HICL Infrastructure Company Limited[1]

Annual Results Presentation

Year to 31 March 2011

24 May 2011

www.hicl.com

1. formerly HSBC Infrastructure Company Ltd

Agenda

Presentation
Highlights
Investment Adviser - Change of ownership
Portfolio review & analysis
Asset Management
Financial review
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Market update & pipeline
Summary
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This presentation and subsequent discussion may contain certain forward looking statements with respect to the financial condition, results of operations and business of HICL Infrastructure Company Limited and its corporate subsidiaries (the "Group"). These forward-looking statements represent the Group's expectations or beliefs concerning future events and involve known and unknown risks and uncertainty that could cause actual results, performance or events to differ materially from those expressed or implied in such statements. Additional detailed information concerning important factors that could cause actual results to differ materially is available in our Annual Report & Consolidated Financial Statements for the year ended 31 March 2011, available from the Company's website when printed and sent to shareholders in June.

Past performance is not a reliable indicator of future performance.

Financial highlights

Another year of strong performance

- Second interim dividend of 3.425p per share declared
- Strong portfolio performance
- Dividend cash covered 1.19 times (2010: 1.26 times)
- Total expense ratio 1.20% for the period (2010: 1.45%)

All figures stated on an investment basis	Year to 31 March 2011	Year to 31 March 2010
Profit before valuation movement	**£24.3m**	**£17.8m**
Valuation movements	£20.9m	£7.2m
Profit before tax[1]	£45.2m	£25.0m
Earnings per share	**8.9p**	**6.5p**
Total dividend	**6.70p**	**6.55p**
NAV per share (before interim dividend)	**113.1p**	**110.7p**
NAV per share (after interim dividend)	**109.7p**	**107.4p**
Net cash[2]	**£54.7m**	**£11.0m**

1 Consolidated profit before tax was £38.3m & consolidated profit attributable to HICL was £45.2m

2 At 31 March 2011 there were £47.0m of outstanding investment commitments

Investment and capital raising highlights

Continued investment activity and successful capital raising

- Portfolio and New Investments
  - 38 investments as at 31 March 2011
    - 35 assets operational, 3 in construction
  - Operational performance in line with business plans
  - Cash receipts in line with forecasts
  - Five new investments and four incremental stakes acquired for £151.0m in the year
  - Kemble Water junior loan repaid in April 2011
  - Three new interests in UK PFI schools acquired for £17.2m since year end
  - 40 investments as at 23 May 2011

- Group debt
  - £200m committed revolving facility
  - Net cash position at 31 March 2011 – facility only being used for letters of credit

- Cash
  - As at 31 March 2011, cash balance of £54.7m, of which £47.0m relates to future investment commitments on 3 projects

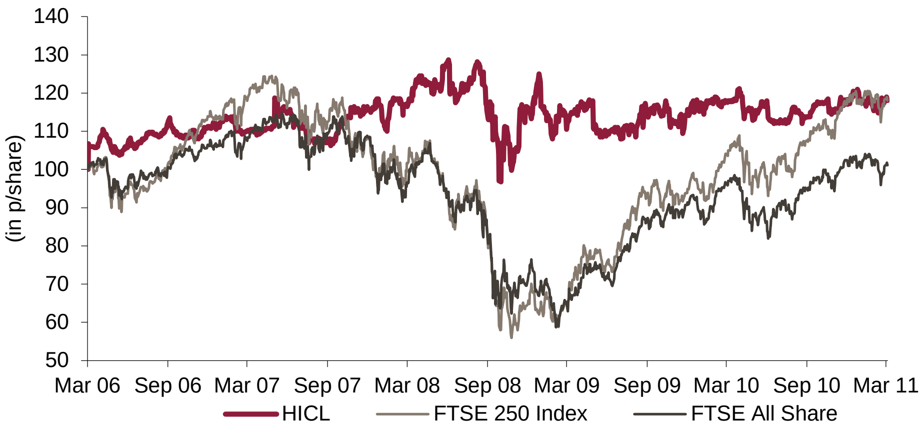
- Equity
  - Successful equity raising in December 2010
  - £110m via C shares – converted into ordinary shares in January 2011
  - £46.5m raised through tap issues in year to 31 March 2011

HICL share price

Shares have traded at a premium to last published NAV during the year

Total shareholder return since IPO was 9.0% p.a. at 31 March 2011

HICL share price since IPO (indices rebased)



HICL total return since IPO (indices rebased)

Correlation	
All Share	0.003
FTSE 250	0.095

Outperformance	
All Share	28.7%
FTSE 250	12.1%

Past performance is not a reliable indicator of future performance
Source: Thomson Datastream, Return index

Investment Adviser’s change in ownership

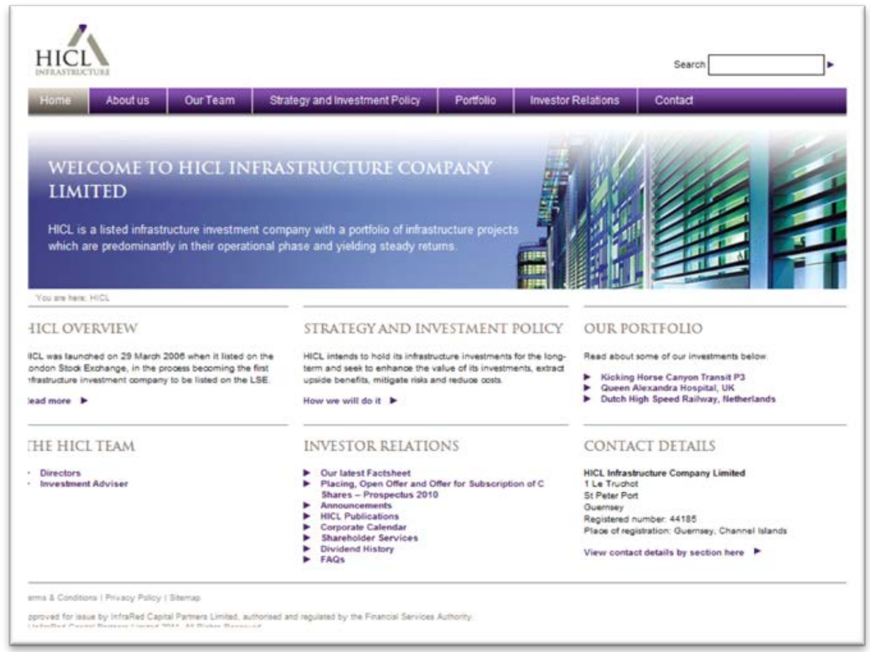
HICL INFRASTRUCTURE

Transfer to InfraRed Partners LLP completed April 2011

- New business, InfraRed Partners LLP (“IRCP”), majority owned by senior management
  - 8 managing partners
  - HSBC Group retains 19.9% stake
- Investment Adviser renamed InfraRed Capital Partners Ltd (www.ircp.com)
- IRCP is a fund management business with three real estate and four infrastructure funds, being:
  - Fund II, Fund III, Environmental Infrastructure and HICL
- AUM in excess of $4.0bn in 7 active funds
- Team of 80 – all colleagues have transferred
- No change to team responsible for HICL
- New offices in central London, as well as New York, Paris and Hong Kong
- Agreed small number of changes to Investment Advisory Agreement & fee taper[1]

Change of name

- Company changed name in March 2011 to HICL Infrastructure Company Limited
- New branding and website



1. Changes took effect from 1 January 2011. For investments under management with an incremental value in excess of £750m, the Investment Adviser’s incremental fee is reduced to 1.0% per annum (from 1.1% per annum), provided that the assets have become operational.

New investments

Significant acquisitions achieved in the year

Total investments of £151.0m made in year

- Four assets acquired from Bilfinger Berger group for £65.9m
  - 50% interest in Kent schools PFI
  - 41.6% interest in M80 motorway DBFO PPP in Scotland
  - 50% interest in Kicking Horse Canyon Road P3 in Canada
  - 50% interest in North-West Anthony Henday Road P3 in Canada
- Queen Alexandra Hospital
  - 74.9% interest acquired in June for £46.4m
  - 15% incremental equity interest and 25.1% incremental loan note interest acquired in October for £13.4m
- Oxford John Radcliffe Hospital
  - 39.9% incremental equity interest and 50.0% incremental loan note interest acquired in October for £13.9m
- Incremental 7.55% equity interest and 17.65% loan note interest in Sussex Custodial for £1.1m
- Incremental 5.49% interest in Dutch High Speed Rail Link for €11.6m

Current portfolio

Strong PFI/PPP/P3 focus

Health	Education		Law & Order	Accommodation	Transport	Utilities
Barnet Hospital	Bradford Schools	Conwy Schools	D & C Firearms Training	Colchester Garrison	Dutch High Speed Rail	Kemble Water Junior Loan
Bishop Auckland Hospital	Darlington Schools	Defence 6th Form College	Exeter Crown Court	Health & Safety HQ	Kicking Horse Canyon P3	
Blackburn Hospital	Ealing Schools	Haverstock School	GMPA Police Stations	Home Office	M80 Motorway DBFO	
Central Middlesex Hospital	Health & Safety Labs	Helicopter Training	MPA Firearms Training	Newcastle Libraries	NW Anthony Henday P3	
Oxford John Radcliffe	Highlands Schools	Kent Schools	MPA SEL Police Stations			
Queen Alexandra Hospital	North Tyneside Schools	Norwich Schools	Sussex Custodial			
Romford Hospital	Oldham Schools	Pinnacle Schools Fife				
Stoke Mandeville Hospital	Renfrewshire Schools	Sheffield Schools				
West Middlesex Hospital	Wooldale Centre					

- Portfolio at 31 March 2010
- Acquired in year to 31 March 2011
- Additional stake acquired in year
- Repaid in April 2011
- Acquired in May 2011

