HICL Infrastructure

HICL Infrastructure Company Limited

Introductory Presentation – Overview of HICL, the Investment Adviser and Recent Performance

Spring 2016

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Past performance is not a reliable indicator of future performance.

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Investment Adviser – Overview

A249 Road

Overview of InfraRed Capital Partners Limited

InfraRed is the Investment Adviser and Operator

HICL Infrastructure

- InfraRed Capital Partners Limited is the investment adviser to HICL and is authorised and regulated by the Financial Conduct Authority
- Strong 15+ year track record raising and managing 15 value-add infrastructure and real estate funds (inc. HICL and TRIG)
- Currently over US$9bn of equity under management
- Independent manager owned by 24 partners following successful spin-out from HSBC Group in April 2011[1]
- London based, with offices in Hong Kong, New York, Paris, Seoul and Sydney, with over 120 partners and staff
- Each fund has a clearly defined investment strategy and there is a clear 'no conflict' policy

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	Realised
HICL INFRASTRUCTURE COMPANY LIMITED ("HICL")	**LISTED, SECONDARY, INCOME YIELD**	**£2,056[2]**	**SINCE 2006**	**EVERGREEN**
Environmental Fund	Unlisted, greenfield, capital growth	€235	Since 2009	Realising
Fund III	Unlisted, greenfield, capital growth	US$1,217	Since 2011	Investing
Yield Fund	Unlisted, secondary, income yield	£500	Since 2012	Managing
The Renewable Infrastructure Group ("TRIG")	Listed, secondary, income yield	£750[2]	Since 2013	Evergreen

Source: InfraRed
[1] InfraRed Capital Partners Limited is an indirect subsidiary of InfraRed Partners LLP which is owned by 26 partners
[2] Market capitalisation as at 31 December 2015

InfraRed Capital Partners – Team Skills and Experience

Depth and breadth of skills, proven track record, proactive value management

HICL Infrastructure

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

InfraRed Capital Partners

Infrastructure as an Asset Class

Southmead Hospital

Infrastructure as an Investment Asset Class

Segmented by revenue risk

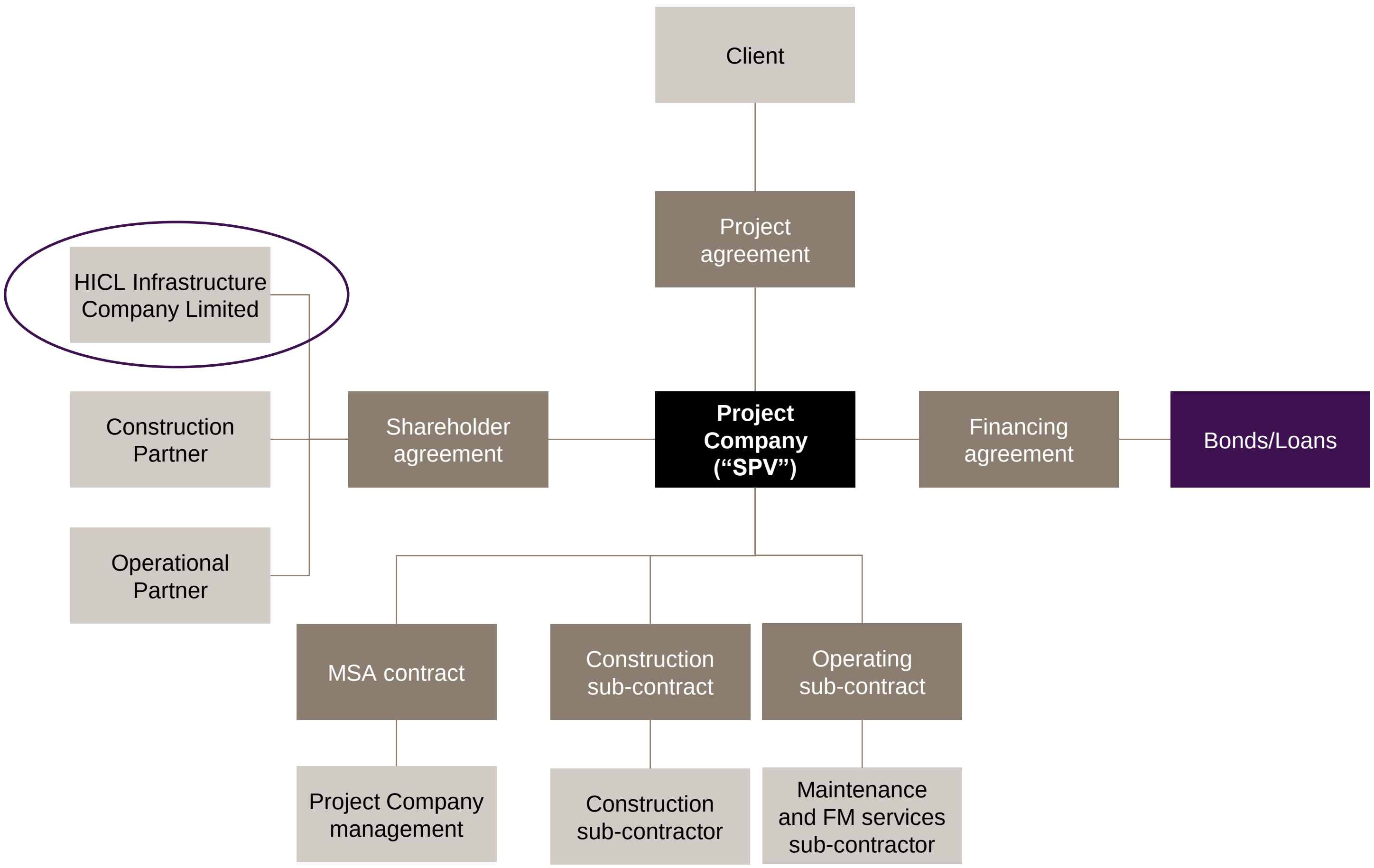
Low — Revenue risk — High

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

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

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

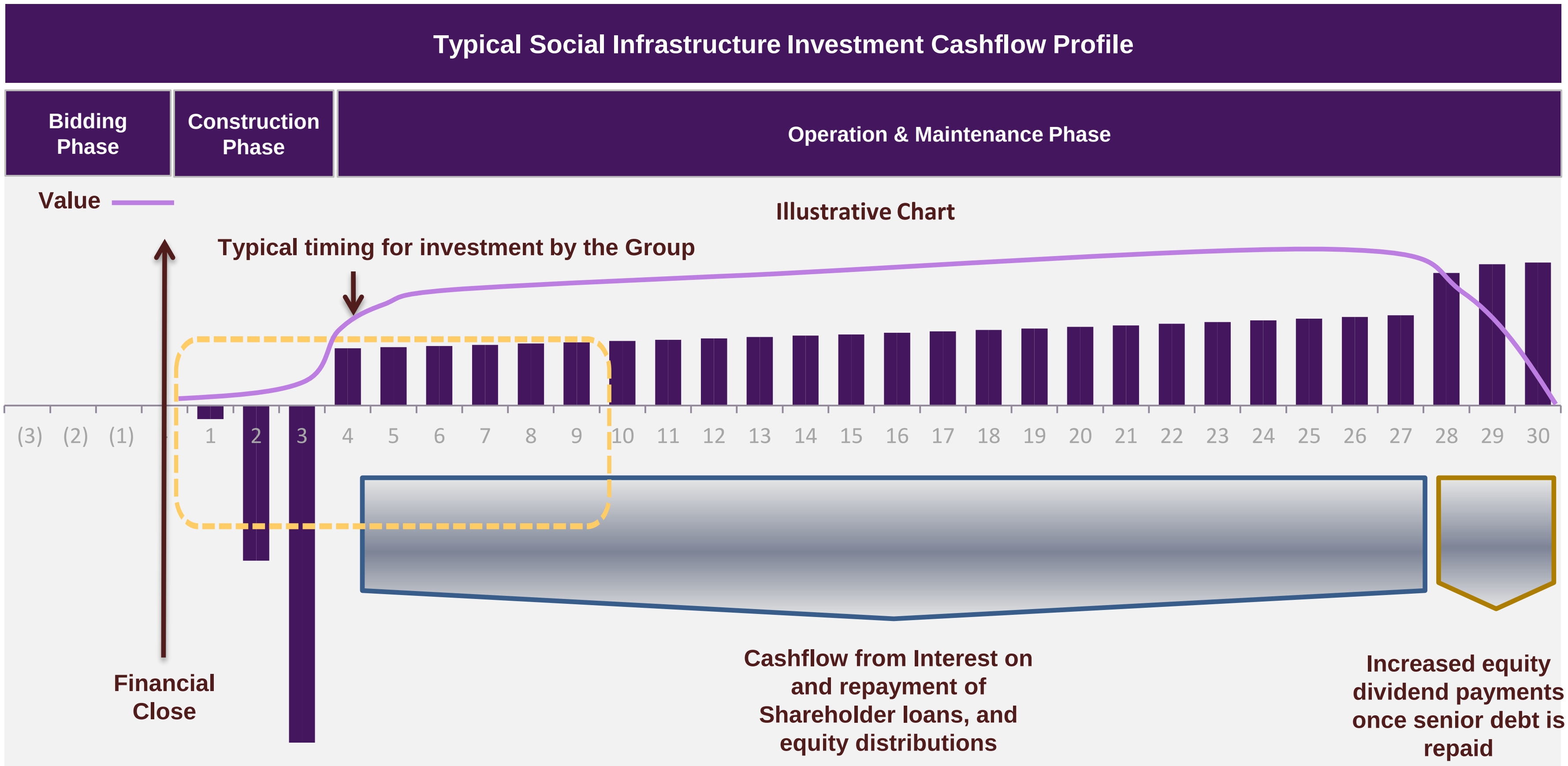
Typical Infrastructure Project Structure



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

Illustrative Investment Cashflow Profile over a Project's Life

Example: Social infrastructure return derived from an 'availability' revenue stream



