HSBC Infrastructure Company Limited

Placing, Open Offer and Offer for Subscription of C Shares

Prospectus 2010

THIS DOCUMENT IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION. If you are in any doubt about the contents of this document you should consult a person authorised for the purposes of the Financial Services and Markets Act 2000 who specialises in advising on the acquisition of shares and other securities.

Prospective investors should read this entire document and, in particular, the matters set out under the heading "Risk Factors" on pages 9 to 22, when considering an investment in HSBC Infrastructure Company Limited (the "Company").

Application will be made to the UK Listing Authority for all of the C Shares to be admitted to the Official List by way of a Standard Listing, and for all such C Shares to be admitted to trading on the London Stock Exchange. It is expected that such admission will become effective, and that dealings in the C Shares will commence, on 15 December 2010. Notwithstanding the target Issue size of 110 million C Shares, this prospectus relates to the issue by the Company of up to 150 million C Shares.

The C Shares are not dealt in on any other recognised investment exchanges and no applications for the C Shares to be traded on any such other exchanges have been made or are currently expected to be made.

The Company and its Directors, whose names appear on page 27 of this document, accept responsibility for the information contained herein. To the best of the knowledge of the Company and the Directors (who have taken all reasonable care to ensure that such is the case), the information contained in this document is in accordance with the facts and does not omit anything likely to affect the import of such information.

Collins Stewart Europe Limited ("Collins Stewart") and Oriel Securities Limited ("Oriel"), both of whom are authorised by the Financial Services Authority, are acting for the Company and no-one else in connection with the Issue and the contents of this document and will not be responsible to anyone other than the Company for providing the protections afforded to clients of Collins Stewart and/or Oriel or for affording advice in relation to the Issue and the contents of this document or any matters referred to herein. Nothing in this paragraph shall serve to exclude or limit any responsibilities which Collins Stewart and/or Oriel may have under the Financial Services and Markets Act 2000 or the regulatory regime established thereunder.

Apart from the responsibilities and liabilities, if any, which may be imposed on Collins Stewart and Oriel by the FSMA (or the regulatory regime established thereunder), Collins Stewart and Oriel accept no responsibility whatsoever nor make any representation or warranty, express or implied, for or in respect of the contents of this prospectus, including its accuracy, completeness or verification or regarding the legality of the Issue or for any other statement made or purported to be made by Collins Stewart or Oriel or on Collins Stewart's or Oriel's behalf, in connection with the Company and/or the Issue and nothing in this prospectus is, or shall be relied upon as, a promise or representation in this respect, whether as to the past or the future. Collins Stewart and Oriel accordingly disclaim to fullest extent permitted by applicable law all and any responsibility and liability whether arising in tort, contract or otherwise which they might otherwise be found to have in respect of this prospectus or any such statement.

HSBC INFRASTRUCTURE COMPANY LIMITED

(incorporated in Guernsey with registered no. 44185)

Placing, Open Offer, and Offer for Subscription with a target size of 110 million C Shares at an Issue Price of £1.00 per C Share and Admission to the Official List and to trading on the London Stock Exchange

Information relating to the prior issue of 49,631,336 Ordinary Shares

Placing Agents

Collins Stewart Europe Limited **Oriel Securities Limited**

Sponsor

Collins Stewart Europe Limited

The C Shares offered by this document have not been and will not be registered under the United States Securities Act of 1933, as amended (the "Securities Act"), or under the applicable state securities laws of the United States, and may not be offered, sold pledged or otherwise transferred directly or indirectly in or into the United States, or to or for the account or benefit of any US person within the meaning of Regulation S ("**Regulation S**") under the Securities Act, except that the C Shares may be offered and sold (a) in the United States to "qualified institutional buyers" within the meaning of Rule 144A under the Securities Act ("Rule 144A") who are "qualified purchasers" as defined in Section 2(a)(51) of the United States Investment Company Act of 1940, as amended (the "**Investment Company Act**"), in reliance on the exemption from registration provided by Rule 144A and (b) outside the United States only in "offshore transactions" to persons that are not US persons as defined in, and in reliance on, Regulation S. Shareholders and beneficial owners in the United States will not be able to participate in the Offer unless they meet the legal requirements needed to establish their eligibility to participate in the Offer to the satisfaction of the Company, including making appropriate representations to that effect.

Prospective purchasers are hereby notified that sales of the C Shares may be made in reliance upon the exemption from the registration requirements of the Securities Act provided by Rule 144A. Please note that by receiving this prospectus, purchasers shall be deemed by the Company and the Placing Agents to have made, and may further be required to make, certain representations, acknowledgements and agreements set forth herein. Until 40 days after the commencement of the Offer, an offer, sale or transfer of the C Shares by a dealer (whether or not participating in the Offer) may violate the registration requirements of the Securities Act if such offer, sale or transfer is made otherwise than in accordance with Rule 144A. In addition, the Company has not been, and will not be, registered under the Investment Company Act.

THE C SHARES HAVE NOT BEEN APPROVED OR DISAPPROVED BY THE US SECURITIES AND EXCHANGE COMMISSION, ANY STATE SECURITIES COMMISSION IN THE UNITED STATES OR ANY OTHER US REGULATORY AUTHORITY, NOR HAS ANY OF THE FOREGOING AUTHORITIES PASSED UPON OR ENDORSED THE MERITS OF THE OFFERING OF THE C SHARES OR THE ACCURACY OR THE ADEQUACY OF THIS PROSPECTUS. ANY REPRESENTATION TO THE CONTRARY IS A CRIMINAL OFFENCE IN THE UNITED STATES.

This prospectus is being furnished by the Company in connection with an offering exempt from the registration requirements of the Securities Act, and is being furnished on a confidential basis to persons in the United States. The information in this prospectus is confidential and proprietary to the Company and is being submitted to prospective investors in the Company solely for such investors' confidential use with the express understanding that, without the prior express written permission of the Company, such persons will not release this prospectus or discuss the information contained herein or make reproductions of or use this prospectus for any purpose other than evaluating a potential investment in the C Shares. Any reproduction or distribution of this prospectus in the United States, in whole or in part, and any disclosure of its contents or use of any information herein in the United States for any purpose other than considering an investment in the C Shares offered hereby is prohibited, except to the extent such information is otherwise publicly available. Each prospective investor, by accepting delivery of this prospectus, agrees to the foregoing and further agrees promptly to return to the Company this prospectus and any other prospectus or information furnished if the prospective investor elects not to purchase the C Shares offered hereby.

The Company is not required to file periodic reports under Section 13 or 15 of the US Securities Exchange Act of 1934, as amended (the "**Exchange Act**"). For so long as the Company is not a reporting company under Section 13 or 15(d) of the Exchange Act, or exempt from reporting pursuant to Rule 12g3-2(b) thereunder, the Company will, upon request, furnish to each holder or beneficial owner of C Shares that are "restricted securities" (within the meaning of Rule 144(a)(3) under the Securities Act) and to each prospective purchaser thereof designated by such holder or beneficial owner upon request of such holder, beneficial owner or prospective purchaser, in connection with a transfer or proposed transfer of any such C Shares pursuant to Rule 144A under the Securities Act or otherwise, the information required to be delivered pursuant to Rule 144A(d)(4) under the Securities Act.

CONTENTS

SUMMARY

THE FOLLOWING INFORMATION IS EXTRACTED FROM, AND SHOULD BE READ AS AN INTRODUCTION TO AND IN CONJUNCTION WITH, THE FULL TEXT OF THIS PROSPECTUS AND ANY INVESTMENT DECISION RELATING TO THE ISSUE SHOULD BE BASED ON THE CONSIDERATION OF THIS PROSPECTUS AS A WHOLE.

Where a claim relating to information contained in this prospectus is brought before a court, the plaintiff investor might, under the national legislation of the EEA States, have to bear the costs of translating this prospectus before legal proceedings are initiated. Civil liability attaches to those persons who are responsible for this summary, including any translation of this summary, but only if this summary is misleading, inaccurate or inconsistent when read together with other parts of this prospectus.

Introduction

The Company is a limited liability, Guernsey incorporated, closed-ended investment company and its Ordinary Shares are admitted to the Official List with a premium listing and to trading on the Main Market of the London Stock Exchange. It is also a component of the FTSE 250 Index. The Company makes infrastructure investments through a series of entities, including two wholly owned Luxembourg SOPARFIs and an English limited partnership (together with the Company, the "Group"). HSBC Specialist Fund Management Limited ("HSFML"), an investment manager authorised and regulated in the UK by the Financial Services Authority, acting through members of its Infrastructure Investment Team, acts as Investment Adviser to the Company and as Operator of the Partnership.

The Company was launched on 29 March 2006 and has 496.3 million Ordinary Shares in issue which are admitted to the Official List and to trading on the Main Market of the London Stock Exchange. As at 30 September 2010 the Company had a market capitalisation of £564.8 million and the aggregate net assets of the Company on an investment basis were £558.1 million.

Background to the Issue

The Group acquired the Initial Portfolio shortly after launch in March 2006 and in December 2007 the Company took out a £200 million multi-currency revolving credit facility with the Principal Bankers. Over the period since launch the Group has acquired or has contracted to acquire 23 further infrastructure investments, which have been financed by Group Debt, the issues of C Shares in 2008 and 2009 and tap issues. Since the Company's last C Share issue in December 2009 the Group has made 8 additional investments including the M80 DBFO Project contracted to be acquired. The aggregate of Group Debt and future investment obligations is approximately £108.4 million.

The Issue

The Company is now proposing to raise a target amount of £110 million (before expenses) through the Placing, Open Offer and Offer for Subscription. The Directors have also reserved the right, in consultation with the Placing Agents, to increase the size of the Issue to a maximum of £150 million to the extent that Additional Investments are made or identified and overall demand for C Shares exceeds the target amount. The net proceeds of the Issue will not in any event exceed the aggregate of (i) existing Group Debt (ii) the consideration payable for any Conditional Investments and Additional Investments, and (iii) any investment obligations to which the Group is subject as at the date of this prospectus in respect of the Current Portfolio or to which it is anticipated that the Group will become subject in respect of Additional Investments. As at the close of business (UK time) on 16 November 2010 (being the latest practicable date prior to publication of this prospectus), this aggregate figure stood at £108.4 million. It is intended that the net proceeds of the Issue will be used to pay down existing Group Debt, to meet outstanding and anticipated investment obligations and to acquire Conditional Investments and Additional Investments. In order to implement the repayments of Group Debt, the Company will transfer to the C Share portfolio a *pro rata* share of the Current Portfolio with a value equal to the net proceeds of the Issue, in consideration for the purchase by the C Share portfolio of loan notes which will be replicated down through the Group structure.

In order that the portfolio value as at 31 December 2010 forms the basis for the calculation of the Conversion Ratio, it is intended that the proceeds from the Issue will be applied at the beginning of January 2011 with conversion occurring later that month.

The Issue is being implemented by way of a Placing, Open Offer and Offer for Subscription. The inclusion of an Open Offer ensures that a portion of the new share capital being made available pursuant to the Issue is reserved in the first instance exclusively for Existing Shareholders.

Under the Open Offer, Existing Shareholders are entitled to apply to subscribe for up to an aggregate of 62,040,247 C Shares *pro rata* to their holdings of Ordinary Shares on the following basis:

1 C Share for every 8 Ordinary Shares held at the Record Date (being 12 November 2010).

The balance of C Shares to be made available under the Issue, together with any C Shares not taken up pursuant to the Open Offer, will be made available for subscription under the Excess Application Facility, the Offer for Subscription and the Placing.

This prospectus relates not only to the issue of the C Shares, and the Ordinary Shares into which they will convert, but also sets out information in relation to the 49,631,336 Ordinary Shares issued between January 2010 and the date of this prospectus (the "Tap Shares").

Benefits of the Issue

The Directors believe that the Issue will have the following benefits:

- The Company will be able to repay existing borrowings, thereby freeing up the full extent of its loan facility for further investments in the infrastructure market as these opportunities arise;
- C Shareholder funds will be fully invested in the Current Portfolio shortly after the Issue, in line with the Company's policy of avoiding uncommitted cash balances, thereby reducing the potential for cash drag on Shareholder returns;
- The Directors recognise the importance of pre-emption rights to Shareholders and consequently up to 62,040,247 (or such greater number as may be made available by the Directors in exercising their discretion to scale back the Placing in favour of the Open Offer) of the C Shares are being offered to Existing Shareholders at the Issue Price by way of the Open Offer. Open Offer Shares may be subscribed by Existing Shareholders *pro rata* to their holdings of Existing Ordinary Shares as at the Record Date. Existing Shareholders can also participate by subscribing for C Shares pursuant to the Offer for Subscription, and Existing Shareholders can subscribe in excess of their Open Offer Entitlements pursuant to the Excess Application Facility, as described below.
- Subscription for C Shares by both Existing Shareholders and new investors will rapidly provide full exposure to the Current Portfolio of infrastructure assets;
- The market capitalisation of the Company will increase, and the secondary market liquidity in the Ordinary Shares is expected to be enhanced following Conversion as a result of a larger and more diversified Shareholder base; and
- The Company's fixed running costs will be spread across a wider shareholder base, thereby reducing the total expense ratio.

The Current Portfolio

The Current Portfolio consists of Infrastructure Equity in 38 Project Companies in government accommodation, education, health, transport, utilities and law and order sectors with a Current Portfolio Value of £656.5[1] million. It includes accommodation projects for the UK Home Office, Health and Safety Executive and the Ministry of Defence, a number of hospitals, schools, and police projects, a Ministry of Defence helicopter training facility, a high speed rail project in Holland, a tranche of the

1 30 September 2010 Directors' Valuation plus subsequent acquisitions at cost including £53.6 million of future investment obligations.

junior loan in Kemble Water and highway projects in Canada. The remaining lives of concessions within the Current Portfolio are between 7 and 31[2] years (this excludes the mezzanine debt in Kemble Water which has up to four years left to maturity).

Investment objectives

The Company seeks to provide investors with long term distributions, at levels that are sustainable, and to preserve the capital value of its investment portfolio over the long term with potential for capital growth.

The Company targets a progressive distribution policy and growth of its annual distributions to 7p per Ordinary Share by March 2013.[3]

The Company is targeting an IRR of around 7 per cent.[3] on the Ordinary Shares to be issued upon conversion of the C Shares, to be achieved over the long term via active management, including the acquisition by the Group of further investments to complement the Current Portfolio, and by the prudent use of gearing.

Opportunities for new investments

The Investment Adviser is continually seeking suitable new infrastructure investments which meet the Group's Investment Policy and will have the required financial and risk characteristics to enable the Group to meet its investment targets.

Whilst there is no guarantee that suitable new investments will be found, the Investment Adviser is confident that through its leading market position, new attractive investment opportunities will be sourced for the Group.

Investment performance

The Current Portfolio has performed better than the Company's projections at the time of launch. Over the period from 31 March 2006 to 30 September 2010, the Net Asset Value per Ordinary Share of the Company increased from 98.4 pence to 109.2 pence (after deduction of the 3.275 pence interim distribution). The Company announced in its interim results on 16 November 2010 that the total portfolio value as at 30 September 2010 was £563.3 million, representing a NAV of 112.4 pence per Ordinary Share.

The Company has outperformed the FTSE All Share Index on a total shareholder return basis by 28.2 per cent. over the period from 29 March 2006 to 12 November 2010 and has provided an annualised total shareholder return of 9.01 per cent. over this period.

Summary of Investment Policy

The Group's investment policy is to ensure a diversified portfolio which has a number of similarly sized investments and is not dominated by any single investment. The Group will seek to acquire further Infrastructure Equity investments with similar characteristics to the Current Portfolio.

The Group will also seek to enhance returns for Shareholders by acquiring more diverse infrastructure investments. The Directors currently intend that the Group may invest in aggregate up to 35 per cent. of its total assets (at the time the relevant investment is made) in:

- Project Companies which have not yet completed the construction phases of their concessions; and/or
- Project Companies with "demand" based concessions where the Investment Adviser considers that demand and stability of revenues are not yet established and/or Project Companies which do not have public sector sponsored/awarded or Government-backed concessions;

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2 On the assumption that the break options are exercised in relation to the Bishop Auckland Hospital and the Helicopter Training Facility projects.

3 This is a target only and is not a profit forecast. There can be no assurance that this target will be met or that the Company will make any distributions whatsoever or that investors will recover all or any of their investments.

and to a lesser extent (but counting towards the same aggregate 35 per cent.) in:

- limited partnerships and other funds that make infrastructure investments and/or financial instruments and securities issued by companies that make infrastructure investments, or whose activities are similar or comparable to infrastructure investments.

The Investment Adviser and the Operator

HSFML is the investment adviser to the Company, and operator of the Partnership. Members of the Infrastructure Investment Team are responsible for carrying out the Investment Adviser's investment management and advisory functions for the Group. The Infrastructure Investment Team is one of Europe's most experienced infrastructure investment managers and has a strong track record.

The Investment Adviser receives fees from the Partnership with respect to its acting as both investment adviser to the Company and as operator of the Partnership. The Investment Adviser has agreed with the Partnership to reduce its fees, as detailed below in Part V, anticipated to take effect from 1 January 2011.

Distribution policy

To date, distributions on the Ordinary Shares have been paid twice a year in respect of the six months to 31 March and 30 September, and have been made by way of dividend. This is expected to continue. The Company may also make distributions by way of capital distributions (or otherwise in accordance with the Laws and the Articles) as well as, or in lieu of, by way of dividend if and to the extent that the Directors consider this appropriate.

The Directors intend that the Company will generally restrict distributions (by way of dividend or otherwise) to the level of Distributable Cash Flows, and dividends to the level of income from the Group's investments, as recognised in the relevant financial year. The Directors may, where they consider this to be appropriate in respect of acquisitions where such assets are not fully cash generative, distribute as dividend an amount up to the level of the Group's gross income, i.e. in excess of Distributable Cash Flows. Project Companies which are operational usually make distributions to the Group twice a year, and occasionally these payments may be received shortly after a period end due to timing of payment process. The Directors intend to include such amounts in Distributable Cash Flows where it is clear these payments relate to the period concerned.

Borrowing policy

The Group makes prudent use of leverage. Under the Articles the Group's outstanding borrowings, including any financial guarantees to support outstanding investment obligations but excluding internal Group borrowings, or borrowing of the Group's underlying investments, are limited to 50 per cent. of the Adjusted Gross Asset Value of its investments and cash balances at any time.

Discount control

In order to assist in the narrowing of any discount to the Net Asset Value at which the Ordinary Shares may trade from time to time, the Company may, at the sole discretion of the Directors, make market purchases of up to 14.99 per cent. per annum of its issued Ordinary Shares and make tender offers for Ordinary Shares.

Summary of Risk Factors

Risk factors affecting the Company and the C Shares include, but are not limited to, the following:

- There is no guarantee that the Company will achieve its investment objectives. An investment in the C Shares is only suitable for investors who have sufficient resources to be able to bear any losses that may arise from that investment (such losses may be equal to the whole amount invested).

- It is considered that approximately 45 per cent. of the Current Portfolio Value is comprised by investments in the Project Companies responsible for the Home Office Headquarters, DHSRL, Queen Alexandra Hospital, Colchester Garrison and Oxford John Radcliffe Hospital projects. If any circumstances arose which materially affected the returns generated by any of those Project Companies (or any other significant part of the Current Portfolio), the effect on the Group's ability to meet its investment objectives could be material.
- Project Agreements for infrastructure projects may be terminated in certain circumstances. The compensation a Project Company will receive on termination will depend on the reason for termination but in some circumstances the compensation received may be insufficient to repay Infrastructure Equity investment in the Project Company.
- Infrastructure projects rely on large and detailed financial models. Errors in the assumptions or methodology used in the financial models may mean that the investment return from the Project Company will be less than expected. Returns may also be affected negatively as well as positively by, *inter alia,* inflation, lifecycle replacement costs and deposit interest rates where these differ from those assumed in the models.
- The financial models for Project Companies are typically based on the fact that construction and other risks of operating the relevant concessions are substantially assumed by subcontractors. The Project Companies may be exposed to cost or liability where this does not happen, for example, as a result of limits of liability, contractor default or insolvency or defective contractual provisions.

RISK FACTORS

Investment in the Company carries a degree of risk, including but not limited to the risks in relation to the Group, the Company, the C Shares and the Tap Shares referred to below. The risks referred to below are the risks which are considered to be material, but are not the only risks relating to the Group, the Company, the C Shares and the Tap Shares. There may be additional material risks that the Company and the Directors do not currently consider to be material or of which the Company and the Directors are not currently aware. Potential investors should review this prospectus carefully and in its entirety and consult with their professional advisers before acquiring any C Shares. If any of the risks referred to in this prospectus were to occur, the financial position and prospects of the Group and/or the Company could be materially adversely affected. If that were to occur, the trading price of the C Shares and/or the Ordinary Shares and/or the Tap Shares and/or their Net Asset Value and/or the level of dividends or distributions (if any) received from the C Shares and/or the Ordinary Shares and/or the Tap Shares could decline significantly and investors could lose all or part of their investment.

A. Introduction

An investment in the Company is suitable only for investors who are capable of evaluating the risks and merits of such investment, who understand the potential risk of capital loss and that there may be limited liquidity in the underlying investments of the Group, for whom an investment in C Shares constitutes part of a diversified investment portfolio, who fully understand and are willing to assume the risks involved in investing in the Company and who have sufficient resources to bear any loss (which may be equal to the amount invested) which might result from such investment. Investors should consult their stockbroker, bank manager, solicitor, accountant or other independent financial adviser before making an investment in the Company.

The market value of the Ordinary Shares into which the C Shares will be converted can fluctuate, and they are designed to be held over the long term and may not be suitable as short term investments. There is no guarantee that any appreciation in the value of the Group's investments will occur, and investors may not get back the full value of their investment or any value at all. It should be remembered that the price of the shares (and the income from them) can go down as well as up.

There is no guarantee that the market value of the Ordinary Shares into which the C Shares will be converted will reflect the underlying NAV of such Ordinary Shares. The Ordinary Shares may trade at a discount to Net Asset Value per Share for a variety of reasons, including market or economic conditions or to the extent investors undervalue the activities of the Investment Adviser, in which event the Shareholders may not be able to realise their investment in the Ordinary Shares at the Net Asset Value per Ordinary Share. While the Directors intend to pursue a proactive policy in seeking to mitigate any discount to Net Asset Value per Ordinary Share, there can be no guarantee that this will be successful.

The further issue of Ordinary Shares upon Conversion of the C Shares will dilute the percentage shareholding of any existing Shareholder that does not subscribe for an equivalent proportion of the C Shares being issued pursuant to the Issue. There will, however, be no dilution of the Net Asset Value of Existing Ordinary Shares upon Conversion as the basis upon which the C Shares will convert into Ordinary Shares is such that the number of Ordinary Shares to which the C Shareholders will become entitled will reflect the respective net assets attributed to the Existing Ordinary Shares and to the C Shares, as further described in Part IX of this prospectus.

Any investment objectives of the Group are targets only and should not be treated as assurances or guarantees of performance.

B. Risks associated with the Current Portfolio

The Group acquired the Initial Portfolio from Fund I and from HIL shortly after launch and the subsequent investments making up the Current Portfolio (both acquired and to be acquired) from other vendors. The Current Portfolio of acquired assets consists of equity, junior debt, mezzanine debt and subordinated debt in Project Companies responsible for the infrastructure projects described in Part IV at pages 53 to 65 of this prospectus.

Various risks (a number of which are generic to investment in Project Companies generally) arise in relation to the Group's investment in the Current Portfolio.

Size of major holdings

The value of some of the investments in the Current Portfolio is significantly greater than others. For example, as at 30 September 2010 approximately 43 per cent. of the Group's Portfolio was comprised of investments in the Project Companies responsible for the Home Office Headquarters, DHSRL and Colchester Garrison projects, and the tranche of the junior loan in Kemble Water. If any circumstances arose which materially affected the returns generated by any of those Project Companies (or any other significant part of the Current Portfolio), the effect on the Group's ability to meet its investment objectives could be material.

Limits on vendors' liabilities

Under the agreements for asset acquisition, the vendors have typically provided various warranties for the benefit of the Group in relation to the relevant acquisition. Such warranties however are generally limited in scope, and subject to time limitations, materiality thresholds and a liability cap. To the extent that any loss suffered by the Group is not covered by warranties, arises outside of such limitations or exceeds such cap, such loss will be borne by the Group.

Termination of Project Agreements

Both the Project Company and the Client have the right to terminate a Project Agreement in certain circumstances. The compensation to which the Project Company will be entitled on termination will depend on the reason for termination. In some cases (e.g. termination for *force majeure)* the compensation payable may only cover the senior debt in the Project Company and may not include amounts to repay Infrastructure Equity investment, or may only cover the nominal value of Infrastructure Equity investment in the Project Company. In other cases (e.g. termination for Project Company default) the amount of compensation payable may cover neither the full amount of senior debt nor the nominal value of the Infrastructure Equity investment in the Project Company (or the amount paid in the market for that Infrastructure Equity). For these purposes, senior debt can be taken to include the costs (or gains) arising from breaking any interest rate hedging arrangements. Typically, senior lenders will have security over compensation proceeds. In other termination circumstances such as Client default, the compensation would be expected to cover senior debt and the original return on the Infrastructure Equity, but not necessarily the amounts paid for the acquisition of the Infrastructure Equity by the Group. Should a termination occur, the net asset value of the investment concerned could be adversely affected.

Financial modeling

Infrastructure projects rely on large and detailed financial models. There is a risk that errors may be made in the assumptions or methodology used in a financial model. In such circumstances, the returns generated by the Project Company may be less than forecast. This risk may be mitigated by audits of the models performed at the financial close of a project.

Sufficiency of due diligence

Whilst the Investment Adviser undertakes an in-depth due diligence exercise in connection with the purchase of the Group's investments, as detailed on page 69, this may not reveal all facts that may be relevant in connection with an investment and could materially overvalue an acquisition.

Control

Past and future infrastructure investments will be in Project Companies that the Group does not always control. The contractual documentation may include concession, finance and shareholder agreements and may contain certain minority restrictions and protections that may impact on the ability of the Group and the Operator to have control over the underlying investments.

Targeted returns of Project Companies

The Group makes investments based on estimates or projections of investment cash flows. There can be no assurance that the actual investment cash flows will equal or exceed those expected and that the stated targeted return to Shareholders will be achieved.

Inflation/deflation

The financial modelling for each Project Company assumes an annual rate of inflation. If actual inflation is lower than expected, or there is deflation, the nominal investment return from the Project Company will tend to be lower than anticipated. Inflation risk is often partially hedged through the Project Company's income or though the financing package.

Benchmarking/market-testing

A project usually contains benchmarking and/or market-testing regimes in respect of the cost of providing certain services, which typically operate every five years. In many projects, this risk/reward is either borne by the Client and/or passed down to the subcontractor providing the service. In some projects, these mechanisms may expose the Project Company to losses or gains arising from changes in its costs incurred in procuring the services relative to the charges that it is then entitled to receive from the Client for the services as a result of the benchmarking/market-testing regimes.

Lifecycle and maintenance costs

During the period of a concession, components of the project facility or building (such as elevators, roofs, air handling plant, road pavement and other structures) may need, *inter alia,* to be replaced or undergo a major refurbishment. The timing of such replacements or refurbishments is forecast based upon manufacturers' data and warranties, and specialist advisers are usually retained by the Project Company to assist in such forecasting of lifecycle and maintenance timings and costs. However, shorter than anticipated asset lifespans or higher costs or inflation than forecast may result in lifecycle and maintenance costs being higher than anticipated. Any cost implication not otherwise passed down to subcontractors is generally borne by the Project Company.

Insurance

A Project Company maintains insurance in accordance with industry practices on all its assets. In addition, the Project Company is usually responsible under its Project Agreement for maintaining insurance cover for, amongst other things, buildings, contents and third party risks (for example, risks arising from fire, flood, or terrorism). Typically, the Project Company takes the risk that the cost of maintaining the insurance may be greater than expected or that in some circumstances it may not be able to obtain the necessary insurance. Where insurance is not obtainable, the Client may, in certain circumstances, arrange to insure the relevant risks itself. If a risk subsequently occurs, the Client can typically choose whether to let the Project Agreement continue, and pay to the Project Company an amount equal to the insurance proceeds which would have been payable had the insurance been available, or terminate the Project Agreement and pay compensation on the basis of termination for *force majeure* (see above under "Termination of Project Agreements"). In this circumstance the net asset value of the investment will be materially and adversely affected.

Change in accounting standards, tax law and practice

Financing structures of Project Companies are based on assumptions regarding prevailing taxation law, accounting standards and practice. Any change in a Project Company's tax status or in tax legislation (including in relation to taxation rates and allowances) or in accounting standards could adversely affect the investment return of the Project Company. In particular, if returns from Infrastructure Equity reach a high level, there is a risk that governments may seek to recoup returns that they deem to be excessive either on individual projects or more generally.

In particular, investors should refer to the information on the proposed changes to the corporate tax regime in Guernsey as set out in Part VIII on page 80 of this prospectus.

Change in general law

A Project Company may incur increased costs or losses as a result of changes in law or regulation. It is usual, however, for the risk of a change in law with an implication for the construction costs or operating costs of the project to be shared with or passed on to the Client or the Project Company's subcontractors.

Regulatory risk

The economic viability of a Project Company may depend on regulatory conditions in a particular jurisdiction. Changes in these conditions may adversely affect the financial performance of the Project Company, which in turn may affect the returns the Group receives from such investments. Where a Project Company holds a concession or lease from the Government, the concession or lease may restrict the Project Company's ability to operate the business in a way that maximises cash flows and profitability. The lease or concession may also contain clauses more favourable to the Government counterparty than a typical commercial contract.

Change in infrastructure funding policy

PFI and PPP are not the only means of funding infrastructure projects and the use of such funding mechanisms in the future may decrease. If there is such a change in policy, there is a risk that Clients may seek to terminate existing PFI and PPP type projects.

Change in government policy

Governments may in future decide to change the basis upon which Project Entities and government counterparties share any gains arising either on refinancing or on the sale of project equity, in which case the returns ultimately available to the Fund from future PFI/PPP project investments may be reduced. Project Entities generally assume the risk of non-discriminatory changes in law.

As at November 2010, the UK's coalition government is under pressure to address the significant debt burden of the UK and that means there have been cuts in all areas of public spending. This has had an impact on PFI/PPP, regardless of other issues such as deal flow in the primary debt market due to senior debt funding liquidity. Other than Bradford BSF Schools Phase II, the M80 DBFO Project and the North West Anthony Henday P3 project in Canada all of the Project Companies comprising the Current Portfolio are fully operational and the relevant public sector counterparties are contractually bound by the terms of the relevant agreements: consequently only a governmental policy of seeking to renegotiate existing contracts would be likely to have an effect on such Project Companies. Renegotiation or termination of the existing contracts might result in reduced returns or a complete loss of the Company's investment.

CRC Energy Efficiency Scheme

If a Project Company is responsible for energy supply in relation to the facilities it provides then, subject to certain thresholds, it may be required to comply with the Carbon Reduction Commitment Energy Efficiency Scheme which is to be introduced in the UK from 2011. The Group may also fall within the scheme as a result of rules requiring the aggregation by a holding company of energy use by subsidiaries. Compliance with the scheme will entail additional administration costs and would result in increased costs through the purchase of allowances. Protection in respect of these costs is unlikely to be available under project change of law provisions and the obligation may not be passed down to subcontractors.

Exceeded liability limits

The subcontractors' liabilities to a Project Company for the risks they have assumed are typically subject to financial caps and it is possible that these caps may be exceeded in certain circumstances. Any loss or expense in excess of such a cap would be borne by the Project Company unless covered by the Project Company's insurance. In certain circumstances, the shareholders in the Project Company may decide to contribute additional equity to fund such loss and expense, which would have a negative impact on the Company's NAV.

Building defects

The subcontractors responsible for the construction of a project asset normally remain liable for the cost of rectifying any design and construction defects in the asset for 12 years following the construction of the asset, subject to liability caps. In addition to this financial liability, the construction subcontractors also normally have an obligation to return to site in order to carry out any remedial works required during the first year following the construction of the asset. The Project Company may not have recourse to any third party for any defects which arise after the 12 year period.

Subcontractor service failures

If a subcontractor fails to perform the services which it has agreed to provide, the Project Company may fail to meet the service standards it has agreed with its Client and there may be a reduction in the payments that the Project Company is entitled to receive and/or claims by the Client for damages. These reductions and/or claims are typically passed on to the relevant subcontractor, subject to any liability caps.

If there is a subcontractor service failure and the relevant subcontractor or its guarantors or insurers fail to meet their obligations in respect of the liabilities that have been passed on to them, then to the extent it is unable to set off the liability against service fees the Project Company will not be compensated for any reductions in payments and/or claims made by the Client which it suffers as a result of the subcontractor's service failure.

Industrial relations risk

Industrial action involving a subcontractor to a Project Company may result in unexpected costs or a reduction in expected revenues for the Project Company.

Reliance on subcontractors

In some instances, a single subcontractor is responsible for providing services to various Project Companies in which the Group invests. In such circumstances, the default or insolvency of a single subcontractor could adversely affect a number of the Group's investments. As at 16 November 2010 the largest reliance on a single subcontractor was to subsidiaries of Bouygues group which provided facilities maintenance services in respect of 22 per cent. by value of the Current Portfolio Value.

Termination of subcontractors

If there is a subcontractor service failure which is sufficiently serious to cause the Project Company to terminate the subcontract, or the Client to require the Project Company to do so, there may be a loss of revenue during the time taken to find a replacement subcontractor and the replacement subcontractor may levy a surcharge to assume the subcontract or charge more to provide the services: this may render the project uneconomic, resulting in termination for default. There will also be costs associated with the re-tender process. These may not be covered by any recovery from the defaulting subcontractor.

Defects in contractual arrangements

The contractual arrangements made by a Project Company may not be as effective in passing on risks to its subcontractors as intended and this may result in unexpected costs or a reduction in expected revenues for the Project Company.

Client default

As described in Part IV at pages 53 to 65 of this prospectus the concessions granted to Project Companies are from a variety of Clients, including but not limited to central government departments, local government and NHS trusts. Although the creditworthiness and power of each such body to enter into Project Agreements has been considered on a case by case basis and with the benefit of legal advice, the possibility of a default remains. It cannot be assumed that central government will in all cases assume liability for the obligations of quasi-government agencies in the absence of a specific guarantee, or that central governments will themselves never default on their obligations.

Covenants for senior debt

The covenants provided by a Project Company in connection with its senior debt are normally extensive and detailed. If certain covenants are breached, payments on Infrastructure Equity are suspended. If an event of default occurs the senior lenders may become entitled to "step-in" and take responsibility for, or appoint a third party to take responsibility for, the Project Company's rights and obligations under the Project Agreement. In addition, in such circumstances the senior lenders will typically be entitled to enforce their security over the shares in the Project Company and to sell the Project Company to a third party. The consideration for any such sale is unlikely to result in any payment in respect of the amount of the Group's investment in the Project Company.

Construction risk

As at the date of this prospectus, the Group has investments in Project Companies which have not yet completed the construction phase of their concessions and which will not be cash generative until the end of the construction period. Although it is intended that the main risks of any delay in completion of the construction or any "overrun" in the costs of the construction have been (and, in the case of any future such investments which have not yet completed the construction phases of their concessions, will be) passed on by the Project Companies contractually to the relevant subcontractor, there is some risk that the anticipated returns of the Project Companies will be adversely affected.

Residual value risk

In some projects, the land and/or buildings remain in the ownership of the Project Company at the end of the concession period. There can be no assurance that actual residual values will equal or exceed those expected or projected at the end of the concession period.

Untested nature of long term operational environment

Given the long term nature of infrastructure concession contracts, and the fact that infrastructure is a relatively new investment class (the majority of infrastructure investments have been made in the UK PFI/PPP market since 1997 and the Canadian PPP market commenced in 1993), there is as yet no experience of the long term operational problems that may be experienced in the future and which may affect infrastructure projects and Project Companies and, therefore, the Group's investment returns.

Environmental considerations

Project Companies generally take an ownership or occupation interest in land for the purpose of carrying out construction or operating the project assets. The Project Company may be exposed to potential environmental liability as a result of such ownership or use of land (e.g. clean up and remediation liability) or from operations carried out on the land, requiring financial contributions from the Project Company. Such contributions may not be restricted by the value of the site or the value of the Group's investment in the Project Company, and this may negatively impact on returns to the Group. Where possible, this risk is mitigated by passing it down to a subcontractor.

Late interest

To the extent that a UK resident Project Company does not pay accrued interest on debt owed to parties not subject to UK corporation tax within 12 months of the end of the accounting period in which the interest accrues, in certain circumstances a UK tax deduction for such interest will be denied until such time as the interest is paid. This would have a negative effect on the cash flow expected from the Project Company because the tax deduction would be available later than expected.

Transfer pricing

To the extent that interest paid by Project Companies on debt provided by parties interested in the equity of the Project Company (for example, the subordinated debt element of the Infrastructure Equity) exceeds arm's length rates, or such debt is otherwise provided on non arm's length terms, the relevant tax authorities may seek to restrict the allowable deduction to that which would have been available in respect of an arm's length transaction. This could result in more tax being paid by the Project Company, and could therefore have an adverse effect on the value of the Company.

Withholding tax

There can be no assurance that Portfolio Companies will not be required to withhold tax on the payment of interest or dividends. Such withheld tax would not be recoverable and so any such withholding would have an adverse effect on the Company's value.

Corrupt gifts

Typically, the Client has the right to terminate a Project Agreement where the Project Company or a shareholder or subcontractor (or one of their employees) has committed bribery, corruption or any other fraudulent act in connection with such Project Agreement. Where the bribery, corruption or other fraudulent act is committed by a party other than the Project Company, for example by one of the Project Company's main subcontractors, the Project Company can usually avoid termination by

replacing the relevant party within a short time period. The compensation payable on such termination is typically limited to the outstanding senior debt at the time of termination and would not repay an Infrastructure Equity investment.

Conditional Investments

As at the date of the prospectus the Company has signed a binding conditional agreement to acquire an interest in the M80 DBFO Project for a total consideration representing 4 per cent. of the Current Portfolio Value. Completion of the acquisition of the project is dependent on certain conditions being met and certain third party approvals being obtained. The target size of the Issue has been calculated on the assumption that all conditions relating to completion of the acquisition of the M80 DBFO Project will be satisfied and that all required approvals will be received. There is a chance, however, that money will be raised pursuant to the Issue which reflects the acquisition of the M80 DBFO Project, but completion of the acquisition never occurs because conditions are not met or approvals are not given. In this situation the Company could hold uninvested cash which may act as a drag on NAV.

C. Further risks associated with additional investments

As further described in the section entitled "Investment Policy" at pages 37 to 38 of this prospectus, the Group intends to make additional investments if suitable opportunities arise. For any new investments the Group makes in the future, the risks described in Part B above will again be relevant. However, the Group may also invest in a broader range of infrastructure assets and the following additional risks should also be noted.

Reliance on limited number of subcontractors

The Group may make an acquisition of an established portfolio of investments in Project Companies. The majority of such Project Companies will already have appointed subcontractors, frequently for the duration of their concessions. Although the Group will aim to avoid an excessive reliance on any single subcontractor, and will have regard to this concern when making additional investments, there may be some degree of risk in this respect either in relation to the acquired portfolio or across the Group's expanded total portfolio.

Certain assets may self-perform the operations and maintenance obligations, and in this case the Project Company employs the staff and assumes associated labour relations and pensions risks.

Private sector Client default

The Group may make additional investments in Project Companies which have concessions or offtake agreements from private sector Clients. Although the Group will carry out all prudent due diligence on the good standing and financial resources of the relevant Client, there is an increased risk of default by private sector Clients when compared to public sector Clients.

Demand risk

The Group may make additional investments in Project Companies which have "demand" based concessions where the payments received by the Project Companies depend on the level of use made of the project assets. There is a risk that the level of use of the project assets, and therefore the returns from such Project Companies, will be lower than expected.

Change in policy

As stated, PFI and PPP are not the only means of funding infrastructure projects, and the use of such funding mechanisms may decrease. If there are fewer PFI and PPP projects in the future, it may be more difficult for the Group to find opportunities to make new investments.

D. General risks associated with investing in the Company

No guarantee of return

A prospective investor should be aware that the value of an investment in the Company is subject to normal market fluctuations and other risks inherent in investing in securities. There is no assurance that any appreciation in the value of the C Shares and/or the Ordinary Shares will occur or that the

investment objectives of the Company will be achieved. The value of investments and the income derived therefrom may fall as well as rise and investors may not recoup the original amount invested in the Company.

In particular, prospective investors should be aware that the periodic distributions made to Shareholders will comprise amounts periodically received by the Group in repayment of its initial capital investments in Project Companies. Although it is envisaged that receipts from Project Companies over the life of their concessions will generally be sufficient to fund such periodic distributions while preserving the value of the Group's original investments in the Project Companies over the long term, this cannot be guaranteed.

The Company's targeted return is based on assumptions which the Directors consider reasonable. However, there is no assurance that all or any assumptions will be justified, and the Company's return may be correspondingly reduced. In particular, there is no assurance that the Company will achieve its distribution and IRR targets.

Past performance

The past performance of investments managed and monitored by the Infrastructure Investment Team is not a reliable indication of the future performance of the investments held by the Group.

Fund management and dependence on key personnel

The success of the Group depends on the skill and expertise of the Infrastructure Investment Team in identifying, selecting and developing appropriate investments. There is no guarantee that current members of the Infrastructure Investment Team will continue to be associated with the Investment Adviser and/or the Operator. Furthermore, the Infrastructure Investment Team has responsibility for managing all infrastructure assets managed by HSIL or, following Completion of the proposed change of ownership described on page 71 below, by the HSIL Businesses). These activities will require a commitment of time and resources that might otherwise be devoted to evaluating and monitoring the Current Portfolio and evaluating potential future investments for the Group.

Dilution in Ownership and Voting Interest in the Company

If an Existing Shareholder does not subscribe under the Issue for such number of C Shares as is equal to his or her proportionate ownership of Existing Ordinary Shares, his or her proportionate ownership and voting interests in the Company will be reduced and the percentage that his or her Ordinary Shares will represent of the total share capital of the Company will be reduced accordingly. Even if an Existing Shareholder takes up his or her full entitlement of C Shares under the Open Offer, his or her interest in the Company will be diluted as a result of the Issue. Securities laws of certain jurisdictions may restrict the Company's ability to allow participation by Shareholders in the Issue. The Issue will not be registered under the Securities Act. Securities laws of certain other jurisdictions may restrict the Company's ability to allow participation by Shareholders in such jurisdictions in any future issue of shares carried out by the Company. Existing Shareholders who have a registered address in, or who are resident in or who are citizens of, countries other than the United Kingdom should consult their professional advisers as to whether they require any governmental or other consents or need to observe any other formalities to acquire C Shares under the Issue.

Conflicts of interest

The Investment Adviser, the Administrator, the Luxembourg Administrator, the Placing Agent(s), the Sponsor, any of their directors, officers, employees, agents and connected persons and the Directors, and any person or company with whom they are affiliated or by whom they are employed (each an "Interested Party"), may be involved in other financial, investment or other professional activities which may cause conflicts of interest with members of the Group and their investments. In particular, Interested Parties may provide services similar to those provided to the Group to other entities and will not be liable to account for any profit earned from any such services. The Investment Adviser and its directors, officers, employees and agents and the Directors will at all times have due regard to their duties owed to members of the Group and where a conflict arises they will endeavour to ensure that it is resolved fairly.

Subject to the arrangements explained above, the Company may (directly or indirectly) acquire securities from or dispose of securities to any Interested Party or any investment fund or account advised or managed by any such person. An Interested Party may provide professional services to members of the Group (provided that no Interested Party will act as auditor to the Company) or hold C Shares or Ordinary Shares and buy, hold and deal in any investments for their own accounts, notwithstanding that similar investments may be held by the Group (directly or indirectly). An Interested Party may contract or enter into any financial or other transaction with any member of the Group or with any shareholder or any entity any of whose securities are held by or for the account of the Group, or be interested in any such contract or transaction. Furthermore, any Interested Party may receive commissions to which it is contractually entitled in relation to any sale or purchase of any investments of the Group effected by it for the account of the Group, provided that in each case the terms are no less beneficial to the Group than a transaction involving a disinterested party and any commission is in line with market practice.

Achieving investment objective

The success of the Company depends on the Investment Adviser's ability to identify, make and realise investments in accordance with the Group's investment objective. There can be no assurance that the Investment Adviser will be able to do so or that the Group will be able to invest its assets on attractive terms or generate any investment returns for Shareholders, or indeed avoid investment losses.

Past performance is no indication of the future performance of the Company. No assurance can be given that profits will be achieved or that substantial losses will not be incurred.

Market value of investments

Returns from the Group's investments are affected by the price at which they are acquired. The value of these investments will be a function of the discounted value of their expected future cash flows, and as such will vary with, *inter alia,* movements in interest rates, market prices and the competition for such assets.

Liquidity of investments

The majority of investments made by the Group comprises unquoted interests in Project Companies which are not publicly traded or freely marketable and for which a sale may require the consent of other interested parties. Such investments may therefore be difficult to value and/or realise, and involve significant time and cost.

Risk of limited diversification

Other than some holdings in cash or cash equivalents and hedging instruments, the Group invests exclusively in infrastructure investments and will therefore bear the risk of investing in only one asset class.

Non-involvement in management and operational decisions

Investors will have no opportunity to control or participate in the day to day operations, including investment and disposal decisions, of the Group.

Liquidity

Although the Ordinary Shares and C Shares are admitted to trading on the London Stock Exchange and will be freely transferable, the ability of Shareholders and C Shareholders to sell their Ordinary Shares and C Shares in the market, and the price which they may receive, will depend on market sentiment. The Ordinary Shares and C Shares may trade at a discount to Net Asset Value and it may be difficult for a Shareholder or a C Shareholder to dispose of all or part of his holding of Ordinary Shares and/or C Shares at any particular time.

The Company has the ability to make tender offers for Ordinary Shares from Shareholders. Such tender offers will however be made entirely at the discretion of the Directors and Shareholders will not have any ability to require the Company to make any such tender offer for all or any part of their holdings of Ordinary Shares.

Exculpation and indemnification

The structure through which the Group makes investments includes an English limited partnership. Certain provisions contained in the Limited Partnership Agreement limit the liability of the Operator. The Group is also responsible for indemnifying the General Partner and the Operator (and their employees and agents) for any losses or damage incurred by them except for losses incurred as a result of their gross negligence or wilful misconduct.

Currency risk

If an investor's currency of reference is not GBP, currency fluctuations between the investor's currency of reference and the base currency of the Company may adversely affect the value of an investment in the Company.

A proportion of the Group's investments may be denominated in Currencies other than GBP (for example, the Current Portfolio includes an investment denominated in Euros in the Infrastructure Equity of a Project Company whose concession and income stream derives from the Dutch Government (DHSRL) and two Conditional Investments denominated in Canadian dollars.)

The Company maintains its books, and intends to pay distributions, in GBP. Accordingly, fluctuations in exchange rates between GBP and the relevant local Currencies, and the costs of conversion and exchange control regulations, will directly affect the value of the Group's investments and the ultimate rate of return realised by investors. As at the date of this prospectus, the Company's exposure to Currencies other than GBP is hedged by borrowing in the relevant Currencies and selling the relevant Currencies forward on a monthly basis. Whilst the Group may enter into hedging arrangements to mitigate Currency risk to some extent, there can be no assurance that such arrangements will be entered into or that they will be sufficient to cover such risk.

Interest rate risks

Changes in interest rates may adversely affect the Group's investments. Changes in the general level of interest rates can affect the Group's profitability by affecting the spread between, amongst other things, the income on its assets and the expense of its interest-bearing liabilities, the value of its interest-earning assets and its ability to realise gains from the sale of assets should this be desirable. Interest rates are highly sensitive to many factors, including governmental, monetary and tax policies, domestic and international economic and political considerations, fiscal deficits, trade surpluses or deficits, regulatory requirements and other factors beyond the control of the Group.

The Group may finance its activities with both fixed and floating rate debt. With respect to its floating rate debt, the Group's performance may be affected adversely if it fails to limit the effects of changes in interest rates on its operations by employing an effective hedging strategy, including engaging in interest rate swaps, caps, floors or other interest rate contracts, or buying and selling interest rate futures or options on such futures. There can however be no assurance that such arrangements will be entered into or, in the event that they are entered into, that they will be sufficient to cover such risk.

A number of Project Companies have issued bonds which are insured by monoline insurers to finance their activities. The Group's future investments may be in Project Companies also financed by bonds which are insured by monoline insurers. Any downgrade in the rating of a monoline insurer may have a negative valuation impact and potential performance impact on those Project Companies where such monoline insurer is involved, as well as potentially causing a margin increase on the related senior debt. In some cases the monoline insurance has ceased to provide any security to senior lenders. Although this risk currently applies to a limited number of Project Companies, any downgrade would have a negative effect on the performance of the Company.

Hedging risk

Should the Group elect to enter into hedging arrangements to protect against currency risk and interest rate risk as described above (and it will be under no obligation to do so), the use of instruments to hedge a portfolio carries certain risks, including the risk that losses on a hedge position will reduce the Group's earnings and funds available for distribution to investors and that such losses may exceed the amount invested in such hedging instruments. There is no perfect hedge for any investment, and a hedge may

not perform its intended purpose of offsetting losses on an investment and, in certain circumstances, could increase such losses. The Group may also be exposed to the risk that the counterparties with which the Group trades may cease making markets and quoting prices in such instruments, which may render the Group unable to enter into an offsetting transaction with respect to an open position.

Although the Group selects the counterparties with which it enters into hedging arrangements with due skill and care, there is a residual risk that the counterparty may default on its obligations.

Leverage

The Group uses leverage in the financing of its investments. The use of leverage increases the exposure of investments to adverse economic factors such as rising interest rates, severe economic downturns or deteriorations in the condition of an investment or its market.

It is possible that the Group may not be able to refinance borrowing which becomes repayable during the life of the Group (including the current borrowing which becomes repayable on 19 December 2012), in which case the performance of the Group may be adversely affected. The Group's borrowings may be secured on the assets of the Group. A failure to fulfil obligations under any financing documents may permit lenders to demand early repayment of the loan and to realise their security.

Failure to restructure

If the Group makes an investment with the intention of restructuring, refinancing or selling a portion of the capital structure thereof, there is a risk that the Group will be unable to complete successfully such a restructuring, refinancing or sale. Any such failure could lead to increased risk and cost to the Group and reduced returns.

Valuations

All investments owned by the Group are valued on a six-monthly basis and the resulting valuations are used, among other things, for determining the basis on which Ordinary Shares are repurchased and additional capital raised.

Valuations of the assets of the Group as a whole also reflect accruals for expected or contingent liabilities, the amount or incidence of which is inevitably uncertain. It follows that some unfairness may arise between departing, continuing and new investors. A valuation is only an estimate of value and is not a precise measure of realisable value. Ultimate realisation of the market value of an asset depends to a great extent on economic and other conditions beyond the control of the Group, and valuations do not necessarily represent the price at which an investment can be sold.

All valuations made by the Investment Adviser are made, in part, on valuation information provided by the Project Companies in which the Group has invested. Although the Investment Adviser evaluates all such information and data, it may not be in a position to confirm the completeness, genuineness or accuracy of such information or data. In addition, the financial reports typically provided by the Project Companies are provided only on a quarterly or half yearly basis and generally are issued one to four months after their respective valuation dates. Consequently, each half yearly Net Asset Value contains information that may be out of date and require updating and completing. Shareholders should bear in mind that the actual Net Asset Values may be materially different from these half yearly valuations.

Recourse to the Company's assets

The Company's assets, including any investments made by the Company and any funds held by the Company, are available to satisfy all liabilities and other obligations of the Company. If the Company becomes subject to a liability, parties seeking to have the liability satisfied may have recourse to the Company's assets generally and may not be limited to any particular asset, such as the asset giving rise to the liability. To the extent that the Company chooses to use special purpose entities for individual transactions to reduce recourse risk (which it may, although will be under no obligation to do so), the *bona fides* of such entities may be subject to later challenge.

Foreign investments

The Group may invest in infrastructure assets in a wide range of jurisdictions and the laws and regulations of foreign countries may impose restrictions that would not exist in the United Kingdom. Investments in foreign entities have their own economic, political, social, cultural, business, industrial and labour environment and may require significant Government approvals under corporate, securities, exchange control, foreign investment and other similar laws as well as requiring financing and structuring alternatives that differ significantly from those customarily used in the United Kingdom. In addition, foreign Governments from time to time impose restrictions intended to prevent capital flight which may, for example, involve punitive taxation (including high withholding taxes) on certain securities, transfers or the imposition of exchange controls, making it difficult or impossible to exchange or repatriate foreign currency. These and other restrictions may make it impracticable for the Company to distribute the amounts realised from such investment at all, or may force the Company to distribute such amounts other than in GBP, with all or a portion of the distribution being made in foreign securities or currency.

It also may be difficult to obtain and enforce a judgment in a court outside of the United Kingdom.

The Operator analyses information with respect to political and economic environments and the particular legal and regulatory risks in foreign countries before making investments, but no assurance can be given that a given political or economic climate, or particular legal or regulatory risks, might not adversely affect an investment by the Group.

Force majeure

The performance of the Group may be affected by reason of events such as war, civil war, riot or armed conflict, radioactive, chemical or biological contamination, pressure waves and acts of terrorism (see below for further information on terrorism) which are outside its control. The occurrence of such events may result in an asset of the Group being unavailable for use.

If the *force majeure* event continues or is likely to continue to affect the performance of the services by the Project Company for a long period of time (for example, six months or longer) it is likely that both the Project Company and the Client will have the right to terminate the Project Agreement. The Client usually has an obligation to pay the Project Company compensation in such circumstances, but this may be insufficient to compensate the Project Company fully for its losses and, in particular, is unlikely to include any amounts in respect of Infrastructure Equity.

Risk of terrorism

There is a risk that one or more of the Group's investments will be directly or indirectly affected by terrorist attack. Such an attack could have a variety of adverse consequences for the Group, including risks and costs related to the destruction of property owned or used by Project Companies in which the Group has invested, inability to use one or more such properties for their intended uses for an extended period, decline in income or property (and therefore investment) value and injury or loss of life, as well as litigation related thereto. Such risks may not be insurable or may be insurable only at rates that the Group deems uneconomic.

More widely, terrorist attacks and ongoing military and related action could have significant adverse effects on the world economy, securities, bond and infrastructure markets and the availability and cost of maintaining insurance.

Distributions

The amount of distributions and future distribution growth depends on the Group's underlying portfolio. Any change in the tax treatment of dividends or interest or other receipts received by the Company (including as a result of withholding taxes or exchange controls imposed by jurisdictions in which the Group invests) may reduce the level of distributions received by Shareholders. In particular, investors should refer to the information on the proposed changes to the corporate tax regime in Guernsey set out in Part VIII on page 80 of this prospectus.

In addition, any change in the accounting policies, practices or guidelines relevant to the Group and its investments may reduce or delay the distributions received by Shareholders.

Alternative Investment Fund Managers Directive

The draft European Directive on Alternative Investment Fund Managers (the "AIFM Directive") was recently agreed in principle by the European Commission and the European Parliament. The AIFM Directive will initially allow the continued marketing of non-EU AIFs (including the Company) by EU-based AIFMs under national private placement regimes where EU Member States choose to retain private placement regimes. Such marketing will be subject to the requirement that appropriate cooperation agreements are in place between the supervisory authorities of the relevant EU member states and the GFSC and that Guernsey is not on the Financial Action Task Force money-laundering blacklist. It is intended that, over time, a passport will be phased in to allow the marketing of non-EU AIFs such as the Company and that private placement regimes will be phased out. Both the adoption of the passport and the phasing out of national private placement regimes are subject to certain criteria. Consequently, there may be restrictions on the marketing of the Company's shares in the EU, which in turn may have a negative effect on marketing and liquidity generally. Implementation of the AIFM Directive may also significantly increase regulatory and compliance costs.

Taxation

Investors should consider carefully the information given in Part VIII at pages 80 to 86 of this prospectus and should take professional advice about the consequences for them of investing in the Company.

The Group structure through which the Company makes investments has been designed, amongst other things, to minimise the level of taxation suffered on income received and gains realised, directly or indirectly, by the Company. The structure is based on the Directors' understanding of the tax law and practice of the United Kingdom, Luxembourg and Guernsey. Such law or practice is subject to change, and any such change may reduce the net return to investors; the Group may incur costs in taking steps to mitigate this effect.

In particular, investors should refer to the information on the proposed changes to the corporate tax regime in Guernsey set out in Part VIII on page 80 of this prospectus. To the extent that the Group's investments are outside the United Kingdom, it is possible that investors will be subject to some amount of foreign income and/or withholding taxes with respect to such investments.

Leasing companies

In 2006, HMRC introduced new legislation intended to counter perceived abuses of the Capital Allowances regime for plant and machinery arising on the change of ownership of "leasing companies". The legislation is widely drawn and could potentially apply on the change of ownership of portfolio companies from 5 December 2005 onwards. These rules apply to companies which carry on the business of leasing 'qualifying plant or machinery', where either at least half of the accounting value of their plant or machinery relates to 'qualifying plant or machinery' or where at least half of their income in the previous 12 months is derived from 'qualifying plant or machinery'. For these purposes, 'qualifying plant or machinery' means plant or machinery on which a company has been entitled to claim capital allowances and which has been subject to a plant or machinery lease other than an excluded lease of 'background plant or machinery' installed in buildings. 'Background plant or machinery' is plant or machinery which might reasonably be expected to be installed in a variety of buildings for the sole or main purpose of contributing to their functionality. On any change of ownership of a company to which these rules apply, a new lease will be deemed to be granted for capital allowances purposes and a tax charge will arise in the company carrying out the leasing business, if the tax written down value of the plant and machinery is lower than its balance sheet value. This tax charge results from a deemed receipt in the company on the day the ownership changes. At the same time, an accounting period of the company is deemed to end. The deemed receipt is equal to, broadly, the balance sheet value of the plant and machinery less its tax written down value, and is a taxable receipt of the company. The Company has the benefit of a tax deduction which is deemed to arise the following day and is equal to the deemed receipt. However, this is treated as arising in the new accounting period, and any loss resulting from the deduction cannot be carried back to relieve the deemed taxable receipt.

Worldwide debt cap

New rules were introduced in the Finance Act 2009 which may result in restrictions on the deductibility of financing expenses of certain Project Companies for UK tax purposes which may impact upon the level of income which such Project Companies are able to distribute to the Company and, in turn, reduce the level of distributions received by Shareholders.

These rules, which became effective from 1 January 2010, broadly apply to any period of account of the worldwide group for which the total of the average net debt of each UK company (or UK permanent establishment) in the group exceeds 75 per cent. of the average worldwide gross external debt of the group (the "gateway test").

Where the rules apply, deductions of financing expenses of UK resident companies in which the Company holds a direct or indirect 75 per cent. beneficial interest will broadly be disallowed to the extent that the sum of the net financing expenses of such companies exceeds the sum of the worldwide finance expenses in the consolidated financial statement of the group. A number of amendments to the rules have been proposed in the Finance (No. 2) Bill (Session 2010-11) which would, if enacted, result in changes to the definition of "net debt". As the legislation has not yet been enacted, however, it is impossible to be certain that the amendments will take the form currently anticipated. Although the Directors currently intend to manage the Group's investments in a way which minimises any disallowance under these rules, no assurance can be given that either the rules or the rules as amended will not apply to restrict the deductibility of financing expenses of certain companies.

If prospective investors are in any doubt as to the consequences of their acquiring, holding or disposing of C Shares, they should consult their stockbroker, bank manager, solicitor, accountant or other independent financial adviser.

IMPORTANT INFORMATION

In assessing an investment in the Company, investors should rely only on the information in this prospectus. No person has been authorised to give any information or make any representations other than those contained in this prospectus and, if given or made, such information or representations must not be relied on as having been authorised by the Company, the Directors, the Investment Adviser, the Placing Agents, the Sponsor or any other person. Neither the delivery of this prospectus nor any subscription or purchase of C Shares made pursuant to this prospectus shall, under any circumstances, create any implication that there has been no change in the affairs of the Company since, or that the information contained herein is correct at any time subsequent to, the date of this prospectus.

Regulatory information

This prospectus does not constitute an offer to sell, or the solicitation of an offer to subscribe for or buy, shares in any jurisdiction in which such offer or solicitation is unlawful. Issue or circulation of this prospectus may be prohibited in some countries.

