

**2018 Evercore ISI Utility
CEO Conference**
January 11, 2018

Safe Harbor



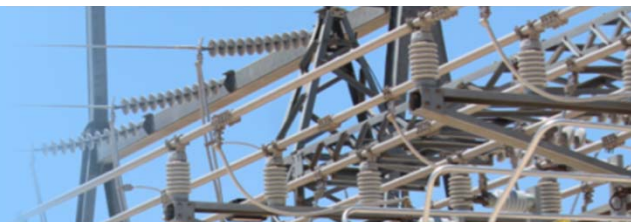
Forward Looking Statements

This presentation contains “forward-looking statements” about the business, financial performance, contracts, leases and prospects of InfraREIT, Inc. (the Company). Words such as “could,” “will,” “may,” “assume,” “forecast,” “position,” “predict,” “strategy,” “guidance,” “outlook,” “target,” “expect,” “intend,” “plan,” “estimate,” “anticipate,” “believe,” “project,” “budget,” “potential” or “continue” and similar expressions are used to identify forward-looking statements, although not all forward-looking statements contain such identifying words. These forward-looking statements are based on management’s current expectations and assumptions about future events and are based on currently available information as to the outcome and timing of future events. This presentation also contains forward-looking statements that have previously been publicly disclosed by the Company. These previously disclosed forward-looking statements should not be deemed reaffirmed or updated by their inclusion in this presentation. The Company’s actual results, performance or achievements could differ materially from those expressed or implied by any forward-looking statements made in connection with this presentation, and in no event should the inclusion of forecasted information in this presentation be regarded as a representation by any person that the results contained therein will be achieved. Statements about the Company’s expectations regarding the impact of the Tax Cuts and Jobs Act, the Company’s review of its REIT election, the Company’s anticipated financial and operating performance, including projected or forecasted financial results, distributions to stockholders, capital expenditures, debt ratios, capitalization matters and other forecasted metrics, as well as any other statements that are not historical facts in this presentation are forward-looking statements that involve certain risks and uncertainties, many of which are difficult to predict and beyond the Company’s control. Factors that could cause actual results to differ materially from the results contemplated by such forward-looking statements include, without limitation, the approach taken to implement the change in the corporate tax rate; the amount of available investment to grow the Company’s rate base; decisions by regulators or changes in governmental policies or regulations with respect to the Company’s organizational structure, lease arrangements, capitalization, acquisitions and dispositions of assets, recovery of investments, authorized rate of return and other regulatory parameters; the Company’s current reliance on its tenant for all of its revenues and, as a result, the Company’s dependence on its tenant’s solvency and financial and operating performance; the effects of existing and future tax and other laws and governmental regulations; the Company’s failure to qualify or maintain its status as a real estate investment trust (REIT) or future changes in the tax laws applicable to REITs; and insufficient cash available to meet distribution requirements. When considering forward-looking statements, you should keep in mind the risk factors and other cautionary statements described under the heading “Risk Factors” included in the Company’s filings with the U.S. Securities and Exchange Commission. Should one or more of these risks or uncertainties materialize, or should underlying assumptions prove incorrect, actual results may vary materially from those indicated. Forward-looking statements speak only as of the date made and reaffirmed, and the Company disclaims any obligation to update or revise any forward-looking statements, whether as a result of new information, future events or otherwise, except as required by law.

Non-GAAP Legend

This presentation contains certain financial measures that are not recognized under generally accepted accounting principles (GAAP). InfraREIT’s management uses non-GAAP measures as important supplemental measures of its operating performance. For example, management uses the cash available for distribution (CAD) measurement when recommending dividends to its Board of Directors. These non-GAAP measures are also presented because management believes they help investors understand InfraREIT’s business, performance and ability to earn and distribute cash to its stockholders by providing perspectives not immediately apparent from net income. InfraREIT has a diverse set of investors, including investors that primarily focus on utilities, yieldcos, MLPs or REITs. Management believes that each of these different classes of investors focus on different types of metrics in their evaluation of InfraREIT. For instance, many utility investors focus on earnings per share (EPS) and management believes its presentation of non-GAAP earnings per share (Non-GAAP EPS) enables a better comparison to other utilities. Management believes it is appropriate to calculate and provide these measures in order to be responsive to these investors. Including the reporting on these measures in InfraREIT’s public disclosures also ensures that this information is available to all of InfraREIT’s investors. The presentation of Non-GAAP EPS; CAD; net income (loss) before interest expense, net, income tax expense, depreciation and amortization (EBITDA); Adjusted EBITDA; funds from operations (FFO); and adjusted FFO (AFFO) in this presentation are not intended to be considered in isolation or as a substitute for, or superior to, the financial information prepared and presented in accordance with GAAP. In addition, InfraREIT’s method of calculating these measures may be different from methods used by other companies, and, accordingly, may not be comparable to similar measures as calculated by other companies that do not use the same methodology as InfraREIT. Reconciliations of these measures to their most directly comparable GAAP measures are included in Schedules 1-6 to this presentation.

InfraREIT's Investment Highlights



Attractive Asset Portfolio

- » \$1.5 billion in regulated electric transmission and wholesale distribution assets (rate base)

Stable Cash Flow

- » 100 percent of revenue driven by regulated asset base
- » 90 percent of assets in transmission, remainder in wholesale distribution (no end-use retail customers)

Strong Track Record

- » Increased rate base from \$60 million in 2009 to \$1.5 billion in 2017
- » Successfully developed 300 miles and 4 substations in the CREZ transmission system and significantly expanded the West Texas assets

Constructive Regulation

- » Constructive regulatory framework in Texas
- » Ability to submit interim transmission rate filings; minimizes regulatory lag

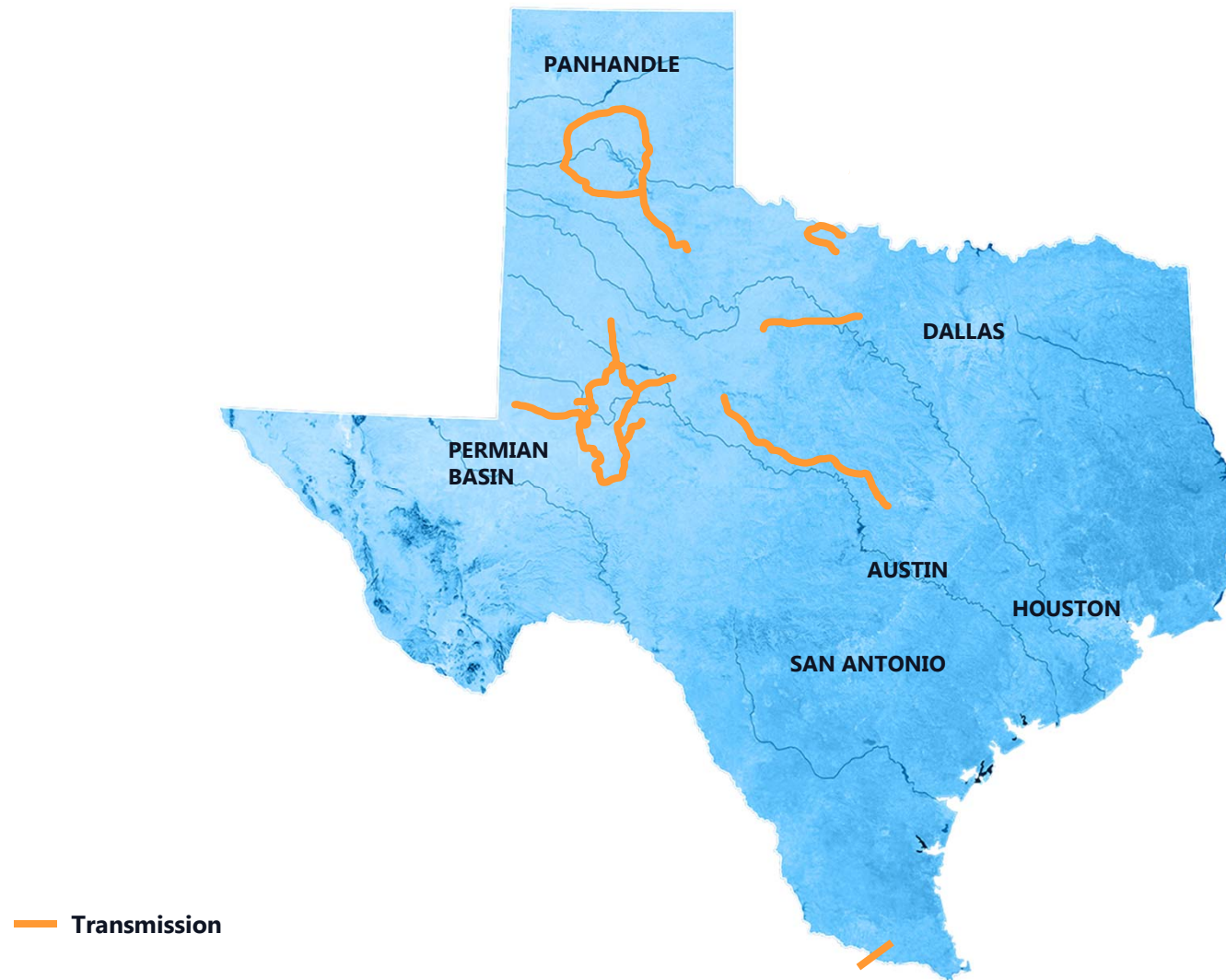
Strong Sponsor

- » Hunt has long-term track record and relationships in Texas and the Southwest
- » High alignment between Hunt and other stakeholders

