HICL Infrastructure Company Limited

Annual Results Presentation: Year to 31 March 2017

24 May 2017

Agenda

Section	Page

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 the Company's Annual Report and Financial Statements for the year ended 31 March 2017 and in the Placing, Open Offer, Offer for Subscription and Intermediaries Offer of New Ordinary Shares – Prospectus 2017

All data is accurate at 31 March 2017 unless otherwise stated

Past performance is not a reliable indicator of future performance

Annual Results

Aquasure Desalination Plant, Melbourne, Australia

Highlights

For the year to 31 March 2017

HICL Infrastructure

149.0p
NAV per share

Increased by 6.8p (4.8%) from NAV per share of 142.2p at 31 March 2016

£2,380.0m
Directors' Valuation[1]

Value of the Company's investment portfolio up 17.2% in the year from £2,030.3m at 31 March 2016

10.3%
annual shareholder return[2]

based on interim dividends paid plus uplift in NAV per share in the year

7.65p
Dividend for the year to 31 March 2017

7.85p and 8.05p
Dividend guidance[3] for 2018 and 2019

£266.6m
new investments

10 new and five incremental investments[4]

£381.0m
equity capital raised

Through scrip issues, a tap issue in September 2016 and a Placing, Open Offer for Subscription and Intermediaries Offer in March 2017

1. On an Investment Basis and includes £32.5m of future commitments. On an IFRS basis investments at 'fair value through profit or loss' was £2,419.4m
2. On a NAV appreciation plus interim dividends paid basis
3. This is a target only and not a profit forecast. There can be no assurance that this target will be met
4. On an investment basis. On an IFRS basis investments were £375.7m

Highlights

For the year to 31 March 2017

HICL Infrastructure

Performance

- Portfolio performance exceeded expectations
- Robust cashflow

New Investments[1]

- 10 new and five follow-on investments committed in the year
- Total new investments of £266.6m
- Post year-end, £269m[2] Affinity Water acquisition – HICL's first UK regulated asset

Funding

- £381.0m of equity raised[3] through September 2016 tap issue and March 2017 prospectus fundraising, both oversubscribed
- Revolving credit facility increased to £300m during the year; and to £400m post year-end
- Current funding requirement of approximately £205m[4]

Board and Management

- Kenneth Reid and Simon Holden joined the Board of Directors; Sarah Evans retired at year-end
- Tony Roper is handing over day-to-day responsibility for leading InfraRed's activities in respect of HICL to Harry Seekings

Outlook and Pipeline

- InfraRed's approach remains consistent – assessing accretion across key metrics, with an emphasis on pricing discipline
- Acquisition strategy focused on opportunities at the lower end of the risk spectrum in target infrastructure market segments

Principal Target Markets

- PPP projects (social and transportation infrastructure)
- Regulated assets (e.g. electricity and gas transmission and distribution; district heating; water utilities)
- Demand-based assets (e.g. toll road concessions, student accommodation)

1. On and Investment Basis. On an IFRS basis investments were £375.7m
2. The Company has announced its intention to partially sell down to co-investors up to £25m of its investment in Affinity Water
3. Scrip dividends, September 2016 tap issue, March 2017 Placing, Open Offer, Offer for Subscription and Intermediaries Offer
4. Assumes completion of £25m partial sell down of Affinity Water investment

Summary Financials I

Figures presented on an Investment Basis[1]

Income Statement (year ended)	31 March 2017	31 March 2016
Total income	£207.6m	£182.9m
Fund expenses & finance costs	(£30.5m)	(£25.5m)
Profit before tax	£177.1m	£157.4m
Earnings per share[2]	**12.4p**	**11.9p**
Ongoing charges[3]	**1.06%**	**1.12%**

Balance Sheet (as at)	31 March 2017	31 March 2016
Investments at fair value[4]	£2,347.5m	£1,932.9m
NAV per share (before interim dividend)	149.0p	142.2p
Interim dividend	(1.9p)	(1.9p)
NAV per share (after interim dividend)	**147.1p**	**140.3p**

1. Investment Basis is the same basis as is applied in the 2016 Annual Report and Financial Statements which consolidates three corporate subsidiaries. See section 3.1 of the 2017 Annual Report and Financial Statements for further details
2. Earnings per share and NAV per share are the same under IFRS and Investment Basis
3. Calculated in accordance with Association of Investment Companies' guidelines
4. Directors' Valuation at 31 March 2017 of £2,380.0m net of £32.5m future investment commitments (March 2016: £2,030.3m, net of £97.4m)

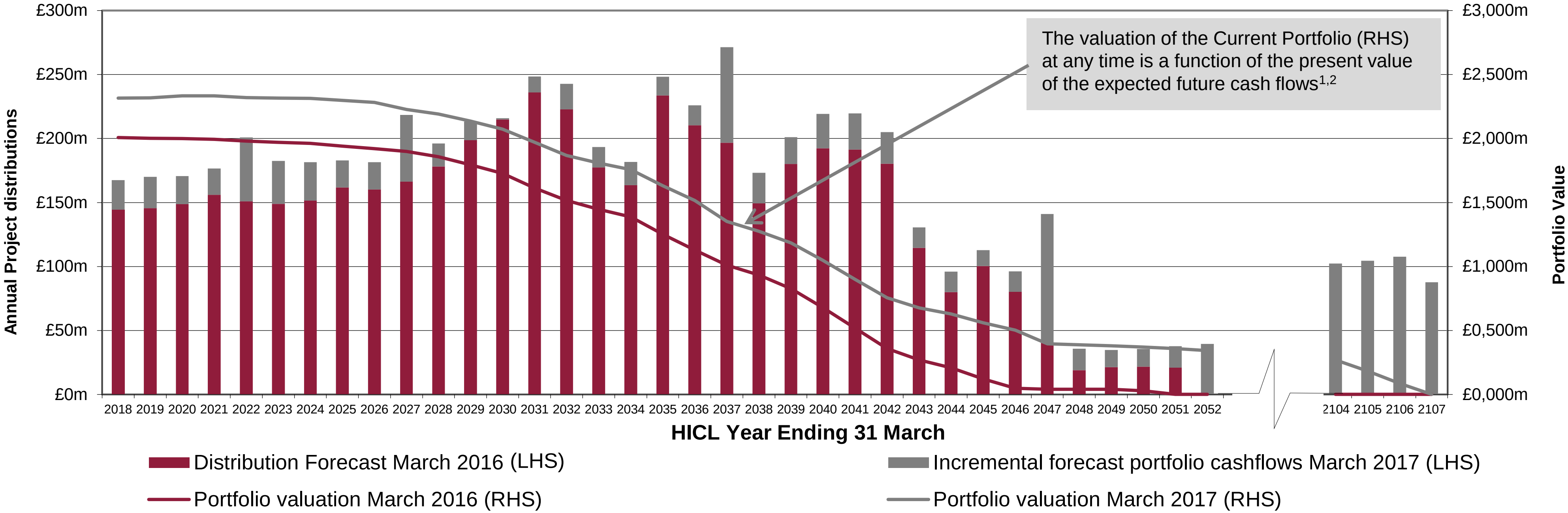
Summary Financials II

Figures presented on an Investment Basis[1]

Cashflow (year ended)	31 March 2017	31 March 2016
Opening net cash	£52.7m	£33.5m
Net operating cash flow	**£122.8m**	**£107.3m**[2]
Investments (net of disposals)	(£339.5m)	(£165.7m)
Equity raised (net of costs)	£369.7m	£176.8m
Forex movements and debt issue costs	(£22.9m)	(£6.2m)
Dividends paid	(£100.6m)	(£93.0m)
Net cash	**£82.2m**	**£52.7m**
Dividend cash cover	**1.22x**	**1.15x**

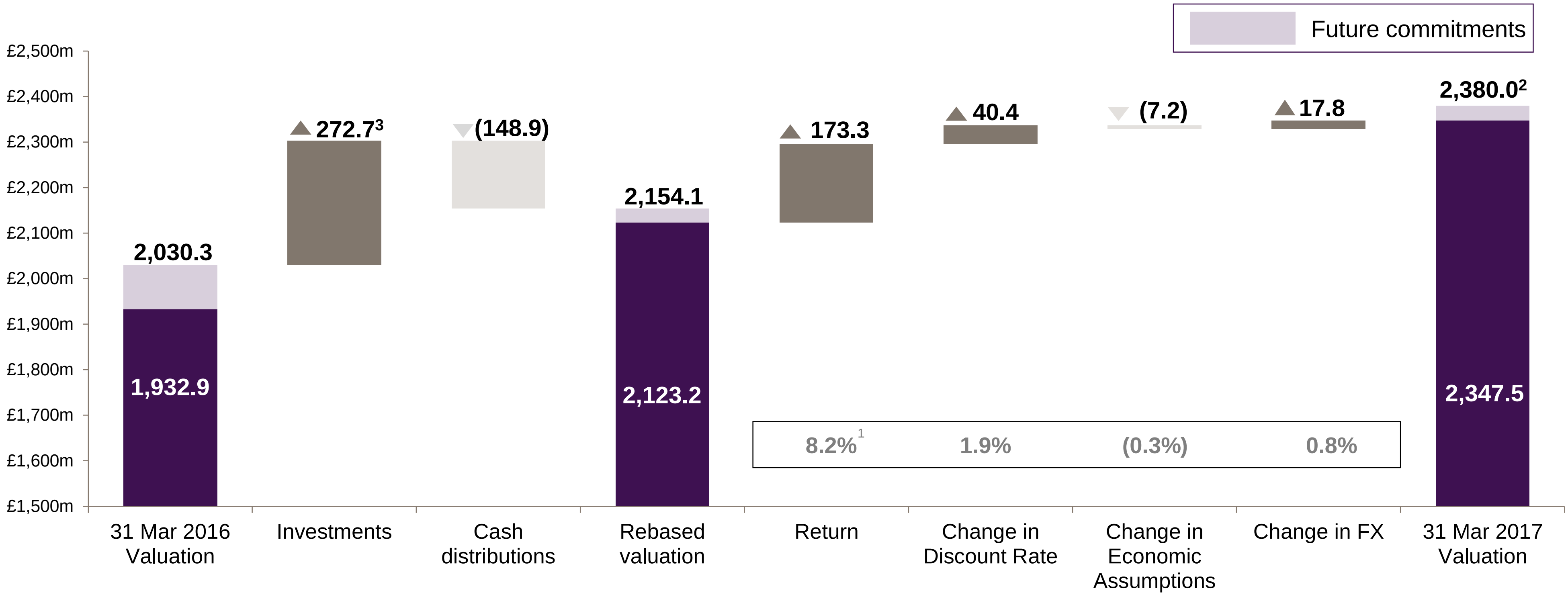
1. Investment Basis is the same basis as is applied in the 2016 Annual Report & Consolidated Financial Statements which consolidates three corporate subsidiaries. See section 3.1 of the 2017 Annual Report and Financial Statements for further details
2. The year to 31 March 2016 includes £1.7m profit based on historic cost

Portfolio Overview – Cashflow Profile[1]



1. The illustration represents a target only at 31 March 2017 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 2017 Annual Report and Financial Statements

Analysis of Change in Directors' Valuation



- ▲ Valuation blocks (purple) have been split on an Investment Basis into investments at fair value (dark purple) and future commitments (light purple). The percentage movements have been calculated on investments at fair value of Rebased Valuation as this reflects the returns on the capital employed in the period
- ▲ The portfolio return for the year to 31 March 2017 is 8.2% (being £173.3m return on rebased valuation of £2,123.2m)

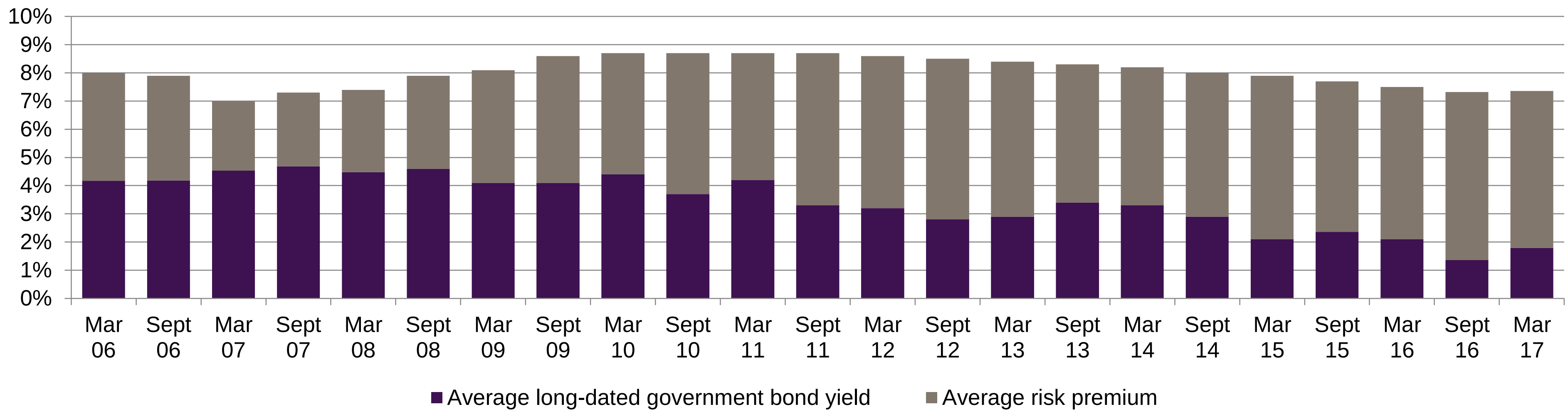
1. "Return" comprises the unwinding of the discount rate and project outperformance
2. £2,380.0m reconciles, on an Investment Basis, to £2,347.5m Investments at fair value through £32.5m of future commitments
3. Investments of £272.7m includes £6.1m foreign exchange movement on the Euro consideration for the A63 Motorway between 31 March 2016 and completion in January 2017

Discount Rate Analysis

Market valuation of assets increased in the year

- ▲ Discount rates for investments range between 5.6% and 9.8% (March 2016: 7.0% and 10.1%)
- ▲ Weighted-average discount rate of 7.4%, down from 7.5% at 31 March 2016 and up from 7.3% at 30 September 2016
- ▲ Risk premium over long-dated government bonds increased by 0.2% in the year to 5.6%

