Earnings Report
Second-Quarter 2014

Mexico City, July 23, 2014. **Infraestructura Energética Nova, S.A.B. de C.V. (BMV: IENOVA)** is reporting unaudited second-quarter 2014 results. IENOVA focuses on the development, construction and operation of large energy infrastructure projects in Mexico. Our operations in Mexico range across several business lines encompassing the entire gas and power infrastructure value chain that is open to private investment in Mexico.

Amounts are presented in U.S. dollars, the functional currency of the company, unless otherwise noted, and in accordance with the International Financial Reporting Standards (IFRS) as issued by the International Accounting Standards Board (IASB).

Executive Summary, Second-Quarter 2014 compared to Second-Quarter 2013

- Profit for the second-quarter 2014 was $37.5 million, compared to $19.4 million in the second-quarter 2013, mainly due to lower income tax expense and higher capitalized interest primarily related to the Sonora pipeline project, partially offset by mark-to-market interest rate swap valuation losses in 2014 compared to gains in 2013.
- Revenues for the quarter ended June 30, 2014 were $185.9 million, compared to $164.2 million in the same period of 2013, due to higher natural gas and electricity prices and volumes.
- Cost of revenues for the three-month period ended June 30, 2014 was $103.1 million compared to $80.7 million in the same period in 2013, mainly due to higher natural gas prices and volumes.
- On June 12, 2014, we entered into a $270 million project financing, including letters of credit, for the construction of the first phase of the Energía Sierra Juárez wind generation project. The tenor is 18 years following commercial operation of the project. Loan was syndicated a group of five banks. In addition, the project has entered into a peso-denominated value added tax credit facility for the equivalent of up to $35 million with Banco Santander.
- On June 20, 2014, we signed a $200 million, three-year term, corporate revolving credit facility to be used for working capital and general corporate purposes. The lender is Banco Santander.
- On July 16, 2014, after obtaining approval from regulatory authorities in Mexico and the United States, we consummated the sale of a 50-percent interest in the first phase of the Energía Sierra Juárez wind generation project to InterGen N.V.
- Pursuant to a resolution of the General Ordinary Stockholders' Meeting held on April 30, 2014, the Board of Directors in its meeting held on July 22, 2014, resolved to pay a cash dividend on July 31, 2014, in the amount of $164 million.

The following tables set forth our results as of and for the three months ended June 30, 2014 and 2013.

i) Results of Operations

Condensed Consolidated Statements of Profit and Loss

(thousands of US$)	Three months ended June 30, 2014	2013
	(unaudited)	
Revenues	$ 185,852	$ 164,224
Cost of revenues	(103,139)	(80,739)
Administrative and other expenses	(24,200)	(26,884)
Depreciation and amortization expenses	(14,909)	(14,928)
Net financing income (costs)	1,733	(2,036)
Other (losses) gains	(1,910)	5,546
Profit before income tax and share of profits of joint venture	**43,427**	**45,183**
Income tax expense	(13,641)	(35,544)
Share of profits of joint venture, net of income tax	7,723	9,760
Profit for the period	**$ 37,509**	**$ 19,399**

Segment Information

Segment information is presented after eliminating inter-company transactions.

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

	Three months ended June 30,	
(thousands of US$)	2014	2013
	(unaudited)	
Gas Segment	$ 55,738	$ 53,902
Power Segment	(1,174)	(9,186)
Corporate	(11,137)	467
	$ 43,427	**$ 45,183**

Gas Segment

Gas segment profit before tax and share of profits of joint venture increased to $55.7 million for the second-quarter 2014, compared to $53.9 million in the same period of 2013 mainly due to the capitalization of interest related to the Sonora pipeline project.

Power Segment

Power segment loss before income tax was $1.2 million in the second-quarter 2014, compared to $9.2 million in the second-quarter 2013 mainly due to higher electricity volume and prices and lower maintenance expenses due to a longer period of scheduled maintenance in 2013 at the power plant.

