HICL Infrastructure Company Ltd

Overview of the Company, its Investment Adviser and performance

Summer 2012

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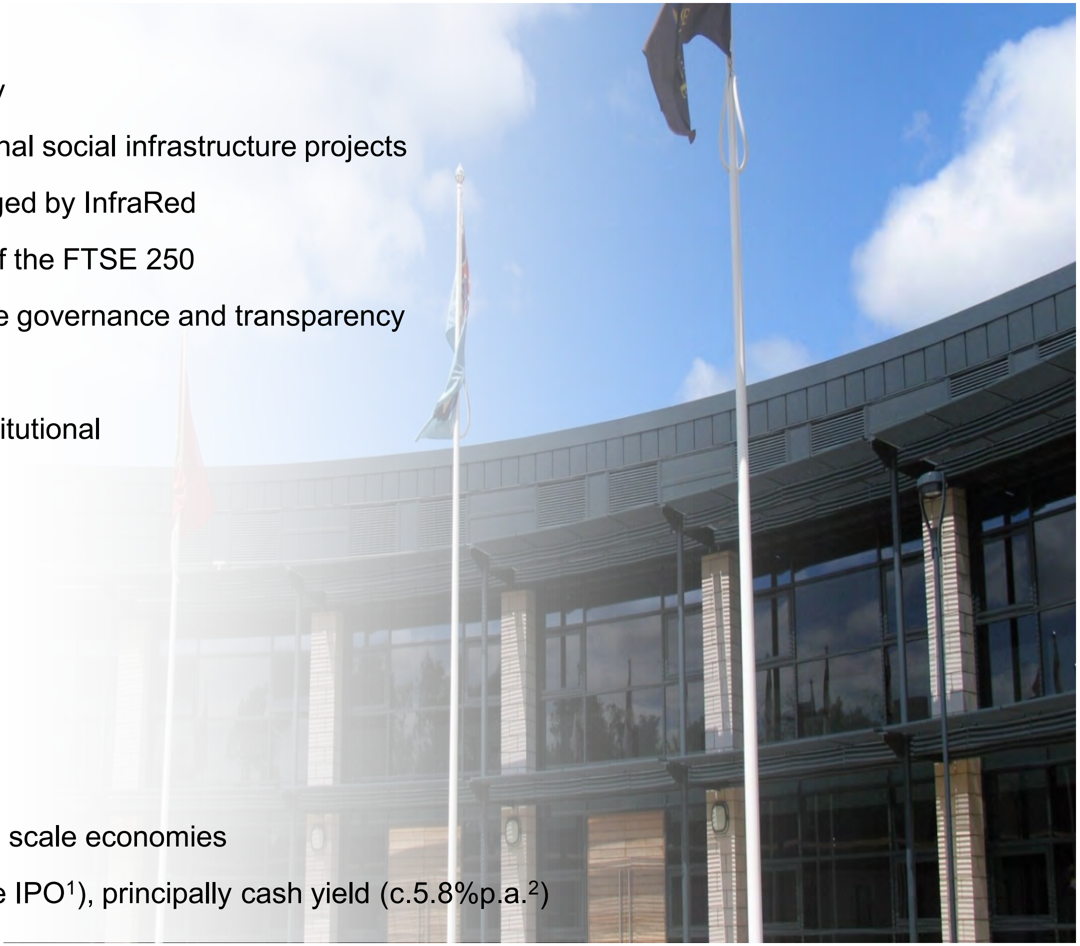
Past performance is not a reliable indicator of future performance.

Overview of HICL Infrastructure Company Ltd ("HICL")

Background and Objectives



Background

- Infrastructure investment company registered in Guernsey
- Acquires and manages equity stakes in primarily operational social infrastructure projects
- Launched in 2006 with 15 seed assets from a fund managed by InfraRed
- Premium Listing on London Stock Exchange – now part of the FTSE 250
- Board of four independent directors who lead on corporate governance and transparency
- Current market cap of £1.05bn (US$1.64bn)[1]
- Over 4,000 shareholders, mainly UK, split 50/50 retail/institutional
- Attractive and clear fee structure

Investment Objectives

- Investment focus on low-risk end of spectrum
- Long term holder of investments
- Steady, predictable yield and preservation of capital
- Distributions cash covered
- New investments to deliver shareholder return and realise scale economies
- Long-term shareholder return target of 7% p.a.(8.7% since IPO[1]), principally cash yield (c.5.8%p.a.[2])

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1. As at 30 June 2012. Source: Datastream
2. Based on 6.85p total dividend for FYE 31 March 2012 and Share price of 118.5p as at 30 June 2012.

The Investment Adviser - InfraRed Capital Partners Ltd

InfraRed's performance record and its continuity are key competitive differentiators

- InfraRed Capital Partners Ltd ("InfraRed") is the investment adviser to HICL and is authorised and regulated by the FSA
- Strong, 15+ year track record in raising and managing 11 value-add infrastructure and real estate funds
- Currently c.US$5bn of equity under management
- Independent manager 80% owned by 28 partners following successful spin-out from HSBC Group in April 2011
- London based, with offices in Hong Kong, New York and Paris and around 90 partners and staff
- Team of 16 professionals advising HICL, managing the investments and sourcing new investments
- Strong governance, risk management and transparency culture at HICL and InfraRed

Infrastructure funds	Strategy	Amount (m)	Years	Status
Fund I	Unlisted , greenfield , capital growth	£125	2001-2006	Realised
Fund II	Unlisted , greenfield , capital growth	£300	Since 2004	Exiting
HICL	Listed, secondary, income yield	£1,049[1]	Since 2006	Evergreen
Environmental Fund	Unlisted , greenfield , capital growth	€235	Since 2009	Investing
Fund III	Unlisted , greenfield , capital growth	$1,215	Since 2011	Investing

1. As at 30 June 2012. Source: InfraRed

The infrastructure asset class

HICL's investment strategy is at the low-risk end of the spectrum

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)	▸ 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

NB: For a full list of risk factors please refer to page 8 of HICL's C Share Prospectus dated 29 February 2012

Key characteristics of HICL’s investment portfolio

Mitigate risk while optimising long-term yield to shareholders

Secondary, operational assets	Reduces exposure to construction risk
Social infrastructure	Reduces market risk
PFI/PPP/P3 contracts with public sector	Reduces counterparty credit risk
Price-certain, availability contracts with inflation-linked revenues	Predictable, low-volatility cash flow
Long-term, non-recourse project debt to match term of concession life	No refinancing risk
UK and developed markets	Reduces political & legal risk
Diversified portfolio	Reduces concentration risk
No gearing at Group level except acquisition bridge	Reduces financial risk and cash drag , and enhances asset visibility for shareholders

NB: For a full list of risk factors refer to pages 8 -19 of the HICL C Share Prospectus of 29 Feb 2012

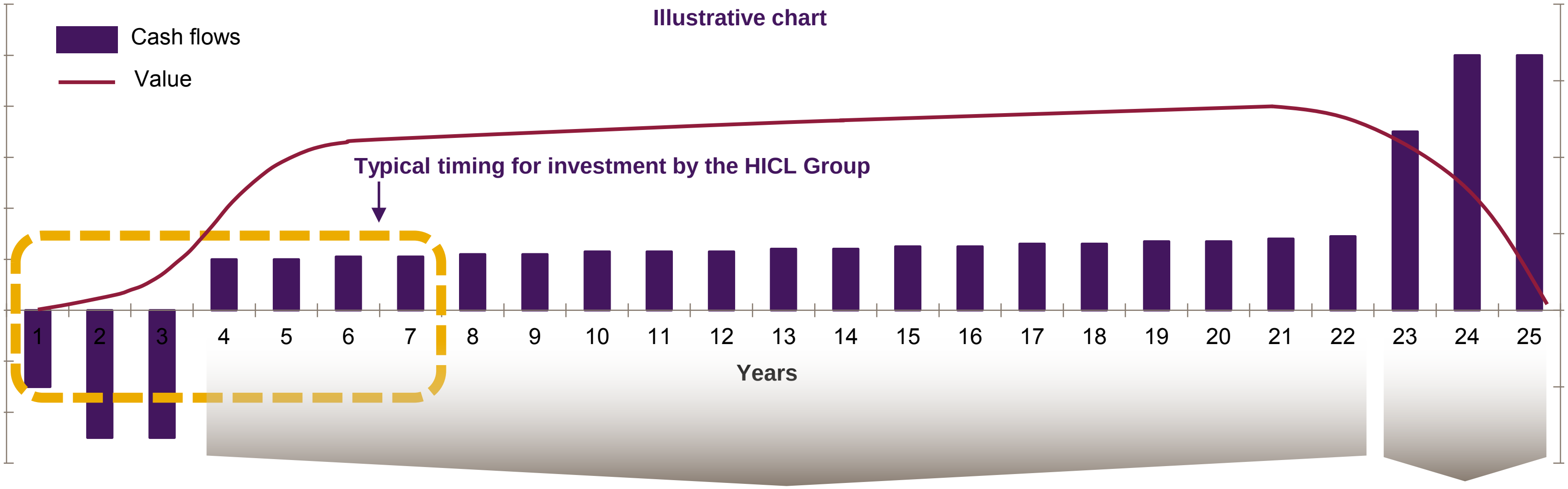
Investment cash flow profile over a project's life

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

Typical infrastructure project cash flow profile

Construction phase

Operation & maintenance phase



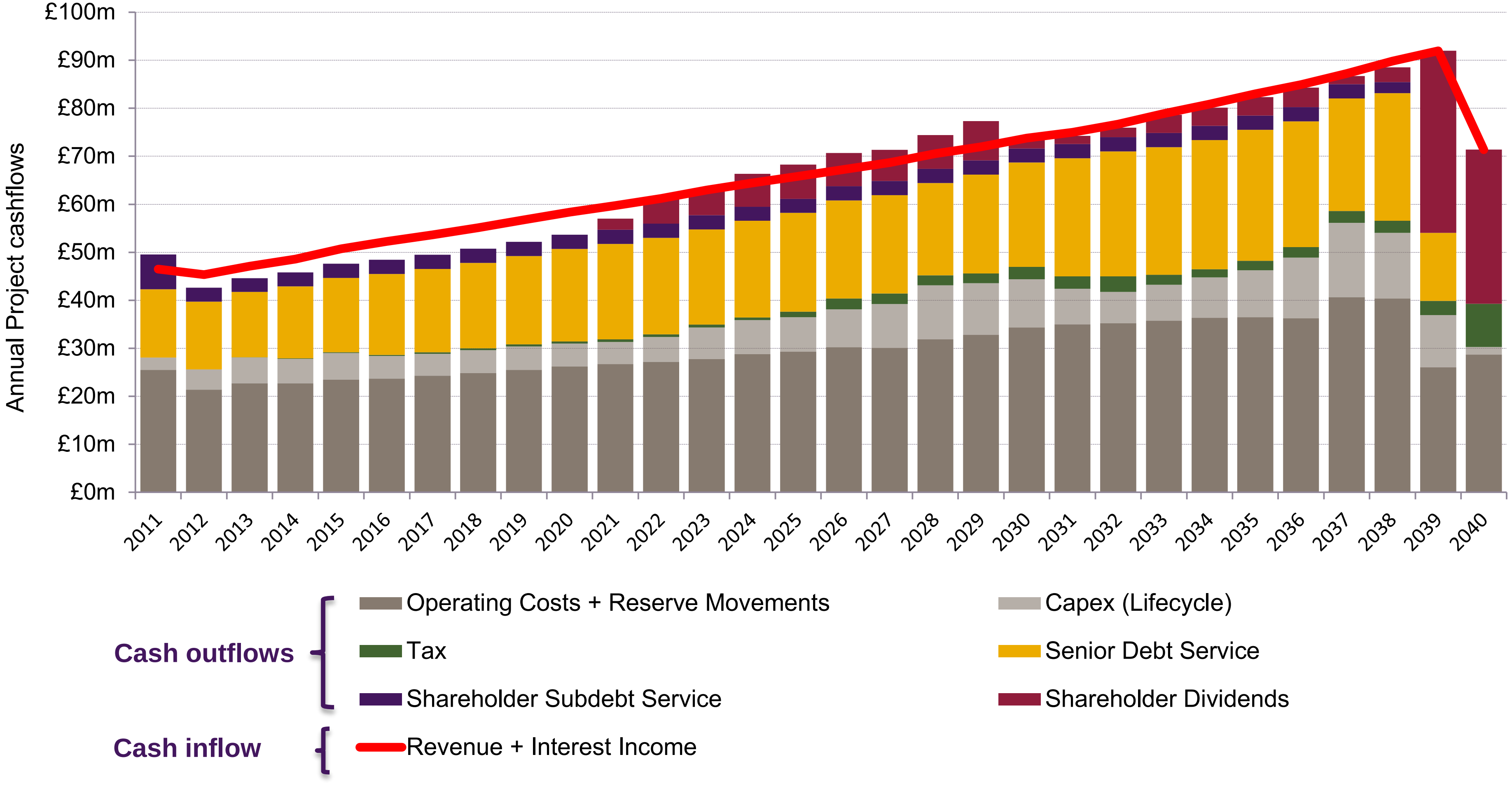
Cash flow from interest on and repayment of subordinated debt and equity dividends

