Earnings Report
Fourth quarter of 2016

Mexico City, February 21, 2017. **Infraestructura Energética Nova, S.A.B. de C.V. (BMV: IENOVA)** is reporting unaudited fourth quarter 2016 results. IEnova focuses on the development, construction and operation of large energy infrastructure projects in Mexico. Our operations in Mexico range across several business lines including natural gas, liquefied natural gas and liquefied petroleum gas transportation and storage, ethane transportation, natural gas distribution and electricity generation.

Amounts are presented in U.S. dollars, the functional currency of the company, unless otherwise noted, and in accordance with International Financial Reporting Standards (IFRS) as issued by the International Accounting Standards Board (IASB).

Executive Summary, Fourth quarter of 2016 compared with Fourth quarter of 2015 and Full Year 2016 compared to Full Year 2015:

- In the fourth quarter of 2016, Adjusted EBITDA increased 69 percent to $161.2 million, compared with $95.6 million in the same period of 2015. In 2016, Adjusted EBITDA increased 29 percent to $504.0 million, compared with $391.8 million in 2015. For both periods, the increase was mainly due to the acquisition of the remaining 50 percent of Gasoductos de Chihuahua, income related to the Sonora pipeline Guaymas – El Oro segment and the start of operations of the Los Ramones Norte pipeline in February 2016.
- In the fourth quarter of 2016 profit was $27.5 million, compared with $44.6 million in the same period of 2015. The decrease of $17.1 million is mainly due to higher income tax expense partially offset by the acquisition of the remaining 50 percent of Gasoductos de Chihuahua and income related to Sonora pipeline Guaymas – El Oro segment.
- Excluding one-time non-cash effects of the $673.1 million impact related to the remeasurement to fair value of our previously held 50 percent interest in Gasoductos de Chihuahua and the after-tax impairment charge of $95.8 million related to Termoeléctrica de Mexicali power plant, in 2016 profit was $177.6 million, compared with $140.2 million in 2015. The increase is mainly due to the acquisition of the remaining 50 percent of Gasoductos de Chihuahua, income related to Sonora pipeline Guaymas – El Oro segment and mark-to-market losses on an interest rate swap in 2015, partially offset by higher income tax expense, losses from discontinued operations, higher depreciation and finance cost due to the acquisition of the remaining 50 percent of Gasoductos de Chihuahua and the acquisition of Ventika.
- In the fourth quarter of 2016, revenues were $251.6 million, compared with $148.1 million in the same period of 2015. In 2016, revenues were $717.9 million, compared with $613.0 million in 2015. For both periods, the increase was mainly due to revenues related to the acquisition of the remaining 50 percent of Gasoductos de Chihuahua and income related to Sonora pipeline Guaymas – El Oro segment.

