Earnings Report
Fourth-Quarter 2014

Mexico City, February 25, 2015. **Infraestructura Energética Nova, S.A.B. de C.V. (BMV: IENOVA)** is reporting fourth-quarter 2014 results and full year 2014. IENOVA focuses on the development, construction and operation of large energy infrastructure projects in Mexico. Our operations in Mexico range across several business lines including gas transportation and storage, LNG, natural gas distribution and electricity generation.

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

Executive Summary, Fourth-Quarter 2014 compared to Fourth-Quarter 2013 and Full Year 2014 compared to Full Year 2013

- Loss for the fourth-quarter 2014 was $11.8 million, compared to profit of $5.3 million in the fourth-quarter 2013 mainly due to higher income tax expense, mark-to-market losses on the valuation of an interest rate swap compared to profit in the same period of 2013 and higher foreign exchange losses on peso-denominated balances, partially offset by higher earnings due to the start of operations of the Sásabe-Puerto Libertad segment of the Sonora pipeline project and improved results at the power plant.
- For the year ended December 31, 2014, profit was $136.9 million, compared to $142.4 million in 2013 due to higher income tax expense and lower share of profits of the joint ventures, partially offset by the gain on the sale of our 50-percent equity interest in the first phase of the Energía Sierra Juárez wind generation project, higher capitalization of interest at the Sonora pipeline project and improved results at the power plant.
- Revenues for the quarter ended December 31, 2014 were $200.7 million, compared to $156.7 million in the same period of 2013. Revenues were $822.8 million in 2014, compared to $677.8 million in 2013. For both periods, the increases were mainly due to higher natural gas and electricity prices and volumes.
- Cost of revenues for the quarter ended December 31, 2014 was $100.1 million compared to $73.6 million in the same period in 2013. Cost of revenues was $443.3 million in 2014, compared to $328.8 million in 2013. For both periods, the increases were mainly due to higher natural gas prices and volumes.

The following tables set forth our results as of and for the three months and twelve months ended December 31, 2014 and 2013.

i) Results of Operations

Condensed Consolidated Statements of Profit and Loss

(thousands of US$)	Three months ended December 31, 2014	Three months ended December 31, 2013	Year ended December 31, 2014	Year ended December 31, 2013
	(unaudited)		(unaudited)	
Revenues	$ 200,697	$ 156,682	$ 822,796	$ 677,836
Cost of revenues	(100,053)	(73,639)	(443,298)	(328,817)
Operating, administrative and other expenses	(25,643)	(30,872)	(98,384)	(99,685)
Depreciation and amortization expenses	(17,269)	(15,758)	(61,943)	(61,164)
Net financing (cost) income	(1,343)	868	4,442	(3,663)
Other (losses) gains	(13,828)	2,321	1,258	6,986
Profit before income tax and share of profits of joint ventures	**42,561**	**39,602**	**224,871**	**191,493**
Income tax expense	(58,129)	(39,146)	(111,283)	(83,792)
Share of profits of joint ventures, net of income tax	3,806	4,867	23,346	34,689
(Loss) profit for the period	**$ (11,762)**	**$ 5,323**	**$ 136,934**	**$ 142,390**

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 December 31, 2014	Three months ended December 31, 2013	Year ended December 31, 2014	Year ended December 31, 2013
	(unaudited)		(unaudited)	
Gas Segment	$ 55,433	$ 49,139	$ 223,932	$ 202,772
Power Segment	(3,416)	(5,226)	38,966	(591)
Corporate	(9,456)	(4,311)	(38,027)	(10,688)
	$ 42,561	**$ 39,602**	**$ 224,871**	**$ 191,493**

Gas Segment

Gas segment profit before income tax and share of profits of joint venture was $55.4 million for the fourth-quarter 2014, compared to $49.1 million in the same period of 2013 mainly due to the start of operations of the Sásabe-Puerto Libertad segment of the Sonora pipeline project, partially offset by higher foreign exchange losses.

In 2014, profit before income tax and share of profits of the joint venture was $223.9 million, compared to $202.8 million in 2013 mainly due to the capitalization of interest expense and the start of operations of the Sásabe-Puerto Libertad segment of the Sonora pipeline project.

Power Segment

Power segment loss before income tax and share of profits of joint venture was $3.4 million in the fourth-quarter 2014, compared to $5.2 million in the fourth-quarter 2013 due to lower scheduled maintenance expense at the power plant.

In 2014, profit before income tax and share of profits of joint venture for the Power segment was $39.0 million, compared to a loss before income tax of $0.6 million in 2013 due to improved results and lower scheduled maintenance expense at the power plant and the gain on the sale of our 50-percent equity interest in the first phase of the Energía Sierra Juárez wind generation project.

Corporate

Corporate loss before income tax was $9.5 million in the fourth-quarter 2014, compared to $4.3 million in the fourth-quarter 2013. In 2014, the loss before income tax was $38.0 million, compared to $10.7 million in 2013. For both periods, the variations were due to mark-to-market losses in 2014 compared to mark-to-market gains in 2013 on the valuation of an interest rate swap.

