[5] per Ordinary Share	**+ 6.0 pence**		**- 5.5 pence**
Inflation Rates[2,3]			**2.75%**	
	Directors' valuation, and change	**- £44.1m**	£1,500.6m	**+ £48.1m**
	Implied change in NAV[5] per Ordinary Share	**- 3.7 pence**		**+ 4.0 pence**
Deposit Rates[2,3]			**1% to 2018 and 3.5% thereafter**	
	Directors' valuation, and change	**- £18.5m**	£1,500.6m	**+ £18.6m**
	Implied change in NAV[5] per Ordinary Share	**- 1.5 pence**		**+ 1.5 pence**

Sensitivity to inflation depends on a project's initial structuring[2,3]

- PFI/PPP/P3 projects' income and costs linked (partially or wholly) to RPI/RPIx[4] in UK and CPI in Holland, Canada and Ireland
  - Availability payments fully or partially indexed to inflation and operating costs also indexed to inflation
  - Financing costs can be indexed-linked and some projects have long-term RPI hedges in place

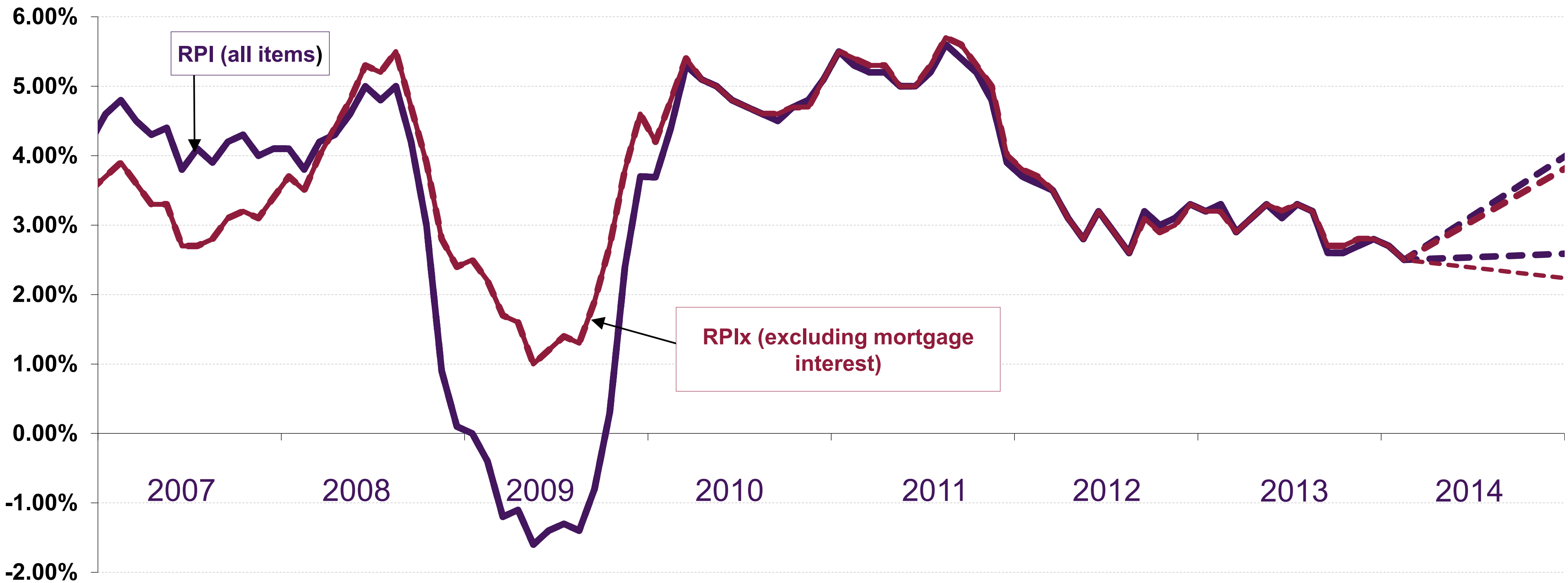
Deposit Rates - positive sensitivity results from cash deposits held by project companies[2,3]

- Financing structure typically includes cash reserve accounts – e.g. debt service reserve account, Lifecycle reserve account, Change in law reserve account
- Debt financing in each project hedged to interest rate exposure

1 Sensitivity analysis based on the 93 investments as at 31 March 2014
2 Analysis based on extrapolation from 20 largest investments
3 Changing all future periods from the base assumption – all other assumptions unchanged
4 Retail Price Index and Retail Price Index excluding mortgage interest payments
5 NAV per share based on 1,207m ordinary shares in issue as at 31 March 2014

UK Inflation – Actual & Forecast

- UK RPI was 2.5% in March 2014, with a range of forecasts over the next 12 months
- Valuation assumptions – simple proxy of possible outcomes – maintaining 2.75% p.a. assumption



1. Source – Office for National Statistics, HM Treasury a comparison of independent forecasts March 2014

Appendix II

The Investment Adviser

Overview of InfraRed Capital Partners Ltd

InfraRed is the Investment Adviser and Operator

- InfraRed is the investment adviser to HICL and is authorised and regulated by the Financial Conduct Authority
- Strong, 15+ year track record in raising and managing 15 value-add infrastructure and real estate funds (including HICL and TRIG)
- Currently over US$7bn of equity under management
- Independent manager 80.1% owned by 27 partners following successful spin-out from HSBC Group in April 2011[1]
- London based, with offices in Hong Kong, New York, Paris and Sydney, with over 100 partners and staff
- There is a clear ‘conflict’ policy and each fund has a clearly defined investment strategy

