HICL Infrastructure Company Limited
Annual Results Presentation
Year to 31 March 2015

21 May 2015

www.hicl.com

Agenda

Annual Results

Highlands Schools, Scotland

Summary Highlights

For the year to 31 March 2015

HICL INFRASTRUCTURE

Performance	• Strong set of results, with total return of 15.4% (NAV growth plus dividends) • NAV per share of 136.7p • Portfolio performance good, cashflows ahead of plan
Dividends – ahead of guidance	• Move to quarterly dividends welcomed by shareholders • Fourth quarterly interim dividend of 1.87p declared (7.30p per share in aggregate) • Target of 7.45p per share for year to 31 March 2016
New Investments	• Nine new investments and 10 incremental stakes for £221.4m • One disposal for a net profit of £50.6m over the Directors' valuation at 31 March 2014 • Two further incremental stakes post period end for £16.0m
Funding	• £75.7m of equity raised through oversubscribed tap issues in June and December • Current net funding requirement of £8.0m
Board and Governance	• Frank Nelson appointed as 7th Board Director; all are non-executive and independent • HICL now a self-managed AIF under AIFMD • Risk Committee formed – met three times
Outlook and Pipeline	• Focused pipeline of further investment opportunities, both in the UK and overseas • Further new investments identified

Summary Financials

HICL INFRASTRUCTURE

Income Statement (year ended)	31 March 2015	31 March 2014
Total Income	£253.6m	£175.7m
Fund expenses & finance costs	(£22.6m)	(£21.9m)
Profit before tax	£231.0m	£153.8m
Earnings per share	**18.6p**	**13.1p**
Ongoing Charges[1]	**1.14%**	**1.15%**

Balance Sheet (as at)	31 March 2015	31 March 2014
Investments at fair value[2]	**1,709.7m**	**£1,495.5m**
NAV per share (before interim dividend)	136.7p	126.7p
Interim dividend	(1.9p)[3]	(3.6p)
NAV per share (after interim dividend)	**134.8p**	**123.1p**

1 Ongoing Charges Percentage as defined by the AIC
2 Investments at fair value at 31 March 2015 of £1,732.2m, net of future investment commitments of £22.5m (2014: £1,500.6m, net of future commitments of £5.1m)
3 1.87p fourth quarterly interim dividend declared on 14 May 2015

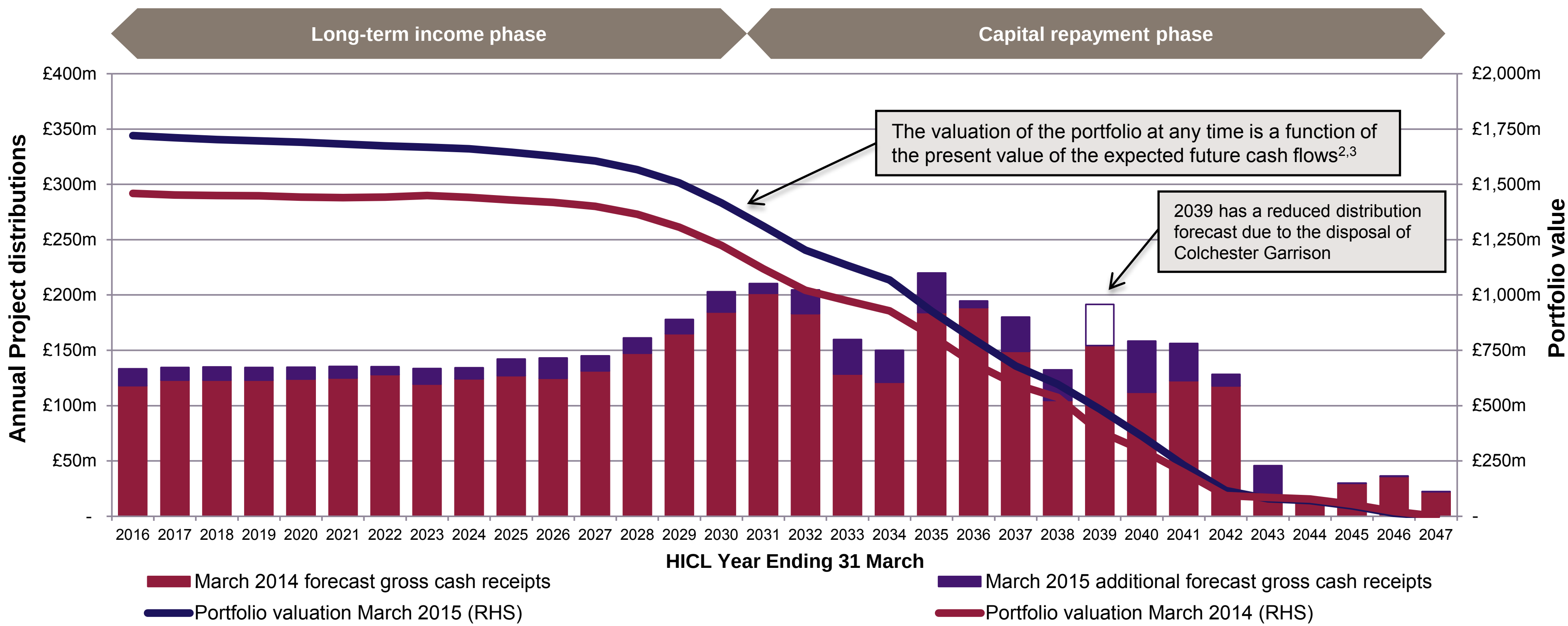
Summary Financials II

Cash Flow (year ended)	31 March 2015	31 March 2014
Opening net cash	£42.7m	£146.0m
Net Operating Cashflow[1]	**£162.6m**	**£94.9m**
Investments (net of disposals)	(£153.8m)	(£243.1m)
Equity Raised (net of costs)	£75.1m	£107.7m
Forex movements	£9.4m	£4.3m
Dividends Paid	(£102.5m)	(£67.1m)
Net Cash	**£33.5m**	**£42.7m**

Dividend Cash Cover	**1.34[2]**	**1.51**

[1] The year to 31 March 2015 includes £58.0m profit on disposal (2014: £1.1m) based on historic cost
[2] Dividend cash cover on a pro-forma basis adjusted to remove profit on disposal and quarterly dividends which resulted in 15 months of dividends paid in 12 months. Unadjusted dividend cash cover is 1.6 times.

Portfolio Overview - Cashflow Profile[1]



Source: Investment Adviser

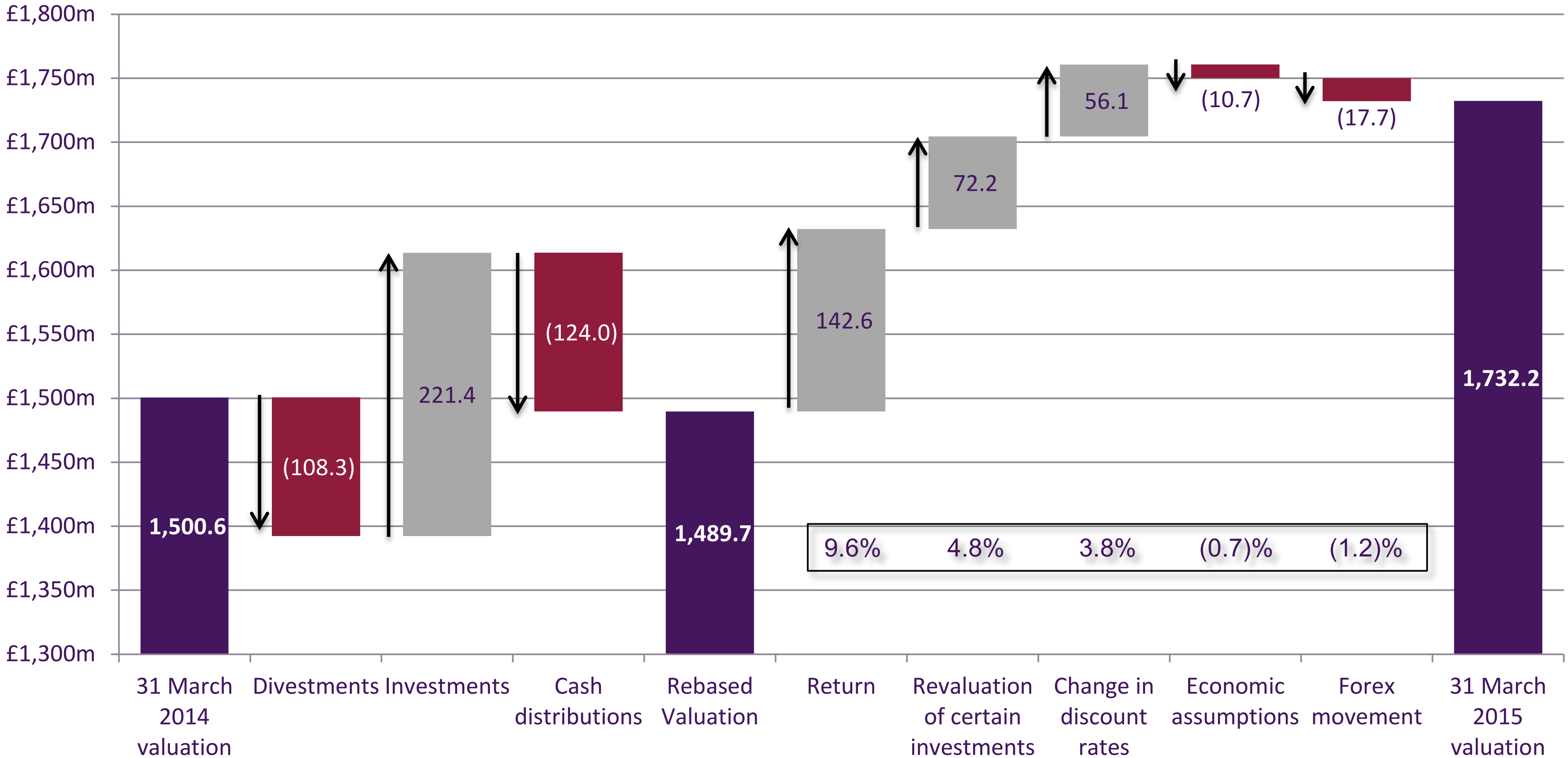
1. The illustration represents a target only as at 31 March 2015 and is not a profit forecast. There can be no assurance that this target will be met
2. The illustration assumes a Euro to Sterling exchange rate of 0.72, a Canadian dollar to Sterling exchange rate of 0.53, an Australian dollar to sterling exchange rate of 0.51, and a weighted average discount rate of 7.9 per cent. per annum. These and the value of the Group's portfolio may vary over time
3. The cashflows and the valuation are from the portfolio of 101 investments as at 31 March 2015 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

Key Valuation Assumptions

		Movement	31 March 2015	31 March 2014
Discount Rate	Weighted Average	↓	7.9%	8.2%
Inflation[1]	UK (RPI[2] & RPIx[2]) Euro (CPI) Canada (CPI) Australia (CPI)	↔ *(exc. EU)*	2.75% 0.0% until 2017, thereafter 2.00% 2.00% 2.50%	2.75% 2.00% 2.00% n/a
Deposit Rates	UK EU Canada Australia	↓ *(exc. AUS)*	1.0% to 31 Mar 2019, and 3.0% thereafter 1.0% to 31 Mar 2019, and 3.0% thereafter 1.0% to 31 Mar 2019, and 2.5% thereafter 2.6% with a gradual increase to 5.0% long-term	1.0% to 31 Mar 2018, and 3.5% thereafter 1.0% to 31 Mar 2018, and 3.5% thereafter 1.0% to 31 Mar 2018, and 2.5% thereafter n/a
Foreign Exchange	CAD / GBP EUR / GBP AUD /GBP		0.53 0.72 0.51	0.54 0.83 n/a
Tax Rate	UK EU Canada Australia	↓ *(UK only)*	20% Various (no change) 25% and 26% (territory dependant) 30%	21% Various (no change) 25% and 26% (territory dependant) n/a