Prospective investors should consider carefully (to the extent relevant to them) the notices to residents of various countries set out at pages 122 to 125 of this prospectus.

This prospectus relates not only to the issue of the C Shares, and the Ordinary Shares into which they will convert, but also sets out information relating to the Tap Shares. The gross proceeds of the issues of the Tap Shares were 56.0 million and the net proceeds were 55.6 million. The net proceeds of the issues of the Tap Shares were used to fund acquisitions and pay down Group Debt.

Investment considerations

The contents of this prospectus are not to be construed as advice relating to legal, financial, taxation, investment or any other matters. Prospective investors should inform themselves as to:

- the legal requirements within their own countries for the purchase, holding, transfer or other disposal of Ordinary Shares or C Shares;
- any foreign exchange restrictions applicable to the purchase, holding, transfer or other disposal of Ordinary Shares or C Shares which they might encounter; and
- the income and other tax consequences which may apply in their own countries as a result of the purchase, holding, transfer or other disposal of the Ordinary Shares or C Shares. Prospective investors must rely upon their own representatives, including their own legal advisers and accountants, as to legal, tax, investment or any other related matters concerning the Company and an investment therein.

Typical investors in the Company are expected to be institutional and sophisticated investors and private clients. An investment in the Company should be regarded as a long term investment. There can be no assurance that the Company's investment objectives will be achieved.

This prospectus should be read in its entirety before making any investment in the C Shares. All Shareholders are entitled to the benefit of, bound by and are deemed to have notice of the provisions of the Memorandum and Articles of Incorporation of the Company, which investors should review.

Forward-looking statements

This prospectus includes statements that are, or may be deemed to be, "forward-looking statements". These forward-looking statements can be identified by the use of forward-looking terminology, including the terms "believes", "estimates", "anticipates", "expects", "intends", "may", "will" or "should" or, in each case, their negative or other variations or comparable terminology. These forward-looking statements include all matters that are not historical facts.

All forward-looking statements address matters that involve risks and uncertainties. Accordingly, there are or will be important factors that could cause the Company's actual results to differ materially from those indicated in these statements. These factors include but are not limited to those described in the part of this prospectus entitled "Risk Factors", which should be read in conjunction with the other cautionary statements that are included in this prospectus. Any forward-looking statements in this prospectus reflect the Company's current views with respect to future events and are subject to these and other risks, uncertainties and assumptions relating to the Company's operations, results of operations and growth strategy.

These forward-looking statements apply only as of the date of this prospectus. Subject to any obligations under the prospectus Rules, the Listing Rules and the Disclosure Rules and Transparency Rules, the Company undertakes no obligation publicly to update or review any forward-looking statement, whether as a result of new information, future developments or otherwise. Prospective investors should specifically consider the factors identified in this prospectus which could cause actual results to differ before making an investment decision.

Presentation of information

Market, economic and industry data

Market, economic and industry data used throughout this prospectus is derived from various industry and other independent sources. The Company and the Directors confirm that such data has been accurately reproduced and, so far as they are aware and are able to ascertain from information published from such sources, no facts have been omitted which would render the reproduced information inaccurate or misleading.

Currency presentation

Unless otherwise indicated, all references in this prospectus to "GBP", 'Sterling", "pounds sterling", "£", "pence" or "p" are to the lawful currency of the UK, all references to "$", "US$" or "US dollars" are to the lawful currency of the US and all references to € or "Euro" are to the lawful currency of the Eurozone countries.

Definitions

A list of defined terms used in this prospectus is set out at pages 126 to 133.

Governing law

Unless otherwise stated, statements made in this prospectus are based on the law and practice currently in force in England and Wales or Guernsey (as appropriate) and are subject to changes therein.

EXPECTED TIMETABLE

All references to times in this prospectus are to London times unless otherwise stated.

	2010
Record Date for entitlement under the Open Offer	Close of business on Friday, 12 November
Prospectus posted	Wednesday, 17 November
Offer for Subscription opens and Placing opens	Wednesday, 17 November
Ex-entitlement date for the Open Offer	8 a.m. on Wednesday, 17 November
Open Offer Entitlements and Excess CREST Open Offer Entitlements credited to CREST accounts of Qualifying CREST Shareholders	Thursday, 18 November
Recommended latest time for requesting withdrawal of Open Offer Entitlements and Excess CREST Open Offer Entitlements from CREST	4.30 p.m. on Thursday, 2 December
Latest time for depositing Open Offer Entitlements and Excess CREST Open Offer Entitlements into CREST	3.00 p.m. on Friday, 3 December
Latest time and date for receipt of completed Application Forms and payment in full under the Offer for Subscription	**1.00 p.m. on Monday, 6 December**
Latest time and date for splitting of Open Offer Application Forms (to satisfy *bona fide* market claims only)	3.00 p.m. on Monday, 6 December
Latest time and date for receipt of completed Open Offer Application Forms and payment in full under the Open Offer or settlement of relevant CREST instruction (as appropriate)	**11.00 a.m. on Wednesday, 8 December**
Latest time and date for receipt of Placing commitments	**Midday on Thursday, 9 December**
Shares issued to investors pursuant to the Placing on a T+3 basis	Friday, 10 December
Announcement of results of the Issue	Monday, 13 December
Admission to the Official List and unconditional dealings in the C Shares to commence on the London Stock Exchange	**8.00 a.m. on Wednesday, 15 December**
Expected date for crediting of C Shares to CREST accounts in uncertificated form	8.00 a.m. on Wednesday, 15 December
Expected date of despatch of definitive share certificates for C Shares in certificated form	Week commencing 20 December
Conversion of C Shares into Ordinary Shares	January 2011

The dates and times specified above are subject to change. In particular, the Directors may with the prior approval of the Sponsor bring forward or postpone the closing time and date for the Placing, the Open Offer and Offer for Subscription by up to two weeks. In the event that such date is changed, the Company will notify investors who have applied for C Shares of changes to the timetable either by post, by electronic mail or by the publication of a notice through a Regulatory Information Service provider to the London Stock Exchange.

ISSUE STATISTICS

Issue Price per C Share	£1.00
Estimated initial Net Asset Value per C Share*	£0.983
Number of C Shares being issued*	110 million
International Security Identification Number for the C Shares under the Offer for Subscription and the Placing	GG00B4TB1205
International Security Identification Number for the Open Offer Entitlements of C Shares	GG00B5BK6947
International Security Identification Number for Excess Shares	GG00B58PY219
Estimated net proceeds of the Issue*	£108.1 million

* assuming that the Issue is fully subscribed and the Directors proceed at the target Issue size.

DIRECTORS, AGENTS AND ADVISERS

Directors (all non-executive)	Graham Picken *(Chairman)* Sarah Evans John Hallam Chris Russell
Administrator **Company Secretary** **and Registered Office**	Dexion Capital (Guernsey) Limited 1 Le Truchot St Peter Port Guernsey GY1 1WD
Registrar	Capita Registrars (Guernsey) Limited Longue Hougue House St. Sampson Guernsey GY1 3US
Receiving Agent	Capita Registrars The Registry 34 Beckenham Road Beckenham BR3 4TU
UK Transfer Agent	Capita Registrars The Registry 34 Beckenham Road Beckenham BR3 4TU
Administrator to Luxcos	RSM Henri Grisius & Associès sàrl 6 Rue Adolphe L-1116 Luxembourg Bp 908, L-2019, Luxembourg
Investment Adviser and Operator	HSBC Specialist Fund Management Limited 8 Canada Square London E14 5HQ
Placing Agents	Collins Stewart Europe Limited 9th Floor 88 Wood Street London EC2V 7QR Oriel Securities Limited 125 Wood Street London EC2V 7AN
Sponsor	Collins Stewart Europe Limited 9th Floor 88 Wood Street London EC2V 7QR
Principal Bankers	Bank of Scotland plc, Level 6 155 Bishopsgate London EC2M 3YB
Auditors	KPMG Channel Islands Limited 20 New Street St Peter Port Guernsey GY1 4AN

Reporting Accountants	KPMG LLP 8 Salisbury Square London EC4Y 8BB
Legal Advisers to the Company as to English Law	Hogan Lovells International LLP Atlantic House Holborn Viaduct London EC1A 2FG
Legal Advisers to the Company as to Guernsey Law	Mourant Ozannes 1 Le Marchant Street St Peter Port Guernsey GY1 4HP
Legal Advisers to the Placing Agents and Sponsor	Ashurst Broadwalk House 5 Appold Street London EC2A 2HA

PART I

THE PLACING, OPEN OFFER AND OFFER FOR SUBSCRIPTION

Introduction

The Company is a limited liability, Guernsey incorporated, closed-ended investment company whose Ordinary Shares have a premium listing on the Main Market of the London Stock Exchange. An investment in the Company enables investors to access the income stream from a diversified and established portfolio of high quality, predominantly operational infrastructure investments.

The Current Portfolio consists of Infrastructure Equity in 38 Project Companies in the Government accommodation, education, health, transport, utilities and law and order sectors. It includes:

- accommodation projects for the UK Home Office, the Health and Safety Executive and the Ministry of Defence;
- a number of hospitals, schools, and police projects;
- a Ministry of Defence helicopter training facility;
- a high speed rail project for the Dutch State;
- a tranche of the junior loan in Kemble Water; and
- highway projects in Canada.

Since acquiring the Initial Portfolio shortly after launch, it has been the Group's intention to make further infrastructure investments to be funded by cash reserves held, pending investment, through borrowing facilities or by raising additional capital from the market. Following further acquisitions funded through its borrowing facilities, the Company undertook a £103.6 million placing and offer for subscription of C Shares in May 2008, the proceeds of which were used to repay Group Debt. Over the following sixteen months, the Company issued a further 38,735,000 Ordinary Shares by way of tap issues for an aggregate net consideration of £43.07 million.

In light of the consistent pipeline of investment opportunities available to it, the Company undertook a further placing and offer for subscription of C Shares in December 2009 in order to pay down Group Debt and meet any outstanding investment obligations, once again in accordance with the Group's investment strategy. This exercise, which was substantially oversubscribed, raised a further £80.0 million (before costs) for the Company. Since that date the Company has issued a further 49,631,336 Ordinary Shares by way of tap issues for an aggregate net consideration of £55.6 million.

Background to the Issue

The Group acquired the Initial Portfolio shortly after launch in March 2006, and in December 2007 the Company took out a £200 million multi-currency revolving credit facility with the Principal Bankers. Over the period since launch the Group has acquired or has contracted to acquire 23 further new infrastructure investments, and has made 19 follow-on investments which have been financed by Group Debt, the issues of C Shares in 2008 and 2009 and tap issues. Since the Company's last C Share issue in December 2009, the proceeds of which were used to repay outstanding Group Debt, the following investments totalling £145.8 million have been made:

- In December 2009, the Group committed an additional £2.1 million investment in the Helicopter Training Facility PFI project to fund a project variation. The funding for the variation was provided by the shareholders of the project, for which the Company's investment was £2.1 million in loan notes yielding 12.75 per cent.
- In April 2010, the Group completed the acquisition of a 50 per cent. interest in the Newcastle City Libraries PFI project for approximately £3.0 million from Kajima Partnerships Limited.

- In July 2010, the Group acquired two interests in the Queen Alexandra Hospital PFI project in Portsmouth. A 50 per cent. interest and a 24.9 per cent. interest were acquired from the two shareholders in the Project for a total consideration of £46.4 million.
- In September 2010, the Group completed the acquisition of an incremental 7.55 per cent. equity interest and 17.65 per cent. loan note interest in the Sussex Custodial Centre PFI project, taking its total equity interest in the project to 89.9 per cent. and loan note interest to 100 per cent. Total consideration for these interests was £1.1 million.
- In early October 2010 the Company announced that it had signed a binding conditional agreement to acquire an interest in four PFI/P3 projects subsidiaries of Bilfinger Berger SE for a total consideration (including £46.1 million of deferred investment obligations) of approximately £65.9 million. The projects include Kent Schools PFI project, Kicking Horse P3 project, Canada, North West Anthony Henday P3 project, Canada (which have now completed) and M80 DBFO project (which remains uncompleted).
- In mid-October 2010 the Company announced that it had acquired a further 15 per cent. equity interest and a further 25.1 per cent. loan note interest in the Queen Alexandra Hospital PFI project for £13.4 million, taking its total equity interest in the project to 89.9 per cent. and total loan note interest to 100 per cent. Shortly thereafter the Company announced that it had also acquired a further 39.9 per cent. equity interest and a further 50 per cent. loan note interest in the Oxford John Radcliffe PFI project for £13.9 million, taking its total equity interest in the project to 89.9 per cent. and total loan note interest to 100 per cent.

The Group is continuing to appraise suitable investment opportunities, and expects to secure further acquisitions in the future, with the possibility of further commitments or allocations being made prior to the closing of the Issue.

The Issue

The Company is now proposing to raise a target amount of £110 million (before expenses) through the Placing, Open Offer and Offer for Subscription. The Directors have also reserved the right, in consultation with the Placing Agents, to increase the size of the Issue to a maximum of £150 million to the extent that Additional Investments are made or identified and overall demand for C Shares exceeds the target amount. The net proceeds of the Issue will not in any event exceed the aggregate of (i) existing Group Debt, (ii) the consideration payable for any Conditional Investments and Additional Investments, and (iii) any investment obligations to which the Group is subject as at the date of this prospectus in respect of the Current Portfolio or to which it is anticipated that the Group will become subject in respect of Additional Investments. As at 16 November 2010 (being the latest practicable date prior to publication of this prospectus), this aggregate figure stood at £108.4 million. It is intended that the net proceeds of the Issue will be used to pay down existing Group Debt, to meet outstanding and anticipated investment obligations and to acquire Conditional Investments and Additional Investments. In order to implement the repayments of Group Debt, the Company will transfer to the C Share portfolio a *pro rata* share of the Current Portfolio with a value equal to the net proceeds of the Issue, in consideration for the purchase by the C Share portfolio of loan notes which will be replicated down through the Group structure. Accordingly, notwithstanding the target Issue size of 110 million C Shares, this prospectus relates to the issue by the Company of up to 150 million C Shares.

The Issue is being implemented by way of a Placing, Open Offer and Offer for Subscription. The inclusion of an Open Offer ensures that a portion of the new share capital being made available pursuant to the Issue is reserved in the first instance exclusively for Existing Shareholders.

Under the Open Offer, Existing Shareholders are entitled to apply to subscribe for up to an aggregate of 62,040,247 C Shares *pro rata* to their holdings of Ordinary Shares on the following basis:

1 C Share for every 8 Ordinary Shares held at the Record Date (being 12 November 2010).

The balance of C Shares to be made available under the Issue, together with any C Shares not taken up pursuant to the Open Offer, will be made available for subscription under the Excess Application Facility, the Offer for Subscription and the Placing.

In order that the portfolio value as at 31 December 2010 forms the basis for the calculation of the Conversion Ratio, it is intended that the proceeds from the Issue will be applied at the beginning of January 2011 with Conversion occurring later that month.

The repayment of existing Group Debt will provide the Group with greater flexibility to make further investments in the infrastructure market as suitable opportunities arise.

The Directors believe that the use of C Shares is the most appropriate way by which to raise further equity capital, as it will ensure that the portfolio value as at 31 December 2010 forms the basis for determining the price at which new Ordinary Shares are issued to investors upon the conversion of the C Shares. Furthermore, provided that the targeted minimum of £50 million is raised, the costs of the Issue will be fully borne by C Share investors and will not therefore dilute the Net Asset Value of Existing Ordinary Shares. The Company is targeting an IRR of around 7 per cent.[4] on the Ordinary Shares to be issued upon conversion of the C Shares.

Further details of the Issue are set out in Part VII of this document.

Rationale for the equity raising

The Company's low correlation to general equities, coupled with a relatively resilient net asset value, has enabled it to play a valuable strategic role within investors' portfolios. The Company has demonstrated strong share price performance over the medium term, trading at a premium to net asset value since April 2009, and has experienced continued demand for its equity, as evidenced by the tap issues of some 49.6 million Ordinary Shares during the course of this calendar year. This progress has been based on the performance of the Investment Adviser, whose team of professionals in this asset class provides experience and stability of service, alongside a strong track record.

Given this backdrop, and in light of the positive prospects for further investments by the Group in the short to medium term, the Directors believe that a further issue of C Shares is in the best interests of the Company and of the Shareholders as a whole. By applying the proceeds of the Issue to reduce the Company's net gearing position, the Company will:

- be acting in accordance with its established funding strategy;
- be best placed to take advantage of the investment opportunities which the Directors and the Investment Adviser anticipate arising in the future; and
- be afforded greater scope to develop and diversify its portfolio (see further on pages 53 to 65).

Benefits of the Issue

The Directors believe that the Issue will have the following benefits:

- The Company will be able to repay existing borrowings, thereby freeing up the full extent of the Facility for further investments in the infrastructure market as these opportunities arise;
- C Shareholder funds will be fully invested in the Current Portfolio shortly after the Issue, which will avoid the Company holding uncommitted cash balances , thereby reducing the potential for cash drag on Shareholder returns;
- The Directors recognise the importance of pre-emption rights to Shareholders and consequently up to 62,040,247 (or such greater number as may be made available by the Directors in exercising their discretion to scale back the Placing in favour of the Open Offer) of the C Shares are being offered to Existing Shareholders at the Issue Price by way of the Open Offer. Open Offer Shares may be subscribed by Existing Shareholders *pro rata* to their holdings of Existing Ordinary Shares

4 This is a target only and not a profit forecast. There can be no assurance that this target can be met or that the Company will make any distributions whatsoever.

as at the Record Date. Existing Shareholders can also participate by subscribing for C Shares pursuant to the Offer for Subscription, and Existing Shareholders can subscribe in excess of their Open Offer Entitlements pursuant to the Excess Application Facility, as described below.

- Subscription for C Shares by both Existing Shareholders and new investors will rapidly provide full exposure to the Current Portfolio of infrastructure assets;
- The market capitalisation of the Company will increase, and the secondary market liquidity in the Ordinary Shares is expected to be enhanced following Conversion as a result of a larger and more diversified Shareholder base; and
- The Company's fixed running costs will be spread across a wider shareholder base, thereby reducing the total expense ratio.

Directors' intention to subscribe

As at the date of this prospectus, the Directors and their spouses intend to subscribe for, in aggregate, 165,000 C Shares pursuant to the Issue.

Future investments by the Group

Investment objective and Investment Policy

The Company seeks to provide investors with long term distributions, at levels that are sustainable, and to preserve the capital value of its investment portfolio over the long term with potential for capital growth. It also targets a progressive distribution policy, aiming to grow its annual distributions to 7 pence per Ordinary Share by March 2013.

The Group's Investment Policy is to ensure a diversified portfolio which has a number of similarly sized investments and is not dominated by any single investment. The Group will in general seek to acquire Infrastructure Equity with similar characteristics to the Current Portfolio.

The Group's Investment Policy is set out in full on pages 37 and 38 of this prospectus.

Current investment strategy

The Group has, as part of its Investment Policy, an investment strategy which it has applied consistently since May 2009. The investment strategy is primarily focused on operational concessions and projects in the following core infrastructure sectors:

- PFI/PPP/P3 social infrastructure projects, which have concessions with public sector counterparties;
- Infrastructure investments with similar risks/return characteristics to PFI/PPP (e.g. operational wind farms, solar parks, hydro schemes);
- Investments in companies within the regulated utilities sector which have comparable risk/reward profiles; and
- Infrastructure debt (on a selective basis).

Opportunities for portfolio development

The Investment Adviser is continually seeking new infrastructure investments which will allow for development and diversification of the portfolio, while meeting the Group's Investment Policy and having the required financial and risk characteristics to enable the Group to meet its investment targets. Whilst there is no guarantee that suitable new investments will be found, the Investment Adviser is confident that, through its leading market position, new attractive investment opportunities will be sourced for the Group. The investment process is set out in more detail on pages 68 to 70.

Geographical diversification

In searching for new opportunities, the Company's current geographic focus involves a proactive approach in the UK, Europe, North America and Australia. The Investment Adviser believes there will be opportunities to acquire further PFI investments in the UK as sponsors continue to sell down their interests in projects and portfolios. In Europe, with the developing growth of PFI/PPP as a procurement method in selected countries, there are a growing number of projects in construction which will become operational in due course. The Investment Adviser believes that, in the same way as in the UK, the sponsors of these projects will want, in due course, to sell their investments. A similar situation is developing in Canada and Australia, where there is a well-developed PPP/P3 procurement process. A more targeted approach is being taken to the Asia Pacific region, with opportunities in developing countries such as India and China not currently being considered, as the Investment Adviser believes these markets are not yet sufficiently developed to provide investments with the appropriate risk profile for the Group.

Revenue characteristics

With the exception of its investment in Kemble Water, all of the Company's current investments constitute PFI/PPP availability-based income streams with public sector clients. On the Kicking Horse P3 project in Canada, there are also revenues from the Client based on shadow tolls and safety payments. In the case of renewable energy projects in which the Group would consider investing, the revenue stream would have a regulated "feed-in" tariff, or similar contractual arrangement.

In due course, the Company may consider investments in demand-type infrastructure (i.e. where the revenues received depend on the level of use of the project assets). This will be dependent on both the Investment Adviser and the Directors believing that valuations have stabilised, robust financing is in place and forecasts of revenue have been reliably established.

Additional stakes

In the Current Portfolio, there are a number of shareholders in many of the Project Companies who may decide to dispose of their stakes in the future and, if this is the case, the Group is well placed to acquire these additional investments. Since launch, the Group has acquired 19 additional stakes in Project Companies in which it already held an investment, providing opportunities to enhance returns through economies of scale.

PART II

INFORMATION ON THE COMPANY

Introduction

The Company is a limited liability, Guernsey incorporated, closed-ended investment company and its Ordinary Shares are admitted to the Official List with a premium listing and to trading on the Main Market of the London Stock Exchange. An investment in the Company enables investors to access the income stream from a diversified and established portfolio of high quality, predominantly operational infrastructure investments.

The Company was launched on 29 March 2006 and it now has 496.3 million Ordinary Shares in issue. As at 30 September 2010 the Company had a market capitalisation of £564.8 million and, based on unaudited financial statements, the aggregate net assets of the Company on an investment basis were £558.1 million. The NAV per Ordinary Share, on an investment basis, as at 30 September 2010, was 109.2 pence after deduction of the 3.275 pence interim distribution to be paid in December 2010.

The Company's capital and operational structure

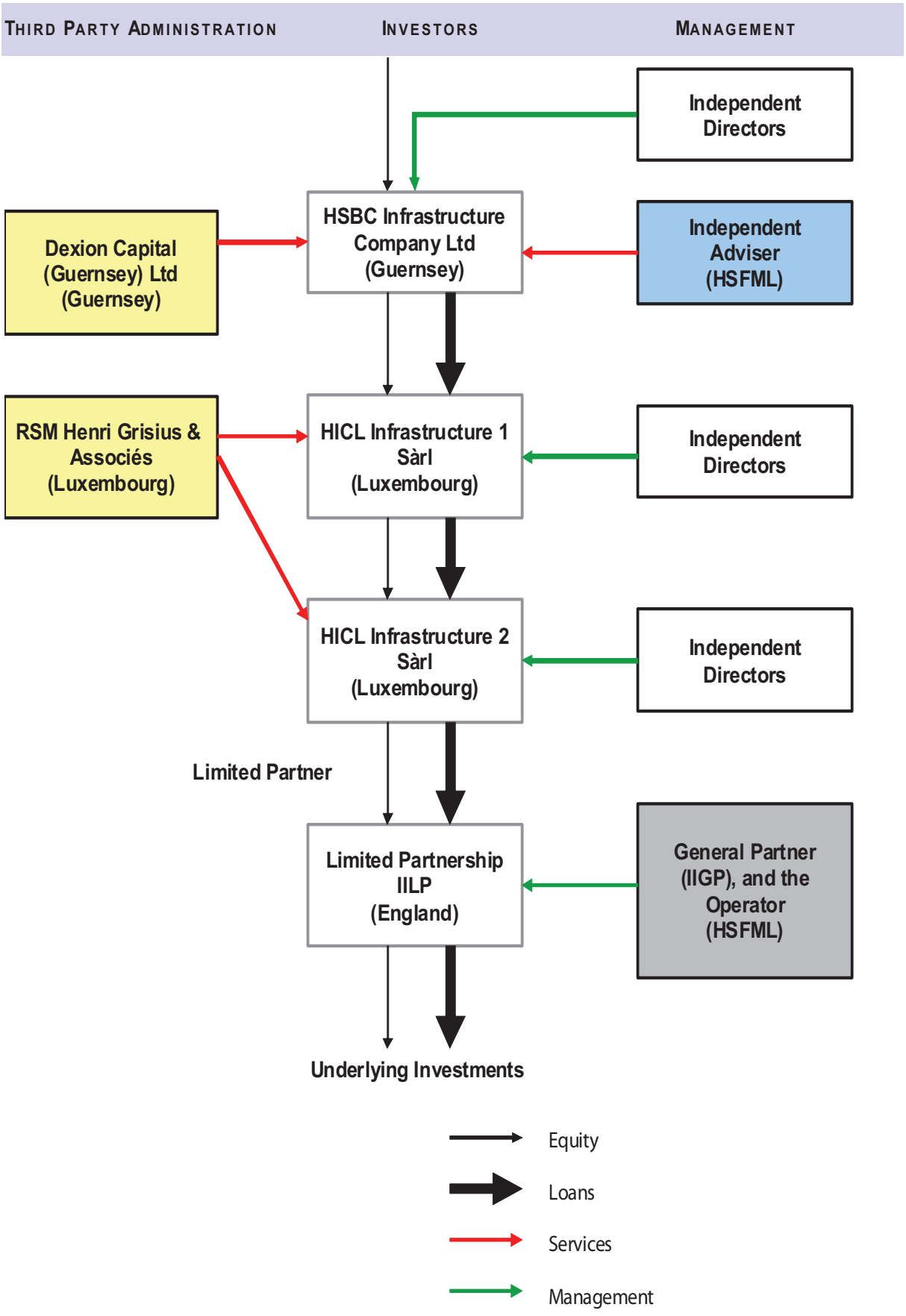
The Company was incorporated with an authorised share capital of £100,000 divided into 100 Management Shares of 0.01 pence each and 999,999,900 unclassified shares of 0.01 pence each.

At an extraordinary general meeting of the Company held on 21 March 2006 a special resolution was passed authorising the cancellation of the Company's share premium account immediately following the conclusion of the IPO (subject to Court approval), thereby creating a special reserve which may be treated as distributable profits for all purposes, including paying distributions and dividends to Shareholders and purchasing Ordinary Shares. The Royal Court of Guernsey approved the cancellation on 21 July 2006.

Details of the Shareholders' voting rights and their entitlements to dividends and other distributions and on any winding-up of the Company are described in Part XI on pages 99 to 121 of this prospectus.

The Company makes its investments via a group structure involving two Luxembourg-domiciled investment companies (structured as SOPARFIs) and an English limited partnership. The assets of the Company will therefore be held indirectly through the Holding Entities and any subsidiaries wholly owned by the general partner of the English limited partnership on behalf of the English limited partnership. HSBC Specialist Fund Management Limited, an investment manager authorised and regulated in the UK by the FSA, acting through members of its Infrastructure Investment Team, acts as Investment Adviser to the Company and as Operator of the Partnership.

Table 1: Group Structure



The Group invests in infrastructure investments indirectly via the Holding Entities.

- The Company invests in equity and debt of HICL Infrastructure 1 Sàrl ("Luxco 1"), a société à responsabilité limitée established in Luxembourg and qualifying as a SOPARFI under Luxembourg legislation and regulation, which in turn invests in equity and debt of a similar entity, HICL Infrastructure 2 Sàrl ("Luxco 2"). Both Luxco 1 and Luxco 2 (together the "Luxcos") are wholly owned subsidiaries of the Company. The Company controls the investment policies of the Luxcos.
- Luxco 2 is the sole limited partner in the Partnership, an English limited partnership which has a special purpose vehicle as its general partner (the "General Partner"). The General Partner is a wholly owned indirect subsidiary of HSBC. The General Partner, on behalf of the Partnership, has appointed the Operator as operator of the Partnership. Luxco 2 invests the contributions it receives from Luxco 1 in capital contributions and partner loans to the Partnership, which acquires and holds the infrastructure investments.

The Group's infrastructure investments are registered in the name of the General Partner, the Partnership or wholly owned subsidiaries of the Partnership.

Investment opportunity

The Company offers investors access to income streams from a Current Portfolio of 38 investments with a Current Portfolio Value of £656.5 million. The Group intends to make further infrastructure investments in the future as suitable opportunities arise. The Directors believe that attractive opportunities are likely to arise outside, as well as within, the UK (where the majority of the projects within the Current Portfolio are based).

The Directors and the Investment Adviser believe that an investment in infrastructure assets offers the following features, and that these compare favourably with an investment in other asset classes such as non-infrastructure equities and real estate:

- Very low correlation to equity investment and limited exposure to economic and business cycles;
- Concessions which generally have central or local government counterparties, providing strong credit quality;
- A growing income stream supported by indexation of contract revenues;
- Underlying market demand for infrastructure remaining strong globally, given political and economic imperatives worldwide and public budget constraints;
- Recent market turmoil in financial markets has highlighted the stability of PFI/PPP/P3 infrastructure assets; and
- Valuation of PFI/PPP/P3 infrastructure projects remaining relatively stable, reflecting the inherent value in the underlying income streams for assets in both primary and secondary markets.

The Directors also believe that an investment in the Company offers investors seeking an investment in infrastructure assets the following benefits:

- A growing dividend;
- Preservation of the capital value of the investment portfolio with the potential for capital growth;
- A diversified portfolio primarily focused on equity investments in operational yielding assets with a proven track record;
- A portfolio of assets that combine size and type to maintain balance and diversification across the portfolio;
- The Group has the opportunity to purchase additional equity in Current Portfolio projects, giving an opportunity to enhance returns through benefits of scale;

- The management team has strength and depth in key skills – deal sourcing, deal structuring and portfolio management – enhancing returns on a low risk basis;
- The Group has debt facilities in place on attractive terms for Shareholders. Underlying projects have long term amortising debt and do not require refinancing;
- The Company provides investors with a range of information assisting them to understand how the Current Portfolio is performing;
- The management team has a network of contacts and relationships globally from which it will continue to source investment opportunities; and
- The management team has experience of working internationally in countries where there are strong opportunities for PPP investments.

Investment Policy

Investment objective

The Company seeks to provide investors with long-term distributions, at levels that are sustainable, and to preserve the capital value of its investment portfolio over the long-term with potential for capital growth. The Company targets a progressive distribution policy and growth of its annual distributions to 7p per Ordinary Share by March 2013. The Company is targeting an IRR of 7 to 8 per cent. on the original issue price of its Ordinary Shares in March 2006, to be achieved over the long-term via active management, including the acquisition by the Group of further investments to complement the Current Portfolio and by the prudent use of gearing.

Investment criteria

The Group's Investment Policy is to ensure a diversified portfolio which has a number of similarly sized investments and is not dominated by any single investment. The Group will seek to acquire Infrastructure Equity with similar risk/reward characteristics to the Current Portfolio, which may include (but is not limited to):

- public sector, government-backed or regulated revenues;
- concessions which are predominantly "availability" based (i.e. the payments from the concession do not generally depend on the level of use of the project asset); and/or
- companies in the regulated utilities sector.

The Group will also seek to enhance returns for Shareholders by acquiring more diverse infrastructure investments. The Directors currently intend that the Group may invest in aggregate up to 35 per cent. of its total assets (at the time the relevant investment is made) in:

- Project Companies which have not yet completed the construction phases of their concessions but where prospective yield characteristics and associated risks are deemed appropriate to the investment objectives of the Company. This may include investment in companies which are in the process of bidding for concessions, to the extent that such companies form part of a more mature portfolio of investments which the Group considers it appropriate to acquire; and/or
- Project Companies with "demand" based concessions where the Investment Adviser considers that demand and stability of revenues are not yet established, and/or Project Companies which do not have public sector sponsored/awarded or government-backed concessions and to a lesser extent (but counting towards the same aggregate 35 per cent., and again at the time the relevant investment is made) in other funds that make infrastructure investments and/or financial instruments and securities issued by companies that make infrastructure investments, or whose activities are similar or comparable to infrastructure investments.

Geographic focus

The Directors believe that attractive opportunities for the Group to enhance returns for investors are likely to arise outside as well as within the UK (where the majority of the projects in the Current Portfolio are based). The Group may therefore make investments in the European Union, Norway, Switzerland, the Americas and selected territories in Asia and Australasia. The Group may also make investments in other markets should suitable opportunities arise. The Group will seek to mitigate country risk by concentrating on investment opportunities in jurisdictions where it considers that contract structures and enforceability are reliable, where (to the extent applicable) public sector obligations carry a satisfactory credit rating and where financial markets are relatively mature.

Single investment limit and diversity of clients and suppliers

For each new acquisition made, the Company will ensure that such investment acquired does not have an acquisition value (or, if it is an additional stake in an existing investment, the combined value of both the existing stake and the additional stake acquired) greater than 20 per cent. of the total gross assets of the Company immediately post acquisition. The total gross assets will be calculated based on the last published gross investment valuation of the portfolio plus acquisitions made since the date of such valuation at their cost of acquisition.

The purpose of this limit is to ensure the portfolio has a number of investments and is not dominated by any single investment.

In selecting new investments to acquire, the Investment Adviser will seek to ensure that the portfolio of investments has a range of public sector clients and supply chain contractors, in order to avoid over-reliance on either a single client or a single contractor.

Other investment restrictions

The Company is subject to certain investment restrictions pursuant to the Listing Rules which are reflected in the Investment Policy. Such investment restrictions are set out in more detail in Part XI on page 101 of this prospectus.

Gearing

The Group intends to make prudent use of leverage to finance the acquisition of investments, to enhance returns to investors and to finance outstanding investment obligations. Under the Articles, the Group's outstanding borrowings, excluding intra-group borrowings and the debts of underlying investee companies but including any financial guarantees to support subscription obligations, are limited to 50 per cent. of the Adjusted Gross Asset Value (meaning the fair market value, without deductions for borrowed money or other liabilities or accruals, and including outstanding subscription obligations) of its investments and cash balances at any time. The Group may borrow in currencies other than pounds sterling as part of its currency hedging strategy.

Amendments

Any material amendments to the Investment Policy will require the approval of Shareholders.

New Investments and conflicts of interest

It is expected that further investments will be sourced by the Investment Adviser and Operator and it is likely that some of these will be investments that have been originated and developed by, and may be acquired from, HSIL or from a fund managed by HSIL (or, following Completion, from an HSIL Business or from a fund managed by one of the HSIL Businesses). In order to deal with these potential conflicts of interest, detailed procedures and arrangements have been established to manage transactions between the Group, HSIL and the HSIL Businesses or funds managed by the HSIL Businesses (the **"Rules of Engagement"**). If the Group invests in funds managed or operated by HSIL (or, following Completion, by one of the HSIL Businesses), the Group shall bear any management or similar fees charged in relation to such fund provided, however, that the value of the Group's investments in such funds shall not be counted towards the valuation of the Group's investments for the purposes of calculating the fees/profit share payable to the Investment Adviser or the General Partner (as described on page 39 of this prospectus).

In light of the differences in investment objectives and strategies between the Group and Fund II, it is possible that in future the Group may seek to purchase certain investments from Fund II once those investments have matured and to the extent that the investments suit the Group's investment objectives and strategy. If such acquisitions are made, appropriate procedures from the Rules of Engagement will be put in place to manage the conflict.

Key features of the Rules of Engagement include:

- the creation of separate committees within HSIL (or the relevant HSIL Business). These committees represent the interests of the vendors on the one hand (the **"Sellside Committee"**) and the Group on the other (the **"Buyside Committee"**), to ensure arm's length decision making and approval processes. The membership of each committee is restricted in such a way as to ensure its independence and to minimise conflicts of interest arising;
- a requirement for the Buyside Committee to conduct an independent due diligence process on the assets proposed to be acquired prior to making an offer for their purchase;
- a requirement for any offer made for the assets to be supported by a report on the Fair Market Value for the transaction from an independent expert;
- the establishment of "Chinese walls" between the Buyside and Sellside Committees with appropriate information barrier procedures to ensure information that is confidential to one or the other side is kept confidential to that side; and
- the provision of a "release letter" to each employee of HSIL (or the relevant HSIL Business) who is a member of the Buyside and Sellside Committees. The release letter confirms that the employee shall be treated as not being bound by his/ her duties as an employee to the extent that such duties conflict with any actions or decisions which are in the employee's reasonable opinion necessary for him/her to carry out as a member of the Buyside or Sellside Committee.

In considering any such acquisition the Directors will, as they deem necessary, review and ask questions of the Buyside Committee and the Group's other advisers, to ensure that the Directors are satisfied that the terms of any such acquisitions are negotiated on an arm's length basis.

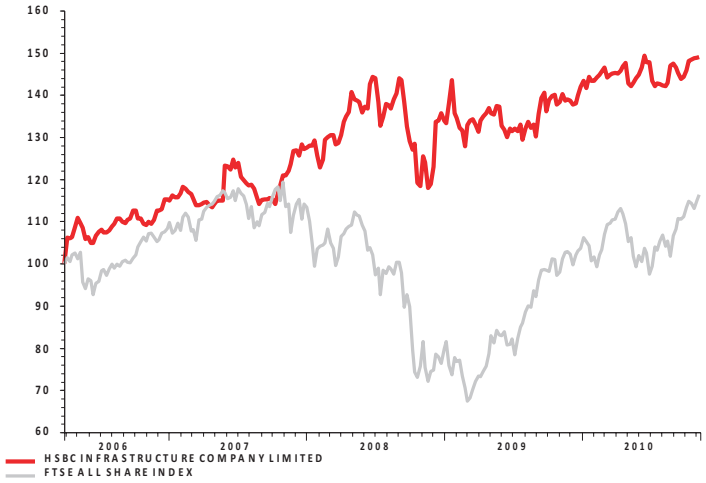
Investment performance

Over the period from 31 March 2006 to 30 September 2010, the Net Asset Value per Ordinary Share of the Company increased from 98.4 pence to 109.2 pence (after deduction of the 3.275 pence interim distribution). The Company announced on 16 November 2010 that the total value of its portfolio of assets as at 30 September 2010 was £563.3 million.

The Company made a total first year distribution of 6.1 pence per Ordinary Share, which was ahead of the target of 5.75 pence per Ordinary Share as set out in the launch prospectus, followed by total distributions of 6.25 pence per Ordinary Share, 6.4 pence per Ordinary Share and 6.55 pence per Ordinary Share for the financial years ended 31 March 2008, 31 March 2009 and 31 March 2010 respectively. The Company will pay an interim dividend of 3.275 pence per Ordinary Share in respect of the six month period to 30 September 2010 in December 2010.

Table 2 below shows the Company's total shareholder return since listing on the Official List on 29 March 2006 to 12 November 2010, compared with the equivalent information in respect of the FTSE All Share Index over the same period. This demonstrates the Company's strong performance delivered to Shareholders, in terms of both income and capital growth, having outperformed the FTSE All Share Index on a total shareholder return basis by 28.2 per cent. over this period and having provided an annualised total shareholder return of 9.01 per cent. over the same period.

Table 2: Shareholder total return since launch[5]



The table below sets out the total returns achieved by a number of equity indices which the Directors consider may provide useful points of comparison for investors considering an investment in the Company:

Shareholder total return to 30 September 2010 – comparison with equity indices

	-1Y	*-2Y*	*-3Y*	*-4Y*
HSBC Infrastructure Company Limited	5.97	13.06	25.61	25.80
FTSE Equity Investment Instrument Index	16.01	26.22	-3.17	13.86
FTSE AllShare Index	12.49	24.63	-2.40	9.50
FTSE 350 Higher Yield	5.16	10.74	-13.41	-6.22
FTSE World ex UK	9.52	22.69	4.40	18.30

All index figures are on a total return basis in sterling terms to 30 September 2010. HSBC Infrastructure Company Limited figures are shareholder total return to 30 September 2010.[5]

Distribution policy

To date, distributions on the Ordinary Shares have been paid twice a year, in respect of the six month periods to 31 March and 30 September, and have been made by way of dividend. This is expected to continue. The Company may also make distributions by way of capital distributions (or otherwise in accordance with the Laws and the Articles) as well as, or in lieu of, by way of dividend if and to the extent that the Directors consider this to be appropriate.

Further to Shareholder approval the Company may offer a scrip dividend alternative, issuing new Ordinary Shares in lieu of a dividend to those Shareholders who elect to receive the same. As at the date of this prospectus, it is the intention of the Directors to continue to seek Shareholder approval at each annual general meeting to offer a scrip dividend alternative.

The new Ordinary Shares issued on conversion of the C Shares will not rank for the first interim dividend declared on 11 November 2010 to be paid on 31 December 2010 for the year ending 31 March 2011. The new Ordinary Shares will rank equally with all other Ordinary Shares in respect of all dividends declared thereafter, including the second interim dividend for the year ending 31 March 2011.

The Directors intend that the Company will generally restrict distributions (by way of dividend or otherwise) to the level of Distributable Cash Flows, and dividends to the level of income from the Group's investments, as recognised in the relevant financial year. The Directors may, where they consider this to be appropriate in respect of acquisitions where such assets are not fully cash generative, distribute as dividend an amount up to the level of the Group's gross income, i.e. in excess of

5 Thomson Datastream.

Distributable Cash Flows. Project Companies which are operational usually make distributions to the Group twice a year, and occasionally these payments may be received shortly after a period end due to timing of payment process. The Directors intend to include such amounts in Distributable Cash Flows where it is clear these payments relate to the period concerned.

A proportion of Distributable Cash Flows includes cash receipts from the repayment of the subordinated debt element of Infrastructure Equity in Project Companies in which the Group invests. This is because the Directors believe that the value of the future cash distributions expected to be made by such Project Companies in the final years of their concessions should be sufficient to preserve the capital value of the investments until those cash distributions commence.

Subject to market conditions, it is intended that distributions will be paid as interim dividends.

The Company retains the discretion to reinvest the capital proceeds of any investments which are transferred or sold by the Group during the life of the Company.

Borrowings

In December 2007, the Partnership took out a £200 million multi-currency revolving credit facility (the "Facility") with the Principal Bankers to replace the original facility taken out at launch. The Facility is split into two tranches: a £120 million tranche A and an £80 million tranche B. Tranche A may be used to finance or refinance up to 50 per cent. of certain investments, repay existing debt incurred in relation to those investments and downstream loans to subsidiaries. Tranche B may be used to finance or refinance the investments, related costs, downstream loans to subsidiaries and for general working capital and corporate purposes. The Facility may be utilised by way of cash advances, letters of credit and optional currencies (subject to certain limits). The repayment date of the Facility is 18 December 2012. Further details of the Facility are set out in Part XI on pages 118 to119 of this prospectus.

Currency and hedging policy

A portion of the Group's underlying investments may be denominated in Currencies other than GBP. For example, a portion of the Current Portfolio is denominated in Euros. Any dividends or distributions in respect of the Ordinary Shares however will be made in GBP, and the market prices and Net Asset Value of the Ordinary Shares will be reported in GBP.

Currency hedging will only be carried out to seek to provide protection to the level of GBP dividends and other distributions that the Group aims to pay on the Ordinary Shares, and in order to reduce the risk of Currency fluctuations and the volatility of returns that may result from such Currency exposure. This may involve the use of foreign Currency borrowings to finance foreign Currency assets, or forward foreign exchange contracts or other financial instruments.

In December 2007 the Partnership entered into a hedging letter (the "Hedging Letter") and a hedging agreement (the "Hedging Agreement") with the Principal Bankers. Under the Hedging Letter the Partnership is required to hedge not less than 50 per cent. of the projected aggregate revolving credit loans under the Facility from time to time in accordance with a base case model. Under the Hedging Agreement two swap transactions were put in place: one relating to Euro utilisations where the fixed rate is 4.53 per cent. and the other relating to sterling utilisations where the fixed rate is 5.205 per cent. Further details of the Hedging Letter and Hedging Agreement are set out in Part XI on page 119 of this prospectus.

Interest rate hedging may be carried out to seek to provide protection against increasing costs of servicing Group Debt drawn down to finance investments. This may involve the use of interest rate derivatives. Currency and interest rate hedging transactions will only be undertaken for the purpose of efficient portfolio management and will not be carried out for speculative purposes.

Financial information and reports to Shareholders

The Group's annual reports are prepared up to 31 March each year and copies are sent to Shareholders in June of that year. Shareholders also receive unaudited interim reports covering the six month periods to 30 September in each year. The annual general meeting of the Company is held in Guernsey in each year, the most recent having been held on 26 July 2010.

The audited accounts of the Group are drawn up in pounds sterling and prepared under IFRS. Under IFRS, the Group prepares an income statement which, unlike a statement of total return, does not differentiate between revenue and capital. The Group's management and administration fees, finance costs and all other expenses are charged through the income statement. The Group's accounts consolidate the Partnership and therefore, under IFRS rules, certain interests in Project Companies are consolidated. In addition, fair value changes of equity investments in Project Companies are recognised in the Group's income statement. The Group's accounts include a pro forma statement illustrating the Group's income account and balance sheet on an investment basis rather than a consolidated basis in order to provide shareholders with a more meaningful representation of the Group's net asset value, its capacity for investment and its capacity to make distributions.

Shareholder communication

The Company and the Investment Adviser, in conjunction with the Placing Agents, have developed a format and programme of regular investor briefings. These have to date included:

- Website with Current Portfolio data, quarterly fact sheet and past trading information;
- Interim and Annual Reports;
- Investor presentations, with meetings with Shareholders who wish to meet with the Company at least twice a year;
- Site visits and case studies to assist in explaining how a single project is structured and performs financially;
- Investor lunches and dinners, being an opportunity to meet the Board and the Infrastructure Investment Team; and
- Broker conferences.

Valuations

The Investment Adviser is responsible for carrying out the fair market valuation of the Group's investments which is presented to the Directors for their approval and adoption. The Directors receive a report and opinion from a third party, with considerable expertise in valuing this type of investments at each valuation date. The valuation is carried out on a six monthly basis as at 31 March and 30 September each year. The valuation principles used in such methodology are based on a discounted cash flow methodology, and adjusted for EVCA (European Private Equity and Venture Capital Association) guidelines where appropriate to comply with IAS 39, given the special nature of infrastructure investments. Where an investment is traded, currently only the Kemble Water junior loan, a market quote is used.

This is the same method as used at the time of launch and each subsequent six month reporting period.

Fair value for each investment, other than the Kemble Water junior loan, is derived from the present value of the investment's expected future cash flows, using reasonable assumptions and forecasts, and an appropriate discount rate. The Investment Adviser exercises its judgment in assessing the expected future cash flows from each investment. Each Project Company produces detailed concession life financial models and the Investment Adviser will, *inter alia,* typically take the following into account in its review of such models and make amendments where appropriate:

- due diligence findings where current (e.g. a recent acquisition);
- outstanding subscription obligations or other cash flows which are contractually required or assumed in order to generate the returns;

- project performance against milestones;
- opportunities for financial restructuring;
- changes to the economic, legal, taxation or regulatory environment;
- claims or other disputes or contractual uncertainties; and
- changes to revenue and cost assumptions.

Discount rates used for valuing each investment are based on the appropriate risk free rate (derived from the relevant Government bond or gilt) and a risk premium. The risk premium takes into account risks associated with the financing of a project such as project risks (e.g. liquidity, currency risks, market appetite) and any risks to project earnings (e.g. predictability and covenant of the concession income), all of which may be differentiated by project phase.

The Investment Adviser uses its judgement in arriving at the appropriate discount rate. This is based on its knowledge of the market, taking into account intelligence gained from its bidding activities, discussions with financial advisers in the appropriate market and publicly available information on relevant transactions.

The Directors' valuation of the Group portfolio of investments since launch has been as follows:

	Launch	*31 March 2007*	*31 March 2008*	*31 March 2009*	*30 Sept 2009*	*31 March 2010*	*30 Sept 2010*
Directors' Valuation (million)	£250.4	£342.0	£437.9	£445.7	£464.5	£501.3	£563.3
Weighted average discount rate	8.0%	7%	7.5%	8.3%	8.7%	8.8%	8.7%
Discount rate range	n.a.	6.5% to 9%	7.0% to 12.0%	7.8% to 22.4%	8.2% to 17.1%	8.4% to 13.2%	8.4% to 10.3%
Weighted average discount rate (excluding Kemble Water)	8.0%	Not disclosed	7.4%	8.1%	8.6%	8.7%	8.7%

The Investment Adviser, on behalf of the Company, calculates the Net Asset Value of an Ordinary Share as at 31 March and 30 September and this is reported to Shareholders in the Company's annual report and interim financial statements. All valuations made by the Investment Adviser are made, in part, on valuation information provided by the Project Companies in which the Group has invested. Although the Investment Adviser evaluates all such information and data, it may not be in a position to confirm the completeness, genuineness or accuracy of such information or data. In addition, the financial reports typically provided by the Project Companies are provided only on a quarterly or half yearly basis and generally are issued one to four months after their respective valuation dates. Consequently, each half yearly Net Asset Value contains information that may be out of date and require updating and completing. Shareholders should bear in mind that the actual Net Asset Values may be materially different from these half yearly valuations.

The Directors do not envisage any circumstances in which valuations will be suspended.

Life of the Company

The Company has been established with an unlimited life.

Tap issues

The Ordinary Shares have traded at a premium to NAV since April 2009. To regulate the premium at which the Ordinary Shares were trading, the Company has issued 84.8 million Ordinary Shares by way of tap issues since June 2009. The Directors will continue to monitor the price at which the Ordinary Shares are trading going forward and may seek to issue further Ordinary Shares in the future.

Pre-Emption Rights

At the annual general meeting of the Company held on 26 July 2010 a special resolution was passed to adopt new Articles. In accordance with changes to the Listing Rules in relation to companies with a premium listing, the new Articles give Existing Shareholders pre-emption rights over any issue of new shares. The pre-emption rights may be disapplied pursuant to a special resolution of Shareholders. A special resolution was passed at the annual general meeting on 26 July 2010 disapplying the pre-emption rights with respect to the issue of up to 10 per cent. of the Ordinary Shares in issue for cash. A further special resolution was passed at the extraordinary general meeting of the Company held on 10 November 2010 disapplying the pre-emption rights with respect to an issue of up to 150 million C Shares for cash on or before 31 March 2011.

Discount control

Purchase of Ordinary Shares by the Company in the market

At the annual general meeting of the Company held on 26 July 2010, a special resolution was passed authorising the Company (subject to the Listing Rules and all other applicable legislation and regulations) to make market purchases of up to 14.99 per cent. *per annum* of its issued Ordinary Shares for the purpose of addressing any imbalance between the supply of and demand for the Ordinary Shares, to assist in minimising any discount to Net Asset Value at which the Ordinary Shares may be trading and to increase the Net Asset Value per Ordinary Share.

The Directors intend to seek a renewal of this authority from Shareholders at each annual general meeting of the Company. Purchases of Ordinary Shares will be made within guidelines established from time to time by the Directors. The timing of any purchases will be decided by the Directors in light of prevailing market conditions. However, such purchases will only be made in accordance with applicable law, the Listing Rules and the Disclosure Rules in force from time to time or any successor laws, rules or regulations. The Listing Rules currently provide that where the Company purchases its Ordinary Shares the price to be paid must not be more than 105 per cent. of the average of the market values of the Ordinary Shares for the five Business Days before the purchase is made or, if higher, the higher of the latest independent trade and the highest current independent bid.

Tender offers

Additionally, in order to further minimise the risk of the Ordinary Shares trading at a discount to Net Asset Value and to assist in the narrowing of any discount at which the Ordinary Shares may trade from time to time, the Company may make tender offers from time to time. As such, subject to certain limitations (set out below) and the Directors exercising their discretion to operate the tender offer on any relevant occasion, Shareholders may tender for purchase all or part of their holdings of Ordinary Shares for cash. It is envisaged that the tender offers will be effected such that the tender offer calculation date ("Calculation Date") will be 30 September of the relevant year (or the following Business Day). The price at which Ordinary Shares will be purchased will be the prevailing Net Asset Value per Share as at the close of business on the relevant Calculation Date, subject to a discount of 3 per cent. (to cover, *inter alia,* the costs of the tender offer). Tender offers will, for regulatory reasons, not normally be open to Shareholders in Australia, Canada, Japan or the United States of America.

Implementation of a tender offer is subject to prior Shareholder approval. Renewal of the repurchase authority will be sought at each annual general meeting.

In order to implement a tender offer, a market maker selected by the Board will, as principal, purchase the Ordinary Shares tendered at the tender price and will sell the relevant Ordinary Shares on to the Company at the same price by way of an on-market transaction unless the Company has agreed with the market maker that the market maker may sell any of the Ordinary Shares in the market. The terms and conditions, and in particular those relating to excluded overseas Shareholders, upon which it is intended that each tender offer will be implemented are set out in the Appendix to this document. The tender offers will be conducted in accordance with the Listing Rules and the rules of the London Stock Exchange.

The mechanics of the tender offers will be as follows:

- not less than 60 clear calendar days before each Calculation Date, if the Directors have exercised their discretion to operate a tender offer the Company will send a circular to Shareholders announcing the tender offer and the percentage of the issued Ordinary Shares to be purchased (the "Relevant Percentage") together with a tender form (additional copies to be available from the Registrar);
- Shareholders may then tender some or all of their Ordinary Shares for purchase by the market maker engaged by the Company by returning the tender form or submitting the relevant TTE Instruction (being a transfer to escrow instruction as defined in the CREST Manual issued by Euroclear UK & Ireland) to the Receiving Agent no later than 1.00 p.m. on the relevant tender offer closing date;
- each Shareholder will have a basic entitlement to sell the Relevant Percentage of his Ordinary Shares, but may tender Ordinary Shares in excess of his entitlement. If the number of Ordinary Shares tendered exceeds the number of Ordinary Shares which the Company wishes to repurchase, tenders in excess of Shareholder's basic entitlement will be scaled back *pro rata* in proportion to the excess amount tendered; and
- payment of the tender price is expected to be made within 14 days of the relevant Calculation Date.

The Company has entered into Repurchase Agreements with Collins Stewart and Oriel pursuant to which Collins Stewart and Oriel have agreed to implement the tender offers. The terms of the Repurchase Agreements provide that subject to each tender offer becoming unconditional in all respects and not lapsing or terminating in accordance with its terms and subject to receipt of cleared funds from the Company, Collins Stewart and/or Oriel will purchase on-market, as principal and at the tender price, the Ordinary Shares in respect of which tenders are accepted. The Company has agreed that, immediately following the purchase by Collins Stewart and/or Oriel of such Ordinary Shares, it will purchase them from Collins Stewart and/or Oriel save for any Ordinary Shares which the Company has agreed with Collins Stewart and/or Oriel that Collins Stewart and/or Oriel may sell in the market. Further details of the Repurchase Agreements are set out in Part XI of this prospectus on pages 117 and 118.

Ordinary Shares that are repurchased by the Company from Collins Stewart, Oriel or any alternative market maker will be cancelled. Any fees payable to Collins Stewart or Oriel will be agreed prior to the implementation of any tender offer.

Investors should note that the operation of the tender offers is entirely discretionary and they should place no expectation or reliance on the Directors exercising such discretion on any one or more occasions in respect of Ordinary Shares or on the number of Ordinary Shares which may be the subject of a tender offer. As explained above, the share premium account has been cancelled so as to create a special reserve which may be treated as distributable profits and out of which tender offers (and share buy-backs) may be funded. In addition to the availability of the share purchase and tender facilities mentioned above, Shareholders may seek to realise their holdings through disposal in the market.

Investors should not expect that they will necessarily be able to realise, within a period which they would otherwise regard as reasonable, their investment in the Company, nor can they be certain that they will be able to realise their investment on a basis that necessarily reflects the value of the underlying investments held by the Group.

PART III

INVESTMENT BACKGROUND TO AND OUTLOOK FOR THE INFRASTRUCTURE MARKET

What is infrastructure?

Infrastructure investments are generally defined as investments in assets that provide essential services to society. Infrastructure investments fall into different sectors with different risks/returns associated with them and are broadly categorised between social and economic infrastructure (see below). In addition, the infrastructure asset class can be further segmented between primary (capital growth) and secondary (operational and yielding) assets. A subset of economic infrastructure is renewable energy infrastructure projects, wherein the revenue stream is a function of the electricity generated and the tariff/contractual payment regime.

Social infrastructure

Social infrastructure assets are generally procured and funded by the public sector to provide services for the general public though long term PFI/PPP/P3 concessions and other Government programmes. The preferred model for remuneration is through Client availability payments linked to service performance and availability of the asset for use (e.g. by teachers and pupils at a school). Assets in this subsector include education, health care, prisons, court houses, public sector buildings and public order training facilities. It can also include transportation assets where the revenue is paid by the procuring client.

Economic infrastructure

Economic infrastructure supports economic development and commerce as well as the movement of goods and people. It includes transportation assets and regulated utilities. Transportation assets include toll roads, bridges, tunnels, seaports, airports, heavy and light railways and bulk transport terminals. Regulated utilities include electricity/gas transmission, electricity/gas distribution, water and waste water utilities and water and waste water treatment. Usually a long term concession is let, but equally the asset can also be sold outright through privatisation. End-user payments finance the ongoing operations, maintenance and capital/acquisition costs of the assets. Other broader examples of economic infrastructure may include communications infrastructure (fixed line networks, mobile towers, satellite systems, broadcast facilities and cable networks), ferries, oil and gas pipeline/storage, merchant power generation, energy trading, car parks, and motorway service stations.

Renewable energy projects

Substantial political, economic, social and environmental drivers have emerged that underpin the commercial investment opportunity in renewable energy infrastructure. These include increasing concern about sources of energy supply and energy security, scarcity of key natural resources, and climate change, leading to a drive towards a lower carbon economy. Examples of renewable energy infrastructure projects include solar electricity generation, wind farms and hydro electric power schemes. These projects tend to have revenues either based on agreed feed-in tariffs or other contractual mechanisms to ensure that, provided electricity is generated, the revenue earned is known. Properly structured renewable energy projects can produce long term stable investment cash flows in a similar way to social and economic infrastructure assets.

Infrastructure Project Companies

In an infrastructure project, a private sector consortium (usually comprising a construction company, an operator and financial investors) will form a new Project Company which bids for a concession contract from a procuring Client (typically in the public sector). If successful in its bid, the Project Company is appointed by the Client to be responsible for the financing and construction of an infrastructure asset such as a hospital, school or transport link, and its long term maintenance and operation in accordance with agreed service standards. The operational services for which the Project Company is responsible

are typically low technology, such as cleaning, catering, maintenance, operation and security. Core 'delivery' services such as teaching or medical care are typically not provided by the private sector but rather are retained by the public sector.

Although the Project Company is responsible for the construction of the infrastructure asset it does not usually have full ownership rights over the asset (some rights being retained by the procuring Client). The Project Company does, however, have various valuable rights under the long term concession contract including the right to receive the revenue represented by that contract subject to performance of its obligations and/or proper provision of the required services.

At the outset of the project, the Project Company generally subcontracts the majority of its obligations to third parties, often for the duration of the concession. The Project Company seeks to pass on to those third parties the various risks associated with providing the construction and operational services, subject to appropriate liability and indemnity provisions in the subcontracts. In some instances, the Project Company may perform the operation and maintenance of the asset itself.

The Project Company funds the initial project costs, including the cost of the construction of the infrastructure asset, through a mixture of (i) long term senior debt contributed by banks or through the issue of bonds and (ii) Infrastructure Equity contributed by the financial investors and other consortium members participating in the Project Company. From time to time the public sector may also provide some of the funding itself or contribute a subsidy to the capital cost.

In the case of public sector concessions the projects are able to support significant leverage. The long term senior debt typically constitutes between 70-90 per cent. of the relevant Project Company's initial funding, with the balance being provided by Infrastructure Equity. This level of senior debt is generally available because the Project Company's income stream is payable by public sector or equivalent bodies with low counterparty risk, and because the Project Company has contractually allocated a number of key risks that might affect its income stream to subcontractors who have sufficient financial resources and experience to bear those risks. The senior debt is secured on the assets of the Project Company (including the concession contract but generally excluding any land, structures or buildings).

Infrastructure revenue streams and returns to equity

Once the infrastructure asset has been built, and provided the agreed service levels are met, the Client or end users make regular payments to the Project Company for the remainder of the concession (typically 20 – 50 years). These payments are often categorised as either "availability" based, "demand" based, or "feed-in", depending on the nature of the project.