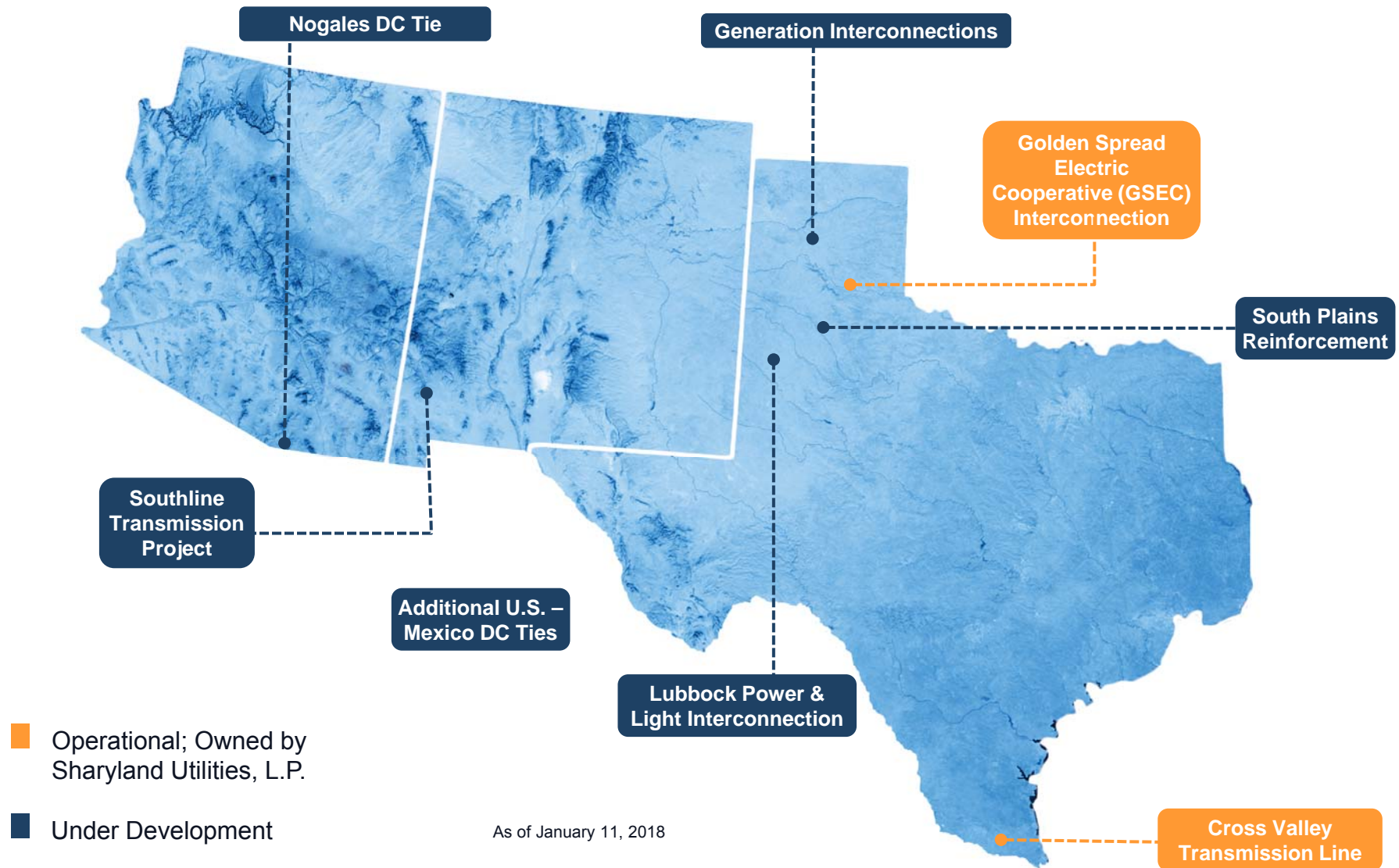
Growth Opportunities

- » Pro-business, high-growth state with growing infrastructure needs in West and South Texas
- » Well-positioned relative to future expansion of wind and solar generation in the Panhandle, West Texas and South Plains
- » Pipeline of projects with Hunt Developer

InfraREIT's Transmission Assets



Pipeline of Hunt Projects



Q3 Highlights and Recent Events



- Solid Q3 2017 performance; most metrics slightly better than expectations
 - ❑ Increase in lease revenue of 4 percent driven by increased assets under lease, partially offset by lower lease pricing (leases partially included a lower allowed cost of debt assumption)
 - ❑ Decrease in net income of 10 percent, primarily due to the lower lease revenue growth than prior periods and asset exchange transaction expenses. Interest and depreciation expenses tracked with the growth in assets placed in service
 - ❑ Non-GAAP EPS of \$0.36; compared with \$0.37 in 3Q 2016
 - ❑ Cash available for distribution (CAD) of \$22.6 million
 - ❑ \$56.2 million of capital expenditures
- Rate case dismissal and asset exchange transaction with Oncor Electric Delivery Company (Oncor)
 - ❑ Completed November 9, 2017
 - ❑ Key regulatory parameters in place until the next rate case, which will be filed in 2020, based on a test year ending December 31, 2019

Tax Cuts and Jobs Act

Implications



- Corporate income tax rate reduction from 35 percent to 21 percent
 - ❑ Uncertain how and when Sharyland's rates or financial statements will reflect an income tax allowance at the lower corporate tax rate
 - Upon implementation, the Company expects that lease payments for future assets will reflect the lower corporate tax rate, which would result in a reduction, relative to the Company's existing lease terms, in the amount of lease revenue received per dollar of assets
 - If implemented prior to the expiration of the current leases, the Company expects that Sharyland will request a reduction in existing lease payments
 - ❑ For illustrative purposes, the full-year impact of repricing InfraREIT's leases with a 21 percent corporate tax allowance, while holding all other inputs constant, would reduce Non-GAAP EPS by approximately \$0.30
 - The actual impact will depend on, among other factors, the timing and method of implementing the new corporate tax rate
- Impact on dividends to InfraREIT shareholders
 - ❑ REIT dividends were formerly taxed as ordinary income, up to 39.6 percent
 - ❑ Going forward, REIT dividends will be taxed as business income from pass-through entities, up to 29.6 percent after applicable deductions
- The Company continues to evaluate these and other potential impacts of the

Tax Cuts and Jobs Act

Additional Implications



- InfraREIT will continue to review the Company's REIT election and existing lessor-lessee relationship with Sharyland. Potential options under consideration as part of this review include:
 - Maintain REIT status, or
 - Convert to a traditional C-corporation structure (De-REIT Transaction), through the following potential actions:
 - Terminate REIT status
 - One or more of the following steps:
 - Combining SDTS and Sharyland
 - Terminating the leases between SDTS and Sharyland
 - Other negotiations with Hunt and its affiliates, including seeking to terminate or renegotiate the following:
 - Management agreement
 - Development agreement
 - Other related agreements
- InfraREIT has not set a specific timeline for completing this review

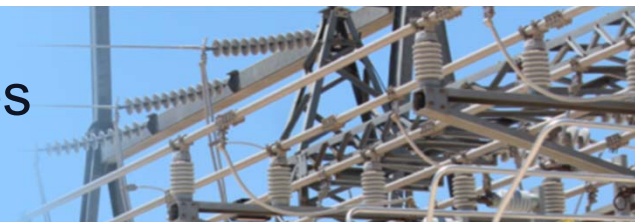
Forward Outlook



- Current guidance, excluding the potential impacts relating to the Tax Cuts and Jobs Act:
 - ❑ 2017 EPS range of \$1.15 to \$1.19
 - ❑ 2018 EPS range of \$1.32 to \$1.42
 - ❑ 2017 Non-GAAP EPS range of \$1.20 to \$1.24
 - ❑ 2018 Non-GAAP EPS range of \$1.25 to \$1.35
 - ❑ Transmission capital expenditures for 2017 – 2019 in the range of \$180 million to \$300 million
 - ❑ Expect to maintain current quarterly cash dividend of \$0.25 per share, or \$1.00 per share annualized
- The Company expects to provide additional information on the forward outlook and guidance on the year-end earnings call

2017E – 2019E Footprint Capital Expenditures

Transmission only; as of November 2, 2017



\$ millions	2017	2018	2019
Base Footprint Capex	\$30 - \$40	\$40 - \$70	\$10 - \$35
Synchronous Condensers & Second Circuit	\$90 - \$100	\$10 - \$30	\$0 - \$25
Total Footprint Capex	\$120 - \$140	\$50 - \$100	\$10 - \$60

*Transmission capex guidance range of \$180 million – \$300 million for 2017 – 2019
Long-term opportunities tied to generation interconnections and renewables expansion, regional growth and new projects required to improve reliability and relieve congestion*

Growth and Financing Strategy



- ▶ Construct Footprint Projects
- ▶ Opportunistically acquire regulated assets

- ▶ Maintain significant liquidity to support capex plan and financial flexibility
- ▶ Maintain 55 percent debt to capitalization at InfraREIT's regulated subsidiary, SDTS
- ▶ Target consolidated credit metrics of 60 percent debt to capitalization and 12 percent AFFO to debt

- ▶ Sign long-term leases that reflect regulated rate structure



InfraREIT

Reg G Reconciliation

Schedule 1:

Explanation and Reconciliation of Non-GAAP EPS

Q3 2017 vs. Q3 2016

Non-GAAP EPS

InfraREIT defines non-GAAP net income as net income (loss) adjusted in a manner the Company believes is appropriate to show its core operational performance, including an adjustment for the difference between the amount of base rent payments that the Company receives with respect to the applicable period and the amount of straight-line base rent recognized under GAAP and an adjustment for the transaction costs related to the pending asset exchange transaction with Oncor. The Company defines Non-GAAP EPS as non-GAAP net income (loss) divided by the weighted average shares outstanding calculated in the manner described in the footnotes below.

