Earnings Report
Third-Quarter 2014

Mexico City, October 22, 2014. **Infraestructura Energética Nova, S.A.B. de C.V. (BMV: IENOVA)** is reporting unaudited third-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, Third-Quarter 2014 compared to Third-Quarter 2013

- Profit for the third-quarter 2014 was $64.5 million, compared to $57.0 million in the third-quarter 2013, mainly due to a $16.7 million after-tax gain on the sale of 50-percent of our equity interest in the first phase of the Energía Sierra Juárez wind generation project and improved results at our power plant, partially offset by higher income tax expense.
- Revenues for the quarter ended September 30, 2014 were $234.9 million, compared to $188.9 million in the same period of 2013, due to higher natural gas and electricity volumes and prices.
- Cost of revenues for the three-month period ended September 30, 2014 was $130.8 million compared to $91.1 million in the same period in 2013, mainly due to higher natural gas volumes and prices.
- In July 2014, we completed the sale of a 50-percent equity interest in the 155-megawatt (MW) first phase of the Energía Sierra Juárez wind generation project to a wholly owned subsidiary of InterGen N.V.
- On August 25, 2014, we signed a $100.0 million, three-year, corporate revolving credit agreement to be used for working capital and general corporate purposes. The lender is Sumitomo Mitsui Banking Corporation.

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

i) Results of Operations

Condensed Consolidated Statements of Profit and Loss

(thousands of US$)	Three months ended September 30, 2014	2013
	(unaudited)	
Revenues	$ 234,898	$ 188,903
Cost of revenues	(130,785)	(91,142)
Administrative and other expenses	(25,401)	(21,695)
Depreciation and amortization expenses	(14,787)	(15,196)
Net financing income (costs)	2,456	(130)
Other gains (losses)	18,847	(285)
Profit before income tax and share of profits of joint ventures	**85,228**	**60,455**
Income tax expense	(26,419)	(15,246)
Share of profits of joint ventures, net of income tax	5,656	11,799
Profit for the period	**$ 64,465**	**$ 57,008**

Segment Information

Segment information is presented after eliminating inter-company transactions.

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

(thousands of US$)	Three months ended September 30, 2014		Three months ended September 30, 2013	
	(unaudited)			
Gas Segment	$	51,935	$	50,602
Power Segment		41,597		15,449
Corporate		(8,304)		(5,596)
	$	**85,228**	**$**	**60,455**

Gas Segment

Gas segment profit before tax and share of profits of joint venture was $51.9 million for the third-quarter 2014, compared to $50.6 million in the same period of 2013 due to the capitalization of interest related to the Sonora pipeline project, partially offset by higher administrative and other expenses.

Power Segment

Power segment profit before income tax and share of profits of joint venture was $41.6 million in the third-quarter 2014, compared to $15.4 million in the third-quarter 2013 mainly due to $19.1 million gain on the sale of 50-percent of our equity interest in the first phase of the Energía Sierra Juárez wind generation project and improved results at our power plant.

Corporate

Corporate loss before income tax was $8.3 million in the third-quarter 2014, compared to $5.6 million in the third-quarter 2013 mainly due to interest expense.

Revenues

(thousands of US$)	Three months ended September 30, 2014		2013	
	(unaudited)			
Gas Segment	$	161,161	$	129,545
Power Segment		73,331		58,939
Corporate		406		419
	$	**234,898**	**$**	**188,903**

Gas Segment

Gas segment revenues were $161.2 million for the third-quarter 2014, compared to $129.5 million for the same period of 2013 due to higher natural gas volumes and prices.

Power Segment

Power segment revenues were $73.3 million for the third-quarter 2014, compared to $58.9 million for the same period of 2013 due to higher electricity volumes and prices.

Cost of Revenues

(thousands of US$)	Three months ended September 30, 2014		2013	
	(unaudited)			
Gas Segment	$	86,818	$	56,105
Power Segment		43,967		35,037
	$	**130,785**	**$**	**91,142**

Gas Segment

Gas segment cost of revenues was $86.8 million for the third-quarter 2014, compared to $56.1 million for the same period of 2013 due to higher natural gas volumes and prices.

Power Segment

Power segment cost of revenues was $44.0 million for the third-quarter 2014, compared to $35.0 million for the same period of 2013 due to higher natural gas prices and volumes.

Administrative and Other Expenses

Administrative and other expenses were $25.4 million for the third-quarter 2014, compared to $21.7 million for the same period of 2013 mainly due to higher scheduled maintenance costs, legal expenses and employee benefits.

Net Financing Income (Costs)

Net financing income was $2.5 million for the third-quarter 2014, compared to a net financing cost of $0.1 million for the same period of 2013 mainly due to higher capitalization of interest at the Sonora pipeline project.