[1] Some project income fully indexed, whilst some partially indexed
[2] Retail Price Index and Retail Price Index excluding Mortgage Interest Payments

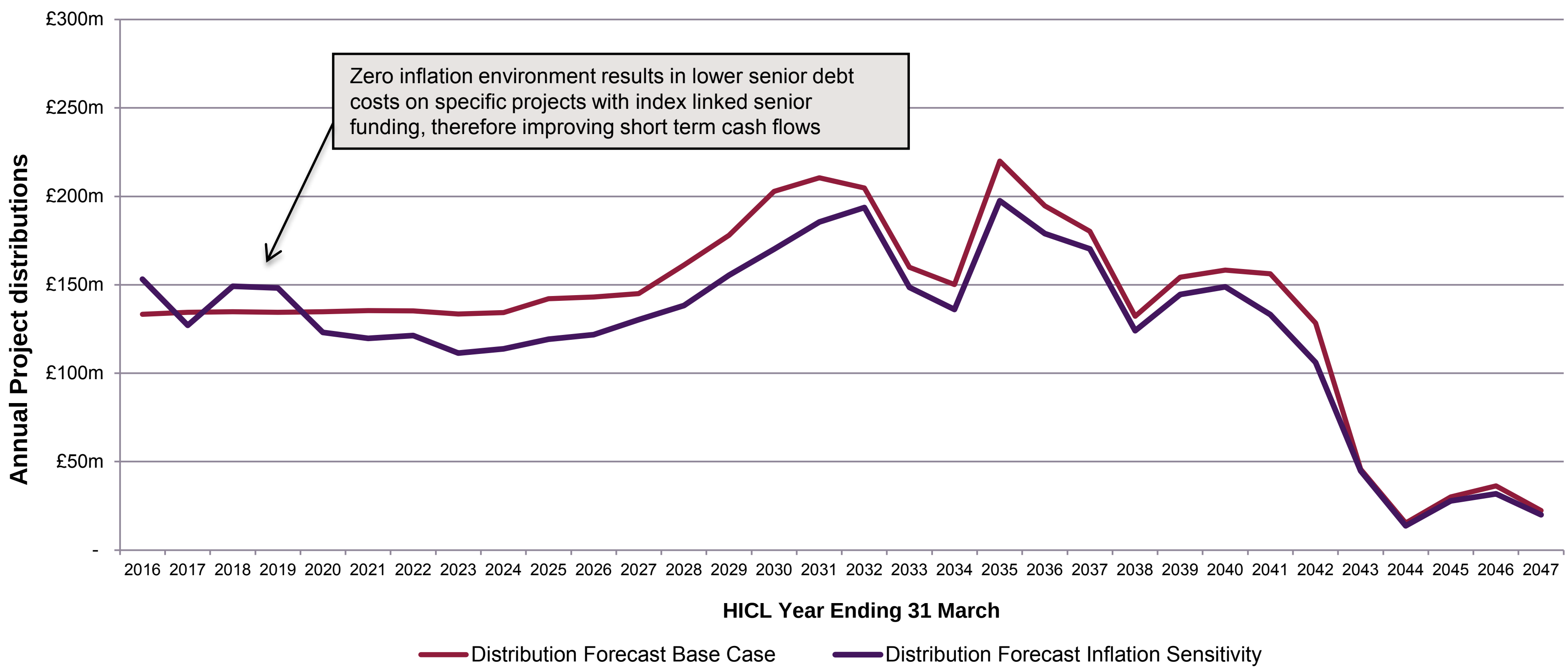
Analysis of Change in Directors' Valuation



- Divestments are the proceeds on sale of Colchester Garrison
- "Return" comprises the unwinding of the discount rate and project outperformance
- Portfolio return for the year to 31 March 2015 is 9.6% (being £142.6m return on rebased valuation of £1,489.7m)
- £1,732.2m reconciles to £1,709.7m Investments at fair value through £22.5m of future investment obligations

Additional inflation sensitivity

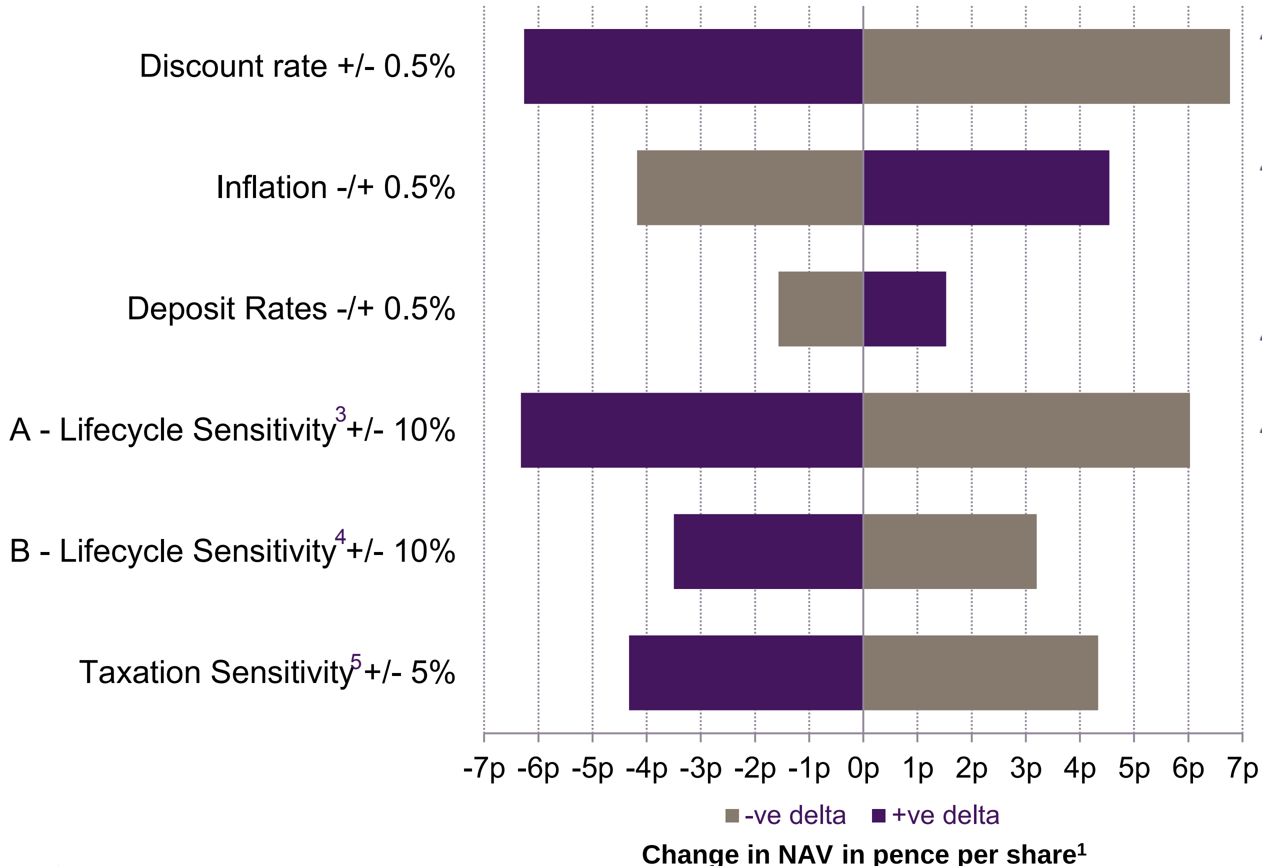
Zero inflation for five years – impact on gross forecast cashflows



- The additional inflation sensitivity assumes 0% inflation for 5 years, following which the inflation assumption reverts back to the base case
- The results are based on the largest 20 assets by value and extrapolated to the entire portfolio

Key Valuation Sensitivities

Sensitivity to key macroeconomic assumptions



- Weighted average discount rate of 7.9%, down from 8.0% at 30 September 2014 and 8.2% at 31 March 2014
- If the annual inflation assumption were 3.75% p.a. (i.e. up 1.0%), the expected return[2] from portfolio (before Group expenses) would increase from 7.9% to 8.5%
- Lifecycle risk can be with either project company or FM contractor
- Approximately half of the portfolio has lifecycle risk with the project company

[1] Based on 1,268m shares in issue
[2] Return is expected gross internal rate of return
[3] Lifecycle Sensitivity A is derived from the impact on 11 of the 20 largest investments where the lifecycle risk sits with the project company. The pence per share change is an extrapolation based on those 11 investments as a result of a 10% change (+/-) in the existing profiled lifecycle expenditure
[4] Lifecycle Sensitivity B is derived from the impact on all 20 largest investments as a result of a 10% change (+/-) in the existing profiled lifecycle expenditure and extrapolated across the whole portfolio
[5] Taxation Sensitivity is the impact on the 20 largest investments as a result of a 5% change (+/-) in the taxation rate assumption and extrapolated across the whole portfolio

Investment Activity

Blackpool Primary Care, Blackpool, England

Summary Investment Activity

Investment activity during the period

Investment activity during the period

- Nine new investments and 10 incremental stakes during the period for £221.4m (as set out below)
- £75.7m oversubscribed tap issues in June and December at the prevailing market price were accretive to existing shareholders

Investment Activity (H1 2014-15)

Amount	Type	Stage	Project	Sector	Stake Acquired	Overall Stake	Date
£5.1m[1]	New	Construction	N17/18 road in Ireland	Transport	10.0%	10.0%	May-14
	Follow-on	Operational	Miles Platting Housing in Manchester	Accommodation	16.5%	50.0%	
£53.5m[1]	New	Operational	Bradford BSF Schools I	Education	29.2%	29.2%	May-14
	New	Operational	AquaSure desalination plant in Australia	Accommodation	5.9%	5.9%	
£5.1m[1]	Follow-on	Operational	Sheffield Schools BSF	Education	19.0%	59.0%	Sep-14
	Follow-on	Operational	Oldham Library	Accommodation	40.0%	90.0%	
£63.7m							

[1] Aggregate value of consideration

Summary Investment Activity

Investment activity during the period (continued)

Investment Activity (H2 2014-15)							
Amount	**Type**	**Stage**	**Project**	**Sector**	**Stake Acquired**	**Overall Stake**	**Date**
£61.5m	Follow-on	Operational	Pinderfields and Pontefract Hospitals	Health	50.0%	100.0%	Oct-14
£25.2m	Follow-on	Operational	AquaSure Desalination Plant, Australia	Accommodation	3.4%	9.3%	Oct-14
£16.9m[1]	Follow-on	Operational	Birmingham and Solihull LIFT	Health	30.0%	60.0%	Nov-14
	Follow-on	Operational	Staffordshire LIFT	Health	30.0%	60.0%	
£8.1m[1]	Follow-on	Operational	Willesden Hospital	Health	50.0%	100.0%	Jan-15
	Follow-on	Operational	Barking and Dagenham Schools	Education	15.0%	100.0%	
£2.5m	New	Construction	Ecole Centrale Supelec, France	Education	85.0%	85.0%	Feb-15
£7.2m	New	Construction	Priority Schools Building Programme NE Batch	Education	45.0%	45.0%	Mar-15
£26.4m[1]	New	Operational	Salford & Wigan BSF Schools (Phase 1)	Education	40.0%	40.0%	Mar-15
	New	Operational	Salford & Wigan BSF Schools (Phase 2)	Education	40.0%	40.0%	
	New	Operational	Newham BSF Schools	Education	68.0%	68.0%	
£9.9m[1]	New	Construction	Zaanstad Penitentiary, Holland	Fire, Law & Order	75.0%	75.0%	Mar-15
	Follow-on	Operational	Newham BSF Schools	Education	12.0%	80.0%	
£157.7m							