Increased equity dividend payments once debt is repaid

Source: InfraRed

Example project cash inflows & outflows

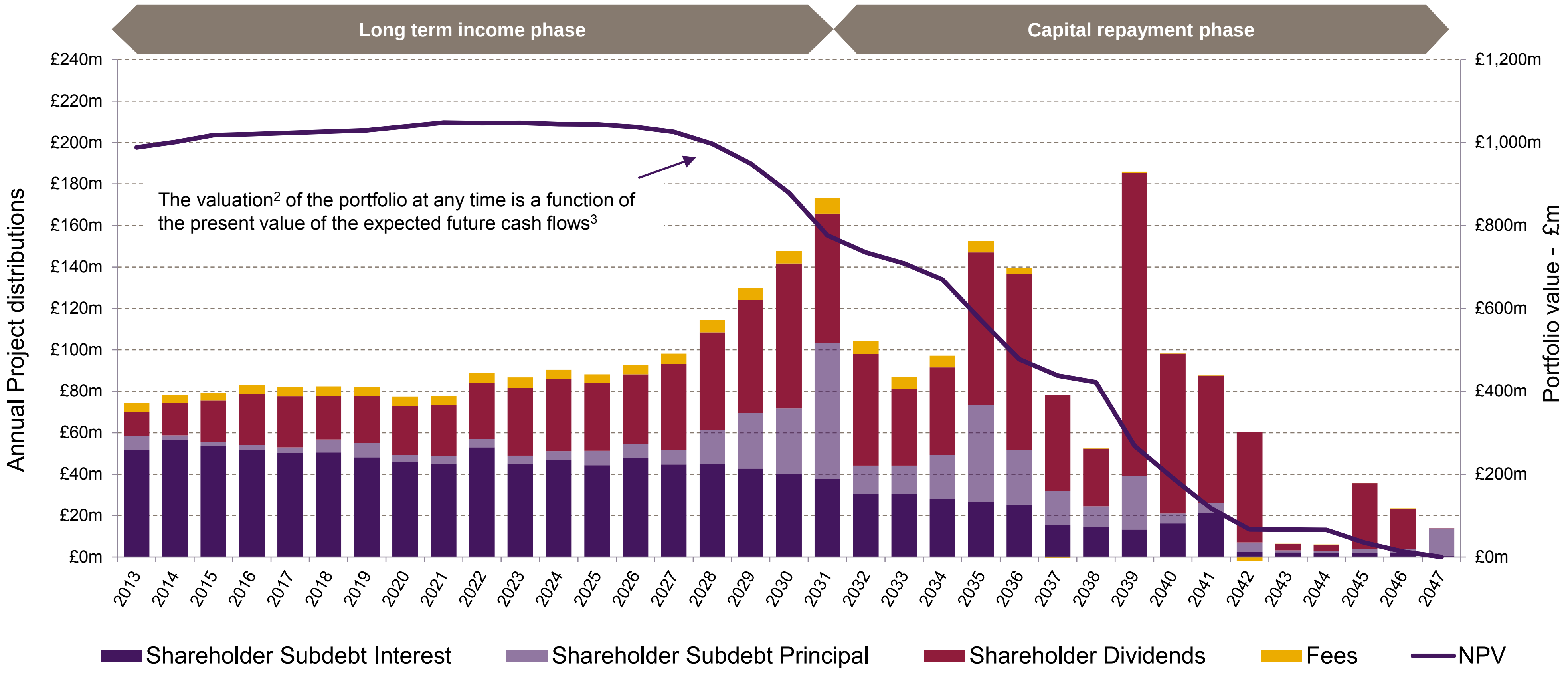
Taken from the Queen Alexandra Hospital case study – September 2010



Source: InfraRed, taken from the project's financial model – data as at September 2010

HICL cashflow receipts from underlying investment companies[1]

Future profile of aggregated cashflows due to HICL from all projects



The valuation[2] of the portfolio at any time is a function of the present value of the expected future cash flows[3]

Source: InfraRed, May 2012

[1] The illustration represents a target only and is not a profit forecast. There can be no assurance that this target will be met.

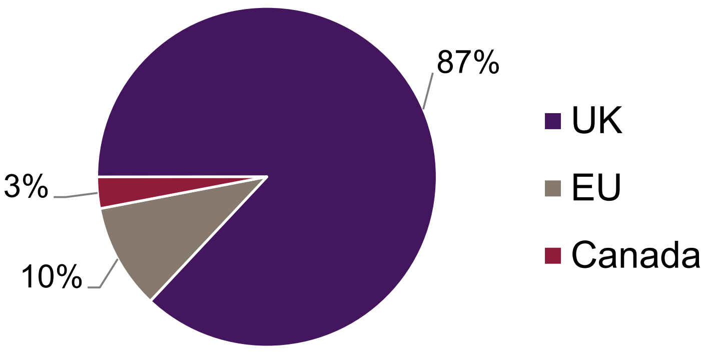
[2] The illustration assumes exchange rates of EUR/GBP of 0.83; C$ /GBP of 0.63 and a weighted average discount rate of 8.6%p.a. These assumptions and value of the Group's portfolio may vary over time.

[3] The cashflows and the valuation are from the portfolio as at May 2012 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.

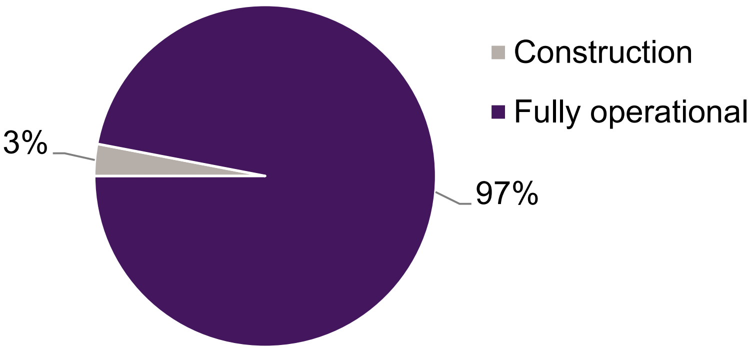
Stable, attractive, long-term, low-risk portfolio

Analysis of the portfolio at 31 March 2012[1]

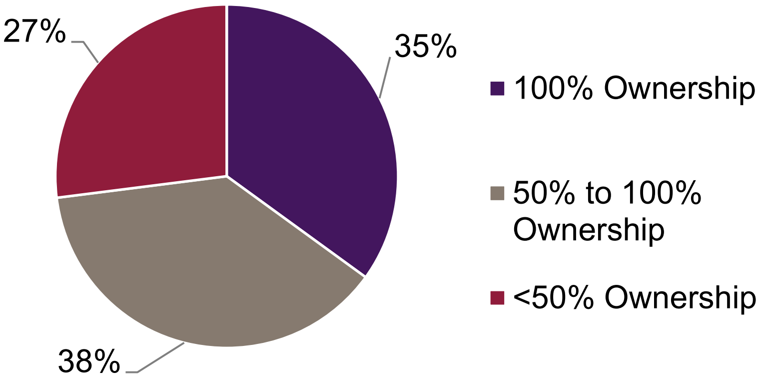
Geographic spread



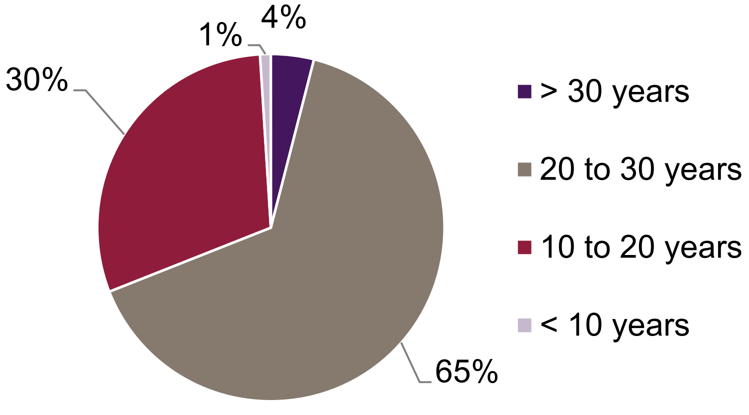
Mainly operational



Level of ownership



Average concession life (23.4 years)



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[1] By value, using Directors valuation as at 31 March 2012

Diversified portfolio

72 investments valued at c.£990m as at 30 June 2012 - top ten investments represent c.50% by value[1]

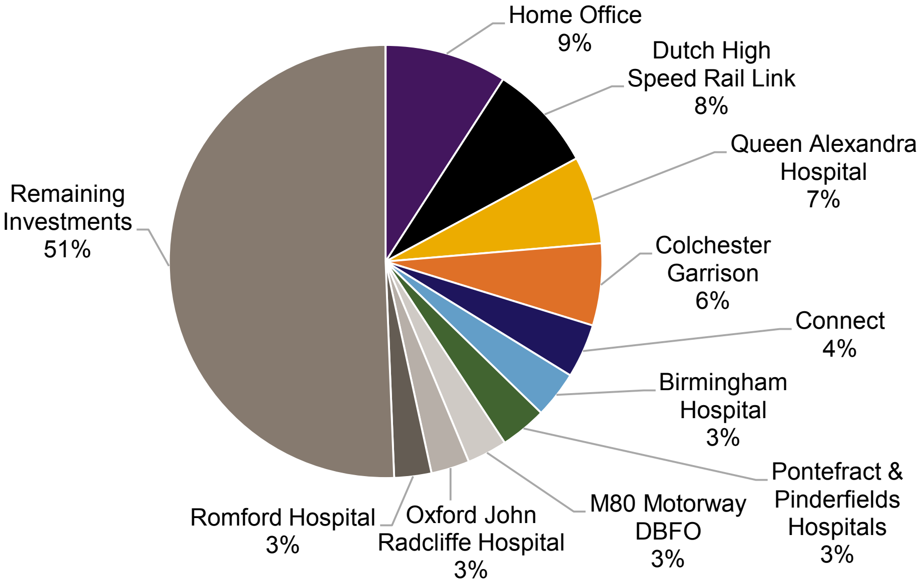
Home Office Headquarters

Dutch High Speed Rail Link

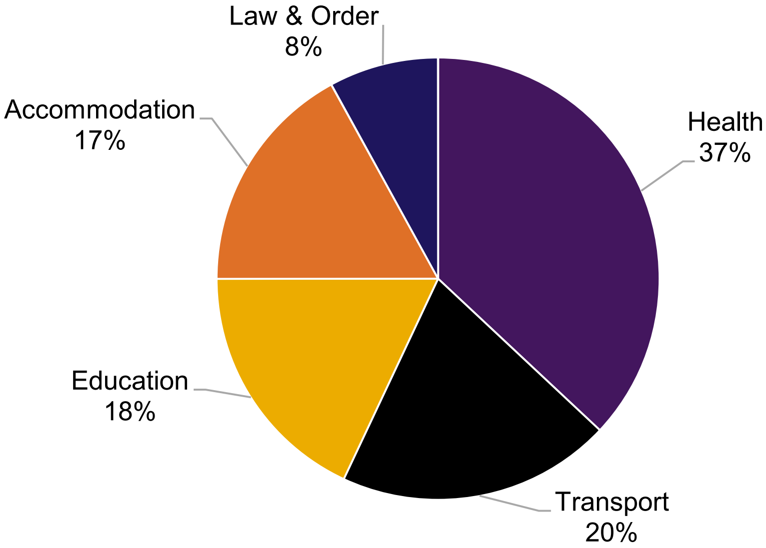
Colchester Garrison

Oxford John Radcliffe Hospital

Ten largest investments[1]



Focus on social infrastructure[1]



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[1] By value, using Directors' valuation as at 31 March 2012, and acquisition price for investments up to 30 June 2012

Active asset management

Working with stakeholders to preserve and enhance value

Value Preservation

- Client engagement
- Efficiency savings initiatives
- Regular performance reviews
- Appropriate controls and risk management processes
- Managing the projects to agreed business plans and budgets
- Ensuring rigorous financial reporting and management information regimes are maintained
- ESG initiatives
- Counterparty exposure monitoring

Value Enhancement

- Portfolio insurance arrangements and other bulk purchasing
- Spend-to-save initiatives
- Project variations
- Treasury management
- If appropriate, capital restructuring of existing funding
- Tax optimisation
- Release of cash reserves
- Acquisition of other co-shareholder interests

