HICL Infrastructure Company Limited

Annual Results Presentation: Year to 31 March 2016

18 May 2016

Contents

This presentation and subsequent discussion may contain certain forward looking statements with respect to the financial condition, results of operations and business of HICL Infrastructure Company Limited and its subsidiaries (the "Group"). These forward-looking statements represent the Group's expectations or beliefs concerning future events and involve known and unknown risks and uncertainty that could cause actual results, performance or events to differ materially from those expressed or implied in such statements. Additional detailed information concerning important factors that could cause actual results to differ materially is available in our Annual Report & Consolidated Financial Statements for the year ended 31 March 2016 and in the New Ordinary Share Prospectus of 26 February 2013 which are available from the Company's website.

All data is accurate as at 31 March 2016, unless otherwise stated.

Past performance is not a reliable indicator of future performance.

Annual Results

Birmingham New Hospitals, UK

Key Financial Achievements

Financial Year Ended 31 March 2016

HICL Infrastructure

Net Asset Value[1]

142.2p / share

(2015: 136.7p / share)

Dividend – FYE March 16

7.45p / share

(2015: 7.30p / share)

Total Shareholder Return[2]

9.6% p.a.

(NAV/share + dividends reinvested basis)

Investments

£240.1m

(2015: £221.4m)

Dividend Targets[3]

7.65p / share

(Revised target for FYE March 17)

7.85p / share

(New target for FYE March 18)

Ongoing Charges

1.12%

(2015: 1.14%)

1. As at 31 March 2016. Cum dividend (1.87p), which was declared on 12 May 2016 and will be paid on 30 June 2016
2. Total shareholder return for the 12 months to 31 March 2016
3. Not a profit forecast; there can be no assurance that this target will be met

Summary of Key Achievements

Financial Year Ended 31 March 2016

HICL Infrastructure

Performance	▲ Solid portfolio performance in line with projections ▲ Cashflows in line with expectations, despite low inflation
Financials	▲ Total return of 12.95p per share for the year to 31 March 2016 – equates to a 9.6% TSR[1] ▲ NAV/share of 142.2p, cum dividend, as at 31 March 2016 (up from 136.7p/share at 31 March 2015) ▲ Cash covered dividend of 7.45p with dividend targets of 7.65p (2017) and 7.85p (2018)
New Investments	▲ Four new investments[2] and six incremental stakes for £240.1m ▲ Conditional investment in A63 Motorway in France (included in figures above) ▲ Two new investments post year end for £17.1m
Funding	▲ £178.2m of equity raised through three oversubscribed tap issues ▲ New debt facility signed; reduced margin of 1.7%, increased size to £200m
Board and Governance	▲ Ian Russell - new Chairman; Frank Nelson - new SID ▲ Board is recruiting up to two new independent non-executive Directors
Outlook and Pipeline	▲ All infrastructure markets subject to a supply-demand imbalance, driving up asset values ▲ InfraRed's approach remains consistent – seeking accretive value, using an origination approach that favours situations where the competition is less intense ▲ Acquisition Strategy remains focused on clearly defined infrastructure market segments at the lower end of the risk spectrum

1. On a NAV appreciation and dividends basis
2. Includes one conditional investment (A63 Motorway project in France)

Summary Financials

Income Statement (year ended)	31 March 2016	31 March 2015
Total Income	£182.9m	£253.6m
Fund expenses & finance costs	(£25.5m)	(£22.6m)
Profit before tax	£157.4m	£231.0m
Earnings per share	**11.9p**	**18.6p**

Ongoing Charges (as defined by the AIC)	**1.12%**	**1.14%**

Balance Sheet (as at)	31 March 2016	31 March 2015
Investments at fair value[1]	**£1,932.9m**	**1,709.7m**
NAV per share (before interim dividend)	142.2p	136.7p
Interim dividend	(1.9p)[2]	(1.9p)[2]
NAV per share (after interim dividend)	**140.3p**	**134.8p**

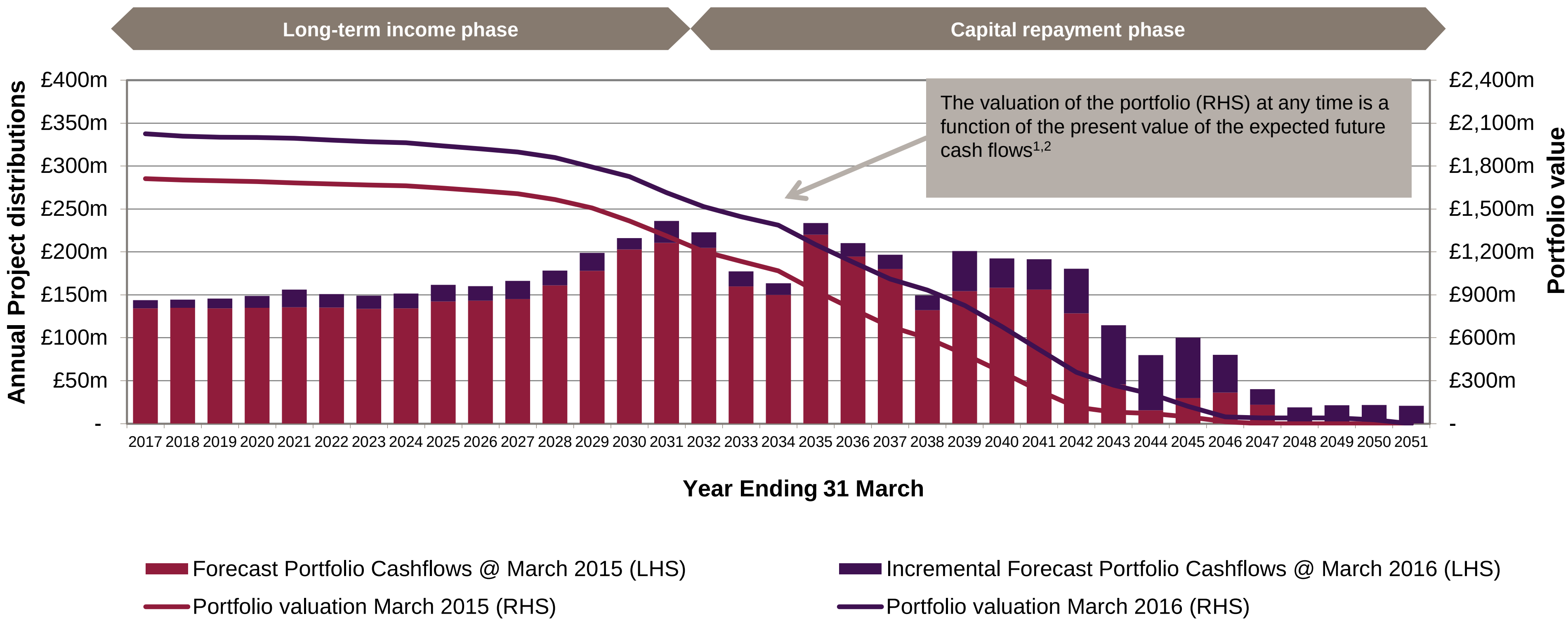
1. Directors' valuation at 31 March 2016 of £2,030.3m, net of £97.4m future investment commitments (2015: £1,732.2m, net of £22.5m future commitments)
2. 1.87p fourth quarterly interim dividends declared on each of 12 May 2016 and 14 May 2015

Summary Financials II

Cash Flow (year ended)	31 March 2016	31 March 2015
Opening net cash	£33.5m	£42.7m
Net Operating Cashflow[1]	**£107.3m**	**£162.6m**
Investments (net of disposals)	(£165.7m)	(£153.8m)
Equity Raised (net of costs)	£176.8m	£75.1m
Forex movements and debt issue costs	(£6.2m)	£9.4m
Dividends Paid	(£93.0m)	(£102.5m)
Net Cash	**£52.7m[2]**	**£33.5m**
Dividend Cash Cover[3]	**1.19**	**1.34**

1. The year to 31 March 2016 includes £1.7m profit on disposal (2015: £58.0m profit) based on historic cost.
2. Adjusting for the fourth quarterly interim dividend (declared 12 May 2016 and payable 30 June 2016), Net Cash would be £26.7m.
3. Cash cover in respect of operational projects; for 2015, on a pro-forma basis, adjusted to remove profit on disposal and move to quarterly dividends.

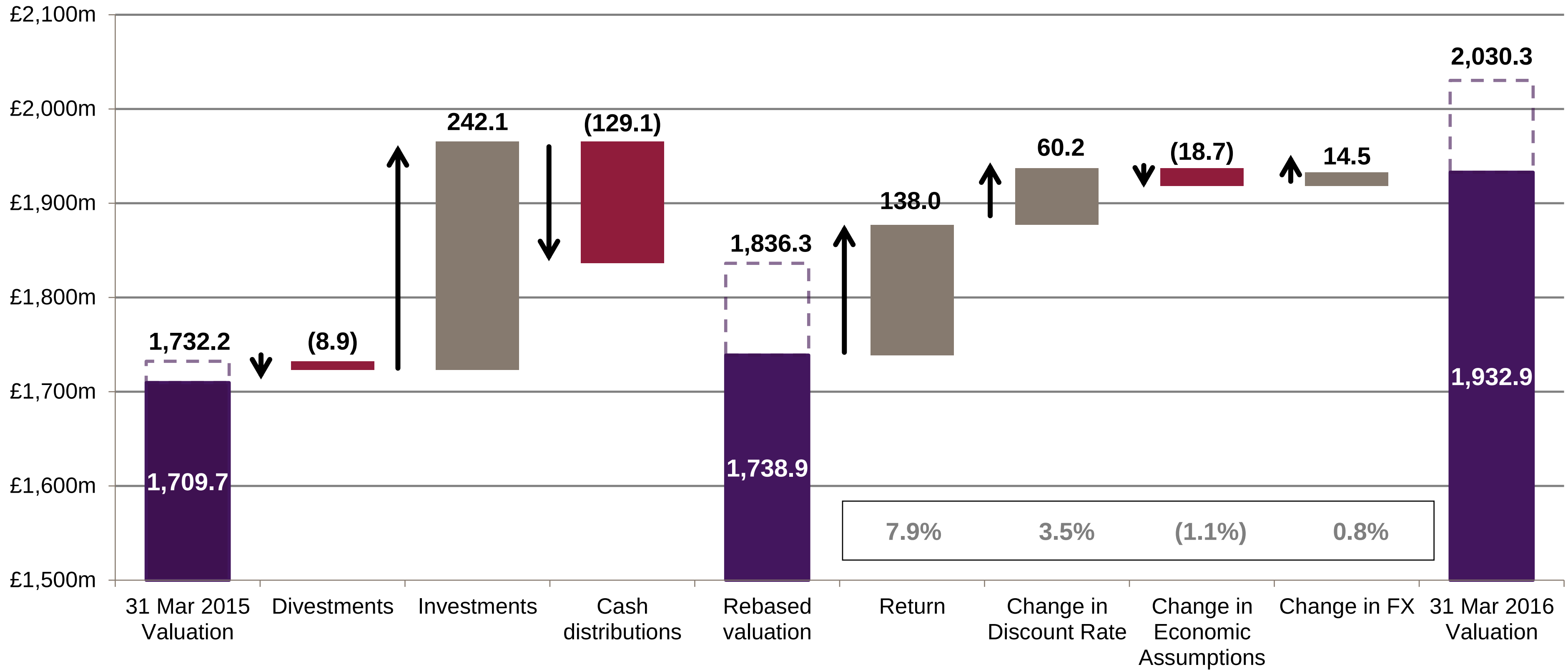
Portfolio Overview - Cashflow Profile[1]



Source: Investment Adviser

1. The illustration represents a target only as at 31 March 2016 and is not a profit forecast. There can be no assurance that this target will be met
2. Subject to certain other assumptions, set out in detail in the Company's Annual Report & Accounts for FYE March 2016

Analysis of Change in Directors' Valuation



- ▲ Valuation blocks (purple) have been split into investments at fair value and future commitments. The percentage movements have been calculated on investments at fair value as this reflects the returns on the capital employed in the year.
- ▲ The portfolio return for the year to 31 March 2016 is 7.9% (being £138.0m return on rebased valuation of £1,738.9m)

1. "Return" comprises the unwinding of the discount rate and project performance
2. £2,030.3m reconciles to £1,932.9m Investments at fair value through £97.4m of future investment obligations
3. Reconciles to £240.1m of investments made in the period due to a £2.0m loan advanced to a Health project to facilitate resolution of legacy construction defects

