

### BOARD OF DIRECTORS

Chairman	Ian Russell, CBE
SID	Frank Nelson
Director	Susie Farnon
Director	Simon Holden
Director	Kenneth D. Reid
Director	Chris Russell

### INVESTMENT ADVISER



InfraRed Capital Partners Ltd  
12 Charles II Street  
London SW1Y 4QU

InfraRed is a UK-based infrastructure and real estate manager with over US\$10bn of equity capital under management.

InfraRed is authorised and regulated by the Financial Conduct Authority and has offices in London, New York, Hong Kong, Seoul and Sydney. With over 130 staff globally it has 70 professionals dedicated to infrastructure investment and management.

### KEY STATISTICS

AT 30 NOVEMBER 2017

(EXCEPT AS OTHERWISE STATED)

No. of Shares	1,788,293,008
Share Price	155.6p
Market Cap.	£2,783m
NAV <sup>1</sup>	£2,711.3m
NAV per Share <sup>1</sup>	151.6p
Premium to NAV <sup>2</sup>	2.6%
Target IRR (long-term) <sup>3</sup>	7-8% p.a.
Target Dividend per Share	7.85p (2017-18) 8.05p (2018-19) 8.25p (2019-20)
Dividend Yield (prospective) <sup>4</sup>	5.0% p.a.
AIC Ongoing Charges Percentage <sup>5</sup>	1.06% p.a.

<sup>1</sup> As at 30 September 2017

<sup>2</sup> Based on the NAV per Share of 151.6p (as above) and the Share Price of 155.6p as at 30 November 2017 (as above)

<sup>3</sup> As set out at IPO

<sup>4</sup> Based on the Target Dividend per Share (2017-18) and the Share Price as at 30 November 2017

<sup>5</sup> Six months ended 30 September 2017

<sup>6</sup> Source: Thomson Reuters Datastream, six months to 30 September 2017

Source: InfraRed Capital Partners and Thomson Reuters Datastream

**Past performance is not a guide to future performance**

### INTRODUCTION

- ▶ An investment company registered in Guernsey, HICL is a **long-term equity investor in infrastructure**, managing projects and assets which support the community and facilitate the delivery of essential public services.
- ▶ HICL's **well-diversified portfolio** uniquely combines **low asset concentration risk**, strong **inflation correlation** and long-dated, **predictable cashflows**.
- ▶ Listed in 2006 on the London Stock Exchange, HICL has a **market capitalisation of c. £2.8bn** (at 30 November 2017).
- ▶ InfraRed Capital Partners Limited, a dedicated infrastructure and real estate investment manager (see left), acts as **investment adviser**.

### INVESTMENT OBJECTIVES

- ▶ To provide investors with **long-term, stable income and to preserve portfolio's capital value** over the long term, with potential for capital growth.
- ▶ Focussed on managing and growing a portfolio of infrastructure investments positioned at the **lower end of the risk spectrum**, which generates inflation-linked returns.
- ▶ On track to deliver aggregate **dividends of 7.85p per share for the year to 31 March 2018**.
- ▶ Dividend guidance for the year to 31 March 2019 and to 31 March 2020 of **8.05p per share (+2.5% YoY) and 8.25p (+2.5% YoY)** respectively (this is a target only and not a profit forecast).

### INVESTMENT STRATEGY

- ▶ Target market segments are **PPP projects** (social and transportation projects), **regulated assets** (e.g. gas and electricity transmission and distribution; water utilities), **demand-based assets** (e.g. toll road concessions and student accommodation) and an **opportunistic approach to corporate assets** with long-term counterparty arrangements (e.g. rolling stock).
- ▶ Current investments are **located primarily in the UK** (74% by value), but also in Europe, North America and Australia.
- ▶ Assets in construction comprise four in number (2% by value), but may increase so as to generate an element of capital growth, whilst maintaining a satisfactory running yield from the portfolio.

### PORTFOLIO PERFORMANCE AND OUTLOOK

- ▶ The portfolio comprises stakes in **116 infrastructure assets<sup>1</sup>** (see Portfolio section of [www.hicl.com](http://www.hicl.com) for details).
- ▶ Investments have a **weighted average asset life of 30.6 years<sup>1</sup>**.
- ▶ Returns from the portfolio are **positively (0.8)<sup>1</sup> correlated to inflation**.
- ▶ **Cash yield to shareholders has been consistently 4.5+% p.a.**: dividends have been cash covered and have increased annually since IPO.
- ▶ Liquidity continues to increase as the market cap has risen, with the **average daily share trading volume of over 4.0m shares<sup>6</sup>**.
- ▶ Through selective acquisitions and asset management, **HICL has exceeded its stated (at IPO) target return of 7-8% p.a.** (total shareholder return statistics provided overleaf).
- ▶ There is **higher political uncertainty in the UK** following the June 2017 general election result and the continuing process to leave the EU, and **political risk therefore continues to be a material risk** that the Group's portfolio faces.
- ▶ Market demand for infrastructure investments in today's low interest rate environment remains high and **pricing discipline is of key importance**.

### PORTFOLIO VALUATION

- ▶ Investments are valued on a discounted cash flow (DCF) basis.
- ▶ A semi-annual portfolio valuation is provided by InfraRed and the Board benefits from an independent expert opinion from a third party.

