

September 2009

Summary

HSBC Infrastructure Company Limited (“HICL”, and together with its corporate subsidiaries, the “Group”) is a long-term investor in infrastructure projects which are predominantly in their operational phase and yielding steady returns

Investment objectives

- Target dividend growth to 7p per share by March 2013
- Enhance value and grow yield per share to investors over time by managing the current portfolio and making suitable additional infrastructure investments

Summary of Investment Strategy

Current strategy (extracted from the Chairman’s statement) is to seek new investments including:

- PFI/PPP/P3 projects (both operational and in their construction phases)
- Operational renewable energy projects where there are suitable contractual structures in place, enabling the Group to secure long term income streams comparable in nature to those in PFI/PPP/P3 projects
- Regulated utilities
- Selectively, debt funding in infrastructure projects where it is attractively priced and appropriately structured

Please see the HICL website for the Company’s Investment Policy and March 2009 annual results (including the Chairman’s statement)

Annual Results for the year to 31 March 2009

- Announced on 28 May 2009 and available from the website – Publications
- Operational profit from the portfolio of £20.4m on investment basis
- Loss before tax of £(22.0)m resulting from the negative fair value movement in the year
- Second Interim dividend of 3.275p per ordinary share, with scrip dividend alternative
- Total dividend of 6.4p per ordinary share in the year, fully cash covered

News

- Through its block listing, the company placed 36.1 million shares in June, July, August & September 2009 raising £39.0m, bringing total number of shares in issue to 373.6m at 30 September 2009
- In June, the Group acquired a 30% interest in the Renfrewshire Schools PFI project for £6.8m
- In July, the Group acquired a 50% in the Highland Schools II PPP project for £16.8m
- In September, the Group took a 34% interest in the Bradford Schools BSF Phase 2 project with an investment commitment of £7.4m. Construction is underway and due to complete in March 2011.
- For further information please refer to HICL website – Publications



Fund Details

Directors

Graham Picken
Sarah Evans
Henri Grisius
John Hallam

Investment Adviser



Tony Roper – Director, HSBC Specialist Fund Management Limited



Keith Pickard – Portfolio Director, HSBC Specialist Fund Management Limited

Statistics as at 30 Sept 2009

Number holdings	31
NAV* per share	107.2p
Share price	113.7p
Shares in issue	373,562,875
Premium to NAV**	6.1%
2007/08 div./share	6.25p
2008/09 div./share	6.40p

* on investment basis, after dividend of 3.275p – as at 31 March 2009

**based on 30 Sept 2009 share price and using 31 March 2009 NAV per share on an investment basis

www.hicl.hsbc.com

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Portfolio – Ten largest assets (as at 30 September 2009, based on 31 March 2009 valuation plus acquisitions at cost, listed alphabetically)

Asset name	Sector
Barnet PFI Hospital	Health
Bishop Auckland PFI Hospital	Health
Central Middlesex Hospital	Health
Colchester Garrison	Accommodation
Dutch High Speed Rail Link	Transport
Highlands Schools II PPP	Education
Home Office Headquarters	Accommodation
Kemble Water	Utilities
Oxford John Radcliffe Hospital	Health
West Middlesex Hospital	Health

Asset valuation*

	31 Mar 2009	30 Sept 2008	At launch
Net Asset Value (‘NAV’)	£373.7m	£408.5m	£246m
NAV per share	110.5p	121.4p	98.4p
NAV per share post distribution	107.2p	118.3p	98.4p

*On investment basis before distribution.

Past performance is not a guide to future performance

Portfolio as at 30 September 2009

Education	Education	Health	Law & Order
Health & Safety Labs	Darlington Schools	Bishop Auckland	Sussex Custodial
Conwy Schools	Haverstock School	West Middlesex	Exeter Crown Court
Helicopter Training	Renfrewshire Schools	Central Middlesex	GMPA Police Stations
Defence 6 th Form College	Highlands Schools	Blackburn	MPA SEL Police Stations
Pinnacle Schools Fife	Bradford Schools	Barnet	MPA Firearms Training
Ealing Schools		Stoke Mandeville	D & C Firearms Training
North Tyneside Schools		Oxford John Radcliffe	
			Accommodation
			Home Office
			Colchester Garrison
			Health & Safety HQ
Utilities	Transport		
Kemble Water Junior Loan	Dutch High Speed Rail		

