

QUARTERLY DISTRIBUTION OF CFE FIBRA E

Strong fundamentals for the closing of 2018

This distribution proves that the fundamentals of CFE Fibra E have not changed and that energy volume growth was sustained during the year. This distribution was according to CFECapital expectations. The payment covers a period of 13 weeks. The amount to be distributed covers the minimum quarterly distribution and pro-rata distributions to both series.

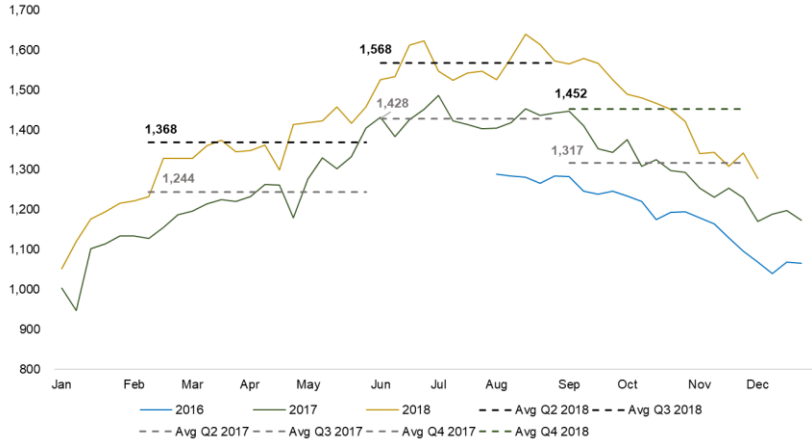
Mexico City, December 19, 2018.- Today, CFECapital declared the quarterly distribution of CFE Fibra E to be paid on December 31, 2018. According to regulation, this was published through EMISNET, the information system of the *Bolsa Mexicana de Valores* (BMV).

The collection period for this distribution comprises 13 weeks, including the months of September, October, and November. This distribution is in line with CFECapital expectations and the structure of the instrument. Highlights of this distribution:

- According to the regular seasonality in energy consumption in Mexico, this distribution covers a period where the average income received from the power transmission service was 7.38% lower than the previous distribution period.

Weekly revenues from CENACE¹

(million MXN)



Source: Promoted Trust statement of account.

Notes: Q2 2018 distribution: February 12 to May 31; Q3 2018 distribution: June 1 to August 31; Q4 2018: September 1 to November 30. Comparison for 2017 considers equivalent periods. Rounded figures.

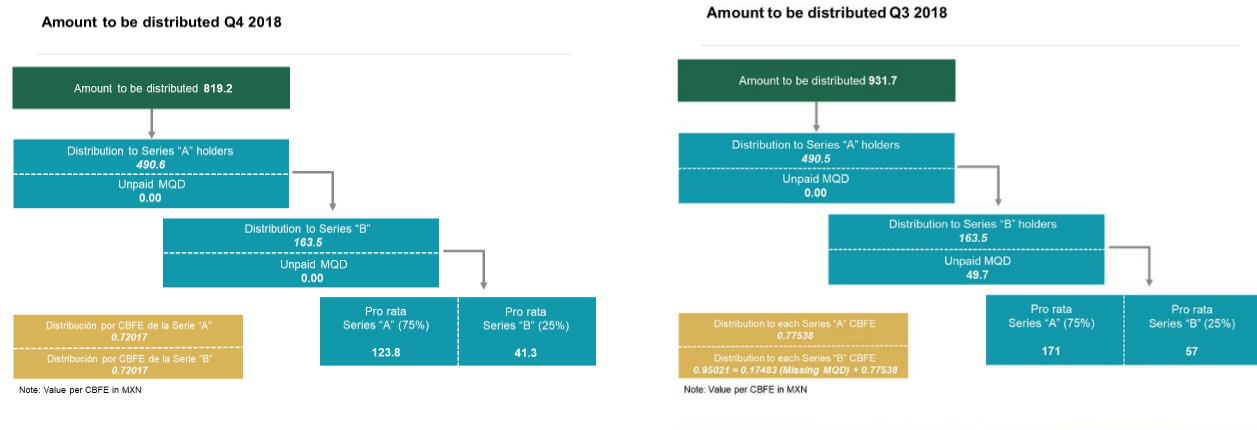
- This distribution period consolidates the growth path showed earlier in the year. The average weekly income was 10.27% higher during this distribution period of 2018 compared to the equivalent period of 2017. On an annual basis, the growth has been of around 9.82%. The components of this growth are the increase in transmission tariffs of around 4.2% and the increase in the energy transmitted of around 4%.

¹ Centro Nacional de Control de Energía (CENACE), independent operator and payment collector.

- Following the distribution policy,² the amount to be distributed for this period allows CFECapital to pay the minimum quarterly distributions (MQD) and pro-rata distributions for both Series.
- The distributable amount is calculated as the distribution to CFE Fibra E minus trust expenses and earned interests.

CFE Fibra E 2018 distributions comparison

(million MXN)



Source: CFECapital.

Note: Rounded figures. CBFE: Certificado Bursátil Fiduciario de Inversión en Energía e Infraestructura.

- CFECapital maintains a full distribution policy by distributing the cash reserve of the general account.³
- CFE Fibra E is taking advantage of the fiscal structure for “Fibras E” in Mexico.⁴ To do that, the trust has to cover certain requirements in accordance to the Mexican Income Tax Law. One of the key adjustments is that a Fibra E trust must distribute to its holders, at least once a year and no later than March 15 of the following year, at least 95% of the Fibra E net taxable income.
 - December 2018 full income will be paid on March 2019 distribution. However, for fiscal purposes, all income and invoices generated in 2018 account for the 2018 fiscal year.
 - CFECapital, in order to ensure the qualification of the trust as Fibra E, made the calculation of distributable profit (net taxable income or) and capital reimbursement. To fulfill the 95% distribution of the net taxable income, the amount of the distributable profit will be higher than in previous distributions. This effect will be reversed for the March 2019 distribution (i.e. higher capital reimbursement).

² Page 93 of the Offering Memorandum -in Spanish- (<http://cfecapital.com.mx/wp-content/uploads/2018/05/III-El-Fideicomiso-Emisor.pdf>), page 58 of the Offering Memorandum -in English- (<http://cfecapital.com.mx/wp-content/uploads/2018/05/Offering-Memorandum-FCFE18.pdf>).

³ According to sections 5.07 and 6.02 of the Issuer Trust Contract (<http://cfecapital.com.mx/wp-content/uploads/2018/05/IX-Anexos.pdf>, pages 40 and 45).

⁴ More information in the documents of the public offering (<http://cfecapital.com.mx/info-legal/>).

- This action was implemented by CFE Capital as a result of a consultation with the Issuer Trust advisors⁵ and approved by the Technical Committee of the Issuer Trust during its fifth session of December 10, 2018.
- This solution will be implemented the first and last distributions of each year in order to guarantee to our investors the fiscal advantages of Fibra E.

⁵ Accounting advisor in the Issuer Trust: EY (Mancera, S.C.). Legal advisor in the Issuer Trust: White & Case (White & Case, S.C.). External auditor in the Issuer Trust: KPMG (Cárdenas Dosal, S.C.).