Infraestructura Energética Nova, S. A. B. de C.V. and Subsidiaries

(formerly Sempra México, S. A. de C.V. and Subsidiaries)

Condensed Interim Consolidated Financial Statements for the nine and three-month periods ended September 30, 2013 and 2012 (unaudited)

Infraestructura Energética Nova, S. A. B. de C. V. and Subsidiaries
(formerly Sempra México, S. A. de C. V. and Subsidiaries)

Condensed Interim Consolidated Statements of Financial Position

(In thousands of U.S. Dollars)

Assets	Notes	December 31, 2012	(Unaudited) September 30, 2013
Current assets			
Cash and cash equivalents		$ 85,073	$ 10,052
Short-term investments	1.2.3.	-	481,583
Trade and other receivable – Net		78,968	62,720
Due from related parties	3	28,946	32,428
Current income tax receivable		8,840	9,382
Inventory of natural gas		9,273	3,019
Derivative financial instruments		2,827	10,667
Other assets		23,029	71,632
Total current assets		236,956	681,483
Non-current assets			
Due from related parties	3	416	-
Derivative financial instruments		2,330	-
Finance lease receivables		14,756	14,716
Deferred income tax asset		2,375	12,704
Investment in joint venture	4	331,599	361,421
Goodwill		25,654	25,654
Property, plant and equipment – Net	5	1,884,739	2,131,490
Other assets		1,893	5,442
Total non-current assets		2,263,762	2,551,427
Total assets		$ 2,500,718	$ 3,232,910

Liabilities and equity	Notes	December 31, 2012	(Unaudited) September 30, 2013
Current liabilities			
Trade and other payables		$ 24,448	$ 43,793
Due to related parties	3	93,455	15,442
Current income tax liabilities		18,170	1,332
Derivative financial instruments		11,434	12,218
Other financial liabilities		1,605	4,686
Provisions		2,788	2,027
Other liabilities	6	8,307	27,202
Total current liabilities		160,207	106,700
Non-current liabilities			
Long-term debt - Net	7	-	396,548
Due to related parties	3	331,803	39,738
Deferred income tax liabilities		170,169	166,807
Provisions		34,820	35,895
Derivative financial instruments		38,448	55,185
Post-employment and other long-term employee benefits		2,153	2,415
Total non-current liabilities		577,393	696,588
Total liabilities		737,600	803,288
Stockholders' equity			
Common stock	10	618,752	762,949
Additional paid-in capital	10	536,577	973,953
Accumulated other comprehensive income		(9,604)	(22,740)
Retained earnings		617,393	715,460
Total equity attributable to owners of the Company		1,763,118	2,429,622
Total liabilities and equity		$ 2,500,718	$ 3,232,910

See accompanying notes to condensed interim consolidated financial statements.

Infraestructura Energética Nova, S. A. B. de C. V. and Subsidiaries
(formerly Sempra México, S. A. de C. V. and Subsidiaries)

Interim Condensed Consolidated Statements of Profit and Loss

(In thousands of U. S. Dollars, except per share amounts)

		(Unaudited) Nine-month period ended September 30,		(Unaudited) Three-month period ended September 30,	
	Notes	2012	2013	2012	2013
Revenue	12	$ 454,824	$ 521,154	$ 173,449	$ 188,903
Cost of revenue		(197,708)	(255,951)	(94,654)	(91,142)
Administrative and other expenses		(50,931)	(68,813)	(16,873)	(21,695)
Depreciation and amortization expenses		(47,740)	(45,406)	(16,038)	(15,196)
Interest income		724	1,136	264	369
Finance costs		(8,746)	(5,667)	(2,839)	(499)
Other losses and gains		(5,599)	5,438	2,123	(285)
Profit before income tax and share of profits of joint venture		144,824	151,891	45,432	60,455
Income tax (expense) benefit	9	(29,734)	(44,646)	2,792	(15,246)
Share of profits of joint venture, net of income tax	4	32,451	29,822	13,652	11,799
		2,717	(14,824)	16,444	(3,447)
Profit for the period	12	$ 147,541	$ 137,067	$ 61,876	$ 57,008

All results are from continuing activities.

All earnings are attributable to Infraestructura Energética Nova, S. A. B. de C. V. (formerly Sempra México, S. A. de C. V.).

Earnings per share:					
Basic and diluted earnings per share:	13	$ 0.16	$ 0.12	$ 0.07	$ 0.05

See accompanying notes to condensed interim consolidated financial statements.

Infraestructura Energética Nova, S. A. B. de C. V. and Subsidiaries
(formerly Sempra México, S. A. de C. V. and Subsidiaries)

Condensed Interim Consolidated Statements of Profit and Loss and Other Comprehensive Income

(In thousands of U.S. Dollars)

	(Unaudited) Nine-month period ended September 30		(Unaudited) Three-month period ended September 30	
	2012	**2013**	**2012**	**2013**
Profit for the period	$ 147,541	$ 137,067	$ 61,876	$ 57,008
Other comprehensive income (loss):				
Items that may be reclassified subsequently to profit or loss:				
(Loss) gain in financial instruments valuation held for hedging purpose	-	(18,057)	-	(5,524)
Income tax on loss in financial instruments valuation held for hedging purposes	-	5,417	-	1,657
Exchange differences on translating foreign operations	16,879	(496)	12,592	185
Total items that may be reclassified subsequently to profit and loss	16,879	(13,136)	12,592	(3,682)
Other comprehensive (loss) income for the period	16,879	(13,136)	12,592	(3,682)
Total comprehensive income for the period	$ 164,420	$ 123,931	$ 74,468	$ 53,326

All comprehensive income is attributable to Infraestructura Energética Nova, S. A. B. de C.V. (formerly Sempra México, S. A. de C. V.).

See accompanying notes to condensed interim consolidated financial statements.

Infraestructura Energética Nova, S. A. B. de C. V. and Subsidiaries
(formerly Sempra México, S. A. de C. V. and Subsidiaries)

Condensed Interim Consolidated Statements of Changes in Stockholders' Equity

(In thousands of U.S. Dollars)

(Unaudited)	Common shares	Additional paid-in capital	Other comprehensive income	Retained earnings	Total
Balance as of January 1, 2012	$ 524,842	$ 536,577	$ (23,544)	$ 657,388	$ 1,695,263
Profit for the period	-	-	-	147,541	147,541
Exchange differences on translating foreign operations	-	-	16,879	-	16,879
Total comprehensive income for the period	-	-	16,879	147,541	164,420
Capitalization of retained earnings of Sempra Gasoductos México, S. de R. L. de C. V. (Note 10)	93,910	-	-	(93,910)	-
Payment of dividends (Note 11)	-	-	-	(15,100)	(15,100)
Balance as of September 30, 2012	$ 618,752	$ 536,577	$ (6,665)	$ 695,919	$ 1,844,583
Balance as of January 1, 2013	$ 618,752	$ 536,577	$ (9,604)	$ 617,393	$ 1,763,118
Profit for the period	-	-	-	137,067	137,067
Loss in financial instruments valuation held for hedging purposes	-	-	(18,057)	-	(18,057)
Income tax on loss in financial instruments valuation held for hedging purposes	-	-	5,417	-	5,417
Exchange differences on translating foreign operations	-	-	(496)	-	(496)
Total comprehensive income for the period	-	-	(13,136)	137,067	123,931
Issuance of shares – Net (Note 1.2.3.)	144,197	437,376	-	-	581,573
Payment of dividends (Note 11)	-	-	-	(39,000)	(39,000)
Balance as of September 30, 2013	$ 762,949	$ 973,953	$ (22,740)	$ 715,460	$ 2,429,622

See accompanying notes to condensed interim consolidated financial statements.