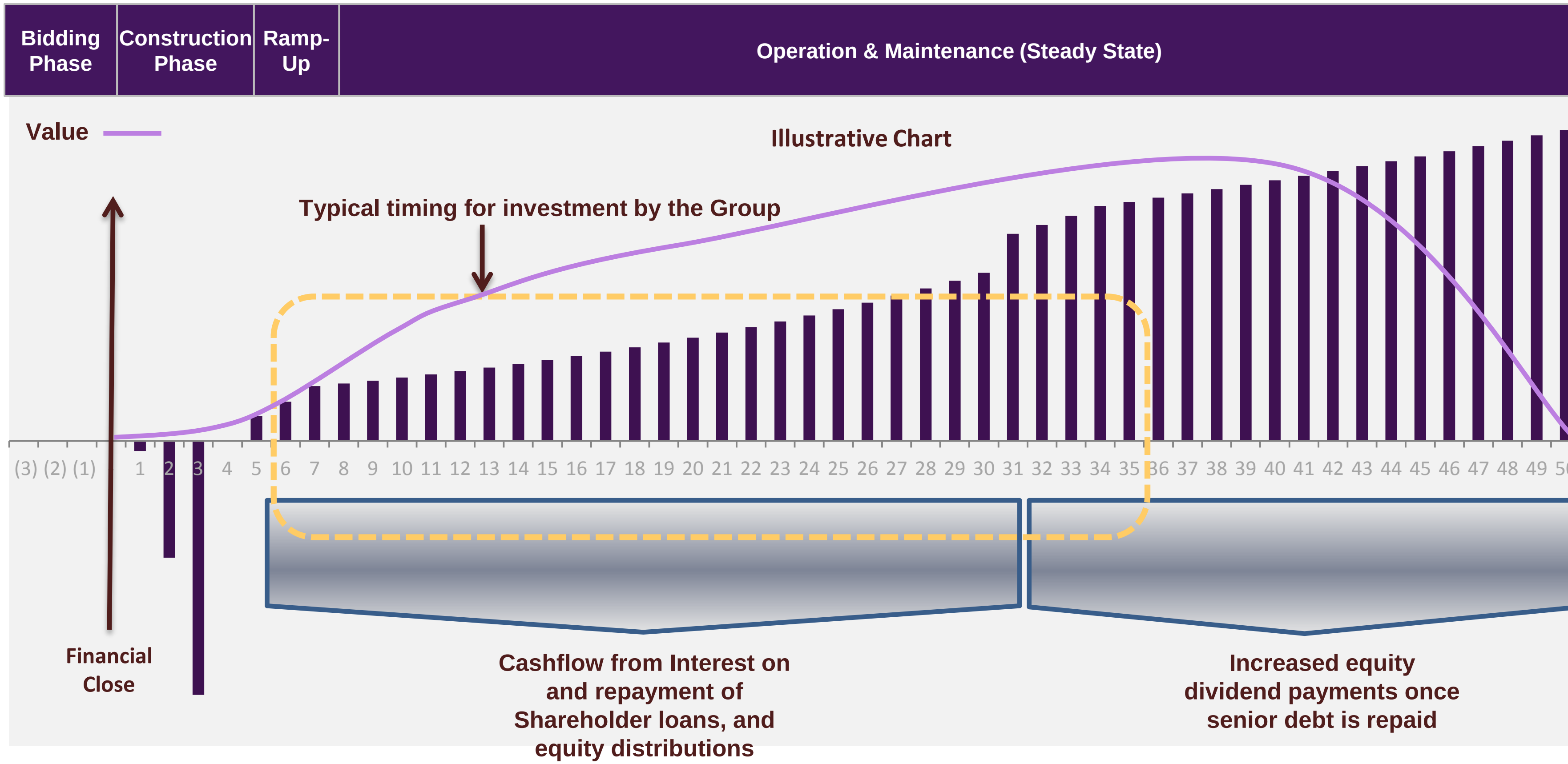
Source: InfraRed

Illustrative Investment Cashflow Profile over a Project's Life

Example: Toll road return derived from a 'demand' revenue stream

HICL Infrastructure

Typical Toll Road Investment Cashflow Profile



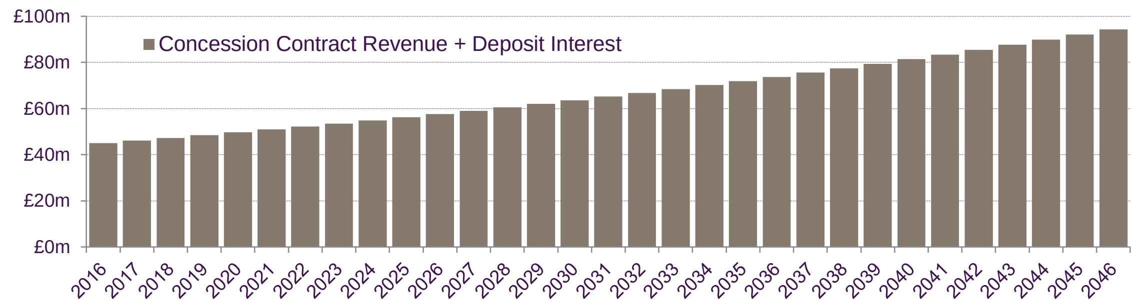
Source: InfraRed

Valuation Methodology

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

HICL Infrastructure

Forecast Project Inflows



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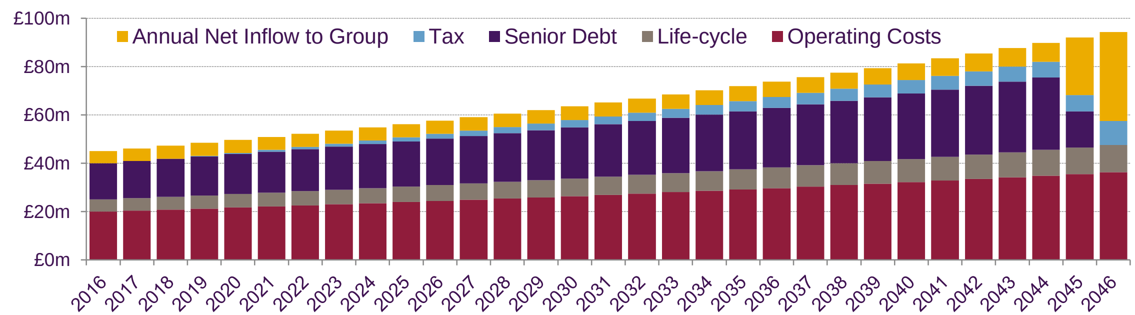
Forecast Project Outflows



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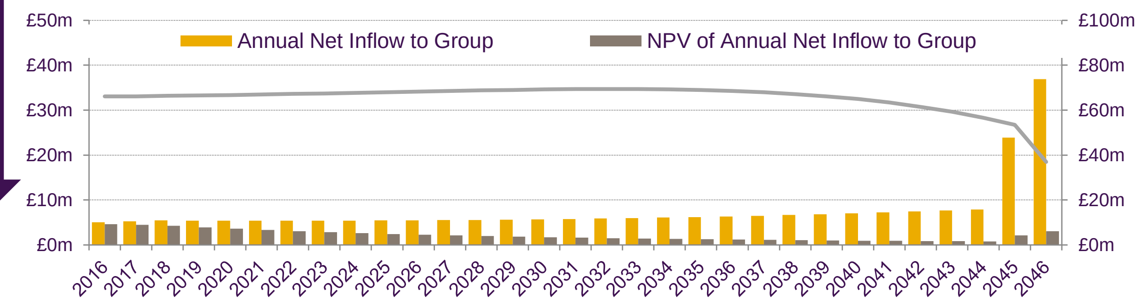
Net Inflow from Project to HICL



Key Variables/Assumptions

▲ Long-term Inflation Rate

▲ Deposit Interest Rate

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

▲ Tax Rates

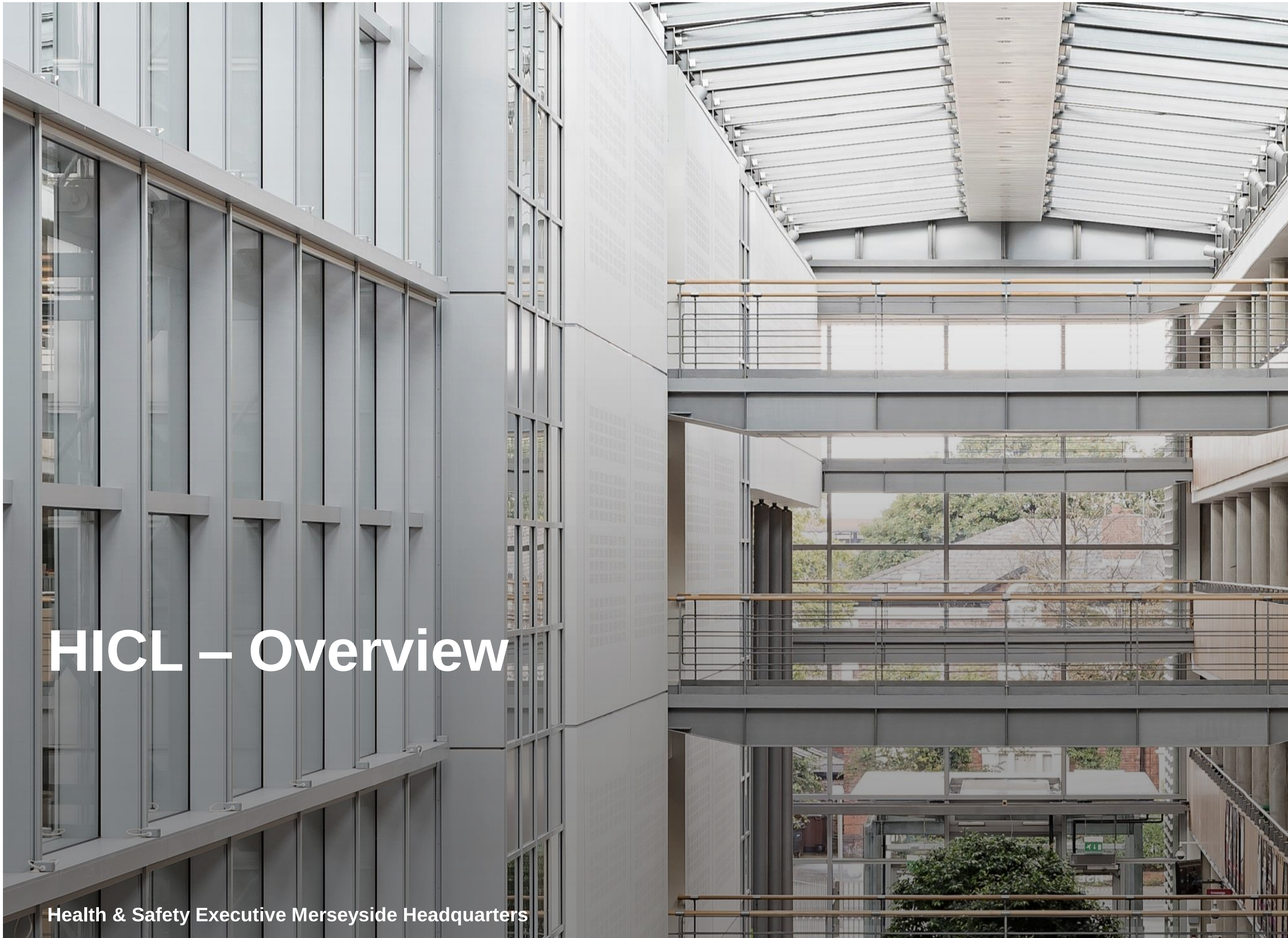
- Whole-of-life operating contracts fixed or linked to inflation
- Whole-of-life debt is fixed or inflation-linked
- Net Inflows to HICL in form of dividends, shareholder loan service & project co. directors' fees

