Infraestructura Energética Nova,
S. A. B. de C. V. and Subsidiaries
Condensed Interim Consolidated
Financial Statements for the three-month
Period ended March 31, 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)

	Notes	December 31, 2012	(Unaudited) March 31, 2013
Assets			
Current assets			
Cash and cash equivalents		$ 85,073	$ 117,971
Short-term investments		-	550,002
Trade and other receivable – Net		78,968	59,414
Due from related parties	3	28,946	23,184
Current income tax receivable		8,840	12,122
Inventory of natural gas		9,273	8,154
Derivative financial instruments		2,827	3,018
Other assets		23,029	48,196
Total current assets		236,956	822,061
Non-current assets			
Due from related parties	3	416	75
Derivative financial instruments		2,330	1,576
Finance lease receivables		14,756	14,744
Deferred income tax asset		2,375	18,359
Investment in joint venture	4	331,599	339,862
Goodwill		25,654	25,654
Property, plant and equipment – Net		1,884,739	1,970,486
Other assets		1,893	4,130
Total non-current assets		2,263,762	2,374,886
Total assets		**$ 2,500,718**	**$ 3,196,947**
Equity and liabilities			
Current liabilities			
Trade and other payables		$ 24,448	$ 57,980
Due to related parties	3	93,455	23,587
Current income tax liabilities		18,170	6,522
Derivative financial instruments		11,434	11,788
Other financial liabilities		1,605	6,060
Provisions		2,788	2,735
Other liabilities		8,307	15,947
Total current liabilities		160,207	124,619
Non-current liabilities			
Long-term debt - Net	5	-	417,618
Due to related parties	3	331,803	38,586
Deferred income tax liabilities		170,169	170,705
Provisions		34,820	35,178
Derivative financial instruments		38,448	51,355
Post-employment and other long-term employee benefits		2,153	2,359
Total non-current liabilities		577,393	715,801
Total liabilities		737,600	840,420
Stockholders' equity			
Common stock	8	618,752	762,949
Additional paid-in capital	8	536,577	973,953
Accumulated other comprehensive income items		(9,604)	1,696
Retained earnings		617,393	617,929
Total equity attributable to owners of the Company		1,763,118	2,356,527
Total equity and liabilities		**$ 2,500,718**	**$ 3,196,947**

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 social part / share amounts)

		(Unaudited) Period ended March 31,	
	Notes	**2012**	**2013**
Revenue	10	$ 146,691	$ 168,027
Cost of natural gas		(55,421)	(84,070)
Administrative and other expenses		(16,068)	(20,234)
Depreciation and amortization expenses		(15,788)	(15,282)
Interest income		226	3,395
Finance costs		(3,311)	(5,760)
Other losses and gains		1,781	177
Profit before income tax and share of profits of joint venture		**58,110**	**46,253**
Income tax (expense) benefit	7	(2,737)	6,144
Share of profits of joint ventures, net of income tax		12,649	8,263
		9,912	**14,407**
Profit for the period	10	**$ 68,022**	**$ 60,660**

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:

	2012	2013
Basic and diluted earnings per share:		
Infraestructura Energética Nova, S. A. B. de C. V.	$ 0.07	$ 0.06

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) Period ended March 31,	
	2012	**2013**
Profit for the period	$ 68,022	$ 60,660
Other comprehensive income (loss)		
Items that may be reclassified subsequently to profit or loss:		
Loss in financial instruments valuation held for hedging purposes	-	(30,177)
Income tax on loss in financial instruments valuation held for hedging purposes	-	9,053
Exchange differences on translating foreign operations	16,603	11,300
Total items that may be reclassified subsequently to profit and loss	16,603	(9,824)
Other comprehensive (loss) income for the period	16,603	(9,824)
Total comprehensive income for the period	**$ 84,625**	**$ 50,836**

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	Foreign currency translation	Actuarial gains (losses)	Retained earnings	Total
Balance at January 1, 2012	**$ 524,842**	**$ 536,577**	**$ (23,626)**	**$ 82**	**$ 657,388**	**$1,695,263**
Profit for the period	-	-	-	-	68,022	68,022
Other comprehensive income for the period	-	-	16,603	-	-	16,603
Total comprehensive income for the period	-	-	16,603	-	68,022	84,625
Payment of dividends (Note 9)					(15,100)	(15,100)
Balance at March 31, 2012	**$ 524,842**	**$ 536,577**	**$ (7,023)**	**$ 82**	**$ 710,310**	**$1,764,788**
Balance at January 1, 2013	**$ 618,752**	**$ 536,577**	**$ (9,976)**	**$ 372**	**$ 617,393**	**$1,763,118**
Profit for the period	-	-	-	-	60,660	60,660
Loss in financial instruments valuation held for hedging purposes	-	-	-	-	(30,177)	(30,177)
Income tax on loss in financial instruments valuation held for hedging purposes	-	-	-	-	9,053	9,053
Other comprehensive income for the period	-	-	11,300	-	-	11,300
Total comprehensive income for the period	-	-	11,300	-	39,536	50,836
Issuance or ordinary shares under Initial purchase offering	144,197	454,615	-	-	-	598,812
Share issue costs	-	(24,627)	-	-	-	(24,627)
Income tax on share issue costs	-	7,388	-	-	-	7,388
Issuance of shares – Net	144,197	437,376	-	-	-	581,573
Payment of dividends (Note 9)	-	-	-	-	(39,000)	(39,000)
Balance at March 31, 2013	**$ 762,949**	**$ 973,953**	**$ 1,324**	**$ 372**	**$ 617,929**	**$2,356,527**

