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 year and three-month periods ended December 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)

Assets	Notes	(Unaudited) December 31, 2013	December 31, 2012 (Note 2.3.)
Current assets			
Cash and cash equivalents		$ 103,880	$ 85,073
Short-term investments	1.2.3.	207,027	-
Trade and other receivable – Net		64,035	78,968
Due from related parties	3	24,860	28,946
Current income tax receivable		17,853	8,840
Inventory of natural gas		3,836	9,273
Derivative financial instruments		9,188	2,827
Value added tax recoverable		43,914	12,626
Other assets	6	25,457	10,403
Total current assets		500,050	236,956
Non-current assets			
Due from related parties	3	331	416
Derivative financial instruments		-	2,330
Finance lease receivables		14,700	14,756
Deferred income tax asset		51,161	2,375
Investment in joint venture	4	366,288	331,599
Goodwill		25,654	25,654
Property, plant and equipment – Net	5	2,213,837	1,884,739
Emission allowances	6	11,584	-
Other assets		5,159	1,893
Total non-current assets		2,688,714	2,263,762
Total assets		$ 3,188,764	$ 2,500,718

Liabilities and equity	Notes	(Unaudited) December 31, 2013	December 31, 2012 (Note 2.3.)
Current liabilities			
Trade and other payables		$ 49,459	$ 24,448
Due to related parties	3	3,655	93,455
Current income tax liabilities		50,611	18,170
Derivative financial instruments		10,705	11,434
Other financial liabilities		12,853	1,605
Provisions		1,945	2,788
Other payable taxes		7,815	5,790
Other liabilities	6	16,527	2,517
Total current liabilities		153,570	160,207
Non-current liabilities			
Long-term debt – Net	7	394,656	-
Due to related parties	3	38,893	331,803
Deferred income tax liabilities		191,760	170,169
Emission allowances	6	11,151	-
Provisions		26,430	34,820
Derivative financial instruments		53,208	38,448
Post-employment and other long-term employee benefits		2,684	2,153
Total non-current liabilities		718,782	577,393
Total liabilities		872,352	737,600
Stockholders' equity			
Common stock	10	762,949	618,752
Additional paid-in capital	10	973,953	536,577
Accumulated other comprehensive income		(24,273)	(9,604)
Retained earnings		603,783	617,393
Total equity attributable to owners of the Company		2,316,412	1,763,118
Total liabilities and equity		$ 3,188,764	$ 2,500,718

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)

	Notes	Year ended December 31, (Unaudited) 2013	Year ended December 31, 2012	Three-month period ended December 31, (Unaudited) 2013	Three-month period ended December 31, (Unaudited) 2012
Revenue	12	$ 677,836	$ 607,607	$ 156,682	$ 160,058
Cost of revenue		(328,817)	(253,299)	(73,639)	(62,866)
Administrative and other expenses		(99,685)	(76,423)	(30,872)	(25,492)
Depreciation and amortization expenses		(61,164)	(61,349)	(15,758)	(13,609)
Interest income		1,372	1,027	236	303
Finance costs		(5,035)	(11,346)	632	(2,600)
Other gains and (losses)		6,986	(8,845)	2,321	(2,545)
Profit before income tax and share of profits of joint venture		191,493	197,372	39,602	53,249
Income tax expense	9	(83,792)	(40,801)	(39,146)	(11,067)
Share of profits of joint venture, net of income tax	4	34,689	37,444	4,867	4,993
		(49,103)	(3,357)	(34,279)	(6,074)
Profit for the year / period	12	$ 142,390	$ 194,015	$ 5,323	$ 47,175

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.).