[1] Aggregate value of consideration

Zaanstad Penitentiary

- **Investment acquired in March 2015**
- **75% stake for €11.5m, including future subscription obligations**
  - Financial Close - 27 September 2013
  - Scheduled Availability Date is March 2016
  - Concession length of construction phase and 25-year operations
  - DBFMO Agreement with the State of the Netherlands.
  - Facility for 1,000 detainees
  - Includes a work centre, a psychiatric care institute, a recreational facility, offices and healthcare facilities
  - Construction and FM services sub-contracted to single sub-contractor formed by subsidiaries of the Ballast Nedam group and the Royal Imtech group
  - Custodial services do not form part of the Project's scope of services

Disposals

- **Two disposals since 31 March 2014**
- **February 2015**
  - Sale of 56% interest in Colchester Garrison for net consideration of £108.3m
  - Profit of £50.6m over the Directors' valuation of £57.7m as at 31 March 2014
  - Part of original portfolio at IPO (plus incremental acquisition in 2012)
- **April 2015**
  - Sale of 50% interest in Fife Schools for £7.3m
  - Profit of £2.4m over the Directors' valuation of £4.9m as at 31 March 2014
  - Acquired in 2006 (plus incremental acquisition in 2012)
- **Part of strategy to realise value – five disposals since launch**
- **Accretive for shareholders**
- **Funds re-invested – Group has net funding requirement of £8m**
- **Open-minded over further disposals as part of portfolio management and balancing**

Summary Investment Activity

Investment activity post-period end

▲ Two incremental stakes since the period end for an additional £16.0m

Investment Activity (post period-end until 20 May 2015)							
Amount	**Type**	**Stage**	**Project**	**Sector**	**Stake Acquired**	**Overall Stake**	**Date**
£16.0m[1]	Follow-on	Operational	Salford & Wigan BSF Schools (Phase 1)	Education	40.0%	80.0%	Apr-15
	Follow-on	Operational	Salford & Wigan BSF Schools (Phase 2)	Education	40.0%	80.0%	
£16.0m							

[1] Aggregate value of consideration

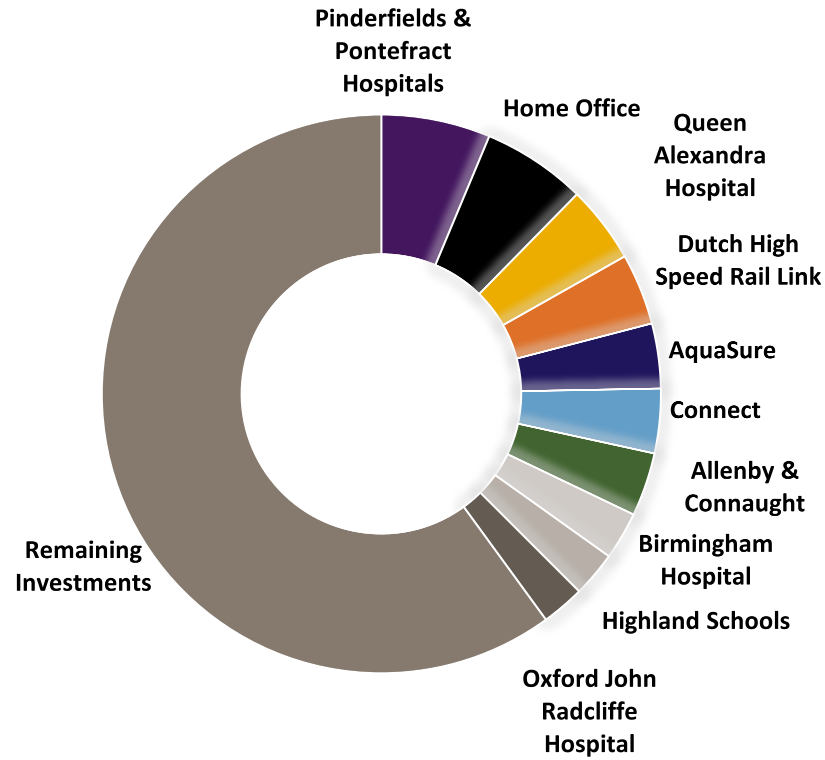
Portfolio and Asset Management

Birmingham Hospital, Birmingham, England

The Portfolio, Performance and Asset Management

- 101 investments at 31 March 2015 valued at £1,732.2m[1]
  - 10 largest assets represent 40% of portfolio by value
- Average concession life of 21.4 years (22.0 years at 31 March 2014)
  - long-term debt financing with average remaining maturity of 19.7 years (20.3 years at 31 March 2014)
- Portfolio performing well with no material issues
  - As previously reported, one road with construction and operational issues – some progress
  - One health investment revalued down in year to reflect our assessment of its current operational issues
  - Believe satisfactory settlements will be found on assets with contractual issues

Ten largest Investments



[1] £1,732.2m reconciles to £1,709.7m Investments at fair value through £22.5m of future investment obligations

The Portfolio, Performance and Asset Management

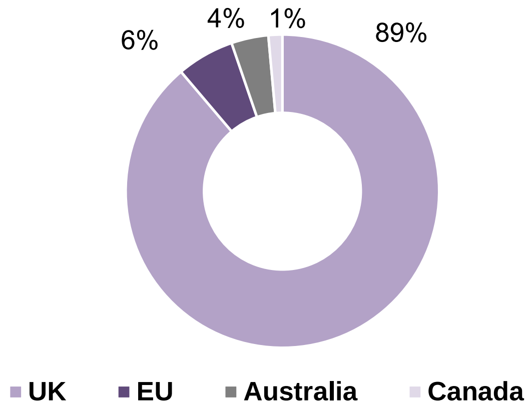
Continued

- One project reached construction completion in the year (Royal School of Military Engineering) while 4 new projects currently under construction were acquired, resulting in net increase of 3 to give 7 in total (31 March 2014: 4)
  - Allenby and Connaught Ministry of Defence Accommodation : construction completion of last building expected later in 2015
  - RD901 road in France : financial close occurred in January 2014 with construction in progress
  - University of Bourgogne academic buildings : financial close occurred in July 2013 with construction completion due in H1 2015
  - N17/N18 PPP road in Ireland : construction began shortly after financial close in May 2014
  - Priority Schools Building Programme NE Batch : construction began shortly after financial close in March 2015
  - Ecole Centrale Superlec in France : financial close occurred February 2015 with construction in progress
  - Zaanstad Penitentiary in Holland : acquired in March 2015 with construction having commenced in April 2014
- Investment Adviser's portfolio and asset management teams continue to work on generating incremental value
- Cost savings and value enhancements initiatives undertaken jointly with clients and subcontractors with a collective sharing of financial benefit generated
  - New initiatives are harder to find and deliver where investment has been held for a number of years
- Regular and active dialogue between InfraRed's asset managers and the stakeholders in each project, at project company level and at Group level
- Strong focus on ESG at the project company level; InfraRed is a signatory to the UN Principles of Responsible Investment
- HICL Directors continue to undertake site visits to attend project company board meetings and client liaison meetings; key to understanding the day-to-day issues involved in the portfolio

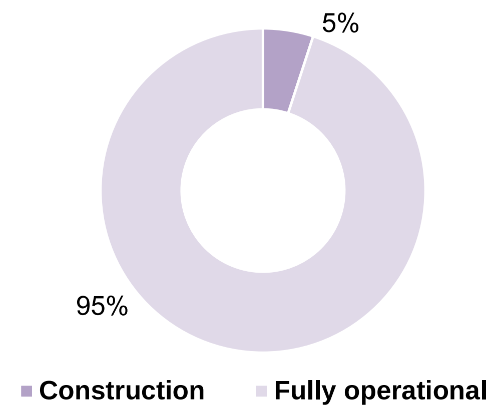
Portfolio Characteristics

As at 31 March 2015

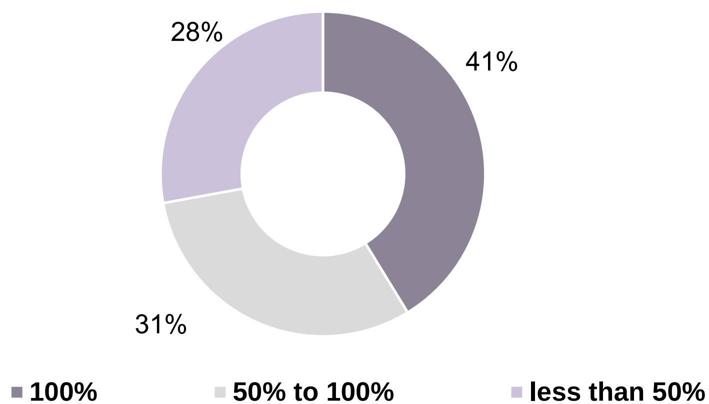
Geographic location



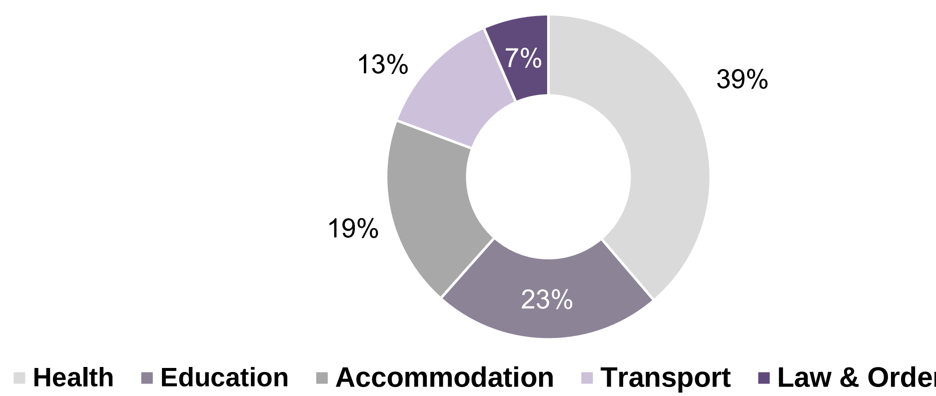
Investment Status



Ownership Analysis



Sector



All charts are by value, as at 31 March 2015, using Directors' valuation
Figures in charts may not sum to 100% due to rounding

Risk and Uncertainties

- Supply and demand of investments
  - Discussed in Pipeline and Outlook

- Project Company revenues
  - Deductions for unavailability or poor performance
  - Borne almost exclusively by subcontractors

- Interpretation of contractual terms
  - Aware of examples of stringent interpretation leading to material deductions
  - Often disputed – taking time to resolve
  - Recent note from Moody's Investors Service

- Consultation on BEPS
  - OECD initiative to address base erosion and profit shifting
  - Consultation under way
  - Too early to gauge impact and effect on Group which will depend on what is adopted

Market Conditions and Outlook

Failsworth School, Manchester, England

Market Update

- Continued strong demand for infrastructure investments globally
- Investments in social and transportation infrastructure projects becoming increasingly attractive
- UK
  - Reduced supply of suitable UK investments, together with increased interest, driving rising valuations
  - UK pipeline limited until new Government announces procurement plans
- Europe
  - Certain countries offer potential - made new investments in France, Holland and Ireland in the year
  - Leveraging relationships in target geographies
- North America
  - Opportunities in Canada – both operational and greenfield
  - Increasing potential in USA as more projects procured
- Australia
  - Some opportunities – both operational and greenfield

