Earnings Report
First-Quarter 2015

Mexico City, April 22, 2015. **Infraestructura Energética Nova, S.A.B. de C.V. (BMV: IENOVA)** is reporting unaudited first-quarter 2015 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 gas transportation and storage, LNG, 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, First-Quarter 2015 compared to First-Quarter 2014:

- Profit for the first-quarter 2015 was $46.2 million, compared with $46.7 million in the first-quarter of 2014 mainly due to lower results at the Power segment, partially offset by higher earnings at the Gas segment due to the start of operations of the Sásabe-Puerto Libertad segment of the Sonora pipeline and higher share of profits of joint ventures due to the start of operations of the Los Ramones I pipeline.
- Revenues for the quarter ended March 31, 2015 were $163.9 million, compared with $201.3 million in the same period of 2014 mainly due to lower prices at the Power and Gas segments and lower volume at the Power segment.
- Cost of revenues for the quarter ended March 31, 2015 was $70.8 million compared with $109.3 million in the same period in 2014 due to lower natural gas prices at the Power and Gas segments.
- On February 19, 2015, IEnova and Sempra LNG signed a Memorandum of Understanding with an affiliate of Petróleos Mexicanos (PEMEX) for the cooperation and coordination in developing a natural gas liquefaction project at the site of the Energía Costa Azul receipt terminal in Ensenada, Baja California, Mexico.

The following tables set forth our results as of and for the three months ended March 31, 2015 and 2014.

i) Results of Operations

Condensed Consolidated Statements of Profit

(thousands of US$)	Three months ended March 31, 2015	Three months ended March 31, 2014
	(unaudited)	
Revenues	$ 163,945	$ 201,349
Cost of revenues	(70,789)	(109,321)
Operating, administrative and other expenses	(24,005)	(23,140)
Depreciation and amortization expenses	(16,178)	(14,978)
Net financing income	25	1,596
Other losses	(4,163)	(1,851)
Profit before income tax and share of profits of joint ventures	**48,835**	**53,655**
Income tax expense	(14,337)	(13,094)
Share of profits of joint ventures, net of income tax	11,717	6,161
Profit for the period	**$ 46,215**	**$ 46,722**

Segment Information

Segment information is presented after eliminating inter-company transactions.

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

	Three months ended March 31,	
(thousands of US$)	2015	2014
	(unaudited)	
Gas Segment	$ 63,926	$ 60,826
Power Segment	(2,034)	1,959
Corporate	(13,057)	(9,130)
	$ 48,835	**$ 53,655**

Gas Segment

Gas segment profit before income tax and share of profits of joint venture was $63.9 million for the first-quarter 2015, compared with $60.8 million in the same period of 2014. The increase by $3.1 million is primarily due to:

- $13.0 million due to the start of operations of the Sásabe-Puerto Libertad segment of the Sonora pipeline, partially offset by:
- $9.9 million in lower natural gas sales.

Power Segment

Power segment loss before income tax and share of profits of joint venture was $2.0 million in the first-quarter 2015, compared with a profit of $2.0 million in the same period of 2014 mainly due to lower electricity prices and lower volume sold.

Corporate

Corporate loss before income tax was $13.1 million in the first quarter 2015, compared with $9.1 million in the same period of 2014 mainly due to higher corporate allocations.

Revenues

(thousands of US$)	Three months ended March 31, 2015		Three months ended March 31, 2014	
	(unaudited)			
Gas Segment	$	133,074	$	145,071
Power Segment		30,461		55,828
Corporate		410		450
	$	**163,945**	**$**	**201,349**

Gas Segment

Gas segment revenues were $133.1 million during the first-quarter 2015, compared to $145.1 million in the same period of 2014. The decrease by $12.0 million is primarily due to:

- $27.9 million lower revenues due to a reduction in natural gas prices ($3.30 per MMBtu[1] during the first-quarter 2015 compared with $5.23 per MMBtu in the same period of 2014), partially offset by:
- $13.0 million due to the start of operations of the Sásabe-Puerto Libertad segment of the Sonora pipeline.

