

HICL Infrastructure Company Limited

Introductory Presentation – HICL Overview, the Investment Adviser & Recent Performance

Summer 2016



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Past performance is not a reliable indicator of future performance.

Contents

Section	Slide No.
Investment Adviser	4
Infrastructure as an Asset Class	7
HICL - Overview	13
HICL - Portfolio	21
Portfolio Valuation	29
Market Conditions and Outlook	36
Recent Performance – FYE 31 March 2016	40

Investment Adviser

Birmingham New Hospitals, UK

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	£2,212¹	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



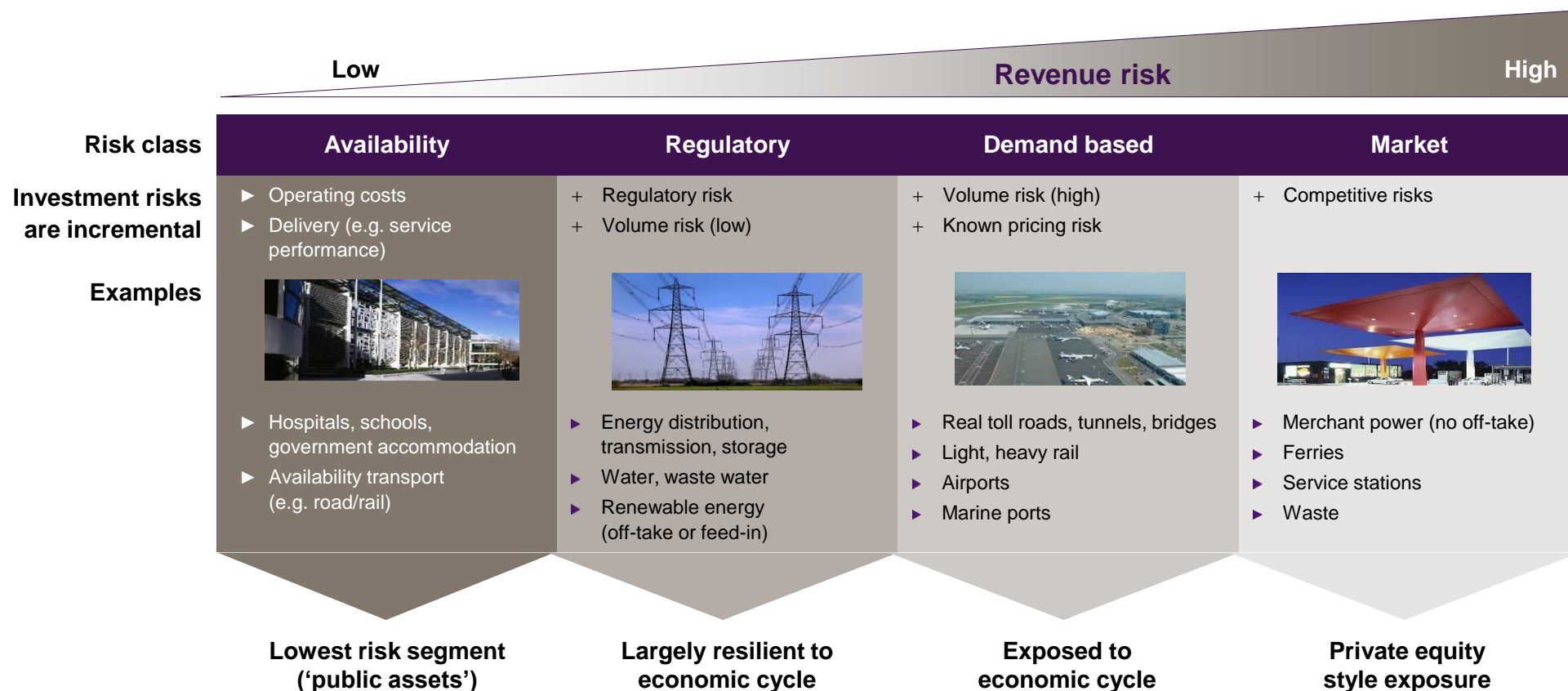
- ▲ Experienced infrastructure professionals with proven track record in target markets of UK, Europe, North America, Australia and New Zealand
- ▲ Well established and respected team
 - Additional resources added recently
 - Part of a wider infrastructure team of 60 professionals
- ▲ Detailed, 'tried 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