Infraestructura Energética Nova, S. A. B. de C. V. and Subsidiaries
(formerly Sempra México, S. A. de C. V. and Subsidiaries)

Condensed Interim Consolidated Statements of Cash Flows

(In thousands of U.S. Dollars)

	(Unaudited) Nine-month period ended September 30		(Unaudited) Three-month period ended September 30	
	2012	**2013**	**2012**	**2013**
Cash flows from operating activities				
Profit for the period	$ 147,541	$ 137,067	$ 62,577	$ 57,008
Adjustments for:				
Income tax expense (benefit)	29,734	44,646	(2,792)	15,246
Share of profits of joint venture, net of income tax	(32,451)	(29,822)	(13,652)	(11,799)
Finance costs	8,746	5,667	2,839	499
Interest income	(724)	(1,136)	(264)	(369)
Loss on disposal of property, plant and equipment	508	2,140	(81)	1,117
Impairment loss recognized on trade receivables	64	11	43	17
Depreciation of non-current assets	47,627	45,293	16,000	15,158
Amortization of non-current assets	113	113	38	38
Net foreign exchange (gain) loss	(2,540)	2,151	(4,850)	292
Loss (gain) on derivative financial instruments valuation	1,521	(14,690)	244	(1,172)
	201,139	191,440	60,102	76,035
Movements in working capital:				
Decrease (increase) in trade and other receivables	3,575	12,795	(16,585)	1,536
Decrease (increase) in inventories	(616)	6,254	(1,270)	3,357
Decrease (increase) in other assets	(9,592)	(49,856)	(6,335)	(13,905)
Increase in trade and other payables	(35,979)	24,653	4,281	(3,396)
(Decrease) increase in provisions	3,877	(5,721)	6,842	12,967
(Decrease) increase in other liabilities	(4,259)	18,001	(116)	5,851
Cash generated from operations	157,145	197,566	46,919	82,445
Income taxes paid	(31,529)	(62,912)	3,267	(15,463)
Net cash generated by operating activities	125,616	134,654	50,186	66,982

(Continues)

	(Unaudited) Nine-month period ended September 30,		(Unaudited) Three-month period ended September 30,	
	2012	2013	2012	2013
Cash flows from investing activities:				
Interest received	-	-	(454)	-
Payments for property, plant and equipment	(19,100)	(280,536)	(9,366)	(115,599)
Short-term investments	-	(481,583)	-	44,033
Net cash used in investing activities	(19,100)	(762,119)	(9,820)	(71,566)
Cash flows from financing activities:				
Interest paid	(667)	(9,795)	(495)	(7,228)
Issuance or ordinary shares under Initial purchase offering	-	598,812	-	-
Share issue costs	-	(24,627)	-	-
Proceeds from loans from related parties	356	12,907	(21,584)	807
Loans granted to related parties	(283)	(137)	(258)	-
Repayment of loans to related parties	-	(388,389)	21,550	-
Proceeds from debt issuance	-	408,278	-	-
Debt issue costs	-	(3,087)	-	81
Dividends paid	(15,100)	(39,000)	-	-
Net cash (used in) provided by financing activities	(15,694)	554,962	(787)	(6,340)
Net increase (decrease) in cash and cash equivalents	90,822	(72,503)	39,579	(10,924)
Cash and cash equivalents at the beginning of the period	27,364	85,073	-	-
Effects of exchange rate changes on the balance of cash held in foreign currencies	5,711	(2,518)	8,253	(4,449)
Cash and cash equivalents at the end of the period	$ 123,897	$ 10,052	$ 47,832	$ (15,373)

(Concludes)

See accompanying notes to condensed interim consolidated financial statements.

Notes to the Condensed Interim Consolidated Financial Statements

For the nine and three-month periods ended September 30, 2012 and 2013 (unaudited)
(In thousands of U.S. Dollars, except where otherwise stated)

1. Business and relevant events

1.1. Business

Infraestructura Energética Nova, S. A. B. de C. V. and Subsidiaries (formerly Sempra México, S. A. de C. V. and Subsidiaries) ("IEnova") (collectively, the "Company") are companies domiciled and incorporated in Mexico. Their parent and ultimate holding company is Sempra Energy ("Parent") domiciled and incorporated in the United States of America. The address of their registered offices and principal places of business are disclosed in Note 19.

The Company operates in the energy sector. The Company is organized in two separately managed reportable segments consisting of Gas segment and Power segment. Amounts labeled as Corporate consist primarily of parent organizations (Note 12).

The Gas segment owns and operates, or holds interests in, natural gas and propane pipelines, LPG storage facilities, distribution and sale of natural gas, in the states of Baja California, Sonora, Chihuahua, Durango, Tamaulipas, Nuevo Leon and Jalisco, Mexico. It also, owns and operates a liquefied natural gas ("LNG") terminal in Baja California, Mexico for importing LNG.

The Power segment owns and operates a natural gas fired power plant that includes two gas turbines and one steam turbine, and is developing a renewable energy project in Baja California, Mexico, using wind resources to serve clients in the United States of America.

Seasonality. Customer demand in Gas and Power segments experience seasonal fluctuations. For Gas Segment, in cold weather, the demand for natural gas service is higher than in hot weather. In the case of Power Segment, the demand for power distribution service is higher during hot weather.

1.2. Relevant events

1.2.1. *Change of legal name –*

Pursuant to a resolution of the general ordinary members' meeting on February 15, 2013, Company's change of name from Sempra Mexico, from "Sociedad de Responsabilidad Limitada de Capital Variable" ("S. de R. L. de C. V.", limited liability company) to "Sociedad Anónima de Capital Variable" ("S. A. de C. V.", corporation) was approved. Subsequently, on March 1, 2013, through extraordinary general shareholders' meeting, it was approved the change of legal name from Sempra México, S. A. de C. V. to "Infraestructura Energética Nova, S. A. de C. V."

Additionally, as described in Note 1.2.3., through unanimous resolutions adopted outside the shareholders' meeting of the Company, on March 6, 2013, it was approved the change Company's name from Infraestructura Enérgetica Nova, S. A. de C. V. in order to comply with Mexican Securities Market Law provisions, to a "Sociedad Anónima Bursátil de Capital Variable" ("S. A. B. de C. V.", securities corporation), staying its legal name as "Infraestructura Energética Nova, S. A. B. de C. V."

1.2.2. Debt securities offering–

On February 11, 2013, the Company received approval from the Mexican Banking and Securities Commission ("CNBV", by its initials in Spanish), to its program for issuance and public offering of debt securities ("Certificados Bursátiles", CEBURES, by its initials in Spanish) in Mexico for a total amount of 12,800 million of Mexican pesos ("Pesos") or its equivalent in investment units ("UDIs", by its initials in Spanish), with a term of 5 years.