Sourcing and Pipeline

- Harder to source opportunities ‘off-market’ as vendors increasingly undertaking formal auction processes
- Disciplined approach to avoid over-paying and diluting returns from existing portfolio
- Participated in 12 auctions – won two securing four investments
- Careful management of bid costs
- Increasing stakes in existing investments continues to be good source of supply for Group
  - further incremental stake purchases in the pipeline
- Relationships and reputation for deliverability remain key to finding value
- Focused pipeline across sectors, geographies and stages of development
- Evaluating an investment from an InfraRed Fund
- Following a strategic review by the Board in September:
  - Geographic focus remains the UK, North America, and Australasia and certain countries in Europe.
  - Whilst operational social and transportation infrastructure assets remain core, other areas of focus include:
    - Investments in assets under construction
    - Investments in transmission lines, including OFTOs which have availability-type payment mechanisms
    - Investments in transportation projects, where income is from user-paid revenue streams

Performance and Summary

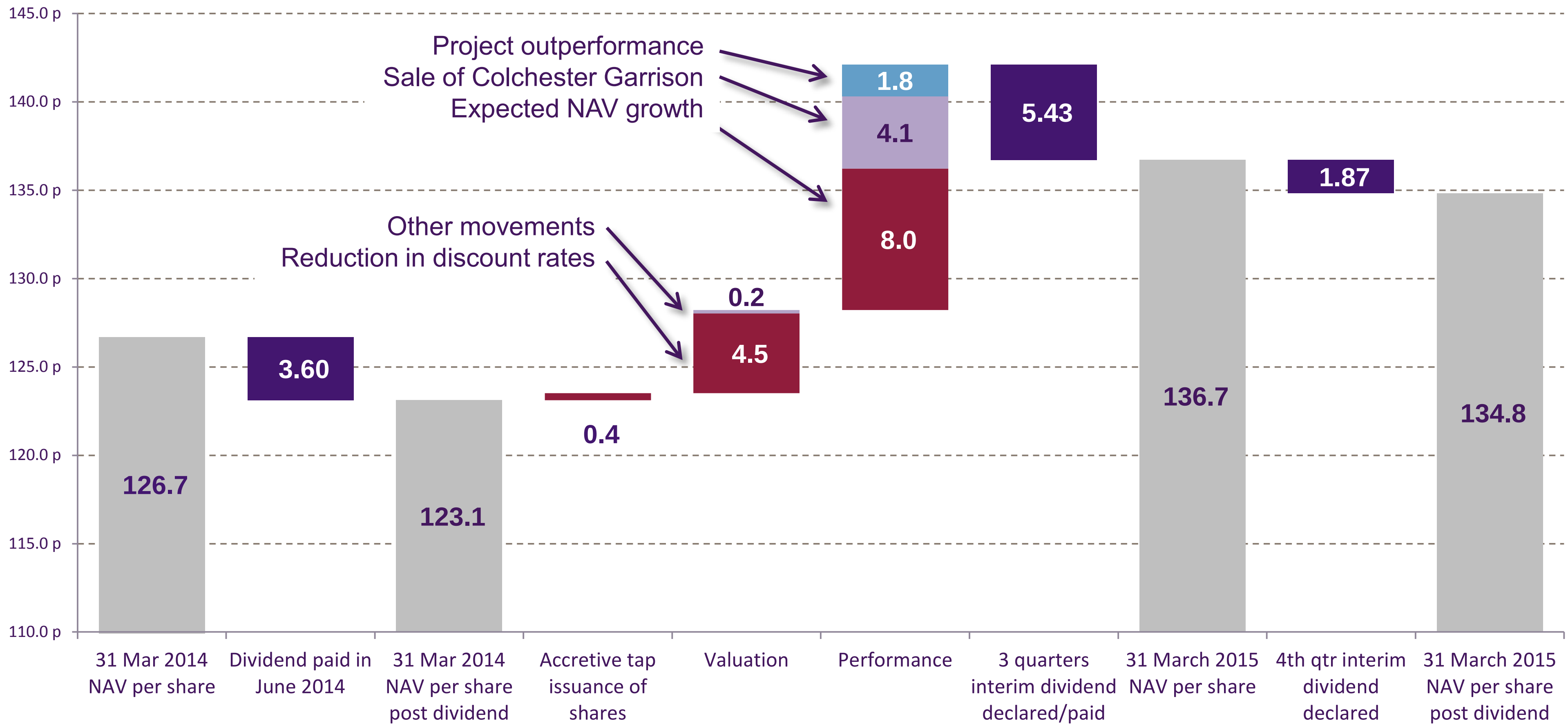
Kicking Horse Canyon, Canada

Company's Key Performance Indicators ("KPIs")

KPI	31 March 2015	31 March 2014	Target
Dividends declared in year	7.3p per share	7.1p per share	7.10p dividend per share 2014 achieved 7.25p dividend per share 2015 exceeded
Total return in year (NAV per share growth plus dividends per share)	15.4%	11.9%	7% p.a. IRR as per latest guidance[1]
Total return in year (share price plus dividends per share)	22.5%	10.3%	7% p.a. IRR as per latest guidance[1]
Total return since IPO (NAV per share plus dividends per share)	9.7% p.a.	9.1% p.a.	7% to 8% p.a. as set out at IPO
Total return since IPO (share price plus dividends per share)	11.1% p.a.	9.7% p.a.	7% to 8% p.a. as set out at IPO
Cash cover in year	1.34 times[2]	1.51 times	To be cash covered
Ongoing Charges in year	1.14%	1.15%	To reduce ongoing charges where possible
Weighted average discount rate	7.9%	8.2%	To equate to the market rate
Rebased valuation growth	9.6%	9.5%	To outperform the discount rate
Weighted average portfolio life	21.4 years	22.0 years	Seek to maintain, where possible, by suitable acquisitions
Weighted average life of portfolio project debt	19.7 years	20.3 years	To limit refinancing risk
Ten largest investments as percentage of the portfolio by value	40%	40%	To limit concentration risk
Largest investment (as percentage of portfolio valuation)	6%	7%	To be less than 20%
Inflation correlation of the portfolio	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	To maintain current correlation

[1] February 2013 prospectus based on 119.5p issue price
[2] Excludes disposal profit and is on a pro-rata basis as move to quarterly dividends in the year

Analysis of Change in NAV per Share



Governance and Succession

- Board:
  - Seven independent directors
  - Mixture of skills and backgrounds
  - Five formal meetings a year
    - Four quarterly two day meetings (includes committees and dinner)
    - Strategy meeting in September focusing on the way forward for the Company and its portfolio

- Succession
  - Graham Picken and John Hallam have now served nine years
  - Announced intention to retire by 30 June 2016
  - Allows for succession planning and orderly handover of responsibilities

- Risk Committee
  - Formed at start of financial year as part of AIFMD procedures - met three times
  - Duties
    - Ensuring effective risk governance structure and control framework
    - Considering Group's risk appetite and risk limits and tolerances
    - Risk matrix review and challenge
  - Programme of potential stress scenarios tabled and debated including:
    - Voluntary termination
    - Counterparty insolvency
    - Impact of foreign exchange rate movements

Summary

- Strong performance:
  - Total return of 19.0p per share for the year to 31 March 2015 from:
    - a portfolio of mainly operational, quality infrastructure investments;
    - a disposal generating a gain, which has been re-invested in a timely fashion;
    - a reduction in the weighted average discount rate; and
    - accretive acquisitions – both new and incremental
- Quarterly dividend cash flow underpinned by good portfolio cashflows
  - Aggregate dividend of 7.30p per share for financial year achieved – exceeded target;
  - 7.45p per share target for year to March 2016
  - Pro-forma cash cover of 1.34 in period
- Ongoing demand for HICL shares evidenced by consistent premium, over-subscribed tap issuance and good scrip dividend take up
- Increasing secondary demand / market pricing likely to support current discount rates for the foreseeable future
- More challenging market conditions, but finding value still possible
  - via relationships and network – solid track record
  - needs focused approach and discipline in competed auctions
  - further incremental acquisitions likely
- Risk appetite and pricing disciplines actively determined and managed by the Board and Investment Adviser
- Selective and modest diversification of the portfolio;
  - geographic - focus on selected countries in Europe (most recently France, Holland and Ireland), North America and Australia
  - assets under construction
  - projects with demand revenue

Appendix I

Valuation Methodology and Sensitivities

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 Government bond yield plus investment specific premium
    - For bond yield, average of 20 and 30 year government bonds (matching concession lengths)

- Traded (not currently applicable): market quotation

Discount Rate Analysis

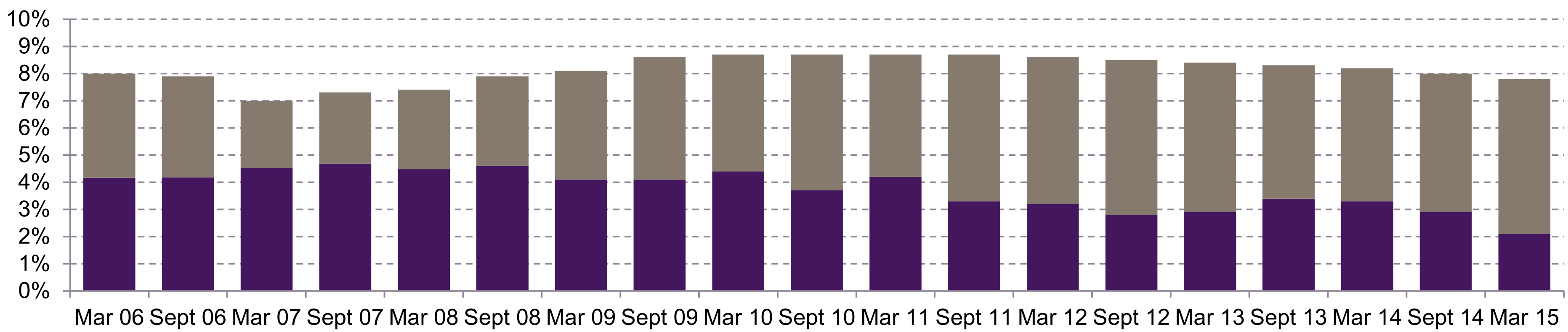
Directors' Valuation as at 31 March 2015

Market valuation of assets increased in the period

- Discount rates for projects range between 7.4% and 10.5% (2014: 7.6% and 11.0%)
- Weighted average discount rate of 7.9%, down from 8.2% at 31 March 2014 and 8.0% at 30 September 2014
- Risk premium over long-dated government bonds increased by 0.9% in the year to 5.8%

	Appropriate long-dated government bond yield ('Risk-Free')		Risk Premium		Total Discount Rate[1] 31 Mar 2015	Total 30 Sep 2014	Total 31 Mar 2014
UK	2.2%	+	5.6%	=	7.8%	8.0%	8.2%
Australia	2.5%	+	5.7%	=	8.2%	8.3%	n/a
Canada	2.0%	+	5.4%	=	7.4%	7.7%	7.9%
France	1.0%	+	9.1%	=	10.1%	10.6%	10.6%
Holland	0.6%	+	7.2%	=	7.8%	8.1%	8.3%
Ireland	1.0%	+	7.7%	=	8.7%	8.9%	9.0%
Portfolio[1]	**2.1%**	+	**5.8%**	=	**7.9%**	**8.0%**	**8.2%**

Weighted average discount rate since launch



[1] Weighted average discount rate

Portfolio Valuation - Sensitivities

Sensitivities		- 0.5% change	Base Case	+ 0.5% change
Discount Rate[1]			**7.9%**	
	Directors' valuation, and change	**+ £85.8m**	£ 1,732.2m	**- £79.4m**
	Implied change in NAV[5] per Ordinary Share	**+ 6.8 pence**		**- 6.3 pence**
Inflation Rates[2,3]			**2.75%**	
	Directors' valuation, and change	**- £52.9m**	£ 1,732.2m	**+ £57.6m**
	Implied change in NAV[5] per Ordinary Share	**- 4.2 pence**		**+ 4.5 pence**
Deposit Rates[2,3]			**1% to 2019 and 3% thereafter**	
	Directors' valuation, and change	**- £19.8m**	£ 1,732.2m	**+ £19.4m**
	Implied change in NAV[5] per Ordinary Share	**- 1.6 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, Ireland, and Australia
  - 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 101 investments as at 31 March 2015
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 1,268m ordinary shares in issue as at 31 March 2015

