

CORPORATE DETAILS

Registered Address

HICL INFRASTRUCTURE COMPANY LTD
1 Le Truchot
St Peter Port
Guernsey
GY1 1WD

Chairman Graham Picken
Director Sarah Evans
Director Susie Farnon
Director John Hallam
Director Frank Nelson
Director Chris Russell
Director Ian Russell

COMPANY INFORMATION

Listing	London SE
Index Inclusion	FTSE250 FTSE All-Share
SEDOL	BOT4LH6
Ticker	HICL.L
ISA / SIPP eligible?	Yes
Dividend Frequency	Quarterly (see over)
Financial Year End	31 March

KEY STATISTICS

AT 31 AUGUST 2015

(EXCEPT AS OTHERWISE STATED)

No. of Shares	1,328,492,857
Share Price	151.4p
Market Cap.	£2,011m
NAV ¹	£1,710m
NAV per Share ^{1,2}	134.8p
Premium to NAV ³	12.3%
Target IRR (long-term) ⁴	7% p.a.
Target Dividend per Share (2015-16)	7.45p
Dividend Yield (prospective) ⁵	4.9% p.a.
AIC Ongoing Charges Percentage ⁶	1.14% p.a.

¹ NAV based on 31 Mar. 2015 valuation

² NAV per Share post fourth quarterly interim dividend of 1.87p per share paid on 30 Jun. 2015

³ Based on the NAV per Share (post div.) as at 31 Mar. 2015 and the Share Price as at 31 Aug. 2015

⁴ As set out in the Feb. 2013 prospectus based on a 119p.5p issue price

⁵ Based on the Target Dividend per Share (2015-16) and the Share Price as at 31 Aug. 15⁴

⁶ Based on the FYE 31 March 2015

Past performance is not a guide to future performance

Source: InfraRed Capital Partners, Thomson Reuters Datastream and Bloomberg

INTRODUCTION

- ▶ An investment company registered in Guernsey, investing in a portfolio of infrastructure projects generating **stable, inflation-linked cash flows on an attractive risk-adjusted basis**. It **listed in 2006** on the London Stock Exchange and now has a **market capitalisation of over £2bn**.
- ▶ Experienced board of seven independent directors (see left), while the investment adviser is InfraRed Capital Partners Limited (see over for details).

INVESTMENT OBJECTIVES

- ▶ Seeks to provide investors with **long term distributions**, at levels that are sustainable, and to **preserve the capital value** of its investment portfolio over the long term with **potential for capital growth**.
- ▶ In May, the Board **revised upwards its target distribution for the year to 31 March 2016 to 7.45p per share**. Any subsequent increases will be subject to regular reviews of the macro-economic outlook and operating performance and only sanctioned if the Board feels they are sustainable in the long-term, thereby avoiding volatility for shareholders.

CURRENT INVESTMENT STRATEGY

- ▶ Strategy predominantly focused on assets that have availability-based contracts with public sector clients, for example **social infrastructure** (schools, hospitals and public buildings) and **transportation infrastructure** (roads, rail); also selectively seeking exposure to certain types of economic infrastructure (such as tolls road, transmission lines) where there may be some element of demand/volume and/or counterparty risk.
- ▶ Assets in construction comprise five in number (<2% by value), but are expected to continue to increase further to promote capital growth for the portfolio, subject to maintaining a satisfactory running yield.
- ▶ Social and transportation infrastructure programmes are being developed by a number of countries and the Investment Adviser continues to assess a pipeline of potential new investment opportunities in the UK as well as other developed markets such as Australia, North America and selective European countries.
- ▶ Acquiring incremental stakes in existing investments will continue as they are typically value-accretive.

PORTFOLIO, PERFORMANCE AND OUTLOOK

- ▶ The investment portfolio comprises stakes in **101 infrastructure projects** (see Portfolio tab of www.hicl.com) which are mainly **operational, social and transportation infrastructure schemes** with public sector clients, producing **long-term, partially inflation-linked project revenues** with a weighted average concession life of c.21 years. Ten largest investments represent 40% of the portfolio by value.
- ▶ The Group's predominantly availability-based contracts mean that there is **limited exposure to variation in GDP** or reliance on usage of the assets. HICL shares have displayed a **low correlation with the public equity market and even utilities** (see chart overleaf).
- ▶ Dividends have been cash covered with an annual dividend increase since IPO such that the **cash yield to shareholders has been consistently over 4.5% p.a.**
- ▶ Since April 2009 the shares have traded at a premium to last reported Net Asset Value per share. Liquidity continues to increase as the market cap has risen with the current **average daily share trading volume of c.2m shares**.
- ▶ Through selective acquisitions and asset management HICL has, to date, **exceeded its stated (at IPO) target return of 7-8% p.a.** (total shareholder return statistics provided overleaf).

PORTFOLIO VALUATION

- ▶ Investments valued on a **discounted cash flow (DCF) basis** given the contractual nature of the cashflows. A semi-annual portfolio valuation is provided by the Investment Adviser, and the Board benefits from a **private independent expert opinion** from a third party.

INVESTMENT ADVISER



INFRA RED CAPITAL PARTNERS LTD
12 CHARLES II STREET
LONDON SW1Y 4QU

INFRA RED IS A UK BASED
INFRASTRUCTURE AND REAL ESTATE
MANAGER WITH OVER US\$8BN OF
EQUITY CAPITAL UNDER MANAGEMENT.