	Appropriate long-dated government bond yield[1]		Risk Premium		Total Discount Rate[2]		
					31 March 2017	30 September 2016	31 March 2016
UK	1.7%	+	5.5%	=	7.2%	7.3%	7.5%
Australia	3.1%	+	4.2%	=	7.3%	7.3%	7.9%
Eurozone	1.4%	+	6.2%	=	7.6%	7.8%	7.8%
N. America	2.8%	+	5.4%	=	8.2%	7.0%	7.1%
Portfolio	**1.8%**	+	**5.6%**	=	**7.4%**	**7.3%**	**7.5%**



1. The long-term government bond yield for a region is the weighted average for all of the countries in which the portfolio is invested in that region
2. Weighted -average discount rate

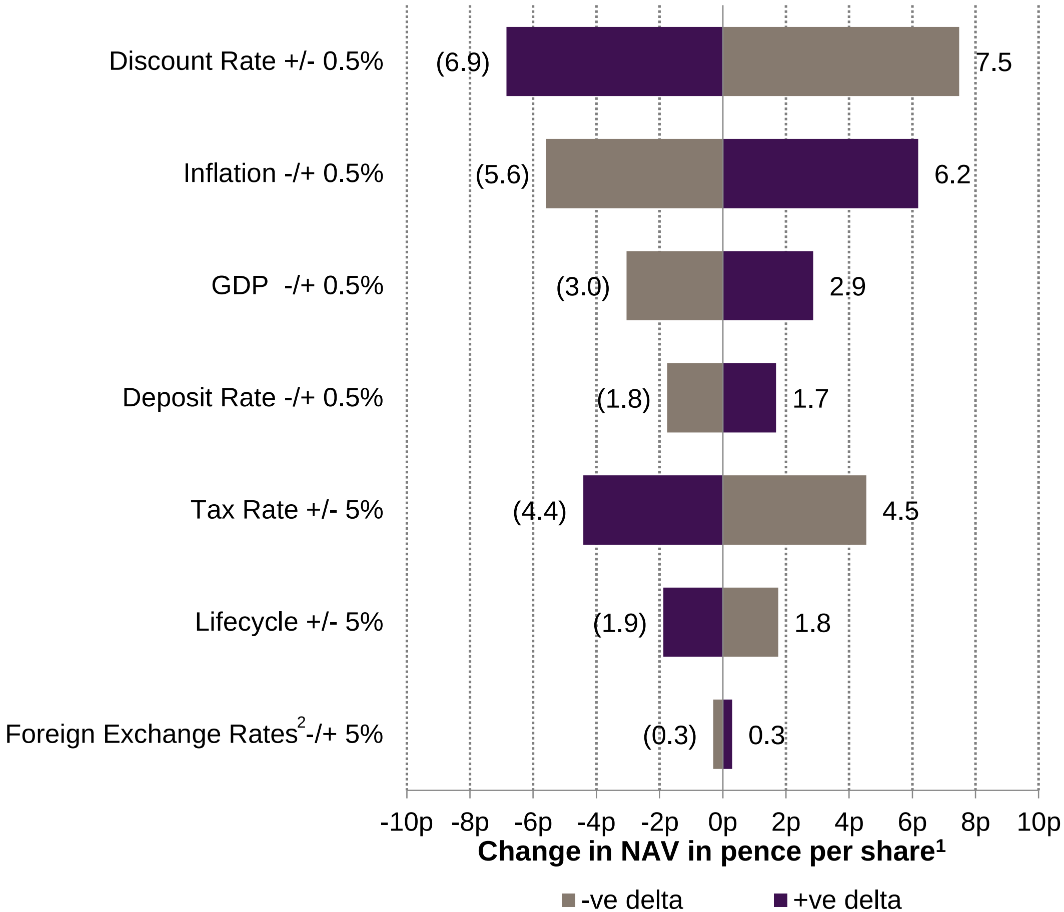
Key Valuation Assumptions

		Movement	31 March 2017	31 March 2016
Discount Rate	Weighted Average	↓	7.4%	7.5%
Inflation[1] (p.a.)	UK (RPI[2] & RPIx[2]) Eurozone (CPI) Canada (CPI) Australia (CPI) USA (CPI)	↔ *(except EU)*	2.75% 1.0% to 2019 and 2.0% thereafter 2.0% 2.5% 2.0%	2.75% 1.0% until 2018 and 2.0% thereafter 2.0% 2.5% N/A
Deposit Rates (p.a.)	UK Eurozone Canada Australia USA	↓ *(except Aus and USA)*	1.0% to 2021, and 2.0% thereafter 1.0% to 2021, and 2.0% thereafter 1.0% to 2021, and 2.0% thereafter 2.6% with a gradual increase to 3.0% long-term 1.0% with a gradual increase to 2.0% long-term	1.0% to 2020, and 2.5% thereafter 1.0% to 2020, and 2.5% thereafter 1.0% to 2020, and 2.5% thereafter 2.6% with a gradual increase to 3.0% long-term N/A
Foreign Exchange	EUR / GBP CAD / GBP AUD / GBP USD / GBP	↑	0.85 0.60 0.61 0.80	0.79 0.54 0.53 N/A
Tax Rate (p.a.)	UK Eurozone Canada Australia USA	↓ *(UK & France)*	19% to 2020, 17% thereafter Various (no change apart from French tax rate reducing from 33.3% to 28% by 2019) 26% and 27% (territory-dependent) 30% 35% Federal & 4.63% Colorado State	20% to 2017, 19% to 2020, 18% thereafter Various (no change) 26% and 27% (territory-dependent) 30% N/A
GDP (p.a.)	UK Eurozone USA	*N/A*	2.0% 1.8% 2.5%	N/A N/A N/A

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



- Sensitivities presented in the chart, with the exception of the discount rate, FX rates and GDP analysis, are based on the largest 25 investments in the HICL portfolio by value, and then extrapolated across the whole portfolio
- The discount rate, FX rate and GDP sensitivities are based on analysis of the whole portfolio
- If the inflation assumption was 1% p.a. higher, the expected return[3] from the portfolio (before Group expenses) would increase by 0.7%, from 7.4% to 8.1%
- The GDP sensitivity shows that the impact on portfolio for a 0.5% per annum change in GDP across the three[4] assets correlated to GDP
- Lifecycle risk can be with either the project company or the FM Contractor; approximately half of the portfolio has lifecycle risk with the project company

1. NAV per share based on 1,623m ordinary shares in issue at 31 March 2017
2. Foreign exchange rate sensitivity is net of current Group hedging at 31 March 2017
3. Expected return is the expected gross internal rate of return
4. Assets subject to GDP movements are A63 Motorway, M1-A1 Link and Northwest Parkway

HICL Infrastructure

Case Study: A Decade of Outperformance

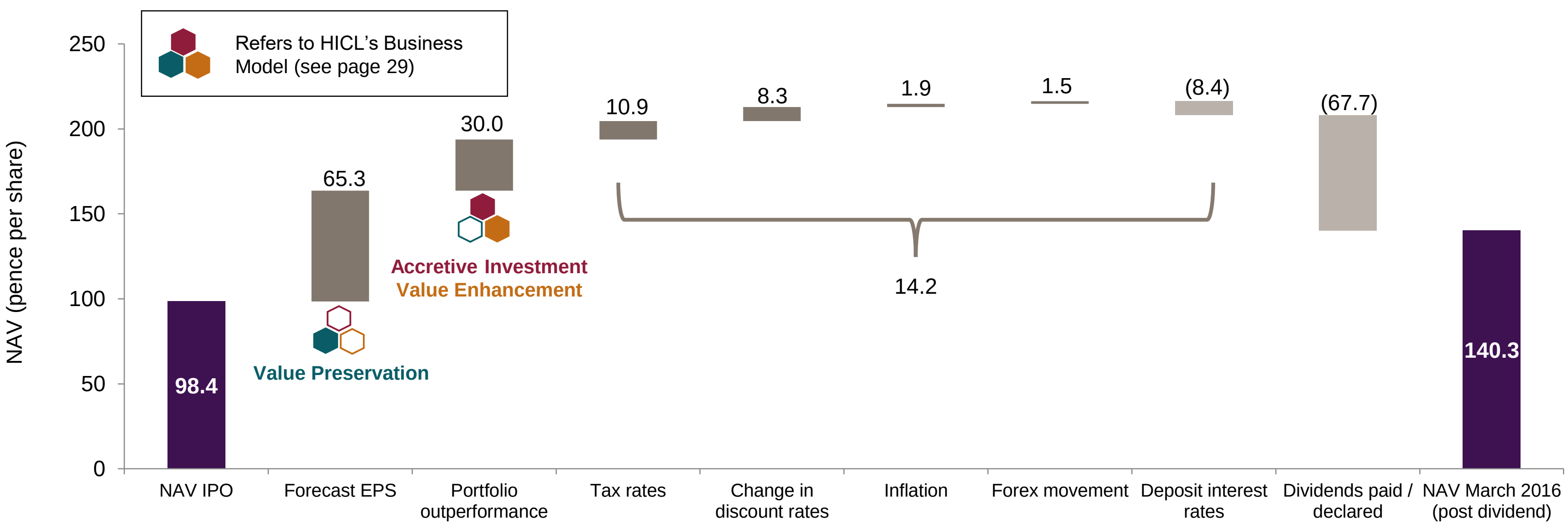
University of Sheffield Accommodation, UK

A Decade of Outperformance I

Significant NAV growth – IPO to 31 March 2016

- NAV growth to 31 March 2016 of 44.2p per share higher than expected at IPO
- NAV growth comprised of 30.0p due to Portfolio Outperformance and 14.2p due to economic factors and discount rates
- Economic factors largely driven by UK tax rate reduction from 30% at IPO to 18% in 2020 (as at March 2016)
- Effects of reduced discount rates have been offset by reduced deposit interest rates

Drivers of Cumulative Change in NAV – IPO to March 2016[1]



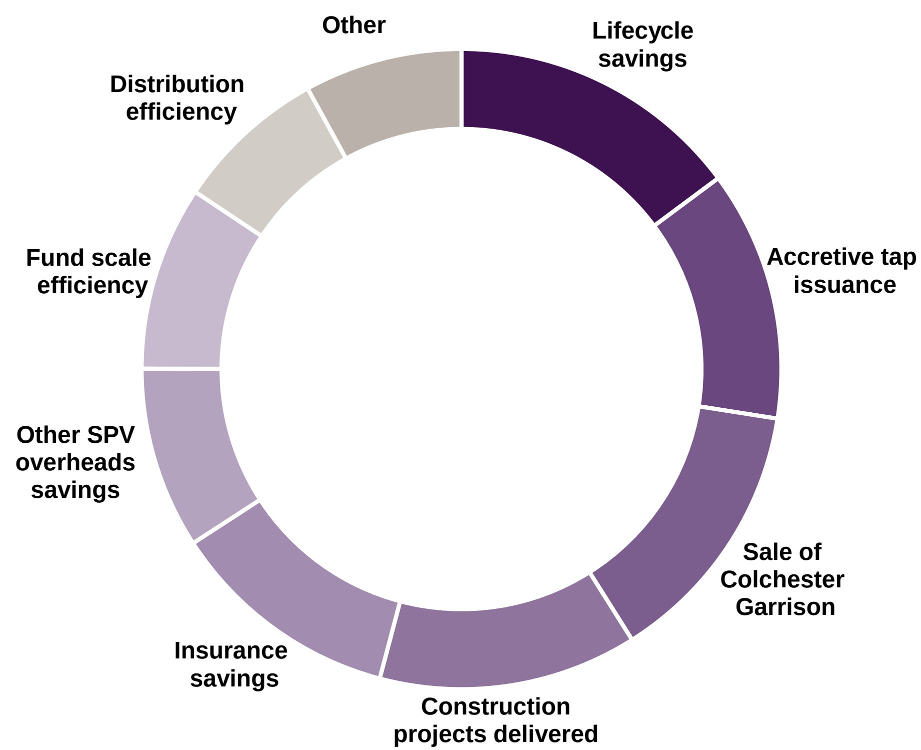
1. Source: InfraRed Capital Partners

A Decade of Outperformance II

Portfolio Outperformance – IPO to 31 March 2016

- 30.0p per share of NAV outperformance
- Delivered by the Investment Adviser's team
- Wide range of small incremental initiatives (see chart right) contributing to significant outperformance
- Acquisitions accretive to the existing portfolio
- Confident of opportunities to outperform in the future albeit potentially less than delivered historically
- Total return[2] of 9.5% p.a. vs. IPO target of 7-8% p.a.

Portfolio Outperformance[1]



1. Source: InfraRed Capital Partners
2. On a NAV per share appreciation plus dividend paid basis for 10 years to 31 March 2016.