Infrastructure as an Asset Class

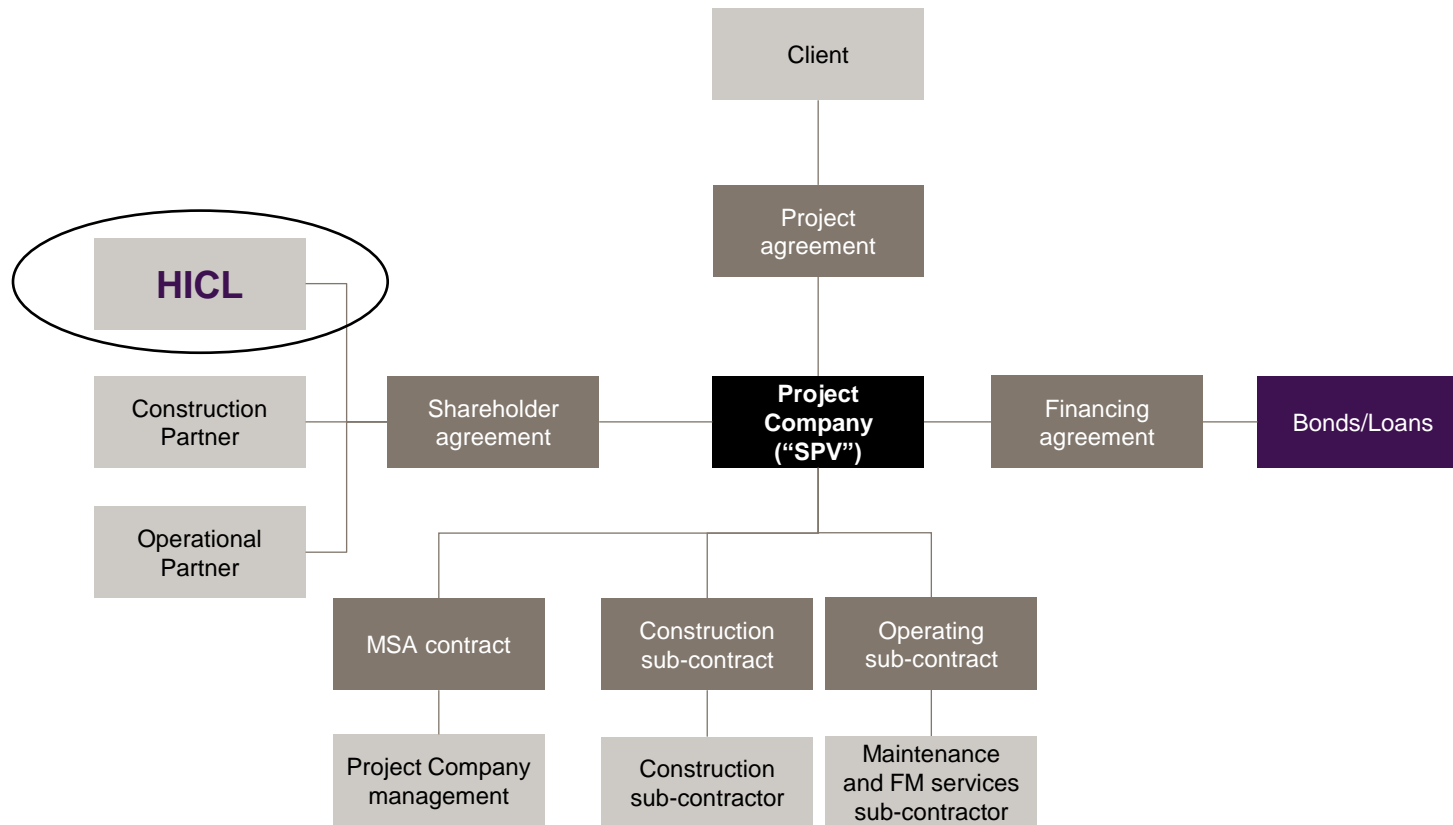
Helicopter Training Facility, UK

What Defines Infrastructure



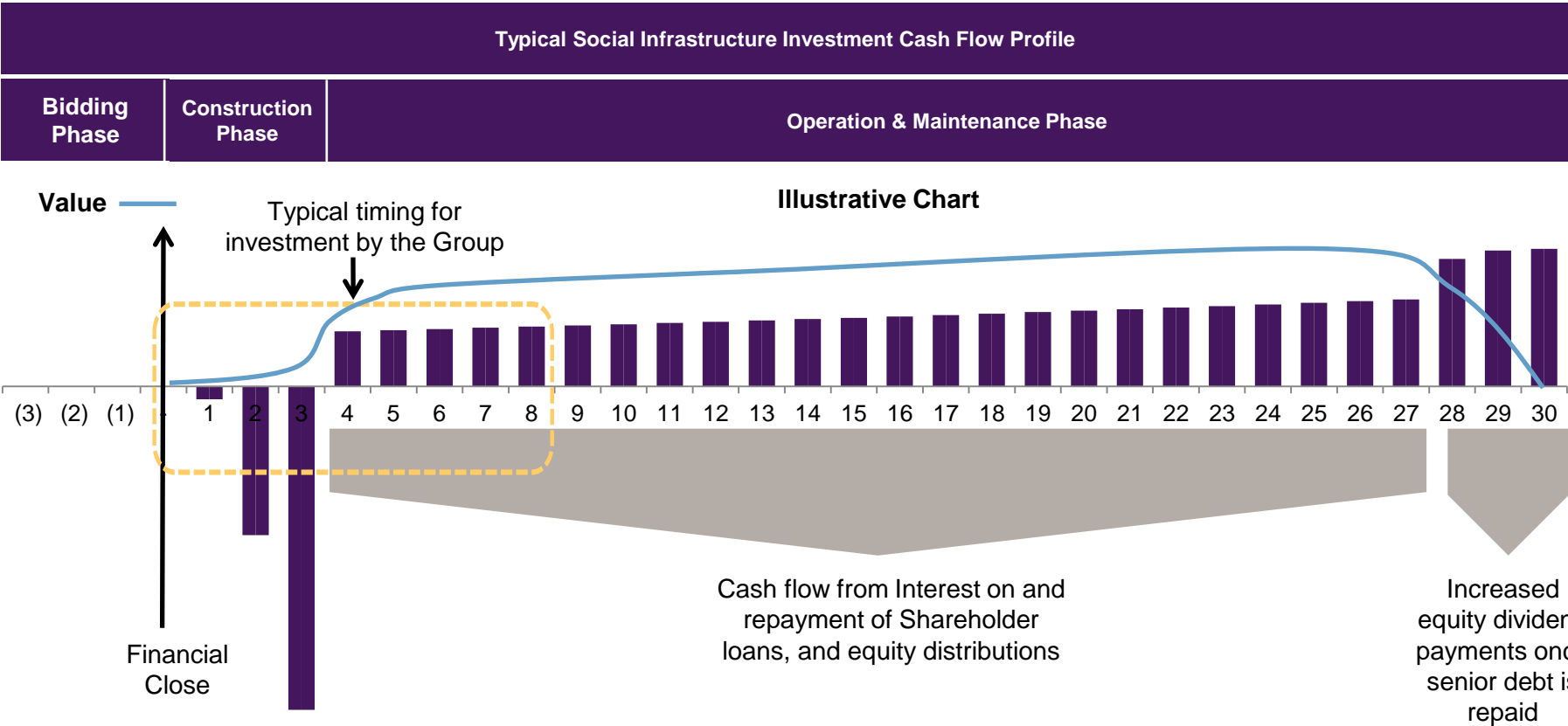
▲ Revenue risk is also heavily influenced by factors such as geographic jurisdiction and whether a project is operational or still under construction¹

Typical Infrastructure Project Structure



Illustrative Investment Cashflow Profile over a Project's Life

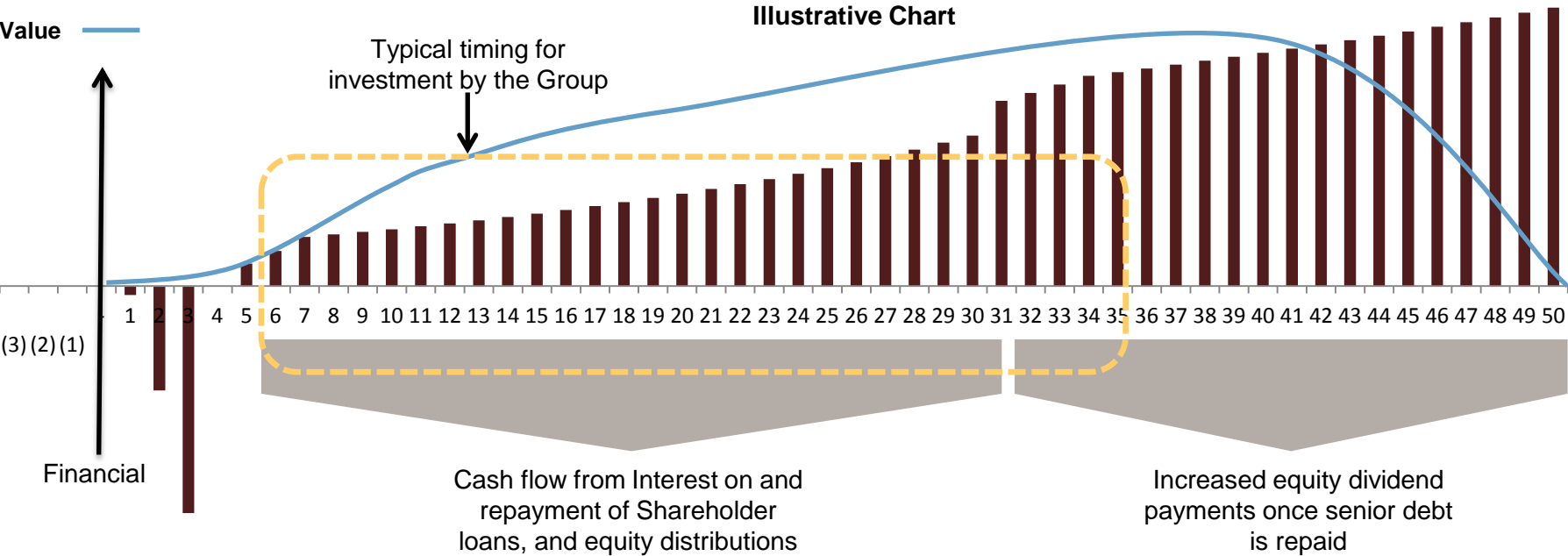
Example: Social infrastructure return derived from an 'availability' revenue stream



Illustrative Investment Cashflow Profile over a Project's Life

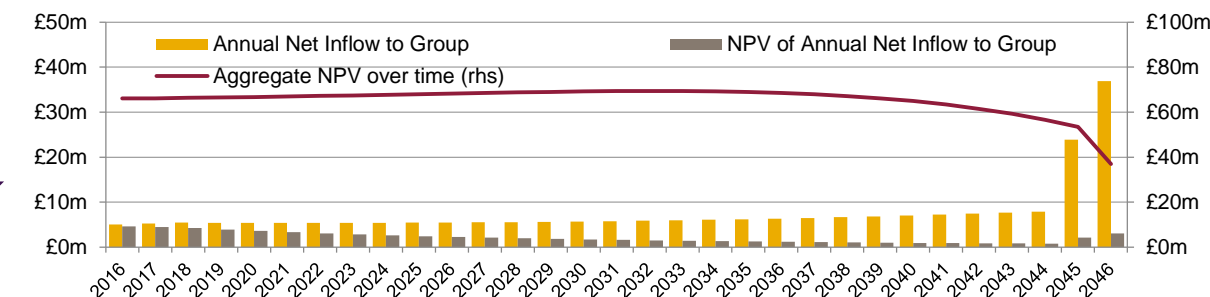
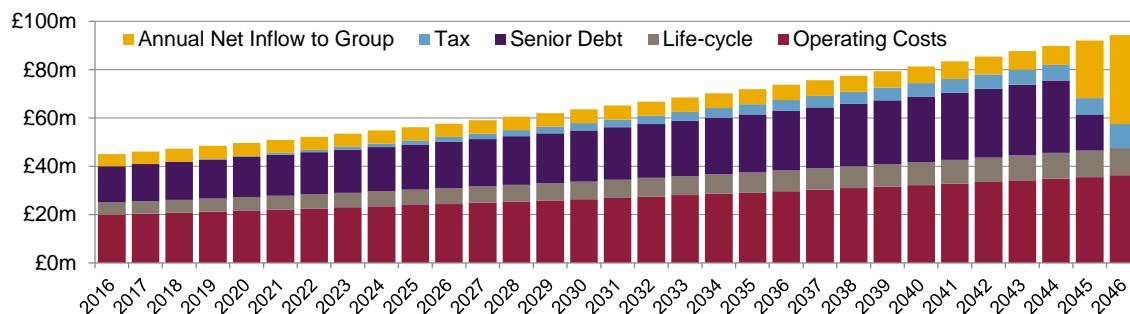
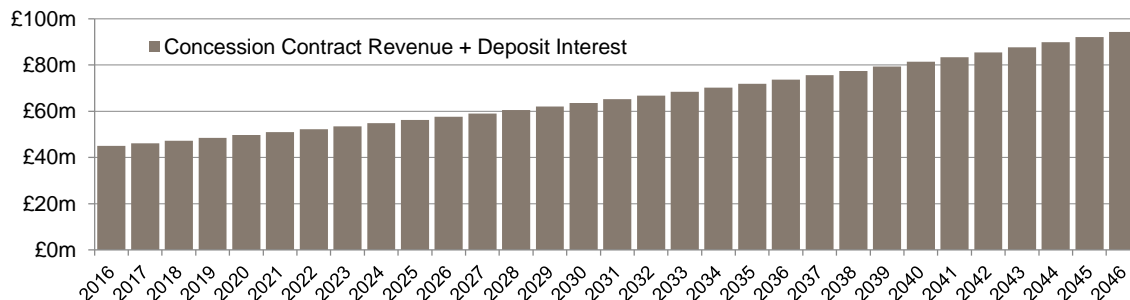
Example: Toll road return derived from a 'demand' revenue stream