The following table sets forth a reconciliation of net income attributable to InfraREIT, Inc. per diluted share to Non-GAAP EPS for the three months ended September 30, 2017 and 2016:

(\$ thousands, except per share amounts)	Q3 2017			Q3 2016	
	Amount	Per Share ⁽³⁾		Amount	Per Share ⁽⁴⁾
Net income attributable to InfraREIT, Inc.	\$ 15,330	\$ 0.35		\$ 17,041	\$ 0.39
Net income attributable to noncontrolling interest	5,908	0.35		6,560	0.39
Net income	21,238	0.35		23,601	0.39
Base rent adjustment ⁽¹⁾	(1,479)	(0.02)		(1,396)	(0.02)
Transaction costs ⁽²⁾	1,972	0.03		—	—
Non-GAAP net income	\$ 21,731	\$ 0.36		\$ 22,205	\$ 0.37

Schedule 1:

Explanation and Reconciliation of Non-GAAP EPS

YTD 2017 vs. YTD 2016

Non-GAAP EPS

The following table sets forth a reconciliation of net income attributable to InfraREIT, Inc. per diluted share to Non-GAAP EPS for the nine months ended September 30, 2017 and 2016:

(\$ thousands, except per share amounts)	YTD 2017			YTD 2016	
	Amount	Per Share ⁽³⁾		Amount	Per Share ⁽⁵⁾
Net income attributable to InfraREIT, Inc.	\$ 30,587	\$ 0.70		\$ 29,964	\$ 0.69
Net income attributable to noncontrolling interest	11,797	0.70		11,598	0.68
Net income	42,384	0.70		41,562	0.69
Base rent adjustment ⁽¹⁾	(180)	—		4,602	0.07
Transaction costs ⁽²⁾	3,909	0.06		—	—
Non-GAAP net income	\$ 46,113	\$ 0.76		\$ 46,164	\$ 0.76

Schedule 1:

Explanation and Reconciliation of Non-GAAP EPS

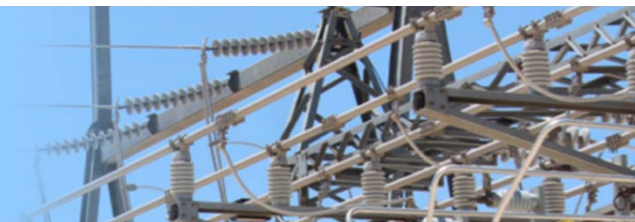


- (1) This adjustment relates to the difference between the timing of cash base rent payments made under the Company's leases and when the Company recognizes base rent revenue under GAAP. The Company recognizes base rent on a straight-line basis over the applicable term of the lease commencing when the related assets are placed in service, which is frequently different than the period in which the cash rent becomes due.
- (2) This adjustment reflects the transaction costs related to the pending asset exchange transaction with Oncor. These costs are exclusive of the Company's routine business operations or typical rate case costs and have been excluded to present additional insights on InfraREIT's core operations.
- (3) The weighted average common shares outstanding of 43.8 million was used to calculate net income attributable to InfraREIT, Inc. per diluted share. The weighted average redeemable partnership units outstanding of 16.9 million was used to calculate the net income attributable to noncontrolling interest per share. The combination of the weighted average common shares and redeemable partnership units outstanding of 60.7 million was used for the remainder of the per share calculations.
- (4) The weighted average common shares outstanding of 43.7 million was used to calculate net income attributable to InfraREIT, Inc. per diluted share. The weighted average redeemable partnership units outstanding of 16.9 million was used to calculate the net income attributable to noncontrolling interest per share. The combination of the weighted average common shares and redeemable partnership units outstanding of 60.6 million was used for the remainder of the per share calculations.
- (5) The weighted average common shares outstanding of 43.6 million was used to calculate net income attributable to InfraREIT, Inc. per diluted share. The weighted average redeemable partnership units outstanding of 17.0 million was used to calculate the net income attributable to noncontrolling interest per share. The combination of the weighted average common shares and redeemable partnership units outstanding of 60.6 million was used for the remainder of the per share calculations.

Schedule 2:

Explanation and Reconciliation of CAD

Q3 2017 vs. Q3 2016



CAD

The Company defines CAD in a manner that it believes is appropriate to show its core operational performance, which includes a deduction of the portion of capital expenditures needed to maintain its net assets. This deduction equals depreciation expense within the applicable period. The portion of the capital expenditures in excess of depreciation, which the Company refers to as growth capital expenditures, will increase the Company's net assets. The CAD calculation also includes various other adjustments from net income, as outlined below and described in more detail on Schedules 1, 3 and 4.

The following table sets forth a reconciliation of net income to CAD for the three months ended September 30, 2017 and 2016:

<i>(\$ thousands)</i>	Q3 2017	Q3 2016
Net income	\$ 21,238	\$ 23,601
Depreciation	13,328	11,828
Base rent adjustment ⁽¹⁾	(1,479)	(1,396)
Amortization of deferred financing costs	1,071	1,003
Non-cash equity compensation	143	230
Transaction costs ⁽²⁾	1,972	—
Other income, net ⁽³⁾	(331)	(1,024)
Capital expenditures to maintain net assets	(13,328)	(11,828)
CAD	\$ 22,614	\$ 22,414

(1) See footnote (1) on Schedule 1 on Explanation and Reconciliation on Non-GAAP EPS

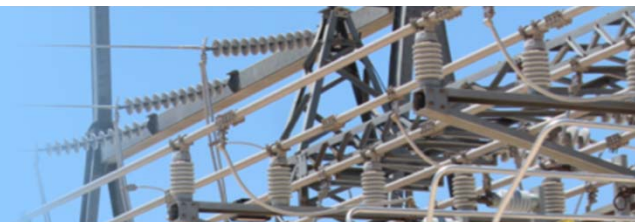
(2) See footnote (2) on Schedule 1 on Explanation and Reconciliation on Non-GAAP EPS

(3) Includes allowance for funds used during construction (AFUDC) on other funds of \$0.3 million and \$1.0 million for the three months ended September 30, 2017 and 2016, respectively

Schedule 2:

Explanation and Reconciliation of CAD

YTD 2017 vs. YTD 2016



CAD

The following table sets forth a reconciliation of net income to CAD for the nine months ended September 30, 2017 and 2016:

<i>(\$ thousands)</i>	YTD 2017	YTD 2016
Net income	\$ 42,384	\$ 41,562
Depreciation	38,997	34,312
Base rent adjustment ⁽¹⁾	(180)	4,602
Amortization of deferred financing costs	3,101	3,010
Non-cash equity compensation	428	750
Transaction costs ⁽²⁾	3,909	—
Other income, net ⁽³⁾	(351)	(2,920)
Capital expenditures to maintain net assets	(38,997)	(34,312)
CAD	\$ 49,291	\$ 47,004

(1) See footnote (1) on Schedule 1 on Explanation and Reconciliation on Non-GAAP EPS

(2) See footnote (2) on Schedule 1 on Explanation and Reconciliation on Non-GAAP EPS

(3) Includes AFUDC on other funds of \$0.3 million and \$2.9 million for the nine months ended September 30, 2017 and 2016, respectively

Explanation and Reconciliation of EBITDA and Adjusted EBITDA

Q3 2017 vs. Q3 2016



EBITDA and Adjusted EBITDA

InfraREIT defines EBITDA as net income (loss) before interest expense, net; income tax expense; depreciation and amortization. Adjusted EBITDA is defined as EBITDA adjusted in a manner the Company believes is appropriate to show its core operational performance, including: (a) an adjustment for the difference between the amount of base rent payments that the Company receives with respect to the applicable period and the amount of straight-line base rent recognized under GAAP; (b) an adjustment for the transaction costs related to the pending asset exchange transaction with Oncor; and (c) adjusting for other income (expense), net.

The following table sets forth a reconciliation of net income to EBITDA and Adjusted EBITDA for the three months ended September 30, 2017 and 2016:

(\$ thousands)	Q3 2017	Q3 2016
Net income	\$ 21,238	\$ 23,601
Interest expense, net	10,357	9,379
Income tax expense	308	299
Depreciation	13,328	11,828
EBITDA	45,231	45,107
Base rent adjustment ⁽¹⁾	(1,479)	(1,396)
Transaction costs ⁽²⁾	1,972	—
Other income, net ⁽³⁾	(331)	(1,024)
Adjusted EBITDA	\$ 45,393	\$ 42,687

(1) See footnote (1) on Schedule 1 on Explanation and Reconciliation of Non-GAAP EPS

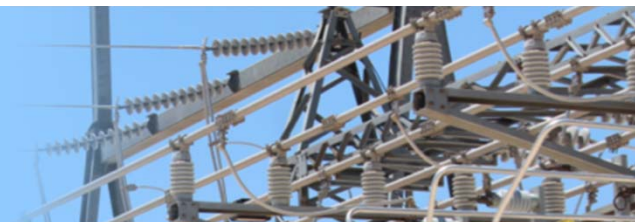
(2) See footnote (2) on Schedule 1 on Explanation and Reconciliation of Non-GAAP EPS

(3) See footnote (3) on Schedule 2 on Explanation and Reconciliation of CAD

Schedule 3:

Explanation and Reconciliation of EBITDA and Adjusted EBITDA

YTD 2017 vs. YTD 2016



EBITDA and Adjusted EBITDA

The following table sets forth a reconciliation of net income to EBITDA and Adjusted EBITDA for the nine months ended September 30, 2017 and 2016:

<i>(\$ thousands)</i>	YTD 2017	YTD 2016
Net income	\$ 42,384	\$ 41,562
Interest expense, net	30,196	27,276
Income tax expense	873	778
Depreciation	38,997	34,312
EBITDA	112,450	103,928
Base rent adjustment ⁽¹⁾	(180)	4,602
Transaction costs ⁽²⁾	3,909	—
Other income, net ⁽³⁾	(351)	(2,920)
Adjusted EBITDA	\$ 115,828	\$ 105,610

(1) See footnote (1) on Schedule 1 on Explanation and Reconciliation of Non-GAAP EPS

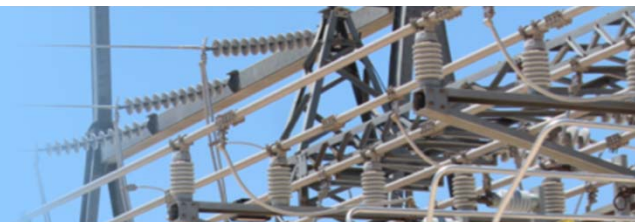
(2) See footnote (2) on Schedule 1 on Explanation and Reconciliation of Non-GAAP EPS

(3) See footnote (3) on Schedule 2 on Explanation and Reconciliation of CAD

Schedule 4:

Explanation and Reconciliation of FFO and AFFO

Q3 2017 vs. Q3 2016



FFO and AFFO

The National Association of Real Estate Investment Trusts (NAREIT) defines FFO as net income (computed in accordance with GAAP), excluding gains and losses from sales of property (net) and impairments of depreciated real estate, plus real estate depreciation and amortization (excluding amortization of deferred financing costs) and after adjustments for unconsolidated partnerships and joint ventures. Applying the NAREIT definition to the Company's consolidated financial statements, which is the basis for the FFO and the reconciliations below, results in FFO representing net income (loss) before depreciation, impairment of assets and gain (loss) on sale of assets. FFO does not represent cash generated from operations as defined by GAAP and it is not indicative of cash available to fund all cash needs, including distributions.