	Notes	2013	2012	2013	2012
Earnings per share:					
Basic and diluted earnings per share:	13	$ 0.13	$ 0.21	$ -	$ 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)

	Year ended December 31, (Unaudited) 2013	Year ended December 31, 2012	Three-month period ended December 31, (Unaudited) 2013	Three-month period ended December 31, (Unaudited) 2012
Profit for the year / period	$ 142,390	$ 194,015	$ 5,323	$ 47,175
Other comprehensive income (loss):				
Items that will not be reclassified to profit or loss				
Actuarial gains on defined benefits plans	179	414	179	297
Income tax relating to components of other comprehensive income	(54)	(124)	(54)	(89)
Total items that will not be reclassified to profit and loss	125	290	125	208
Items that may be reclassified subsequently to profit or loss:				
Loss in financial instruments valuation held for hedging purpose	(18,381)	-	(324)	-
Income tax on loss in financial instruments valuation held for hedging purposes	5,514	-	97	-
Exchange differences on translating foreign operations	(1,927)	13,650	(1,431)	(3,229)
Total items that may be reclassified subsequently to profit and loss	(14,794)	13,650	(1,658)	(3,229)
Other comprehensive (loss) income for the period	(14,669)	13,940	(1,533)	(3,021)
Total comprehensive income for the period	$ 127,721	$ 207,955	$ 3,790	$ 44,154

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)

	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 year	-	-	-	194,015	194,015
Actuarial gains on defined benefits plans – Net	-	-	290	-	290
Exchange differences on translating foreign operations	-	-	13,650	-	13,650
Total comprehensive income for the period	-	-	13,940	194,015	207,955
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)	-	-	-	(140,100)	(140,100)
Balance as of December 31, 2012	$ 618,752	$ 536,577	$ (9,604)	$ 617,393	$ 1,763,118
Profit for the year	-	-	-	142,390	142,390
Loss in financial instruments valuation held for hedging purposes – Net	-	-	(12,867)	-	(12,867)
Actuarial gains on defined benefits plans – Net	-	-	125	-	125
Exchange differences on translating foreign operations	-	-	(1,927)	-	(1,927)
Total comprehensive income for the period	-	-	(14,669)	142,390	127,721
Issuance of shares – Net (Note 1.2.3.)	144,197	437,376	-	-	581,573
Payment of dividends (Note 11)	-	-	-	(156,000)	(156,000)
Balance as of December 31, 2013 (Unaudited)	$ 762,949	$ 973,953	$ (24,273)	$ 603,783	$ 2,316,412

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)

	Year ended December 31, (Unaudited) 2013	Year ended December 31, 2012	Three-month period ended December 31, (Unaudited) 2013	Three-month period ended December 31, (Unaudited) 2012
Cash flows from operating activities:				
Profit for the year / period	$ 142,390	$ 194,015	$ 5,323	$ 47,175
Adjustments for:				
Income tax expense	83,792	40,801	39,146	11,067
Share of profits of joint venture, net of income tax	(34,689)	(37,444)	(4,867)	(4,993)
Finance costs	5,035	11,346	(632)	2,600
Interest income	(1,372)	(1,027)	(236)	(303)
Loss on disposal of property, plant and equipment	5,391	561	3,251	53
Impairment loss (gain) recognized on trade receivables	9	281	(2)	217
Depreciation of non-current assets	61,014	61,199	15,721	13,572
Amortization of non-current assets	150	150	37	37
Net foreign exchange loss	2,303	1,631	152	3,470
Gain on derivative financial instruments valuation	(19,000)	(1,238)	(4,310)	(2,759)
	245,023	270,275	53,583	70,136
Movements in working capital:				
Decrease (increase) in trade and other receivables	19,066	(36,520)	6,271	(40,095)
Decrease (increase) in inventories	5,437	1,306	(817)	1,922
(Increase) decrease in other assets	(54,057)	2,028	(4,201)	11,620
Increase (decrease) in trade and other payables	18,241	(26,591)	(6,412)	9,388
(Decrease) increase in provisions	(28,512)	513	(22,791)	(3,364)
Increase (decrease) in other liabilities	32,219	(2,077)	14,218	2,182
Cash generated from operations	237,417	208,934	39,851	51,789
Income taxes paid	(74,657)	(35,502)	(11,745)	(3,973)
Net cash generated by operating activities	162,760	173,432	28,106	47,816