▲ Discount Rate

▲ FX

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

Source: InfraRed



HICL – Overview

Health & Safety Executive Merseyside Headquarters

Introduction to HICL

A leading UK listed infrastructure investment company

HICL Infrastructure

Structure

- ▲ Closed-end investment company registered in Guernsey with a ten year trading history (IPO in March 2006)
- ▲ Premium listing on the London Stock Exchange
- ▲ Acquires and manages equity stakes in primarily operational social and transportation infrastructure projects
- ▲ A diversified portfolio of 102 projects with a valuation of £1.87bn[1]
- ▲ Board of non-executive independent directors
- ▲ InfraRed Capital Partners Limited is the Investment Adviser and Operator

Investment Attractions

- ▲ Long-term shareholder return target of approximately 7-8% p.a.[2] (9.6%[3] p.a. since IPO)
- ▲ Attractive cash yield (4.9%[4]) with distributions fully cash-covered
- ▲ Market cap of £2.06bn[5] with good share liquidity
- ▲ Focus on lower-risk, social and transportation infrastructure investments with public sector clients
- ▲ Steady, predictable cashflows (revenues and costs) with inflation linkage
- ▲ Low volatility and low correlation with broader equity market
- ▲ Competitive and clear fee structure

Source: Thomson Reuters Datastream and InfraRed

[1] Based on the Directors' valuation as at 30 September 2015 (the latest valuation date) (includes £21.8m of future investment obligations)

[2] Target return for investors as stated at IPO, based on issue price of shares of 100p. This is a target only and there is no assurance that this target will be met

[3] TSR on a NAV appreciation plus dividends basis, as at 30 September 2015 (the latest Directors' valuation)

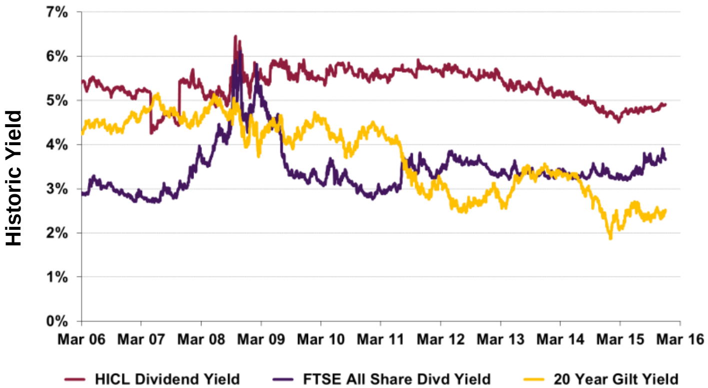
[4] Based on 7.45p target dividends for FYE 31 March 2016 and share price of 150.7p at 31 December 2015

[5] As at 31 December 2015

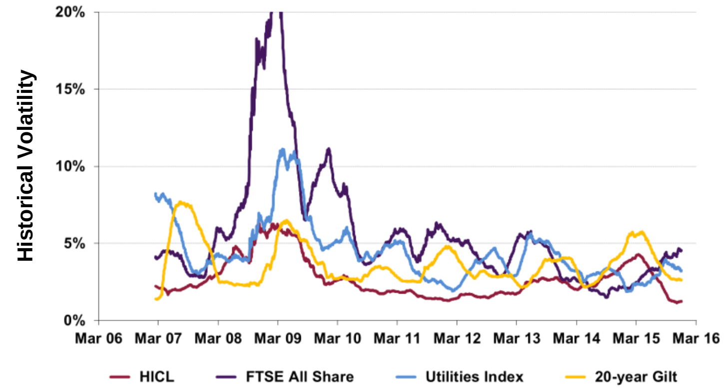
Market Performance – IPO to 31 December 2015

Total shareholder return[1] since launch in March 2006 of 9.6% p.a. (NAV + dividends basis) / 10.4% (share price + dividends basis)

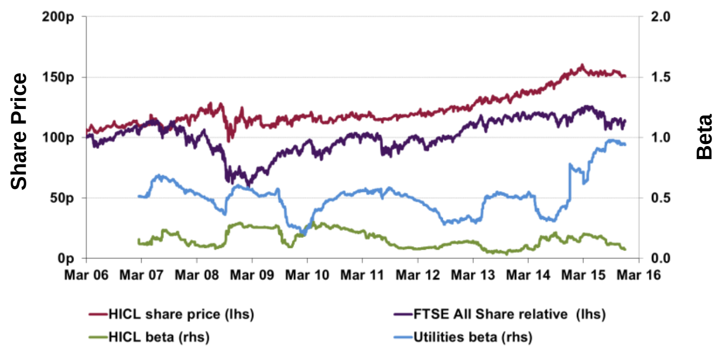
High dividend yield relative to the market and Gilts



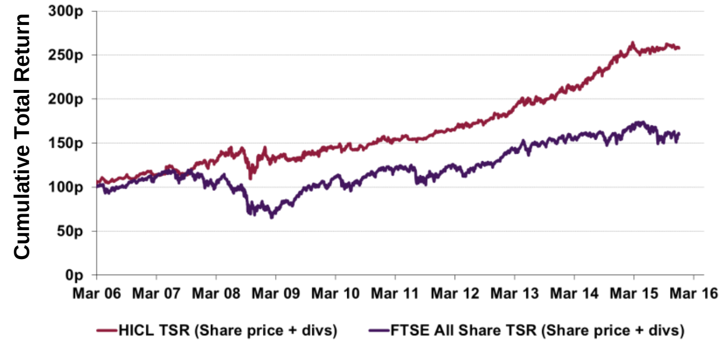
Low volatility relative to the market, utilities and Gilts



Low correlation with the market and utilities



Outperformance relative to the FTSE All Share



Source: InfraRed and Thomson Reuters Datastream. Charts' cut-off point is 31 December 2015. Past performance is not a reliable indicator of future performance. Investments can fluctuate in value

[1] TSR for the period from IPO to 30 September 2015, the latest Directors' valuation date

Governance

Independent Board of Non-Executive Directors with InfraRed Capital Partners acting as Investment Adviser

Independent board of non-executive Directors

- Approves and monitors adherence to strategy
- Fulfils Company's AIFM responsibilities under the European Commission's Alternative Investment Fund Managers Directive
- Determines risk appetite through formal Risk Committee
- Additional committees in respect of Audit, (Directors') Remuneration, Management Engagement and (Director) Nomination
- Monitors compliance with, and implementation of, regulation for HICL
- Sets Group's policies
- Monitors performance against objectives
- Oversees capital raising (equity or debt) and deployment of cash proceeds
- Appoints service providers and auditors

Investment Adviser / Operator: InfraRed Capital Partners Limited

- Day-to-day management of portfolio
- Utilisation of cash proceeds
- Full discretion within strategy determined by Board over acquisitions and disposals (through Investment Committee)
- Authorised and regulated by the Financial Conduct Authority

Board of Directors

Non-executive Directors with a broad range of relevant experience and qualifications

HICL Infrastructure

Ian Russell (CBE), Chairman

Ian, HICL's Chairman, is resident in the UK and is a qualified accountant. He worked for Scottish Power plc between 1994 and 2006, initially as Finance Director and, from 2001, as its CEO. Prior to this, he spent eight years as Finance Director at HSBC Asset Management, in Hong Kong and London.

Ian is currently Chairman of Johnston Press plc and a non-executive director of British Polythene Industries plc, Mercantile Investment Trust and BlackRock Income Strategies Trust (formerly British Assets Trust).

Frank Nelson, SID

Frank, a UK resident, is a qualified accountant and has over 25 years of experience in the construction, contracting, infrastructure and energy sectors. He was Finance Director of construction and housebuilding group Galliford Try plc from 2000 until October 2012, having held the position at Try Group plc from 1987. Following 2012, he took on the role of interim CFO of Lamprell plc, where he helped to complete a complex refinancing and turnaround, before leaving in October 2013.

He is the SID of McCarthy and Stone, and Eurocell plc, and a director of Telford Homes.

Sarah Evans, Director

Sarah, a Guernsey resident, is a Chartered Accountant and a non-executive director of several other listed investment funds. She is a director of the UK Investment Companies' trade body, The AIC. She spent over six years with Barclays Bank plc group from 1994 to 2001. During that time she was a treasury director and, from 1996 to 1998, was the Finance Director of Barclays Mercantile, where she was responsible for all aspects of financial control and operational risk management.