AFFO is defined as FFO adjusted in a manner the Company believes is appropriate to show its core operational performance, including: (a) an adjustment for the difference between the amount of base rent payments that the Company receives with respect to the applicable period and the amount of straight-line base rent recognized under GAAP; (b) an adjustment for the transaction costs related to the pending asset exchange transaction with Oncor; and (c) adjusting for other income (expense), net.

The following table sets forth a reconciliation of net income to FFO and AFFO for the three months ended September 30, 2017 and 2016:

(\$ thousands)	Q3 2017	Q3 2016
Net income	\$ 21,238	\$ 23,601
Depreciation	13,328	11,828
FFO	34,566	35,429
Base rent adjustment ⁽¹⁾	(1,479)	(1,396)
Transaction costs ⁽²⁾	1,972	—
Other income, net ⁽³⁾	(331)	(1,024)
AFFO	\$ 34,728	\$ 33,009

(1) See footnote (1) on Schedule 1 on Explanation and Reconciliation of Non-GAAP EPS

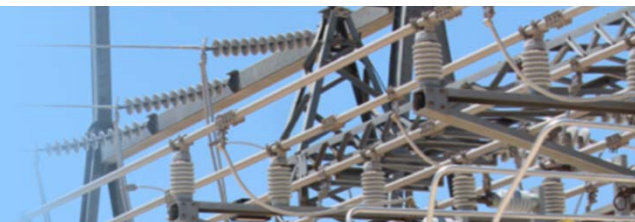
(2) See footnote (2) on Schedule 1 on Explanation and Reconciliation of Non-GAAP EPS

(3) See footnote (3) on Schedule 2 on Explanation and Reconciliation of CAD

Schedule 4:

Explanation and Reconciliation of FFO & AFFO

YTD 2017 vs. YTD 2016



FFO and AFFO

The following table sets forth a reconciliation of net income to FFO and AFFO for the nine months ended September 30, 2017 and 2016:

<i>(\$ thousands)</i>	YTD 2017	YTD 2016
Net income	\$ 42,384	\$ 41,562
Depreciation	38,997	34,312
FFO	81,381	75,874
Base rent adjustment ⁽¹⁾	(180)	4,602
Transaction costs ⁽²⁾	3,909	—
Other income, net ⁽³⁾	(351)	(2,920)
AFFO	\$ 84,759	\$ 77,556

(1) See footnote (1) on Schedule 1 on Explanation and Reconciliation of Non-GAAP EPS

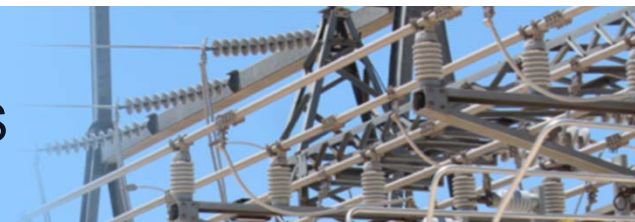
(2) See footnote (2) on Schedule 1 on Explanation and Reconciliation of Non-GAAP EPS

(3) See footnote (3) on Schedule 2 on Explanation and Reconciliation of CAD

Schedule 5:

Explanation and Reconciliation of Non-GAAP EPS

2016 Quarterly and Full Year



2016 Non-GAAP EPS

The following tables set forth a reconciliation of net income attributable to InfraREIT, Inc. per diluted share to Non-GAAP EPS for each quarter of 2016:

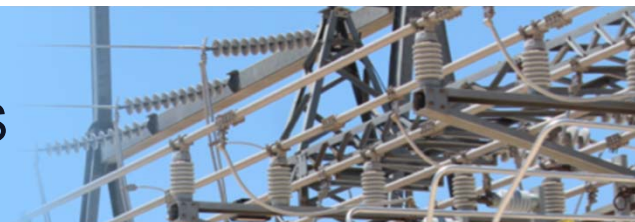
(\$ thousands, except per share amounts)	Q1 2016			Q2 2016	
	Amount	Per Share ⁽²⁾		Amount	Per Share ⁽²⁾
Net income attributable to InfraREIT, Inc.	\$ 6,315	\$ 0.14		\$ 6,608	\$ 0.15
Net income attributable to noncontrolling interest	2,462	0.14		2,576	0.15
Net income	8,777	0.14		9,184	0.15
Base rent adjustment ⁽¹⁾	3,035	0.05		2,963	0.05
Non-GAAP net income	\$ 11,812	\$ 0.19		\$ 12,147	\$ 0.20

(\$ thousands, except per share amounts)	Q3 2016			Q4 2016	
	Amount	Per Share ⁽³⁾		Amount	Per Share ⁽³⁾
Net income attributable to InfraREIT, Inc.	\$ 17,041	\$ 0.39		\$ 19,990	\$ 0.46
Net income attributable to noncontrolling interest	6,560	0.39		7,749	0.46
Net income	23,601	0.39		27,739	0.46
Base rent adjustment ⁽¹⁾	(1,396)	(0.02)		(567)	(0.01)
Non-GAAP net income	\$ 22,205	\$ 0.37		\$ 27,172	\$ 0.45

Schedule 5:

Explanation and Reconciliation of Non-GAAP EPS

2016 Quarterly and Full Year



2016 Non-GAAP EPS

The following table sets forth a reconciliation of net income attributable to InfraREIT, Inc. per diluted share to Non-GAAP EPS for the full year of 2016:

(\$ thousands, except per share amounts)	Full Year 2016	
	Amount	Per Share ⁽⁴⁾
Net income attributable to InfraREIT, Inc.	\$ 49,954	\$ 1.14
Net income attributable to noncontrolling interest	19,347	1.14
Net income	69,301	1.14
Base rent adjustment ⁽¹⁾	4,035	0.07
Non-GAAP net income	\$ 73,336	\$ 1.21

(1) See footnote (1) on Schedule 1 on Explanation and Reconciliation of Non-GAAP EPS

(2) The weighted average common shares outstanding of 43.6 million was used to calculate net income attributable to InfraREIT, Inc. per diluted share. The weighted average redeemable partnership units outstanding of 17.0 million was used to calculate the net income attributable to noncontrolling interest per share. The combination of the weighted average common shares and redeemable partnership units outstanding of 60.6 million was used for the remainder of the per share calculations.

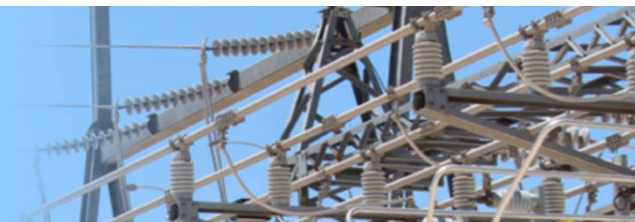
(3) The weighted average common shares outstanding of 43.7 million was used to calculate net income attributable to InfraREIT, Inc. per diluted share. The weighted average redeemable partnership units outstanding of 16.9 million was used to calculate the net income attributable to noncontrolling interest per share. The combination of the weighted average common shares and redeemable partnership units outstanding of 60.6 million was used for the remainder of the per share calculations.

(4) The weighted average common shares outstanding of 43.6 million was used to calculate net income attributable to InfraREIT, Inc. per diluted share. The weighted average redeemable partnership units outstanding of 17.0 million was used to calculate the net income attributable to noncontrolling interest per share. The combination of the weighted average common shares and redeemable partnership units outstanding of 60.6 million was used for the remainder of the per share calculations.

Schedule 6:

Forecasted Guidance for 2017 and 2018

Reconciliation of GAAP to Non-GAAP



Forecasted Guidance for 2017 and 2018, excluding the potential impacts from the Tax Cuts and Jobs Act

The Company has reinstated yearly guidance for Non-GAAP EPS, which is one of the supplemental financial measures it uses in evaluating the Company's operating performance. The Company believes that Non-GAAP EPS helps the Company and investors better understand the Company's business and performance by providing perspectives not immediately apparent from net income.

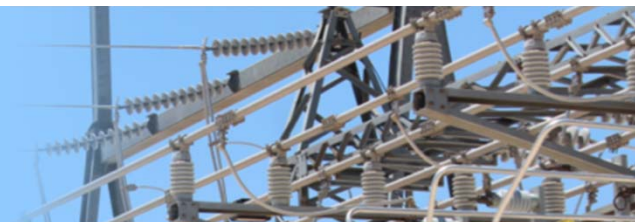
The following table sets forth a reconciliation of the forecasted GAAP net income attributable to InfraREIT, Inc. per share to Non-GAAP EPS for the years ending December 31, 2017 and 2018:

(Per share amounts)	Full Year 2017			Full Year 2018	
	Low	High		Low	High
Net income attributable to InfraREIT, Inc.	\$ 1.15	\$ 1.19		\$ 1.32	\$ 1.42
Net income attributable to noncontrolling interest	1.15	1.19		1.32	1.42
Net income	1.15	1.19		1.32	1.42
Base rent adjustment	(0.03)	(0.03)		(0.08)	(0.08)
Transaction costs	0.08	0.08		0.01	0.01
Non-GAAP EPS	\$ 1.20	\$ 1.24		\$ 1.25	\$ 1.35