Investment Activity

St Mungo's School (Falkirk NPD Schools), UK

Summary Investment Activity

Investment activity during the year

HICL Infrastructure

- 10 new and five incremental investments during the year for £266.6m (set out below and on page 18)

Investment Activity

Amount	Type	Stage	Project	Sector	Market Segment	Stake Acquired	Overall Stake	Date
£14.5m	New	Operational	M1-A1 Link	Transport	Demand	30.0%	30.0%	Apr-16
£5.3m	New	Operational	Hinchingbrooke Hospital	Health	PPP	37.5%	37.5%	Apr-16
	Follow-on	Operational	Hinchingbrooke Hospital	Health	PPP	37.5%	75.0%	Jun-16
£9.9m	New	Construction	Irish Primary Care	Health	PPP	60.0%	60.0%	May-16
£50.1m	New	Operational	A13 Road (senior bonds)	Transport	PPP	n/a	n/a	Sep-16
£22.7m	New	Operational	Bangor & Nendrum Schools	Education	PPP	20.4%	20.4%	Nov-16
	New	Operational	East Ayrshire Schools	Education	PPP	25.5%	25.5%	
	New	Operational	North Ayrshire Schools	Education	PPP	25.5%	25.5%	
	New	Operational	Salford Schools	Education	PPP	25.5%	25.5%	
	Follow-on	Operational	Manchester Schools	Education	PPP	25.5%	75.5%	
	Follow-on	Operational	Cork School of Music	Education	PPP	25.5%	75.5%	

Summary Investment Activity II

Investment activity during the year (continued) and since year end

Investment Activity

Amount	Type	Stage	Project	Sector	Market Segment	Stake Acquired	Overall Stake	Date
£19.8m	New	Construction	A9 Road	Transport	PPP	20.0%	20.0%	Dec-16
	Follow-on	Operational	Zaanstad Prison	Accommodation	PPP	25.0%	100.0%	Dec-16
£136.8m	New	Operational	Northwest Parkway	Transport	Demand	33.3%	33.3%	Mar-17
£7.5m	Follow-on	Operational	Helicopter Training Facility (loan)	Education	PPP	N/A	N/A	Mar-17
£266.6m	**Total**							

Investment Activity After Year End

Amount	Type	Stage	Project	Sector	Market Segment	Stake Acquired	Overall Stake	Date
£269m[1]	New	Operational	Affinity Water	Water	Regulated	36.6%	36.6%	Apr-17

1. The Company has announced its intention to sell down to co-investors up to £25m of its investment in Affinity Water

HICL Infrastructure

Case Studies: Recent Acquisitions

Helicopter Training Facility, UK

Case Study – Toll Roads

Two recent acquisitions of operational demand-based assets

During 2016 and 2017, HICL invested in two operational toll-roads: the A63 Motorway in France and Northwest Parkway in Colorado, USA

▲ Strategic positioning

- Both projects form part of important road networks

▲ Good traffic performance history

- A63 Motorway – 20 years of relevant data
- Northwest Parkway – opened in 2003

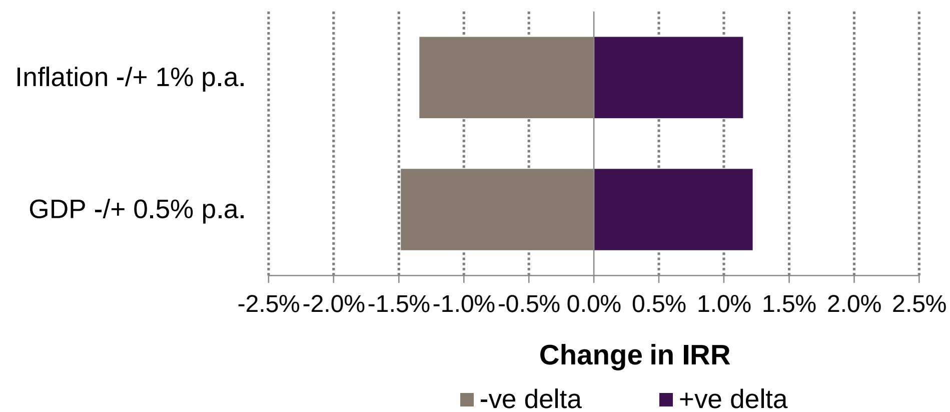
▲ Good inflation correlation

- Materially improved correlation of portfolio returns to long-term inflation

▲ Exposure of portfolio to demand-based assets

- Current intention of the Board and Investment Adviser that no more than 20% of portfolio value to be invested in assets with returns that are correlated to the economic cycle
- 10% of portfolio value currently invested in demand-based assets (of which 9% correlated to economic cycle)[2]

Sensitivities on combined equity returns



1. All sensitivities assume variances from base case assumptions in each and every year
2. As at 23 May 2017

Affinity Water

HICL's first investment in a regulated asset

£269m[1] investment completed in May 2017

▲ **Good inflation correlation**

- Increases portfolio inflation correlation by approximately 0.1% (from 0.7% to 0.8%)

▲ **Long-term income**

- Increases average concession life by 7.7 years (to 32.1 years)[2]

▲ **Accretive returns**

- Total return greater than the 7.4% discount rate used in 31 March 2017 valuation

▲ **Appropriate influence**

- Significant shareholding
- InfraRed Asset Management director on the Affinity Water Board of Directors

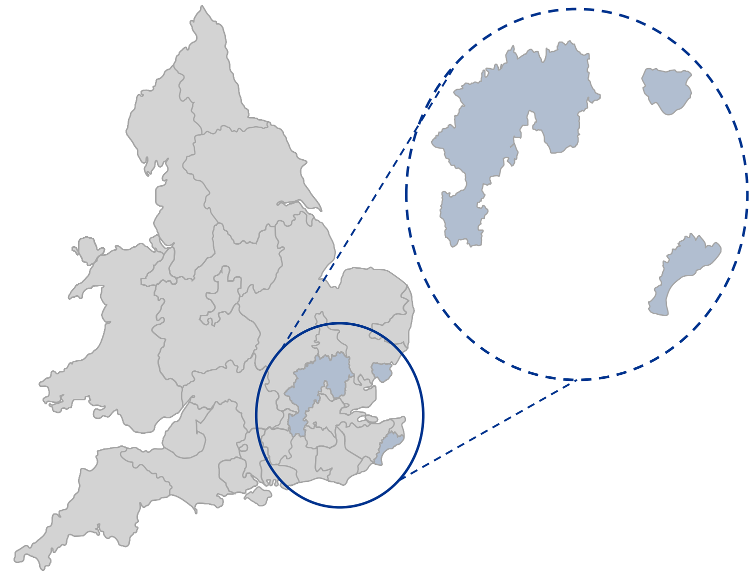
▲ **Low operational risk**

- Compared to an investment in a Water and Sewerage Company (e.g risk of sewage leaks/ spills)

▲ **Robust capital structure**

- Credit rating of A-/A3 on Class A Bonds

Affinity Water Group: Key Facts



- ▲ Affinity Water is the UK's largest water-only company by revenue and population served
- ▲ Located in South East England, an area of high forecasted populated growth
- ▲ Operates 98 water treatments works
- ▲ Regulatory capital value of £1,156m[3]

1. The Company has announced its intention to sell down to co-investors up to £25m of its investment in Affinity Water
2. Calculated using a 100-year asset life for Affinity Water
3. www.ofwat.gov.uk

Portfolio, Asset Management and Risk

Home Office Headquarters Project, UK

The Portfolio, Performance and Asset Management I

HICL Infrastructure

Two projects completed construction during the year

- Priority Schools North East Batch (UK)
- RD 901 Road (France)

Five projects under construction at 31 March 2017

- Ecole Centrale Superlec (France) – operations due to commence in H2 2017
- Irish Primary Care – operations due to commence in H2 2017
- North European Accommodation project – operations due to commence in 2018
- A9 Road (Netherlands) – operations due to commence in 2018
- N17/N18 (Ireland) – operations due to commence in 2018

Portfolio performing well with no material issues[1]

- Deductions on some accommodation PPP projects. The Asset Management team works to ensure these are applied down the supply chain wherever possible
- Settlement agreements progressed with public sector clients on a number of projects with issues reported last year

Active asset management seeks cost savings and value enhancements

- Pursuing project savings – appropriate sharing of benefits where generated
- Benefit from lifecycle management – careful assessment of asset condition, re-profiling of whole life plans, optimising procurement of work done
- Re-tendering of Management Service Agreements – ensuring good quality service delivery from robust service providers; and realising cost savings

Contract variations underway on a number of projects

- Over £700m of new capital works commenced at PPP projects in the portfolio,
- Largely attributable to Allenby and Connaught variation to provide 2,600 bed spaces and other facilities for troops returning from Germany

1. The threshold for materiality is defined as a loss from an investment that negatively impacts NAV per share by more than 1%

Portfolio Characteristics I

At 23 May 2017 (31 March 2017 Portfolio Value plus Affinity Water)

MARKET SEGMENT

This year (2017)

Previous year (2016)

	2017	2016
▲ PPP Projects	80%	95%
▲ Demand-based Assets	10%	5%
▲ Regulated Assets	10%	0%

GEOGRAPHIC LOCATION

This year (2017)

Previous year (2016)

	2017	2016
▲ UK	80%	84%
▲ EU	10%	10%
▲ Australia	3%	3%
▲ North America	7%	3%

INVESTMENT STATUS

This year (2017)

Previous year (2016)

	2017	2016
▲ Fully operational	98%	99%
▲ Construction	2%	1%

1. All charts are by value at 23 May 2017 using Directors' Valuation of £2,380.0m as at 31 March 2017 plus Affinity Water at £269m cost

Portfolio Characteristics II

At 23 May 2017 (31 March 2017 Portfolio Value plus Affinity Water[1])

OWNERSHIP STAKE

	2017	2016
▲ 100% ownership	29%	38%
▲ 50%-100% ownership	29%	35%
▲ Less than 50% ownership	42%	27%

SECTOR

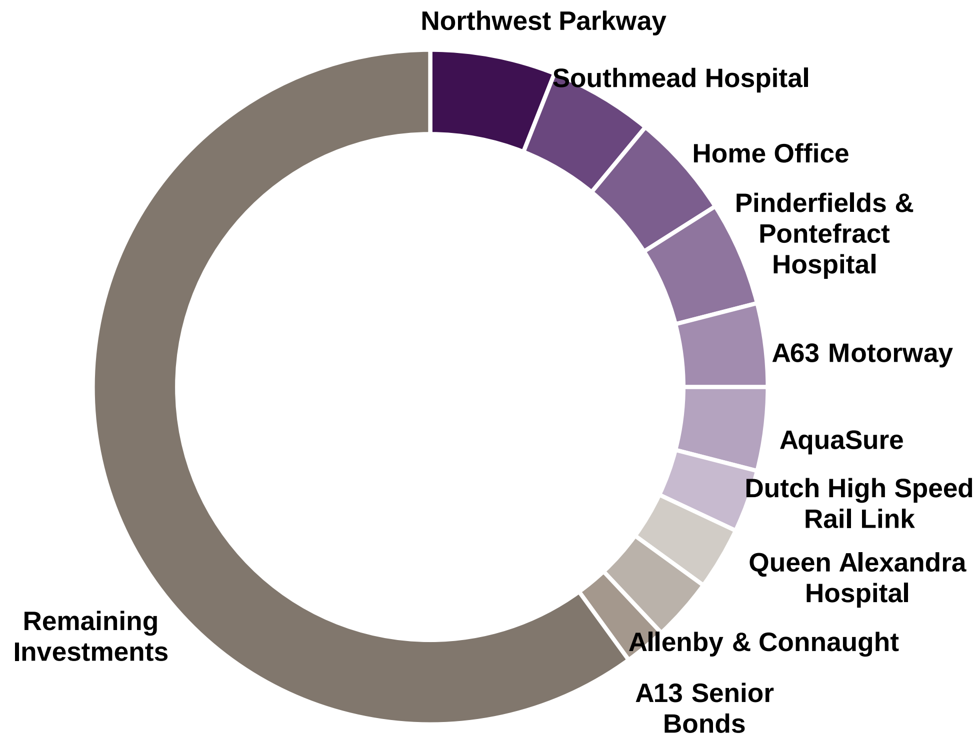
	2017	2016
▲ Accomodation	11%	14%
▲ Education	18%	21%
▲ Health	31%	40%
▲ Fire, Law & Order	6%	8%
▲ Transport	20%	14%
▲ Water	14%	3%

1. All charts are by value at 23 May 2017 using Directors' Valuation of £2,380.0m as at 31 March 2017 plus Affinity Water at £269m cost

The Portfolio, Performance and Asset Management II

	31 March 2017	31 March 2016
Number of investments	114[1]	104
Percentage of portfolio by value – 10 largest assets	40%	39%
Weighted average concession life	24.4 years	21.5 years
Average remaining maturity of long-term debt financing[2]	18.2 years	19.1 years

10 Largest Investments

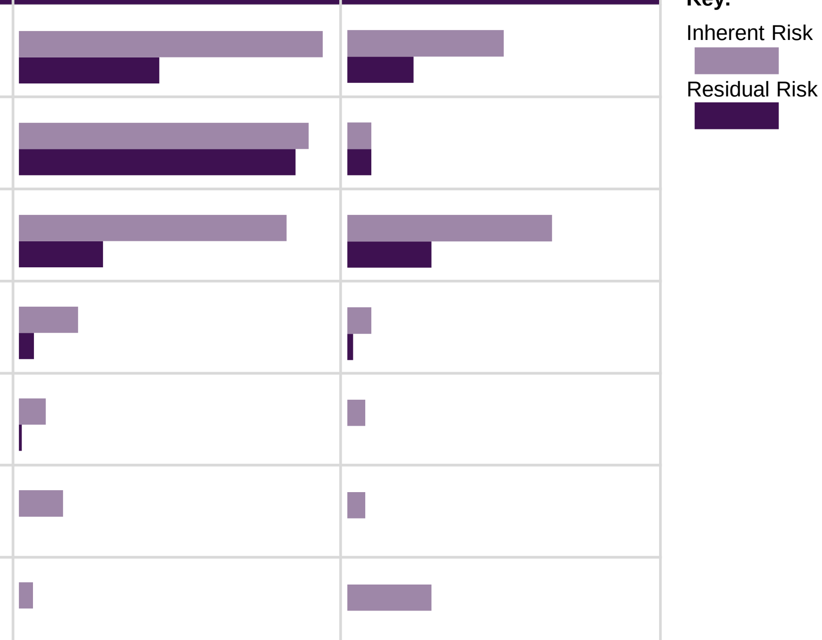


1. Excluding Affinity Water that completed in May 2017
2. Excludes investment in A13 Senior Bonds

Risk Management and Reporting

Implementation of new tools following external advice

	Residual Risk Rating	Valuation Impact (NAV/share) Residual v Inherent	12 months Cashflow Impact (Dividend/share) Residual v Inherent
Political risk	Medium		
Financial/market risk	Low		
Portfolio performance risk	Low		
Operational risk – execution	Low		
Operational risk – portfolio, administration, asset management	Very Low		
HICL central management risk	Very Low		
Operational risk – regulation and compliance	Very Low		



- New risk reporting tools, including dashboard, integrate monitoring with stress testing[1]
- Stress and scenario analysis supports calculation of inherent and residual risk:
  - "Inherent risk": Pre-mitigation, e.g. before taking into account the contractual structure and risk pass-down of a PPP Project
  - "Residual risk": Post-mitigation, e.g. after the pass-down of risk by a PPP project company to subcontractors
- Facilitates Risk Committee discussion focused on key risks and 'deep dives' into specific risks

1. An example of a stress test run can be found of page 46 (cashflow excluding the largest PPP project in the portfolio)

Investment Proposition and Business Model

Northwest Parkway, Colorado, USA

Investment Proposition and Business Model

Delivering Real Value.