West Middlesex Hospital

Exeter Crown Court

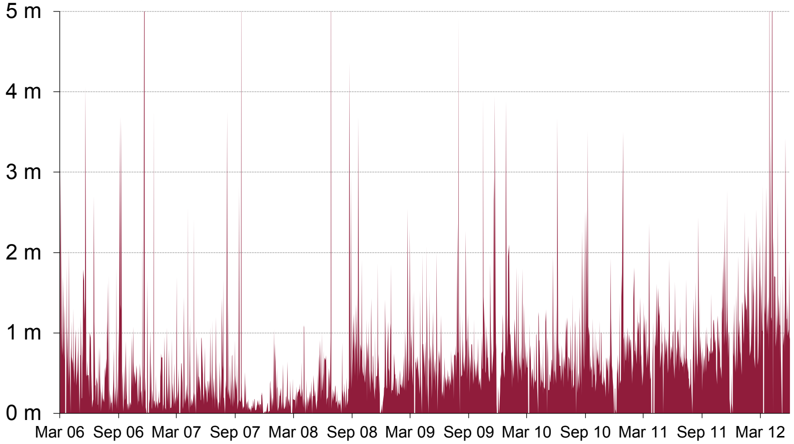
Highlands School PPP

Bishop Auckland Hospital

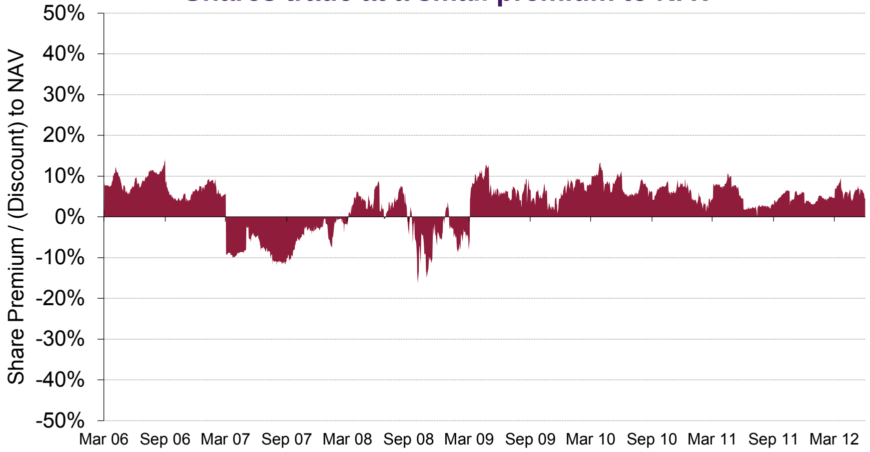
Strong stock performance and liquidity

Total shareholder return of 8.7% since IPO[1]

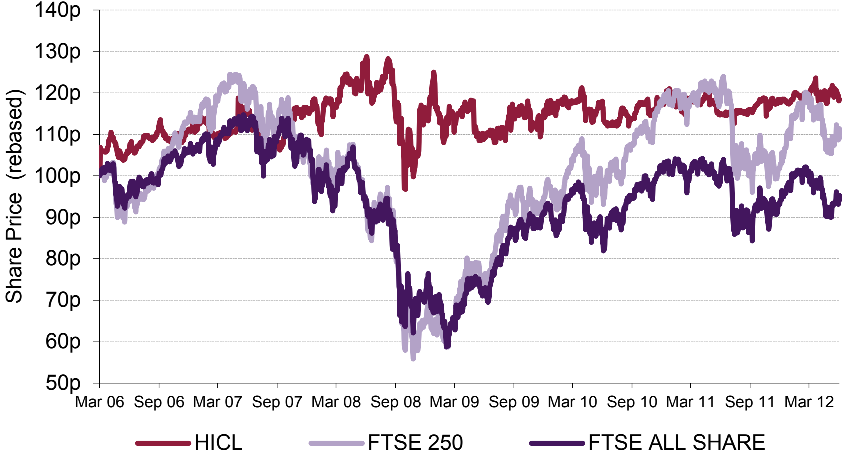
Average daily traded volume has increased to over 1.6m



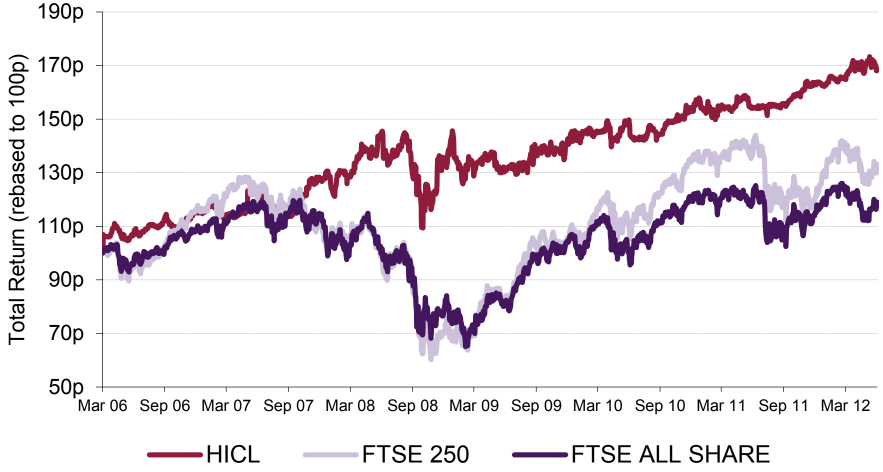
Shares trade at a small premium to NAV



Low correlation (0.03) with the broader equity market



Outperformance of FTSE250 (27%) and FTSE All Share (42%)

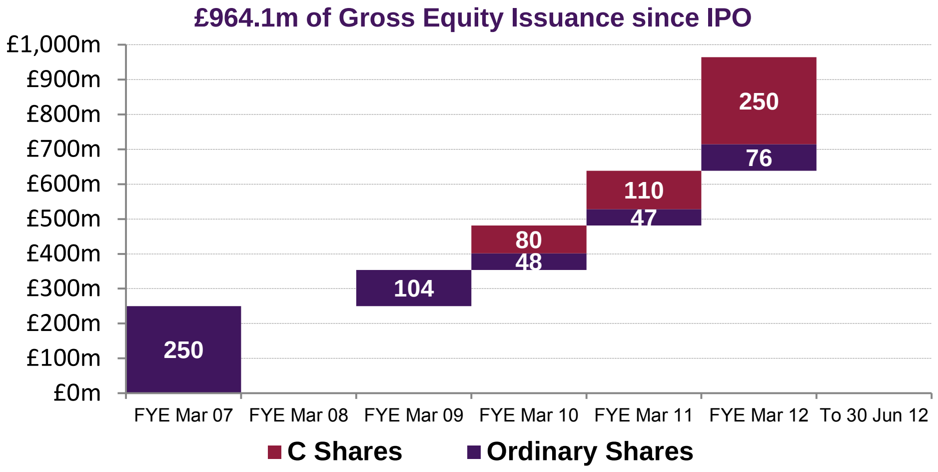


All data as at 30 June 2012. Source: Thomson Datastream. Past performance is not a reliable indicator of future performance. Investments can fluctuate in value.

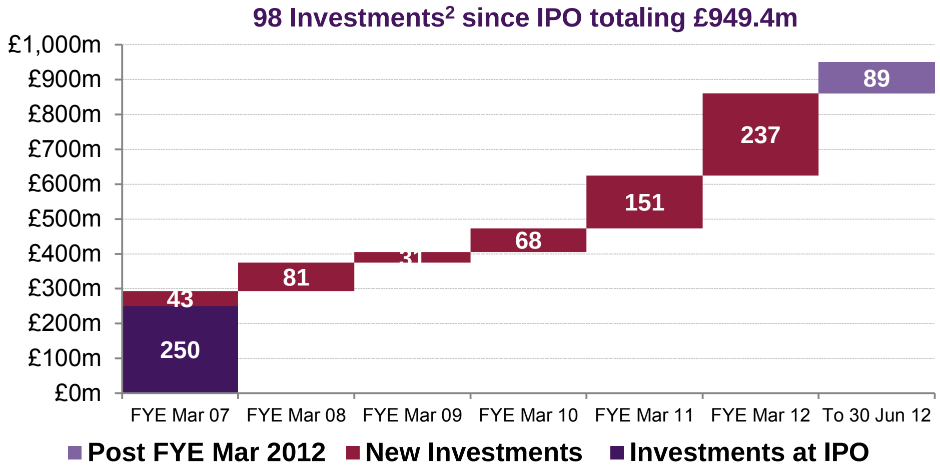
Approach to capital raising

HICL's innovative financing approach has several benefits for shareholders

- HICL has raised £964.1m of equity since launch in March 2006 - £250m at IPO and £714.1m through subsequent share issues
- Acquisitions are normally debt-funded initially to avoid cash drag and to give shareholders visibility over the new investments
- Non-pre-emptive Ordinary Share "tap" issues (max. 10% of issued shared capital p.a.) are used to repay drawings for investments made
  - shares issued at small premium to the prevailing NAV per share
- C share issues to repay more significant drawings and, if appropriate, pre-fund pipeline investments
  - C shares convert on a NAV to NAV basis[1], so existing shareholders' NAV per share is not diluted
- £250m of C Share proceeds in March 2012 applied to repay drawings under bank facility (£141.3m) and to finance near term pipeline acquisitions (£88.6m up to 30 June 2012), leaving c.£19m of C Share cash proceeds remaining as at 30 June 2012



£964.1m of Gross Equity Issuance since IPO



98 Investments[2] since IPO totaling £949.4m

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1. NAV of each C share (being gross proceeds received of 100p per share less issue costs), to NAV per Ordinary Share
2. Split into 73 new investments and 25 acquisitions of incremental stakes in existing investments

Valuation methodology

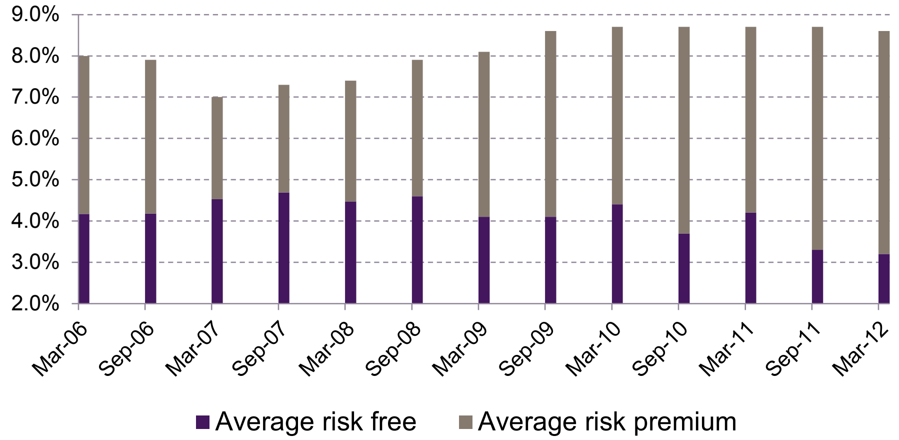
HICL's detailed disclosure of its valuation methodology leads the sector

- Semi-annual valuation and NAV reporting:
  - Consistent with industry standards
  - Carried out by Investment Adviser; Approved by Directors; Independent third party opinion for Directors

- 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)

- Discount rates[1] for PFI/PPP/P3 projects range between 8.2% and 11.0%
  - Discount rate for operational projects unchanged from March 2011 at 8.6%
  - Discount rate for construction projects reduced from 9.3% to 9.0%
  - Weighted average rate of 8.6%, down from 8.7% at 31 March 2011 and 30 September 2011

Discount rates since launch



31 March 2012	Risk free rate	Premium	Total discount rate	Total March 2011
UK	3.3%	5.3%	8.6%	8.6%
Holland	2.7%	6.1%	8.8%	8.9%
Canada	2.6%	5.6%	8.2%	8.8%
Ireland	6.9%	4.1%	11.0%	-
Portfolio	**3.2%**	**5.4%**	**8.6%**	**8.7%**

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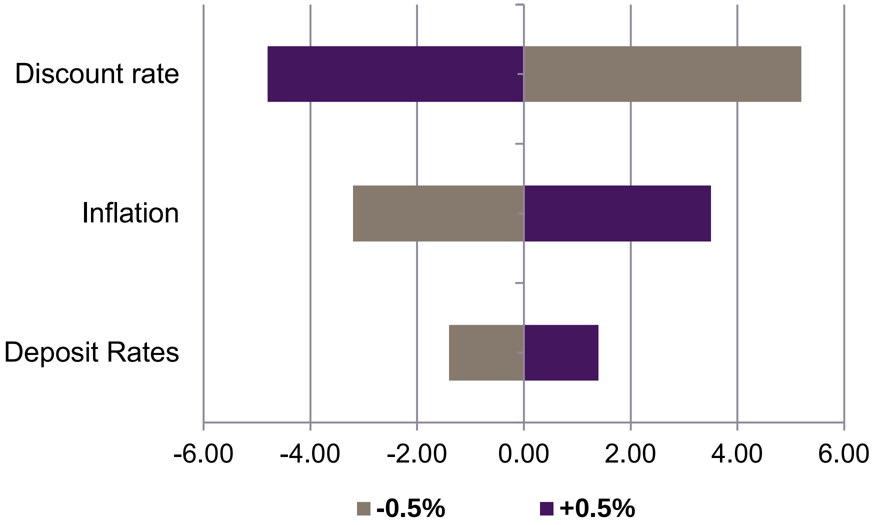
1. Discount rates applied in valuations as at 31 March 2012: Source: InfraRed

Key valuation assumptions

Key assumptions as at 31 March 2012

- **Inflation assumptions**[1]
  - UK 2.75% p.a. - both RPI[2] and RPIx[2] (March 2011: 2.75% p.a.)
  - EURO 2.00% p.a. (March 2011: 2.00% p.a.)
  - Canada 2.00% p.a. (March 2011: 2.00% p.a.)
- **Deposit rates (UK)**
  - 1.0% p.a. to 31 March 2015, 3.75% thereafter (March 2011: 1.0% p.a. to March 2013 and 4.0% thereafter)
- **Foreign exchange**
  - CAD$/GBP 0.63 (March 2011: 0.64)
  - EU€/GBP 0.83 (March 2011: 0.89)
- **UK corporate tax rates**
  - 24% (March 2011: 26%)