Previously, Sarah ran her own consultancy business advising financial institutions on all aspects of securitisation. From 1982-88 she was with Kleinwort Benson, latterly as head of group finance.

Susie Farnon, Director

Sally-Ann (known as Susie), a Guernsey resident, is a Fellow of the Institute of Chartered Accountants in England and Wales, having qualified as an accountant in 1983, and is a non-executive director of a number of property and investment companies.

Susie was a Banking and Finance Partner with KPMG Channel Islands from 1990 until 2001 and Head of Audit KPMG Channel Islands from 1999. She has served as President of the Guernsey Society of Chartered and Certified Accountants and as a member of The States of Guernsey Audit Commission and Vice-Chairman of the GFSC.

John Hallam, Director

John, a Guernsey resident, is a former partner of PWC having retired in 1999 after 27 years with the firm both in Guernsey and in other countries. He is a Fellow of the Institute of Chartered Accountants in England and Wales and qualified as an accountant in 1971. He is a director of a number of other financial services companies, some of which are London-listed.

He served for many years as a member of The Guernsey Financial Services Commission ('GFSC') before retiring in 2006, having been its Chairman for the previous three years.

Graham Picken, Director

Graham, a UK resident, is an experienced banker and financial practitioner. He successfully led the Company as Chairman from its launch in 2006, until March 2016. He is also chairman of Hampshire Trust Bank and a non- executive director of Skipton Building Society and of Connells Ltd, the estate agency group.

Until 2003, Graham's career spanned over 30 years with Midland and HSBC Banks where, before he retired, he was General Manager of HSBC Bank plc responsible for commercial and corporate banking (including specialised and equity finance).

Chris Russell, Director

Chris, a Guernsey resident, is a non-executive director of investment and financial companies in the UK, Hong Kong and Guernsey. He is the Chairman of F&C Commercial Property Trust Limited.

Chris was formerly a director of Gartmore Investment Management plc, where he was Head of Gartmore's businesses in the US and Japan. Before that he was a holding board director of the Jardine Fleming Group in Asia.

He is a Fellow of the UK Society of Investment Professionals and a Fellow of the Institute of Chartered Accountants in England and Wales.

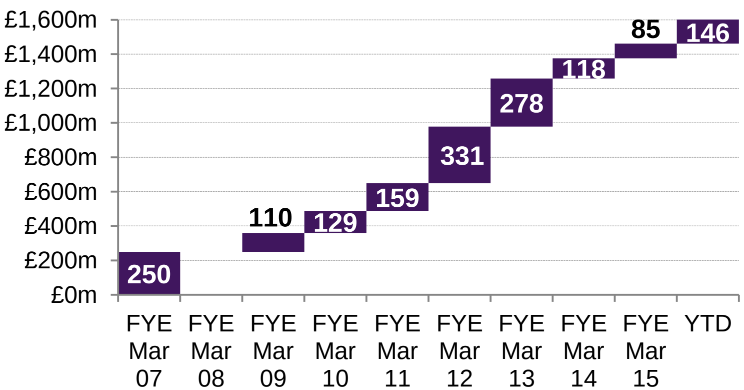
Capital Raising Approach and History

HICL's innovative financing approach has several benefits for shareholders

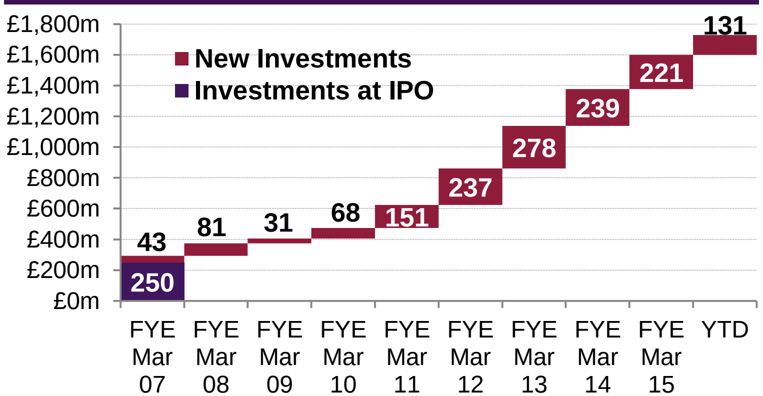
Approach and History Overview

- ▲ HICL has raised c.£1.61bn of equity from launch in March 2006 to 31 December 2015 - comprising £250m at IPO and £1.36bn through subsequent share issues[1]
- ▲ Acquisitions are normally debt-funded (using a Group facility) initially to avoid cash drag and to give shareholders visibility over the new investments
- ▲ £200m committed revolving credit facility at Group level to finance acquisitions pending issuance of new equity
- ▲ Non-pre-emptive Ordinary Share "tap" issues (max. 10% of issued shared capital p.a.) are used to repay drawings for investments made
- ▲ Larger Ordinary Share or C Share issues to repay more significant drawings and, if appropriate, pre-fund pipeline investments

£1.61bn of Equity Issuance[1] (IPO - 31.12.15)



162 Acquisitions[2] totalling £1.73bn[3] (IPO - 31.12.15)



Source: InfraRed

[1] Includes primary and secondary issuance by way of tap and scrip issues

[2] Split into 108 new investments and 54 acquisitions of incremental stakes in existing investments

[3] Excludes disposals, the proceeds of which have been reinvested

Current Portfolio – Sector Breakdown

102 Investments as at 31 December 2015, across five sectors

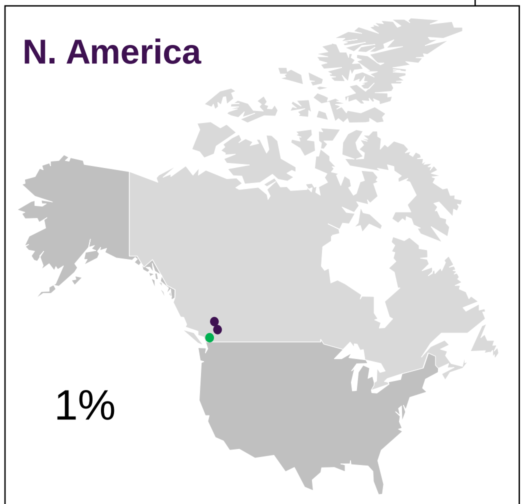
Education			Fire, Law & Order	Health		Accommod'n	Transport
Barking & Dagenham Schools	Boldon School	Bradford Schools 1	Addiewell Prison	Barnet Hospital	Birmingham Hospitals	Allenby & Connaught MOD Accommodation	A249 Road
Bradford Schools 2	Conwy Schools	Cork School of Music	Dorset Fire & Rescue	Birmingham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

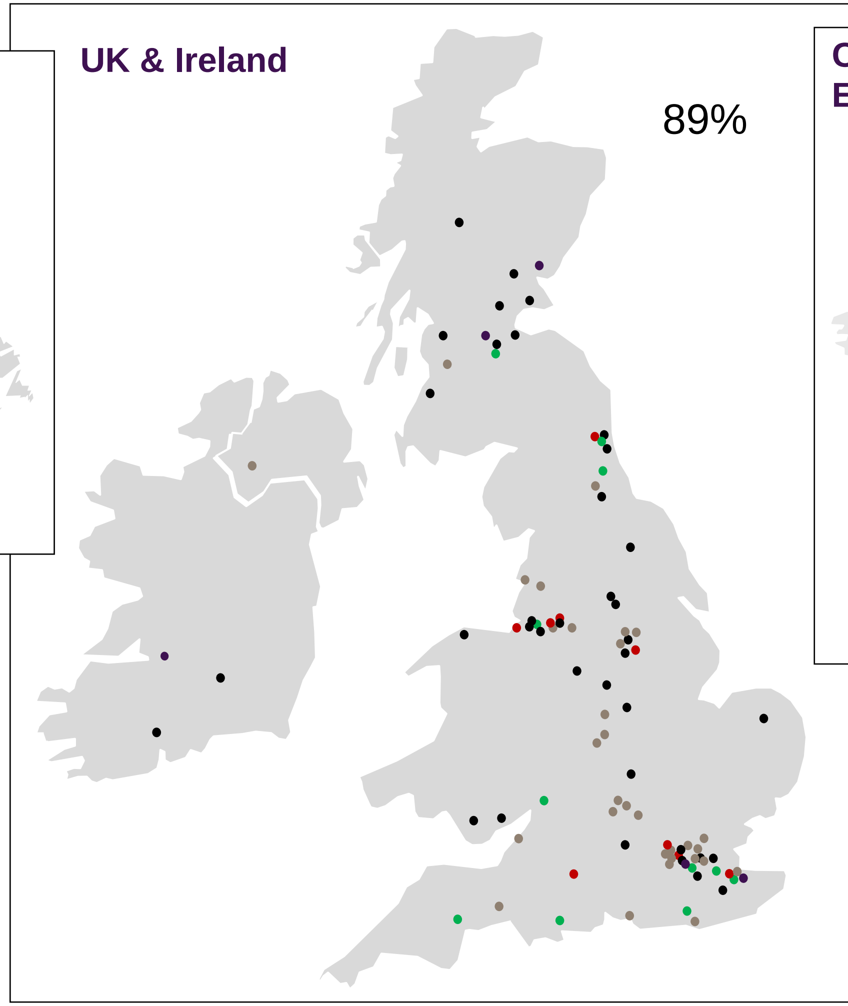
Key: Portfolio as at 31 March 2015 | New investment acquired since 1 April 2015[1] | Incremental stake acquired since 1 April 2015[1]