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 advising/managing 15 value-add infrastructure and real estate funds (including HICL and TRIG)
- Currently over US$8bn of equity under management
- Independent manager 80.1% owned by 26 partners following successful spin-out from HSBC Group in April 2011[1]
- London based, with offices in Hong Kong, New York, Paris, Seoul and Sydney, with over 120 partners and staff
- There is a clear 'conflicts' 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	2004-2015	Realised
HICL Infrastructure Company Limited ("HICL")	Listed, secondary, income yield	£1,984[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	£534[2]	Since 2013	Evergreen

Source: InfraRed
1.InfraRed is an indirect subsidiary of InfraRed Partners LLP which is 80.1% owned by 26 partners and 19.9% by HSBC Group
2.Market capitalisation as at 31 March 2015

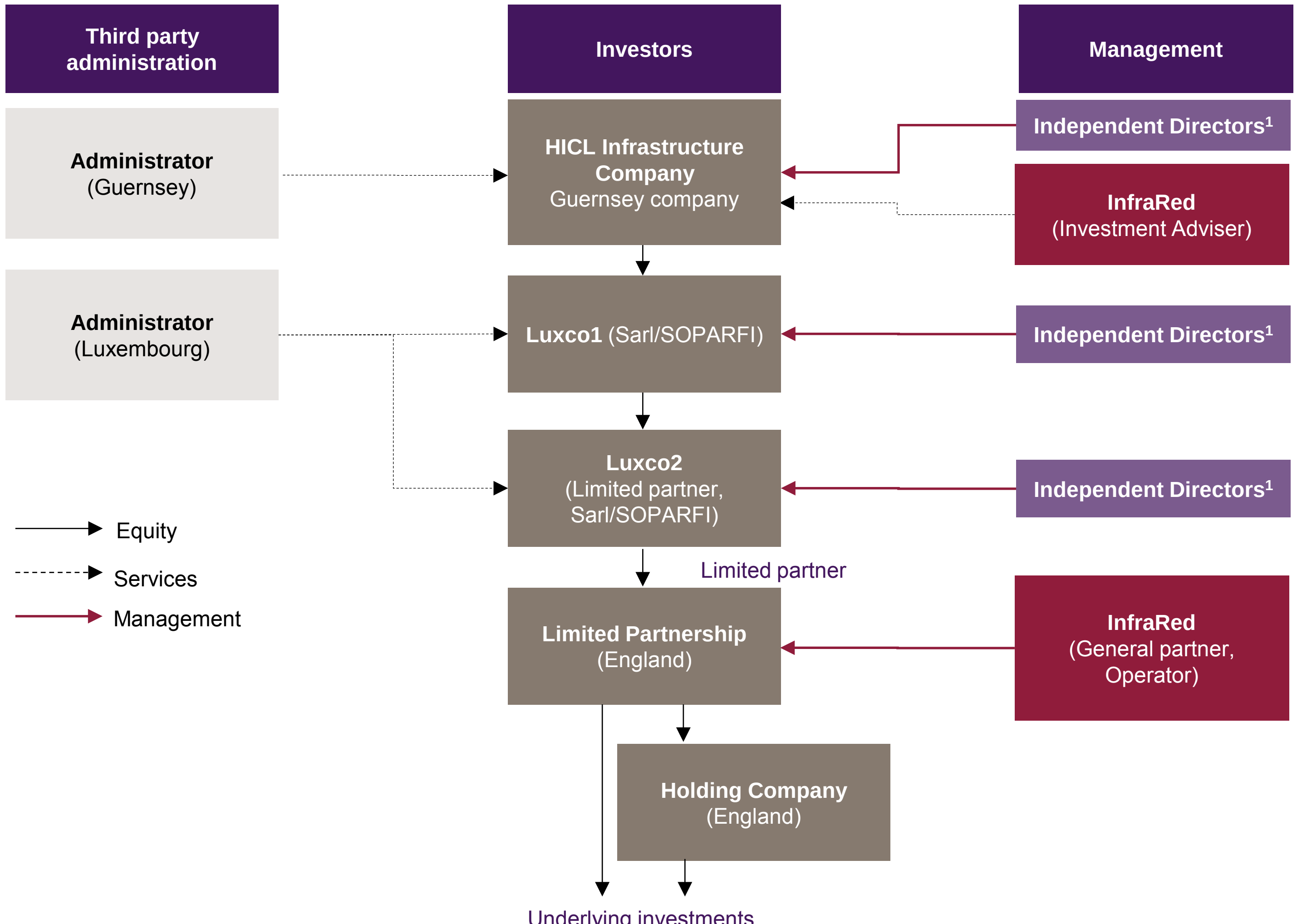
InfraRed – Infrastructure Team Skills and Experience

- Experienced infrastructure professionals with proven track record in target markets of UK, Europe, North America and Australia
- Well established and respected team
  - Recent additions to portfolio management and asset management
  - Infrastructure team of 50 professionals
- Detailed, ‘tried and tested’ investment processes
- Active asset management with regular review
- Proactive value management across the Group and the portfolio
- Wide range of skills and knowledge of:
  - Assets in the portfolio
  - Greenfield project development structuring/risk mitigation
  - Construction
  - Facilities management
  - Corporate finance and M&A
  - Treasury management

Appendix III

The Company

Group Structure Diagram



[1] Independent of the Investment Adviser

Governance

- **Independent board of non-executive Directors**
  - Currently seven members
  - Approves and monitors adherence to strategy
  - Acts as the AIFM under the European Commission's Alternative Investment Fund Managers Directive
  - Determines risk appetite through 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 within agreed parameters
  - 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

The Board comprises seven independent, non-executive Directors

Graham Picken, Chairman

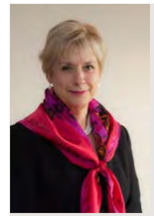
Graham, a UK resident, is an experienced banker and financial practitioner and has been chairman of the Company since its launch. He is also chairman of Hampshire Trust Bank and a non-executive director of Skipton Building Society and of Connells Ltd, the estate agency group.

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 PWC 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 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 ('GFSC') 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 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.

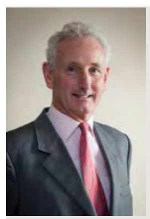
Susie Farnon, Director

Sally-Ann (known as Susie), a Guernsey resident, 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 Guernsey Public Accounts Committee and a Commissioner of the GFSC. She is a non-executive director of a number of property and investment companies and a director of several other public companies.

Frank Nelson, Director

Frank is a UK resident and a qualified accountant. He has over 25 years of experience in the construction, contracting, infrastructure and energy sectors, and was Finance Director of construction and house-building group Galliford Try plc from 2000 until October 2012. He was previously Finance Director of Try Group plc from 1987 up to the merger with Galliford in 2001. Following his retirement from Galliford Try, he took on the role of interim CFO of Lamprell plc, where he helped to complete a complex refinancing and turnaround, before leaving in October 2013.

Frank is currently a non-executive director of McCarthy and Stone, Telford Homes and Eurocell plc.



Chris Russell, Director

Chris, a Guernsey resident, is a 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 Director of the UK Investment Companies 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 is resident in the UK and is a qualified accountant. He was Finance Director and then CEO of Scottish Power plc and spent eight years as Finance Director at HSBC Asset Management in Hong Kong and London. He is currently the Chairman of Johnston Press plc and a non-executive director of British Polythene Industries plc, Mercantile Investment Trust plc and BlackRock Income Strategies Trust (formerly British Assets Trust plc).

Ian was previously a non-executive director of The Scottish Investment Trust plc.

HICL Group Strategy

Manage existing portfolio:

- Active management: Manage the operational and financial performance of the portfolio to deliver the expected return
- Value enhancement: Engage with public sector clients to generate cost savings and improve the overall client experience, facilitate desired contract variations, implement treasury efficiencies, explore refinancing opportunities and carefully manage project budgets (e.g. life-cycle)

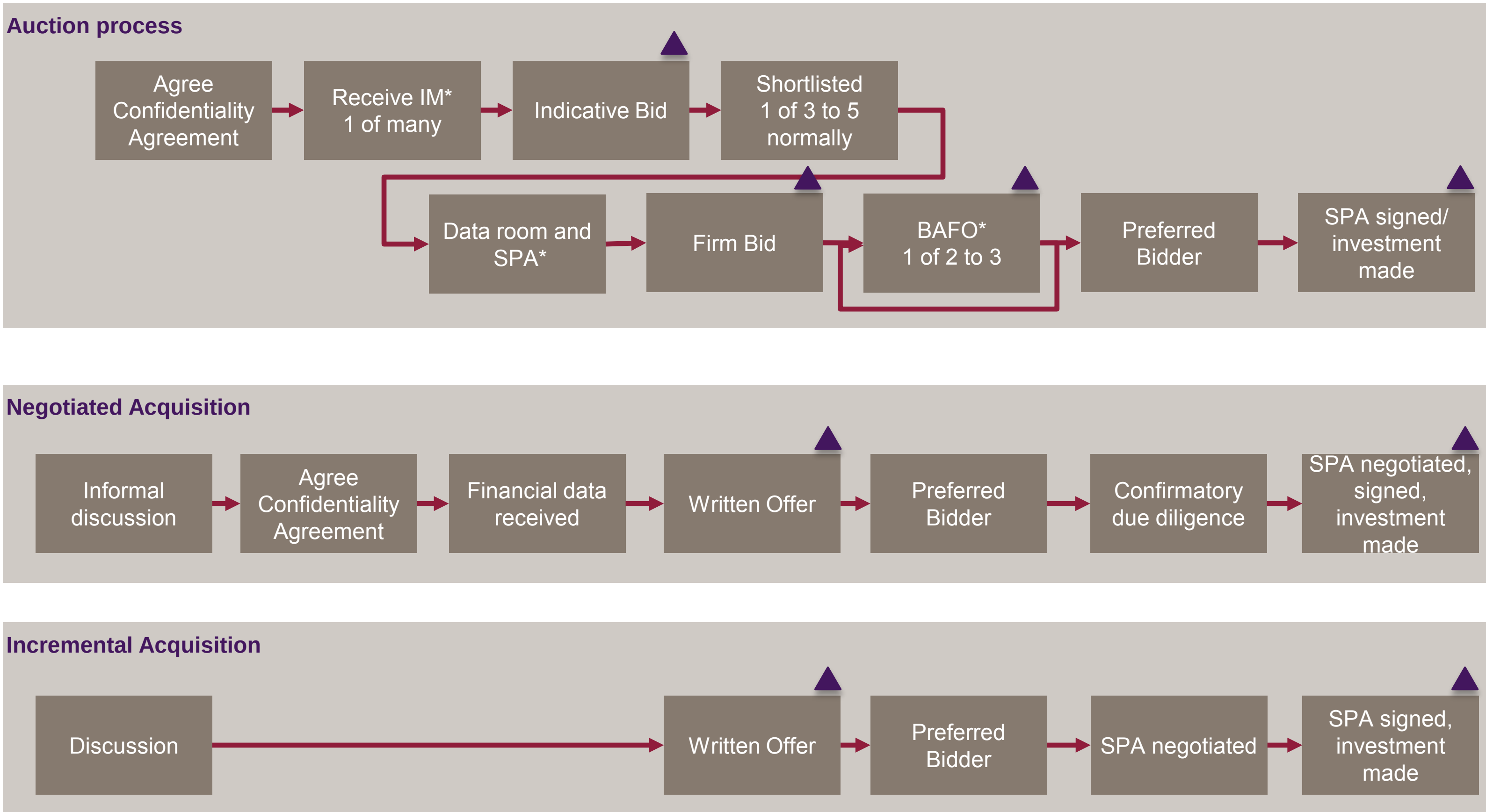
Source and evaluate investment opportunities which are:

