

Second Quarter 2013 Financial Results

July 29, 2013

Information regarding forward-looking statements



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Outline

- Q2-2013 financial results
- Status of projects under development and construction
- Capital expenditure plan
- Adjusted EBITDA guidance and dividends

Second quarter 2013 results

	Three months ended June 30,	
	2013	2012
<i>(Unaudited; net profit in millions of dollars, share count in millions, EPS in dollars)</i>		
Profit for the period	\$ 19.4	\$ 16.9
Shares outstanding	1,154	na
EPS	\$ 0.02	na

- Profit for the three months ended June 30, 2013 was \$19.4 million, compared to \$16.9 million in the same period of 2012 due to:
 - An increase in the profits from our share of the joint venture with PEMEX
 - A mark-to-market gain on the 2005 interest rate swap
 - Partially offset by higher income taxes, the effect of scheduled plant maintenance in 2013 at the Termoeléctrica de Mexicali (“TDM”) facility and higher administrative and other expenses primarily related to public company costs and business expansion operations

Gas segment pre-tax profit

<i>(Unaudited; dollars in millions)</i>	Three months ended	
	June 30,	
	<u>2013</u>	<u>2012</u>
Gas segment profit before income tax and share of profits of the joint venture	\$ 53.9	\$ 59.0

- Gas segment recorded a profit before income taxes and share of profits of joint venture for the quarter of \$53.9 million, compared to \$59.0 million during the same quarter of 2012 mainly due to a change in an affiliate agreement related to our LNG business

Power segment pre-tax profit

<i>(Unaudited; dollars in millions)</i>	Three months ended	
	June 30,	
	<u>2013</u>	<u>2012</u>
Power segment profit before income tax	\$ (9.2)	\$ (6.1)

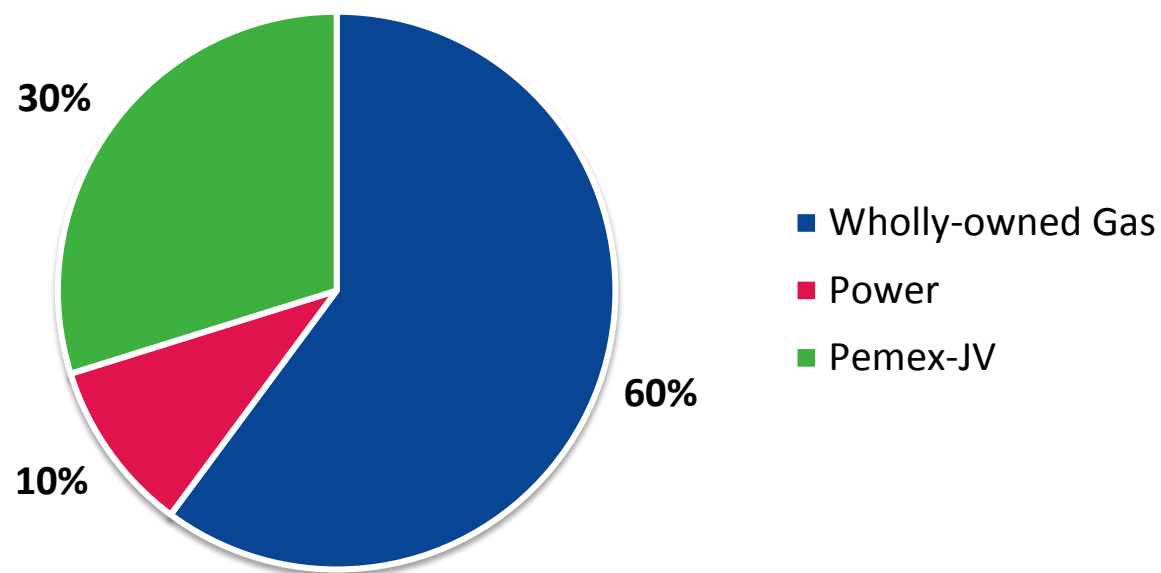
- Power segment recorded a loss before income taxes for the quarter of \$9.2 million, compared to a loss of \$6.1 million during the same quarter of 2012 principally due to a 26 day scheduled maintenance outage at TDM plant in April
- Due to the seasonality of revenues at TDM, we anticipate improved results at our Power segment for the rest of the year

Project Updates

Project	CapEx (estimated; dollars in millions)	Target COD	Contract Term	Milestone
Wholly-owned projects				
Sonora pipeline	\$1,000	Q4 2014 (segment 1) Q3 2016 (segment 2)	25 years	<ul style="list-style-type: none"> • Construction contract signed • 100% steel purchased
Energía Sierra Juárez (ESJ)	\$300	Q1 2015	20 years	<ul style="list-style-type: none"> • Turbine supply agreement and construction contract signed
Pemex-JV projects				
Los Ramones I pipeline	\$450-550	Q4 2014	25 years	<ul style="list-style-type: none"> • Transportation services agreement signed
Ethane pipeline	\$330	Q3 2014	21 years	<ul style="list-style-type: none"> • Construction contract signed • 100% steel purchased
Guadalajara LPG	\$65	Q3 2013	15 years	<ul style="list-style-type: none"> • Initiating operations in August

CapEx Spending

Approximately \$1.5 billion 2013-15 IEnova capital expenditure plan, including proportional share of the joint venture with PEMEX



Guidance and dividends

<i>(dollars in millions)</i>	2013		
	Low	-	High
EBITDA			
IEnova EBITDA (wholly-owned assets)	\$248	-	\$264
Adjustment for proportional share of PEMEX-JV EBITDA (50%)	52	-	56
IEnova Adjusted EBITDA	\$300	-	\$320

Dividends

- In July, the board of directors approved a proposal to be submitted to shareholders recommending an additional dividend in 2013 in an amount up to \$117 million
- The declaration of the dividend and the terms of payment shall be subject to shareholder approval

Summary

- On-track to meet financial goals
- Guadalajara LPG terminal nearing completion
- Projects proceeding on-schedule and at or below budget
 - Sonora
 - Energía Sierra Juárez
 - Ethane
 - Los Ramones I
- IEnova is eligible for inclusion in the benchmark equity index of the Mexican stock exchange (“Indice de Precios y Cotizaciones”, or “IPC”)

Appendix

Foreign exchange effects on income tax

Tax Impacts of Foreign Exchange and Inflation under IFRS

	Monetary		Fixed Assets
	Assets	Liabilities	
Peso Devaluation	<TAX EXPENSE>	<TAX BENEFIT>	<TAX EXPENSE>
Peso Appreciation	<TAX BENEFIT>	<TAX EXPENSE>	<TAX BENEFIT>
Mexico Inflation	<TAX BENEFIT>	<TAX EXPENSE>	<TAX BENEFIT>