- "Availability" based projects entitle the Project Company to receive regular payments from the Client to the extent that the project asset is "available" for use in the manner and to the standard agreed. For example, in a hospital project, once the hospital is built satisfactorily, the Project Company is entitled to receive regular payments provided that the hospital is available for use (e.g. it is decorated, functioning, clean and heated). Availability payments are most closely associated with social infrastructure projects, although this payment method is also being used on roads, railways and light rail schemes.

- "Demand" based projects entitle the Project Company to receive payments correlated to the level of usage of the project asset. For example, in a shadow toll road project, the Project Company is entitled to receive a payment linked to the number of vehicles counted using the road and, in the case of a toll road concession, payment is in the form of user-paid tolls.

- "Feed-in" payment arrangements are normally found in renewable energy projects where, provided the electricity is produced, the Project Company will receive a predictable income based on either a contractual tariff or similar arrangement.

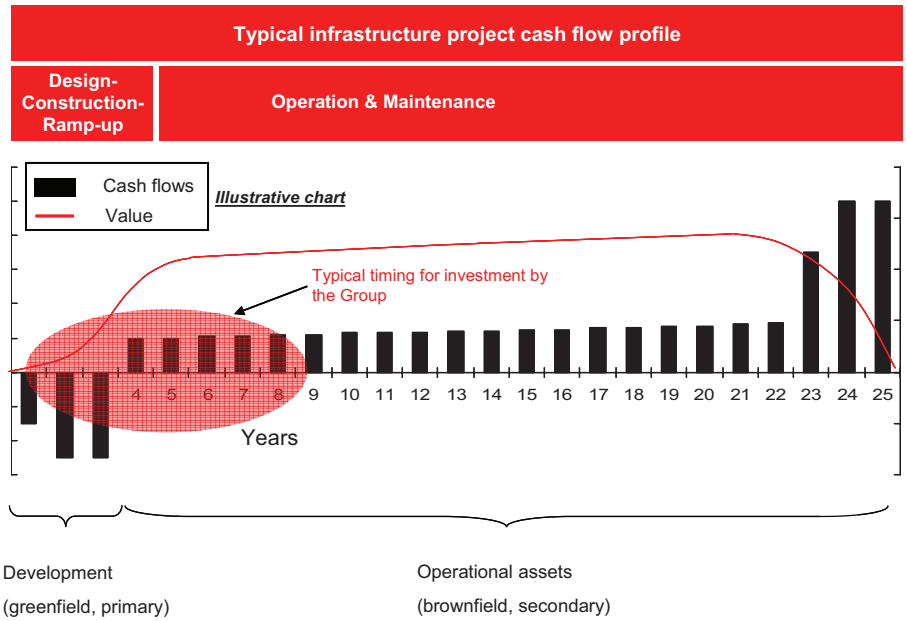
- "Shadow toll" projects are normally publicly procured roads, where the revenues paid by the public sector client vary depending on the volume of traffic using the road. The payment regime may include a number of traffic volume bands, with the lowest band attracting the highest tariff rate, and the highest band attracting the lowest (often zero). Traffic usage is measured and payment by

the client may be based on both the number of vehicles in each traffic band and vehicle type. When traffic volumes are in the higher bands, revenue is generally relatively insensitive to changes in traffic volumes. There are several shadow toll roads in the UK and other countries.

Regulated utilities typically represent investments in existing monopoly businesses and offer few opportunities for volume growth but deliver an essential service with little to no demand risk, and little underlying sensitivity to the economic cycle. A regulated utility therefore may offer stable cash flows that are only susceptible to regulatory review.

The payments received by a Project Company from its Client or end users are used to remunerate the Infrastructure Equity investment in the Project Company once the senior debt service, operating costs and other expenses of the Project Company have been met.

Table 3: Illustrative cash flow characteristics of Project Companies (with availability-type income)[6]



As shown in the above table, capital in the form of Infrastructure Equity is committed to finance the construction phase of a project. Senior debt tends to be drawn first, and Infrastructure Equity subscription amounts are typically drawn towards the end of the construction phase. Positive investment cash flow or "income" from an investment in a Project Company is typically received once the project is operational. "Income" from the investment is received in the form of (i) interest payments on subordinated debt, (ii) repayment of subordinated debt capital and (iii) dividend payments. Part of the "income yield" received by Infrastructure Equity investors typically therefore will comprise a capital repayment.

Dividend payments by a Project Company tend to be concentrated later in the project life, especially in the last few years once senior debt is fully repaid. This is illustrated in the increase in the cash flows shown in Table 3 above. The present value (on a discounted cash flow basis) of these residual cash flows should be significant enough to largely preserve the capital value of the Project Company, until the distribution of these residual cash flows commences. This is illustrated in the increase in future cash flows shown in Table 6 below on page 53.

Inflation protection characteristics

Returns on Infrastructure Equity tend to vary as inflation rates vary. In calculating the expected future cash flows of the Current Portfolio, long term inflation rates need to be assumed for each Investment. In the case of the UK investments, the Group's current assumptions as at 30 September 2010 are that RPI (and RPIx) will be (on an annual basis) 2.75 per cent. per annum. To assist investors, the Investment Adviser has produced in the Company's results a sensitivity analysis on how the valuation of the portfolio varies with changing key economic assumptions (see the Interim Results of the Company to

6 Source: Investment Adviser

30 September 2010, available on the website *www.hicl.hsbc.com).* In the case of inflation an increase or decrease of 1 per cent. over or under the assumed annual rate (for each and every year to the end of the concession) would result in an increase or decrease respectively in the Directors' valuation of the Company's portfolio as at 30 September 2010 of approximately 3.6 per cent.

This impact on Infrastructure Equity returns is the result of the net effect of inflation on the revenues and the costs of the Project Company. The revenues and components of the cost base of Project Companies will typically be fixed in real terms under long term contracts and then increased over time with reference to specific inflation indices. At the outset these arrangements are structured so as to achieve, as far as possible within other constraints, a matching of the indexation of the revenue with the indexation of the cost base so as to provide a measure of protection of the real Infrastructure Equity returns against movements in inflation.

The sensitivity of Infrastructure Equity returns to inflation varies between projects but, generally, lower rates of inflation than assumed in the base case will lead to lower nominal returns. Conversely, higher rates of inflation will lead to increased nominal returns, although this may only occur over the longer-term. This is because in some projects in the early years of a concession the Project Company may have insufficient distributable profit reserves to pay dividends out of the additional cash generated by incremental inflation. The beneficial effect of inflation on returns may therefore be deferred until dividends are payable.

Relatively low risk associated with cash flows from mature Infrastructure Equity investments

Subject to the relevant risk factors identified in the section entitled "Risk Factors" at pages 9 to 22 above, the cash flows from Infrastructure Equity investments in projects that have completed their construction phases and are operational are relatively predictable. For infrastructure projects with "availability" based income streams (such as PFI/PPP/P3 schemes), provided that predetermined contractual standards are met, the Project Company is entitled to receive a predetermined and usually inflation-linked revenue stream, thereby giving significant protection from economic cycles and competitive pressures.

In the case of "demand" based projects, whilst income streams are inherently less certain due to volatility in, for example, traffic volumes, rigorous research and modelling, together with trading history where available, should enable income streams to be predicted with a reasonable degree of accuracy.

For renewable energy projects, the feed-in revenue payment is a function of the electricity generated. This is dependant on wind speed and duration in the case of wind farms, hours of sunshine and solar panel efficiency in the case of solar parks, and water flow and volume in the case of hydro-electric schemes. Because the tariff regime is contractual and there are good sources of historical climate data available, the revenue from these types of projects can be forecast with a reasonable degree of accuracy. Unlike "demand" based projects, renewable energy projects are not as correlated with economic cycle.

Certainty of operating and capital costs is also important in being able to forecast Infrastructure Equity returns. In the case of social infrastructure projects, the majority of the costs associated with a project are contractually predetermined at its outset. This includes the debt funding which is normally secured for the majority of the concession, so that social infrastructure projects rarely require refinancing to meet their base case investment objectives. Renewable energy projects also tend to have long term debt as part of their initial funding and, again, the operating costs are either contracted at the start of the concession or are predictable based on operating experience.

Background to the social infrastructure market

The PFI concept was established in the UK in 1992 when the Conservative Government launched PFI in an attempt to increase the involvement of the private sector in the procurement of public infrastructure assets and avoid poorly conceived projects, cost overruns and delays. After a slow start, the PFI/PPP policy gained momentum from 1995 onwards. It was adopted and developed from 1997 by the Labour Government, and has since become an established method of UK procurement.

In the UK, according to the NAO Report "Private Finance Projects" published in October 2009, there were, as at September 2009, over 500 operational PFI projects in England, with a capital value in excess of £28 billion. There are also hundreds of other types of PPPs, which have a capital value of £18 billion. The PPP Forum believes there are now over 630 PFI projects delivering infrastructure investment of over £63 billion. (source: PPPForum website)

Having been developed in the UK, the use of private sector finance to fund new social infrastructure has been adopted by a number of countries around the world, including Canada, Europe and Australia. Each country is developing its own programme of new social infrastructure projects, adapting the UK model to suit their needs.

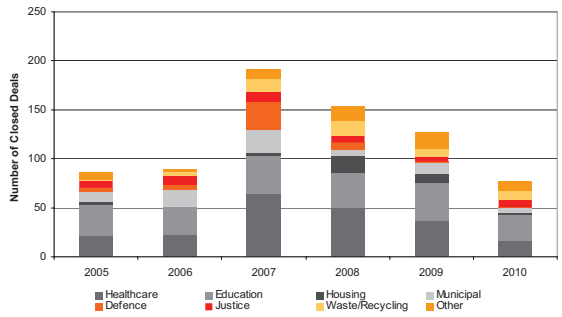
Outlook for the social infrastructure market

In the UK, there continues to be a pipeline of new PFI/PPP projects being procured and infrastructure investment remains a key Government priority.

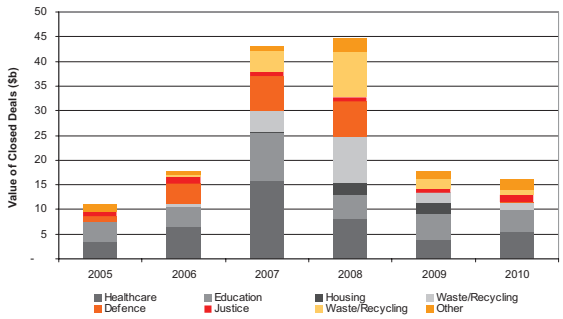
The number of PFI or PPP type projects that have completed their construction phases and are operational is growing. In the UK, over 510 projects have completed their construction phases and are operating (Source: HM Treasury: "Infrastructure Procurement: Delivering long term value" March 2008). According to the private PPPForum, there are now over 540 operational PFI/PPP projects in the UK (Source: PPPForum website).

According to the Infrastructure journal database (January 2010), the social infrastructure deal count and volume of new projects closed globally for 2009 were 107 and US$14.5 billion respectively (139 and US$35.3 billion in 2008).

Table 4: Social infrastructure deals[7]



Source: Infrastructure Journal project database (2010 figures up to 30 September 2010)



Source: Infrastructure Journal project database (2010 figures up to 30 September 2010)

The market in PFI/PPP investments is generally divided into a primary market and a secondary market. The primary market involves an investment in a Project Company made at the outset of a PFI/PPP project and normally entails the investor providing new equity funds that contribute to the financing of the project's construction. The secondary market typically involves the transfer of an investment in an existing Project Company to a new investor. In most cases a secondary market transaction involves a project that has completed or nearly completed the construction phase of its concession and which will often have begun to provide operational services.

Investments in these mature infrastructure projects are now being traded between investors (including specialist investment funds) either as single investments or aggregated into portfolios. These developments have helped to create a more liquid market in infrastructure investments.

Background to the renewable energy infrastructure market

Renewable energy law and policies are mainly geared towards encouraging incentives to reach specific levels of renewable energy as a proportion of total energy use (for example the EU has a target of 20 per cent. renewable energy by 2020 agreed in a Directive on renewable energy, to be shared between

7 Infrastructure Journal database (January 2010)

member states under national targets) and removing barriers to the development of renewable energy e.g. by facilitating access to grid networks. The International Renewable Energy Agency (IRENA) was also launched in January 2009 to help countries improve their renewables capacity.

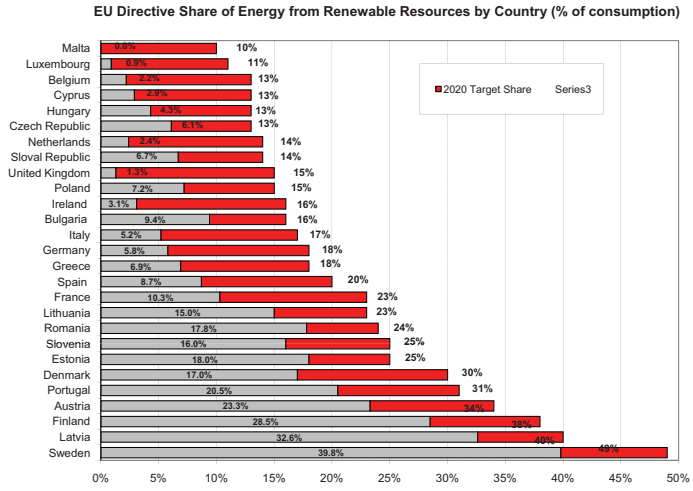
There are a number of different forms of incentives and assistance for renewable energy, including feed-in tariffs where electricity producers are guaranteed the offtake of their electricity at a fixed price (typically above market rates) or tradeable certificate schemes (e.g. in the UK the Renewables Obligation Certificate (ROC) system which provides for electricity suppliers to supply specified levels of renewable-source electricity or pay buy-out prices which are then recycled to scheme participants). Other types of incentive include tax credit schemes, which are for instance used in the US.

Outlook for the renewable energy infrastructure market

The following is a selection of indicators of the size and growth potential of the renewable energy infrastructure markets.

- Regulatory targets are driving investment: The EU's new Renewable Energy Directive[8] of April 2009 set binding targets to achieve 20 per cent. renewables in Europe's energy mix by 2020 from the current level of 8.5 per cent. The split per country is set out in Table 5 below. As at January 2008, the renewable energy industry in the EU had a turnover of €30 billion, providing approximately 350,000 jobs.[9]

Table 5: EU Renewable Directive: Renewable Energy Targets 2020[10]



Many countries, including those in the EU, the US and Canada have introduced financial incentives to encourage the development of renewable energy. By actively promoting renewables, these countries are progressing towards both renewable energy and carbon emissions reduction targets (e.g. as set out in the Kyoto Protocol) and re-affirmed in the 2009 United Nations Climate Change Conference, commonly known as the Copenhagen Summit). For example:

- Spain, Germany and France all have a Feed-In-Tariff ("FIT") for wind and solar photovoltaic technology, ensuring a fixed price (typically indexed) over a fixed period to the generators for all electricity generated;
- The UK has recently introduced a FIT for micro-generation (5MW and below) and for proven renewable energy technologies (photovoltaic, wind, hydro and anaerobic digestion);
- In Canada, each province has its own incentives for renewable energy. Ontario, for example, offers Canadian $0.11/kWh (indexed) to producers of wind, biomass and small hydro energy and Canadian $0.42/kWh (indexed) for solar photovoltaic energy over a term of 20-years.

8 Directive 2009/28/EC of the European Parliament and the Council of 23 April 2009 on the promotion of the use of energy from renewable sources and amending and subsequently repealing Directives 2001/77/EC and 2003/30/EC (1)

9 http://europa.eu/rapid/pressReleasesAction.do?reference=MEMO/08/33

10 Annex I, Directive 2009/28/EC120

The European Commission Joint Research Centre Institute for Energy estimated that renewable energy sources accounted for 62 per cent. of new electricity generation capacity installed in the EU, up from 57 per cent. in 2008. This suggests that the 2009 Directive and the financial incentives described above are beginning to have an effect.

The Directors and the Investment Adviser believe that the market in infrastructure investments is continuing to grow and will provide a suitable background against which the Group will be able to make new investments within its target sectors in the future as well as generate returns from the Current Portfolio.

PART IV

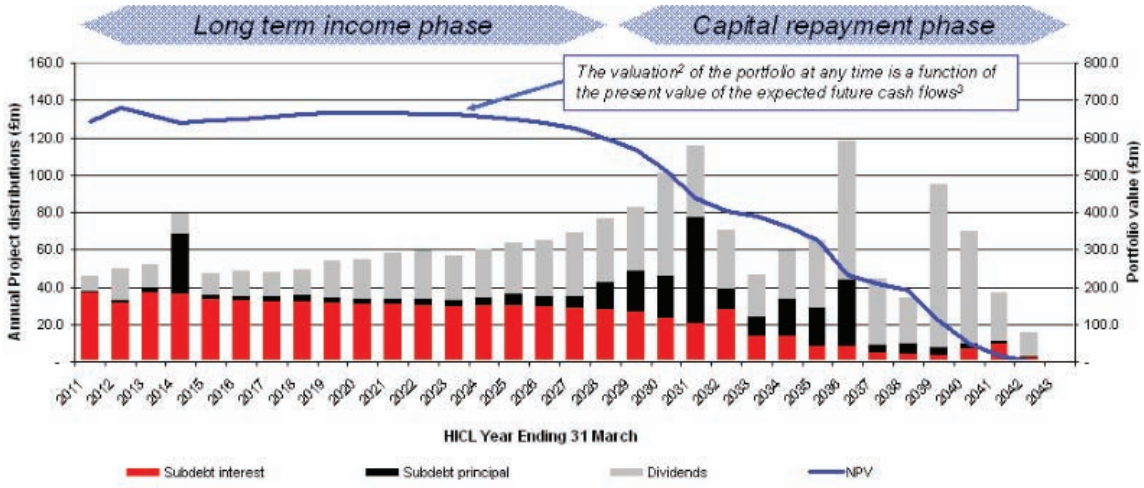
THE CURRENT PORTFOLIO

The Current Portfolio

The Current Portfolio consists of Infrastructure Equity in 38 Project Companies in the Government accommodation, education, health, transport, utilities and law and order sectors. It includes accommodation projects for the UK Home Office, Health and Safety Executive and the Ministry of Defence, a number of hospitals, schools, and police projects, a Ministry of Defence helicopter training facility (all of which are based in the UK), two Canadian P3 road projects, and the DHSRL project. The remaining lives of concessions within the Current Portfolio are between 7 and 31[11] years (other than the Junior Holdco Loan Facility for Kemble Water which has up to four years left to maturity).

With the exception of Bradford BSF Schools Phase II, the M80 DBFO Project, and the North-West Anthony Henday P3 project, the Current Portfolio projects have completed their main construction phases.

Table 6: Illustration[1] of expected future cash flows to be received by the Group from the Current Portfolio, based on the Current Portfolio Value.[2]



Source: The Company

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 Current Portfolio Value assumes a Euro to Sterling exchange rate of 0.87, a Canadian dollar to Sterling exchange rate of 0.63 and a weighted average discount rate of 8.7 per cent. per annum. These assumptions and the Current Portfolio Value may vary over time.

3 The valuation is of the Current Portfolio of 38 investments (including Conditional Investments) and does not include other assets or liabilities of the Group, it excludes Additional Investments, and assumes that during the period illustrated above, (i) no new investments are purchased, (ii) no existing investments are sold and (iii) the Group suffers no material withholding taxes, or taxation on income or gains in excess of those expected.

The spike in 2013 is the expected repayment of principal on the Kemble Junior Holdco Loan.

As shown in Table 6 above, cash flows from the Current Portfolio comprise (i) interest payments on subordinated debt, (ii) repayment of subordinated debt, (iii) dividend payments and (iv) Directors' fees.

Long term income phase

During the "long term income phase" illustrated above it is expected that the Company will pay dividends (as set out in the section headed "Distribution Policy" above) and that such dividends will generally be covered by the Group's Distributable Cash Flows. The Directors believe that the value of future cash flows expected from the Project Companies in the capital repayment phase will preserve the capital value of those investments and therefore Net Asset Value.

11 On the assumption that the break options are exercised in relation to the Bishop Auckland Hospital and the Helicopter Training Facility projects.

By way of illustration, and on the basis of the assumptions above and further that (i) cash flows are achieved as depicted above and (ii) distributions by way of dividend or otherwise are restricted to the level of Distributable Cash Flows, there would be no growth required in the market value of the Group's investment portfolio for the Net Asset Value of the Ordinary Shares to at least equal the Issue Price after a period of 10 years.

Capital repayment phase

During the "capital repayment phase" illustrated above, the Net Asset Value of the Group is depicted to fall because the Group would expect to be returning capital to Shareholders by making capital distributions as well as or in lieu of dividend payments.

Future cash flow

It should be noted that Table 6 above is an illustration. In practice, there are risks associated with the cash flows depicted above, and prospective investors should refer to the entitled "Risk Factors" at pages 9 to 22 above. However, there are also circumstances under which investment performance may exceed the level depicted above, and in particular where the Group may be able to increase the level of cash flow achieved from its Current Portfolio investments via, *inter alia,* enhancements to the value of its investments (see the section headed "Investment Policy" above), and the making of new investments to increase and extend the Group's future cash flows.

Interests comprising the Current Portfolio

A breakdown of the interests, accurate as at the date of this prospectus, comprising the Current Portfolio is set out below.

Table 7: Breakdown of interests comprising the Current Portfolio by Project Company

A. Investments as at 30 September 2010

Project	*Equity*	*Group Holdings Subdebt*	*Mezzanine Debt*	*Valuation[1] (£m)*
Ten largest investments				
Barnet Hospital	100.0%[2]	100.0%	100.0%	18.2
Central Middlesex Hospital	100.0%[2]	100.0%		19.3
Colchester Garrison	42.0%	42.0%		44.3
Dutch High Speed Rail Link	37.5%	37.5%		73.1
Highland Schools PPP	50.0%	50.0%		18.0
Home Office Headquarters	100.0%[2]	100.0%		86.5
Kemble Water Junior Loan	—	—	3.6%	27.7
Queen Alexandra Hospital[6]	74.9%	74.9%		46.3
Romford Hospital	50.0%	50.0%		24.6
West Middlesex Hospital	100.0%[2]	100.0%		18.9
Sub total				376.9
Remaining investments				
Bishop Auckland Hospital	36.0%	37.0%	100.0%	
Blackburn Hospital	50.0%	50.0%		
Bradford BSF Phase 2	34.0%[3]	34.0%[4]		
Conwy Schools	90.0%	90.0%		
Darlington Schools	50.0%	50.0%		
Defence Sixth Form College	45.0%	45.0%		
Durham and Cleveland Firearms Training Centre	72.9%	72.9%		
Ealing Schools	50.0%	50.0%		
Exeter Crown Courts	90.0%	90.0%		
Fife Schools	40.0%	40.0%	100.0%	
Greater Manchester Police Authority	72.9%	72.9%		
Haverstock Schools	50.0%	50.0%		

Project		*Equity*	*Group Holdings Subdebt*	*Mezzanine Debt*	*Valuation[1] (£m)*
Health and Safety Laboratory		80.0%	90.0%		
Helicopter Training Facility	AssetCo	86.6%	8.3%		
	Project Co	21.8%	70.2%		
HSE Merseyside HQ		50.0%	50.0%		
Metropolitan Police Specialist Training Centre		72.9%	72.9%		
Newcastle Library		50.0%	50.0%		
North Tyneside Schools		50.0%	50.0%		
Oxford John Radcliffe PFI Hospital[5]		50.0%	50.0%		
Renfrewshire Schools		30.0%	30.0%		
South East London Police Stations		50.0%	50.0%		
Stoke Mandeville Hospital		90.0%	90.0%		
Sussex Custodial Centre		89.9%	100.0%		
Wooldale Schools		50.0%	50.0%		
Remaining Investments Sub total					186.4
Total – Directors Valuation[1]					563.3

B. Investments since 30 September

Project	*Equity*	*Group Holdings Subdebt*	*Mezzanine Debt*	*Acquisition at cost (£m)*
Further investments in existing projects				
Oxford John Radcliffe PFI Hospital[5]	39.9%	50.0%		
Queen Alexandra Hospital[6]	15.0%	25.1%		
New Investments				
North West Anthony Henday P3 project	50.0%	50.0%		
Kent Schools	50.0%	50.0%		
Kicking Horse Canyon Transit P3 project	50.0%	—		
Investment Contracted to be Acquired				
M80 DBFO Road	41.6%	41.6%		
Total acquisitions at cost				93.2
Current portfolio value				656.5

1 Valuation based on the Directors' valuation (unaudited) as at 30 September 2010

2 This is a rounded-up figure as a subsidiary of the Bouygues group has retained one share.

3 The Group currently has a 17.6 per cent. equity interest in the project which converts into a 34 per cent. equity interest three months after completion of the works.

4 The Group has the right and the obligation to subscribe for 34 per cent. of the subdebt on 14 March 2011 (or earlier).

5 As at 15 November 2010, the Group owns 89.9 per cent. equity and 100 per cent. sub debt of the Oxford John Radcliffe Hospital.

6 As at 15 November 2010, the Group owns 89.9 per cent. equity and 100 per cent. sub debt of the Queen Alexandra Hospital.

For details of how the Company values the Current Portfolio see pages 42 and 43 of this prospectus.

Outstanding investment obligations

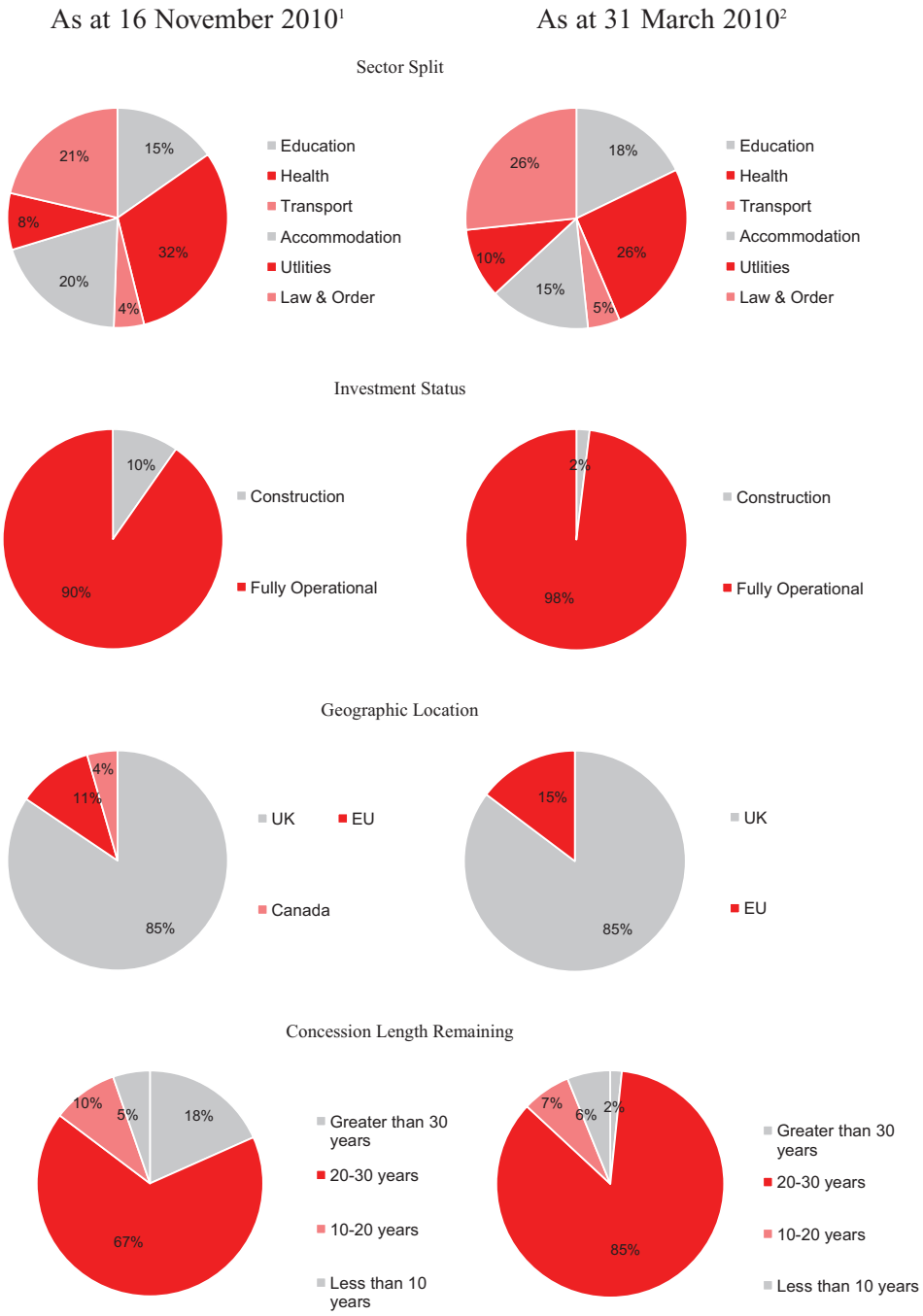
As at 30 September 2010 there were outstanding investment obligations on the Bradford BSF Schools Phase II project and the Helicopter Training Facility totalling £7.5 million. Since 30 September 2010 the Group has acquired the North West Anthony Henday P3 project and contracted to acquire the M80 DBFO Project. These acquisitions have outstanding investment obligations of £46.1 million.

List of current infrastructure investments

A description of the various infrastructure investments comprising the Current Portfolio is set out below. The investments described are predominantly "availability-based" and public sector backed.

Portfolio analysis

The pie charts below show how the portfolio has developed in the 6 months prior to the date of this prospectus in terms of sector split, projects still in construction, geographic location and concession lengths remaining. This analysis is based on the Directors' Valuations as at 30 September 2010 plus acquisitions since 30 September to the date of this prospectus at cost, and 31 March 2010.



1 based on Current Portfolio Value

2 based on the Directors' valuation as at 31 March 2010

Barnet Hospital

The Barnet General Hospital project is a 33 year concession to design, construct, operate and maintain the rebuilding of Barnet General Hospital in North London for the Barnet and Chase Farm NHS Trust. Financial close was in February 1999. The project involved capital expenditure of approximately £65 million. Construction was completed in March 2002.

Barnet Hospital Project Limited (a joint venture company formed by Bouygues (UK) Limited and Ecovert FM Limited, both subsidiaries of Bouygues Construction S.A.) was responsible for the design and construction. Ecovert South Limited, also a subsidiary of Bouygues Construction S.A., is responsible for hard facilities management (maintenance). Medirest is now responsible for "soft" facilities management (catering, portering, cleaning etc). Siemens Healthcare Services Limited has installed and is maintaining medical imaging equipment and new IT and telecommunications.

Bishop Auckland Hospital

The Bishop Auckland Hospital project is a concession contract for up to 60 years with a break option exercisable by the Client after 30 years, 40 years or 50 years to design, construct, finance, service and maintain a redevelopment of Bishop Auckland General Hospital, County Durham for South Durham Health Care NHS Trust. Financial close was in May 1999, and subsequent investments were made in April 2000 to finance certain changes to the hospital.

The project involved capital expenditure of approximately £66 million. Construction works (which included the demolition of certain existing buildings, provision of temporary accommodation, design and construction of a new building, refurbishing certain existing buildings, commissioning and related works) were carried out by Shepherd Construction Limited and were completed in June 2002. The hospital is now operational.

The operating phase of the project involves the provision of certain non-clinical support services at the hospital including maintenance, catering, housekeeping, porterage, switchboard and car parking services. ISS Mediclean Limited is responsible for both the soft FM services and the hard FM Services.

Blackburn Hospital

The Blackburn Hospital Project is a 38 year concession to design, construct, finance and maintain new facilities at the Queens Park Hospital in Blackburn for the East Lancashire Hospitals NHS Trust. Financial close was on 9 July 2003. The project involved capital expenditure of approximately £100 million. The construction was undertaken by Balfour Beatty Construction Limited and Haden Young Limited (both subsidiaries of Balfour Beatty plc) as a joint venture and was completed in 2006.

Facilities management is being undertaken by Balfour Beatty WorkPlace. Siemens is responsible for the supply and maintenance of certain types of medical equipment.

Bradford BSF Phase II

The Bradford BSF Schools Phase II project is a 26.5 year concession to provide four secondary schools to Bradford Metropolitan District Council (BMDC). The four modern campus environments will comprise the Beckfoot & Hazelbeck campus, the Grange School, the Greenhead & Beechcliffe campus and the Hanson & Hanson (HIU). They will also contain four smaller schools which will provide dedicated learning for students with special educational needs. This project is part of Bradford's Building Schools for the Future (BSF) programme. BSF is a £45 billion government initiative to modernise England's secondary school estate by refurbishing or rebuilding every school within the next ten years. Design and construction of the schools is provided by a joint venture between Costain and Ferrovial Agroman. Construction has already commenced on the schools through an early works agreement with the BMDC, and is scheduled to complete for all campuses in March 2011.

The facilities management services (caretaking, grounds and building maintenance) will be subcontracted to Amey Communities.

Central Middlesex Hospital

The Central Middlesex Hospital project is a 33 year concession to design, construct, finance and maintain new hospital facilities, and to refurbish some existing facilities, for the Brent Emergency Care and Diagnostic Centre on the Central Middlesex Hospital site in North West London. The concession contract is with the North West London Hospitals NHS Trust. Financial close was on 6 November 2003. The project involved capital expenditure of approximately £75 million.

The unit comprises 214 beds and three main theatres. Construction of the project is complete and the hospital is operational. The NHS Trust uses the facilities to provide clinical and non clinical day care and ambulatory care.

The building and maintenance contractor is Central Middlesex Hospital Project Limited, a joint venture company formed by Bouygues (UK) Limited and Ecovert FM Limited, both subsidiaries of Bouygues Construction S.A.

Colchester Garrison

The Colchester Garrison project is a 35 year concession to design, construct, finance and maintain a new garrison facility at Colchester, Essex for The Secretary of State for Defence (the "Authority"). The new garrison has been built partly on an existing garrison site and partly on an adjacent brownfield site owned by the Authority. The project involved capital expenditure of approximately £550 million. Financial close was on 9 February 2004.

The completed garrison facility provides accommodation for approximately 3,500 military and 750 civilian personnel. Construction was by Sir Robert McAlpine Limited and is now complete.

The new configuration enabled approximately 84 hectares of surplus land to be released for development and this has been successfully sold by the Project Company, RMPA Services plc, to Taylor Woodrow Developments Limited. The proceeds from the land sale were used to fund parts of the project.

Catering, cleaning and transport services are provided by Sodexo Defence Services Limited. WS Atkins Facilities Management Limited is responsible for estate and grounds maintenance, contract management and security, waste management and lifecycle.

Conwy Schools

The Conwy Schools project is a 26.5 year concession to design, build, operate and maintain three schools for Conwy County Borough Council in North Wales. Financial close was on 12 March 2003. The project involved capital expenditure of approximately £40 million.

The project involves schools in the towns of Llandudno (John Bright school), Llanwrst (Duffryn Conwy school) and Conwy (Aberconwy school) and provides some 3,600 pupil places across the three schools. John Bright is wholly new build at a new site. Aberconwy and Duifryn Conwy remain on their existing sites and involved substantial new build coupled with refurbishment of existing areas.

Alfred McAlpine Construction Limited (now part of Carillion plc) carried out the construction works, which were completed at the end of March 2005.

Sodexo Limited provides maintenance, cleaning, catering, janitorial and security services.

Darlington Schools

The Darlington Schools project is a 25 year operational term concession to design, build and operate four new schools for Darlington Borough Council. The project consists of an Education Village (which brought together three existing schools) and one primary school. The facilities became available on a phased basis in 2005 and 2006 and between them serve 2,000 staff and pupils.

Designed by RyderHKS and supported by Cundall Johnston and DESCO, the schools were built by Kajima Construction Europe (UK) Limited. The Education Village represents the consolidation of Springfield Primary School, Haughton Community School and Beaumont Hill Special School. It successfully combines existing nursery, primary, secondary and special education needs into a single, cohesive campus, representing a unique approach to inclusive education in Darlington. In addition, each school provides energy efficient accommodation through the use of sustainable engineering and technology.

Operations and maintenance services (FM services) are provided by Mitie PFI Ltd, a subsidiary of Mitie Group plc.

Defence Sixth Form College

The Defence Sixth Form College project is a 30 year concession to design, build, operate, finance and maintain a new residential sixth form college for the Secretary of State for Defence. The project replaces an existing army sixth form college with a new 350 places 'tri-service' college that is intended to be an important source of technical officer recruitment to the UK armed forces and MOD civil service. Financial close was on 2 May 2003.

The project involved capital expenditure of approximately £40 million. Construction of the new facilities was completed in August 2005, and the college commenced operations in September 2005.

The Project Company is responsible for the day to day operation and maintenance of the college. Education related services are provided under a subcontract with TQ Education and Training Limited and include teaching, pastoral care, sports and leisure, IT services and library services. Facilities management services are provided under a subcontract with Interserve Defence Limited and include estate management, domestic services and other general contract management services.

The project is essentially availability based but with a minor part of income dependent on student numbers. The performance criteria for "availability" payments include exam performance with any bonus payments or deductions for this passed down to Education and Training Limited.

Durham & Cleveland Firearms Training Centre

The Durham & Cleveland Firearms Training Centre project is a 25 year operational term concession to design, build, operate, finance and maintain a new training facility for the Cleveland Police Authority. The project involved the construction of a £6 million purpose-built facility designed to train police officers in the use of firearms and was the first of its kind to be developed under PFI. The project became operational in 2001 and currently provides around 6,200 training places per annum.

The project incorporates a number of different facilities, including two different types of firing range, a vehicle stop and search area, an abseil tower and climbing wall, an external baton range and a skills house for close-quarter contact training.

Facilities management services include catering services, IT systems, grounds and buildings maintenance, security and specialist cleaning. These are all supplied by John Laing Integrated Services (a subsidiary of John Laing plc), who are also providing range, armoury and systems maintenance.

Dutch High Speed Rail Link ("DHSRL")

The DHSRL project is a 25 year concession (from the date the assets are available for use) with the State of the Netherlands, represented by the Minister of Transport, Public Works and Water Management and the Minister of Finance (the largest PPP contract ever awarded by the Dutch State) to design, construct, finance, operate and maintain one of the largest high speed railway projects in Europe. The project involved capital expenditure of over £625 million, and involves the construction of the track, noise attenuation, catenary, signalling, traction power distribution and command-control-communication systems that will complete the high speed rail infrastructure. Financial close was on 31 October 2001.

The project involved the design and construction of two new sections of high speed rail track, which were laid between Amsterdam and the Belgian border. Construction has been completed successfully. An unrelated train operating company is responsible for rolling stock and its operation. Train services commenced in September 2009. Revenues are receivable from the State of the Netherlands, varying with the level of performance but independent of the level of traffic.

The project is responsible for maintenance of the system (and substructure) and the undertaking of renewals works towards the end of the concession period, and availability is measured, *inter alia,* by reference to any delays to trains attributable to the project. The project has additional obligations in relation to safety management and liaison with the State, the regulator, traffic allocator, traffic

controller, the owner of the existing and connecting infrastructure as well as the substructure contracts. Maintenance obligations are carried out by a joint venture comprising Siemens Nederland By, Koninklijke BAM NBM NV and Fluor Infrastructure BV.

Ealing Schools

The Ealing Schools project is a four school education project in the London Borough of Ealing consisting of one secondary school (Brentside) and three primary schools (Downe Manor, Gifford and Ravenor). All four schools became operational in 2004, and between them can serve over 2,800 staff and pupils. The contract has a 27 year operational term that expires in 2031.

Designed by Seymour Harris Keppie, supported by Buro Happold, the schools were built by Kajima Construction Europe (UK) Limited.

Operations and maintenance services (FM services) are provided by Mitie PFI Ltd, a subsidiary of Mitie Group plc.

Exeter Crown Court

The Exeter Crown Court project is a 32 year concession, commissioned by the Ministry of Justice, to build and service a new Crown and County Court building in Exeter. The project involved capital expenditure of approximately £20 million. Financial close was on 22 November 2002.

The facility involved the construction of four criminal courts, one civil court, four District Judge hearing rooms and associated accommodation in a single building. The construction works were contracted to Alfred McAlpine Construction Limited (now part of Carillion plc) and were completed in October 2004.

Sodexo Limited is carrying out facilities management services, which commenced in November 2004. These comprise catering, cleaning, security and maintenance.

Greater Manchester Police Authority

This £82 million project involved the design, build, financing and operation of new facilities for the Greater Manchester Police Authority as part of a 29 year concession. The new facilities are a new traffic headquarters and 16 new police stations (four divisional headquarters, five sub-divisional headquarters and seven local community police stations). All the facilities have now been constructed and are fully operational.

Nearly 3,000 police officers have been able to move from 53 old stations into the 17 new buildings. The new buildings cover 38,600 square metres of floor space. Hard and soft facilities management services (such as cleaning, grounds maintenance and helpdesk) are being supplied by John Laing Integrated Services Ltd, a subsidiary of John Laing plc.

Haverstock School

The Haverstock School project is a single school education PFI project involving the design and construction of a new secondary school on an existing school site on Haverstock Hill in Camden, North London. The school serves 1,100 staff and pupils. The contract for this project has a 26 year operational term that expires in 2030.

Designed by Feilden Clegg Bradley, supported by Whitby Bird and Atelier Ten, the school was built by Kajima Construction Europe (UK) Limited. The old school buildings, the majority of which had been built in Victorian times, were replaced by a single linked block of accommodation with frontage along Haverstock Hill. Phase 1 of the new school became operational in 2004, with subsequent phases handed over one year later.

Operations and maintenance services (FM services) are provided by Mitie PFI Ltd, a subsidiary of Mitie Group plc.

Health & Safety Executive ('HSE') Merseyside Headquarters

The HSE Merseyside Headquarters project is a 30 year operational term PFI accommodation project. This four-storey office building is the HSE's operational headquarters and has the capacity for 1,500 employees. It became operational in 2005.

Designed by Cartwright Pickard, supported by Buro Happold, the facility was built by Kajima Construction Europe (UK) Limited. The contract for this project has a 30 year operational term that expires in 2035. Hard FM (e.g. maintenance) services are provided by Honeywell Control Systems, whilst soft FM services (e.g. security and cleaning) are provided by Reliance Integrated Services Limited.

Health and Safety Laboratory

The Health and Safety Laboratory project is a 32 year concession commissioned by the Secretary of State for Local Government Transport and the Regions. The project involved the building of new workshops and offices in Buxton and the disposal of old facilities at Sheffield. The project involved capital expenditure of approximately £60 million. Financial close was on 12 April 2002.

Construction was carried out by Shepherd Construction Limited, and major works were completed in October 2004. The project involves hard and soft facilities management services for the new building, which are carried out by Interserve (Facilities Management) Limited and include cleaning, waste disposal, portering, catering and security.

Helicopter Training Facility

The Medium Support Helicopter Aircrew Training Facilities project is a 40 year concession with a break option exercisable by the Client after 20 years for the design, construction, management, operation and financing of a simulator based training facility for RAF helicopter pilots. Two Project Companies were established; CAE Aircrew Training Services plc ("ProjectCo"), which delivers the training services, and CVS Leasing Limited ("AssetCo"), which owns the simulators and leases them to ProjectCo. The project involved capital expenditure of approximately £100 million.

Six simulators (for Chinook, Puma and Merlin transport helicopters) were installed in a new building at RAF Benson in Oxford. Construction was completed in August 2000. Serco Limited provides the instructors and Vega Software Engineering Limited provide PC based training equipment and software.

The project receives revenue based on usage by the Ministry of Defence with guaranteed minimum amounts and from third parties.

Highland Schools PPP

The Highland Schools PFI project is a 30 year concession with the Highland Council to design, build and operate eleven urban and rural schools with a total capital value of £143m. The project comprises five primary schools, three secondary schools, a combined primary and secondary school, and a special needs school. This all new build concession runs until 2037.

Morrison Construction commenced the building phase in 2006 on the 11 new schools and community facilities built through the Highland Council's second Public Private Partnership (PPP) programme. Construction has been completed in stages and, with the exception of some outdoor sporting facilities, is now complete.

Facilities management is the responsibility of Morrison Facilities Services and the project is financed through long term fixed-rate guaranteed senior secured bonds and a European Investment Bank loan. The contractual payment mechanism is an availability payment based on availability of accommodation facilities and the level of service performance.

All the schools have been designed in consultation with the community to include a range of facilities which are available to the public. These facilities include library provision, sports and recreational facilities and community meeting rooms. The project was awarded a "Highly Recommended Award for Community Involvement" at the 2008 PPP Annual Awards.

Home Office Headquarters

The Home Office Headquarters project is a 29 year concession commissioned by the Home Office to build finance operate and maintain a new headquarters building to replace their existing London office accommodation with purpose-built serviced offices. The new building occupies the site of the former Department of Environment in Marsham Street in Westminster.

The project involved capital expenditure of approximately £200 million and the demolition of the existing offices on a 4.3 acre site and the construction of a Terry Farrell Partners designed building comprising three purpose built interconnecting office blocks totalling c. 75,000 square meters, for up to 3,450 staff. Construction was carried out by Byhome Limited a joint venture between Bouygues (UK) Limited and its sister FM company Ecovert FM Limited (both subsidiaries of Bouygues Construction S.A.).

The project was completed and has been occupied by the Home Office since January 2005. The services being provided include health and safety, cleaning, catering and energy management. Operations are managed by Ecovert FM Limited a facilities management subsidiary of Bouygues.

Kemble Water Junior Loan

The Group acquired a participation of £30 million in the Junior Holdco Loan Facility for Kemble Water, which, together with the other loan facilities, supports the acquisition of Thames Water. Kemble Water acquired the whole of Thames Water, including the regulated UK water business and non-regulated businesses, from RWE, including Thames Water's property, commercial, and international businesses.

Thames Water regulated business supplies 2,600 million litres of tap water to approximately 8.5 million customers across London and the Thames Valley on a daily basis and provides sewerage services for an area covering approximately 13.6 million customers. Measured by customer numbers, it is the largest water and sewerage company in the UK.

Metropolitan Police Specialist Training Centre

The Metropolitan Police Specialist Training Centre is a 25 year operational term £40 million project involving the complete remodelling and refurbishment of the Metropolitan Police's existing training school into two separate disciplines: public order training and specialist firearms training. Construction was completed in January 2003.

Within the public order training arena are a number of realistic facades including a mocked up stadium, an underground station and tube carriage and a complex of houses and flats. The firearms facility incorporates a variety of firing ranges, as well as specialist facilities such as a train carriage and an aeroplane fuselage.

In addition to the training areas, the Centre now contains accommodation for 305 students, plus classrooms, a reception area and canteen, leisure and fitness amenities.

Facilities management services, which include cleaning, catering, security and reception, are being provided by John Laing Integrated Services Ltd, a subsidiary of John Laing plc.

Newcastle Library

The project is a £30 million, 25 year concession to finance, construct and maintain the new city centre library in Newcastle and an additional satellite library in High Heaton, both in the North East of the UK, commissioned by Newcastle City Council. Construction was undertaken by Tolent Construction Limited and was completed in March 2009, since which time the libraries have been running successfully with record visitor numbers.

Maintenance and other facilities management services are provided by Integral UK Limited under a long term contract. Kajima Partnerships Limited holds the remaining 50 per cent. interest in the project.

North Tyneside Schools

The North Tyneside Schools project is a four school education PFI project in North Tyneside consisting of one secondary school (Burnside) and three primary schools (Western, Marine and Coquet). All four schools became operational between 2003 and 2004 and between them serve 2,500 staff and pupils. The client is the Council of the Borough of North Tyneside, and the concession length is 31 years.

Designed by Seymour, Harris Keppie, supported by Buro Happold, the schools were built by Kajima Construction Europe (UK) Limited. The project is complemented by a wide range of extended use facilities which are used frequently by the local community.

Operations and maintenance services (FM services) are provided by Mitie PFI Ltd, a subsidiary of Mitie Group plc.

Oxford John Radcliffe PFI Hospital

The Oxford John Radcliffe PFI Hospital project involves the design, construction, management, financing, operation and maintenance of a new wing adjacent to the former Radcliffe Infirmary in Oxford. The concession runs until 31st December 2036.

The new wing was constructed by Carillion Construction Ltd and reached operational completion in December 2006. The new facilities built under the contract formed the 'West Wing' and the 'New Children's Hospital'. A number of adult and children services were relocated from the Radcliffe Infirmary and other sites within the Oxford Radcliffe Hospitals NHS trust to centralise them into one facility.

Facilities management services are subcontracted to Carillion Services Ltd.

Pinnacle Schools, Fife

The Pinnacle Schools project comprises two secondary and one primary school in Scotland and is currently in its fifth year of operation. Construction was carried out by Sir Robert McAlpine and the Facilities Management contract is with Sodexo. The client is Fife Council and the operational concession length is 25 years.

Of the two secondary schools, Queen Anne School is located at Dunfermline and caters for 1,800 pupils, whilst Beath High School, Cowdenbeith accommodates a further 1,200 pupils. The primary school is based at Anstruther and has capacity for 500 pupils.

Queen Alexandra Hospital PFI project, Portsmouth

The completed hospital has 1,026 inpatient beds, 34 neonatal intensive care cots, 3 endoscopy suites and 20 main operating theatres. The concession contract runs until December 2040.

The new hospital buildings were developed and built by Carillion Construction Ltd, a subsidiary of Carillion. The majority of the new facilities have been operational since June 2009, with final construction completed last month. A subsidiary of Carillion provides facilities management services to the project under a long-term services agreement.

Renfrewshire Schools

The Renfrewshire Schools project is a ten school educational project in the Paisley, Linwood and West Johnstone areas of Renfrewshire, Scotland with a 30 year operational term that expires in 2038. The project comprises six primary and four secondary schools. All ten schools became operational in January 2008 and between them serve 6,000 pupils. The schools were designed by JMA and built by Carillion Construction Limited. Operations and maintenance services (FM Services) are provided by Amey BPO Services Limited.

Romford Hospital PFI project

The Romford Project involves the design, build and finance of the Queen's Hospital in Romford, followed by the maintenance of the hospital and the provision of non-clinical services for a total term of 36 years from January 2004. Construction was undertaken by a subsidiary of Lend Lease and was completed in October 2006, since which time the hospital has been running successfully.

Non-clinical services are provided under three long-term services agreements by subsidiaries of Sodexo Alliance SA (facilities management), Lend Lease (life cycle management) and Siemens plc (managed equipment and telephony services). Sodexo Investment Services Ltd (a subsidiary of Sodexo Alliance SA) and an infrastructure fund managed by the Bank of Scotland are both 25 per cent. co-shareholders in the project.

South East London Police Stations

The South East London Police Stations project is a 25 year operational term £80 million PPP project involving the design and construction by John Laing Construction of four new police stations for the Metropolitan Police Authority in South East London. Situated in Bromley, Deptford, Lewisham and Sutton, these stations provide facilities for Borough operations, the Mounted Branch and the Serious Crime Division. Covering 34,000 square metres of internal space, the stations contain 96 custody cells and stabling for 24 horses. Hard and soft facilities management are provided by John Laing Integrated Services Ltd, a subsidiary of John Laing plc under a 25 year contract. These services include cleaning, catering security and building maintenance, together with the provision of property officers, front office staff, typists and custody assistants.

Stoke Mandeville Hospital

The Stoke Mandeville Hospital project is a 30 year concession to design, finance, construct, refurbish, operate and maintain a new hospital facility for the Buckingham Hospitals NHS Trust. The project involved capital expenditure of approximately £40 million. Financial close was on 21 May 2004. The facility will provides clinical and non clinical services, focused around day care and ambulatory care. Alfred McAlpine Capital Projects Limited (now part of Carillion plc) carried out the construction (including refurbishment) works in joint venture with Hayden Young. The main construction programme was completed in August 2006. Services are being delivered by Sodexo Limited and comprise building maintenance, catering, cleaning, linen, portering, pest control and car park management.

Sussex Custodial Services

Sussex Custodial Services is a 30 year concession to build and service three custody centres in Sussex for Sussex Police Authority. The centres are at Worthing, Chichester and Brighton. A fourth centre at Eastbourne was subsequently contracted for as a variation. The project involved capital expenditure of approximately £20 million. Financial close was on 23 August 2001. The construction of the first three centres was undertaken by Ballast plc and completed in October 2002. Ballast plc has subsequently ceased trading. The fourth centre was constructed by YJL Construction Limited and was completed in June 2005. Operations commenced in November 2002. The services provided are, *inter alia,* custody and processing of detainees, arranging for medical attendance building maintenance and waste management. Services are being provided by Reliance Secure Task Management Limited, part of the Reliance Security Group.

West Middlesex Hospital

The West Middlesex Hospital project is a 35 year concession to design, construct, finance, operate and maintain a new 228 bed hospital for West Middlesex University Hospital NHS Trust. Financial close was on 30 January 2001. The project involved capital expenditure of approximately £60 million. Construction was carried out by Bouygues (UK) Limited and was completed on 6 June 2003. The hospital is operational.

FM services comprising building management, maintenance, catering, laundry, cleaning, porterage, transport and security services are provided by West Middlesex Hospital Project Limited, a joint venture company formed by Bouygues (UK) Limited and Ecovert FM Limited (both subsidiaries of Bouygues Construction S.A.).

Wooldale Centre for Learning

The Wooldale Centre for Learning project, also known as the Caroline Chisholm School, is a PFI education project consists of a secondary school with sixth form, public library, primary school and nursery on a large site in Northamptonshire. The first phase of the Centre for Learning, or CfL (the primary school, library and part of the secondary school) became operational in 2004. The contract for this project has a 25 year operational term that expires in 2029.

Designed by the Building Design Partnership and built by Kajima Construction Europe (UK) Limited, the CfL seeks to encompass the County Council and Government objectives for inclusive education, from nursery through to sixth form, and provides a community hub as well as a lifelong learning resource centre. The CfL serves over 1,700 staff and pupils.

Operations and maintenance services (FM services) are provided by Mitie PFI Ltd, a subsidiary of Mitie Group plc.

Investments Acquired Since 30 September 2010

The Group has acquired the following Investments up to the date of this prospectus.

Kent Schools

The Kent Schools PFI project has been operational since June 2007 and involves the ongoing operation and maintenance of six secondary schools in Kent. The schools were successfully constructed by Costain Ltd and William Verry Ltd and benefit from a long-term facilities management agreement with Mitie PFI Ltd. The concession contract expires in 2035.

Kicking Horse P3 project, Canada

The Kicking Horse P3 project forms part of the Trans-Canada Highway, extending through the Canadian Rocky Mountains between British Columbia and Alberta. The project comprises the upgrading of approximately six kilometres of highway and the operations and maintenance of a 26 km stretch of highway in total. The key feature is a 400m four-lane bridge across Kicking Horse Canyon. Construction works were carried out by Trans-Park Highway Constructors, a joint venture comprising Flatiron Constructors Canada Ltd and Parsons Overseas Company of Canada Ltd.

Operations began in March 2008 with operations and maintenance services being performed by HMC Services Inc.

North West Anthony Henday P3 project, Canada

The North-West Anthony Henday P3 in Alberta, Canada comprises the design, build, financing and ongoing operation of a 21km stretch of the four and six lane ring-road surrounding the city of Edmonton. The project is currently under construction, with operations scheduled to begin in November 2011. Construction is being carried out by a joint venture comprising Flatiron Constructors Canada Limited, Parsons Overseas Company of Canada Ltd and Graham Infrastructure, itself a JV between Graham Infrastructure LP and Jardeg Construction Service LP.

The ongoing operations and maintenance will be carried out by Carmacks Maintenance Services Ltd, under a long-term services agreement. The concession contract lasts for 30 years from the beginning of operations, expiring no later than November 2041.

Investments Contracted to be Acquired

The Group has contracted to acquire the following investment subject to receipt of certain third party consents:

M80 DBFO Road Project, Scotland

The M80 DBFO Project, between Stepps and Haggs in Scotland, involves the upgrade of a ten kilometre stretch of the existing M80, as well as a new eight kilometre section of motorway, seven new junctions and 60 additional structures. The project is currently 18 months into a three year construction period, with works being performed under a Bilfinger Berger UK, Northstone (NI) Ltd and John Graham (Dromore) Ltd joint venture.

The project is on schedule to complete in March 2012 and will operate under a 30 year concession contract thereafter. The motorway is to be operated and maintained by BEAR Scotland Ltd under a long-term services agreement.

PART V

MANAGEMENT AND ADMINISTRATION

Directors

The Directors are responsible for the overall management of the Company. The Directors, all of whom are non-executive, are listed below:

Graham Picken (British), resident in the UK, is an experienced banker and financial practitioner and has been Chairman of the Company since its launch. Most recently a non-executive director of the Derbyshire Building Society, he was appointed Chief Executive of the Derbyshire in February 2008 and led the society to a merger with Nationwide Building Society in December 2008, standing down at the end of March 2009. Until 2003, Graham's career spanned over thirty years with Midland and HSBC Banks where, before he retired, he was General Manager of HSBC Bank plc responsible for commercial and corporate banking (including specialised and equity finance). Before that Graham was Chief Executive of Forward Trust Group, an authorised bank, and Chairman of First Direct, a division of HSBC Bank plc. He is a resident of the UK.

Sarah Evans (British), resident in Guernsey, is a Chartered Accountant and a director of several other listed investment funds, as well as an unlisted fund of hedge funds. She spent over six years with the Barclays Bank plc group from 1994 to 2001. During that time she was a treasury director and, from 1996 to 1998, was the Finance Director of Barclays Mercantile, where she was responsible for all aspects of financial control and operational risk management. Prior to joining Barclays she ran her own consultancy business advising financial institutions on all aspects of securitisation. From 1982 to 1988 she was with Kleinwort Benson, latterly as head of group finance. She is a member of the Institute of Directors and is resident in Guernsey.

John Hallam (British), resident in Guernsey, is a Fellow of the Institute of Chartered Accountants in England and Wales and qualified as an accountant in 1971. He is a former partner of PricewaterhouseCoopers having retired in 1999 after 27 years with the firm both in Guernsey and in other countries. He is currently chairman of Cazenove Absolute Equity Ltd and Partners Group Global Opportunities Ltd, as well as being a director of a number of other financial services companies, some of which are listed on the London Stock Exchange. He served for many years as a member of the Guernsey Financial Services Commission from which he retired in 2006 having been its Chairman for the previous three years.

Chris Russell (British) is a Guernsey resident non-executive director of investment and financial companies in the US, UK, Hong Kong and Guernsey. He is also a director of the UK trade body, the Association of Investment Companies. Chris was formerly a director of Gartmore Investment Management Plc, where he was Head of Gartmore's businesses in the US and Japan and before that was a holding board director of the Jardine Fleming Group in Asia. He is a Fellow of the UK Society of Investment Professionals and a Fellow of the Institute of Chartered Accountants in England and Wales.

Further details of the Directors' current and previous directorships are set out in Part XI of this prospectus on pages 102 to 105.

Investment Adviser and Operator

HSFML is the investment adviser to the Company pursuant to the Investment Advisory Agreement. In addition, HSFML is the manager and operator of the Partnership. HSFML is regulated in the UK by the FSA. HSFML is currently a wholly-owned subsidiary of HSIL, which in turn is a wholly-owned subsidiary of HSBC Holdings plc. HSIL is the dedicated infrastructure and property investment arm of the HSBC Group and has a strong record of delivering attractive returns for its investors.

Members of the Infrastructure Investment Team are responsible for carrying out the Investment Adviser's functions as investment adviser and operator. The Infrastructure Investment Team is comprised of experienced infrastructure professionals with a strong track record in managing infrastructure investments.

Under the Investment Advisory Agreement, the Investment Adviser's appointment may be terminated, *inter alia,* by either the Company or the Investment Adviser giving 12 months' notice in writing to the other party.

The Operator's appointment has corresponding termination provisions, and if HSFML's appointment as Investment Adviser is terminated it may unilaterally terminate its appointment as Operator, and *vice versa.*

On 4 June 2010 HSBC announced that it had agreed outline terms for HSIL's senior management to acquire an 80.1 per cent. interest in the HSIL Businesses (including the Investment Adviser and Operator, HSFML) from the HSBC Group, which will change the business's status from being a subsidiary to an affiliate of the HSBC Group. Further details are set out in Part VI. As a result of the proposed business sale the Company has agreed a small number of changes to the Investment Advisory Agreement which are all in the Company's favour, and which it is anticipated will take effect from 1 January 2011.