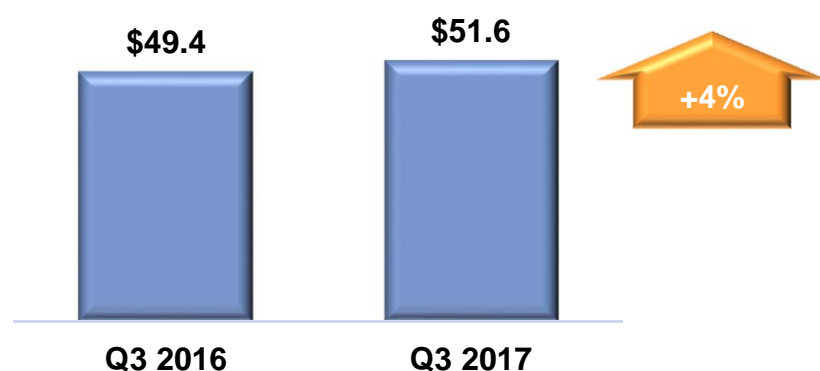


Q3 2017 Performance Summary

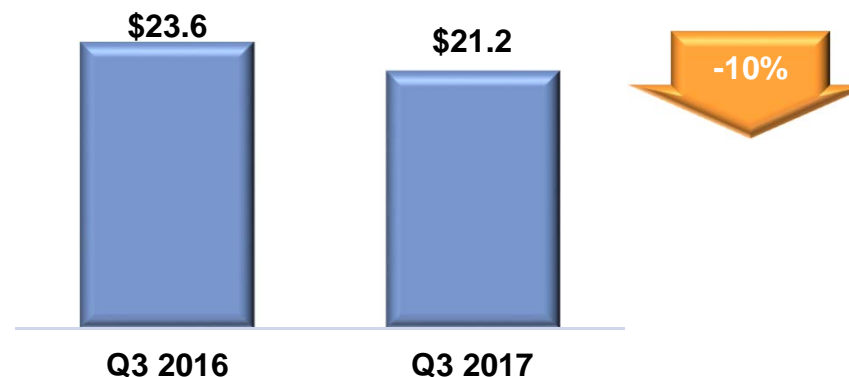
\$ millions, except per share amounts



Lease Revenue



Net Income



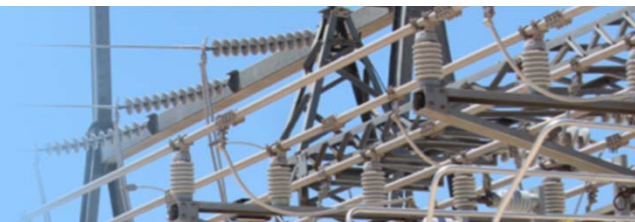
Net Income Attributable to InfraREIT, Inc. Common Stockholders Per Share (EPS)



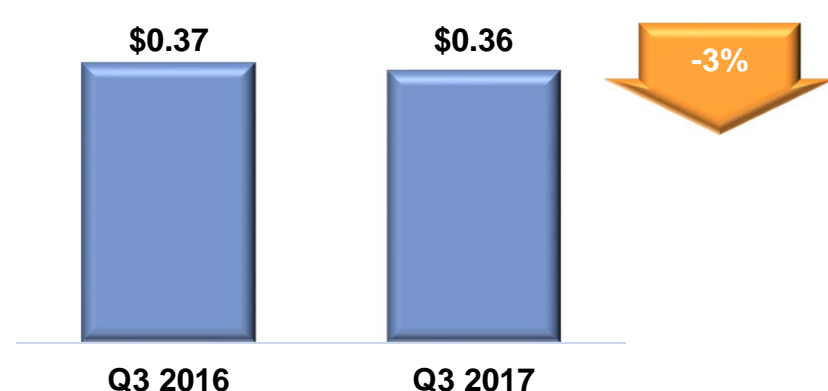
Lease revenue slightly better than expectations; Lease revenue growth was less than the increase in rate base due to lower lease pricing; Net income was lower due to lower lease pricing, asset exchange transaction costs and reduced AFUDC-equity

Q3 2017 Performance Summary

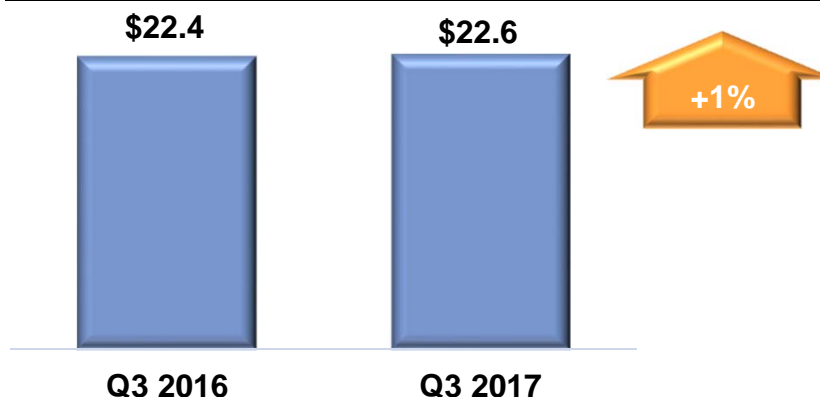
\$ millions, except per share amounts



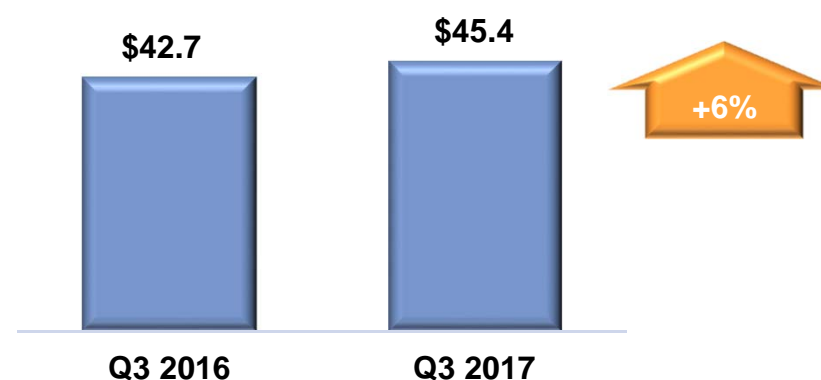
Non-GAAP EPS



Cash Available for Distribution



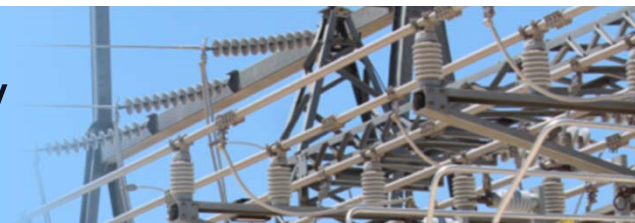
Adjusted EBITDA



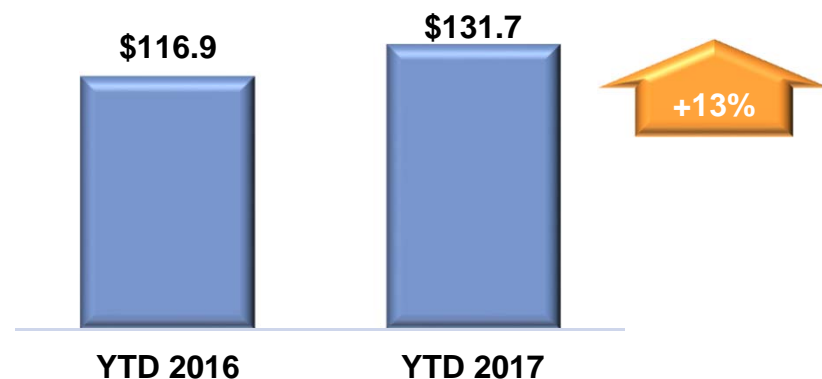
Non-GAAP results flat to up versus 2016 and ahead of expectations

September YTD 2017 Performance Summary

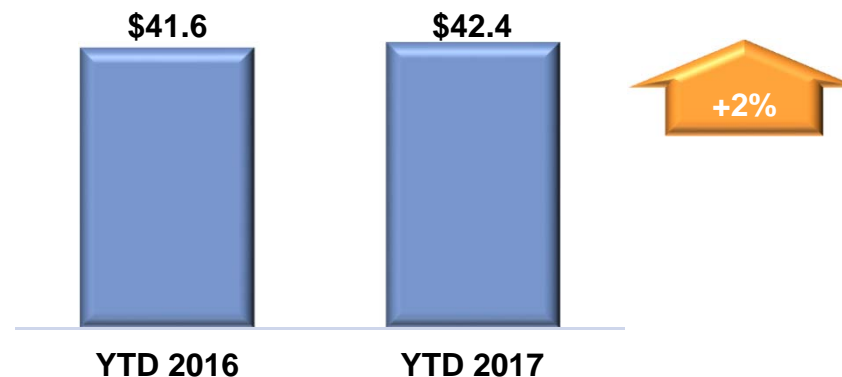
\$ millions, except per share amounts



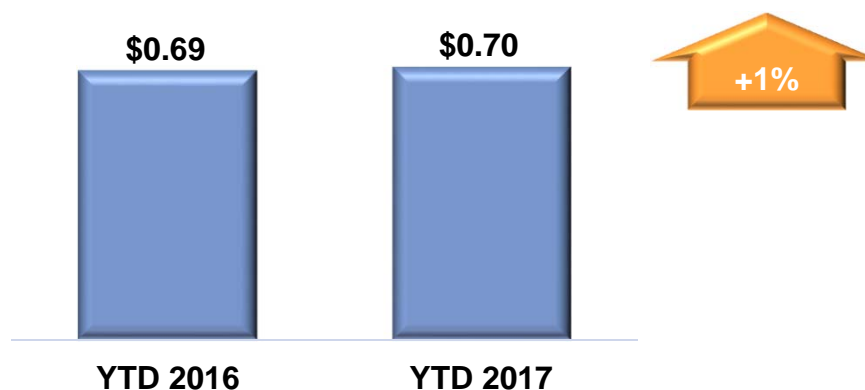
Lease Revenue



Net Income



Net Income Attributable to InfraREIT, Inc. Common Stockholders Per Share (EPS)



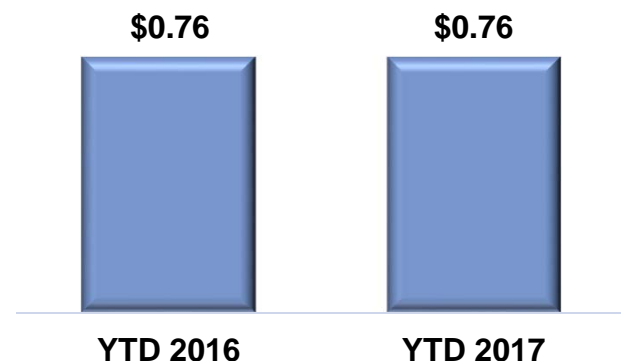
Growth in lease revenue slightly ahead of expectations; Net income growth dampened by lower lease pricing, expenses related to the asset exchange transaction and reduced AFUDC