- IEnova executed the following transactions in 2016 for a total value of $5.5 billion:
    - Two natural gas transportation services agreements with the Comisión Federal de Electricidad: (i) Empalme Lateral, a 20-kilometer pipeline, for a 21-year term and transportation capacity of 226 million cubic feet per day of natural gas, and (ii) South Texas – Tuxpan, an 800-kilometer pipeline of natural gas, for a 25-year term and transportation capacity of 2.6 billion cubic feet per day of natural gas; this project was awarded to Infraestructura Marina del Golfo ("IMG"), our joint venture formed with TransCanada Corporation ("TransCanada"), in which IEnova has 40-percent interest and TransCanada owns the remaining 60-percent interest. These projects have an estimated cost of $2.1 billion, from which $860.0 million is related to IEnova participation.
    - Two solar energy projects were awarded to IEnova in an auction conducted by Centro Nacional de Control de Energía. The projects, La Rumorosa Solar Complex and the Tepezalá II Solar Complex, have long-term contracts with Comisión Federal de Electricidad for 15-year renewable energy and 20-year clean energy certificate agreements. La Rumorosa Solar complex is a 41-MW photovoltaic project located in Baja California. The Tepezalá II Solar complex is a 100-MW photovoltaic project located in Aguascalientes and will be developed in a partnership with Trina Solar, who will have a 10 percent stake in this project. The projects have an estimated cost of $150.0 million and operations are expected to begin in the first half of 2019.
    - The acquisition of Gasoductos de Chihuahua on September 26, 2016 from Pemex Transformación Industrial. We paid $1.14 billion in cash plus the assumption of outstanding debt. As a result of the acquisition, we increased our ownership in Gasoductos de Chihuahua from 50 percent to 100 percent.
    - On October 13, 2016, IEnova priced a follow-on offering of its common stock at Pesos $80.00 per share. The initial purchasers in the International Offering and the underwriters in the Mexican Offering were granted a 30-day option to purchase additional common shares at the global offering price, less the underwriting discount, to cover overallotments. These options were exercised on October 17, 2016. After the offerings, including the issuance of shares pursuant to the exercise of the overallotment options, the aggregate shares of common stock sold in the offerings totaled 380,000,000. After the follow-on equity offering and over-allotment options exercised, the free float represented approximately 33 percent of IENOVA's outstanding ownership interest. Total proceeds from the common stock follow-on offering, net of expenses, were $1.57 billion.
    - Our five-year revolving credit facility was increased from $600.0 million to $1.17 billion in November 2016, and the syndicate of banks increased from five to eight lenders.
    - The acquisition of the Ventika wind farm closed on December 14, 2016. Ventika, located in Nuevo Leon, is the largest wind generation complex in Mexico, with a capacity of 252 MW. The project's commercial operations started in April 2016. We paid $434.7 million including shareholders' debt purchase by $125.0 million plus the assumption of outstanding bank debt, and we used funds from our common stock follow-on offering and our revolving credit facility.

The following tables set forth our results as of and for the three months ended December 31, 2016 and 2015 and the full year of 2016 and 2015.

i) Results of Operations

Condensed Consolidated Statements of Profit

(thousands of US$)	Three months ended December 31, 2016	Three months ended December 31, 2015	Year ended December 31, 2016	Year ended December 31, 2015
	(unaudited)		(unaudited)	
Revenues	$ 251,611	$ 148,148	$ 717,894	$ 613,041
Cost of revenues	(61,955)	(59,612)	(237,789)	(257,226)
Operating, administrative and other expenses	(40,590)	(21,370)	(104,754)	(81,857)
Depreciation and amortization	(21,394)	(14,101)	(64,384)	(52,470)
Financing cost, net	(7,067)	(1,727)	(14,567)	(3,158)
Other gains (losses), net	4,314	(620)	2,168	(11,426)
Remeasurement of equity method investment	-	-	673,071	-
Profit before income tax and share of profits from joint ventures	**124,919**	**50,718**	**971,639**	**206,904**
Income tax expense	(89,868)	(15,019)	(147,158)	(94,237)
Share of profits from joint ventures, net of income tax	2,400	15,108	42,841	42,319
Profit for the period from continuing operations	**37,451**	**50,807**	**867,322**	**154,986**
Loss for the period from discontinued operations, net of income tax[1]	(9,918)	(6,219)	(112,332)	(14,797)
Profit for the period	**$ 27,533**	**$ 44,588**	**$ 754,990**	**$ 140,189**

[1] The Board of Directors approved a plan to market and sell the Termoeléctrica de Mexicali power plant. Accordingly, its financial results for the fourth quarter of 2016 and 2015 and the full year of 2016 and 2015 are presented in the Condensed Consolidated Statements of Profit as discontinued operations.

Segment Information

Segment information is presented after eliminating inter-company transactions.

Profit (Loss) before Income Tax and Share of Profits from Joint Ventures

(thousands of US$)	Three months ended December 31, 2016	Three months ended December 31, 2015	Year ended December 31, 2016	Year ended December 31, 2015
	(unaudited)		(unaudited)	
Gas Segment	$ 134,933	$ 58,423	$ 1,009,953	$ 245,151
Power Segment	(1,120)	-	(1,120)	-
Corporate	(8,894)	(7,705)	(37,194)	(38,247)
	$ 124,919	**$ 50,718**	**$ 971,639**	**$ 206,904**

Gas Segment

In the fourth quarter of 2016, Gas segment profit before income tax and share of profits from joint venture, was $134.9 million, compared with $58.4 million in the same period of 2015. The increase of $76.5 million is mainly due to $47.9 million from the acquisition of the remaining 50 percent of Gasoductos de Chihuahua and $19.2 million of income related to the Sonora pipeline Guaymas – El Oro segment.

