



RESULTS 9M16

November 14th, 2016

CONFERENCE CALL DETAILS

**The Company will host a conference call for investors and analysts today at 18:30 (CET).
Please find below conference call telephone numbers:**

Spain: +34 917 900 860

UK: +44 (0) 203 043 2434

USA: +1 866 305 9104

Access to the live event:

<http://event.onlineseminarsolutions.com/r.htm?e=1278838&s=1&k=C742A01FA446D2ED90101B1CA5A492E4>

A recording of the conference call will be available for 30 days on the following telephone numbers:

Replay dial number:

Spain: +34 917 896 320

UK: +44 (0) 203 367 9460

US: +1 877 642 3018

Access code: 303996#

Conference call Webcast replay over the Internet:

<http://event.onlineseminarsolutions.com/r.htm?e=1278838&s=1&k=C742A01FA446D2ED90101B1CA5A492E4>

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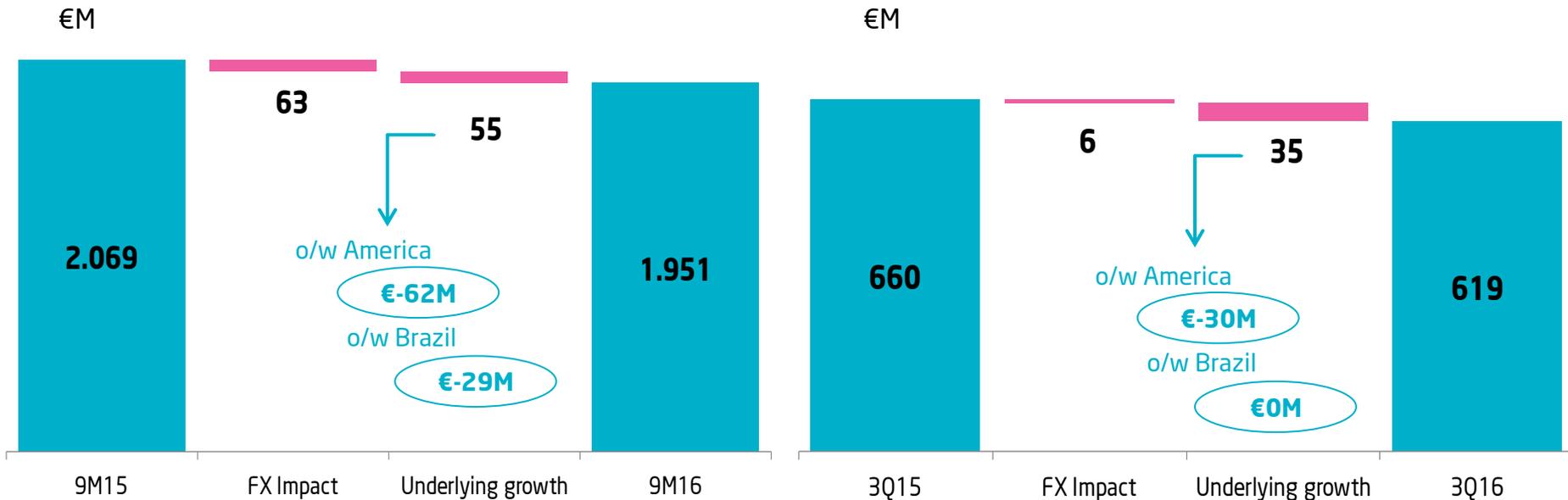
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MAIN HEADLINES

- 1 9M16 Order Intake up +6% in local currency, keeping the pace of growth achieved in 1H16
- 2 9M16 Revenue growth in D&S (+10% in local currency) & AMEA (+14%)
- 3 Less negative impact of the FX (€-6M in 3Q16)
- 3 9M16 EBITDA reached €151m (7.7% margin) vs €63m in 9M15 (3.1% margin) due to better direct margin, lower impact from onerous projects and efficiency plans
- 4 3Q16 Recurrent EBIT Margin 5.5% vs 3.5% in 3Q15
- 5 3Q16 FCF of €-5M compared to €-23M in 3Q15 backed by a better operating performance
- 6 Net Debt down by -5% vs December 2015 to €666M
- 7 Brazil turning around: good progress of EBIT margin and 4 onerous projects (out of 7) already closed
- 8 9M16 Net Income posted €48M