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)



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

HICL - Overview

Birmingham New Hospitals, UK

HICL's Characteristics



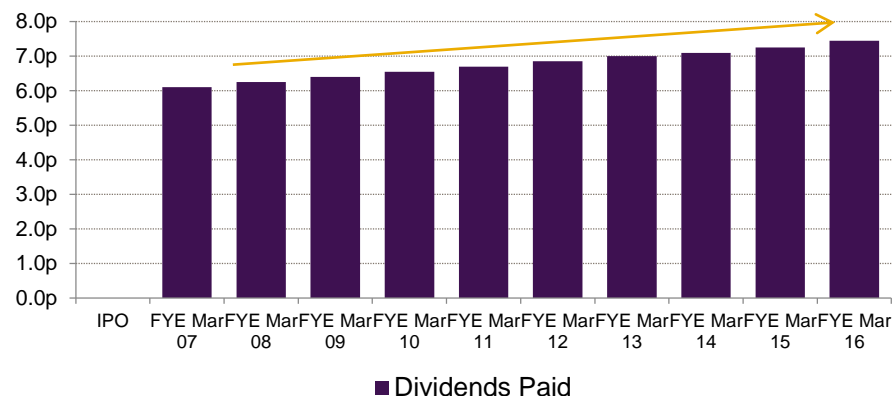
Mandate	<ul style="list-style-type: none">▲ To generate long-term, stable income from infrastructure assets▲ Focused on infrastructure projects at lower end of risk spectrum, generating inflation-linked returns
History	<ul style="list-style-type: none">▲ Tenth anniversary and ninth successive year of dividend growth▲ First infrastructure investment company to list on the main market of the London Stock Exchange
Portfolio	<ul style="list-style-type: none">▲ 104 investments (98 operational, five in construction and one conditional acquisition)▲ Assets spread across five sectors and six territories
Net Asset Value	<ul style="list-style-type: none">▲ Directors' Valuation of £2,030.3m¹ at 31 March 2016 (31 March 2015: £1,732.2m¹)▲ 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%)
Return & Performance	<ul style="list-style-type: none">▲ Prospective yield of 4.7%²; Total Return² of 9.7% p.a. (NAV basis) and 10.7% p.a. (share price basis)▲ Low volatility and low correlation (0.1 beta) to the broader equity markets
Structure	<ul style="list-style-type: none">▲ Closed-ended investment company registered in Guernsey, with premium listing on LSE▲ Independent board comprises seven non-executive Directors▲ Investment Adviser is InfraRed Capital Partners, a leading global infrastructure investment manager
Fees and ongoing charges	<ul style="list-style-type: none">▲ Blended annual management fee based on portfolio's Adjusted Gross Asset Value (GAV)▲ Ongoing Charges Ratio (as defined by AIC) of 1.12% (31 March 2015: 1.14%)
Liquidity	<ul style="list-style-type: none">▲ £2,212m market capitalisation as at 31 March 2016 (31 March 2015: £1,984m)▲ 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)

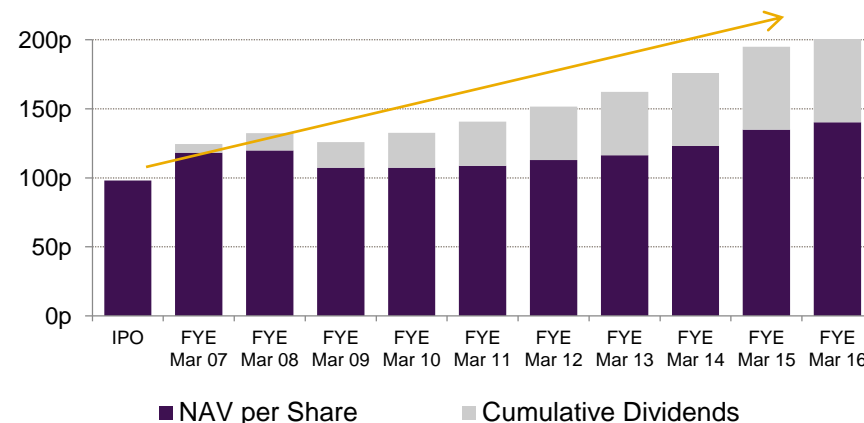
2. Prospective yield based on 31 March 2016 share price and 2016-17 dividend target. Total Return measured from IPO to 31 March 2016, vs the target long term total return of 7-8% p.a. (set at IPO)

Historic Performance

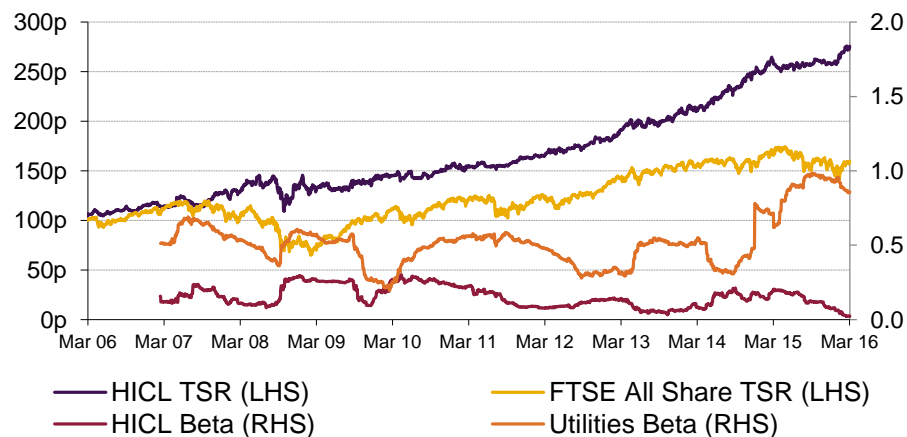
HICL has grown its dividend for last 10 years



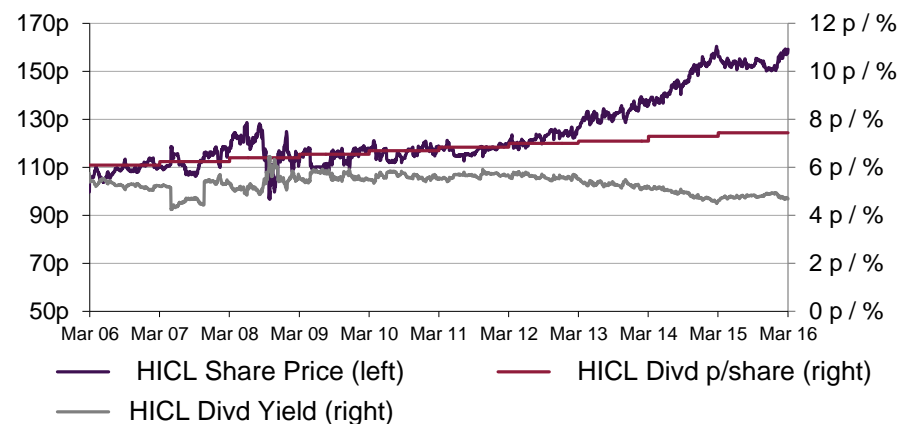
Total Return (NAV growth and dividends) of 9.7% p.a. since IPO



HICL has outperformed FTSE All Share while offering a low beta



Growing dividend has maintained a 4 - 6% yield



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 Directors¹

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

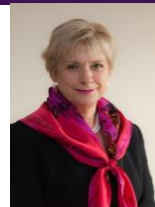


Frank, a UK resident, is a qualified accountant and has over 25 years of experience in the construction, contracting, housebuilding and energy sectors. He was Finance Director of construction and house-building group Galliford Try

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).