In 2016, Gas segment profit before income tax and share of profits from joint venture was $1,010.0 million, compared to $245.2 million in 2015. The increase of $764.8 million is mainly due to the one-time non-cash impact of $673.1 million related to the remeasurement to fair value of our previously held 50 percent interest in Gasoductos de Chihuahua, profit before income tax and share of profits from joint venture of $54.4 million in Gasoductos de Chihuahua, and $32.1 million of income related to the Sonora pipeline Guaymas – El Oro segment.

Power Segment

In the fourth quarter of 2016, Power segment loss before income tax and share of profits from joint venture, was $1.1 million. The loss was mainly due to wind seasonality from the inclusion of 17 days of operation. Ventika was acquired on December 14, 2016.

Wind generation facilities produce energy depending on the local wind climate. According to the wind assessment study, the wind seasonality for the Nuevo Leon region, where Ventika is located, is estimated to have high wind from March to August and low wind from September to February.

Corporate

In the fourth quarter of 2016, corporate loss before income tax was $8.9 million, compared with $7.7 million in the same period of 2015. In 2016, corporate loss before income tax was $37.2 million compared to $38.2 million in 2015.

Revenues

(thousands of US$, except price per MMBtu)[2]	Three months ended December 31, 2016	Three months ended December 31, 2015	Year ended December 31, 2016	Year ended December 31, 2015
	(unaudited)		(unaudited)	
Gas Segment	$ 248,159	$ 147,645	$ 712,327	$ 611,275
Power Segment	2,930	-	2,930	-
Corporate	522	503	2,637	1,766
	$ 251,611	**$ 148,148**	**$ 717,894**	**$ 613,041**
Natural gas weighted average Price USD per MMBtu	3.22	2.54	2.73	2.86

Gas Segment

In the fourth quarter of 2016, Gas segment revenues were $248.1 million, compared with $147.6 million in the same period of 2015. The increase of $100.5 million is mainly due to:

- $74.2 million in revenues related to the acquisition of the remaining 50 percent of Gasoductos de Chihuahua starting September 26, 2016;
- $19.2 million in income related to the Sonora pipeline Guaymas – El Oro segment, and
- $11.3 million from higher weighted average prices of natural gas.

In 2016, Gas segment revenues were $712.3 million, compared with $611.3 million in 2015. The increase of $101.0 million is mainly due to:

- $79.4 million in revenues related to the acquisition of the remaining 50 percent of Gasoductos de Chihuahua starting September 26, 2016, and
- $32.1 million in income related to the Sonora pipeline Guaymas – El Oro segment, partially offset by:
- $7.9 million from lower weighted average price of natural gas.

Power Segment

In the fourth quarter and full year of 2016, Power segment revenues were $2.9 million. These revenues are related to 17 days of operation of Ventika, which was acquired on December 14, 2016.

[2] MMBtu: Million British thermal units (of natural gas)

Cost of Revenues

(thousands of US$, except cost per MMBtu)	Three months ended December 31,				Year ended December 31,			
	2016		2015		2016		2015	
	(unaudited)				(unaudited)			
Gas Segment	$	61,787	$	59,612	$	237,621	$	257,226
Power Segment		168		-		168		-
	$	**61,955**	**$**	**59,612**	**$**	**237,789**	**$**	**257,226**
Natural gas weighted average Cost USD per MMBtu		2.90		2.50		2.60		2.77

In the fourth quarter of 2016, Gas segment cost of revenues was $61.8 million, compared with $59.6 million for the same period of 2015. The increase of $2.2 million is mainly due to the higher weighted average price of natural gas.

In 2016, Gas segment cost of revenues was $237.6 million, compared with $257.2 million for 2015. The decrease of $19.6 million is mainly due to the lower weighted average price of natural gas.