(Continues)

	Year ended December 31, (Unaudited) 2013	Year ended December 31, 2012	Three-month period ended December 31, (Unaudited) 2013	Three-month period ended December 31, (Unaudited) 2012
Cash flows from investing activities:				
Interest received	-	1,003	-	1,003
Acquisitions for property, plant and equipment	(369,672)	(50,278)	(89,136)	(31,178)
Short-term investments	(207,027)	-	274,556	-
Net cash (used in) provided by investing activities	(576,699)	(49,275)	185,420	(30,175)
Cash flows from financing activities:				
Interest paid	(11,557)	(9,421)	(1,762)	(8,754)
Issuance or ordinary shares under Initial purchase offering	598,812	-	-	-
Share issue costs	(24,627)	-	-	-
Proceeds from loans from related parties	12,383	209,013	(524)	208,657
Loans granted to related parties	(100)	-	37	283
Repayment of loans to related parties	(388,042)	(128,699)	347	(128,699)
Proceeds from debt issuance	408,278	-	-	-
Debt issue costs	(3,003)	-	84	-
Dividends paid	(156,000)	(140,100)	(117,000)	(125,000)
Net cash provided by (used in) financing activities	436,144	(69,207)	(118,818)	(53,513)
Net increase (decrease) in cash and cash equivalents	22,205	54,950	94,708	(35,872)
Cash and cash equivalents at the beginning of the year / period	85,073	27,364	10,052	123,897
Effects of exchange rate changes on the balance of cash held in foreign currencies	(3,398)	2,759	(880)	(2,952)
Cash and cash equivalents at the end of the year / period	$ 103,880	$ 85,073	$ 103,880	$ 85,073

(Concludes)

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)

Notes to the Condensed Interim Consolidated Financial Statements

For the year and three-month periods ended December 31, 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, Gas and Power. Amounts labeled as Corporate consist primarily of parent organizations (Note 12).

The Gas segment develops, 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, Sinaloa, 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, the demand for natural gas service is higher in cold weather season. In the case of Power Segment, the demand for power distribution service is higher during hot weather season.

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 of 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 1,154,023,812 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. *Sonora Project ("Gasoducto Noroeste").* On April 25, 2013, Gasoducto de Aguaprieta, S. de R. L. de C. V. ("GAP"), Company's subsidiary, 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"), Company's subsidiaries, 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.f. and 14.g.

c. *Los Ramones I*. On July 19, 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".

d. *Los Ramones Norte*. On October 25, 2013, PGPB defined the implementation "Los Ramones II" project in two segments identified as Ramones Norte and Ramones Sur, due to the tender for this project in October 15, 2013 was declared as void.

The development of the Los Ramones Norte segment will be in charge of GdC; the segment comprises an investment of $1,052 million approximately, comprising 441 kilometers of pipeline and two compression stations, between Los Ramones I, Nuevo León and San Luis Potosí.

1.2.5. *Tax and Energy Reforms* –

a. *Tax reform*. On September 8, 2013, the Mexican Presidency announced the Tax Reform initiative. On December 11, 2013, a decree was published in the Official Gazette whereby several tax regulations were amended, supplemented, and repealed, becoming effective on January 1, 2014. Upon enactment of such decree, the Income Tax and the Business Flat Tax ("ISR" and "IETU", respectively, by their initials in Spanish) Acts as of December 31, 2013, were repealed, and a new Income Tax Act was issued.

The main impacts of this reform for IEnova in its condensed interim consolidated financial statements are:

- *Income tax rate*. The former Income Tax Act indicated a reduction in the tax rate to 28% for 2014 and future years. The new Income Tax rate approved is 30% for 2014 and future years.

  The impacts in profit for the year / period for this change in the rates are as follows:

  - During 2013, approximately $15 million of income tax expense considering their effects in deferred income taxes.

