HICL Infrastructure Company Limited

Interim Results Presentation: six months to 30 September 2017

22 November 2017

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Past performance is not a reliable indicator of future performance.

Agenda

HICL Infrastructure

Interim Results

Birmingham New Hospital, UK

Investment Proposition and Business Model

Delivering Real Value.

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

Business Model

ACCRETIVE INVESTMENT

Purchasing assets that enhance the delivery of the investment proposition

VALUE PRESERVATION

Active management of the underlying investments

VALUE ENHANCEMENT

Outperforming the base case, delivering upside to shareholders

Low asset concentration risk

45%

Ten largest assets as a proportion of the portfolio at 30 September 2017

Strong inflation correlation

0.8

Correlation of portfolio returns to inflation[1] at 30 September 2017

Good cashflow longevity

30.6yrs

Weighted avg asset life at 30 September 2017

1. If outturn inflation was 1% p.a. higher than the valuation assumption in each and every forecast period, the expected return from the portfolio (before Group expenses) would increase by 0.8%

Highlights I

For the six months to 30 September 2017

HICL Infrastructure

151.6p **NAV per share** Up 2.6p (1.7%) from NAV per share of 149.0p at 31 March 2017	**£2,844.4m** **Directors' Valuation[1]** Value of the Company's investment portfolio (£2,380.0m at 31 March 2017)	**8.9%** **Annualised shareholder return[2]** Based on interim dividends paid plus uplift in NAV per share in the period
Dividend guidance[3] affirmed **7.85p** for 2018 **8.05p** for 2019 **New dividend guidance[3] announced** **8.25p** for 2020	**£452m** **New investments in the period** Affinity Water and High Speed 1	**1.26x** **Dividend cash cover** Unchanged from 1.26x at 30 September 2016

1. On an Investment Basis and includes £30.7m of future commitments. On an IFRS basis investments at fair value through profit or loss was £2,711.1m
2. Adjusted for the timing of investments made during the period
3. Expressed in pence per ordinary share for financial years ending 31 March. This is a target only and not a profit forecast. There can be no assurance that this target will be met

Highlights II

For the six months to 30 September 2017

HICL Infrastructure

Performance

- Solid portfolio performance overall
- Annualised total return was ahead of expectations at 8.9%[1]
- Good cashflow, with dividend cover of 1.26x (September 2016: 1.26x)

New Investments

- £452m invested in Affinity Water and High Speed 1 in the period[2]
- In both cases co-investment used to manage portfolio exposure to single asset concentration risk
- The weighted average asset life increased to 30.6 years (March 2017: 24.4 years)

Funding

- £272.3m of equity raised through scrip issuance and an oversubscribed June 2017 tap issue
- Revolving Credit Facility forecast to be c.£130m drawn at 31 December 2017, with sufficient headroom to fund further investment if attractive opportunities arise
- The Group's liquidity position remains strong
- The Board will take account of market conditions when considering the timing of further capital raising activity

Hedging Policy

- Board has approved an amendment to the hedging policy to limit volatility of NAV per share to no more than 2% (from 1% previously) for a 10% movement in FX rates

Revised Fees

- The Board and Investment Adviser have agreed a further fee taper, effectively reducing fees for portfolio value over £3bn[3] from 0.8% p.a. to 0.65% p.a.

Distributions[4]

- On track to deliver aggregate dividends of 7.85p per share this financial year
- Reaffirming the 8.05p dividend target for the next financial year ending 31 March 2019
- New dividend guidance of 8.25p announced for the financial year ending 31 March 2020

1. Annualised shareholder return based on NAV appreciation and dividends paid
2. On an Investment Basis. On an IFRS basis new investments were £268.9m
3. 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, 0.8% thereafter up to GAV of £3.0bn, and 0.65% thereafter; plus a £0.1m investment advisory fee. In addition, a one-off 1.0% acquisition fee on new investments
4. Expressed in pence per ordinary share for financial years ending 31 March. This is a target only and not a profit forecast. There can be no assurance that this target will be met

Summary Financials I

Figures presented on an Investment Basis[1]

Income Statement	Six months to 30 September 2017	Six months to 30 September 2016
Total income	£108.1m	£99.5m
Fund expenses & finance costs	(£20.3m)	(£13.9m)
Profit before tax	£87.8m	£85.6m
Earnings per share[2]	**5.1p**	**6.1p**
Ongoing charges[3]	**1.06%**	**1.08%**

Balance Sheet (as at)	30 September 2017	31 March 2017
Investments at fair value[4]	**£2,813.7m**	**£2,347.5m**
NAV per share (before interim dividend)	151.6p	149.0p
Interim dividend	(1.96p)	(1.92p)
NAV per share (after interim dividend)	**149.7p**	**147.1p**

1. Investment Basis is the same basis as was applied in the 2016 Annual Report & Financial Statements which consolidated 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 30 September 2017 of £2,844.4m net of £30.7m future investment commitments (March 2017: £2,380.0m, net of £32.5m)

Summary Financials II

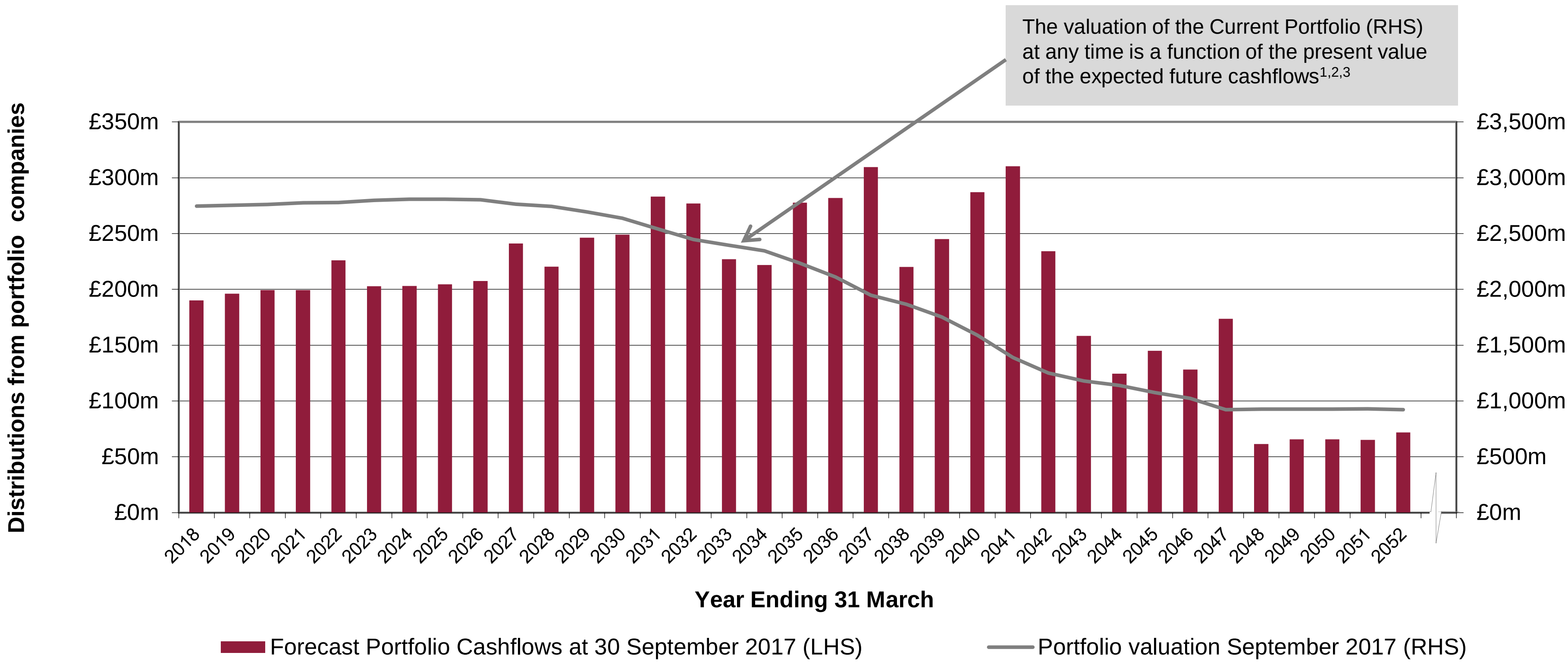
Figures presented on an Investment Basis[1]

Cashflow	Six months to 30 September 2017	Six months to 30 September 2016
Opening net cash	£82.2m	£52.7m
Net operating cashflow	**£77.9m**	**£60.9m**
Investments (net of disposals)	(£450.1m)	(£75.8m)
Equity raised (net of costs)	£265.5m	£112.5m
Forex movements and debt issue costs	(£1.4m)	(£18.9m)
Dividends paid	(£61.6m)	(£48.2m)
Net cash / (debt)	**(£87.5m)**	**£83.2m**
Dividend cash cover	**1.26x**	**1.26x**

1. Investment Basis is the same basis as was applied in the 2016 Annual Report & Financial Statements which consolidated three corporate subsidiaries. See section 3.1 of the 2017 Annual Report and Financial Statements for further details

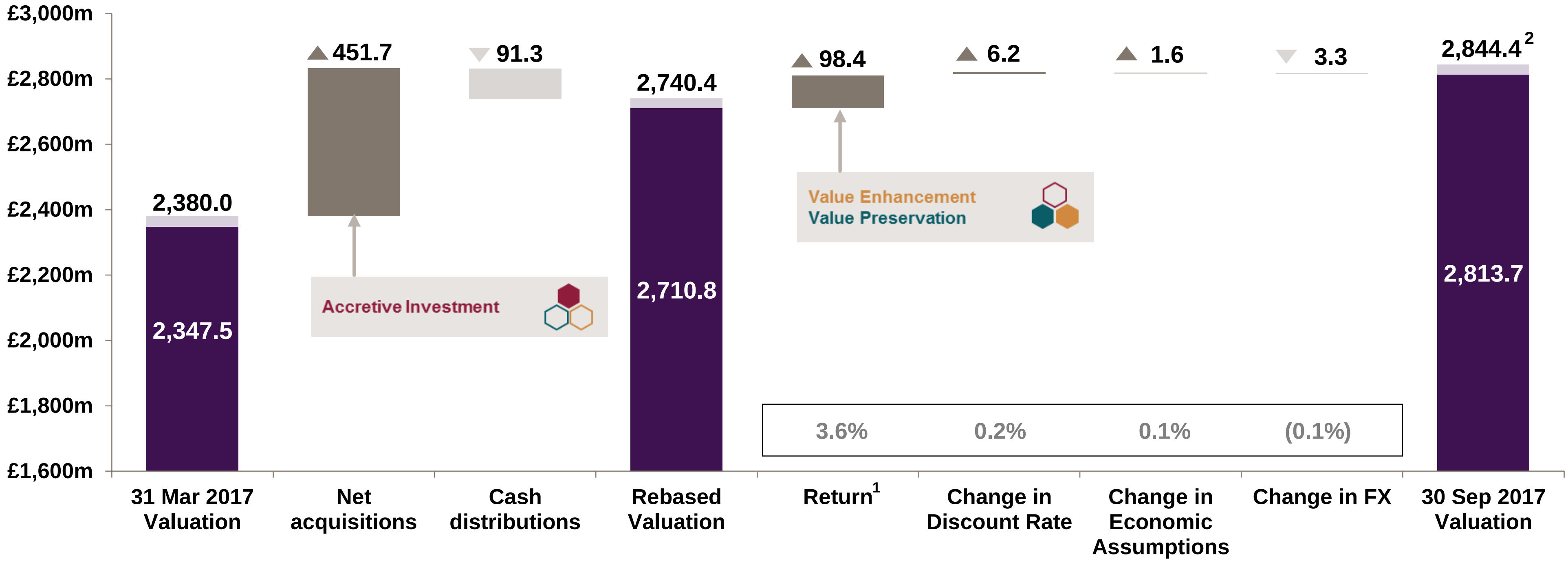
Portfolio Overview – Cashflow Profile[1]

- ▲ Forecast shows steady long-term cashflows combined with a stable portfolio valuation in the medium term
- ▲ Portfolio cashflows underpin the dividend and two years of forward dividend guidance



1. The illustration represents a target only at 30 September 2017 and is not a profit forecast. There can be no assurance that this target will be met
2. Valuation considers cashflows beyond 2052, for example for Northwest Parkway 89 years of cashflows are assumed
3. Subject to certain other assumptions, set out in detail in the Company's Interim Report for the six months to 30 September 2017