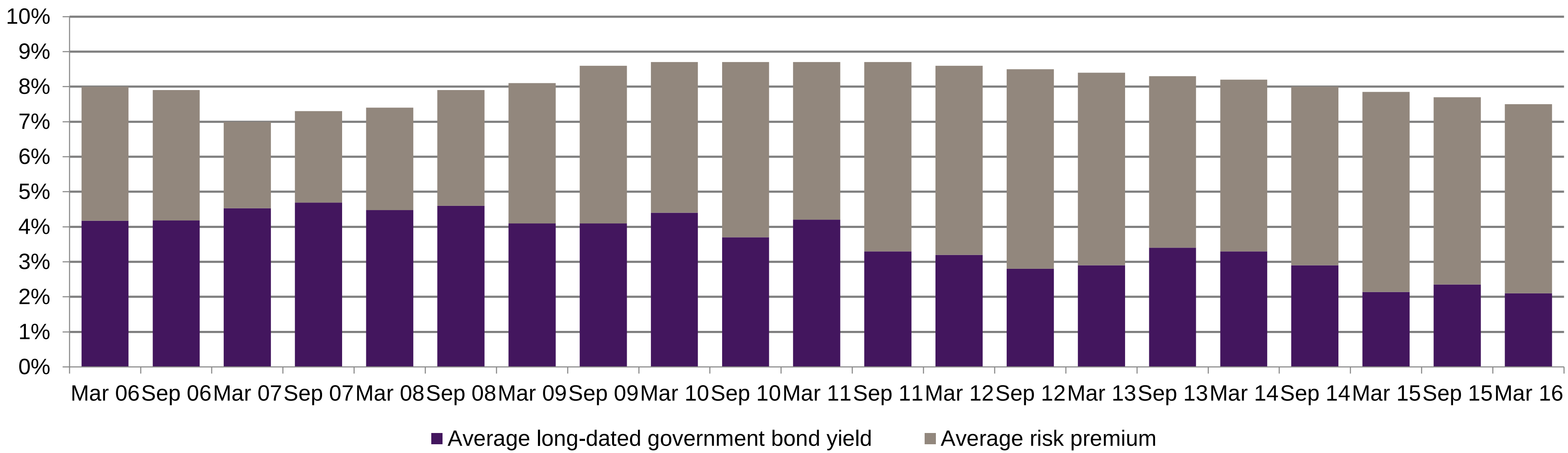
Discount Rate Analysis

Weighted average discount rate

Market valuation of assets increased in the year

- Discount rates for projects range between 7.0% and 10.1% (2015: 7.4% and 10.5%)
- Weighted average discount rate of 7.5%, down from 7.9% at 31 March 2015 and 7.7% at 30 September 2015
- Risk premium over long-dated government bonds decreased by 0.4% in the year to 5.4%

	Appropriate long-dated government bond yield		Risk premium		Total discount rate[1] 31 Mar 2016	Total 30 Sep 2015	Total 31 Mar 2015
UK	2.2%	+	5.3%	=	7.5%	7.7%	7.8%
Australia	2.6%	+	5.3%	=	7.9%	8.2%	8.2%
Eurozone	1.0%[2]	+	6.8%	=	7.8%	8.0%	8.2%
N. America	2.0%	+	5.1%	=	7.1%	7.3%	7.4%
Portfolio[1]	2.1%	+	5.4%	=	7.5%	7.7%	7.9%



1. Weighted average discount rate
2. The long-term government bond yield for the Eurozone is the weighted average for all of the countries in which the portfolio is invested (namely France, Holland and Ireland).

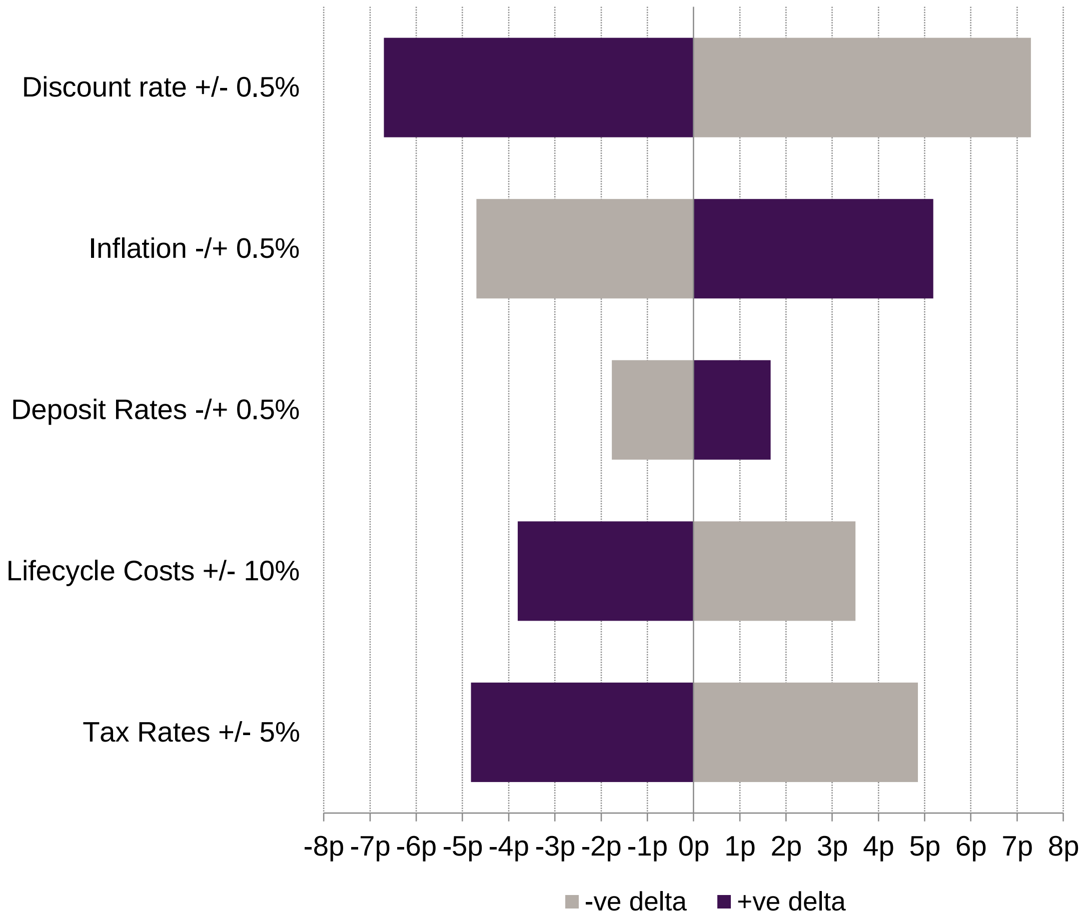
Key Valuation Assumptions

		Movement	31 March 2016	31 March 2015
Discount Rate	Weighted Average	↓	7.5%	7.9%
Inflation[1] (p.a.)	UK (RPI[2] & RPIx[2])	↔ (exc. EU)	2.75%	2.75%
	Eurozone (CPI)		1.0% until 2018, thereafter 2.00%	0.0% until 2017, thereafter 2.00%
	Canada (CPI)		2.00%	2.00%
	Australia (CPI)		2.50%	2.50%
Deposit Rates (p.a.)	UK	↓ (lower for longer)	1.0% to 2020, and 2.5% thereafter	1.0% to 2019, and 3.0% thereafter
	Eurozone		1.0% to 2020, and 2.5% thereafter	1.0% to 2019, and 3.0% thereafter
	Canada		1.0% to 2020, and 2.5% thereafter	1.0% to 2019, and 2.5% thereafter
	Australia		2.6% with a gradual increase to 3.0% long-term	2.6% with a gradual increase to 5.0% long-term
Foreign Exchange	CAD / GBP		0.54	0.53
	EUR / GBP		0.79	0.72
	AUD /GBP		0.53	0.51
Tax Rates (p.a.)	UK	↓ *(UK – in line with legislation)*	20% to 2017, 19% to 2020, 18% thereafter	20%
	Eurozone		Various (no change)	Various
	Canada	↑ *(Canada)*	26% and 27% (territory dependant)	25% and 26% (territory dependant)
	Australia		30%	30%

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

Key Valuation Sensitivities

Sensitivity to key macroeconomic assumptions



Change in NAV in pence per share[1]

- Weighted average discount rate of 7.5%, down from 7.7% at 30 September 2015 and 7.9% at 31 March 2015
- If the UK inflation assumption was 3.75% p.a. (i.e. up 1.0%), the expected return[2] from the portfolio (before Group expenses) would increase from 7.5% to 8.1%
- Lifecycle risk can be with either project company or FM contractor; approximately half of the portfolio has lifecycle risk with the project company
- All sensitivities presented in the chart, with the exception of the discount rate analysis, are based on the largest 20 assets in the HICL portfolio by value, and then extrapolated across the whole portfolio
- The discount rate sensitivity is based on analysis of the whole portfolio

1. Based on 1,388m shares in issue
2. Expected return is the expected gross internal rate of return

Investment Activity

Lewisham Police Station (South East London Police Stations), UK

Summary Investment Activity

Investment activity during the year

Investment Activity (FYE March 16)

Amount	Type	Stage	Project	Sector	Stake Acquired	Overall Stake	Date
£16.0m[1]	Follow-on	Operational	Salford & Wigan BSF Schools (Phase 1)	Education	40.0%	80.0%	Apr-15
	Follow-on	Operational	Salford & Wigan BSF Schools (Phase 2)	Education	40.0%	80.0%	
£87.8m	New	Operational	Southmead Hospital	Health	50.0%	50.0%	Jul-15
£26.9m	New	Operational	Royal Canadian Mounted Police 'E' Division HQ	Fire, Law & Order	100.0%	100.0%	Sep-15
£0.7m	Follow-on	Operational	Cleveland & Durham Police Tactical Training Centre	Fire, Law & Order	27.1%	100.0%	Nov-15
£25.3m	Follow-on	Operational	Southmead Hospital	Health	12.5%	62.5%	Jan-16
£4.1m	Follow-on	Operational	Sheffield Schools	Education	37.5%	75.0%	Jan-16
£2.8m	Follow-on	Operational	Aquasure Desalination Plant	Accommodation	0.4%	9.7%	Feb-16
£69.0m	New / Conditional	Operational	A63 Motorway, France	Transport	13.8%	13.8%	Feb-16
£7.5m	New	Construction	Northern European project	Fire, Law & Order	85.0%	85.0%	-
£240.1m[2]							

- ▲ Investments funded by three oversubscribed tap issues raising £178.2m and drawings under the revolving credit facility
- ▲ Two new investments post year end for £17.1m: M1-A1 Link Road (Lofthouse to Bramham) and Hinchingbrooke Hospital projects

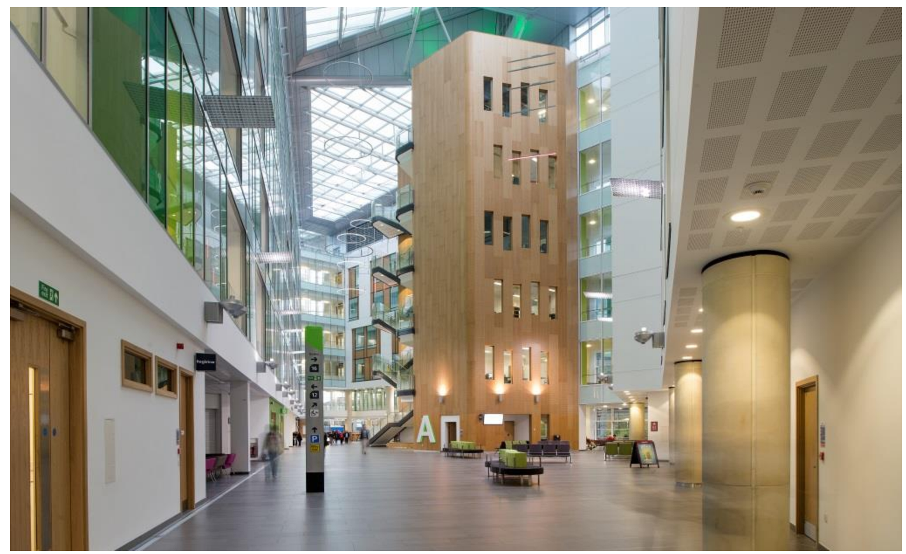
1. Aggregate value of consideration
2. Reconciles to £242.1m 'Investments' in the Analysis of Change in Directors' Valuation (slide 9) due to £2.0m loan advanced to a Health project to facilitate resolution of legacy construction defects

Southmead Hospital

Bristol, UK

Initial investment in July 2015; Follow-on investment in January 2016

- ▲ Acquired a 62.5% stake for £113.1m in two transactions
- ▲ Presently the largest investment in the portfolio
- ▲ DBFM Agreement with the North Bristol NHS Trust
- ▲ Project Financial Close in February 2010
- ▲ Concession length of 35 years
- ▲ New acute hospital opened in May 2014
- ▲ Includes:
  - 800 acute beds (including a 32-bed integrated community hospital), 75% of which are in single rooms with ensuite bathroom facilities;
  - 24 theatre suites; and
  - a new A&E department.
- ▲ Construction and FM services sub-contracted to Carillion



HICL Infrastructure

Portfolio and Asset Management

Zaanstad Penitentiary, The Netherlands

The Portfolio, Performance and Asset Management

104 investments[1] at 31 March 2016, valued at £2,030.3m[2]

▲ 10 largest assets represent 39% of portfolio by value

Weighted average concession life of 21.5 years (21.4 years at 31 March 2015)

▲ Lengthy Southmead and A63 concessions contributed to extending the weighted average

▲ Long-term debt financing with average remaining maturity of 19.5 years (19.7 years at 31 March 2015)