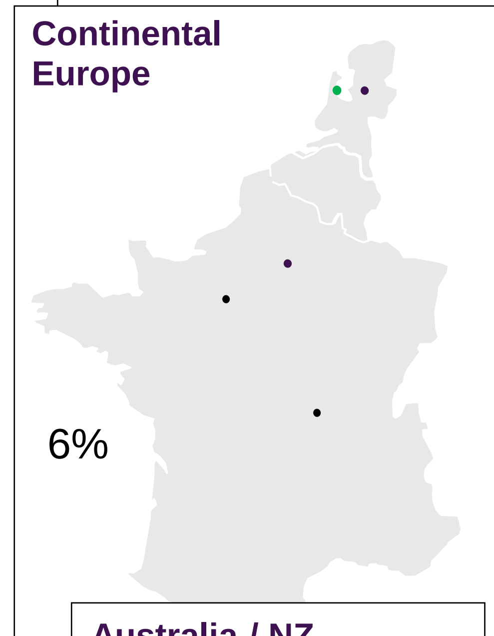
Source: InfraRed
[1] Up to and including 31 December 2015

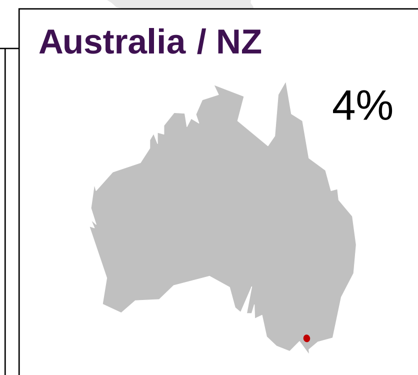
Current Portfolio – Geography Breakdown

102 Investments as at 31 December 2015, across four geographies









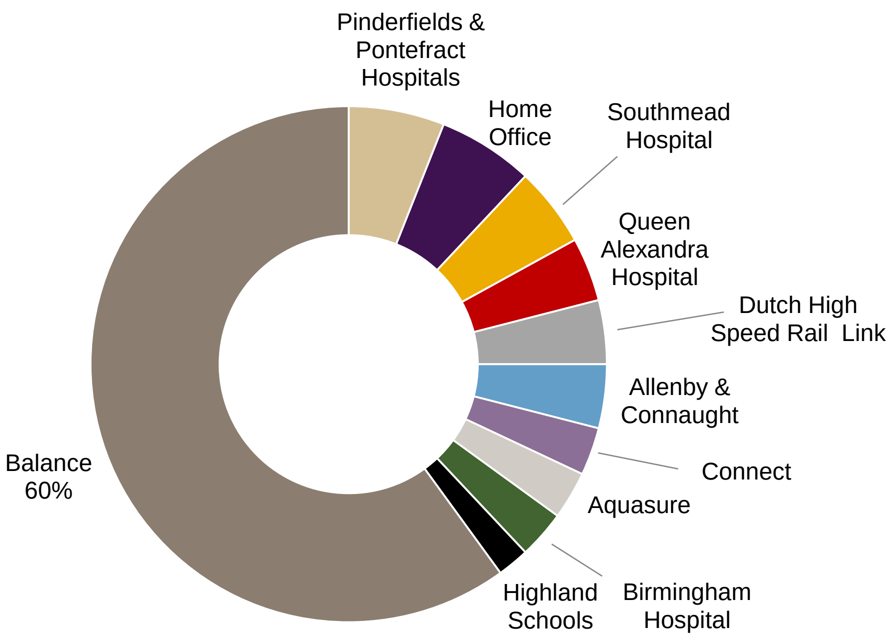
Key:
- Accommodation
- Transport
- Education
- Health
- Fire, Law & Order

Source: InfraRed
Percentages are by value, based on the latest Directors' valuation as at 30 September 2015

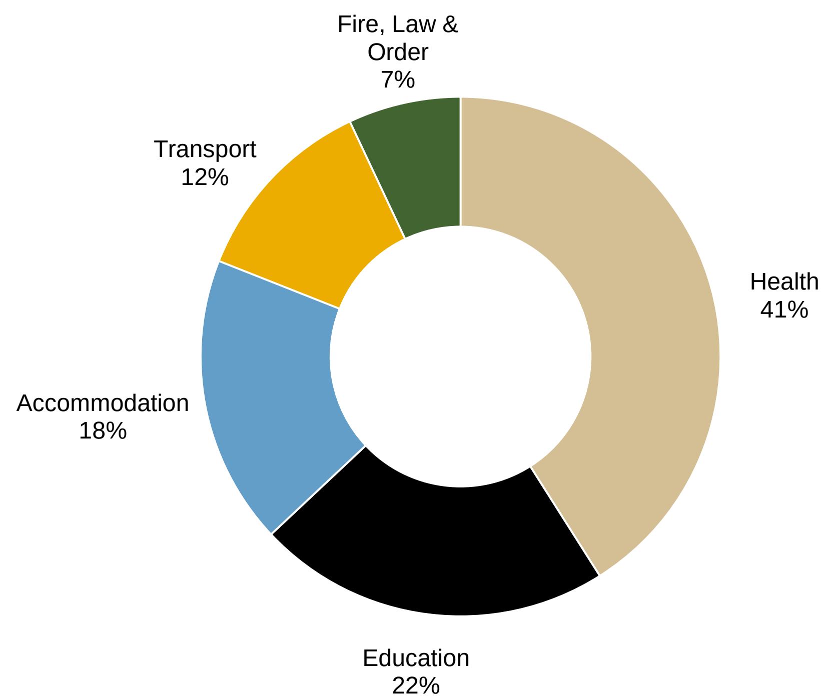
Current Portfolio – Diversification

102 investments as at 31 December 2015, diversified by size and sector

Size Breakdown



Sector Breakdown



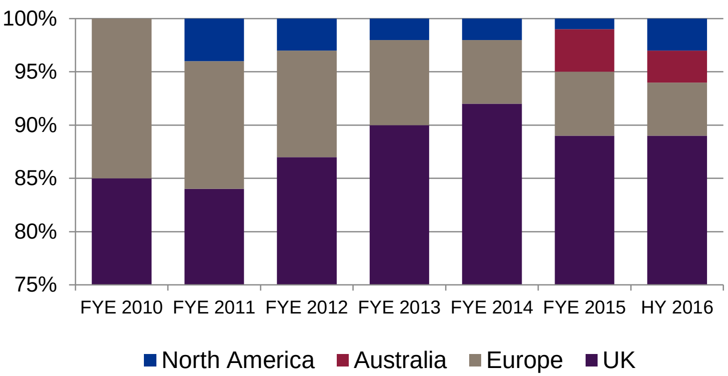
- Top 10 investments represent 40% of the portfolio by value

Source: InfraRed
Percentages are by value, based on the latest Directors' valuation as at 30 September 2015

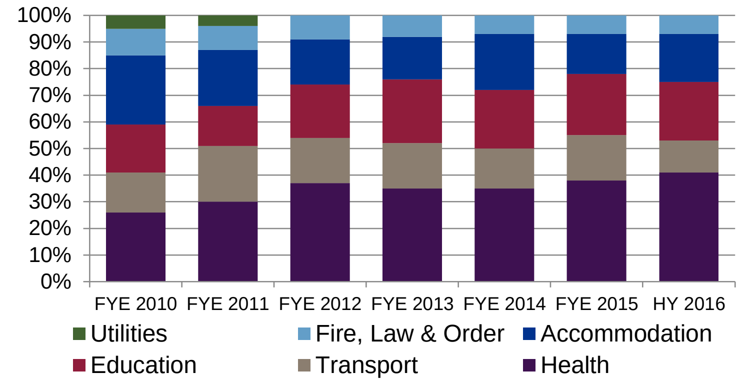
Current Portfolio – Key Attributes

Evolution of the Group's portfolio over the last 6.5 years (to 30 September 2015)

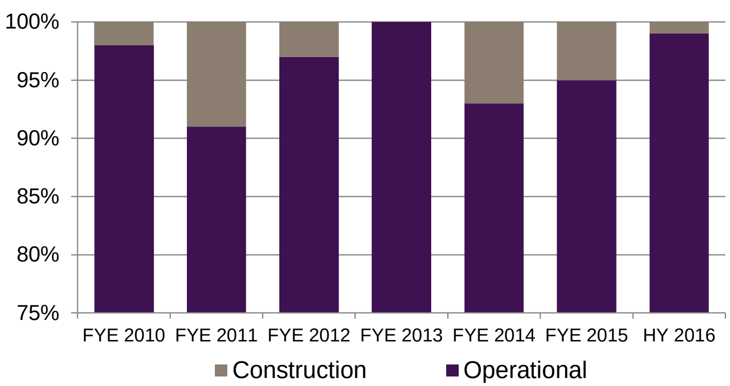
Geographic split



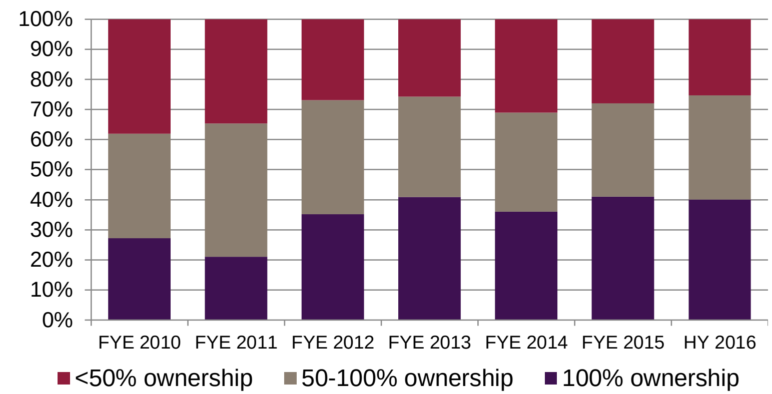
Good sector spread



Predominantly operational projects



Opportunities to increase ownership stakes



Source: InfraRed

Percentages are by value, using the Directors' valuation as at 31 March each year from 2010 to 2015, and as at 30 September 2015 (the latest valuation date) in respect of the current period

Asset, Portfolio and Contract Management

An overview

HICL Infrastructure

Approach and background

- Sound overall portfolio performance – a number of small operational matters being worked through as part of normal day-to-day business
- Investment Adviser has further bolstered its asset management resource
- Active and regular engagement with all project stakeholders
- Continue to work with clients and contractors to drive cost efficiencies and utilise portfolio lessons learnt
- Continuing implementation and refinement of ESG principles within project companies