Sensitivity to key macroeconomic assumptions (change NAV in pence/share)[3]



- If inflation is 3.75% pa (i.e. up 1.0% pa), expected return[4] from portfolio (before Group expenses) increases from 8.6% to 9.3%

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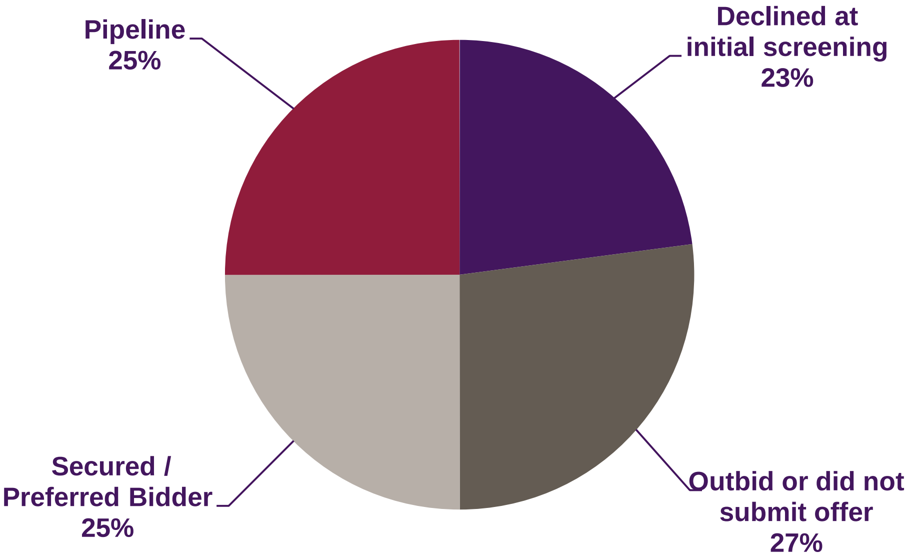
[1] Some project income fully indexed, whilst others partially indexed
[2] Retail Price Index and Retail Price Index excluding Mortgage Interest Payments
[3] Based on 883.5m shares in issue
[4] Return is expected internal rate of return

Secondary market and HICL investment pipeline

Healthy pipeline of opportunities

- Steady pipeline of new investment opportunities:
  - All PFI/PPP investments
  - Mainly UK, but also certain EU countries, North America and Australia
  - Mix of single assets and larger portfolios
  - Some processes at an advanced stage
- New entrants – increasing competition
- Vendors seeking
  - Purchasers who deliver
  - Funding available
- Increase in supply and demand for PFI/PPP/P3 investments

36 opportunities reviewed – Year to 31 March 2012



Summary highlights

As at 30 June 2012

Investment Strategy & Portfolio

- A large, liquid, listed infrastructure fund providing investors access to long-term PFI/PPP/P3 projects with stable portfolio yield
- Diversified investment portfolio
- Low-risk approach to infrastructure investing

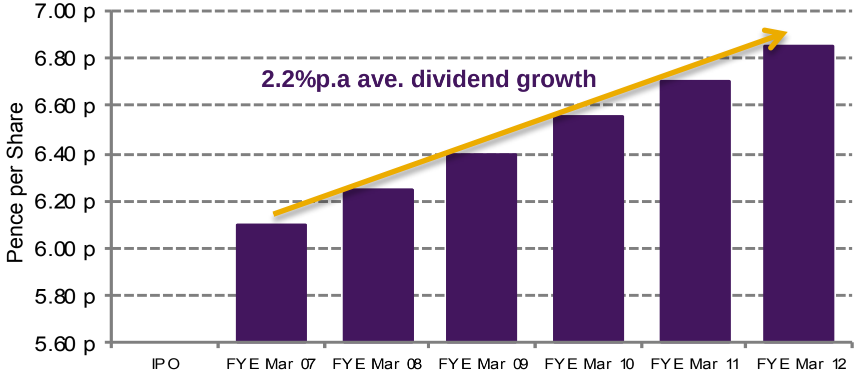
Performance

- Outperformance of, and very low correlation with, UK listed equity market
- 9.0%p.a.[1] total shareholder return since IPO in 2006
- Portfolio cashflows are positively correlated with inflation (+1% p.a. RPI ≈ +0.7% gross IRR)
- 2.2% p.a. average dividend growth (covered 1.23x for FYE 31 March 2012) producing 5.8% p.a. cash dividend yield[2]

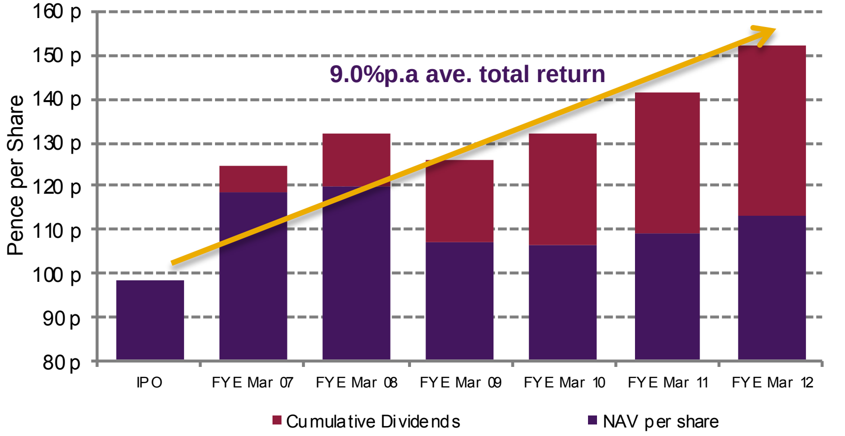
Management

- Independent Board and premium listing - strong governance and transparency
- Well-established, external Investment Advisor with experienced team
- Transparent and competitive fees with economies of scale

Annual Dividends[2] since IPO



NAV Growth and Cumulative Dividends[2] since IPO



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[1] As at 31 March 2012 Source: InfraRed. Based on aggregate of dividends paid and NAV growth

[2] Based on 6.85p total dividend for FYE 31 March 2012 and a share price at 30 June 2012 of 118.5p

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HICL Infrastructure Company Ltd

Appendices

Summary 2012

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The Investment Adviser

InfraRed Capital Partners Ltd

Investment Adviser’s key personnel

Investment Committee with over 77 years combined infrastructure experience

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Werner von Guionneau

CEO, InfraRed

Inv Committee[1]

Chris P Gill

Deputy CEO, InfraRed

Inv Committee[1]

Tony Roper

Director, InfraRed

Inv Committee[1]

Keith Pickard

Director, Infrastructure

Inv Committee[1]

Gareth Craig

Director, InfraRed

Inv Committee[1]

Erwan Fournis

Director, Infrastructure

Inv Committee[1]

David Foot

Investment Director

James O’Halloran

Investment Director

Albane Psaume

Analyst

James Keigher

Analyst

Xiaonan Chen

Analyst

Eugene Kinghorn

Financial Controller

Justin Scholes

Senior Financial & Management Accountant

Maria Janusz

Management Accountant

Robin Hubbard

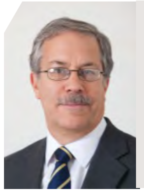
Investor Relations

Geoff Quaife

Asset Management

Mark Wayment

Asset Management



Robert Newton

Asset Management

Mark Holden

Asset Management

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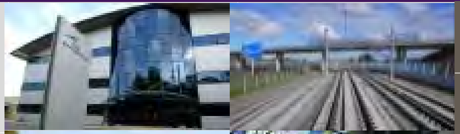
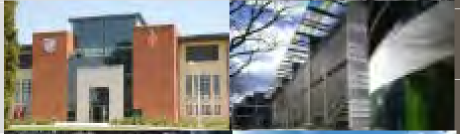
[1] Member of the InfraRed Capital Partners Ltd HICL Investment Committee.

InfraRed – infrastructure skills and experience

- Experienced infrastructure professionals with proven track record
  - Core team for HICL of 11
  - Four asset managers, with further recruitment planned
  - Part of a wider infrastructure team of 38
- Wide range of skills and knowledge of
  - Assets in portfolio
  - Core target sectors
  - Corporate finance
  - M&A
  - Treasury management
- Detailed, ‘tried and tested’ investment processes
- Active asset management with regular review
- Proactive value management

Evolution of InfraRed's infrastructure business

More than 110 investments over a 15 year period

InfraRed Infrastructure Funds and Investments		
Principal Investments[1]	▲ 10 investments (9 realised) across Europe ▲ Exit via auctions and IPO	
Fund I	▲ 14 investments across Europe ▲ Exited via IPO in 2006	
Fund II	▲ 22 investments across Europe and North America ▲ Planning realisation	
Environ-mental Infra-structure Fund	▲ 7 investments across Europe and Australia ▲ Substantial investment pipeline	
Fund III	▲ Fund Size $1.215bn ▲ 4 investments ▲ Substantial investment pipeline	
HICL	▲ 72 Investments ▲ IPO in 2006 with market cap of £250m ▲ Joined FTSE 250 in 2008 ▲ Market cap at 1st June 2012 of c.£1.065bn	

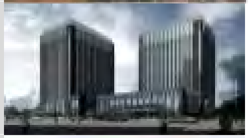
Milestones	
1994	Mandate to advise UK government on PFI programme
1997	First infrastructure investment
2000	Crédit Commercial de France (including HSIL) acquired by HSBC
2001	Infrastructure Fund ("Fund I") raised (£125 million)
2005	Infrastructure Fund II ("Fund II") raised (£300 million)
2006	Exit of Fund I through IPO of HICL Infrastructure Company Ltd. ("HICL")
2008	Offices opened in Hong Kong, Paris and New York
2010	Environmental Infrastructure Fund raised (€235million)
2011	InfraRed becomes independent Infrastructure Fund III ("Fund III) raised (US$1.215bn) HICL completes largest acquisition to date (portfolio of 26 PFI/PPP projects for £143.4m)
2012	HICL completes oversubscribed £250m C Share equity raising

1. Principal investments made while part of Charterhouse and HSBC

Source: InfraRed; Pictures are for illustrative purposes only

Evolution of InfraRed's real estate business

More than 100 investments over 22 year period

InfraRed Real Estate Funds and Investments		
Principal Investments	▲ 51 investments (40 realised) ▲ Mixture of assets across retail, industrial and office in the UK and continental Europe	
Shopping Centre Funds I to III	▲ 14 investments (realised) ▲ Shopping centres in town centres	
UK Active Property Fund	▲ 22 investments (19 realised) ▲ Commercial property assets throughout the UK	
China Real Estate Fund	▲ 10 investments (1 fully realised and 1 partially realised) ▲ 7 development projects and 3 pre-IPO investments ▲ All in mainland China	
European Active Real Estate Fund	▲ 11 investments (2 full realisations) ▲ 1 co-investment completed , another in progress ▲ Commercial property assets	

Milestones	
1998	Shopping Centre Fund I raised (£40m)
1999	Charterhouse London Residential Property Fund raised (£100m)
1999	Shopping Centre Fund II raised (£50m)
2000	Crédit Commercial de France (including HSIL) acquired by HSBC
2003	UK Active Property Fund raised (£105m)
2004	Shopping Centre Fund III raised (£75m)
2008	China Real Estate Fund raised ($710m)
2008	European Active Real Estate Fund raised (€400m)
2010	Segregated mandate to invest in Asia and Europe ($200m)
2011	InfraRed becomes independent

Source: InfraRed; Pictures are for illustrative purposes only

HICL Infrastructure Company Ltd

www.hicl.com

Understanding listed investment companies

The fundamentals of HICL and similar vehicles

Overview

- An investment company is a well-established type of collective investment fund which invests in a diversified portfolio of assets which is often very difficult to access or replicate independently.
- Most invest in a wide range of different sectors and assets around the world, both in listed securities as well as in private equity, property, bonds, infrastructure and other illiquid asset classes.
- Infrastructure investment companies invest in private infrastructure project companies that are very difficult for all but the largest institutional investors to access
- There are over 400 investment companies, which include investment trusts, offshore investment companies, venture capital trusts (VCTs) and split capital companies, many of which have existed for more than 50 years[1].
- Some investment companies have an internal fund management team, but many, like HICL, contract with an external investment adviser to provide fund and asset management services

HICL as a listed infrastructure investment company

- Domiciled in Guernsey with dividends paid gross
- Independent non-executive Board (4 directors) with external investment adviser (InfraRed Capital Partners) on an arm's length contract (12 months termination notice)
- HICL, as one of the largest investment companies, has a premium, main board London Stock Exchange ("LSE") listing, so maintains the highest levels of regulation, transparency and governance
- Typical investor protections like pre-emption rights and other good governance provisions are in place
- Investment Adviser prepares semi-annual net asset value ("NAV") valuations. The Board then takes a third-party valuation opinion
- Share price and valuation is based on discount/premium to NAV rather than comparable Sales/EBITDA/PE multiples
- The Company can seek to manage the premium/discount by issuing new shares when demand is strong and/or undertake share buy-backs into treasury when a discount arises (subject to the LSE's Listing Rules and HICL's Articles)
- HICL reports against the governance code of the Association of Investment Companies ("AIC", the industry body)