On February 14, 2013, the Company entered into two public placements of CEBURES according to the above mentioned program. The first placement was for $102 million ($1.3 billion Pesos) and the second placement was for $306 million ($3.9 billion Pesos). See Note 7 for more detail.

The net proceeds from CEBURES issuances were used for repayment of its due balances to related parties and for general corporate purposes, including investment expenditures (development of new pipeline projects) and working capital.

1.2.3. *Initial public offering of shares –*

On March 21, 2013, the Company carried out an initial public offering of shares ("IPO") in México and a private offering of shares in international markets (collectively the "Global Offering"). Through the Global Offering, the Company issued 189,661,305 shares at a placement price of $34.00 Pesos per share; such offering included an over-allotment option up to 28,449,196 shares. The amount of this Global Offering was $520,707 ($6,448.4 million Pesos).

In connection with the Global Offering, on March 27, 2013, the bookrunners in Mexico and abroad exercised the over-allotment option. The amount of over-allotment was $78,106 ($967 million Pesos), related to 28,449,196 shares at the placement price of $34.00 Pesos per share.

As a result of the Global Offering, the Company obtained total resources for $574,185 ($7,118.4 million Pesos), net of issuance costs for $24,267 ($297.3 million Pesos). Subsequent to the Company's Global Offering, subscribed and paid common stock of Infraestructura Energética Nova, S. A. B. de C. V. is represented by a total of 1,154,023,813 shares.

The net proceeds from IPO are in short-term investments and will be used for general corporate purposes and for the financing of Company's current investment and expansion plans.

Short-term investments consist mainly in money market funds, highly liquid and easily convertible into cash, maturing within three months as of their acquisition date, which are subject to immaterial value change risks.

1.2.4. *Projects in development –*

a. *Gasoducto Noroeste ("Sonora Project")*. On April 25, 2013, Gasoducto de Aguaprieta, S. de R. L. de C. V. ("GAP"), entered into a turnkey contract with GDI SICIM Pipelines, S. A. de C. V. ("GSP") regarding the "Sonora Project", for the construction and operation of a gas pipeline network of 505 kilometers approximately, with the alternative to extend it to 835 total kilometers, according with the natural gas transportation service contracts celebrated between GAP and the Federal Electricity Commission ("CFE", by its initials in Spanish) on October, 2012. See more details in Note 14.e.

b. *Energía Sierra Juárez.* On May 17, 2013, Energía Sierra Júarez, S. de R. L. de C. V. ("ESJ"), ESJ Turbinas, S. de R. L. de C. V. ("ESJ Turbinas") and ESJ Turbinas II, S. de R. L. de C. V. ("ESJ Turbinas II") and Vestas WTG México, S. A. de C. V. ("Vestas") entered into a Wind Turbine Supply and Warranty Agreement for the execution of the first phase of the "Energía Sierra Juárez" Project, for 155.1 mega watts ("MW") approximately, of a wind park with an estimated capacity of up to 1,200 MW in the mountain chain known as Sierra de Juárez in Baja California, Mexico. See more details in Note14.g. and 14.h.

c. *Los Ramones I*. On July 29, 2013, through Gasoductos de Chihuahua, S. de R. L. de C. V. ("GdC"), the joint venture with PEMEX Gas y Petroquímica Básica ("PGPB") (See Note 4), the Company entered into a contract for providing natural gas transportation service to PGPB, for 25 years regarding all of the transport capacity of the pipeline network known as "Los Ramones I".

   Los Ramones I project is a pipeline network of a length of 114 kilometers approximately, diameter of 48 inches and a transportation capacity in its final stage of 2.1 billion cubic feet per day, with a trajectory beginning at the border with the United States at a point near the city of Camargo, Tamaulipas and ending in Los Ramones, Nuevo Leon. The pipeline network will interconnect at the origin point on the border with the "Agua-Dulce-Frontera" pipeline and at the destination point with the pipeline network of a length of 740 kilometers approximately, diameter of 42 inches known as "Los Ramones II".

2. Significant accounting policies

2.1. Statement of compliance

The condensed interim consolidated financial statements have been prepared in accordance with International Accounting Standard ("IAS") 34, *Interim Financial Reporting*, as issued by the International Accounting Standards Board ("IASB").

Certain information and disclosures normally included in annual financial statements prepared in accordance with International Financial Reporting Standards ("IFRSs") have been condensed or omitted pursuant to the interim-period-reporting provisions. Therefore, the condensed interim consolidated financial information should be read in conjunction with the annual consolidated and combined financial statements for the year ended December 31, 2011, which are prepared in accordance with IFRS. Results of operations for interim periods are not necessarily indicative of results for the entire year.

2.2. Basis of preparation

The same accounting policies, presentation and methods of computation were followed in these condensed interim consolidated financial statements as were applied in the preparation of the Company's annual consolidated financial statements for the year ended December 31, 2012. Results of operations for interim periods are not necessarily indicative of results for the entire year.

2.3. Reclasifications

Certain amounts in the condensed interim consolidated financial statements for the period ended September 30, 2012 have been reclassified to conform to the presentation for the period ended September 30, 2013.

2.4. Adoption of IFRSs related with consolidation, joint arrangements and associates

The Company has applied the following new and revised IFRSs, applicable to the Company's business, effective for annual periods beginning on or after January 1, 2013:

IFRS 10	*Consolidated financial statements*
IFRS 11	*Joint arrangements*
IFRS 12	*Disclosure of interest in other entities*
IAS 27 (as revised in 2011)	*Separate financial statements*
IAS 28 (as revised in 2011)	*Investment in associates and joint ventures*

The application of these IFRSs for the period ended September 30, 2013, does not have significant effects in these condensed interim consolidated financial statements.

3. Related party transactions

Balances and transactions between the Company and its subsidiaries, which are related parties of the Company, have been eliminated on consolidation and are not disclosed in this note. Details of transactions between the Company and other related parties are disclosed below.

3.1. Trading transactions

During the period, Company entities entered into the following trading transactions with related parties of the Company:

	Sales of goods and services			
	(Unaudited) Nine-month period ended		(Unaudited) Three-month period ended	
	09/30/12	09/30/13	09/30/12	09/30/13
Sempra Generation("SGEN")	$ 101,737	$ 134,976	$ 46,666	$ 58,939
Sempra LNG International LLC	77,930	67,854	42,407	30,954
Sempra Global	1,016	433	212	1
Southern California Gas Company	118	72	-	18
Sempra Pipelines and Storage	163	-	150	-
Sempra LNG	46	-	46	-
Sempra International LLC	20	861	20	418
Sempra Services Company, S. de R. L. de C. V. ("Sempra Services Company")	1	-	1	-

	Purchases of goods and services			
	(Unaudited)		(Unaudited)	
	Nine-month period ended		Three-month period ended	
	09/30/12	09/30/13	09/30/12	09/30/13
SGEN	$ 27,578	$ 11,806	$ 25,400	$ 2,439
Sempra LNG International LLC	144,684	101,702	73,514	357
Sempra Global	249	71	-	-
Southern California Gas Company	828	-	271	-
Sempra Pipelines and Storage	65	-	-	-
Sempra LNG	1,225	585	652	-
Sempra International LLC	4,061	3,479	4,061	1,916
Sempra Midstream, Inc.	311	417	45	139
Sempra Services Company	1,206	1,349	394	322
Sempra Servicios México, S. de R. L. de C. V. ("Sempra Servicios México")	972	480	324	134
Sempra U.S. Gas & Power, LLC	-	5,156	-	1,729
San Diego Gas & Electric	-	3	-	3