Infrastructure funds	Strategy	Amount (m)	Years	Status
Fund I	Unlisted , greenfield , capital growth	£125	2001-2006	Realised
Fund II	Unlisted , greenfield , capital growth	£300	Since 2004	Materially realised
HICL Infrastructure Company Limited (“HICL”)	Listed, secondary, income yield	£1,641[2]	Since 2006	Evergreen
Environmental Fund	Unlisted , greenfield , capital growth	€235	Since 2009	Investing
Fund III	Unlisted , greenfield , capital growth	US$1,217	Since 2011	Investing
Yield Fund	Unlisted , secondary, income yield	£500	Since 2012	Invested
The Renewables Infrastructure Group (“TRIG”)	Listed , secondary, income yield	£380[3]	Since 2013	Evergreen

Source: InfraRed
1.InfraRed is an indirect subsidiary of InfraRed Partners LLP which is 80.1% owned by 28 partners and 19.9% by HSBC Group
2.Market capitalisation as at 31 March 2014
3.Market capitalisation as at 2 April 2014, with listing of the C shares

InfraRed – Team Skills and Experience

- Experienced infrastructure professionals with proven track record
- Well established and respected team
  - Recent additions to portfolio management and asset management
  - Part of a wider infrastructure team of 50
- Detailed, ‘tried and tested’ investment processes
- Active asset management with regular review
- Proactive value management
- Wide range of skills and knowledge of
  - Assets in the portfolio
  - Construction
  - Facilities management
  - Core target sectors
  - Corporate finance and M&A
  - Treasury management

Appendix III

The Company

The Company's Investment Policy & Strategy

The Company's focus remains unchanged

Main focus

- Social and transportation infrastructure (such as PPP/PFI/P3) concessions
  - Predominantly availability-based contracts
  - Countries with developed programmes:
    - UK, Europe, Canada, USA, Australia
  - Project phase
    - Mainly operational
    - Some assets in construction to achieve element of NAV growth

Possible secondary interest

- Debt funding of infrastructure projects (without taking an equity interest), where attractively priced and appropriately structured
- Toll roads where there is proven demand history and an appropriate risk/return profile;
- Regulated utilities and transmission systems, if of an appropriate scale, and where long-term feed-in / off-take agreements are in place

What does not fit the current strategy

- Renewable energy projects where multiple variables combine to increase overall risk /return do not meet existing acquisition hurdle criteria
- Economic infrastructure , such as airports and ports, where revenue is function of usage and paid by users

Outside policy

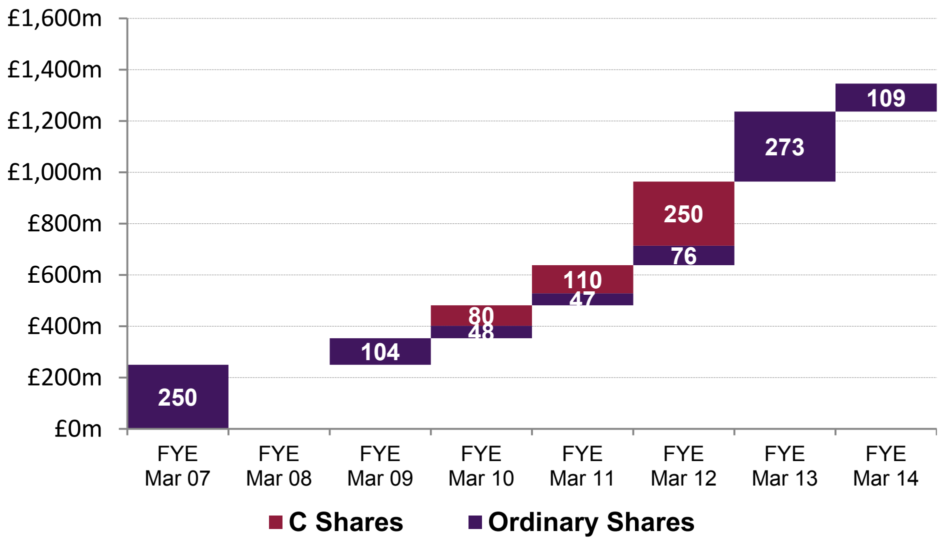
- Non-core infrastructure
  - e.g. ferries, motorway service stations, care homes

Capital Raising Approach and History

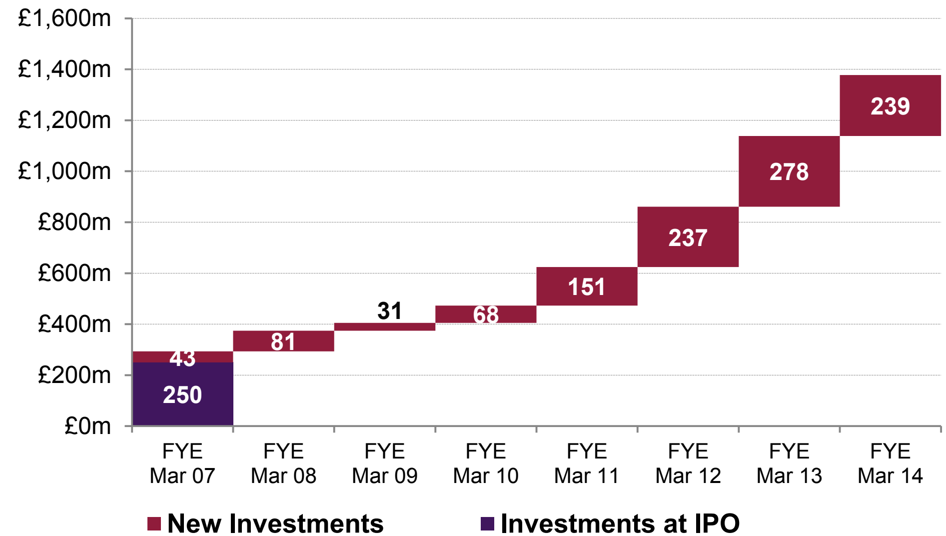
HICL's innovative financing approach has several benefits for shareholders