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[1] Source: Association of Investment Companies

Overview

Company	▲ Guernsey registered Investment Company
Listing	▲ Listed in March 2006 on Main Board of the London Stock Exchange with a premium listing (ticker: HICL.L). The Company strives to provide the highest standards of disclosure and transparency ▲ Part of FTSE 250 ▲ Shares have traded at a premium to NAV per share for over 3 years
Management	▲ Board of 4 independent directors ▲ Investment Adviser: InfraRed Capital Partners Ltd (authorised and regulated by the FSA)
Return	▲ Target 7.0p per share distribution for year to March 2013[1] ▲ Positive inflation correlation ▲ Low correlation to equities
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** Sixth year to Mar 12 **6.85p**
PFI/PPP concessions	▲ Long-term concessions, partially inflation-linked, with public sector or government backed revenue streams
Equity	▲ 885m shares in issue as at 30 June 2012, post C share conversion in April 2012 ▲ £325.9m[2] raised through tap issues and C share in year to 31 March 2012
Debt financing	▲ New £100m revolving 3 year, and £50m 18 month, debt facilities at fund level allow new acquisitions to be made ▲ Multi-currency and with ability to use for letters of credit ▲ Lenders are The Royal Bank of Scotland and National Australia Bank

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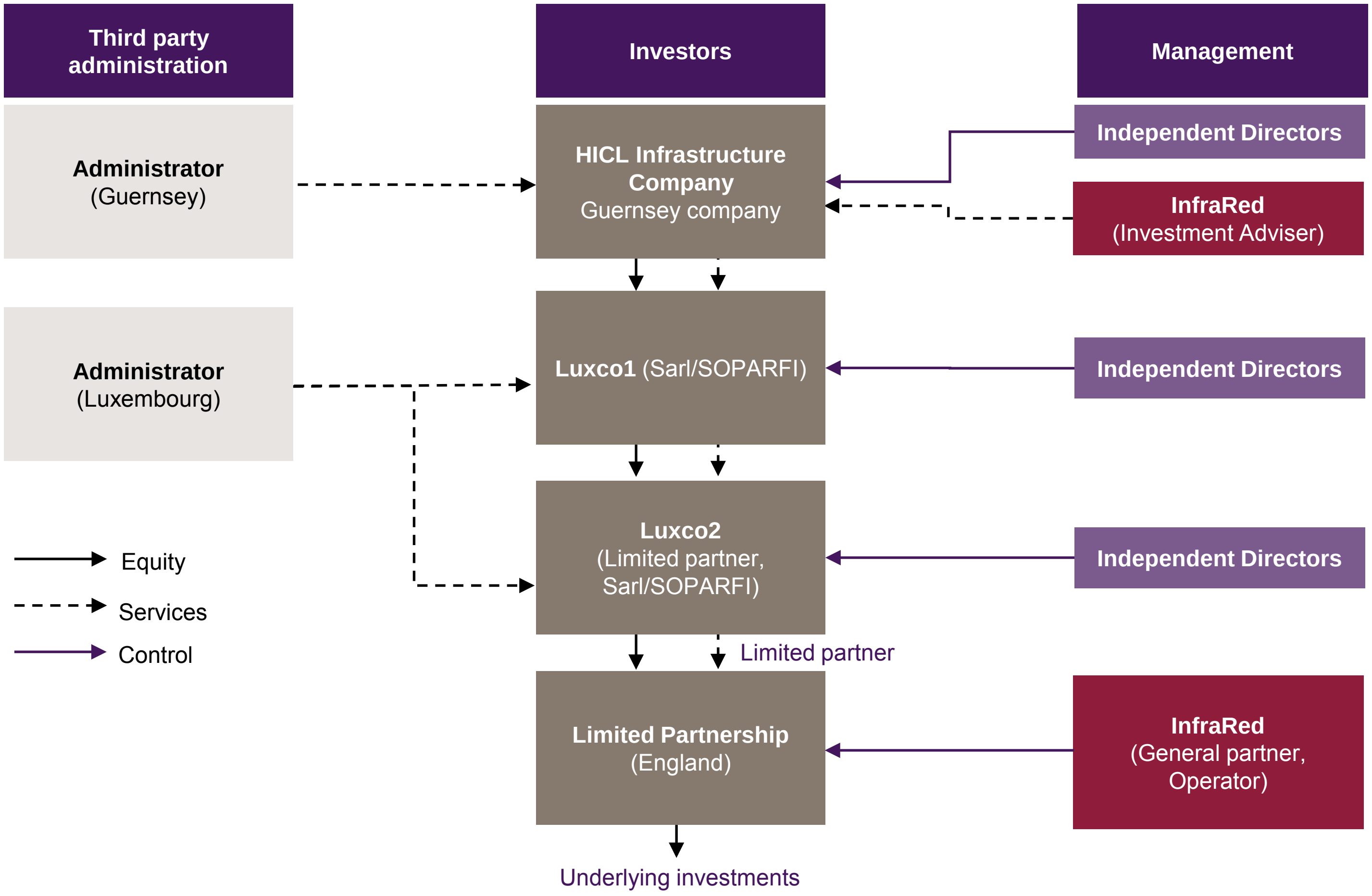
[1] Investors should note that no assurance or guarantee can be given that this will be achieved

[2] Before issue costs

HICL Group structure diagram



Third party administration

Investors

Management

Administrator (Guernsey)

HICL Infrastructure Company Guernsey company

Independent Directors

InfraRed (Investment Adviser)

Administrator (Luxembourg)

Luxco1 (Sarl/SOPARFI)

Independent Directors

Luxco2 (Limited partner, Sarl/SOPARFI)

Independent Directors

Limited partner

Limited Partnership (England)

InfraRed (General partner, Operator)

Underlying investments

→ Equity

- - → Services

→ Control

Reporting & Information

Regular investor communication with sector leading detailed disclosure

- Listed Company – complying with UKLA procedures and good corporate governance
- March year end – annual results announced in May and interims in November. AGM in July/August
- Interim distributions declared in May & Nov – paid June and Dec
- Two Interim Management Statements – Feb and Aug
- Website – www.hicl.com
- Factsheet – updated quarterly
- Investor meetings, lunches and site visits
- Broker coverage – covered by analysts from Canaccord Genuity[1], Oriel Securities, RBS, Numis and JP Morgan Cazenove

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1. Broker to the company and formerly known as Collins Stewart

Governance

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

- 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)
  - Authorised and regulated by the FSA

HICL Board

Graham Picken

Chairman

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

Sarah Evans

Director

Sarah Evans is a Chartered Accountant and is a non-executive 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

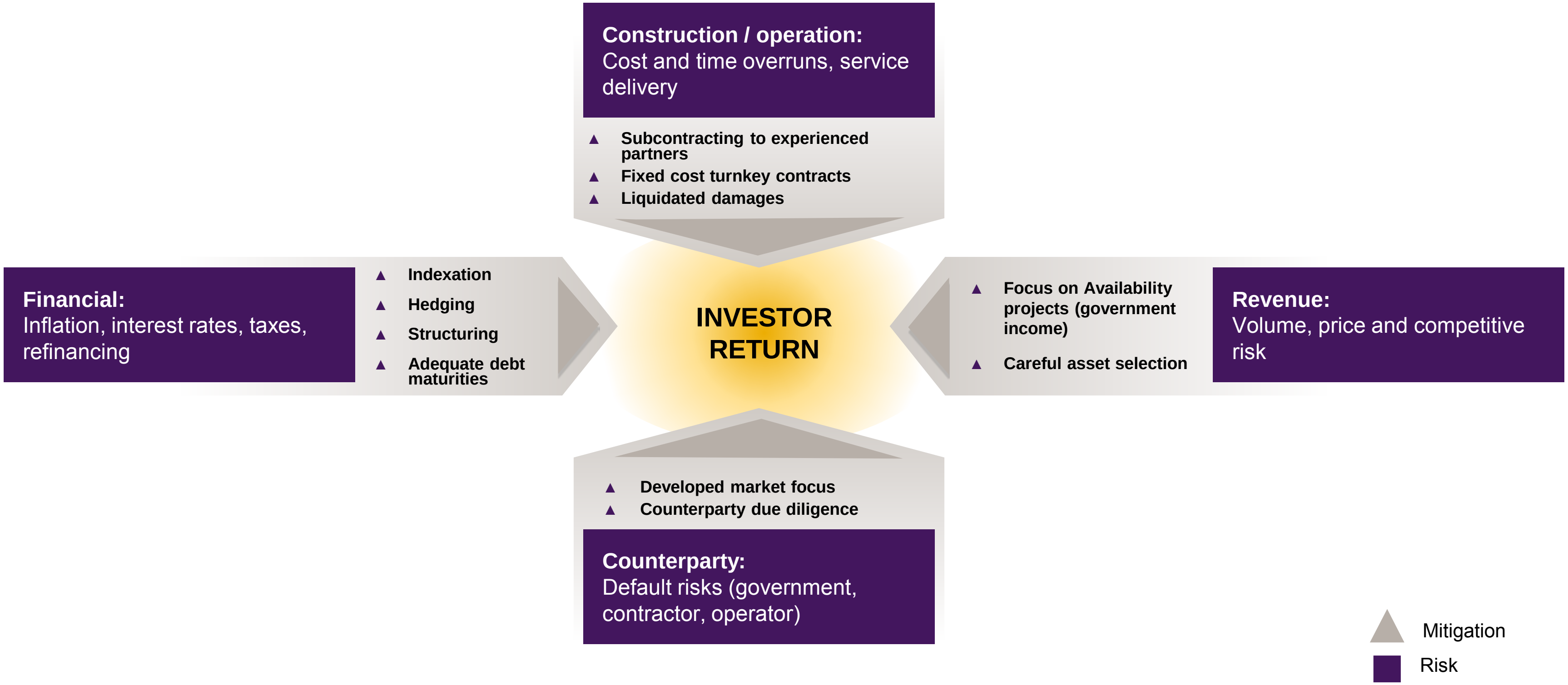
Director

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 non-executive director of a number of financial services companies, some of which are listed on the LSE.

The Investment Portfolio

Focus on risk-mitigated secondary assets

Identify and manage investment risks of acquisitions to meet existing portfolio's risk-adjusted return profile



Construction / operation:
Cost and time overruns, service delivery

- ▲ Subcontracting to experienced partners
- ▲ Fixed cost turnkey contracts
- ▲ Liquidated damages

Financial:
Inflation, interest rates, taxes, refinancing

- ▲ Indexation
- ▲ Hedging
- ▲ Structuring
- ▲ Adequate debt maturities

INVESTOR RETURN

- ▲ Focus on Availability projects (government income)
- ▲ Careful asset selection

Revenue:
Volume, price and competitive risk

- ▲ Developed market focus
- ▲ Counterparty due diligence

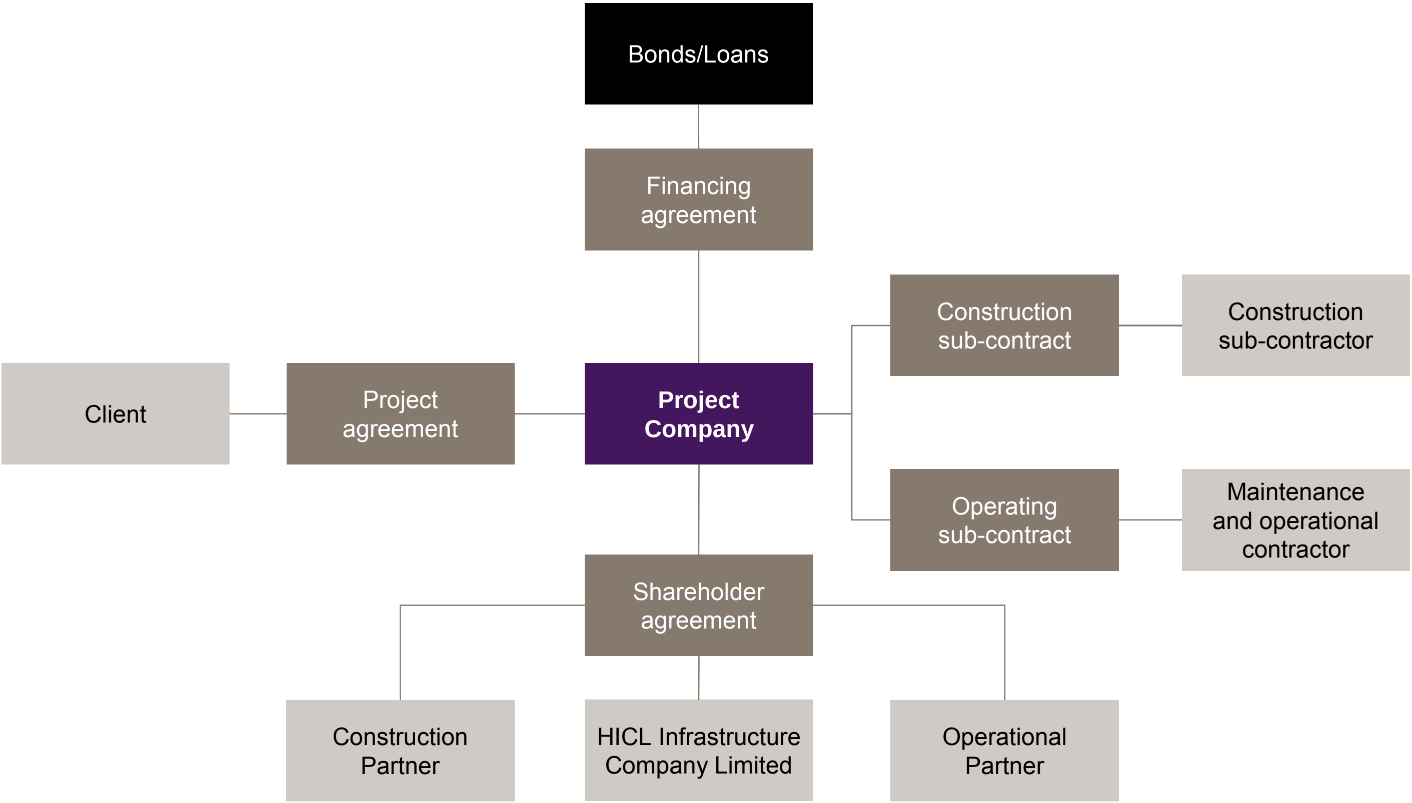
Counterparty:
Default risks (government, contractor, operator)