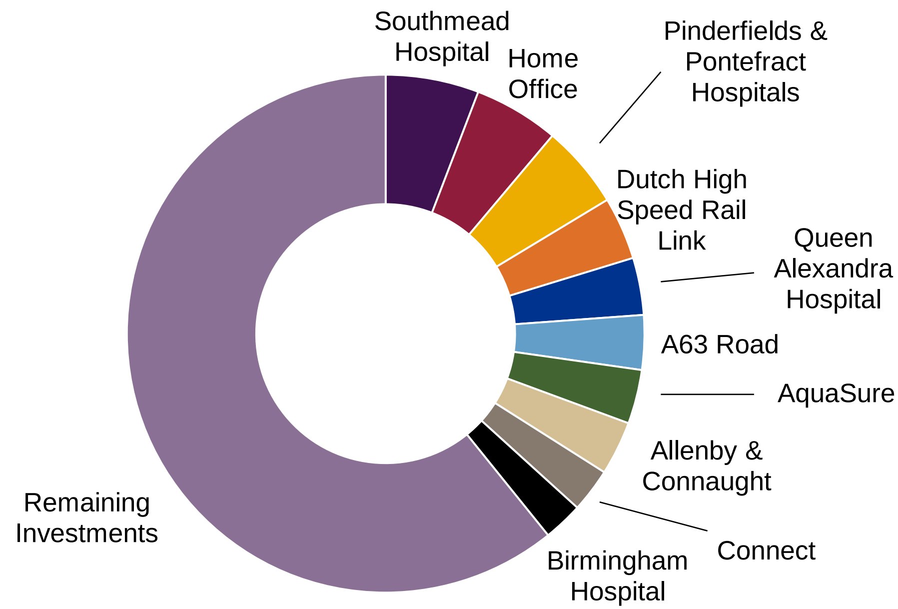
Portfolio performing well with no material issues

▲ Zaanstad Penitentiary overcame challenges arising from bankruptcy of one of the joint party construction partners; project completed in line with its contracted delivery date

▲ Settlement agreement signed and remedial works underway at a hospital with construction and operational issues (as previously advised)

▲ Dialogue continues on a small number of other assets with contractual issues with the aim of achieving satisfactory outcomes

Ten largest Investments



1. Includes one conditional investment
2. £2,030.3m reconciles to £1,932.9m Investments at fair value through £97.4m of future investment obligations

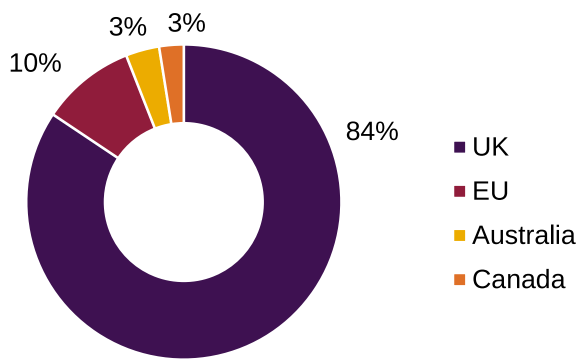
The Portfolio, Performance and Asset Management II

- Three projects reached construction completion in the year:
  - Allenby & Connaught MoD Accommodation in the UK
  - Zaanstad Penitentiary in Holland
  - University of Bourgogne in France
- Five projects under construction as at 31 March 2016
  - RD901 road in France: financial close occurred in January 2014 with construction in progress
  - N17/N18 PPP road in Ireland: construction began shortly after financial close in May 2014
  - Priority Schools Building Programme NE Batch: construction began around financial close in March 2015
  - Ecole Centrale Superlec in France: financial close occurred February 2015
  - North European Fire, Law & Order project
- Investment Adviser's portfolio and asset management teams continue to work on cost savings and value enhancements initiatives:
  - Undertaken jointly with clients and subcontractors with a collective sharing of financial benefit generated
  - Recent examples follow on slides 21 and 22
- Contract variations underway at a number of projects
  - Includes: conversion of offices to clinical spaces and an in-patient ward to an out-patient clinic; upgrading operating theatres; taken on management and maintenance responsibility for an additional part of a carriageway (adjacent to an existing project)

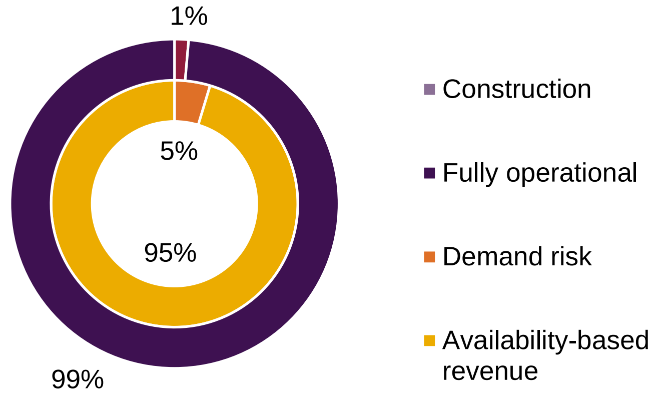
Portfolio Characteristics

As at 31 March 2016

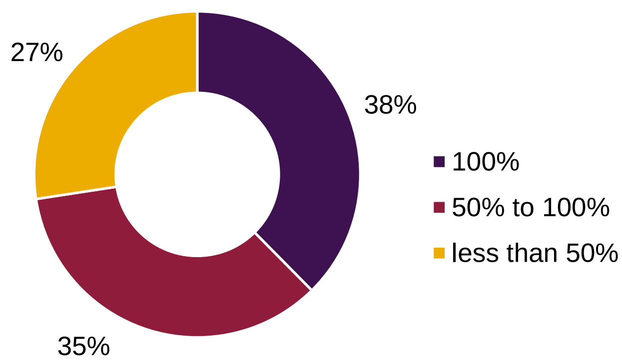
Geographic Location



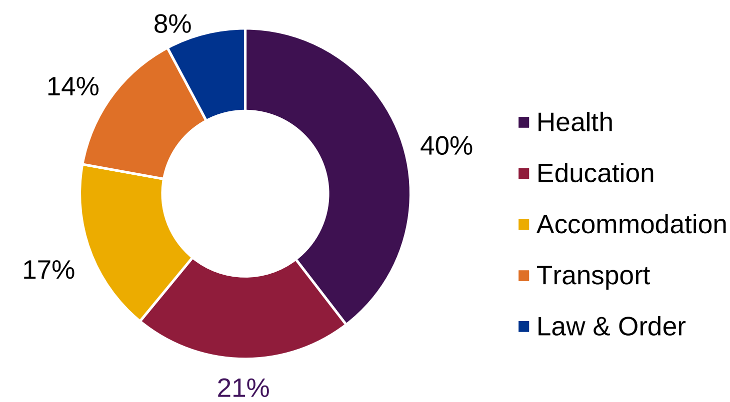
Investment Status



Ownership Analysis



Sector



1. All charts are by value, as at 31 March 2016, using Directors' (gross) valuation of £2,030.3m (i.e. including future investment commitments)
2. Figures in charts may not sum to 100% due to rounding

Risks and Uncertainties

HICL Infrastructure

Project Company revenues and costs

- Deductions for unavailability or poor performance – borne almost exclusively by subcontractors
- Adequacy of lifecycle budgets – budget reassessment, condition surveys and reprofiling

Strict interpretation of contractual terms

- Some examples of clients alleging asset-wide defects, leading to material deductions – often disputed, takes time to resolve
- No contractual situations materially impacting portfolio cashflows
- Publicity in relation to PPP contracts periodically increases in the UK - not materially greater than in previous years

Taxation

- OECD Base Erosion Profit Shifting may limit tax deductibility of debt interest costs
- Reference to ‘public benefit exemption’ has been retained
- InfraRed continues engagement with industry groups, HM Treasury and HMRC; draft legislation expected later in 2016, with full enactment from late 2017

Brexit

- Minimal operational impact expected; effects would likely be macroeconomic (e.g. Sterling fluctuation / impact on UK Gilt yields)
- Board believes the Company’s investment proposition remains attractive in a period of uncertainty

Value Enhancement – Example I

Refinancing successes

HICL – Group level RCF
- Reduced margin (-50bps)
- Increased size (£200m)
- Increased to five lenders

Aquasure Desalination
- Part debt refinancing on expiry for more favourable terms

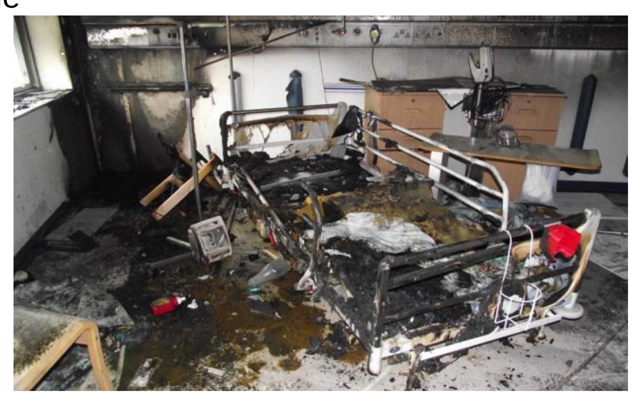
Staffordshire LIFT
- Replaced lender to remove cash sweep

- HICL utilises a Group-level Revolving Credit Facility to make acquisitions, which is paid down with periodic equity capital raises, for cash efficiency purposes
- Typically project companies have long term debt in place at financial close
- Project-level refinancing gains are generally shared 50:50 with public sector clients
- Driver for refinancing is reduction in debt margins
- Projects closed 2009 – 2013 offer the better refinancing opportunities due to the higher relative senior debt margins charged by lenders during those years

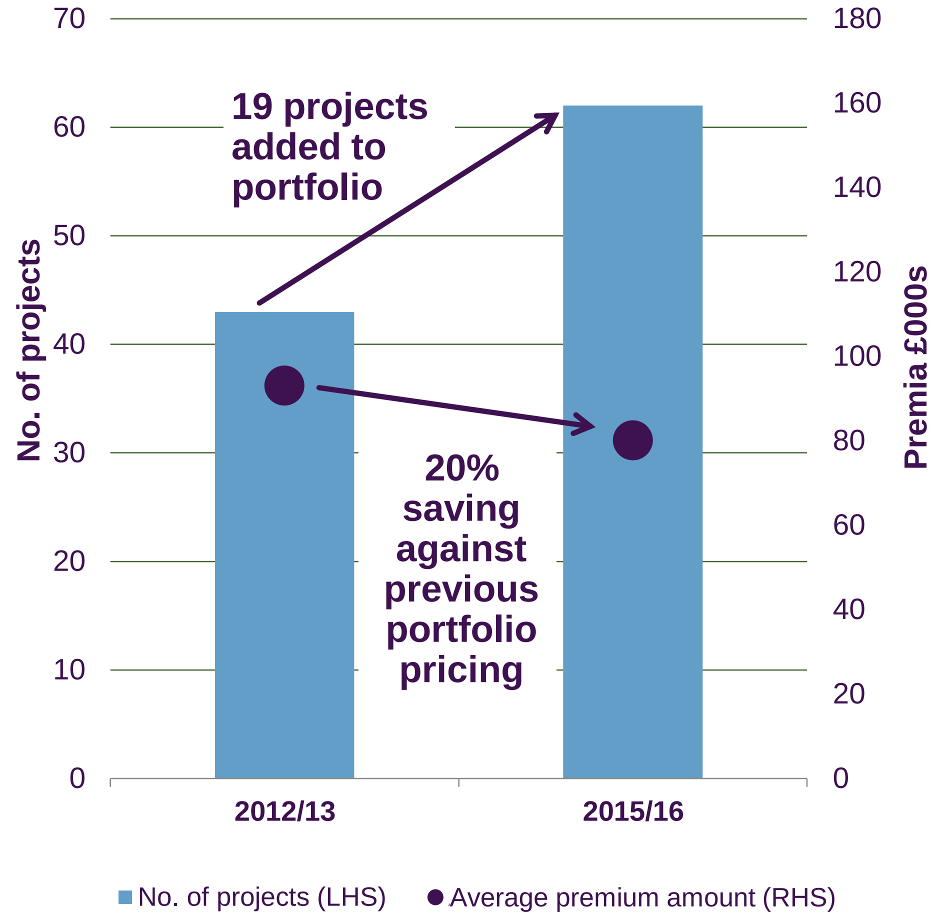
Value Enhancement – Example II

Bulk-buying - leverage scale through insurance portfolio

- Contractual requirement of PPP projects to insure the assets - important part of risk transfer
- Low PPP claims history driving lower insurance premiums
- One of the largest infrastructure insurance portfolios with 57 HICL investments, 62 in total[1] including other InfraRed funds
- £7bn of assets insured[2]
- Around 20% portfolio saving achieved on 2015/16 portfolio renewal (relative to previous triannual review)
- Over £1m p.a. savings on 2015/16 renewal with majority to be paid to public sector clients (through insurance saving mechanisms)
- All project insurances renewals are tendered against the portfolio scheme



Patient bed fire – Stoke Mandeville Hospital, UK



1. As at 31 December 2015
2. Capital value of assets insured

Market Conditions and Outlook

Radclyffe School (Oldham Schools), UK

Market Developments

Demand

- Continued strong appetite for infrastructure investments globally
- Not limited to market segments where the Group is active
- Applies equally to primary and secondary markets
- Impact has been to increase asset pricing and reduce yields – more challenging to source attractive, value accretive investments

Supply

UK

- Secondary market generally muted
- No substantive pick-up in primary procurement activity
- National Infrastructure Plan re-affirmed the government's support for private capital infrastructure investment, but focus has broadly shifted to energy

Europe

- Increase in secondary market deal flow across several countries e.g. Spain, France, Ireland, Holland and Portugal
- Primary activity in a small number of markets
- Leveraging relationships in target countries

North America

- Opportunities in Canada – both operational and greenfield. Tax disadvantages for overseas investors make secondary market investment challenging
- USA remains a slow-moving market with limited deal flow

Australia & New Zealand

- Opportunities in both operational and greenfield
- Tax disadvantages for overseas investors make secondary market investment challenging