Power Segment

Power segment revenues were $30.5 million during the first-quarter 2015, compared with $55.8 million during the same period of 2014.

Power segment revenues decreased by $25.3 million, primarily due to a decrease in the electricity prices ($32.78 per MWh[2] during the first-quarter 2015 compared with $52.03 per MWh in the same period of 2014) and a decrease of 17% in the volume sold.

[1] MMBtu: Million British thermal units (of natural gas)
[2] MWh: Megawatt Hour

Cost of Revenues

(thousands of US$)	Three months ended March 31, 2015		Three months ended March 31, 2014	
	(unaudited)			
Gas Segment	$	45,184	$	63,221
Power Segment		25,605		46,100
	$	**70,789**	**$**	**109,321**

Gas Segment

Gas segment cost of revenues was $45.2 million for the first-quarter 2015, compared with $63.2 million for the same period of 2014.

The cost of revenues decreased by $18.0 million, primarily due to a decrease in natural gas prices ($2.58 per MMBtu during the first-quarter 2015 compared to $4.00 per MMBtu in the same period of 2014).

Power Segment

Power segment cost of revenues was $25.6 million for the first-quarter 2015 compared with $46.1 million for the same period of 2014.

The cost of revenues decreased by $20.5 million, primarily due to a decrease in natural gas prices ($2.79 per MMBtu during the first-quarter 2015 compared with $4.95 per MMBtu in the same period of 2014).

Operating, Administrative and Other Expenses

Operating, administrative and other expenses were $24.0 million for the first-quarter 2015, consistent with $23.1 million for the same period of 2014.

Net Financing Income

Net financing income for the first-quarter 2015 decreased by $1.6 million due to lower capitalization of interest at the Sonora pipeline and higher interest expense due to higher short-term debt balance.

Other Losses

Other losses of $4.2 million during the first-quarter 2015 compared with $1.9 million in the same period of 2014. The increase by $2.3 million is due to:

- $1.0 million higher mark-to-market losses on the valuation of RBS interest rate swap[3]; and
- $1.0 million higher foreign exchange losses on peso-denominated balances related to the average Mexican peso – U.S. dollar exchange rate of MXP$14.94 during the first-quarter of 2015 compared to MXP$13.08 during the same period of 2014.

Income Tax Expense

Income tax expense increased by $1.2 million to $14.3 million in first-quarter 2015, mainly due to the effect on 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, partially offset by the effects of the exchange rate on monetary assets and liabilities.

Share of Profits of Joint Ventures, Net of Income Tax

Our share of joint venture profits was $11.7 million in the first-quarter 2015 compared to $6.1 million in the same period of 2014. The increase by $5.6 million is primarily due to:

- $11.1 million in profits related to the start of operations at the Los Ramones I pipeline, partially offset by
- $4.7 million in higher income tax expense.

[3] In 2005, the Company entered into derivative transactions to hedge future interest payments associated with forecasted borrowings of $450 million from third parties for the construction of LNG Terminal, which were designated as cash flow hedges. In 2007, the original hedged items became probable of not occurring due to a change in the Company's external borrowing needs. Accordingly, the company recognizes the change in fair value and the settlement of the interest rate swap in "other gains and losses" within the consolidated statements of profit and loss.

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 consolidated profit after adding back or subtracting, as the case may be: (1) depreciation and amortization expenses, (2) net financing income (costs), (3) income tax (expense) benefit, (4) other (losses)/gains (which include net foreign exchange gains/(losses), net (losses)/gains on financial liabilities classified as held for trading associated with changes in the fair value from our interest rate swap and inflation effects on value added tax refunds receivable) and (5) share of profits of joint ventures, net of income tax.

We define the JV EBITDA adjustment as our 50-percent share of the profit of joint ventures with Pemex and InterGen, after adding back or subtracting, as the case may be our 50-percent share of: (1) depreciation and amortization expenses, (2) net financing income (costs), (3) income tax (expense) benefit of our investment in joint venture, (4) other (losses) gains and (5) the share of profit on joint ventures net of income tax. Our investments in the joint ventures are accounted for under the equity method.