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 the Rebased Valuation as this reflects the returns on the capital employed in the period
- The Portfolio Return for the six months to 30 September 2017 is 8.1% on an annualised basis (being £98.4m return on rebased valuation of £2,710.8m and adjusting for the timing of the acquisitions of Affinity Water and High Speed 1)

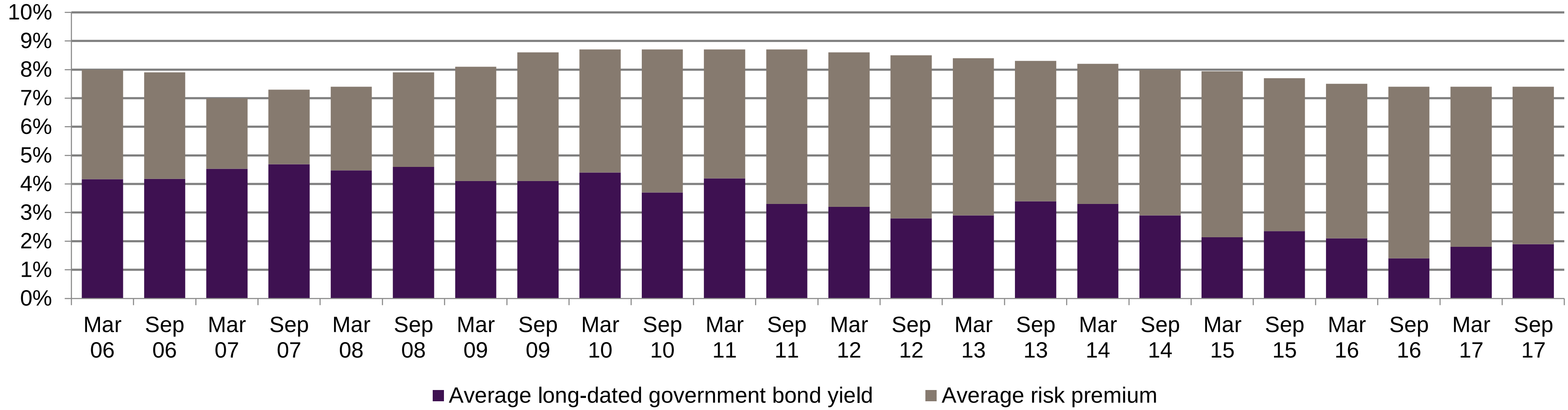
1. "Return" comprises the unwinding of the discount rate and project outperformance
2. £2,844.4m reconciles, on an Investment Basis, to £2,813.7m Investments at fair value through £30.7m of future commitments

Discount Rate Analysis

Discount rate unchanged overall

- Discount rates for investments range between 4.9% and 9.8%
- Weighted-average discount rate of 7.4%, unchanged from 31 March 2017 and up from 7.3% at 30 September 2016
- Implied risk premium over long-dated government bonds declined by 0.1% in the period to 5.5%

	Appropriate long-term government bond yield[1]		Risk Premium		Total Discount Rate[2]		
					30 September 2017	31 March 2017	30 September 2016
UK	1.8%	+	5.5%	=	7.3%	7.2%	7.3%
Australia	2.9%	+	3.6%	=	6.5%	7.3%	7.3%
Eurozone	1.4%	+	6.1%	=	7.5%	7.6%	7.8%
N. America	2.8%	+	5.4%	=	8.2%	8.2%	7.0%
Portfolio	**1.9%**	**+**	**5.5%**	**=**	**7.4%**	**7.4%**	**7.3%**



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

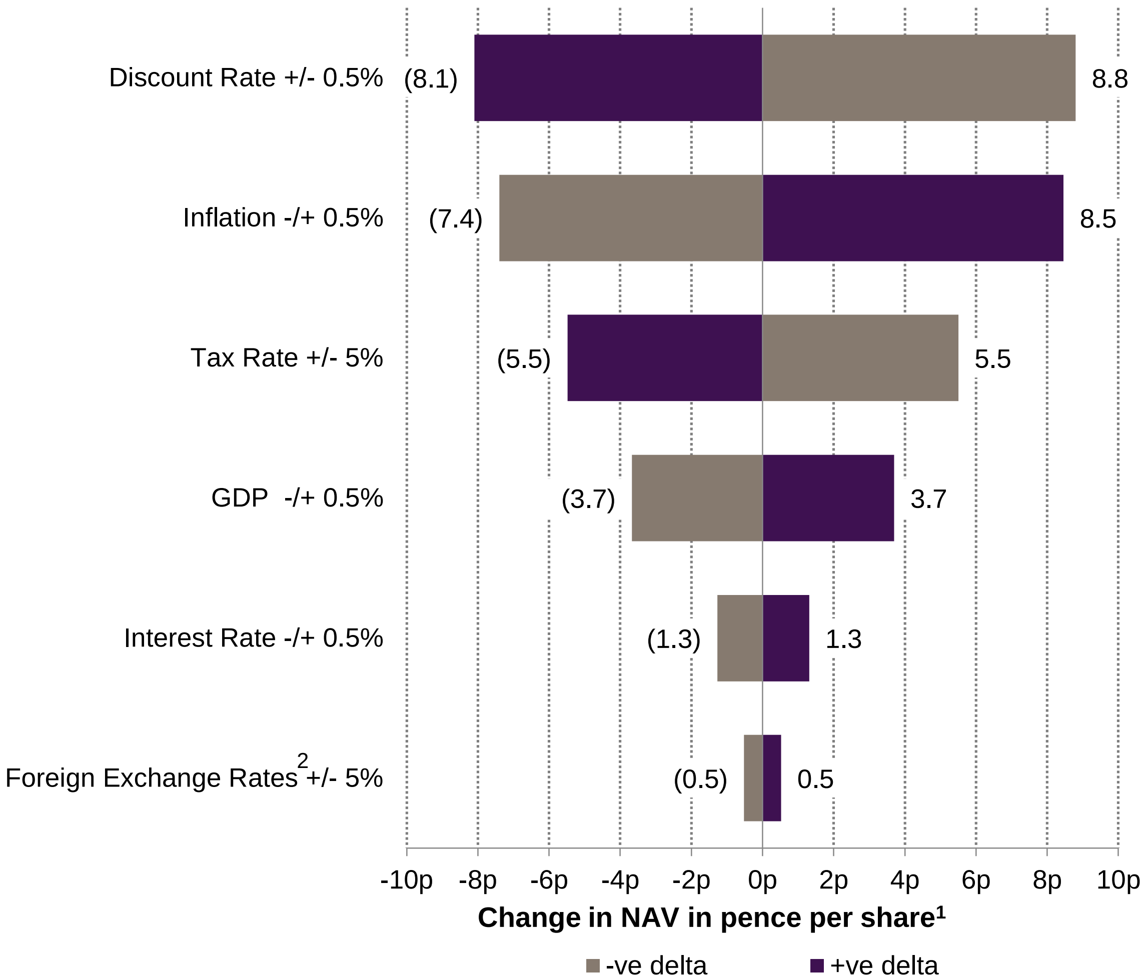
Key Valuation Assumptions

		Movement	30 September 2017	31 March 2017
Discount Rate	Weighted Average	⟷	7.4%	7.4%
Inflation[1] (p.a.)	UK (RPI[2] & RPIx[2]) Eurozone (CPI) Canada (CPI) Australia (CPI) USA (CPI)	⟷	2.75% 1.0% to 2019 and 2.0% thereafter 2.0% 2.5% 2.0%	2.75% 1.0% to 2019 and 2.0% thereafter 2.0% 2.5% 2.0%
Deposit Rates (p.a.)	UK Eurozone Canada Australia 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 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
Foreign Exchange	EUR / GBP CAD / GBP AUD / GBP USD / GBP	⟷	0.88 0.60 0.58 0.75	0.85 0.60 0.61 0.80
Tax Rate (p.a.)	UK Eurozone Canada Australia USA	↓ *(Australia)*	19% to 2020, 17% thereafter Various 26% and 27% (territory-dependent) 27.5% stepping down to 25% from 2024 35% Federal & 4.6% Colorado State	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 & 4.6% Colorado State
GDP (p.a.)	UK Eurozone USA	⟷	2.0% 1.8% 2.5%	2.0% 1.8% 2.5%

1. Some portfolio company revenues are fully indexed, whilst some are partially indexed
2. Retail Price Index and Retail Price Index excluding Mortgage Interest Payments

Key Valuation Sensitivities

Sensitivity to key macroeconomic assumptions



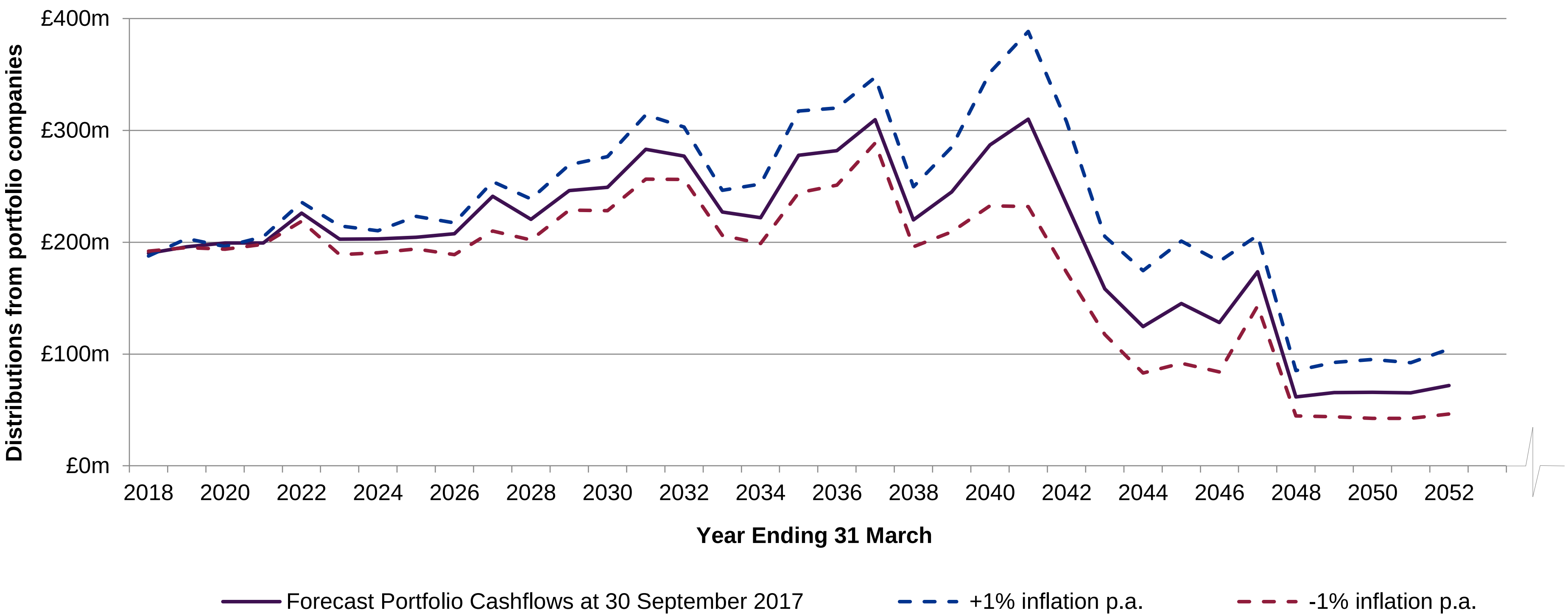
- The discount rate, FX rate and GDP sensitivities are based on analysis of the whole portfolio
- Remaining sensitivities are based on the largest 25 investments in the HICL portfolio by value, and then extrapolated across the whole portfolio
- The GDP sensitivity shows the impact of a 0.5% per annum change in GDP across the four assets[4] where revenues are to some degree correlated with economic activity
- If outturn GDP growth was 0.5% p.a. lower in all relevant geographies for all future periods than this valuation assumption on page 13, expected return from the portfolio[3] (before Group expenses) would decrease 0.2% from 7.4% to 7.2% (7.2% at 31 March 2017)

1. NAV per share based on 1,788m ordinary shares in issue at 30 September 2017
2. Foreign exchange rate sensitivity is net of current Group hedging at 30 September 2017
3. Expected return is the expected gross internal rate of return from the portfolio before group expenses, there is no assurance that returns will be met
4. Assets subject to GDP movements are High Speed 1, Northwest Parkway, A63 Motorway and M1-A1 Link Road