  - From 2014 to 2018, the Company estimates an increase in the income tax expense for approximately $27 million during the next five years.

- *Income tax consolidation regime*. The income tax consolidation regime in force as of December 31, 2013 was replaced by a new regime in which the income tax benefits are recovered in three years instead of five years. According to the Tax reform, with the elimination of the income tax consolidation regime, there is an obligation to make an advance payment for approximately $38 million in 2014, which is expected to recover in 2015 (subject to clarification of certain criteria by the tax authorities).

  Additionally, there is an effect of approximately $21 million regarding the long-term income tax payable in consolidation which has to be paid by the departure of the regime.

- *Income tax on dividends*. Also, a new income tax on dividends was created equivalent to 10% on dividends received by foreign residents.

b. *Energy reform*. On December 20, 2013 the Mexican Presidency signed the decree of constitutional reform in energy sector, approved by Congress of Union and the majority of states congresses. The decree modifies Articles 25, 27 and 28 of the Mexican United States Political Constitution, allowing private investment in the following areas: exploration and production of hydrocarbons, petrochemicals, refining, transportation, storage and distribution of petroleum products and power transmission and distribution. As of the date of issuance of these interim condensed consolidated financial statements, there has not been enacted secondary legislation that will define the details of private investment in the above mentioned business segments.

The Company's plans for participating into new business segments open to private investment due to the constitutional reform in the energy sector will depend on each specific project for adding value and substantial growth to our portfolio, mainly through obtaining synergies, and adherence to Company's project selection policy.

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 financial statements for the year ended December 31, 2012, which are prepared in accordance with IFRS as issued by the IASB. 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, except for the indicated in section 2.4. regarding the adoption of IFRSs by the Company beginning January 1, 2013. Comprehensive income for interim periods are not necessarily indicative of results for the entire year.

2.3. Reclasifications

The condensed interim consolidated financial statements for the year and three-month period ended December 31, 2012 have been reclassified in Value Added Tax recoverable and Other payable taxes balances to conform to the presentation for the year and three-month period ended December 31, 2013 (unadudited).

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 year and the three-month period ended December 31, 2013 (unaudited), does not have significant effects in Company's 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:

	Revenues			
	Year ended		Three-month period ended	
	(Unaudited)		(Unaudited)	
	12/31/13	12/31/12	12/31/13	12/31/12
Sempra Generation ("SGEN")	$ 168,340	$ 127,656	$ 33,364	$ 25,919
Sempra LNG International LLC	90,842	107,754	22,988	29,824
Sempra International LLC ("Sempra International")	1,248	-	387	-
Sempra Global	434	1,739	-	723
Southern California Gas Company ("SoCal Gas")	143	150	71	32
Sempra Pipelines and Storage	-	55	-	(108)
Sempra LNG	-	46	-	-

	Cost of revenues			
	Year ended		Three-month period ended	
	(Unaudited)		(Unaudited)	
	12/31/13	12/31/12	12/31/13	12/31/12
SGEN	$ 31,953	$ 59,072	$ 23,477	$ 31,494
Sempra LNG International LLC	224,195	195,593	50,031	50,909
Sempra International	6,759	-	3,390	-
Sempra Global	65	358	-	109
SoCal Gas	1,402	1,137	371	309
Sempra U.S. Gas & Power, LLC	7,144	-	1,988	-
Sempra Services Company, S. de R. L. de C. V. ("Sempra Services Company")	1,745	-	396	-
Sempra Servicios México, S. de R. L. de C. V. ("Sempra Servicios México")	694	-	214	-
Sempra Midstream, Inc.	556	532	139	221
San Diego Gas & Electric	28	-	-	-
Sempra Pipelines and Storage	-	6,015	-	5,950