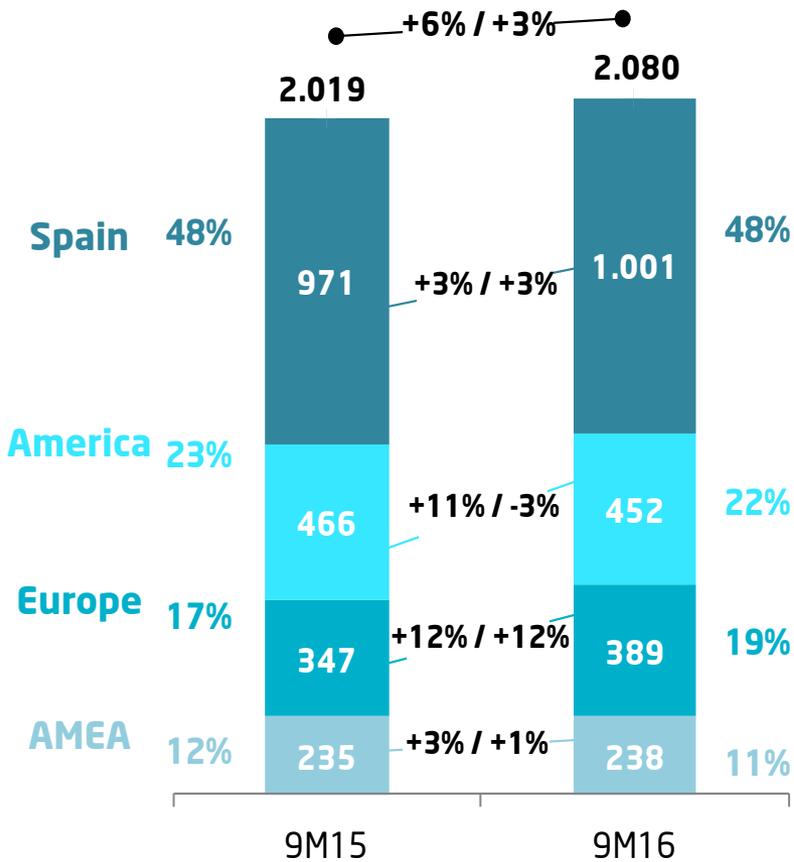
9M16 DOWN -3% IN LOCAL CURRENCY



ORDER INTAKE UP +6% IN 9M16 IN LOCAL CURRENCY

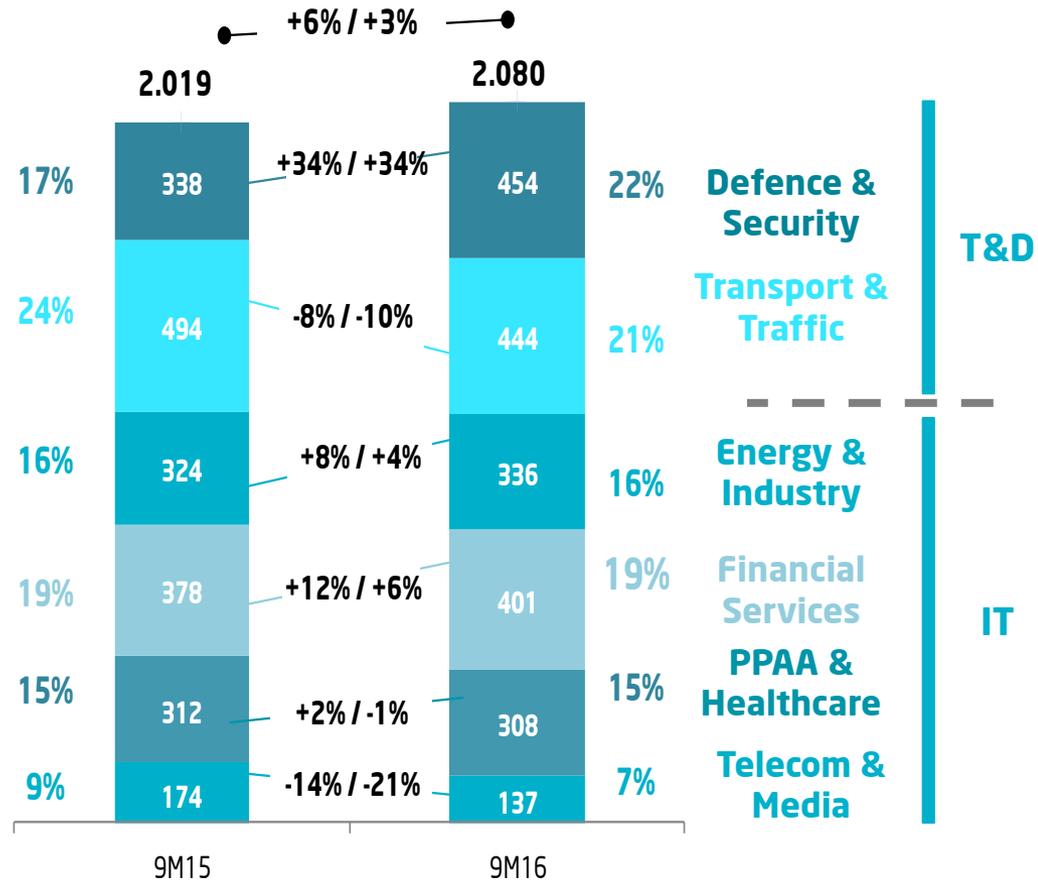
Order Intake by Region (€M)

