

First Quarter 2017 Financial Results

April 25, 2017

Information regarding forward-looking statements



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Agenda

- First-quarter 2017 financial results
- Project status
- Recent developments

First-quarter 2017

| | Three months ended | |
|--|--------------------|---------|
| | March 31, | |
| <i>(Unaudited; net profit in millions of dollars, share count in millions, EPS in dollars)</i> | 2017 | 2016 |
| Adjusted EBITDA ⁽¹⁾ | \$ 184 | \$ 110 |
| Profit from continuing operations | \$ 137 | \$ 66 |
| Profit (loss) for the period | \$ 145 | \$ 33 |
| Shares outstanding (weighted average) | 1,534 | 1,154 |
| Earnings per share (EPS) | \$ 0.09 | \$ 0.03 |

- First-quarter 2017 Adjusted EBITDA was \$184 million, up 67% from \$110 million dollars in the same period of 2016. The increase of \$74 million was mainly due to the consolidation of the acquisition of the remaining 50% of Gasoductos de Chihuahua, the acquisition of the Ventika wind generation facility, income related to the Sonora pipeline Guaymas – El Oro segment and San Isidro – Samalayuca pipeline. It also includes the full quarter of the Los Ramones Norte pipeline compared to a partial quarter in 2016
- First-quarter 2017 profit was \$145 million dollars, compared with \$33 million in the same period of 2016. In addition to the EBITDA drivers, the increase in profit of \$112 million is mainly due to the non-cash deferred income tax expense recorded in 2016 for discontinued operations and lower income tax expense in 2017

(1) Adjusted EBITDA includes proportional share of EBITDA from joint ventures

Gas segment pre-tax profit

| <i>(Unaudited; dollars in millions)</i> | Three months ended | |
|--|--------------------|-------|
| | March 31, | |
| | 2017 | 2016 |
| Gas segment profit before income tax and share of profits of the joint venture | \$ 135 | \$ 62 |

- First-quarter of 2017, Gas segment profit before tax and share of profits of joint venture was \$135 million, compared to \$62 million in the same period of 2016. The increase of \$73 million is mainly due to \$52 million from the consolidation of the acquisition of the remaining 50% of Gasoductos de Chihuahua on September 26, 2016, and \$18 million of income mainly related to the Sonora pipeline Guaymas – El Oro segment and San Isidro – Samalayuca pipeline

Power segment pre-tax profit

| <i>(Unaudited; dollars in millions)</i> | Three months ended March 31, | |
|---|---------------------------------|--------|
| | 2017 | 2016 |
| Power segment profit (loss) before income tax and share of profits of the joint venture | \$ 10 | \$ (0) |

- In the first-quarter of 2017, Power segment profit before income tax and share of profits from the joint venture was \$10 million from the Ventika wind generation facility, acquired on December 14, 2016

Project updates

| Project | CapEx (USD, millions) | Target COD ¹ | Contract Term | Update |
|---|--------------------------|-------------------------|--------------------|---|
| Wholly-owned projects | | | | |
| Sonora pipeline (Guaymas-El Oro segment) | \$1,000 | Q2 2017 | 25 years | • Natural gas pipeline has been packed |
| Ojinaga – El Encino pipeline | \$300 | Q2 2017 | 25 years | • Pre-commissioning |
| San Isidro – Samalayuca pipeline | \$110 | Q1 2017 | 25 years | • In operation |
| Empalme Lateral | \$11 | Q2 2017 | 21 years | • Under construction |
| Pima Solar | \$115 | Q4 2018 | 20 years | • Pre-construction activities |
| Rumorosa Solar | \$50 | Q2 2019 | 15 and 20 years | • Engineering and procurement activities in progress |
| Joint venture projects | | | | |
| Texas – Tuxpan (Marine pipeline) | \$2,100 | Q4 2018 | 25 years | • Construction activities to start Q2 2017 |
| Tepezalá II Solar | \$100 | Q2 2019 | 15 and 20 years | • Engineering and procurement activities in progress |

(1) Commercial Operations Date

Recent developments

Pima Solar Project overview

- In March 2017, IEnova executed a 20-year electric supply contract with Deacero, to provide them energy, clean energy certificates, and capacity from a new solar power plant
- IEnova will develop, build and operate the project
- 110 MW capacity located in Caborca, Sonora
- Approximately US\$115 million investment
- 100% owned by IEnova
- Commercial operations date: 4Q 2018



Deacero is a large privately-held leading steel manufacturing company in Mexico, headquartered in Monterrey, serving diverse industries and markets with a presence in more than 20 countries including the United States, Canada, Guatemala, Chile, Colombia, Costa Rica, Peru, Spain and the United Kingdom

Summary

- Continued strength in operations; financial results in-line
- Progress on acquisition integration and construction activities
- Focused on executing our growth strategy