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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; Graham Picken and John Hallam will be retiring from the Board on 30 June 2016, following over 10 years of service. The Board are currently seeking to recruit up to two further independent Directors and will announce further details when appointments are made

Manage existing portfolio:

- ▲ Value Preservation
 - Active asset management of the operational and financial performance of the portfolio to deliver the expected base case 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:

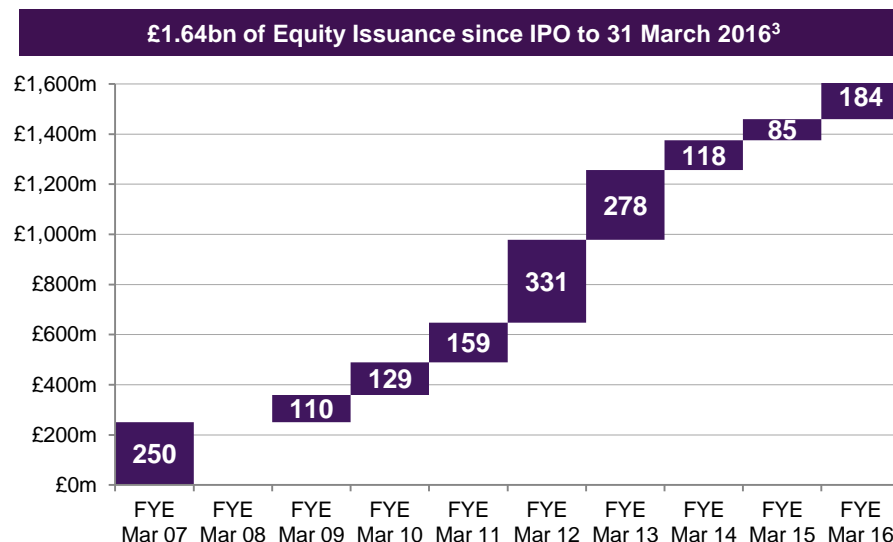
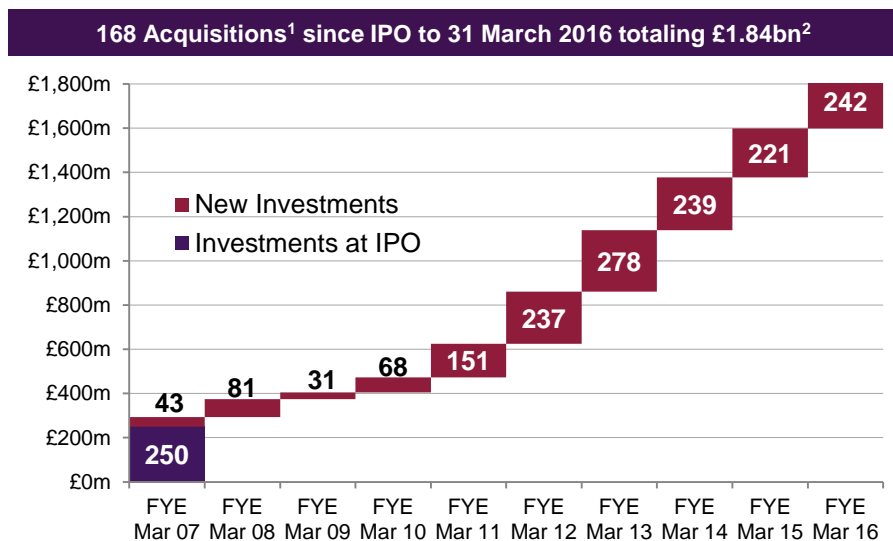
- ▲ PPP projects
 - Concession contracts with public sector clients, both operational and under construction
 - Availability-based revenues with inflation-linkage
- ▲ Of interest, if risk/return appropriate:
 - Demand risk assets: good inflation correlation and duration (e.g. toll roads, student accommodation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



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

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
	<ul style="list-style-type: none">▲ From 15 to 100+ investments▲ Value accretive▲ Further diversification:<ul style="list-style-type: none">▪ Territories (2 to 6)▪ Asset concentration<ul style="list-style-type: none">– 2016: 10 largest = 39% value; single largest = 6%– 2006: 3 largest > 50% value
Complementary Acquisitions	
Total Shareholder Return: 7-8% p.a. over long-term (set at IPO)	<ul style="list-style-type: none">▲ 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 2016¹
Dividend Growth: 7p/share in 7–10 years from IPO	<ul style="list-style-type: none">▲ 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

The image shows a large, modern interior space, likely a lobby or common area. The walls are a mix of light-colored wood paneling and grey concrete. The ceiling is also wood-paneled with recessed lighting. In the foreground, there are several grey armchairs and a low wooden coffee table. To the left, a mounted bison head is on the wall. In the background, there's a glass-enclosed area, possibly a reception or service counter. On the right side, there's a red wall with the HICL Infrastructure logo and the Royal Canadian Mounted Police crest.

HICL - Portfolio

Royal Canadian Mounted Police 'E' Division Headquarters, Canada

HICL
Infrastructure



Current Portfolio

Portfolio of 104 investments as at 31 March 2016

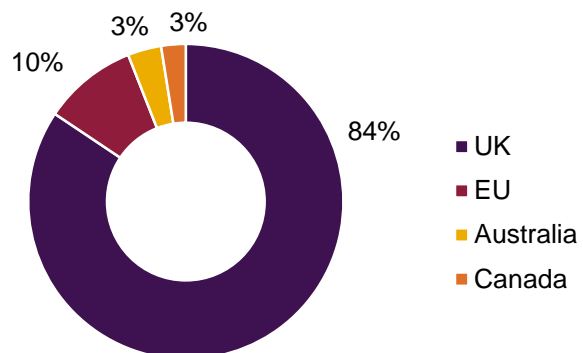
Education			Fire, Law & Order	Health		Accommodation	Transport
Barking & Dagenham Schools	Boldon School	Bradford Schools 1	Addiewell Prison	Barnet Hospital	Birmingham Hospitals	Allenby & Connaught MOD Accommodation	A249 Road
Bradford Schools 2	Conwy Schools	Cork School of Music	Dorset Fire & Rescue	Birmingham & Solihull LIFT	Bishop Auckland Hospital	AquaSure Desalination Plant	A63 Motorway
Croydon School	Darlington Schools	Defence Sixth Form College	D & C Firearms Training Centre	Blackburn Hospital	Blackpool Primary Care Facility	Health & Safety Headquarters	A92 Road
Derby Schools	Ealing Schools	Ecole Centrale Supelec	Exeter Crown & County Court	Brentwood Community Hospital	Brighton Hospital	Home Office	Connect PFI
Edinburgh Schools	Falkirk Schools NPD	Fife Schools	Gloucester Fire & Rescue	Central Middlesex Hospital	Doncaster Mental Health Hospital	Miles Platting Social Housing	Dutch High Speed Rail Link
Fife Schools 2	Haverstock School	Health & Safety Labs	Greater Manchester Police Stations	Ealing Care Homes	Glasgow Hospital	Newcastle Libraries	Kicking Horse Canyon P3
Helicopter Training Facility	Highland Schools PPP	Irish Grouped Schools	Medway Police	Lewisham Hospital	Medway LIFT	Northwood MoD HQ	M80 Motorway DBFO
Kent Schools	Manchester School	Newham BSF Schools	Metropolitan Police Training Centre	Newton Abbot Hospital	Nuffield Hospital	Oldham Library	N17/N18 Road
Newport Schools	North Tyneside Schools	Norwich Schools	Nth. European project (details subject to NDA)	Oxford Churchill Oncology	Oxford John Radcliffe Hospital	Royal School of Military Engineering	NW Anthony Henday P3
Oldham Schools	Perth & Kinross Schools	PSBP NE Batch	Royal Canadian Mounted Police HQ	Pinderfields & Pontefract Hospitals	Queen Alexandra Hospital	University of Sheffield Accommodation	RD901
Renfrewshire Schools	Rhondda Schools	Salford & Wigan BSF Phase 1	South East London Police Stations	Redbridge & Waltham Forest LIFT	Romford Hospital	Partial disposal since 31 March 2015 Incremental stake acq'd since 31 March 2015	Portfolio as at 31 March 2015
Salford & Wigan BSF Phase 2	Sheffield Schools	Sheffield BSF Schools	Sussex Custodial Centre	Salford Hospital	Sheffield Hospital		Sold (entire interest) since 31 March 2015
South Ayrshire Schools	University of Bourgogne	West Lothian Schools	Tyne & Wear Fire Stations	Southmead Hospital	South West Hospital, Enniskillen		New investment since 31 March 2015
Wooldale Centre for Learning			Zaanstad Prison	Staffordshire LIFT	Stoke Mandeville Hospital		
				Tameside General Hospital	West Middlesex Hospital		
				Willesden Hospital			

Key:

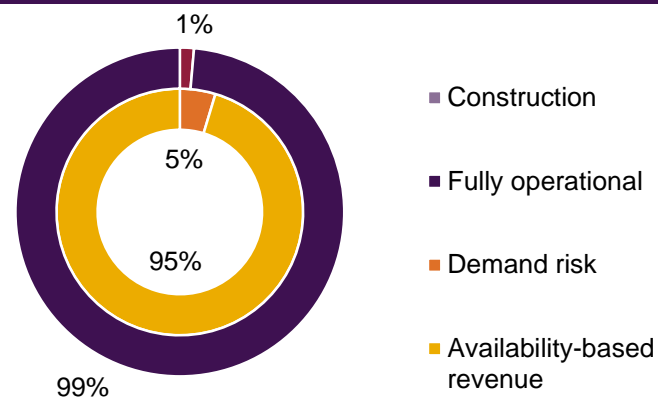
Portfolio Characteristics

As at 31 March 2016

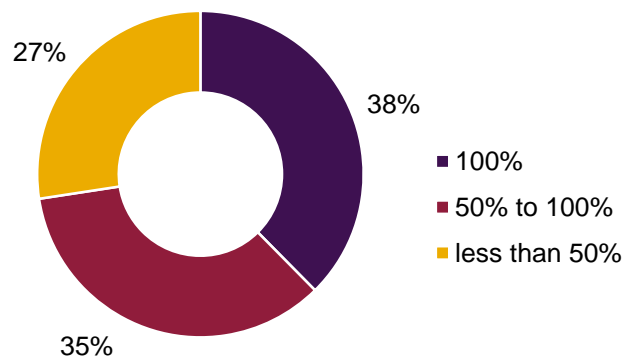
Geographic Location



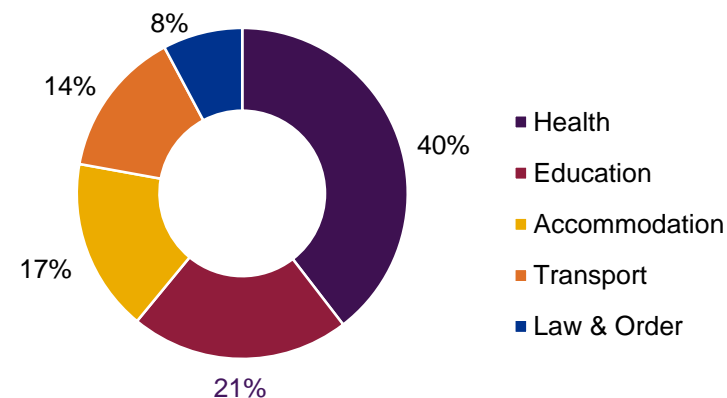
Investment Status



Ownership Analysis



Sector



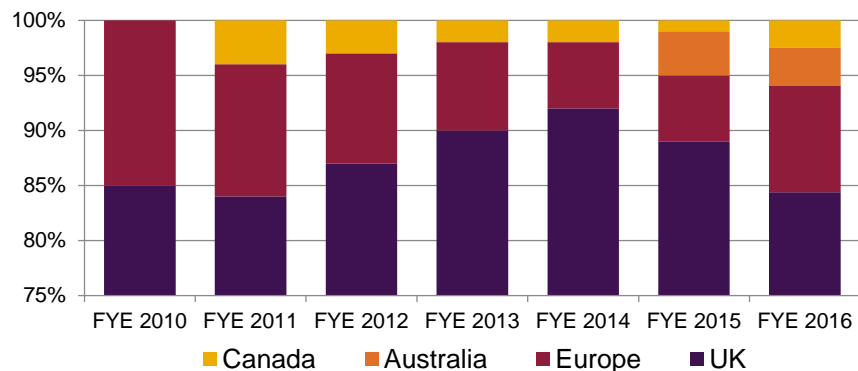
1. All charts are by value, as at 31 March 2016, using Directors' (gross) valuation of £2,030.3m (i.e. including future investment commitments)

2. Figures in charts may not sum to 100% due to rounding

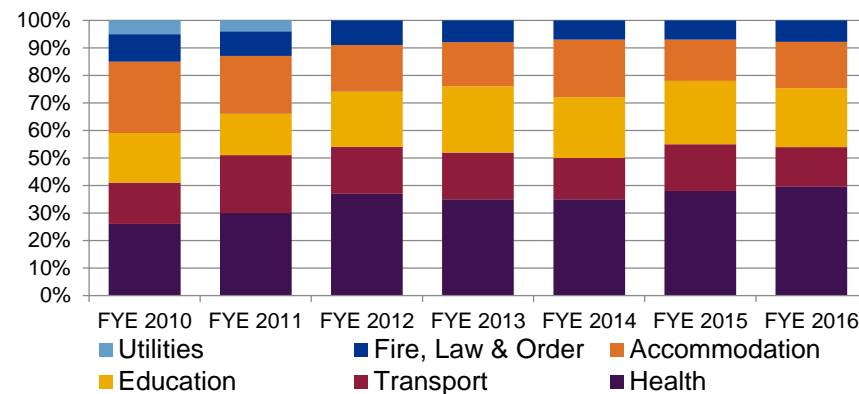
Current Portfolio – Key Attributes

Evolution of the Group's portfolio – last 6 years to 31 March 2016¹

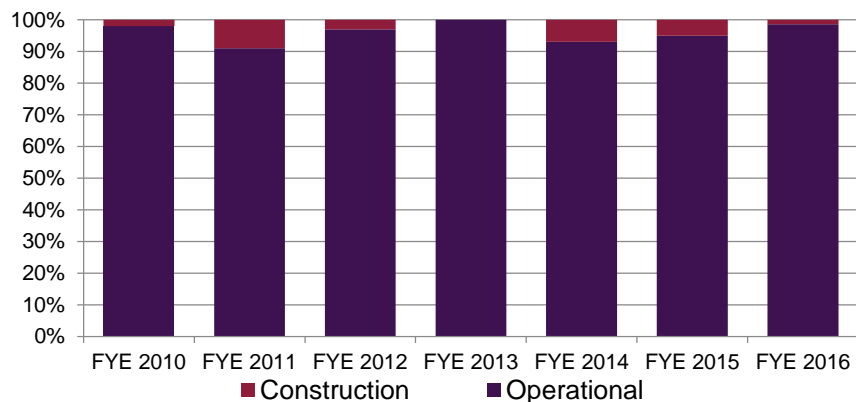
Geographically spread portfolio



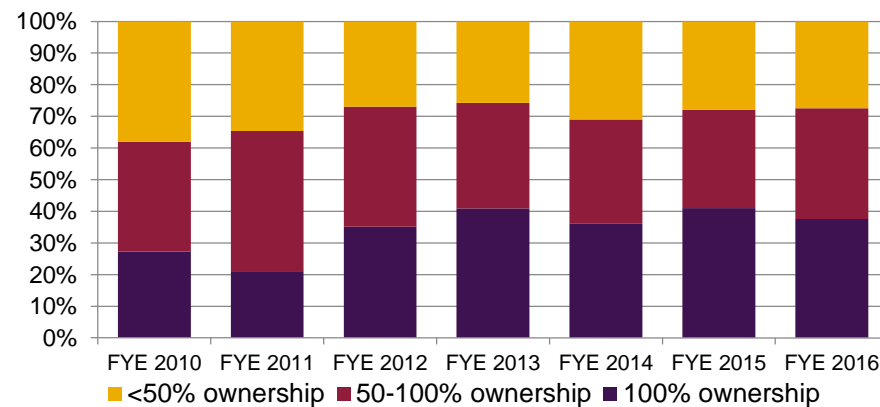
Good sector spread



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)

The Portfolio, Performance and Asset Management

104 investments¹ at 31 March 2016, valued at £2,030.3m²

- ▲ 10 largest assets represent 39% of portfolio by value

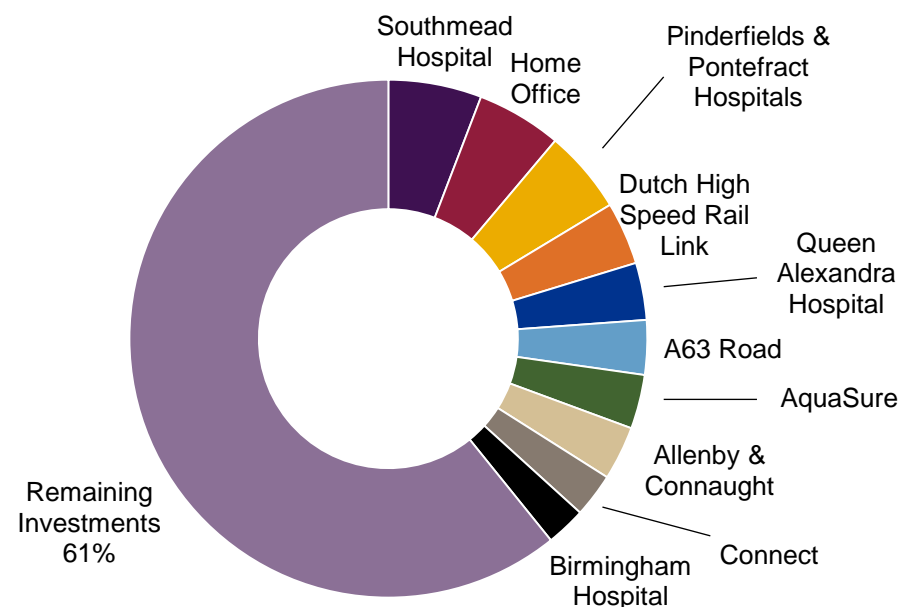
Weighted average concession life of 21.5 years (21.4 years at 31 March 2015)