Projects in construction

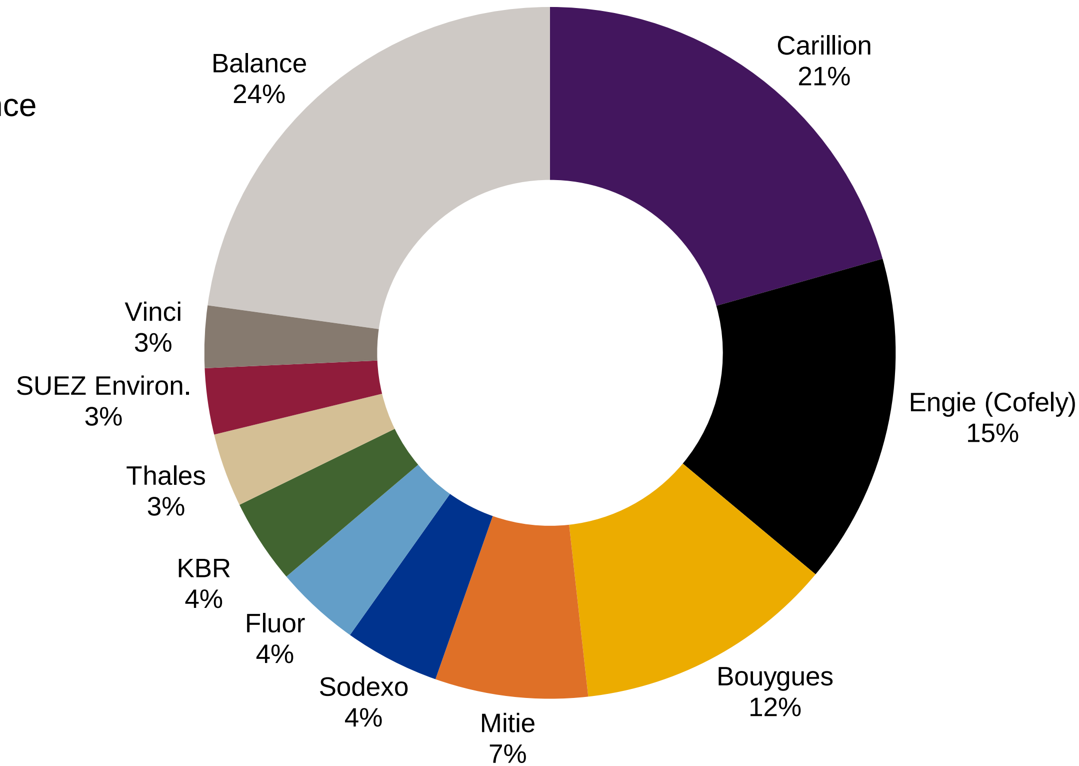
- As at 30 September 2015 (latest valuation date), five projects were under construction, representing ~1% by value:
  - Ecole Centrale Superlec in France: financial close occurred in February 2015 with construction in progress
  - N17/N18 PPP road : financial close May 2014 with construction underway
  - Priority Schools Building Programme NE Batch: construction began shortly after financial close in March 2015
  - RD901 road in France : financial close January 2014 with construction in progress
  - Zaanstad Penitentiary in Holland: acquired in March 2015 with construction having commenced in April 2014
- Latest update: Zaanstad Penitentiary reached construction completion in Q1 2016

Portfolio Overview - Contractor Counterparty Exposure

Diversified spread of quality supply chain providers

Approach and background

- ▲ Counterparties continue to perform
- ▲ Diversity of contractors ensures no over-reliance on any single entity
- ▲ Quarterly reviews by Investment Adviser



Source: InfraRed
Percentages are by value, based on the latest Directors' valuation as at 30 September 2015. Ten largest exposures shown
Where a project has more than one operations contractor in a joint and several contract, the better credit counterparty has been selected (based on analysis by the Investment Adviser)
Where a project has more than one operations contractor, not in a joint and several contract, the exposure is split equally among the contractors, so the sum of the pie segments equals the latest Directors' valuation
There were five projects under construction as at 30 September 2015: RD901 and Centrale Supelec with subsidiaries of Bouygues; N17/18 with Strabag; PSBP North East with Galliford Try; and Zaanstad Prison with Ballast Nedam

Principle Risks and Uncertainties

An overview of the key current risks and uncertainties facing the Company[1]

HICL Infrastructure

Project–specific Issues

- Deductions for unavailability or poor performance arising from construction defects or operational issues
- Financial impact borne almost exclusively by supply chain (subcontractors)

Systemic Operational Issues

- Strict contractual approach adopted by some UK PPP clients for asset-wide defects, leading to material deductions
- Often disputed, taking time to resolve – ‘frictional cost’ for equity
- Currently no contractual situations materially impacting the portfolio; taking proactive remedial steps where appropriate to minimise any potential impact

BEPS

- In October 2015, the OECD published its final reports concerning its initiative to address base erosion and profit shifting (‘BEPS’); in response, the UK consultation on the recommendations was launched
- Countries have a wide choice of which recommendations to apply and how they might be implemented, albeit the options are complex and difficult to interpret
- Wide range of potential outcomes from BEPS – too early to be definitive as to the materiality of the impact on the HICL Group

Per November 2015 Interim Results Presentation

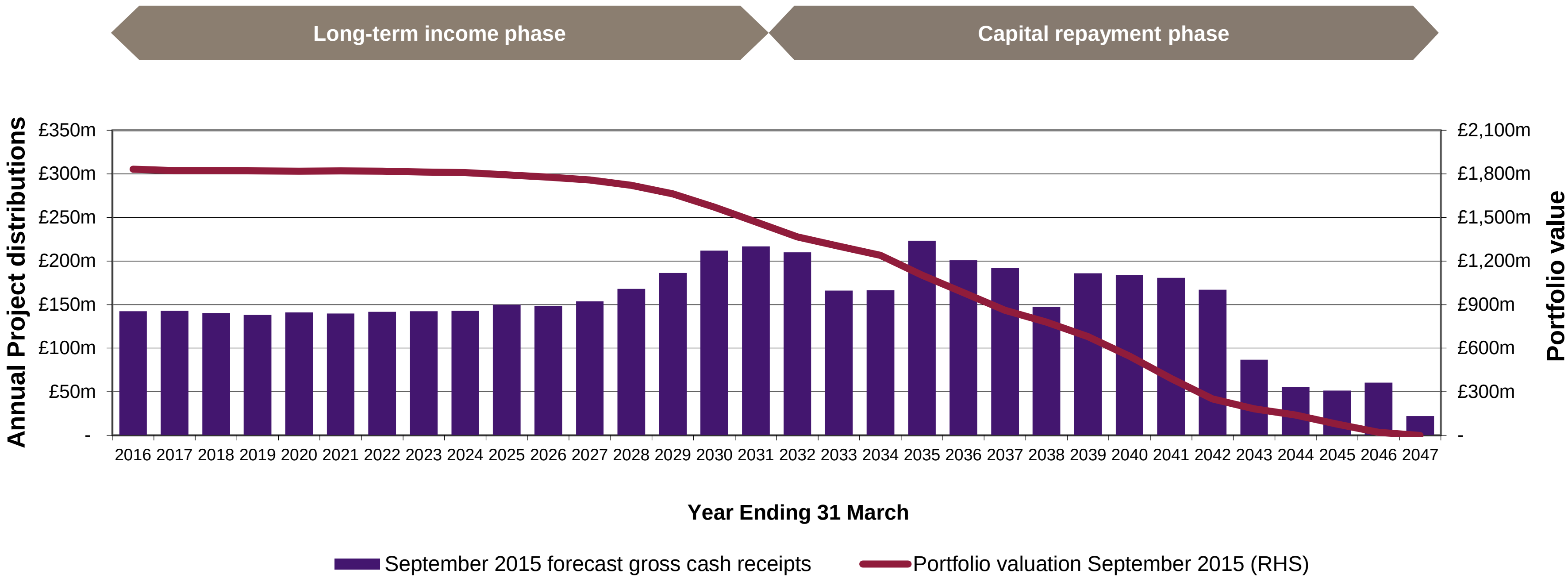
[1] Please refer to the Company’s Annual Report & Consolidated Financial Statements for the year ended 31 March 2015, available from the Company's website, for a full overview of the risks and uncertainties, together with the mitigant factors, that the Company is exposed to.

Portfolio Valuation

M80 Motorway

Portfolio Overview - Cashflow Profile[1]

Cashflows and valuation from the portfolio of 102 investments as at 30 September 2015



- Valuation of the portfolio at any time (as shown by the red line) is a function of the present value of the expected future cash flows[2,3]