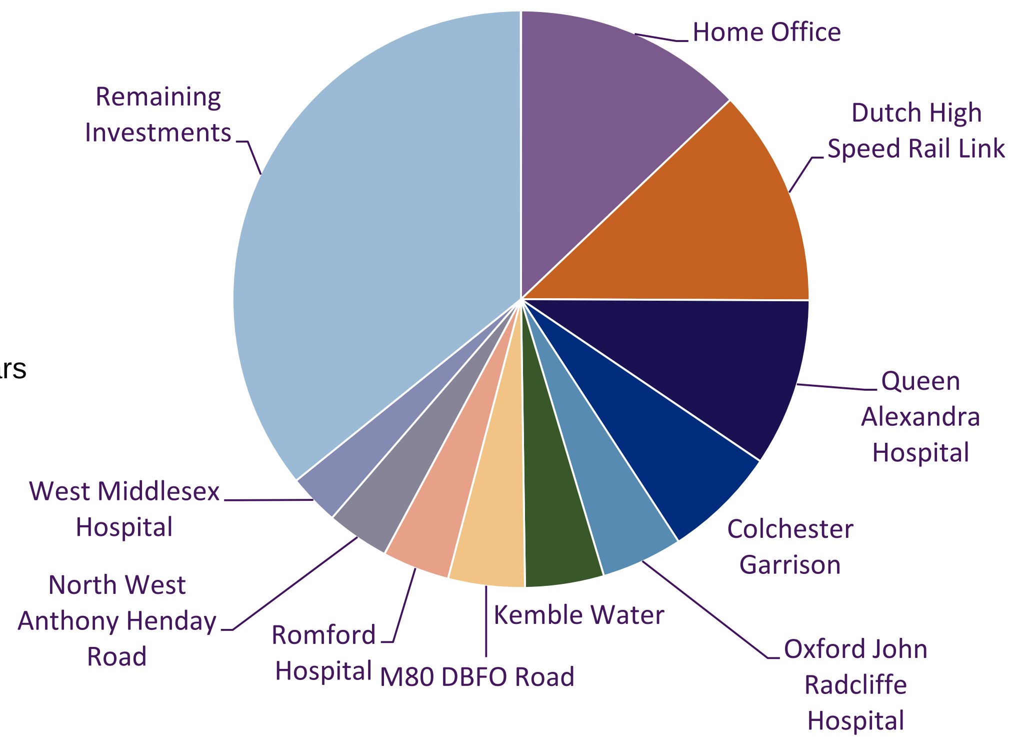
Diversified portfolio

New investments have increased portfolio diversification

- 38 investments[1]
  - 37 PFI/PPP concessions, with availability-style income streams with public sector clients
  - 35 operational investments, 3 in construction
  - 35 UK based investments, 2 in Canada, 1 in EU
  - Average concession life of 24.0 years
  - Long-term financing with average remaining maturity of 22.3 years and interest rate risk hedged

- Since period end:
  - the Kemble Water junior loan was repaid
  - three new investments

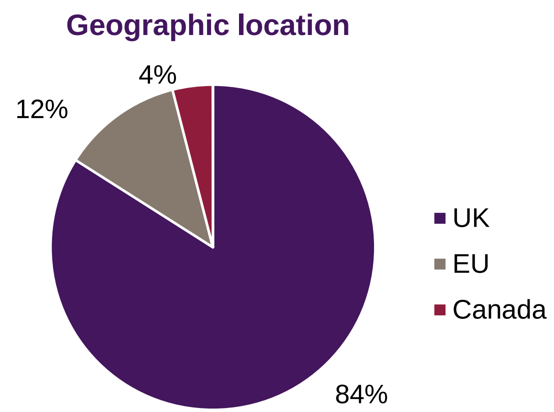
Ten largest investments[2]

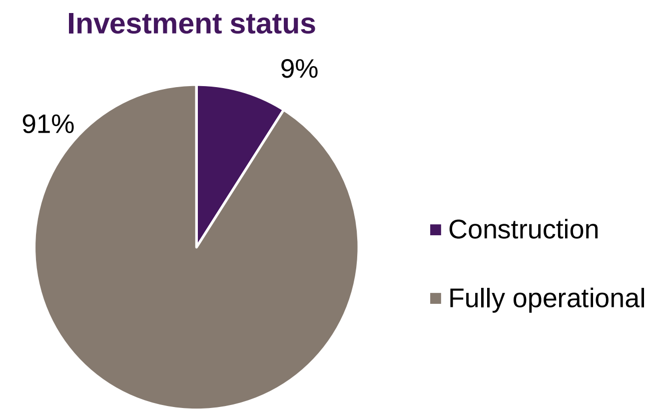


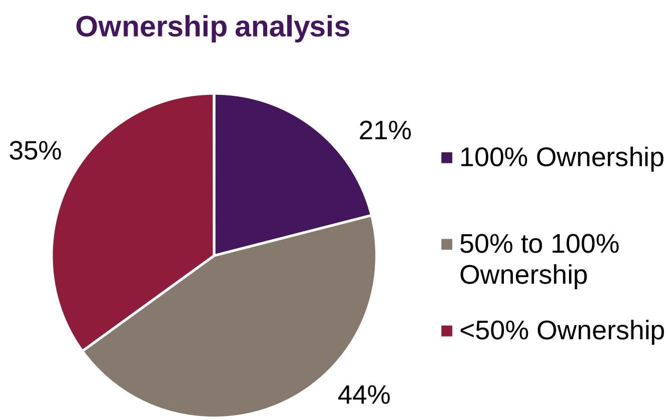
1. As at 31 March 2011
2. By value, as at 31 March 2011, using Directors' valuation.

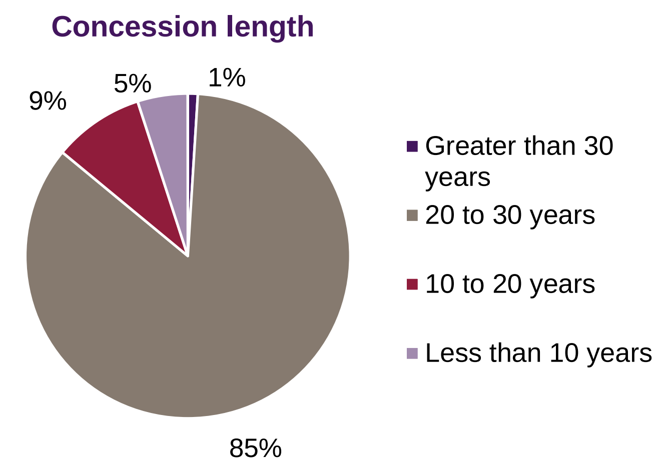
Stable, attractive portfolio

Mainly UK based, operational, long-term concessions









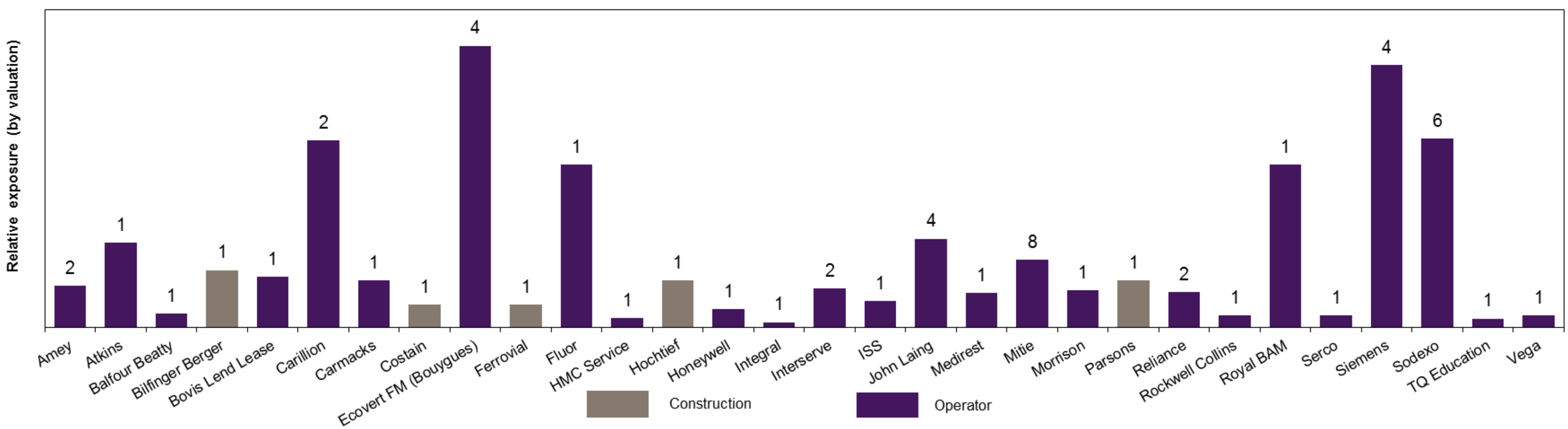
1. By value, as at 31 March 2011, using Directors' valuation.