September YTD 2017 Performance Summary

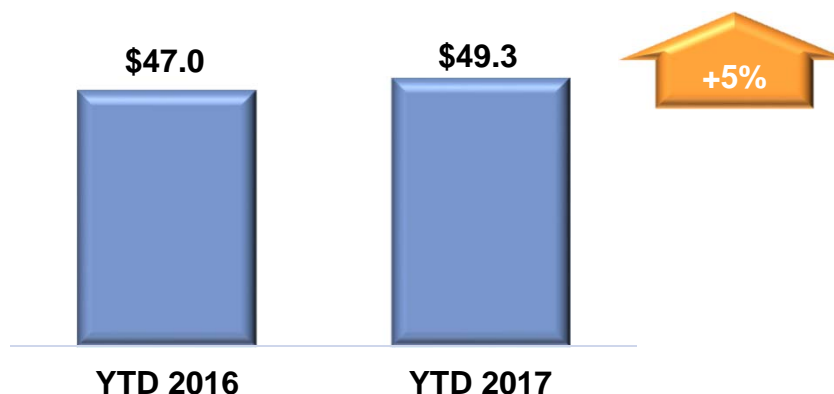
\$ millions, except per share amounts



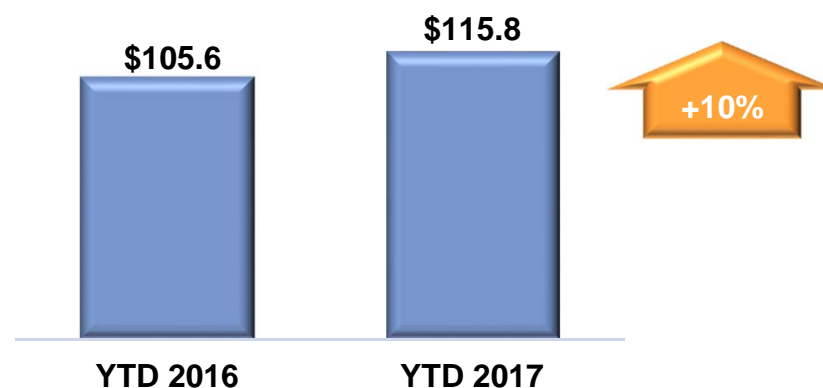
Non-GAAP EPS



Cash Available for Distribution



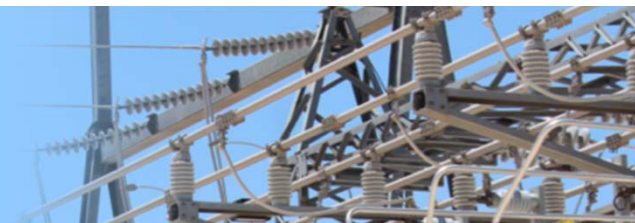
Adjusted EBITDA



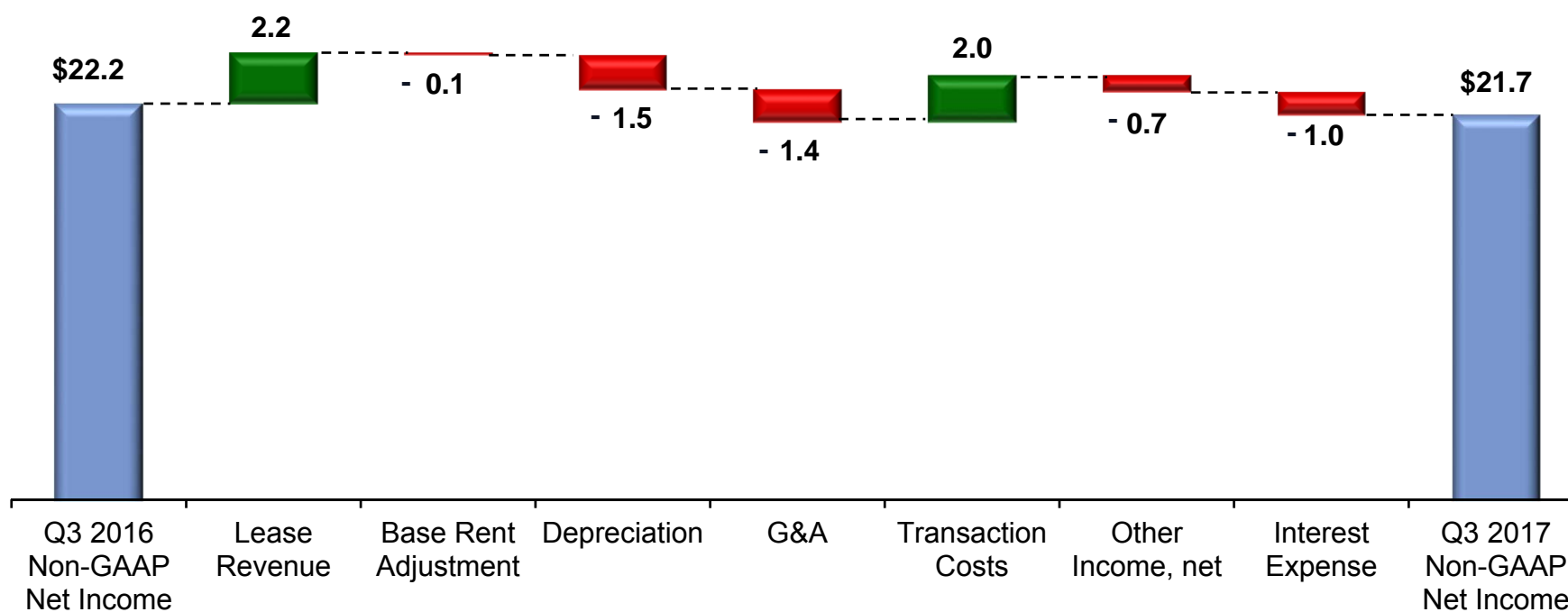
Non-GAAP results flat to up versus 2016 and ahead of expectations