Portfolio Cashflow Sensitivity I

Inflation correlated returns for long-term investors[1,2]

- If outturn inflation is 1.0% p.a. higher in all future periods than the rates in the valuation assumptions set out on page 13, the expected return from the portfolio[3] (before Group expenses) would increase by 0.8% from 7.4% to 8.2% (8.1% at 31 March 2017)

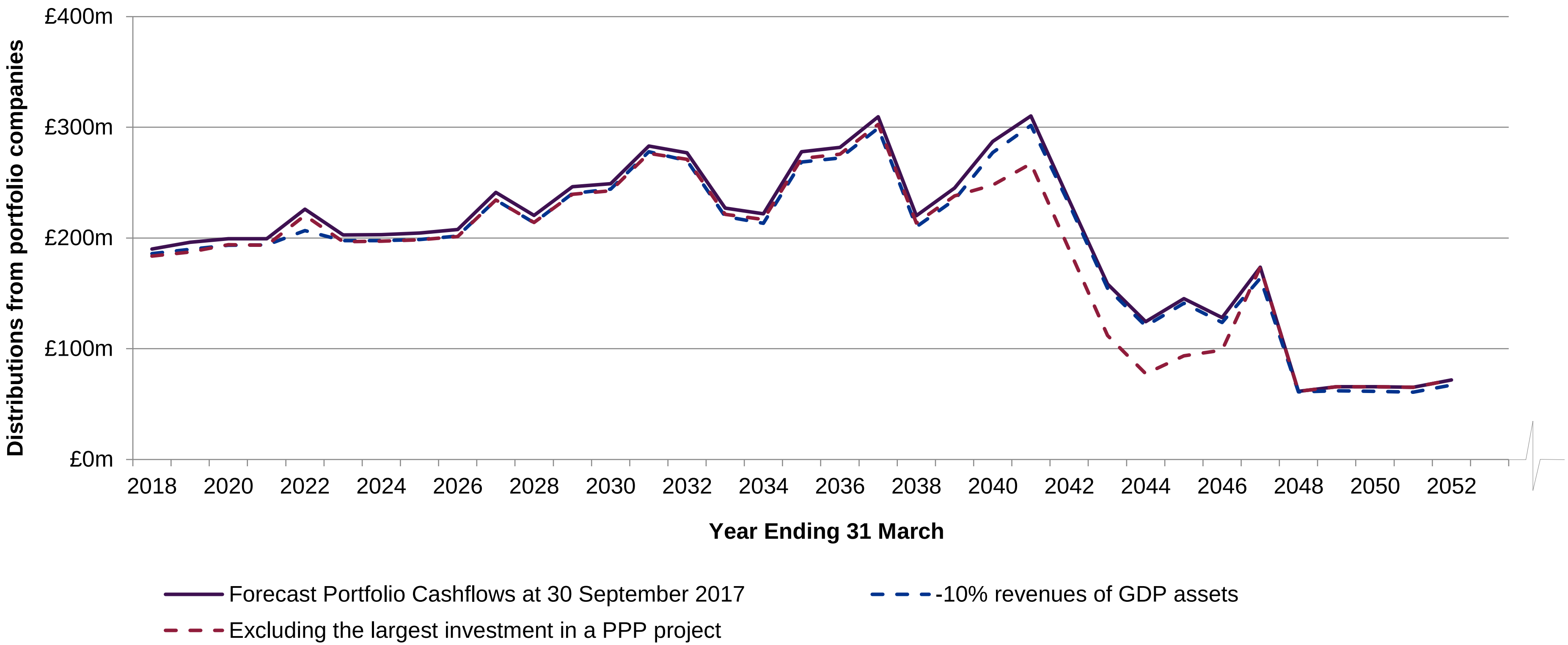


1. Sensitivity based on forecast gross portfolio cashflows as at 30 September 2017
2. The illustration represents a target only and is not a profit forecast. There can be no assurance that this target will be met
3. Expected return is the expected gross internal rate of return from the portfolio before group expenses, there is no assurance that returns will be met

Portfolio Cashflow Sensitivity II

Robust under stress scenarios [1,2,3]

- In a recession stress scenario, which assumes a 10% reduction in revenues in all periods for the GDP correlated assets in the portfolio[4], NAV/share would reduce by 5.1p (as at 30 September 2017)
- If the largest PPP project in the Group's portfolio (by value) was terminated with zero compensation[5], the impact on valuation would be 6.8p NAV/share (7.5p at 31 March 2017)



1. Sensitivity based on forecast gross portfolio cashflows as at 30 September 2017
2. The illustration represents a target only and is not a profit forecast. There can be no assurance that this target will be met.
3. Expected return is the expected gross internal rate of return from the portfolio before group expenses, there is no assurance that returns will be met
4. Assets subject to GDP movements are High Speed 1, Northwest Parkway, A63 Motorway and M1-A1 Link Road
5. Illustrative scenario only

Portfolio Performance, Asset Management and Risk

Defence Sixth Form College, UK

Portfolio Performance and Asset Management

Highlights for the period to 30 September 2017

HICL Infrastructure

Portfolio wide initiatives

- Lifecycle efficiencies recognised across a number projects from historic savings and new forecast budgets for the future
- Ongoing initiatives to reorganise PPP projects' management services to improve quality, resilience and performance of service provision

Specific performance and initiatives

- PPP projects comprise the largest market segment for the Company, representing 74% of the portfolio by value as at 30 September 2017, and continue to perform well overall
- A transformation agreement has been signed in the period to extend the Helicopter Training Facility concession, delivering benefits to HICL and a saving for the UK Ministry of Defence
- Northwest Parkway and the A63 Motorway have seen traffic ahead of acquisition assumptions
- Good progress with on-boarding of Affinity Water; and first distribution received in September 2017 in line with plan

ESG initiatives

- At Southmead Hospital, the Brunel Building won the prestigious European Healthcare Design Award (facilities larger than 25,000m^2)
- The A63 Motorway project company launched a well-received campaign in April 2017 in order to prevent forest fires, communicated through signage, motorway radio and posters on the back of a fleet of HGVs

Construction completion

- In June 2017, construction was completed on Ecole Centrale Supélec, a 28-year PPP project to finance, construct, operate and maintain a new facility for the Ecole Centrale Supélec on Plateau de Saclay, France

Risk and Risk Management I

Political risk a key risk faced by the Company

HICL Infrastructure

Heightened political uncertainty in the UK due to June 2017 election result, the continuing process to leave the EU and recent political statements regarding termination of PFI contracts and nationalisation of utilities

PPP contracts

- Public sector counterparties are typically entitled to voluntarily terminate PPP contracts
- In a voluntary termination scenario, PPP project companies have a corresponding right to receive compensation (typically, in the UK, this is a market value calculation that should equate to the prevailing portfolio value of the PPP project)

Water

- Private ownership of water companies has delivered £150bn of investment in the industry[1] and customer satisfaction for water services is above 90%[2]
- There is a need to balance the interests of consumers and those of investors in order to sustain private investment for the future

Tax

- At IPO, HICL was structured as a Guernsey investment company to afford retail investors access to the underlying assets on a similar basis as institutional investors; structural obstacles to achieving this with a UK investment trust no longer exist
- Approximately 90% of HICL's shareholders are UK resident; the Company's distributions to some investors could be treated differently for tax purposes should HICL become an onshore investment trust
- There has been a suggestion that a future UK government could consider raising UK Corporation Tax rates; if the rate of UK Corporation Tax was 5% p.a. higher in each and every forecast period, NAV/share would decrease by 4.6p[3]

1. Press release, Water UK, 27 September 2017
2. Water Matters: Household Customers' Views on their Water and Sewage Services 2016, published by Consumer Council for Water (June 2017)
3. Sensitivity as at 30 September 2017

Risk and Risk Management II

HICL Infrastructure

Construction Quality and Fire Safety

- InfraRed continues to work closely to prioritise safety with management teams of the PPP projects in which the Group has invested
- A key focus in the period was on construction quality, particularly fire-stopping, cladding systems and wall-ties
- No material safety issues have been identified from inspections undertaken to date
- Follow-up activities are being undertaken to ensure that any defects found are rectified by appropriate subcontractors

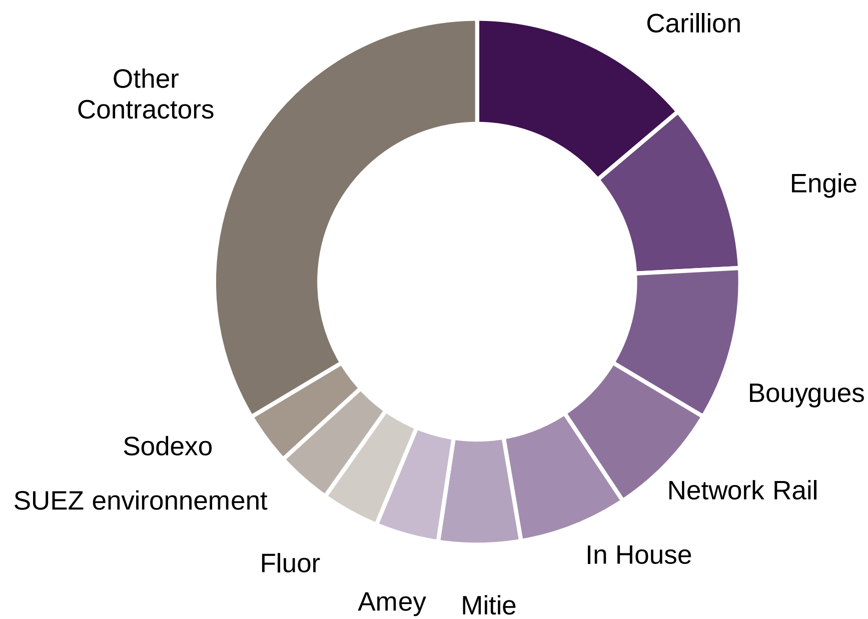
Foreign Exchange

- Change in Company's hedging policy with effect from 1 October 2017 to target volatility of NAV per share of no more than 2% for a 10% movement in foreign exchange rates
- Balances the cost / benefit of the hedging policy and retains the key objective of materially mitigating the impact of foreign exchange movements for HICL

Counterparty Exposure

- Exposure is reviewed quarterly and exposure reported to the Risk Committee by the Investment Adviser
- Profit warnings from a number of UK construction and facilities management companies during the period (and subsequently)
- Contingency plans are in place to address scenarios where material issues lead to a failure of service provision by a subcontractor
- Following the period end, Carillion announced the sale of parts of its healthcare businesses; once completed, it is expected that portfolio companies with exposure to Carillion will reduce to c.8% of the Group's portfolio value, whilst exposure to Serco will increase to c.6%

10 Largest Facilities Management and Operations Counterparty Exposures[1]



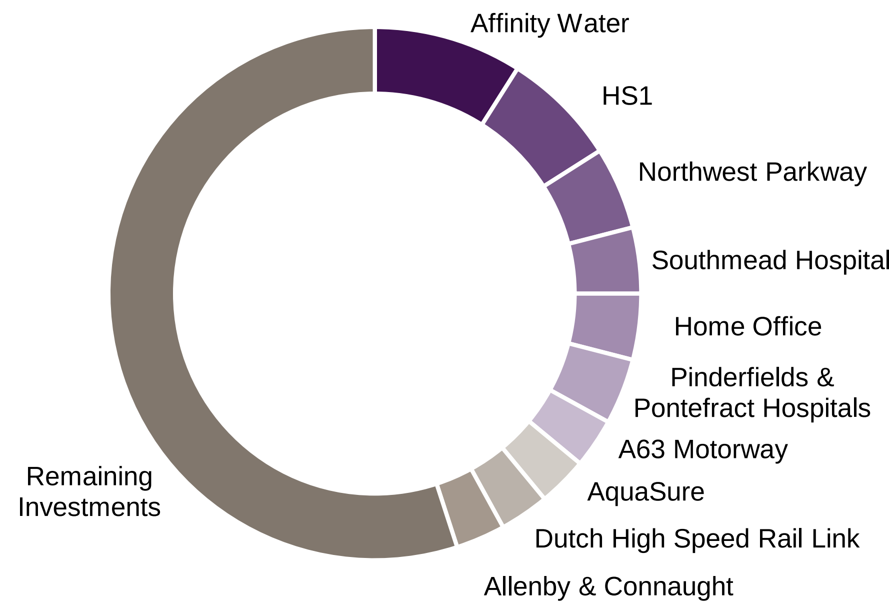
1. By value, at 30 September 2017, using Directors' Valuation excluding A13 senior bonds. Where a project has more than one operations contractor in a joint and several contract, the better credit counterparty has been selected (based on analysis by the Investment Adviser). Where a project has more than 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