Operating, Administrative and Other Expenses

In the fourth quarter of 2016, operating, administrative, and other expenses were $40.6 million, compared with $21.4 million for the same period of 2015. The increase of $19.2 million was mainly due to the acquisition of the remaining 50 percent of Gasoductos de Chihuahua.

In 2016, operating, administrative, and other expenses were $104.8 million, compared with $81.9 million for 2015. The increase of $22.9 million was mainly due to the acquisition of the remaining 50 percent of Gasoductos de Chihuahua.

Depreciation and Amortization

In the fourth quarter of 2016, depreciation and amortization was $21.4 million, compared with $14.1 million for the same period of 2015. The increase of $7.3 million was mainly due to the acquisition of the remaining 50 percent of Gasoductos de Chihuahua and Ventika acquisition.

In 2016, depreciation and amortization was $64.4 million, compared with $52.5 million for 2015. The increase of $11.9 million was mainly due to the acquisition of the remaining 50 percent of Gasoductos de Chihuahua and Ventika acquisition in December 2016.

Financing cost, net

In the fourth quarter of 2016, net financing cost was $7.1 million, compared with $1.7 million for the same period of 2015. The change of $5.4 million is mainly due to increased interest expense related to the acquisition of the remaining 50 percent of Gasoductos de Chihuahua and the acquisition of Ventika.

In 2016, net financing cost was $14.6 million, compared with $3.2 million for 2015. The change of $11.4 million is mainly due to increased interest expense related to the acquisition of the remaining 50 percent of Gasoductos de Chihuahua and the acquisition of Ventika.

Other Gains (Losses), Net

In the fourth quarter of 2016, other gains, net, were $4.3 million, compared with other losses, net, of $0.6 million in the same period of 2015. The change of $4.9 million is mainly due to foreign exchange impacts.

In 2016, other gains, net, were $2.2 million, compared with other losses, net, of $11.4 million in 2015. The change of $13.6 million is mainly due to foreign exchange impacts and mark-to-market losses on an interest rate swap[3] in 2015.

Remeasurement of equity method investment

The non-cash impact of $673.1 million is related to the remeasurement to fair value of our previously held 50-percent interest in Gasoductos de Chihuahua.

Income Tax Expense

In the fourth quarter of 2016, income tax expense was $90.0 million compared with $15.0 million in the same period of 2015. The variance of $75.0 million is primarily due to higher earnings before taxes and the effect of the deferred income tax balance from the fluctuation in the tax basis of property, plant, and equipment at our U.S. dollar functional currency, which we are required to remeasure in each reporting period based on changes in the Mexican peso exchange rate, and the effect of inflation on monetary assets and liabilities, partially offset by currency exchange rate movements at period end on monetary assets and liabilities.

In 2016, income tax expense was $147.2 million compared with $94.2 million in 2015. The variance of $53.0 million is primarily due to higher earnings before taxes and the effect of the deferred income tax balance from the fluctuation in the tax basis of property, plant, and equipment at our U.S. dollar functional currency, which we are required to remeasure in each reporting period based on changes in the Mexican peso exchange rate, and the effect of inflation on monetary assets and liabilities, partially offset by currency exchange rate movements at period end on monetary assets and liabilities.

[3] This derivative instrument was terminated in September 2015.

Share of Profits from Joint Ventures, Net of Income Tax

In the fourth quarter of 2016, our share of profits from joint ventures, net of income tax, was $2.4 million, compared with $15.1 million in the same period of 2015. The decrease of $12.7 million is mainly due to the acquisition of the remaining 50 percent of Gasoductos de Chihuahua.

In 2016, our share of profits from joint ventures, net of income tax, was $42.8 million, compared with $42.3 million in 2015. The increase of $0.5 million is mainly due to Los Ramones Norte pipeline start of operations, partially offset by the acquisition of the remaining 50 percent of Gasoductos de Chihuahua.

Loss for the Period from Discontinued Operations, Net of Income Tax

In February 2016, the Board of Directors approved a plan to market and sell the Termoeléctrica de Mexicali power plant. Accordingly, its financial results for the three-month period ended December 31, 2016 and 2015 and the full year 2016 and 2015, are presented in the Condensed Consolidated Statements of Profit as discontinued operations, net of tax.