- HICL has raised c.£1.35bn of equity since launch in March 2006 - £250m at IPO and £1.1bn through subsequent share issues
- Acquisitions are normally debt-funded (using Group facility) initially to avoid cash drag and to give shareholders visibility over the new investments
- £150m committed revolving credit facility at Group level to finance acquisitions pending issuance of new equity
- Non-pre-emptive Ordinary Share "tap" issues (max. 10% of issued shared capital p.a.) are used to repay drawings for investments made
- Larger Ordinary Share or C Share issues to repay more significant drawings and, if appropriate, pre-fund pipeline investments

£1.35bn of Gross Equity Issuance since IPO to 31 March 2014

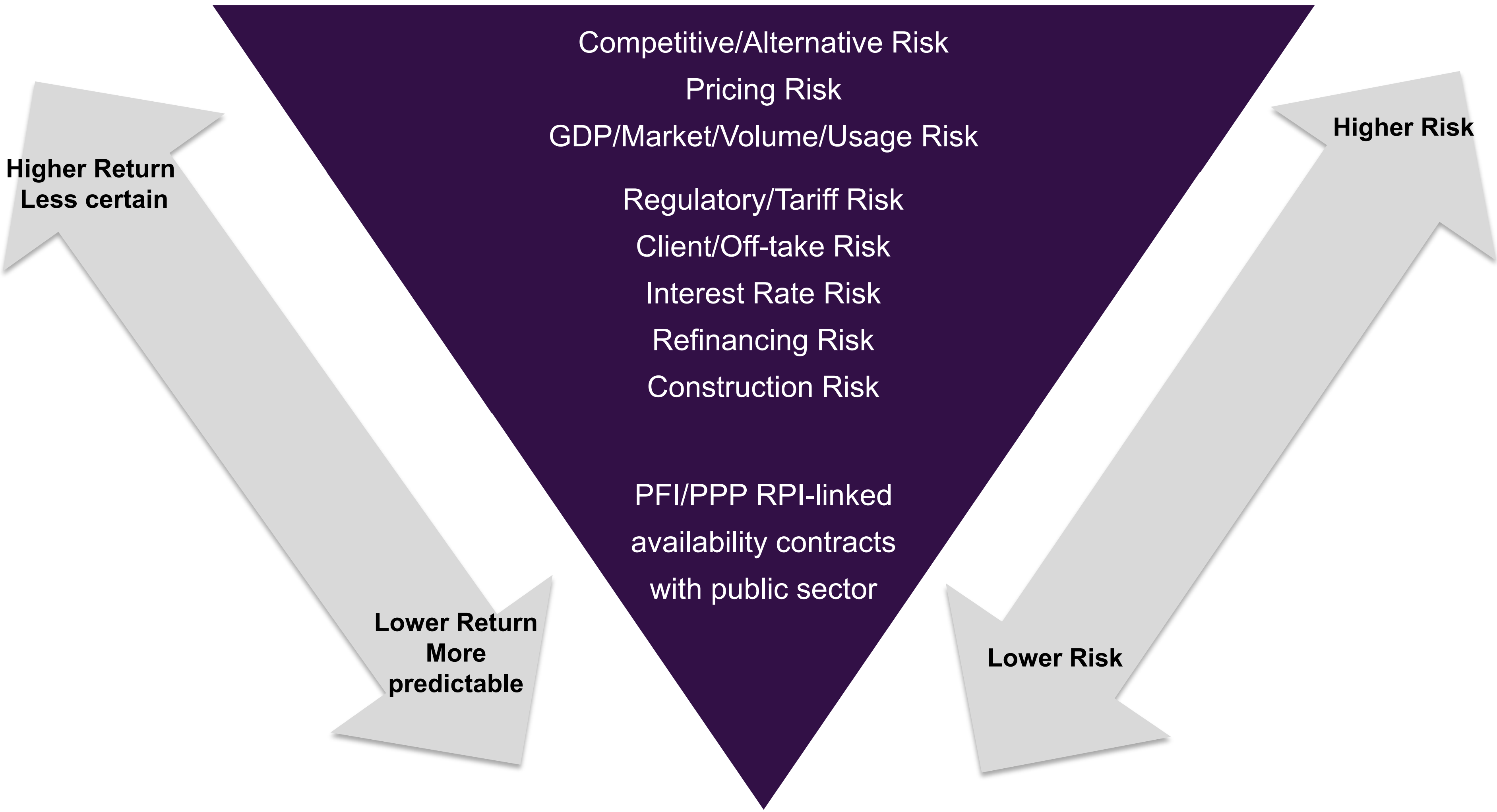


139 Acquisitions[1] since IPO to 31 March 2014 totaling £1.38bn



1.Split into 97 new investments and 42 acquisitions of incremental stakes in existing investments as at 31 March 2014.