Local Currency / Reported



Order Intake by Vertical (€M)

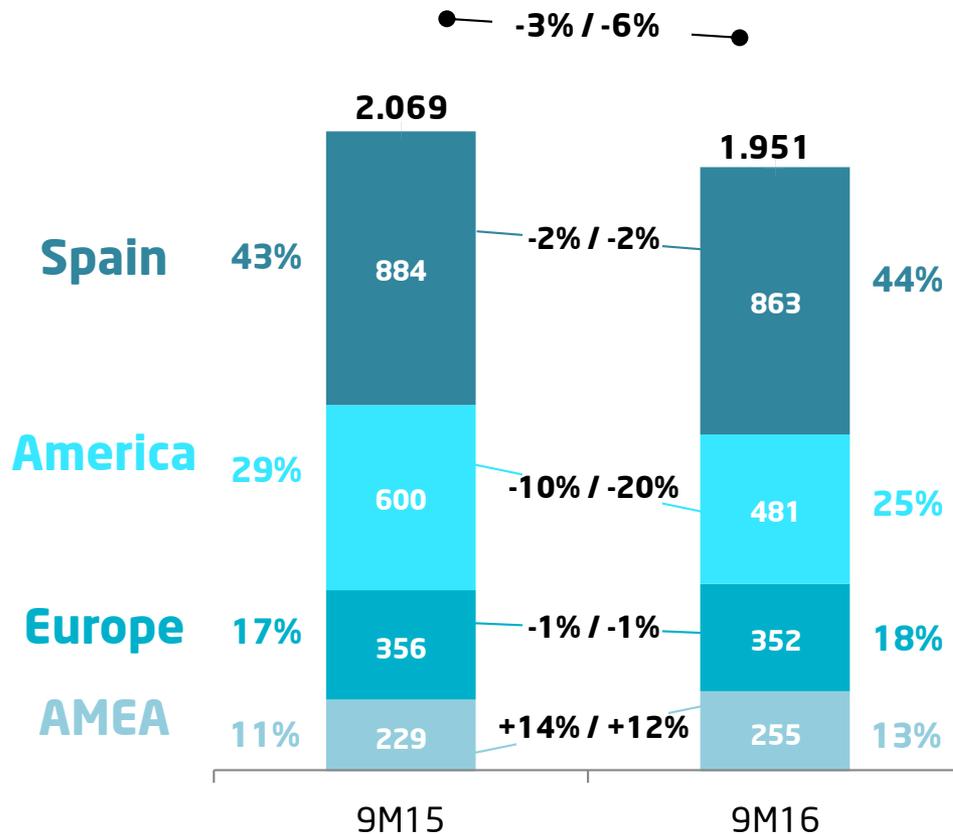
Local Currency / Reported



REVENUES BY REGION

Revenues (€M)