	Finance costs			
	Year ended		Three-month period ended	
	(Unaudited)		(Unaudited)	
	12/31/13	12/31/12	12/31/13	12/31/12
Sempra Oil Trading Suisse ("SOT Suisse")	$ 1,494	$ 2,835	$ 386	$ 687
Sempra Chile, S. A. ("Sempra Chile")	903	7,049	-	1,723
Sempra Energy International Holdings, N. V. ("SEIH")	350	75	-	75
Sempra Global	7	392	-	95
SGEN	7	18	4	-
Sempra Services Company	1	2	-	1

	Interest income			
	Year ended		Three-month period ended	
	(Unaudited)		(Unaudited)	
	12/31/13	12/31/12	12/31/13	12/31/12
Sempra Servicios México	$ 3	$ 24	$ -	$ 12

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

	Amounts owed by related parties	
	Year ended	
	(Unaudited) 12/31/13	12/31/12
SGEN	$ 24,741	$ 28,822
Sempra International	119	-
Sempra Global	-	124
	$ 24,860	$ 28,946

	Amounts due from related parties	
	Year ended	
	(Unaudited) 12/31/13	12/31/12
Sempra LNG International LLC	$ 3,031	$ 8,011
Sempra Services Company	291	331
Sempra Servicios México	181	668
SoCal Gas	106	121
Sempra Midstream	46	-
SEIH	-	83,300
Sempra International	-	822
Sempra Services Company (préstamos a corto plazo)	-	21
Sempra LNG	-	181
	$ 3,655	$ 93,455

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 $8,823 and $26,725 for the year ended December 31, 2013 (unaudited) and 2012, respectively; and $2,059 and $18,066 for the three-month periods ended December 31, 2013 and 2012 (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 ended	
	(Unaudited) 12/31/13	31/12/12
Sempra Servicios México	$ 231	416
Sempra Services Company	100	-
	$ 331	$ 416

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

3.3. Loans from related parties

	Year ended (Unaudited) 12/31/13	Year ended 31/12/12
SOT Suisse	$ 38,460	$ 91,660
SGEN	433	143
Sempra Chile	-	215,000
Sempra Global	-	25,000
	$ 38,893	$ 331,803

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 $3,802 and $1,830, for the year ended December 31, 2013 (unaudited) and 2012, respectively, and $638 and $171for the three-months ended December 31, 2013 and 2012 (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 ended (Unaudited) 12/31/13	Year ended 12/31/12
Cash and cash equivalents	$ 98,869	$ 74,527
Investments in securities	12,805	151,766
Other current assets	47,713	29,343
Current assets	159,387	255,636
Property, plant and equipment	508,023	349,925
Other non-current assets	476	901
Non-current assets	508,499	350,826
Total assets	667,886	606,462
Current liabilities	$ 16,345	$ 20,684
Non-current liabilities	48,853	52,467
Total liabilities	65,198	73,151
Total members' equity	$ 602,688	$ 533,311
Share of members' equity	$ 301,345	$ 266,656
Goodwill and indefinite lived intangible assets	64,943	64,943
Carrying amount of investment in joint venture	$ 366,288	$ 331,599

	Year ended (Unaudited) 12/31/13	12/31/12	Three-month period ended (Unaudited) 12/31/13	12/31/12
Revenue	$ 147,478	$ 139,196	$ 34,391	$ 32,798
Cost and expenses	(51,445)	(49,492)	(11,330)	(15,493)
Interest income, net	(396)	(1,337)	(1,170)	(1,047)
Income tax expense	(26,260)	(13,479)	(12,157)	(6,272)
Net and comprehensive income	$ 69,377	$ 74,888	$ 9,734	$ 9,986
Share of profits of joint venture	$ 34,689	$ 37,444	$ 4,867	$ 4,993

(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 million.

(b) On December 5, 2013 GdC entered into a credit agreement for approximately $474 million, which involves the leverage of a portfolio of assets with the purpose of financing its expansion plans, including Los Ramones project. The agreement was signed with BBVA Bancomer, Institución de Banca Múltiple, Grupo Financiero BBVA Bancomer and Bank of Tokyo Mitsubishi UFJ, Ltd. The credit agreement term is 13 years and has a structure that allows future growth while ensuring the repayment of the debt through a portfolio of assets.