Sourcing and Pipeline

Origination

- Acquisition Strategy
  - source assets that add value to the existing portfolio, assessed using accretion tests
  - continue to build a portfolio positioned at the lower end of the risk spectrum
- Target market segments[1]
  - Secondary PPP
  - Primary PPP: focused on key relationships in selected sectors / geographies
  - Demand risk assets: good inflation correlation and duration (e.g. toll roads, student accommodation projects – progress in both sectors)
  - Regulated assets: targeting robust regulatory frameworks and assets with low operational gearing (e.g. OFTOs – strategy progressing)

Pricing

- Maintaining a disciplined approach to avoid over-paying and diluting returns from existing portfolio is key
- Relationships and reputation for deliverability remain key to securing value accretive investments
  - participated in 11 secondary market auctions in the year – outbid in all but one
  - three new investments secured through direct negotiations with relationship vendors
  - six incremental investments in existing assets
- Mindful of relative value (between geographies) and foreign exchange risk when selecting and pricing opportunities

Outlook

- Confident of sourcing new investments consistent with portfolio's positioning at the lower end of the risk spectrum
  - active pipeline across target market segments
  - building origination 'channels' around strategic relationships to secure primary investment pipeline

1. Affirmed at September 2015 strategy discussion with Board

Performance and Summary

Royal Canadian Mounted Police ‘E’ Division Headquarters, Canada

Company's Performance

Key Performance Indicators ("KPIs")

KPI	Measure	31 March 2016	31 March 2015	Objective	Commentary
Dividends	Aggregate interim dividends declared per share in the year	**7.45p**	**7.30p**	An annual distribution of at least that achieved in the prior year	Achieved
Total Return	NAV growth and dividends declared per share (since IPO)	**9.7% p.a.**	**9.7% p.a.**	7% to 8% p.a. as set out at IPO[1]	Exceeded
Cash-covered Dividends	Operational cash flow / dividends paid to shareholders attributable to operational assets[2]	**1.19x**[2]	**1.34x**[2]	Cash covered dividends	Achieved
Positive Inflation Correlation	Changes in expected portfolio return for 1% p.a. inflation change	**0.6%**	**0.6%**	Maintain positive correlation	Achieved
Competitive Investment Proposition	Annualised ongoing charges / average undiluted NAV[2]	**1.12%**	**1.14%**	Efficient gross (portfolio) to net (investor) returns, with the intention to reduce ongoing charges where possible	Achieved

1. Set by reference to the issue price of 100p/share, at the time of the Company's February 2006 (IPO) Prospectus
2. Please refer to the Company's Annual Report for full footnote details

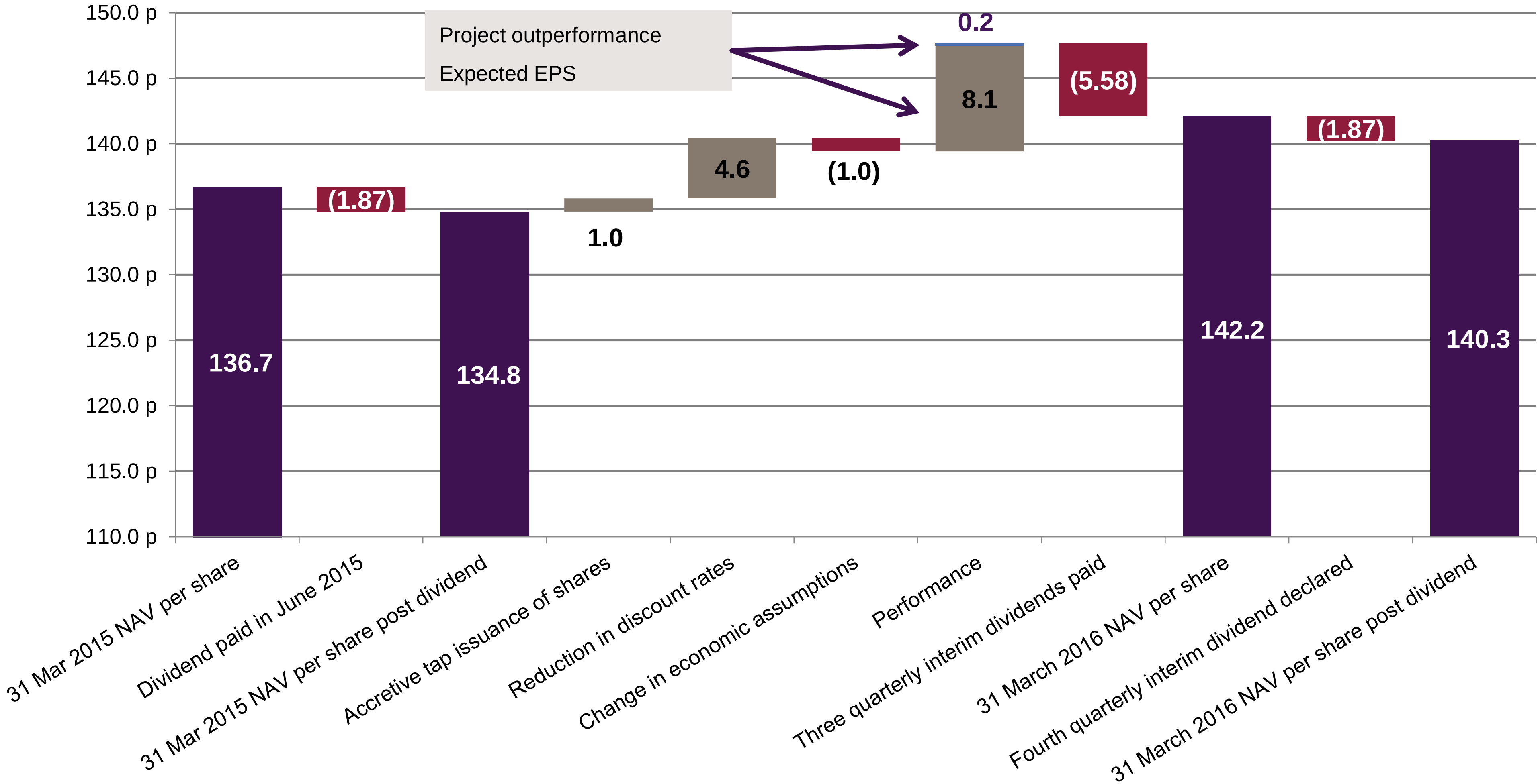
Company's Performance II

Key Quality Indicators ("KQIs")

KQI	Measure	31 March 2016	31 March 2015	Objective	Commentary
Investment Concentration Risk	Ten largest investments[1]	**39%**	**40%**	Maintain a diversified portfolio of investments	Achieved
	Single largest investment[1]	**6%**	**6%**		
Appropriate Risk/Reward Characteristics	Projects with construction and/or demand risk[1,2]	**6%**	**6%**	Compliance with the Company's Investment Policy (< 35%)	Achieved
Unexpired Concession Length	Portfolio's weighted average unexpired concession length	**21.5 years**	**21.4 years**	Seek where possible investments that maintain or extend the portfolio concession life	Achieved
Efficient Treasury Management	FX gain (loss)[1] / Directors' NAV	**0.3%**	**(0.4)%**	Maintain effective treasury management processes	Achieved
	Cash less current liabilities / Directors' NAV	**2.0%**	**1.2%**		
Refinancing Risk	Investments with refinancing risk[1]	**3%**	**4%**	Manage exposure to refinancing risk	Achieved

1. Please refer to the Company's Annual Report for full details of the measure, and supporting information
2. More diversified infrastructure investments made with the intention 'to enhance returns for shareholders', as permitted by the Company's Investment Policy – namely, pre-operational projects, demand based projects and/or other vehicles making infrastructure investments

Analysis of Change in NAV per Share



1. The sum of the movements (red and bronze bars) may not equate to the overall change (purple bars), due to rounding

Summary at HICL's 10 year anniversary

A brief look back at what the Company set out to do, and what it's delivered so far…

Targeted	Delivered
Complementary Acquisitions	▲ From 15 to 100+ investments ▲ Value accretive ▲ Further diversification: ▪ Territories (2 to 6) ▪ Asset concentration – 2016: 10 largest = 39% value; single largest = 6% – 2006: 3 largest > 50% value
Total Shareholder Return: 7-8% p.a. over long-term (set at IPO)	▲ 10.7% p.a. TSR (share price + dividends basis)[1] ▲ 9.7% p.a. TSR (NAV + dividends basis)[1] ▲ £1 invested at IPO would be worth over £2.75 at 31 March 2016[1]
Dividend Growth: 7p/share in 7–10 years from IPO	▲ 7.00p / share (IPO target achieved by FYE March 2013) ▲ 7.65p / share (FYE 2017 target) ▲ 7.85p / share (FYE 2018 target)

Source: HICL / Thomson Reuters. Data as at 31 March 2016.
1. Since IPO and on a reinvestment basis.

Concluding Remarks

Delivering Real Value

HICL Infrastructure

Long-term income

- Key Objective is to offer shareholders long-term, stable income
- Consistently delivered real value for shareholders over 10 years since IPO
- New dividend guidance reflects confidence in the portfolio

A clear strategy

- Preserve the value of the Company’s investments through active asset management
- Drive value enhancement initiatives across the portfolio
- Seek value accretive acquisitions compatible with a portfolio at the lower end of the risk spectrum

Outlook

- Pipeline of opportunities across target market segments
- Evolution of the portfolio to support delivery of the Company’s Objectives
- HICL’s existing, well-diversified portfolio represents a solid platform from which to deliver value in the future

Appendix I

Valuation Methodology and Sensitivities

Valuation Methodology

The Company's valuation methodology is consistent with industry standard

Semi-annual valuation and NAV reporting:

- Carried out by Investment Adviser
- Approved by Directors
- Independent opinion for Directors from third-party valuation expert

Non traded - DCF methodology on investment cash flows

- Discount rate reflects market pricing for the investments, and comprises the yield for government bonds plus an investment specific premium (balancing item)
  - For bond yield, average of 20 and 30 year government bonds (matching concession lengths)

Traded (not currently applicable): market quotation

Portfolio Valuation - Sensitivities

Sensitivities		- 0.5% change	Base Case	+ 0.5% change
Discount Rate			**7.5%**	
	Directors' valuation, and change	**+ £101.5m**	£2,030.3m	**- £93.7m**
	Implied change in NAV[1] per Ordinary Share	**+ 7.3 pence**		**- 6.7 pence**
Inflation Rates[2]			**2.75%**	
	Directors' valuation, and change	**- £65.3m**	£2,030.3m	**+ £72.0m**
	Implied change in NAV[1] per Ordinary Share	**- 4.7 pence**		**+ 5.2 pence**
Deposit Rates[2]			**1% to 2020 and 2.5% thereafter**	
	Directors' valuation, and change	**- £24.5m**	£2,030.3m	**+ £23.2m**
	Implied change in NAV[1] per Ordinary Share	**- 1.8 pence**		**+ 1.7 pence**

Sensitivity to inflation depends on a project's initial structuring[2]

- PPP projects' income and costs linked (partially or wholly) to RPI/RPIx[3] in UK and CPI in Australia, Canada, France, Holland and Ireland
  - Availability payments fully or partially indexed to inflation and operating costs also indexed to inflation
  - Financing costs can be indexed-linked and some projects have long-term RPI hedges in place

Deposit Rates - positive sensitivity results from cash deposits held by project companies[2]

- Financing structure typically includes cash reserve accounts – e.g. debt service reserve account, Lifecycle reserve account, Change in law reserve account
- Debt costs in each project hedged to interest rate exposure

1. NAV per share based on 1,388m ordinary shares in issue as at 31 March 2016
2. Analysis based on extrapolation from 20 largest investments; changing all future periods from the base assumption – all other assumptions unchanged
3. Retail Price Index and Retail Price Index excluding mortgage interest payments

Appendix I.A

Value in the Eye of the Beholder

(extracts from HICL's Capital Markets Seminar – February 2016)

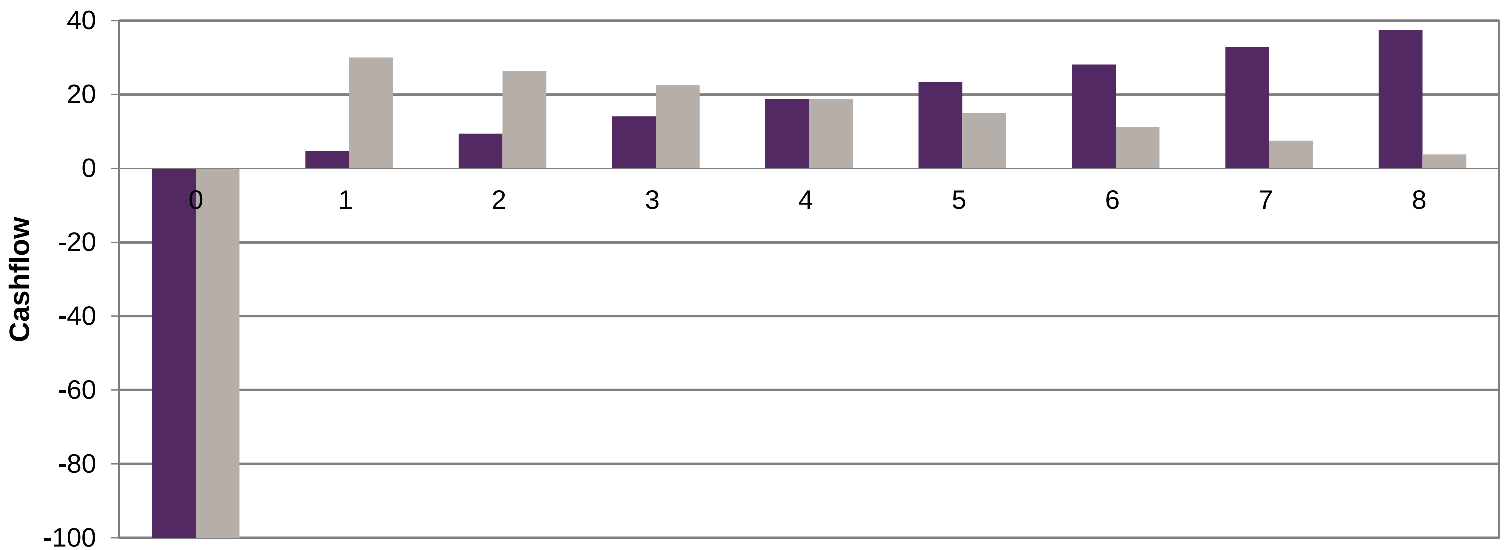
IRRs / discount rates in isolation only tell half the story (1)

Headlines discount rates can distract from underlying cash flows

- Investors spend significant time focusing on discount rates – common questions being:
  - What are the IRRs being used by HICL to bid for new investments?
  - What discount rates does HICL use to value the portfolio?