Corporate

Corporate loss before income tax was $11.1 million in the second-quarter 2014, compared to a profit before income tax of $0.5 million in the second-quarter 2013 mainly due to mark-to-market losses on the valuation of an interest rate swap compared to gains in the same period in 2013.

Revenues

(thousands of US$)	Three months ended June 30, 2014	2013
	(unaudited)	
Gas Segment	$ 143,344	$ 130,661
Power Segment	42,069	33,119
Corporate	439	444
	$ 185,852	**$ 164,224**

Gas Segment

Gas segment revenues were $143.3 million for the second-quarter 2014, compared to $130.7 million for the same period of 2013 due to higher natural gas prices and volumes.

Power Segment

Power segment revenues were $42.1 million for the second-quarter 2014, compared to $33.1 million for the same period of 2013 due to higher volume related to a longer period of scheduled maintenance in 2013 and higher electricity prices.

Cost of Revenues

(thousands of US$)	Three months ended June 30, 2014	2013
	(unaudited)	
Gas Segment	$ 68,346	$ 53,209
Power Segment	34,793	27,530
	$ 103,139	**$ 80,739**

Gas Segment

Gas segment cost of revenues was $68.3 million for the second-quarter 2014, compared to $53.2 million for the same period of 2013 due to higher natural gas prices and volumes.

Power Segment

Power segment cost of revenues was $34.8 million for the second-quarter 2014, compared to $27.5 million for the same period of 2013 due to higher natural gas prices and volumes related to the longer period of scheduled maintenance in 2013.

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Administrative and Other Expenses

Administrative and other expenses were $24.2 million for the second-quarter 2014, compared to $26.9 million for the same period of 2013 mainly due to lower scheduled maintenance expenses at the power plant.

Net Financing Income (Costs)

Net financing income was $1.7 million for the second-quarter 2014, compared to a net financing cost of $2.0 million for the same period of 2013 mainly due to higher capitalization of interest at the Sonora pipeline project.

Other (Losses) Gains

Other losses of $1.9 million during the second-quarter of 2014, compared to other gains of $5.5 million in the same period of 2013 mainly due to mark-to-market losses on the valuation of interest rate swap in 2014 compared to gains in 2013.

Income Tax Expense

Income tax expense for the second-quarter 2014 was $13.6 million compared to $35.5 million for the same period of 2013. This change was mainly due to lower income tax expense in 2014 related to our deferred income tax balance from the fluctuation in the tax basis of property, plant and equipment at our U.S. dollar functional currency, which we are required to remeasure in each reporting period based on changes in the Mexican peso exchange rate and inflation.

Share of Profits of Joint Venture, Net of Income Tax

Our share of joint venture profits were $7.7 million in the second-quarter 2014 compared to $9.8 million in the same period of 2013 primarily due to higher interest expense.

EBITDA and Adjusted EBITDA

We present “EBITDA” and “Adjusted EBITDA” in this earnings report for the convenience of investors. EBITDA and Adjusted EBITDA, however, are not measures of financial performance under IFRS and should not be considered as alternatives to profit or operating income as a measure of operating performance or to cash flows from operating activities as a measure of liquidity.

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

We define the JV EBITDA adjustment as our 50% share of the profit of Joint Venture with Pemex, after adding back or subtracting, as the case may be, (1) depreciation and amortization expenses, (2) net financing income (costs), (3) income tax (expense) benefit of our investment in joint venture and (4) other (losses) gains; which investment is accounted for under the equity method.

	Three months ended June 30,	
(thousands of US$)	2014	2013
	(unaudited)	
Gas Segment	$ 56,318	$ 63,170
Power Segment	1,925	(3,313)
Corporate	270	(3,258)
EBITDA	**58,513**	**56,599**
JV EBITDA adjustment (50%)	14,424	13,862
Adjusted EBITDA	**$ 72,937**	**$ 70,461**