5. Property, plant and equipment – Net

As of December 31, 2013 (unaudited) and 2012, the Property, plant and equipment balance is mainly comprised by construction in progress in connection with Sonora and Energía Sierra Juárez projects (See Note 1.2.4., incises a. and b.), for a total of $423,989 and $48,298, respectively.

6. Emission allowances

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”), Company’s subsidiary, is subject to this extraterritorial regulation, despite being located in Baja California, Mexico since their power final users are located in California, United States.

As of December 31, 2013 (unaudited), the emission allowances liabilities balance in the interim condensed consolidated statements of financial position is $15,929, which is allocated as non-current liabilities for $11,151 and $4,778 as current liabilities (within Other current liabilities balance); these amount are charged to Cost of revenue. Also, as of December 31, 2013 (unaudited) the Company has recognized $16,363 assets regarding the acquisition of carbon allowances realized for complying with its obligation as described in the preceding paragraph ($11,584 as non-current assets and $1,639 as current assets, within Other current assets balance).

7. Long-term debt - Net

	Year ended (Unaudited) 12/31/13	12/31/12
CEBURES at fixed rate(a)	$ 298,245	$ -
CEBURES at variable rate (b)	99,415	-
	397,660	-
Issuance debt costs	(3,004)	-
	$ 394,656	$ -

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

(a) The first 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.

(b) The second 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 December 31, 2013 was 4.52%.

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 (unaudited):

(a) 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%.

(b) 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%.

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	
	12/31/13	**12/31/12**	**02/24/14**
One U. S. Dollar	13.0765	13.0101	13.2090

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 ended			
	(Unaudited) 12/31/13		**12/31/12**	
	Carrying amount	**Fair value**	**Carrying amount**	**Fair value**
Financial assets				
Financial lease receivables	$ 14,700	$ 52,270	$ 14,756	$ 51,936
Financial liabilities				
Financial liabilities held at amortized cost:				
Long-term debt (traded in stock exchange)	394,656	374,899	-	-
Loans from related parties (not traded in stock exchange)	38,893	36,573	415,124	316,715

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 $52,270 and $51,936 as of December 31, 2013 (unaudited) and 2012, 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 ended	
	12/31/13 (Unaudited)	12/31/12
Financial assets at FVTPL		
Derivative financial assets	$ 9,188	$ 5,157
Financial liabilities at FVTPL		
Derivative financial liabilities	$ 63,913	$ 49,882

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 ISR, 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 year and the three-month periods ended December 31, 2013 and 2012 (unaudited) can be reconciled to the accounting profit as follows:

	Year ended		Three-month period ended (Unaudited)	
	(Unaudited) 12/31/13	12/31/12	12/31/13	12/31/12
Profit before income tax	$ 191,493	$ 197,372	$ 39,602	$ 53,249
Income tax expense calculated at 30%	(57,448)	(59,212)	(11,881)	(15,765)
Effects of foreign exchange rate	(6,706)	(6,682)	(21)	448
Effect of unused tax losses not recognized as deferred income tax asset	5,979	(2,819)	5,979	2,384
Effects of inflation adjustment	(38)	(2,600)	(323)	(1,129)
Effect of exchange rate and inflation on the tax basis of property, plant and equipment	11,696	33,951	4,375	5,171
Adjustment to the deferred income tax attributable to the change in laws	(21,436)	-	(21,436)	-
Effect of deferred income tax balances due to changes in the income tax rate from 28% to 30% (beginning January 1, 2014)	(15,463)	-	(15,463)	-
Others	(376)	(3,439)	(376)	(2,176)
Income tax expense recognized in profit or loss	$ (83,792)	$ (40,801)	$ (39,146)	$ (11,067)

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.
- The income tax reform for 2014 includes the elimination of the tax consolidation regime, resulting in an effect by the deconsolidation of the group.
- The effect of change in income tax rate in long-term assets changed from 28% to 30%, due to income tax reform for 2014 indicates that the income tax statutory rate will be 30% for 2014 onwards.