- While discount rates are important, underlying cashflows are also key:

Two cash flows with IRRs of 10%



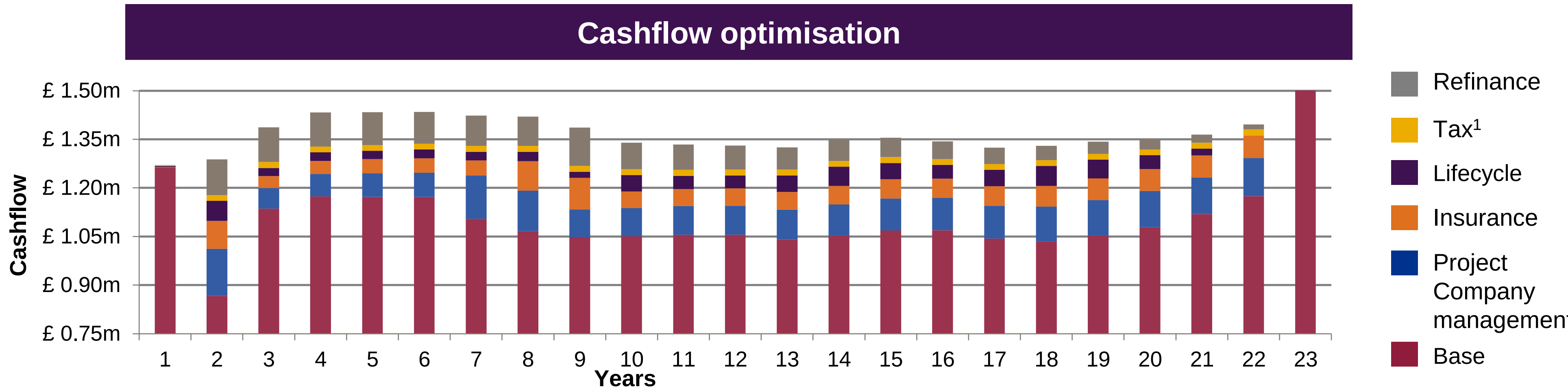
Source: InfraRed. Illustrative cash flows

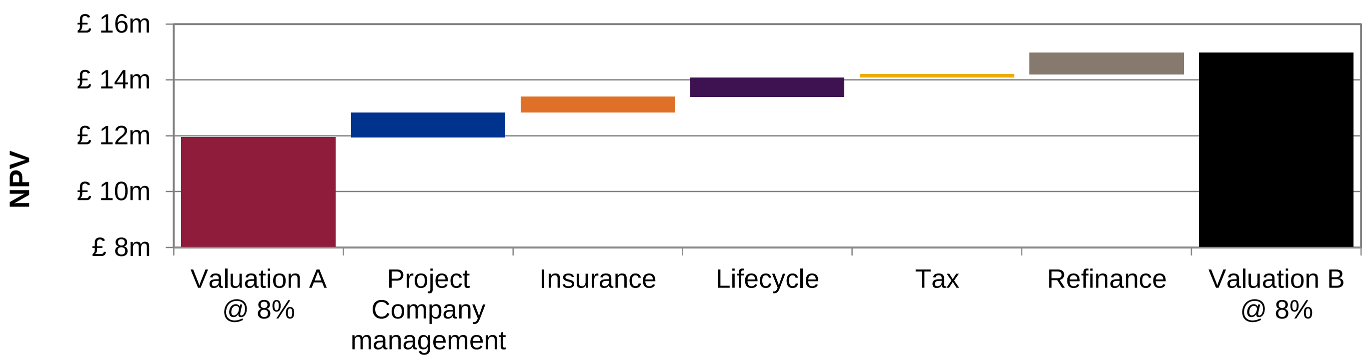
IRRs / discount rates in isolation only tell half the story (2)

As drivers of investment valuation, cash flow assumptions and discount rate are equally important

HICL Infrastructure

'Optimisation' of cash flows can appear to materially increase the value of an investment





Valuation (NPV)	Discount rate	
	8.0%	**5.5%**
Valuation A	£12m	**£15m**
Valuation B	**£15m**	£18m

Source: InfraRed. Illustrative cash flows

1. For example differing assumptions re future corporation tax rates

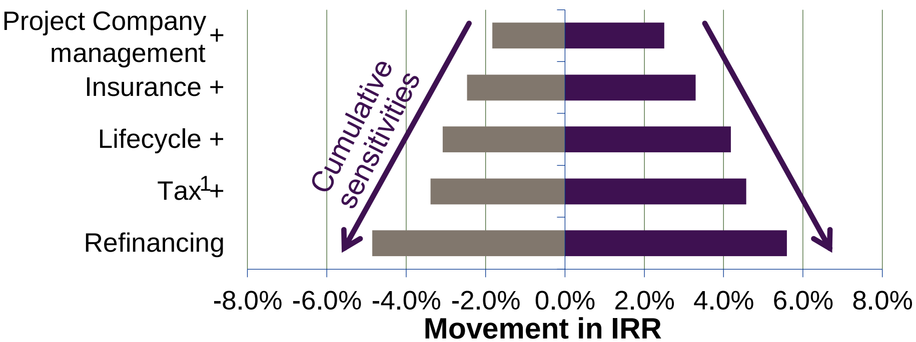
Only the discount rate measures risk in a valuation

Discount rates should reflect the value / risk inherent in cash flows

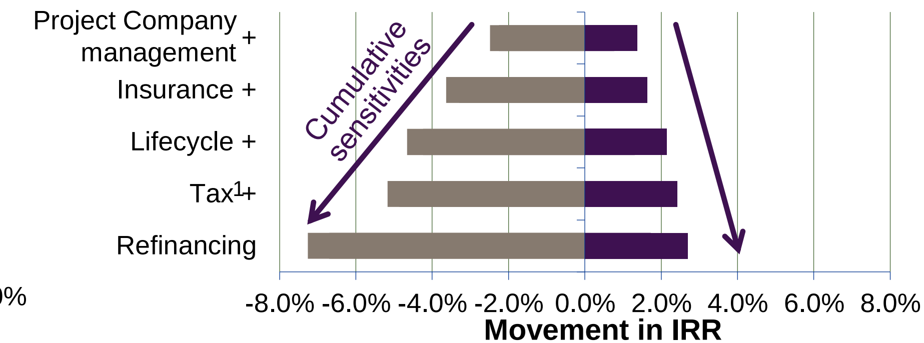
Valuation B logically has less probability than Valuation A of delivering an 8% return

▲ Comparing in each scenario the sensitivity of returns to the same out-turn cash flows:

Valuation A



Valuation B



▲ What is the 'correct' discount rate to apply to the valuation of these cash flows:

- Is Valuation A using a discount rate that is too high?
- Or is the Valuation B using a discount rate that is too low?

▲ Judgement of risk vs. reward, but remembering:

- Infrastructure investments rely on stable, predictable (i.e. lower risk) cash flows to deliver returns

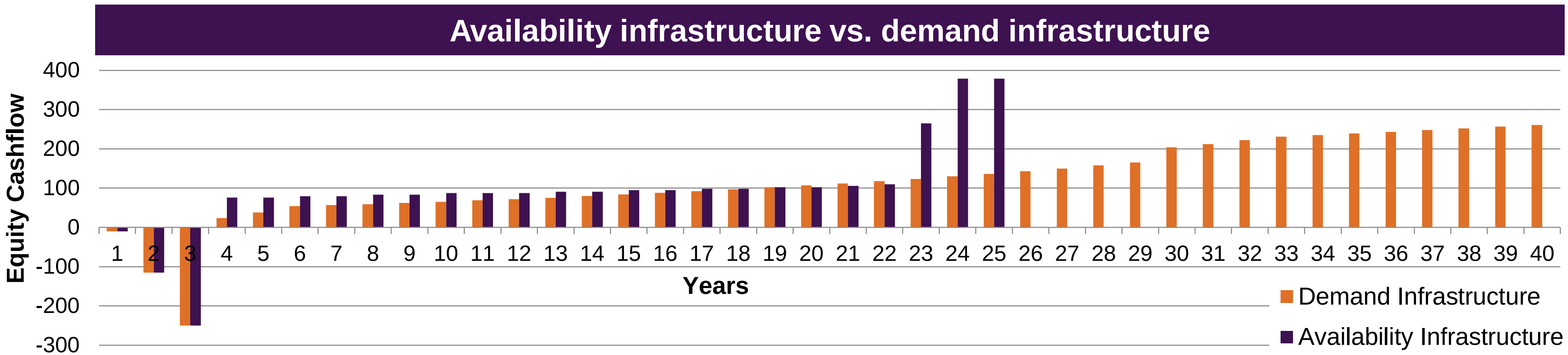
Source: InfraRed. Illustrative cash flows

1. For example differing assumptions re future corporation tax rates

Comparing sectors – toll roads vs availability projects

Cash flows that look different can justifiably be valued using the same discount rate

Equity cash flow profiles can differ significantly between sectors:



- It may be appropriate to value both cash flows on a risk-adjusted basis using the same discount rate
- Ultimately a question of judgement – factors to consider might include:
  - How the tolls road's base case forecast performance (e.g. revenue growth, traffic) compares to track record?
  - Credit quality of public sector counterpart to availability payment
  - Location of the respective investments (wider economic and legal environment)

Source: InfraRed. Illustrative cash flows

Appendix II

The Investment Adviser

Overview of InfraRed Capital Partners Limited

InfraRed is the Investment Adviser and Operator

- InfraRed is the investment adviser to HICL and is authorised and regulated by the Financial Conduct Authority
- Strong, 15+ year track record in raising and managing 15 value-add infrastructure and real estate funds (including HICL and TRIG)
- Currently over US$9bn of equity under management
- InfraRed is an independent manager owned by 24 partners following successful spin-out from HSBC Group in April 2011
- 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	2004-2015	Realised
HICL Infrastructure Company Limited ("HICL")	**Listed, secondary, income yield**	**£2,212[1]**	**Since 2006**	**Evergreen**
Environmental Fund	Unlisted , greenfield , capital growth	€235	Since 2009	Divesting
Fund III	Unlisted , greenfield , capital growth	US$1,217	Since 2011	Investing
Yield Fund	Unlisted , secondary, income yield	£500	Since 2012	Invested
The Renewables Infrastructure Group ("TRIG")	Listed , secondary, income yield	£751[1]	Since 2013	Evergreen

Source: InfraRed
1. Market capitalisation as at 31 March 2016

InfraRed – Infrastructure Team Skills and Experience

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

- Experienced infrastructure professionals with proven track record in target markets of UK, Europe, North America, Australia and New Zealand
- Well established and respected team
  - Additional resources added recently
  - Part of a wider infrastructure team of 60 professionals
- Detailed, 'tried and tested' investment processes
- Active asset management with regular asset reviews
- Proactive value management across the Group and the portfolio
- Wide range of skills, experience and knowledge of:
  - Assets in the portfolio
  - Greenfield project development structuring/risk mitigation
  - Construction
  - Facilities management
  - Corporate finance and M&A
  - Treasury management