Counterparty exposure

Diversified spread of quality supply chain providers

- All counterparties performing
- Good spread ensures no over-reliance on single entity
- Quarterly reviews by Investment Adviser
- Acquisitions have increased counterparty diversity

Contractor exposure (legend = number of projects)



1. By value, as at 31 March 2011, using Directors' valuation. Some projects have more than one contractor so sum of the bars is greater than portfolio valuation. Grey is construction exposure

Asset Management and Client update

Asset Management

- Pro-active approach to working with clients and supply chain
- Construction on Bradford BSF Phase II now complete
- Construction on M80 Motorway and North West Anthony Henday Road continues to plan
- No material issues
- New investments – performing as expected
- Variations:
  - a number to help deliver Clients' service requirements
- Working to improve energy efficiency on a number of investments
- Applying ESG policies to portfolio, and on acquisitions

Client counterparties and UK Government Spending Review

- Relationships with clients remain good
- Have seen more active management
- Two UK Government committees reviewing PFI
  - Treasury Select Committee
  - Public Accounts Committee
- HM Treasury guidance on contract management – January 2011
- Romford selected as 'pilot' for review – report due soon
- MOD review of DSFC project – agreed savings and operational efficiencies now being implemented
- Media attention – often misleading information

Summary income statement

	Year to March 2011			Year to March 2010		
£m	**Investment basis**	**Consolidation adjustments**	**IFRS Basis**	**Investment basis**	**Consolidation adjustments**	**IFRS Basis**
Total Income	37.4	150.5	187.9	31.2	128.5	159.7
Expenses & finance costs	(13.1)	(155.2)	(168.3)	(13.4)	(121.0)	(134.4)
Profit/(loss) before valuation movement	**24.3**	**(4.7)**	**19.6**	**17.8**	**7.5**	**25.3**
Fair value movements	20.9	(2.2)	18.7	7.2	(24.8)	(17.6)
Tax and non-controlling interests	(0.1)	7.0	6.9	(0.2)	(1.5)	(1.7)
Earnings	**45.1**	**0.1**	**45.2**	**24.8**	**(18.8)**	**6.0**
Earnings per share	**8.9p**		**9.0p**	**6.5p**		**1.6p**

Expenses & finance costs

	Year to March 2011	Year to March 2010
£m	**Investment basis**	**Investment basis**
Interest income	0.1	0.1
Interest expense	(3.6)	(5.5)
Investment Adviser	(8.1)	(6.0)
Auditor – KPMG – for the Group	(0.2)	(0.2)
Directors' fees and expenses	(0.1)	(0.1)
Other expenses	(1.2)	(1.7)
Expenses & finance costs	**(13.1)**	**(13.4)**
Total Expense Ratio (TER) [1]	**1.20%**	**1.45%**

1. At 31 March 2011 based on operating costs of £8.1m which excludes one-off acquisition costs and NAV of £673.2m.

Summary balance sheet

	As at March 2011			As at March 2010		
£m	Investment basis	Consolidation adjustments	IFRS basis	Investment basis	Consolidation adjustments	IFRS basis
Investments at fair value[1]	**626.1**	**(200.1)**	**426.0**	**501.3**	**(193.9)**	**307.4**
Non-current assets	-	957.9	957.9	-	979.3	979.3
Working capital	(5.3)	8.8	3.5	(4.8)	11.8	7.0
Net cash/(borrowings)	54.7	(587.5)	(532.8)	11.0	(604.0)	(593.0)
Other non-current liabilities	(2.3)	(185.4)	(187.7)	(4.6)	(196.7)	(201.3)
Non-controlling interests	-	(9.9)	(9.9)	-	(12.8)	(12.8)
Net assets[2]	**673.2**	**(16.2)**	**657.0**	**502.9**	**(16.3)**	**486.6**
NAV per share (before dividend)	113.1p		110.4p	110.7p		107.1p

1. Investments at Fair Value at 31 March 2011 of £626.1m excludes future investment commitments of £47.0m
2. Net assets attributable to the Group net of non-controlling interests

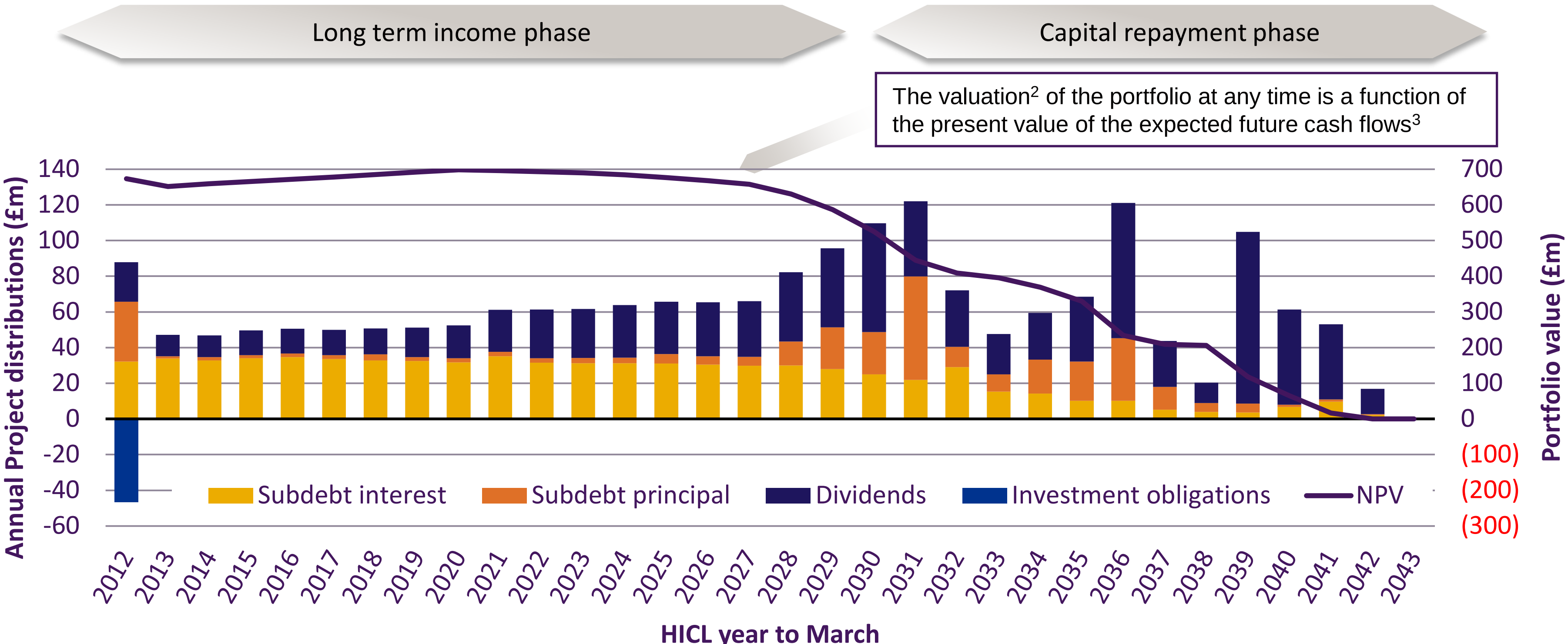
Summary cash flow

HICL INFRASTRUCTURE

	Year to March 2011		Year to March 2010	
£m	**Investment basis**		**Investment basis**	
Net cash/(borrowings) at start of year		**11.0**		**(57.7)**
Cash from investments	45.6		39.2	
Operating and finance costs outflow	(10.7)		(11.6)	
Net cash inflow before acq/financing		**34.9**		**27.6**
Cost of new investments		(115.1)		(60.1)
Forex movement on borrowings/hedging[1]		(1.3)		(3.2)
Share capital raised net of costs		154.6		126.3
Distributions paid				
Relating to operational investments	(27.6)		(21.4)	
Relating to investments in construction	(1.8)		(0.5)	
		(29.4)		**(21.9)**
Net cash at end of year		**54.7**		**11.0**

1. Forex movements includes both cash settlement and revaluation of euro borrowings at period end.

Long term cashflows[1]

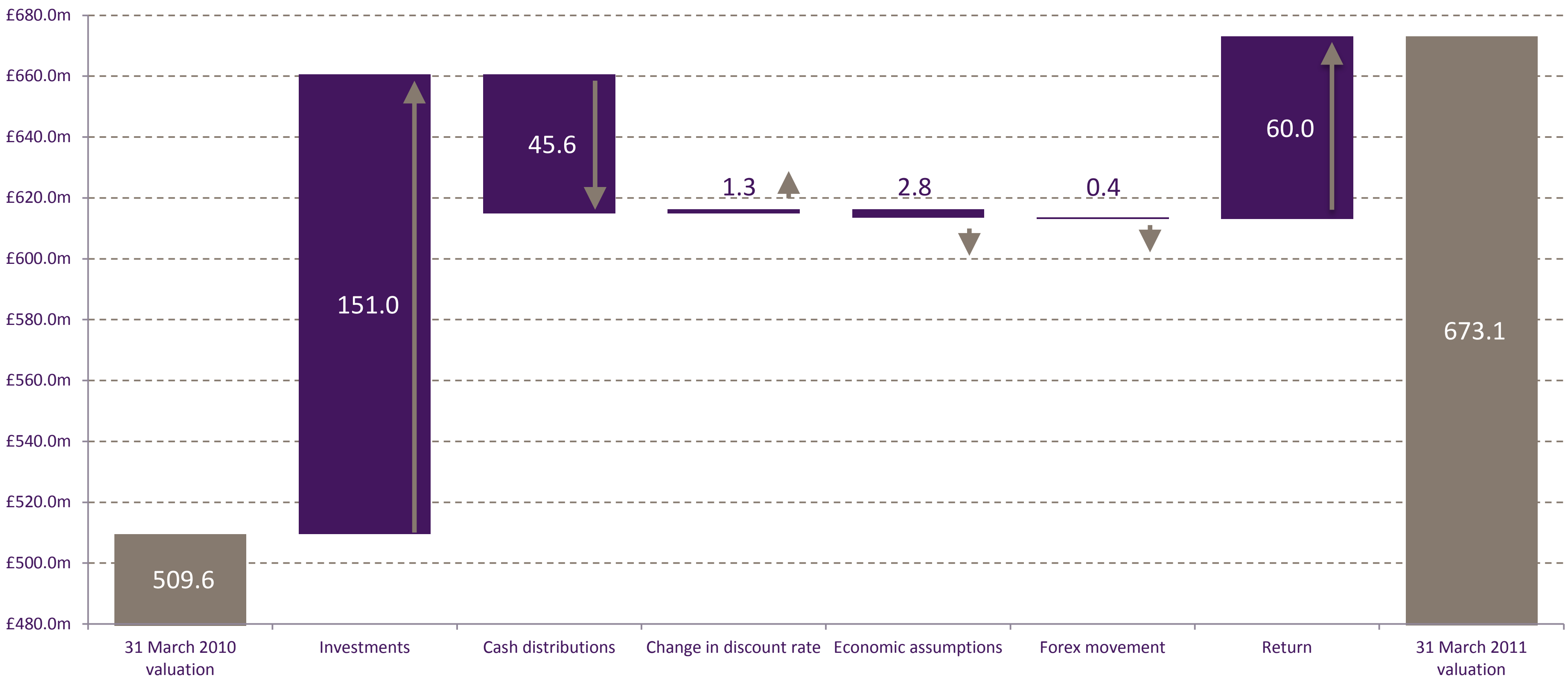


Source: Investment Adviser

1. The illustration represents a target only and is not a profit forecast. There can be no assurance that this target will be met.
2. Current Portfolio Value assumes a Euro to Sterling exchange rate of 0.89, a Canadian dollar to Sterling exchange rate of 0.64 and a weighted average discount rate of 8.7 per cent. per annum. These assumptions and the Current Portfolio Value may vary over time.
3. The valuation is of the portfolio of 38 investments as at 31 March 2011, 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 withholding taxes, or taxation on income or gains in excess of those expected.
4. The spike in 2012 is the repayment of principal in April 2011 on the Kemble Junior Holdco Loan.