HICL Infrastructure

TO DELIVER TO SHAREHOLDERS A LONG-TERM, STABLE INCOME FROM A PORTFOLIO OF INFRASTRUCTURE INVESTMENTS THAT IS POSITIONED AT THE LOWER END OF THE RISK SPECTRUM

ACCRETIVE INVESTMENT

Purchasing assets that enhance the delivery of the investment proposition

- Only consider opportunities that fit HICL's risk appetite
- Make attractively priced investments that are accretive to the existing portfolio
- Focus on careful portfolio construction to ensure balance and maintain diversification

VALUE ENHANCEMENT

Outperforming the base case, delivering upside to shareholders

- Pursuit of portfolio-wide cost-saving initiatives, leveraging economies of scale
- Initiatives at the level of individual investments to outperform base case
- Selectively dispose of assets to the extent this delivers value that cannot be delivered through continued ownership

VALUE PRESERVATION

Protecting the value of HICL's portfolio, principally through the use of Active Management of the underlying investments

- Ensure that investments perform in line with business plans and regulatory/contractual expectations
- Focused management of issues when they arise
- Proactive initiatives across the portfolio to reduce systemic risks

Accretive Investment – Current Acquisition Strategy

- ▲ Acquisition Strategy reviewed and agreed between Board and Investment Adviser in October 2016 – confirmed existing focus
- ▲ Progressed origination activity across all core market segments during the year
- ▲ Infrastructure market dynamics continue (principally competition for assets) – pricing discipline remains fundamentally important

GEOGRAPHY

Located in target markets

- ▲ Europe / UK
- ▲ North America
- ▲ Australia / NZ

MARKET SEGMENT

Generates long-term revenues

- ▲ Principal focus:
  - PPP projects, e.g. availability payments
  - Regulated assets supported by clear robust regulatory framework
  - Demand-based assets with a track record of usage, downside protection or other mitigation of cash flow volatility
- ▲ Opportunistic approach:
  - corporate assets with contracted revenues and acceptable covenant

ASSET QUALITY

At the lower end of the risk spectrum

- ▲ Monopoly or essential asset/concession
- ▲ Long-term. stable cash flows built on:
  - revenues with good visibility
  - where relevant, good quality counterparties
  - where possible, long-term debt financing at asset level

OPPORTUNITY TO ADD VALUE

Enhances existing portfolio

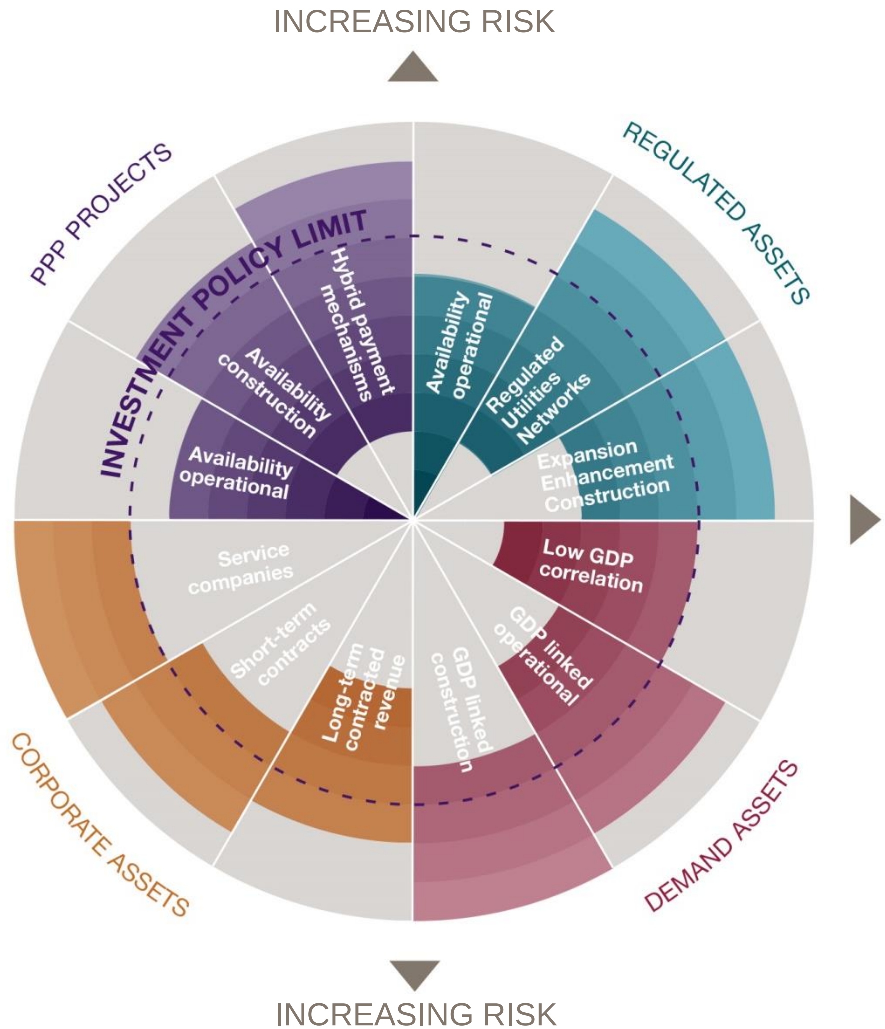
- ▲ Accretive on one or more metric:
  - total return
  - yield
  - inflation-linkage
  - asset life
- ▲ Pricing discipline
- ▲ Potential for upside
- ▲ Sustains prudent portfolio construction and diversification

Infrastructure Market Map

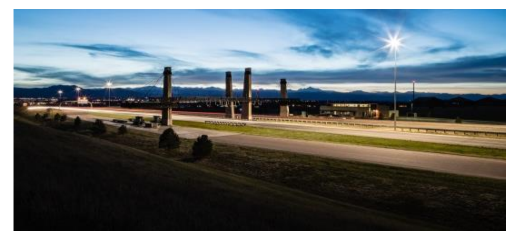
Showing HICL Investment Policy Scope

Examples: hospitals, schools, government accommodation and availability transport (e.g. road/rail)

Examples: gas and electricity transmission and distribution; water utilities; district heating

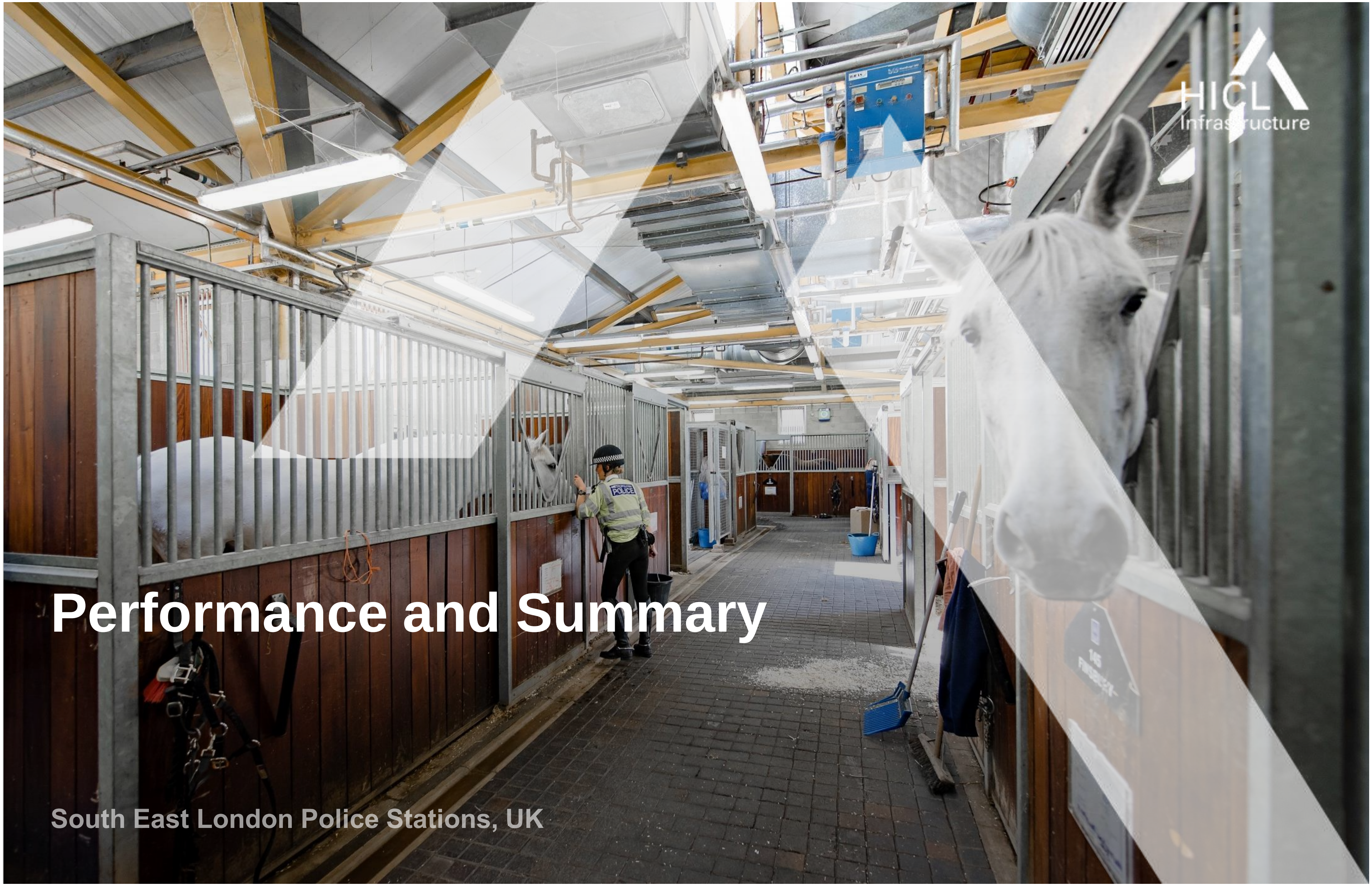


Examples: rolling stock



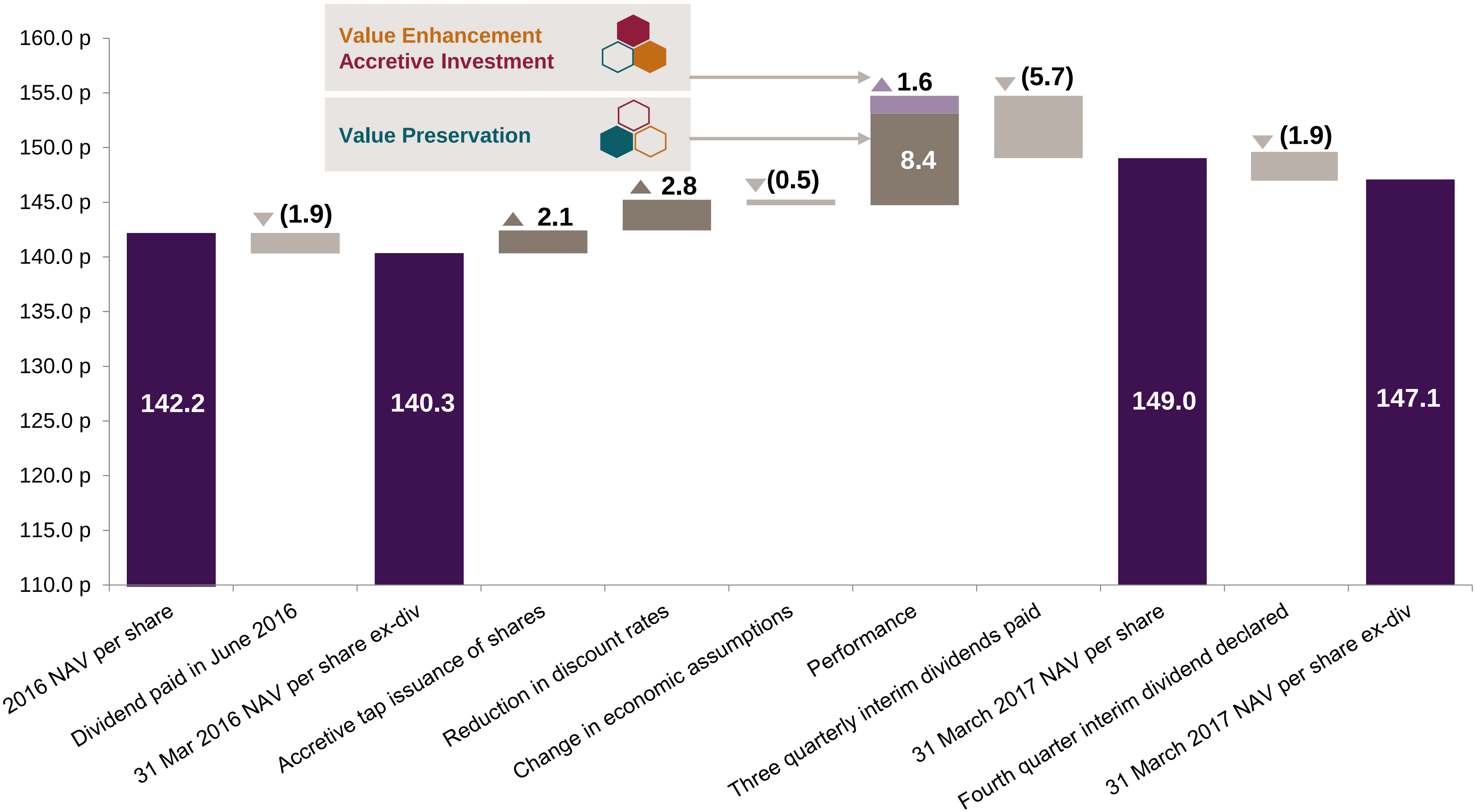
Examples: operational toll roads, tunnels, bridges; student accommodation

Performance and Summary



South East London Police Stations, UK

Analysis of Change in NAV per Share



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

Company's Key Performance Indicators ("KPIs")

KPI	Measure	31 March 2017	31 March 2016	Objective	Commentary
Dividends	Aggregate interim dividends declared per share in the year	**7.65p**	7.45p	An annual distribution of at least that achieved in the prior year	Achieved
Total Return	NAV growth and dividends paid per share (since IPO)	**9.6% p.a.**	9.5% p.a.	A long-term IRR target of 7% to 8% as set out at IPO[1]	Achieved
Cash-covered Dividends	Operational cashflow / dividends paid to shareholders	**1.22x**	1.15x	Cash covered dividends	Achieved
Positive Inflation Correlation	Changes in expected portfolio return for 1% p.a. inflation change	**0.7%**	0.6%	Maintain positive correlation	Achieved
Competitive Cost Proposition	Annualised ongoing charges / average undiluted NAV[2]	**1.06%**	1.12%	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 per share, at the time of the Company's IPO in March 2006. Previously reported on dividends declared basis
2. Calculated in accordance to Association of Investment Companies guidelines ongoing charges excludes non-recurring items such as acquisitions costs