▲ Mitigation

■ Risk

Note: The above diagram is not intended as a complete assessment of risks associated with this type of investment. Your attention is drawn to the Risk Factors in the HICL prospectuses

Typical infrastructure project structure



Bonds/Loans

Financing agreement

Client

Project agreement

Project Company

Construction sub-contract

Construction sub-contractor

Operating sub-contract

Maintenance and operational contractor

Shareholder agreement

Construction Partner

HICL Infrastructure Company Limited

Operational Partner

Current portfolio

Portfolio as at 1 June 2012, showing changes since 31 March 2012

Education

- Barking & Dagenham Schools
- Bradford Schools
- Conwy Schools
- Darlington Schools
- Derby Schools
- Ealing Schools
- Fife Schools
- Health & Safety Labs
- Highland Schools PPP
- Kent Schools
- Newport Schools
- Norwich Schools
- Rhondda Schools
- South Ayrshire Schools
- Boldon School
- Cork School of Music
- Croydon School
- Defence 6th Form College
- Doncaster Schools
- Haverstock School
- Helicopter Training Facility
- Irish Grouped Schools
- Manchester School
- North Tyneside Schools
- Oldham Schools
- Renfrewshire Schools
- Sheffield Schools
- Wooldale Centre for Learning

Law & Order

- Dorset Fire & Rescue
- Dorset Police
- D & C Firearms Training Centre
- Exeter Crown Courts
- GMPA Police Stations
- Medway Police
- MPA Firearms Training Facility
- MPA SEL Police Stations
- Sussex Custodial Centre
- Swindon Police
- Tyne & Wear Fire Stations

Health

- Barnet Hospital
- Birmingham Hospitals
- Brentwood Community Hospital
- Doncaster Mental Health Hospital
- Glasgow Hospital
- Newton Abbott Hospital
- Oxford Churchill Oncology
- Pinderfields & Pontefract Hospitals
- Romford Hospital
- Stoke Mandeville Hospital
- Willesden Hospital
- Bishop Auckland Hospital
- Blackburn Hospital
- Central Middlesex Hospital
- Ealing Care Homes
- Lewisham Hospital
- Nuffield Hospital
- Oxford John Radcliffe Hospital
- Queen Alexandra Hospital
- Sheffield Hospital
- West Middlesex Hospital

Accommodation

- Colchester Garrison
- Health & Safety Headquarters
- Home Office
- Newcastle Libraries
- Oldham Library

Transport

- A249 Road
- A92 Road
- Connect PFI
- Dutch High Speed Rail Link
- Kicking Horse Canyon P3
- M80 Motorway DBFO
- NW Anthony Henday P3

Portfolio at 31 March 2012

Additional stake acquired since 31 March 2012

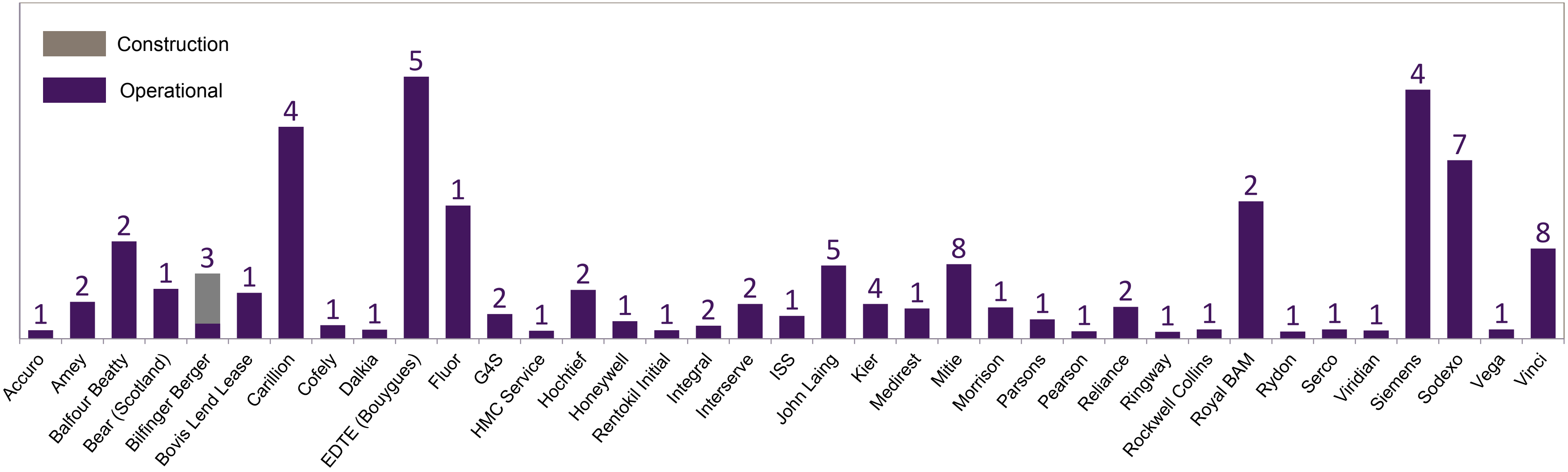
Acquired since 31 March 2012

Risk management - contractor counterparty exposure[1]

Diversified spread of quality supply chain providers

- 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)



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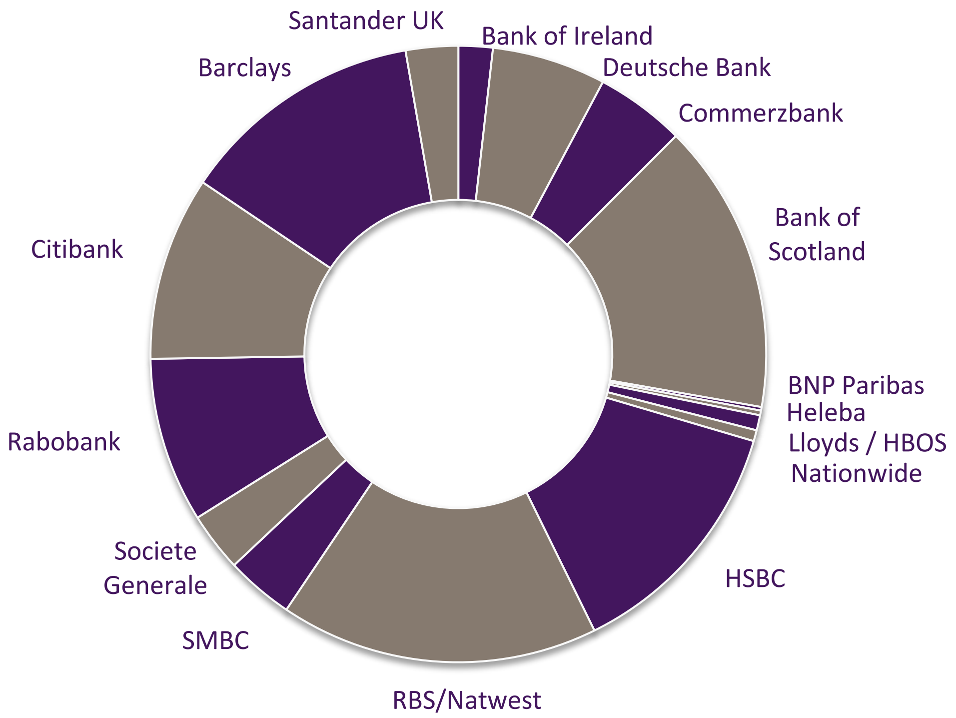
[1] By value, as at 31 March 2012, using Directors' valuation. Some projects have more than one contractor so sum of the bars is greater than portfolio valuation. Grey is construction exposure.

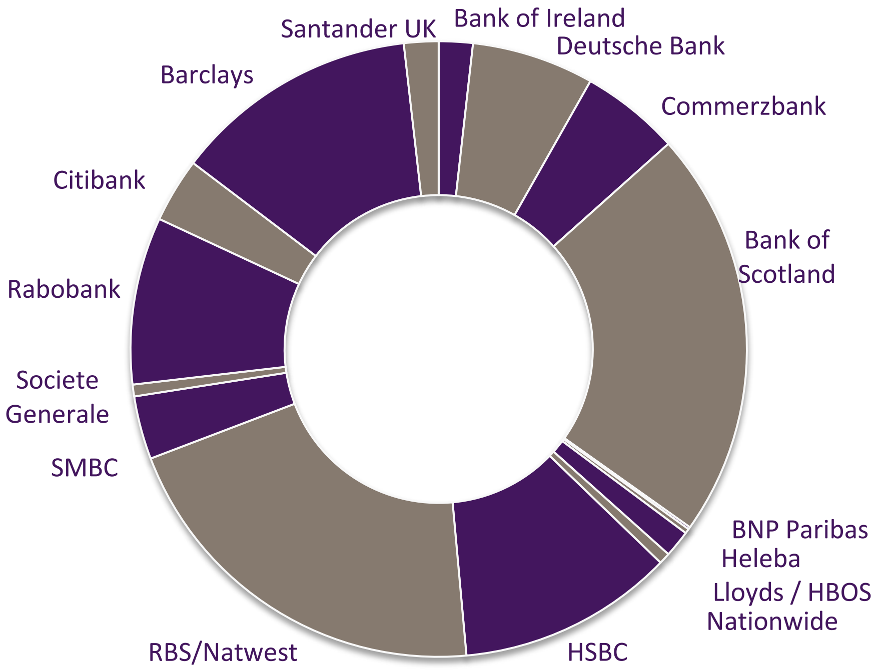
Risk management - cash deposit analysis

Analysis as at 31 March 2012

Exposure to banks by deposit value



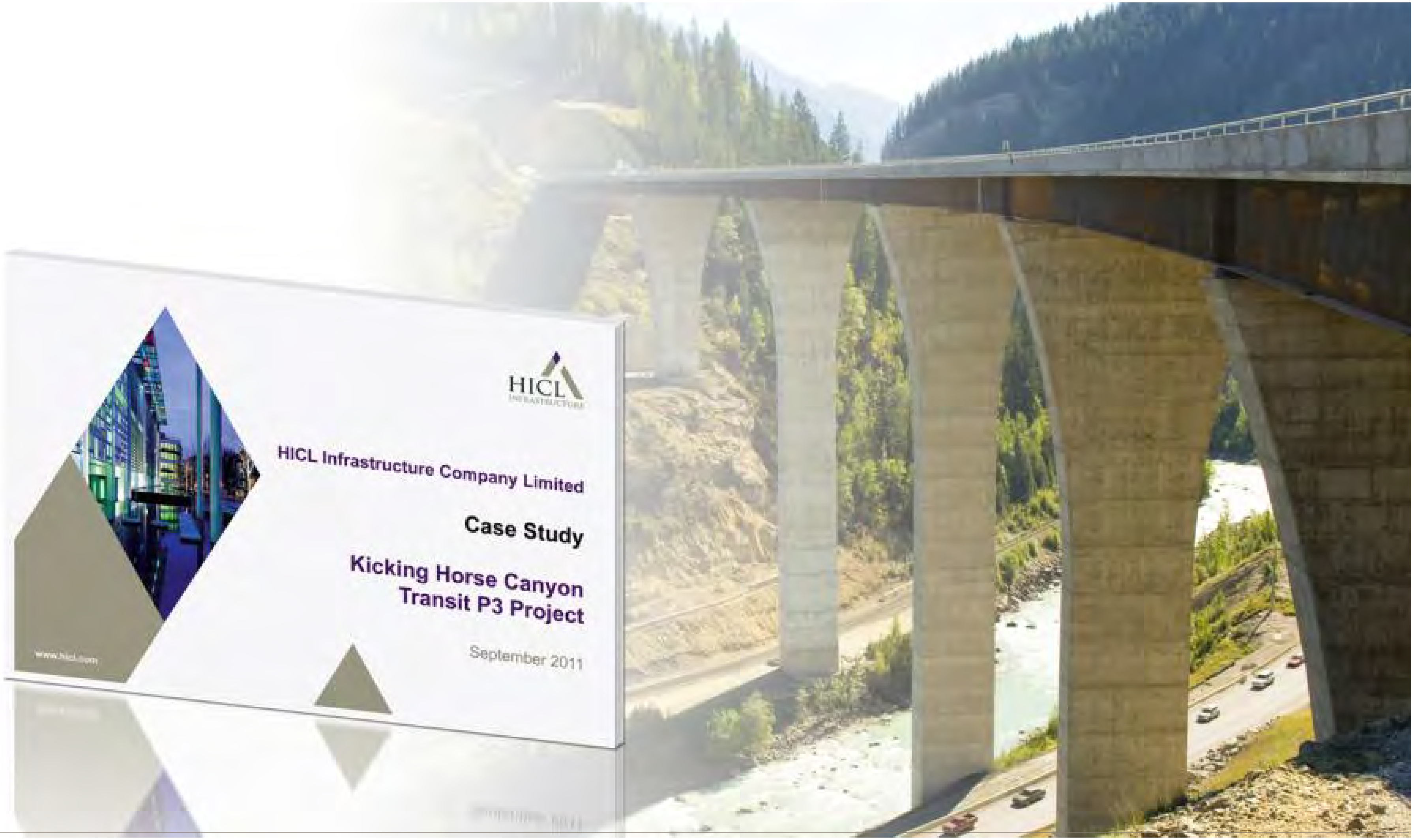
Exposure to banks by investment value



Based on analysis by the Investment Adviser of the portfolio as at 31 March 2012, excluding C Share proceeds. The Deposit Value chart looks at the £473m deposits made by projects (regardless of the Group's percentage holding) at 31 March 2012. The Project Value chart considers this exposure related to the Directors' Valuation of the portfolio as at 31 March 2012.