The following balances were outstanding at the end of the reporting period:

	Amounts owed by related parties	
	Year / period ended	
		(Unaudited)
	12/31/12	09/30/13
SGEN	$ 28,822	$ 32,428
Sempra Global	124	-
	$ 28,946	$ 32,428

	Amounts due from related parties	
	Year / period ended	
		(Unaudited)
	12/31/12	09/30/13
Sempra Energy International Holdings, N. V.	$ 83,300	$ -
Sempra LNG International LLC	8,011	14,746
Sempra International, LLC	822	480
Sempra Servicios México	668	7
Sempra Services Company	331	80
Sempra LNG	181	-
Southern California Gas Company	121	129
Sempra Services Company (short-term loan)	21	-
	$ 93,455	$ 15,442

Sales and purchases of goods and services to related parties were in-line with transfer pricing rules.

The amounts outstanding are unsecured and will be settled in cash. No guarantees have been given nor received. No expense has been recognized in the current or prior periods for bad or doubtful debts in respect to the amounts owed by related parties.

Included in the trading transactions are administrative services from affiliates of $8,659 and $6,764 for the nine-month period ended September 30, 2012 and 2013 (unaudited), respectively; and $3,332 and $2,761 for the three-month periods ended September 30, 2012 and 2013 (unaudited), respectively, which were charged and paid, being an appropriate allocation of costs incurred by relevant administrative departments.

3.2. Loans to related parties

	Year / period ended	
		(Unaudited)
	12/31/12	09/30/13
Sempra Servicios México	$ 416	$ -

There are no loans to the Company's key management personnel.

3.3. Loans from related parties

	Year / period ended	
		(Unaudited)
	12/31/12	09/30/13
Sempra Chile, S. A.	$ 215,000	$ -
Sempra Oil Trading Suisse	91,660	39,203
Sempra Global	25,000	-
SGEN	143	535
	$ 331,803	$ 39,738

3.4. *Compensation of key management personnel*

The Company's operational and financial key decisions are made by the Parent's management. Intercompany charges from US affiliates have been made to allocate the remuneration of directors and key executives. During 2012, the Company has begun hiring directly certain of its directors and key executives, the paid compensation to Company's key management personnel amounted $1,659 and $3,164, for the nine-month period ended September 30, 2012 and 2013 (unaudited), respectively, and $330 and $405 for the three-months ended September 30, 2012 and 2013 (unaudited) respectively.

4. Investment in joint venture

On April 30, 2010, the Company acquired a 50% equity ownership with equivalent voting power in GdC, a jointly controlled entity with PGPB. GdC operates two natural gas pipelines, a natural gas compression station and a propane system in northern Mexico, in the states of Chihuahua, Tamaulipas, and Nuevo León (México).

There has been no change in the Company's ownership or voting interests in this joint venture since its acquisition.

Summarized financial information in respect of GdC is set out below:

	Year / period ended	
		(Unaudited)
	12/30/12	09/30/13
Cash and cash equivalents	$ 74,527	$ 124,460
Investments in securities	151,766	35,822
Other current assets	29,343	37,871
Current assets	255,636	198,153
Property, plant and equipment	349,925	451,981
Other non-current assets	901	470
Non-current assets	350,826	452,451
Total assets	$ 606,462	$ 650,604
Current liabilities	$ 20,684	$ 17,735
Non-current liabilities	52,467	39,913
Total liabilities	73,151	57,648
Total members' equity	$ 533,311	$ 592,956
Share of members' equity	$ 266,656	$ 296,478
Goodwill and indefinite lived intangible assets	64,943	64,943
Carrying amount of investment in joint venture	$ 331,599	$ 361,421

	(Unaudited) Nine-month period ended		(Unaudited) Three-month period ended	
	09/30/12	09/30/13	09/30/12	09/30/13
Revenue	$ 106,398	$ 113,087	$ 36,979	$ 37,229
Cost and expenses	(33,999)	(40,115)	(12,408)	(16,302)
Interest income, net	(290)	774	1,611	1,636
Income tax expense	(7,207)	(14,103)	1,122	1,035
Profit from continuing operations	64,902	59,643	27,304	23,598
Other comprehensive income	-	-	-	-
Total comprehensive income	$ 64,902	$ 59,643	$ 27,304	$ 23,598
Share of profits of joint venture	$ 32,451	$ 29,822	$ 13,652	$ 11,799

(a) On March 7, 2013, GdC performed an advance repayment of its long-term debt to Export-Import Bank of the United States for approximately $19.1 million.

5. Property, plant and equipment – Net

As of September 30, 2013, the Property, plant and equipment balance is mainly comprised by construction in progress related with Sonora and Energía Sierra Juárez projects (See Note 1.2.4., incises a. and b.), for $267,197 y $39,309, respectively.

6. Other current liabilities

During 2013, the California Air Resources Board ("CARB") established the "Cap-and-Trade" program as a strategy for reducing the greenhouse gas ("GHG") emissions; such program includes the obligation for acquiring carbon allowances by an amount equal to GHG emissions in the period, through the mechanisms outlined in this program. Under the Cap-and-Trade program, Termoeléctrica de Mexicali, S. de R. L. de C. V. ("TDM") is subject to this extraterritorial regulation, despite being located in Baja California, Mexico since their final users are located in California, United States.

As of September 30, 2013, the Other current liabilities balance includes $12,732, charged to Cost of revenue, related with the compliance obligation for GHG emissions in California, United States. Also, as of September 30, 2013 the Company has Other non-current assets for $6,962, in connection with carbon allowances.

7. Long-term debt - Net

	Year / period ended	
		(Unaudited)
	12/31/12	09/30/13
CEBURES at variable rate(a)	$ -	$ 99,909
CEBURES at fixed rate (b)	-	299,726
	-	399,635
Less: Issuance of debt costs	-	3,087
	$ -	$ 396,548

On February 14, 2013, the Company entered into two public placements of CEBURES as follows:

(a) The first placement was for $102,070 ($1.300 billion Pesos) bearing interest at variable rate based on Mexican Interbank Interest Rate ("TIIE", by its initials in Spanish) plus 30 basis points ("bp"), with monthly payments of interest; maturing in 2018. The average annual rate as of September 30, 2013 was 4.68%.

(b) The second placement was for $306,209 ($3.900 billion Pesos) bearing interest at a rate of 6.30%, with half-yearly payment of interest; maturing in 2023.

Cross-currency and interest rate swaps. On February 15, 2013, regarding the placements of CEBURES, the Company executed cross-currency and interest rate swap contracts for hedging its exposure to the payment of its liabilities in Pesos:

(a) For debt maturing in 2018, the Company swapped variable rate in Pesos for a fixed rate in U.S. Dollars, exchanging principal and interest payments. The weighted average rate, in U.S. Dollars for these CEBURES was 2.6575%.