Portfolio Metrics

Ten largest assets account for c.45% of the portfolio[1]

	30 September 2017	31 March 2017
Number of investments	116	114
Percentage of portfolio by value – 10 largest assets	45%	40%
Weighted average asset life[2]	30.6 years	24.4 years
Average remaining maturity of long-term debt financing[3]	18.1 years	18.2 years

10 Largest Investments[1]



1. By value using Directors' Valuation of £2,844.4m as at 30 September 2017
2. Assumes a 100-year asset life for Affinity Water
3. Excludes investment in A13 Senior Bonds

Portfolio Characteristics I

At 30 September 2017

MARKET SEGMENT

	Sep-17	Mar-17
▲ PPP Projects	74%	88%
▲ Demand-based Assets	17%	12%
▲ Regulated Assets	9%	0%

GEOGRAPHIC LOCATION

	Sep-17	Mar-17
▲ UK	80%	77%
▲ EU	10%	11%
▲ Australia	3%	4%
▲ North America	7%	8%

- Recent acquisitions of Affinity Water and High Speed 1 have increased UK exposure to 80% from 77% at 31 March 2017
- Following the acquisition of High Speed 1, the proportion of demand-based assets in the portfolio with returns correlated to economic activity is at 16%, within the self-imposed 20% limit previously communicated to shareholders
- Demand-based assets now comprise six investments located in three geographies:
  - Assets with returns correlated to GDP: High Speed 1 (UK), Northwest Parkway (USA), A63 Motorway (France) and M1-A1 Link Road (UK)
  - Other demand-based assets: University of Sheffield Student Accommodation (UK) and Helicopter Training Facility (UK)

1. All charts are by value using Directors' Valuation of £2,844.4m as at 30 September 2017

Portfolio Characteristics II

At 30 September 2017

OWNERSHIP STAKE

Sep 17

Mar 17

	Sep-17	Mar-17
▲ 100% ownership	28%	33%
▲ 50% - 100% ownership	27%	32%
▲ Less than 50% ownership	45%	35%

INVESTMENT STATUS

Sep 17

Mar 17

	Sep-17	Mar-17
▲ Fully operational	98%	98%
▲ Construction	2%	2%

SECTOR

Sep 17

Mar 17

	Sep-17	Mar-17
▲ Accommodation	10%	12%
▲ Education	17%	20%
▲ Health	29%	35%
▲ Fire, Law & Order	6%	7%
▲ Transport	26%	22%
▲ Water	12%	4%

1. All charts are by value using Directors' Valuation of £2,844.4m as at 30 September 2017

Investment Activity

Grangemouth High School, UK

Accretive Investment – Current Acquisition Strategy

HICL Infrastructure

- Acquisition Strategy reviewed between Board and Investment Adviser in October 2017 - confirmed existing focus
- Origination activity progressed 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 cashflow 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 cashflows 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

Summary Investment Activity

Investment activity during the period

HICL Infrastructure

Investment Activity

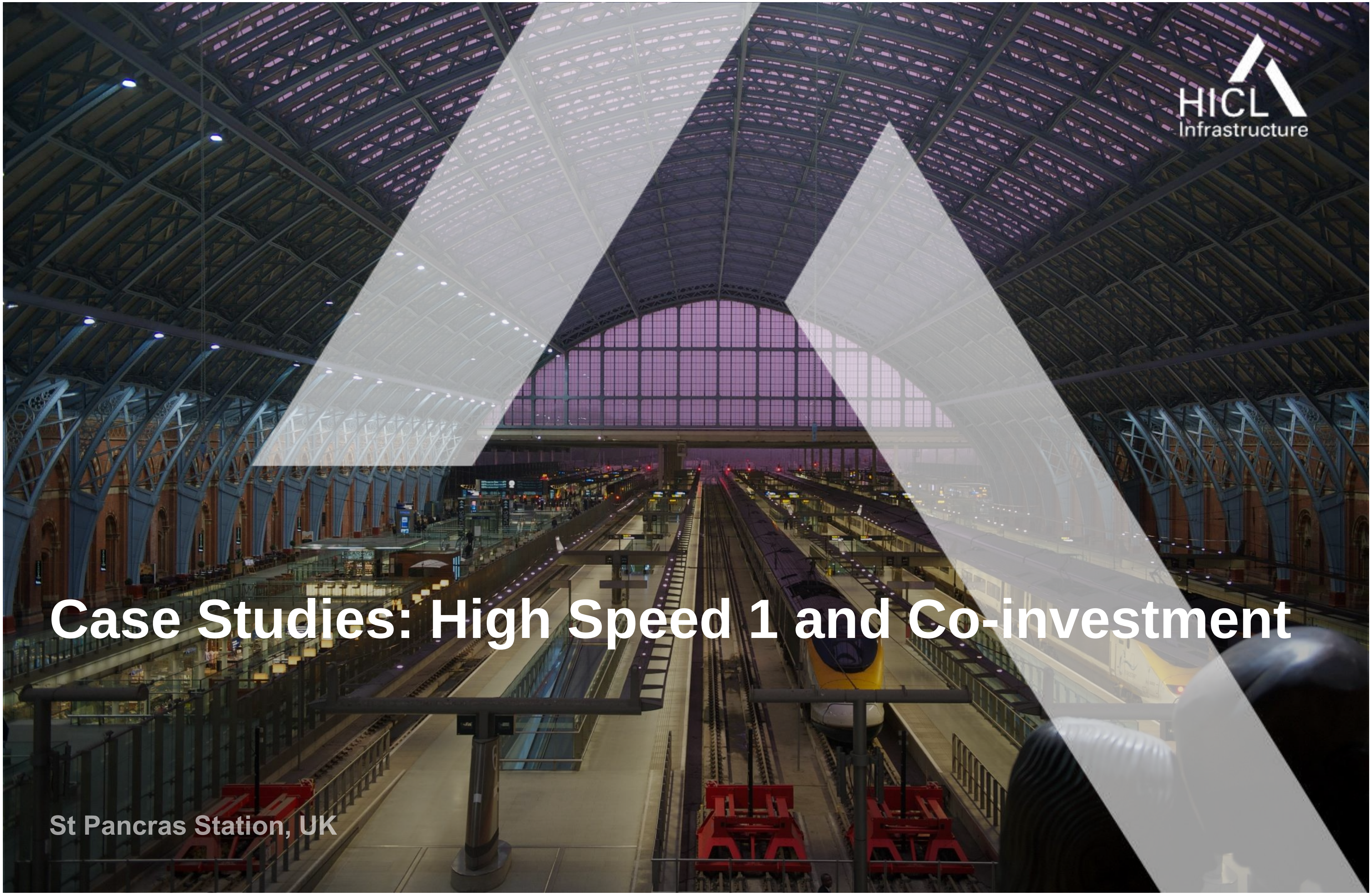
Net Amount	Type	Stage	Project	Segment	Sector	Stake Acquired	Overall Stake	Date
£250m	New	Operational	Affinity Water	Regulated	Water	36.6%	33.2%[1]	May-17
£202m	New	Operational	High Speed 1	Demand	Transport	21.8%	21.8%[2]	Sept-17

Investment Activity after the period end

Net Amount	Type	Stage	Project	Segment	Sector	Stake Acquired	Overall Stake	Date
£12m	Incremental	Operational	Addiewell Prison	PPP	Accommodation	33.3%	66.7%	Nov -17

1. Net of co-investment of c. £25m
2. Net of co-investment of c. £120m

Case Studies: High Speed 1 and Co-investment



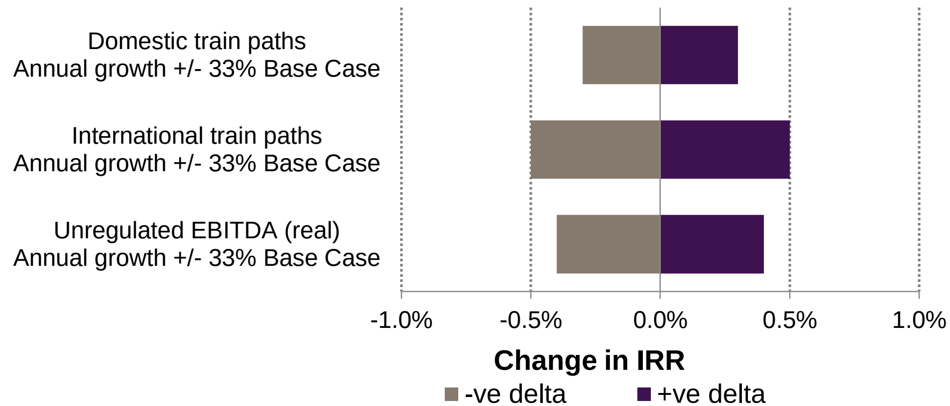
St Pancras Station, UK

Case Study – High Speed 1 (HS1)

Acquisition of operational demand-based high speed rail asset completed in September 2017

Essential, high-profile UK infrastructure

Sensitivities of Base Case IRR to Key Value Drivers[1]



High Speed 1 Financing

- HS1 concessionaire's debt structure is rated A-
- The acquisition included a £500m non-recourse, long-term, amortising, investment grade debt facility provided largely by UK institutional infrastructure investors
- No refinancing risk in either the concessionaire's debt or the above acquisition facility
- Efficient use of revenue swaps to optimise inflation linkage, removing excessive correlation and stabilising cashflow available to service debt

Business Plan Assumptions

- Domestic train paths assumed to have <1% growth p.a.
- International train paths and unregulated EBITDA[2] assumed to have low single-digit growth p.a.
- In a stress scenario, where forecast growth rates are reduced by 50% for each of the three key value drivers above (in each and every remaining year of the concession):
  - base case IRR[3] for the project would reduce by 1.8%
  - the project would continue to make equity distributions in all forecast periods

1. The chart presents sensitivity analysis of the revenue drivers of the Group's HS1 investment, with variances modelled to the Business Plan Assumptions
2. Earnings before interest and tax
3. Internal rate of return

Case Study – Co-investment

Facilitating access to attractive investments in larger assets whilst managing concentration risk