Other Gains (Losses)

Other Gains of $18.8 million during the third-quarter of 2014, compared to Other Losses of $0.3 million in the same period of 2013 mainly due to the gain on the sale of our 50-percent equity interest in the first phase of the Energía Sierra Juárez wind generation project.

Income Tax Expense

Income tax expense for the third-quarter 2014 was $26.4 million compared to $15.2 million for the same period of 2013. This change was mainly due to higher pretax income and a higher effective income tax rate mainly related to exchange and inflation rate changes, primarily 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 each reporting period.

Share of Profits of Joint Ventures, Net of Income Tax

Our share of profits of joint ventures, net of income tax were $5.7 million in the third-quarter 2014 compared to $11.8 million in the same period of 2013. This change was due to higher 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 each reporting period based on changes in the Mexican peso exchange rate and inflation.

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, (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) and (5) share of profits of joint ventures, net of income tax.

We define the JV EBITDA adjustment as our 50-percent share of the profit of Joint Ventures with Pemex and InterGen, 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 ventures and (4) other (losses) gains. Our investments in the joint ventures are accounted for under the equity method.

	Three months ended September 30,	
(thousands of US$)	2014	2013
	(unaudited)	
Gas Segment	$ 51,610	$ 56,156
Power Segment[1]	26,709	19,694
Corporate	393	216
EBITDA	**78,712**	**76,066**
JV EBITDA adjustment (50-percent)	13,052	12,371
Adjusted EBITDA	**$ 91,764**	**$ 88,437**

[1] Power segment EBITDA does not include the one-time gain on the sale of the 50-percent of our equity interest in the first phase of the Energía Sierra Juárez wind generation project.

ii) Financial Position, Liquidity and Capital Resources

Condensed Consolidated Statements of Financial Position

(thousands of US$)	September 30, 2014	December 31, 2013
	(unaudited)	(audited)
Assets		
Current assets		
Cash and cash equivalents	$ 58,414	$ 103,880
Short-term investments	60,004	207,027
Other assets[1]	225,351	187,221
Total current assets	**343,769**	**498,128**
Non-current assets		
Investment in joint ventures	407,441	366,288
Property, plant and equipment – net	2,329,339	2,213,837
Other assets[2]	258,916	163,655
Total non-current assets	2,995,696	**2,743,780**
Total assets	**$ 3,339,465**	**$ 3,241,908**
Equity and liabilities		
Current liabilities[3]	$ 300,901	$ 193,089
Non-current liabilities		
Long-term debt[4]	383,720	394,656
Due to related parties	39,572	38,893
Other non-current liabilities [5]	324,249	298,858
Total non-current liabilities	**747,541**	**732,407**
Total liabilities	**1,048,442**	**925,496**
Common stock	762,949	762,949
Additional paid-in capital	973,953	973,953
Retained earnings	588,479	603,783
Accumulated other comprehensive income	(34,358)	(24,273)
Total equity	**2,291,023**	**2,316,412**
Total equity and liabilities	**$ 3,339,465**	**$ 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 and other 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 non-current assets.
(3) Current liabilities include trade and other payables, short-term debt, current amounts due to related parties, current tax liabilities, derivative financial instruments, other financial liabilities, other taxes payable, 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

	Three months ended September 30,	
(thousands of US$)	2014	2013
	(unaudited)	
Cash at period beginning	**$ 51,117**	**$ 25,425**
Net cash provided by operating activities	107,608	66,982
Net cash used in investing activities *****	(71,389)	(71,566)
Net cash used in financing activities	(27,699)	(6,340)
Effects of exchange rate changes on the balance of cash held in foreign currencies	(1,223)	(4,449)
Cash at period end	**$ 58,414**	**$ 10,052**

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

Operating Activities

Net cash provided by operating activities for third-quarter 2014 was $107.6 million, compared to $67.0 million in the same period of 2013 due to changes in working capital.

Investing Activities

Net cash used in investing activities for third-quarter 2014 was $71.4 million due to loans granted to unconsolidated affiliates of $92.1 million and capital expenditures of $72.7 million mainly for our Sonora pipeline project partially offset by a short-term investments reduction of $69.0 million and a net cash inflow of $24.4 million from the sale of our 50-percent equity interest in the first phase of the Energía Sierra Juárez wind generation project. Net cash used in investing activities for third-quarter 2013 was $71.6 million due to capital expenditures mainly for the Sonora pipeline project, partially offset by a $44.0 million decrease in short-term investments.

Financing Activities

Net cash used by financing activities for the third-quarter 2014 was $27.7 million primarily due to a dividend payment of $164.0 million, and interest paid of $7.3 million, partially offset by proceeds from short-term debt financing of $145.0 million. Net cash used of $6.3 million for the third-quarter 2013 was due to interest paid on long-term debt.

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.