Company's Key Quality Indicators ("KQIs")

KQI	Measure	31 March 2017	31 March 2016	Objective	Commentary
Investment Concentration Risk	Percentage of the portfolio represented by the ten largest investments[1]	**40%**	**39%**	Maintain a diversified portfolio of investments (thereby mitigating concentration risk) and, at all times, remain compliant with the Company's Investment Policy	Achieved
	Percentage of the portfolio represented by the single largest investment[1]	**6%**	**6%**		
Risk/Reward Characteristics	Percentage of the portfolio represented by the aggregate value of projects with construction and/or demand-based risk[1,2]	**14%**	**6%**	Compliance with the Company's Investment Policy	Achieved. Substantially lower than the aggregate limit of 35% for such investments
Unexpired Concession Length	Portfolio's weighted average unexpired concession length	**24.4 years**	**21.5 years**	Seek where possible investments that maintain or extend the portfolio concession life	Achieved. Increase year-on-year due to acquisition of Northwest Parkway with long concession length
Treasury Management	FX gain (loss)[1] as a percentage of the portfolio NAV	**0.0%**	**0.3%**	Maintain effective treasury management processes, notably: • Appropriate FX management (confidence in near term yield and managing NAV volatility from FX) • Efficient cash management (low net cash position)	Achieved
	Cash less current liabilities as a percentage of the portfolio NAV	**2.7%**	**2.0%**		
Refinancing Risk	Investments with refinancing risk as a percentage of the portfolio[1]	**9%**	**3%**	Manage exposure to refinancing risk	Increase year-on-year due to the acquisition of Northwest Parkway that has refinancing risk

1. Please refer to the 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

Concluding remarks

- Portfolio performance exceeded expectations
- Robust cashflow performance
- Significant capital both raised and deployed
- Clear strategy to deliver sustainable long-term income through investing in a portfolio of infrastructure investments positioned at the lower end of the risk spectrum
- Progressed origination activity in core target markets
- Healthy and diverse pipeline
- Dividend guidance for 2018 (7.85p) and 2019 (8.05p) re-affirmed[1]

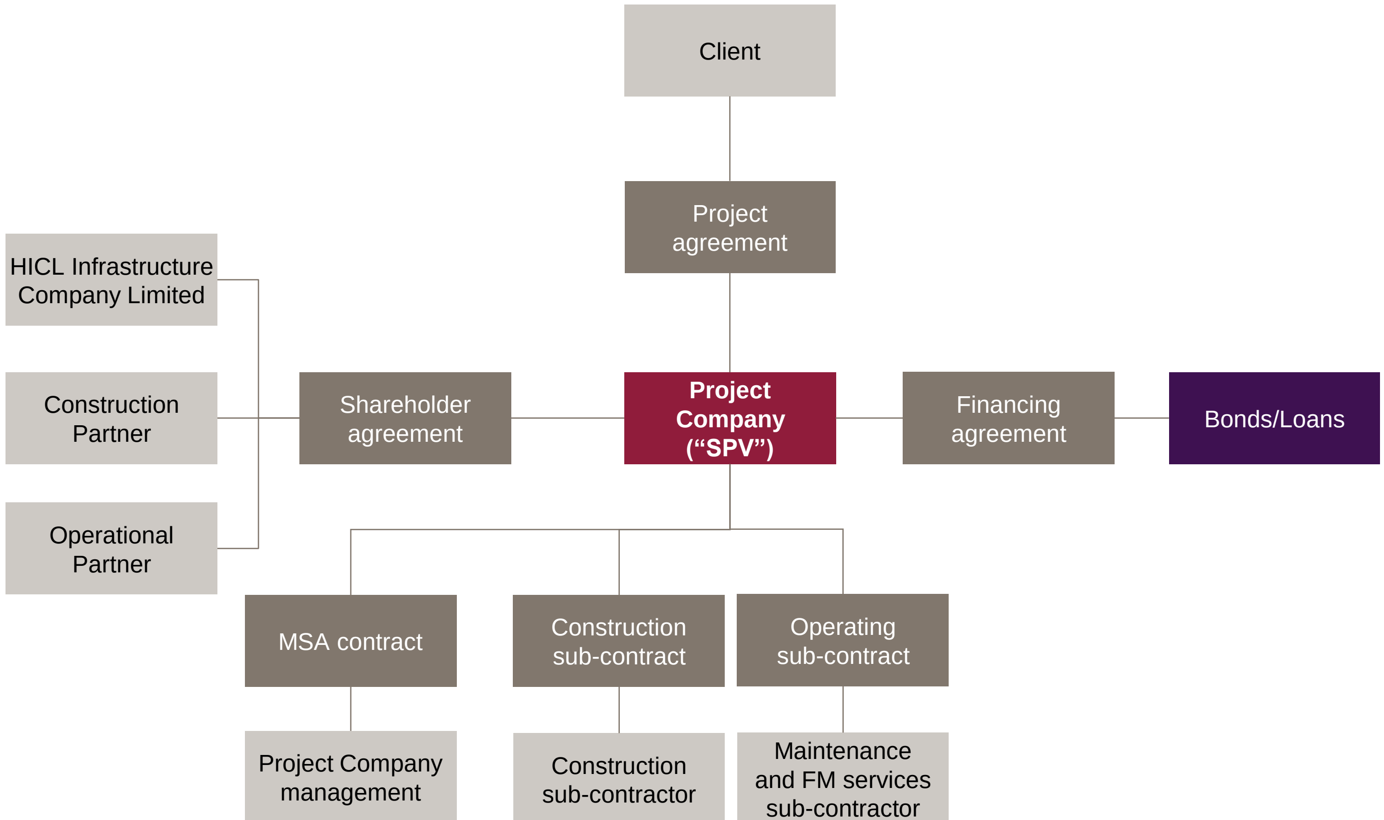
A249 Road, UK

1. Not a profit forecast; there can be no assurance that this target will be met

Appendix I

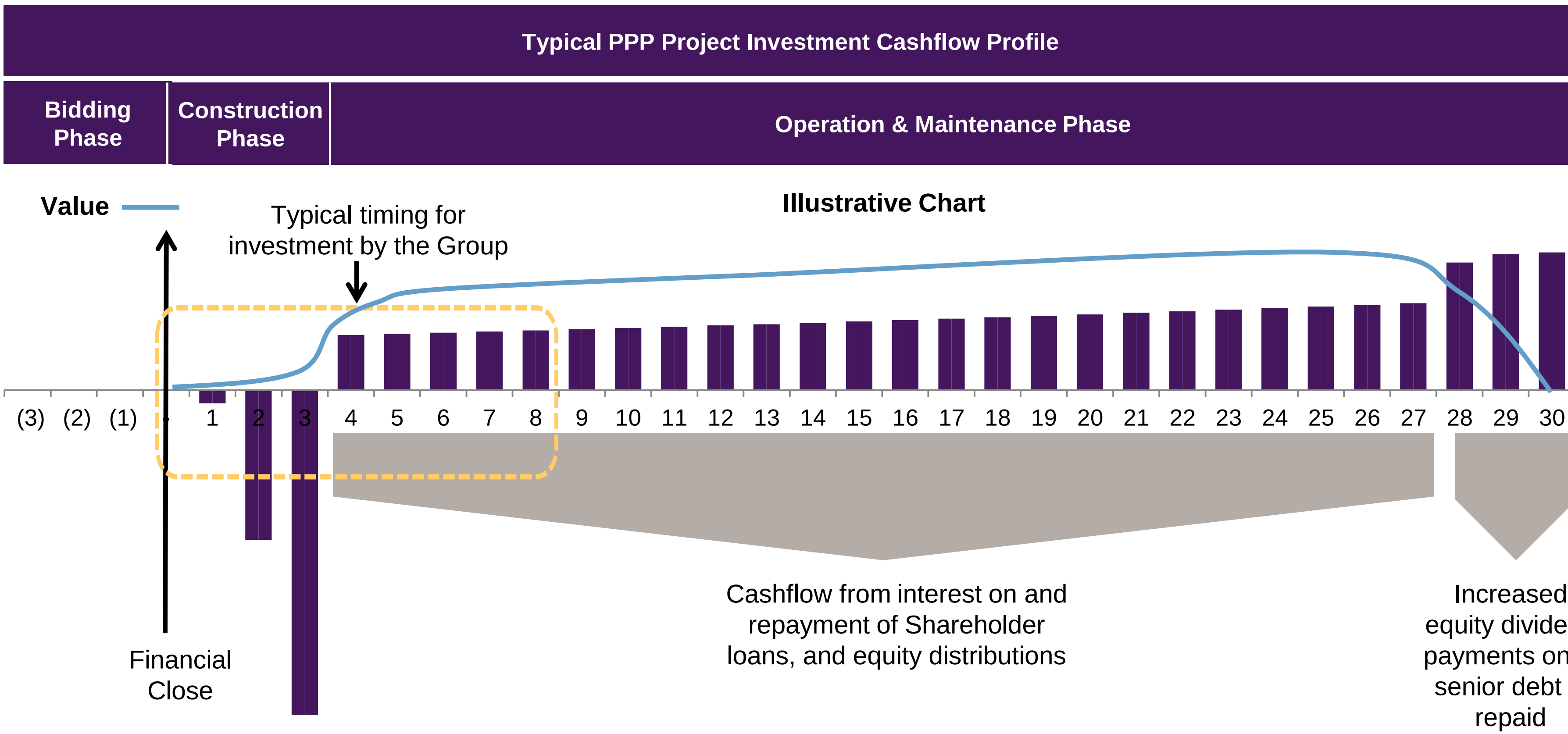
The Infrastructure Asset Class

Typical PPP project structure



Illustrative Investment Cashflow Profile – PPP Project

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

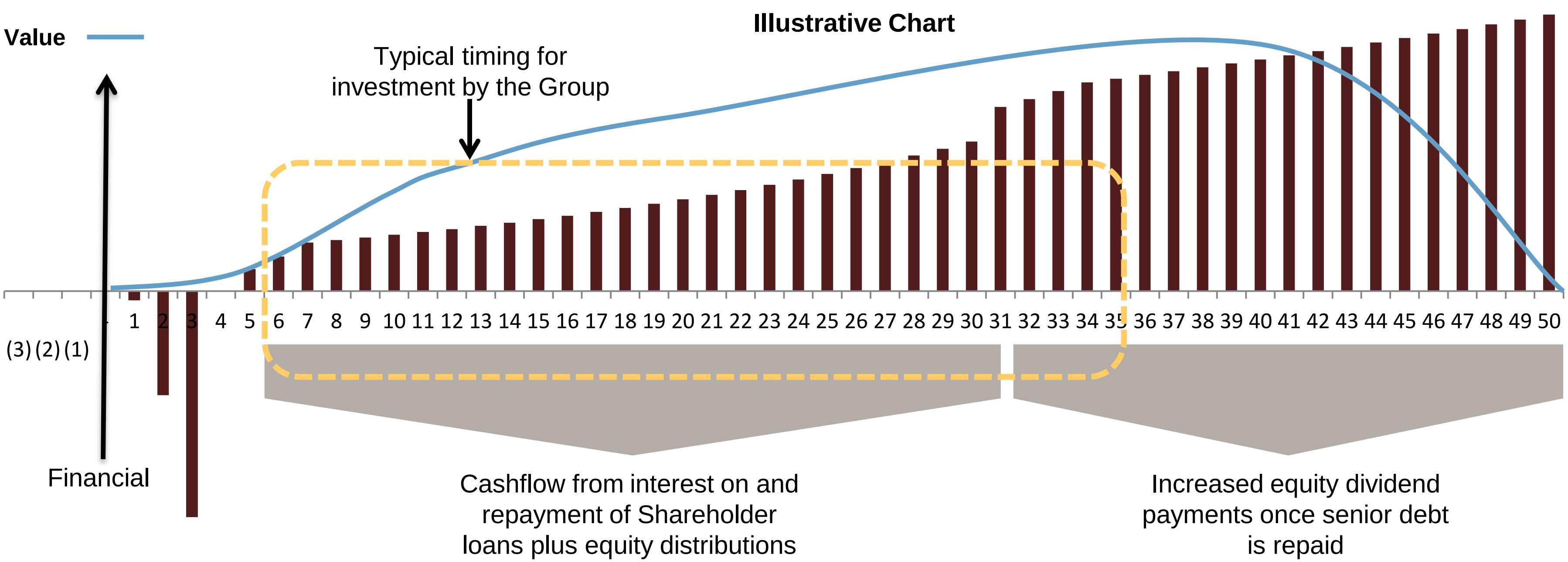


Illustrative Investment Cashflow Profile – Demand-based Asset

Example: Toll road return derived from a demand-based asset revenue stream

HICL Infrastructure

Typical Toll Road Investment Cashflow Profile			
Bidding Phase	Construction Phase	Ramp-Up	Operation & Maintenance (Steady State)