Kicking Horse Canyon

One of the case studies available from the HICL website



HICL Infrastructure Company Limited

Case Study

Kicking Horse Canyon
Transit P3 Project

September 2011

www.hicl.com

Investments in the year to 31 March 2012

Significant new acquisitions completed

33 new investments and 5 incremental stakes acquired for £236.6m in year

- **May 2011**
  - Acquisition of three school PFI projects for £17.2m. The interests acquired were 75% in each of Norwich and Oldham Schools and a 37.5% interests in Sheffield Schools.
  - Acquisition of a 75% interest in the Brentwood Community Hospital project for £4.6m.
- **June 2011**
  - Acquired a 100% interest in the South Ayrshire Schools PPP project for £15.8m.
  - Acquired a 50% interest in the Pinderfields and Pontefract Hospitals PFI project and three incremental stakes in existing investments for a total consideration of £32.8m. The three incremental stakes were in the Oxford John Radcliffe Hospital, the Queen Alexandra Hospital and the Helicopter Training Facility.
- **November 2011**
  - Acquired a 75% interest in the Sheffield Hospital PFI project.
  - Incremental acquisition – additional stake in the Blackburn Hospital PFI project – now 100% equity and loan note interests.
- **December 2011**
  - Portfolio acquisition of 26 PFI/PPP projects for £143.4m. Ten schools projects, eight health projects, five fire and police projects, two road projects and a library project. Two projects located in the Republic of Ireland – rest in UK.
- **February 2012**
  - Incremental acquisition of additional interest in the Dorset Fire & Rescue Project, taking Group's equity and loan note interests to 67%.

Recent Investments

Post-year end acquisitions; 31 March 2012 to 30 June 2012

Two new investments and an incremental acquisition totalling £88.6m made since 31 March 2012

- Incremental acquisition of a 14% stake in the Colchester Garrison project from a subsidiary of WS Atkins plc for £15 million. This takes the Group's interest to 56%.
- Completion of the acquisition of a 19.5% interest in the Connect PFI project for £39.0m from another fund managed by the Investment Adviser. This "related party" transaction was approved by shareholders at the EGM held on 23 March 2012.
- Acquisition of a 30% interest in the Birmingham Hospitals project for £34.6m from a division of RBS.
- Funding of the above from proceeds from the C Share.
- Approximately £19m from C Share proceeds left to invest - confident of investing this in the near future.

HICL
INFRASTRUCTURE

Latest Results

FYE 31 March 2012

Financial highlights

Year to 31 March 2012

Another year of strong performance

- ▲ Second interim dividend of 3.5p per share declared 12 April 2012
- ▲ Strong portfolio performance
- ▲ Dividend cash covered 1.23 times (2011: 1.26 times)
- ▲ Total expense ratio 1.34% for the period (2011: 1.20%)

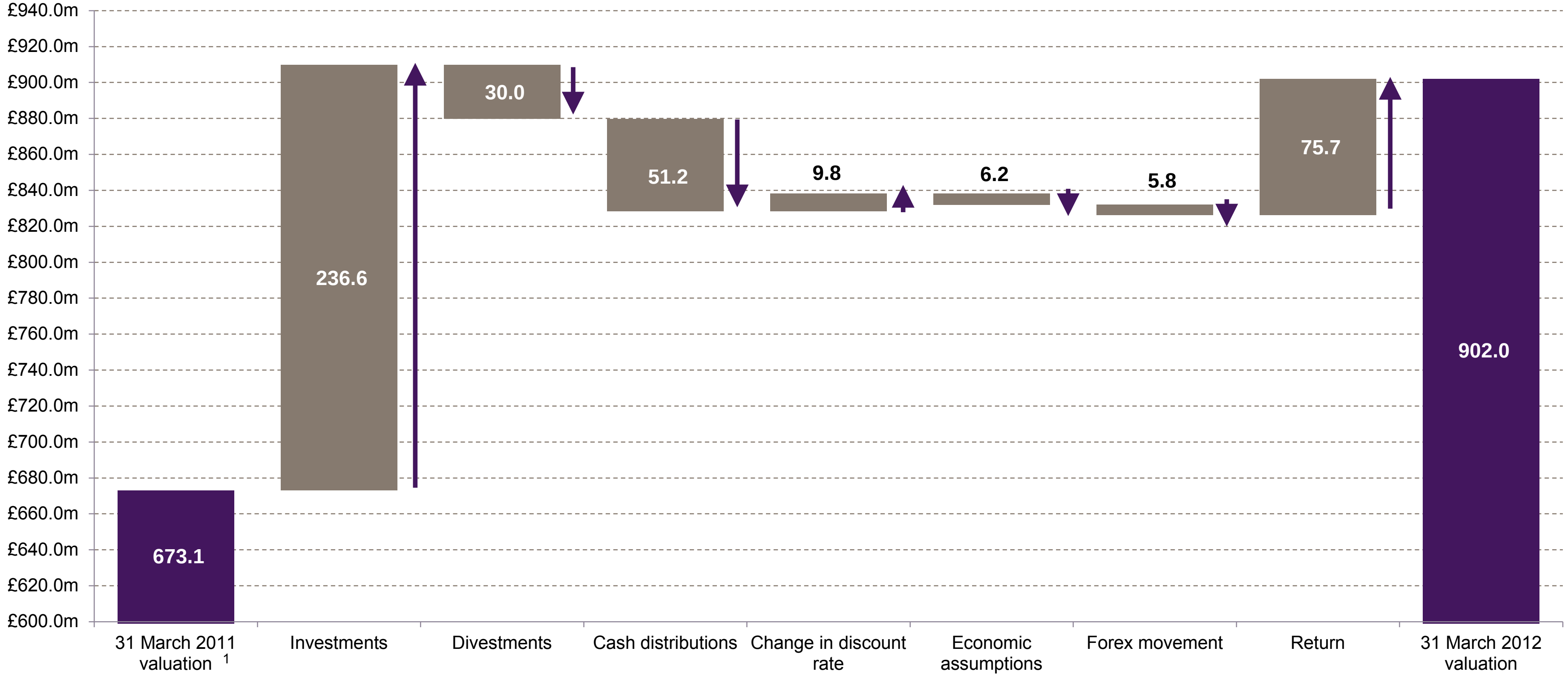
All figures stated on an investment basis	Year to 31 March 2012	Year to 31 March 2011
Profit before valuation movement	**£33.2m**	**£24.3m**
Valuation movements	£28.8m	£20.9m
Profit before tax[1]	£62.0m	£45.2m
Earnings per share	**9.8p**	**8.9p**
Total dividend for the year	**6.85p**	**6.70p**
NAV per share (before interim dividend)	**116.3p**	**113.1p**
NAV per share (after interim dividend)	**112.8p**	**109.7p**
Net cash[2]	**£129.4m**	**£54.7m**

[1] Consolidated profit before tax was £84.2m & consolidated profit attributable to HICL was £82.8m

[2] At 31 March 2012 net debt of £116.3m attributable to Ordinary Shares and net cash of £245.7m attributable to the C Shares. There were no outstanding investment commitments

Analysis of change in Directors' Valuation

Valuation movements driven by acquisitions and portfolio performance



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[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

Fees, Expenses and TERs

For the year to 31 March 2012

Investment Adviser (“IA”) fees

- Simple, transparent fees with no performance element
- Fees are:
  - Annual
    - 1.1% pa of gross Asset Value up to £750m
    - 1.0% pa between £750m and £1.5bn
    - 0.9% pa thereafter
    - (1.5% if asset under construction)
    - £100k advisory fee
  - 1.0% fee for acquisitions
- No other fees or fees for ad-hoc work
- All fees disclosed
- Investment Adviser provides no “related party services” to project companies
- Directors fees from underlying project companies for benefit of Group – equal to additional 0.28% fee if paid to Investment Adviser in year
- Total fees to IA in year to 31 March 2012 of £11.1m, of which £2.4m related to acquisitions made (financial and commercial due diligence)

Expenses

- Total Group expenses (excluding IA fees and interest cost/income) of £1.7m
  - of which £0.4m on third party bid costs – unsuccessful bids

Year to	31 March 2012	31 March 2011
Total Expense Ratio	**1.34%**	**1.20%**
Ongoing Charge Percentage[1]	**1.36%**	**1.32%**

1. calculated using methodology set out by the AIC.

Summary income statement

Year to 31 March 2012

	Year to March 2012			Year to March 2011		
£m	**Investment basis**	**Consolidation adjustments**	**IFRS Basis**	**Investment basis**	**Consolidation adjustments**	**IFRS Basis**
Total Income	48.1	201.7	249.8	37.4	150.5	187.9
Expenses & finance costs	(14.9)	(214.0)	(228.9)	(13.1)	(155.2)	(168.3)
Profit/(loss) before valuation movement	**33.2**	**(12.3)**	**20.9**	**24.3**	**(4.7)**	**19.6**
Fair value movements	28.8	34.5	63.3	20.9	(2.2)	18.7
Tax and non-controlling interests	(0.1)	(1.3)	(1.4)	(0.1)	7.0	6.9
Earnings	**61.9**	**20.9**	**82.8**	**45.1**	**0.1**	**45.2**
Earnings per share	**9.8p**		**13.1p**	**8.9p**		**9.0p**

Expenses & finance costs

Year to 31 March 2012

	Year to March 2012	Year to March 2011
£m	**Investment basis**	**Investment basis**
Interest income	0.3	0.1
Interest expense	(2.4)	(3.6)
Investment Adviser	(11.1)	(8.1)
Auditor – KPMG – for the Group	(0.2)	(0.2)
Directors’ fees and expenses	(0.2)	(0.1)
Other expenses	(1.3)	(1.2)
Expenses & finance costs	**(14.9)**	**(13.1)**
Total Expense Ratio (TER) [1]	**1.34%**	**1.20%**

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1. 31 March 2012 based on operating costs of £10.4m which excludes one-off acquisition costs and NAV of £773.7m.