### COMPANY INFORMATION

Registered Address	East Wing Trafalgar Court Les Banques St Peter Port Guernsey GY1 1WD
Listing	London (LSE)
Index Inclusion	FTSE 250, FTSE 350 FTSE All-Share
SEDOL	BOT4LH6
Ticker	HICL.L
ISA / SIPP eligible?	Yes
Dividend Frequency	Quarterly
Financial Year End	31 March

### OTHER SERVICE PROVIDERS

#### CORPORATE BROKER

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#### ADMINISTRATOR & SECRETARY

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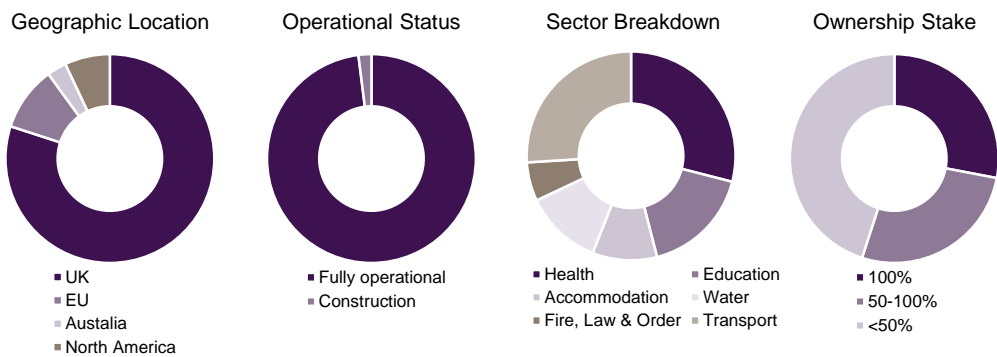
### CORPORATE CALENDAR

AGM	July 2018
Quarterly interim dividend announcements	21 Feb 2018 16 May 2018 July 2018 Nov 2018
Quarterly interim dividend payments	29 Dec 2017 29 Mar 2018 29 Jun 2018 Sep 2018
Interim Update Statements	Feb 2018 July 2018
Reporting period end	31 Mar 2018 (FY) 30 Sep 2018 (H1)
Results announced	May 2018 (FY) Nov 2018 (H1)

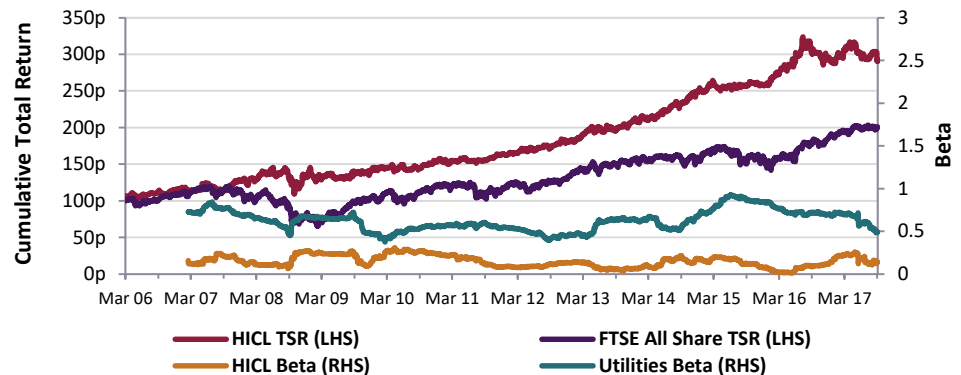
### RECENT NEWS

- ▶ During the first half of the year ending 31 March 2018, the Group completed two new investments in Affinity Water and High Speed 1. Since 30 September 2017, the Group has also acquired an incremental investment in the Addiewell Prison PPP.
- ▶ The latest valuation of the portfolio was £2,844.4m at 30 September 2017.
- ▶ Key variables impacting the valuation included the continued downward pressure on discount rates (reflecting the on-going competitive dynamics seen in the market) offset by low historic inflation.
- ▶ For further detail on the Company's results, recent transactions and other corporate announcements, please refer to [www.hicl.com/investor-relations](http://www.hicl.com/investor-relations).

### PORTFOLIO OVERVIEW (BASED ON PORTFOLIO VALUE OF 116 INVESTMENTS<sup>1</sup>)



### STRONG TOTAL SHAREHOLDER RETURN (VS FTSE ALL SHARE<sup>2</sup>) & LOW VOLATILITY



Total Shareholder Returns	30 September 2017	Since IPO (March 2006) <sup>3</sup>
TSR (share price + dividends)	-3.3% (last 12 months)	9.7% p.a.
TSR (NAV + dividends)	8.9% (annualised)	9.5% p.a.

Source: All data for charts and tables sourced from Thomson Reuters Datastream and Bloomberg, other than the Portfolio Overview charts (which are produced by the Company)

<sup>1</sup> Portfolio Overview charts are by value at 30 September 2017 using Directors' Valuation of £2,844.4m

<sup>2</sup> FTSE index data rebased to 100 as at 29 March 2006

<sup>3</sup> To 30 September 2017 (the latest valuation date for the Company)

#### Disclaimer

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