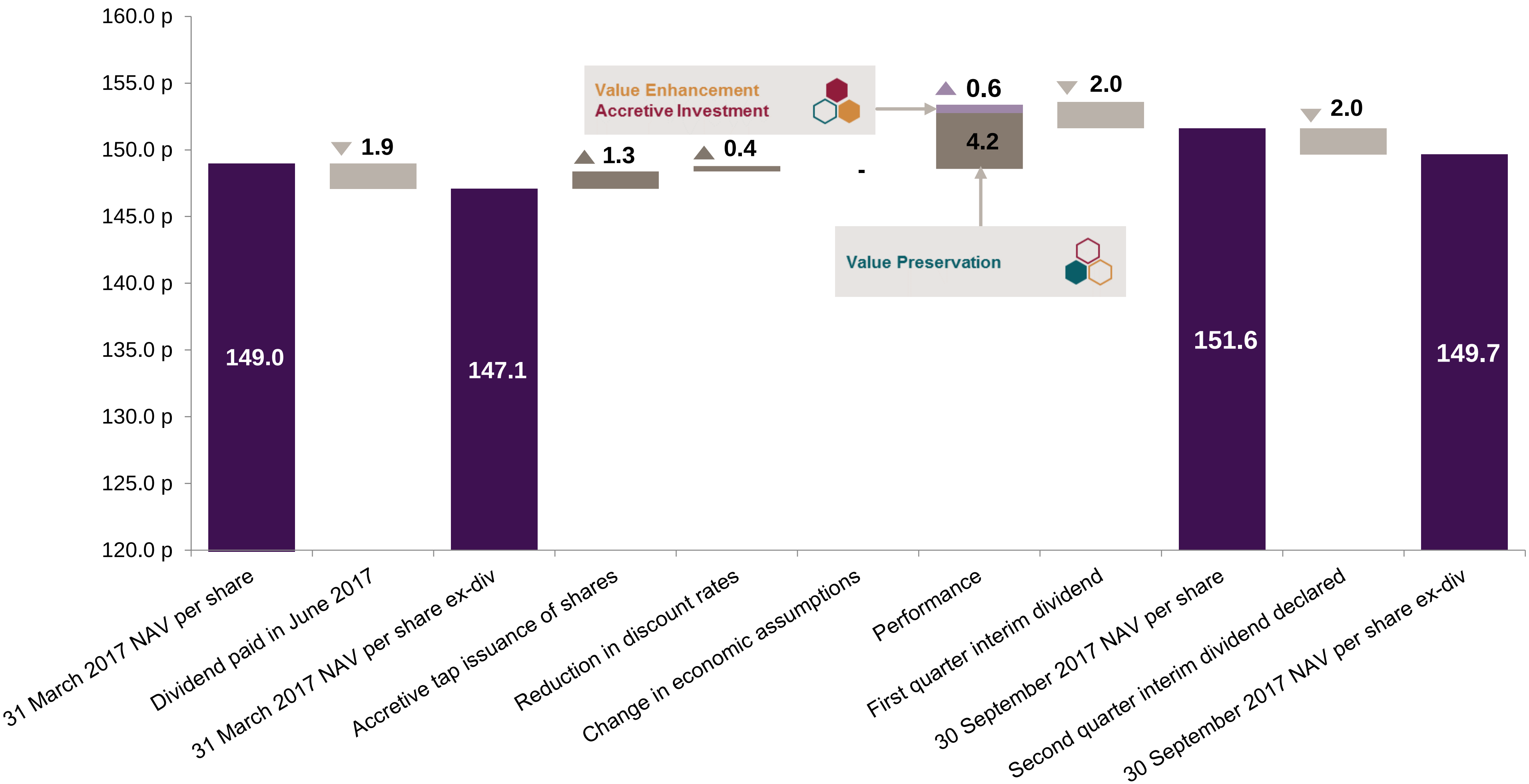
HICL Infrastructure

c. £145m co-investment alongside HICL in Affinity Water and High Speed 1 acquisitions

- Modest co-investment secured by the Investment Adviser for Affinity Water from UK local authority pension funds
- The model was expanded for the High Speed 1 transaction, with co-investment from pension funds both in the UK and South Korea
- Co-investment is sought from strategically aligned parties, who follow a buy-and-hold approach to infrastructure investment
- Co-investment:
  - Builds strategic relationships;
  - Opens opportunities to access larger transactions; and
  - Affords HICL options to manage asset concentration risk
- Strong governance rights for HICL are protected, providing appropriate influence to enable the delivery of the asset management strategy and business plans


HICL Infrastructure
Performance and Summary
Health & Safety Executive, 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	30 September 2017	30 September 2016	Objective	Commentary
Dividends	Aggregate interim dividends declared per share in the period	**3.92p**	**3.82p**	An annual distribution of at least that achieved in the prior year	**Achieved**
Total Return	NAV growth and dividends paid per share (since IPO)	**9.5% p.a.**	**9.7% 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	**1.26x**	**1.26x**	Cash covered dividends	**Achieved**
Positive Inflation Correlation	Changes in expected portfolio return for 1% p.a. inflation change	**0.8%**	**0.7%**	Maintain positive correlation	**Achieved**
Competitive Cost Proposition	Annualised ongoing charges / average undiluted NAV[2]	**1.06%**	**1.08%**	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

Outlook and Concluding Remarks

- A differentiated investment proposition combining:
  - Low asset concentration risk;
  - Strong correlation between portfolio returns and inflation[1]; and
  - Good cashflow longevity
- Annualised total return ahead of expectations; good cashflow generation from the portfolio
- Capital Markets Seminar is scheduled for Q1 2018 with a focus on recent investments and InfraRed's approach to origination, on-boarding and active asset management
- Pipeline relatively muted for the remainder of current financial year, with the bulk of opportunities for investment likely to be PPP projects and OFTO bids
- HICL's target markets remain PPP projects, regulated assets and demand-based assets, with an opportunistic approach to assessing corporate assets
- Reduction in management fee positions HICL to deliver further economies of scale to shareholders
- New dividend guidance[2] to 31 March 2020 reflects the Board's confidence in the visibility and robustness of the portfolio's forecast cashflows

1. If outturn inflation was 1% p.a. higher than the valuation assumption in each and every forecast period, the expected return from the portfolio (before Group expenses) would increase by 0.8%
2. 8.25p for the financial year ending 31 March 2020; this not a profit forecast; there can be no assurance that this target will be met

Appendix I

The Investment Adviser

Overview of InfraRed Capital Partners Ltd ("InfraRed")

InfraRed is the Investment Adviser and Operator

- Strong, 25+ year track record of launching 17 infrastructure and real estate funds (including HICL and TRIG)
- Currently over US$10bn of equity under management
- Independent manager owned by senior management team[1]
- London based, with offices in Hong Kong, New York, Seoul and Sydney, with over 130 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 top ratings, standing well above industry standards for the last three consecutive years, with an A+ rating for Infrastructure in 2017 assessed by PRI

Infrastructure funds	Strategy	Amount (m)	Years	Status
Fund I	Unlisted, capital growth	£125	2001-2006	Realised
Fund II	Unlisted, capital growth	£300	2004-2015	Realised
HICL Infrastructure Company Limited ("HICL")	Listed, income yield	£2,795[2]	Since 2006	Evergreen
Environmental Fund	Unlisted, capital growth	€235	Since 2009	Divesting
Fund III	Unlisted, capital growth	US$1,000	Since 2011	Invested
Yield Fund	Unlisted, income yield	£500	Since 2012	Invested
The Renewables Infrastructure Group ("TRIG")	Listed, income yield	£1,025[2]	Since 2013	Evergreen

Source: InfraRed

1. InfraRed is an indirect subsidiary of InfraRed Partners LLP which is owned by its partners
2. Market capitalisation as at 30 September 2017

InfraRed – Infrastructure Team Skills and Experience

- Proven track record in target markets of UK, Europe, North America, Latin America, Australia and New Zealand
- Focused teams including:
  - Origination and Transaction team responsible for sourcing, diligencing and acquiring new investment opportunities;
  - Asset Management team responsible for managing the portfolio;
  - Portfolio Management team responsible for financial reporting and management;
  - With support from Finance, Compliance, Risk
- Strong sector and geographic experience with in-depth technical, operational and investment knowledge

c.70	4	20
infrastructure professionals	continent coverage	spoken languages

Appendix II
The Company and Group

HICL's Characteristics

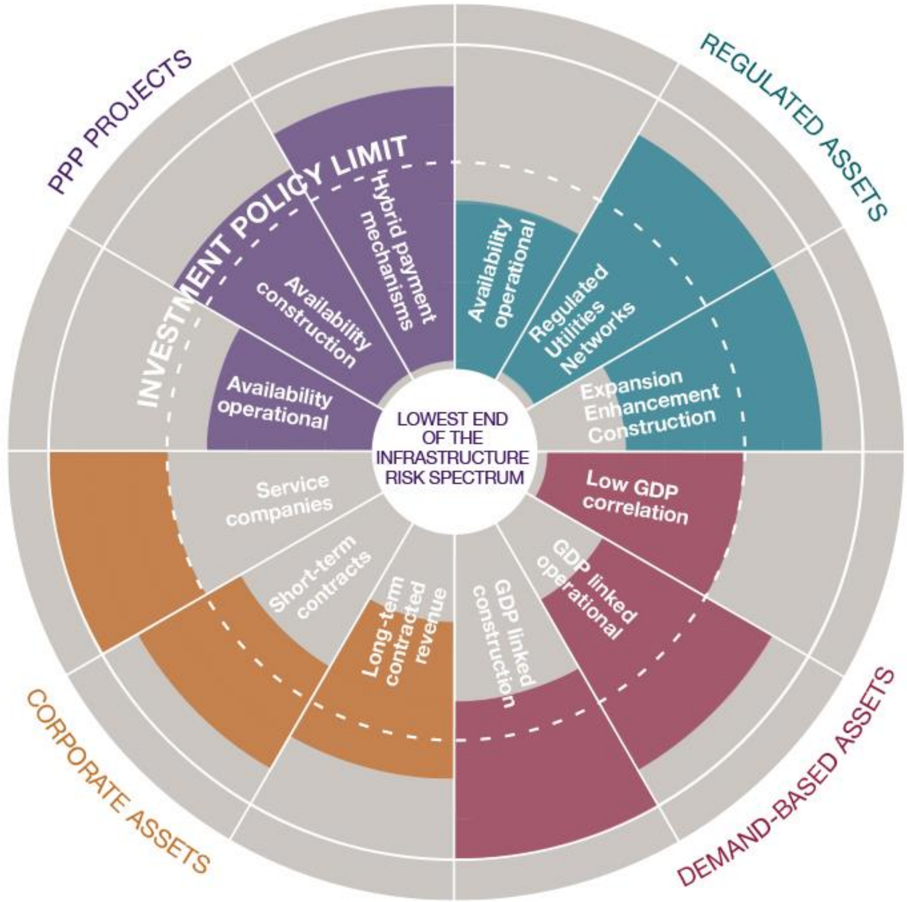
Objective	▲ To generate long-term, stable income from a diversified portfolio of infrastructure investments ▲ Focused on assets at the lower end of the risk spectrum, which generate inflation-correlated returns
History	▲ IPO in 2006, 11 successive years of dividend growth ▲ First infrastructure investment company to list on the main market of the London Stock Exchange ▲ Member of the FTSE 250 index
Portfolio	▲ 116 investments, as at 30 September 2017 (112 operational and four under construction) ▲ Assets spread across six sectors and seven countries
Net Asset Value	▲ Directors' Valuation of £2,844.4m at 30 September 2017 (31 March 2017: £2,380.0m)[1] ▲ NAV/share of 151.6p at 30 September 2017 (31 March 2017: 149.0p) ▲ Directors' Valuation based on a weighted average discount rate of 7.4% (31 March 2017: 7.4%)
Board and Governance	▲ Board comprises six independent non-executive Directors ▲ Investment Adviser and Operator is InfraRed, a leading global investment manager focused on infrastructure and real estate
Fees and ongoing charges	▲ Tapered annual management fee based on portfolio's Adjusted Gross Asset Value (GAV)[2] ▲ Ongoing charges percentage (as defined by the Association of Investment Companies) of 1.06% at 30 September 2017 (30 September 2016: 1.08%)
Liquidity[3]	▲ Good daily liquidity – average daily trading volume of over 4m shares ▲ Tight bid / offer spread of ~0.2p

1. Including £30.7m of future investment obligations (March 2017: £32.5m)
2. Annually: 1.1% on GAV up to £750m, 1.0% thereafter up to GAV of £1.5bn, 0.9% thereafter up to GAV of £2.25bn, 0.8% thereafter up to GAV of £3.0bn, and 0.65% thereafter; plus a £0.1m investment advisory fee. In addition, a one-off 1.0% acquisition fee on new investments
3. Source: Thomson Reuters Datastream, six months to 30 September 2017

Infrastructure Market Map

Schematic showing HICL's Investment Policy[1] Scope

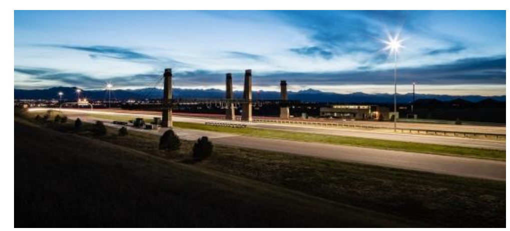
Examples: hospitals, schools, government accommodation and availability transport (e.g. road/rail)



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

Examples: rolling stock

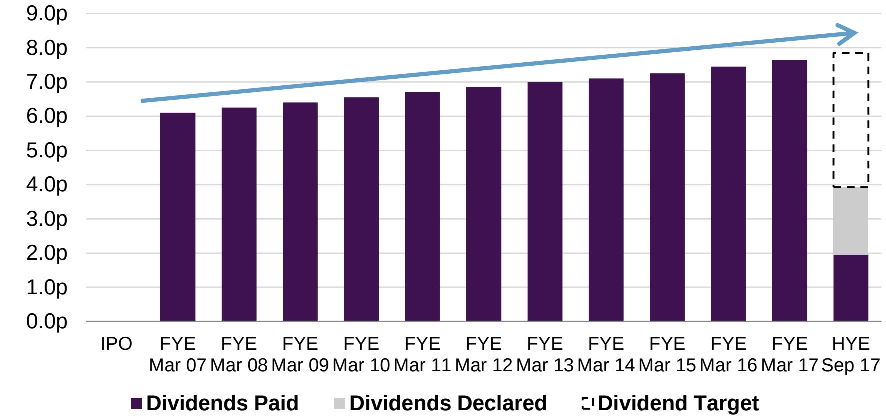
Examples: operational toll roads, tunnels, bridges; student accommodation