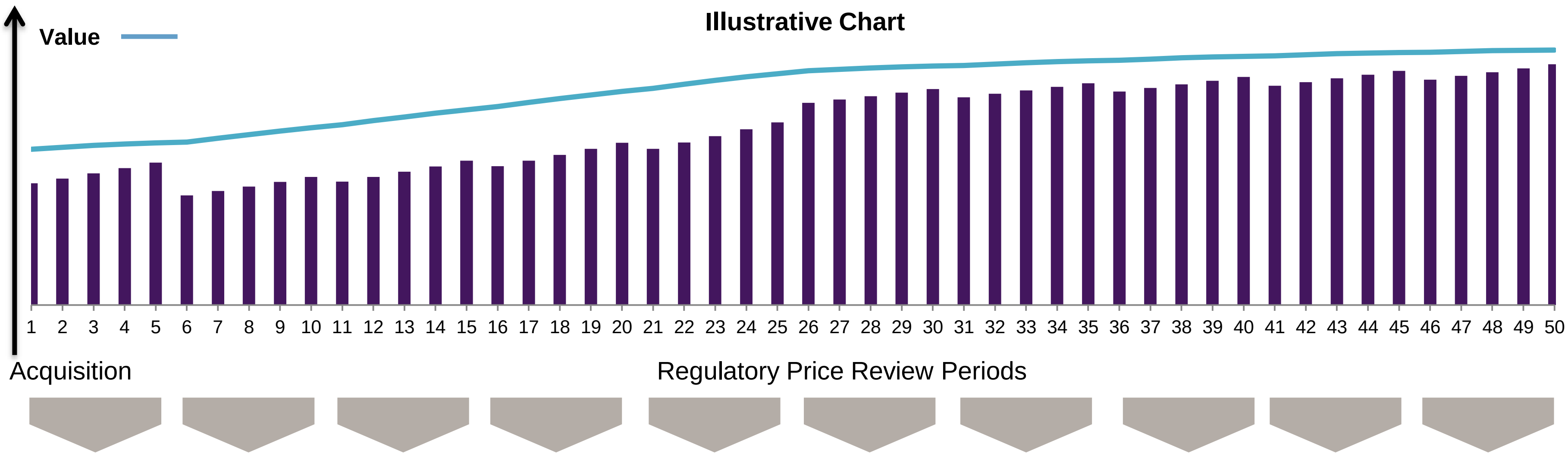


Illustrative Investment cashflow profile – Regulated Asset

Example: Utility company return derived from a regulated revenue stream

Typical Regulated Asset Investment Cashflow Profile

Operational Network



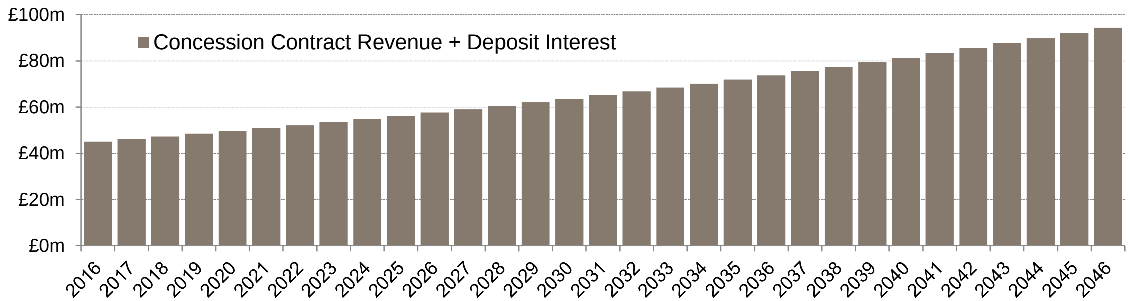
Source: InfraRed

Valuation – Methodology

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

HICL Infrastructure

Forecast Project Inflows



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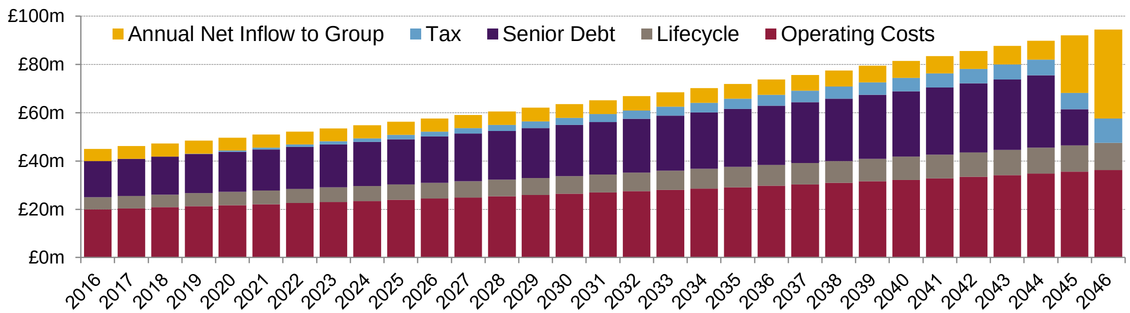
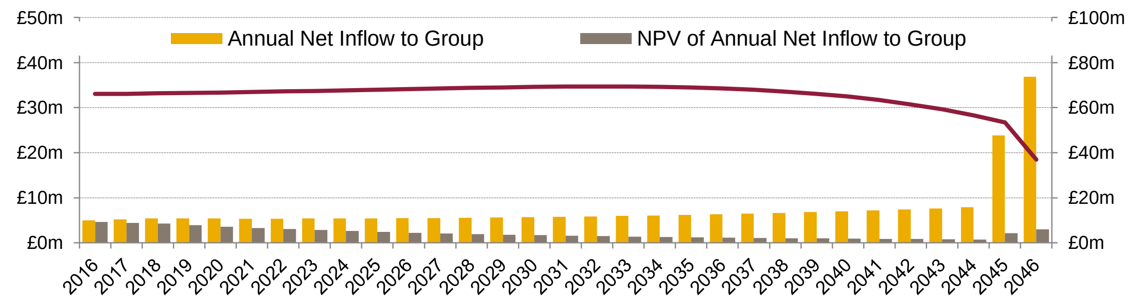
Forecast Project Outflows



equals

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

1. Source: InfraRed

Appendix II

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
- Independent opinion for Directors from third-party valuation expert
- Approved by Directors

Non traded - DCF methodology on investment cashflows

- 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)

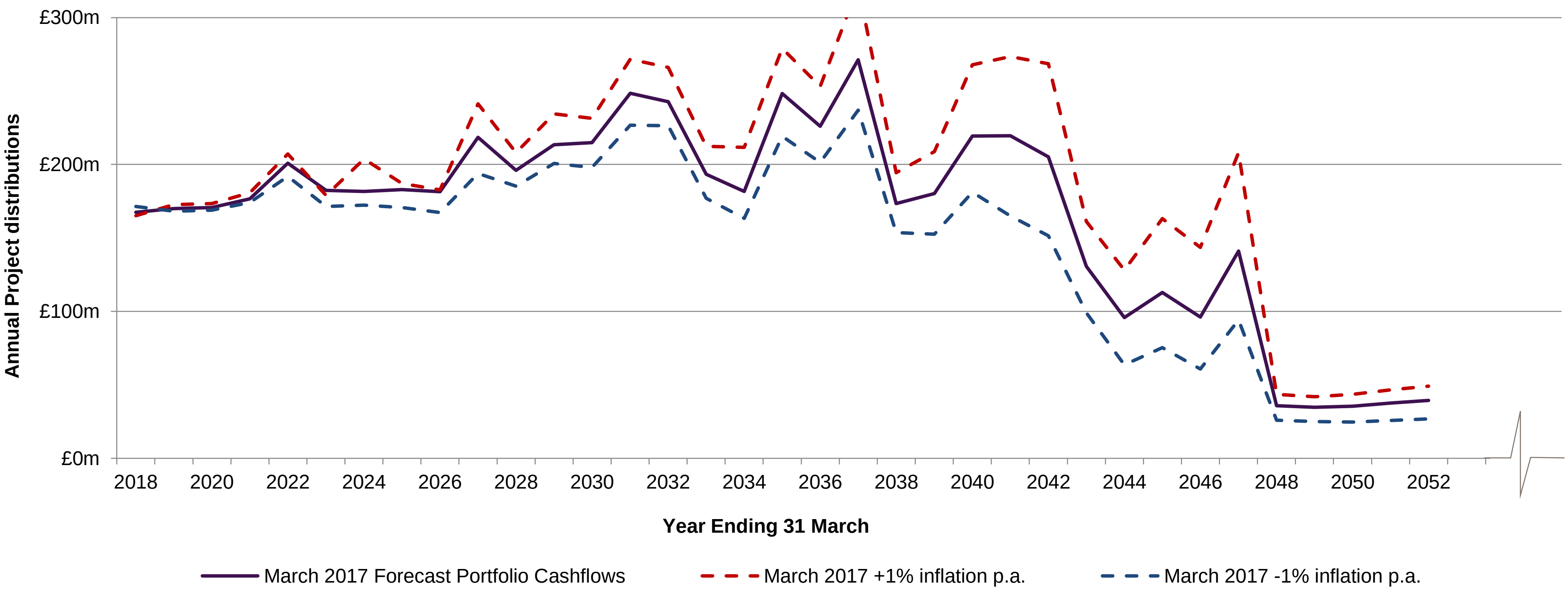
Traded

- Traded securities are valued at the quoted market price (as is the case with the listed senior debt in the A13 road project)

Portfolio Cashflow Sensitivity I

Inflation[1,2]

- If the inflation assumptions were 1.0% p.a. higher for all future periods than the rates set out on page 11, the expected return from the portfolio (before Group expenses) would increase 0.7% from 7.4% to 8.1%
- Sensitivity based on forecast gross portfolio cash flows as at 31 March 2017

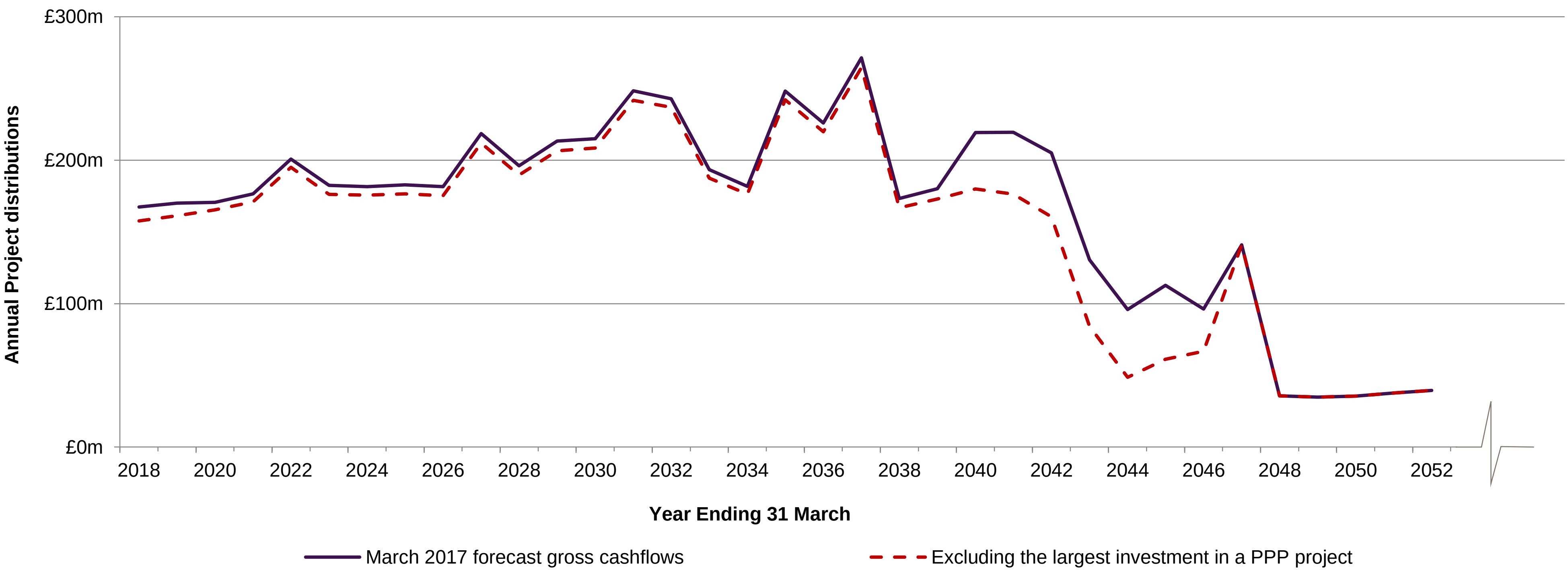


1. The illustration represents a target only and is not a profit forecast. There can be no assurance that this target will be met
2. Expected return is the expected gross internal rate of return

Portfolio Cashflow Sensitivity II

Impact of excluding the Group's largest investment in a PPP Project[1, 2]

- If largest PPP Project is excluded, expected return from the portfolio (before Group expenses) decreases 0.4% from 7.4% to 7.0%
- NAV per share impact would be a 7.5p reduction
- Sensitivity based on forecast gross portfolio cash flows as at 31 March 2017

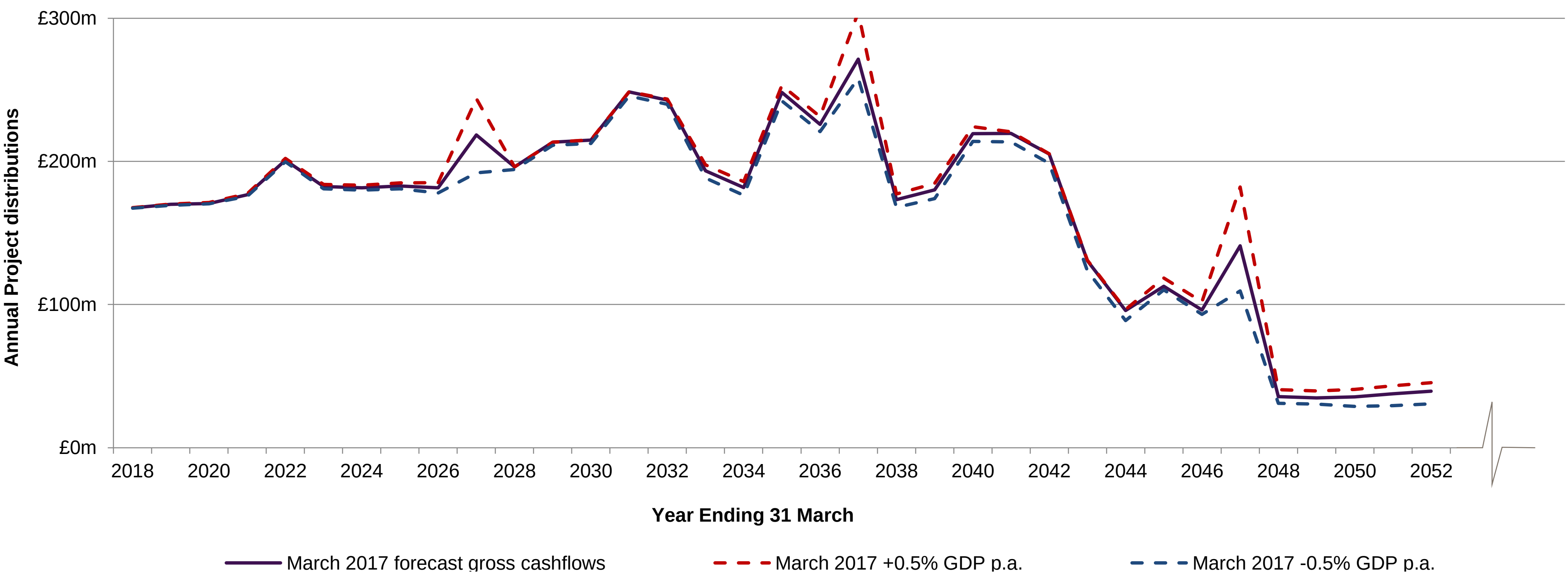


1. The illustration represents a target only and is not a profit forecast. There can be no assurance that this target will be met.
2. Expected return is the expected gross internal rate of return