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) Period ended September 30, 2012	2013
Cash flows from operating activities			
Profit for the period		$ 68,022	$ 60,660
Adjustments for:			
Income tax expense		2,737	(6,144)
Share of profits of joint ventures, net of income tax		(12,649)	(8,263)
Finance costs		3,311	5,760
Interest income		(226)	(3,395)
Loss on disposal of property, plant and equipment		2,237	108
Impairment loss recognized on trade receivables		47	8
Depreciation of non-current assets		15,751	15,244
Amortization of non-current assets		37	38
Net foreign exchange gain		1,965	473
Loss (gain) on derivative financial instruments valuation		(5,385)	(3,736)
		75,847	60,753
Movements in working capital:			
Decrease (increase) in trade and other receivables		8,749	25,320
Decrease (increase) in inventories		4,396	1,119
Decrease (increase) in other assets		(2,145)	(27,442)
Increase in trade and other payables		(38,428)	46,985
Increase in provisions		(4,474)	(30,919)
(Decrease) increase in other liabilities		(4,882)	12,095
Cash generated from operations		39,063	87,911
Income taxes paid		(28,966)	(10,696)
Net cash generated by operating activities		10,097	77,215
Cash flows from investing activities:			
Interest received		224	3,393
Payments for property, plant and equipment		(4,628)	(60,637)
Payments for long-term service agreements		-	(1,850)
Short-term investments		-	(550,002)
Net cash used in investing activities		(4,404)	(609,096)
Cash flows from financing activities:			
Interest paid		-	(5,277)
Issuance or ordinary shares under Initial purchase offering		-	598,812
Share issue costs		-	(24,627)
Proceeds from loans from related parties		21,942	12,000
Loans granted to related parties		(23)	-
Repayment of loans to related parties		(90)	(388,320)
Proceeds from debt issuance		-	408,279
Debt issue costs		-	(3,278)
Dividends paid	9	(15,100)	(39,000)
Net cash used in financing activities		6,729	558,589
Net (decrease) increase in cash and cash equivalents		12,422	26,708
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		4,292	6,190
Cash and cash equivalents at the end of the period		**$ 44,078**	**$ 117,971**

See accompanying notes to condensed interim consolidated financial statements.

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 17.

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 10).

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 5 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.

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. 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 in these condensed interim consolidated financial statements for the period ended March 31, 2013 does not have significant effects.

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) Three-month period ended		Purchases of goods and services (Unaudited) Three-month period ended	
	03/31/12	03/31/13	03/31/12	03/31/13
Sempra Generation ("SGEN")	30,231	42,918	635	3,893
Sempra LNG International LLC	26,257	22,317	75,355	56,433
Sempra Global	363	430	258	69
Southern California Gas Company	116	63	573	354
Sempra Pipelines and Storage	20	-	2,154	655
Sempra LNG	6	-	170	585
Sempra Midstream, Inc.	-	-	266	139
Sempra Services Company, S. de R. L. de C. V. ("Sempra Services Company")	-	-	800	-
Sempra Servicios Mexico, S. de R. L. de C. V. ("Sempra Servicios Mexico")	5	2	663	198
Sempra Energy International Services	-	-	-	490
Sempra U. S. Gas & Power, LLC	-	-	-	1,711

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

	Amounts owed by related parties Year / period ended	
	12/31/12	(Unaudited) 03/31/13
SGEN	$ 28,822	$ 23,111
Sempra Global	124	73
	$ 28,946	$ 23,184

	Amounts due from related parties Year / period ended	
	12/31/12	(Unaudited) 03/31/13
Sempra Energy International Holdings, N. V.	$ 83,300	$ -
Sempra LNG International LLC	8,011	22,100
Sempra International, LLC	822	318
Sempra Servicios México	668	59
Sempra Services Company	331	280
Sempra LNG	181	183
Southern California Gas Company	121	77
Sempra Services Company	21	-
Sempra U.S. Gas & Power, LLC	-	570
	$ 93,455	$ 23,587

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 $1,893 and $1,937 for the periods ended March 31, 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	03/31/13
Sempra Servicios México	$ 416	$ 75

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

3.3. Loans from related parties

	Year / period ended	
		(Unaudited)
	12/31/12	03/31/13
Sempra Chile, S. A.	$ 215,000	$ -
Sempra Oil Trading Suisse	91,660	38,586
Sempra Global	25,000	-
SGEN	143	-
	$ 331,803	$ 38,586

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 $949 and $1,993, for the three month periods ended March 31, 2012 and 2013 (unaudited), respectively.