Summary balance sheet

Year to 31 March 2012

	As at March 2012			As at March 2011		
£m	**Investment basis**	**Consolidation adjustments**	**IFRS basis**	**Investment basis**	**Consolidation adjustments**	**IFRS basis**
Investments at fair value[1]	**902.0**	**(377.7)**	**524.3**	**626.1**	**(200.1)**	**426.0**
Non-current assets	-	2,224.3	2,224.3	-	957.9	957.9
Working capital	(12.0)	21.8	9.8	(5.3)	8.8	3.5
Net cash/(borrowings)	(116.3)	(1,357.0)	(1,473.3)	54.7	(587.5)	(532.8)
Other non-current liabilities	-	(498.6)	(498.6)	(2.3)	(185.4)	(187.7)
Non-controlling interests	-	(8.4)	(8.4)	-	(9.9)	(9.9)
Net assets[2] attributable to Ordinary Shares	**773.7**	**4.4**	**778.1**	**673.2**	**(16.2)**	**657.0**
NAV per Ordinary Share (before dividend)	116.3p		117.0p	113.1p		110.4p
Net assets[3] attributable to C Shares	**246.8**	**-**	**246.8**	**-**	**-**	**-**
NAV per C Share	98.7p		98.7p	-		-

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
3. Being the £250m raised by way of C shares less costs and held as cash on deposit

Summary cash flow

Includes the March C Share proceeds

	Year to March 2012		Year to March 2011	
£m	**Investment basis**		**Investment basis**	
Net cash at start of period		**54.7**		**11.0**
Cash from investments	51.2		45.6	
Operating and finance costs outflow	(10.2)		(10.7)	
Net cash inflow before acquisitions/financing		**41.0**		**34.9**
Redemption of investment		30.0		0.0
Cost of new investments		(283.3)		(115.1)
Forex movement on borrowings/hedging[1]		2.9		(1.3)
Share capital raised net of costs		320.9		154.6
Distributions paid				
Relating to operational investments	(33.2)		(27.6)	
Relating to investments in construction	(3.6)		(1.8)	
		(36.8)		**(29.4)**
Net cash at end of period		**129.4**		**54.7**

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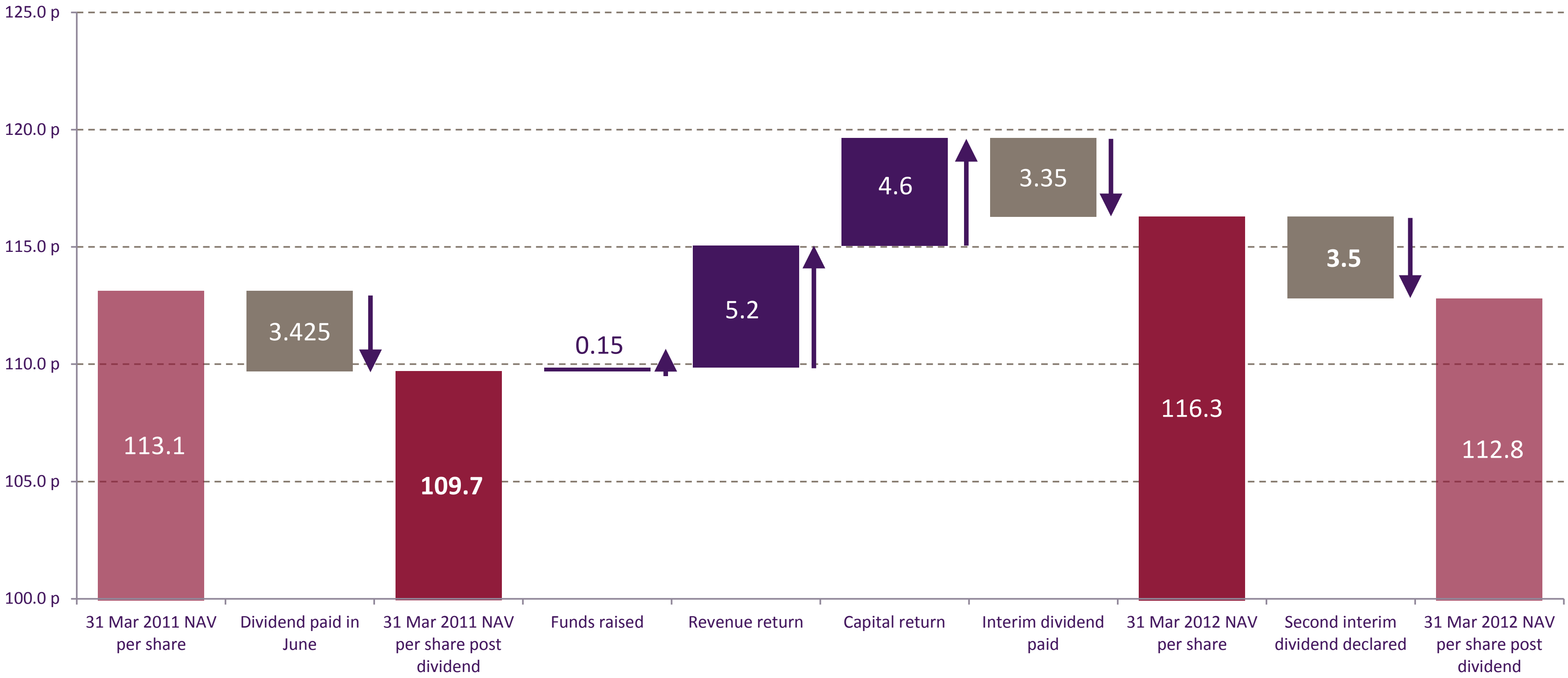
1. Forex movements includes both cash settlement and revaluation of euro and Canadian dollar borrowings/hedging at period end.

Analysis of change in NAV per share

31 March 2011 to 31 March 2012



1. Funds raised includes scrip dividends and is net of expenses

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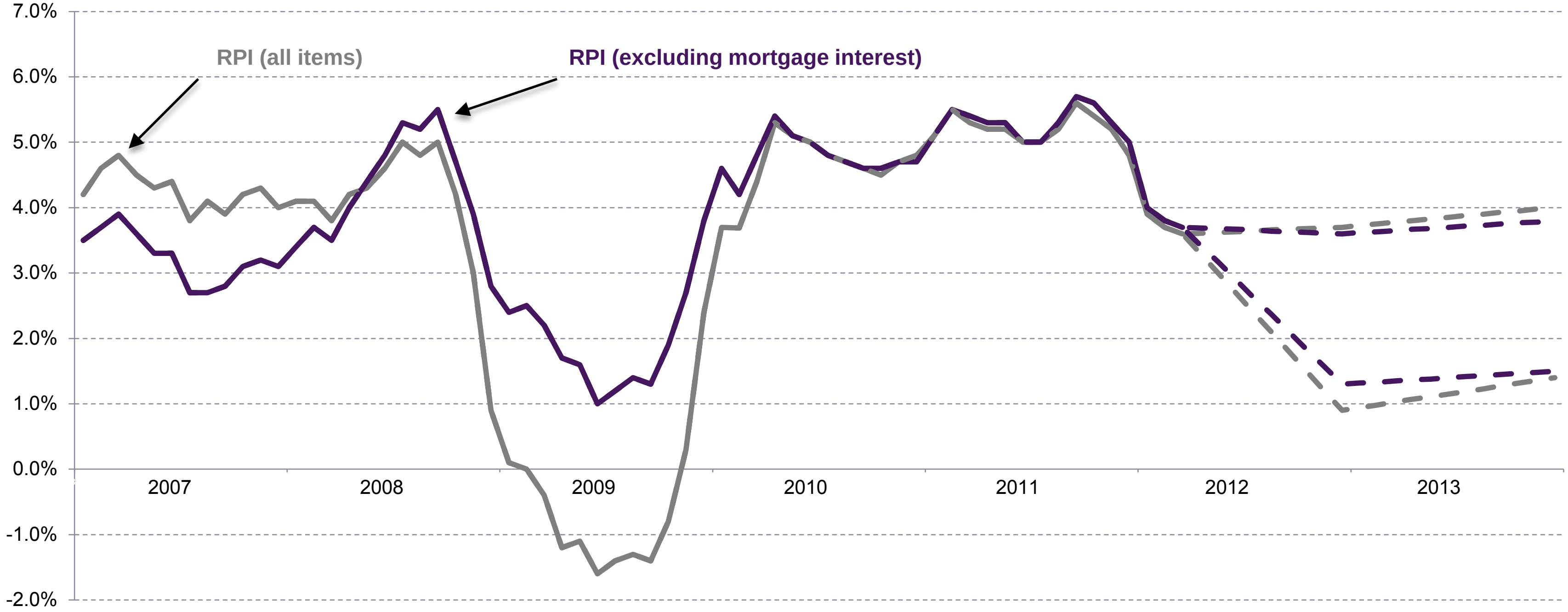
INFRASTRUCTURE

Valuation Methodology and Assumptions

FYE 31 March 2012

UK inflation – actual & forecast

- UK inflation was 3.6% in March 2012, with forecasts showing it declining further[1]
- Wide range of forecasts
- Valuation assumptions – simple proxy of possible outcomes



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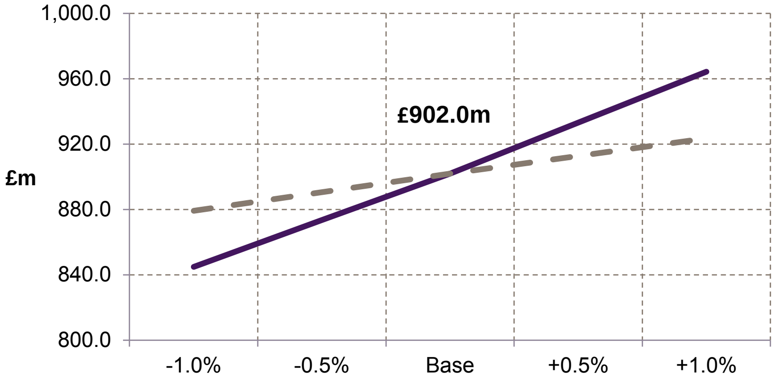
[1] Source – Office for National Statistics, HM Treasury a comparison of independent forecasts – April 2012

Positive inflation correlation

Portfolio as at 31 March 2012

Sensitivity to inflation depends on a project's initial structuring[1]

- PFI/PPP/P3 projects' income and costs linked to RPI/RPIx[2] in UK and CPI in Holland, Canada and Ireland
  - 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[3]
Valuation	**£902.0m**	**116.3p**
	Change	**Implied NAV per share**
+0.5% increase all years	**+ £31.1m**	**+ 3.5p**
-0.5% decrease all years	**- £28.6m**	**- 3.2p**

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

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

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[1] Analysis based on 20 largest PFI/PPP/P3 investments

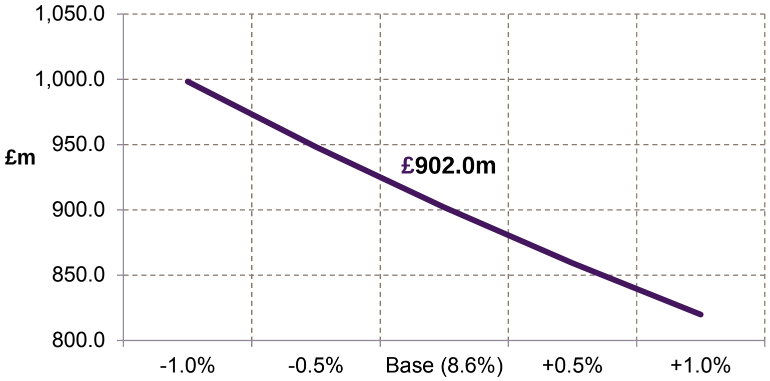
[2] Retail Price Index and Retail Price Index excluding Mortgage Interest Payments

[3] Based on 883.5m Ordinary Shares in issue post April 2012 C Share conversion and total net assets at 31 March 2012 on an investment basis of £1,020.5m

Discount rate sensitivity

Portfolio as at 31 March 2012

Weighted average rate of 8.6%[1]



	Directors' valuation	NAV per share[2]
Valuation	**£902.0m**	**116.3p**
	Change	**Implied NAV per share**
+0.5% increase	**- £42.6m**	**- 4.8p**
-0.5% decrease	**+ £46.2m**	**+ 5.2p**

DCF rates for PFI/PPP/P3 assets have remained flat in the period

For the PFI/PPP/P3 portfolio	Weighted average risk free rate	Weighted average risk premium	Weighted average discount rate	Weighted average const. phase premium	Weighted average ops. phase premium
31 March 2011	4.2%	4.5%	8.7%	5.1%	4.4%
30 September 2011	**3.3%**	**5.4%**	**8.7%**	**5.8%**	**5.3%**
31 December 2011	2.9%	5.7%	8.6%	6.1%	5.7%
31 March 2012	**3.2%**	**5.4%**	**8.6%**	**5.8%**	**5.4%**

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[1] Sensitivity analysis based on the 70 PFI/PPP/P3 investments as at 31 March 2012

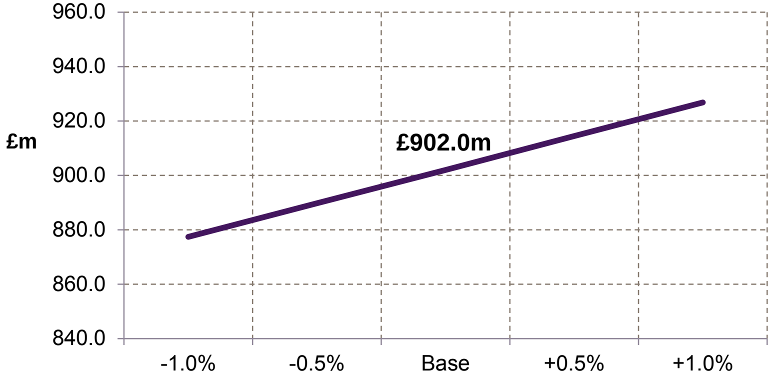
[2] Based on 883.5m Ordinary Shares in issue post April 2012 C Share conversion and total net assets at 31 March 2012 on an investment basis of £1,020.5m

Deposit rate sensitivity

Portfolio as at 31 March 2012

Positive sensitivity results from large cash deposit at projects' level[1,2]

- 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[3]
Valuation	**£902.0m**	**116.3p**
	Change	**Implied NAV per share**
+0.5% increase all years	**+ £12.4m**	**+ 1.4p**
-0.5% decrease all years	**- £12.3m**	**- 1.4p**

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[1] Analysis based on 20 largest PFI/PPP/P3 investments

[2] Changing all future periods assumption from the base assumption - all other assumptions unchanged

[3] Based on 883.5m Ordinary Shares in issue post April 2012 C Share conversion and total net assets at 31 March 2012 on an investment basis of £1,020.5m