Analysis of change in Directors' valuation

Valuation movements driven by acquisitions and portfolio performance



1. To reconcile to the IFRS investments at fair value as at 31 March 2011, the elimination of subsidiaries of £200.1m and £47.0m of future investment commitments must be deducted
2. The valuation of £673.1m at 31 March 2011 includes £ 47.0m of future investment commitments

Discount rate analysis

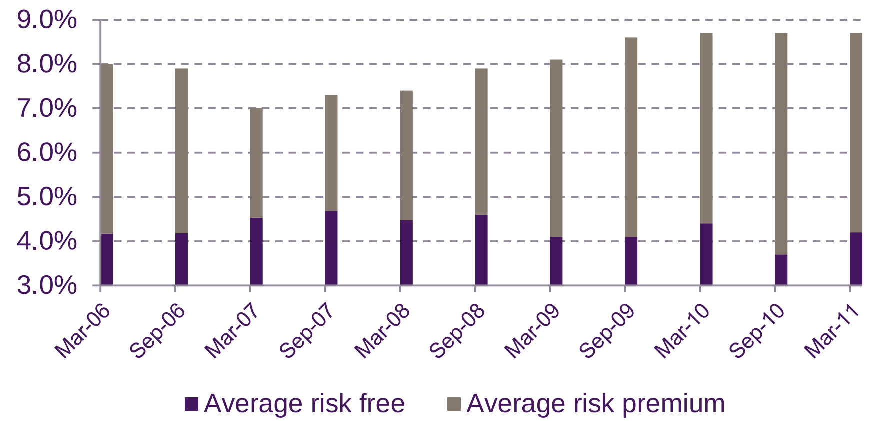
Average discount rate remains unchanged since March 2010

Market valuation of assets did not move significantly in period

- Discount rates for PFI/PPP/P3 projects range between 8.4% and10.0% (7.8% and 10.0% including Kemble)
  - Discount rate for operational projects unchanged from March 2010 at 8.6%
  - Discount rate for construction projects reduced from 11.0% to 9.3%
  - Weighted average rate of 8.7%

31 Mar 2011	Risk free rate	Premium	Total discount rate	Total Mar 2010
UK	4.3%	4.3%	8.6%	8.6%
Eurozone	3.9%	5.0%	8.9%	8.8%
Canada	3.7%	5.1%	8.8%	-
Portfolio	**4.2%**	**4.5%**	**8.7%**	**8.7%**

Discount rates since launch

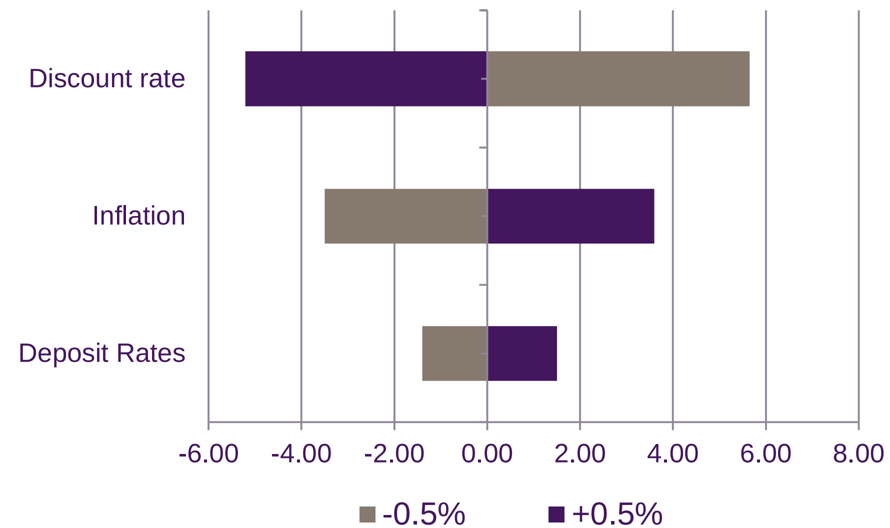


Key valuation assumptions

Key assumptions updated to reflect current consensus forecast

- Inflation assumptions
  - UK 2.75% pa - both RPI[1] and RPIx[1] (March 2010: 2.75% pa)
  - EURO 2.00% pa (March 2010: 2.00% pa)
  - Canada 2.00% pa (March 2010: n/a)
- Deposit rates (UK)
  - 1.0% pa to 31 March 2013, 4.0% thereafter (March 2010: 1.0% pa to March 2012 and 4.5% thereafter)
- Foreign exchange
  - CAD$/GBP 0.64
  - EU€/GBP 0.89

Sensitivity to key macroeconomic assumptions (change NAV in pence/share)



1. Retail Price Index and Retail Price Index excluding Mortgage Interest Payments
2. Some project income fully indexed, whilst others partially indexed

Market focus

The HICL Group's focus on PFI/PPP/P3 remains unchanged

HICL INFRASTRUCTURE

Main focus

- PPP/PFI/P3
  - Countries with developed programmes:
    - UK, Canada, Australia, Europe
  - Project phase
    - Mainly operational
    - Some assets in construction to achieve element of NAV growth

Possible secondary interest

- Operational renewable energy
  - Need appropriate risk return characteristics & contractual revenues
  - Wind farms, solar parks, hydro schemes in EU
- Regulated utilities, if appropriate scale and suitable revenue/risk balance
- Infrastructure debt, if liquid and appropriately priced

What does not fit the current strategy

- Core 'economic' infrastructure
- Revenue is function of usage and paid by users
  - e.g. toll roads, bridges, airports

Outside policy

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

Current investment strategy

Investment policy

Market environment update

Increased austerity

Private sector capital will continue to be used in funding public infrastructure

- Use of PFI/PPP as procurement method continues
  - Programmes procuring new projects in Europe, Canada and Australia continue
  - UK Government CSR and Infrastructure Plan put focus on transport and energy infrastructure
  - PFI continues to be used in UK for selected schemes - education, healthcare, waste

- UK PFI/PPP cost saving initiatives to find efficiencies
  - Romford and DSFC: two of a number of pilot projects
  - Main focus is on scope of services, and improved efficiencies

- Renewables
  - Increased regulatory risk due to Governments' budget constraints
  - Have reviewed a small number of opportunities
  - Taking a cautious, opportunistic approach
  - Require appropriate risk/return profile

Current pipeline

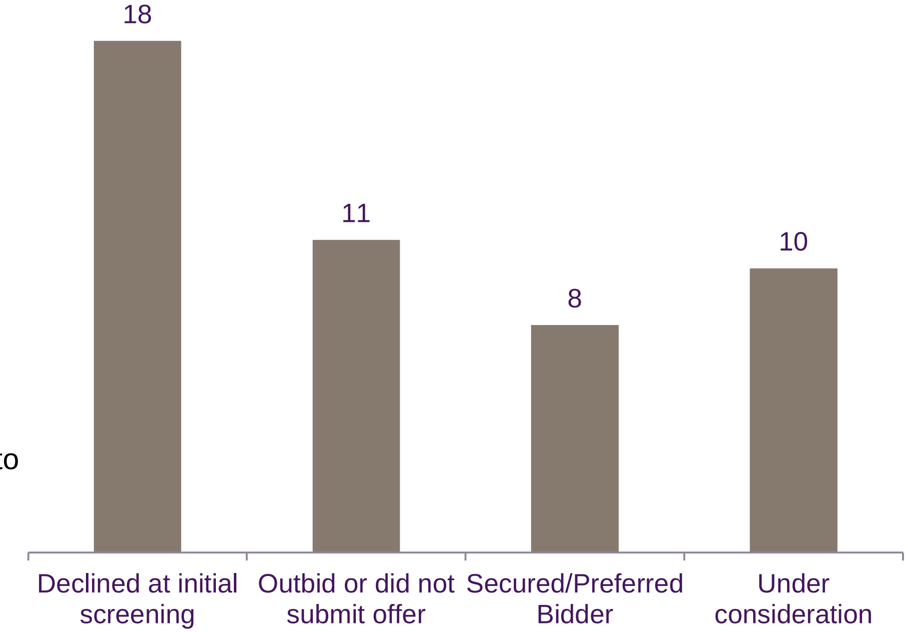
Macro-economic conditions support healthy pipeline

Increased number of sellers and purchasers in secondary market

- Group reviewing a strong pipeline of new investment opportunities:
  - PFI/PPP investments, both in construction and operational
  - Mainly UK, but also EU and Australia
  - Mix of single assets and larger portfolios being sold
  - Using relationships effectively

- New market entrants
  - Listed and unlisted competitors
  - Fund raising conditions remain challenging, so deliverability is key to securing new investments
  - Pricing levels remain reasonable

47 opportunities reviewed since April 2010



Summary

- Balanced, diversified portfolio – performing as expected
- Solid cash generation – attractive yield
- Portfolio value increasing
- Investor spread / share liquidity