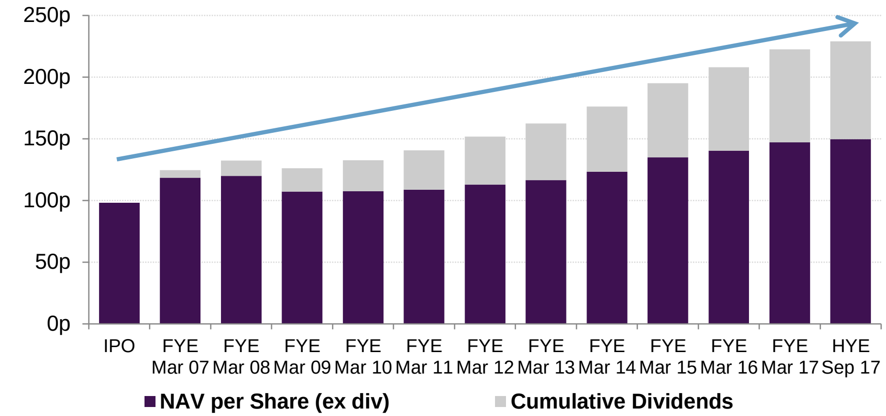
1. The Investment Policy can be found on the HICL website

Historic Performance

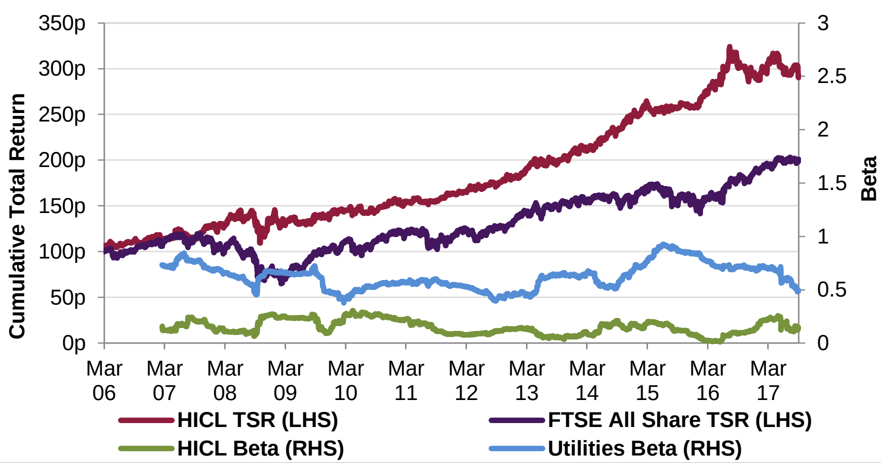
HICL has grown its dividend for each of the last 11 years



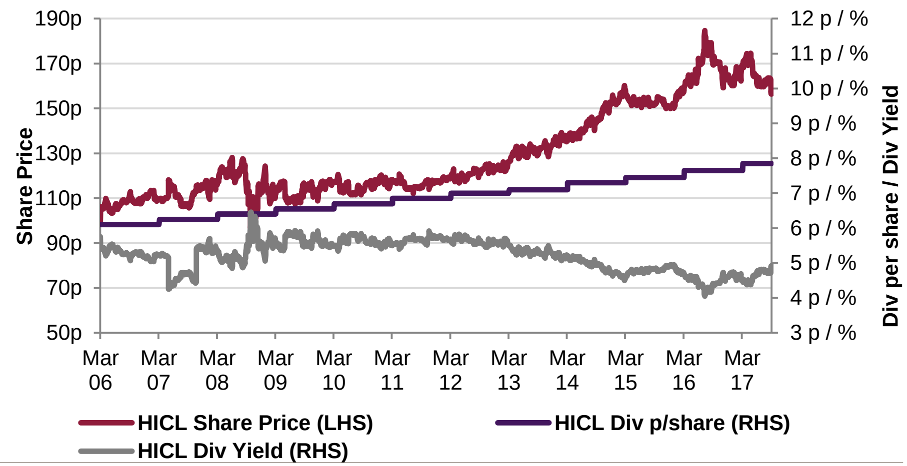
Total Return (NAV growth and dividends) of 9.5% p.a. since IPO



HICL has outperformed FTSE All Share while offering a low beta

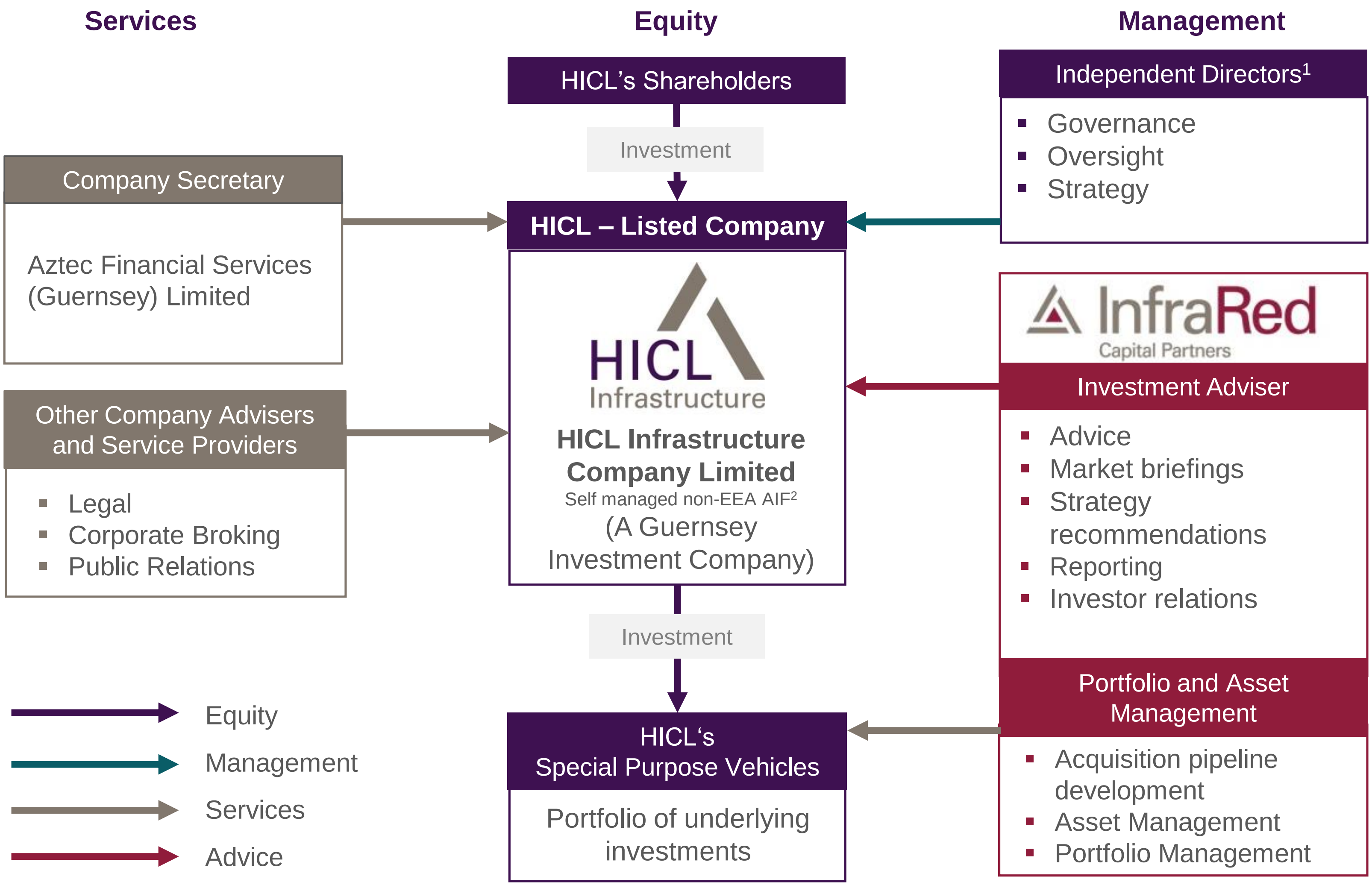


Growing dividend has maintained a 4 - 6% yield



Source: InfraRed, Thomson Reuters Datastream. Past performance is not a reliable indicator of future performance. Investments can fluctuate in value and there can be no assurance of future returns

Group Structure Diagram



1. Independent of the Investment Adviser
2. Alternative Investment Fund, as defined by the EU's Alternative Investment Fund Managers Directive

Governance

Independent board of non-executive Directors

- Approves and monitors adherence to strategy
- Fulfils Company's AIFM[1] 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

- 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

1. Alternative Investment Fund Manager

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.

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

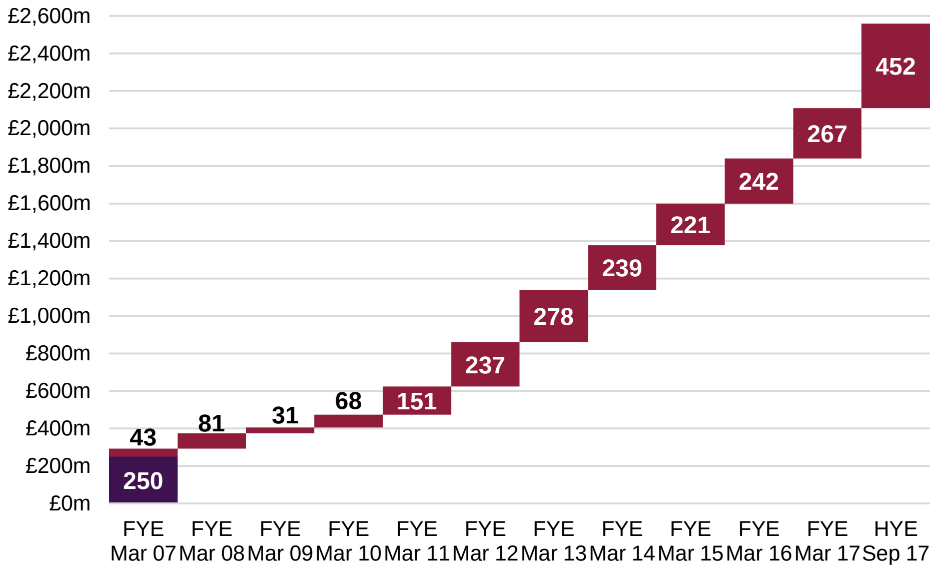
Chris, a Guernsey resident, is a non-executive director of investment and financial companies in the UK, Hong Kong and Guernsey. He is the Chairman of F&C Commercial Property Trust Limited and Macau Property Opportunities Fund Ltd. Chris was a director of Gartmore Investment Management plc, where he 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.