Revenues

(thousands of US$)	Three months ended December 31, 2014		Three months ended December 31, 2013		Year ended December 31, 2014		Year ended December 31, 2013	
	(unaudited)				(unaudited)			
Gas Segment	$	148,607	$	122,930	$	598,183	$	507,814
Power Segment		51,243		33,364		222,471		168,340
Corporate		847		388		2,142		1,682
	$	**200,697**	**$**	**156,682**	**$**	**822,796**	**$**	**677,836**

Gas Segment

Gas segment revenues were $148.6 million during the fourth-quarter 2014, compared to $122.9 million in the same period of 2013, due to higher natural gas volumes and prices and the start of operations of the Sásabe-Puerto Libertad segment of the Sonora pipeline project.

In 2014, Gas segment revenues were $598.2 million compared to $507.8 million in 2013 due to higher natural gas prices and volumes.

Power Segment

Power segment revenues were $51.2 million during the fourth-quarter 2014, compared to $33.4 million during the same period of 2013. In 2014, Power segment revenues were $222.5 million compared to $168.3 million in 2013. For both periods, the increases in volume were due to higher power demand and the impact of scheduled maintenance in 2013.

Cost of Revenues

(thousands of US$)	Three months ended December 31, 2014		Three months ended December 31, 2013		Year ended December 31, 2014		Year ended December 31, 2013	
	(unaudited)				(unaudited)			
Gas Segment	$	58,956	$	45,293	$	277,341	$	199,053
Power Segment		41,097		28,346		165,957		129,764
	$	**100,053**	**$**	**73,639**	**$**	**443,298**	**$**	**328,817**

Gas Segment

Gas segment cost of revenues was $59.0 million for the fourth-quarter 2014, compared to $45.3 million for the same period of 2013. Gas segment cost of revenues was $277.3 million for the year 2014, compared to $199.1 million for the year 2013. The increases in both periods were due to higher natural gas prices and volumes.

Power Segment

Power segment cost of revenues was $41.1 million for the fourth-quarter 2014 compared to $28.3 million for the same period of 2013. In 2014, Power segment cost of revenues was $166.0 million compared to $129.8 million in 2013. For both periods, the increases in natural gas volume were due to higher power demand and the impact of scheduled maintenance in 2013.

Operating, Administrative and Other Expenses

Operating, administrative and other expenses were $25.6 million for the fourth-quarter 2014, compared to $30.9 million for the same period of 2013 mainly due to lower scheduled maintenance expenses at the power plant.

Operating, administrative and other expenses of $98.4 million in 2014 compared to $99.7 million in 2013 due to lower scheduled maintenance expenses at the power plant, partially offset by higher administrative expenses.

Net Financing Cost

Net financing cost was $1.3 million for the fourth-quarter 2014, compared to a net financing income of $0.9 million for the same period of 2013 due to lower capitalization of interest at the Sonora pipeline project.

Net financing income was $4.4 million in 2014, compared to a net financing cost of $3.7 million in 2013 due to higher capitalization of interest at the Sonora pipeline project.

Other Gains (Losses)

Other losses of $13.8 million during the fourth-quarter 2014 compared to other gains of $2.3 million in the same period of 2013 due to mark-to-market losses in 2014 compared to mark-to-market gains in 2013 on the valuation of an interest rate swap and foreign exchange losses on peso-denominated balances.

Other gains of $1.3 million during 2014 compare to $7.0 million in 2013 mainly due to mark-to-market losses on the valuation of an interest rate swap, compared to mark-to-market gains in 2013 and higher foreign exchange losses on peso-denominated balances partially offset by gain on 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 was $58.1 million in fourth quarter 2014 and $39.1 million in fourth quarter 2013. For the full year 2014 income tax expense was $111.3 million compared to $83.8 million in 2013. The increase during both periods was primarily due to changes in our deferred income tax balance resulting 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, partially offset by the effects of the 2013 Tax Reform.

Share of Profits of Joint Ventures, Net of Income Tax

Our share of joint venture profits was $3.8 million in the fourth quarter 2014, compared to $4.9 million in the same period of 2013, due to higher income tax expense, partially offset by improved results due to the start of operations of the Los Ramones I pipeline project.

Our share of joint venture profits was $23.3 million in 2014 compared to $34.7 million in 2013 mainly due to higher income tax expense, interest expense and foreign exchange losses on peso-denominated balances.

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 our 50-percent share of: (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. Our investments in the joint ventures are accounted for under the equity method.