The Company currently has HSBC's permission for the Company to use the HSBC name and branding under the terms of a trademark licence. On completion of the sale of the HSIL Businesses to the senior management as detailed in Part VI, the trademark licence will be terminated and the Company will no longer be able to use the HSBC name and branding. At an Extraordinary General Meeting held on 10 November 2010, shareholders approved the change of name of the Company to HICL Infrastructure Company Limited which will take effect in 2011.

Management fees and advisory fees

In aggregate, the Investment Adviser and the General Partner are currently entitled to fees and/or profit share equal to (i) 1.1 per cent. *per annum* of the Adjusted Gross Asset Value of all investments of the Group that are not in either their construction or "ramp-up" phases, (ii) 1.5 per cent. *per annum* of investments of the Group that are in their construction or "ramp-up" phases and (iii) £100,000 *per annum.* For these purposes, "ramp-up" phase means the period after the completion of a project's construction phase during which it is building up to being fully operational with full service provision.

The Investment Adviser and the General Partner have agreed to reduce their profit share with effect from 1 January 2011. As of such date the Investment Adviser, in its capacity as Operator, and the General Partner will together be entitled to annual fees calculated on the following basis and in the following order: (i) 1.5 per cent. of the proportion of the Adjusted Gross Asset Value of the Group's investments that are in their construction or "ramp-up" phases, (ii) 1.1 per cent. of the proportion of the Adjusted Gross Asset Value of the Group's investments which are not in their construction or "ramp-up" phases and which, together with the investments under (i) above, have a value of up to £750 million in aggregate, (iii) 1.0 per cent. of the proportion of the Adjusted Gross Asset Value of the Group's investments not accounted for under (i) or (ii) above. The Investment Adviser is also entitled to a fixed advisory fee of £100,000.

These fees are calculated and payable six monthly in arrears, and are based on the Adjusted Gross Asset Value of the Group's assets at the beginning of the period concerned, adjusted on a time basis for acquisitions and disposals during the period.

The General Partner as part of its profit share is also entitled to receive an amount equal to 1.0 per cent. of the value of new portfolio investments made by the Group that are not sourced from entities, funds or holdings managed by HSBC. This amount will be payable on completion of the acquisition of the relevant investment and will be calculated on the sum of (i) consideration paid (excluding costs) and (ii) the amount of the outstanding investment obligations assumed in relation to the investment.

The Directors intend to keep the fees described above under review to ensure they are set at appropriate levels.

If the Group invests in funds managed or operated by HSIL (or, following Completion, the HSIL Businesses), the Group will bear any management or similar fees charged in relation to such fund, provided however that the value of the Group's investments in such funds will not be counted towards the valuation of the Group's investments for the purposes of calculating the sums payable to the Investment Adviser or the General Partner.

Other fees and expenses

The Company is responsible for other ongoing operational costs and expenses which include (but are not limited to) the fees and expenses of the Administrator, the Registrar, the Directors and the Auditors, as well as listing fees, regulatory fees, expenses associated with any purchases of or tender offers for Ordinary Shares, printing and legal expenses and other expenses (including insurance and irrecoverable VAT). The Luxcos bear the costs of their directors' and administration fees. The Partnership bears the expenses of its operation.

In the financial year to 31 March 2010, the Group's total expense ratio was 1.45 per cent.

Investment process

Asset origination

The sourcing of new investments is undertaken by the Operator of the Partnership. The Investment Adviser has a dedicated Infrastructure Investment Team which uses the following methods to source investments:

- The Infrastructure Investment Team has an excellent Infrastructure Equity track record of supporting blue chip sponsors and developers through the primary bidding and structuring phases of projects and pursues these relationships with likely vendors of investment stakes. The long term approach to partnership and asset ownership is attractive to vendors and the underlying concession grantors. The Infrastructure Investment Team is based in offices in Paris, New York and Hong Kong, as well as London, helping to source suitable investments within the target geographical regions. Further details relating to the Infrastructure Investment Team are set out below in Part VI of this prospectus.
- Relationships have been developed with other investment partners including financial institutions, funds and sponsors groups. The Infrastructure Investment Team uses these relationships to network and find suitable opportunities.
- The track record and reputation of the Team, together with its network of contacts and relationships, ensures that a number of new opportunities are brought to the Team from financial advisers, other advisers and vendors.
- Secondary asset sales and divestments are made by developers, concessionaire companies, corporates (contractors and operators) and financial institutions. The Infrastructure Investment Team monitors these groups for suitable opportunities.
- The Team has access to and assesses a number of opportunities which arise by way of auctions and privatisations.
- The Team has successfully sourced all of the 23 new investments made since launch in 2006, and each of these new investments were sourced outside of the HSBC Group with the exception of Kemble Water.

Preliminary review

The Infrastructure Investment Team initially screens new opportunities for quality and compliance with the Group's Investment Policy, the robustness of the cash flows, and the spread of exposure to different types of infrastructure projects and key counterparties. If acceptable, a detailed financial analysis is then undertaken to analyse the cash flows and returns with reference to key operating, financing, tax and accounting assumptions.

Due diligence procedures

Members of the Infrastructure Investment Team evaluate all the risks which they believe are material to making an investment decision. Where appropriate, they complement their analysis through the use of professional expertise including engineering and/or technical consultants, environmental consultants, accountants, taxation, legal, regulatory and economic advisers, financial modellers and insurance experts. These advisers may carry out independent analysis which is intended to provide a second and independent review of key aspects of a project, providing confidence as to the project's performance and likely business plan projections.

All investment evaluations are supported by detailed financial analysis. Investments are considered using a base case set of forecasts which will be assessed together with a sensitivity analysis on key variables, including fluctuations in revenues and costs.

In addition, members of the Infrastructure Investment Team carry out a credit risk assessment on counterparties, contractors, subcontractors, equity investors and other parties, as appropriate, whilst having regard to country risk.

Investment approval

The Investment Adviser has established an investment committee (the "Investment Committee") made up of six senior members of the Infrastructure Investment Team. The sponsoring investment director presents a detailed paper describing the opportunity and the results of the asset review, valuation and due diligence for evaluation and formal approval prior to signing a binding investment agreement. The Investment Committee reviews prospective new investments at various stages up to their acquisition and sanctions the final approval of any acquisition. Prospective acquisitions are reviewed at least at the inception of discussions with the vendors or co-shareholders, at the formal offer stage and prior to any investment. The Investment Committee considers, *inter alia,* the suitability of the acquisition in relation to the existing portfolio, its match with the Group's Investment Policy and the projected returns compared to the Group's targets. Whilst the Operator has full discretion over acquisitions and disposals, it keeps the Directors informed of new opportunities.

Investment monitoring

The Infrastructure Investment Team has a good understanding of each of the Group's investments and takes a proactive approach to portfolio and asset management. The Infrastructure Investment Team's asset management skills and capabilities provide important support through the appointment of directors to the Project Companies to monitor and deal with any issues as they arise. This capability not only protects the value of the Group's portfolio, but equally allows the team to continually explore opportunities for additional value creation.

The Group receives regular management accounts and annual audited accounts from each Project Company in which it holds equity, as well as management progress reports addressing critical factors such as actual performance against service requirements. These are reviewed by the Infrastructure Investment Team to determine compliance with agreed targets.

The Infrastructure Investment Team reviews all Project Companies in the Current Portfolio on a quarterly, project by project, basis to monitor performance.

The team has enhanced returns through the implementation of a range of portfolio enhancements and believes it delivers some further growth across the Current Portfolio through its management of the underlying assets. The economies of scale that are achieved from portfolio enhancements can provide a competitive advantage in the acquisition of new assets.

Typical portfolio initiatives that have been, or are, actively analysed include:

- pooled portfolio insurance arrangements and other bulk buying arrangements;
- acquisitions of co-shareholders' interests in existing assets;
- spend-to-save initiatives;
- project variations;

- proactive business plan development, for example in stimulating third party revenues, managing service delivery and regulatory review outcomes;
- proactive treasury management to maximise deposit interest across the Group;
- agreeing OPEX and CAPEX pricing on long term contracts with budgeted contingency release;
- if appropriate, capital restructuring of existing funding arrangements, including through the introduction of more competitive financing; and
- maintaining close working relationships with clients and supply chain contractors.

Investment realisation

Whilst the Group is a long term owner of infrastructure assets and therefore unlikely to dispose of assets, opportunities for value maximisation through disposal will be considered if appropriate.

Administrators, Registrar and Transfer Agent

Dexion Capital (Guernsey) Limited is the Administrator to the Company and also provides company secretarial services and a registered office to the Company. RSM Henri Grisius & Associés Sàrl. provides administrative services to the Luxcos. With the appointment of Dexion Capital (Guernsey) Limited the Company decided it no longer required a custodian as the Company does not hold listed securities. Dexion Capital (Guernsey) Limited, in its role as Administrator, has responsibility for the safekeeping of the shares and loan certificates of the Company's investments in HICL Infrastructure 1 Sàrl.

Capita Registrars (Guernsey) Limited is the Registrar to the Company and Capita Registrars is the Company's UK transfer agent and receiving agent.

Exclusivity and management of conflicts with other Infrastructure Funds managed by HSIL and its subsidiaries and the HSIL Businesses

HIFML, a sister company of the Investment Adviser, acts as manager of Fund II, an existing private equity fund established in 2004. The exclusivity provisions within Fund II have now expired as Fund II is substantially invested.

HSFML acts as manager to the HSBC Environmental Infrastructure Fund ("HEIF"), and to HSBC Infrastructure Fund III ("HIFIII") with both launched in 2009 and 2010 respectively. Because of the difference between the investment objectives and strategies of the Group, HEIF, and HIFIII, it is not considered that the involvement of HSFML with HEIF and HIFIII will disadvantage the Company.

Acquisitions from Fund II

In light of the differences in investment objectives and strategies between the Group and Fund II, it is possible that in future the Group may seek to purchase certain investments from Fund II once those investments have matured and to the extent that the investments suit the Group's investment objectives and strategy. If such acquisitions are made, appropriate procedures from the Rules of Engagement will be put in place to manage the conflict.

Investments in other HSBC managed funds

As stated in the Investment Policy on pages 37 to 38 of this prospectus, the Group may (subject to limits) invest in funds that make infrastructure investments. Such funds may include funds managed or operated by HSIL (or, following Completion, by one of the HSIL Businesses). If the Group invests in funds managed or operated by HSIL (or, following Completion, by one of the HSIL Businesses), the Group shall bear any management or similar fees charged in relation to such fund provided, however, that the value of the Group's investments in such funds shall not be counted towards the valuation of the Group's investments for the purposes of calculating the fees/profit share payable to the Investment Adviser or the General Partner (as described on page 67 of this prospectus).

PART VI

THE INFRASTRUCTURE INVESTMENT TEAM AND ITS TRACK RECORD

Introduction

The Investment Adviser was appointed as the investment adviser to the Company at the time of the launch in March 2006. The Operator has been appointed by the General Partner, on behalf of the Partnership, as the operator of the Partnership. Under the terms of the Limited Partnership Agreement the Operator manages the Partnership and its assets on a fully discretionary basis, subject to compliance with the Investment Policy and its contractual obligations under the Limited Partnership Agreement.

The Investment Adviser is currently a wholly owned subsidiary of HSIL, the dedicated infrastructure and property investment arm of the HSBC Group. The Investment Adviser was incorporated in England and Wales on 2 May 1997 under the Companies Act 1985 (registered number 03364976) and is authorised and regulated in the United Kingdom by the FSA.

HSBC and HSBC Specialist Investments Limited

Headquartered in London, HSBC is one of the largest banking and financial services organisations in the world. HSBC's international network comprises around 8,000 offices in 87 countries and territories in Europe, the Asia-Pacific region, the Americas, the Middle East and Africa.

HSBC Specialist Investments Limited ("HSIL") is a wholly owned subsidiary of HSBC and is currently HSBC's dedicated property and infrastructure investment business, managing a range of infrastructure and property funds and investments. The HSIL Team has a strong record of delivering attractive returns for its investors, which include pension funds, insurance companies, funds of funds, asset managers and high net worth investors domiciled in the UK, Europe, Middle East, and Asia.

HSIL has operated as a legally separate, autonomous business within HSBC and maintains its own risk management, finance and reporting functions. Since 1998, HSIL has raised eleven private institutional investment funds investing in infrastructure and property. HSIL (through its subsidiaries) also manages its own principal investments.

HSIL realised two of its funds in 2006, delivering attractive returns which were significantly in excess of the return objectives at launch.

Proposed Change of Ownership

On 4 June 2010 HSBC announced that it had agreed outline terms for HSIL's senior management to acquire an 80.1 per cent. interest in the HSIL Businesses from the HSBC Group, which will change the status of each relevant business unit from being a subsidiary to an affiliate of the HSBC Group. On completion the senior management will acquire the HSIL Businesses and create a new fund management entity. Around 75 globally-based staff will transfer to the newly created fund management entity which will continue to manage seven infrastructure and property funds and a number of principal investments with a combined total of US$4 billion of assets under management. The senior management acquiring the HSIL Businesses includes senior executives from both the infrastructure and property investment teams.

Completion is forecast to occur in 2011 once all the necessary consents and regulatory approvals have been obtained. The Investment Adviser will be regulated by the FSA.

A consequence of the completion of the sale of the fund management business to senior management is that the Company will need to change its name and therefore the Company's trademark licence will be terminated. At the Extraordinary General Meeting held on 10 November 2010, shareholders approved the change of the Company's name to HICL Infrastructure Company Limited. It is expected that the change of name and rebranding of the Company will take place in 2011.

The planned change of ownership of the Investment Adviser is not expected to have any material impact on the Company since the Investment Adviser's team is unlikely to change, and existing relationships with HSBC will continue on an arms-length basis.

The Infrastructure Investment Team

Members of the Infrastructure Investment Team are responsible for carrying out the functions of the Investment Adviser and of the Operator.

The Infrastructure Investment Team specialises in Infrastructure Equity investment, predominantly in Europe to date. The Team was originally established as an advisory business in Charterhouse Bank Limited in the early years of PFI/PPP, initially working as advisers to the UK Government and subsequently advising bidding consortia. This gave the Team a valuable contact network within the UK public sector, which has since been maintained and developed.

By 1996 it was apparent that a funding gap had developed in the market because deal sponsors (contractors or facility management companies) did not have either the desire or the capacity to put up all the risk capital required to fund the flow of projects. In mid-1997 the Infrastructure Investment Team developed its advisory business into an investment business in order to take advantage of that opening. The Infrastructure Investment Team initially made principal investments on HSIL's own balance sheet before raising the first of its institutional funds, Fund I, in October 2001. The final closing of Fund I took place in May 2002 with aggregate commitments of £125 million from an international investor base. The majority of the capital of Fund I was fully committed by 2004 and the fund was successfully realised in 2006.

The Infrastructure Investment Team raised Fund II in 2004/2005 with a broader international investor base and aggregate commitments of £300 million. The capital of Fund II is now substantially committed, and so its successor, Fund III has been launched and has achieved its first closing at US$500 million.

Funds I, II and III are "primary" funds which invest in infrastructure projects at their outset. HSIL has also raised the HSBC Environmental Infrastructure Fund, an unlisted capital growth fund which will invest in environmental infrastructure projects including renewable energy assets, water related infrastructure, waste management and other sectors. HSBC Environmental Infrastructure Fund achieved a final closing at €235 million.

The Infrastructure Investment Team currently consists of 32 investment professionals, all of whom have an infrastructure investment background. The team currently has approximately 380 years' combined experience in the infrastructure sector and over 215 years with HSBC[12], and has a broad range of relevant skills, including private equity, structured finance, construction and facilities management.

The Infrastructure Investment Team is based in offices in London, Paris, New York and Hong Kong, enabling the Team to source new investment opportunities globally for all the HSIL funds. The Infrastructure Investment Team takes a proactive approach to monitoring the performance of infrastructure investments for which it is responsible. It will usually take a seat on the boards of the relevant Project Companies. It has an excellent track record for managing investments in infrastructure projects in their construction, commissioning and operational phases. Many of the investments in the Current Portfolio have been in their operational phase for some time and these projects have performed well. The Infrastructure Investment Team has built up substantial experience in dealing with issues presented by the projects so that investment yields are maintained.

Investment record

The Infrastructure Investment Team has a long and successful proven track record in sourcing, structuring, acquiring, managing and financing Infrastructure Equity investments. It has been responsible for 70 Infrastructure Equity investments for HSIL and its funds to date. Its projects have won several awards including awards from the Project Finance Magazine and the Infrastructure Journal. The individuals in the team have participated in over 100 infrastructure transactions in their careers. The

12 This includes employment with Charterhouse Bank Limited.

team has expanded the Group beyond its initial investment pool and is responsible for its continuing development. The Infrastructure Investment Team possesses a range of different skills and core infrastructure experience in the following sectors:

- Social infrastructure, including education, health care, court houses, public sector buildings, public order, road maintenance and PFI/PPP forms of toll roads, bridges, tunnels and heavy and light railways;
- Renewable energy, such as wind farms, solar power parks and hydro-electric schemes;
- Regulated utilities, such as electricity/gas transmission and distribution, water and waste water utilities and water and waste water treatment; and
- Transportation, such as toll roads, bridges, tunnels, seaports, airports and heavy and light railways.

The Investment Committee

The Investment Committee comprises Werner von Guionneau, (CEO), Chris Gill (Deputy CEO), Gareth Craig, Tony Roper, Erwan Fournis, and Keith Pickard and is responsible for structuring, transacting and managing investments for the Group.

The Investment Committee has combined experience of over 71 years in making infrastructure investments and managing investments and projects. The skills and knowledge of its members are augmented by those of the investment professionals within the wider team as required. Further resource is provided from central functions within the business covering finance, risk management and control, document management and credit evaluations.

PART VII

ISSUE ARRANGEMENTS

The Issue

The Company is seeking to raise a target of £110 million before expenses through the Issue. The Issue comprises a Placing, an Open Offer and an Offer for Subscription, and the Directors may apportion the C Shares available under the Issue among the Placing, the Open Offer and the Offer for Subscription as they think fit. The Directors have reserved the right, in consultation with the Placing Agents to increase the size of the Issue up to a maximum of £150 million to the extent that Additional Investments are made or identified and overall demand for C Shares exceeds the target amount.

The Issue is not being underwritten and will not proceed unless minimum aggregate subscriptions of £50 million are received (or such lesser amount as the Company and the Placing Agents, in consultation with the Investment Adviser, may agree). In any event, the net proceeds of the Issue will not exceed the aggregate of (i) existing Group Debt, (ii) the consideration payable for any Conditional Investments and Additional Investments, and (iii) any outstanding investment obligations to which the Group is subject as at the date of this prospectus in respect of the Current Portfolio or to which it is anticipated that the Group will become subject in respect of Additional Investments. For indicative purposes only, such aggregate amount, as at the date of this prospectus, stands at approximately £110 million.

Provided that the targeted minimum of £50 million is raised, the Issue expenses will be borne by the C Shares.

The C Shares will convert into Ordinary Shares, which will rank *pari passu* in all respects with the Existing Ordinary Shares, at the Conversion Time and on the basis as set out in this prospectus. Conversion is anticipated to occur in January 2011 and in any event no later than 31 January 2011. The Conversion Ratio will be calculated, on an investment basis, by reference to the net asset values attributable to the C Shares and the Ordinary Shares and according to the Conversion terms as set out in Part IX of this prospectus.

C Shareholders, and holders of Ordinary Shares resulting from the conversion of C Shares, will not be entitled to the first interim distribution for the financial year ending 31 March 2011 (in respect of the six month period to 30 September 2010), although Ordinary Shares resulting from the conversion of C Shares will rank equally with all other Ordinary Shares in respect of all dividends declared after Conversion.

Application will be made for the C Shares to be admitted to the Official List of the UK Listing Authority and to trading on the Main Market of the London Stock Exchange.

On the basis that the Issue meets its target size of £110 million it is expected that the Company will receive approximately £108.1 million from the Issue, net of fees and expenses associated with the Issue.

The Issue, which is not underwritten, is conditional upon:

(a) Admission occurring on or before 15 December 2010 or such time and/or date as the Company and the Placing Agents may agree, being not later than 31 December 2010;

(b) the Placing, Open Offer and Offer Agreement having become unconditional in all respects and not having been terminated in accordance with its terms before Admission; and

(c) not less than 50 million C Shares (or such lesser number as the Directors and the Placing Agents, in consultation with the Investment Adviser, may agree) being subscribed for pursuant to the Issue.

If these conditions are not met, the Issue will not proceed.

The Open Offer

Open Offer Entitlement

Under the Open Offer, up to an aggregate amount of 62,040,247 C Shares (or such greater number as may be made available by the Directors in exercising their discretion to scale back the Placing and/or the Offer for Subscription in favour of the Open Offer) will be made available to Existing Shareholders at the Issue Price *pro rata* to their holdings of Existing Ordinary Shares, on the terms and subject to the conditions of the Open Offer, on the basis of:

1 C Share for every 8 Ordinary Shares held at the Record Date (being 12 November 2010).

The balance of C Shares to be made available under the Issue, together with any C Shares not taken up pursuant to the Open Offer, will be made available under the Excess Application Facility, the Placing and the Offer for Subscription.

Existing Shareholders should be aware that the Open Offer is not a rights issue and Open Offer Application Forms cannot be traded.

Fractional entitlements under the Open Offer will be rounded down to the nearest whole number of C Shares and will be disregarded in calculating Open Offer Entitlements. All fractional entitlements will be aggregated and made available to Existing Shareholders under the Excess Application Facility.

The latest time and date for acceptance and payment in full in respect of the Open Offer will be 11.00 a.m. on 8 December 2010. Valid applications under the Open Offer will be satisfied in full up to applicants' Open Offer Entitlements. Existing Shareholders are also being offered the opportunity to subscribe for C Shares in excess of their Open Offer Entitlements under the Excess Application Facility, described below.

The terms and conditions of application under the Open Offer are set out at the end of this document. These terms and conditions should be read carefully before an application is made. Investors should consult their stockbroker, bank manager, solicitor, accountant or other financial advisor if they are in doubt.

Excess Application Facility under the Open Offer

Subject to availability, Existing Shareholders that take up all of their Open Offer Entitlements may also apply under the Excess Application Facility for additional C Shares in excess of their Open Offer Entitlement. The Excess Application Facility will comprise whole numbers of C Shares under the Open Offer which are not taken up by Existing Shareholders pursuant to their Open Offer Entitlements, and any C Shares that the Directors determine, in their absolute discretion, should be reallocated from the Placing and/or the Offer for Subscription to satisfy demand from Existing Shareholders in preference to prospective new investors under the Placing or the Offer for Subscription (together, "**Excess Shares**").

Existing Non-CREST Shareholders who wish to apply to subscribe for more than their Open Offer Entitlement should complete the relevant sections on the Open Offer Application Form.

Existing CREST Shareholders will have Excess CREST Open Offer Entitlements credited to their stock account in CREST and should refer to paragraph 4.2 of the "Terms and Conditions of the Open Offer" starting on page 145 of this document for information on how to apply for Excess Shares pursuant to the Excess Application Facility.

Excess applications may be allocated in such manner as the Directors determine, in their absolute discretion, and no assurance can be given that applications by Existing Shareholders under the Excess Application Facility will be met in full or in part or at all. In the event of over subscription under the Excess Application Facility the Directors have the discretion (but are not obliged) to limit applications by Existing Shareholders *pro rata* to their aggregate holdings of Existing Ordinary Shares. However, the Directors also have the discretion (but are not obliged) to scale back the Placing and Offer for Subscription in favour of the Excess Application Facility by re-allocating C Shares that would otherwise be available under the Offer for Subscription and/or the Placing to Existing Shareholders through the

Excess Application Facility. To the extent any C Shares remain unallocated pursuant to Open Offer Entitlements and under the Excess Application Facility, they will be made available under the Offer for Subscription and the Placing at the Directors' discretion.

Action to be Taken under the Open Offer

(a) *Non-Crest Shareholders*

Existing Non-CREST Shareholders will be sent an Open Offer Application Form giving details of their Open Offer Entitlement.

Persons that have sold or otherwise transferred all of their Existing Ordinary Shares should forward this document, together with any Open Offer Application Form (duly renounced), if and when received, at once to the purchaser or transferee, or the bank, stockbroker or other agent through whom the sale or transfer was effected, for delivery to the purchaser or transferee, except that, such documents should not be sent to any jurisdiction where to do so might constitute a violation of local securities laws or regulations.

Any Existing Shareholder that has sold or otherwise transferred only some of their Existing Ordinary Shares held in certificated form on or before 17 November, should refer to the instruction regarding split applications in the "Terms and Conditions of the Open Offer" at the end of this document and in the Open Offer Application Form.

Crest Shareholders

Existing CREST Shareholders will not be sent an Open Offer Application Form. Instead, Existing CREST Shareholders will receive a credit to their appropriate stock accounts in CREST in respect of their Open Offer Entitlement and their Excess CREST Open Offer Entitlement as soon as practicable after 8.00 a.m. on 18 November 2010.

In the case of any Existing Shareholder that has sold or otherwise transferred only part of their holding of Existing Ordinary Shares held in uncertificated form on or before 17 November 2010, a claim transaction will automatically be generated by Euroclear UK which, on settlement, will transfer the appropriate Open Offer Entitlement and Excess CREST Open Offer Entitlement to the purchaser or transferee.

Full details of the Open Offer are contained in the Terms and Conditions of the Open Offer at the end of this document. If you have any doubt what action you should take, you should seek your own financial advice from your stockbroker, solicitor or other independent financial adviser duly authorised under FSMA who specialises in advice on the acquisition of shares and other securities immediately.

The International Security Identification Number for C Shares under the Open Offer is GG00B5BK6947.

The International Security Identification Number for Excess Shares under the Excess Application Facility is GG00B58PY219.

The Offer for Subscription

The Offer for Subscription will open on 17 November 2010 and the latest time for receipt of Application Forms will be 1.00 p.m. on 6 December 2010.

The terms and conditions of application under the Offer for Subscription and an Application Form are set out at the end of this prospectus. These terms and conditions should be read carefully before an application is made. Investors should consult their respective stockbroker, bank manager, solicitor, accountant or other independent financial advisor if they are in doubt. Application Forms, accompanied by a cheque or duly endorsed banker's draft, should be returned by post (or by hand during normal business hours only) to Capita Registrars, The Registry, 34 Beckenham Road, Beckenham, BR3 4TU by no later than 1.00 p.m. on 6 December 2010.

The Placing

The Company, the Investment Adviser, Collins Stewart and Oriel have entered into the Placing, Open Offer and Offer Agreement, pursuant to which the Placing Agents have agreed, subject to certain conditions, to use reasonable endeavours to procure subscribers and placees for up to 150 million C Shares at the Issue Price, less the number of C Shares required to satisfy valid applications under the Open Offer, the Excess Application Facility and Offer for Subscription. Placing commitments should be received no later than 12.00 noon on 9 December 2010.

Pursuant to the Placing, Open Offer and Offer Agreement, each Placing Agent has agreed that it will not offer or sell the C Shares (i) as part of its distribution at any time and (ii) otherwise until 40 days after the completion of the distribution of the C Shares, as determined and certified by the relevant Placing Agent, other than in accordance with Rule 903 of Regulation S or Rule 144A and, at or prior to confirmation of a sale of C Shares (other than a sale pursuant to Rule 144A), it will have sent to each distributor, dealer or person receiving a selling concession, fee or other remuneration that purchases C Shares from it during the distribution compliance period a confirmation or other notice setting forth the restrictions on offers and sales of the C Shares within the United States or to, or for the account or benefit of, US persons.

In addition, until 40 days after the commencement of the offering of the C Shares, an offer or sale of C Shares within the United States by a dealer that is participating in the offering may violate the registration requirements of the Securities Act if such offer or sale is made otherwise than in accordance with Rule 144A.

Terms used in the preceding two paragraphs have the meanings given to them by Regulation S under the Securities Act.

C Shares offered and sold outside the United States will be sold in reliance on Regulation S. The Placing, Open Offer and Offer Agreement provides that the Placing Agents may directly, or through their respective US registered broker dealer affiliates, arrange for the offer and resale of C Shares within the United States only to persons whom they reasonably believe are qualified institutional buyers that are also qualified purchasers which can represent that (a) they are qualified institutional buyers that are also qualified purchasers, (b) they are not broker dealers who own and invest on a discretionary basis less than US$25 million in securities of unaffiliated issuers, (c) they are not a participant directed employee plan, such as a 401(k) plan, (d) they are acting for their own account, or the account of one or more qualified institutional buyers each of which is also a qualified purchaser, (e) they were not formed for the purpose of investing in the Company or the C Shares and (f) they will provide notice of these transfer restrictions to any subsequent transferees.

The International Security Identification Number for the C Shares under the Placing and Offer for Subscription is GG00B4TB1205.

Details of the terms of the Placing, Open Offer and Offer Agreement are set out in Part XI on page 117 of this prospectus.

Issue expenses

The costs of the Issue will be borne by the C Shares. However, in the event that the Issue proceeds are less than £50 million, the costs of the Issue will be capped at 2.3 per cent. of the gross proceeds of the Issue and the balance of any costs will be attributed to the Existing Ordinary Shares. Such excess amount would be less than the amount which would otherwise be borne by the Company if the Issue were not to proceed.

The Issue expenses (including VAT where relevant and assuming the Issue is fully subscribed and the Directors proceed at the target issue of 110 million C Shares) are expected to be approximately £1.89 million. The Issue expenses (including VAT where relevant and assuming the Issue is fully subscribed and the Directors proceed at the maximum Issue size of 150 million C Shares) are expected to be approximately £2.4 million.

Under the terms of the Placing, Open Offer and Offer Agreement (as set out in more detail in section 11 of Part XI of this prospectus), the Sponsor will receive a corporate finance fee of £125,000 and the Placing Agents are entitled to a total commission of 1.25 per cent. of the gross proceeds of the Issue.

The Issue expenses will include an additional fee of £10,000 payable to each Director in connection with the Issue.

General

The Company has a target of up to 110 million C Shares for issue under the Placing, the Open Offer and the Offer for Subscription. However, the Directors have reserved the right, in consultation with the Placing Agents, to increase the size of the Issue up to 150 million C Shares to the extent that Additional Investments are made or identified and overall demand for C Shares exceeds the target amount. To the extent that they are not subscribed for under the Offer for Subscription and the Open Offer, such C Shares may be issued under the Placing. In the event that subscriptions exceed the maximum number of C Shares available under the Issue the Directors will scale back subscriptions under the Placing and the Offer for Subscription at their discretion, with preference given to earlier applications.

Subject to those matters on which the Issue is conditional, the Directors, with the consent of the Placing Agents, may bring forward or postpone the closing date for the Placing, the Offer for Subscription and the Open Offer by up to two weeks.

The basis of allocation under the Issue is expected to be announced on 13 December 2010. The basis of allocation shall be determined by the Company after consultation with the Investment Adviser, Collins Stewart and Oriel. CREST accounts will be credited on the date of Admission.

To the extent that any application for subscription is rejected in whole or in part, or the Directors determine in their absolute discretion that the Issue should not proceed, monies received by Capita Registrars, as Receiving Agent to the Open Offer and Offer for Subscription, will be returned to each relevant applicant by crossed cheque in favour of the applicant(s) within 14 days at its risk and without interest.

The Company does not propose to accept multiple subscriptions. Financial intermediaries who are investing on behalf of clients should make separate applications or, if making a single application for more than one client, provide details of all clients in respect of whom application is being made. Multiple applications or suspected multiple applications on behalf of a single client are liable to be rejected.

Overseas investors

The attention of persons resident outside the UK is drawn to the notices to investors set out on pages 122 to 125 of this prospectus which contains restrictions on the holding of C Shares by such persons.

In particular investors should note that the C Shares have not been and will not be registered under the Securities Act or under the applicable state securities laws of the United States, and the Company has not registered, and does not intend to register, as an investment company under the Investment Company Act. Accordingly, the C Shares may not be offered, sold, pledged or otherwise transferred directly or indirectly in or into the United States or to, or for the account or benefit of any US Person within the meaning of Regulation S, except that the C Shares may be offered and sold (a) in the United States to "qualified institutional buyers" within the meaning of Rule 144A who are "qualified purchasers" as defined in Section 2(a)(51) of the Investment Company Act, in reliance on the exemption from registration provided by Rule 144A and (b) outside the United States in "offshore transactions" to persons that are not US Persons as defined in, and in reliance on, Regulation S.

Dealing arrangements

Application will be made for the C Shares to be admitted to the Official List and to trading on the Main Market of the London Stock Exchange. It is expected that Admission will become effective, and that dealings in the C Shares will commence, at 8.00 a.m. on 15 December 2010.

Settlement

Payment for the C Shares applied for under the Open Offer should be made in accordance with the instructions contained in the Terms and Conditions of the Open Offer and, in the case of certificated C Shares, in the Open Offer Application Form. Payment for the C Shares applied for under the Offer for Subscription should be made in accordance with the instructions contained in the Application Form set out at the end of this prospectus. Payment for the C Shares to be acquired under the Placing should be made in accordance with settlement instructions provided to investors by the Placing Agents. To the extent that any application or subscription for C Shares is rejected in whole or in part, monies will be returned to the applicant(s) within 14 days at the risk of the applicant(s) without interest.

Money laundering

Pursuant to anti-money laundering laws and regulations with which the Company must comply in the UK and/or Guernsey, the Company and its agents, the Administrator, the Investment Adviser and the Placing Agents may require evidence in connection with any application for C Shares, including further identification of the applicant(s), before any C Shares are issued.

The Company and its agents, the Administrator, the Receiving Agent, the Investment Adviser and the Placing Agents reserve the right to request such information as is necessary to verify the identity of a C Shareholder or prospective C Shareholder and (if any) the underlying beneficial owner or prospective beneficial owner of a C Shareholder's C Shares. In the event of delay or failure by the C Shareholder or prospective C Shareholder to produce any information required for verification purposes, the Directors, in consultation with the Receiving Agent, the Placing Agents and the Investment Adviser, may refuse to accept a subscription for C Shares, or may refuse the transfer of C Shares held by any such C Shareholder.

PART VIII

TAXATION

The following summary is given as a general guide to the tax treatment of the Group and certain types of investors. It does not purport to cover all taxation issues which might be applicable to the Group or such investors and is not intended to be, nor should be construed to be, legal, tax or investment advice to any particular investor. The summary is based on current laws and tax authority practices in the UK, Guernsey and Luxembourg, which may change, but the summary is believed to be correct at the date hereof. Nevertheless, prospective investors are strongly advised to seek their own advice on the taxation consequences of an investment in the Company, especially those prospective investors who are not resident for tax purposes in the UK as they may be subject to taxation law in their respective jurisdictions.

Guernsey Taxation

The Company

The Company qualifies for exempt company status by virtue of the Income Tax (Exempt Bodies) (Guernsey) Ordinance, 1989 to 1997 (the "Ordinance"). Exemption has to be applied for annually and is granted on payment of a fee, currently fixed at £600 per annum, provided that the States of Guernsey Income Tax Authority is satisfied that the Company complies, and will continue to comply, with the provisions of the Ordinance. The Directors intend to manage the Company in such a way as to ensure that the Company at all times complies with the requirements of the Ordinance. The Company has obtained exemption for this current year and for every year of its operation to date. As the Company will have no Guernsey source income, other than from relevant bank deposits, it will not be liable to income tax in Guernsey.

The Company is incorporated in Guernsey. The Directors will manage the residency of the Company so that it does not become tax resident in the UK, Luxembourg or any other jurisdiction.

Under current Guernsey tax law there is no liability to capital gains tax, wealth tax, capital transfer tax or estate or inheritance tax on the issue, transfer or realisation of the Ordinary Shares. There is also no stamp duty or equivalent tax payable in Guernsey on the issue, transfer or redemption of Ordinary Shares.

Potential Changes to Guernsey's Corporate Tax Regime

In response to the review on harmful tax regimes carried out by the European Union Code of Conduct Group, on 1 January 2008 the States of Guernsey introduced a zero rate of tax for companies carrying out all but a few specified types of business. However, the States of Guernsey advised that some entities were not classified by the European Union Code of Conduct Group as being harmful and could continue to apply for exempt status for Guernsey tax purposes after 31 December 2007. On that basis the Company has continued to apply for exempt status.

The new law took effect from 1 January 2008. However, the EU Code of Conduct Group now consider the new regime to be non-compliant with the 'spirit' of the Code. As a result Guernsey has been asked to provide assurance to Her Majesty's Treasury that its tax regime will be amended.

A review of the corporate tax regime is being carried out by the Guernsey Policy Council and a public consultation document was issued on 21 June 2010 with responses submitted by 27 August 2010. These responses are being collated and reviewed and it is the intention for a feedback document to be published towards the end of 2010.

The implementation of any required revisions to the regime is not expected until 2013 at the earliest. At this point in time, the key features of any revised regime have yet to be determined.

Whilst it is recognised that a new regime now has to be introduced in Guernsey in order to be compliant with the 'spirit' of the Code, it is hoped that the exempt regime for entities such as the Company will be maintained on the basis that the EU Code of Conduct Group did not regard this aspect of Guernsey's tax law as being harmful.

Withholding tax

No withholding tax is due on capital distributions, dividends or other income distributions made by the Company to any of its Shareholders.

EU Savings Tax Directive

The EU Savings Tax Directive relating to withholding of tax or automatic exchange of information on cross border interest payments to EU residents came into force on 1 July 2005. Guernsey, as a Crown dependency of the UK, has entered into equivalent measures under bilateral agreements entered into with each of the EU Member States. However, paying agents located in Guernsey are not required to operate the measures on distributions made to shareholders by closed-ended investment companies established in Guernsey. On this basis the Company should not be subject to the EU Savings Tax Directive.

The operation of the EU Savings Tax Directive is currently under review by the European Commission and a number of changes have been outlined which, if agreed, will significantly widen its scope. These changes could lead to the Company having to comply with the EU Savings Tax Directive in the future, at which point it is expected that paying agents in Guernsey will have to operate exchange of information as the withholding tax option is to be phased out during the first six months of 2011.

Shareholders

Guernsey does not levy capital gains tax and, therefore, Guernsey resident Shareholders will not suffer any tax in Guernsey on capital gains. Payments made by the Company to non-Guernsey resident Shareholders, whether made during the life of the Company or by distribution on the liquidation of the Company, will not be subject to Guernsey tax.

Shareholders will receive dividends without deduction of Guernsey income tax. Any Shareholders who are resident for tax purposes in Guernsey will incur Guernsey income tax on any dividends paid on Ordinary Shares owned by them but will suffer no deduction of tax by the Company from any such dividends payable by the Company where the Company is granted exempt status. The Company may be required to provide details of distributions made to Guernsey resident Shareholders to the Director of Income Tax in Guernsey.

Luxembourg Taxation

The Luxcos will be fully taxable SOPARFI companies resident for tax purposes only in Luxembourg. It is expected that the Luxcos will be subject to minimal taxation in Luxembourg on the basis of the availability of the participation exemption (see below) and the internal financing arrangements.

Financing margin

The Luxcos' interest income will be fully taxable in Luxembourg. Interest expense is fully deductible subject to an arm's length margin on the financing activity. The Luxcos will be liable to Luxembourg corporate income tax and municipal business tax (currently an aggregate rate of 28.59 per cent. for a company with its registered seat in Luxembourg City) on the amount of that arm's length margin on their financing activities.

Participation exemption

Dividends received by the Luxcos from qualifying participations will be exempt from tax under the Luxembourg participation exemption provided that certain conditions are met. Similarly, the disposal of shares by any of the Luxcos will also be exempt from tax by virtue of the participation exemption. The Directors intend to manage the holdings in subsidiaries so that the participation exemption conditions are met.

Withholding tax

The Luxcos should be entitled to receive dividend and interest payments from UK and other EU subsidiaries without a withholding on account of taxation, subject to the provisions of the EU Parent Subsidiary Directive, the EU Interest and Royalties Directive and, in the case of UK source interest specifically, on receipt of clearance from HMRC for interest to be paid without deduction of UK income tax. Similarly, the Luxcos can make interest payments to the Company without a withholding on account

of taxation as there is no requirement to withhold tax under Luxembourg law. As the Company is a legal person, the Luxembourg Savings Law (which has transposed the EU Savings Tax Directive, see above) should not apply. In principle, dividends payable by the Luxcos to the Company will be subject to 15 per cent. withholding tax, although measures will be taken to mitigate such withholding tax.

Net worth tax

Net worth tax of 0.5 per cent. on the Luxembourg entities' worldwide net worth is payable annually. However the Directors consider that the amount charged should be nominal on the basis that equity funded shareholdings that qualify for the participation exemption are considered exempt assets and the debts of the Luxcos are tax deductible for net worth tax purposes unless they are financing exempt assets.

Capital duty

As from 1 January 2009, no capital duty applies to subscribed capital. Nevertheless, a registration tax of €75 should be due upon amendment of the by-laws.

Taxation of the Partnership

As previously stated, Luxco 2 will invest in the Partnership which is transparent for UK and Luxembourg tax purposes.

UK Taxation of Shareholders

The following comments apply to Shareholders who are resident or ordinarily resident solely in the UK for taxation purposes and who hold their interest in the Company for investment purposes. They do not apply to persons who hold their interest in the Company as trustees or in any other capacity other than that of absolute beneficial owner; nor do they apply to persons who carry on a banking, financial or insurance trade.

As the Company is a closed ended company and there is no guarantee or undertaking being given that could give rise to an expectation that a reasonable investor could realise their investment either entirely or almost entirely by reference to net asset value (or by reference to an index), it is not expected that the Company will be treated as an offshore fund for the purposes of the offshore funds rules.

Individual Shareholders

Where an individual Shareholder who is resident or ordinarily resident in the UK, and if domiciled outside of the UK is not subject to the remittance basis of taxation, receives a dividend from the Company this is a foreign source dividend and will be subject to income tax at (generally) 10 per cent. if the individual is a basic rate taxpayer, 32.5 per cent. if the individual is a higher rate taxpayer or 42.5 per cent. if the individual is an additional rate taxpayer (i.e. if the individual has an annual taxable income in excess of £150,000). Such Shareholders will also be entitled to a non-payable dividend tax credit of one ninth of the amount or value of the distribution provided that they own less than a 10 per cent. holding in this Company. This will have the effect of eliminating the income tax liability on such dividend income for Shareholders who are liable to tax only at the basic rate of income tax, reducing the effective rate payable by individuals liable to higher rate income tax to 25 per cent. and reducing the effective rate payable by individuals liable to additional rate income tax to just over 36.1 per cent.

As a general rule, where dividends do not qualify for the non-payable dividend tax credit, the UK will give credit relief for direct tax paid on dividends to such Shareholders. "Direct tax" means foreign tax directly charged on a dividend by deduction at source or charged directly on the Shareholder if neither the Company nor the Shareholder would have borne the tax if the dividend had not been paid.

Individual Shareholders who are resident but not domiciled in the UK and to whom the remittance basis of taxation applies will only be taxed to the extent that the dividends are remitted or deemed to be remitted to the UK. Such Shareholders will not be entitled to the non-payable dividend tax credit.

On the basis that it is not expected that the Company will be treated as an offshore fund for the purposes of the offshore funds rules, gains on disposal of the Ordinary Shares and C Shares by individual UK resident Shareholders should not be subject to UK income tax, but may, depending on the Shareholders' individual circumstances, give rise to liability to UK taxation on capital gains. Capital gains tax will be charged at 18 per cent. where the total chargeable gains (save for any chargeable gains actually arising before 23 June 2010) and total taxable income arising to that individual in a tax year, after all allowable deductions (including losses, the income tax personal allowance and the capital gains tax annual exempt amount) are less than the upper limit of the income tax basic rate band (which is currently £37,400). To the extent that any such chargeable gains (or part of any such chargeable gains) arising in a tax year exceed the upper limit of the income tax basic rate band (when aggregated with total taxable income in that tax year as referred to above), capital gains tax will be charged at 28 per cent. on such chargeable gains. If the offshore funds rules do apply, there will be income tax at 40 per cent. for UK higher rate individual taxpayers and 50 per cent. for additional rate taxpayers.

Individual Shareholders who are resident but not domiciled in the UK and to whom the remittance basis of taxation applies will only be taxed on gains arising on disposal (whether by sale or redemption) of Shares to the extent that the gains are remitted or deemed to be remitted to the UK.

The attention of individuals that are ordinarily resident in the UK for tax purposes is drawn to the provisions of section 714 of the Income Tax Act 2007 et seq. Broadly under these provisions a UK tax resident individual may be charged to income tax on certain amounts following a transfer of assets to a person not resident or domiciled within the UK for tax purposes. Non-UK domiciled investors to whom the remittance basis of taxation applies should not be subject to UK income tax under these provisions unless the attributed income is remitted to the UK.

Individuals who are resident for tax purposes in jurisdictions other than the UK will be taxed according to the rules of that jurisdiction.

Where a UK resident individual Shareholder receives a capital distribution this will be treated as a part disposal of their holding. The capital gain or loss is calculated as proceeds less base cost. As this is deemed to be a part disposal only part of the base cost can be brought into account. The fraction of base cost which is allowable as a deduction is A/(A+B), where A is the consideration and B is the value of the part retained.

Where the distribution is small, compared with the value of the holding in respect of which it is made, it is not treated for capital gains purposes as giving rise to a part disposal. In such a case, the amount of the distribution is deducted from any expenditure allowable as a deduction in computing a gain or loss on a subsequent disposal by the recipient. Therefore the charge is postponed until a subsequent disposal of the holding. This treatment is not compulsory: the recipient can elect to have the distribution treated as a part disposal.

HMRC automatically treats a distribution as being "small" if it is 5 per cent. or less than the value of the shares at the date of distribution or it is not more than £3,000 (irrespective of whether the 5 per cent. test is satisfied).

Where a distribution does not fall within the above categories, HMRC considers each case on its merits.

Section 13 Gains

This paragraph applies to any UK resident or ordinarily resident Shareholders (irrespective of domicile) whose interest (when aggregated with persons connected with them) in the chargeable gains of the Company or the Luxcos or any other non-UK company in which the Company may invest (together, the **"non-UK Companies"**) exceeds one tenth of the gain. In the event that any non-UK company would be treated as 'close' under UK tax legislation if it were resident in the UK, then part of any chargeable gain accruing to such non-UK company may be attributed to such a Shareholder and the Shareholder may (in certain circumstances) be liable to UK tax on capital gains (section 13 Taxation of Chargeable Gains Act 1992). The part of the capital gain attributed to the Shareholder corresponds to the Shareholder's proportionate interest in such non-UK Company. Subject to certain time limits, such tax will be deductible in computing any gains arising on the disposal of the Shareholder's shares in the Company.

Individual Shareholders who are resident but not domiciled in the UK and to whom the remittance basis of taxation applies would only be taxed on the attributed capital gain when it is remitted to the UK.

Corporate Shareholders

The following assumes that the corporate Shareholder will not be holding the investment with a view to realising trade profits under section 35 of the Corporation Tax Act 2009 ("**CTA 2009**").

UK resident corporate Shareholders may be able to rely upon legislation in the CTA 2009 which exempts certain classes of dividend and other company distributions from the charge to UK corporation tax. In particular, provided the Company meets certain conditions (which are anticipated to be met), dividends paid by the Company to a UK resident corporate Shareholder which is not a "small company" for the purposes of section 931S CTA 2009 should not be subject to UK corporation tax.

Where a UK resident corporate Shareholder receives a capital distribution this will be treated as a part disposal of its holding. The capital gain or loss is calculated as proceeds less base cost. As this is deemed to be a part disposal only part of the base cost can be brought into account. The fraction of base cost which is allowable as a deduction is A/(A+B), where A is the consideration and B is the value of the part retained.

Where the distribution is small, compared with the value of the holding in respect of which it is made, it is not treated for chargeable gains purposes as giving rise to a part disposal. In such a case, the amount of the distribution is deducted from any expenditure allowable as a deduction in computing a gain or loss on a subsequent disposal by the recipient. Therefore the charge is postponed until a subsequent disposal of the holding. This treatment is not compulsory: the recipient can elect to have the distribution treated as a part disposal.

HMRC automatically treats a distribution as being "small" if it is 5 per cent. or less than the value of the shares as at the date of distribution or if it is not more than £3,000 (irrespective of whether the 5 per cent. test is satisfied). Where a distribution does not fall within the above categories, HMRC considers each case on its merits.

On the basis that it is not expected that the Company will be treated as an offshore fund for the purposes of the offshore funds rules, gains on disposal of the Ordinary Shares and C Shares by UK resident corporate Shareholders will be taxable as chargeable gains subject to any tax reliefs available. If the offshore funds rules do apply, such gains will be taxable as income.

UK resident exempt funds will not be liable to tax on dividends paid by the Company or chargeable gains arising upon a disposal of investments held for the purposes of the Company.

If a corporate Shareholder is resident for tax purposes in a country other than the UK then it will be taxed according to the rules of that jurisdiction.

Controlled foreign company rules

As it is possible that the Company will be owned by a majority of persons resident in the UK, the UK legislation applying to controlled foreign companies may apply to any corporate Shareholders and/or C Shareholders who are resident in the UK. Under these rules, part of any undistributed income accruing to any non-UK company may be attributed to such a Shareholder, and may in certain circumstances be chargeable to UK corporation tax in the hands of the Shareholder. However, this will only apply if the apportionment to that Shareholder (when aggregated with persons connected or associated with them) is at least 25 per cent. of the relevant profits of the controlled foreign company.

Open Offer

HMRC's published practice is to treat a subscription for shares by an existing shareholder up to his *pro rata* entitlement pursuant to the terms of an open offer as a reorganisation of share capital such that their original shares and the new C Shares will be treated as the same asset acquired at the time the original shares were acquired, and the base cost of the original shares and the new C shares will be spread *pro rata* across their entire holding. To the extent that the original shares and the new C Shares represent more than one class of shares, the base cost will need to be apportioned by reference to the quoted market value of each class of share.

If the subscriptions for C Shares by existing Shareholders in the Company which are equal to or less than the Shareholders' minimum entitlements will be treated as a share reorganisation by HMRC, their original shares and the new C Shares will be treated as the same asset acquired at the time the original shares were acquired, and the base cost of the original shares and the new C shares will be spread *pro rata* across their entire holding. To the extent that the original shares and the new C Shares represent more than one class of shares, the base cost will need to be apportioned by reference to the quoted market value of each class of share. Any C Shares subscribed for in excess of the minimum entitlement will, however, be treated as a separate acquisition, and their base cost will only be deductible upon disposal of such new shares.

Offer for Subscription

Any C Shares subscribed for in excess of the minimum entitlement under the open offer will be treated as a separate acquisition, and the shareholder's base cost will only be deductible upon disposal of such new shares.

Placing

The issue of C Shares pursuant to the Placing will not constitute a reorganisation of the share capital of the Company for the purposes of the UK taxation of chargeable gains and, accordingly, any C Shares so acquired will be treated as acquired as part of a separate acquisition of C Shares.

Conversion of C Shares

The subsequent conversion of C Shares into Ordinary Shares and Deferred Shares would also constitute a reorganisation of the Company's share capital and would not, therefore, result in any disposal by the Shareholders of the C Shares for the purposes of UK tax on chargeable gains. Instead, the new Ordinary Shares and Deferred Shares would be regarded as the same asset as the C Shares, acquired on the same date and for the same consideration as such C Shares were deemed to be acquired. The base cost of the C Shares will be divided between the new Ordinary Shares and the Deferred Shares arising upon conversion in proportion to the respective market values of those shares.

Scrip Shares

On the basis of case law, UK resident shareholders should not receive any income liable to UK income tax or corporation tax to the extent that they elect to receive Scrip Shares instead of the cash dividend. Nor should they make any disposal for chargeable gains tax purposes at the time the Scrip Shares are allotted. Instead the Scrip Shares and the original registered holding of Ordinary Shares (the **"Original Holding"**) should be treated as a single holding acquired at the time of the Original Holding. There will be no allowable expenditure for chargeable gains tax purposes arising in respect of the Scrip Shares and the allowable expenditure arising in respect of the Original Holding will be apportioned across the Original Holding and the Scrip Shares. A disposal for chargeable gains tax purposes will only arise at the time the shareholder subsequently disposes of the Scrip Shares or the Original Holding (a **"Subsequent Disposal"**).

UK resident individual shareholders may be subject to capital gains tax in respect of chargeable gains arising on a Subsequent Disposal depending on their individual circumstances. UK resident corporate shareholders may be subject to corporation tax in respect of chargeable gains arising on a Subsequent Disposal depending on their individual circumstances. UK resident exempt funds will not be liable to tax on chargeable gains arising upon a Subsequent Disposal of investments held for the purposes of the fund.

Stamp Duty and Stamp Duty Reserve Tax ("SDRT")

The following comments are intended as a guide to the general stamp duty and SDRT position and do not relate to persons such as market makers, brokers, dealers, intermediaries and persons connected with depository arrangements or clearance services, to whom special rules apply.

No Guernsey or UK stamp duty or SDRT will be payable on the issue of Ordinary Shares, the C Shares or the Scrip Shares.

UK stamp duty (at the rate of 0.5 per cent. of the amount of the value of the consideration for the transfer rounded up where necessary to the nearest £5) is payable on any instrument of transfer of the Ordinary Shares executed within the UK other than when the value of the consideration for the transfer is less than £1,000 and the transfer is not part of a larger transaction. There may, however, be no practical necessity to pay such stamp duty as United Kingdom stamp duty is not an assessable tax. However, an instrument of transfer which is not duly stamped cannot be used for any purpose in the UK; for example it will be inadmissible in evidence in civil proceedings in a UK court. Provided that there is no register of the Company kept in the UK and transfer is settled electronically via CREST, any agreement to transfer the Ordinary Shares will not be subject to UK SDRT.

In the event of the death of an individual Shareholder, a Guernsey grant of probate or administration may be required in respect of which certain fees will be payable to the Ecclesiastical Court in Guernsey.

ISAs and SIPPs

It is expected that the Ordinary Shares and the C Shares will be eligible for inclusion in ISAs (subject to applicable subscription limits) provided that they have been acquired by purchase in the market (which will include any C Shares acquired directly under the Offer for Subscription but not any C Shares acquired directly under the Placing) and that they will be permissible assets for SIPPs.

PART IX

TERMS OF THE C SHARES AND THE CONVERSION RATIO

1. General

1.1 An issue of C Shares is designed to overcome the potential disadvantages for both existing and new investors which could arise out of a conventional fixed price issue of further Ordinary Shares of an existing issued class for cash. In particular:

(a) provided that the targeted minimum of £50 million is raised, the Net Asset Value of the Existing Ordinary Shares will not be diluted by the expense associated with the Issue which will be borne by the subscribers for C Shares and not by existing Shareholders; and

(b) the basis upon which the C Shares will convert into Ordinary Shares is such that the number of Ordinary Shares to which C Shareholders will become entitled will reflect the relative investment performance and value of the pool of new capital attributable to the C Shares raised pursuant to the Issue up to the Calculation Time as compared to the assets attributable to the Existing Ordinary Shares at that time and, as a result, neither the Net Asset Value attributable to the Existing Ordinary Shares nor the Net Asset Value attributable to the C Shares will be adversely affected by Conversion.

The C Shares will convert into Ordinary Shares on the basis of the Conversion Ratio which will be calculated on an investment basis when at least 80 per cent. of the assets attributable to the C Shares have been invested (as fully described in paragraph 4 below). Once the Conversion Ratio has been calculated, the C Shares will convert into Ordinary Shares on the basis set out below. In order that the portfolio value as at 31 December 2010 forms the basis for the calculation of the Conversion Ratio, it is intended that the proceeds from the Issue will be applied at the beginning of January 2011 with Conversion occurring later that month.

2. Example of conversion mechanism

2.1 The following example illustrates the basis on which the number of Ordinary Shares arising on Conversion will be calculated. The example is unaudited and is not intended to be a forecast of the number of Ordinary Shares which will arise on Conversion, nor a forecast of the level of income which may accrue to Ordinary Shares in the future.

2.2 The example illustrates the number of Ordinary Shares which would arise on the conversion of 1,000 C Shares held at Conversion using assumed NAVs attributable to the C Shares and the Ordinary Shares in issue at the Calculation Time. The assumed NAV attributable to a C Share at Calculation Time is based on the assumption that 110 million C Shares are issued and that the costs of the issue amount to £1.89 million. The assumed NAV attributable to each Ordinary Share is 110.7625 pence, being the NAV as at the close of business on 30 September 2010 of 112.4 pence, adjusted for the first interim distribution of 3.275 pence, plus assumed accrued income of 1.6375 pence (being an amount equal to three months' worth of the total distributions made to shareholders for the year ended 31 March 2010, on a *pro rata* basis).

Example

Number of C Shares subscribed	1,000
Amount subscribed (£)	1,000
Net Asset Value attributable to a C Share at calculation time (p)	98.3
Net Asset Value attributable to an Ordinary Share at calculation time (p)	110.7625
Conversion Ratio	0.8872
New Ordinary Shares arising on conversion	887

3. Terms of the C Shares

The rights and restrictions attaching to the C Shares are set out in the Articles. The relevant provisions are as set out below.

4. Definitions

The following definitions apply for the purposes of Part IX of this prospectus in addition to, or (where applicable) in substitution for, the definitions applicable elsewhere in this prospectus.