Key:

Portfolio at 31 March 2009

Acquired

Key events

Event	Date
Announcement of interim results	November 2009
Financial year-end	31 March 2010

General Information

Listing date	29 03 06
Investment Adviser	HSFML*
SEDOL	B0T4LH6
Dividend payment	Dec, June
Financial year end	March

* HSBC Specialist Fund Mgt Ltd, part of HSBC Specialist Investments Ltd, the infrastructure and real estate arm of the HSBC Group. HSFML is authorised and regulated by the Financial Services Authority

Registered address

1 Le Truchot
St Peter Port
Guernsey
Channel Islands

Administrator & Company Secretary

Contact: Karen Greening
Tel: +44 (0)1481 743 940

Dexion Capital (Guernsey) Limited
1 Le Truchot
St Peter Port
Guernsey GY1 1WD

Registered number

44185

Contact Investment Adviser

By telephone:
+44 (0) 20 7991 3798

By e-mail:
hicl.enquiries@hbscib.com

By post:
HSBC Specialist Fund Mgt. Ltd
Investor Relations
Level 21
8 Canada Square
London E14 5HQ

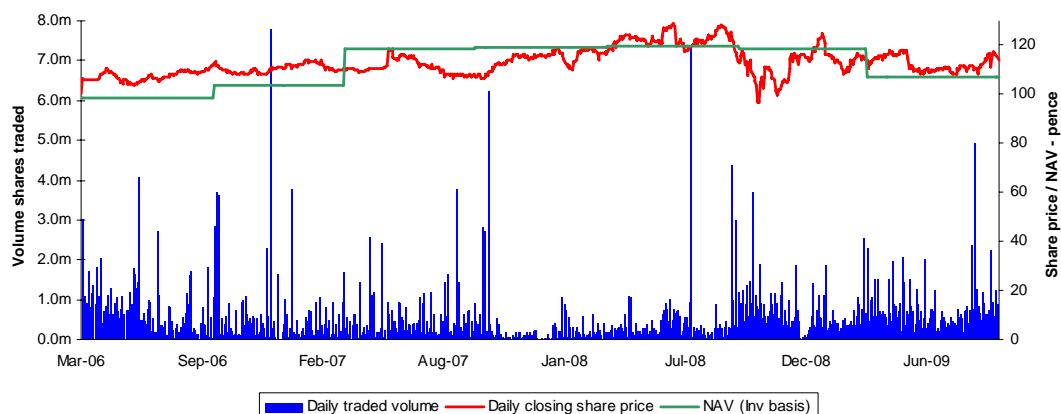
Website: www.hicl.hsbc.com

Brokers

Collins Stewart Europe Ltd and
Oriel Securities Ltd

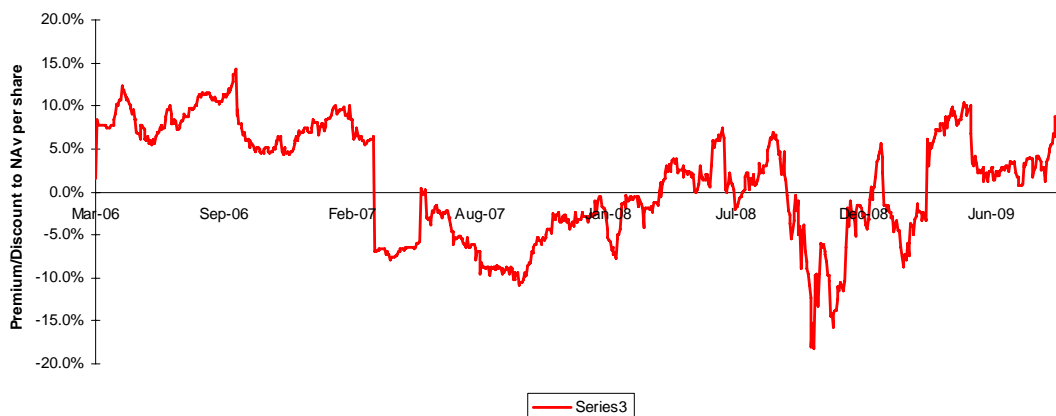
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Share Price Performance (as at 30 September 2009)



Source: Datastream, HSFML

Share premium and discount to published NAV per share



Source: Datastream, HSFML

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Disclaimer

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