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

▲ General approach and background

- Value Preservation: Active and regular engagement with all project stakeholders
- Value Enhancement: Continue to work with clients and contractors to drive cost efficiencies and utilise lessons learnt from project to project; in addition, leveraging Group's scale to implement portfolio-wide initiatives aimed at efficiency
- Continuing implementation and refinement of ESG principles within project companies

▲ Five projects under construction as at 31 March 2016 (three projects reached completion in FYE 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 including refinancing Group and project-level debt arrangements and retendering insurance portfolio

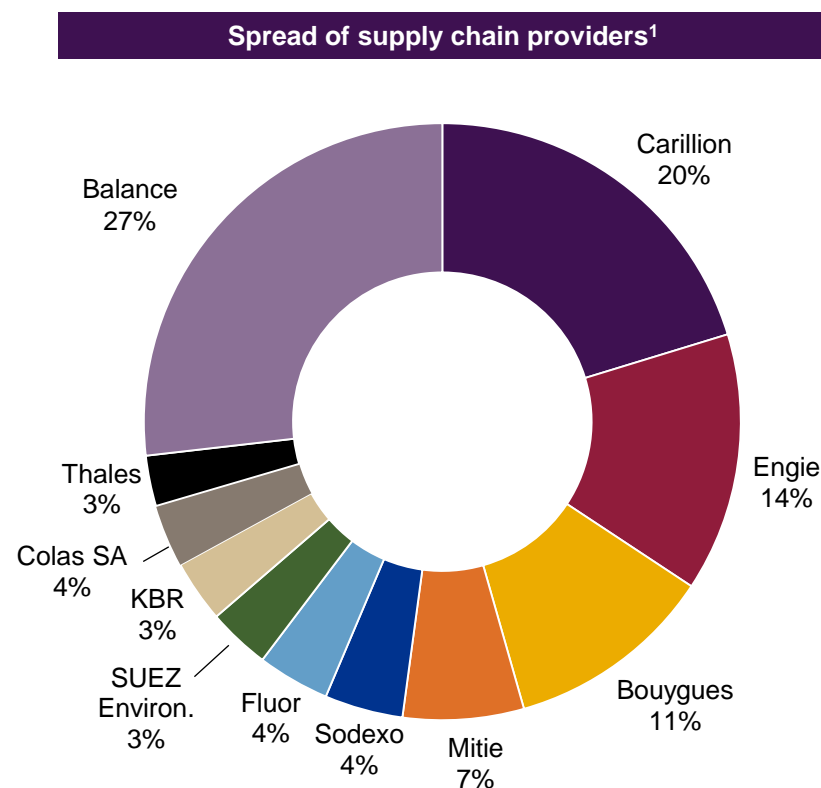
▲ Contract variations underway at a number of projects

- 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 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



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

Principal Risks and Uncertainties

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

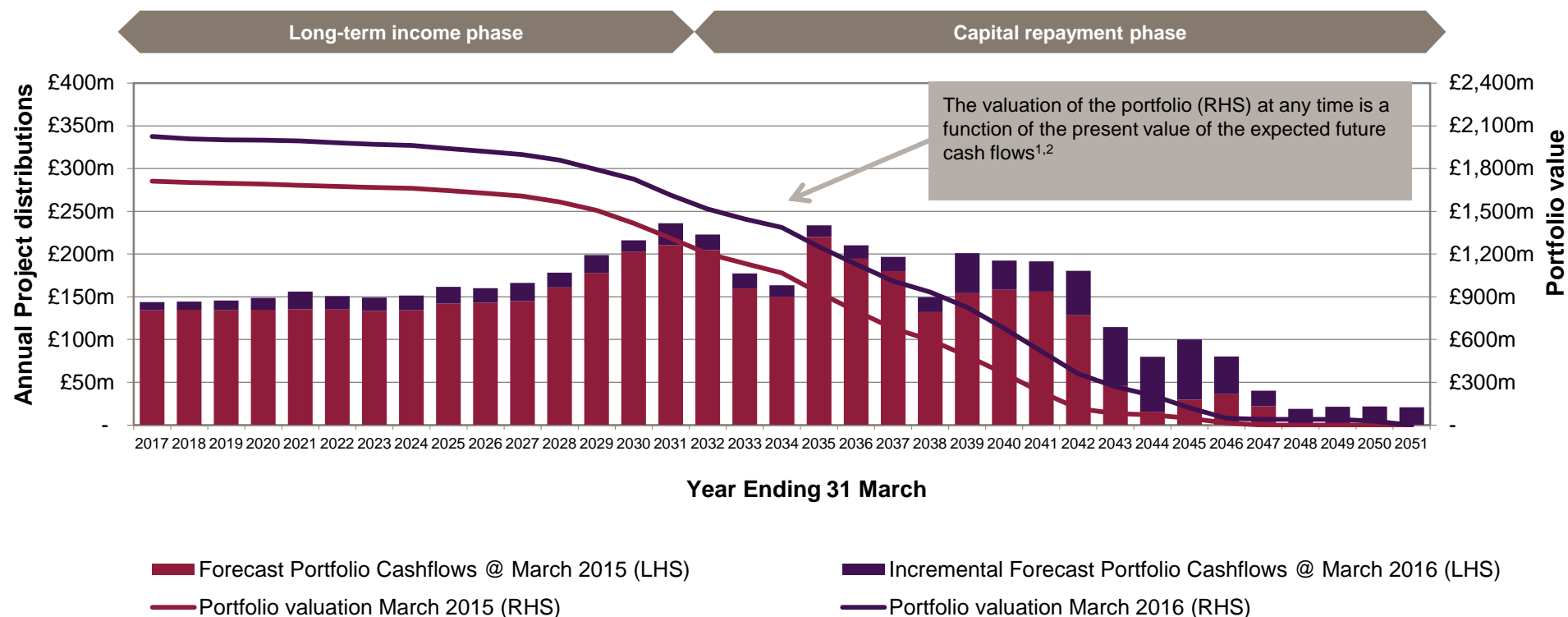
- ▲ Minimal operational impact expected; effects would likely be macroeconomic (e.g. Sterling fluctuation / impact on UK Gilt yields)
- ▲ Board believes the Company’s investment proposition remains attractive in a period of uncertainty