What Defines Infrastructure



For a full list of risk factors please refer to pages 17-29 of HICL's New Ordinary Share Prospectus dated 26 February 2013

What Defines Infrastructure

Low — Revenue risk — High

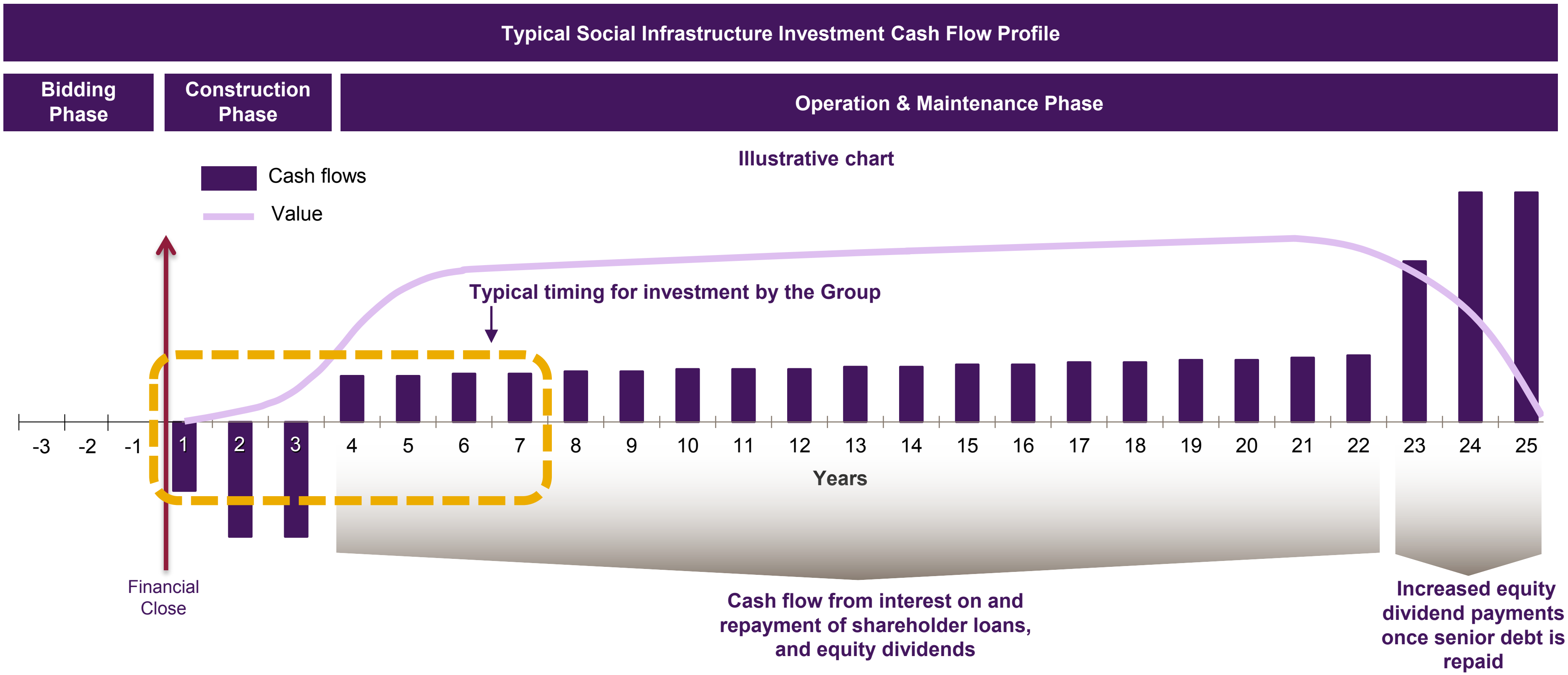
Risk class	Availability	Regulatory	Demand based	Market
Investment risks are incremental	▸ Operating costs ▸ Delivery (e.g. service performance)	+ Regulatory risk + Volume risk (low)	+ Volume risk (high) + Known pricing risk	+ Competitive risks
Examples				
	▸ Hospitals, schools, government accommodation ▸ Availability transport (e.g. road/rail)	▸ Energy distribution, transmission, storage ▸ Water, waste water ▸ Renewable energy (off-take or feed-in)	▸ Real toll roads, tunnels, bridges ▸ Light, heavy rail ▸ Airports ▸ Marine ports	▸ Merchant power (no off-take) ▸ Ferries ▸ Service stations ▸ Waste
	Lowest risk segment (‘public assets’)	**Largely resilient to economic cycle**	**Exposed to economic cycle**	**Private equity style exposure**

- Revenue risk is also heavily influenced by factors such as geographic jurisdiction and whether a project is operational or still under construction

For a full list of risk factors please refer to pages 17-29 of HICL’s New Ordinary Share Prospectus dated 26 February 2013

Investment Cash Flow Profile over a Project's Life

Operational infrastructure projects benefit from long-term, predictable cash flows

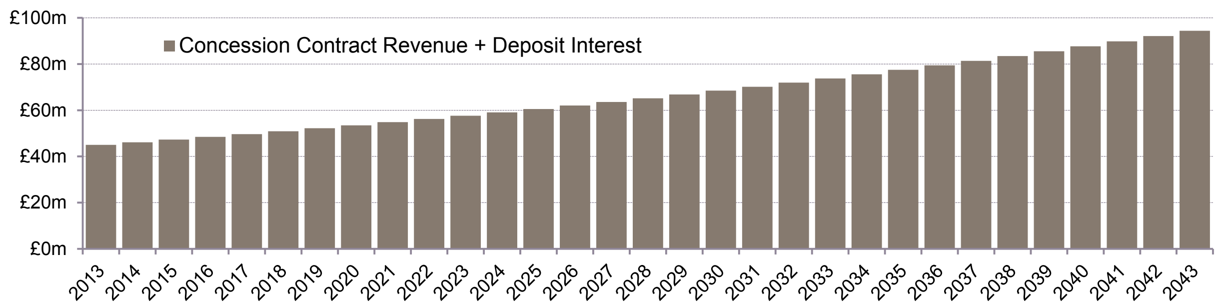


Source: InfraRed

Valuation - Methodology

Determining the net asset value of the portfolio and the Group (illustrative example)