In the fourth quarter of 2016, the loss from discontinued operations, net of income tax, was $9.9 million, compared with a loss of $6.2 million in the same period of 2015. The increase of $3.7 million is mainly due to lower revenues related to lower volume sold.

In 2016, the loss from discontinued operations, net of income tax, was $112.3 million, compared with a loss of $14.8 million in the 2015. The increase of $97.5 million is due to the adjustment to the carrying value of Termoeléctrica de Mexicali power plant, a non-cash impairment charge.

EBITDA and Adjusted EBITDA

We present "EBITDA" and "Adjusted EBITDA" in this earnings report for the convenience of investors. EBITDA and Adjusted EBITDA, however, are not measures of financial performance under IFRS and should not be considered as alternatives to profit or operating income as a measure of operating performance or to cash flows from operating activities as a measure of liquidity.

Our definition of EBITDA is profit for the period after adding back or subtracting, as the case may be, (1) depreciation and amortization, (2) financing cost, net, (3) other gains or losses, net, (4) income tax expense, (5) share of profits from joint ventures, net of income tax, and for the periods presented, (6) remeasurement of equity method investment, and (7) loss for the period from discontinued operations, net of income tax.

We define the JV EBITDA adjustment as our share of the profit from joint ventures, after adding back or subtracting, as the case may be, our share of: (1) depreciation and amortization, (2) financing cost, net, (3) other gains or losses, net, (4) income tax expense, and (5) share of profits of equity method investments, net of income tax.

We define the Discontinued operation EBITDA adjustment as the loss for the period from discontinued operations, net of income tax after adding back or subtracting, as the case may be, (1) depreciation and amortization, (2) financing cost, net, (3) other gains or losses, net, (4) income tax expense, and for the periods presented, (5) impairment.

	Three months ended December 31,		Year ended December 31,	
(thousands of US$)	2016	2015	2016	2015
	(unaudited)		(unaudited)	
Gas Segment	$ 147,468	$ 66,909	$ 373,881	$ 274,343
Power Segment	2,169	-	2,169	-
Corporate	(571)	257	(699)	(385)
EBITDA	**149,066**	**67,166**	**375,351**	**273,958**
JV EBITDA adjustment	14,424	29,443	130,084	110,921
Discontinued operation EBITDA adjustment	(2,245)	(1,023)	(1,414)	6,935
Adjusted EBITDA	**$ 161,245**	**$ 95,586**	**$ 504,021**	**$ 391,814**

Reconciliation of profit for the period to EBITDA and Adjusted EBITDA

(thousands of US$)	Three months ended December 31, 2016	Three months ended December 31, 2015	Year ended December 31, 2016	Year ended December 31, 2015
	(unaudited)		(unaudited)	
EBITDA reconciliation				
Profit for the period	27,533	44,588	754,990	140,189
Depreciation and amortization	21,394	14,101	64,384	52,470
Financing cost, net	7,067	1,727	14,567	3,158
Other (gains) losses, net	(4,314)	620	(2,168)	11,426
Income tax expense	89,868	15,019	147,158	94,237
Share of profits from joint ventures, net of income tax	(2,400)	(15,108)	(42,841)	(42,319)
Loss for the period from discontinued operations, net of income tax	9,918	6,219	112,332	14,797
Remeasurement of equity method investment	-	-	(673,071)	-
(1) EBITDA	**149,066**	**67,166**	**375,351**	**273,958**
JV EBITDA Adjustment reconciliation				
Profit for the period	2,400	15,108	42,841	42,319
Depreciation and amortization	(3,097)	2,422	13,907	13,952
Financing cost, net	8,346	8,102	32,194	20,480
Other losses (gains), net	3,047	(1,516)	4,433	(859)
Income tax expense	3,728	5,327	36,709	35,029
(2) JV EBITDA Adjustment	**14,424**	**29,443**	**130,084**	**110,921**
Discontinued Operation EBITDA Adjustment reconciliation				
Loss for the period	(9,918)	(6,219)	(112,332)	(14,797)
Depreciation and amortization	-	3,804	2,222	15,210
Financing cost, net	54	57	229	202
Other losses (gains), net	432	(953)	1,396	151
Income tax expense (benefit)	7,187	2,288	(29,809)	6,169
Impairment charge	-	-	136,880	-
(3) Discontinued Operation EBITDA Adjustment	**(2,245)**	**(1,023)**	**(1,414)**	**6,935**
(1+2+3) Adjusted EBITDA	**$ 161,245**	**$ 95,586**	**$ 504,021**	**$ 391,814**