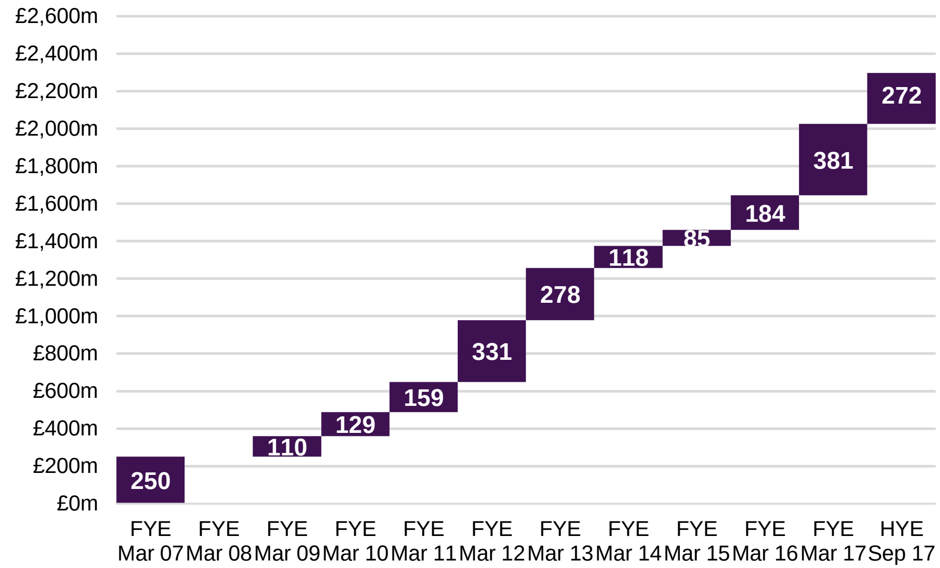
Investment and Capital Raising

- 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 (subject to market conditions)
- HICL raised £250m at IPO and c.£2.0bn through subsequent share issues

184 Acquisitions[1] since IPO to 30 September 2017 totaling £2.56bn



Over £2.2bn of Equity Issuance from IPO to 30 September 2017[2]



1. Split into 116 investments, as at 30 September 2017. Excludes disposals, the proceeds of which have been reinvested. Excludes HICL's preferred bidder status on the Burbo Bank OFTO, announced on 26 July 2017 and the incremental investment in Addiewell announced after the period end
2. Includes primary and secondary issuance by way of tap and scrip issues

Appendix III
The Investment Portfolio

Current Portfolio I

Portfolio of 116 assets at 30 September 2017

HICL Infrastructure

Education — 17% of Directors' Valuation[1]

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 — 6%

Addiewell Prison[2]	Gloucestershire Fire & Rescue	Northern European Project (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 — 26%

A9 Road	A249 Road	M1-A1 Link Road	NW Anthony Henday
A13 Road	Connect PFI	M80 Motorway	RD901 Road
A63 Motorway	Dutch High Speed Rail Link	N17/N18 Road	High Speed 1
A92 Road	Kicking Horse Canyon	Northwest Parkway	

1. By value using Directors' Valuation of £2,844.4m as at 30 September 2017; excludes investments after the period end
2. Incremental stake acquired in existing project

Current Portfolio II

Portfolio of 116 assets at 30 September 2017

HICL Infrastructure

Health — 29% of Directors' Valuation[1]

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 — 10%

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 — 12%

AquaSure Desalination Plant	Affinity Water

Key

▲ New investment since 31 March 2017

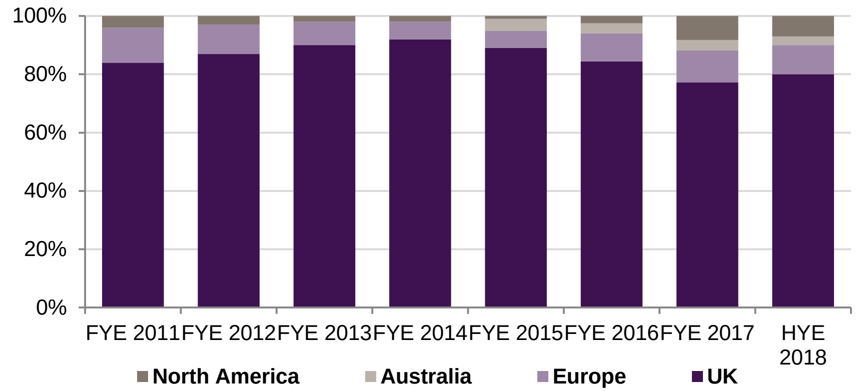
▲ New investment since the period end

1. By value using Directors' Valuation of £2,844.4m as at 30 September 2017; excludes investments after the period end

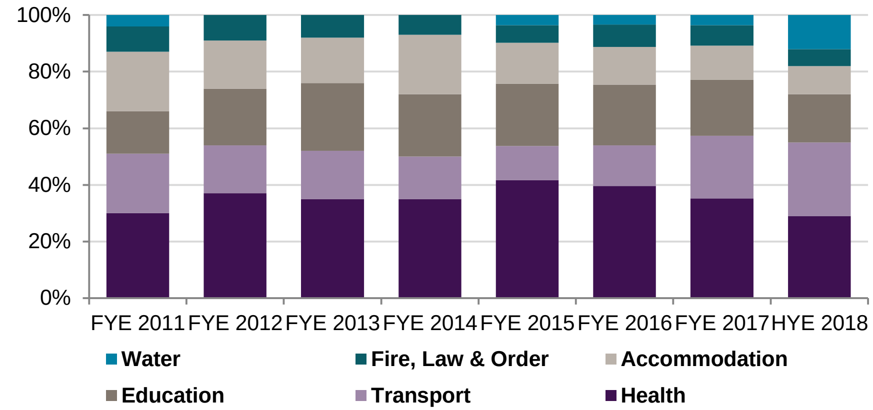
Current Portfolio – Key Attributes

Evolution of the Group's portfolio

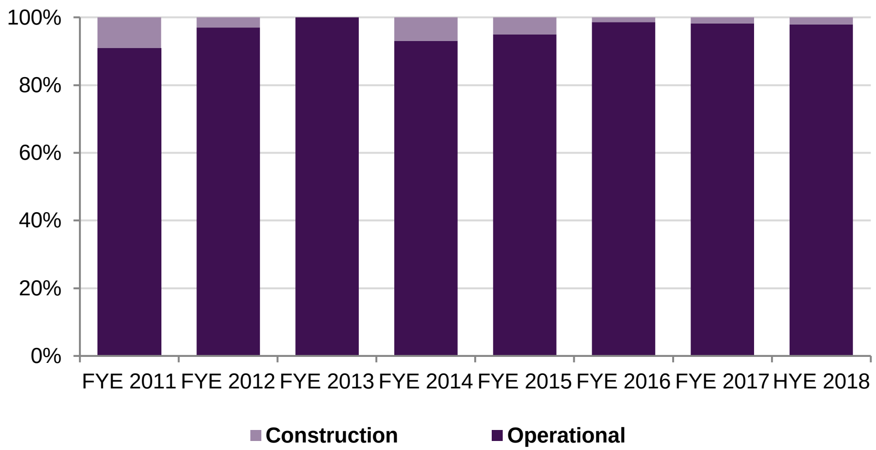
Geographically Spread Portfolio



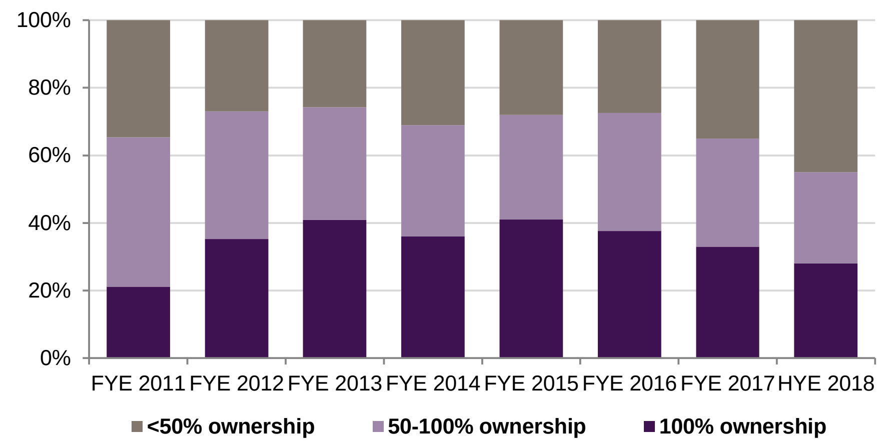
Good Sector Spread



Predominantly Operational Assets



Opportunities to Increase Ownership Stakes



By value, using Directors' Valuation at 31 March each year from 2011 to 2017, and at 30 September 2017 in the case of HYE 2018

Appendix IV

Valuation Methodology

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)