- Predominantly social and transportation infrastructure
  - PFI/PPP/P3 concession contracts with public sector clients, both operational and under construction
  - Availability-based revenues with inflation-linkage
- Of possible interest, if risk/return appropriate:
  - Transmission lines, which have availability-type payment mechanisms
  - Transportation projects, where income is from user-paid revenue streams

Maintain position by:

- Adherence to clear, stated strategy to deliver target returns
- Sourcing carefully, through relationships
- Maintaining acquisition pricing discipline
- Achieving continued portfolio delivery

Typical Bid Processes



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

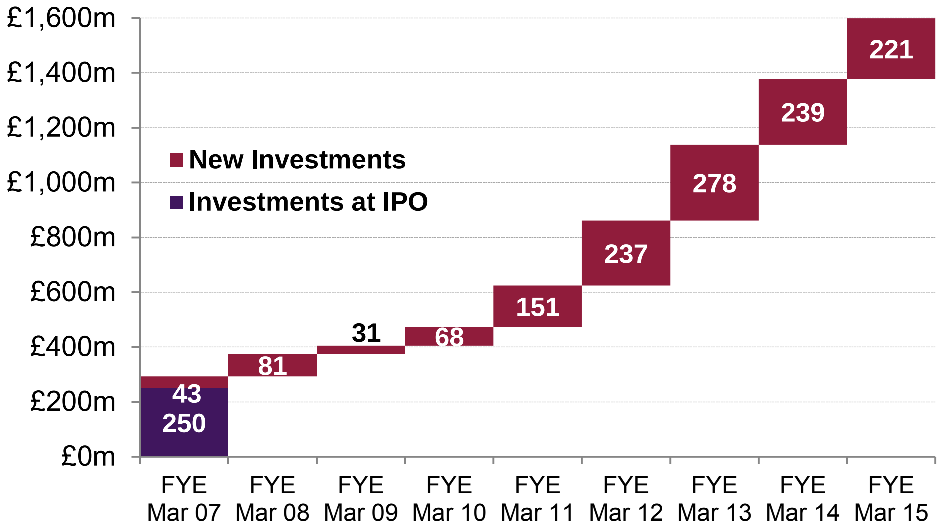
▲ Meeting of Investment Committee

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

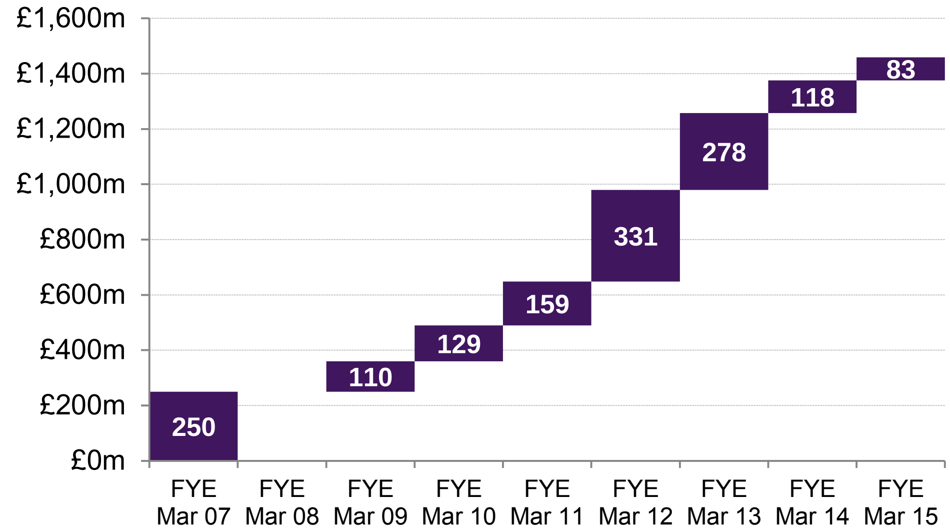
Investment and Capital Raising

- Acquisitions driven by demand for HICL shares and availability of further investments which fit the Investment Strategy
- Acquisitions are initially debt-funded (using £150m committed revolving credit facility at Group level), to avoid cash drag and to give shareholders visibility over the new investments, and then refinanced through equity issuance
- HICL has raised c.£1.46bn of equity since launch in March 2006 - £250m at IPO and £1.21bn through subsequent share issues

158 Acquisitions[1] since IPO to 31 March 2015 totaling £1.54bn[2]



£1.46bn of Equity Issuance since IPO to 31 March 2015[3]



1.Split into 106 new investments and 52 acquisitions of incremental stakes in existing investments as at 31 March 2015
2.Excludes disposals, the proceeds of which have been reinvested
3.Includes primary and secondary issuance by way of tap and scrip issues

Appendix III

The Investment Portfolio

Current Portfolio

Portfolio of 100 investments as at 20 May 2015

HICL INFRASTRUCTURE

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	Ecole Centrale Supelec
Edinburgh Schools	Falkirk Schools NPD	Fife Schools
Fife Schools 2	Haverstock School	Health & Safety Labs
Helicopter Training Facility	Highland Schools PPP	Irish Grouped Schools
Kent Schools	Manchester School	Newham BSF Schools
Newport Schools	North Tyneside Schools	Norwich Schools
Oldham Schools	Perth & Kinross Schools	PSBP NE Batch
Rhondda Schools	Sheffield BSF Schools	Salford & Wigan BSF Phase 1
Salford & Wigan BSF Phase 2	Renfrewshire Schools	Sheffield Schools
South Ayrshire Schools	University of Bourgogne	West Lothian Schools
Wooldale Centre for Learning		

Fire, Law & Order
Addiewell Prison
Dorset Fire & Rescue
D & C Firearms Training Centre
Exeter Crown Courts
Gloucester Fire & Rescue
Greater Manchester Police Stations
Medway Police
Metropolitan Police Training Centre
South East London Police Stations
Sussex Custodial Centre
Tyne & Wear Fire Stations
Zaanstad

Health	
Barnet Hospital	Birmingham Hospitals
Birmingham & Solihull LIFT	Bishop Auckland Hospital
Blackburn Hospital	Blackpool Primary Care Facility
Brentwood Community Hospital	Brighton Hospital
Central Middlesex Hospital	Doncaster Mental Health Hospital
Ealing Care Homes	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
South West Hospital, Enniskillen	Staffordshire LIFT
Stoke Mandeville Hospital	Tameside General Hospital
West Middlesex Hospital	Willesden Hospital

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

Transport
A249 Road
A92 Road
Connect PFI
Dutch High Speed Rail Link
Kicking Horse Canyon P3
M80 Motorway DBFO
N17/N18 Road
NW Anthony Henday P3
RD901

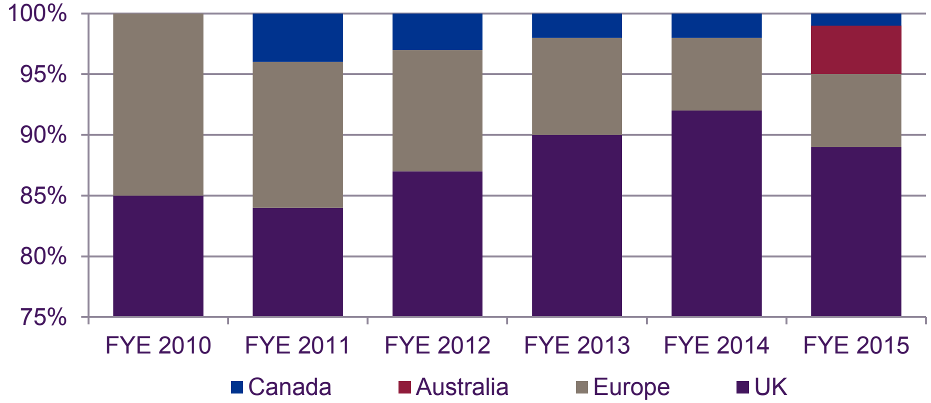
Key:

Incremental stake acquired	Sold since 31 March 2014
Portfolio as at 31 March 2014	New investment since 31 March 2014

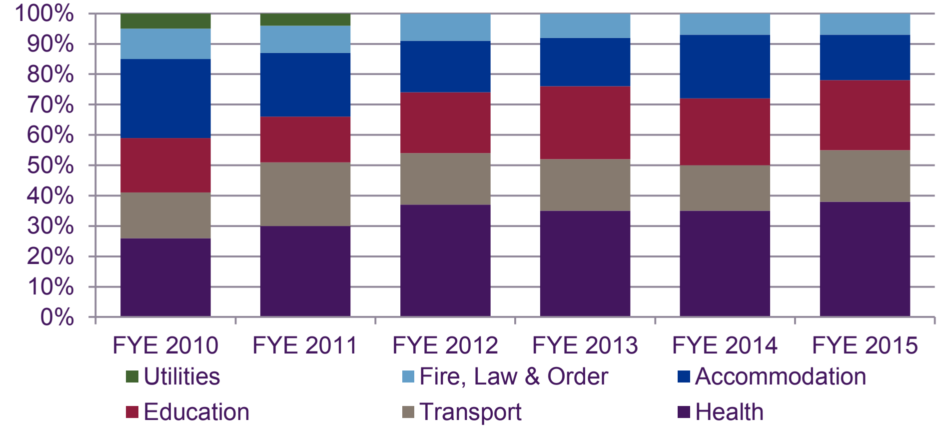
Current Portfolio – Key Attributes

Evolution of the Group's portfolio – last 6 years to 31 March 2015[1]