4. Investment in joint venture

In April 30, 2010, the Company acquired a 50% equity ownership with equivalent voting power in Gasoductos de Chihuahua, S. de R. L. de C. V. ("GdC"), a jointly controlled entity with PEMEX Gas y Petroquímica Básica ("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)
	12/31/12	03/31/13
Cash and cash equivalents	$ 74,527	$ 42,408
Investments in securities	151,766	153,046
Other current assets	29,343	41,496
Current assets	255,636	236,950
Property, plant and equipment	349,925	384,276
Other non-current assets	901	852
Non-current assets	350,826	385,128
Total assets	$ 606,462	$ 622,078
Current liabilities	$ 20,684	$ 22,350
Non-current liabilities	52,467	49,891
Total liabilities	73,151	72,241
Total members' equity	$ 533,311	$ 549,837
Share of members' equity	$ 266,656	$ 274,919
Goodwill and indefinite lived intangible assets	64,943	64,943
Carrying amount of investment in joint venture	$ 331,599	$ 339,862

	(Unaudited) Three-month period ended	
	03/31/13	03/31/13
Revenue	$ 32,363	$ 37,781
Cost and expenses	(10,176)	(11,765)
Interest income, net	83	1,049
Income tax expense	3,028	10,540
Profit from continuing operations		
Other comprehensive income	-	-
Total comprehensive income	$ 25,298	$ 16,525
Share of profits of joint venture	$ 12,649	$ 8,263

(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.

(b) On March 1, 2013, GdC entered into a preparatory agreement for the analysis, assessment and negotiation for the conclusion of a transport of natural gas service contract with PGPB regarding the project "Los Ramones". The purpose of the agreement is to commit GdC and PGPB to work jointly for the evaluation, analysis and negotiation in the achievement of such project.

5. Long-term debt - Net

	Year / period ended	
		(Unaudited)
	12/31/12	03/31/13
CEBURES at variable rate(a)	$ -	$ 105,224
CEBURES at fixed rate (b)	-	315,672
		420,896
Less: Issuance of debt costs	-	3,278
	$ -	$ 417,618

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 March 31, 2013 was 4.91%.

(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.

6. Financial instruments

6.1. 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	**03/31/13**	**04/25/13**
One U. S. Dollar	13.0101	12.3546	12.2768

6.2. Fair value of financial instruments

6.2.1. 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) 03/31/13**	
	Carrying amount	**Fair value**	**Carrying amount**	**Fair value**
Financial assets				
Financial lease receivables	$ 14,756	$ 51,936	$ 14,744	$ 66,970
Financial liabilities				
Financial liabilities held at amortized cost:				
- Long-term debt	-	-	417,618	408,279
-Loans from related parties	415,124	316,715	38,586	35,263

6.2.2. 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 of its financial liabilities 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, 2011 and as of March 31, 2013 (unaudited), respectively, using the risk free interest rate adjusted to reflect the Company's own credit risk.

6.2.3. 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	**03/31/13 (Unaudited)**
Financial assets at FVTPL		
Derivative financial assets	$ 5,157	$ 4,594
Financial liabilities at FVTPL		
Derivative financial liabilities	$ 49,882	$ 63,143

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.

7. 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 March 31, 2012 and 2013 (unaudited) can be reconciled to the accounting profit as follows:

	(Unaudited) Three-month period ended 31/03/12	(Unaudited) Three-month period ended 31/03/13
Profit before income tax	$ 58,110	$ 46,253
Income tax expense calculated at 30%	(17,433)	(13,876)
Effects of foreign exchange rate	(8,923)	(2,317)
Effect of unused tax losses not recognized as deferred income tax asset	(3,164)	-
Effects of inflation adjustment	(810)	(469)
Business Flat Tax of the period ("IETU", by its initials in Spanish)	(2,490)	-
Effect of exchange rate and inflation on the tax basis of property, plant and equipment	30,083	22,806
Income tax (expense) benefit recognized in profit or loss	$ (2,737)	$ 6,144

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.