- Strong pipeline of new investment opportunities
- "Kemble" cash and Group's revolving debt facility available for further investment

- Target[1] remains to grow distributions to 7p per share by 2013
- Seek some NAV growth – assets under construction

- Second interim dividend of 3.425p per share
- Achieved the 6.7p annual dividend target for year to March 2011
- Scrip dividend alternative

1. The 7p distribution target is consistent with statements made at time of launch and the November 2010 C Share prospectus. This is a target only and is not a profit forecast. There can be no assurance that this target will be met

Full year results

Home Office
Headquarters

Colchester
Garrison

Dutch High Speed
Rail Link

Exeter
Courts

S E London
Police Stations

Sussex
Custodial

Appendix I

Additional Financial Information

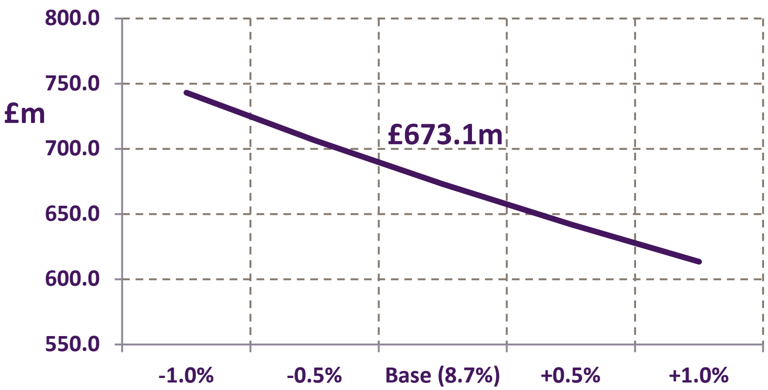
Valuation methodology

HICL's valuation methodology is consistent with industry standard

- Semi annual valuation and NAV reporting:
  - Carried out by Investment Adviser
  - Approved by Directors
  - Independent third party opinion for Directors
- 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 (Kemble): market quotation

Discount rates

▲ **Weighted average rate of 8.7%**



	Directors' valuation	NAV per share
Valuation	**£673.1m**	**113.1p**
	Change	**Implied NAV per share**
+0.5% increase	**- £31.0m**	**- 5.2p**
-0.5% decrease	**+ £33.6m**	**+ 5.6p**

▲ **DCF rates for PFI/PPP/P3 assets have remained flat in the year**

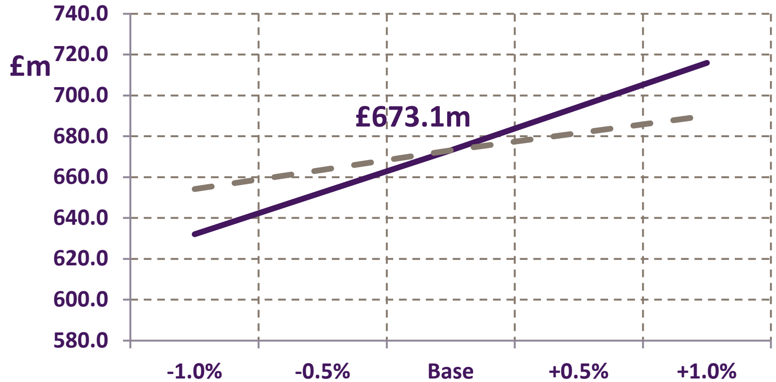
For the PFI/PPP/P3 portfolio	Average risk free rate	Average risk premium	Weighted average discount rate	Average const. phase premium	Average ops. phase premium
31 March 2009	4.1%	4.0%	**8.1%**	n/a	4.0%
31 March 2010	4.4%	4.3%	**8.7%**	6.6%	4.2%
30 September 2010	3.7%	5.0%	**8.7%**	6.3%	4.9%
31 March 2011	**4.2%**	**4.5%**	**8.7%**	**5.1%**	**4.4%**

1. Sensitivity analysis based on the 37 PFI/PPP/P3 investments as at 31 March 2011

Positive inflation correlation

Sensitivity to inflation depends on a project's initial structuring

- PFI/PPP projects' income and costs linked to RPI/RPIx[1] in UK and CPI in Holland and Canada
  - Valuation based on 2.75% pa RPI/RPIx in UK and 2.0% pa CPI in EU and Canada
  - Availability payments fully or partially indexed to inflation
  - Operating costs also indexed to inflation
  - Financing costs can be indexed-linked and some projects have long-term RPI hedges in place



	Directors' valuation	NAV per share
Valuation	**£673.1m**	**113.1p**
	Change	**Implied NAV per share**
+0.5% increase all years	**+ £21.5m**	**+3.6p**
-0.5% decrease all years	**- £20.6m**	**- 3.5p**

Purple line - Sensitivity changing assumption each and every year to maturity

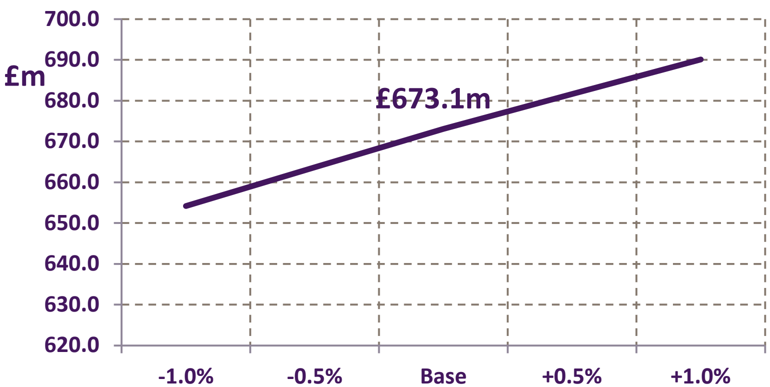
Grey line Sensitivity changing assumption for next five years only – base case thereafter

1. Retail Price Index and Retail Price Index excluding Mortgage Interest Payments.
Analysis based on 10 largest PFI/PPP/P3 investments

Deposit rate sensitivity

Positive sensitivity results from large cash deposit at projects' level

- 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

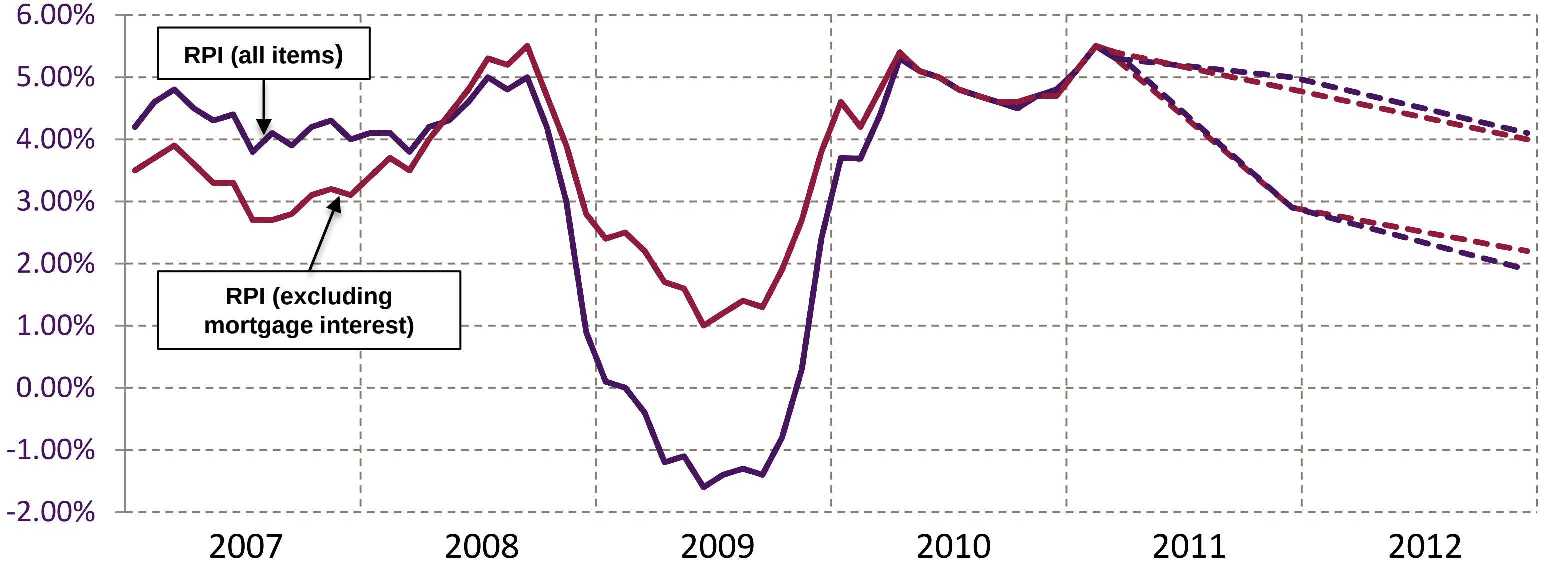


	Directors' valuation	NAV per share
Valuation	£673.1m	113.1p
	Change	**Implied NAV per share**
+0.5% increase all years	+ £8.8m	+ 1.5p
-0.5% decrease all years	- £8.5m	- 1.4p

1. Analysis based on 10 largest PFI/PPP/P3 investments
2. Changing all future periods assumption from the base assumption - all other assumptions unchanged.