Forecast Project Inflows



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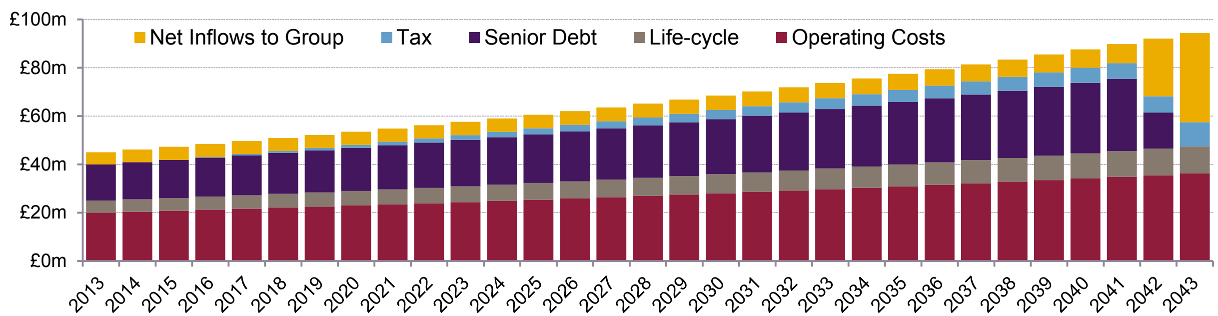
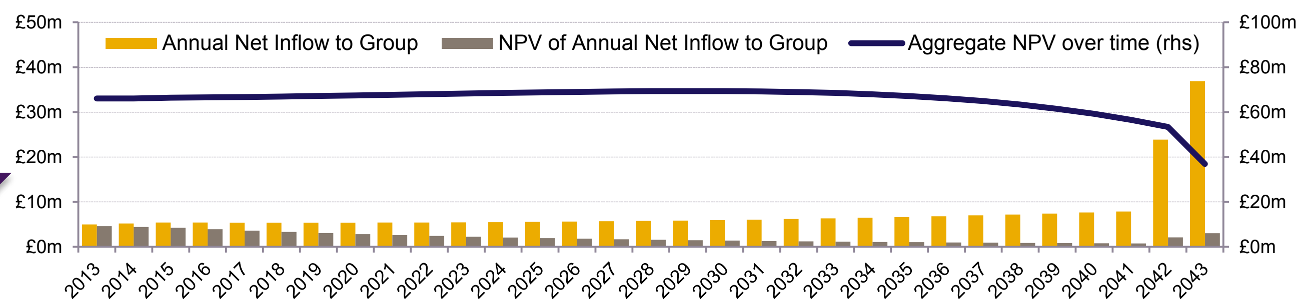
Forecast Project Outflows



equals

Net Inflow from Project to HICL



Key Variables/Assumptions

- Long-term Inflation Rate
- Deposit Interest Rate

- Whole-of-life concession revenue linked to inflation
- Interest income from cash reserves at individual project level