Drivers of Non-GAAP EPS Metric

\$ millions



Q3 2017 vs. Q3 2016

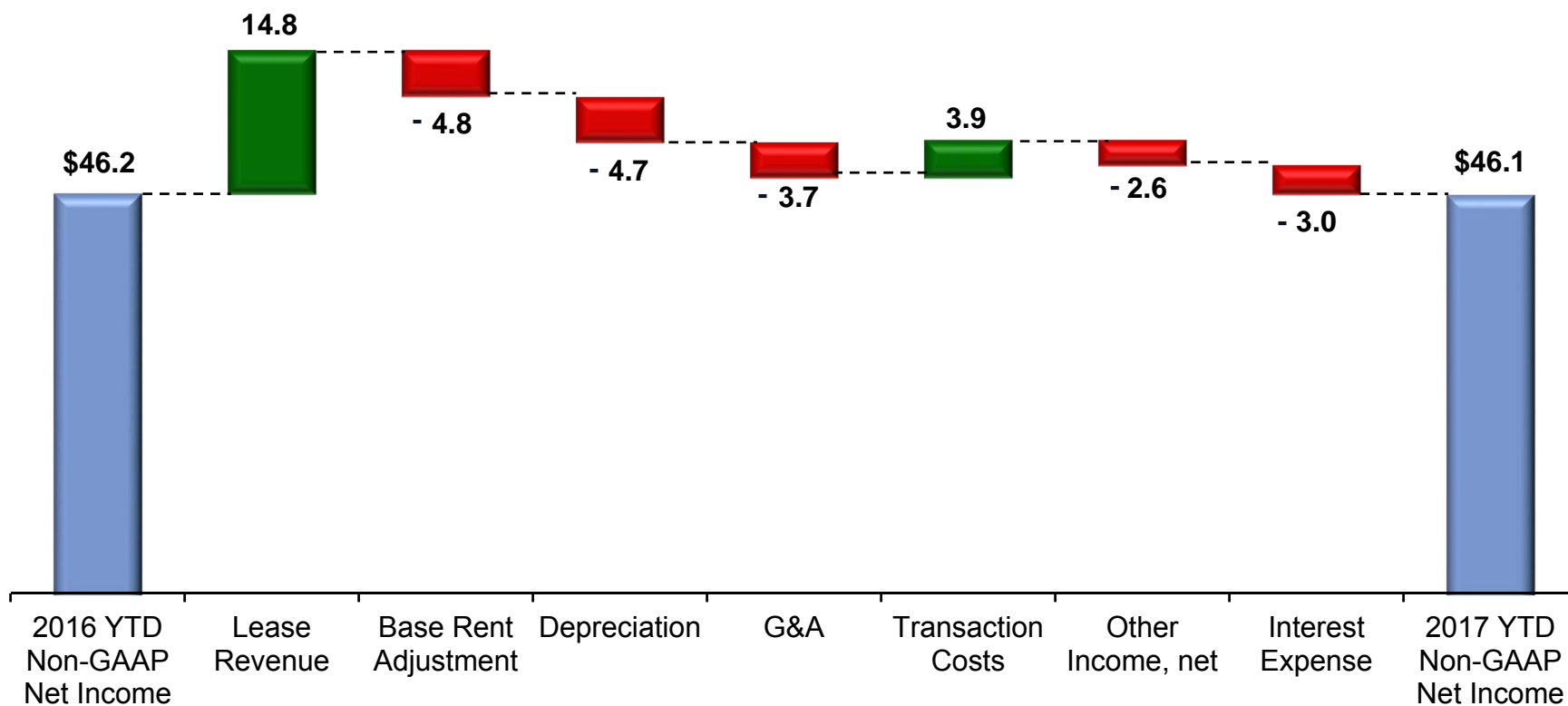


Drivers of Non-GAAP EPS Metric

\$ millions

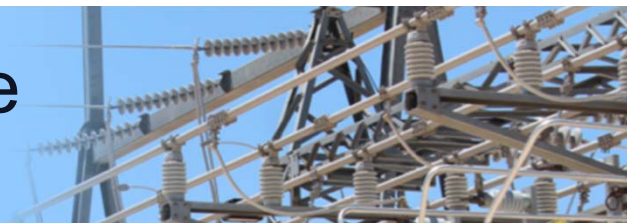


2017 YTD vs. 2016 YTD



Non-GAAP EPS Calculation Change

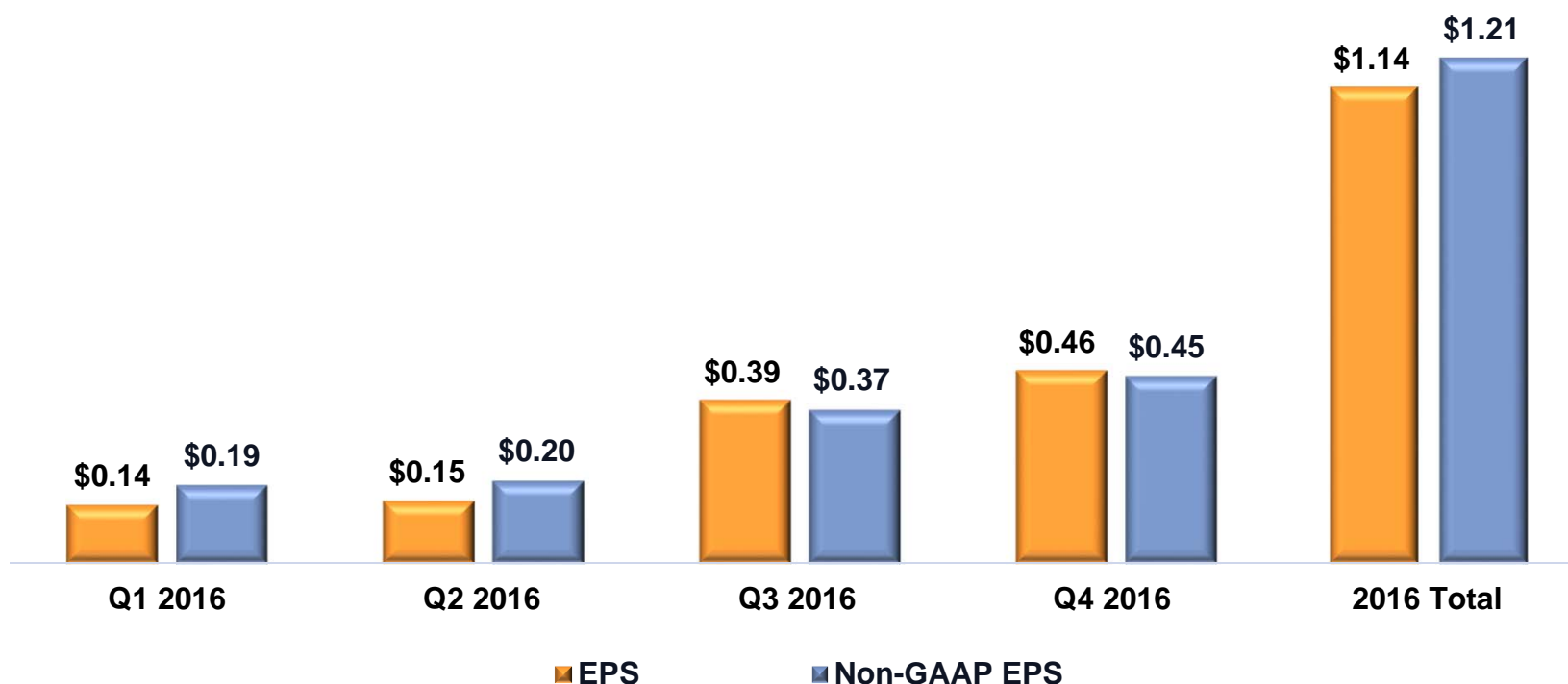
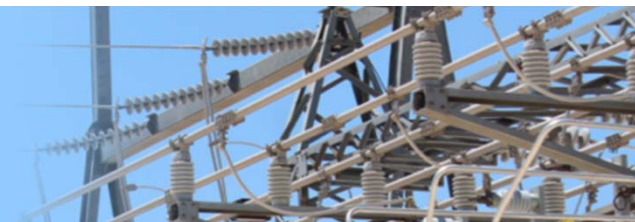
As of June 30, 2017



- As reported during the Q2 2017 earnings call, InfraREIT's calculation of Non-GAAP EPS no longer includes an adjustment for percentage rent
 - Does not impact total year Non-GAAP EPS
 - Changes the quarterly profile of Non-GAAP EPS
- Percentage rent revenue is only recognized once Sharyland's revenue has exceeded an annual specified breakpoint in the leases – generally occurs in the third quarter of each year
 - Expect Q3 and Q4 EPS and Non-GAAP EPS to be higher than Q1 and Q2 EPS and Non-GAAP EPS each year
 - Little to no percentage rent recognized in Q1 and Q2 of each year and largest amounts recognized in Q3 and Q4

Updated Non-GAAP EPS Metric

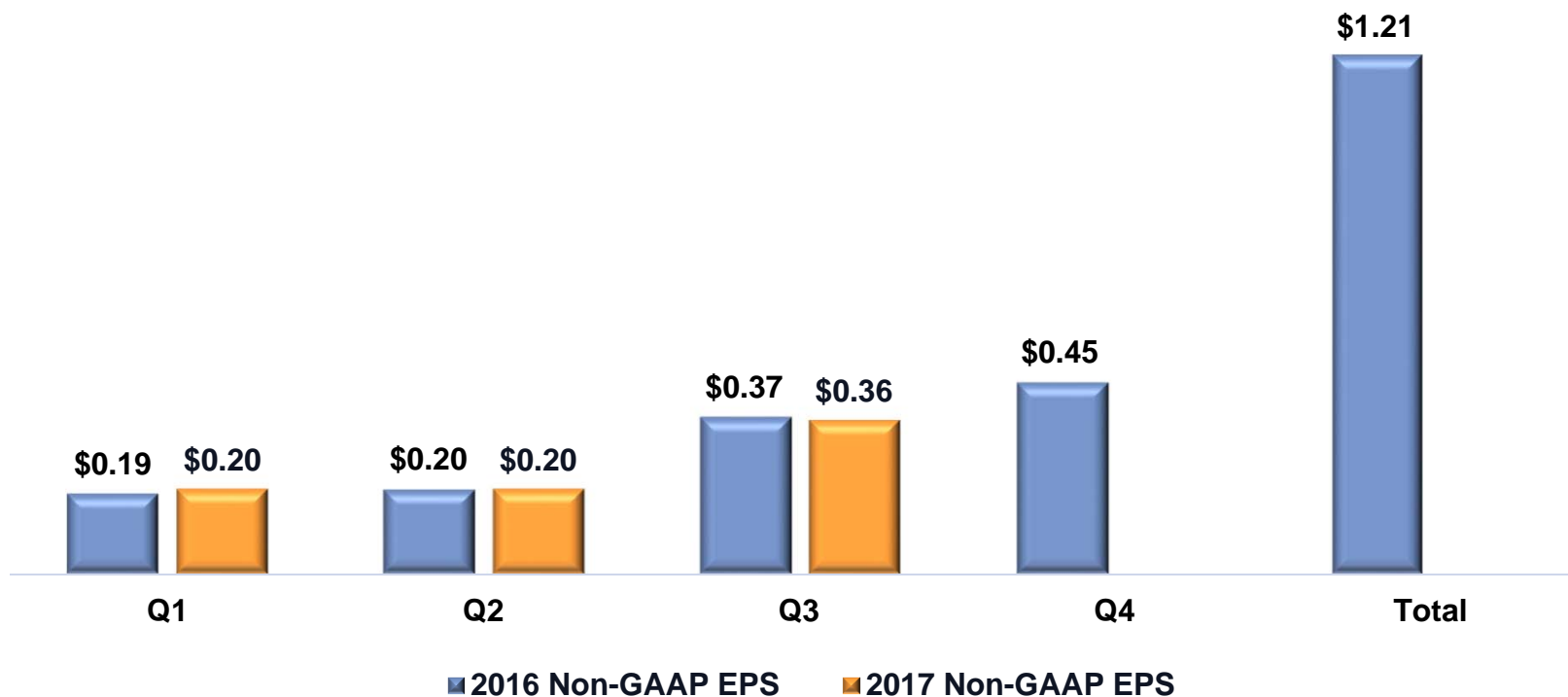
2016 Quarterly Results



EPS and Non-GAAP EPS have similar quarterly earnings profiles when Non-GAAP EPS does not include a percentage rent adjustment
As currently calculated, >65% of Non-GAAP EPS occurred in the second half of 2016