10. Stockholders' equity

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

10.1. Issued equity comprises:

For the year ended December 31, 2012 (Pesos)

Member's name	Number of social parts	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

(Unaudited)
For the period ended December 31, 2013 (Pesos)

Shareholders' name	Number of shares	Fixed capital	Variable capital	Total	Total of common stock (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	-
Público inversionista (b)	218,110,500	-	2,181,105,008	2,181,105,008	144,197
	1,154,023,812	50,000	11,540,188,128	11,540,238,128	$ 762,949

On August 16, 2012, Sempra Energy Holdings VIII, B.V. ("BV8", subsidiary of Sempra Energy) 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 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:

	Shares		
Shareholders' name	**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.

11. Declared dividends

During the year and the three-month period ended December 31, 2013 and 2012 (unaudited), pursuant to the resolutions of 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 1, 2013	$ 39,000
October 7, 2013	117,000
	$ 156,000
March 29, 2012	$ 15,100
December 5, 2012	125,000
	$ 140,100

11.1. *Dividends per share*

	Year ended (Unaudited) 12/31/13	Year ended 12/31/12	Three-month period ended (Unaudited) 12/31/13	Three-month period ended 12/31/12
IEnova	$ 0.14	$ 0.15	$ 0.10	$ 0.13

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.

	Segment revenue for the year ended (Unaudited) 12/31/13	Segment revenue for the year ended 12/31/12	Segment revenue for three-month period ended (Unaudited) 12/31/13	Segment revenue for three-month period ended 12/31/12
Gas				
Sales to customers	$ 416,829	$ 370,314	$ 99,871	$ 96,750
Revenue with foreign related parties	90,985	107,959	23,059	29,911
Intersegment sales	245,633	169,595	61,039	61,315
Power				
Sales to customers related parties	168,340	127,656	33,364	33,194
Intersegment sales	48,866	5,890	9,250	1,401
Corporate				
Allocation of professional services with related parties	1,682	1,678	388	203
Intersegment professional services	35,854	3,117	13,168	1,231
	1,008,189	786,209	240,139	224,005
Intersegment adjustments and eliminations	(330,353)	(178,602)	(83,457)	(63,947)
Total segment revenue	$ 677,836	$ 607,607	$ 156,682	$ 160,058

	Segment profit for the year ended (Unaudited) 12/31/13	Segment profit for the year ended 12/31/12	Segment profit for three-month period ended (Unaudited) 12/31/13	Segment profit for three-month period ended (Unaudited) 12/31/12
Gas	$ 180,296	$ 222,568	$ 37,202	$ 44,052
Power	8,567	6,868	(857)	5,102
Corporate	(46,473)	(35,421)	(31,022)	(1,979)
Total segment profit	$ 142,390	$ 194,015	$ 5,323	$ 47,175

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 ended 12/31/13 (Unaudited)	Year ended 12/31/12
Assets by segment:		
Gas	$ 2,413,965	$ 2,101,378
Power	433,894	360,494
Corporate	340,905	38,846
Consolidated total assets	$ 3,188,764	$ 2,500,718
Liabilities by segment:		
Gas	$ 272,298	$ 243,904
Power	64,794	59,084
Corporate	535,260	434,612
Consolidated total liabilities	$ 872,352	$ 737,600

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 ended 12/31/13 (Unaudited)	Property, plant and equipment Year ended 12/31/12	Accumulated depreciation Year ended 12/31/13 (Unaudited)	Accumulated depreciation Year ended 12/31/12
Gas	$ 2,138,129	$ 1,813,044	$ (287,407)	$ (243,429)
Power	504,595	442,518	(150,791)	(135,421)
Corporate	13,156	11,066	(3,845)	(3,039)
	$ 2,655,880	$ 2,266,628	$ (442,043)	$ (381,889)