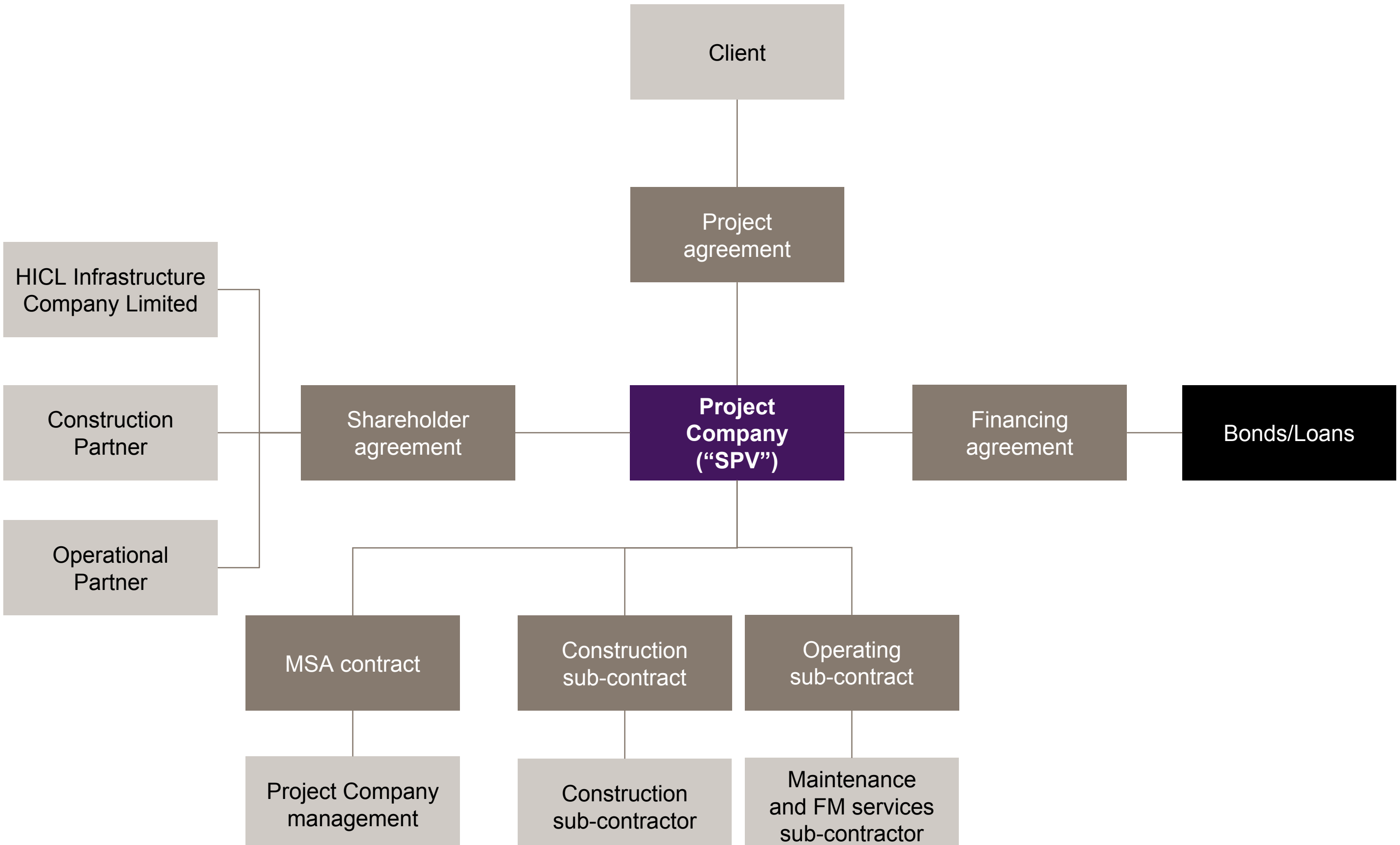
- Tax Rates

- Whole-of-life operating contracts fixed or linked to inflation
- Whole-of-life debt is fixed or inflation-linked
- Net Inflows to HICL in form of dividends, shareholder loan service & directors fees

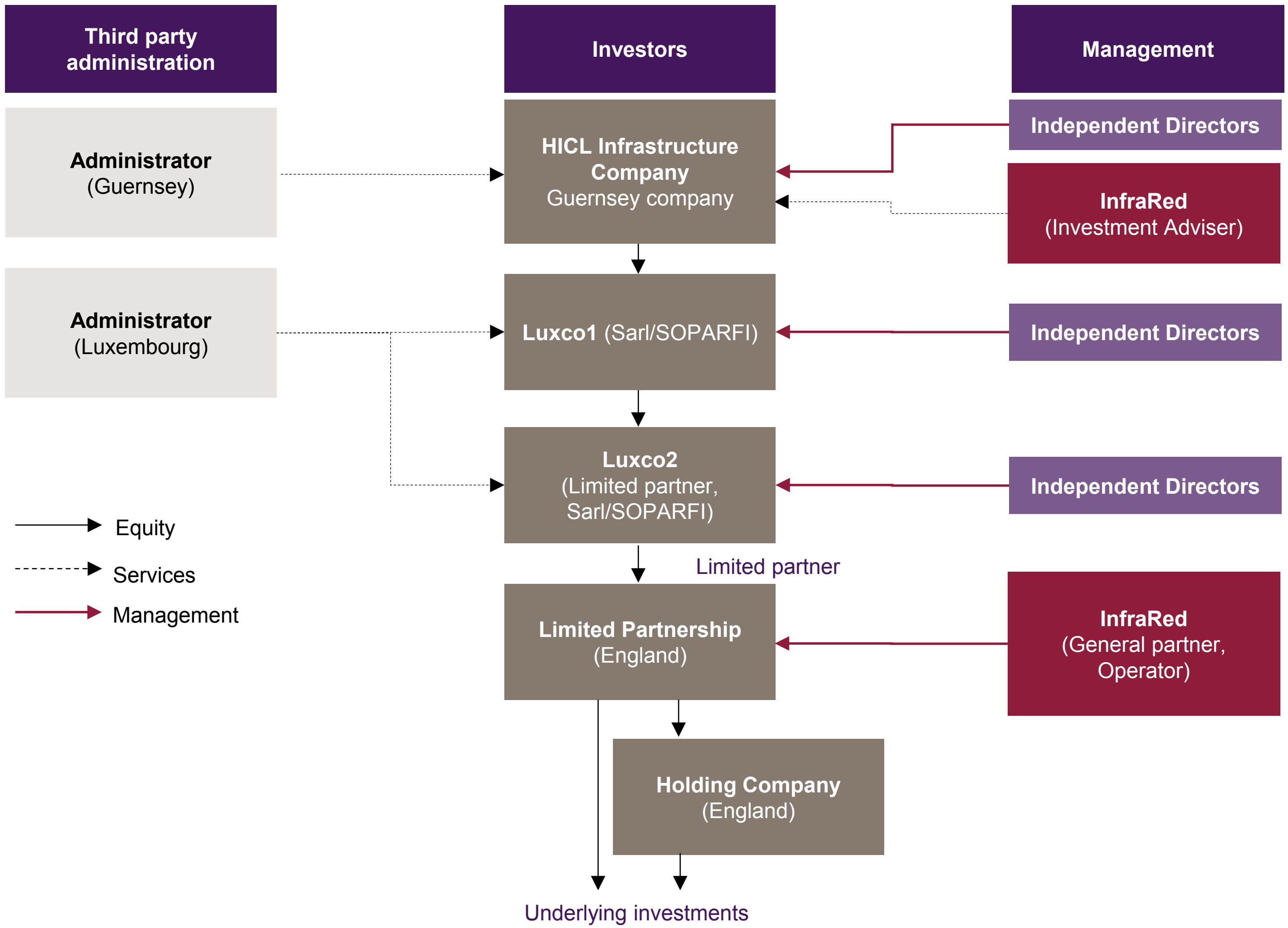
- Discount Rate
- FX

- Net cashflows discounted to derive project valuation
- All project cashflows aggregated to give Directors' portfolio valuation
- Adjust for other Group net assets/liabilities to get Group NAV