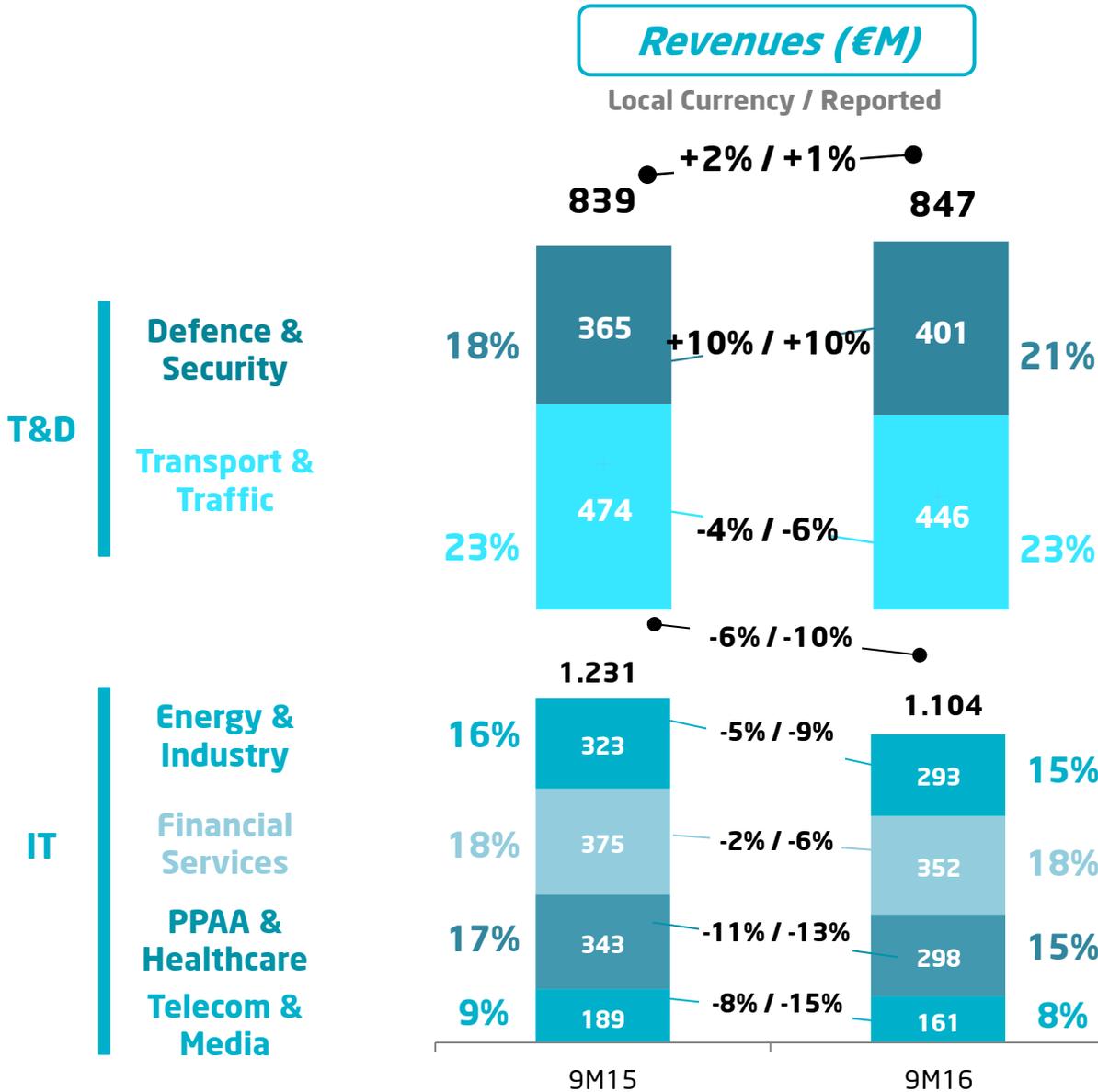
Local Currency / Reported



3Q16 Revenues

- 3Q16 Revenues continue improving (-1% vs -2% in 2Q16 and -4% in 1Q16)
 - Strong performance of Defence & Security (+61%), Financial Services (+1%) and Energy & Industry (+1%)
-
- -16% down in local currency because of the Elections business
 - 9M16 Revenues growth in The Dominican Republic, Peru, Ecuador & Chile
-
- Only region with growth: +1% up in local currency
 - Double digit growth for IT (+14% in reported terms)
-
- -5% down in local currency

REVENUES BY VERTICAL



Spain	Int. (LC)
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ONE QUARTER LEFT TO COMPLETE THE PERSONNEL COST OPTIMIZATION PLAN