UK Inflation – actual & forecast

- UK RPI remains above 5.0%, with forecasts showing it declining in next 18 months
- Wide range of forecasts
- Valuation assumptions – simple proxy of possible outcomes



1. Source – Office for National Statistics, HM Treasury a comparison of independent forecasts March 2011

NAV reconciliation

HICL INFRASTRUCTURE

For the year to 31 March 2011	NAV (£m)	NAV per share (pence)
£m	**Investment basis**	**Investment basis**
Opening NAV (post 3.35p final distribution)	487.7	107.4
Funds raised [1](net of expenses)	156.7	0.1
Profit for the year	45.1	8.9
Interim dividend	(16.3)	(3.275)
NAV at 31 March 2011	**673.2**	**113.1**
Second interim dividend declared	**(20.4)**	**(3.425)**
NAV at 31 March (post distribution)[2]	**652.8**	**109.7**

1. Includes scrip dividends
2. Note - 0.1p accretion due to issue of shares at a premium and use of 504.5m average shares in issue

Appendix II

Update on 10 Largest Assets

Update on 10 largest investments

Colchester Garrison

The Colchester Garrison project is a concession to design, construct, finance and maintain a new garrison facility at Colchester, Essex for The Secretary of State for Defence (the “Authority”). The new garrison has been built partly on an existing garrison site and partly on an adjacent brownfield site owned by the Authority.

The project involved capital expenditure of approximately £550 million. The completed garrison facility provides accommodation for approximately 3,500 military and 750 civilian personnel.

Concession start	**Dec 2003**	**Operational from**	**Nov 2008**
Concession end	**Feb 2039**	**Acquired**	**Mar 2006**
FM operator	**Sodexo Defence Services Limited & WS Atkins Facilities Management Limited**		

Excellent relationships have been maintained at all levels of the project during the year, and all outstanding construction issues have been resolved with operational performance settling down to a very satisfactory routine with minimal deductions and complaints.

A significant achievement in the year was to work with the client to progress the provision for a 'Help for Heroes' rehabilitation centre. Construction has now commenced and should be ready for opening at the end of this year.

Update on 10 largest investments

Dutch High Speed Rail Link

The project is a concession with the State of the Netherlands, represented by the Minister of Transport, Public Works and Water Management and the Minister of Finance to design, construct, finance, operate and maintain one of the largest high speed railway projects in Europe.

The project involved capital expenditure of over £625 million, and involves the construction of the track, noise attenuation, catenary, signalling, traction power distribution and command-control-communication systems that will complete the high speed rail infrastructure.

Concession start	**Oct 2001**	**Operational from**	**Sept 2009**
Concession end	**Mar 2031**	**Acquired**	**Mar 2006**
FM operator	**JV between Siemens Nederland, BAM NBM NV, and Fluor Infrastructure BV**		

The last year has seen a gradual build-up of the train services by the State to a level where there is now a half hour service. Availability has been very good with minimal deductions achieved. The focus for the Project Company has been to clear the outstanding issues between the parties, and progress has been made in this respect. The Project Company has established an improvement committee to review all aspects of project performance to ensure best possible practice is being employed.

Update on 10 largest investments

Home Office

The Home Office Headquarters project is a concession commissioned by the Home Office to build finance operate and maintain a new headquarters building to replace their existing London office accommodation with purpose-built serviced offices. The new building occupies the site of the former Department of Environment in Marsham Street in Westminster.

The project involved capital expenditure of approximately £200 million and the demolition of the existing offices on a 4.3 acre site and the construction of a Terry Farrell Partners designed building comprising three purpose built interconnecting office blocks totalling c. 75,000 square meters, for up to 3,450 staff.

Concession start	**Mar 2002**	**Operational from**	**Jan 2005**
Concession end	**Apr 2031**	**Acquired**	**Mar 2006**
FM operator	**Ecovert FM (part of the Bouygues Group)**		

The project team has been working with the Home Office Property Group to enable annual reductions in the Home Office energy consumption to be very near to the Government's target for Central Government department buildings of 10% for the year to end of April 2011.

As part of the contract requirements a benchmarking exercise was managed by the project team. It involved the supply chain agreeing to revise their soft facilities management costs which provided significant financial savings to the client.

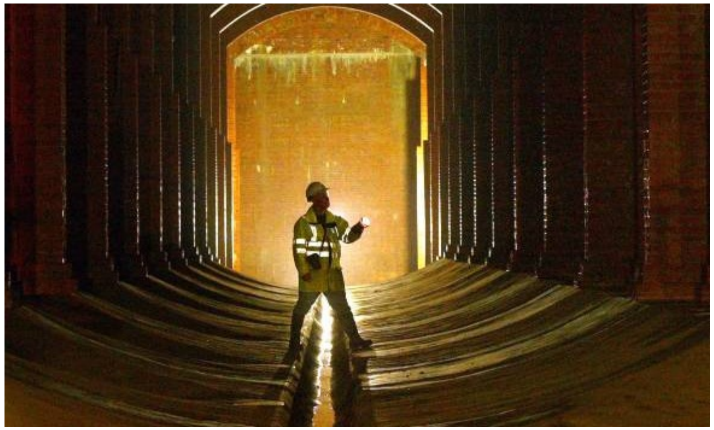
Update on 10 largest investments

Kemble Water – repaid in April 2011

The Group acquired a participation of £30 million in the Junior Holdco Loan Facility for Kemble Water, which, together with the other loan facilities, supports the acquisition of Thames Water. Kemble Water acquired the whole of Thames Water, including the regulated UK water business and non-regulated businesses, from RWE, including Thames Water's property, commercial, and international businesses.

Thames Water regulated business supplies 2,600 million litres of tap water to approximately 8.5 million customers across London and the Thames Valley on a daily basis and provides sewerage services for an area covering approximately 13.6 million customers. Measured by customer numbers, it is the largest water and sewerage company in the UK.

The loan was repaid in full in April 2011



Update on 10 largest investments

M80 DBFO Road, Scotland

The M80 DBFO Project, between Stepps and Haggs in Scotland, involves the upgrade of a ten kilometre stretch of the existing M80, as well as a new eight kilometre section of motorway, seven new junctions and 60 additional structures. The project is currently 18 months into a three year construction period, with works being performed under a Bilfinger Berger UK, Northstone (NI) Ltd and John Graham (Dromore) Ltd joint venture.

The project is on schedule to complete in Q4 2011 and will operate under a 30 year concession contract thereafter. The motorway is to be operated and maintained by BEAR Scotland Ltd under a long-term services agreement.

Concession start	**Jan 2009**	**Operational from**	**Sep 2011**
Concession end	**Sep 2041**	**Acquired**	**Dec 2010**
FM operator	**BEAR Scotland Ltd**		

The Project Team were pleased to allow the Emergency Services access to a 2.5 km stretch of the new Moodiesburn Bypass prior to opening for Operation Roller, an emergency training exercise held in November 2010. A very successful training exercise involving staged accidents and casualties was carried out by all members of the Emergency Services, fire, police and ambulance with no disruption to the construction programmes.

Update on 10 largest investments

North West Anthony Henday Road, Canada

The North-West Anthony Henday P3 in Alberta, Canada comprises the design, build, financing and ongoing operation of a 21km stretch of the four and six lane ring-road surrounding the city of Edmonton. Construction is currently being carried out by a joint venture comprising Flatiron Constructors Canada Limited, Parsons Overseas Company of Canada Ltd and Graham Infrastructure, itself a JV between Graham Infrastructure LP and Jardeg Construction Service LP.

The ongoing operations and maintenance will be carried out by Carmacks Maintenance Services Ltd, under a long-term services agreement. The concession contract lasts for 30 years from the beginning of operations, expiring no later than November 2041.

Concession start	**Jul 2008**	**Operational from**	**Oct 2011**
Concession end	**Nov 2041**	**Acquired**	**Nov 2010**
FM operator	**Carmacks Maintenance Services Ltd**		

The project team have developed an approach to working with the various stakeholders including the main highway client, Alberta Transportation and a number of municipalities through which the new road passes. This has resulted in the efficient resolution of issues relating to the new road linking into local roads and the municipalities own plans for their local roads improvements. A similar partnership approach has seen the utilities, gas water and electricity committed to working as part of an integrated project delivery team.

Update on 10 largest investments

Oxford John Radcliffe Hospital

The Oxford John Radcliffe PFI Hospital project involves the design, construction, management, financing, operation and maintenance of a new wing adjacent to the former Radcliffe Infirmary in Oxford.

The new wing was constructed by Carillion Construction Ltd and reached operational completion in December 2006. The new facilities built under the contract formed the 'West Wing' and the 'New Children's Hospital'. A number of adult and children services were relocated from the Radcliffe Infirmary and other sites within the Oxford Radcliffe Hospitals NHS trust to centralise them into one facility.

Concession start	**Dec 2003**	**Operational from**	**Dec 2006**
Concession end	**Dec 2036**	**Acquired**	**Jul 2008**
FM operator	**Carillion Services Ltd**		

A lot has been achieved during the year with the resolution of many outstanding claims, assistance to the Trust to achieve significant budgetary savings and benchmarking being concluded without the need for Market Testing.

A cost saving workshop instigated by the Project Company produced numerous ideas to reduce Trust costs and some of these were adopted providing savings for the wider Trust budget. Close contact with the Trust has been maintained during the year and support has been given to the Service provider to improve areas of performance in estates management and portering.

Update on 10 largest investments

Queen Alexandra Hospital, Portsmouth

The completed hospital has 1,026 inpatient beds, 34 neonatal intensive care cots, 3 endoscopy suites and 20 main operating theatres.

The new hospital buildings were developed and built by Carillion Construction Ltd, a subsidiary of Carillion. A subsidiary of Carillion provides facilities management services to the project under a long-term services agreement.

Concession start	**Dec 2005**	**Operational from**	**June 2009**
Concession end	**Dec 2040**	**Acquired**	**Jun 2010**
FM operator	**Carillion Services Ltd**		

Since acquiring the project last year, the Investment Adviser has taken a fresh approach to reviewing the project and assisting the service provider to generally raise standards, client satisfaction and lower payment deductions.

Another major change in the year has been to replace the Project Company managers to generally improve overall performance, reduce the areas of conflict and be more efficient.

Update on 10 largest investments

Romford Hospital

This project involves the design, build and finance of a new hospital - the Queen's Hospital - in Romford, Essex, followed by the maintenance of the hospital and the provision of non-clinical services and a Managed Equipment Service. The project involved capital expenditure of approximately £211m under a fixed price construction contract let to Bovis Lend Lease Limited.