(b) For debt maturing in 2023, the Company swapped fixed rate in Pesos for a fixed rate in U.S. Dollars, exchanging principal and interest payments. The weighted average rate, in U.S. Dollars for these CEBURES was 4.1240%.

The swaps' total notional value is $408,279 ($5.2 billion Pesos).

These contracts have been designated as cash flow hedges.

8. Financial instruments

8.1. Foreign currency exchange rate

Exchange rates in effect as of the date of the interim condensed consolidated financial statements and their issuance date are as follows:

	Pesos		
	12/31/12	**09/30/13**	**10/22/13**
One U. S. Dollar	13.0101	13.0119	12.9314

8.2. Fair value of financial instruments

8.2.1. Fair value of financial instruments carried at amortized cost

Except as detailed in the following table, management considers that the carrying amounts of financial assets and financial liabilities recognized in the consolidated financial statements approximate their fair values.

	Year / period ended			
	12/31/12		**(Unaudited) 09/30/13**	
	Carrying amount	**Fair value**	**Carrying amount**	**Fair value**
Financial assets				
Financial lease receivables	$ 14,756	$ 51,936	$ 14,716	$ 66,970
Financial liabilities				
Financial liabilities held at amortized cost:				
- Long-term debt (traded in stock exchange)	-	-	396,548	383,959
-Loans from related parties (not traded in stock exchange)	415,124	316,715	39,738	37,084

8.2.2. Valuation techniques and assumptions applied for the purposes of measuring fair value

The fair values of financial assets and financial liabilities are determined as follows.

- The fair value of finance lease receivables is determined by calculating the present value of the minimum lease payments, including the contract extension period, using the discount rate that represents the Company's internal rate of return on capital investments.

- The Company determined the fair value is of its long-term debt using prices quoted on recognized markets.

- The Company determined the fair value of its other financial liabilities (other than Long-term debt) carried at amortized cost by determining their present value as of each period end. The risk free interest rate used to discount to present value is adjusted to reflect the Company's own credit risk.

- The fair value of commodity and other derivative positions, which include interest rate swaps, are determined using market participant assumptions to price these derivatives. Market participants' assumptions include those about risk, and the risk inherent in the inputs to the valuation technique. These inputs can be readily observable, market corroborated, or generally unobservable.

Significant assumptions used by the Company in determining the fair value of the following financial assets and liabilities are set out below.

Finance lease receivables. The fair value of finance lease receivables is estimated to be $51,936 and $66,970 as of December 31, 2012 and as of September 30, 2013 (unaudited), respectively, using the risk free interest rate adjusted to reflect the Company's own credit risk.

8.2.3. Fair value measurements recognized in the consolidated statement of financial position.

The Company applies recurring fair value measurements to certain assets and liabilities. "Fair value" is defined as the price that would be received from the sale of an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date (exit price).

A fair value measurement reflects the assumptions market participants would use in pricing an asset or liability based on the best available information. These assumptions include the risk inherent in a particular valuation technique (such as a pricing model) and the risks inherent in the inputs to the model. Also, management considers the Company's credit standing when measuring its liabilities at fair value.

The Company establishes a hierarchy that prioritizes the inputs used to measure fair value. The hierarchy gives the highest priority to unadjusted quoted prices in active markets for identical assets or liabilities (Level 1 measurement) and the lowest priority to unobservable inputs (Level 3 measurement).

The three levels of the fair value hierarchy are as follows.

- Level 1 fair value measurements are those derived from quoted prices (unadjusted) in active markets for identical assets or liabilities.
- Level 2 fair value measurements are those derived from inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly or indirectly.
- Level 3 fair value measurements are those derived from valuation techniques that include inputs for the asset or liability that are not based on observable market data.

The Company's assets and liabilities that were accounted for at fair value on a recurring basis as listed in the table below are classified as Level 2 within the fair value hierarchy.

	Year / period ended	
	12/31/12	**09/30/13 (Unaudited)**
Financial assets at FVTPL		
Derivative financial assets	$ 5,157	$ 10,667
Financial liabilities at FVTPL		
Derivative financial liabilities	$ 49,882	$ 67,403

The Company does not have financial assets or liabilities classified as Level 1 or Level 3 and there were no transfers between Level 1 and 2 during the reporting periods.

9. Income taxes

The Company pays Income Tax ("ISR", by its initials in Spanish), together with its subsidiaries on a consolidated basis.

Income tax expense for interim periods is recognized based on management's best estimate of the weighted average annual income tax rate expected for the full financial year applied to the pre-tax income of the interim period.

The income tax (expense) benefit for the three-month periods ended September 30, 2012 and 2013 (unaudited) can be reconciled to the accounting profit as follows:

	(Unaudited) Nine-month period ended		(Unaudited) Three-month period ended	
	09/30/12	09/30/13	09/30/12	09/30/13
Profit before income tax	$ 144,824	$ 151,891	$ 45,432	$ 60,455
Income tax expense calculated at 30%	(43,447)	(45,567)	(13,435)	(18,136)
Effects of foreign exchange rate	(7,130)	(6,685)	(4,807)	821
Effect of unused tax losses not recognized as deferred income tax asset	(5,203)	-	682	(2,500)
Effects of inflation adjustment	(1,471)	285	(841)	251
Business Flat Tax of the period ("IETU", by its initials in Spanish)	(1,263)	-	1,060	-
Effect of exchange rate and inflation on the tax basis of property, plant and equipment	28,780	7,321	20,133	4,318
Income tax (expense) benefit recognized in profit or loss	$ (29,734)	$ (44,646)	$ 2,792	$ (15,246)

The change in effective tax rate was caused mainly by the following factors:

- The effect of exchange rate changes in Company's property, plant and equipment tax bases that are valued in Pesos for tax purposes, while maintained in U. S. Dollars (functional currency) for financial reporting purposes. In addition, the Mexican income tax law takes into account the effects of inflation on such tax bases.
- Foreign exchange gains or losses are calculated on Pesos balances for financial reporting purposes, while the Mexican income tax law recognizes foreign exchange gains or losses on U. S. Dollar balances.
- Mexican income tax law recognizes the effects of inflation on certain monetary assets and liabilities without an equivalent recognition for financial reporting purposes.
- The effect of tax loss used or not recognized as income tax deferred asset in 2012.

10. Stockholders' equity

	Year / period ended	
	12/31/12	09/30/13 (Unaudited)
Common stock	$ 618,752	$ 762,949
Additional paid-in capital	536,577	973,953
	$ 1,155,329	$ 1,736,902

10.1. Issued equity comprises:

Member's name	Number of social parts	Fixed social parts (Pesos)	Variable social parts (Pesos)	Total (Pesos)	Total of social parts (Thousands of U. S. Dollars)
		For the year ended December 31, 2012			
Sempra Energy Holdings XI, B.V.	1	49,900	9,359,083,119	9,359,133,019	$ 618,752
Sempra Energy Holdings IX, B.V.	1	100	-	100	-
	2	50,000	9,359,083,119	9,359,133,119	$ 618,752

Shareholders' name	Number of shares	Fixed capital (Pesos)	Variable capital (Pesos)	Total (Pesos)	Total of common stock (Thousands of U. S. Dollars)
		(Unaudited) For the period ended September 30, 2013			
Semco Holdco, S. de R.L. de C. V. (a)	935,913,302	49,900	9,359,083,120	9,359,133,020	$ 618,752
Sempra Energy Holdings IX, B.V.	10	100	-	100	-
Público inversionista (b)	218,110,501	-	2,181,105,008	2,181,105,008	144,197
	1,154,023,813	50,000	11,540,188,128	11,540,238,128	$ 762,949

On August 16, 2012, BV8 and Sempra Energy Holdings XI, B.V. ("BV11", subsidiary of Sempra Energy) entered into an intercompany share premium agreement by which BV8 agreed to make a non-cash premium contribution to BV11, consisting of its entire ownership interest in Sempra México. As a result of such transaction, BV11 is Sempra México's new parent company.