Justitieel Complex Zaanstad

Portfolio Valuation

Zaanstad Penitentiary, The Netherlands

Portfolio Overview - Cashflow Profile¹

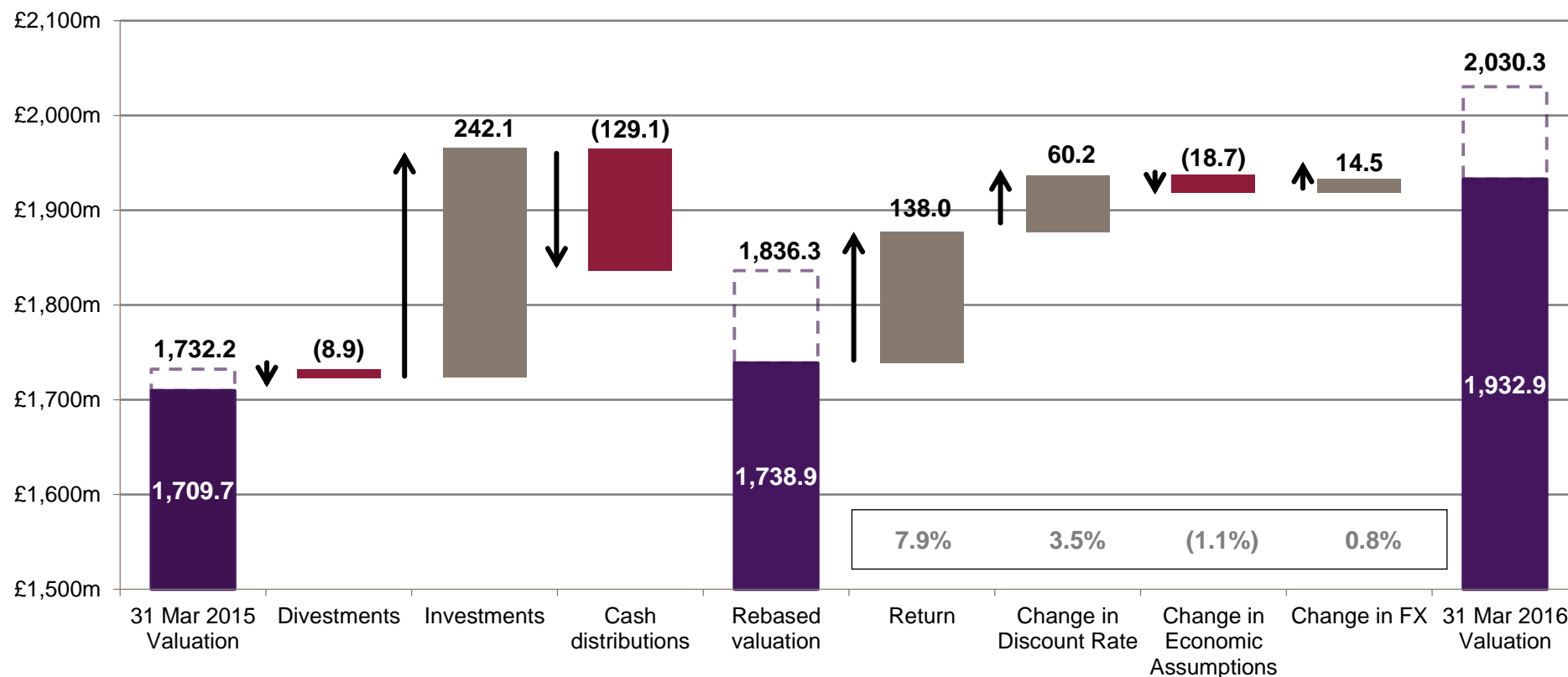


Source: Investment Adviser

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

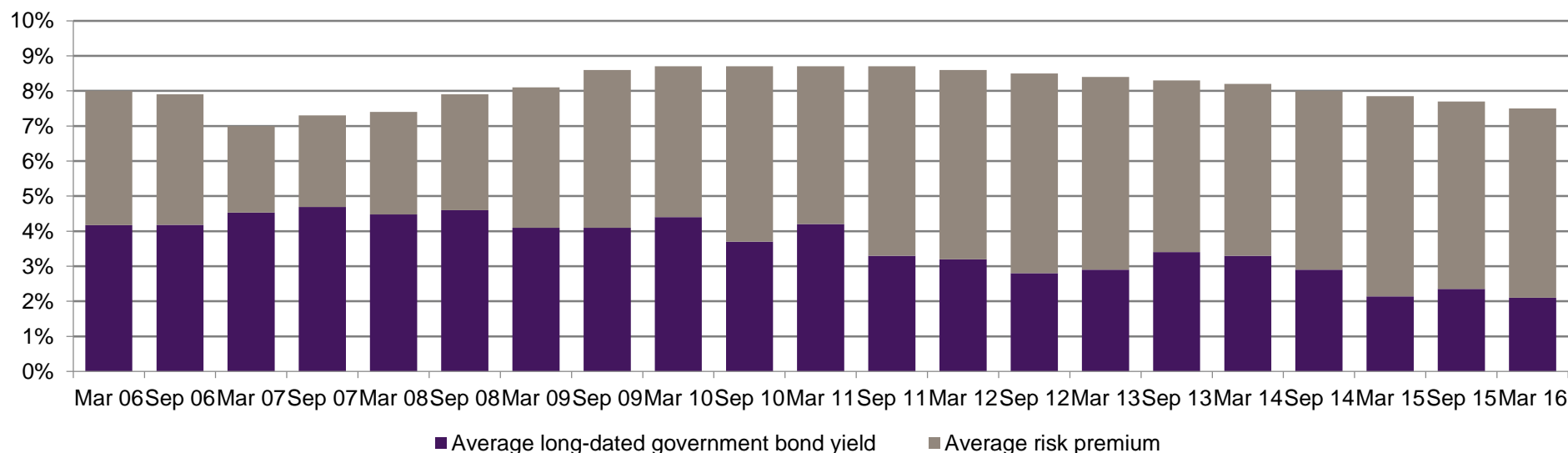
Discount Rate Analysis

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%
Portfolio¹	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

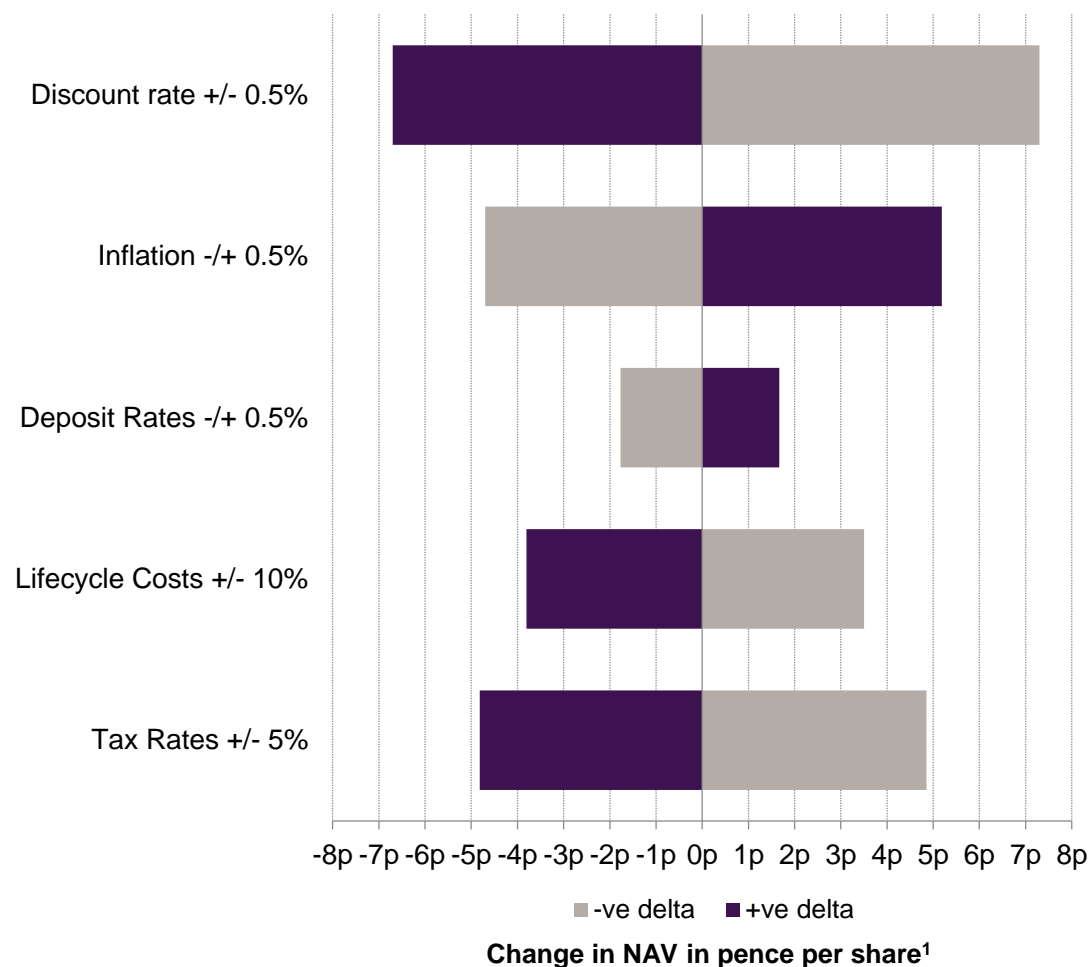
		Movement	31 March 2016	31 March 2015
Discount Rate	Weighted Average		7.5%	7.9%
	UK (RPI ² & RPIx ²)		2.75%	2.75%
Inflation¹ (p.a.)	Eurozone (CPI)	 (exc. EU)	1.0% until 2018, thereafter 2.00%	0.0% until 2017, thereafter 2.00%
	Canada (CPI)		2.00%	2.00%
	Australia (CPI)		2.50%	2.50%
Deposit Rates (p.a.)	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		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



- ▲ 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 return² 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