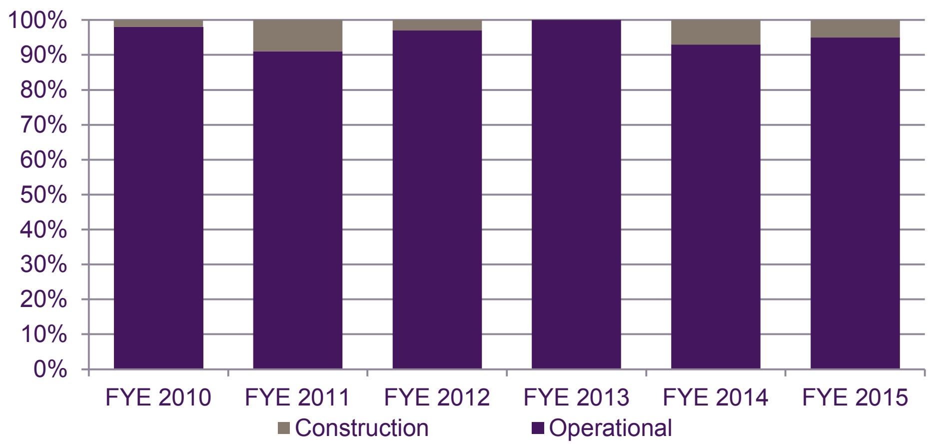
UK-focused portfolio



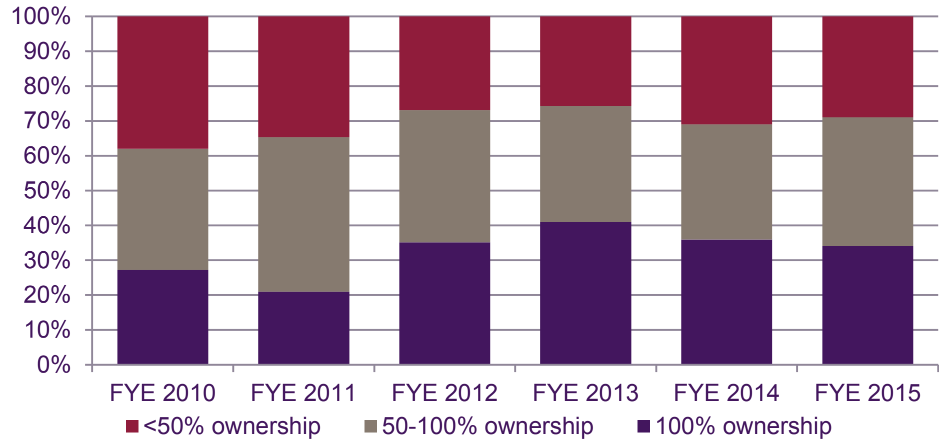
Good sector spread



Predominantly operational projects



Opportunities to increase ownership stakes

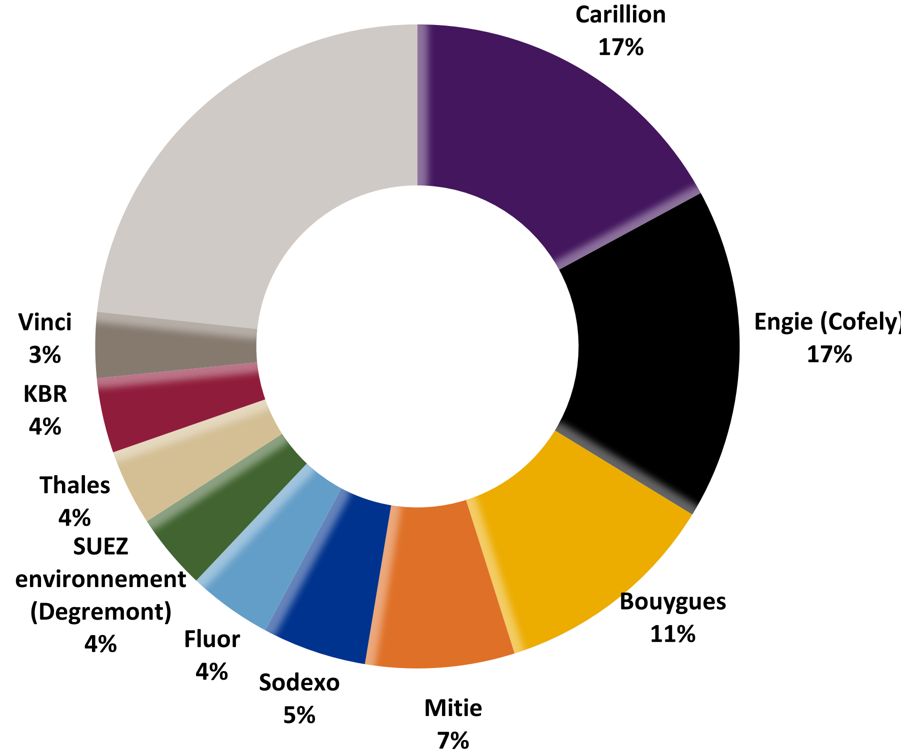


[1] By value, using Directors' valuation as at 31 March each year from 2010 to 2015

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

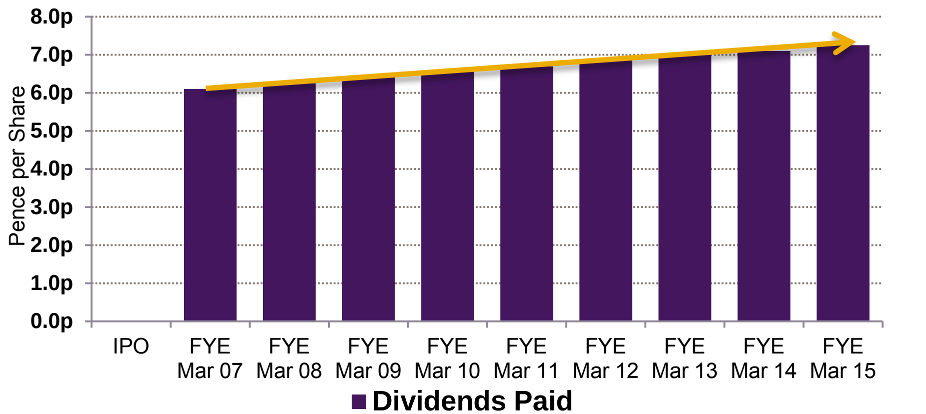


1 By value, as at 31 March 2015, using Directors' valuation
2 Ten largest exposures shown
3 Where a project has more than one operations contractor in a joint and several contract, the better credit counterparty has been selected (based on analysis by the Investment Adviser)
4 Where a project has more than one operations contractor, not in a joint and several contract, the exposure is split equally among the contractors, so the sum of the pie segments equals the Directors' valuation
5 There were seven projects under construction as at 31 March 2015, Allenby & Connaught with Carillion and KBR as construction contractors on a joint and several basis, RD901, University of Bourgogne, and Centrale Supelec with subsidiaries of Bouygues; and the N17/18 with Strabag, PSBP North East with Galliford Try; and Zaanstad Prison with Ballast Nedam and Royal Imtech Building services as construction contractors on a joint and several basis

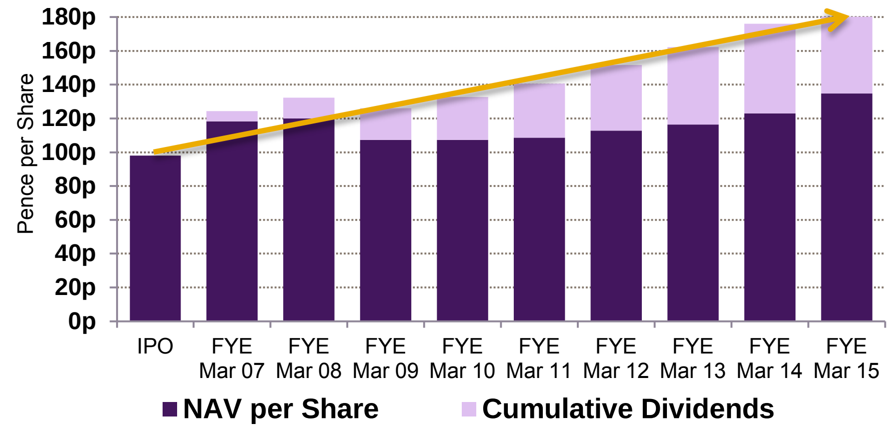
Historic Performance

HICL INFRASTRUCTURE

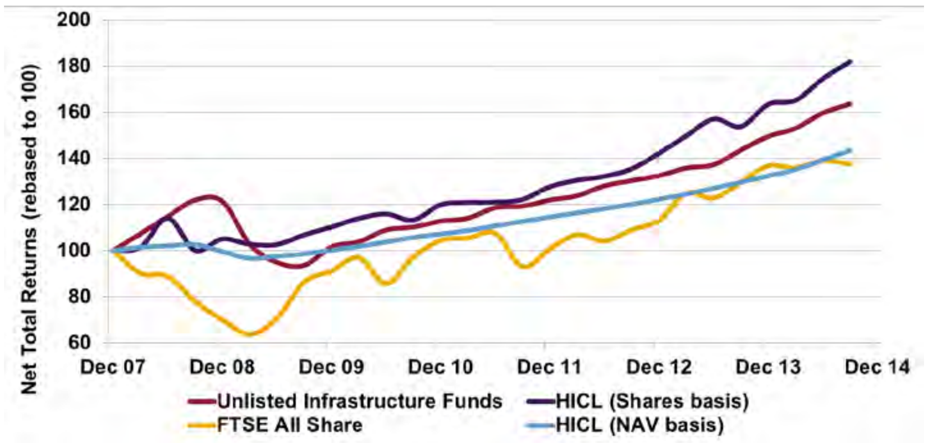
HICL has grown its dividend for last 9 years



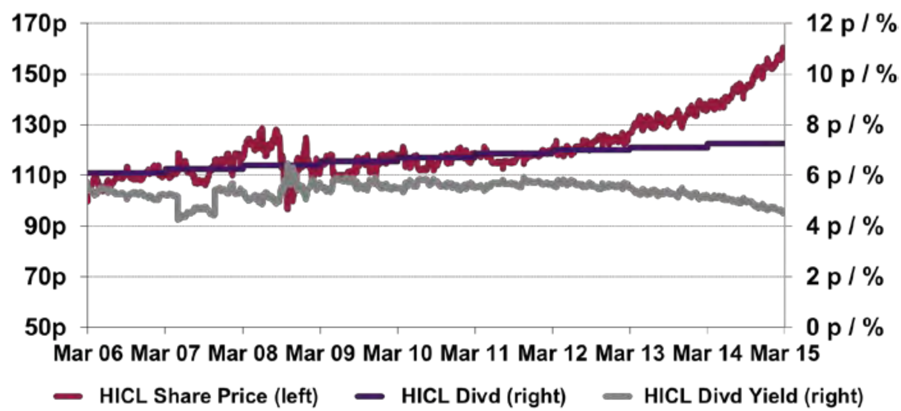
Total Return (NAV growth and dividends) of 9.7% since IPO



HICL has outperformed listed equities and unlisted infrastructure



Growing dividend partially offsets yield decline as price rises



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

NB: Total return on a share basis is share price appreciation plus cumulative dividends. Total return on an NAV basis is NAV growth plus cumulative dividends