"C Shares" means the shares of 0.01 pence each in the capital of the Company issued and designated as C Shares of whatever tranche and having the rights described in the Articles;

"C Share Surplus" in relation to any tranche of C Shares means the net assets of the Company attributable to the C Shares, being the assets attributable to the C Shares (including for the avoidance of doubt, any income and/or revenue (net of expenses) arising from or relating to such assets) less such proportion of the Company's liabilities as the Directors shall reasonably allocate to the assets of the Company attributable to the C Shares;

"Calculation Time" in relation to any tranche of C Shares means the earliest of:

(a) the close of business on the date determined by the Directors that at least 80 per cent. of the assets attributable to the C Shares have been invested (as defined below) in accordance with the Company's investment policy;

(b) the close of business on the last Business Day prior to the day on which Force Majeure Circumstances have arisen or the Directors resolve that such circumstances are in contemplation;

(c) the close of business on such date as the Directors may determine to enable the Company to comply with its obligations in respect of Conversion; and

(d) the close of business on the Business Day falling six months after Admission;

"Conversion" means in relation to any tranche of C Shares the subdivision and conversion of that tranche of C Shares in accordance with Article 162(8) and paragraph 12 below;

"Conversion Ratio" is A divided by B calculated to four decimal places (with 0.00005 being rounded upwards) where:

$$A = \frac{C - D}{E}$$

And

$$B = \frac{F - G}{H}$$

and where:

"C" is the aggregate of:

(a) the value of the investments of the Company attributable to the C Shares of the relevant tranche (other than investments which are subject to restrictions on transfer or a suspension of dealings, which are to be valued in accordance with (b) below) which are listed or dealt in on a stock exchange or on a similar market:

  (i) calculated in the case of investments of the Company which are listed on the London Stock Exchange according to the prices issued by the London Stock Exchange as at the Calculation Time, being the closing middle market prices for all investments other than the FTSE 100 constituents and FTSE 100 reserve list constituents for which the last trade prices shall be used. If any such investments are traded under the London Stock Exchange Daily Electronic Trading Service ("SETS") and the latest recorded prices at which such investments have been traded as shown in the London Stock Exchange Daily Official List differ materially from the bid and offer prices of the investments quoted on SETS as at the Calculation Time, the value of such investments shall be adjusted to reflect the fair realisable value as determined by the Directors. Investments of the Company which are listed, quoted or dealt in on any other recognised stock exchange shall be valued by reference to the closing middle market prices on the principal stock exchange or market where the relevant investment is

listed, quoted or dealt in as at the Calculation Time, as shown by the relevant exchange's or market's recognised method of publication of prices for such investments. Debt related securities (including Government stocks) shall be valued by reference to the closing middle market price, subject to any adjustment to exclude any accrual of interest which may be included in the quoted price, as at the Calculation Time; or

(ii) where such published prices are not available, calculated by reference to the Directors' belief as to a fair current trading price at the Calculation Time for those investments, after taking account of any other price publication services reasonably available to the Directors;

(b) the value of all other investments of the Company attributable to the C Shares of the relevant tranche at their respective acquisition costs or at such other value as the Directors may, in their discretion, determine to be appropriate, subject to such adjustments as the Directors may deem appropriate to be made for any variations in the value of such investments between the date of acquisition and the Calculation Time; and

(c) the amount which, in the Directors' opinion, fairly reflects, at the Calculation Time, the value of the current assets of the Company attributable to the C Shares of the relevant tranche (including cash and deposits with or balances at bank and including any accrued income and other items of a revenue nature less accrued expenses);

"D" is the amount which (to the extent not otherwise deducted in the calculation of "C") in the Directors' opinion fairly reflects the amount of the liabilities attributable to the C Shares of the relevant tranche at the Calculation Time;

"E" is the number of C Shares of the relevant tranche in issue at the Calculation Time;

"F" is the aggregate of:

(a) the value of all the investments of the Company (other than investments which are subject to restrictions on transfer or a suspension of dealings, which are to be valued in accordance with (b) below), other than investments attributable to the C Shares (of whatever tranche) in issue at the Calculation Time, which are listed or dealt in on a stock exchange or on a similar market:

(i) calculated in the case of investments of the Company which are listed on the London Stock Exchange according to the prices issued by the London Stock Exchange as at the Calculation Time, being the closing middle market prices for all investments other than the FTSE 100 constituents and FTSE 100 reserve list constituents for which the last trade prices shall be used. If any such investments are traded under SETS and the latest recorded prices at which such investments have been traded as shown in the London Stock Exchange Daily Official List differ materially from the bid and offer prices of the investments quoted on SETS as at the Calculation Time, the value of such investments shall be adjusted to reflect the fair realisable value as determined by the Directors. Investments of the Company which are listed, quoted or dealt in on any other recognised stock exchange shall be valued by reference to the closing middle market prices on the principal stock exchange or market where the relevant investment is listed, quoted or dealt in as at the Calculation Time, as shown by the relevant exchange's or market's recognised method of publication of prices for such investments. Debt related securities (including Government stocks) shall be valued by reference to the closing middle market price, subject to any adjustment to exclude any accrual of interest which may be included in the quoted price, as at the Calculation Time; or

(ii) where such published prices are not available, calculated by reference to the Directors' belief as to a fair current trading price for those investments, after taking account of any other price publication services reasonably available to the Directors;

(b) the value of all other investments of the Company, other than investments attributable to the C Shares (of whatever tranche) in issue at the Calculation Time at their respective acquisition costs, subject to such adjustments as the Directors may deem appropriate to be made for any variations in the value of such investments between the date of acquisition and the Calculation Time; and

(c) the amount which, in the Directors' opinion, fairly reflects at the Calculation Time, the value of the current assets of the Company (including cash and deposits with or balances at bank and including any accrued income or other items of a revenue nature less accrued expenses), other than such assets attributable to the C Shares (of whatever tranche) in issue at the Calculation Time;

"G" is the amount which (to the extent not otherwise deducted in the calculation of "F") in the Directors' opinion fairly reflects the amount of the liabilities and expenses of the Company at the Calculation Time including, for the avoidance of doubt, the full amount of all dividends declared but not paid) less the amount of "D"; and

"H" is the number of Ordinary Shares in issue at the Calculation Time;

"Conversion Time" means a time which falls after the Calculation Time and is the time at which the admission of the New Shares to the Official List becomes effective and which is the earlier of:

(a) the opening of business on such Business Day as is selected by the Directors provided that such day shall not be more than 20 Business Days after the Calculation Time; or

(b) such earlier date as the Directors may resolve should Force Majeure Circumstances have arisen or the Directors resolve that such circumstances are in contemplation;

"Deferred Shares" means the redeemable deferred shares of 0.01 pence each in the capital of the Company arising on the conversion of the C Shares of the relevant tranche into New Shares and Deferred Shares;

"Force Majeure Circumstances" means in relation to any tranche of C Shares any political and/or economic circumstances and/or actual or anticipated changes in fiscal or other legislation which, in the reasonable opinion of the Directors, renders Conversion necessary or desirable notwithstanding that less than 80 per cent. of the assets attributable to the relevant tranche of C Shares are invested (as defined below) in accordance with the Company's investment policy;

"Independent Accountants" means KPMG Channel Islands Limited or such other firm of chartered accountants as the Directors may appoint for the purpose;

"Laws" means the Companies (Guernsey) Laws 2008, as amended, extended or replaced and any ordinance, statutory instalment or regulation made thereunder;

"Member" includes a registered holder of a share in the Company and any person entitled thereto on death, disability or insolvency of a member;

"New Shares" means the Ordinary Shares arising on the conversion of the C Shares of the relevant tranche;

"Nominal Shares" means unclassified shares of 0.01 pence in the capital of the Company issued and designated as nominal shares and having the rights described in these Articles; and

"Share Surplus" means the net assets of the Company less the C Share Surplus.

For the purposes of paragraph (a) of the definition of Calculation Time and the definition of Force Majeure Circumstances, in relation to any tranche of C Shares, the assets attributable to the C Shares of that tranche shall be treated as having been "invested" if they have been expended by or on behalf of the Company in the acquisition or making of an investment (whether by subscription or purchase) or in the repayment of all or part of an outstanding loan of any member of the Group or if an obligation to make such payment has arisen or crystallised (in each case unconditionally or subject only to the satisfaction of normal pre-issue conditions) in relation to which the consideration amount has been determined or is capable of being determined by operation of an agreed contractual mechanic.

5. Issues of C Shares

(a) Subject to the Law, the Directors shall be authorised to issue C Shares in tranches on such terms as they determine provided that such terms are consistent with the provisions summarised in this paragraph (a). The Directors shall, on the issue of each tranche of C Shares, determine the Calculation Time and Conversion Time together with any amendments to the definition of Conversion Ratio attributable to each such tranche.

(b) Each tranche of C Shares, if in issue at the same time, shall be deemed to be a separate class of shares. The Directors may, if they so decide, designate each tranche of C Shares in such manner as they see fit in order that each tranche of C Shares can be identified.

6. Dividend and *pari passu* ranking of C Shares and New Shares

6.1 The holders of C Share(s) of any tranche shall be entitled to receive, and participate in, any dividends declared only insofar as such dividend is attributed, at the sole discretion of the Directors, to the C Share Surplus of that tranche.

6.2 If any dividend is declared after the issue of any tranche of C Shares and prior to the Conversion of that tranche, the holders of Ordinary Shares shall be entitled to receive and participate in such dividend only insofar as such dividend is not attributed, at the sole discretion of the Directors, to the C Share Surplus of the relevant tranche of C Shares.

6.3 Subject as provided in the following sentence the New Shares shall rank in full for all dividends and other distributions declared, made or paid after the Conversion Time and otherwise *pari passu* with Ordinary Shares in issue at the Conversion Time. For the avoidance of doubt, New Shares shall not be entitled to any dividends or distributions which are declared prior to the Conversion Time but made or paid after the Conversion Time.

6.4 The Deferred Shares (to the extent that any are in issue and extant) shall not entitle the holders thereof to any dividend or any other right as the holders thereof to share in the profits or net assets of the Company.

7. Rights as to capital

7.1 The capital and assets of the Company shall, on a winding-up or on a return of capital prior, in each case, to Conversion be applied as follows:

(a) the Share Surplus shall be divided amongst the holders of Ordinary Shares and Management Shares according to the rights attaching thereto as if the Share Surplus comprised the assets of the Company available for distribution;

(b) the C Share Surplus shall be divided amongst the holders of C Shares *pro rata* according to their holdings of C Shares; and

(c) the Deferred Shares shall have no rights to the capital or assets of the Company.

8. Voting and transfer

8.1 The C Shares shall carry the right to receive notice of, and to attend or vote at, any general meeting of the Company. The C Shares shall be transferable in the same manner as the Ordinary Shares. The Deferred Shares shall not be transferable and shall not carry any rights to receive notice of, attend or vote at any general meeting of the Company.

9. Redemption

9.1 The C Shares are issued on terms that each tranche of C Shares and Deferred Shares shall be redeemable by the Company in accordance with the terms set out in the Articles. At any time prior to Conversion, the Company may, at its discretion, redeem all or any of the C Shares then in issue by agreement with any holder(s) thereof in accordance with such procedures as the Directors may

determine (subject to the facilities and procedures of CREST) and in consideration of the payment of such redemption price as may be agreed between the Company and the relevant holders of C Shares.

9.2 The Deferred Shares arising from Conversion of a particular tranche of C Shares (to the extent that any are in issue and extant) may be redeemed at the option of the Company at any time following Conversion of the relevant tranche of C Shares for an aggregate consideration of 1 pence for all such Deferred Shares, and for such purposes any Director is authorised as agent on behalf of each holder of Deferred Shares, in the case of any share in certificated form, to execute any stock transfer form and to do any other act or thing as may be required to give effect to the same including, in the case of a share in uncertificated form, the giving of directions to or on behalf of each holder of Deferred Shares who shall be bound by them.

9.3 The Company shall not be obliged to issue share certificates to the holders of Deferred Shares.

10. Class consents and variation of rights

10.1 Without prejudice to the generality of the Articles, until Conversion the consent of the holders of the C Shares as a class shall be required for, and accordingly, the special rights attached to the C Shares shall be deemed to be varied, *inter alia,* by:

(a) any alteration to the memorandum of incorporation of the Company or the Articles; or

(b) any alteration, increase, consolidation, division, subdivision, cancellation, reduction or purchase by the Company of any issued or authorised share capital of the Company (other than on Conversion); or

(c) any allotment or issue of any security convertible into or carrying a right to subscribe for any share capital of the Company or any other right to subscribe or acquire share capital of the Company; or

(d) the passing of any resolution to wind up the Company; or

(e) the selection of any accounting reference date other than 31 March.

11. Undertakings

11.1 Until Conversion, and without prejudice to its obligations under the Law, the Company shall in relation to each tranche of C Shares:

(a) procure that the Company's records and bank accounts shall be operated so that the assets attributable to the C Shares of the relevant tranche can, at all times, be separately identified and, in particular but without prejudice to the generality of the foregoing, the Company shall procure that separate cash accounts shall be created and maintained in the books of the Company for the assets attributable to the C Shares of the relevant tranche;

(b) allocate to the assets attributable to the C Shares of the relevant tranche such proportion of the expenses or liabilities of the Company incurred or accrued between the Issue Date and the Calculation Time (both dates inclusive) as the Directors fairly consider to be attributable to the C Shares of the relevant tranche including, without prejudice to the generality of the foregoing, those liabilities specifically identified in the definition of "Conversion Ratio" above; and

(c) give appropriate instructions to the Investment Manager to manage the Company's assets so that such undertakings can be complied with by the Company.

12. Conversion of C Shares

12.1 In relation to each tranche of C Shares, the C Shares shall be subdivided and converted into New Shares and Deferred Shares at the Conversion Time in accordance with the provisions set out below.

12.2 The Directors shall procure that:

(a) the Company (or its delegate) calculate, within two Business Days after the Calculation Time, the Conversion Ratio as at the Calculation Time and the number of New Shares to which each holder of C Shares of that tranche shall be entitled on Conversion; and

(b) the Independent Accountants shall be requested to certify, within three Business Days after the Calculation Time, that such calculations:

(i) have been performed in accordance with the Articles; and

(ii) are arithmetically accurate,

(c) whereupon, subject to any proviso in the definition of Conversion Ratio above, such calculations shall become final and binding on the Company and all Members.

12.3 The Directors shall procure that, as soon as practicable following such certificate, an announcement is made to a Regulatory Information Service advising holders of C Shares of that tranche (i) the Conversion Time, (ii) the Conversion Ratio and (iii) the aggregate number of New Shares to which holders of the C Shares of that tranche are entitled on Conversion.

12.4 Conversion shall take place at the Conversion Time. On Conversion:

(a) such number of issued C Shares of the relevant tranche then in issue shall convert (by subdivision and/or consolidation and/or combination of both or otherwise as appropriate) into such number of New Shares as shall be necessary to ensure that, upon Conversion being completed, the number of New Shares equals the number of C Shares of that tranche in issue at the Calculation Time multiplied by the Conversion Ratio (rounded down to the nearest whole New Share). Each C Share which does not so convert into a New Share shall automatically convert into a Deferred Share having the rights set out above and shall be dealt with in accordance with paragraph (b) below.

(b) each C Share which does not convert into a New Share in accordance with paragraph (a) above and is converted into a Deferred Share shall immediately upon Conversion be redeemed by the Company for an aggregate consideration of 1p for all of the Deferred Shares so redeemed. The Company shall not be obliged to account to any holder of C Shares for the redemption monies in respect of such shares. If at the relevant time such shares would otherwise fall to be redeemed and the Company may not lawfully effect such redemption except out of the proceeds of a fresh issue of shares made for the purpose of a redemption, the Company shall issue such number of Nominal Shares at a sufficient price per share in order to provide the Company with the funds to effect such redemption.

12.5 The New Shares arising upon Conversion shall be divided amongst the former holders of C Shares *pro rata* according to their respective former holdings of C Shares of the relevant tranche (provided always that the Directors may deal in such manner as they think fit with fractional entitlements to New Shares, including, without prejudice to the generality of the foregoing, selling any such shares representing such fractional entitlements and retaining the proceeds for the benefit of the Company) and for such purposes any Director is hereby authorised as agent on behalf of the former holders of C Shares, in the case of a share in certificated form, to execute any stock transfer form and to do any other act or thing as may be required to give effect to the same including, in the case of a share in uncertificated form, the giving of directions to or on behalf of the former holders of any C Shares who shall be bound by them. Forthwith upon Conversion, any certificates relating to the C Shares of the relevant tranche shall be cancelled and the Company shall issue to each such former C Shareholder new certificates in respect of the New Shares which have arisen upon Conversion unless such former holder of any C Shares elects to hold their New Shares in uncertificated form.

12.6 The Company will use its reasonable endeavours to procure that, upon Conversion, the New Shares are admitted to the Official List.

12.7 The Directors be and they are hereby authorised to effect such and any consolidations and/or divisions and/or combinations of both (or otherwise as appropriate) as may have been or may be necessary from time to time to implement the conversion mechanics for C Shares set out in the Articles of Incorporation of the Company for the time being and as the same may from time to time be amended.

13. Deferred Shares

As set out above, Deferred Shares shall only be issued in respect of Conversion of C Shares. In a winding-up after Conversion, Deferred Shares shall be entitled to return an amount equal to their nominal value after return of capital on Ordinary Shares, paid up on Nominal Shares and Management Shares. The provisions of the Articles as to dividends, voting and redemption of the Deferred Shares are set out above in sub-paragraphs 6, 8 and 9.

PART X

FINANCIAL INFORMATION ON THE COMPANY

1. Statutory accounts for financial period ended 31 March 2010

Statutory accounts of the Company prepared in accordance with International Financial Reporting Standards for the financial year ended 31 March 2010, in respect of which the Company's auditors, KPMG Channel Islands Limited of St. Peter Port, Guernsey made unqualified reports, have been delivered to the Guernsey Financial Services Commission and such reports did not contain any qualifications.

2. Published report and accounts for financial periods ended 31 March 2008, 31 March 2009, 31 March 2010 and 30 September 2010

2.1 ***Historical financial information***

The published annual report and audited accounts of the Company for the financial years ended 31 March 2010, 31 March 2009 and 31 March 2008, as well as the unaudited interim reports for the six month period ended 30 September 2010 (which have been incorporated in this prospectus by reference), included, on the pages specified in the table below, the following information:

Nature of information	*For the 6 month period ended 30 September 2010 Page No(s)*	*For the year ended 31 March 2010 Page No(s)*	*For the year ended 31 March 2009 Page No(s)*	*For the year ended 31 March 2008 Page No(s)*
Consolidated Income statement	25	46	38	28
Consolidated Balance sheet	26	47	39	29
Consolidated Cash flow statement	28	49	41	32
Consolidated Statement of Changes in equity	27	48	40	30-31
Accounting policies	29	50-57	42-49	33-39
Notes to the financial statements	29-35	50-84	42-70	33-57
Audit report	—	45	37	27
Independent Review Report	24	—	—	—
Unaudited results on an investment basis	19-22	21-24	20-23	13-16
Portfolio valuation	11-14	13-16	16-19	10-12

2.2 ***Selected financial information***

The key figures that summarise the financial condition of the Company in respect of the financial years ended 31 March 2010, 31 March 2009 and 31 March 2008, and the 6 month interim accounts to 30 September 2010, which have been extracted directly on a straightforward basis from the historical financial information referred to in paragraph 2.1 above of this Part X are set out in the following table:

Net Asset Values on an Investment basis	*As at 30 September 2010 (unaudited)*	*As at 31 March 2010 (unaudited)*	*As at 31 March 2009 (unaudited)*	*As at 31 March 2008 (unaudited)*
Net assets (£m)	558.1	502.9	373.7	307.8
Net Asset Value per Share (p)	112.4	110.7	110.5	123.1
Net Asset Value per Share after deducting the interim/final distribution (p)	109.2	107.3	107.2	119.9

Net Asset Values on a Consolidated IFRS basis	*As at 30 September 2010 (unaudited)*	*As at 31 March 2010 (audited)*	*As at 31 March 2009 (audited)*	*As at 31 March 2008 (audited)*
Net assets (£m)	564.9	499.4	380.2	305.8
Net Asset Value per Share (p)	111.3	107.1	111.1	120.9
Net Asset Value per Share after deducting the interim/final distribution (p)	108.1	103.7	107.8	117.7

Results on an investment basis	*For the 6 month period ended 30 September 2010 (unaudited)*	*For the year ended 31 March 2010 (unaudited)*	*For the year ended 31 March 2009 (unaudited)*	*For the year ended 31 March 2008 (unaudited)*
Profit before tax and gains on investments (revenue) (£m)	9.0	17.8	20.4	58.0
Gains on investments (capital) (£m)	14.4	7.2	(42.4)	4.5
Profit before tax (£m)	23.4	25.0	(22.0)	19.6
Earnings per share (p)	4.9	6.5	(6.8)	7.8
Interim/final distribution per share (p)	3.275	3.35	3.275	3.20

Results on an Consolidated IFRS basis	*For the 6 month period ended 30 September 2010 (unaudited)*	*For the year ended 31 March 2010 (audited)*	*For the year ended 31 March 2009 (audited)*	*For the year ended 31 March 2008 (audited)*
Profit before tax and gains on investments (capital) (£m)	7.5	25.3	18.0	15.9
Gains on investments (capital) (£m)	30.8	(17.6)	(30.4)	(6.7)
Profit before tax (£m)	38.3	7.7	(12.4)	9.2
Earnings per share (p)	7.2	1.6	(4.3)	2.7
Interim/final distribution per share (p)	3.275	3.35	3.275	3.20

2.3 ***Operating and financial review***

The published annual reports and audited accounts of the Company for the financial years ended 31 March 2010, 31 March 2009 and 31 March 2008, as well as the unaudited interim report ended 30 September 2010 (which have been incorporated in this prospectus by reference), included, on the pages specified in the table below, descriptions of the Company's financial condition (in both capital and revenue terms), changes in its financial condition and details of the Group's portfolio of investments for each of those periods.

	As at 30 September 2010 Page No(s)	*As at 31 March 2010 Page No(s)*	*As at 31 March 2009 Page No(s)*	*As at 31 March 2008 Page No(s)*
Chairman's Statement	5-8	4-6	4-6	3-5
Investment Adviser's Report	9-14	10-16	14-19	9-12
Report of the Directors	—	34-36	31-35	22-25

2.4 ***Availability of annual report and audited accounts for inspection***

Copies of the published annual report and audited accounts of the Company for the financial years ended 31 March 2010, 31 March 2009 and 31 March 2008, as well as the unaudited interim report for the period ended 30 September 2010, are available for inspection at the addresses set out in Part XI of this prospectus.

2.5 The last year of audited information is the financial period ended 31 March 2010, which is less than 15 months prior to the publication of this prospectus.

2.6 ***No significant change in financial position***

Save for the investments acquired by the Group for an aggregate consideration of £93.2m as detailed on pages 55 and 65 (being further investments in the Oxford John Radcliffe PFI Hospital and the Queen Alexandra Hospital and new investments in the North West Anthony Henday P3 project, Kent Schools and the Kicking Horse Canyon Transit P3 project, together with a contract to acquire the M80 DBFO Road), there has been no significant change in the trading or financial position of the Group since 30 September 2010, being the end of the last financial period for which interim financial information has been published.

2.7 ***Working capital***

In the Company's opinion, the Group has sufficient working capital for its present requirements (that is, for at least the 12 months following the date of this prospectus).

2.8 ***Capitalisation and indebtedness***

The following tables show the capitalisation and indebtedness of the Group as at 30 September 2010. The figures for capitalisation and indebtedness as at 30 September 2010 have been extracted from the unaudited interim financial statements of the Group for the six months ended 30 September 2010. As at the close of business (UK time) on 12 November 2010 (the latest practicable date prior to publication of this prospectus) there has been no material change to the capitalisation figures from that date.

The figures in the net indebtedness table as at 30 September 2010 have been extracted from the underlying accounting records of the Group as at 30 September 2010, and show the external net financial indebtedness of the Group, and exclude balances between entities that comprise the Group.

3. Total capitalisation and indebtedness as at 30 September 2010

	Investment Basis[1] (£m)	*Consolidation Adjustments (£m)*	*Consolidated IFRS basis (£m)*
Total Current debt			
Loans and Borrowing			
– Secured	0.0	(29.9)	(29.9)
– Unguaranteed/Unsecured	0.0	0.0	0.0
Total Non-Current debt (excluding current portion of long term debt)			
Loans and Borrowings			
– Secured[2]	0.0	(623.8)	(623.8)
– Unguaranteed/Unsecured	0.0	0.0	0.0
Other financial liabilities (fair value of derivatives)[3]	(9.3)	(104.6)	(113.9)
Total indebtedness	(9.3)	(758.3)	(767.6)
Cash and cash equivalents	15.5	51.1	66.6
Total net indebtedness	6.2	(707.2)	(701.0)
Shareholders' equity (excluding retained reserves):			
Share capital[4]	0.0	0.0	0.0
Share premium	280.9	0.0	280.9
Minority interests	0.0	12.3	12.3
Total capitalisation	280.9	12.3	293.2

Notes

1 In order to provide Shareholders with a more meaningful representation of the Group's capitalisation and indebtedness, coupled with greater transparency in the Group's capacity for investment and ability to make distributions, the results have been restated and set out in the tables above. The tables are prepared with all investments accounted for on an investment basis. By deconsolidating the subsidiary investments, the capitalisation and indebtedness under consolidated IFRS basis may be compared with the results under the investment basis.

2 At 30 September 2010 included in 'Trade and other receivables' was £1.1m of capitalised debt costs (relating to the Company only). At 31 March 2010 capitalised debt costs were included in'Loans and borrowings' in accordance with IAS 39 Financial Instruments (para 43).

3 Other financial liabilities (fair value of derivatives) relate to (i) interest rate swaps and inflation rate swaps entered into by Project Companies and (ii) forward forex contracts of the Group. In order to manage exposure to movements in interest rates, Project Companies financed by floating rate debt swap their floating rate exposure for fixed rates using interest rate swaps. Similarly, in order to manage exposure to movements in inflation rates, some Project Companies use inflation rate swaps.

4. Share Capital is £49,632 and is made up of 496,321,977 issued and fully paid ordinary shares of 0.01p each. At 30 September 2010 the Group was committed to subscribing a further £7.5 million to project investments and one of the subsidiaries had capital commitments of £33.2 million contracted for but not provided for in the statement above.

PART XI

ADDITIONAL INFORMATION

1. The Company

1.1 The Company was incorporated with limited liability in Guernsey under the Laws as a closed-ended investment company on 11 January 2006 with registered number 44185.

1.2 The registered office of the Company is 1 Le Truchot, St. Peter Port, Guernsey, Channel Islands GY1 1WD (telephone: 44 (0) 1481 743940). The Company operates under the Laws and the ordinances and regulations made thereunder.

1.3 The Company's accounting periods terminate on 31 March of each year, the first such period having ended on 31 March 2007.

1.4 The Company is an authorised closed-ended investment scheme domiciled in Guernsey. As an existing closed-ended collective investment scheme the Company is deemed to have been granted an authorisation declaration in accordance with section 8 of the Protection of Investors (Bailiwick of Guernsey) Law 1987, as amended, and rule 6.02 of the Authorised Closed-ended Investment Schemes Rules 2008 on 8 February 2006 when the Company obtained consent under the Control of Borrowing (Bailiwick of Guernsey) Ordinance 1959 to 1989. No election has been made to be treat the Company as a registered closed-ended collective investment scheme. Neither the Guernsey Financial Services Commission nor the States of Guernsey Policy Council accept any responsibility for the financial soundness of the Company or for the correctness of any of the statements made or opinions expressed with regard thereto.

1.5 The authorised share capital of the Company upon incorporation was £100,000 divided into 100 Management Shares of 0.01 pence each and 999,999,900 unclassified shares of 0.01 pence each. Two Management Shares were issued at par which are registered in the name of First Ovalap Limited and Second Ovalap Limited respectively. Both such Management Shares are held for and on behalf of a Guernsey charitable trust.

1.6 The Company raised £250 million through the IPO pursuant to which the Company issued 250,000,000 Ordinary Shares of 0.01 pence each at an issue price of £1 per Ordinary Share.

1.7 On 21 March 2006, the holders of the two issued Management Shares in the Company passed a special resolution approving the cancellation of the whole amount standing to the credit of the Company's share premium account following completion of the issue of Ordinary Shares pursuant to the IPO (less any issue expenses set off against the share premium account). On 21 July 2006, an order was made by the Royal Court of Guernsey confirming the reduction of the share premium account.

1.8 On 21 May 2008, the Company issued 103,600,000 C Shares of 0.01 pence each. On 4 June 2008, as a result of the conversion of such C Shares, the Company issued 84,361,480 new Ordinary Shares of 0.01 pence each in exchange for 103,600,000 C Shares.

1.9 On 8 August 2008, 23 September 2009 and 5 July 2010 the Company applied for block listings of 33,402,711 Ordinary Shares, 36,821,287 Ordinary Shares and 30,000,000 Ordinary Shares respectively. The Company has issued 88,366,336 Ordinary Shares in aggregate by way of tap issue pursuant to these block listings since 8 August 2008.

1.10 On 16 December 2009, the Company issued 80,000,000 C Shares of 0.01 pence each. On 15 January 2010, as a result of the conversion of such C Shares, the Company issued 71,856,000 new Ordinary Shares of 0.01 pence each in exchange for 80,000,000 C Shares.

1.11 As a result of the scrip dividend alternative announced on 13 November 2008, the Company issued 327,253 Ordinary Shares to Shareholders who had elected to receive the same in lieu of an interim dividend of 3.125 pence per Ordinary Share.

1.12 As a result of the scrip dividend alternative announced on 20 May 2009, the Company issued 139,142 Ordinary Shares to Shareholders who had elected to receive the same in lieu of an interim dividend of 3.275 pence per Ordinary Share.

1.13 As a result of the scrip dividend alternative announced on 12 November 2009, the Company issued 917,049 Ordinary Shares to Shareholders who had decided to receive the same in lieu of an interim dividend of 3.2 pence per Ordinary Share.

1.14 As a result of the scrip dividend alternative announced on 20 May 2010, the Company issued 354,717 Ordinary Shares to Shareholders who had decided to receive the same in lieu of an interim dividend of 3.35 pence per Ordinary Share.

1.15 By a resolution dated 26 July 2010, the Shareholders granted the company the following authorities:

(a) to make market purchases of up to 14.99 per cent. of the Ordinary Shares in issue on such date, which authority will expire on the later of 26 July 2011 or the conclusion of the annual general meeting of the Company to be held in 2011. The maximum price payable for each Ordinary Share shall be 105 per cent. of the average of the middle market quotations for an Ordinary Share (as derived from the Official List) for the five Business Days immediately preceding the day of purchase or, if higher, the higher of the latest independent trade and the highest current independent bid. The minimum price payable shall be 0.01 pence per Ordinary Share. The Directors intend to seek a renewal of the authority to make purchases of Ordinary Shares from Shareholders at each subsequent annual general meeting of the company; and

(b) to make and arrange tender offers in accordance with this prospectus and The Companies (Guernsey) Law 2008 of up to a maximum of 15 per cent. of the Ordinary Shares in issue on 26 July 2010 at a price of 97 per cent. of the Net Asset Value per Ordinary Share as at the close of business on the relevant Calculation Date.

1.16 By a resolution dated 10 November 2010:

(a) the Shareholders empowered the Directors to allot up to 150 million C Shares of the Company in issue for cash as if Article 9 of the Articles (relating to pre-emption rights) did not apply to any such allotment, provided that this authority expires on 31 March 2011, and that the Company may, before such expiry, make an offer or agreement which would or might require C Shares to be allotted after such expiry as if the power conferred by such resolution had not expired; and

(b) the Shareholders agreed that the name of the Company be changed to "HICL Infrastructure Company Limited" when the trademark licence allowing the use of the HSBC name is terminated.

1.17 In accordance with the power granted to the Board by the Articles, it is expected that (assuming the Issue is fully subscribed and the Directors proceed at the maximum Issue size) 150 million unclassified shares will be issued as C Shares and allotted pursuant to a resolution of the Board to be passed prior to and conditional upon Admission.

2. Holding Entities: the Luxcos

As explained on page 35, the Company holds its assets through two Luxembourg companies (the Luxcos) each being a SàrI (broadly the equivalent of a private company), and each qualifying as a SOPARFI. The status of SOPARFIs is relevant for the tax treatment of the investment structure as explained in Part II of this prospectus. Luxco 2 holds the limited partnership interest in the Partnership.

3. The Partnership

3.1 The Partnership was established on 11 January 2006 as a limited partnership under the Limited Partnerships Act 1907 of the United Kingdom with the name Infrastructure Investments Limited Partnership and with registered number LP01 1056. The principal place of business of the

Partnership is at 8 Canada Square, London E14 5HQ. The Partnership is governed by (the "Limited Partnership Agreement") dated 7 February 2006 between Infrastructure Investments General Partner Limited (a wholly owned special purpose subsidiary of HIFML) as general partner (the "General Partner") and HSBC Property Fund Investments Limited (the "Initial Limited Partner"), another HSBC Group company, as initial limited partner. The Initial Limited Partner assigned its limited partner interest to Luxco 2 pursuant to a deed of assignment dated 23 March 2006. The Operator has been appointed as operator by a letter of appointment dated 7 February 2006. The management and operation of the Partnership on the intended basis may amount to the regulated activity of operating a collective investment scheme under UK legislation. In order to lawfully carry on a regulated activity in the United Kingdom, a person must be authorised by the FSA to carry on the activity in question unless an exemption applies. As such, the Operator, which has been authorised by the FSA to carry on, amongst other things, the regulated activity of operating a collective investment scheme, has been appointed as Operator to manage and operate the Partnership.

3.2 Under the Limited Partnership Agreement the Operator has full discretion to acquire, dispose of and manage the assets of the Partnership, subject to investment guidelines which reflect the investment strategy, policy and restrictions applying to the Group as set out in this prospectus. The Operator may effect borrowings for the Partnership within limits to be prescribed by the limited partner.

3.3 The Limited Partnership Agreement provides that the General Partner and the Operator will not be liable for losses incurred by the Partnership in the absence of gross negligence, fraud, gross professional misconduct, wilful default, wilful illegal act or any conscious and material breach of their respective obligations. Each of the General Partner, the Operator and their agents and employees are entitled to be indemnified out of the Partnership assets against claims, costs, damages or expenses incurred or threatened by reason of their acting as such, subject to the same exceptions.

3.4 The Partnership does not have a fixed life. If the Operator ceases to be operator, the Company will, under the terms of an option agreement between the Company and the Operator, have the option to buy the entire share capital of the General Partner from HIFML, and HIFML will have a corresponding option to sell such capital to the Company, in each case for a nominal consideration.

4. Restrictions under the Listing Rules

4.1 In accordance with the requirements of the UK Listing Authority, the Company has adopted the policies set out below:

(a) The Company's primary objective is investing and managing the assets with a view to spreading or otherwise managing investment risk. The Company must, at all times, invest and manage its assets in a way which is in accordance with the Investment Policy;

(b) The Company will not conduct a trading activity which is significant in the context of the Group as a whole. The Company will not cross-finance businesses forming part of the Group's investment portfolio; and

(c) No more than 10 per cent., in aggregate, of the Company's assets will be invested in other listed closed-ended investment funds.

4.2 The Listing Rules may be amended or replaced over time. To the extent that the above investment restrictions are no longer imposed under the Listing Rules those investment restrictions shall not apply to the Company.

4.3 In the event of any breach of the investment restrictions applicable to the Company, Shareholders will be informed of the actions to be taken by the Company by notice sent to the registered addresses of the Shareholders in accordance with the Articles or by an announcement issued through a Regulatory Information Service.

5. Directors' and other interests

5.1 At the date of this prospectus, the Directors hold the following Ordinary Shares in the Company:

(a)	Graham Picken	46,236 Ordinary Shares
(b)	Sarah Evans	134,730 Ordinary Shares (89,820 of which are held by her spouse)
(c)	John Hallam	46,236 Ordinary Shares
(d)	Chris Russell	31,051 Ordinary Shares

5.2 As at the date of this prospectus, Graham Picken and John Hallam each intend to subscribe for 25,000 C Shares and Chris Russell intends to subscribe beneficially for 15,000 C Shares. In addition, the spouse of Sarah Evans intends to subscribe for 100,000 C Shares. In each case subscriptions are intended to be made pursuant to the Issue.

5.3 The Directors are remunerated for their services. In respect of the Company's accounting period ending on 31 March 2011 the Chairman is entitled to an annual fee of £34,000, Mr J. Hallam is entitled to an annual fee of £26,000 and Mrs S. Evans and Chris Russell are each entitled to an annual fee of £22,500. The aggregate remuneration of the Directors shall not exceed £200,000 *per annum* (or such sum as the Company in general meeting shall determine). In addition, each Director is entitled to a payment of £10,000 in connection with additional duties performed in relation to the Issue. All such fees are payable out of the assets of the Company, other than the payment of the additional £10,000 which will be borne by the proceeds of the Issue. No Director has waived or agreed to waive future emoluments nor has any Director waived any such emolument during the current financial year. No commissions or performance related payments have been or will be made to the Directors by the Company.

No Director has a service contract with the Company, nor are any such contracts proposed. The Directors were confirmed as non-executive directors by the Ordinary Shareholders at the first annual general meeting of the Company, and their appointment is subject to the Articles. The Directors' appointments can be terminated in accordance with the Articles without notice and without compensation.

5.4 No loan has been granted to, nor any guarantee provided for the benefit of, any Director by the Company.

5.5 None of the Directors has, or has had, an interest in any transaction which is or was unusual in its nature or conditions, significant to the business of the Company, caused or may cause a potential conflict of interest between such Directors, their private interests and/or their duties and the Company or which has been effected by the Company since its incorporation.

5.6 No amount has been set aside or accrued by the Company or its subsidiaries to provide pension, retirement or other benefits.

6. Other directorships

In addition to their directorships of the Company and other companies in the Group, the Directors are, or have been, members of the administrative, management or supervisory bodies or partners of the following companies or partnerships, at any time in the previous five years:

Name

Graham Picken *(Chairman)*

Current Directorships and Partnerships

Blue Lake Services Ltd

Past Directorships and Partnerships

Derbyshire Building Society
Derbyshire Home Loans Ltd
Derbyshire IFS Ltd
SL Commercial Ltd.

Name

Sarah Evans

Current Directorships and Partnerships

Celadon PCC Ltd
Crystal Amber Fund Limited
CQS Diversified Fund Limited
Evans Property Holdings Ltd
Japan Leisure Hotels Limited
La Bigoterie Holdings Ltd
Phaunos Timber Fund Limited
Harbourvest Senior Loans Europe Limited
HICL Infrastructure 1 Sàrl
HICL Infrastructure 2 Sàrl
Orange Senior Lans 1 Sàrl
Orange Senior Lans 2 Sàrl
Orange Senior Lans 3 Sàrl

Past Directorships and Partnerships

FAP Hedge Fund Opportunities Fund GP Limited
FAP Hedge Fund Opportunities Fund Limited
FAP Hedge Fund Opportunities Master Fund Limited

Name

John Hallam

Current Directorships and Partnerships

Barclays Insurance Guernsey PCC Ltd
Baring Coller Secondaries Fund Ltd
Baring Coller Secondaries Fund II Ltd
BH Global Ltd
Bracken Partners Investments Channel Islands Ltd
Cazenove Absolute Equity Ltd
Cognetas European Fund (GP) Ltd
Cognetas European Fund II (GP) Ltd
Develica Asia Pacific Ltd
Develica Deutschland Ltd
Develica Equity Partners Ltd
Dexion Absolute Ltd
EFG Private Bank (Channel Islands) Ltd
Genesis Asset Managers LLP
HSBC Infrastructure Co Ltd
Investec Expert Investment Funds PCC Ltd
Investec Global Energy Long Short Fund Ltd
Investec Premier Funds PCC Ltd
Les Grandes Moulins Ltd
NB Distressed Debt Investment Fund Ltd
NB Private Equity Partners Ltd
Olivant Ltd
Partners Group Global Opportunities Ltd
Sienna Investment Co Ltd

Sienna Investment Co 2 Ltd
Sienna Investment Co 3 Ltd
Sienna Investment Co 4 Ltd
Stapleford Insurance Co Ltd
Tapestry Investment Co PCC Ltd
Vision Opportunity China Fund Ltd
Weightman Vizards Insurance Ltd

Past Directorships and Partnerships

Anfre Insurance PCC (Guernsey) Ltd
Bordeaux Services (Guernsey) Ltd
BSkyB Guernsey Ltd
CEDR Investment Company Ltd
Ciel Bleu Ltd
Ciel Clair Ltd
Danube Property Investments Ltd
Develica Asia Pacific Real Estate Fund (GP) Ltd
Develica Germany (GP) Ltd
EFG Eurobank Ergasias International (CI) Ltd
Electra Bridge Co Ltd
Emperor Marine Ltd
Genesis Assets Managers LLP
Genesis Emerging Markets Investment Co SICAV
Genesis Emerging Markets Opportunities Fund Ltd
Genesis Emerging Markets Opportunities Fund Ltd II
Genesis Emerging Markets Opportunities Fund Ltd III
Genesis Smaller Companies SICAV
Guernsey Financial Services Commission
Harle Syke Ltd
Harlequin Insurance PCC Ltd
HedgeFirst Ltd
Investec Emerging Markets Currency Alpha Fund Ltd
M&G Recovery Investment Co Ltd
Mannequin Insurance PCC Ltd
NB PEP GP Ltd
New Star RBCHedge 250 Index Exchange Traded Securities PCC Ltd
Partners Group Alternative Strategies PCC Ltd
Prodesse Investment Ltd
Septup Ltd
Standard Life Investments Property Income Trust Ltd
TwentytwoColomberie Ltd

Name

Chris Russell

Current Directorships and Partnerships

Association of Investment Companies Ltd
Castle Asia Alternative pcc Ltd
Enhanced Index Funds pcc
F & C Commercial Property Trust Ltd
JP Morgan Fleming Japanese Smaller Companies Investment Trust plc
Hanseatic Asset Management LBG
Korea Fund Inc
Schroders (C.I.) Ltd.

Past Directorships and Partnerships

British Airways Pensions Investment Management Company Ltd
Candover plc
Dalton Capital Asia
FAP Hedge Fund Opportunities Fund GP Limited
FAP Hedge Fund Opportunities Fund Limited
F&C Event Driven Limited
Investec All Africa Fund
Investec High Income Trust plc
LIM Japan Fund

6.1 At the date of this prospectus, none of the Directors:

(a) has any convictions in relation to fraudulent offences for at least the previous five years;

(b) has been bankrupt, neither Graham Picken nor Sarah Evans nor Chris Russell been a director of any company or been a member of the administrative management or supervisory body of an issuer or a senior manager of an issuer at the time of any receivership or compulsory or creditors' voluntary liquidation for at least the previous five years; John Hallam has been a director of the following companies which were dissolved or which went into solvent voluntary liquidation during the past five years:

BSkyB Guernsey Ltd
CEDR Investment Company Ltd
Ciel Bleu Ltd
Ciel Clair Ltd
Danube Property Investments Ltd
Develica Asia Pacific Real Estate Fund (GP) Ltd
Develica German (GP) Ltd
EFG Eurobank Ergasias International (Cl) Ltd
HedgeFirst Ltd
Investec Emerging Markets Currency Alpha Fund Ltd
M&G Recovery Investment Co. Ltd
New Star RBC Hedge 250 Index Exchange Traded Securities PCC Ltd
Prodesse Investment Ltd

or

(c) has been subject to any official public incrimination or sanction of him by any statutory or regulatory authority (including any designated professional body) nor has ever been disqualified by a court from acting as a director of a company or from acting as a member of the administrative, management or supervisory bodies of an issuer or from acting in the management or conduct of the affairs of any issuer, for at least the previous five years.

6.2 Details of any directorships that have been held by the Directors in the five years preceding the date of this prospectus will be made available at the registered office of the Company.

6.3 The Company maintains directors' and officers' liability insurance on behalf of the Directors at the expense of the Company.

6.4 The business address of the Directors is 1 Le Truchot, St. Peter Port, Guernsey, GY1 1WD.

7. Major interests

7.1 In so far as is known to the Company, as at the close of business on 12 November 2010 (the latest practicable date prior to publication of this prospectus) the following registered holdings representing a direct or indirect interest of 3 per cent. or more of the Company's issued share capital were recorded on the Company's share register:

	Number of Ordinary Shares Held	*Percentage Held*
BBHISL Nominees Ltd	16,458,005	3.3160%
BDS Nominees Ltd	17,530,876	3.5322%
Chase Nominees Ltd	28,660,399	5.7746%
Ferlim Nominees Ltd	19,131,452	3.8546%
Giltspur Nominees Ltd	26,714,614	5.3824%
Rathbone Nominees Ltd	16,107,901	3.2455%

7.2 Those interested, directly or indirectly, in three per cent. or more of the issued share capital of the Company do not now and, following the Issue, will not have different voting rights from other Shareholders.

7.3 The Company is not aware of any person who directly or indirectly, jointly or severally, will exercise or could exercise control over the Company immediately following the Issue.

7.4 The Company is not aware of any arrangements, the operation of which may at a subsequent date result in a change of control of the Company.

7.5 As at 11 November 2010 (the latest practicable date prior to publication of this prospectus), members of the Infrastructure Investment Team and senior colleagues within HSIL, and their connected persons, hold in aggregate approximately 471,784 Ordinary Shares.

7.6 As at the date of this prospectus, the Directors and their spouses intend to subscribe for, in aggregate, 165,000 C Shares pursuant to the Issue.

8. Memorandum of Incorporation

The Memorandum of the Company provides that the objects of the Company include carrying on business as an investment company. The objects of the Company are set out in full in clause 3 of the Memorandum, a copy of which is available for inspection at the addresses specified in paragraph 13 of this Part XI.

9. Articles of Incorporation

The following are excerpts from or summaries of the Articles of Incorporation of the Company and are set out in full in the relevant Articles.

9.1 ***Votes of members***

Subject to Articles 11 and 162(4) (and to the restrictions referred to below) and subject to any special rights or restrictions for the time being attached to any class of shares, every member (being an individual) present in person or by proxy or (being a corporation) present by a duly authorised representative at a general meeting has, on a show of hands, one vote and, on a poll, one vote for every share held by him.

9.2 ***Shares***

Management Shares of 0.01p each

The Law previously required that shares must have a preference over another class of shares if they are to be redeemable. Accordingly, the Management Shares were created so that the Ordinary Shares may be redeemable at the discretion of the Directors. The Management Shares are owned for and on behalf of a Guernsey charitable trust by First Ovalap Limited and Second Ovalap Limited respectively. The Management Shares carry one vote each on a poll, do not carry any

right to dividends and, in a winding-up, rank only for a return of the amount of the paid-up capital on such shares after return of capital on Ordinary Shares and Nominal Shares. The Management Shares are not redeemable.

Ordinary Shares of 0.01p each

(a) Income

Holders of Ordinary Shares are entitled to participate in any dividends or other distributions out of the profits of the Company available for dividend or distribution and resolved to be distributed in respect of any accounting period or any other income right to participate therein.

(b) Capital

Holders of Ordinary Shares are entitled on the winding-up of the Company to receive out of the assets of the Company available for distribution an amount equal to the nominal value of the Ordinary Shares plus the surplus (if any) remaining after payment of the nominal values of the Management Shares and Nominal Shares then in issue.

(c) Redemption

The Directors have the power (but no obligation) to redeem some or all of the Ordinary Shares on dates determined in their discretion (each a "Redemption Date"). The Directors are entitled in their absolute discretion to determine the procedures for redemption on and after the Redemption Date (subject to the facilities and requirements of CREST). Without prejudice to the foregoing, the Company shall notify Shareholders of the number of Ordinary Shares to be redeemed (if any) and the discount to be applied to the Net Asset Value of the Ordinary Shares in arriving at the redemption price.

Payment of the redemption price in respect of any Ordinary Shares in certificated form may be made by cheque or warrant made payable to the relevant Shareholders or, in the case of joint Shareholders, to such relevant joint Shareholders or to such person or persons as the relevant Shareholder or all the relevant joint Shareholders may in writing direct and sent (at the risk of the Shareholder or Shareholders) to the address specified by that Shareholder (or, if none is specified, to the address of the Shareholder as entered on the register, or in the case of joint Shareholders, to that one of the relevant joint Shareholders who is first named on the register in respect of such Ordinary Shares). Due payment of the cheque or warrant will be in satisfaction of the redemption price represented thereby. The Company may alternatively make such payment by electronic transfer to a bank account nominated by the relevant Shareholder or all the relevant joint Shareholders and notified to the Registrar not less than three Business Days before the Redemption Date, at the Shareholder's or Shareholders' expense.

Each payment in respect of Ordinary Shares held in uncertificated form (that is, in CREST) will be made by electronic transmission to an account in accordance with the mandate instruction in writing acceptable to the Company given by the relevant Shareholder or all the relevant joint Shareholders.

Nominal Shares of 0.01p each

The holder or holders of Nominal Shares shall have the right to receive notice of and to attend general meetings of the Company but shall not be entitled to vote thereat. Nominal Shares shall carry no right to dividends. In a winding-up, holders of Nominal Shares shall be entitled to be repaid an amount equal to their nominal value out of the assets of the Company.

C Shares

In order to prevent the issue of further shares diluting existing Shareholders' share of the NAV of the Company, if the Directors consider it appropriate they may issue further shares as "C Shares". C Shares constitute a temporary and separate class of shares which are issued at a fixed price determined by the Company. The issue proceeds from the issue of C Shares will be invested in investments which initially will be attributed solely to the C Shares. Once the investments have

been made, the C Shares will be converted into Ordinary Shares on a basis which reflects the respective net assets per share represented by the two classes of shares. Further details of the rights attaching to C Shares and of the conversion mechanism into Ordinary Shares are set out in Part IX of this prospectus.

9.3 ***Dividends and distributions***

(a) Subject to compliance with the Law, the Board may at any time declare and pay such dividends as appear to be justified by the position of the Company. The Board may also declare and pay any fixed dividend which is payable on any shares of the Company half-yearly or otherwise on fixed dates whenever the position in the opinion of the Board so justifies.

(b) The Company in general meeting may declare a dividend but no dividend shall exceed the amount recommended by the Directors or permitted by the Law.

(c) The distribution by way of dividend of the Company's surpluses arising from the realisation of investments is prohibited. Whenever a dividend or a distribution falls to be considered by the Board, the Directors will consider whether to distribute a dividend or otherwise.

(d) Subject to Section 304 of the Law, the Directors may if they think fit at any time declare and pay such interim dividends as appear to be justified by the position of the Company.

(e) The method of payment of any dividend shall be at the discretion of the Board.

(f) All unclaimed dividends may be invested or otherwise made use of by the Directors for the benefit of the Company until claimed and the Company shall not be constituted a trustee thereof. No dividend shall bear interest against the Company. Any dividend unclaimed after a period of 12 years from the date of declaration or payment of such dividend shall be forfeited and shall revert to the Company.

(g) The Directors are empowered to create reserves before recommending or declaring any dividend. The Directors may also carry forward any profits or other sums which they think prudent not to distribute by dividend.

9.4 ***Scrip Dividend***

(a) The Directors may, if authorised by an ordinary resolution offer any holders of any particular class of shares (excluding Treasury Shares) the right to elect to receive further shares (whether or not of that class), credited as fully paid, instead of cash in respect of all or part of any dividend.

(b) The value of the further shares shall be calculated by reference to the average of the middle market quotations for a fully paid share of the relevant class, as shown in the Official List, for the day on which such shares are first quoted "ex" the relevant dividend and the four subsequent dealing days or in such other manner as the Directors may decide.

(c) The Directors shall give notice to the Members of their rights of election in respect of the scrip dividend and shall specify the procedure to be followed in order to make an election.

(d) The further shares so allotted shall rank *pari passu* in all respects with the fully paid shares of the same class then in issue except as regards participation in the relevant dividend.

(e) The Board may from time to time establish or vary a procedure for election mandates, under which a holder of shares may, in respect of any future dividends for which a right of election is offered, elect to receive shares in lieu of such dividend on the terms of such mandate.

9.5 ***Issue of shares***

(a) Without prejudice to any special rights conferred on the holders of any class of shares, any share in the Company may be issued with or have attached thereto such preferred, deferred or other special rights, or such restrictions whether in regard to dividend, return of capital, voting or otherwise as the Company may from time to time by ordinary resolution determine and, subject to and in default of such resolution, as the Directors may determine.

(b) Subject to the Articles, the unissued shares shall be at the disposal of the Directors, and they may allot, grant options over or otherwise dispose of them to such persons, at such times and generally on such terms and conditions and in such manner and at such times as they determine and so that the amount payable on application on each share shall be fixed by the Directors.

(c) The Company may on any issue of shares pay such commission as may be fixed by the Directors and disclosed in accordance with the Law. The Company may also pay brokerage charges.

9.6 ***Pre-emption rights***

If the Company proposes to allot any new Ordinary Shares or C Shares for cash ("Equity Shares") or to sell treasury shares for cash (together with the Equity Shares "Relevant Securities"), those Relevant Securities shall not be allotted to any person unless the Company has first offered them to the existing holders (as at a record date selected by the Directors) of that class of shares (if any) on the same terms, and at the same price, as those Relevant Securities are proposed to be offered to other persons, on a *pro rata* basis to the number of shares of the relevant class held by those holders.

The Company will not be required to make any offer of Ordinary Shares allotted by reason of or in connection with a conversion of C Shares or Ordinary Shares then in issue.

These provisions may be modified or excluded in reaction to any proposed allotment by special resolution of the shareholders.

These provisions will not apply to scrip dividends effected in accordance with the Articles.

9.7 ***Variation of rights***

If at any time the capital of the Company is divided into separate classes of share, the special rights attached to any class of shares may (unless otherwise provided by the terms of issue) be varied with the consent in writing of the holders of three-quarters of the issued shares of that class or with the sanction of a special resolution passed at a separate meeting of the holders of such shares. The necessary quorum shall be two persons holding or representing by proxy at least one third of the voting rights of the class in question. Every holder of shares of the class concerned shall be entitled at such meeting to one vote for every share held by him on a poll. The rights conferred upon the holders of any shares or class of shares issued with preferred, deferred or other rights shall not be deemed to be varied by the creation or issue of further shares ranking *pari passu* therewith or the exercise of any power under the disclosure provisions requiring shareholders to disclose an interest in the Company's shares as set out in the Articles.

9.8 ***Restriction on voting***

A member of the Company shall not be entitled in respect of any share held by him to attend or vote (either personally or by representative or by proxy) at any general meeting or separate class meeting of the Company:

(a) unless all amounts due from him have been paid; or

(b) in the circumstances mentioned in paragraphs 9.9 and 9.10 below.

9.9 ***Notice requiring disclosure of interest in shares***

The Directors may serve notice on any member requiring that member to disclose to the Company to the satisfaction of the Directors the identity of any person (other than the member) who has an interest in the shares held by the member and the nature of such interest. Any such notice shall require any information in response to such notice to be given within such reasonable time as the Directors may determine.

The Directors may be required to exercise their powers under the relevant Article on a requisition of members holding not less than one tenth of the paid up capital of the Company carrying the right to vote at general meetings. If any member is in default in supplying to the Company the information required by the Company within the prescribed period, the Directors in their absolute discretion may serve a direction notice on the member. The direction notice may direct that in respect of the shares in respect of which the default has occurred (the "default shares") and any other shares held by the member, the member shall not be entitled to vote in general meetings or class meetings. Where the default shares represent at least 0.25 per cent. of the class of shares concerned the direction notice may additionally direct that dividends and distributions on such shares will be retained by the Company (without interest) and that no transfer of the shares (other than a transfer authorised under the Articles) shall be registered until the default is rectified.

9.10 ***Transfer of shares***

The Articles provide that the Directors may implement such arrangements as they may think fit in order for any class of shares to be admitted to settlement by means of the CREST UK system. If the Directors implement any such arrangements no provision of the Articles shall apply or have effect to the extent that it is in any respect inconsistent with:

(a) the holding of shares of that class in uncertificated form;

(b) the transfer of title to shares of that class by means of the CREST UK system; or

(c) the CREST Guernsey Requirements.

Where any class of shares is for the time being admitted to settlement by means of the CREST UK system such securities may be issued in uncertificated form in accordance with and subject as provided in the CREST Guernsey Requirements. Unless the Directors otherwise determine such securities held by the same holder or joint holder in both certificated form and uncertificated form shall be treated as separate holdings. Such securities may be changed from uncertificated to certificated form and from certificated to uncertificated form in accordance with and subject as provided in the CREST Guernsey Requirements.

Title to such of the shares as are recorded on the register as being held in uncertificated form may be transferred only by means of the CREST UK system. Every transfer of shares from a CREST account of a CREST member to a CREST account of another CREST member shall vest in the transferee a beneficial interest in the shares transferred, notwithstanding any agreements or arrangements to the contrary however and whenever arising and however expressed.

Subject as provided below, any member may transfer all or any of his shares which are in certificated form by instrument of transfer in any form which the Directors may approve. The instrument of transfer of a certificated share shall be signed by or on behalf of the transferor. The Directors may refuse to register any transfer of certificated shares unless the instrument of transfer is lodged at the Company's registered office accompanied by the relevant share certificate(s) and such other evidence as the Directors may reasonably require to show the right of the transferor to make the transfer. The Directors may refuse to register a transfer of any share which is not fully paid up or on which the Company has a lien provided that this would not prevent dealings from taking place on an open and proper basis.

Subject to the provisions of the CREST Guernsey Requirements the registration of transfers may be suspended at such times and for such periods as the Directors may from time to time determine provided that such suspension shall not be for more than 30 days in any year.

If it shall come to the notice of the Directors that any shares:

(a) are or may be owned or held directly or beneficially by any person whose ownership or holding or continued ownership or holding of those shares (whether on its own or in conjunction with any other circumstances appearing to the directors to be relevant) might in the sole and conclusive determination of the Directors cause a pecuniary or tax disadvantage to the Group; or

(b) are or may be owned or held directly or indirectly by an other holder of shares or other securities of the Company or any person that is a pension or other benefit plan subject to Title I of the United States Employee Retirement Income Security Act of 1974, as amended **("ERISA")** and in the opinion of the directors the assets of the Company may be considered "plan assets" within the meaning of regulations adopted under ERISA; or

(c) are or may be owned or held directly or beneficially such that the aggregate number of United States Persons (as defined in the Articles) who are holders or beneficial' owners (which for these purposes shall include beneficial ownership by attribution pursuant to Section 3(c)(1)(A) of the United States Investment Company Act of 1940) of shares or other securities of the Company and who are Private Offering Holders (as defined in the Articles) is or may be more than 75; or

(d) are or may be owned or held directly or beneficially by any person to whom a transfer of shares or whose ownership or holding of any shares might in the opinion of the directors require registration of the Company as an investment company under the United States Investment Company Act of 1940,

(such shares being "Prohibited Shares"), the Directors shall give notice in writing to the holder of a share requiring him to make a declaration as to whether or not the share is a Prohibited Share in circumstances in which it is unclear to the Directors whether or not the share is a Prohibited Share.

The Directors shall give written notice to the holder of any share which appears to them to be a Prohibited Share requiring him within 21 days (or such extended time as the Directors consider reasonable) to transfer (and/or procure the disposal of interests in) such share to another person so that it will cease to be a Prohibited Share. From the date of such notice until registration for such a transfer or a transfer arranged by the Directors as referred to below, the share will not confer any right on the holder to receive notice of or to attend and vote at general meetings of the Company and of any class of shareholders) and those rights will vest in the Chairman of any such meeting, who may exercise or refrain from exercising them entirely at his discretion). If the notice is not complied with within 21 days to the satisfaction of the Directors, the Directors shall arrange for the Company to sell the share at the best price reasonably obtainable to any other person so that the share will cease to be a Prohibited Share. The net proceeds of sale (with interest at such rate as the Directors consider appropriate) shall be paid over by the Company to the former holder upon surrender by him of the relevant share certificate.

9.11 ***Alteration of capital and purchase of shares***

The Company may from time to time by ordinary resolution increase its authorised share capital if such has been specified by such sum to be divided into shares of such amount as the resolution may prescribe.

The Company may from time to time, subject to the provisions of the Law, purchase its own shares (including any redeemable shares) in any manner authorised by the Law.

The Company may by ordinary resolution: consolidate and divide all or any of its share capital into shares of a larger amount than its existing shares; subdivide all or any of its shares into shares of a smaller amount than is fixed by the Memorandum of Incorporation; cancel any shares which at the date of the resolution have not been taken or agreed to be taken and diminish the

amount of its authorised share capital by the amount of shares so cancelled; convert all or any of its shares into a different currency or denominate or redenominate the share capital in a particular currency.

The Company may reduce its share capital, any capital account or any share premium account in any manner and with and subject to any incident authorisation and consent required by the Law.

9.12 ***Interests of Directors***

(a) A Director must, immediately after becoming aware of the fact that he is interested in a transaction or proposed transaction with the Company, disclose such conflict to the Board if the monetary value of the Director's interest is quantifiable, or if there is no quantifiable monetary value, the nature and extent of the interest.

(b) The requirement in paragraph (a) above does not apply if the transaction proposed it between the Director and the Company, or if the Company is entering into the transaction in the ordinary course of business on unusual terms.

(c) Save as mentioned below, a Director shall not vote in respect of any contract or arrangement or any other proposal whatsoever in which he has any material interest otherwise than by virtue of his interest in shares or debentures or other securities of or otherwise through the Company. A Director may be counted in the quorum at a meeting in relation to any resolution on which he is debarred from voting.

(d) A Director shall be entitled to vote (and be counted in the quorum) (in the absence of some other material interest not mentioned below) in respect of any resolution concerning any of the following matters:

(i) the giving of any guarantee, security or indemnity to him in respect of money lent or obligations incurred by him at the request of or for the benefit of the Company or any of its subsidiaries;

(ii) the giving of any guarantee, security or indemnity to a third party in respect of a debt or obligation of the Company or any of its subsidiaries for which the Director himself has assumed responsibility in whole or in part under a guarantee or indemnity or by the giving of security;

(iii) any proposal concerning an offer of shares or debentures or other securities of or by the Company or any of its subsidiaries for subscription or purchase in which offer he is or is to be interested as a participant in the underwriting or sub-underwriting thereof;

(iv) any proposal concerning any other company in which he is interested, directly or indirectly, and whether as an officer or shareholder or otherwise howsoever, provided that he is not the holder of or beneficially interested in one per cent. or more of the issued shares of any such company (or of any third company through which his interest is derived) or of the voting rights available to Members of the relevant company (any such interest being deemed to be a material interest in all circumstances).

(e) A Director, notwithstanding his interest, may be counted in the quorum present at any meeting whereat he or any other Director is appointed to hold any such office or place of profit under the Company, or where the terms of appointment are arranged and he may vote on any such appointment other than his own appointment or the terms thereof.

(1) Any Director may act by himself or by his firm in a professional capacity for the Company and he or his firm shall be entitled to remuneration for professional services as if he were not a Director.

(2) Any Director may continue to be or become a director, managing director, manager or other officer or member of a company in which the Company is interested, and any such Director shall not be accountable to the Company for any remuneration or other benefits received by him.

(3) A Director may hold any other office or place of profit under the Company (other than the office of auditor) in conjunction with his office of Director on such terms as the Directors may determine.

9.13 ***Directors***

(a) The Directors shall be remunerated for their services at such rate as the Directors shall determine provided that the aggregate amount of such fees shall not exceed £200,000 *per annum* (or such sums as the Company in general meeting shall from time to time determine). The Directors shall also be entitled to be paid all reasonable expenses properly incurred by them in attending general meetings, board or committee meetings or otherwise in connection with the performance of their duties.