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:

	Year ended 12/31/13 (Unaudited)	Year ended 12/31/12	Three-month period ended 12/31/13 (Unaudited)	Three-month period ended 12/31/12 (Unaudited)
Power generation	$ 168,340	$ 127,656	$ 33,364	$ 33,194
Sale of natural gas	169,832	144,483	37,263	38,730
Storage and regasification capacity	93,785	94,174	23,633	23,645
Natural gas distribution	99,235	78,128	25,446	20,661
Transportation of natural gas	44,335	52,298	11,146	13,114
Other operating revenues	102,309	110,868	25,830	30,714
	$ 677,836	$ 607,607	$ 156,682	$ 160,058

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 $90,762 and $107,754 for the year ended December 31, 2013 (unaudited) and 2012, respectively, and $22,908 and $29,824 for the three-month period ended December 31, 2013and 2012 (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

	Cents per share for the year ended (Unaudited) 12/31/13	Cents per share for the year ended 12/31/12	Cents per share for the three-month period ended (Unaudited) 12/31/13	Cents per share for the three-month period ended (Unaudited) 12/31/12
Basic and diluted earnings per share	$ 0.13	$ 0.21	$ -	$ 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:

	Cents per share for the year ended (Unaudited) 12/31/13	Cents per share for the year ended 12/31/12	Cents per share for the three-month period ended (Unaudited) 12/31/13	Cents per share for the three-month period ended (Unaudited) 12/31/12
Earnings used in the calculation of basic and diluted earnings per share	$ 142,390	$ 194,015	$ 5,323	$ 47,175

	Year ended (Unaudited)		Three month period ended (Unaudited)	
	12/31/13	**12/31/12**	**12/31/13**	**12/31/12**
Weighted average number of shares for the purposes of basic and diluted earnings per share for	1,123,885,851	935,913,312	1,154,023,812	935,913,312

Due to Company exchanged its social parts for shares (see Note 10) during the year and three-month period ended December 31, 2013 (unaudited), the basic and diluted earnings per share were calculated retrospectively to December 31, 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 December 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 kilometers, 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 $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. *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, approximately; the second segment commenced on September 2013 and will conclude on February 15, 2015, approximately.

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. *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.

g. 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.

h. 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 in consolidated financial statements for the year ended December 31, 2012, however during the year ended December 31, 2013 (unaudited), 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. 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 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., Company's subsidiary, ("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.

d. On February 7, 2014 in the First Room Session, the Mexican Supreme Court of Justice decided to dismiss the trial and leave without effect the "*amparo*" promoted by Inmuebles Vista Golf, S. A. de C. V. against the ruling handed down in the judgment of nullity against ECA, for which the Mexican Federal Tax and Administrative Court ("Tribunal Federal de Justicia Fiscal y Administrativa") confirms the validity of environmental impact manifest authorization for the LNG Terminal

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, *Financial instruments: presentation*	*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, 2017.

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 determined this IFRS does not have significant effects in its consolidated financial statements for the annual period ended December 31, 2013 (unaudited).

Amendments to IAS 32, *Disclosures – Offsetting financial assets and financial liabilities* – The amendments to IAS 32 clarify existing application issues relating to the offset of financial assets and financial liabilities requirements. Specifically, the amendments clarify the meaning of “currently has a legally enforceable right of set-off” and “simultaneous realization and settlement”.

The Company’s management determined this amendment to IFRS does not have significant effects in its consolidated financial statements for the annual period ended December 31, 2013 (unaudited).

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.

The Company's management determined this IFRS does not have significant effects in its consolidated financial statements for the annual period ended December 31, 2013 (unaudited).

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 December 31, 2013 to February 24, 2014 (approval and issuance date of these financial statements), and concluded that there are no significant subsequent events that affect the reporting period.

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 February 24, 2014.

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