Portfolio Cashflow Sensitivity III

Gross Domestic Product[1, 2]

- If GDP assumptions were 0.5% p.a. higher for all future periods, expected return from the portfolio (before Group expenses) increases 0.2% from 7.4% to 7.6%
- Sensitivity based on forecast gross portfolio cash flows as at 31 March 2017



1. The illustration represents a target only and is not a profit forecast. There can be no assurance that this target will be met
2. Expected return is the expected gross internal rate of return

Case Study: Hedging Foreign Exchange Risk

HICL hedges foreign exchange ("FX") risk in relation to assets it owns where cash flows are denominated in currencies other than British Pounds

Hedging provides confidence in the near term yield and helps mitigate the impact on NAV per share of FX movements

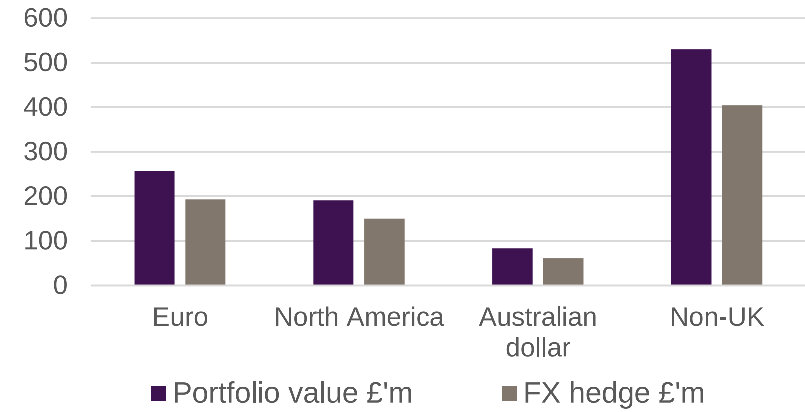
Objective

- Manage FX risk as part of aim to provide sustainable long-term income
- Balancing FX risk and opportunity with cost of hedging

How

- Hedging investment income forecast for up to 24 months and portion of portfolio value through forward sales
- Borrowing in foreign currencies from revolving credit facility
- Regularly reviewing non-Sterling exposure and adjusting level of hedging

Hedging at 31 March 2017



HICL's hedging policy

- Limit volatility of NAV per share to no more than 1% for a 10% movement in FX rates
- 0.0% net FX gain as percentage of NAV for year ended March 2017
- Board and Investment Adviser reviewing cost/benefit of current policy

HICL Infrastructure

Appendix III

The Investment Adviser

Overview of InfraRed Capital Partners Ltd (‘InfraRed’)

InfraRed is the Investment Adviser and Operator

- Strong, 15+ year track record of launching 17 value-add infrastructure and real estate funds (including HICL and TRIG)
- Currently over US$9bn of equity under management – infrastructure and real estate
- Independent manager owned by 22 partners[1]
- London based, with offices in Hong Kong, New York, Seoul and Sydney, with over 120 partners and staff
- InfraRed is a signatory of the Principles for Responsible Investment (PRI). These principles provide a voluntary framework to help institutional investors incorporate ESG issues into investment analysis, decision-making and ownership practices. In the annual Assessment by PRI, InfraRed has achieved excellent ratings, standing well above industry standards for the last three consecutive years.

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	£2,743[2]	Since 2006	Evergreen
Environmental Fund	Unlisted , greenfield , capital growth	€235	Since 2009	Divesting
Fund III	Unlisted , greenfield , capital growth	US$1,000	Since 2011	Invested
Yield Fund	Unlisted , secondary, income yield	£500	Since 2012	Invested
The Renewables Infrastructure Group (“TRIG”)	Listed , secondary, income yield	£897[2]	Since 2013	Evergreen
Fund V	Unlisted , greenfield , capital growth	US$1,000	2017	Raising Capital

Source: InfraRed

1. InfraRed is an indirect subsidiary of InfraRed Partners LLP which is owned by 22 partners
2. Market capitalisation as at 31 March 2017

Appendix IV

The Company and Group

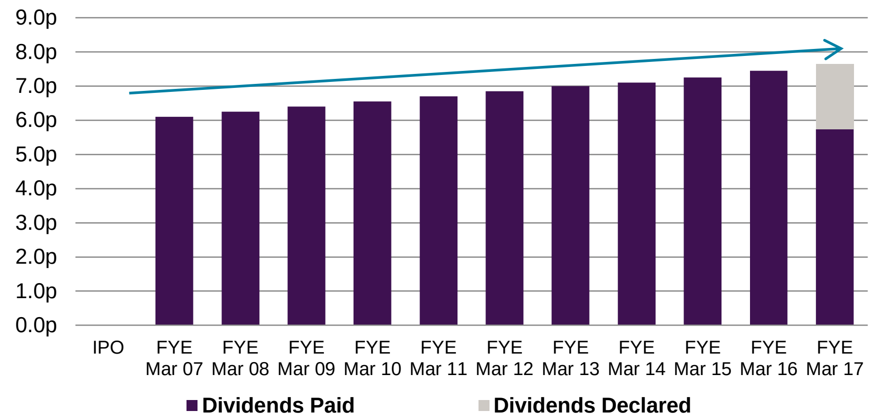
HICL's Characteristics

Mandate	▲ To generate long-term, stable income from a portfolio of infrastructure investments ▲ Focused on assets at the lower end of the risk spectrum, which generate inflation-linked returns
History	▲ Over eleven years since IPO, ten successive years of dividend growth ▲ First infrastructure investment company to list on the main market of the London Stock Exchange
Portfolio	▲ 115 investments, as at 23 May 2017 (110 operational and five under construction) ▲ Assets spread across six sectors and seven countries
Market Capitalisation	▲ £2,743m at 31 March 2017 (31 March 2016: £2,212m)
Net Asset Value	▲ Directors' Valuation of £2,380.0m at 31 March 2017 (31 March 2016: £2,030.3m)[1] ▲ NAV/share of 149.0p at 31 March 2017 (31 March 2016: 142.2p) ▲ Directors' Valuation based on a weighted average discount rate of 7.4% (31 March 2016: 7.5%)
Board and Governance	▲ Board comprises six 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 percentage (as defined by AIC) of 1.06% (31 March 2016: 1.12%)
Liquidity	▲ Good daily liquidity – average daily trading volume of over 2.75m shares ▲ Tight bid / offer spread of ~0.2p

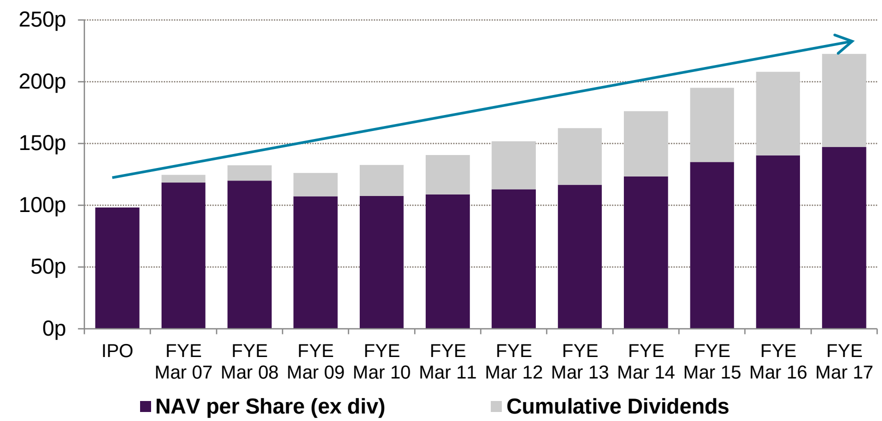
1. Including £32.5m of future investment obligations (March 2016: £97.4m)
2. Annually: 1.1% on GAV up to £750m, 1.0% thereafter up to GAV of £1.5bn, 0.9% thereafter up to GAV of £2.25bn, and 0.8% thereafter, plus a £0.1m investment advisory fee. In addition, a one-off 1.0% acquisition fee on new investments.

Historic Performance

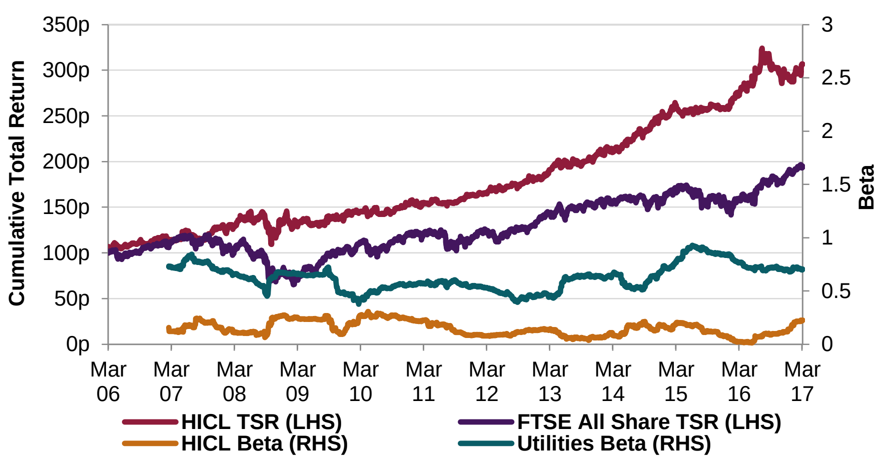
HICL has grown its dividend for last 10 years



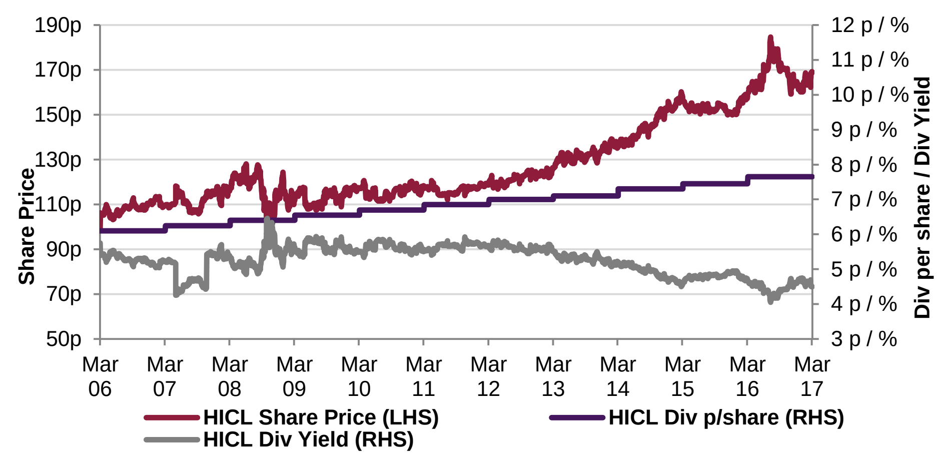
Total Return (NAV growth and dividends) of 9.6% p.a. since IPO



HICL has outperformed FTSE All Share while offering a low beta



Growing dividend has maintained a 4 - 6% yield



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

Group Structure Diagram

Services

Company Secretary

Aztec Financial Services (Guernsey) Limited

Other Company Advisers and Service Providers

- Legal
- Corporate Broking
- Public Relations

Equity

HICL's Shareholders

Investment

HICL – Listed Company

HICL Infrastructure

HICL Infrastructure Company Limited

(A Guernsey Investment Company)

Investment

HICL's Special Purpose Vehicles

Portfolio of underlying investments

Management

Independent Directors[1]

Self managed non-EEA AIF
- Governance
- Oversight
- Strategy

InfraRed Capital Partners

Investment Advisor

- Advice
- Market briefings
- Strategy recommendations
- Reporting
- Investor relations

Portfolio and Asset Management

- Acquisition pipeline development
- Asset Management
- Portfolio Management

Equity

Management

Services

Advice

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
- Monitors risk through Risk Committee
- Additional committees in respect of Audit, Remuneration, Management Engagement, Nomination and Market Disclosure
- 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 I

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 chairman of Scottish Futures Trust and a director of Aberdeen Diversified Income and Growth Trust and the Mercantile Investment Trust.

Frank Nelson, SID

Frank, a UK resident, is a qualified accountant. He was Finance Director of the construction and house-building group Galliford Try plc from 2000 until October 2012, having held the position at Try Group plc from 1987.

After Galliford Try, he took on the role of interim CFO of Lamprell plc in the UAE.

Following his return from the Middle East, Frank was appointed as the Senior Independent Director of McCarthy and Stone, Telford and Eurocell.

Susie Farnon, Director

Sally-Ann (known as Susie), a Guernsey resident, is a Fellow of the Institute of Chartered Accountants in England and Wales, 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 as Vice-Chairman of The Guernsey Financial Services Commission.

1. Board, as at 23 May 2017

Board of Directors II

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

Simon Holden, Director

Simon, a Guernsey resident, has over 15 years of experience in private equity and portfolio company operations roles at Candover Investments then Terra Firma Capital Partners. From 2015 Simon held a limited number of directorships of alternative investment funds and fiduciary and trading company clients. including Permira's global buy-out funds.

Simon graduated from the University of Cambridge with an MEng and MA in Manufacturing Engineering. He holds the IMC and is a member of the States of Guernsey's GIFA, NED Forum and IP Commercial Group

Kenneth D. Reid, Director

Kenneth, a Singapore resident, has more than 30 years international experience in infrastructure development, construction and investment. Initially with Kier Group, and then from 1990 with Bilfinger Berger AG, Ken served globally in various senior management roles, including as a member of the main PLC Board of Bilfinger between 2007 and 2010.

Ken graduated in Civil Engineering from Heriot-Watt University with First Class Honours and then Edinburgh Business School with an MBA. He is a Chartered Engineer and a member of the Singapore Institute of Directors

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 and Macau Property Opportunities Fund Ltd. Chris was a director of Gartmore Investment Management plc, where he was Head of Gartmore's business in the US and Japan. Before that he was a holding board director of the Jardine Fleming Group in Asia.