(b) If any Director having been requested by the Directors shall render or perform extra or special services or shall travel or go to or reside in any country not his usual place of residence for any business or purpose of the Company he shall be entitled to receive such sum as the Directors may think fit for expenses and also such remuneration as the Directors may think fit either as a fixed sum or as a percentage of profits or otherwise and such remuneration may as the Directors shall determine be either in addition to or in substitution for any other remuneration which he may be entitled to receive.

(c) The Directors may from time to time appoint one or more of their body (other than a Director resident in the UK) to the office of managing director or to any other executive office for such periods and upon such terms as they determine.

(d) The Directors may at any time appoint any person to be a Director either to fill a casual vacancy or as an addition to the existing Directors. Any Director so appointed shall hold office only until, and shall be eligible for re-election at, the next general meeting following his appointment but shall not be taken into account in determining the Directors or the number of Directors who are to retire by rotation at that meeting if it is an annual general meeting. Without prejudice to those powers, the Company in general meeting may appoint any person to be a Director either to fill a casual vacancy or as an additional Director.

(e) At the first annual general meeting of the Company all of the Directors shall retire from office. At each annual general meeting thereafter, one-third of the Directors (or if their number is not three or an integral multiple of three), the number nearest to, but (except where there are less than three Directors) not greater than one-third shall retire from office.

(f) Subject to the provisions of the Articles, the Directors to retire by rotation on each occasion shall be those of the Directors who have been longest in office since their last appointment or re-appointment but, as between persons who became or were last reappointed Directors on the same day, those to retire shall (unless they otherwise agree among themselves) be determined by lot. In addition, any Director who would not otherwise be required to retire at any annual general meeting which is the third annual general meeting after the later of his appointment by the Company in general meeting and re-election as a Director of the Company in general meeting, shall nevertheless be required to retire at such annual general meeting.

(g) The maximum number of Directors shall be seven and the minimum number of Directors shall be two. The majority of the Directors shall at all times be resident outside the United Kingdom.

(h) Unless otherwise fixed by the Company in general meeting, a Director shall not be required to hold any qualification shares.

(i) Each Director is required to retire at 70 years of age.

(j) The office of Director shall be vacated if the Director resigns his office by written notice, if he shall have absented himself from meetings of the Directors for a consecutive period of six months and the Directors resolve that his office shall be vacated, if he becomes of

unsound mind or incapable, if he becomes insolvent, suspends payment or compounds with his creditors, if he is requested to resign by written notice signed by all his co-Directors, if the Company in general meeting by ordinary resolution shall declare that he shall cease to be a Director, or if he becomes resident in the United Kingdom and, as a result, a majority of the Directors are resident in the United Kingdom.

(k) The Directors may appoint a Chairman, who will not have a second or casting vote.

9.14 ***General Meetings***

Notice for any general meeting shall be sent by the secretary or officer of the Company or any other person appointed by the Directors not less than fourteen clear days before the meeting. The notice must specify the time, date, and place of the general meeting and, in the case of any special business, the general nature of the business to be transacted. A meeting may be convened by a shorter notice or at no notice in any manner the members think fit, with the consent in writing of all the members pursuant to the Law. The accidental omission to give notice of any meeting or the non-receipt of such notice by any Shareholder shall not invalidate any resolution, or any proposed resolution otherwise duly approved, passed or proceeding at any meeting. The quorum for the general meeting shall be two members present in person or by proxy.

9.15 ***Winding-up***

(a) On a winding-up, the surplus assets remaining after payment of all creditors, including payment of bank borrowings, shall be applied in the following priority:

(i) if any C Shares are in issue then:

(1) the Share Surplus shall be divided amongst the holders of Ordinary Shares and Management Shares in accordance with paragraph (ii) below as if the Share Surplus comprised the assets of the Company available for distribution;

(2) the C Share Surplus shall be divided amongst the holders of C Share(s) *pro rata* according to their holdings of C Shares;

(3) the Deferred Shares shall have no rights to the capital or assets of the Company;

(ii) the Share Surplus shall be applied in the following priority:

(4) firstly, in the payment to the holders of Ordinary Shares of a sum equal to the nominal amount of the Ordinary Shares of such class held by such holders provided that there are sufficient assets available in the Company to enable such payment to be made;

(5) secondly, in the payment to the holder or holders of the Nominal Shares of sums up to the nominal amount paid up thereon out of the assets of the Company remaining after recourse thereto under (4) above;

(6) thirdly, in the payment to the holder or holders of the Management Shares of sums up to the nominal amount paid up thereon out of the assets of the Company; and

(7) fourthly, in the payment to the holders of the Ordinary Shares of any balance then remaining including but without limitation the balance of any assets in the Company.

(b) On a winding-up the liquidator may, with the authority of a special resolution, divide amongst the members in specie any part of the assets of the Company. The liquidator may with like authority vest any part of the assets in trustees upon such trusts for the benefit of members as he shall think fit but no member shall be compelled to accept any assets in respect of which there is any liability.

(c) Where the Company is proposed to be or is in the course of being wound up and the whole or part of its business or property is proposed to be transferred or sold to another company the liquidator may, with the sanction of an ordinary resolution, receive in compensation, or part compensation for the transfer or sale, shares, policies or other like interests in the transferee for distribution among the members or may enter into any other arrangements whereby the members may, in lieu of, or in addition to, receiving cash, shares, policies or other like interests participate in the profits of or receive any other benefit from the transferee.

9.16 ***Borrowing powers***

The Directors may exercise all the powers of the Company to borrow money (in whatever currency (the Directors determine from time to time) and to give guarantees, mortgage, hypothecate, pledge or charge all or part of its undertaking, property or assets and uncalled capital and to issue debentures and other securities whether outright or as collateral security for any liability or obligation of the Company or of any third party, provided always that the aggregate principal amount from time to time outstanding of all borrowings by the Group (excluding intra-Group borrowings and the debts of underlying investee companies, but including any financial guarantees to support investment obligations) shall not at any time exceed 50 per cent. of the Adjusted Gross Asset Value of the Group's investments and cash balances.

10. General

10.1 The Issue is not underwritten.

10.2 The Company obtained consent under the GSFC regulatory framework for closed ended funds on 8 February 2006. The Company is an authorised closed-ended investment scheme domiciled in Guernsey. As an existing closed-ended collective investment scheme the Company is deemed to have been granted an authorisation declaration in accordance with section 8 of the Protection of Investors (Bailiwick of Guernsey) Law 1987, as amended and rule 6.02 of the Authorised Closed-ended Investment Schemes Rules 2008 on 8 February 2006 when the Company obtained consent under the Control of Borrowing (Bailiwick of Guernsey) Ordinance 1959 to 1989. The Company is not (and is not required to be) regulated or authorised by the FSA but, in common with other investment companies admitted to the UK Official List, is subject to the Listing Rules and the Prospectus Rules and is bound to comply with applicable law such as the relevant parts of the FSMA.

10.3 The Group is not, nor has been since its establishment, involved in any governmental, legal or arbitration proceedings (including any such proceedings which are pending or threatened of which the Company is aware) during the period since establishment of the Group which may have, or have in the recent past, had a significant effect on the Group's financial position or profitability.

10.4 The Issue Price of £1.00 per C Share represents a premium of £0.9999 over its nominal value of £0.0001.

10.5 The Company is committed to complying with any corporate governance obligations which may apply to Guernsey registered companies from time to time. As at the date of this prospectus, there is no codified statement of corporate governance applicable to Guernsey companies. The Company is a member of the Association of Investment Companies (the "AIC") and to date has complied with the AIC code of corporate governance along with (except as explained below) the UK Corporate Governance Code (formerly the Combined Code).

The Board currently consists of four non-executive Directors, all of whom are independent of the Company's Investment Adviser. This independence allows all the Directors to sit on the Company's various Committees. The provision of the Combined Code which relates to the combination of the roles of the chairman and chief executive does not apply as the Company has no executive directors.

The Directors retire by rotation at every third Annual General Meeting and Directors appointed to the Board since the previous Annual General Meeting also retire and stand for re-election. Any Director who is not considered by the Board to be independent of the Investment Adviser or who will have served on the Board for more than nine years will be subject to annual re-election.

10.6 The Company's audit committee is comprised of Mr J. Hallam (chairman of the committee), Mrs S. Evans and Mr C. Russell. The audit committee's remit is to meet bi-annually and to consider, *inter alia:*

(a) annual and interim accounts;

(b) the system of internal controls; and

(c) terms of appointment and remuneration for the auditor (including overseeing the independence of the auditor particularly as it relates to the provision of non-audit services).

The Company's remuneration committee is comprised of Chris Russell (chairman of the committee), Graham Picken, Sarah Evans and John Hallam. The remuneration committee's remit is to meet annually and to consider, *inter alia*:

(a) the policy for remuneration of the Directors;

(b) any proposed changes to the remuneration of the Directors; and

(c) any additional ad-hoc payments in relation to duties undertaken over and above normal business.

The Company has also established a nomination committee and a management engagement committee, each of which are comprised of Graham Picken, Chris Russell, Sarah Evans and John Hallam.

10.7 Where information contained in this prospectus has been sourced from a third party, the Company confirms that such information has been accurately reproduced and, so far as the Company is aware and is able to ascertain from information published by that third party, no facts have been omitted which would render the reproduced information inaccurate or misleading.

10.8 The Company has not had any employees since its incorporation and does not own any premises.

10.9 The C Shares will be created and issued by the Company under Guernsey law.

10.10 The Investment Adviser accepts responsibility for the statements attributed to it contained in this document. To the best of the knowledge and belief of the Investment Adviser (who has taken all reasonable care to ensure that such is the case) those statements are in accordance with the facts and do not omit anything likely to affect the import of those statements.

10.11 The Directors of the Company have taken all reasonable care to ensure that the facts stated in the prospectus are true and accurate in all material respects, and that there are no other facts the omission of which would make misleading any statement in the prospectus, whether of fact or of opinion.

10.12 In the event that the Issue raises £150 million, the net assets of the Company will increase by £147.6 million. If the Issue had been undertaken on the first day of the Company's last completed financial year, the Company's earnings in that financial year would have increased.

11. Material contracts

11.1 The following contracts (not being contracts entered into in the ordinary course of business) (a) have been entered into by the Company or a Holding Entity during the two years immediately preceding publication of this prospectus and are, or may be, material, or (b) have been entered into by the Company or a Holding Entity and include an obligation or entitlement which is material to the Company as at the date of this prospectus:

(a) A placing, open offer and offer agreement dated on or around 16 November 2010 between the Company, the Investment Adviser Collins Stewart and Oriel (the "Placing, Open Offer and Offer Agreement"), pursuant to which the Company will pay to Collins Stewart a corporate finance fee of £ 125,000 and, in addition, to Collins Stewart and Oriel a total commission of 1.25 per cent. of the amount raised pursuant to the Placing, Open Offer and Offer for Subscription (ignoring Issue expenses and all placing and other commissions payable).

The Company will also bear all reasonable costs, charges and expenses of or incidental to or incurred in connection with the Placing. Provided that the targeted minimum of £50 million is raised, such costs will be borne by the C Shareholders.

The Placing, Open Offer and Offer Agreement contains certain representations and warranties from the Company to Collins Stewart and Oriel concerning, amongst other things, its authority to issue the C Shares and the accuracy of this prospectus. Collins Stewart and Oriel also have the benefit of an indemnity from the Company in relation to liabilities incurred by Collins Stewart and/or Oriel in the discharge of their duties under the Placing, Open Offer and Offer Agreement save (amongst other things) to the extent that the same is finally judicially determined to have arisen as a result of fraud, negligence or wilful default of Collins Stewart and/or Oriel or their associates.

(b) Two repurchase agreements in substantially the same form each dated 12 November 2009 between the Company and Collins Stewart and the Company and Oriel (together the "Repurchase Agreements") pursuant to which the parties agreed that, subject to (amongst other things) each tender offer becoming unconditional in all respects and not lapsing or terminating in accordance with its terms and the Company paying an amount equal to 97 per cent. of the prevailing Net Asset Value per Ordinary Shares (the "Tender Price") multiplied by the number of Ordinary Shares successfully tendered plus an amount equal to the fees and expenses payable to Collins Stewart or Oriel, as appropriate, in respect of the particular tender offer which shall include any stamp duty or stamp duty reserve tax payable by Collins Stewart or Oriel, as appropriate, in connection with the Ordinary Shares tendered (the "Amount") being deposited into an interest bearing, client bank account of Collins Stewart or Oriel's settlement agent, as appropriate, (the "Account") so as to be received in cleared funds for value by 9.00 a.m. on the date on which Collins Stewart or Oriel, as appropriate, is to effect purchases of Ordinary Shares pursuant to each tender offer. Collins Stewart or Oriel, as appropriate, shall, as principal, purchase on market at the Tender Price the Ordinary Shares successfully tendered up to the maximum limit set in respect of each tender offer, the maximum being no more than 5 per cent. of the Ordinary Shares in issue per broker.

The Company has agreed that, immediately following the purchase by Collins Stewart or Oriel, as appropriate, of the Ordinary Shares under the relevant tender offer, the Company will purchase from Collins Stewart or Oriel, as appropriate, such Ordinary Shares at the Tender Price save for any Ordinary Shares which the Company agrees with Collins Stewart or Oriel, as appropriate, that Collins Stewart or Oriel, as appropriate, may sell in the market. The funds in the Account will be held by Collins Stewart or Oriel's settlement agent, as appropriate, as trustee for the Company until completion of the sale and purchase of the Ordinary Shares tendered ("Completion"). On Completion, Collins Stewart or Oriel's settlement agent, as appropriate, will be released from the trust over the Amount so that, with effect from Completion, the Account shall belong beneficially to Collins Stewart or Oriel, as appropriate, and cease to be a client account. In the event that Collins Stewart or Oriel, as appropriate, sell any Ordinary Shares tendered to third parties and not to the Company, Collins Stewart or Oriel, as appropriate, shall return to the Company as soon as is reasonably practicable such proportion of the Amount as relates to such Ordinary Shares. Collins Stewart or Oriel, as appropriate, will be required to account to the Company for any interest accrued from the date on which the Amount is received in cleared funds for value in the Account until and including the date of Completion. The agreement contains certain representations and warranties from Collins Stewart and Oriel in favour of the Company

relating to the manner in which they will effect a tender offer. The Company also represents and warrants to Collins Stewart and Oriel concerning, amongst other things, its authority to enter into the agreement and to make the purchase of the Ordinary Shares pursuant to the tender offer and the accuracy of any tender offer circular and announcement. The Company also undertakes to Collins Stewart and Oriel that it will not without the consent of Collins Stewart and Oriel (such consent not to be unreasonably withheld or delayed) make public announcements other than certain routine announcements within certain periods. Collins Stewart and Oriel also have the benefit of an indemnity from the Company in relation to liabilities incurred by Collins Stewart and Oriel in the discharge of their duties under the Repurchase Agreements save (amongst other things) to the extent that the same is finally judicially determined to have arisen as a result of fraud, negligence or wilful default of Collins Stewart and/or Oriel, as appropriate, and/or their associates. Any fees payable to Collins Stewart or Oriel in respect of each tender offer will be agreed prior to the implementation of the relevant tender offer.

(c) A receiving agent agreement (the "Receiving Agent Agreement") dated 16 November 2010 between the Company and the Receiving Agent pursuant to which the Receiving Agent agrees to provide receiving agent services to the Company in relation to the Issue. The Receiving Agent Agreement may be terminated by either party in the event of a material breach by, or the insolvency, dissolution or administration of, the other party. In the event of termination, the Company will pay to the Receiving Agent fees and expenses for work actually performed or by the Company on payment of various amounts of compensation. The Receiving Agent is entitled to receive various fees for services provided, including a minimum aggregate advisory fee of £1,750, a minimum processing fee in relation to the Open Offer of £4,750 and a minimum aggregate processing fee in relation to the Offer for Subscription of £4,750, as well as reasonable out-of-pocket expenses.

The Company has agreed to indemnify the Receiving Agent for all losses, damages, liabilities and professional fees arising from the Company's breach of the Receiving Agent Agreement and from certain third party claims by the Receiving Agent of its duties. The aggregate liability of the Receiving Agent arising out of or in connection with the Receiving Agent Agreement will be limited to the lesser of £250,000 or an amount equal to five times the total fee payable to the Receiving Agent.

(d) A £200 million Multi-Currency Revolving Credit Facilities Agreement dated 19 December 2007 between (i) the Partnership as Original Borrower, (ii) Infrastructure Investments General Partner Limited as the General Partner and (iii) the Principal Bankers as the Arranger, Agent, Security Trustee and Issuing Bank (the "Facility").

The Facility is split into two tranches: a £120 million tranche A and £80 million tranche B. Tranche A may be used to finance or refinance up to 50 per cent. of certain investments, repay existing debt incurred in relation to those investments and downstream loans to subsidiaries. Tranche B may be used to finance or refinance the investments, related costs, downstream loans to subsidiaries and general working capital and corporate purposes. The Facility may be utilised by way of cash advances, letters of credit and optional currencies (subject to certain limits). The repayment date of the Facility is five years after the signing date of the Facility. Voluntary cancellation and voluntary prepayment is allowed in minimum amounts of £250,000.

Interest is calculated by way of the margin, LIBOR and the mandatory cost. The margin is capped at 0.85 per cent. *per annum.* There will also be a commitment fee of 0.5 per cent. of the margin plus an arrangement fee, administration fee and fronting fees of 0.1 per cent. on any letters of credits. Various interest cover ratios are imposed.

The Facility is secured by, amongst others, a debenture from the Partnership, charges over partnership interests granted by the General Partner and Luxco 2 and a charge over shares of the General Partner. There is also a mechanism to bring additional borrowers into the Facility at which stage cross guarantees and indemnities will become effective.

The Facility contains further representations, warranties, covenants, events of defaults and other obligations, including indemnities on the part of the Partnership.

(e) A hedging letter dated 19 December 2007 (the "Hedging Letter"), pursuant to which the Partnership is required to hedge not less than 50 per cent. of the projected aggregate revolving credit loans under the Facility from time to time in accordance with a base case model. In a separate provision of the Hedging Letter, the Partnership agrees that it will implement and maintain interest for a notional amount equal to no more than 100 per cent. of the total commitments under the Facility from time to time.

(f) A hedging agreement dated 19 December 2007 between the Partnership and the Principal Bankers (the "Hedging Agreement") put in place two interest swap transactions: one relating to Euro utilisations where the fixed rate is 4.53 per cent. and the notional amount profile moves from EUR 96,084,000 for 21 December 2007 to EUR 48,042,000 for 21 December 2012, and the other relating to Sterling utilisations where the fixed rate is 5.205 per cent. and the notional amount profile moves from GBP 16,623,763 for 19 December 2007 to GBP 40,000,000 for 19 December 2012 (following an interest swap profile amendment on 14 January 2010).

In addition to the material contracts set out above, details of various ongoing contracts relating to the Company are set out below for information purposes only.

(g) An investment advisory agreement dated 7 February 2006, between the Company and the Investment Adviser whereby the Investment Adviser was appointed to provide investment advisory services to the Company (the "Investment Advisory Agreement"). The Investment Adviser is paid a fee as is set out in, and calculated in accordance with, this prospectus (see page 67), which fee shall be reduced by the amount of any commissions or other remuneration (except for the fee the Investment Adviser receives as Operator of the Partnership) received by the Investment Adviser in relation to any transaction carried out on behalf of the Company. The Investment Adviser shall also be entitled to all reasonable out of pocket expenses properly incurred by the Investment Adviser in carrying out its duties under the Investment Advisory Agreement. The fee paid to the Investment Adviser is subject to review from time to time by the Company.

The Investment Advisory Agreement may be terminated by either party giving the other party one year's written notice. In addition, either party (the "Terminating Party") may terminate the Investment Advisory Agreement immediately by giving the other party written notice, if the other party commits a material breach of the Investment Advisory Agreement (or a breach that is not material but is recurrent or continuing) and does not remedy it within 30 days of being notified by the Terminating Party of such breach, has had an administrator, encumbrancer, receiver or similar body appointed in respect of it or any of its assets, is unable to pay its debts or an order has been made or an effective resolution passed for its liquidation (except a voluntary liquidation or terms previously approved in writing by the Terminating Party). The Investment Advisory Agreement may also be terminated if the Operator Agreement is terminated in accordance with its terms, a *force majeure* event occurs preventing a party from performing its obligations for 30 days or the Investment Adviser is no longer permitted to perform its services within all the applicable laws and regulations.

The Investment Advisory Agreement provides that the Company shall indemnify the Investment Adviser and its officers, directors, employees and agents for losses of any nature arising in connection with the Investment Advisory Agreement (except where fraud, negligence or wilful default are involved on the part of the Investment Adviser and its officers, directors, employees and agents). The Investment Advisory Agreement also provides that the Investment Adviser shall indemnify the Company and its group for all losses suffered due to the negligence, wilful default or fraud of the Investment Adviser.

(h) An administration and secretarial agreement, dated 19 September 2008, between the Company and the Administrator whereby the Administrator was appointed to provide administrative, secretarial and cash management services to the Company (the "Administration Agreement"). Such services include in particular, keeping the accounts of the Company, providing all information and assistance required by the Investment Adviser in relation to the Investment Adviser's preparation of the NAV of the Ordinary Shares, arranging for and administering the issue of shares in the Company, safekeeping of the Company's shares in Luxco 1 and providing all administrative services required by the Company. In performance of such duties, the Administrator is at all times subject to the control and review of the Board.

The Administrator is paid a fee of 0.015 per cent. of NAV up to £100 million plus 0.01 per cent. of NAV over £ 100 million (subject to a total minimum of £ 10,000 *per annum)* and subject to additional charges, on a time spent basis, for special projects, accounting fees of £4,000 for interim accounts and £5,000 for final accounts and secretarial fees of £20,000 *per annum* for its services, or as otherwise agreed in writing between the Company and the Administrator from time to time. The Administrator is also entitled to receive all expenses properly incurred.

The Administration Agreement provides that the Administrator shall not be liable for any loss or damage suffered by the Company or the Investment Adviser as a result of the Administrator carrying out its duties under the Administration Agreement unless the loss or damage arises out of the Administrator's fraud, negligence or wilful default. The Company has indemnified the Administrator against any liabilities of whatever nature arising out of the Administrator properly performing its duties under the Administration Agreement (provided that fraud, negligence and wilful default on the part of the Administrator are absent).

The Administration Agreement can be terminated by either party on six months' written notice to the other. It can be terminated immediately by either party (the "Terminating Party"), if the other party breaches its obligations under the Administration Agreement and does not remedy the breach within 30 days of notice of the breach from the Terminating Party, passes a resolution for its own winding-up (except a voluntary liquidation for the purpose of reconstruction or amalgamation upon terms previously approved in writing by the Terminating Party) or if the Royal Court of Guernsey shall order its winding-up or if it shall be declared *"en désastre"* or if a receiver shall be appointed over the whole or a substantial part of its assets or, in the case of the Company being the Terminating Party, if the Administrator ceases to hold the authorisations, licences and consents necessary for the conduct of its business under the Administration Agreement.

As at the date of this prospectus, the Company has not entered into any related party transactions in the period covered by the historical financial information set out in Part X of this prospectus or the period between the latest date of such historical financial information and the date of this prospectus.

12. Availability of this prospectus

Copies of this prospectus may be collected, free of charge during normal business hours, from any of the following:

HSBC Infrastructure Company Limited
c/o Dexion Capital (Guernsey) Limited
3rd Floor, 1 Le Truchot
St. Peter Port
Guernsey
Channel Islands
GY1 1 WD

Hogan Lovells International LLP
Atlantic House
Holborn Viaduct
London
EC1A 2FG

Collins Stewart Europe Limited
88 Wood Street
London
EC2V 7QR

This document is also available for download at:

http://www.hicl.hsbc.com/hicl/inv-relations/publications.html

13. Documents for inspection

Copies of the following documents may be inspected at the offices of Hogan Lovells International LLP, Atlantic House, Holborn Viaduct, London EC1A 2FG and at the registered office of the Company during usual business hours on any day (except Saturdays, Sundays and public holidays) from the date of this prospectus until the Open Offer, the Offer for Subscription and Placing closes:

(a) the Memorandum and Articles of Incorporation of the Company;

(b) this prospectus.

Dated 17 November 2010

NOTICES TO OVERSEAS INVESTORS

This document has been approved by the FSA as a prospectus which may be used to offer securities to the public for the purposes of section 85 FSMA and Directive 2003/7/EC. No arrangement has however been made with the competent authority in any other EEA State (or any other jurisdiction) for the use of this prospectus as an approved prospectus in such jurisdiction and accordingly no public offer is to be made in such jurisdictions. Issue or circulation of this prospectus may be prohibited in countries other than those in relation to which notices are given below. This document does not constitute an offer to sell, or the solicitation of an offer to subscribe for or buy, shares in any jurisdiction in which such offer or solicitation is unlawful.

For the attention of Belgian investors

No action has been taken, or is intended to be taken, to permit a public offer of C Shares in Belgium. In particular, this prospectus and any related documentation have not been submitted to the Belgian Banking, Finance and Insurance Commission *(Commissie voor het Bank-, Financie- en Assurantiewezen*/*Commission Bancaire, Financière et des Assurances,* the "CBFA"). The CBFA has not reviewed or approved this prospectus, or commented on its accuracy or adequacy.

Accordingly, C Shares may not be offered or sold and this prospectus, any offering material or other similar document relating to the C Shares may not be advertised, distributed or made available to any individual or legal entity in Belgium other than in circumstances which do not constitute a public offer for subscription of the C Shares in Belgium under the Belgian law of 16 June 2006 on the public offer of investment instruments and the admission to trading of investment instruments on a regulated market and the Belgian law of 20 July 2004 on certain forms of collective management of portfolios, as amended from time to time.

Prospective purchasers shall only acquire C Shares for their own account.

In addition, C Shares may not be offered or sold to any person qualifying as a consumer within the meaning of the Belgian law of 6 April 2010 on market practices and the protection of the consumer unless such sale is made in compliance with this law and any applicable implementing regulation. Belgian investors should seek advice from their own advisers about the consequences of the investment in C Shares, including the tax consequences.

For the attention of Danish investors

This document has not been and will not be filed with or approved by the Danish Financial Supervisory Authority or any other regulatory authority in Denmark and the C Shares have not been and are not intended to be listed on a Danish regulated market.

Consequently, this prospectus may not be made available nor may the C Shares otherwise be marketed or offered for sale directly or indirectly in Denmark, except to qualified investors within the meaning of, or otherwise in compliance with an exemption set forth in, Executive Order No. 223 of 10 March 2010.

For the attention of Dutch Investors

The C Shares are only offered by means of this prospectus and are not, may not and will not be offered, distributed, sold, transferred or delivered, directly or indirectly, in or from the Netherlands, as part of the initial distribution or at any time thereafter other than (i) to 'Qualified Investors' (gekwalificeerde beleggers), within the meaning of section 1:1 of the Dutch Financial Supervision Act (Wet op het financieel toezicht) ("DFSA"), provided that these parties acquire the relevant C Shares for their own account or that of another 'Qualified Investor', (ii) to less than 100 individuals or legal entities who or which are not a 'Qualified Investor', (iii) to investors who acquire C Shares for a total consideration of at least EUR 50,000 per investor, for each separate offer, (iv) an offer of C Shares whose denomination per unit amounts to at least EUR 50,000 and (v) an offer of C Shares with a total consideration of less than EUR 100,000, which limit shall be calculated over a period of 12 months.

For the attention of French investors

This prospectus has not been prepared in the context of a public offering of securities in France within the meaning of Article L.411-1 et seq. of the French Code monétaire et financier and Article 211-1 et seq. of the Autorité des marchés financiers (the "AMF") General Regulations, and has therefore not been submitted to the AMF for prior approval or otherwise.

Accordingly, the C Shares may not be offered or sold, directly or indirectly, to the public in France and neither this prospectus nor any other offering material relating to the C Shares has been distributed or caused to be distributed or will be distributed or caused to be distributed to the public in France, except to qualified investors (investisseurs qualifiés), provided that such investors are acting for their own account and/or to persons providing portfolio management financial services (personnes fournissannt le services d'investissement de gestion de portefeuillle pour compte de tiers), all as defined and in accordance with Articles L. 411-1, L.411-2, D.411-1 to D.411-3, D.734-1, D.744-1, D.754-1 and D.764-1 of the French Code monétaire et financier.

C Shares may only be offered or sold, directly or indirectly, to the public in the Republic of France in accordance with applicable laws relating to public offerings (which are in particular embodied in Articles L.411-1, L.411-2, L.412-1 and L.621-8 to L.621-8-3 of the French Code monétaire et financier and Article 211-1 et seq. of the AMF General Regulations).

For the attention of German investors

The C Shares may not be distributed to the public in Germany. The Placing Agents are making this prospectus available to individually selected members of their existing customer base only. This document is only directed to such recipients to whom it is directly addressed; it is not directed to the public in Germany and may not be disseminated to the public in Germany.

For the attention of Guernsey investors

Any document relating to the C Shares may be promoted in Guernsey by persons regulated by the Guernsey Financial Services Commission as licensees under the Protection of Investors (Bailiwick of Guernsey) Law, 1987 as amended. Persons appointed by the Company and not so licensed may not promote the Company in Guernsey to private investors and may only distribute and circulate any document relating to C Shares in Guernsey to persons regulated as licensees under the Protection of Investors (Bailiwick of Guernsey) Law, 1987 as amended, the Banking Supervision (Bailiwick of Guernsey) Law, 1994, the Insurance Business (Bailiwick of Guernsey) Law, 2002 or the Regulation of Fiduciaries, Administration Business and Company Directors etc. (Bailiwick of Guernsey) Law, 2000.

For the attention of Irish investors

This prospectus is being distributed in Ireland only to, and is directed only at, persons who are (i) "qualified investors" within the meaning of the Prospectus (Directive 2003/71/EC) Regulations 2005 (the "Regulations") or (ii) persons to whom this prospectus may otherwise lawfully be issued or passed on (all such persons together also being referred to as "relevant persons"). No offer, sale, underwriting or placement of the C Shares in, from or otherwise involving Ireland shall occur other than in conformity with the provisions of the Regulations and EU prospectus law (as such term is defined in section 38 of the Investment Funds, Companies and Miscellaneous Provisions Act 2005 of Ireland).

The Company shall not advertise or market the C Shares in any way in Ireland without the prior approval of the Irish financial regulator. The Company is not supervised by the Irish financial regulator and the Company is not otherwise supervised or authorised in Ireland. The Company is incorporated in Guernsey and is supervised by the Guernsey Financial Services Commission.

Nothing in this prospectus implies any representation, recommendation or advice (including investment advice) of any kind by the Company, its management, employees or affiliates with respect to its contents.

For the attention of Jersey investors

Subject to certain exemptions (if applicable), the Company shall not raise money in Jersey by the issue anywhere of the C Shares (or the Ordinary Shares or the Tap Shares), and this prospectus relating to the C Shares shall not be circulated in Jersey, without first obtaining consent from the Jersey Financial Services Commission pursuant to the Control of Borrowing (Jersey) Order 1958, as amended. No such consents have been obtained by the Company. Subject to certain exemptions (if applicable), offers for securities in the Company may only be distributed and promoted in or from within Jersey by persons with appropriate registration under the Financial Services (Jersey) Law 1998, as amended.

For the attention of Luxembourg investors

In relation to the Grand Duchy of Luxembourg ("Luxembourg"), which has implemented the prospectus Directive by the Law of 10 July 2005 Relative Aux prospectus Pour Valeurs Mobilières (the "Prospectus Law"), the shares which are subject of the offering contemplated by the prospectus may not be offered to the public in Luxembourg, except that the shares may be offered to the public in Luxembourg:

(a) to legal entities which are authorized or regulated to operate in the financial markets or, if not so authorized or regulated, whose corporate purpose is solely to invest in securities; or

(b) to any legal entity which has two or more of (1) an average of at least 250 employees during the last financial year; (2) a total balance sheet of more than €43,000,000 and (3) an annual net turnover of more than €50,000,000, as shown in its last annual or consolidated accounts; or

(c) to fewer than 100 natural or legal persons (other than qualified investors as defined in the Prospectus Law); or

(d) any other circumstances which do not require the publication by the Issuer of a prospectus pursuant to Article 5 of the Prospectus Law.

For the purposes of this provision, the expression an "offer of shares to the public" in relation to any share in Luxembourg means the communication in any form and by any means of sufficient information on the terms of the offer and the shares to be offered so as to enable an investor to decide to purchase or subscribe the shares and the expression "Prospectus Directive" means Directive 2003/71/EC.

For the attention of Swiss residents

Neither this prospectus nor any other offering or marketing material relating to the Company constitutes an issue prospectus pursuant to article 652a or article 1156 of the Swiss Federal Code of Obligations. The Company has not been approved as foreign collective investment scheme pursuant to article 120 of the Swiss Federal Act on Collective Investment Schemes of 23 June 2006 ("CISA", as amended from time to time) by the Swiss Financial Market Supervisory Authority (FINMA). Accordingly, neither the C Shares nor any other participation in the Company may be publicly offered or distributed in or from Switzerland and neither this prospectus nor any other document or offering material relating to the Company and/or the C Shares may be distributed in connection with any such offering or distribution. The Company is not subject to the supervision of any Swiss supervisory authority. C Shares may only be offered and this prospectus may only be distributed in or from Switzerland to "qualified investors" according to CISA such that there is no public marketing in or from Switzerland as defined pursuant to the most restrictive interpretation of the applicable Swiss laws and regulations.

For the attention of United States investors

The C Shares have not been and will not be registered under the Securities Act, or under the applicable state securities laws of the United States and the Company has not registered, and does not intend to register as an investment company under the Investment Company Act. Accordingly, the C Shares may not be offered, sold, pledged or otherwise transferred directly or indirectly in or into the United States, or to or for the account or benefit of any US person within the meaning of Regulation S, except that the C Shares may be offered and sold (a) in the United States to "qualified institutional buyers" within the meaning of Rule 144A who are "qualified purchasers" as defined in Section 2(a)(51) of the Investment

Company Act in reliance on the exemption from registration provided by Rule 144A and (b) outside the United States only in "offshore transactions" to persons that are not US persons as defined in, and in reliance on, Regulation S.

Each purchaser of C Shares offered by this prospectus, in receiving this prospectus and making its purchase, will be deemed by the Company and the Placing Agents to have made, and may further be required to make, the representations, acknowledgments and agreements as described under the section "Terms and Conditions of Application under the Offer" in this prospectus. Any purchaser of C Shares in the United States or who is a US person within the meaning of Regulation S will be required to execute and return to the Company a US purchaser letter in order to effect their purchase of C Shares.

The following definitions apply throughout this prospectus unless the context requires otherwise:

"Additional Investment"	means an investment made or contracted to be made by the Group on or prior to Admission or any investment identified by the Investment Adviser on or prior to Admission which the Directors reasonably believe will be made or contracted to be made by the Group by no later than 31 December 2010;
"Adjusted Gross Asset Value"	means fair market value, without deductions for borrowed money or other liabilities or accruals, and including outstanding subscription obligations;
"Administration Agreement"	means the administration agreement dated 19 September 2008 between the Company and the Administrator, details of which are set out in Part XI of this prospectus;
"Administrator"	means Dexion Capital (Guernsey) Limited;
"Admission"	means admission of the C Shares to be issued pursuant to the Issue to the Official List and/or to trading on the London Stock Exchange as the context may require;
"AIFM"	means the draft European Directive on Alternative Investment Fund Managers;
"Application Form"	means the application form attached to this Prospectus for use in connection with the Offer for Subscription;
"Articles of Incorporation" or "Articles"	means the Articles of Incorporation of the Company in force from time to time;
"Auditors"	means KPMG Channel Islands Limited;
"Business Day"	means any day (other than a Saturday or Sunday) on which commercial banks are open for business in London and Guernsey;
"Calculation Date"	means the tender offer calculation dates, expected to be 30 September of each year;
"Calculation Time"	has the meaning given in Part IX of this prospectus;
"Capita Registrars"	a trading name of Capita Registrars Limited;
"certificated" or "in certificated form"	means in relation to a share or other security, a share or other security, title to which is recorded in the relevant register of the share or other security concerned as being held in certificated form (that is, not in CREST);
"Client"	means the procuring client which appoints a Project Company under a PFI/PPP concession and to whom the construction and operational services are provided during the project;
"Collins Stewart"	means Collins Stewart Europe Limited;
"Company"	means HSBC Infrastructure Company Limited;

"Completion"	means the completion of the proposed change of ownership of HSIL;
"Conditional Investment"	means Infrastructure Equity in a Project Company that the Group has contracted to buy subject to the satisfaction of certain conditions;
"Conversion"	has the meaning given in Part IX of this prospectus;
"Conversion Ratio"	has the meaning given in Part IX of this prospectus;
"Conversion Time"	has the meaning given in Part IX of this prospectus;
"Court"	means the Royal Court of the Bailiwick of Guernsey;
"CREST" or "CREST system"	means the paperless settlement procedure operated by Euroclear UK & Ireland enabling system securities to be evidenced otherwise than by certificates and transferred otherwise than by written instrument;
"CREST Guernsey Requirements"	means rule 22 and such other of the rules and requirements of Requirements" Euroclear UK & Ireland as may be applicable to issuers from time to time specified in the CREST Reference Manual issued by from time to time;
"C Shares"	means C shares of 0.01 pence each in the Company;
"C Shareholders"	means the holders of the C Shares (prior to the conversion of the C Shares to Ordinary Shares);
"Currency"	means a currency other than GBP in which one or more of the Company's investments are denominated from time to time;
"Current Portfolio"	means the portfolio of infrastructure investments which the Group has acquired on or prior to the date of this prospectus including Conditional Investments, as further described in Part IV of this prospectus;
"Current Portfolio Value"	means the value of the Company's portfolio of assets attributed by the Directors' valuation as at 30 September 2010, plus the consideration payable for investments and Conditional Investments acquired between 1 October 2010 and 16 November 2010 assuming a Euro to Sterling exchange rate of 0.87 and a Canadian dollar to Sterling exchange rate of 0.63;
"DHSRL"	means the Dutch High Speed Rail link project described in Part IV on page 59 of this prospectus;
"Directors" or "Board"	means the directors of the Company, whose names appear on page 27 of this prospectus, or the board of directors from time to time of the Company, as the case may require, and "Director" is to be construed accordingly;
"Distributable Cash Flow"	means, in any year, (i) all cash received by the Group from its investments that is supported by a sufficiency of distributable reserves for accounting purposes and under the Laws, including but not limited to (a) interest payments on

	subordinated debt, (b) repayments of subordinated debt and (c) dividend payments less (ii) management and advisory fees, interest on external borrowings, running costs and taxation;
"EEA"	means the European Economic Area;
"EU"	means the European Union;
"Euroclear UK & Ireland"	means Euroclear UK & Ireland Limited the operator of CREST;
"Excess Application Facility"	means the arrangement pursuant to which Existing Shareholders may apply for additional C Shares in excess of their Open Offer Entitlement in accordance with the terms and conditions of the Open Offer;
"Excess CREST Open Offer Entitlement"	means, in respect of each Existing CREST Shareholder, the entitlement (in addition to their Open Offer Entitlement) to apply for C Shares using CREST pursuant to the Excess Application Facility;
"Excess Shares"	means (a) C Shares which are not taken up by Existing Shareholders pursuant to their Open Offer Entitlement and offered to other Existing Shareholders; together with (b) C Shares that the Directors have reallocated from the Offer for Subscription to be available to Existing Shareholders, in each case that are offered to other Existing Shareholders under the Excess Application Facility;
"Existing CREST Shareholders"	means Existing Shareholders holding Ordinary Shares in uncertificated form in CREST;
"Existing Non-CREST Shareholder"	means Existing Shareholders holding Ordinary Shares in certificated form;
"Existing Ordinary Shares"	means Ordinary Shares in issue as at the Record Date;
"Existing Shareholder"	means a holder of an Ordinary Share as at the Record Date that is not restricted in holding C Shares as set out on pages 160 to 162 of this prospectus;
"Facility"	means the £200 million Multi-Currency Revolving Credit Facilities Agreement between the Partnership, the General Partner and the Principal Bankers, details of which are set out in Part XI of this prospectus;
"Fair Market Value"	means the amount for which an asset could be exchanged between willing parties who are under no compulsion to transact, who are acting for self interest and gain, and both of whom are equally well informed about the Initial Portfolio and the infrastructure market;
"FSA"	means the UK Financial Services Authority;
"FSMA"	means the Financial Services and Markets Act 2000 of the United Kingdom, as amended;
"Fund I"	means the HSBC Infrastructure Fund (comprising the HSBC Infrastructure Fund LP I and the HSBC Infrastructure Fund LP II);
"Fund II"	means the HSBC Infrastructure Fund II;

"Fund III"	means the HSBC Infrastructure Fund III;
"General Partner"	means Infrastructure Investments General Partner Limited;
"GFSC"	means the Guernsey Financial Services Commission;
"Group"	means the Company, the Luxcos and the Partnership (together, individually or in any combination as appropriate);
"Group Debt"	means the amount of outstanding debt, from time to time, drawn down under the Facility;
"Hard FM services"	means hard facilities management services such as maintenance services and the periodic refurbishment and replacement of components;
"Hedging Agreement"	means the hedging agreement dated 19 December 2007 between the Partnership and the Principal Bankers, details of which are set out in Part XI of this prospectus;
"Hedging Letter"	means the hedging letter dated 19 December 2007 relating to the Partnership, details of which are set out in Part XI of this prospectus;
"HEIF"	means the HSBC Property Fund Investments Limited;
"HIFML"	means HSBC Infrastructure Fund Management Limited;
"HIL"	means HSBC Infrastructure Limited;
"HMRC"	means HM Revenue & Customs;
"Holding Company"	means a special purpose company formed to hold the equity and subordinated debt in a Project Company: references in this prospectus to "investments in Project Companies", "making investments in Project Companies" or Infrastructure Equity in Project Companies or Project Company etc. shall be deemed to include a reference to investments or making investments etc. in Holding Companies as and when the context requires;
"Holding Entities"	means all or any of Luxco 1, Luxco 2 and the Partnership;
"HSBC" or "HSBC Group"	means HSBC Holdings plc, together with its subsidiaries and associates;
"HSFML"	means HSBC Specialist Fund Management Limited;
"HSIL"	means HSBC Specialist Investments Limited;
"HSIL Businesses"	means the infrastructure and property fund management businesses currently undertaken by subsidiaries of HSIL which will be acquired by a new entity controlled by the HSIL management team, and including a number (but not all) of the subsidiaries of HSIL including the Investment Adviser;
"IFRS"	means International Financial Reporting Standards;
"Infrastructure Equity"	means the subordinated debt (or the entitlement to acquire subordinated debt) and equity of a Project Company, a Holding Company or any other Portfolio Company (as appropriate);

"Infrastructure Investment Team" or "Team"	means the infrastructure division of the Investment Adviser;
"Initial Limited Partner"	means HSBC Property Fund Investments Limited;
"Initial Portfolio"	means the initial portfolio of 15 infrastructure investments which the Group acquired from Fund I and HIL;
"Insurance Mediation Directive"	means the European Parliament and Council Directive on insurance mediation (No. 2002/92/EC);
"Internal Rate of Return" or "IRR"	means the total return calculated as being the discount rate which when applied to expected cash flows would give a net present value of zero;
"Investment Adviser"	means HSFML acting in its capacity as investment adviser to the Company pursuant to the Investment Advisory Agreement;
"Investment Advisory Agreement"	means the Investment Advisory Agreement between the Investment Adviser and the Company, further details of which are set out in Part XI on page 119;
"Investment Committee"	means the investment committee established by the Operator as described on page 73 of this prospectus;
"Investment Company Act"	means the United States Investment Company Act of 1940, as amended;
"Investment Policy"	means the investment policy of the Group, as set out on pages 37 and 38 of this prospectus;
"IPO"	means the initial public offering of 250 million Ordinary Shares;
"ISA"	means an Individual Savings Account;
"ISA Regulations"	means the Individual Savings Account Regulations 1998 (SI 1998/1870) (as amended);
"Issue"	means the issue of the C Shares pursuant to the Placing, the Open Offer and the Offer for Subscription;
"Issue Price"	means £ 1 per C Share;
"Law" or "Laws"	means the Companies (Guernsey) Law 2008 (as amended);
"Limited Partner"	means Luxco 2 in its capacity as sole limited partner in the limited partnership;
"Limited Partnership Agreement"	has the meaning given in Part XI, section 3;
"Listing Rules"	means the rules, including the listing rules, the disclosure rules, the transparency rules and the prospectus Rules made by the UK Listing Authority under section 73A of the FSMA;
"London Stock Exchange" or "LSE"	means London Stock Exchange plc;
"Luxco 1", "Luxco 2", together the "Luxcos"	have the respective meanings given on page 36 of this prospectus;
"Luxembourg Administrator"	means RSM Henri Grisius & Associés Sàrl;

"M80 DBFO Project"	means the interest in the M80 DBFO project in Scotland which the Group has conditionally contracted to acquire from a subsidiary of Bilfinger Berger SE;
"Management Shares"	means shares of 0.01p each in the capital of the Company, classed as management shares and having the rights attached thereto;
"Memorandum of Incorporation" or "Memorandum"	means the memorandum of incorporation of the Company;
"Net Asset Value" or "NAV"	means the net asset value of the Company in total or (as the context requires) per C/Ordinary Share calculated in accordance with the Company's valuation policies and as described in this prospectus;
"NHS"	means the National Health Service of the United Kingdom;
"Offer for Subscription" or "Offer"	means the offer for subscription to the public in the UK of C Shares on the terms set out in this prospectus;
"Official List"	means the official list maintained by the UK Listing Authority;
"Open Offer"	means the offer to Existing Shareholders, constituting an invitation to apply for C Shares under the Issue, on the terms and subject to the conditions as set out in this prospectus;
"Open Offer Application Form"	means the personalised application form on which Existing Shareholders may apply for C Shares under the Open Offer;
"Open Offer Entitlement"	means the entitlement of Existing Shareholders to apply for C Shares under the Open Offer as set out in Part VII;
"Operator"	means HSFML acting in its capacity as operator of the Partnership;
"Ordinary Shares"	means shares of 0.01p each in the capital of the Company, classed as ordinary shares and having the rights attached thereto;
"Oriel"	means Oriel Securities Limited;
"Partnership"	means the limited partnership which will hold and manage the Company's investments, as further described in Part II of this prospectus;
"Partnership Agreement"	means the Deed of Limited Partnership dated 7 February 2006 between the General Partner and HSBC Property Fund Investments Limited, as amended from time to time;
"P3"	means Canadian public private partnership;
"PFI"	means the Private Finance Initiative;
"Placing"	means the placing of the C Shares pursuant to the Issue Agreement and, details of which are contained in this prospectus;
"Placing Agent"	means Collins Stewart and/or Oriel;

"Placing, Open Offer and Offer Agreement"	means the placing open offer and offer agreement between the Company, Collins Stewart and Oriel, details of which are set out in Part XI of this prospectus;
"Portfolio Company"	means a Project Company or a company which undertakes an activity permitted by the Investment Policy;
"PPP"	means the Public Private Partnership;
"Principal Bankers"	means Bank of Scotland plc;
"Project Agreement"	means the agreement between a Project Company and the Client under which the Project Company agrees to procure the construction of the project and the provision of the services;
"Project Company"	means any investment in an infrastructure project including a special purpose company formed to undertake an infrastructure project;
"Prospectus Rules"	means the prospectus rules made by the FSA under section 73A of the FSMA;
"ramp-up phase"	means the period after a project's completion of its construction phase during which it is building up to being fully operational with full service provision;
"Receiving Agent"	means Capita Registrars;
"Receiving Agent Agreement"	means the receiving agent agreement dated 16 November 2010 between the Company and the Receiving Agent, details of which are set out in Part XI on page 118 of this prospectus;
"Record Date"	means close of business (UK time) 12 November 2010;
"Registrar"	means Capita Registrars (Guernsey) Limited;
"Regulation S"	means Regulation S of the United States Securities Act of 1933, as amended;
"Regulatory Information Service"	means a regulatory information service approved by the FSA and on the list of Regulatory Information Services maintained by the FSA;
"Repurchase Agreements"	means the two repurchase agreements entered into by the Company and Collins Stewart and the Company and Oriel, further details of which are set out in Part XI on pages 117 and 118 of this prospectus;
"Rules of Engagement"	means the rules established to manage transactions between the Group and an HSIL subsidiary, or fund managed by an HSIL subsidiary, or, following Completion, a HSIL Business or a fund managed by a HSIL Business;
"Sàrl"	means a Luxembourg *société à responsabilité limitée*;
"Scrip Shares"	means shares which are issued instead of a cash dividend;
"Securities Act"	means the US Securities Act of 1933, as amended;
"Shareholders"	means the holders of Ordinary Shares (including Ordinary Shares converted from C Shares following such conversion);

"soft FM services"	means soft facilities management services such as cleaning, catering, security and grounds maintenance services;
"SOPARFI"	means a Luxembourg *société à participations financières*;
"Sponsor"	means Collins Stewart;
"Tap Shares"	means the 49,631,336 Ordinary Shares issued by way of tap issues between December 2009 and the date of this prospectus;
"Transfer Agent"	means Capita Registrars, a trading name of Capita Registrars Limited;
"UK Listing Authority"	means the Financial Services Authority in its capacity as the competent authority for listing in the UK pursuant to Part VI of the FSMA;
"Uncertificated" or "in Uncertificated form"	means, in relation to a share or other security, a share or other security, title to which is recorded in the relevant register of the share or other security concerned as being held in uncertificated form (that is, in CREST) and title to which may be transferred by means of CREST;
"United Kingdom" or "UK"	means the United Kingdom of Great Britain and Northern Ireland;
"United States" or "US"	means the United States of America, its territories and possessions, any state of the United States and the District of Columbia;
"US Person" or "United States Person"	has the meaning given in Regulation S under the United States Securities Act of 933;
"Valuation"	means the Directors' calculation of the Fair Market Value of the Current Portfolio as at 30 September 2010; and
"VAT"	means value added tax.

TERMS AND CONDITIONS OF TENDER OFFERS

Subject to the Directors exercising their discretion to operate a tender offer on any particular occasion, the following are the terms and conditions upon which the Company intends to effect tender offers (subject to such amendments as may be made in accordance with paragraph 10 or as otherwise approved by the Shareholders in general meeting):

1. The Tender Offer

1.1 In these terms and conditions, the following words shall bear the following meanings:

"Basic Entitlement" means the entitlement of each Shareholder to tender up to a specified percentage of Ordinary Shares registered in such Shareholders' name on the relevant Record Date rounded down to the nearest whole number. The specified percentage will be determined by the Directors in respect of each Tender Offer and in each case will not exceed 10 per cent. of the Ordinary Shares in issue at the relevant Calculation Date;

"Business Day" means any day (other than a Saturday or Sunday) on which commercial banks are open for business in London and Guernsey;

"Calculation Date" means, unless otherwise determined by the Directors, 30 September in each year (or, if not a Business Day, the succeeding Business Day) as notified by the Company;

"CREST" means a paperless settlement procedure in the United Kingdom enabling securities to be evidenced otherwise than by a certificate and transferred otherwise than by written instrument or stock transfer form and in respect of which Euroclear UK & Ireland is the Operator;

"Euroclear UK & Ireland" means Euroclear UK & Ireland Limited;

"Excluded Overseas Shareholder" means a holder of Ordinary Shares with a registered or mailing address in Australia, Canada, Japan or the United States of America;

"Market Maker" means the market maker engaged by the Company for the purposes of the Tender Offer;

"Ordinary Shares" means ordinary shares of 0.01p each in the capital of the Company;

"Overseas" means territories outside the United Kingdom;

"Receiving Agent" means the receiving agent of the Company from time to time;

"Record Date" means the date for determining which Shareholders are entitled to participate in the Tender Offer, being in respect of each Tender Offer, the record date to be notified by the Company at the appropriate time;

"Repurchase Agreements" means the agreements each dated 12 November 2009 between the Company and Collins Stewart and the Company and Oriel pursuant to which Collins Stewart and Oriel have agreed to implement the Tender Offers, or any other repurchase agreement entered into with a Market Maker;

"Shareholder" means a holder of Ordinary Shares;

"Tender Form" means the tender form for use by Shareholders in connection with the Tender Offer;

"Tender Offer" means an invitation by the Market Maker to Shareholders (other than Excluded Overseas Shareholders) to tender Ordinary Shares for purchase on the terms and conditions set out in this Appendix and the Tender Form;

"Tender Offer Closing Date" means the closing date for submission of Tender Forms in respect of each Tender Offer as notified by the Company;

"Tender Price" means, in relation to each Ordinary Share, 97 per cent. of the Net Asset Value per Share as at the relevant Calculation Date;

"TFE Instruction" means a transfer from escrow instruction (as defined in the CREST Manual issued by Euroclear UK & Ireland);

"TTE Instruction" means a transfer to escrow instruction (as defined in the CREST Manual issued by Euroclear UK & Ireland); and

"United Kingdom" means the United Kingdom of Great Britain and Northern Ireland.

1.2 All Shareholders (other than Excluded Overseas Shareholders) may tender Ordinary Shares for purchase by the Market Maker on the terms and subject to these terms and conditions and, for certificated Shareholders, the Tender Form (which together constitute the Tender Offer). Shareholders are not obliged to tender any Ordinary Shares.

1.3 The Company will calculate its Net Asset Value as at each Calculation Date. The Tender Offer is made at the Tender Price, which will be equal to 97 per cent. of Net Asset Value resulting from such calculation divided by the number of Ordinary Shares in issue on the Calculation Date. The Tender Price will be calculated in pounds sterling and will be conclusive and binding on all Shareholders.

1.4 The consideration for each tendered Ordinary Share acquired by the Market Maker pursuant to the Tender Offer will be paid in accordance with the settlement procedures set out in paragraph 4 below.

1.5 Upon the Tender Offer becoming unconditional and unless the Tender Offer has lapsed or terminated in accordance with the provisions of paragraphs 2 or 7 below, the Market Maker will accept the offers of Shareholders validly made in accordance with this Appendix, subject as explained below, on the following basis:

(a) each Shareholder (other than an Excluded Overseas Shareholder) on the register at the Record Date will be entitled to sell to the Market Maker his or her or its Basic Entitlement, being such number of Ordinary Shares rounded down to the nearest whole number, as represents the relevant percentage by number of such Shareholder's holding entered on the register as at the Record Date;

(b) such Shareholder will also be entitled to sell Ordinary Shares in excess of their Basic Entitlement to the extent that other Shareholders tender Ordinary Shares in respect of less, in the aggregate, than the whole of their Basic Entitlement or do not submit a tender. Any such excess tenders will be satisfied *pro rata* in proportion to the amount in excess of the Basic Entitlement tendered (rounded down to the nearest whole number of Ordinary Shares); and

(c) the Basic Entitlement will apply to each registered Shareholder. Registered Shareholders who hold for multiple beneficial owners may decide the allocation between such beneficial owners in their own discretion.

2. Conditions

Each Tender Offer is conditional on the following (together the "Conditions"):

(a) the Directors exercising their discretion to operate the particular Tender Offer;

(b) the passing of special resolution(s) at an extraordinary or annual general meeting of the Company authorising the relevant Tender Offer prior to the relevant Calculation Date or such later date as the Company and the Market Maker may determine;

(c) valid tenders being received in respect of at least one per cent. of the Company's issued share capital by the relevant Tender Offer Closing Date;

(d) the Market Maker being satisfied that the Company has paid an amount equal to the aggregate of the Tender Price for all successfully tendered Ordinary Shares plus the fees and expenses payable to the Market Maker in respect of the Tender Offer and any stamp duty or stamp duty reserve tax payable by the Market Maker in connection with the tendered Ordinary Shares into a designated account in cleared funds in accordance with the relevant Repurchase Agreement;

(e) the Tender Offer not having been terminated in accordance with paragraph 7 of this Appendix prior to the fulfilment of the conditions referred to in paragraphs 2(a), 2(b), 2(c) and 2(d) above; and

(f) the Market Maker being satisfied that the Company is permitted by the Laws to effect the purchase of all such Ordinary Shares pursuant to the relevant Repurchase Agreement (although the Market Maker shall not be responsible or liable for ensuring that the value, at the Tender Price, of the Ordinary Shares tendered does not exceed the amount which the Company may lawfully pay on the date of purchase).

The Market Maker will not purchase the Ordinary Shares pursuant to the Tender Offer unless the Conditions have been satisfied. The Conditions, other than that contained in paragraph 2(e) above, may not be waived by the Market Maker. If the Conditions are not satisfied prior to the close of business on the date that is 60 days after the relevant Calculation Date, the Tender Offer, if not then completed, will lapse.

3. Procedure for tendering Ordinary Shares

To tender Ordinary Shares, certificated (non-CREST) Shareholders must complete, sign and return the Tender Form in accordance with this paragraph 3 and the instructions printed on the Tender Form, which shall be deemed to form part of the Tender Offer.

Tender Forms will be sent to Shareholders prior to each Tender Offer being implemented.

3.1 ***Completion of Tender Forms***

To participate in the Tender Offer, certificated Shareholders must complete the Tender Form and follow the instructions set out therein. If Shareholders hold Ordinary Shares in both certificated and uncertificated form, they should complete a Tender Form only for their holding of certificated Shares and submit the relevant TTE Instruction in relation to their uncertificated holding. In addition, they should complete separate Tender Forms for Ordinary Shares held in certificated form but under different designations.

Additional Tender Forms will be available from the Receiving Agent.

3.2 ***Return of Tender Forms***

The completed and signed Tender Form should be sent by post to the Receiving Agent at the address specified in the Tender Form to arrive by no later than 1.00 p.m. on the relevant Tender Offer Closing Date. No Tender Forms received after that time will be accepted. A reply-paid envelope will be enclosed with the Tender Form. No acknowledgement of receipt of documents will be given. Any Tender Form received in an envelope postmarked from Australia, Canada, Japan or the United States of America or otherwise appearing to the Market Maker or its agents to have been sent from Australia, Canada, Japan or the United States of America may be rejected as an invalid tender. Further provisions relating to Excluded Overseas Shareholders are contained in paragraph 9 of this Appendix.

(a) *Ordinary Shares held in certificated form (that is, not in CREST)*

The completed and signed Tender Form should be accompanied by the relevant Share certificate(s) and/or other document(s) of title. If the Share certificate(s) and/or other document(s) of title are not readily available (for example, if they are with a stockbroker, bank or other agent), the Tender Form should nevertheless be completed, signed and returned as described above so as to be received by the Receiving Agent not later than 1.00 p.m. on the relevant Tender Offer Closing Date together with any share certificate(s) and/or other

document(s) of title that are available, accompanied by a letter stating that the (remaining) share certificate(s) and/or other document(s) of title will be forwarded as soon as possible thereafter and, in any event, not later than 1.00 p.m. on the relevant Tender Offer Closing Date.

The Receiving Agent will effect such procedures as are required to transfer Ordinary Shares to the Market Maker under the Tender Offer.

If Shareholders have lost their Ordinary Share certificate(s) and/or other document(s) of title, they should write to Capita Registrars, The Registry, 34 Beckenham Road, Beckenham, Kent, BR3 4TU for a letter of indemnity in respect of the lost share certificate(s) which, when completed in accordance with the instructions given, should be returned to the Receiving Agent so as to be received not later than 1.00 p.m. on the relevant Tender Offer Closing Date.

(b) *Ordinary Shares held in uncertificated form (that is, in CREST)*

If the Ordinary Shares which are to be tendered are held in uncertificated form, Shareholders must take (or procure to be taken) the action set out below to transfer (by means of a TTE Instruction) the number of Ordinary Shares which they wish to tender in the Tender Offer to an escrow balance, specifying the Receiving Agent (in its capacity as a CREST receiving agent under its participant ID) as the escrow agent, as soon as possible and in any event so that the transfer to escrow settles not later than 1.00 p.m. on the relevant Tender Offer Closing Date.

If any Shareholders are CREST sponsored members, they should refer to their CREST sponsor before taking any action. Their CREST sponsor will be able to confirm details of their participant ID and the member account ID under which the Ordinary Shares are held. In addition, only the CREST sponsor will be able to send the TTE Instructions to Euroclear UK & Ireland in relation to the Ordinary Shares to be tendered.