On September 10, 2012, the members' equity of Sempra México was increased in its variable part by $480,094 ($5,861,622,509 Mexican Pesos), through the contribution of the BV11 membership interest in Sempra Gasoductos México, such increase in comprised by $291,152 ($3,252,367 Mexican Pesos) of social parts and the $188,942 ($2,609,256 Mexican Pesos) as additional paid-in members' equity, which is eliminated on consolidation. As a result of such membership increase, Sempra México obtained ownership and control of Sempra Gasoductos México.

As of September 30, 2012 (unaudited) and as of December 31, 2012, IEnova's equity is comprised of two, issued and outstanding, membership interest of $50,000 Mexican Pesos as fixed capital and $9,359,083,119 Mexican Pesos as variable capital, amounts owned by BV11 (99.999999%) and BV9 (0.000001%).

Pursuant to a resolution of the general ordinary members' meeting on February 15, 2013, member's equity increased was approved in $1.00 Peso, which was subscribed and paid by BV11, increasing the value of its social part; also, Company's change of name from Sempra Mexico, S. de R. L. de C. V. to "Sociedad Anónima de Capital Variable" ("S. A. de C. V.", Public limited Company) was approved (See Note 1.2.1). As a result of such resolution, the change of social parts for shares was performed; the distribution of such shares is as follows:

Shareholders' name	Shares Class I	Shares Class II	Shares Total
Sempra Energy Holdings XI, B.V.	4,990	935,908,312	935,913,302
Sempra Energy Holdings IX, B.V.	10	-	10
	5,000	935,908,312	935,913,312

Shareholder’s equity consists of nominative shares with no-par value. The theoretical value per share is $10.00 Pesos. The Class I and II represent the fixed and the variable part of shareholders’ equity, respectively. Variable capital may be increased without limitation.

(a) On March 6, 2013, BV11, subscribed for a capital increase in Semco Holdco, S. de R. L. de C. V. (“Semco”, a subsidiary of Sempra Energy), agreeing to pay for such capital increase through a contribution of IEnova’s shares in an amount to be determined based on the price per share in the Global Offering, and subject to the shares being duly registered with the Mexican National Securities Registry (“RNV”, by its initials in Spanish). On March 21, 2013, the effective date of the Global Offering and registration of IEnova’s shares with the RNV, Semco acquired 100% of the Shares of BV11 pursuant to the above described terms; therefore, beginning this date, Semco is the new Parent Company of IEnova.

(b) On March 21, 2013, the Company carried out Global Offering of shares. Through such Global Offering, the Company issued 189,661,305 shares at a placement price of $34.00 Pesos per share; such offering included an over-allotment option up to 28,449,196 shares. The amount of this Global Offering was $520,707 ($6,448.4 million Pesos).

In connection with the Global Offering, on March 27, 2013, the bookrunners in Mexico and abroad exercised the over-allotment option. The amount of over-allotment was $78,106 ($967 million Pesos), related to 28,449,196 shares at the placement price of $34.00 Pesos per share.

11. Declared dividends

During the nine and three-months period ended September 30, 2012 and 2013, pursuant to the resolutions of an ordinary shareholders’’ meetings, payments of dividends in cash were approved, from net income tax account balance (“CUFIN”, by its initials in Spanish), for the following amounts:

Ordinary members’/ shareholders’ meetings dates	**Thousands of U. S. Dollars**
March 29, 2012	$ 15,100
March 1, 2013	39,000

11.1. Dividends per share

	(Unaudited) Dividends per share for the nine-month period ended		**(Unaudited) Dividends per share for the three-month period ended**	
	09/30/12	**09/30/13**	**09/30/12**	**09/30/13**
IEnova	$ 0.02	$ 0.04	$ -	$ -

12. Segment information

12.1. Products and services from which reportable segments derive their revenues

Information reported to the chief operating decision maker for the purposes of resource allocation and assessment of segment performance focuses on the types of goods or services delivered or provided. The Company’s reportable segments under IFRS 8, “Operating Segments” are described and presented in Note 1.

The following tables show selected information by segment from the condensed interim consolidated statements of income and condensed interim consolidated statements of financial position.

12.2. Segment revenues and results

The following is an analysis of the Company's revenue and results from continuing operations by reportable segment.

	(Unaudited) Segment revenue for nine-month period ended		(Unaudited) Segment revenue for three-month period ended	
	09/30/12	**09/30/13**	**09/30/12**	**09/30/13**
Gas				
Sales to customers	$ 273,793	$ 316,958	$ 83,947	$ 98,573
Revenue with foreign related parties	78,048	67,926	42,407	30,972
Intersegment sales	108,280	184,594	60,331	121,360
Power				
Sales to customers related parties	101,737	134,976	46,666	58,939
Intersegment sales	4,489	39,616	1,726	36,672
Corporate				
Allocation of professional services with related parties	1,246	1,294	429	419
Intersegment professional services	1,886	22,686	513	16,628
	569,479	768,050	236,019	363,563
Intersegment adjustments and eliminations	(114,655)	(246,896)	(62,570)	(174,660)
Total segment revenue	$ 454,824	$ 521,154	$ 173,449	$ 188,903

	(Unaudited) Segment profit for nine-month period ended		(Unaudited) Segment profit for three-month period ended	
	09/30/12	**09/30/13**	**09/30/12**	**09/30/13**
Gas	$ 178,516	$ 143,094	$ 70,111	$ 49,531
Power	1,766	9,424	9,657	12,586
Corporate	(32,741)	(15,451)	(17,892)	(5,109)
Total segment profit	$ 147,541	$ 137,067	$ 61,876	$ 57,008

The accounting policies of the reportable segments are the same as the Company's accounting policies described in Note 2. Segment profit represents the profit earned by each segment. This is the measure reported to the chief operating decision maker for the purposes of resource allocation and assessment of segment performance.

12.3. Assets and liabilites by segment

	Year / period ended	
	12/31/12	**09/30/13 (Unaudited)**
Assets by segment:		
Gas	$ 2,101,378	$ 2,346,360
Power	360,494	402,154
Corporate	38,846	484,396
Consolidated total assets	$ 2,500,718	$ 3,232,910

	Year / period ended	
	12/31/12	09/30/13 (Unaudited)
Liabilities by segment:		
Gas	$ 243,904	$ 304,321
Power	59,084	67,555
Corporate	434,612	431,412
Consolidated total liabilities	$ 737,600	$ 803,288

For the purposes of monitoring segment performance and allocating resources between segments:

- All assets are allocated to reportable segments and Corporate. Goodwill is allocated to reportable Gas segment, and
- All liabilities are allocated to reportable segments and Corporate.