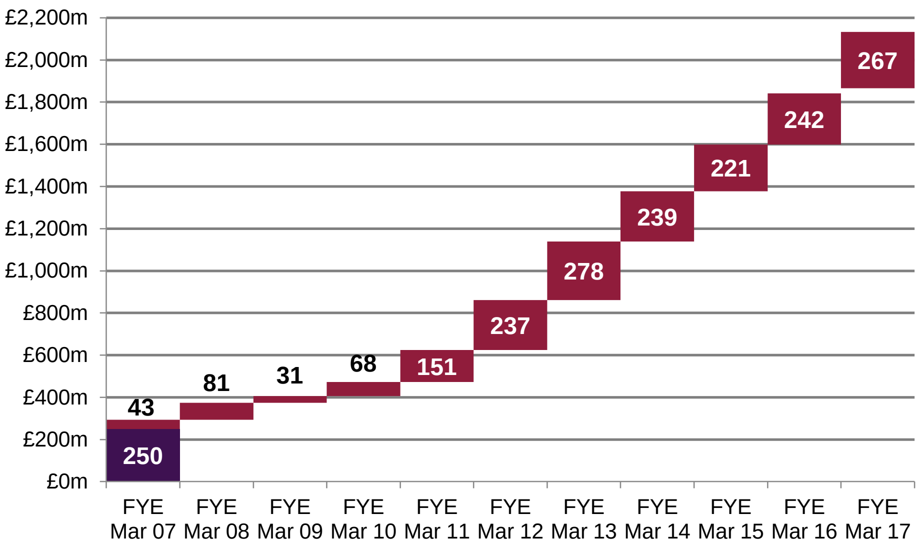
Chris is a Fellow of the UK Society of Investment Professionals and a Fellow of the Institute of Chartered Accountants in England and Wales.

1. Board, as at 23 May 2017

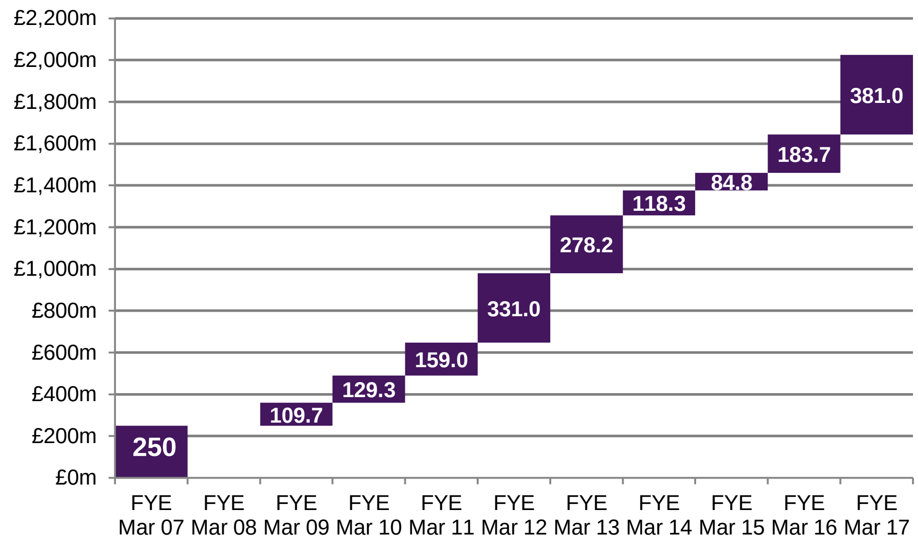
Investment and Capital Raising

- Acquisitions driven by demand for HICL shares and availability of further investments which fit the Investment Strategy
- Acquisitions are initially debt-funded (using £400m 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 £250m at IPO and c.£1.8bn through subsequent share issues

183 Acquisitions[1] since IPO to 31 March 2017 totaling £2.16bn[1]



Over £2.0bn of Equity Issuance from IPO to 31 March 2017[2]



1. Split into 114 investments. Excludes disposals, the proceeds of which have been reinvested. Excludes May 2017 investment in Affinity Water of £269m.
2. Includes primary and secondary issuance by way of tap and scrip issues

Appendix V

The Investment Portfolio

Current Portfolio I

Portfolio of 114 assets at 31 March 2017

HICL Infrastructure

Education — 20% of Directors' Valuation

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

Fire, Law & Order — 7%

Addiewell Prison	Gloucester Fire & Rescue	Northern European Project (details subject to NDA)	Tyne & Wear Fire Stations
Dorset Fire & Rescue	Greater Manchester Police Stations	Royal Canadian Mounted Police HQ	Zaanstad Prison
Durham & Cleveland Firearms Training Centre	Medway Police	South East London Police Stations	
Exeter Crown & County Court	Metropolitan Police Training Centre	Sussex Custodial Centre	

Transport — 22%

A9 Road	A249 Road	M1-A1 Road	NW Anthony Henday P3
A13 Road	Connect PFI	M80 Motorway DBFO	RD901 Road
A63 Motorway	Dutch High Speed Rail Link	N17/N18 Road	
A92 Road	Kicking Horse Canyon P3	Northwest Parkway	

Current Portfolio II

Portfolio of 114 assets at 31 March 2017

HICL Infrastructure

Health — 35% of Directors' Valuation

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

Accommodation — 12%

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

Water — 4%

AquaSure Desalination Plant

Key

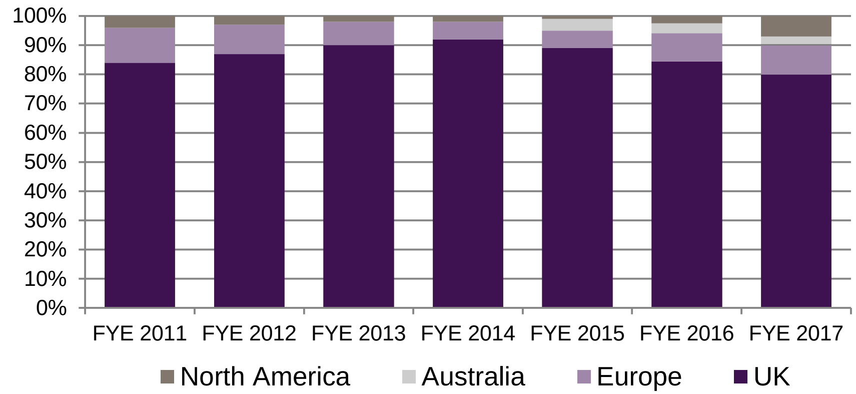
▲ Incremental stake since 31 March 2016

▲ New investment since 31 March 2016

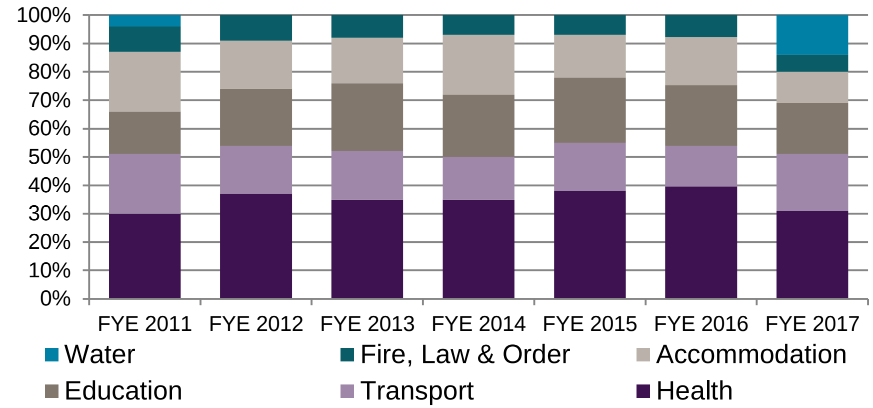
Current Portfolio – Key Attributes

Evolution of the Group's portfolio

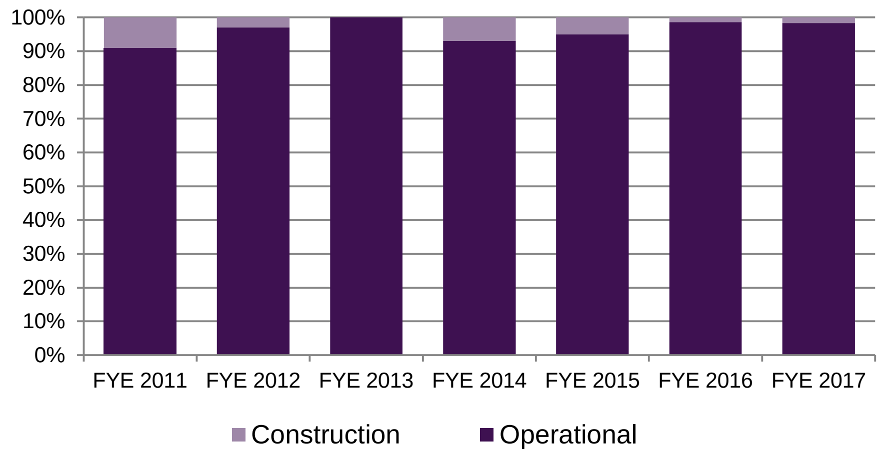
Geographically Spread Portfolio



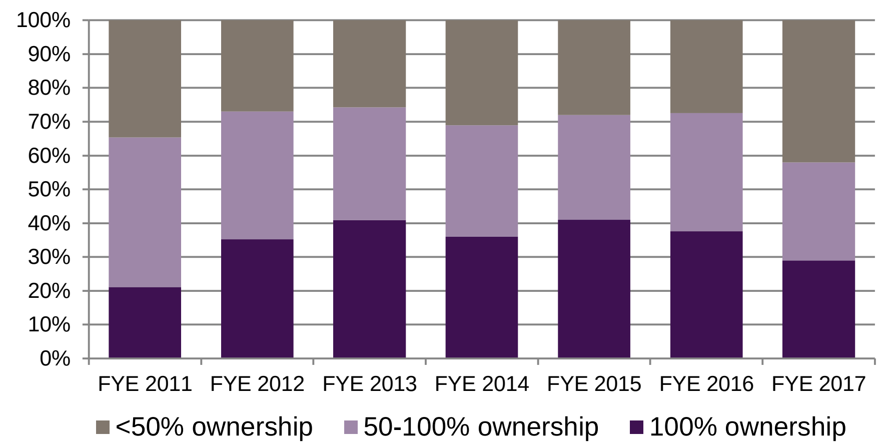
Good Sector Spread



Predominantly Operational Assets



Opportunities to increase ownership stakes



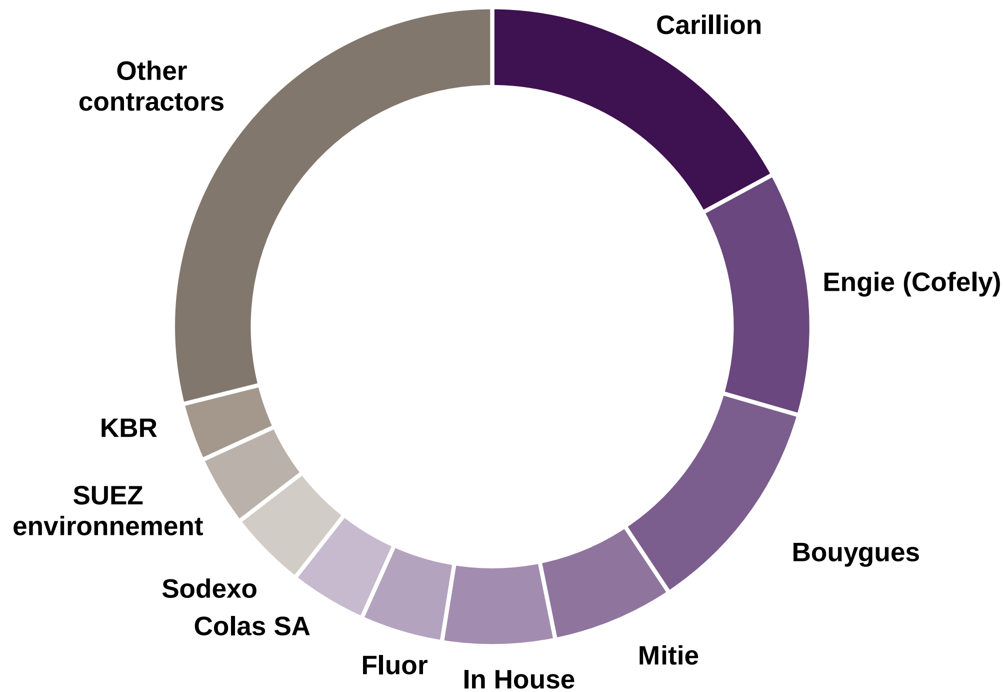
1. By value, using Directors' Valuation at 31 March each year from 2011 to 2017, includes conditional investments and the May 2017 post period end acquisition of Affinity Water.

Portfolio Overview - Contractor Counterparty Exposure

Ensuring diversification of supply chain providers

- Counterparties continue to perform
- Diversity of contractors ensures no over-reliance on any single entity
- Quarterly reviews by Investment Adviser
- Investment Adviser's Asset Management team members maintain open dialogue with senior management of key counterparties

10 Largest Exposures[1]



1. By value, at 31 March 2017, using Directors' Valuation
2. 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)
3. 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
4. There were five projects under construction at 31 March 2017: A9 road, N17/N18 Road, Ecole Centrale Superlec, North European Accommodation project and Irish Primary Care Centres compromising 2% of the Directors' valuation

Portfolio Characteristics I

At 31 March 2017[1]

MARKET SEGMENT

	2017	2016
▲ PPP Projects	88%	95%
▲ Demand-based assets	12%	5%
▲ Regulated assets	0%	0%

INVESTMENT STATUS

	2017	2016
▲ Fully operational	98%	99%
▲ Construction	2%	1%

GEOGRAPHIC LOCATION

	2017	2016
▲ UK	77%	84%
▲ EU	11%	10%
▲ Australia	4%	3%
▲ North America	8%	3%

1. Excludes investments made since year end, e.g. Affinity Water

Portfolio Characteristics II

At 31 March 2017[1]

OWNERSHIP STAKE

This year (2017)

Previous year (2016)

	2017	2016
▲ 100% ownership	33%	38%
▲ 50%-100% ownership	32%	35%
▲ Less than 50% ownership	35%	27%

SECTOR

This year (2017)

Previous year (2016)

	2017	2016
▲ Accomodation	12%	14%
▲ Education	20%	21%
▲ Health	35%	40%
▲ Fire, Law & Order	7%	8%
▲ Transport	22%	14%
▲ Water	4%	3%

1. Excludes investments made since year end, e.g. Affinity Water