Soft and Hard Facilities management is the responsibility of Sodexo Limited and the Medical Equipment Services are provided by Siemens plc.

Concession start	**Jan 2004**	**Operational from**	**Sep 2009**
Concession end	**Jan 2040**	**Acquired**	**Nov 2009**
FM operator	**Sodexo Limited & Siemens plc**		

The last year has provided the opportunity to familiarize ourselves with the project, people and current issues. At the Investment Adviser's instigation a relationship building/cost reduction workshop was arranged last autumn will all key parties. HM Treasury announced in February a thorough review of this project to identify savings and efficiencies within the project and lessons that can be applied to other PFI projects. All parties cooperated and the previously held workshop was timely as it had identified ideas, savings, and opportunities.

Update on 10 largest investments

West Middlesex Hospital

The project is a 35 year concession to design, construct, finance, operate and maintain a new 228 bed hospital in West Middlesex, UK

Building management services comprise the repair and maintenance of plumbing and security systems as well as health and safety services. Catering, laundry, cleaning, porterage and security services are also being provided. Operations are being managed by Ecovert FM Limited, the facilities management subsidiary of Bouygues Construction S.A.

Concession start	**Jan 2001**	**Operational from**	**Jun 2003**
Concession end	**Jan 2036**	**Acquired**	**Mar 2006**
FM operator	**Ecovert FM Limited**		

The project enjoys good relationships between all parties and soft services continue to be delivered to acceptable standards. The project has received compliments for assisting the Trust in achieving an 'excellent' score in the overall ratings in the Patient Environment Action Team assessment categories.
Service improvement initiatives have been made to a range of services including help desk operations, NEPT and portering. The FM contractor has reviewed waste management service specifications to improve recycling and reduce costs. The project has also supported the Trust in achieving savings in utilities costs by the installation of energy management equipment and LED lighting.

Appendix III

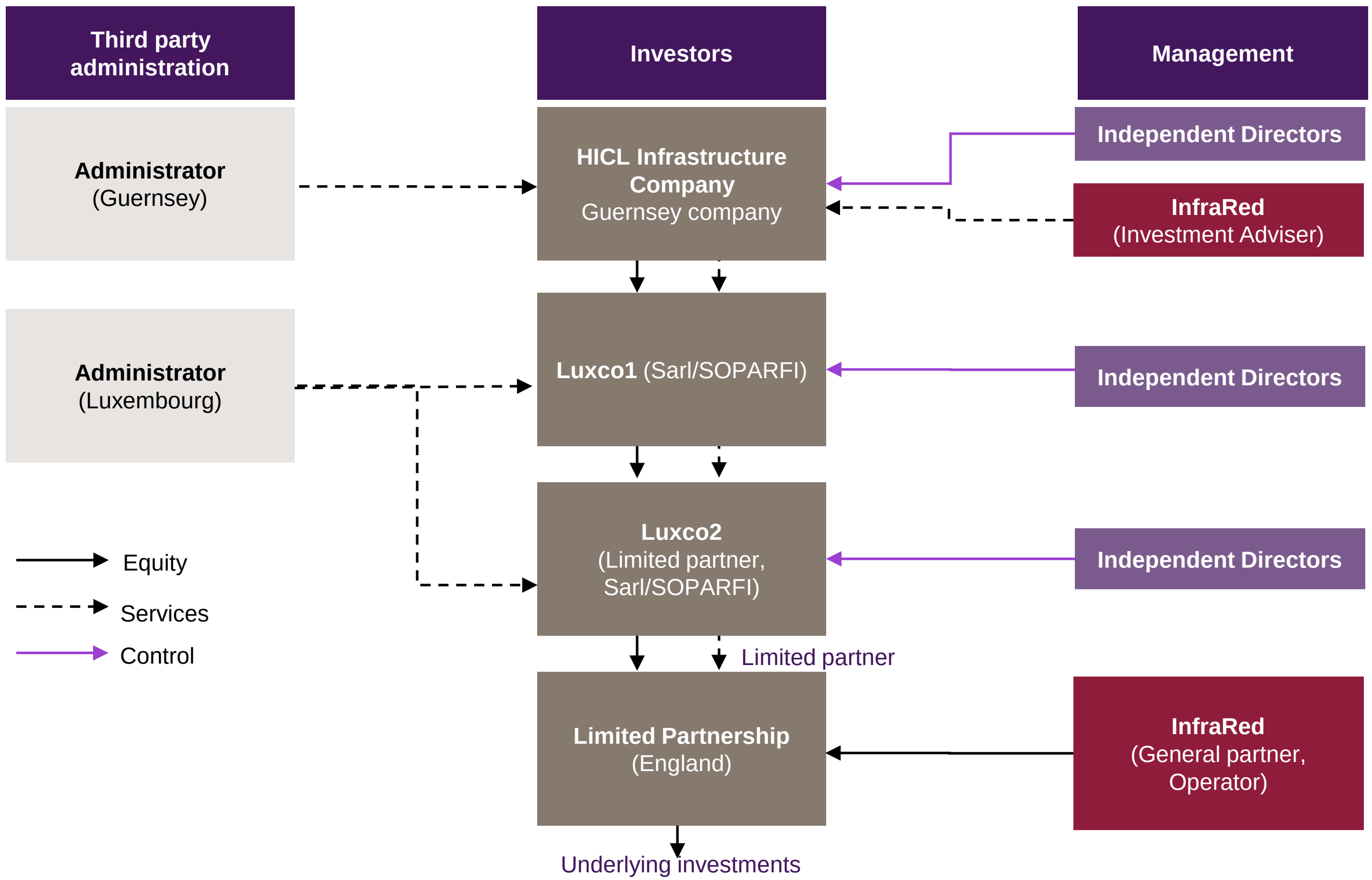
The Company and the Investment Adviser

Overview

Company	▲ Guernsey registered Investment Company
Listing	▲ Listed in March 2006 on London main listing (ticker: HICL) ▲ Part of FTSE 250
Management	▲ Board of 4 independent directors ▲ Investment Adviser: InfraRed Capital Partners Ltd
Current Portfolio[1]	▲ 40 PFI/PPP/P3 investments, 38 operational ▲ Last Directors' Valuation £673.1m March 2011
Yield to date	First year to Mar 07 **6.10p** · Second year to Mar 08 **6.25p** · Third year to Mar 09 **6.40p** · Fourth year to Mar 10 **6.55p** · Fifth year to Mar 11 **6.70p**
Yield growth	▲ Target 7.0p per share distribution by March 2013[2]
Financing	▲ £200m revolving debt facility at fund level allows new acquisitions to be made.

1. As at 23 May 2011 – includes 3 PFI projects acquired in May 2011 and excludes Kemble Water junior loan which was prepaid in April 2011
2. Investors should note that no assurance or guarantee can be given that this will be achieved

