

Second Quarter 2017 Financial Results

July 26, 2017

Information regarding forward-looking statements



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Agenda

- 2017 dividend
- Second-quarter 2017 financial results
- Project status
- Recent developments

2017 dividend

- In the Shareholders Meeting that was held on April 28, 2017
 - 2017 dividend payment was approved
 - IEnova’s Board of Directors was authorized to define the amount and payment date
- On July 25, 2017, IEnova’s Board of Directors approved the 2017 dividend
- We expect to pay US\$200 million in one payment to shareholders in August 2017

2016 Dividend	2017 Dividend
US\$140 million	US\$200 million

Second-quarter 2017

	Three months ended June 30,	
	2017	2016
<i>(Unaudited; net profit in millions of dollars, share count in millions, EPS in dollars)</i>		
Adjusted EBITDA ⁽¹⁾	\$ 184	\$ 106
Profit from continuing operations	\$ 122	\$ 39
Profit (loss) for the period	\$ 46	\$ 34
Shares outstanding (weighted average)	1,534	1,154
Earnings per share (EPS)	\$ 0.03	\$ 0.03

- Second-quarter 2017 Adjusted EBITDA was US\$184 million, up 73% from US\$106 million dollars in the same period of 2016. The increase of US\$78 million is mainly due to the consolidation of Gasoductos de Chihuahua, the acquisition of the Ventika wind generation facility, and the start of operations of the second segment of the Sonora pipeline, the San Isidro – Samalayuca pipeline and the Ojinaga – El Encino pipeline; partially offset by the Termoeléctrica de Mexicali power plant's scheduled major maintenance expenses in the second quarter of 2017
- Second-quarter 2017 profit was US\$110 million dollars, excluding the non-cash after-tax impairment charge of US\$64 million related to Termoeléctrica de Mexicali power plant, compared with US\$34 million of profit in the same period of 2016. The increase of US\$75 million was mainly due to the Adjusted EBITDA drivers mentioned above. The impairment was made because the asset value indicated by the power plant sale process was determined to be lower than the carrying value

(1) Adjusted EBITDA includes proportional share of EBITDA from joint ventures and the Adjustment EBITDA from discontinued operations

Gas segment pre-tax profit

<i>(Unaudited; dollars in millions)</i>	Three months ended	
	June 30,	
	<u>2017</u>	<u>2016</u>
Gas segment profit before income tax and share of profits of the joint venture	\$ 142	\$ 59

- Second-quarter of 2017, Gas segment profit before tax and share of profits of joint venture was US\$142 million, compared to US\$59 million in the same period of 2016. The increase of US\$84 million is mainly due to US\$58 million from the acquisition of the remaining 50% of Gasoductos de Chihuahua on September 26, 2016 and US\$20 million from the start of operations of the Sonora pipeline Guaymas – El Oro segment, the San Isidro – Samalayuca pipeline and the Ojinaga – El Encino pipeline

Power segment pre-tax profit

<i>(Unaudited; dollars in millions)</i>	Three months ended	
	June 30,	
	2017	2016
Power segment profit (loss) before income tax and share of profits of the joint venture	\$ 4	\$ -

- In the second-quarter of 2017, Power segment profit before income tax and share of profits from the joint venture was US\$4 million mainly 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	• In operation
Ojinaga – El Encino pipeline	\$300	Q2 2017	25 years	• In operation
Empalme Lateral	\$11	Q2 2017	21 years	• In operation
Pima Solar	\$115	Q4 2018	20 years	• Engineering and procurement activities in progress
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	• Under construction
Tepezalá II Solar	\$100	Q2 2019	15 and 20 years	• Engineering and procurement activities in progress

(1) Commercial Operations Date

Recent developments

Marine terminal project overview

- In July 2017, IEnova was awarded a 20-year concession by the Port of Veracruz to build and operate a marine terminal for the receipt, storage, and delivery of hydrocarbons (primarily gasoline, diesel, and jet fuel)
- IEnova will be responsible for project development: permitting, engineering, procurement, construction, operation, maintenance, financing, and providing services
- Capacity of 1,400,000 barrels
- Approximately US\$155 million investment
- Commercial operations date: 2H 2018



IEnova is in final negotiations to contract the terminal services with third parties

Summary

- Growth opportunities in development and M&A
- Awarded by the Port of Veracruz the concession to build and operate a marine terminal for hydrocarbons with an estimated investment of US\$155 million
- Approved 2017 dividend of US\$200 million
- Continued strength in operations; financial results in-line
- Three projects placed in-service
- Progress on construction activities
- Focused on executing our growth strategy and diversifying our portfolio