Shareholders should send (or, if they are a CREST sponsored member, procure that their CREST sponsor sends) a TTE Instruction to Euroclear UK & Ireland, which must be properly authenticated in accordance with Euroclear UK & Ireland's specification and which must contain, in addition to other information that is required for the TTE Instruction to settle in CREST, the following details:

- the number of Ordinary Shares to be transferred to an escrow balance;
- your member account ID;
- your participant ID;
- the participant ID of the escrow agent, the Receiving Agent, in its capacity as a CREST receiving agent. This participant ID will be notified to Shareholders at the appropriate time;
- the member account ID of the escrow agent, the Receiving Agent. This member account ID will be notified to Shareholders at the appropriate time;
- the Corporate Action Number for the Tender Offer. This is allocated by Euroclear UK & Ireland and can be found by viewing the relevant corporate action details in CREST;
- the intended settlement date for the transfer to escrow. This should be as soon as possible and in any event no later than 1.00 p.m. on the relevant Tender Offer Closing Date;
- the standard delivery instruction with priority 80;
- contact name and telephone number inserted in the shared note field; and
- the ISIN of the Ordinary Shares. This is GB00B0T4LH64.

After settlement of the TTE Instruction, Shareholders will not be able to access the Ordinary Shares concerned in CREST for any transaction or for charging purposes, notwithstanding that they will be held by the Receiving Agent as escrow agent until completion or lapsing of the Tender Offer. If the Tender Offer becomes unconditional, the Receiving Agent will transfer the Ordinary Shares which are accepted for purchase by the Market Maker to itself for onward sale to the Market Maker.

Shareholders are recommended to refer to the CREST Manual published by Euroclear UK & Ireland for further information on the CREST procedures outlined above.

Shareholders should note that Euroclear UK & Ireland does not make available special procedures in CREST for any particular corporate action. Normal system timings and limitations will therefore apply in connection with a TTE Instruction and its settlement. Shareholders should therefore ensure that all necessary action is taken by them (or by their CREST sponsor) to enable a TTE Instruction relating to the Ordinary Shares to settle prior to 1.00 p.m. on the relevant Tender Offer Closing Date. In connection with this, Shareholders are referred in particular to those sections of the CREST Manual concerning practical limitations of the CREST system and timings.

An appropriate announcement will be made if any of the details contained in this paragraph 3.2(b) are altered.

3.3 ***Deposits of Ordinary Shares into, and withdrawals of Ordinary Shares from, CREST***

Normal CREST procedures (including timings) apply in relation to any Ordinary Shares that are, or are to be, converted from uncertificated to certificated form, or from certificated to uncertificated form, during the course of the Tender Offer (whether such conversion arises as a result of a transfer of Ordinary Shares or otherwise). Shareholders who are proposing to convert any such Ordinary Shares are recommended to ensure that the conversion procedures are implemented in sufficient time to enable the person holding or acquiring the Ordinary Shares as a result of the conversion to take all necessary steps in connection with such person's participation in the Tender Offer (in particular, as regards delivery of Ordinary Share certificates and/or other documents of title or transfer to an escrow balance as described above) prior to 1.00 p.m. on the relevant Tender Offer Closing Date.

3.4 ***Validity of Tender Forms***

Notwithstanding the powers in paragraph 8.5 below the Market Maker reserves the right to treat as valid only Tender Forms which are received entirely in order by 1.00 p.m. on the relevant Tender Offer Closing Date and which are accompanied by the relevant Ordinary Share certificate(s) and/or other document(s) of title or a satisfactory indemnity in lieu thereof or in respect of the entire number of certificated Ordinary Shares tendered. Notwithstanding the completion of a valid Tender Form or relevant TTE Instruction, the Tender Offer may terminate or lapse in accordance with the Terms and Conditions set out in this Appendix. The decision of the Market Maker as to which Ordinary Shares have been validly tendered shall be conclusive and binding on Shareholders.

4. Settlement

4.1 Unless terminated in accordance with the provisions of this Appendix, the Tender Offer will close at 1.00 p.m. on the relevant Tender Offer Closing Date and it is expected that shortly thereafter, the Company will make a public announcement of the total number of Ordinary Shares tendered and, if applicable, either the extent to which tenders will be scaled back, or the number of tendered Ordinary Shares in excess of the Basis Entitlement which will be purchased by the Market Maker from Shareholders who have tendered Ordinary Shares in excess of their Basic Entitlement.

4.2 Delivery of cash to Shareholders for the Ordinary Shares to be purchased pursuant to the Tender Offer will be made by cheque or by CREST, as appropriate, by the Receiving Agent. Under no circumstances will interest be paid on the cash to be paid by the Company, the Market Maker or the Receiving Agent regardless of any delay in making such payment.

4.3 If any tendered Ordinary Shares are not purchased because of an invalid tender, the termination of the Tender Offer or otherwise, relevant certificates evidencing any such Ordinary Shares and other documents of title, if any, will be returned or sent as promptly as practicable, without expense to, but at the risk of, the tendering Shareholder, or in the case of Ordinary Shares held in uncertificated form (that is, in CREST), the Receiving Agent will provide instructions to Euroclear UK & Ireland to transfer all Ordinary Shares held in escrow balances by TFE instruction to the original available balances to which those Ordinary Shares relate.

(a) Settlement of the consideration to which any Shareholder is entitled pursuant to valid tenders accepted by the Market Maker is expected to be made as soon as practicable after the Calculation Date as follows:

(i) Ordinary Shares held in certificated form (that is not in CREST) where an accepted tender relates to Ordinary Shares held in certificated form, cheques for the consideration due will be despatched by the Receiving Agent by first class post to the person or agent whose name and address is set out in the Tender Form, or if none is set out, to the registered address of the tendering Shareholder or, in the case of joint holders, the address of the first named. All cash payments will be made in pounds sterling by cheque drawn on a branch of a UK clearing bank.

(ii) Ordinary Shares held in uncertificated form (that is in CREST) where an accepted tender relates to Ordinary Shares held in uncertificated form, the consideration due will be paid by means of CREST by the Receiving Agent procuring the creation of a CREST payment in favour of the tendering Shareholder's payment bank in accordance with the CREST payment arrangements.

(iii) The payment of any consideration for Ordinary Shares pursuant to the Tender Offer will be made only after the relevant TTE instruction has settled or (as the case may be) timely receipt by the Receiving Agent of certificates and/or other requisite documents evidencing such Ordinary Shares, a properly completed and duty executed Tender Form and any other documents required by the Tender Form.

4.4 If only part of a holding of Ordinary Shares is sold pursuant to (the Tender Offer or if, because of scaling back, any tendered Ordinary Shares in excess of a Shareholder's Basic Entitlement are not purchased pursuant to the terms of the Tender Offer:

(a) where the Ordinary Shares are held in certificated form, the relevant Shareholder will be entitled to receive a certificate in respect of the balance of the remaining Ordinary Shares; or

(b) where the Ordinary Shares are held in uncertificated form (that is in CREST) the unsold Ordinary Shares will be transferred by the Receiving Agent by means of a TFE Instruction to the original available balance from which those Ordinary Shares came.

5. Tender Form/TTE Instructions

Each Shareholder by whom, or on whose behalf a Tender Form or TTE Instruction is executed irrevocably undertakes, represents, warrants and agrees to and with the Market Maker (for itself and as trustee for the Company) (so as to bind him, his personal representatives, heirs, successors and assigns) that:

(a) the execution of the Tender Form or TTE Instruction shall constitute an offer to sell to the Market Maker such Shareholder's Basic Entitlement or, if relevant, the number of Ordinary Shares inserted in the Tender Form or TTE Instruction, in each case, on and subject to the terms and conditions set out or referred to in this prospectus and, for certificated shareholders, the Tender Form and that, once lodged, such offer shall be irrevocable;

(b) such Shareholder has full power and authority to tender, sell, assign or transfer the Ordinary Shares in respect of which such offer is accepted (together with all rights attaching thereto) and, when the same are purchased by the Market Maker, the Market Maker will acquire such Ordinary Shares with full title guarantee and free from all liens, charges, encumbrances, equitable interests,

rights of pre-emption or other third party rights of any nature and together with all rights attaching thereto on or after the relevant Tender Offer Closing Date, including the right to receive all dividends and other distributions declared, paid or made after that date;

(c) the execution of the Tender Form or TTE Instruction will, subject to the Tender Offer becoming unconditional, constitute the irrevocable appointment of any director or officer of the Market Maker as such Shareholder's attorney and/or agent ("attorney"), and an irrevocable instruction to the attorney to complete and execute all or any instruments of transfer and/or other documents at the attorney's discretion in relation to the Ordinary Shares referred to in paragraph (a) above in favour of the Market Maker or such other person or persons as the Market Maker may direct and to deliver such instrument(s) of transfer and/or other documents at the discretion of the attorney, together with the Ordinary Share certificate(s) and/or other document(s) relating to such Ordinary Shares, for registration within six months of the Tender Offer becoming unconditional and to do all such other acts and things as may in the opinion of such attorney be necessary or expedient for the purpose of, or in connection with, the Tender Offer and to vest in the Market Maker or its nominee(s) or such other person(s) as the Market Maker may direct such Ordinary Shares;

(d) such Shareholder agrees to ratify and confirm each and every act or thing which may be done or effected by the Market Maker or any of its Directors or any person nominated by the Market Maker in the proper exercise of its or his or her powers and/or authorities hereunder;

(e) such Shareholder holding Ordinary Shares in certificated form will deliver to the Receiving Agent his Ordinary Share certificate(s) and/or other document(s) of title in respect of the Ordinary Shares referred to in paragraph (a) above, or an indemnity acceptable to the Market Maker in lieu thereof, or will procure the delivery of such document(s) to such person as soon as possible thereafter and, in any event, no later than 1.00 p.m. on the relevant Tender Offer Closing Date;

(f) such Shareholder shall do all such acts and things as shall be necessary or expedient and execute any additional documents deemed by the Market Maker to be desirable, in each case to complete the purchase of the Ordinary Shares and/or to perfect any of the authorities expressed to be given hereunder;

(g) such Shareholder has not received or sent copies or originals of the Tender Form or any related documents in Australia, Canada, Japan or the United States of America and has not otherwise utilised in connection with the Tender Offer, directly or indirectly, the mails or any means or instrumentality (including, without limitation, facsimile transmission, internet, telex and telephone) of interstate or foreign commerce, or of any facility of a national securities exchange, of Australia, Canada, Japan or the United States of America, that the Tender Form has not been mailed or otherwise sent in, into or from Australia, Canada, Japan or the United States of America and that such Shareholder is not accepting the Tender Offer from Australia, Canada, Japan or the United States of America;

(h) the provisions of the Tender Form shall be deemed to be incorporated into the terms and condition of the Tender Offer;

(i) in the case of Ordinary Shares in certificated form, the despatch of a cheque in respect of the Tender Price to a Shareholder at his registered address or such other address as is specified in the Tender Form will constitute a complete discharge by the Market Maker of its obligations to make such payment to such Shareholder;

(j) in the case of Ordinary Shares held in uncertificated form (that is in CREST) the creation of a CREST payment in favour of such Shareholder's payment bank in accordance with the CREST payment arrangements as referred to in paragraph 4 above will, to the extent of the obligations so created, discharge fully any obligation of the Market Maker to pay to such Shareholder the cash consideration to which he is entitled in the Tender Offer;

(k) on execution the Tender Form takes effect as a deed; and

(l) the execution of the Tender Form or TTE Instruction constitutes such Shareholder's submission to the jurisdiction of the Court in relation to all matters arising out of or in connection with the Tender Offer or the Tender Form. A reference in this paragraph 5 to a Shareholder includes a reference to the person or persons executing the Tender Form or TTE Instruction and in the event of more than one person executing a Tender Form or TTE Instruction, the provisions of this paragraph will apply to them jointly and to each of them.

6. Additional provisions

6.1 Each Shareholder may tender some of or all of their holding of Ordinary Shares by the Closing Date subject to the scaling back of tenders in excess of such Shareholder's Basic Entitlement on the basis provided in paragraph 1.5 above. If (i) Section 1 of the Tender Form is not completed; or (ii) in the Market Maker's determination (in its absolute discretion) Section 1 has not been validly completed, provided that the Tender Form is otherwise in order and accompanied by all other relevant documents, the tender will be accepted as a valid tender in respect of the whole of the tendering Shareholder's Basic Entitlement.

6.2 Ordinary Shares acquired by the Market Maker in the Tender Offer will be market purchases in accordance with the rules of the London Stock Exchange and the UK Listing Authority.

6.3 Ordinary Shares sold by Shareholders pursuant to the Tender Offer will be acquired with full title guarantee and free from all liens, charges, encumbrances, equitable interests, rights of pre-emption or other third party rights of any nature and together with all rights attaching thereto on or after the relevant Tender Offer Closing Date, including the right to receive all dividends and other distributions declared, paid or made after that date.

6.4 Each Shareholder who tenders or procures the tender of Ordinary Shares will thereby be deemed to have agreed that, in consideration of the Market Maker agreeing to process his tender, such Shareholder will not revoke his tender or withdraw his Ordinary Shares. Shareholders should note that once tendered, Ordinary Shares may not be sold, transferred, charged or otherwise disposed of.

6.5 Any omission to despatch this prospectus or the Tender Form or any notice required to be despatched under the terms of the Tender Offer to, or any failure to receive the same by, any person entitled to participate in the Tender Offer shall not invalidate the Tender Offer in any way or create any implication that the Tender Offer has not been made to any such person.

6.6 No acknowledgement of receipt of any Tender Form, Ordinary Share certificate(s) and/or other document(s) of title will be given. All communications, notices, certificates, documents of title and remittances to be delivered by or sent to or from Shareholders (or their designated agents) will be delivered by or sent to or from such Shareholders (or their designated agents) at their own risk.

6.7 All powers of attorney and authorities on the terms conferred by or referred to in this Appendix or in the Tender Form are given by way of security for the performance of the obligations of the Shareholders concerned and are irrevocable in accordance with section 4 of the Powers of Attorney Act 1971 in the United Kingdom.

6.8 Subject to paragraphs 8 and 9 below all tenders must be made on the relevant prescribed Tender Form or by submitting the relevant TTE Instruction, fully completed in accordance with the instructions set out thereon which constitute part of the terms of the Tender Offer. A Tender Form will only be valid when the procedures contained in these terms and conditions and in the Tender Form are complied with. The Tender Offer and all tenders will be governed by and construed in accordance with English law.

6.9 If the Tender Offer is terminated or lapses, all documents lodged pursuant to the Tender Offer will be returned promptly by post, within 14 Business Days of the Tender Offer terminating or lapsing, to the person or agent whose name and address is set out in the Tender Form or, if none is set out, to the tendering Shareholder or, in the case of joint holders, the first named at his/her registered address. In the case of Ordinary Shares held in uncertificated form, the Receiving Agent in its capacity as the escrow agent will, within 14 Business Days of the Tender Offer lapsing, give

instructions to Euroclear UK & Ireland Limited to transfer all Ordinary Shares held in escrow balances and in relation to which it is the escrow agent for the purposes of the Tender Offer, by TFE Instruction to the original available balances from which those Ordinary Shares came. In any of these circumstances, Tender Forms will cease to have any effect.

6.10 The instructions, terms, provisions and authorities contained in or deemed to be incorporated in the Tender Form shall constitute part of the terms of the Tender Offer.

6.11 Subject to paragraphs 8 and 9 below the Tender Offer is open to Shareholders on the register on the relevant Record Date, and will close at 1.00 p.m. on the relevant Tender Offer Closing Date. No Tender Form, Ordinary Share certificate(s) and/or other document(s) of title or indemnity or TTE instruction received after that time will be accepted.

7. Termination of the Tender Offer

If the Company (acting through the Directors) shall, at any time after the announcement of the intention to propose a particular Tender Offer but prior to the Market Maker effecting the purchase as principal of the tendered Ordinary Shares pursuant to the relevant Repurchase Agreement, notify the Market Maker in writing that (i) as a result of any change in national or international financial, economic, political or market conditions, the cost of realisation of assets to fund the Tender Offer has become significantly more expensive since the date of this prospectus; or (ii) in its reasonable opinion the completion of the purchase of Ordinary Shares in the Tender Offer would have unexpected or adverse fiscal or other consequences (whether by reason of a change in legislation or practice or otherwise) for the Company or its Shareholders if the Tender Offer were to proceed, the Market Maker and/or the Company shall be entitled at its complete discretion by a public announcement to withdraw the Tender Offer, and in such event the Tender Offer shall cease and determine absolutely.

8. Miscellaneous

8.1 Any changes to the terms, or any extension or termination of the Tender Offer will be followed as promptly as practicable by a public announcement thereof no later than 1.00 p.m. on the Business Day following the date of such changes. Such an announcement will be released to a Regulatory Information Service of the London Stock Exchange. References to the making of an announcement by the Company includes the release of an announcement on behalf of the Company by the Market Maker to the press and/or delivery of, or telephone or facsimile or other electronic transmission of, such announcement to a Regulatory Information Service.

8.2 Ordinary Shares purchased pursuant to the Tender Offer will, following the completion of the Tender Offer, be acquired from the Market Maker by the Company on the London Stock Exchange pursuant to the relevant Repurchase Agreement and such Ordinary Shares will subsequently be cancelled save for any Ordinary Shares sold by the Market Maker to third parties with the agreement of the Company.

8.3 Tendering Shareholders will not be obliged to pay brokerage fees, commissions or transfer taxes or stamp duty in the UK on the purchase by the Market Maker of Ordinary Shares pursuant to the Tender Offer.

8.4 Except as contained in this prospectus no person has been authorised to give any information or make any representations with respect to the Company or the Tender Offer and, if given or made, such other information or representations should not be relied on as having been authorised by the Market Maker or the Company. Under no circumstances should the delivery of this prospectus or the delivery of any consideration pursuant to the Tender Offer create any implication that there has been no change in the assets properties, business or affairs of the Company since the date of this prospectus.

8.5 The Market Maker reserves the absolute right to inspect (either itself or through its agents) all Tender Forms and may consider void and reject any tender that does not in the Market Maker's sole judgement (acting reasonably) meet the requirements of the Tender Offer. The Market Maker also reserves the absolute right to waive any defect or irregularity in the tender of any Ordinary

Shares, including any Tender Form (in whole or in part) which is not entirely in order or which is not accompanied by the related Ordinary Share certificate(s) and/or other document(s) of title or an indemnity acceptable to the Market Maker in lieu thereof. In that event, for Ordinary Shares held in certificated form, however, the consideration in the Tender Offer will only be despatched when the Tender Form is entirely in order and the Ordinary Share certificate(s) or other document(s) of title or indemnities satisfactory to the Market Maker has/have been received. None of the Market Maker, the Company, the Receiving Agent or any other person will be under any duty to give notification of any defects or irregularities in tenders or incur any liability for failure to give any such notification.

9. Excluded Overseas Shareholders

9.1 The provisions of this paragraph 9 and any other terms of the Tender Offer relating to Overseas Shareholders may be waived, varied or modified as regards specific Shareholders or on a general basis by the Market Maker in consultation with the Company but only if the Market Maker and the Company are satisfied that such waiver, variance or modification will not constitute or give rise to a breach of applicable securities or other law.

9.2 The Tender Offer is not being made to Excluded Overseas Shareholders. Excluded Overseas Shareholders are being excluded from the Tender Offer to avoid offending applicable local laws relating to the implementation of the Tender Offer. Accordingly, copies of this prospectus, the Tender Form and any related documents are not being and must not be mailed or otherwise distributed to or into Australia, Canada, Japan or the United States of America, including to Shareholders with registered addresses in Australia, Canada, Japan or the United States of America, or to persons whom the Market Maker knows to be custodians, nominees or trustees holding Ordinary Shares for Excluded Overseas Shareholder. Persons receiving such documents (including, without limitation, custodians, nominees and trustees) should not distribute or send them to Australia, Canada, Japan or the United States of America or use such mails or any such means, instrumentality or facility in connection with the Tender Offer, as so doing will render invalid any related purported acceptance of the Tender Offer. Persons wishing to accept the Tender Offer should not use such mails or any such means, instrumentality or facility for any purpose directly or indirectly relating to acceptance of the Tender Offer. Envelopes containing Tender Forms should not be postmarked from Australia, Canada, Japan or the United States of America or otherwise despatched to Australia, Canada, Japan or the United States of America and accepting Shareholders must not provide addresses in Australia, Canada, Japan or the United States of America for the remittance of cash or return of Tender Forms.

9.3 A Shareholder will be deemed not to have made a valid tender if (i) such Shareholder is unable to make the representation and warranty set out in paragraph 5(g) of this Appendix, (ii) such Shareholder inserts in the Tender Form the name and address of a person or agent in Australia, Canada, Japan or the United States of America to whom he wishes the consideration to which such Shareholder is entitled in the Tender Offer to be sent or (iii) the Tender Form received from him is in an envelope postmarked in, or which otherwise appears to the Market Maker or its agents to have been sent from, Australia, Canada, Japan or the United States of America. The Market Maker reserves the right, in its absolute discretion, to investigate, in relation to any acceptance, whether the representation and warranty referred to in paragraph 5(g) above given by any Shareholder is correct and, if such investigation is undertaken and as a result the Market Maker determines (for any reason) that such representation and warranty is not correct, such acceptance shall not be valid.

9.4 If, in connection with making the Tender Offer, notwithstanding the restrictions described above, any person (including, without limitation, custodians, nominees and trustees), whether pursuant to a contractual or legal obligation or otherwise, forwards this prospectus, the Tender Form or any related offering documents to Australia, Canada, Japan or the United States of America or uses the mails of, or any means or instrumentality (including, without limitation, facsimile transmission, telex, internet and telephone) of interstate or foreign commerce of, or any facility of a national securities exchange in Australia, Canada, Japan or the United States of America in

connection with such forwarding, such person should (i) inform the recipient of such fact; (ii) explain to the recipient that such action may invalidate any purported acceptance by the recipient; and (iii) draw the attention of the recipient to this paragraph 9.

10. Modifications

The terms of the Tender Offer shall have effect subject to such non-material modifications or additions as the Company and the Market Maker may from time to time approve in writing. The times and dates referred to in this Appendix may be amended by agreement between the Company and the Market Maker.

TERMS AND CONDITIONS OF THE OPEN OFFER

1. Introduction

Existing Shareholders must hold Existing Ordinary Shares as at the date the Existing Ordinary Shares go Ex-Entitlements as to the Open Offer to be eligible to partake in the Open Offer. Open Offer Application Forms are expected to be posted to Existing Non-CREST Shareholders on or around 17 November 2010 and Open Offer Entitlements are expected to be credited to stock accounts of Existing CREST Shareholders in CREST on 18 November 2010. The latest time and date for receipt of completed Open Offer Application Forms and payment in full under the Open Offer and settlement of relevant CREST instructions (as appropriate) is expected to be 11.00 a.m. on 8 December 2010 with Admission and commencement of dealings in C Shares expected to take place at 8.00 a.m. on 15 December 2010.

This document and, for Existing Non-CREST Shareholders only, the Open Offer Application Form contain the formal terms and conditions of the Open Offer. Your attention is drawn to paragraph 4 of these Terms and Conditions which gives details of the procedure for application and payment for the C Shares available under the Open Offer. The attention of overseas Shareholders is drawn to paragraph 6 of these Terms and Conditions.

The Open Offer is an opportunity for Existing Shareholders to apply for C Shares *pro rata* to their current holdings at the Issue Price of £1 per C Share in accordance with these Terms and Conditions.

The Excess Application Facility is an opportunity for Existing Shareholders who have applied for all of their Open Offer Entitlements to apply for additional C Shares. The Excess Application Facility will be comprised of C Shares that are not taken up by Existing Shareholders under the Open Offer pursuant to their Open Offer Entitlements, aggregate fractional entitlements under the Open Offer and any C Shares that the Directors determine should be reallocated from the Offer for Subscription and/or The Placing to satisfy demand from Existing Shareholders in preference to prospective new investors under the Offer for Subscription and/or The Placing. There is no limit on the amount of C Shares that can be applied for by C Shareholders under the Excess Application Facility, save that the maximum amount of C Shares to be allotted under the Excess Application Facility shall be limited by the maximum size of the Issue (as may be increased by the Directors up to £150 million) less C Shares issued under the Placing and the Open Offer pursuant to Existing Shareholders' Open Offer Entitlements and any C Shares that the Directors determine to issue under the Offer for Subscription. Allotments under the Excess Application Facility shall be allocated in such manner as the Directors may determine in their absolute discretion, and no assurance can be given that applications by Existing Shareholders will be met in part or at all. In the event of oversubscription under the Excess Application Facility the Directors intend to limit application by Existing Shareholders pro-rata to their aggregate holdings of Existing Ordinary Shares. However, the Directors also have the discretion (but are not obliged) to scale back the Placing and/or Offer for Subscription in favour of the Excess Application Facility by reallocating C Shares that would otherwise be available under the Placing and/or Offer for Subscription to Existing Shareholders through the Excess Application Facility.

Any Existing Shareholder who has sold or transferred all or part of his/her registered holding(s) of Ordinary Shares prior to 8:00 a.m. on 17 November 2010 is advised to consult his or her stockbroker, bank or other agent through or to whom the sale or transfer was effected as soon as possible since the invitation to apply for C Shares under the Open Offer may be a benefit which may be claimed from him/her by the purchasers under the rules of the London Stock Exchange.

2. The Open Offer

Subject to the terms and conditions set out below (and, in the case of Existing Non-CREST Shareholders, in the Open Offer Application Form), Existing Shareholders are being given the opportunity to apply for any number of C Shares at the Issue Price (payable in full on application and free of all expenses) up to a maximum of their Open Offer Entitlement which shall be calculated on the basis of:

1 C Share for every 8 Existing Ordinary Shares

Applications by Existing Shareholders will be satisfied in full up to the amount of their individual Open Offer Entitlement.

Open Offer Entitlements will be rounded down to the nearest whole number and any fractional entitlements to C Shares will be disregarded in calculating Open Offer Entitlements. Fractions be aggregated and made available to Existing Shareholders under the Excess Application Facility.

Existing Shareholders may apply to acquire less than their Open Offer Entitlement should they so wish. In addition, Existing Shareholders may apply to acquire excess C Shares using the Excess Application Facility. Please refer to paragraphs 4.1(c) and 4.2(c) of these Terms and Conditions for further details of the Excess Application Facility.

If you are an Existing Non-CREST Shareholder, the Open Offer Application Form shows the number of Existing Ordinary Shares registered in your name on the Record Date (in Box 1).

Existing CREST Shareholders will have C Shares representing their Open Offer Entitlement credited to their stock accounts in CREST and should refer to paragraph 4.2 of these Terms and Conditions and also to the CREST Manual for further information on the relevant CREST procedures.

The Open Offer Entitlement, in the case of Existing Non-CREST Shareholders, is equal to the number of C Shares shown in Box 2 on the Open Offer Application Form or, in the case of Existing CREST Shareholders, is equal to the number of their C Shares representing Open Offer Entitlement standing to the credit of their stock account in CREST.

The Excess Application Facility enables Existing Shareholders to apply for any whole number of excess C Shares in excess of their Open Offer Entitlement. Existing Non-CREST Shareholders who wish to apply to subscribe for more than their Open Offer Entitlement should complete Box 7 on the Open Offer Application Form. Excess applications may be allocated in such manner as the Directors may determine, in their absolute discretion, and no assurance can be given that applications by Existing Shareholders will be met in full or in part or at all.

Existing Shareholders should be aware that the Open Offer is not a rights issue. Existing Non-CREST Shareholders should also note that their respective Open Offer Application Forms are not negotiable documents and cannot be traded. Existing CREST Shareholders should note that, although the C Shares representing Open Offer Entitlement and Excess CREST Open Offer Entitlements will be credited to CREST and be enabled for settlement, applications in respect of entitlements under the Open Offer may only be made by the Existing Shareholder originally entitled or by a person entitled by virtue of a *bona fide* market claim raised by Euroclear's Claims Processing Unit. C Shares not applied for under the Open Offer will not be sold in the market for the benefit of those who do not apply under the Open Offer and Existing Shareholders who do not apply to take up C Shares available under the Open Offer will have no rights under the Open Offer. Any C Shares which are not applied for in respect of the Open Offer may be allotted to Existing Shareholders to meet any valid applications under the Excess Application Facility or may be issued to the subscribers under the Placing or the Offer for Subscription, with the proceeds retained for the benefit of the Company.

3. Conditions and further terms of the Open Offer

The Open Offer is conditional on admission of the C Shares to the Official List becoming effective by not later than 8.00 a.m. on 15 December 2010 (or such later time and/or date as the Company and Collins Stewart may determine, not being later than 8.00 a.m. on 31 December 2010).

Accordingly, if this condition is not satisfied the Issue will not proceed and any applications made by Existing Shareholders will be rejected. In such circumstances, application monies will be returned (at the applicant's sole risk), without payment of interest, as soon as practicable thereafter.

No temporary documents of title will be issued in respect of C Shares under the Open Offer held in uncertificated form. Definitive certificates in respect of C Shares taken up are expected to be posted to those Existing Shareholders who have validly elected to hold their C Shares in certificated form in the

week commencing 20 December 2010. In respect of those Existing Shareholders who have validly elected to hold their C Shares in uncertificated form, the C Shares are expected to be credited to their stock accounts maintained in CREST on 15 December 2010.

4. Procedure for application and payment

The action to be taken by you in respect of the Open Offer depends on whether, at the relevant time, you have an Open Offer Application Form in respect of your entitlement under the Open Offer or you have C Shares representing your Open Offer Entitlement and Excess CREST Open Offer Entitlement credited to your CREST stock account in respect of such entitlement.

Existing Shareholders who hold their Existing Ordinary Shares in certificated form will be allotted C Shares in certificated form. Existing Shareholders who hold part of their Existing Ordinary Shares in uncertificated form will be allotted C Shares in uncertificated form to the extent that their entitlement to C Shares arises as a result of holding Existing Ordinary Shares in uncertificated form. However, it will be possible for Existing Shareholders to deposit Open Offer Entitlements into, and withdraw them from, CREST. Further information on deposit and withdrawal from CREST is set out in paragraph 4.2(g) of these Terms and Conditions.

CREST sponsored members should refer to their CREST sponsor, as only their CREST sponsor will be able to take the necessary action specified below to apply under the Open Offer in respect of the Open Offer Entitlements and Excess CREST Open Offer Entitlements of such members held in CREST. CREST members who wish to apply under the Open Offer in respect of their Open Offer Entitlements and Excess CREST Open Offer Entitlements in CREST should refer to the CREST Manual for further information on the CREST procedures referred to below.

Existing Shareholders who do not want to apply for the C Shares under the Open Offer should take no action and should not complete or return the Open Offer Application Form.

4.1 If you have an Open Offer Application Form in respect of your entitlement under the Open Offer

(a) *General*

Subject as provided in paragraph 6 of these Terms and Conditions in relation to overseas Shareholders, Existing Non-CREST Shareholders will receive an Open Offer Application Form. The Open Offer Application Form shows the number of Existing Ordinary Shares registered in their name on the Record Date in Box 1. It also shows the maximum number of C Shares for which they are entitled to apply under the Open Offer set out in Box 2. Box 3 shows how much they would need to pay if they wish to take up their Open Offer Entitlement in full. Any fractional entitlements to C Shares will be disregarded in calculating Open Offer Entitlements and will be aggregated and made available to Existing Shareholders under the Excess Application Facility. Any Existing Non-CREST Shareholders with fewer than 8 Existing Ordinary Shares will not receive an Open Offer Entitlement but may apply for Excess Shares pursuant to the Excess Application Facility (see paragraph 4.1(c) of these Terms and Conditions). Existing Non-CREST Shareholders may apply for less than their entitlement should they wish to do so. Existing Non-CREST Shareholders may also hold such an Open Offer Application Form by virtue of a *bona fide* market claim. Existing Non-CREST Shareholders may also apply for Excess Shares under the Excess Application Facility.

The instructions and other terms set out in the Open Offer Application Form form part of the terms of the Open Offer in relation to Existing Non-CREST Shareholders.

(b) *Bona fide market claims*

Applications to acquire C Shares may only be made on the Open Offer Application Form and may only be made by the Existing Non-CREST Shareholder named in it or by a person entitled by virtue of a *bona fide* market claim in relation to a purchase of Existing Ordinary Shares through the market prior to the date upon which the Existing Ordinary Shares were marked "ex" the entitlement to participate in the Open Offer. Open Offer Application

Forms may not be assigned, transferred or split, except to satisfy bona fide market claims up to 8:00 a.m. on 18 November 2010. The Open Offer Application Form is not a negotiable document and cannot be separately traded. An Existing Non-CREST Shareholder who has sold or otherwise transferred all or part of his holding of Existing Ordinary Shares prior to the date upon which the Existing Ordinary Shares were marked "ex" the entitlement to participate in the Open Offer, should consult his broker or other professional adviser as soon as possible, as the invitation to acquire C Shares under the Open Offer may be a benefit which may be claimed by the transferee. Existing Non-CREST Shareholders who have sold all or part of their registered holdings should, if the market claim is to be settled outside CREST, complete Box 8 on the Open Offer Application Form and immediately send it to the stockbroker, bank or other agent through whom the sale or transfer was effected for transmission to the purchaser or transferee. The Open Offer Application Form should not, however be forwarded to or transmitted to any "Excluded Overseas Shareholder's" (being a holder of Ordinary Shares with a registered mailing address in Australia, Canada, Japan or the United States). If the market claim is to be settled outside CREST, the beneficiary of the claim should follow the procedures set out in the accompanying Open Offer Application Form. If the market claim is to be settled in CREST, the beneficiary of the claim should follow the procedure set out in paragraphs 4.2(b) below.

(c) *Excess Application Facility*

Existing Shareholders may apply to acquire Excess Shares using the Excess Application Facility, should they wish. Existing Non-CREST Shareholders wishing to apply for Excess Shares, may do so by completing Box 7 of the Open Offer Application Form. The maximum number of C Shares to be allotted under the Excess Application Facility (the "**Maximum Excess Application Number**") shall be limited to: (a) the maximum size of Issue; less (b) C Shares issued under the Placing and the Open Offer pursuant to Existing Shareholders' Open Offer Entitlements and any C Shares that the Directors determine to issue under the Offer for Subscription. Applications under the Excess Application Facility shall be allocated in such manner as the Directors may determine, in their absolute discretion, and no assurance can be given that the applications by Existing Shareholders will be met in full or in part or at all. Excess monies in respect of applications which are not met in full will be returned to the applicant (at the applicant's risk) without interest as soon as practicable thereafter by way of cheque or CREST payment, as appropriate.

(d) *Application procedures*

Existing Non-CREST Shareholders wishing to apply to acquire all or any of the C Shares should complete the Open Offer Application Form in accordance with the instructions printed on it. Completed Open Offer Application Forms should be posted in the accompanying pre-paid envelope for use within the UK only or returned by post (during normal business hours only) or by hand to Capita Registrars, The Registry, 34 Beckenham Road, Beckenham, Kent BR3 4TU (who will act as Receiving Agent in relation to the Open Offer) so as to be received by the Registrar by no later than 11:00 a.m. on 8 December 2010, after which time Open Offer Application Forms will not be valid. Existing Non-CREST Shareholders should note that applications, once made, will be irrevocable and receipt thereof will not be acknowledged. If an Open Offer Application Form is being sent by first-class post in the UK, Existing Shareholders are recommended to allow at least four working days for delivery.

All payments must be in pounds sterling and made by cheque or banker's draft made payable to Capita Registrars Limited re HSBC Infrastructure Company Limited Open Offer and crossed "A/C Payee Only". Cheques or banker's drafts must be drawn on a bank or building society or branch of a bank or building society in the United Kingdom or Channel Islands which is either a settlement member of the Cheque and Credit Clearing Company Limited or the CHAPS Clearing Company Limited or which has arranged for its cheques and banker's drafts to be cleared through the facilities provided by any of those companies or committees and must bear the appropriate sort code in the top right hand corner and must

be for the full amount payable on application. Third party cheques will not be accepted with the exception of building society cheques or banker's drafts where the building society or bank has confirmed the name of the account holder by stamping or endorsing the cheque or draft to such effect. The account name should be the same as that shown on the application. Post-dated cheques will not be accepted. Third party cheques (other than building society cheques or banker's drafts where the building society or bank has confirmed that the relevant Existing Shareholder has title to the underlying funds by printing the Existing Shareholder's name on the back of the draft and adding the branch stamp) will be subject to the Money Laundering Regulations which will delay Shareholders receiving their C Shares (please see paragraph 5 below).

Cheques or banker's drafts will be presented for payment upon receipt. No interest will be paid on payments made before they are due. It is a term of the Open Offer that cheques shall be honoured on first presentation and the Company may elect to treat as invalid acceptances in respect of which cheques are not so honoured. All documents, cheques and banker's drafts sent through the post will be sent at the risk of the sender. Payments via CHAPS, BACS or electronic transfer will not be accepted.

If cheques or banker's drafts are presented for payment before the condition of the Issue is fulfilled, the application monies will be kept in a separate interest bearing bank account with any interest being retained for the Company until all conditions are met. If the Open Offer does not become unconditional, no C Shares will be issued and all monies will be returned (at the applicant's sole risk), without payment of interest, to applicants as soon as practicable following the lapse of the Open Offer.

The Company may in its sole discretion, but shall not be obliged to, treat an Open Offer Application Form as valid and binding on the person by whom or on whose behalf it is lodged, even if not completed in accordance with the relevant instructions or not accompanied by a valid power of attorney where required, or if it otherwise does not strictly comply with the terms and conditions of the Open Offer. The Company further reserves the right (but shall not be obliged) to accept either:

(i) Open Offer Application Forms received after 11:00 a.m. on 8 December 2010; or

(ii) applications in respect of which remittances are received before 11:00 a.m. on 8 December 2010 from authorised persons (as defined in FSMA) specifying the C Shares applied for and undertaking to lodge the Open Offer Application Form in due course but, in any event, within two Business Days.

Multiple applications will not be accepted. All documents and remittances sent by post by or to an applicant (or as the applicant may direct) will be sent at the applicant's own risk.

(e) *Effect of application*

By completing and delivering an Open Offer Application Form the applicant:

(i) represents and warrants to the Company and Collins Stewart that he has the right, power and authority, and has taken all action necessary, to make the application under the Open Offer and to execute, deliver and exercise his rights, and perform his obligations under any contracts resulting therefrom and that he is not a person otherwise prevented by legal or regulatory restrictions from applying for C Shares or acting on behalf of any such person on a non-discretionary basis;

(ii) agrees with the Company and the Collins Stewart that all applications under the Open Offer and contracts resulting therefrom shall be governed by and construed in accordance with the laws of England and Wales;

(iii) confirms to the Company and Collins Stewart that in making the application he is not relying on any information or representation in relation to the Company other than that contained in this document, and the applicant accordingly agrees that no person

responsible solely or jointly for this document or any part thereof, or involved in the preparation thereof, shall have any liability for any such information or representation not so contained and further agrees that, having had the opportunity to read this document, he will be deemed to have had notice of all information in relation to the Company contained in this document;

(iv) represents and warrants to the Company and Collins Stewart that he is the Existing Shareholder originally entitled to the Open Offer Entitlement or that he received such Open Offer Entitlement by virtue of a *bona fide* market claim;

(v) represents and warrants to the Company and Collins Stewart that if he has received some or all of his Open Offer Entitlement from a person other than the Company he is entitled to apply under the Open Offer in relation to such Open Offer Entitlements by virtue of a *bona fide* market claim;

(vi) requests that the C Shares, to which he will become entitled be issued to him on the terms set out in this document and the Open Offer Application Form;

(vii) represents and warrants to the Company and Collins Stewart that he is not, nor is he applying on behalf of any Excluded Overseas Shareholder or a person in any jurisdiction in which the application for C Shares is prevented by law and he is not applying with a view to re-offering, re-selling, transferring or delivering any of the C Shares which are the subject of his application in the United States or to any Excluded Overseas Shareholder or a person in any jurisdiction in which the application for C Shares is prevented by law (except where proof satisfactory to the Company has been provided to the Company that he is able to accept the invitation by the Company free of any requirement which it (in its absolute discretion) regards as unduly burdensome), nor acting on behalf of any such person on a non-discretionary basis nor (a) person(s) otherwise prevented by legal or regulatory restrictions from applying for C Shares under the Open Offer;

(viii) represents and warrants to the Company and Collins Stewart that he is not, and nor is he applying as nominee or agent for, a person who is or may be liable to notify and account for tax under the Stamp Duty Reserve Tax Regulations 1986 at any of the increased rates referred to in section 93 (depository receipts) or section 96 (clearance services) of the Finance Act 1986; and

(ix) confirms that in making the application he is not relying and has not relied on Collins Stewart or any person affiliated with Collins Stewart in connection with any investigation of the accuracy of any information contained in this document or his investment decision.

All enquiries in connection with the procedure for application and completion of the Open Offer Application Form should be addressed to the Receiving Agent, at Capita Registrars, The Registry, 34 Beckenham Road, Beckenham, BR3 4TU or by calling Capita Registrars on 0871 664 0321 from within the UK or on + 44 20 8639 3399 if calling from outside the UK. Calls to the 0871 664 0321 number cost 10 pence per minute from a BT landline. Other network providers' costs may vary. Lines are open 9.00 a.m. to 5.00 p.m. (London time) Monday to Friday. Calls to the helpline from outside the UK will be charged at the applicable international rate. Different charges may apply to calls from mobile telephones and calls may be recorded and randomly monitored for security and training purposes. The helpline cannot provide advice on the merits of the Open Offer nor give any financial, legal or tax advice.

Existing Non-CREST Shareholders who do not want to take up or apply for the C Shares under the Open Offer should take no action and should not complete or return the Open Offer Application Form.

4.2 If you have Open Offer Entitlements and Excess CREST Open Offer Entitlements credited to your stock account in CREST in respect of your entitlement under the Open Offer:

(a) *General*

Subject as provided in paragraph 6 of these Terms and Conditions in relation to certain overseas Shareholders, each Existing CREST Shareholder will receive a credit to his stock account in CREST of his Open Offer Entitlements equal to the maximum number of C Shares for which he is entitled to apply to acquire under the Open Offer. Entitlements to C Shares will be rounded down to the nearest whole number and any fractional Open Offer Entitlement will therefore also be rounded down. Any fractional entitlements to C Shares will be disregarded in calculating Open Offer Entitlements and will be aggregated and made available to Existing Shareholders under the Excess Application Facility.

The CREST stock account to be credited will be an account under the participant ID and member account ID that apply to the Existing Ordinary Shares held on the Record Date by the Existing CREST Shareholder in respect of which the Open Offer Entitlement and Excess CREST Open Offer Entitlement have been allocated.

If for any reason the Open Offer Entitlement and/or Excess CREST Open Offer Entitlement cannot be admitted to CREST by, or the stock accounts of Existing CREST Shareholders cannot be credited by 18 November 2010, or such later time and/or date as the Company may decide, an Open Offer Application Form will be sent to each Existing CREST Shareholder in substitution for the Open Offer Entitlement and Excess CREST Open Offer Entitlement which should have been credited to his stock account in CREST. In these circumstances the expected timetable as set out in this document will be adjusted as appropriate and the provisions of this document applicable to Existing Non-CREST Shareholders with Open Offer Application Forms will apply to Existing CREST Shareholders who receive such Open Offer Application Forms.

CREST members who wish to apply to acquire some or all of their entitlements to C Shares should refer to the CREST Manual for further information on the CREST procedures referred to below. Should you need advice with regard to these procedures, please contact Capita Registrars on 0871 664 0321 from within the UK or on + 44 20 8639 3399 if calling from outside the UK. Calls to the 0871 664 0321 number cost 10 pence per minute from a BT landline. Other network providers' costs may vary. Lines are open 9.00 a.m. to 5.00 p.m. (London time) Monday to Friday. Calls to the helpline from outside the UK will be charged at the applicable international rate. Different charges may apply to calls from mobile telephones and calls may be recorded and randomly monitored for security and training purposes. The helpline cannot provide advice on the merits of the Open Offer nor give any financial, legal or tax advice.

Please note the Registrar cannot provide financial advice on the merits of the Open Offer or as to whether applicants should take up their Open Offer Entitlements or Excess CREST Open Offer Entitlements. If you are a CREST sponsored member you should consult your CREST sponsor if you wish to apply for C Shares as only your CREST sponsor will be able to take the necessary action to make this application in CREST.

(b) *Market claims*

Each of the Open Offer Entitlements and the Excess CREST Open Offer Entitlements will constitute a separate security for the purposes of CREST. Although Open Offer Entitlements and the Excess CREST Open Offer Entitlements will be admitted to CREST and be enabled for settlement, applications in respect of Open Offer Entitlements and the Excess CREST Open Offer Entitlements may only be made by the Existing Shareholder originally entitled or by a person entitled by virtue of a bona fide market claim transaction. Transactions identified by the CREST Claims Processing Unit as "cum" the Open Offer Entitlement and the Excess CREST Open Offer Entitlements will generate an appropriate market claim transaction and the relevant Open Offer Entitlement(s) and Excess CREST Open Offer Entitlement(s) will thereafter be transferred accordingly.

(c) *Excess Application Facility*

Existing Shareholders may apply to acquire Excess Shares using the Excess Application Facility, should they wish. The Excess Application Facility enables Existing CREST Shareholders to apply for Excess Shares in excess of their Open Offer Entitlement.

An Excess CREST Open Offer Entitlement may not be sold or otherwise transferred. Subject as provided in paragraph 6 of these Terms and Conditions in relation to overseas Shareholders, the CREST accounts of Existing CREST Shareholders will be credited with an Excess CREST Open Offer Entitlement in order for any applications for Excess Shares to be settled through CREST.

Existing CREST Shareholders should note that, although the Open Offer Entitlements and the Excess CREST Open Offer Entitlements will be admitted to CREST, they will have limited settlement capabilities (for the purposes of market claims only). Neither the Open Offer Entitlements nor the Excess CREST Open Offer Entitlements will be tradable or listed and applications in respect of the Open Offer may only be made by the Existing Shareholders originally entitled or by a person entitled by virtue of a *bona fide* market claim.

To apply for Excess Shares pursuant to the Open Offer, Existing CREST Shareholders should follow the instructions in paragraph 4.2(f) below and must not return a paper form and cheque.

Should a transaction be identified by the CREST Claims Processing Unit as "cum" the Open Offer Entitlement and the relevant Open Offer Entitlement be transferred, the Excess CREST Open Offer Entitlements will not transfer with the Open offer Entitlement claim, but will be transferred as a separate claim. Should a Existing CREST Shareholder cease to hold all of his Existing Ordinary Shares as a result of one or more bona fide market claims, the Excess CREST Open Offer Entitlement credited to CREST and allocated to the relevant Existing Shareholder will be transferred to the purchaser. Please note that a separate USE Instruction must be sent in respect of any application under the Excess CREST Open Offer Entitlement.

All enquiries in connection with the procedure for application of Excess CREST Open Offer Entitlements should be made to Capita Registrars on the shareholder helpline 0871 664 0321, or, if calling from overseas, +44 208 639 3399. Calls to this number are charged at ten pence per minute from a BT landline, other telephone provider costs may vary. Lines are open from 9:00 a.m. to 5:00 p.m. on Monday to Friday. Please note the helpline cannot provide financial advice on the merits of the Open Offer or as to whether applicants should take up their entitlement or apply for Excess Shares.

(d) *USE instructions*

Existing CREST Shareholders who are CREST members and who want to apply for C Shares in respect of all or some of their Open Offer Entitlements and/or Excess CREST Open Offer Entitlements in CREST must send (or, if they are CREST sponsored members, procure that their CREST sponsor sends) a USE Instruction to Euroclear which, on its settlement, will have the following effect:

(i) the crediting of a stock account of the Receiving Agent under the participant ID and member account ID specified below, with a number of Open Offer Entitlements and Excess CREST Open Offer Entitlements corresponding to the number of C Shares applied for; and

(ii) the creation of a CREST payment, in accordance with the CREST payment arrangements in favour of the payment bank of the Receiving Agent in respect of the amount specified in the USE Instruction which must be the full amount payable on application for the number of C Shares referred to in (i) above.

(e) *Content of USE Instruction in respect of Open Offer Entitlements*

The USE Instruction must be properly authenticated in accordance with Euroclear's specifications and must contain, in addition to the other information that is required for settlement in CREST, the following details:

(i) the number of C Shares for which application is being made (and hence the number of the Open Offer Entitlement(s) being delivered to the Receiving Agent);

(ii) the ISIN of the Open Offer Entitlement. This is GG00B5BK6947;

(iii) the CREST participant ID of the accepting CREST member;

(iv) the CREST member account ID of the accepting CREST member from which the Open Offer Entitlements are to be debited;

(v) the participant ID of the Receiving Agent in its capacity as a CREST receiving agent. This is 7RA33;

(vi) the member account ID of the Receiving Agent in its capacity as a CREST receiving agent. This is 27240HIC;

(vii) the amount payable by means of a CREST payment on settlement of the USE Instruction. This must be the full amount payable on application for the number of New Ordinary Shares referred to in (i) above;

(viii) the intended settlement date. This must be on or before 8:00 a.m. on 8 December 2010; and

(ix) the Corporate Action Number for the Open Offer. This will be available by viewing the relevant corporate action details in CREST.

In order for an application under the Open Offer to be valid, the USE Instruction must comply with the requirements as to authentication and contents set out above and must settle on or before 8.00 a.m. on 8 December 2010. In order to assist prompt settlement of the USE Instruction, CREST members (or their sponsors, where applicable) may consider adding the following non-mandatory fields to the USE Instruction:

(x) a contact name and telephone number (in the free format shared note field); and

(xi) a priority of at least 80.

CREST members and, in the case of CREST sponsored members, their CREST sponsors, should note that the last time at which a USE Instruction may settle on 8 December 2010 in order to be valid is 8 a.m. on that day. If the Open offer does not become unconditional by 8.00 a.m. on 15 December 2010 or such later time and date as the Company and Collins Stewart determine (being no later than 31 December 2010), the Open offer will lapse, the Open Offer Entitlements admitted to CREST will be disabled and the Receiving Agent will refund the amount paid by an Existing CREST Shareholder by way of a CREST payment, without interest, as soon as practicable thereafter.

(f) *Content of USE instruction in respect of Excess CREST Open Offer Entitlements*

The USE Instruction must be properly authenticated in accordance with Euroclear specifications and must contain, in addition to the other information that is required for settlement in CREST, the following details:

(i) the number of Excess Shares for which the application is being made (and hence the number of the Excess CREST Open Offer Entitlement(s) being delivered to the Receiving Agent);

(ii) the ISIN of the Excess CREST Open Offer Entitlement. This is GG00B58PY219;

(iii) the CREST participant ID of the accepting CREST member;

(iv) the CREST member account ID of the accepting CREST member from which the Excess CREST Open Offer Entitlements are to be debited;

(v) the participant ID of the Receiving Agent in its capacity as Receiving Agent. This is 7RA33;

(vi) the member account ID of the Receiving Agent in its capacity as Receiving Agent. This is 27240HIC;

(vii) the amount payable by means of a CREST payment on settlement of the USE instruction. This must be the full amount payable on application for the number of C Shares referred to in paragraph (f)(i) above;

(viii) the intended settlement date. This must be on of before 11.00 a.m. on 8 December 2010; and

(ix) the Corporate Action Number for the Open Offer. This will be available by viewing the relevant corporate action details in CREST.

In order for the application in respect of an Excess CREST Open Offer Entitlement under the Open Offer to be valid, the USE instruction must comply with the requirements as to authentication and contents set out above and must settle on or before 11 a.m. on 8 December 2010.

In order to assist prompt settlement of the USE instruction, CREST members (or their sponsors, where applicable) may consider adding the following non-mandatory fields to the USE instruction:

(x) a contact name and telephone number (in the free format shared note field); and

(xi) a priority of at least 80.

CREST members and, in the case of CREST sponsored members, their CREST sponsors, should note that the last time at which a USE instruction may settle on 8 December 2010 in order to be valid is 11:00 a.m. on that day. Please note that automated CREST generated claims and buyer protection will not be offered on the Excess CREST Open Offer Entitlement security.

In the event that the Open Offer does not become unconditional by 8:00 a.m. on 15 December 2010 or such later time and date as the Directors determine (being no later than 31 December 2010), the Open Offer will lapse, the Open Offer Entitlements and Excess CREST Open Offer Entitlements admitted to CREST will be disabled and the Receiving Agent will refund the amount paid by an Existing CREST Shareholder by way of a CREST payment, without interest, as soon as practicable thereafter.

(g) *Deposit of Open Offer Entitlements into, and withdrawal from, CREST*

An Existing Non-CREST Shareholder's entitlement under the Open Offer as shown by the number of Open Offer Entitlements set out in his Open Offer Application Form may be deposited into CREST (either into the account of the Existing Shareholder named in the Open Offer Application Form or into the name of a person entitled by virtue of a *bona fide* market claim). Similarly, Open Offer Entitlements and Excess CREST Open Offer Entitlements held in CREST may be withdrawn from CREST so that the entitlement under the Open Offer is reflected in an Open Offer Application Form. Normal CREST procedures (including timings) apply in relation to any such deposit or withdrawal, subject (in the case of a deposit into CREST) as set out in the Open Offer Application Form.

A holder of an Open Offer Application Form who is proposing to deposit the entitlement set out in such form into CREST is recommended to ensure that the deposit procedures are implemented in sufficient time to enable the person holding or acquiring the Open Offer Entitlement and the entitlement to apply under the Excess Application Facility following their

deposit into CREST to take all necessary steps in connection with taking up the entitlement prior to 3.00 p.m. on 3 December 2010. After depositing their Open Offer Entitlement into their CREST account, CREST holders will, shortly after that, receive a credit for their Excess CREST Open Offer Entitlement, which will be managed by the Registrar.

In particular, having regard to normal processing times in CREST and on the part of the Registrar, the recommended latest time for depositing an Open Offer Application Form with the CREST Courier and Sorting Service, where the person entitled wishes to hold the entitlement under the Open Offer set out in such Open Offer Application Form as an Open Offer Entitlement or Excess CREST Open Offer Entitlements in CREST, is 3:00 p.m. on 3 December 2010 and the recommended latest time for receipt by Euroclear of a dematerialised instruction requesting withdrawal of Open Offer Entitlements or Excess CREST Open Offer Entitlements from CREST is 4:30 p.m. on 2 December 2010 in either case so as to enable the person acquiring or (as appropriate) holding the Open Offer Entitlements or Excess CREST Open Offer Entitlements following the deposit or withdrawal (whether as shown in an Open Offer Application Form or held in CREST) to take all necessary steps in connection with applying in respect of the Open Offer Entitlements or Excess CREST Open Offer Entitlements prior to 11:00 a.m. on 8 December 2010. CREST holders inputting the withdrawal of their Open Offer Entitlement from their CREST account must ensure that they withdraw both their Open Offer Entitlement and the Excess CREST Open Offer Entitlement.

Delivery of an Open Offer Application Form with the CREST deposit form duly completed whether in respect of a deposit into the account of the Existing Shareholder named in the Open Offer Application Form or into the name of another person, shall constitute a representation and warranty to the Company and the Registrar by the relevant CREST member(s) that it/they is/are not in breach of the provisions of the notes under the paragraph headed "Instructions for depositing entitlements under the Open Offer into CREST" on page 2 of the Open Offer Application Form, and a declaration to the Company and the Registrar from the relevant CREST member(s) that it/they is/are not an Excluded Overseas Shareholder or a person in any jurisdiction in which the application for C Shares is prevented by law and, where such deposit is made by a beneficiary of a market claim, a representation and warranty that the relevant CREST member(s) is/are entitled to apply under the Open Offer by virtue of a *bona fide* market claim.

(h) *Validity of application*

A USE Instruction complying with the requirements as to authentication and contents set out above which settles by no later than 11.00 a.m. on 8 December 2010 will constitute a valid application under the Open Offer.

(i) *CREST procedures and timings*

CREST members and (where applicable) their CREST sponsors should note that Euroclear does not make available special procedures in CREST for any particular corporate action. Normal system timings and limitations will therefore apply in relation to the input of a USE Instruction and its settlement in connection with the Open Offer. It is the responsibility of the CREST member concerned to take (or, if the CREST member is a CREST sponsored member, to procure that his CREST sponsor takes) such action as shall be necessary to ensure that a valid application is made as stated above by 11.00 a.m. on 8 December 2010. In this connection CREST members and (where applicable) their CREST sponsors are referred in particular to those sections of the CREST Manual concerning practical limitations of the CREST system and timings.

(j) *Incorrect or incomplete applications*

If a USE Instruction includes a CREST payment for an incorrect sum, the Company, through the Receiving Agent, reserves the right:

(i) to reject the application in full and refund the payment to the CREST member in question (without interest);

(ii) in the case that an insufficient sum is paid, to treat the application as a valid application for such lesser whole number of C Shares as would be able to be applied for with that payment at the Issue Price, refunding any unutilised sum to the CREST member in question (without interest); and

(iii) in the case that an excess sum is paid, to treat the application as a valid application for all the C Shares referred to in the USE Instruction, refunding any unutilised sum to the CREST member in question (without interest).

(k) *Effect of valid application*

A CREST member who makes or is treated as making a valid application in accordance with the above procedures thereby:

(i) represents and warrants that he has the right, power and authority, and has taken all action necessary, to make the application under the Open Offer and to execute, deliver and exercise his rights, and perform his obligations, under any contracts resulting therefrom and that he is not a person otherwise prevented by legal or regulatory restrictions from applying for C Shares or acting on behalf of any such person on a non-discretionary basis;

(ii) agrees to pay the amount payable on application in accordance with the above procedures by means of a CREST payment in accordance with the CREST payment arrangements (it being acknowledged that the payment to the Registrar's payment bank in accordance with the CREST payment arrangements shall, to the extent of the payment, discharge in full the obligation of the CREST member to pay to the Company the amount payable on application);

(iii) agrees that all applications and contracts resulting therefrom under the Open Offer shall be governed by, and construed in accordance with, the laws of England;

(iv) confirms that in making the application he is not relying on any information or representation in relation to the Company other than that contained in this document, and the applicant accordingly agrees that no person responsible solely or jointly for this document or any part thereof, or involved in the preparation thereof, shall have any liability for any such information or representation not so contained and further agrees that, having had the opportunity to read this document, he will be deemed to have had notice of all the information in relation to the Company contained in this document;

(v) represents and warrants that he is the Existing Shareholder originally entitled to the Open Offer Entitlement and Excess Open Offer Entitlement or that he has received such Open Offer Entitlement and Excess CREST Open Offer Entitlement by virtue of a *bona fide* market claim;

(vi) represents and warrants that if he has received some or all of his Open Offer Entitlement and Excess Open Offer Entitlement from a person other than the Company, he is entitled to apply under the Open Offer in relation to such Open Offer Entitlement and Excess CREST Open Offer Entitlements by virtue of a *bona fide* market claim.

(vii) subject to certain limited exceptions, requests that the C Shares to which he will become entitled be issued to him on the terms set out in this document, subject to the Memorandum of Incorporation and Articles of Incorporation;

(viii) represents and warrants that he is not, nor is he applying on behalf of any Shareholder who is an Excluded Overseas Shareholder or a person in any jurisdiction in which the application for C Shares is prevented by law and he is not applying with a view to re-offering, re-selling, transferring or delivering any of the C Shares which are the subject of his application in the United States or to, or for the benefit of, a Shareholder who is a citizen or resident or which is a corporation, partnership or

other entity created or organised in or under any laws of any Excluded Territory or any jurisdiction in which the application for C Shares is prevented by law (except where proof satisfactory to the Company has been provided to the Company that he is able to accept the invitation by the Company free of any requirement which it (in its absolute discretion) regards as unduly burdensome), nor acting on behalf of any such person on a non-discretionary basis nor (a) person(s) otherwise prevented by legal or regulatory restrictions from applying for C Shares under the Open Offer;

(ix) represents and warrants that he is not, and nor is he applying as nominee or agent for, a person who is or may be liable to notify and account for tax under the Stamp Duty Reserve Tax Regulations 1986 at any of the increased rates referred to in section 93 (depository receipts) or section 96 (clearance services) of the Finance Act 1986; and

(x) confirms that in making the application he is not relying and has not relied on Collins Stewart or any person affiliated with Collins Stewart in connection with any investigation of the accuracy of any information contained in this document or his investment decision.