Group structure diagram

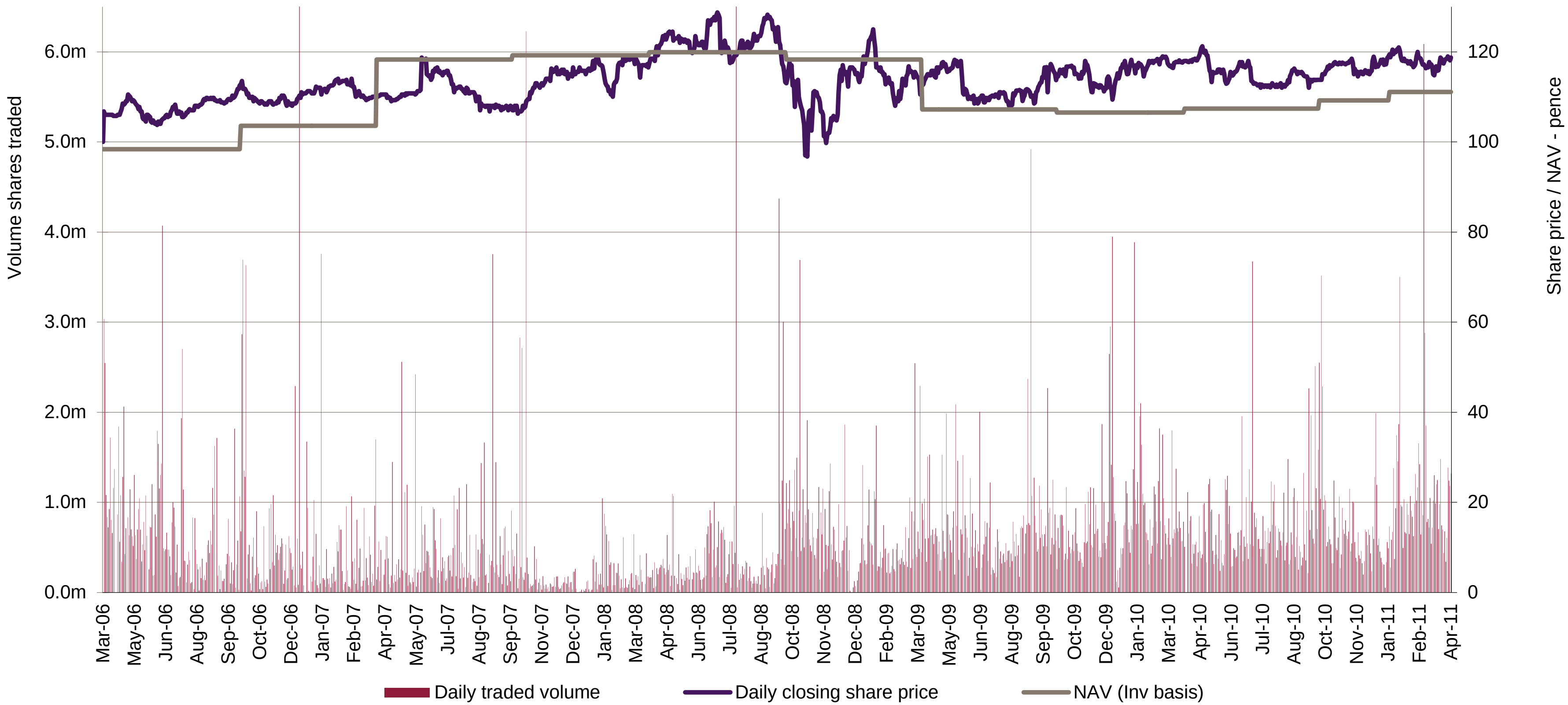


History

First year – period end 31 March 2007	
▲ Launch March 06 – raised £250m, purchased 15 investments worth £250m ▲ Acquired 2 new investments & 5 incremental stakes	▲ Interim 2.875p ▲ Second interim 3.225p ▲ **TOTAL 6.10p**
Second year – year end 31 March 2008	
▲ New £200m fund level 5 year revolving debt facilities ▲ Site visit January ▲ Acquired 10 new investments & 1 incremental stake	▲ Interim 3.05p ▲ Second interim 3.2p ▲ **TOTAL 6.25p**
Third year – year end 31 March 2009	
▲ Successful £103.6m C share raising in May 2008 ▲ Site visit February ▲ Acquired 1 new investment & 5 incremental stakes	▲ Interim 3.125p ▲ Second interim 3.275 ▲ **TOTAL 6.40p**
Fourth year – year end 31 March 2010	
▲ Successful £80m C share raising in December 2009 ▲ Raised £48.1m through tap issues over the year ▲ Acquired 5 new investments & 3 incremental stakes	▲ Interim 3.2p ▲ Second interim 3.35p ▲ **TOTAL 6.55p**
Fifth year – year end 31 March 2011	
▲ Successful £110m C share raising in December 2010 ▲ Raised £46.5m through tap issues ▲ Acquired 5 new investment & 4 incremental stake	▲ Interim 3.275p ▲ Second interim 3.425p ▲ **TOTAL 6.70p**

1. Past performance is not a reliable indicator of future performance

Share price and NAV history



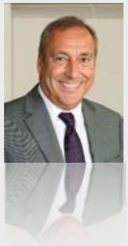
1. Past performance is not a reliable indicator of future performance
2. Investments can fluctuate in value, and value and income may fall against an investor's interests
Source: Thomson Datastream.

Governance

- Independent board of four non-executive Directors
  - Approves and monitors adherence to strategy
  - Determines risk appetite
  - Sets Group policies
  - Monitors performance against objectives
  - Raising cash proceeds (equity or debt)

- 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 over acquisitions and disposals (through Investment Committee)

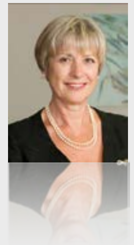
HICL board



Graham Picken

Chairman

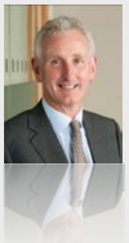
Graham Picken is an experienced banker and financial practitioner and has been Chairman of the Company since its launch. Most recently a non executive director of the Derbyshire Building Society, he was appointed Chief Executive of the Derbyshire in February 2008 and led the society to a merger with Nationwide Building Society in December 2008, standing down at the end of March 2009. Until 2003, Graham's career spanned over thirty years with Midland and HSBC Banks .



Sarah Evans

Director

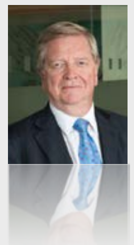
Sarah Evans qualified as a Chartered Accountant in 1979 and is a director of several other listed investment funds, as well as an unlisted fund of hedge funds. She is a member of the Institute of Directors. Sarah spent over six years with the Barclays Bank PLC group from 1994 to 2001. Prior to joining Barclays, Sarah ran her own consultancy business advising financial institutions on all aspects of securitisation. From 1982 to 1988 Sarah was with Kleinwort Benson, latterly as head of group finance.



Chris Russell

Director

Chris is a Guernsey resident and a non-executive director of a number of investment and financial companies. He is also 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, and before that was a holding board director of the Jardine Fleming Group in Asia. He is a Fellow of the Society of Investment Professionals and a Fellow of the Institute of Chartered Accountants.



John Hallam

Director

John lives in Guernsey, is a Fellow of the Institute of Chartered Accountants in England and Wales and qualified as an accountant in 1971. He is a former partner of PricewaterhouseCoopers, having retired in 1999 after 27 years with the firm spent both in Guernsey and in other countries. John was, until January 2006, Chairman of the Guernsey Financial Services Commission and is currently a director of a number of financial services companies, some of which are listed on the LSE

Overview of InfraRed Partners LLP ("IRP")

www.ircp.com

Originator of value added investment products in infrastructure and real estate

- Third party capital managed on arm's length basis
- Mix of staff covering investment, asset management, finance & risk and reporting functions
- 11 funds raised to date
- London based with offices in Hong Kong, New York, and Paris
- InfraRed Capital Partners Limited[1] is a subsidiary of IRP
  - acts as the Investment Adviser to HICL Infrastructure Company Limited

	Infrastructure Fund II	Infrastructure Fund III	Environmental Infrastructure Fund I	HICL Infrastructure Company Ltd
Type of fund	**Unlisted capital growth fund**	**Unlisted capital growth fund**	**Unlisted capital growth fund**	**Listed yield fund**
Equity under management	£300m	$580m[2]	€235m	~£700m
Establishment	2004	2010	2009	2006
Capital Status	Closed	Fund raising	Closed	Raises capital as new investments made
Investment Status	Realising investments	Seeking investments	Seeking investments	Seeking investments

Source: IRCP
1. Authorised and regulated by the Financial Services Authority
2. Fund III has a target of US$1,000m at final close

Investment Adviser’s team

InfraRed Capital Partners Limited (“IRCP”)

Werner von Guionneau
CEO

IRCP

Inv Committee[1]

Chris P Gill
Deputy CEO

IRCP

Inv Committee[1]

Tony Roper
Director, IRCP

Inv Committee1

Gareth Craig
Director, IRCP

Inv Committee[1]

Keith Pickard
Director, Infrastructure

Inv Committee[1]

David Foot
Investment Director

Erwan Fournis
Director, Infrastructure

Inv Committee[1]

James O’Halloran
Investment Director

Edward Hunt
Investment Executive

Albane Psaume
Analyst

Justin Scholes
Senior Financial & Management Accountant

Sandra Lowe
Director

Investor Relations

1. member of the InfraRed Capital Partners Ltd HICL Investment Committee

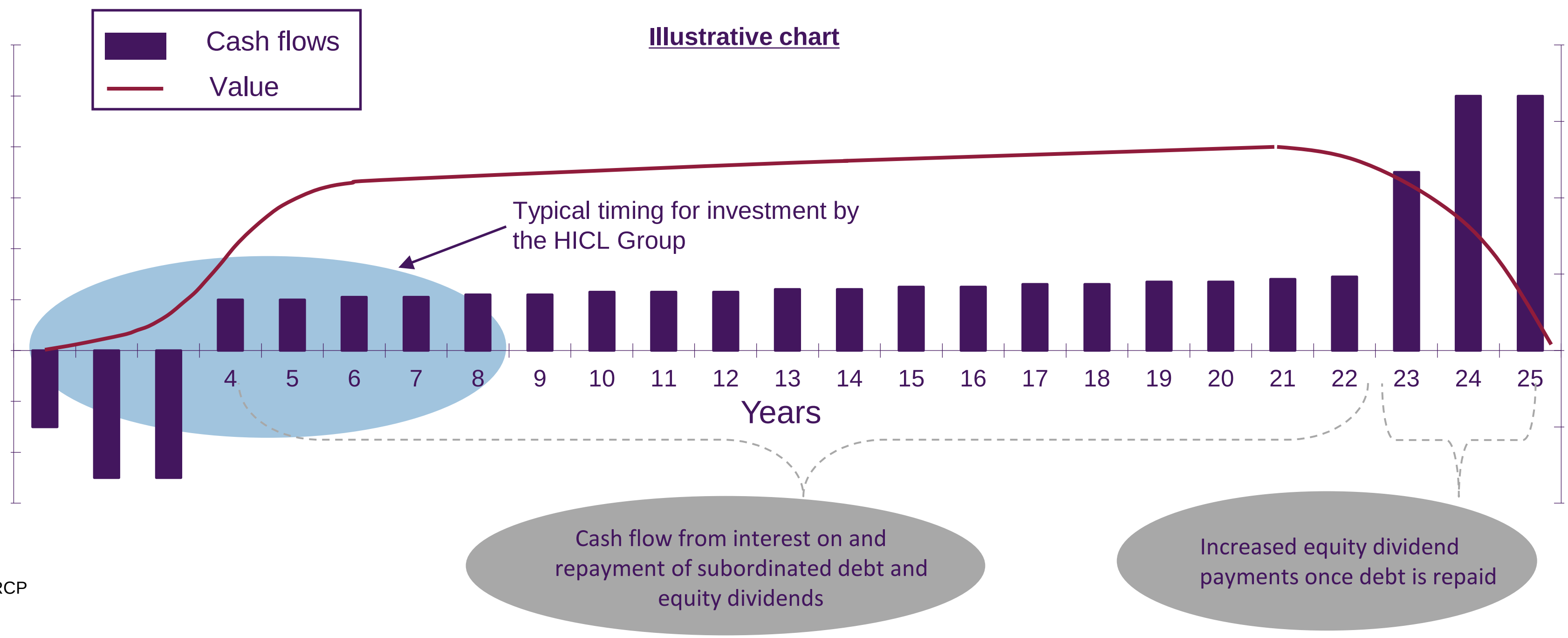
Appendix IV

Investment cash flow profile over a typical project's life

Once operational (ie post their construction phase), infrastructure projects typically benefit from long term predictable cash flows with a stable risk profile

Typical infrastructure project cash flow profile

Construction Phase	Operation & Maintenance Phase



Source : IRCP

Typical infrastructure project structure