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 - market quotation

- ▲ Not currently applicable

Market Conditions and Outlook

Radclyffe School (Oldham Schools), UK

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

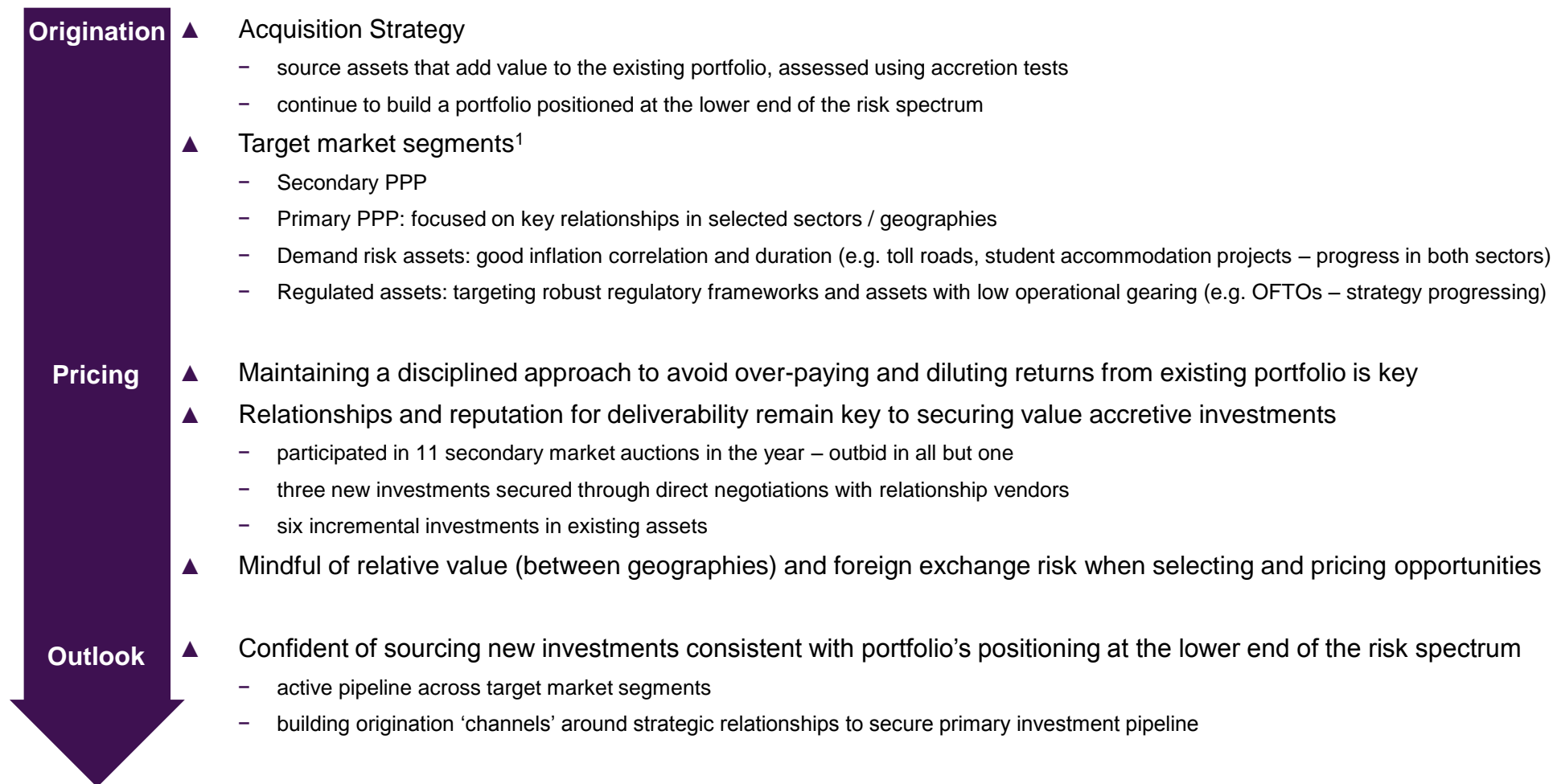
- ▲ Increase in secondary market deal flow across several countries e.g. Spain, France, Ireland, Holland and Portugal
- ▲ Primary activity in a small number of markets
- ▲ Leveraging relationships in target countries

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



Concluding Remarks

Delivering Real Value

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

Recent Performance – FYE 31 March 2016

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

Key Financial Achievements

Financial Year Ended 31 March 2016

Net Asset Value¹

142.2p / share

(2015: 136.7p / share)

Dividend – FYE March 16

7.45p / share

(2015: 7.30p / share)

Total Shareholder Return²

9.6% p.a.

(NAV/share + dividends reinvested basis)

Investments

£240.1m

(2015: £221.4m)

Dividend Targets³

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

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% TSR¹
- ▲ 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 investments² 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

Financial Year Ended 31 March 2016



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 value¹	£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

Financial Year Ended 31 March 2016



Cash Flow (year ended)	31 March 2016	31 March 2015
Opening net cash	£33.5m	£42.7m
Net Operating Cashflow¹	£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	£52.7m²	£33.5m
Dividend Cash Cover³	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.

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%	-
£240.1m²							

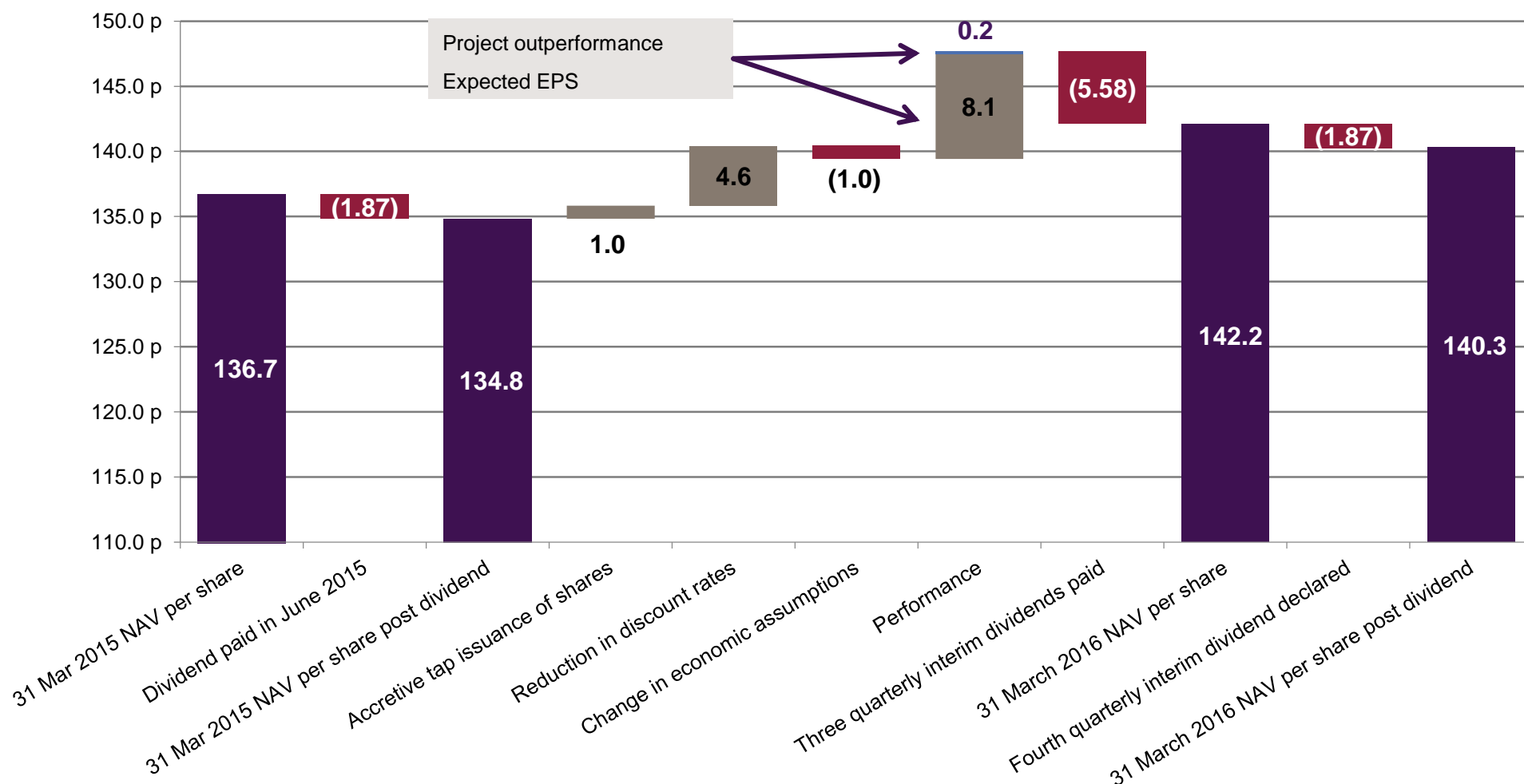
- ▲ Investments funded by three oversubscribed tap issues raising £178.2m and drawings under the revolving credit facility
- ▲ Two new investments post year end for £17.1m: M1-A1 Link Road (Lofthouse to Bramham) and Hinchingsbrooke Hospital projects

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

Analysis of Change in NAV per Share

Twelve months to 31 March 2016



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

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	1.19x²	1.34x²	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