ii) Financial Position, Liquidity and Capital Resources

Condensed Consolidated Statements of Financial Position

(thousands of US$)		June 30, 2014		December 31, 2013
		(unaudited)		(audited)
Assets				
Current assets				
Cash and cash equivalents	$	51,117	$	103,880
Short-term investments		129,026		207,027
Other assets[1]		383,664		187,221
Total current assets		**563,807**		**498,128**
Non-current assets				
Investment in joint venture		376,440		366,288
Property, plant and equipment – net		2,279,886		2,213,837
Other assets[2]		157,631		163,655
Total non-current assets		2,813,957		**2,743,780**
Total assets	**$**	**3,377,764**	**$**	**3,241,908**
Equity and liabilities				
Current liabilities[3]	$	244,590	$	193,089
Non-current liabilities				
Long-term debt[4]		396,171		394,656
Due to related parties		39,291		38,893
Other non-current liabilities [5]		297,635		298,858
Total non-current liabilities		**733,097**		**732,407**
Total liabilities		**977,687**		**925,496**
Common stock		762,949		762,949
Additional paid-in capital		973,953		973,953
Retained earnings		688,014		603,783
Accumulated other comprehensive income		(24,839)		(24,273)
Total equity		**2,400,077**		**2,316,412**
Total equity and liabilities	**$**	**3,377,764**	**$**	**3,241,908**

(1) Other current assets include trade and other receivables – net, current amounts due from related parties, current income tax receivable, inventory of natural gas, derivative financial instruments, value added tax recoverable, assets held for sale and other, less significant current assets.
(2) Other non-current assets include accounts receivable from related parties, finance lease receivables, deferred income tax assets, goodwill, carbon allowances and other, less significant non-current assets.
(3) Current liabilities include trade and other payables, accounts payable to related parties, current tax liabilities, derivative financial instruments, other financial liabilities, other payable taxes, liabilities related to asset held for sale, provisions and other, less significant current liabilities.
(4) Long-term indebtedness related to CEBURES.
(5) Other non-current liabilities include deferred income tax liabilities, non-current provisions, derivative financial instruments, carbon allowances and post-employment and other long-term employee benefits.

Liquidity and Capital Resources

We are a holding company. As a result, our ability to meet our obligations and to fund our capital needs depends on our ongoing ability to generate cash from operations, the terms of our financing arrangements and our access to the capital markets.

Sources and Uses of Cash

(thousands of US$)	Three months ended June 30, 2014	2013
	(unaudited)	
Cash at period beginning	**$ 56,248**	**$ 117,971**
Net cash used in operating activities	(21,500)	(9,495)
Net cash used in investing activities *****	(52,791)	(78,064)
Net cash provided by (used in) financing activities	71,816	(728)
Effects of exchange rate changes on the balance of cash held in foreign currencies	(2,656)	(4,259)
Cash at period end	**$ 51,117**	**$ 25,425**

*Investing activities include the changes in Short-Term Investments.

Operating Activities

Net cash used by operating activities for second-quarter 2014 was $21.5 million, compared to $9.5 million in the same period of 2013 due to changes in working capital mainly related to higher income taxes paid.

Investing Activities

Net cash used in investing activities for second-quarter 2014 was $52.8 million due to $114.4 million of capital expenditures in our Sonora pipeline project and Energía Sierra Juárez wind generation project, partially funded with a short-term investments reduction of $61.6 million. Net cash used in investing activities for second-quarter 2013 was $78.1 million due to $100.9 million used for capital expenditures for the Sonora pipeline project, partially offset by a decrease of $24.4 million in short-term investments.

Financing Activities

Net cash provided by financing activities for the second-quarter 2014 was $71.8 million, primarily due to the Energía Sierra Juárez wind generation project financing. Net cash used of $0.7 million for the second-quarter 2013 was due to interest paid.

iii) Internal Controls

Our management is responsible for maintaining a system of internal control over financial reporting. This system gives our shareholders a reasonable assurance that our transactions are executed and maintained in accordance with the guidelines set forth by our management and that our financial records are reliable as a basis for preparing our financial statements.

The system of internal control over financial reporting is supported by ongoing audits, the results of which are reported to management throughout the year. In addition, we maintain reliable databases and have modern and efficient systems designed to generate key financial information.