Number of Employees

- **SPAIN - up to 1,750**
- Sep 15-Sep 16: ~ 90%
- **LATAM - 1,700** ✓
- 1,721 as of 31/12/2015



P&L

- Provision of €160M accounted in 3Q15 as non-recurrent cost for Spain
- Expected annual savings calendar of €120M

2015	2016	2017	2018
€20M ✓	€90M	€120M	€120M

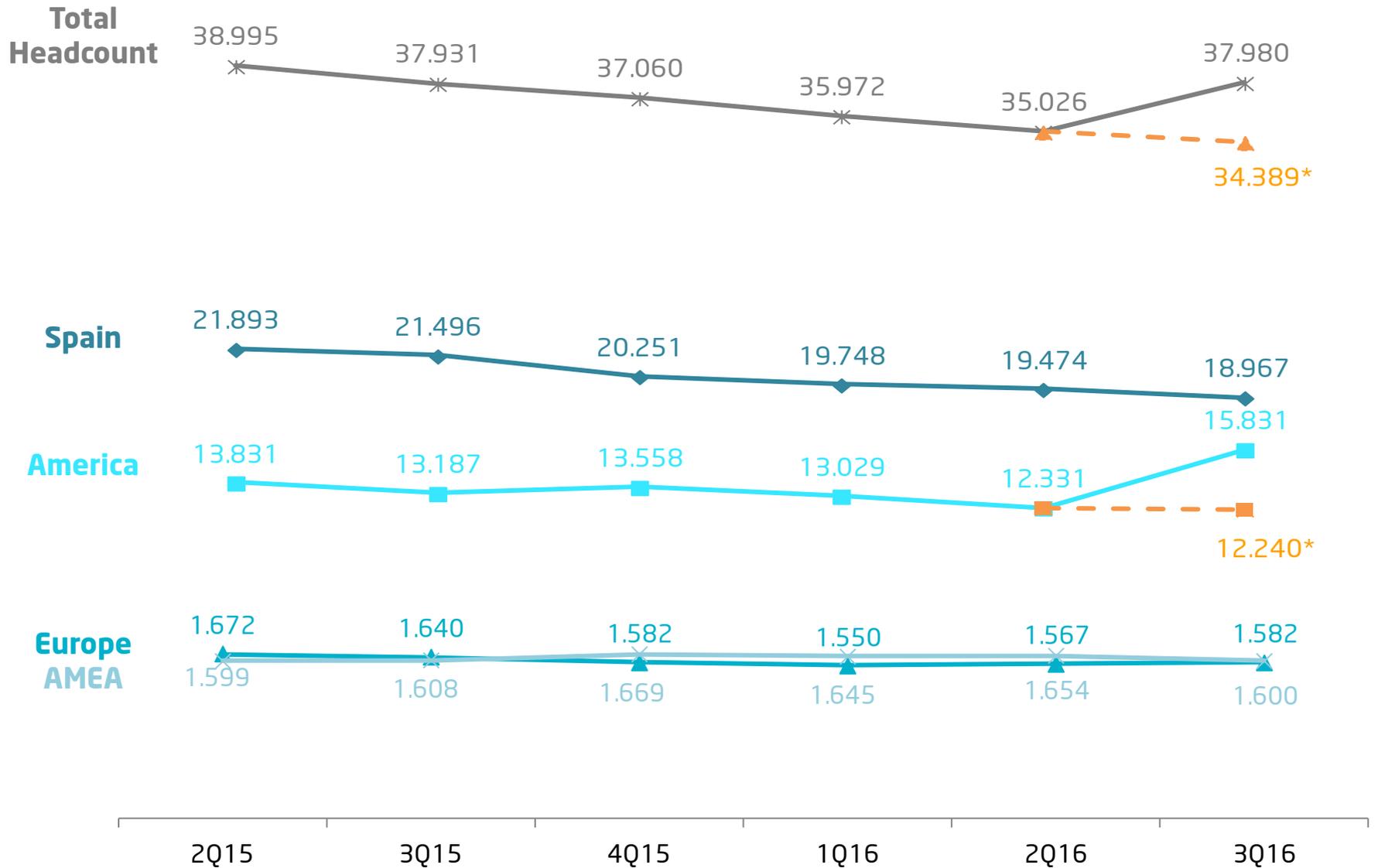
Cash Flow

- Expected cash cost of €150-160M between 2015-2018

2015	2016	2017	2018
€70-80M ✓	€45-55M	0	Remaining
← €78M		→ €38M in 9M16	

(*) As of 30/09/2016

UNDERLYING HEADCOUNT DECREASING



BRAZIL CONTINUING ITS TURN AROUND

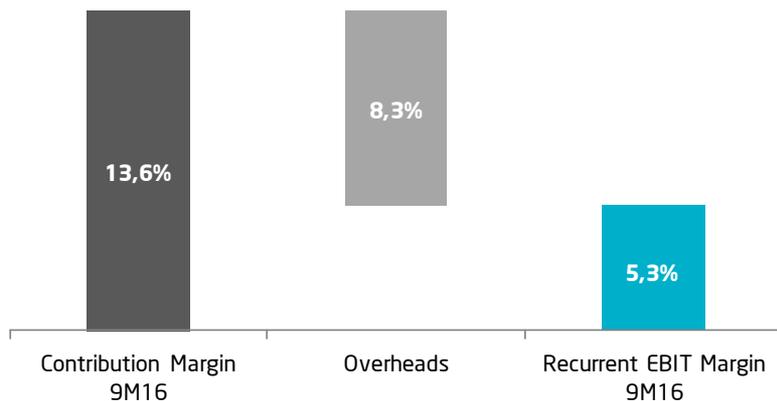
(local currency)	9M15	9M16	Variation
Order Intake	504M	530M	+5%
Revenues	715M	626M	-12%
EBIT*	-151M	-15M	NA
EBIT Margin*	-21%	-2%	+19 pp

- 4 out of the 7 onerous projects already closed/finished
- Remaining onerous projects on track
- Order intake continued the positive trend started in 2Q16
- 9M16 EBIT Margin excluding labor contingencies would have reached 3%