ii) Financial Position, Liquidity and Capital Resources

Condensed Consolidated Statements of Financial Position

(thousands of US$)	December 31, 2016 (unaudited)	December 31, 2015
Assets		
Current assets		
Cash and cash equivalents	$ 24,918	$ 40,377
Short-term investments	80	20,068
Trade and other receivables, net	100,886	53,728
Assets held for sale	191,287	-
Other current assets[(1)]	127,769	111,156
Total current assets	**444,940**	**225,329**
Non-current assets		
Due from unconsolidated affiliates	104,352	111,766
Finance lease receivables	950,311	14,510
Deferred income tax assets	75,999	78,965
Investments in joint ventures	125,355	440,105
Goodwill	1,651,780	25,654
Property, plant and equipment, net	3,614,085	2,595,840
Other non-current assets[(2)]	160,126	14,913
Total non-current assets	**6,682,008**	**3,281,753**
Total assets	**$ 7,126,948**	**$ 3,507,082**
Liabilities and Stockholders' Equity		
Short-term debt	$ 493,571	$ 88,507
Due to unconsolidated affiliates	260,914	352,650
Liabilities held for sale	35,451	-
Other current liabilities[(3)]	181,738	102,184
Total current liabilities	**971,674**	**543,341**
Non-current liabilities		
Long-term debt	1,039,804	299,925
Due to unconsolidated affiliates	3,080	38,460
Deferred income tax liabilities	489,607	261,294
Other non-current liabilities[(4)]	272,472	184,198
Total non-current liabilities	**1,804,963**	**783,877**
Total liabilities	**2,776,637**	**1,327,218**
Stockholders' Equity		
Common stock	963,272	762,949
Additional paid-in capital	2,351,801	973,953
Accumulated other comprehensive loss	(126,658)	(103,944)
Retained earnings	1,161,896	546,906
Total equity attributable to owners of the company	**4,350,311**	**2,179,864**
Total liabilities and equity	**$ 7,126,948**	**$ 3,507,082**

(1) Other current assets include restricted cash, value added tax receivable, amounts due from unconsolidated affiliates, derivative financial instruments, finance lease receivable (current), income taxes receivable, natural gas inventories, carbon allowances (2015), and other current assets.

(2) Other non-current assets include intangible assets, restricted cash, derivative financial instruments, carbon allowances (2015), and other non-current assets.

(3) Other current liabilities include trade and other payables, other taxes payable, income tax liabilities, derivative financial instruments, other financial liabilities, provisions, carbon allowances (2015), and other current liabilities.

(4) Other non-current liabilities include derivative financial instruments, provisions, employee benefits, and carbon allowances (2015).

Liquidity and Capital Resources

We are a holding company. As a result, our ability to meet our obligations and to fund our capital needs depends on our ongoing ability to generate cash from operations, the terms of our financing arrangements, and our access to capital markets.

Sources and Uses of Cash

(thousands of US$)	Three months ended December 31, 2016	Three months ended December 31, 2015	Year ended December 31, 2016	Year ended December 31, 2015
	(unaudited)		(unaudited)	
Cash and cash equivalents at period beginning	**$ 174,810**	**$ 85,891**	**$ 40,377**	**$ 83,637**
Net cash provided by operating activities	39,023	70,563	245,331	168,179
Net cash used in investing activities	(476,677)	(134,832)	(1,848,876)	(248,796)
Net cash provided by financing activities	305,752	17,696	1,605,461	41,892
Effects of exchange rate changes on cash and cash equivalents	(18,647)	1,059	(16,941)	(4,535)
Cash and cash equivalents	**24,261**	**40,377**	**25,352**	**40,377**
Cash and cash equivalents from assets held for sale	657	-	(434)	-
Cash and cash equivalents at period end	**$ 24,918**	**$ 40,377**	**$ 24,918**	**$ 40,377**

Operating Activities

In the fourth quarter of 2016, net cash provided by operating activities was $39.0 million, compared with $70.6 million in the same period of 2015, mainly due to working capital changes and higher paid income taxes. In 2016, net cash provided by operating activities increased to $245.3 million, compared to $168.2 million in 2015, mainly due to working capital changes, partially offset by higher paid income taxes.