12.4. Other information by segment

	Property, plant and equipment Year / period ended		Accumulated depreciation Year / period ended	
	12/31/12	09/30/13 (Unaudited)	12/31/12	09/30/13 (Unaudited)
Gas	$ 1,813,044	$ 2,069,970	$ (243,429)	$ (276,023)
Power	442,518	473,986	(135,421)	(147,044)
Corporate	11,066	14,240	(3,039)	(3,639)
	$ 2,266,628	$2,558,196	$ (381,889)	$ (426,706)

12.5. Revenue by type of product or services

The following is an analysis of the Company's revenue from its major type of product or services:

	(Unaudited) For the nine-month period ended		(Unaudited) For the three-month period ended	
	09/30/12	09/30/13	09/30/12	09/30/13
Power generation	$ 101,737	$ 134,976	$ 46,666	$ 58,939
Sale of natural gas	105,753	132,569	29,857	47,506
Storage and regasification capacity	70,529	70,152	23,646	23,634
Natural gas distribution	57,467	73,789	17,035	21,997
Transportation of natural gas	39,184	33,189	13,078	7,017
Other operating revenues	80,154	76,479	43,167	29,810
	$ 454,824	$ 521,154	$ 173,449	$ 188,903

12.5.1. Other operating revenues

On November 2009, Sempra LNG Marketing México, S. de R. L. de C. V. ("Sempra LNG Marketing México") entered into an agreement with Sempra LNG International, LLC ("SLNGI"), a related party, whereby LNG International agreed to deliver and sell LNG cargoes to Sempra LNG Marketing México from the time of the commencing at the startup date of the LNG Terminal. Accordingly, Sempra LNG Marketing México entered into transportation and storage capacity service agreements to commercialize the LNG.

On January 1, 2013, SLNGI and Sempra LNG Marketing Mexico entered into a new LNG sale and purchase, transportation and supply agreement expiring on August 20, 2029. The minimum annual quantity committed for delivery is 188 million British Thermal Units (“MMBtus”). Under the terms of the agreement, SLNGI will be responsible for the transportation to the receiving terminal of all quantities of LNG sold and delivered at the delivery point and, in the other hand; Sempra LNG Marketing Mexico will take LNG in order to meet its sale commitments.

Due to a lack of LNG cargoes, Sempra LNG Marketing México received payments from LNG International related to the losses and obligations incurred for the nine-month period ended September 30, 2012 and 2013 for $77,930 and $67,854 (unaudited), respectively, and for the three-month period ended September 30, 2012 and 2013 for $42,407 and $22,905 (unaudited), respectively which are presented within the revenues line item in the accompanying condensed interim consolidated statements of profit and loss.

13. Earnings per share

	(Unaudited) Cents per share for the nine-month period ended		(Unaudited) Cents per share for the three-month period ended	
	09/30/12	**09/30/13**	**09/30/12**	**09/30/13**
Basic and diluted earnings per share	$ 0.16	$ 0.12	$ 0.07	$ 0.05

13.1. Basic and diluted earnings per share

The earnings and weighted average number of ordinary shares used in the calculation of basic and diluted earnings per share are as follows:

	(Unaudited) Cents per share for the nine-month period ended		(Unaudited) Cents per share for the three-month period ended	
	09/30/12	**09/30/13**	**09/30/12**	**09/30/13**
Earnings used in the calculation of basic and diluted earnings per share	$ 147,541	$ 137,067	$ 61,876	$ 57,008
	(Un audited) For the nine month period ended		**(Unaudited) For the three month period ended**	
	09/30/12	**09/30/13**	**09/30/12**	**09/30/13**
Weighted average number of shares for the purposes of basic and diluted earnings per share for	935,913,312	1,113,729,470	935,913,312	1,154,023,813

Due to Company exchanged its social parts for shares (see Note 10) during the nine and three-month period ended September 30, 2013, the basic and diluted earnings per share were calculated retrospectively to September 30, 2012, considering the same number of exchanged shares.

The Company does not have potentially dilutive shares.

14. Commitments

The main commitments of the Company were the same disclosed in consolidated financial statements for the year ended December 31, 2012.

New commitments acquired by the Company from January 1 to September 30, 2013 were as follows:

a. On January 2013, PEMEX announced the first phase of the project known as “The Ramones”, which consists of a natural gas distribution system of approximately 1,000 km, which will pass through four Mexican entities: Tamaulipas, Aguascalientes, Queretaro and Guanajuato, bordering with the United States, and reaching the Ramones in Nuevo Leon, México, and that will be developed by GdC. The pipeline network will incorporate tubes with diameters of 48, 42 and 24 inches and will feature five compression stations. The 17% demand for gas in the Centre - West of México will be satisfied with this infrastructure.

b. On January 1, 2013, the Company entered into an Information Technology Services Agreement with Sempra U. S. Gas & Power, LLC (“Sempra U.S. Gas & Power, a related party). Pursuant to this agreement, Sempra U.S. Gas & Power will provide certain software and information technology services, including software, support and security services. The Company expects to pay approximately $6,843 per year to Sempra U. S. Gas & Power pursuant to this agreement. This agreement has an initial term of five years.

c. On February 28, 2013, the Company entered into a Management, Technical and Advisory Services Agreement with Sempra International, LLC (“Sempra International”, a related party); pursuant to which Sempra International (directly or through affiliates) will provide with certain support services. The Company expects to pay approximately US$8 million per year for these services. The contract has indefinite term.

d. The Company entered into sale of natural gas contract with EDF Trading North America LLC from February 1, 2013 to January 31, 2014 for 12,000 MMBtus daily.

e. *Gasoducto Noroeste (“Sonora project”)*. According to the turnkey contract with GSP for the construction of the Sonora project, GSP is committed to complete the construction works according to the technical specifications indicated in the tender and the natural gas transportation service contracts between GAP and CFE, complying with the Company’s schedule and construction plan; with proven and fully operating facilities. The project construction materials will be supplied by GAP; also, GAP will be responsible for obtaining the rights of ways required for the construction and operation of the gas pipeline network.

   The construction of the project will include two segments; the first will have a length of approximately 505 kilometers, diameter of 36 inches a transportation capacity of 770 million of cubic feet per day (“Mmcfd”); and the second, will have a length of approximately 330 kilometers, diameter of 30 inches and a transportation capacity of 510 Mmcfd. The construction of the first segment will start on the date of signature of the contract and will conclude on September 30, 2014; the second segment is estimated to begin on September 30, 2013 and will conclude on February 15, 2015.