Typical Infrastructure Project Structure

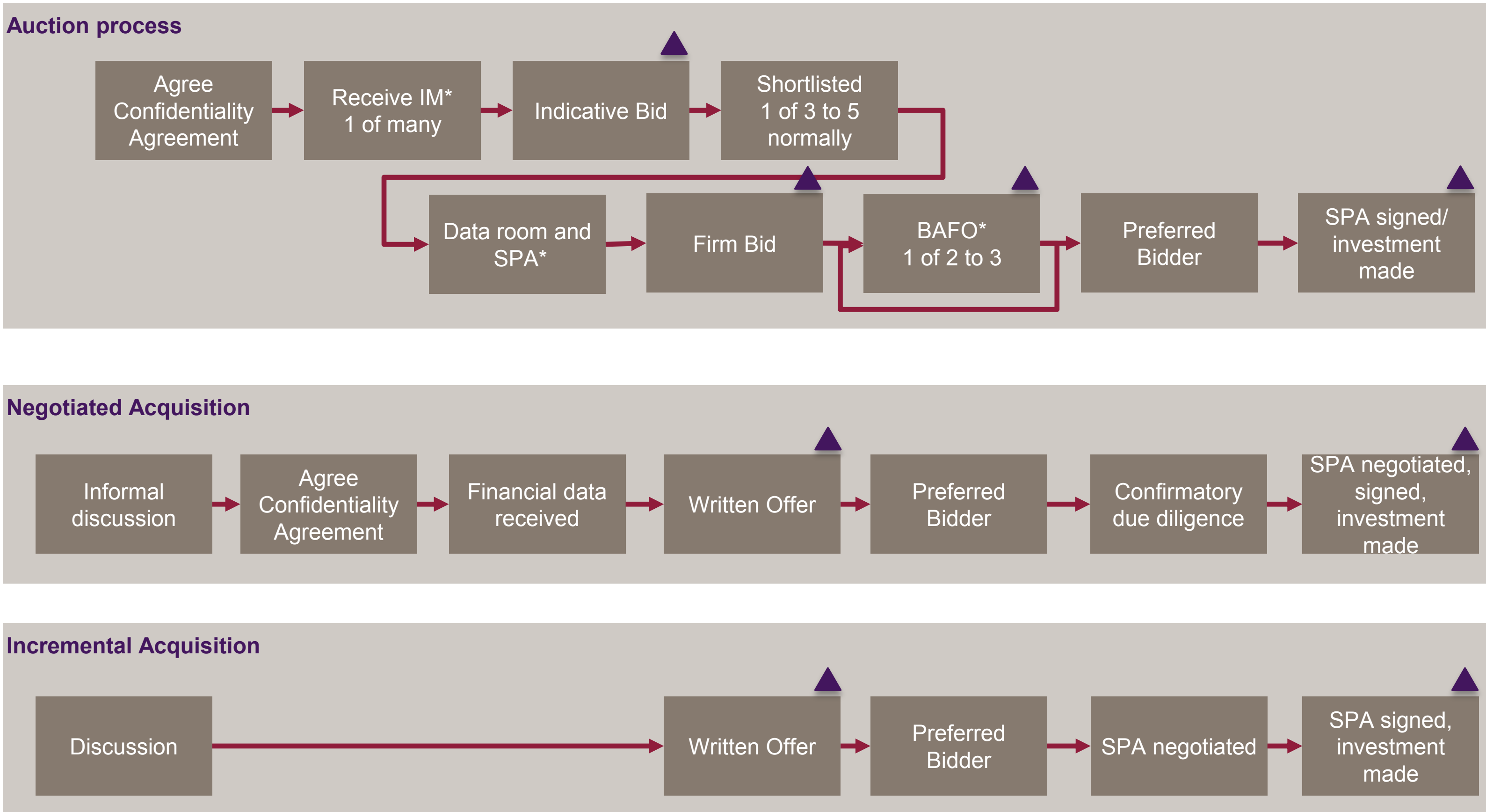


Group structure diagram



Typical Bid processes

HICL INFRASTRUCTURE



* Note: simplified as processes vary on each acquisition process varies

▲ Meeting of Investment Committee

IM	Information memorandum
SPA	Sale and purchase agreement
BAFO	Best and final offer

Governance

- **Independent board of six non-executive Directors**
  - Approves and monitors adherence to strategy
  - Intends to act as AIFM under the European Commission's Alternative Investment Fund Managers Directive
  - Determines risk appetite through formal Risk Committee
  - Monitors compliance with, and implementation of, regulation for HICL
  - Sets Group's policies
  - Monitors performance against objectives
  - Oversees capital raising (equity or debt) and deployment of cash proceeds
  - Appoints service providers and auditors

- **Investment Adviser / Operator: InfraRed Capital Partners Limited, a subsidiary of InfraRed Partners LLP**
  - Day-to-day management of portfolio
  - Utilisation of cash proceeds
  - Full discretion within strategy determined by Board over acquisitions and disposals (through Investment Committee)
  - Authorised and regulated by the Financial Conduct Authority

HICL Board

Board comprises independent, non-executive Directors

Graham Picken, Chairman

Graham, a UK resident, is an experienced banker and financial practitioner and has been Chairman of the Company since its launch. Appointed a non-executive director of Skipton Building Society in January 2012, he was formerly a non executive director of the Derbyshire Building Society, where he became Chief Executive in February 2008 and led the society to a merger with Nationwide Building Society in December 2008, before standing down at the end of March 2009. Until 2003, Graham's career spanned over thirty years with Midland and HSBC Banks where, before he retired, he was General Manager of HSBC Bank plc responsible for commercial and corporate banking (including specialised and equity finance).