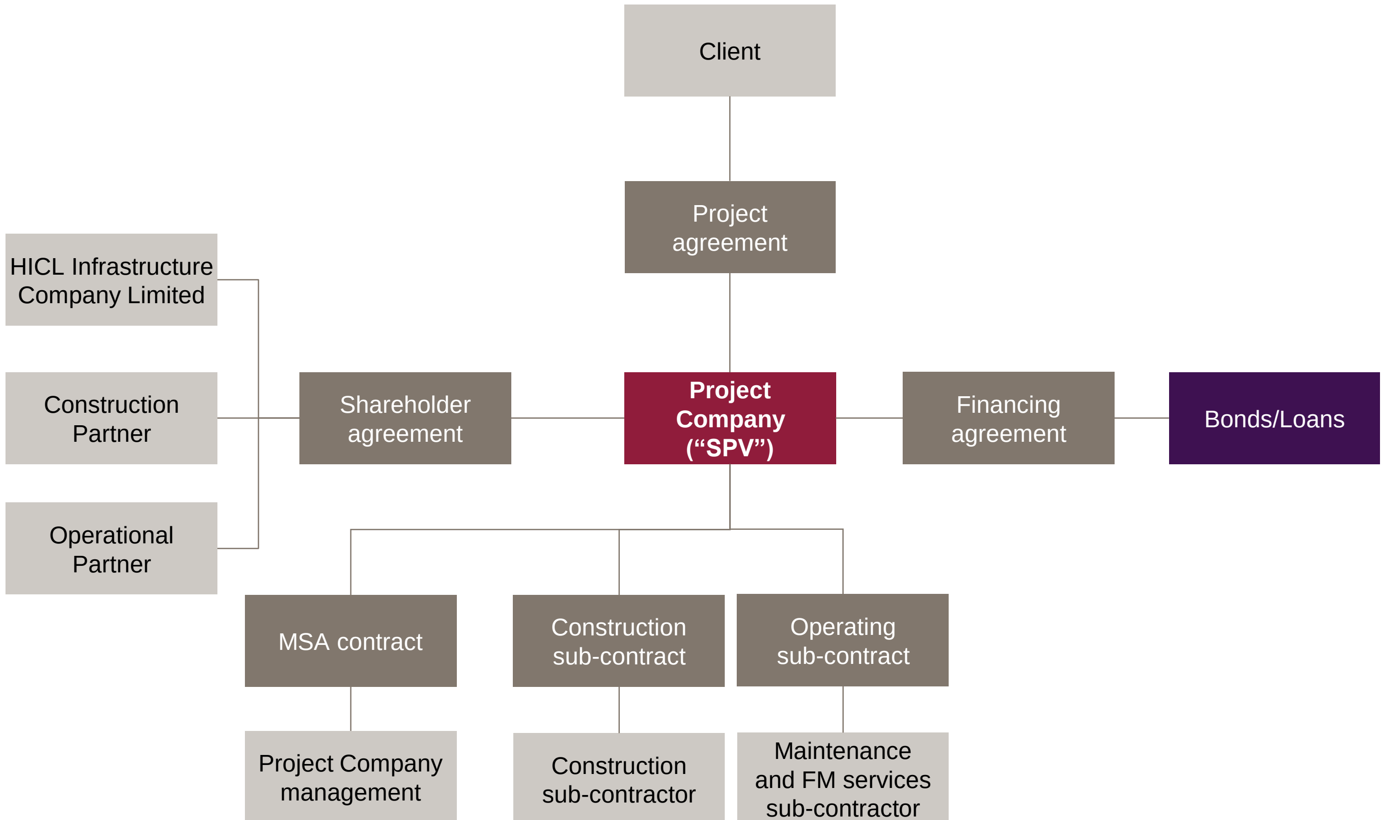
Traded

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

Appendix V

The Infrastructure Asset Class

Typical PPP project structure

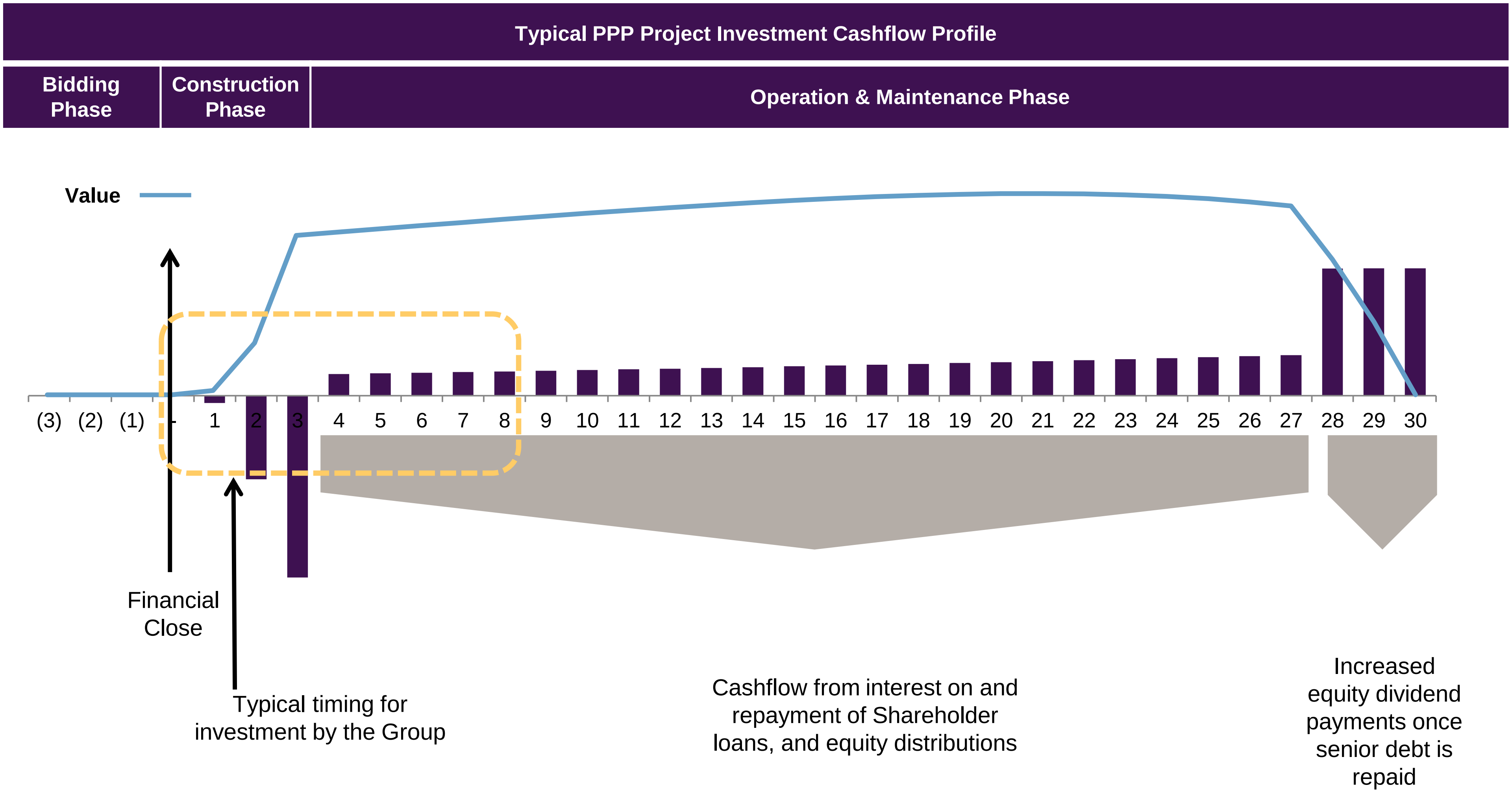


Source: InfraRed

Illustrative Investment Cashflow Profile – PPP Project

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

HICL Infrastructure



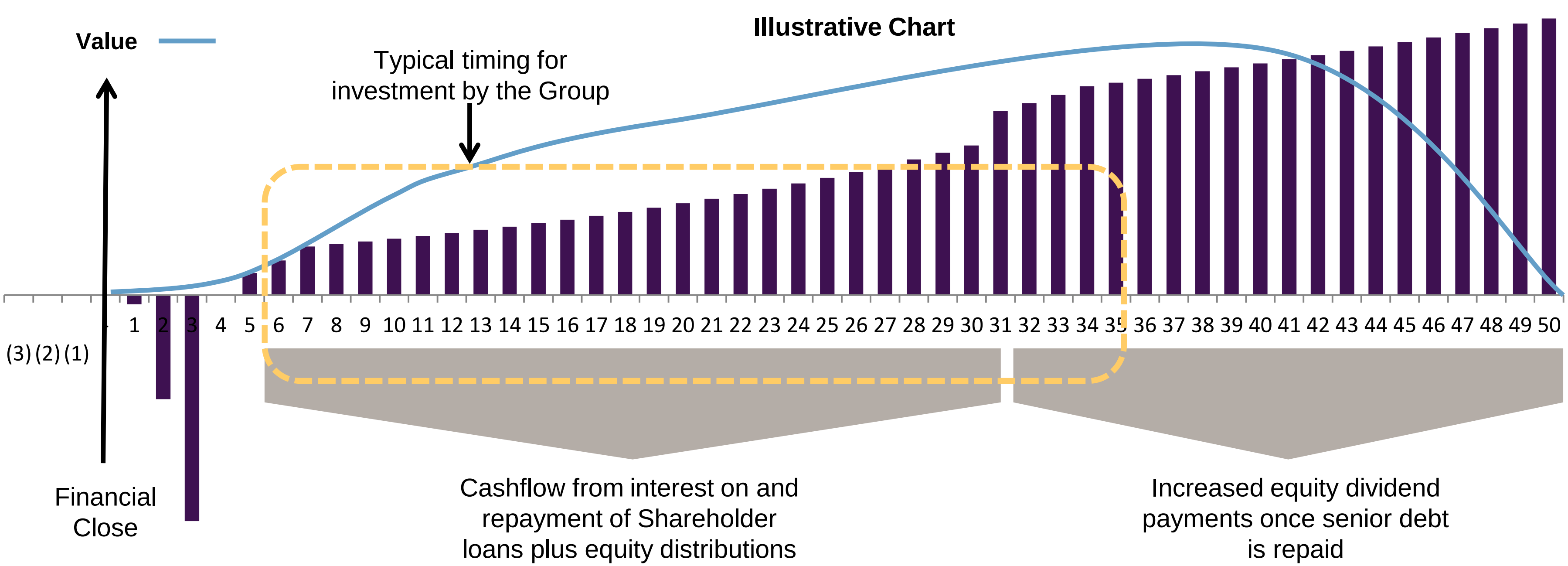
Source: InfraRed

Illustrative Investment Cashflow Profile – Demand-based Asset

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

Typical Toll Road Investment Cashflow Profile

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



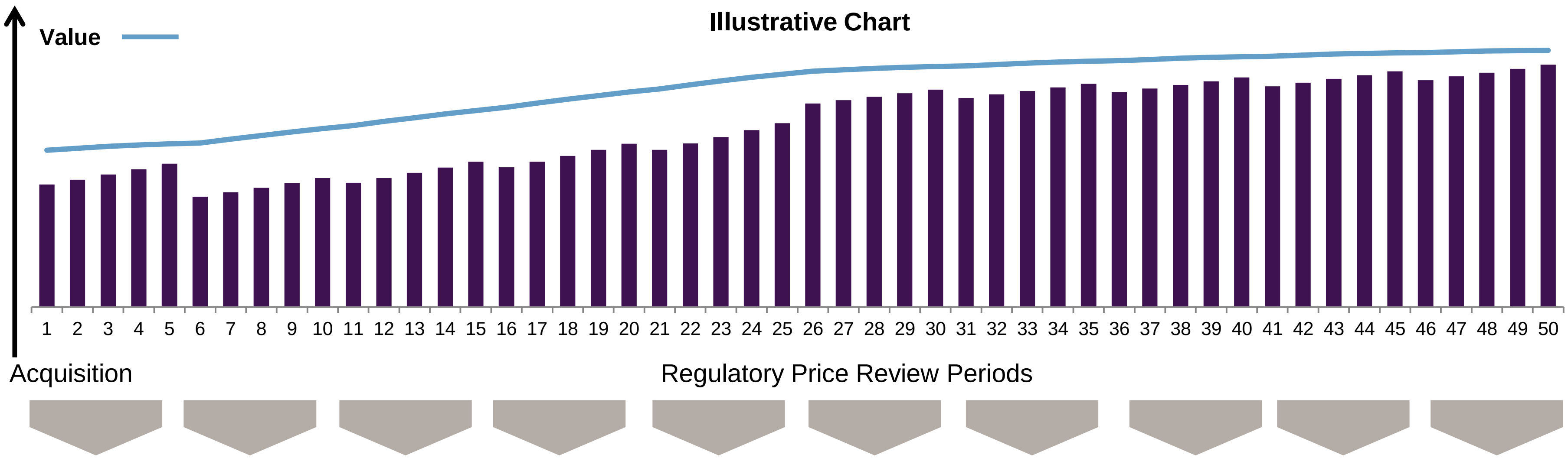
Source: InfraRed

Illustrative Investment Cashflow Profile – Regulated Asset

Example: Utility company return derived from a regulated revenue stream

Typical Regulated Asset Investment Cashflow Profile

Operational Network

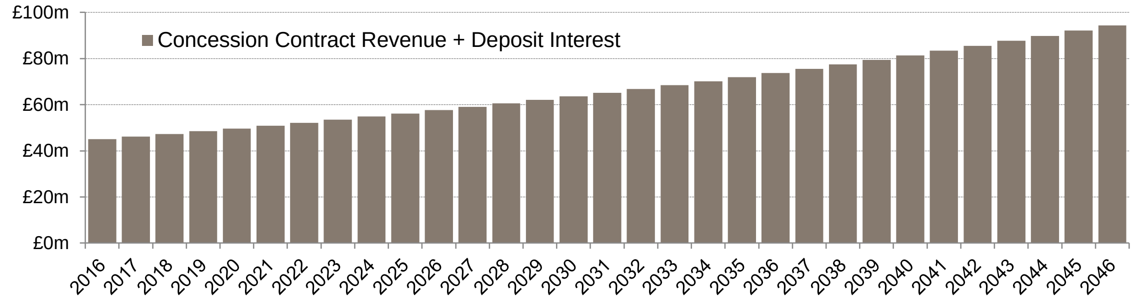


Source: InfraRed

Valuation – Methodology

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

Forecast Project Inflows



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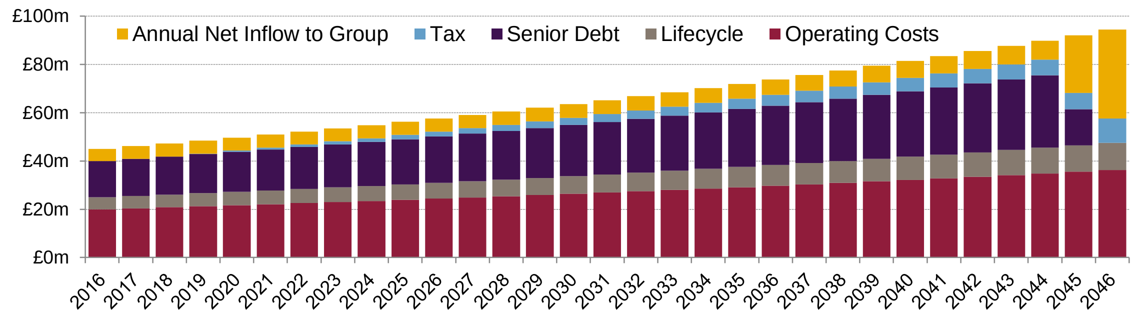
Forecast Project Outflows



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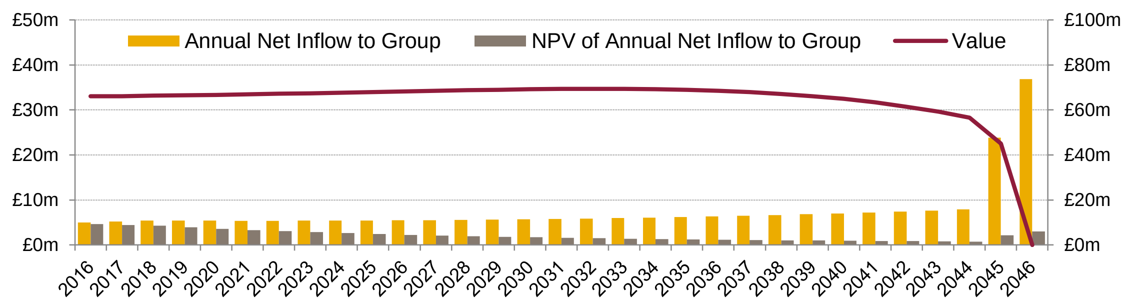
Net Inflow from Project to HICL



Key Variables / Assumptions

- Long-term Inflation Rate
- Deposit Interest Rate

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

- Tax Rates

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

- Discount Rate
- FX

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

Source: InfraRed