8. Stockholders' equity

	Year / period ended	
	12/31/12	03/31/13 (Unaudited)
Common stock	$ 618,752	$ 762,949
Additional paid-in capital	536,577	973,953
	$ 1,155,329	$ 1,736,902

8.1. Issued equity comprises:

Member's name	Number of social parts	For the year ended December 31, 2011 (Pesos) Fixed social parts	Variable social parts	Total	Total of social parts (Thousands of U. S. Dollars)
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	(Unaudited) For the period ended March 31, 2013 (Pesos) Fixed capital	Variable capital	Total	Total of social parts (Thousands of U. S. Dollars)
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	-
Public investors (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

As of December 31, 2012, IEnova's equity is comprised of two, issued and outstanding, membership interest of $50,000 Pesos as fixed capital and $9,359,083,119 Pesos as variable capital, amounts owned by Sempra Energy Holdings XI, B.V. ("BV11") (99.999999%) and Sempra Energy Holdings IX, B.V. ("BV9") (0.000001%), both subsidiaries of Sempra Energy.

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	Class II	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.

9. Declared dividends

During the three-month period ended March 31, 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	Million of U. S.
March 29, 2012	$ 15.1
March 1, 2013	39.0

9.1. Dividends per share

	(Unaudited) Cents per share for the three-month period ended 03/31/12	03/31/13
IEnova	$ -	$ 0.04

10. Segment information

10.1. 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.

10.2. 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 three-month period ended	
	03/31/12	**03/31/13**
Gas		
Sales to customers	$ 89,693	$ 102,297
Revenue with foreign related parties	26,373	22,380
Intersegment sales	(2,525)	3,678
Power		
Sales to customers related parties	30,231	42,918
Intersegment sales	1,444	1,547
Corporate		
Allocation of professional services with related parties	394	432
Intersegment professional services	792	2,084
	146,402	175,336
Intersegment adjustments and eliminations	289	(7,309)
Total segment revenue	$ 146,691	$ 168,027

	(Unaudited) Segment profit for three-month period ended	
	03/31/12	**03/31/13**
Gas	$ 80,751	$ 69,707
Power	837	2,087
Corporate	(13,566)	(11,134)
Total segment profit	$ 68,022	$ 60,660

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.

10.3. Assets and liabilites by segment

	Year / period ended	
	03/31/12	03/31/13
Assets by segment:		(Unaudited)
Gas	$ 2,101,378	$ 2,220,780
Power	360,494	384,168
Corporate	38,846	591,999
Consolidated total assets	$ 2,500,718	$ 3,196,947
Liabilities by segment:		
Gas	$ 243,904	$ 277,997
Power	59,084	62,510
Corporate	434,612	499,913
Consolidated total liabilities	$ 737,600	$ 840,420

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.

10.4. Other information by segment

	Property, plant and equipment		Accumulated depreciation	
	Year / period ended		Year / period ended	
	12/31/12	03/31/13	12/31/12	03/31/13
		(Unaudited)		(Unaudited)
Gas	$1,813,044	$1,908,197	$ (243,429)	$ (256,670)
Power	442,518	450,520	(135,421)	(139,478)
Corporate	11,066	11,205	(3,039)	(3,288)
	$2,266,628	$2,369,922	$ (381,889)	$ (399,436)

10.5. 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 three-month period ended	
	03/31/12	03/31/13
Power generation	$ 30,231	$ 42,918
Sale of natural gas	28,711	38,479
Storage and regasification capacity	23,494	23,142
Natural gas distribution	24,443	27,305
Transportation of natural gas	13,134	13,062
Other operating revenues	26,678	23,121
	$ 146,691	$ 168,027

10.5.1. 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 three-month period ended March 31, 2012 and 2013 for $26,257 and $22,317 (unaudited), respectively, which are presented within the revenues line item in the accompanying condensed interim consolidated statements of profit and loss.

11. Earnings per share

	(Unaudited) Cents per share for the three-month period ended 03/31/12	(Unaudited) Cents per share for the three-month period ended 03/31/13
Basic and diluted earnings per share	$ 0.07	$ 0.06

11.1. 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) For the three-month period ended 03/31/12	(Unaudited) For the three-month period ended 03/31/13
Earnings used in the calculation of basic and diluted earnings per share	$ 68,022	$ 60,660

	(Unaudited) For the three-month period ended 03/31/12	03/31/13
Weighted average number of shares for the purposes of basic and diluted earnings per share for:	935,913,312	1,026,112,700

Due to Company exchanged its social parts for shares (see Note 8) during the three month period ended March 31, 2013, the basic and diluted earnings per share were calculated retrospectively to March 31, 2012, considering the same number of exchanged shares.

The Company does not have potentially dilutive shares.

12. 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 March 31, 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.

13. 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.

14. Application of new and revised IFRSs

14.1. 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]

[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.

15. 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 March 31, 2013 to April 25, 2013 (approval and issuance date of these financial statements), and concluded that there are no significant subsequent events to report.

16. 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 April 25, 2013.

17. Registered offices

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