

IEnova reports full-year and fourth-quarter 2017 Financial Results

- **Full-year adjusted EBITDA up 51% to US\$759 million, in line with high end of guidance, and fourth-quarter adjusted EBITDA up 13%**
- **Full-year profit increased 135%**
- **Total Assets increased by US\$1 billion in 2017**
- **Successful Senior Note Offerings of US\$840 million**
- **Acquisition of an additional 25% of the Los Ramones Norte pipeline, increasing ownership to 50%**
- **Executed a 20-year power purchase agreement with San Diego Gas & Electric for 108 MW of wind energy**

Mexico City, February 20, 2018 / IEnova (BMV: IENOVA) reported today full-year and fourth-quarter 2017 financial results.

Full-year 2017 Adjusted EBITDA was US\$759 million, up 51% from US\$504 million in 2016. The increase of US\$255 million was due to the acquisitions of Gasoductos de Chihuahua, Ventika and Los Ramones Norte, and the start of operations of four pipelines.

Fourth-quarter 2017 Adjusted EBITDA was US\$182 million, up 13% from US\$161 million in the same period of 2016. The increase of US\$21 million was mainly due to the acquisitions of Ventika in December 2016 and Los Ramones Norte in November 2017, higher operational results at the Termoeléctrica de Mexicali power plant, and the start of operations of new pipelines. This increase was partially offset by operating, administrative and other expenses.

Full-year 2017 profit was US\$418 million, up 135% from US\$178 million in 2016. The increase of US\$240 million was mainly due to the acquisitions of Gasoductos de Chihuahua and Ventika, the start of operations of four pipelines, lower income tax expense, and higher operational results at the Termoeléctrica de Mexicali power plant. This increase was partially offset by exchange rate effects. These figures exclude the non-cash after-tax impairment charges related to the Termoeléctrica de Mexicali power plant and the non-cash gain related to Gasoductos de Chihuahua.

Profit for the fourth quarter of 2017 was US\$37 million, up 33% from US\$28 million in the same period of 2016. The increase of US\$9 million was mainly due to lower income tax expense, higher joint venture profits, and higher operational results at the Termoeléctrica de Mexicali power plant. This increase was partially offset by exchange rate effects and operating, administrative and other expenses.

"IEnova had a very successful 2017. We achieved the high end of our Adjusted EBITDA guidance while growing our Total Assets by US\$1 billion and diversifying our portfolio through new projects and acquisitions. We executed innovative contracts for liquids storage and renewables projects, and we also expanded our sources of funding by completing our first international Senior Note Offerings of US\$840 million," said Carlos Ruiz Sacristán, Chairman and CEO of IEnova. *"Our business model has validated our ability to acquire, build, operate, and finance large, highly complex energy infrastructure projects during 2017 while being recognized as a responsible member of the community. We are proud to be called a Great Place to Work and to be the only energy company listed on the Mexican IPC Sustainability Index,"* added Ruiz Sacristán.

INTERNET BROADCAST

IEnova will broadcast a live discussion of its earnings results over the internet on Wednesday, February 21, 2018 at 11 a.m. EDT with the company's senior management. 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 2167 418#.

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 2017, the company has invested more than US\$7.6 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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