	Three months ended March 31,	
(thousands of US$)	2015	2014
	(unaudited)	
Gas Segment	$ 69,557	$ 63,487
Power Segment	1,581	4,951
Corporate	(1,987)	450
EBITDA	**69,151**	**68,888**
JV EBITDA adjustment (50-percent)	23,540	12,797
Adjusted EBITDA	**$ 92,691**	**$ 81,685**

ii) Financial Position, Liquidity and Capital Resources

Condensed Consolidated Statements of Financial Position

(thousands of US$)	March 31, 2015	December 31, 2014
	(unaudited)	(audited)
Assets		
Current assets		
Cash and cash equivalents	$ 44,372	$ 83,637
Short-term investments	30,039	30,020
Other current assets[(1)]	198,694	211,962
Total current assets	**273,105**	**325,619**
Non-current assets		
Investment in joint ventures	403,553	401,538
Property, plant and equipment – net	2,411,369	2,377,739
Other non-current assets[(2)]	285,655	275,322
Total non-current assets	**3,100,577**	**3,054,599**
Total assets	**$ 3,373,682**	**$ 3,380,218**
Equity and liabilities		
Short-term debt	$ 74,136	$ 195,089
Other current liabilities[(3)]	247,267	172,461
Total current liabilities	**321,403**	**367,550**
Non-current liabilities		
Long-term debt	340,583	350,638
Due to related parties	38,820	38,460
Other non-current liabilities[(4)]	400,160	374,282
Total non-current liabilities	**779,563**	**763,380**
Total liabilities	**1,100,966**	**1,130,930**
Common stock	762,949	762,949
Additional paid-in capital	973,953	973,953
Retained earnings	622,932	576,717
Accumulated other comprehensive Income	(87,118)	(64,331)
Total equity	**2,272,716**	**2,249,288**
Total equity and liabilities	**$ 3,373,682**	**$ 3,380,218**

(1) Other current assets include trade and other receivables – net, current amounts due from related parties, income tax receivable, value added tax and other recoverable taxes, inventory of natural gas, derivative financial instruments, carbon allowances, and other, less significant current assets.

(2) Other non-current assets include deferred income tax assets, carbon allowances, amounts due from related parties, goodwill, finance lease receivables, and other, less significant non-current assets.

(3) Other current liabilities include amounts due to related parties, trade and other payables, tax liabilities, carbon allowance obligation, other current liabilities (wages and benefits payable), derivative financial instruments, provisions and other, less significant current liabilities.

(4) Other non-current liabilities include deferred income tax, derivative financial instruments, carbon allowances, non-current provisions, and post-employment and other long-term employee benefits.

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 the capital markets.

Sources and Uses of Cash

	Three months ended March 31,	
(thousands of US$)	2015	2014
	(unaudited)	
Cash at period beginning	**$ 83,637**	**$ 103,880**
Net cash provided by operating activities	35,239	15,551
Net cash used in investing activities	(55,919)	(58,874)
Net cash used in financing activities	(14,017)	(7,017)
Effects of exchange rate changes on the balance of cash held in foreign currencies	(4,568)	2,708
Cash at period end	**$ 44,372**	**$ 56,248**

Operating Activities

Net cash provided by operating activities for first-quarter 2015 was $35.2 million, compared to $15.6 million in the same period of 2014 due primarily to changes in working capital, offset by income taxes paid.

Investing Activities

Net cash used in investing activities for first-quarter 2015 was $55.9 million in capital expenditures, mainly for our Sonora pipeline.

Net cash used in investing activities for first-quarter 2014 was $58.9 million due to $75.3 million of capital expenditures in our Sonora pipeline and Energía Sierra Juárez wind generation project, partially funded with a short-term investments reduction of $16.4 million.

Financing Activities

Net cash used in financing activities for the first-quarter 2015 was $14.0 million mainly due to $121.1 million in repayment of loans and $12.9 million of interest paid, partially offset by $120.0 million in proceeds from loans from related parties.

Net cash used in financing activities for the first-quarter 2014 was $7.0 million, primarily due to interest paid.

iii) Internal Controls

Our management is responsible for maintaining a system of internal control over financial reporting. This system gives our shareholders a 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.