Source: InfraRed

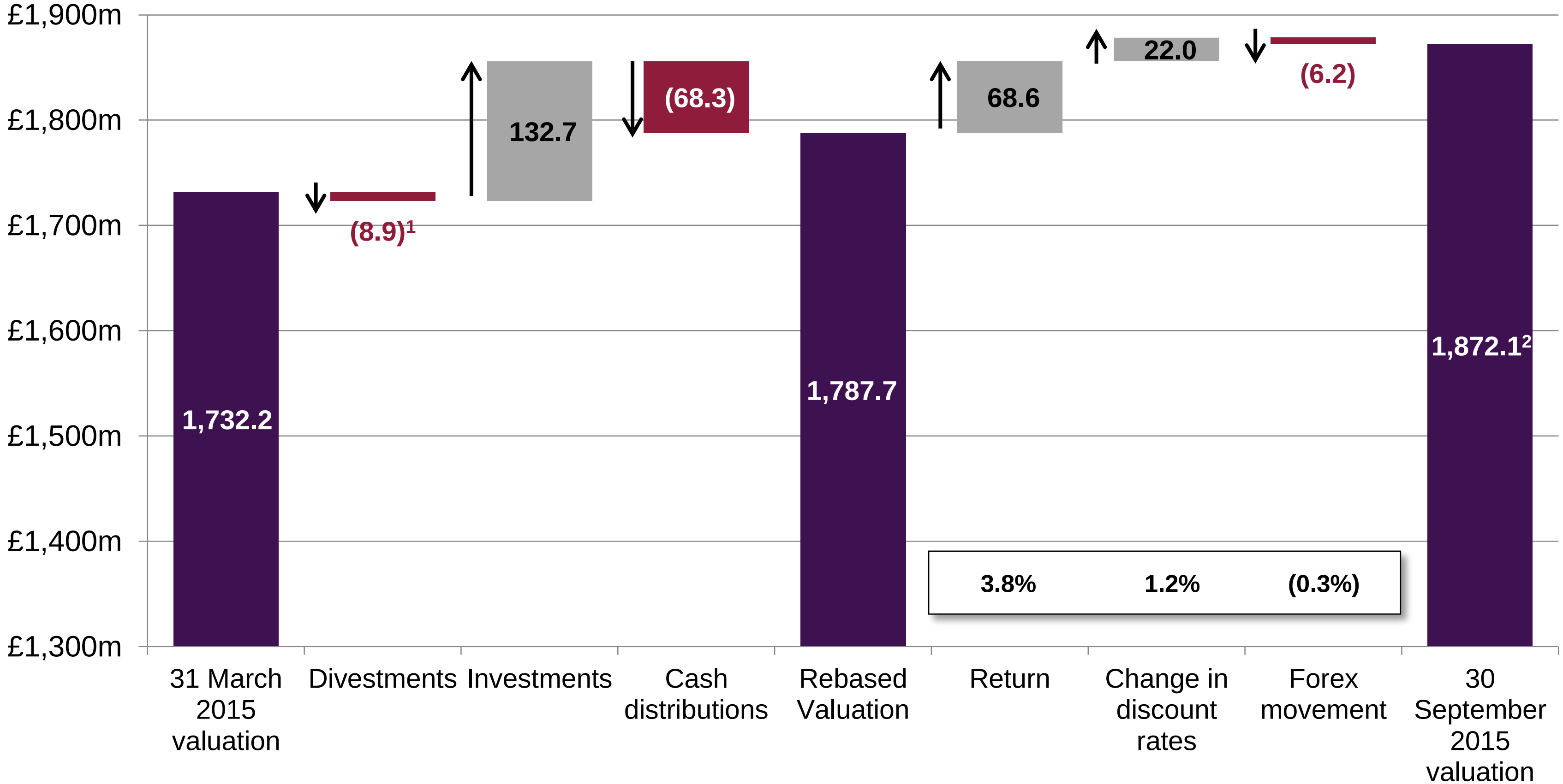
[1] The illustration represents a target only as at 30 September 2015 and is not a profit forecast. There can be no assurance that this target will be met

[2] The illustration assumes a Euro to Sterling exchange rate of 0.74, a Canadian dollar to Sterling exchange rate of 0.50, an Australian dollar to sterling exchange rate of 0.46, and a weighted average discount rate of 7.7 per cent. per annum. These and the value of the Group's portfolio may vary over time

[3] 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

Analysis of Change in Directors' Valuation

Movement in the six month period from FYE 31 March 2015 to 30 September 2015



- "Return" comprises the unwinding of the discount rate and project performance
- Return over the rebased valuation of £1,787.7m at 30 September 2015 was 7.7%, annualised - driven by portfolio performance and accretive acquisitions

Source: InfraRed

[1] Divestments were the proceeds of sale of Fife Schools and the disposal of a 21% stake in Ealing Care Homes

[2] £1,872.1m reconciles to £1,850.3m Investments at fair value through £21.8m of future investment obligations

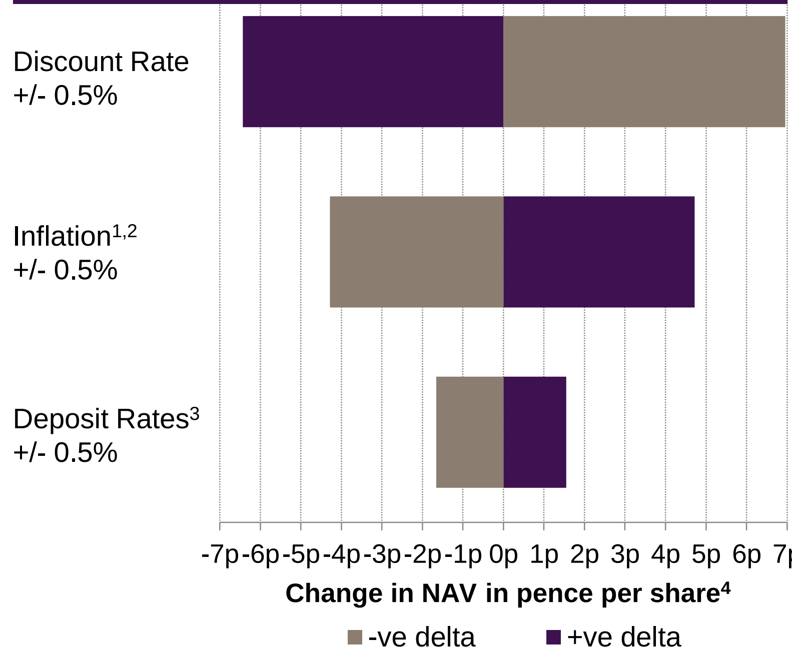
Key Valuation Assumptions and Sensitivities

Key assumptions as at 30 September 2015, based on the Investment Adviser's determination and third party advice

HICL Infrastructure

		30 September 2015	31 March 2015
Discount Rate	Weighted Average	7.7%	7.9%
Inflation[1]	UK (RPI[2]/RPIx[2]) Euro (CPI) Canada (CPI) Australia (CPI)	2.75% 0% until 2017, thereafter 2.00% 2.00% 2.50%	2.75% 0% until 2017, thereafter 2.00% 2.00% 2.50%
Deposit Rates	UK EU Canada Australia	1.0% to 31 Mar 2019, and 3.0% thereafter 1.0% to 31 Mar 2019, and 3.0% thereafter 1.0% to 31 Mar 2019, and 2.5% thereafter 2.6% with a gradual increase to 5.0% long-term	1.0% to 31 Mar 2019, and 3.0% thereafter 1.0% to 31 Mar 2019, and 3.0% thereafter 1.0% to 31 Mar 2019, and 2.5% thereafter 2.6% with a gradual increase to 5.0% long-term
Foreign Exchange	CAD / GBP EUR / GBP AUD /GBP	0.50 0.74 0.46	0.53 0.72 0.51
Tax Rate	UK EU Canada Australia	20% Various (no change) 26% and 27% (territory dependant) 30%	20% Various (no change) 25% and 26% (territory dependant) 30%

Sensitivity to key economic assumptions



- Changing the annual inflation assumption by +/- 1% p.a. changes the expected return[5] from portfolio (before Group expenses) by approximately 0.6%.
- Balance sheet hedging policy currently designed to limit NAV/share sensitivity to less than 1% for a 10% FX movement.

Source: InfraRed
[1] Some project income fully indexed, whilst some partially indexed
[2] Retail Price Index and Retail Price Index excluding Mortgage Interest Payments
[3] Sensitivities are based on the impact on the 20 largest investments as a result of above-mentioned change (+/-) to the base case assumption and are extrapolated across the whole portfolio
[4] Based on 1,330m shares in issue
[5] Return is expected gross internal rate of return

Discount Rate Analysis

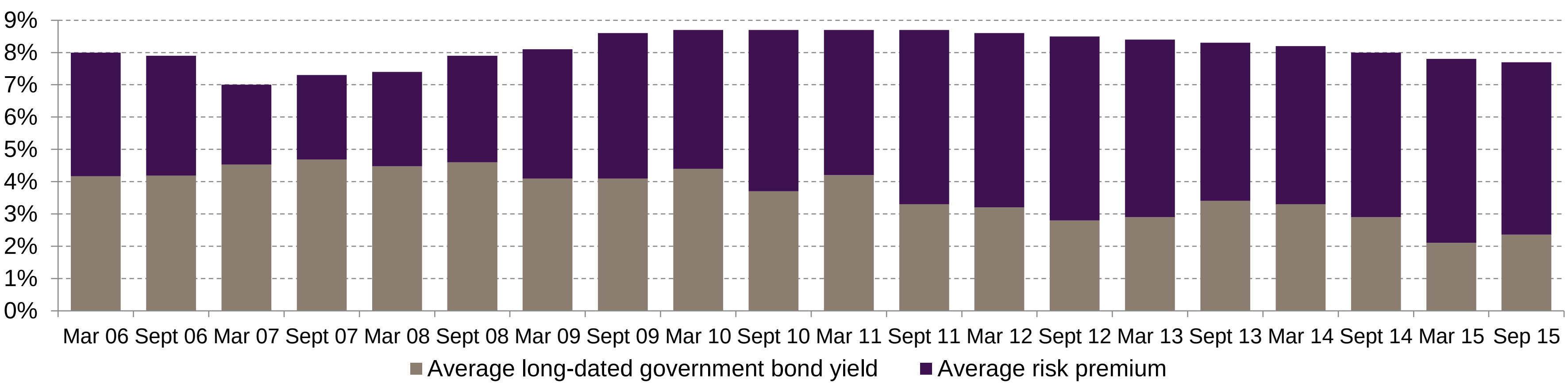
Discount Rate as at 30 September 2015 vs prior periods

Approach and background

- Discount rates for projects range between 7.3% and 10.4% (Mar 2015: 7.4% and 10.5%).
- Weighted average discount rate of 7.7%, down from 7.9% at 31 March 2015 and 8.0% at 30 September 2014.