John Hallam, Director

John, a Guernsey resident, is a former partner of PricewaterhouseCoopers having retired in 1999 after 27 years with the firm both in Guernsey and in other countries. He is a Fellow of the Institute of Chartered Accountants in England and Wales and qualified as an accountant in 1971. He is currently chairman of Dexion Capital Ltd and Partners Group Global Opportunities Ltd, as well as being a director of a number of other financial services companies, some of which are London-listed. He served for many years as a member of the Guernsey Financial Services Commission from which he retired in 2006 having been its Chairman for the previous three years.

Sarah Evans, Director

Sarah, a Guernsey resident, is a Chartered Accountant and a director of several other listed investment funds, as well as an unlisted fund of hedge funds and the Guernsey subsidiary of a global bank. She spent over six years with the Barclays Bank plc group from 1994 to 2001. During that time she was a treasury director and, from 1996 to 1998, was the Finance Director of Barclays Mercantile, where she was responsible for all aspects of financial control and operational risk management. Previously she ran her own consultancy business advising financial institutions on all aspects of securitisation. From 1982-88 she was with Kleinwort Benson, latterly as head of group finance.

Susie Farnon, Director

Sally-Ann Farnon (known as Susie), resident in Guernsey, is a fellow of the Institute of Chartered Accountants in England and Wales and qualified in 1983. She was a Banking and Finance Partner with KPMG Channel Islands from 1990 until 2001 and Head of Audit KPMG Channel Islands from 1999. She has served as President of the Guernsey Society of Chartered and Certified Accountants and as a member of The States of Guernsey Audit Commission and The Guernsey Public Accounts Committee. She is Vice-Chairman of The Guernsey Financial Services Commission and a Non-Executive Director of a number of property and investment companies. She is a director of several other public companies.

Chris Russell, Director

Chris is a Guernsey resident non-executive director of investment and financial companies in the UK, Hong Kong and Guernsey. He is Chairman of F&C Commercial Property Trust Ltd and a Deputy Chairman of the UK trade body, the Association of Investment Companies. Chris was formerly a director of Gartmore Investment Management Plc, where he was Head of Gartmore's businesses in the US and Japan. Before that he was a holding board director of the Jardine Fleming Group in Asia. He is a Fellow of the UK Society of Investment Professionals and a Fellow of the Institute of Chartered Accountants in England and Wales.

Ian Russell, Director

Ian Russell, CBE, is resident in the UK and is a qualified accountant. He was Finance Director and then CEO of Scottish Power plc and spent 8 years as Finance Director at HSBC Asset Management.

He is currently the Chairman of Johnston Press plc and a non-executive director of British Polythene Industries plc, Mercantile Investment Trust plc and British Assets Trust plc. Ian was previously a non-executive director of The Scottish Investment Trust plc.

Current Portfolio

Portfolio of 95 investments[1] as at 20 May 2014

Education			Fire, Law & Order	Health		Accommodation	Transport
Barking & Dagenham Schools	Boldon School	Bradford Schools	Addiewell Prison	Barnet Hospital	Birmingham Hospitals	Allenby & Connaught MOD Accommodation	A249 Road
Conwy Schools	Cork School of Music	Croydon School	Dorset Fire & Rescue	Birmingham & Solihull LIFT	Bishop Auckland Hospital	Colchester Garrison	A92 Road
Darlington Schools	Defence Sixth Form College	Derby Schools	Dorset Police	Blackburn Hospital	Blackpool Primary Care Facility	Health & Safety Headquarters	Connect PFI
Ealing Schools	Edinburgh Schools	Falkirk Schools NPD	D & C Firearms Training Centre	Brentwood Community Hospital	Brighton Hospital	Home Office	Dutch High Speed Rail Link
Fife Schools	Fife Schools 2	Haverstock School	Exeter Crown Courts	Central Middlesex Hospital	Doncaster Mental Health Hospital	Miles Platting Social Housing	Kicking Horse Canyon P3
Health & Safety Labs	Helicopter Training Facility	Highland Schools PPP	Gloucester Fire & Rescue	Ealing Care Homes	Glasgow Hospital	Newcastle Libraries	M80 Motorway DBFO
Irish Grouped Schools	Kent Schools	Manchester School	Greater Manchester Police Stations	Lewisham Hospital	Medway LIFT	Northwood MoD HQ	N17/N18 Road
Newport Schools	North Tyneside Schools	Norwich Schools	Medway Police	Newton Abbot Hospital	Nuffield Hospital	Oldham Library	NW Anthony Henday P3
Oldham Schools	Perth & Kinross Schools	Rhondda Schools	Metropolitan Police Training Centre	Oxford Churchill Oncology	Oxford John Radcliffe Hospital	Royal School of Military Engineering	RD901
Renfrewshire Schools	Sheffield BSF Schools	Sheffield Schools	South East London Police Stations	Pinderfields & Pontefract Hospitals	Queen Alexandra Hospital	University of Sheffield Accommodation	
South Ayrshire Schools	University of Bourgogne	West Lothian Schools	Sussex Custodial Centre	Redbridge & Waltham Forest LIFT	Romford Hospital	AquaSure[1]	
Wooldale Centre for Learning			Swindon Police	Salford Hospital	Sheffield Hospital		
			Tyne & Wear Fire Stations	South West Hospital, Enniskillen	Staffordshire LIFT		
				Stoke Mandeville Hospital	Tameside General Hospital		
				West Middlesex Hospital	Willesden Hospital		

Key:

	Incremental stake acquired	Disposal in the year
Portfolio as at 31 March 2013	New investment acquired in the year	New investment since March 2014

1. Investment in AquaSure is in the process of being acquired as at 20 May 2014