	Three months ended December 31,		Year ended December 31,	
(thousands of US$)	2014	2013	2014	2013
	(unaudited)		(unaudited)	
Gas Segment	$ 73,135	$ 55,361	$ 244,550	$ 235,841
Power Segment	2,656	(1,944)	36,241	14,604
Corporate	(790)	(1,246)	323	(1,111)
EBITDA	**75,001**	**52,171**	**281,114**	**249,334**
JV EBITDA adjustment (50-percent)	15,502	12,469	55,776	53,751
Adjusted EBITDA	**$ 90,503**	**$ 64,640**	**$ 336,890**	**$ 303,085**

ii) Financial Position, Liquidity and Capital Resources

Condensed Consolidated Statements of Financial Position

(thousands of US$)	December 31, 2014	December 31, 2013
	(unaudited)	
Assets		
Current assets		
Cash and cash equivalents	$ 83,637	$ 103,880
Short-term investments	30,020	207,027
Other current assets[1]	211,962	187,221
Total current assets	**325,619**	**498,128**
Non-current assets		
Investment in joint ventures	401,538	366,288
Property, plant and equipment – net	2,377,739	2,213,837
Other non-current assets[2]	275,322	163,655
Total non-current assets	**3,054,599**	**2,743,780**
Total assets	**$ 3,380,218**	**$ 3,241,908**
Equity and liabilities		
Short-term debt	$ 195,089	$ -
Other current liabilities[3]	172,461	193,089
Total current liabilities	**367,550**	**193,089**
Non-current liabilities		
Long-term debt	350,638	394,656
Due to related parties	38,460	38,893
Other non-current liabilities[4]	374,282	298,858
Total non-current liabilities	**763,380**	**732,407**
Total liabilities	**1,130,930**	**925,496**
Common stock	762,949	762,949
Additional paid-in capital	973,953	973,953
Retained earnings	576,717	603,783
Accumulated other comprehensive income	(64,331)	(24,273)
Total equity	**2,249,288**	**2,316,412**
Total equity and liabilities	**$ 3,380,218**	**$ 3,241,908**

(1) Other current assets include trade and other receivables – net, VAT and other recoverable taxes, carbon allowances, current amounts due from related parties, inventory of natural gas, derivative financial instruments and other, less significant current assets.

(2) Other non-current assets include amounts due from related parties, deferred income tax assets, goodwill, finance lease receivables, carbon allowances and other, less significant non-current assets.

(3) Other current liabilities include trade and other payables, carbon allowance obligation, other current liabilities (wages and benefits payable), tax liabilities, accounts payable to related parties, derivative financial instruments, provisions and other, less significant current liabilities.

(4) Other non-current liabilities include deferred income tax, derivative financial instruments, non-current accounts due to related parties, non-current provisions, 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$)	Three months ended December 31, 2014	Three months ended December 31, 2013	Year ended December 31, 2014	Year ended December 31, 2013
	(unaudited)		(unaudited)	
Cash at period beginning	**$ 58,414**	**$ 10,052**	**$ 103,880**	**$ 85,073**
Net cash provided by operating activities	61,558	28,106	163,217	162,760
Net cash (used) provided by investing activities *****	(85,154)	185,243	(267,964)	(576,799)
Net cash provided (used) by financing activities	47,083	(118,641)	83,939	436,244
Effects of exchange rate changes on the balance of cash held in foreign currencies	1,736	(880)	565	(3,398)
Cash at period end	**$ 83,637**	**$ 103,880**	**$ 83,637**	**$ 103,880**

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

Operating Activities

Net cash provided by operating activities for fourth-quarter 2014 was $61.6 million, compared to $28.1 million in the same period of 2013 due to changes in working capital, offset by income taxes paid. Net cash generated by operating activities in 2014 was $163.2 million consistent with $162.8 million in 2013.

Investing Activities

Net cash used in investing activities for fourth-quarter 2014 was $85.2 million due to capital expenditures of $63.0 million, mainly for our Sonora pipeline project and $52.2 million of loans to unconsolidated affiliates, partially offset by proceeds from the sale of short-term investments of $30.0 million.

Net cash provided by investing activities for fourth-quarter 2013 was $185.2 million due to proceeds from the sale of short-term investments of $274.6 million, partially offset by capital expenditures of $89.1 million mainly for our Sonora pipeline project.

Net cash used in investing activities in 2014 was $268.0 million due to capital expenditures of $325.5 million mainly for our Sonora pipeline project and $162.8 million of loans to unconsolidated affiliates, partially offset by proceeds from the sale of short-term investments of $177.0 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 in 2013 was $576.8 million due to $369.7 million of capital expenditures, primarily for the Sonora pipeline project and the Energía Sierra Juárez wind generation project, and $207.0 million in purchases of short-term investments.

Financing Activities

Net cash provided by financing activities for the fourth-quarter 2014 was $47.1 million mainly due to a bank loan of $51.0 million.

Net cash used in financing activities for the fourth-quarter 2013 was $118.6 million mainly due to a dividend payment of $117.0 million.

Net cash provided by financing activities was $83.9 million in 2014 due to bank loans and project financing of $278.4 million, partially offset by a dividend payment of $164.0 million and interest paid of $18.9 million.

Net cash provided by financing activities was $436.2 million in 2013, mainly due to proceeds from debt issuance of $408.3 million and the issuance of ordinary shares in our initial public offering of $598.8 million, partially offset by $388.0 million in repayment of loans to affiliates and dividend payments of $156.0 million.

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.