INFRA RED IS AUTHORISED AND
REGULATED BY THE FINANCIAL
CONDUCT AUTHORITY AND HAS
OFFICES IN LONDON, NEW YORK,
PARIS, HONG KONG, SEOUL AND
SYDNEY. WITH OVER 120 STAFF
GLOBALLY IT HAS 50 PROFESSIONALS
DEDICATED TO INFRASTRUCTURE
INVESTMENT AND MANAGEMENT.

OTHER SERVICE PROVIDERS

ADMINISTRATOR & SECRETARY

DEXION CAPITAL (GUERNSEY) LTD
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CORPORATE CALENDAR – 2015/16

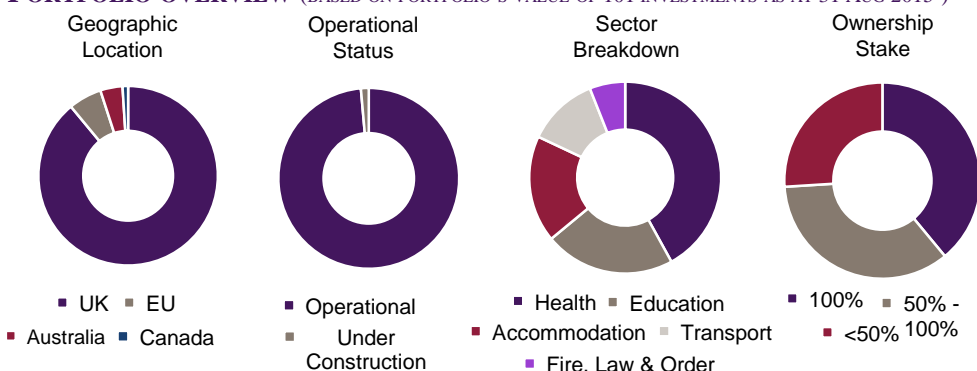
AGM	Jul. 2016
Quarterly interim dividend announcements	Jul. 2015 Nov. 2015 Feb. 2016 May 2016
Quarterly interim dividend payments	30 Sep. 2015 31 Dec. 2015 31 Mar. 2016 30 Jun. 2016
Quarterly Update Statements	Jul. 2015 Feb. 2016
Reporting period end	30 Sep. 2015 (H1) 31 Mar. 2016 (FY)
Results announced	Nov. 2015 (H1) May 2016 (FY)

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RECENT NEWS

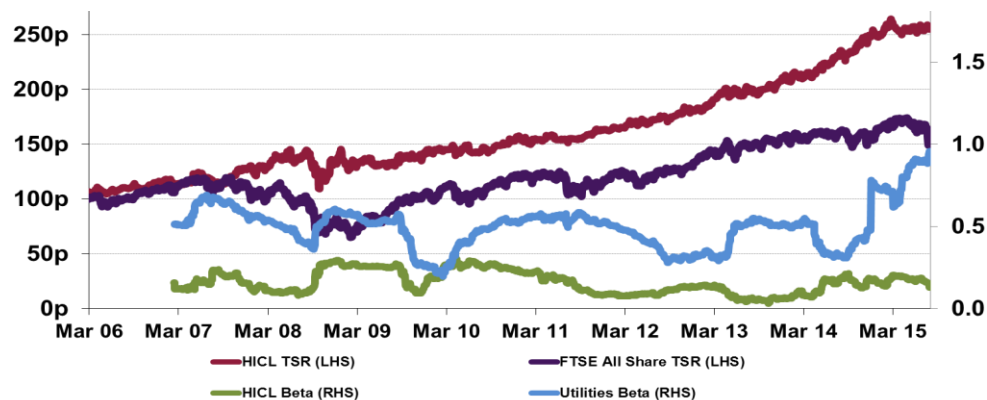
- ▶ Since the Company's financial year end, the Group disposed of one small investment (Fife Schools) for £7.3m, acquired two incremental stakes in existing projects and made one sizeable new investment (Southmead Hospital) for an aggregate consideration of £104m. Following a tap issue in July raising c.£90m of new equity, the Company has no net funding requirement at present.
- ▶ The weighted average discount rate was 7.9% as at 31 March 2015, the most recent valuation date, down 0.3% over the past 12 months due principally to increased market demand for this type of infrastructure asset, particularly in the UK.
- ▶ In May, the Board announced revised dividend guidance of 7.45p per share for the 12 months to 31 March 2016. The first quarterly dividend, payable on 30 September 2015, will be 1.86p per share.
- ▶ For further detail on the Company's results, recent acquisitions and other corporate announcements please refer to the Investor Relations section of the HICL website (www.hicl.com/investor-relations).

PORTFOLIO OVERVIEW (BASED ON PORTFOLIO'S VALUE OF 101 INVESTMENTS AS AT 31 AUG 2015¹)



HICL – STRONG TOTAL SHAREHOLDER RETURN (VS FTSE ALL SHARE²)

AND LOW VOLATILITY (EVEN RELATIVE TO UTILITIES)



Shareholder Returns to 31 August 2015

Since IPO (March 2006)

Total Shareholder Return (share price + dividends)	10.8% p.a.
Total Shareholder Return (NAV ³ + dividends)	9.7% p.a.

Source: All data for charts and tables sourced from Thomson Reuters Datastream and Bloomberg, other than the Portfolio Overview charts (which are produced by the Company)

¹ Portfolio valuation at 31 March 2015 (latest valuation date), plus acquisitions, less disposals, at cost, in each case to 31 August 2015

² FTSE 250 index data rebased to 100 as at 29 March 2006

³ NAV as at 31 March 2015, the latest valuation date for the Company

Disclaimer

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