InfraRed Capital Partners

Appendix III

The Company and Group

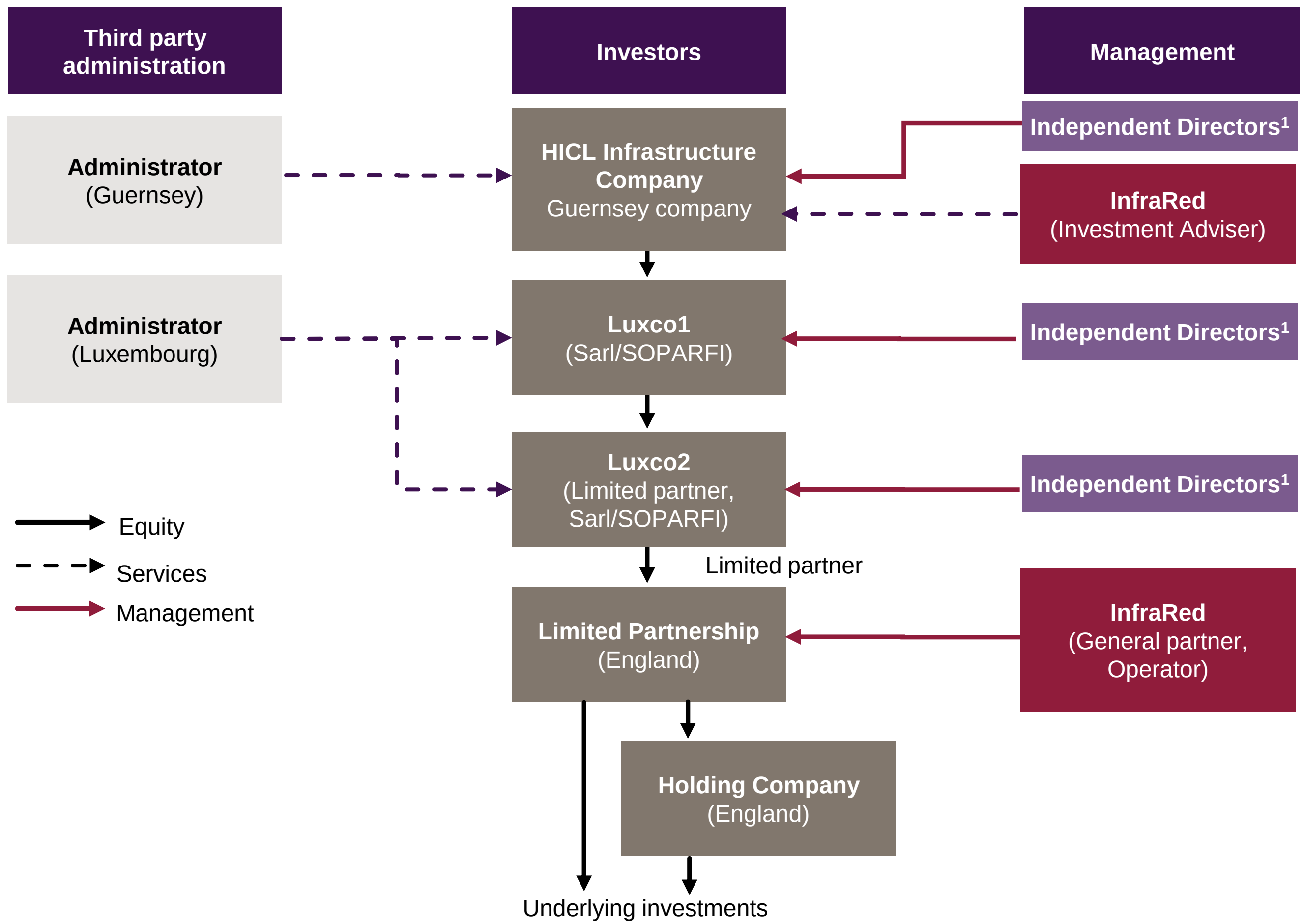
HICL's Characteristics

As at the Financial Year Ended 31 March 2016

Mandate	▲ To generate long-term, stable income from infrastructure assets ▲ Focused on infrastructure projects at the lower end of the risk spectrum, which generate inflation-linked returns
History	▲ Tenth anniversary and ninth successive year of dividend growth ▲ First infrastructure investment company to list on the main market of the London Stock Exchange
Portfolio	▲ 104 investments (98 operational, five in construction and one conditional acquisition) ▲ Assets spread across five sectors and six territories
Market Capitalisation	▲ £2,212m as at 31 March 2016 (31 March 2015: £1,984m)
Net Asset Value	▲ Directors' Valuation of £2,030.3m[1] at 31 March 2016 (31 March 2015: £1,732.2m[1]) ▲ NAV/share of 142.2p at 31 March 2016 (cum fourth quarterly dividend of 1.87p/share) ▲ Directors' Valuation based on a weighted average discount rate of 7.5% (31 March 2015: 7.9%)
Board and Governance	▲ Board comprises seven independent non-executive Directors ▲ Investment Adviser is InfraRed Capital Partners, a leading global investment manager focused on infrastructure and real estate
Fees and ongoing charges	▲ Blended annual management fee based on portfolio's Adjusted Gross Asset Value (GAV)[2] ▲ Ongoing Charges Ratio (as defined by AIC) of 1.12% (31 March 2015: 1.14%)
Liquidity	▲ Good daily liquidity – average daily trading volume of over 2 million shares ▲ Tight bid / offer spread of ~0.1p (~6bps)

1. Including £97.4m of future investment obligations (2015: £22.5m)
2. Annually: 1.1% on GAV up to £750m, 1.0% thereafter up to GAV of £1.5bn, 0.9% thereafter up to GAV of £2.25bn, and 0.8% thereafter, plus a £0.1m investment advisory fee. In addition, a one-off 1.0% acquisition fee on new investments

Group Structure Diagram



1. Independent of the Investment Adviser

Governance

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 Risk Committee
- Additional committees in respect of Audit, (Directors’) Remuneration, Management Engagement and (Director) Nomination
- Monitors compliance with, and implementation of actions to address, regulation impacting 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 within agreed parameters
- Utilisation of cash proceeds
- Full discretion within strategy determined by Board over acquisitions and disposals (through Investment Committee)
- Authorised and regulated by the Financial Conduct Authority

Board of Directors[1]

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

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, housebuilding and energy sectors. He was Finance Director of construction and house-building 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 restructure and turnaround, before leaving in October 2013.

He is the SID of both McCarthy and Stone as well as 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.

1. As at 18 May 2016

HICL Group Strategy

Delivering Real Value

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 value accretive investment opportunities which are:

- ▲ PPP projects
  - Concession contracts with public sector clients, both operational and under construction
  - Availability-based revenues with inflation-linkage
- ▲ Of interest, if risk/return appropriate:
  - Demand risk assets: good inflation correlation and duration (e.g. toll roads, student accommodation projects)
  - Regulated assets: targeting robust regulatory frameworks and assets with low operational gearing (e.g. OFTOs)

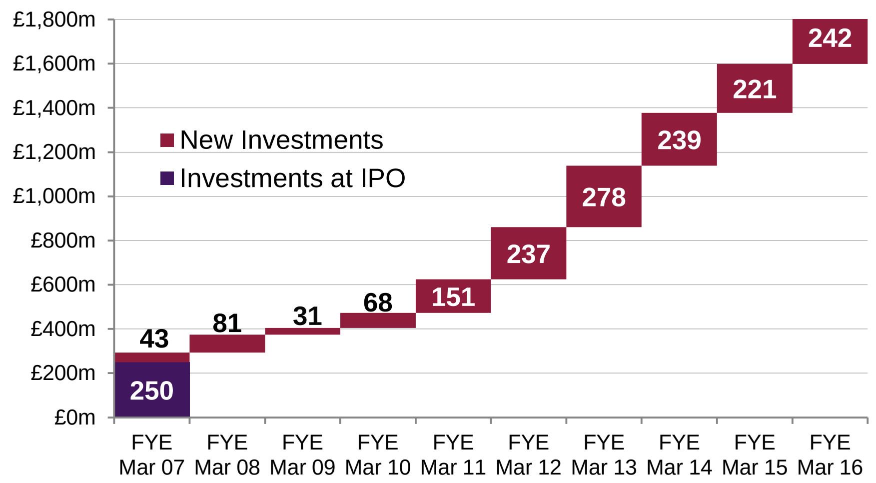
Maintain position by:

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

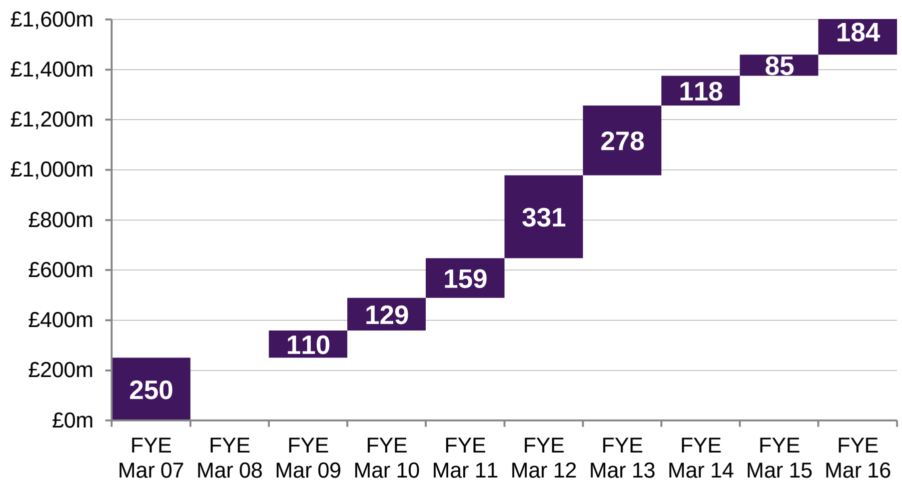
Investment and Capital Raising

- Acquisitions driven by demand for HICL shares and availability of further investments which fit the Investment Strategy
- Acquisitions are initially debt-funded (using £200m committed revolving credit facility at Group level), to avoid cash drag and to give shareholders visibility over the new investments, and then refinanced through equity issuance
- HICL has raised c.£1.64bn of equity since launch in March 2006 - £250m at IPO and £1.39bn through subsequent share issues

168 Acquisitions[1] since IPO to 31 March 2016 totaling £1.84bn[2]



£1.64bn of Equity Issuance since IPO to 31 March 2016[3]



1. Split into 110 new investments and 58 acquisitions of incremental stakes in existing investments as at 31 March 2016
2. Excludes disposals, the proceeds of which have been reinvested
3. Includes primary and secondary issuance by way of tap and scrip issues

Appendix IV

The Investment Portfolio

Current Portfolio

Portfolio of 104 investments as at 31 March 2016

Education

- Barking & Dagenham Schools
- Boldon School
- Bradford Schools 1
- Bradford Schools 2
- Conwy Schools
- Cork School of Music
- Croydon School
- Darlington Schools
- Defence Sixth Form College
- Derby Schools
- Ealing Schools
- Ecole Centrale Supelec
- Edinburgh Schools
- Falkirk Schools NPD
- Fife Schools
- Fife Schools 2
- Haverstock School
- Health & Safety Labs
- Helicopter Training Facility
- Highland Schools PPP
- Irish Grouped Schools
- Kent Schools
- Manchester School
- Newham BSF Schools
- Newport Schools
- North Tyneside Schools
- Norwich Schools
- Oldham Schools
- Perth & Kinross Schools
- PSBP NE Batch
- Renfrewshire Schools
- Rhondda Schools
- **Salford & Wigan BSF Phase 1**
- **Salford & Wigan BSF Phase 2**
- **Sheffield Schools**
- Sheffield BSF Schools
- South Ayrshire Schools
- University of Bourgogne
- West Lothian Schools
- Wooldale Centre for Learning

Fire, Law & Order

- Addiewell Prison
- Dorset Fire & Rescue
- **D & C Firearms Training Centre**
- Exeter Crown & County Court
- Gloucester Fire & Rescue
- Greater Manchester Police Stations
- Medway Police
- Metropolitan Police Training Centre
- Nth. European project (details subject to NDA)
- Royal Canadian Mounted Police HQ
- South East London Police Stations
- Sussex Custodial Centre
- Tyne & Wear Fire Stations
- Zaanstad Prison

Health

- Barnet Hospital
- Birmingham Hospitals
- Birmingham & Solihull LIFT
- Bishop Auckland Hospital
- Blackburn Hospital
- Blackpool Primary Care Facility
- Brentwood Community Hospital
- Brighton Hospital
- Central Middlesex Hospital
- Doncaster Mental Health Hospital
- **Ealing Care Homes**
- Glasgow Hospital
- Lewisham Hospital
- Medway LIFT
- Newton Abbot Hospital
- Nuffield Hospital
- Oxford Churchill Oncology
- Oxford John Radcliffe Hospital
- Pinderfields & Pontefract Hospitals
- Queen Alexandra Hospital
- Redbridge & Waltham Forest LIFT
- Romford Hospital
- Salford Hospital
- Sheffield Hospital
- Southmead Hospital
- South West Hospital, Enniskillen
- Staffordshire LIFT
- Stoke Mandeville Hospital
- Tameside General Hospital
- West Middlesex Hospital
- Willesden Hospital

Accommodation

- Allenby & Connaught MOD Accommodation
- **AquaSure Desalination Plant**
- Health & Safety Headquarters
- Home Office
- Miles Platting Social Housing
- Newcastle Libraries
- Northwood MoD HQ
- Oldham Library
- Royal School of Military Engineering
- University of Sheffield Accommodation

Transport

- A249 Road
- A63 Motorway
- A92 Road
- Connect PFI
- Dutch High Speed Rail Link
- Kicking Horse Canyon P3
- M80 Motorway DBFO
- N17/N18 Road
- NW Anthony Henday P3
- RD901