   The contract price for the construction of the first segment will be $156.5 million until termination, with the option to extend to the second segment.

f. On May 29, 2013, the Company entered into a Market Maker Services Agreement, with Casa de Bolsa Credit Suisse (México), S. A. de C. V., regarding the shares of the Company for increasing their liquidity and promoting their stability and continuity. The contract’s term is 6 months, with a monthly payment of $70,000 Pesos.

g. *Energía Sierra Juárez.* According to Wind Turbine Supply and Warranty Agreement, for developing the first phase of the Energía Sierra Juárez, project, the contracting parties agreed: (i) ESJ, ESJ Turbinas and ESJ Turbinas II will acquire from Vestas, jointly, 47 wind turbines, as well as the option to acquire 5 more turbines, (ii) IEnova will act as the guarantor of the obligations of ESJ Turbinas and ESJ Turbines II under the supply contract, and (iii) Vestas will provide maintenance services to wind turbines to ESJ.

   The supply contract price is $159 million.

h. On July 10,2013, regarding the development of first phase of the Energía Sierra Juárez project, ESJ, ESJ Turbinas, ESJ Turbinas II y Anemo Energy, S. de R. L. de C. V. ("Anemo Energy") entering into a Engineering, Procurement and Construction Agreement. Under the terms of the agreement, Anemo Energy will provide technical assistance, engineering services, construction management for the completion of a wind-powered electric generating facility with a maximum capacity from 156 to 174 MW approximately.

   The contract price is $73.7 millions.

i. On July 19, 2013, GdC entered into a contract with PGPB for providing natural gas transportation service, for 25 years regarding all of the transport capacity of the pipeline network known as "Los Ramones I".

15. Contingencies

Major contingencies, regarding Company's legal, administrative or arbitration procedures were the same disclosed consolidated financial statements for the year ended December 31, 2012, however for the period at September 30, 2013, the Company has the following changes:

a. The companies Sásabe Pipelines, S. de R. L. de C. V. and Guaymas Pipelines, S. de R. L. de C. V., respectively, withdrew their *"amparo*" demands promoted against the tender procedures convened by the CFE in 2012, which purpose was the construction and operation of four pipeline networks in the Mexico's northwest known as North-Northwest projects and, particularly, against the authorizations regarding the Sásabe -Guaymas and Guaymas - El Oro segments awarded to GAP. Therefore, the competent courts resolved to dismiss both demands and, accordingly, failed in favor of GAP ceasing the controversy of these companies.

b. Regarding the lawsuit against Termoeléctrica de Mexicali, S. de R. L. de C. V. ("TDM"), the Company appealed the ruling and in June,2013, the appellate court found the plaintiffs (José Andrés Hernández Raygoza and Camilo Wence Oseguera) did not have standing to challenge TDM's title and revoked the ruling. TDM's title therefore remains in full force and effect.

c. On June 2013, Energía Costa Azul, S. de R. L. de C. V. ("ECA") was notified that a demand was initiated in a Civil Court of Ensenada, Baja California, by María del Refugio Sánchez widow of Chavez, (the "plaintiff"). The plaintiff claimed that the price she received in 2008 from the sale of a plot in which a portion of the LNG terminal is located was unfairly low. The demand pretends to cancel the executed purchase contract between the plaintiff and ECA. The Company's management considers that the claims of the plaintiff are unfounded.

16. Application of new and revised IFRSs

16.1. New and revised IFRSs in issue but not yet effective

The Company has not applied the following new and revised IFRSs that have been issued but are not yet effective, applicable to Company's businesses:

IFRS 9	*Financial instruments*[2]
Amendments to IFRS 9 and IFRS 7	*Mandatory effective date of IFRS 9 and transition disclosures*[2]
Amendments to IAS 32	*Offsetting financial assets and financial liabilities*[1]
IFRIC 21	*Levies*[1]

1 Effective for annual periods beginning on or after January 1, 2014.
2 Effective for annual periods beginning on or after January 1, 2015.

IFRS 9, *Financial instruments* - IFRS 9, issued in November 2009, introduced new requirements for the classification and measurement of financial assets. IFRS 9 was amended in October 2010 to include requirements for the classification and measurement of financial liabilities and for derecognition.
The key requirements of IFRS 9 are:

- All financial assets that are within the scope of IAS 39 to be subsequently measured at amortized cost or fair value. Specifically, debt instruments that are held within a business model whose objective is to collect the contractual cash flows, and that have contractual cash flows that are solely payments of principal and interest on the principal outstanding are generally measured at amortized cost at the end of the subsequent accounting periods. All other debt investments and equity investments are measured at their fair value at the end of the subsequent accounting periods. In addition, under IFRS 9, entities may make and irrevocable election to present subsequent changes in the fair value of an equity investment (that is not held for trading) in other comprehensive income, with only dividend income generally recognized in profit or loss.

- Regarding the measurement of financial liabilities designated as at fair value through profit or loss, IFRS 9 requires that the amount of change in the fair value of the financial liability, that is attributable to changes in the credit risk of that liability, is presented in other comprehensive income, unless the recognition of the effects of changes in the liability's credit risk in other comprehensive income would create or enlarge an accounting mismatch in profit or loss. Changes in fair value attributable to a financial liability's credit risk are not subsequently reclassified to profit or loss. Previously, under IAS 39, the entire amount of the change in the fair value of the financial liability designated as fair value through profit or loss was presented in profit or loss.

The Company's management is in process of determining the potential effects of this IFRS in its consolidated financial statements for the annual periods ending December 31, 2013.

IFRIC 21, Levies – IFRIC 21 provides guidance on when to recognize a liability for a levy imposed by a government, both for levies that are accounted for in accordance with *IAS 37 Provisions, Contingent Liabilities and Contingent Assets* and those where the timing and amount of the levy is certain.

The interpretation covers the accounting for outflows imposed on entities by governments (including government agencies and similar bodies) in accordance with laws and/or regulations. However, it does not include income taxes, fines and other penalties included in *IAS 12 Income Taxes*, liabilities arising from emissions trading schemes and outflows within the scope of other Standards.

The Interpretation does not supersede *IFRIC 6 Liabilities arising from Participating in a Specific Market — Waste Electrical and Electronic Equipment*, which remains in force and is consistent with IFRIC 21.

17. Events after the reporting period

In preparing these condensed interim consolidated financial statements, the Company's management has assessed the events and transactions for its recognition or subsequent disclosure from September 30, 2013 to October 22, 2013 (approval and issuance date of these financial statements), and concluded that there are no significant subsequent events that affect, except for the following:

a. On September 8, 2013, the President of México announced a Tax Reform initiative. On October 10, the Finance and Public Credit Commission of the House of Representatives approved the opinion that reforms various Mexican laws.

   According to that opinion, the main changes, among others, are to keep the income tax rate to 30%, to eliminate the income tax consolidation regime, to create an income tax (withholding) on the distributed dividends to individuals and resident overseas, and increase the value-added tax rate in the border region.

   As of October 22, 2013, the Tax Reform initiative has not yet been approved by the Senate. The Company's management believes that eventually the approved version of this Reform may have impact on its financial statements; however, these cannot be quantified as of the issuance date of these financial statements due to the modifications to the current regulations have been not approved.

b. Pursuant to a resolution of the general ordinary stockholders' meeting on October 7, 2013, payment of dividends in cash was approved, from the CUFIN, for $117 million on October 16, 2013.

18. Approval of financial statements

The interim condensed consolidated financial statements were approved by Arturo Infanzón Favela, Executive Operations and Finance Vice-President and authorized for issue on October 22, 2013.

19. Registered offices

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