(l) *Company's discretion as to the rejection and validity of applications*

The Company may in its sole discretion:

(i) treat as valid (and binding on the CREST member concerned) an application which does not comply in all respects with the requirements as to validity set out or referred to in these Terms and Conditions;

(ii) accept an alternative properly authenticated dematerialised instruction from a CREST member or (where applicable) a CREST sponsor as constituting a valid application in substitution for or in addition to a USE Instruction and subject to such further terms and conditions as the Company may determine;

(iii) treat a properly authenticated dematerialised instruction (in this sub-paragraph the "first instruction") as not constituting a valid application if, at the time at which the Receiving Agent receives a properly authenticated dematerialised instruction giving details of the first instruction or thereafter, either the Company or the Registrar has received actual notice from Euroclear of any of the matters specified in Regulation 35(5)(a) of the CREST Regulations in relation to the first instruction. These matters include notice that any information contained in the first instruction was incorrect or notice of lack of authority to send the first instruction; and

(iv) accept an alternative instruction or notification from a CREST member or CREST sponsored member or (where applicable) a CREST sponsor, or extend the time for settlement of a USE Instruction or any alternative instruction or notification, in the event that, for reasons or due to circumstances outside the control of any CREST member or CREST sponsored member or (where applicable) CREST sponsor, the CREST member or CREST sponsored member is unable validly to apply for C Shares by means of the above procedures. In normal circumstances, this discretion is only likely to be exercised in the event of any interruption, failure or breakdown of CREST (or any part of CREST) or on the part of the facilities and/or systems operated by the Receiving Agent in connection with CREST.

(m) *Lapse of the Open Offer*

In the event that the Open Offer does not become unconditional by 8.00 a.m. on 15 December 2010 or such later time and date as the Company and the Placing Agent may agree, the Open Offer will lapse, the Open Offer Entitlements admitted to CREST will be disabled and the Receiving Agent will refund the amount paid by an Existing CREST Shareholder by way of a CREST payment, without interest, as soon as practicable thereafter. The interest earned on such monies, if any, will be retained for the benefit of the Company.

5. Anti-money laundering regulations

5.1 ***Holders of Open Offer Application Forms***

To ensure compliance with the Money Laundering Regulations, the Registrar and/or the Receiving Agent may require, at its absolute discretion, verification of the identity of the person by whom or on whose behalf the Open Offer Application Form is lodged with payment (which requirements are referred to below as the "verification of identity requirements"). If the Open Offer Application Form is submitted by a UK regulated broker or intermediary acting as agent and which is itself subject to the Money Laundering Regulations, any verification of identity requirements are the responsibility of such broker or intermediary and not of the Registrar or Receiving Agent. In such case, the lodging agent's stamp should be inserted on the Open Offer Application Form.

The person lodging the Open Offer Application Form with payment and in accordance with the other terms as described above (the "acceptor"), including any person who appears to the Registrar to be acting on behalf of some other person, accepts the Open Offer in respect of such number of C Shares as is referred to therein (for the purposes of this paragraph 5 the "relevant C Shares") shall thereby be deemed to agree to provide the Registrar with such information and other evidence as the Registrar may require to satisfy the verification of identity requirements.

If the Registrar determines that the verification of identity requirements apply to any acceptor or application, the relevant C Shares (notwithstanding any other term of the Open Offer) will not be issued to the relevant acceptor unless and until the verification of identity requirements have been satisfied in respect of that acceptor or application. The Registrar and/or the Receiving Agent is entitled, in its absolute discretion, to determine whether the verification of identity requirements apply to any acceptor or application and whether such requirements have been satisfied, and neither the Registrar nor the Company will be liable to any person for any loss or damage suffered or incurred (or alleged), directly or indirectly, as a result of the exercise of such discretion.

If the verification of identity requirements apply, failure to provide the necessary evidence of identity within a reasonable time may result in delays in the despatch of share certificates or in crediting CREST accounts. If, within a reasonable time following a request for verification of identity, the Registrar has not received evidence satisfactory to it as aforesaid, the Company may, in its absolute discretion, treat the relevant application as invalid, in which event the monies payable on acceptance of the Open Offer will be returned (at the acceptor's risk) without interest to the account of the bank or building society on which the relevant cheque or banker's draft was drawn.

Submission of an Open Offer Application Form with the appropriate remittance will constitute a warranty to each of the Company, the Registrar, the Receiving Agent, and Collins Stewart from the applicant that the Money Laundering Regulations will not be breached by application of such remittance.

The verification of identity requirements will not usually apply:

(i) if the applicant is an organisation required to comply with the Money Laundering Directive (the Council Directive on prevention of the use of the financial system for the purpose of money laundering (no.91/308/EEC));

(ii) if the acceptor is a regulated United Kingdom broker or intermediary acting as agent and is itself subject to the Money Laundering Regulations;

(iii) if the applicant (not being an applicant who delivers his application in person) makes payment by way of a cheque drawn on an account in the applicant's name; or

(iv) if the aggregate subscription price for the C Shares is less than €15,000 (approximately £14,000).

In other cases the verification of identity requirements may apply. Satisfaction of these requirements may be facilitated in the following ways:

(b) if payment is made by cheque or banker's draft in sterling drawn on a branch in the United Kingdom of a bank or building society which bears a UK bank sort code number in the top right hand corner the following applies. Cheques, should be made payable to "Capita Registrars Limited a/c HSBC Infrastructure Company Limited Open Offer" in respect of an application by a Existing Shareholder and crossed "A/C Payee Only". Third party cheques will not be accepted with the exception of building society cheques or bankers' drafts where the building society or bank has confirmed the name of the account holder by stamping or endorsing the cheque/bankers' draft to such effect. The account name should be the same as that shown on the Open Offer Application Form; or

(c) if the Open Offer Application Form is lodged with payment by an agent which is an organisation of the kind referred to in (i) above or which is subject to anti-money laundering regulation in a country which is a member of the Financial Action Task Force (the non-European Union members of which are Argentina, Australia, Brazil, Canada, China, Gibraltar, Hong Kong, Iceland, Japan, Mexico, New Zealand, Norway, Russian Federation, Singapore, South Africa, Switzerland, Turkey, UK Crown Dependencies and the US and, by virtue of their membership of the Gulf Cooperation Council, Bahrain, Kuwait, Oman, Qatar, Saudi Arabia and the United Arab Emirates), the agent should provide with the Open Offer Application Form written confirmation that it has that status and a written assurance that it has obtained and recorded evidence of the identity of the person for whom it acts and that it will on demand make such evidence available to the Registrar. If the agent is not such an organisation, it should contact the Registrar.

To confirm the acceptability of any written assurance referred to in (b) above, or in any other case, the acceptor should contact Capita Registrars by telephone on 0871 664 0321 from within the UK or on + 44 20 8639 3399 if calling from outside the UK. Calls to the 0871 664 0321 number cost 10 pence per minute from a BT landline. Other network providers' costs may vary. Lines are open 9.00 a.m. to 5.00 p.m. (London time) Monday to Friday. Calls to the helpline from outside the UK will be charged at the applicable international rate. Different charges may apply to calls from mobile telephones and calls may be recorded and randomly monitored for security and training purposes. The helpline cannot provide advice on the merits of the Open Offer nor give any financial, legal or tax advice.

If the Open Offer Application Form(s) is/are in respect of C Shares with an aggregate subscription price of €15,000 (approximately £14,000) or more and is/are lodged by hand by the acceptor in person, or if the Open Offer Application Form(s) in respect of C Shares is/are lodged by hand by the acceptor and the accompanying payment is not the acceptor's own cheque, he or she should ensure that he or she has with him or her evidence of identity bearing his or her photograph (for example, his or her passport) and separate evidence of his or her address.

If, within a reasonable period of time following a request for verification of identity, and in any case by no later than 11:00 a.m. on 8 December 2010, the Registrar has not received evidence satisfactory to it as aforesaid, the Registrar may, at its discretion, as agent of the Company, reject the relevant application, in which event the monies submitted in respect of that application will be returned without interest to the account at the drawee bank from which such monies were originally debited (without prejudice to the rights of the Company to undertake proceedings to recover monies in respect of the loss suffered by it as a result of the failure to produce satisfactory evidence as aforesaid).

5.2 ***Open Offer Entitlements and Excess CREST Open Offer Entitlements in CREST***

If you hold your Open Offer Entitlements and Excess CREST Open Offer Entitlements in CREST and apply for C Shares in respect of all or some of your Open Offer Entitlements and Excess CREST Open Offer Entitlements as agent for one or more persons and you are not a UK or EU regulated person or institution (e.g. a UK financial institution), then, irrespective of the value of the application, the Registrar is obliged to take reasonable measures to establish the identity of the person or persons on whose behalf you are making the application. You must therefore contact the Registrar before sending any USE or other instruction so that appropriate measures may be taken.

Submission of a USE Instruction (which on its settlement constitutes a valid application as described above) constitutes a warranty and undertaking by the applicant to provide promptly to the Registrar such information as may be specified by the Registrar as being required for the purposes of the Money Laundering Regulations. Pending the provision of evidence satisfactory to the Registrar as to identity, the Registrar may in its absolute discretion take, or omit to take, such action as it may determine to prevent or delay issue of the C Shares concerned. If satisfactory evidence of identity has not been provided within a reasonable time, then the application for the C Shares represented by the USE Instruction will not be valid. This is without prejudice to the right of the Company to take proceedings to recover any loss suffered by it as a result of failure to provide satisfactory evidence.

6. Overseas Shareholders

This document has been approved by the FSA, being the competent authority in the United Kingdom.

Accordingly, the making of the Open Offer to persons resident in, or who are citizens of, or who have a registered address in, countries other than the United Kingdom may be affected by the law or regulatory requirements of the relevant jurisdiction. The comments set out in this paragraph 6 are intended as a general guide only and any Overseas Shareholders who are in any doubt as to their position should consult their professional advisers without delay.

6.1 ***General***

The distribution of this document and the Open offer Application Form and the making of the Open Offer to persons who have registered addresses in, or who are resident or ordinarily resident in, or citizens of, or which are corporations, partnerships or other entities created or organised under the laws of countries other than the United Kingdom or to persons who are nominees of or agents, custodians, trustees or guardians for citizens, residents in or nationals of, countries other than the United Kingdom may be affected by the laws or regulatory requirements of the relevant jurisdictions. Those persons should consult their professional advisers as to whether they require any governmental or other consents or need to observe any applicable legal requirement or other formalities to enable them to apply for C Shares under the Open Offer.

No action has been or will be taken by the Company, Collins Stewart, or any other person, to permit a public offering or distribution of this document (or any other offering or publicity materials or Open Offer Application Form(s) relating to the C Shares) in any jurisdiction where action for that purpose may be required, other than in the United Kingdom.

Receipt of this document and/or an Open Offer Application Form and/or a credit of Open Offer Entitlements or Excess CREST Open Offer Entitlements to a stock account in CREST will not constitute an invitation or offer of securities for subscription, sale or purchase in those jurisdictions in which it would be illegal to make such an invitation or offer and, in those circumstances, this document and/or the Open Offer Application Form must be treated as sent for information only and should not be copied or redistributed. Open Offer Application Forms will not be sent to, and Open Offer Entitlements nor Excess CREST Open Offer Entitlements will not be credited to stock accounts in CREST of, Excluded Overseas Investors or their agent or intermediary, except where the Company is satisfied that such action would not result in the contravention of any registration or other legal requirement in any jurisdiction.

No person receiving a copy of this document and/or an Open Offer Application Form in any territory other than the United Kingdom and/or a credit of Open Offer Entitlements or Excess CREST Open Offer Entitlements to a stock account in CREST may treat the same as constituting an invitation or offer to him or her, nor should he or she in any event use any such Open Offer Application Form and/or credit of Open Offer Entitlements or Excess CREST Open Offer Entitlements to a stock account in CREST unless, in the relevant territory in which the Open Offer Application Form is received or in which the person is resident or located, such an invitation or offer could lawfully be made to him or her and such Open Offer Application Form and/or credit of Open Offer Entitlements or Excess CREST Open Offer Entitlements to a stock account in CREST could lawfully be used, and any transaction resulting from such use could be effected,

without contravention of any registration or other legal or regulatory requirements. In circumstances where an invitation or offer would contravene any registration or other legal or regulatory requirements, this document and/or the Open Offer Application Form must be treated as sent for information only and should not be copied or redistributed. It is the responsibility of any person (including, without limitation, custodians, agents, nominees and trustees) outside the United Kingdom wishing to apply for C Shares under the Open Offer to satisfy himself or herself as to the full observance of the laws of any relevant territory in connection therewith, including obtaining any governmental or other consents that may be required, observing any other formalities required to be observed in such territory and paying any issue, transfer or other taxes due in such territory.

None of the Company, Collins Stewart, nor any of their respective representatives, is making any representation to any offeree or purchaser of the C Shares regarding the legality of an investment in the C Shares by such offeree or purchaser under the laws applicable to such offeree or purchaser.

Persons (including, without limitation, custodians, agents, nominees and trustees) receiving a copy of this document and/or an Open Offer Application Form and/or a credit of Open Offer Entitlements or Excess CREST Open Offer Entitlements to a stock account in CREST, in connection with the Open Offer or otherwise, should not distribute or send either of those documents nor transfer Open Offer Entitlements or Excess CREST Open Offer Entitlements in or into any jurisdiction where to do so would or might contravene local securities laws or regulations. If a copy of this document and/or an Open Offer Application Form and/or a credit of Open Offer Entitlements or Excess CREST Open Offer Entitlements to a stock account in CREST is received by any person in any such territory, or by his or her custodian, agent, nominee or trustee, he or she must not seek to apply for C Shares in respect of the Open Offer unless the Company and Collins Stewart determine that such action would not violate applicable legal or regulatory requirements. Any person (including, without limitation, custodians, agents, nominees and trustees) who does forward a copy of this document and/or an Open Offer Application Form and/or transfers Open Offer Entitlements or Excess CREST Open Offer Entitlements into any such territory, whether pursuant to a contractual or legal obligation or otherwise, should draw the attention of the recipient to the contents of these Terms and Conditions and specifically the contents of this paragraph 6.

Subject to paragraphs 6.2 to 6.6 below, any person (including, without limitation, custodians, agents, nominees and trustees) outside of the United Kingdom wishing to apply for C Shares in respect of the Open Offer must satisfy himself or herself as to the full observance of the applicable laws of any relevant territory, including obtaining any requisite governmental or other consents, observing any other requisite formalities and paying any issue, transfer or other taxes due in such territories.

The Company reserves the right to treat as invalid any application or purported application for C Shares that appears to the Company or its agents to have been executed, effected or dispatched from the United States or an Excluded Territory or in a manner that may involve a breach of the laws or regulations of any jurisdiction or if the Company or its agents believe that the same may violate applicable legal or regulatory requirements or if it provides an address for delivery of the share certificates of C Shares or in the case of a credit of Open Offer Entitlements or Excess CREST Open Offer Entitlements to a stock account in CREST, to a CREST member who is an Excluded Overseas Shareholder or any other jurisdiction outside the United Kingdom in which it would be unlawful to deliver such share certificates or make such a credit.

Existing Shareholders in jurisdictions outside the United Kingdom other than the United States, Canada, Japan, the Republic of South Africa or Australia may, subject to the laws of their relevant jurisdiction, take up C Shares in accordance with the instructions set out in the this document and the Open Offer Application Form. Such Existing Shareholders who have registered addresses in, or who are resident in, or who are citizens of, countries other then the United Kingdom should. however, consult their appropriate professional advisers as the whether they require any governmental or other consents or need to observe any other formalities to enable them to take up their C Shares.

Notwithstanding any other provision of this document or the relevant Open Offer Application Form, the Company reserves the right to permit any person to apply for C Shares in respect of the Open Offer if the Company, in its sole and absolute discretion, is satisfied that the transaction in question is exempt from, or not subject to, the legislation or regulations giving rise to the restrictions in question.

Overseas Shareholders who wish, and are permitted, to apply for C Shares should note that payment must be made in sterling denominated cheques or bankers' drafts or where such overseas Shareholder is a Existing CREST Shareholder, through CREST.

7. Admission, settlement and dealings

The result of the Open Offer is expected to be announced on 13 December 2010. Applications will be made to the UKLA for the C Shares to be admitted to the Official List and to the London Stock Exchange for the C Shares to be admitted to trading on the London Stock Exchange's main market for listed securities. It is expected that Admission will become effective and that dealings in the C Shares, fully paid, will commence at 8.00 a.m. on 15 December 2010.

The Existing Ordinary Shares are already admitted to CREST. No further application for admission to CREST is accordingly required for the New Shares. All such shares, when issued and fully paid, may be held and transferred by means of CREST.

Open Offer Entitlements and Excess CREST Open Offer Entitlements held in CREST are expected to be disabled in all respects after 11:00 a.m. on 8 December 2010 (the latest date for applications under the Open Offer). If the condition(s) to the Open Offer described above are satisfied, New Shares will be issued in uncertificated form to those persons who submitted a valid application for New Ordinary Shares by utilising the CREST application procedures and whose applications have been accepted by the Company. The stock accounts to be credited will be accounts under the same CREST participant IDs and CREST member account IDs in respect of which the USE Instruction was given.

Notwithstanding any other provision of this document, the Company reserves the right to send Existing CREST Shareholders an Open Offer Application Form instead of crediting the relevant stock account with Open Offer Entitlements and Excess CREST Open Offer Entitlements, and to allot and/or issue any C Shares in certificated form. In normal circumstances, this right is only likely to be exercised in the event of any interruption, failure or breakdown of CREST (or of any part of CREST) or on the part of the facilities and/or systems operated by the Registrar in connection with CREST.

For Existing Non-CREST Shareholders who have applied by using an Open Offer Application Form, share certificates in respect of the New Ordinary Shares validly applied for are expected to be despatched by post in the week commencing 20 December 2010. No temporary documents of title will be issued and, pending the issue of definitive certificates, transfers will be certified against the UK share register of the Company. All documents or remittances sent by or to applicants, or as they may direct, will be sent through the post at their own risk. For more information as to the procedure for application, Existing Non-CREST Shareholders are referred to paragraph 4.1 above and their respective Open Offer Application Form.

8. Times and dates

The Company shall, in agreement with the Placing Agent and after consultation with its financial and legal advisers, be entitled to amend the dates that Open Offer Application Forms are despatched or amend or extend the latest date for acceptance under the Open Offer and all related dates set out in this document and in such circumstances shall notify the UKLA, and make an announcement on a Regulatory Information Service and, if appropriate, by Shareholders but Existing Shareholders may not receive any further written communication.

If a supplementary prospectus is issued by the Company two or fewer Business Days prior to the latest time and date for acceptance and payment in full under the Open Offer specified in this document, the latest date for acceptance under the Open Offer shall be extended to the date that is three Business Days after the date of issue of the supplementary prospectus (and the dates and times of principal events due to take place following such date shall be extended accordingly).

9. Governing law and jurisdiction

The terms and conditions of the Open Offer as set out in this document, the Open Offer Application Form and any non-contractual obligation related thereto shall be governed by, and construed in accordance with, English law. The courts of England and Wales are to have exclusive jurisdiction to settle any dispute which may arise out of or in connection with the Open Offer, this document or the Open Offer Application Form. By taking up C Shares in accordance with the instructions set out in this document and, where applicable, the Open Offer Application Form, Existing Shareholders irrevocably submit to the jurisdiction of the courts of England and Wales and waive any objection to proceedings in any such court on the ground of venue or on the ground that proceedings have been brought in an inconvenient forum.

10. Further information

Your attention is drawn to the further information set out in this document and also, in the case of Existing Non-CREST Shareholders and other Existing Shareholders to whom the Company has sent Open Offer Application Forms, to the terms, conditions and other information printed on the accompanying Open Offer Application Form.

TERMS AND CONDITIONS OF APPLICATION UNDER THE OFFER

The C Shares are only suitable for investors who understand the potential risk of capital loss and that there may be limited liquidity in the underlying investments of the Company, for whom an investment in one or more classes of shares is part of a diversified investment programme and who fully understand and are willing to assume the risks involved in such an investment programme.

In the case of a joint Application, references to you in these terms and conditions of Application are to each of you, and your liability is joint and several. Please ensure you read these terms and conditions in full before completing the Application Form.

In these terms and conditions, which apply to the Offer for Subscription:

"Applicant" means a person or persons (in the case of joint applicants) whose name(s) appear(s) on the registration details of an Application Form;

"Application" means the offer made by an Applicant by completing an Application Form and posting (or delivering it by hand during normal business hours only) it to Capita Registrars, PXS, 34 Beckenham Road, Beckenham, BR3 4TU, as specified in the Prospectus;

"Money Laundering Regulations" means the Criminal Justice (Proceeds of Crime) (Bailiwick of Guernsey) Regulations 2006 and where appropriate, the Money Laundering Regulations 2007;

"Prospectus" means the prospectus dated 17 November 2010 published by the Company;

"Receiving Agent" means Capita Registrars and/or the Administrator, as the context permits;

"US Person" has the meaning given in Regulation S of the US Securities Act of 1933.

The Terms and Conditions

(a) The contract created by the acceptance of an Application under the Offer for Subscription will be conditional on:

  (i) Admission becoming effective by not later than 8.00 a.m. (London time) on 15 December 2010 (or such later date as may be provided for in accordance with the terms of the Placing, Open Offer and Offer Agreement referred to in Part XI of the Prospectus);

  (ii) the Placing, Open Offer and Offer Agreement referred to in Part XI of the Prospectus becoming otherwise unconditional in all respects, and not being terminated in accordance with its terms before Admission becomes effective; and

  (iii) satisfaction of conditions set out on page 74 of the Prospectus.

(b) The right is reserved by the Company to present all cheques and banker's drafts for payment on receipt and to retain application monies and refrain from delivering an Applicant's C Shares into CREST, pending clearance of the successful Applicant's cheques and banker's drafts. The Company also reserves the right to reject in whole or part, or to scale down or limit, any Application. The Company may treat Applications as valid and binding if made in accordance with the prescribed instructions and the Company may, at its discretion, accept an Application in respect of which payment is not received by the Company prior to the closing of the Offer for Subscription. If any Application is not accepted in full or if any contract created by acceptance does not become unconditional, the application monies or, as the case may be, the balance thereof will be returned (without interest) by returning each relevant Applicant's cheque or banker's draft or by crossed cheque in favour of the first Applicant, through the post at the risk of the person(s) entitled thereto. In the meantime, application monies will be retained by the Receiving Agent in a separate account.

To ensure compliance with the Money Laundering Regulations, the Registrar may require, at its absolute discretion, verification of the identity of the person by whom or on whose behalf an Application Form is lodged with payment. If the Application Form is submitted by a UK regulated

broker or intermediary acting as agent and which is itself subject to the Money Laundering Regulations, any verification of identity requirements are the responsibility of such broker or intermediary and not of the Registrar.

The person lodging the Application Form with payment and in accordance with the other terms as described above, including any person who appears to the Registrar to be acting on behalf of some other person, accepts the Offer in respect of such number of offered C Shares as is referred to therein and shall thereby be deemed to agree to provide the Registrar with such information and other evidence as the Registrar may require to satisfy the verification of identity requirements.

If the Receiving Agent determines that the verification of identity requirements apply to any application, the relevant C Shares (notwithstanding any other term of the Offer) will not be issued to the relevant acceptor unless and until the verification of identity requirements have been satisfied in respect of that acceptor or application. The Receiving Agent is entitled, in its absolute discretion, to determine whether the verification of identity requirements apply to any application and whether such requirements have been satisfied, and neither the Receiving Agent nor the Company will be liable to any person for any loss or damage suffered or incurred (or alleged), directly or indirectly, as a result of the exercise of such discretion.

If the verification of identity requirements apply, failure to provide the necessary evidence of identity within a reasonable time may result in delays in the despatch of share certificates or in crediting CREST accounts. If, within a reasonable time following a request for verification of identity, the Registrar has not received evidence satisfactory to it as aforesaid, the Company may, in its absolute discretion, treat the relevant application as invalid, in which event the monies payable on acceptance of the Offer will be returned (at the acceptor's risk) without interest to the account of the bank or building society on which the relevant cheque or banker's draft was drawn.

Submission of an Application Form with the appropriate remittance will constitute a warranty to each of the Company and the Registrar from the applicant that the Money Laundering Regulations will not be breached by application of such remittance. The verification of identity requirements will not usually apply:

- if the applicant is an organisation required to comply with the Money Laundering Directive (2005/60/EC of the European Parliament and of the EC Council of 26 October on the prevention of the use of the financial system for the purpose of money laundering and terrorist financing); or
- if the acceptor is a regulated United Kingdom broker or intermediary acting as agent and is itself subject to the Money Laundering Regulations; or
- if the applicant (not being an applicant who delivers his application in person) make payment by way of a cheque drawn on an account in the applicant's name; or
- if the aggregate subscription price for the offered C Shares is less than €15,000 (approximately £14,000).

In other cases the verification of identity requirements may apply. Satisfaction of these requirements may be facilitated in the following ways:

(a) If payment is made by cheque or banker's draft in pounds sterling drawn on a branch in the United Kingdom of a bank or building society which bears a UK bank sort code number in the top right hand corner the following applies. Cheques should be made payable to "Capita Registrars re: HSBC Infrastructure Company Limited – Offer for Subscription A/C" in respect of an application and crossed "A/C Payee Only". Third party cheques will not be accepted with the exception of building society cheques or banker's drafts where the building society or bank has confirmed the name of the account holder by stamping or endorsing the cheque/banker's draft to such effect. However, third party cheques may be subject to the Money Laundering Regulations which would delay Shareholders receiving their C Shares. The account name should be the same as that shown on the Application Form; or

(b) If the Application Form is lodged with payment by an agent which is an organisation required to comply with the Money Laundering Directive (2005/60/EC of the European Parliament and of the EC Council of 26 October on the prevention of the use of the use of the financial system for the purpose of money laundering and terrorist financing) or which is subject to anti-money laundering regulation in a country which is a member of the Financial Action Task Force (the non-European Union members of which are Argentina, Australia, Brazil, Canada, China, Gibraltar, Hong Kong, Iceland, Japan, Mexico, New Zealand, Norway, Russian Federation, Singapore, South Africa, Switzerland, Turkey, UK Crown Dependencies and the US and, by virtue of their membership of the Gulf Cooperation Council, Bahrain, Kuwait, Oman, Qatar, Saudi Arabia and the United Arab Emirates), the agent should provide with the Application Form written confirmation that it has that status and a written assurance that it has obtained and recorded evidence of the identity of the person for whom it acts and that it will on demand make such evidence available to the Registrar. If the agent is not such an organisation, it should contact the Registrar at The Registry, 34 Beckenham Road, Beckenham, Kent BR3 4TU. To confirm the acceptability of any written assurance referred to in (b) above, or in any other case, the acceptor should the Shareholder Helpline on 0871 664 0321 (calls to this number are charged at 10 pence per minute from a BT Landline, other network providers' costs may vary) or +44 208 639 3399 if calling from outside the United Kingdom. Calls to the helpline from the UK will be charged at applicable international rates. Lines are open 9.00 a.m. to 5.00 p.m. (London time) Monday to Friday. Different charges may apply to calls made from mobile telephones and calls may be recorded and monitored for security and training purposes. The helpline cannot provide advice on the merits of the Proposals nor give any financial, legal or tax advice.

If the Application Form(s) is/are in respect of C Shares with an aggregate subscription price of €15,000 (approximately £14,000) or more and is/are lodged by hand by the acceptor in person, or if the Application Form(s) in respect of C Shares is/are lodged by hand by the acceptor and the accompanying payment is not the acceptor's own cheque, he or she should ensure that he or she has with him or her evidence of identity bearing his or her photograph (for example, his or her passport) and separate evidence of his or address. If, within a reasonable period of time following a request for verification of identity, and in any case by 1.00 p.m. on 6 December 2010, the Registrar has not received evidence satisfactory to it as aforesaid, the Registrar may, at its discretion, as agent of the Company, reject the relevant application, in which event the monies submitted in respect of that application will be returned without interest to the account at the drawee bank from which such monies were originally debited (without prejudice to the rights of the Company to undertake proceedings to recover monies in respect of the loss suffered by it as a result of the failure to produce satisfactory evidence as aforesaid).

All payments must be made by cheque or banker's draft in pounds sterling drawn on a branch in the United Kingdom of a bank or a building society or the Channel Islands which is either a settlement member of the Cheque and Credit Clearing Company Limited or the CHAPS Clearing Company Limited or which has arranged for its cheques and banker's draft to be cleared through the facilities provided by those companies or committees and must bear the appropriate sort code in the top right hand corner. Cheques, which must be drawn on the personal account of the individual investor where they have sole or joint title to the funds, should be made payable to Capita Registrars Limited Re "HSBC Infrastructure Company Limited Offer for Subscription A/C". Third party cheques will not be accepted with the exception of building society cheques or bankers' drafts where the building society or bank has confirmed the name of the account holder by stamping or endorsing the building society cheque/banker's draft to such effect. Cheques should be for the full amount payable on application. Post dated cheques and payment via CHAPS, BACS or electronic transfer will not be accepted.

The account name should be the same as that shown on the application.

The following is provided by way of guidance to reduce the likelihood of difficulties, delays and potential rejection of an Application Form (but without limiting the Receiving Agent's right to require verification of identity as indicated above):

(i) Applicants should make payment by a cheque drawn on an account in their own name and write their name and address on the back of the banker's draft or cheque and, in the case of an individual, record his date of birth against his name; banker's drafts should be duly endorsed by the bank or building society on the reverse of the cheque as described above; and

(ii) if an Applicant makes the application as agent for one or more persons, he should indicate on the Application Form whether he is a UK or EU regulated person or institution (for example, a bank or stockbroker) and specify his status. If an Applicant is not a UK or EU regulated person or institution, he should contact the Receiving Agent.

(c) By completing and delivering an Application Form, you, as the Applicant (and, if you sign the Application Form on behalf of somebody else or a corporation, that person or corporation, except as referred to in paragraph (viii) below):

(i) offer to subscribe for the number of C Shares specified in your Application Form (or such lesser number for which your Application is accepted) on the terms of and subject to the Prospectus, including these terms and conditions, and subject to the Memorandum and Articles of Incorporation of the Company;

(ii) agree that, in consideration of the Company agreeing to process your Application, your Application cannot be revoked after 1.00 p.m. on 6 December 2010 (or such later time and date as the Directors may determine if they may postpone the closing of the Offer in accordance with the Prospectus) and that this paragraph shall constitute a collateral contract between you and the Company which will become binding upon despatch by post to, or (in the case of delivery by hand during normal business hours only) on receipt by, the Receiving Agent of your Application Form;

(iii) agree and warrant that your cheque or banker's draft may be presented for payment on receipt and will be honoured on first presentation and agree that if it is not so honoured you will not be entitled to receive the C Shares until you make payment in cleared funds for the C Shares and such payment is accepted by the Company in its absolute discretion (which acceptance shall be on the basis that you indemnify it, and the Receiving Agent against all costs, damages, losses, expenses and liabilities arising out of or in connection with the failure of your remittance to be honoured on first presentation) and you agree that, at any time prior to the unconditional acceptance by the Company of such late payment, the Company may (without prejudice to its other rights) avoid the agreement to subscribe such C Shares and may issue or allot such C Shares to some other person, in which case you will not be entitled to any payment in respect of such C Shares other than the refund to you at your risk of the proceeds (if any) of the cheque or banker's draft accompanying your application, without interest;

(iv) agree that (A) any monies returnable to you may be retained pending clearance of your remittance and the completion of any verification of identity required by the Money Laundering Regulations; and (B) monies pending allocation will be retained in a separate account and that such monies will not bear interest;

(v) undertake to provide satisfactory evidence of your identity within such reasonable time (in each case to be determined in the absolute discretion of the Company and the Receiving Agent) to ensure compliance with Money Laundering Regulations;

(vi) agree that, in respect of those C Shares for which your Application has been received and is not rejected, acceptance of your Application shall be constituted, at the election of the Company, either (i) by notification to the UK Listing Authority and the London Stock Exchange of the basis of allocation (in which case acceptance shall be on that basis) or (ii) by notification of acceptance thereof to the Receiving Agent;

(vii) authorise the Receiving Agent to procure that your name (together with the name(s) of any other joint Applicant(s)) is/are placed on the register of members of the Company in Guernsey in respect of such C Shares and to send a crossed cheque for any monies

returnable by post without interest, at the risk of the persons entitled thereto to the address of the person (or in the case of joint holders, the first-named person) named as an applicant in the Application Form;

(viii) warrant that, if you sign the Application Form on behalf of somebody else or on behalf of a corporation, you have due authority to do so on behalf of that other person or corporation, and such person or corporation will also be bound accordingly and will be deemed also to have given the confirmations, warranties and undertakings contained herein and undertake to enclose your power of attorney or a copy thereof duly certified by a solicitor or bank with the Application Form;

(ix) agree that all Applications, acceptances of Applications and contracts resulting therefrom shall be governed by and construed in accordance with Guernsey law, and that you submit to the jurisdiction of the Guernsey Courts and agree that nothing shall limit the right of the Company to bring any action, suit or proceeding arising out of or in connection with any such Applications, acceptances of Applications and contracts in any other manner permitted by law or in any court of competent jurisdiction;

(x) confirm that in making such Application, neither you nor any person on whose behalf you are applying are relying on any information or representation in relation to the Company other than the information contained in the Prospectus and, accordingly, you agree that no person (responsible solely or jointly for the Prospectus or any part thereof or involved in the preparation thereof shall have any liability for any such information or representation;

(xi) irrevocably authorise the Company or any person authorised by it, to do all things necessary to effect registration of any C Shares subscribed by or issued to you into your name(s) or into the name(s) of any person(s) in whose favour the entitlement to any such C Shares has been transferred and authorise any representative of the Company to execute any document required therefor;

(xii) agree that, having received the Prospectus, you shall be deemed by the Company and the Placing Agents to have had notice of all information and to have made, and may be further required to make, the representations, acknowledgements and agreements concerning the Company and the C Shares contained therein;

(xiii) confirm that you have reviewed the restrictions contained in these terms and conditions;

(xiv) warrant that, if you are an individual, you are not under the age of 18;

(xv) agree that all documents and cheques sent by post to, by or on behalf of the Company or the Receiving Agent, will be sent at the risk of the person(s) entitled thereto;

(xvi) warrant that in connection with your application you have observed the laws of all relevant territories, obtained any requisite governmental or other consents, complied with all requisite formalities and paid any issue or transfer or other taxes due in connection with your application in any territory and that you have not taken any action which will or may result in the Company acting in breach of the regulatory or legal requirements of any territory in connection with the Offer for Subscription or your application;

(xvii) represent and agree that (i) if you are a US person within the meaning of Regulation S, you are (a) a "qualified institutional buyer" as defined in Rule 144A under the Securities Act who is a "qualified purchaser" as defined in Section 2(a)(51) of the Investment Company Act, (b) not a broker dealer which owns and invests on a discretionary basis less than US$25 million in securities of unaffiliated issuers, (c) not a participant directed employee plan, such as a 401(k) plan, (d) acquiring the C Shares for your own account, or for the account of one or more qualified institutional buyers each of which is also a qualified purchaser and as to which we have full power to make the foregoing acknowledgements, undertakings, representations, warranties and agreements, (e) not formed for the purpose of investing in the C Shares or the Company, (f) aware, and each beneficial owner of the C Shares has been advised, that Company may be relying on the exemption from the

registration provisions of the Securities Act provided by Rule 144A and (g) understand that the C Shares have not been and will not be registered under the Securities Act and may not be offered, sold, pledged or otherwise transferred except (y) in accordance with Rule 144A to a person that it and any person acting on its behalf reasonably believes is a qualified institutional buyer and that is also a qualified purchaser purchasing for its own account or for the account of one or more qualified institutional buyers that are also qualified purchasers or (z) outside the United States to a person that is not a US person in an offshore transaction as defined in, and in reliance on, Regulation S, in each case in accordance with any applicable securities laws of any state or other jurisdiction of the United States; (ii) you (a) are not a US Person within the meaning of Regulation S and are not acting on behalf of a US Person, (b) are, or at the time the C Shares are purchased will be, the beneficial owner of the C Shares and are located outside the United States, (c) are not an affiliate of the Company or a person acting on behalf of the Company or such affiliate, (d) are not purchasing with a view to re-sale in the United States or to or for the account of a US Person, (e) are aware that the C Shares have not been and will not be registered under the Securities Act and are being offered and sold outside the United States in reliance on Regulation S, (f) prior to the expiration of the applicable "distribution compliance period" (within the meaning of Regulation S) for the C Shares you will not offer, sell, pledge or otherwise transfer the C Shares except (y) outside the United States to a person that is not a US persons in an offshore transaction as defined in, and in reliance on, Regulation S or (z) to a qualified institutional buyer that is also a qualified purchaser in accordance with Rule 144A, (g) agree that all hedging transaction with respect to the C Shares will be conducted in compliance with the Securities Act; (iii) acknowledge that the Company and the Placement Agents and their respective affiliates, and others, will rely upon the truth and accuracy of the above acknowledgements, representations and agreements and agree that, if any of the acknowledgements, representations or agreements deemed to have been made by it by its purchase of C Shares is no longer accurate, it shall promptly notify the Company and the Placement Agents. If it is acquiring any C Shares as a fiduciary or agent for one or more investor accounts, it represents that it has sole investment discretion with respect to each such account and that it has full power to make the above acknowledgements, representations and agreements on behalf of each account;

(xviii) if you are a US person within the meaning of Regulation S, you represent that (a) no portion of the assets used to purchase or hold the C Shares or any beneficial interest therein constitutes or will constitute the assets of an "employee beneficial plan" within the meaning of Section 3(3) of the U.S. Employee Retirement Income Security Act of 1974, as amended ("ERISA") that is subject to Title I of ERISA, a plan, individual retirement account or other arrangement that is subject to Section 4975 of the US Internal Revenue Code of 1986, as amended (the"Code") or any other laws or regulations of any state of the United States or other jurisdiction that would have the same affect as the regulations promulgated under ERISA or the Code;

(xvix) represent and agree that you are not a resident of Canada, Australia or Japan; and

(xvx) understand and agree that the C Shares have not been and will not be registered under the Securities Act, or under the applicable state securities laws of the United States, and the Company has not registered, and does not intend to register, as an investment company under the Investment Company Act. Accordingly, the C Shares may not be offered, sold, pledged or otherwise transferred directly or indirectly in or into the United States, or to or for the account or benefit of any US person within the meaning of Regulation S, except that the C Shares may be offered and sold (a) in the United States to "qualified institutional buyers" within the meaning of Rule 144A who are "qualified purchasers" as defined in Section 2(a)(51) of the Investment Company Act, in reliance on the exemption from registration provided by Rule 144A and (b) outside the United States in "offshore transactions" to persons that are not US persons as defined in, and in reliance on, Regulation S.

(xxi) agree that if the C Shares are issued in certificated form, they will bear a legend to the following effect:

THIS SECURITY HAS NOT BEEN AND WILL NOT BE REGISTERED UNDER THE US SECURITIES ACT OF 1933, AS AMENDED (THE "SECURITIES ACT"), OR WITH ANY SECURITIES REGULATORY AUTHORITY OF ANY STATE OR OTHER JURISDICTION OF THE UNITED STATES, AND THIS SECURITY MAY NOT BE OFFERED, SOLD, PLEDGED OR OTHERWISE TRANSFERRED EXCEPT (1) IN AN OFFSHORE TRANSACTION TO A PERSON WHO IS NOT A US PERSON WITHIN THE MEANING OF REGULATION S UNDER THE SECURITIES ACT ("REGULATIONS") IN ACCORDANCE WITH RULE 903 OR RULE 904 OF REGULATION S OR (2) IN ACCORDANCE WITH RULE 144A UNDER THE SECURITIES ACT ("RULE 144A") TO A PERSON WHOM THE HOLDER AND ANY PERSON ACTING ON ITS BEHALF REASONABLY BELIEVES IS A QUALIFIED INSTITUTIONAL BUYER WITHIN THE MEANING OF RULE 144A (A "QUALIFIED INSTITUTIONAL BUYER") AND THAT IS A QUALIFIED PURCHASER ("QUALIFIED PURCHASER") WITHIN THE MEANING OF SECTION 2(A)(51) OF THE US INVESTMENT COMPANY ACT OF 1940, AS AMENDED (THE "INVESTMENT COMPANY ACT"), PURCHASING FOR ITS OWN ACCOUNT OR FOR THE ACCOUNT OF ONE OR MORE QUALIFIED INSTITUTIONAL BUYERS EACH OF WHICH IS A QUALIFIED PURCHASER WHOM THE HOLDER HAS INFORMED, IN EACH CASE, THAT SUCH OFFER, SALE, PLEDGE OR OTHER TRANSFER IS BEING MADE IN RELIANCE ON RULE 144A AND, IN EACH CASE IN ACCORDANCE WITH ANY APPLICABLE SECURITIES LAWS OF ANY STATE OF THE UNITED STATES, AND THE HOLDER WILL, AND EACH SUBSEQUENT HOLDER IS REQUIRED TO, NOTIFY ANY PURCHASER FROM IT OF THIS SECURITY OF THE RESALE RESTRICTIONS REFERRED TO ABOVE. NO REPRESENTATION CAN BE MADE AS TO THE AVAILABILITY OF ANY EXEMPTION UNDER THE SECURITIES ACT FOR RESALES OF THIS SECURITY.

IF THE BENEFICIAL OWNER HEREOF IS A US PERSON WITHIN THE MEANING OF REGULATION S, SUCH BENEFICIAL OWNER REPRESENTS THAT (1) IT IS A QUALIFIED INSTITUTIONAL BUYER THAT IS ALSO A QUALIFIED PURCHASER; (2) IT IS NOT A BROKER DEALER WHICH OWNS AND INVESTS ON A DISCRETIONARY BASIS LESS THAN US$25,000,000 IN SECURITIES OF UNAFFILIATED ISSUERS; (3) IT IS NOT A PARTICIPANT DIRECTED EMPLOYEE PLAN, SUCH AS A 401(K) PLAN; (4) IT IS HOLDING AN INTEREST IN THIS SECURITY FOR ITS OWN ACCOUNT OR FOR THE ACCOUNT OF ONE OR MORE QUALIFIED INSTITUTIONAL BUYERS, EACH OF WHICH IS A QUALIFIED PURCHASER; (5) IT WAS NOT FORMED FOR THE PURPOSE OF INVESTING IN HSBC INFRASTRUCTURE COMPANY LIMITED (THE "COMPANY") OR THIS SECURITY; AND (6) IT WILL PROVIDE NOTICE OF THE FOREGOING TRANSFER RESTRICTIONS TO ITS SUBSEQUENT TRANSFEREES.

THE BENEFICIAL OWNER HEREOF HEREBY ACKNOWLEDGES THAT IF AT ANY TIME WHILE IT HOLDS AN INTEREST IN THIS SECURITY IT IS A US PERSON WITHIN THE MEANING OF REGULATIONS THAT IS NOT A QUALIFIED INSTITUTIONAL BUYER AND A QUALIFIED PURCHASER, THE COMPANY MAY (A) COMPEL IT TO SELL ITS INTEREST IN THIS SECURITY TO A PERSON WHO IS (I) A US PERSON WHO IS A QUALIFIED INSTITUTIONAL BUYER AND A QUALIFIED PURCHASER THAT IS, IN EACH CASE, OTHERWISE QUALIFIED TO PURCHASE AN INTEREST IN THIS SECURITY IN A TRANSACTION EXEMPT FROM REGISTRATION UNDER THE SECURITIES ACT OR (II) NOT A US PERSON WITHIN THE MEANING OF REGULATION S OR (B) COMPEL THE BENEFICIAL OWNER TO SELL ITS INTEREST IN THIS SECURITY TO THE COMPANY OR AN AFFILIATE OF THE COMPANY OR TRANSFER ITS INTEREST IN THIS SECURITY TO A PERSON DESIGNATED BY OR ACCEPTABLE TO THE COMPANY. THE

COMPANY HAS THE RIGHT TO REFUSE TO HONOUR A TRANSFER OF AN INTEREST IN THIS SECURITY TO A US PERSON WHO IS NOT A QUALIFIED INSTITUTIONAL BUYER AND A QUALIFIED PURCHASER.

THE COMPANY HAS NOT BEEN AND WILL NOT BE REGISTERED UNDER THE INVESTMENT COMPANY ACT. THE COMPANY MAY COMPEL EACH BENEFICIAL OWNER OF THIS SECURITY THAT IS A US PERSON WITHIN THE MEANING OF REGULATIONS TO CERTIFY PERIODICALLY THAT SUCH BENEFICIAL OWNER IS A QUALIFIED INSTITUTIONAL BUYER AND A QUALIFIED PURCHASER.

(xxii) agree, on request by the Company, or the Receiving Agent on behalf of the Company to disclose promptly in writing to the Company or the Receiving Agent any information which the Company, or the Receiving Agent, may reasonably request in connection with your Application and authorise the Company or the Receiving Agent on behalf of the Company, to disclose any information relating to your Application as it considers appropriate.

(d) No person receiving a copy of this Prospectus and/or an Application Form in any territory other than the UK may treat the same as constituting an invitation or an offer to him; nor should he in any event use an Application Form unless in the relevant territory, such an invitation or offer could lawfully be made to him or the Application Form could lawfully be used without contravention of any, or compliance with any unfulfilled registration or other legal or regulatory requirements. It is the responsibility of any person outside the UK wishing to apply for C Shares under the Offer for Subscription to satisfy himself as to full observance of the laws of any relevant territory in connection with any such application, including obtaining any requisite governmental or other consents, observing any other formalities requiring to be observed in any such territory and paying any issue, transfer or other taxes required to be paid in any such territory.

(e) The relevant clearances have not been, and will not be, obtained from the Securities Commission of any province of Canada, Australia or Japan and, accordingly, unless an exemption under any relevant legislation or regulations is applicable, none of the Shares may be offered, sold, renounced, transferred or delivered, directly or indirectly, in Canada, Australia or Japan. Unless the Company has expressly agreed otherwise in writing, you represent and warrant to the Company that you are not a US Person or a resident of Canada, Australia or Japan and that you are not subscribing for such Shares for the account of any US Person or resident of Canada, Australia or Japan and that you will not offer, sell, renounce, transfer or deliver, directly or indirectly Shares subscribed for by you in the United States, Canada, Australia or Japan or to any US Person or resident of Canada, Australia or Japan. Subject to certain exceptions, no Application will be accepted if it bears an address in the United States, Canada, Australia or Japan unless an appropriate exemption is available.

(f) Pursuant to The Data Protection (Bailiwick of Guernsey) Law 2001 (the "DP Law"), the Company the Administrator and/or the Registrar may hold personal data (as defined in the DP Law) relating to past and present shareholders.

(g) Such personal data held is used by the Administrator and the Registrar to maintain the Company's register of shareholders and mailing lists and this may include sharing such data with third parties in one or more of the countries mentioned below when (i) effecting the payment of dividends and redemption proceeds to shareholders and the payment of commissions to third parties and (ii) filing returns of shareholders and their respective transactions in shares with statutory bodies and regulatory authorities. Personal data may be retained on record for a period exceeding six years after it is no longer used.

(h) The countries referred to above include, but need not be limited to, those in the European Economic Area and any of their respective dependent territories overseas, Argentina, Australia, Brazil, Canada, Hong Kong, Hungary, Japan, New Zealand, Singapore, South Africa, Switzerland and the United States of America.

(i) By becoming registered as a holder of Shares in the Company, a person becomes a data subject (as defined in the DP Law) and is deemed to have consented to the processing by the Company the Administrator or the Registrar of any personal data relating to them in the manner described above.

(j) The basis of allocation will be determined by the Directors after consultation with the Investment Adviser at their absolute discretion. The right is reserved to reject in whole or in part and/or scale down and/or ballot any Application or any part thereof. The right is reserved to treat as valid any Application not in all respects completed in accordance with the instructions relating to the Application Form, including if the accompanying cheque or banker's draft is for the wrong amount.

(k) Save where the context otherwise requires, words and expressions defined in the Prospectus have the same meanings when used in these terms and conditions and in the Application Form and explanatory notes in relation thereto.

NOTES ON HOW TO COMPLETE THE APPLICATION FORM

Applications should be returned so as to be received by Capita Registrars, The Registry, 34 Beckenham Road, Beckenham, Kent BR3 4TU no later than 1.00 p.m. on 6 December 2010.

HELP DESK: If you have a query concerning the completion of this Application Form, please telephone Capita Registrars between 9.00 a.m. and 5.00 p.m. (London time) Monday to Friday on 0871 664 0321 from within the UK or +44 20 8639 3399 if calling from outside the UK. Calls to the 0871 664 0321 number cost 10 pence per minute from a BT landline (other network providers' costs may vary). Calls to the helpline from outside the UK will be charged at applicable international rates. Different charges may apply to calls from mobile telephones and calls may be recorded and randomly monitored for security and training purposes. The helpline cannot provide advice on the merits of the Offer for Subscription nor give any financial, legal or tax advice.

1. Application

Fill in (in figures) in Box 1 the amount of money being subscribed for the C Shares. The amount being subscribed must be for a minimum of £1,000 and thereafter in multiples of £500. Financial intermediaries who are investing on behalf of clients should make separate applications for each client.

2. A Holders details

Fill in (in block capitals) the full name(s) of each holder and the address of the first named holder. Applications may only be made by persons aged 18 or over. In the case of joint holders only the first named may bear a designation reference. A maximum of four joint holders is permitted. All holders named must sign the Application Form in section 2.

B CREST

If you wish your C Shares to be deposited in a CREST Account in the name of the holders given in section 2A, enter in section 2B the details of that CREST Account. Where it is requested that C Shares be deposited into a CREST Account please note that payment for such Shares must be made prior to the day such C Shares might be allotted and issued. It is not possible for an applicant to request that C Shares be deposited in their CREST Account on an against payment basis. Any Application Form received containing such a request will be rejected.

3. Signature

All holders named in section 2A must sign section 3 and insert the date. The Application Form may be signed by another person on behalf of each holder if that person is duly authorised to do so under a power of attorney. The power of attorney (or a copy duly certified by a solicitor or a bank) must be enclosed for inspection (which originals will be returned by post at the addressees risk). A corporation should sign under the hand of a duly authorised official whose representative capacity should be stated and a copy of a notice issued by the corporation authorising such person to sign should accompany the Application Form.

4. Cheque/banker's draft, payment details

Payment must be made by a cheque or banker's draft and must accompany your application. All payments by cheque or banker's draft must accompany your Application Form and be for the exact amount inserted in section 1 of your Application Form. Your cheque or banker's draft must be made payable to Capita Registrars Limited Re **"HSBC Infrastructure Company Limited Offer for Subscription A/C"** and crossed **"A/C Payee".** If you use a banker's draft or a building society cheque you should ensure that the bank or building society issuing the payment enters the name, address and account number of the person whose account is being debited on the reverse of the banker's draft or cheque and adds its stamp. Cheques should be drawn on the personal account to which you have sole or joint title to the funds. Your cheque or banker's draft must be drawn in pounds sterling on an account

at a bank branch in the United Kingdom or the Channel Islands which is either a settlement member of the Cheque and Credit Clearing Company Limited or the CHAPS Clearing Company Limited or which has arranged for its cheques and banker's drafts to be cleared through the facilities provided by any of those companies or committees and must bear a United Kingdom bank sort code number in the top right hand corner. Third party cheques will not be accepted with the exception of building society cheques or banker's drafts where the bank or building society has confirmed the name of the account holder by stamping and endorsing the cheque to such effect. Your payment must relate solely to this application. No receipt will be issued.

5. Reliable introducer declaration

Applications with a value greater than €15,000 (approximately £14,000) will be subject to Guernsey's verification of identity requirements. This will involve you providing the verification of identity documents listed below UNLESS you can have the declaration provided at section 5 of the Application Form given and signed by a firm acceptable to the Registrar and Receiving Agent. In order to ensure your application is processed timely and efficiently all applicants are strongly advised to have the declaration provided in section 5 of the Application Form completed and signed by a suitable firm.

If the declaration in section 5 cannot be completed and the value of the application is greater than €15,000 (approximately £14,000), in accordance with internationally recognised standards for the prevention of money laundering, the documents listed below must be provided with the completed application form as appropriate. Notwithstanding that the declaration in section 5 has been completed and signed the Registrar reserves the right to request of you the identity documents listed below and/or to seek verification of identity of each holder and payor (if necessary) from you or their bankers or from another reputable institution, agency or professional adviser in the applicable country of residence. If satisfactory evidence of identity has not been obtained within a reasonable time your application may be rejected or revoked. Where certified copies of documents are requested below, such copy documents should be certified by a senior signatory of a firm which is either a governmental approved bank, stockbroker or investment firm, financial services firm or an established law firm or accountancy firm which is itself subject to regulation in the conduct of its business in its own country of operation and the name of the firm should be clearly identified on each document certified.

5A. ***For each holder being an individual enclose:***

(1) a certified clear photocopy of one of the following identification documents which bear both a photograph and the signature of the person: current passport – Government or Armed Forces identity card – driving licence; and

(2) certified copies of at least two of the following documents which purport to confirm that the address given in section 1A is that person's residential address: a recent gas, electricity, water or telephone (not mobile) bill – a recent bank statement – a council rates bill – or similar document issued by a recognised authority; and

(3) if none of the above documents show their date and place of birth, enclose a note of such information; and

(4) details of the name and address of their personal bankers from which the Registrar or the Receiving Agent may request a reference, if necessary.

5B. ***For each holder being a company (a "holder company") enclose:***

(1) a certified copy of the certificate of incorporation of the holder company; and

(2) the name and address of the holder company's principal bankers from which the Registrar or the Receiving Agent may request a reference, if necessary; and

(3) a statement as to the nature of the holder company's business, signed by a director; and

(4) a list of the names and residential addresses of each director of the holder company; and

(5) for each director provide documents and information similar to that mentioned in A above; and

(6) a copy of the authorised signatory list for the holder company; and

(7) a list of the names and residential/registered address of each ultimate beneficial owner interested in more than 5 per cent. of the issued share capital of the holder company and, where a person is named, also complete C below and, if another company is named (hereinafter a "beneficiary company"), also complete D below. If the beneficial owner(s) named do not directly own the holder company but do so indirectly via nominee(s) or intermediary entities, provide details of the relationship between the beneficial owner(s) and the holder company.

5C ***For each person named in 5B(7) as a beneficial owner of a holder company enclose for each such person documents and information similar to that mentioned in 4B(1) to 4B(4)***

5D ***For each beneficiary company named in 5B(7) as a beneficial owner of a holder company enclose:***

(1) a certified copy of the certificate of incorporation of that beneficiary company; and

(2) a statement as to the nature of that beneficiary company's business signed by a director; and

(3) the name and address of that beneficiary company's principal bankers from which the Registrar or the Receiving Agent may request a reference, if necessary; and

(4) enclose a list of the names and residential/registered address of each beneficial owner owning more than 5 per cent. of the issued share capital of that beneficiary company.

The Registrar or the Receiving Agent reserves the right to ask for additional documents and information.

6. Contact details

To ensure the efficient and timely processing of your Application Form, please provide contact details of a person the Registrar or Receiving Agent may contact with all enquiries concerning your application. Ordinarily this contact person should be the person signing in section 3 on behalf of the first named holder. If no details are entered here and the Registrar or Receiving Agent requires further information, any delay in obtaining that additional information may result in your application being rejected or revoked.

INSTRUCTIONS FOR DELIVERY OF COMPLETED APPLICATION FORMS

Completed Application Forms should be returned, by post (or by hand during normal business hours only) to Capita Registrars, The Registry, 34 Beckenham Road, Beckenham, Kent BR3 4TU, so as to be received no later than 1.00 p.m. on 6 December 2010, together in each case with payment by cheque or duly endorsed banker's draft in full in respect of the application. If you post your Application Form, you are recommended to use first class post and to allow at least two days for delivery. Application Forms received after this date may be returned.

HSBC INFRASTRUCTURE COMPANY LIMITED

APPLICATION FORM

Please send this completed form by post or by hand (during normal business hours only) to Capita Registrars, The Registry, 34 Beckenham Road, Beckenham, Kent BR3 4TU so as to be received no later than 1.00 p.m. 6 December 2010.

Important: Before completing this form, you should read the accompanying notes.

To: HSBC Infrastructure Company Limited and Capita Registrars

1. APPLICATION

I/We the person(s) detailed in section 2A below offer to subscribe the amount shown in Box 1 for C Shares subject to the Terms and Conditions set out in the Prospectus dated 17 November 2010 and subject to the memorandum and Articles of Incorporation of the Company.

Box 1
(Minimum of £1,000 and in multiples of £500 thereafter)

2A. DETAILS OF HOLDER(S) IN WHOSE NAME(S) SHARES WILL BE ISSUED (BLOCK CAPITALS)

Mr Mrs, Miss or Title Forenames (in full)

Surname/Company Name

Address (in Full)

Postcode:

Designation (if any):

Mr Mrs, Miss or Title Forenames (in full)

Surname/Company Name

Mr Mrs, Miss or Title Forenames (in full)

Surname/Company Name

Mr Mrs, Miss or Title Forenames (in full)

Surname/Company Name

2B. CREST DETAILS

(Only complete this section if C Shares allotted are to be deposited in a CREST account, which must be in the same name as the holder(s) given in section 2A).

CREST Participant ID: ..... CREST Member Account ID .....

3. SIGNATURE(S) ALL HOLDERS MUST SIGN

First holder signature: _____ **Second holder signature:** _____

Name (Print) _____ **Name (Print)** _____

Third holder signature: _____ **Fourth holder signature:** _____

Name (Print) _____ **Name (Print)** _____

Dated: 2010

4. CHEQUES/BANKER'S DRAFT DETAILS

Pin or staple to this form your cheque or duly endorsed banker's draft for the exact amount inserted by you in Box 1. Cheques and Banker's drafts should be made payable to **Capita Registrars Limited Re: "HSBC Infrastructure Company Limited Offer for Subscription A/C"** and crossed **"A/C Payee"**. Cheques and banker's payments must be drawn in pounds sterling on an account at a bank branch in the United Kingdom or the Channel Islands and must bear a United Kingdom bank sort code number in the top right hand corner.

5. RELIABLE INTRODUCER DECLARATION

Completion and signing of this declaration by a suitable person or institution may avoid presentation being requested of the identity documents detailed in section 6 of this form.

The declaration below may only be signed by a person or institution (such as a governmental approved bank, stockbroker or investment firm, financial services firm or an established law firm or accountancy firm) ("the firm") which is itself subject in its own country to operation of "know your customer" and anti-money laundering regulations no less stringent than those which prevail in Guernsey. Acceptable countries include Austria, Belgium, Canada, Denmark, Finland, France, Germany, Gibraltar, Greece, Hong Kong, Iceland, Ireland, Isle of Man, Italy, Japan, Jersey, Luxembourg, Netherlands, New Zealand, Norway, Portugal, Singapore, South Africa, Spain, Sweden, Switzerland, the United Kingdom and the United States of America.

DECLARATION: To the Company and the Receiving Agent

With reference to the holder(s) detailed in section 2A, all persons signing at section 3 (collectively "the subjects") **WE HEREBY DECLARE:**

1. we operate in one of the above mentioned countries and our firm is subject to money laundering regulations under the laws of that country which, to the best of our knowledge, are no less stringent than those which prevail in Guernsey;
2. we are regulated in the conduct of our business and in the prevention of money laundering by the regulatory authority identified below;
3. each of the subjects is known to us in a business capacity and we hold valid identity documentation on each of them and we undertake to immediately provide to you copies thereof on demand;
4. we confirm the accuracy of the names and residential/business address(es) of the holder(s) given in section 2A and if a CREST Account is cited at section 2B that the owner thereof is named in section 2A;
5. having regard to all local money laundering regulations we are, after enquiry, satisfied as to the source and legitimacy of the monies being used to subscribe for the C Shares mentioned; and
6. We consent to the selection of 31 March as the accounting reference date of the Company.

The above information is given in strict confidence for your own use only and without any guarantee, responsibility or liability on the part of this firm or its officials.

Signed : .....

Name : .....

Position ..... having authority to bind the firm.

Name of regulatory authority .....

Firm 's Licence number : .....

Website address or telephone number of regulatory authority .....

STAMP of firm giving full name and business address .....

6. CONTACT DETAILS

To ensure the efficient and timely processing of this application please enter below the contact details of a person the Registrar or the Receiving Agent may contact with all enquiries concerning this application. Ordinarily this contact person should be the person signing in section 3 on behalf of the first named holder. If no details are entered here and the Registrar or the Receiving Agent requires further information, any delay in obtaining that additional information may result in your application being rejected or revoked.

Contact name ..... E-mail address .....

Contact address .....

..... Postcode .....

Telephone No ..... Fax No .....

For Official Use by HSBC only

Where the subscriber under the application form is a company within the HSBC group, please provide details of the HSBC group company:

Name of Company .....

Company stamp/Signature of Authorised Representative:

.....

Registered Office:
1 Le Truchot, St Peter Port, Guernsey GY1 1WD

www.hicl.hsbc.com

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