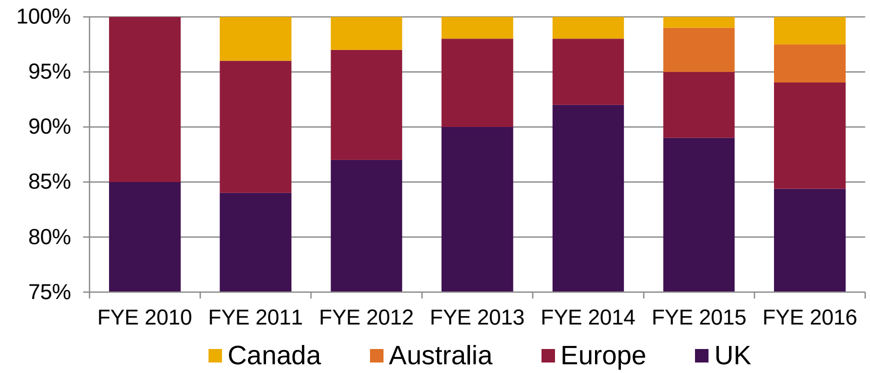
Key:

- Portfolio as at 31 March 2015
- **Partial disposal since 31 March 2015**
- Sold (entire interest) since 31 March 2015
- **Incremental stake acq'd since 31 March 2015**
- New investment since 31 March 2015

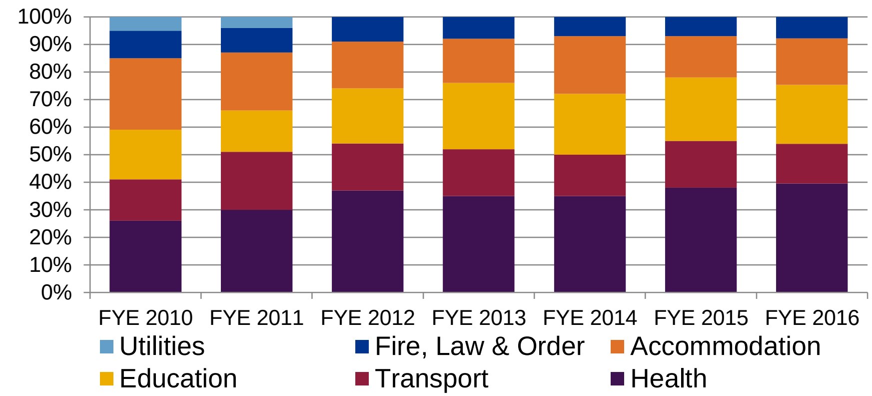
Current Portfolio – Key Attributes

Evolution of the Group's portfolio – last 6 years to 31 March 2016[1]

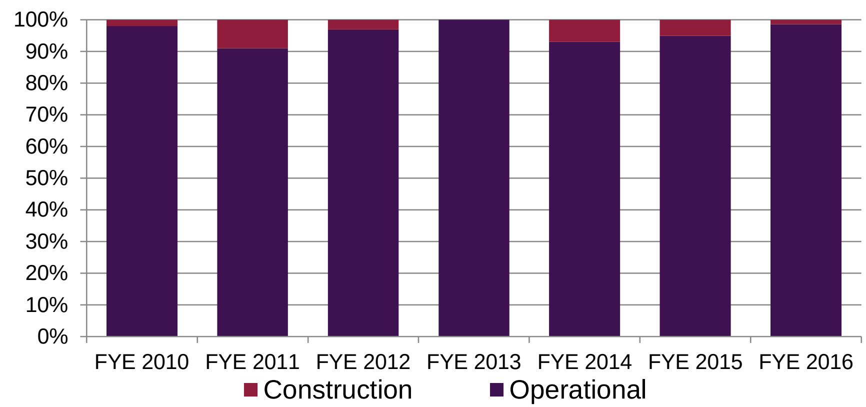
Geographically spread portfolio



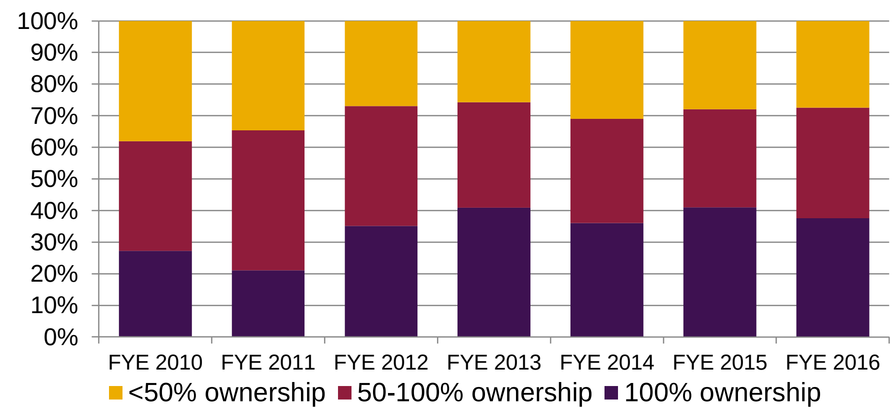
Good sector spread



Predominantly operational projects



Opportunities to increase ownership stakes



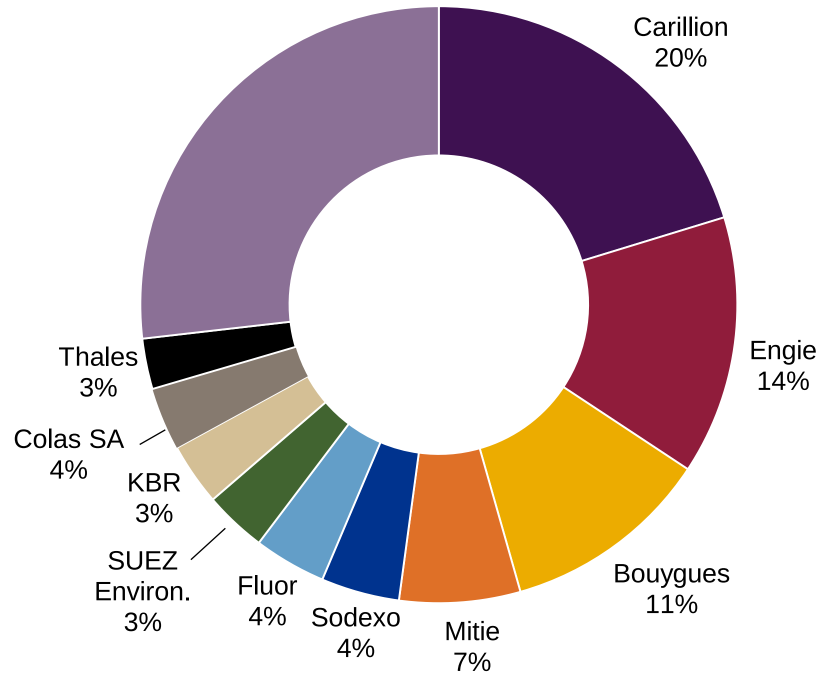
1. By value, using Directors' valuation as at 31 March each year from 2010 to 2016, including the A63 project (a conditional investment)

Portfolio Overview - Contractor Counterparty Exposure

Diversified spread of quality supply chain providers

- Counterparties continue to perform
- Diversity of contractors ensures no over-reliance on any single entity
- Quarterly reviews by Investment Adviser
- For the purpose of the pie chart analysis:
  - 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 Directors' valuation

Spread of supply chain providers[1]

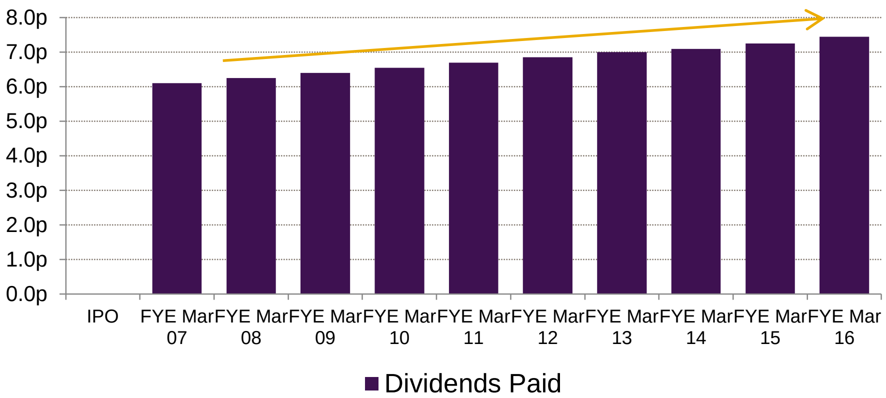


1. By value, as at 31 March 2016, using Directors' valuation

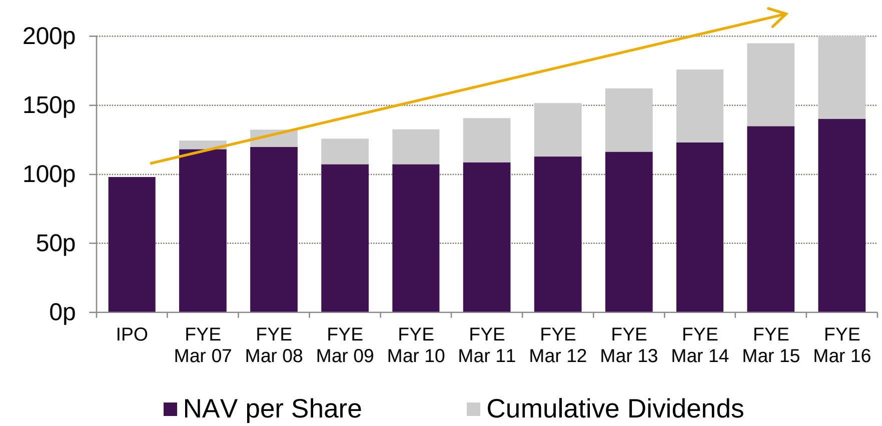
Historic Performance

HICL Infrastructure

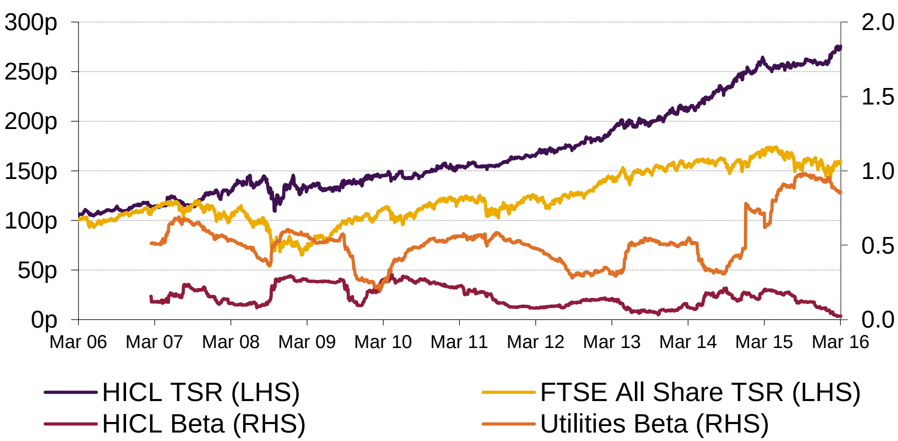
HICL has grown its dividend for last 10 years



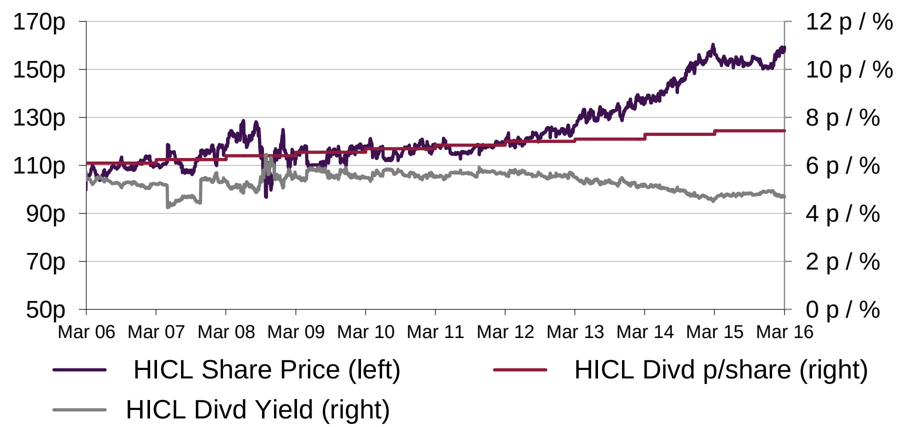
Total Return (NAV growth and dividends) of 9.7% p.a. since IPO