	Appropriate long-dated government bond yield		Risk Premium		Total Discount Rate[1] 30 Sep 2015	Total 31 Mar 2015	Total 30 Sep 2014
UK	2.4%	+	5.3%	=	7.7%	7.8%	8.0%
Australia	2.8%	+	5.4%	=	8.2%	8.2%	8.3%
Canada	2.2%	+	5.1%	=	7.3%	7.4%	7.7%
France	1.8%	+	7.8%	=	9.6%	10.1%	10.6%
Holland	1.4%	+	6.3%	=	7.7%	7.8%	8.1%
Ireland	1.8%	+	6.8%	=	8.6%	8.7%	8.9%
Portfolio[1]	2.4%	+	5.3%	=	7.7%	7.9%	8.0%

Weighted average discount rate since launch



Source: InfraRed

[1] Weighted average discount rate

Performance and Market Update

Oldham Library

Financial Performance – Six Months to 30 September 2015

Sound operating performance; distribution target achieved

HICL Infrastructure

- Overall operational performance sound, generating strong investment cashflows - total income, including gains from forex hedging, ahead of internal forecasts
- Second quarterly interim dividend of 1.86p per share paid on 31 December 2015, taking total dividends paid for the year to date to 3.72p per share; on track to achieve dividend target of 7.45p per share for the full year
- Comparative figures for September 2014 were flattered due to one-off items in that earlier period (revaluation of certain investment to reflect market data, a 1% uplift on corporate tax rates and valuation uplift on Colchester Garrison)
- Dividend cash covered 1.3 times (Sept. 2014: 1.3 times[1])
- Ongoing Charges Percentage[2] - 1.13% on an annualised basis (2014: 1.12%)
- Guidance dividend target for year to 31 March 2017 set at 7.60p per share, up from 7.45p (current financial year)

	Six months to 30 September 2015	Six months to 30 September 2014
Total income	**£84.4m**	**£142.3m**
Fund expenses & finance costs	(£12.7m)	(£10.3m)
Profit before tax	£71.7m	£132.0m
Earnings per share	**5.6p**	**10.7p**
Total of Q1 and Q2 dividend	**3.72p**	**3.62p**

	As at 30 September 2015	As at 31 March 2015
NAV per share (cum dividend)	**139.1p**	**136.7p**
Net cash	**£11.1m**	**£33.5m**

Source: InfraRed

[1] Excludes disposal profit and is on a pro-rata basis as move to quarterly dividends in the year

[2] Ongoing Charges Percentage as defined by the AIC

Market Update

Demand

- ▲ Continued strong demand for infrastructure investments globally
- ▲ New and increased allocations being made by investors

Supply – UK

- ▲ Reduced primary procurement impacting secondary deal flow
- ▲ Plans for new infrastructure investment signalled at Conservative Party's Annual Conference

Supply – Europe

- ▲ Good primary market momentum - principally The Netherlands, Ireland, and Germany, plus other selected countries
- ▲ Appraising more secondary opportunities from EU countries which have had procurement programmes – examples include France, Spain, Portugal and Benelux

Supply – North America

- ▲ Steady flow of opportunities in Canada – both operational and greenfield. Remains a competitive market
- ▲ Some deal flow in the USA with potential for this to increase

Supply – Australia

- ▲ Steady stream of operational and greenfield opportunities. Competitive market with local participants

Per November 2015 Interim Results Presentation

Supply, Pipeline & Strategic Review

Sourcing

- ▲ Using network of industry relationships
- ▲ Competing in auction processes to see market pricing
- ▲ Increasing stakes in existing investments - good source of supply for the Group

Pipeline

- ▲ Assessing a pipeline across sectors, geographies and stages of development

Pricing

- ▲ Disciplined approach to avoid over-paying and diluting returns from existing portfolio
- ▲ Relationships and reputation for deliverability remain key to finding value

Strategic Review

- ▲ Annual strategic review held by the Board in September
  - Acquisition strategy reaffirmed, incorporating some evolution (see over)
  - Slightly broader range of assets (type and geography)
  - New investments must meet Company's return requirements, risk appetite and be accretive

Per November 2015 Interim Results Presentation

HICL Group Strategy

Manage existing portfolio

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

Source and evaluate investment opportunities

- Predominantly social and transportation infrastructure
  - PFI/PPP/P3 concession contracts with public sector clients
  - Generally operational assets, providing availability-based revenues with inflation-linkage
- Of interest, if risk/return appropriate:
  - Investments in assets under construction, or at an earlier bid and development stage
  - Transmission assets – electricity transmission lines & gas pipelines/distribution networks – with appropriate payment mechanisms
  - Transportation projects, where income is from user-paid revenue streams

Maintain position

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

Per November 2015 Interim Results Presentation

Performance Summary

HICL Infrastructure

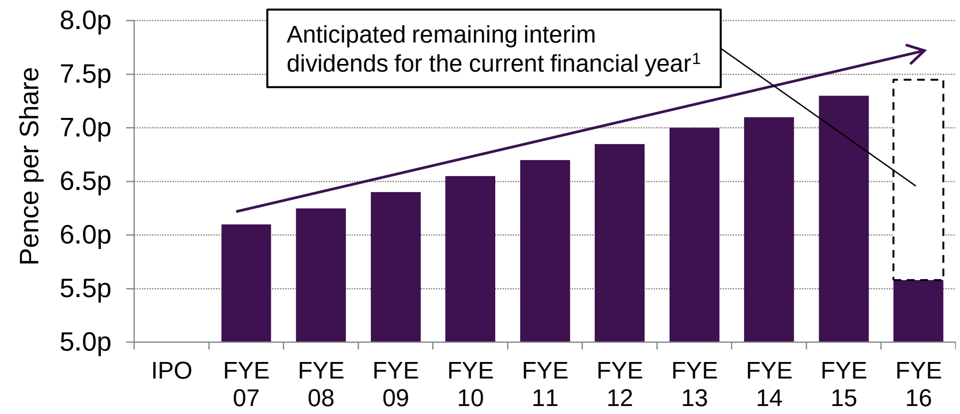
Group Performance

- ▲ Quality, well-diversified portfolio
- ▲ Overall asset performance sound, generating strong investment cashflows
- ▲ Value growth through pro-active asset management, judicious acquisitions, and accretive equity issuance
- ▲ Seek further investment opportunities where they can be accretive to existing portfolio

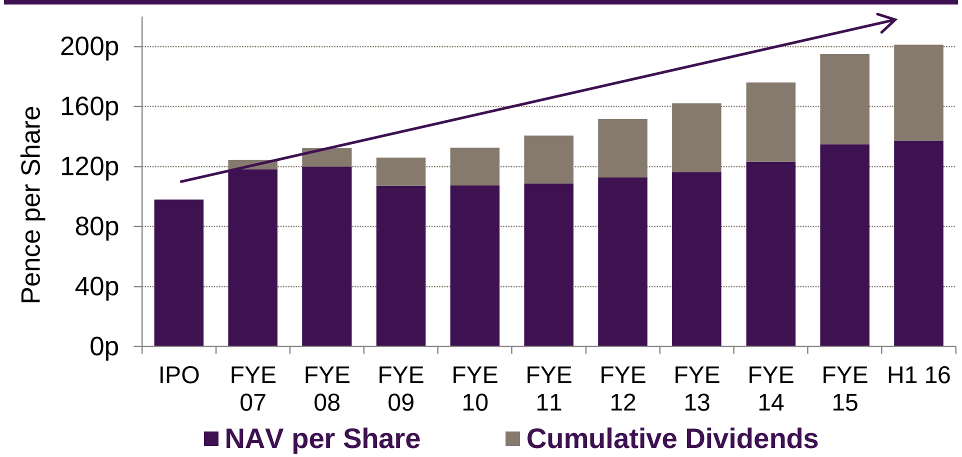
Distributions and Performance

- ▲ On track to deliver the target distribution of 7.45p per share for year to 31 March 2016[1] (2015: 7.30p)
- ▲ Total returns of 9.6% p.a. on NAV growth plus dividends basis (10.4% p.a. on a share price plus dividend basis)[2]
- ▲ Deliver sustainable distributions – Board has issued guidance for the target distribution for the year to 31 March 2017 of 7.60p per share[1]
- ▲ Seek some further NAV growth from selective acquisitions and portfolio performance

Annual Dividends since IPO



NAV Growth and Cumulative Dividends since IPO



Source: InfraRed and Thomson Reuters Datastream

[1] As at 31 December 2015. This is a target only, and is not a profit forecast. There can be no assurance that this target will be met.

[2] TSR for the period from IPO to 30 September 2015, the latest Directors' valuation date

Key Performance Indicators ("KPIs")

KPI	30 September 2015	30 September 2014	Target
Dividends declared in the half year	3.73p per share	3.62p per share	To provide a predictable and sustainable dividend. On target for aggregate dividend of 7.45p per share
Total return in half year NAV growth plus dividends per share Share price appreciation plus dividends per share	4.5% -0.3%	9.0% 10.2%	Long-term 7% to 8% IRR, as set out at IPO
Total return since IPO NAV growth plus dividends per share Share price appreciation plus dividends per share	9.6% p.a. 10.4% p.a.	9.5% p.a. 10.4% p.a.	
Cash cover in half year	1.3 times	1.3 times[2]	To be cash covered
Ongoing Charges in half year (annualised)	1.13%	1.12%	To reduce ongoing charges where possible
Weighted average discount rate	7.7%	8.0%	To equate to the market rate
Return in the half year over rebased valuation (annualised)	7.7%	10.1%	To achieve at least the discount rate
Weighted average portfolio life	21.4 years	21.6 years	Seek to maintain, where possible, by suitable acquisitions
Weighted average life of portfolio project debt	19.7 years	19.6 years	To limit refinancing risk
Ten largest investments (percentage of portfolio valuation)	40%	40%	To limit concentration risk
Largest investment (percentage of portfolio valuation)	6%	6%	To be less than 20%
Inflation correlation of the portfolio	0.6% change in gross return for a 1.0% p.a. change in inflation	0.6% change in gross return for a 1.0% p.a. change in inflation	To maintain current correlation

Source: InfraRed
1 The long-term target return, based on the issue price of 100p for each share at launch.
2 Excludes disposal profit and is on a pro rata basis as the Company moved to quarterly dividends in the six-month period to 30 September 2014.