

IEnova Reports Second-Quarter 2016 Profit

- Adjusted EBITDA up 12%**
- CFE awarded US\$2.1 billion marine pipeline to joint venture with TransCanada**
- CFE awarded Empalme Lateral**
- Declared 2016 dividend payment of US\$140 million**

Mexico City, July 27, 2016 / IEnova (BMV: IENOVA) reported today unaudited second-quarter 2016 financial results. Second-quarter 2016 Adjusted EBITDA was US\$106 million, up 12% from US\$95 million in the same period of 2015. The increase of US\$11 million was mainly due to the start of operations of the Ethane pipeline during 2015, the Los Ramones Norte pipeline in February 2016, and the Energía Sierra Juárez wind generation facility in June 2015.

Second-quarter 2016 profit was US\$34 million, compared with US\$36 million in the same period of 2015, mainly due to higher financing cost including lower capitalization of interest compared with the same period of 2015 and higher interest expense; and mark-to-market gains on an interest rate swap in 2015, partially offset by lower income tax expense.

Pursuant to a resolution of the General Ordinary Shareholders' Meeting held on April 29, 2016, the Board of Directors, in its meeting held on July 26, 2016, resolved to pay a cash dividend in August 2016 in the amount of US\$140 million.

"We were awarded two new natural gas pipeline projects by CFE: the Marine pipeline under our Joint Venture with TransCanada and the Empalme lateral; these are important steps in the execution of our growth strategy and demonstrate our continued commitment to invest in important energy infrastructure projects," said Carlos Ruiz Sacristán, Chairman and CEO of IEnova.

GAS SEGMENT

In the second-quarter of 2016, Gas segment profit before income tax and share of joint venture profits was US\$59 million, compared with US\$62 million in the same period of 2015. The variance is mainly due to higher financing cost related to a higher interest expense and lower capitalization of interest compared with the same period of 2015, and higher depreciation from the start of operations of the Sonora pipeline Puerto Libertad – Guaymas segment.

INTERNET BROADCAST

IEnova will broadcast a live discussion of its earnings results over the internet on Thursday, July 28, 2016 at 11 a.m. EDT with senior management of the company. Access is available by logging in to the website at www.ienova.com.mx. For those unable to log in to the live webcast, the teleconference will be available on replay a few hours after its conclusion by dialing 001 (855) 859-2056 and entering passcode 3405 2892#.

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

IEnova develops, builds and operates energy infrastructure in Mexico. As of the end of 2015, the company has invested more than US\$4 billion in operating assets and projects under construction in Mexico, making it one of the largest private energy companies in the country. IEnova is the first energy infrastructure company to be listed on the Mexican Stock Exchange.

This press release contains statements that are not historical fact and constitute forward-looking statements within the meaning of the United States Private Securities Litigation Reform Act of 1995. These statements can be identified by words like "believes," "expects," "anticipates," "intends," "plans," "estimates," "may," "will," "would," "could," "should," "potential," "target," "outlook", "depends," "pursue," "goals" or similar expressions, or discussions of our guidance, strategies, plans, goals, initiatives, objectives or intentions. Forward-looking statements are not guarantees of performance. They involve risks, uncertainties and assumptions. Future results may differ materially from those expressed in the forward-looking statements. Forward-looking statements are necessarily based upon various assumptions involving judgments with respect to the future and other risks, including, among others: local, regional, national and international economic, competitive, political, legislative and regulatory conditions and developments; actions by the Mexican Energy Ministry (Secretaría de Energía), the Mexican Energy Regulatory Commission (Comisión Reguladora de Energía), the Mexican Environmental Protection Ministry (Secretaría de Medio Ambiente y Recursos Naturales), Mexican Federal Electricity Commission (Comisión Federal de Electricidad), the California Public Utilities Commission, California State Legislature, Federal Energy Regulatory Commission, U.S. Department of Energy, California Energy Commission, California Air Resources Board, and other regulatory, governmental and environmental bodies in the United States and Mexico; capital market conditions, including the availability of credit and the liquidity of our investments; inflation, interest and exchange rates; the impact of benchmark interest rates on our cost of capital; the timing and success of business development efforts and construction, maintenance and capital projects, including risks inherent in the ability to obtain, and the timing of granting of, permits, licenses, certificates and other authorizations; energy markets, including the timing and extent of changes and volatility in commodity prices; the availability of electric power, natural gas and liquefied natural gas, including disruptions caused by failures in the electric transmission grid, pipeline explosions and equipment failures; weather conditions, natural disasters, catastrophic accidents, and conservation efforts; wars, terrorist attacks and cyber security threats; business, regulatory, environmental and legal decisions and requirements; governmental expropriation of assets and title and other property disputes; the inability or determination not to enter into long-term supply and sales agreements; the resolution of litigation; and other uncertainties, all of which are difficult to predict and many of which are beyond the control of the company. These forward-looking statements speak only as of the date hereof, and the company undertakes no obligation to update or revise those forward looking statements whether as a result of new information, future events or otherwise. These risks and uncertainties are further discussed in the draft prospectus that IEnova has filed with the Mexican National Banking and Securities Commission (Comisión Nacional Bancaria y de Valores). These reports are also available through the Mexican National Banking and Securities Commission's website at www.cnbv.gob.mx, the Mexican Stock Exchange's website at www.bmv.com.mx and on the company's website at www.ienova.com.mx.

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