Investing Activities

In the fourth quarter of 2016, net cash used in investing activities was $476.7 million, due to the acquisition of Ventika by $434.7 million, net of cash available at closing date, including shareholders' debt purchase by $125.0 million; capital expenditures of $45.2 million related to our Ojinaga, Sonora, and San Isidro pipeline projects and the investment of $44.6 million in Infraestructura Marina del Golfo "IMG" (our TransCanada joint venture), partially offset by restricted cash of $46.8 million related to bank debt of Ventika and Gasoductos de Chihuahua.

In the fourth-quarter 2015, net cash used in investing activities was $134.8 million, primarily due to capital expenditures of $114.7 million for our Ojinaga, Sonora, and San Isidro pipeline projects.

In 2016, net cash used in investing activities was $1,848.9 million, due to the acquisition of Gasoductos de Chihuahua by $1,077.6 million, net of cash available at the date of acquisition; and Ventika acquisition using $434.7 million, net of cash available at closing date, including shareholders' debt purchase by $125.0 million; capital expenditures of $315.8 million for our Ojinaga, Sonora and San Isidro pipeline projects, and the investment of $100.5 million in IMG; partially offset by restricted cash of $46.8 million, related to bank debt of Ventika and Gasoductos de Chihuahua; decrease in short-term investments of $20.0 million, and repayment of loans from unconsolidated affiliates of $8.3 million.

In 2015, net cash used in investing activities was $248.8 million, due to capital expenditures of $300.1 million for our Sonora, Ojinaga, and San Isidro pipeline projects, partially funded by proceeds from repayment of loans from unconsolidated affiliates of $41.6 million and a $10.0 million decrease in short-term investments.

Financing Activities

In the fourth quarter of 2016, net cash provided by financing activities was $305.8 million due to $1,567.7 million proceeds from the common stock follow-on offering, net of expenses, $375.0 million in borrowings against credit facilities and $90.0 million in borrowings from unconsolidated affiliates, partially offset by $1,249.5 million of repayment of loans from unconsolidated affiliates and $459.5 million of repayment of bank loans.

In the fourth-quarter 2015, net cash provided by financing activities was $17.7 million, mainly due to $219.6 million in proceeds from borrowings from unconsolidated affiliates and $20.0 million in proceeds from borrowings against credit facilities, partially offset by the repayment of loans of $219.0 million and interest paid of $2.4 million.

In 2016, net cash provided by financing activities was $1,605.5 million, mainly due to $1,567.7 million proceeds from the common stock follow-on offering, net of expenses, $1,240.0 million in loans from unconsolidated affiliates and $805.0 million from borrowings against credit facilities, partially offset by $1,369.6 million repayment of unconsolidated affiliate loans, $459.5 million repayment of bank loans, a dividend payment of $140.0 million, and interest paid of $35.8 million.

In 2015, net cash provided by financing activities was $41.9 million, due to loans from banks and unconsolidated affiliates of $834.7 million, partially offset by $600.1 million repayment of bank loans, a dividend payment of $170.0 million, and interest paid of $20.2 million.

iii) Internal Controls

Our management is responsible for maintaining a system of internal control over financial reporting. This system gives our shareholders reasonable assurance that our transactions are executed and maintained in accordance with the guidelines set forth by our management and that our financial records are reliable as a basis for preparing our financial statements.

The system of internal control over financial reporting is supported by ongoing audits, the results of which are reported to management throughout the year. In addition, we maintain reliable databases and have modern and efficient systems designed to generate key financial information.