HICL has outperformed FTSE All Share while offering a low beta



Growing dividend has maintained a 4 - 6% yield



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

Appendix V

The Infrastructure Asset Class

What Defines Infrastructure

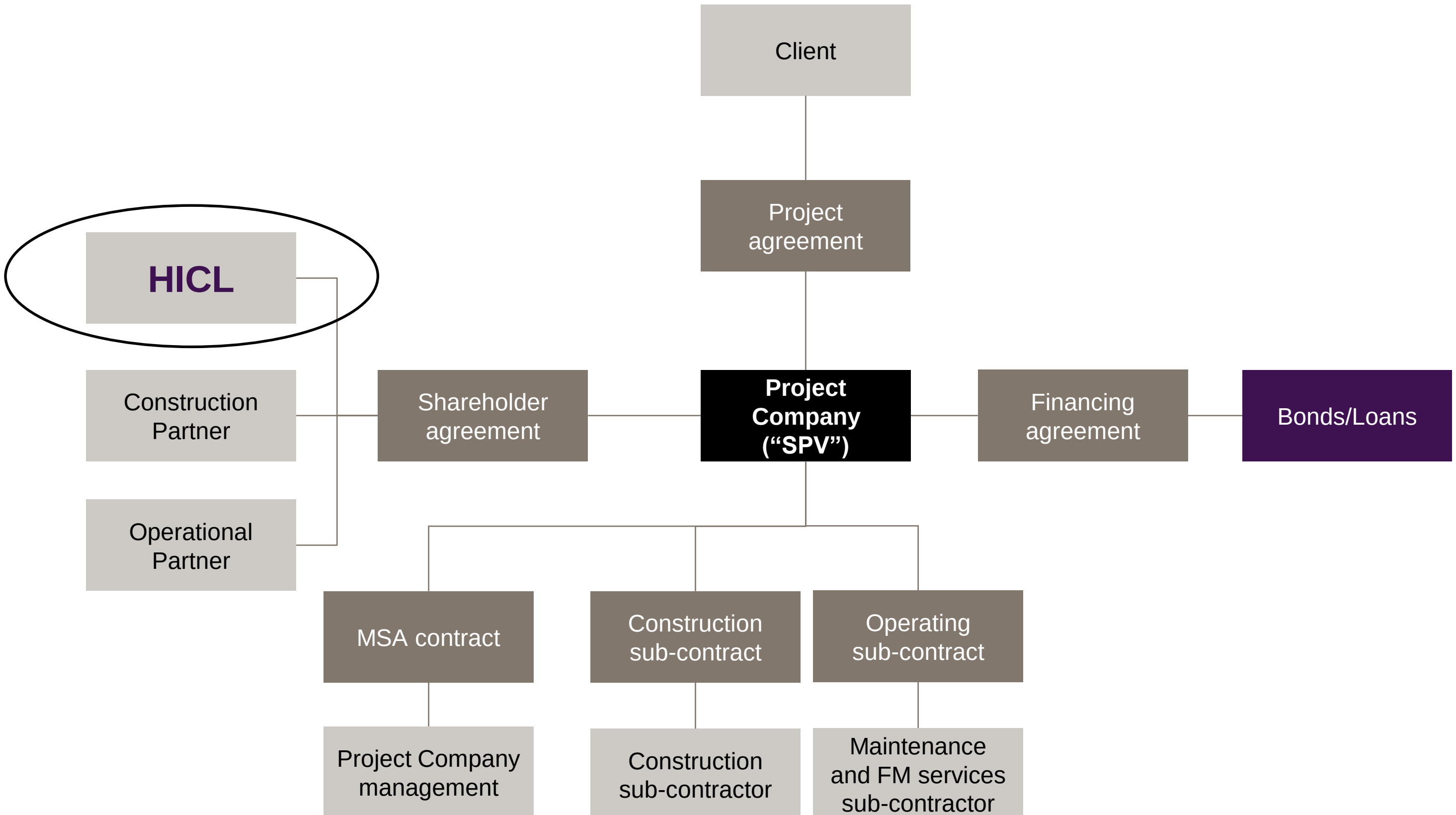
Low — Revenue risk — High

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

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

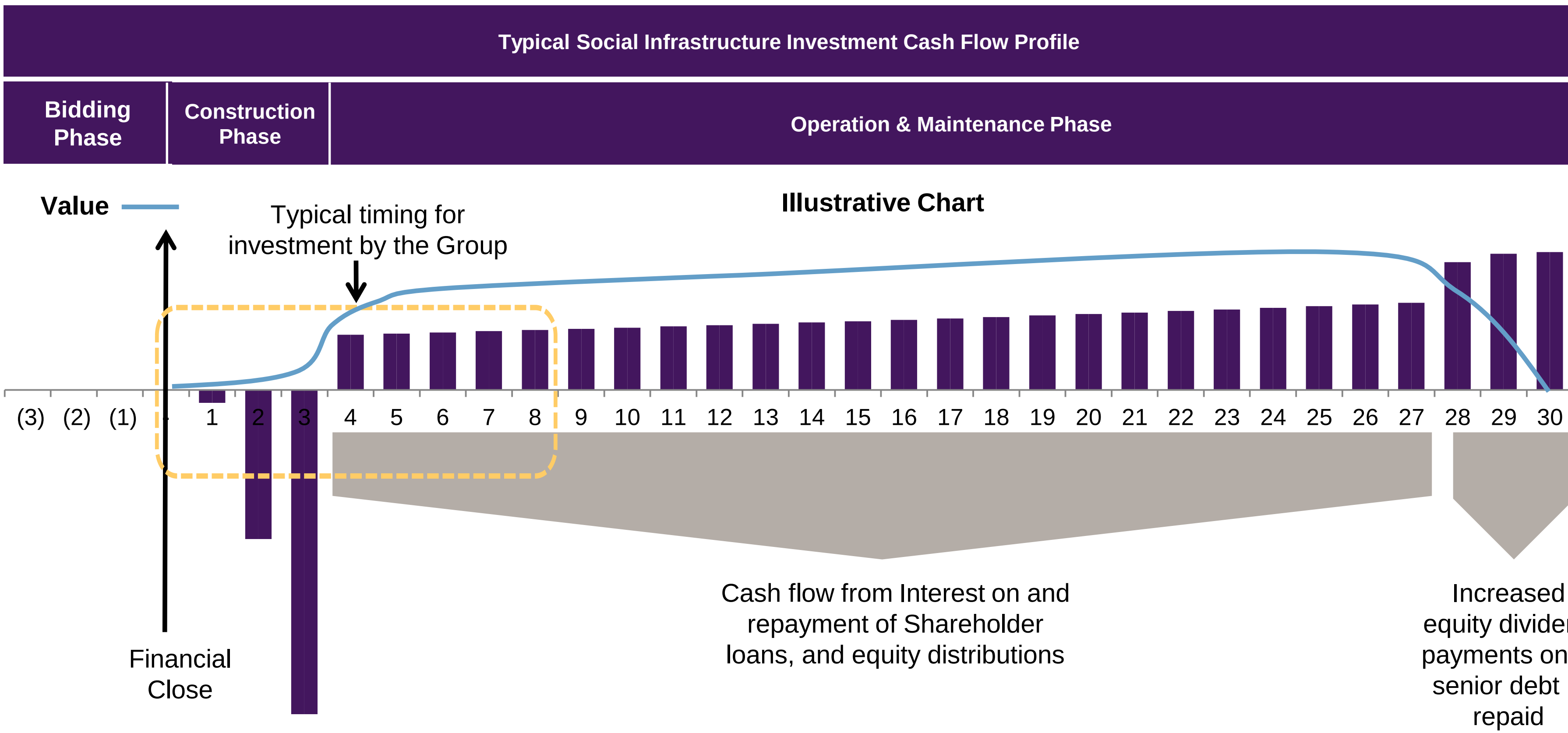
1. For a full list of risk factors please refer to pages 17-29 of HICL’s New Ordinary Share Prospectus dated 26 February 2013

Typical Infrastructure Project Structure



Illustrative Investment Cashflow Profile over a Project's Life

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

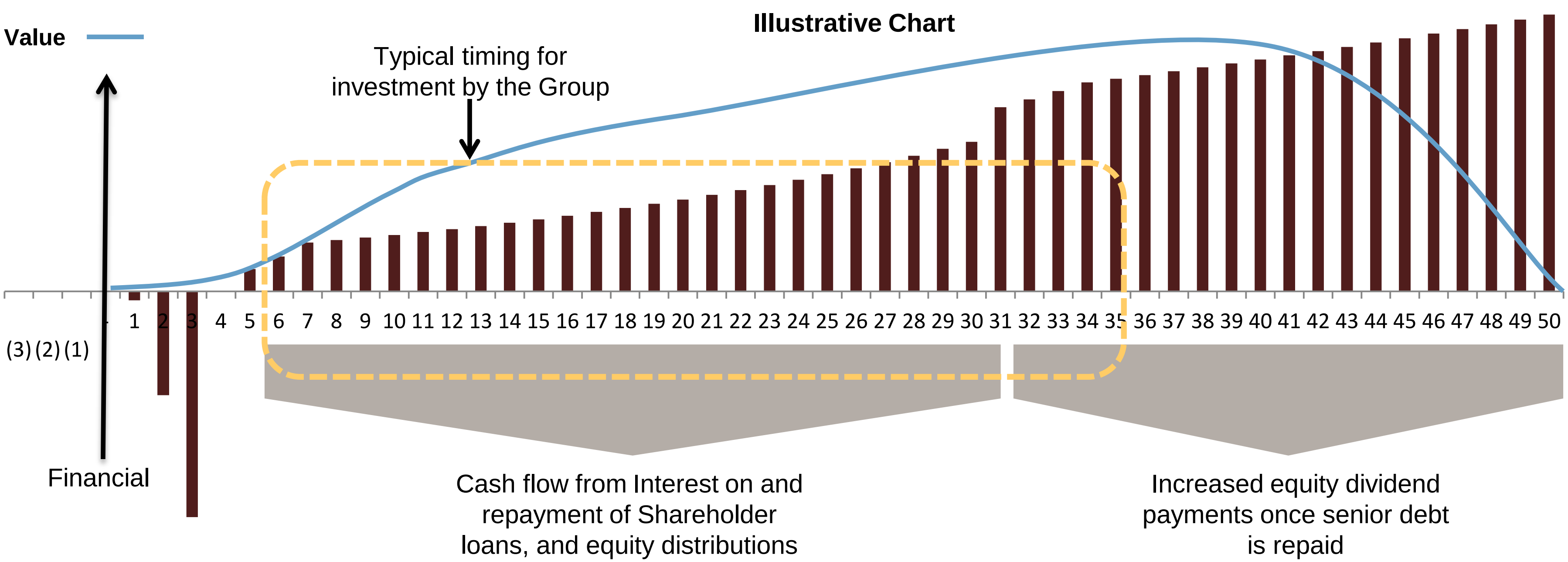


Illustrative Investment Cashflow Profile over a Project's Life

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

Typical Toll Road Investment Cash Flow Profile

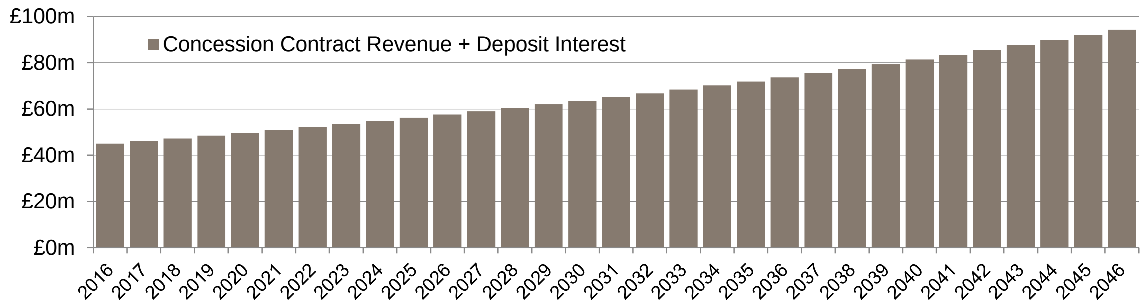
Bidding Phase	Construction Phase	Ramp-Up	Operation & Maintenance (Steady State)



Valuation – Methodology

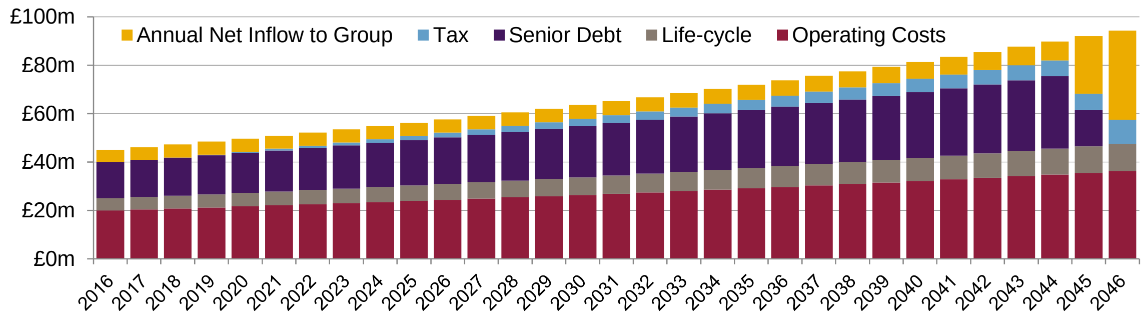
Determining the net asset value of the portfolio and the Group (illustrative example)

Forecast Project Inflows



less

Forecast Project Outflows



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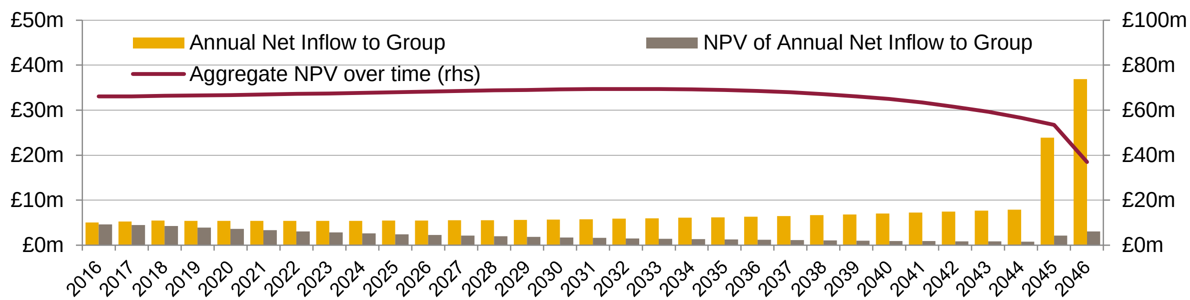
Net Inflow from Project to HICL



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