

# First Quarter 2014 Financial Results

April 25, 2014

# Information regarding forward-looking statements

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# Outline

- First-quarter 2014 financial results
- Status of projects under development and construction
- Los Ramones North pipeline and Energía Sierra Juárez wind generation project updates

# First-quarter 2014 results

	Three months ended	
	March 31,	
<i>(Unaudited; net profit in millions of dollars, share count in millions, EPS in dollars)</i>	2014	2013
Adjusted EBITDA	\$ 82	\$ 79
Profit for the period	\$ 47	\$ 61
Shares outstanding	1,154	1,154
Earnings per share (EPS)	\$ 0.04	\$ 0.05

- Adjusted EBITDA for the first-quarter 2014 was \$83 million, up from \$79 million in the same period of 2013, mainly due to higher natural gas and electricity prices
- Profit for the first-quarter 2014 was \$47 million, compared to \$61 million in the first-quarter 2013; the decrease was mainly due to:
  - Higher income tax expense versus a benefit in the same period of 2013
  - Partially offset by higher profit from natural gas sales and from increased electricity prices

## Gas segment pre-tax profit

<i>(Unaudited; dollars in millions)</i>	Three months ended	
	March 31,	
	<u>2014</u>	<u>2013</u>
Gas segment profit before income tax and share of profits of the joint venture	\$ 61	\$ 54

- Gas segment profit before tax and share of profits of joint venture increased to \$61million for the first-quarter 2014, compared to \$54 million in the same period of 2013
- The increase was primarily associated with higher profit from sales of natural gas and the capitalization of interest related to the Sonora pipeline project

## Power segment pre-tax profit

<i>(Unaudited; dollars in millions)</i>	Three months ended	
	March 31,	
	<u>2014</u>	<u>2013</u>
Power segment profit before income tax	\$ 2.0	\$ (0.3)

- Power segment profit before income tax was \$2 million in the first-quarter 2014, compared to a loss before income tax of \$0.3 million in the first-quarter 2013
- The increase was mainly due to higher electricity prices

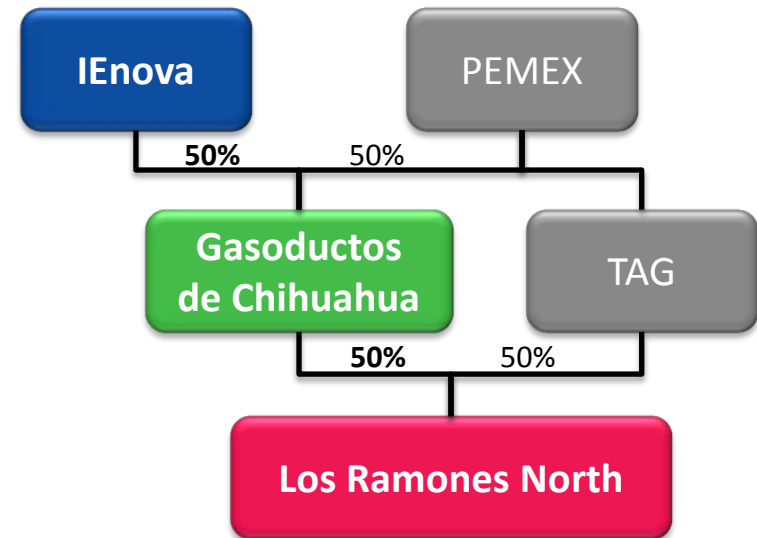
# Project Updates

Project	CapEx (USD, millions)	Target COD <sup>1</sup>	Contract Term	Update
<b>Wholly-owned projects</b>				
Sonora pipeline	\$1,000	Q4 2014	25 years	<ul style="list-style-type: none"> <li>• Construction proceeding on schedule</li> <li>• Nearly 100% of the rights-of-way have been acquired for the first segment</li> </ul>
		Q3 2016	25 years	
Energía Sierra Juárez (ESJ) wind generation	\$300	Q1 2015	20 years	<ul style="list-style-type: none"> <li>• Construction proceeding on schedule</li> <li>• Executed partnership agreement with InterGen</li> <li>• IEnova interest will be 50% following the close of the transaction</li> </ul>
<b>Joint venture projects</b>				
Los Ramones I pipeline	\$500	Q4 2014	25 years	<ul style="list-style-type: none"> <li>• 50% indirect IEnova interest</li> <li>• Construction proceeding on schedule</li> <li>• 100% of the rights-of-way have been acquired</li> </ul>
Los Ramones North pipeline	\$1,000	Q4 2015	25 years	<ul style="list-style-type: none"> <li>• 25% indirect IEnova interest</li> <li>• Commercial and partnership agreements complete</li> </ul>
Ethane pipeline	\$330	Q1 2015	21 years	<ul style="list-style-type: none"> <li>• 50% indirect IEnova interest</li> <li>• Construction proceeding on schedule</li> </ul>

# Recent developments

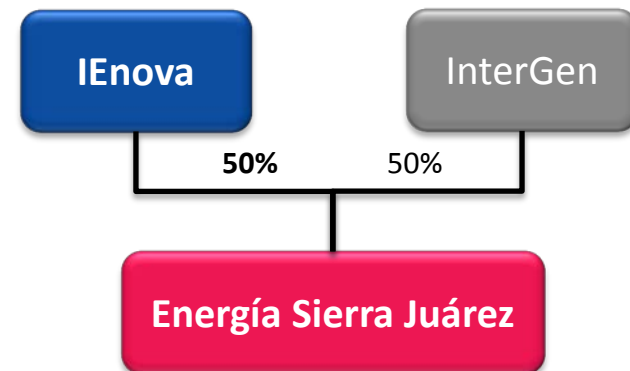
## Los Ramones North

- 1.4 Bcf/d capacity, 440 km length
- 50/50 joint venture between Gasoductos de Chihuahua and TAG Pipelines; IEnova indirect interest is 25%
- 25-year, take-or-pay contract with PEMEX for 100% of the capacity
- Commercial operations date fourth-quarter 2015
- Tariff to be set using current regulated rate of return for gas transportation assets



## Energía Sierra Juárez (first phase)

- 155 MW wind energy generation project
- 47 3.3 MW Vestas turbines
- 50/50 joint venture between IEnova and InterGen
- 20-year power purchase agreement with a California electric utility for 100% of the electricity production
- Commercial operations date first-quarter 2015
- Expect to record an earnings impact of approximately \$14 million at financial closing





# Summary

- Continued strength in operations; financial results in-line
- Significant progress in construction activities
- Execution of key agreements for Los Ramones North and Energía Sierra Juárez
- New CFE and PEMEX pipeline bids