Updated Non-GAAP EPS Metric

2017 vs. 2016 Non-GAAP EPS Quarterly Comparison



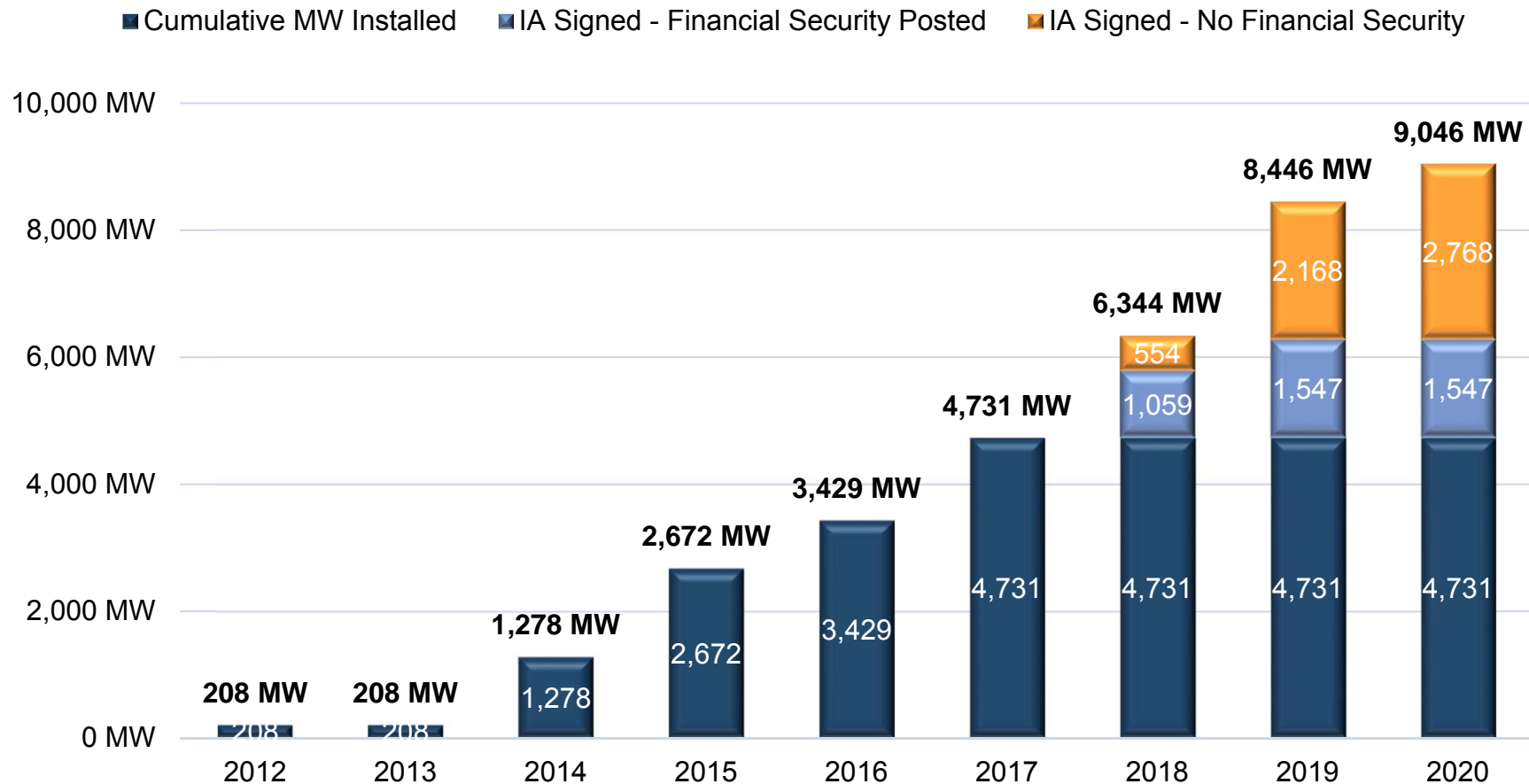
2017 Non-GAAP EPS performance in line with expectations

Asset Exchange Transaction and Rate Case Dismissal



- SDTS exchanged \$401 million of assets for ~\$383 million of Transmission assets and ~\$18 million of cash from Oncor
- SDTS and Sharyland's rate case was dismissed as of November 9, 2017
 - PUCT granted SDTS a certificate of convenience and necessity
 - Key regulatory parameters in place until the next rate case, which SDTS and Sharyland have committed to file in 2020, based on a test year ending December 31, 2019
- Strategic focus on the long-term growth of InfraREIT's transmission business

Interconnections Agreements for Panhandle Generation



Source: ERCOT – Fall 2017 Final Seasonal Assessment of Resource Adequacy and Generation Interconnection Status Report (September 2017)

Hunt Projects ⁽¹⁾

As of November 2, 2017



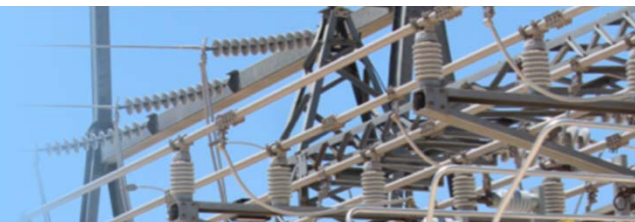
Assets in Operation		
Project	State	Net Plant
Golden Spread	TX	~ \$90 mm
Cross Valley	TX	~ \$168 mm

Construction or Development Projects		
Project	State	Status
Generation Interconnections	TX	Development
South Plains / LP&L Integration	TX	Development
Nogales – DC Tie	AZ	Development
Southline	AZ – NM	Development

(1) InfraREIT holds a right of first offer applicable to many, but not all, of Hunt's development projects. However, Hunt has informed InfraREIT that it intends for InfraREIT to be the primary owner of its development projects as they are completed and placed in service.

Debt Obligations and Liquidity

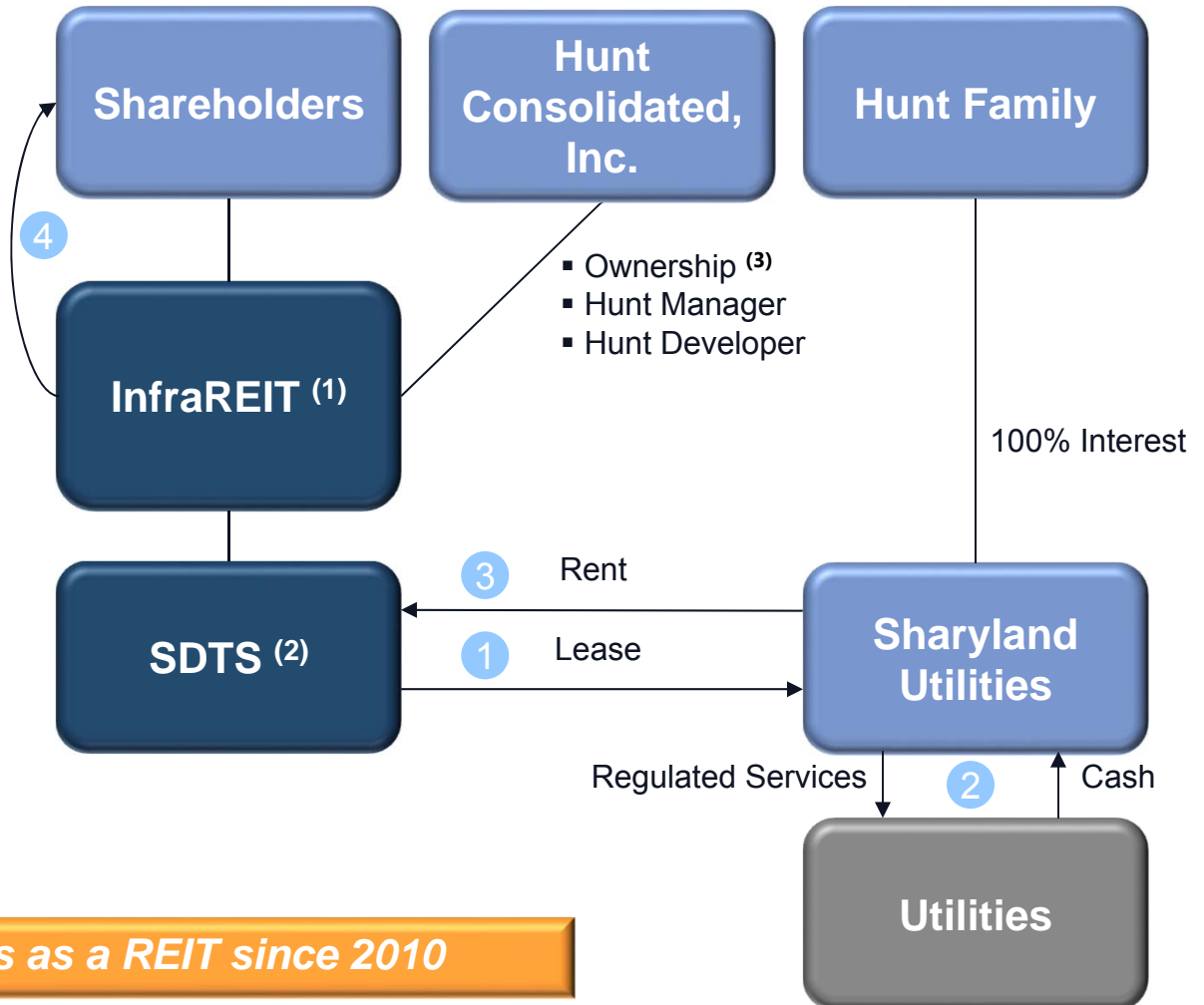
\$ millions



Long-Term Debt (rate / maturity)		Outstanding As of September 30, 2017	
TDC – Senior Secured Notes (8.50% / December 30, 2020)		\$ 16.6	
SDTS – Senior Secured Notes (5.04% / June 20, 2018)		60.0	
SDTS – Senior Secured Term Loan (2.33% / June 5, 2020)		200.0	
SDTS – Senior Secured Notes, Series A (3.86% / December 3, 2025)		400.0	
SDTS – Senior Secured Notes, Series B (3.86% / January 14, 2026)		100.0	
SDTS – Senior Secured Notes (7.25% / December 30, 2029)		41.1	
SDTS – Senior Secured Notes (6.47% / September 30, 2030)		94.0	
Total ⁽¹⁾		\$ 911.6	
Liquidity Facilities		Outstanding As of September 30, 2017	
Amount			Available
InfraREIT Partners Revolver	\$ 75.0	\$ —	\$ 75.0
SDTS Revolver	250.0	35.0	215.0
Total	\$ 325.0	\$ 35.0	\$ 290.0
Cash (as of September 30, 2017)		4.2	
Total Available Liquidity		\$ 294.2	

Structure Mechanics

- 1 SDTS owns our regulated assets and leases them to Sharyland
- 2 Sharyland collects rate-regulated revenue from other utilities
- 3 Sharyland makes regular lease payments to SDTS
- 4 InfraREIT pays dividends to stockholders



Conducted business as a REIT since 2010

- (1) Represents InfraREIT, Inc., InfraREIT Partners, LP (Operating Partnership) and Transmission and Distribution Company, L.L.C. (TDC)
 (2) Represents Sharyland Distribution & Transmission Services, L.L.C. (SDTS)
 (3) Represents Hunt Transmission Services, L.L.C. (limited partner of the Operating Partnership, shareholder of InfraREIT and Hunt Developer)

Governance and Management



Board Structure

- » 9 total members, 6 independent

Related Party Transactions

- » Require majority approval by the independent board members (i.e. Hunt project acquisitions)

Management

- » CEO, CFO and General Counsel are officers of InfraREIT and Hunt Manager; InfraREIT's CEO is also CEO of Sharyland

Management Agreement

- » Responsible for the day-to-day business and legal activities of InfraREIT
- » Annual base fee equal to \$14.2 million for April 1, 2017 through March 31, 2018 representing 1.50% of total book equity as of year-end 2016
 - ◇ Capped at \$30 million per year
- » Incentive fee equal to 20% of quarterly dividends per share in excess of the threshold distribution amount payable quarterly
 - ◇ 2017 dividend per share: \$0.25
 - ◇ Threshold dividend: \$0.27