Appendix IV

The Infrastructure Asset Class

What Defines Infrastructure

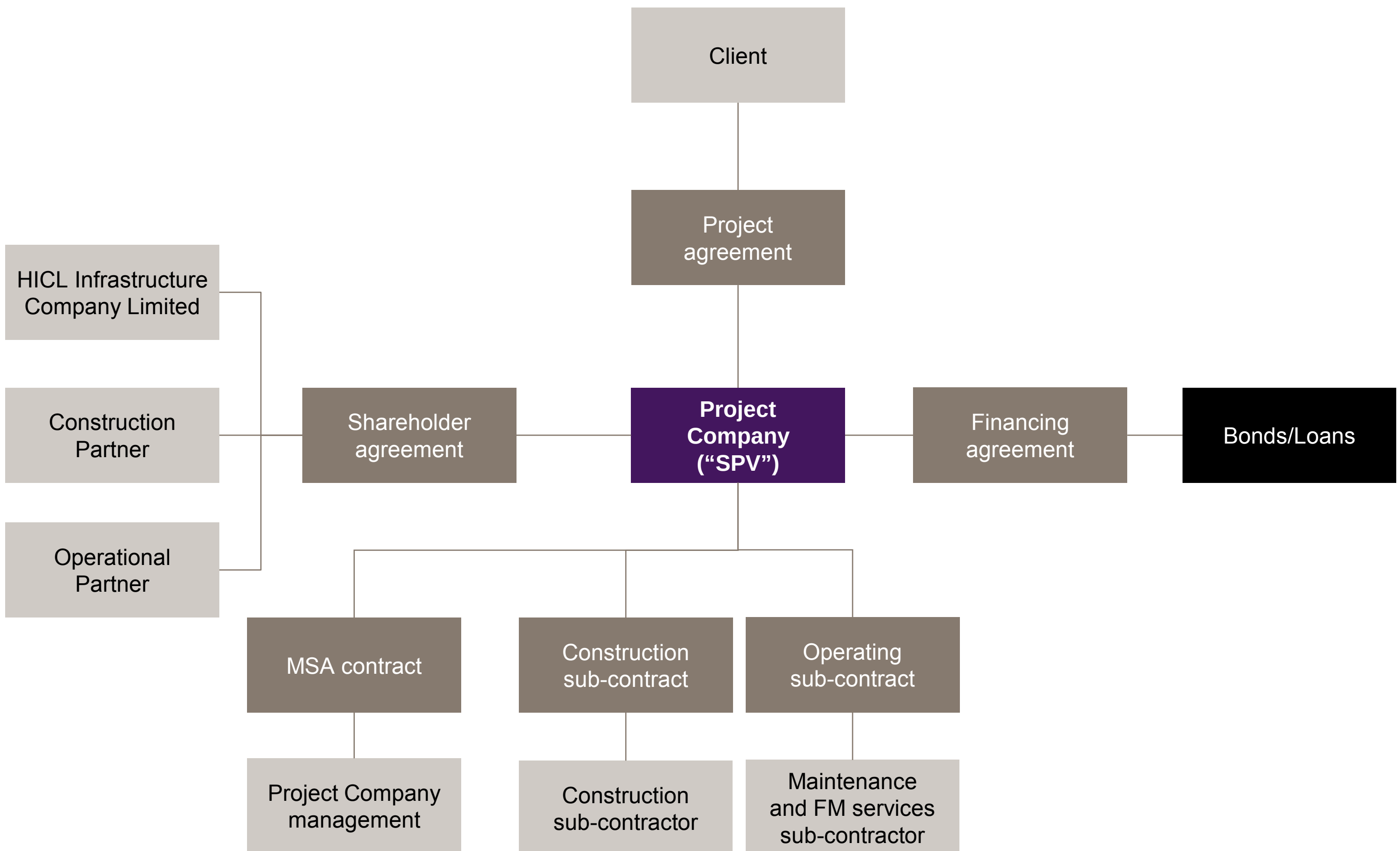
Low — Revenue risk — High

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

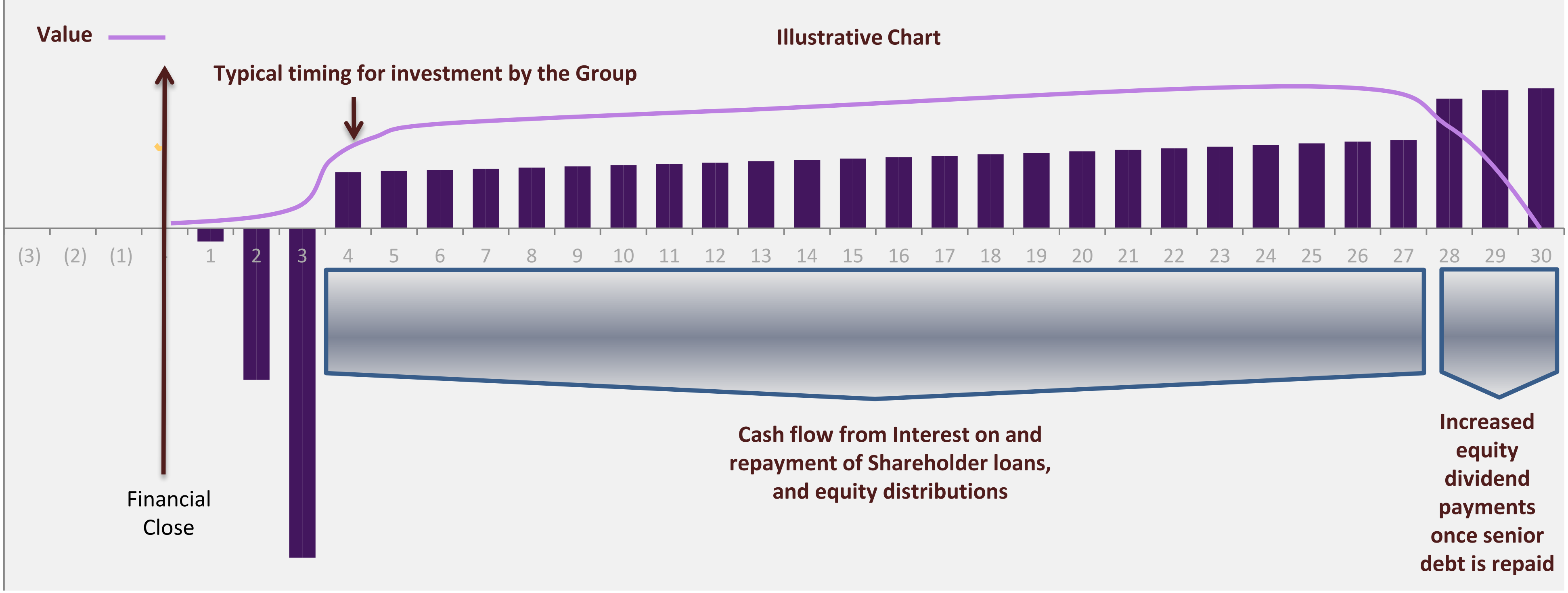
Typical Infrastructure Project Structure



Investment Cash Flow Profile over a Project's Life I

Example : social infrastructure availability revenue stream

Typical Social Infrastructure Investment Cash Flow Profile		
Bidding Phase	Constructio n Phase	Operation & Maintenance Phase

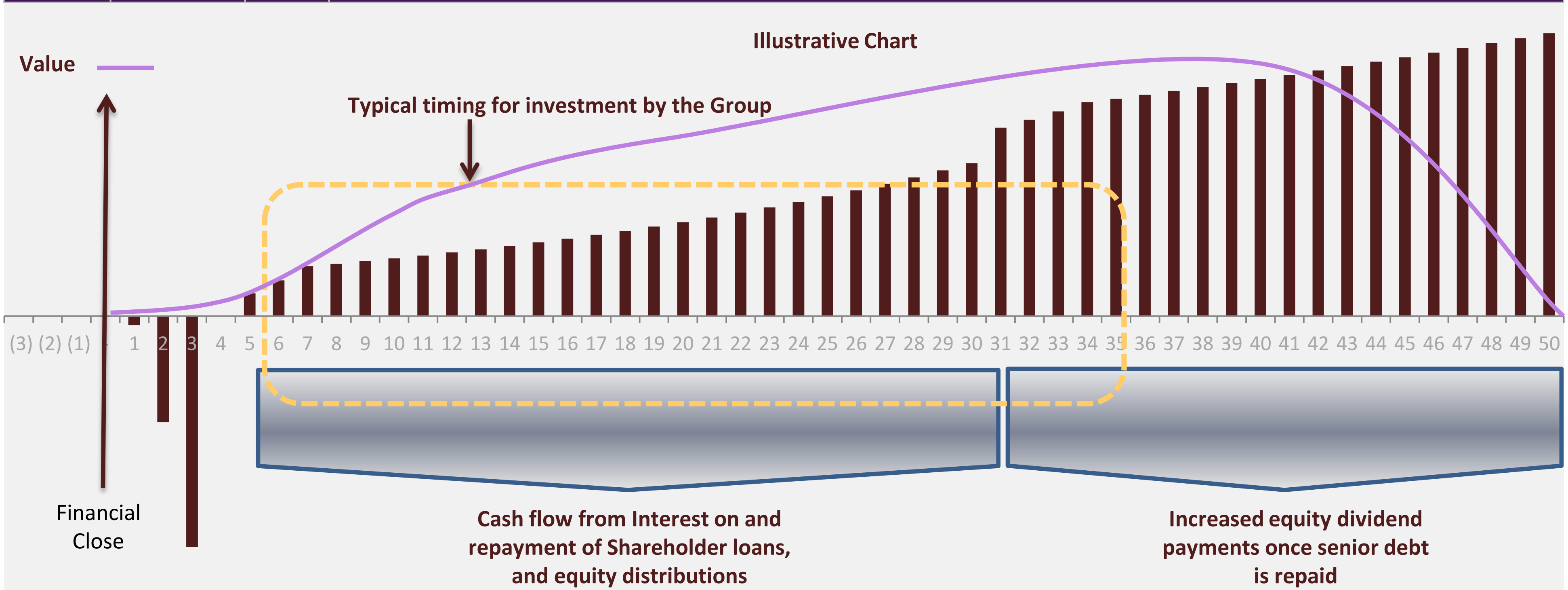


Investment Cash Flow Profile over a Project's Life II

Example : toll road with ‘demand’ revenue stream

Typical Toll Road Investment Cash Flow Profile

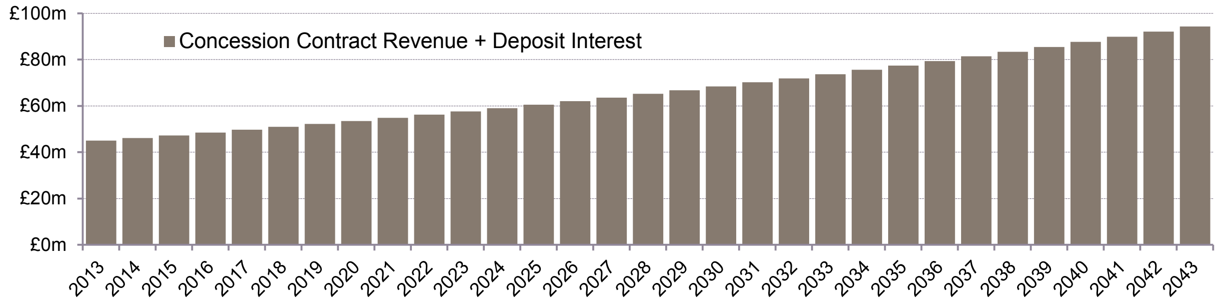
Bidding Phase	Construction Phase	Ramp-Up	Operation & Maintenance (Steady State)



Valuation - Methodology

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

Forecast Project Inflows



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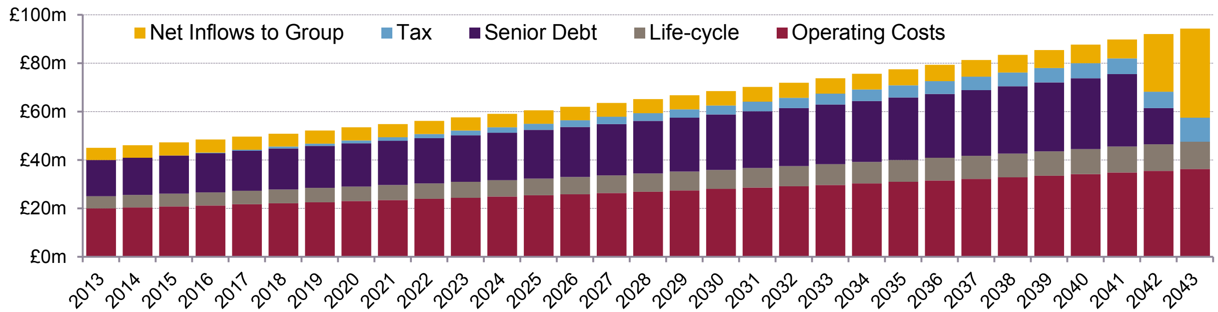
Forecast Project Outflows



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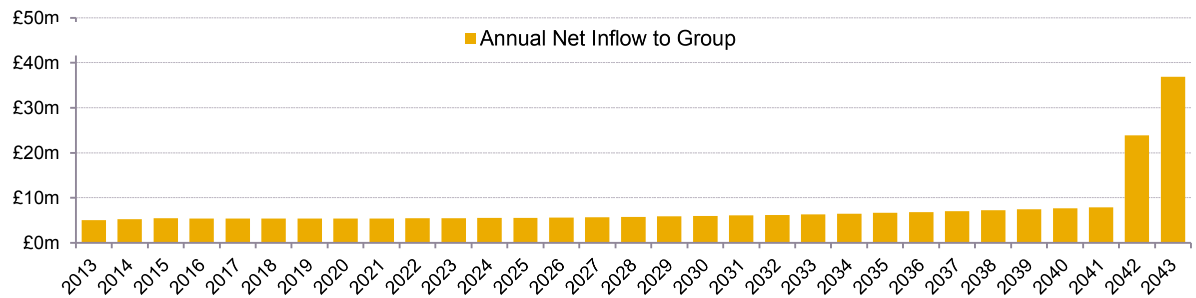
Net Inflow from Project to HICL



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