(*) 9M15 data: Excluding extraordinary costs

MARGIN IMPROVEMENT DUE TO EFFICIENCY PLANS AND BETTER DIRECT MARGIN IN CURRENT PROJECTS

Recurrent EBIT Margin 9M16

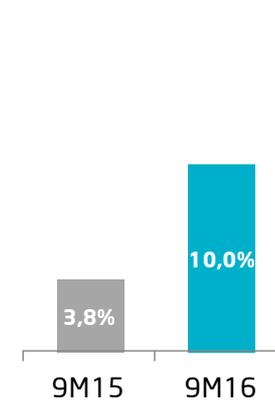


Contribution Margin by Divisions

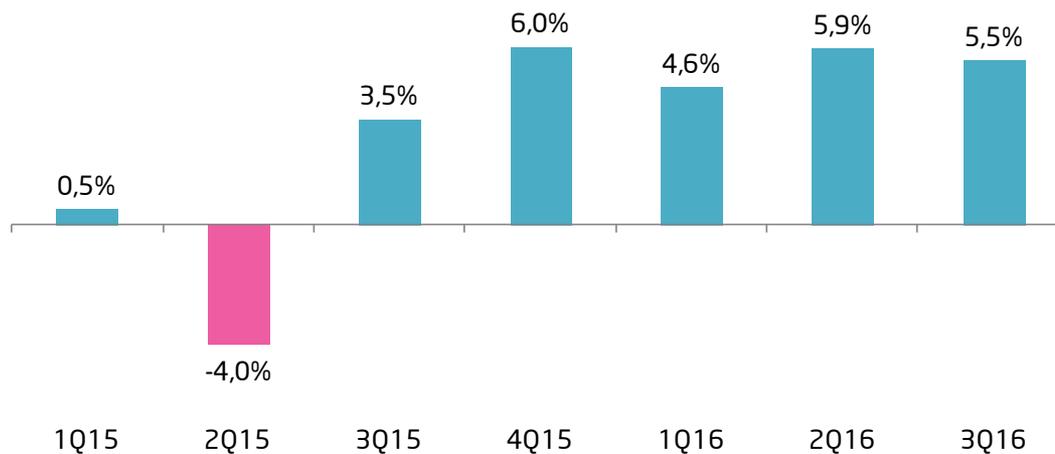
T&D



IT

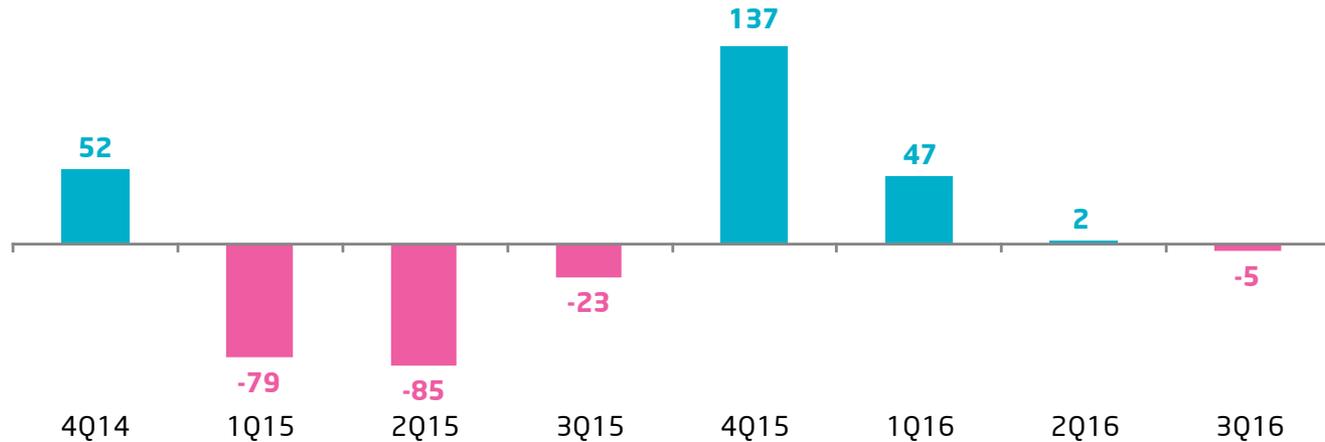


Quarterly Recurrent EBIT margin evolution

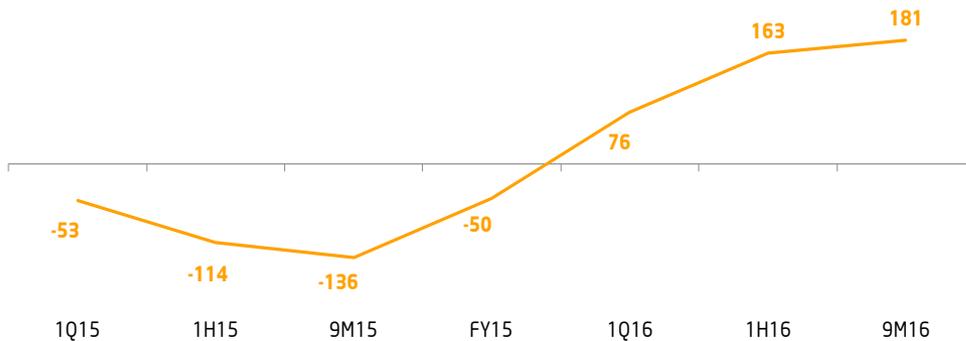


STRONG FCF GENERATION

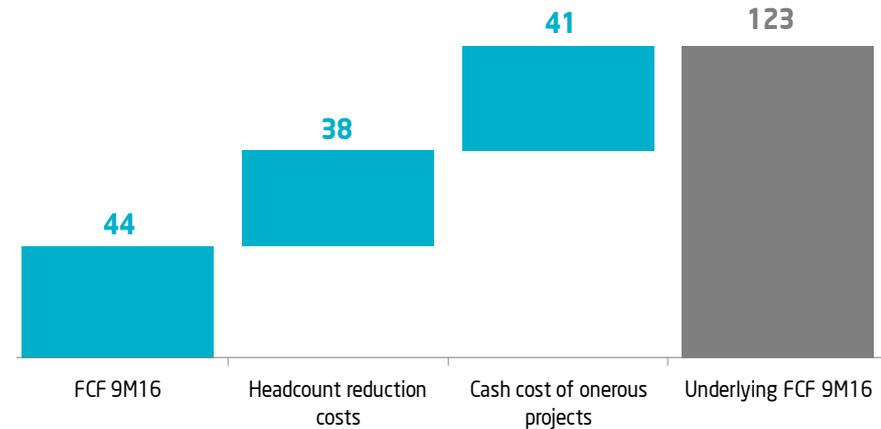
Quarterly FCF (€M)



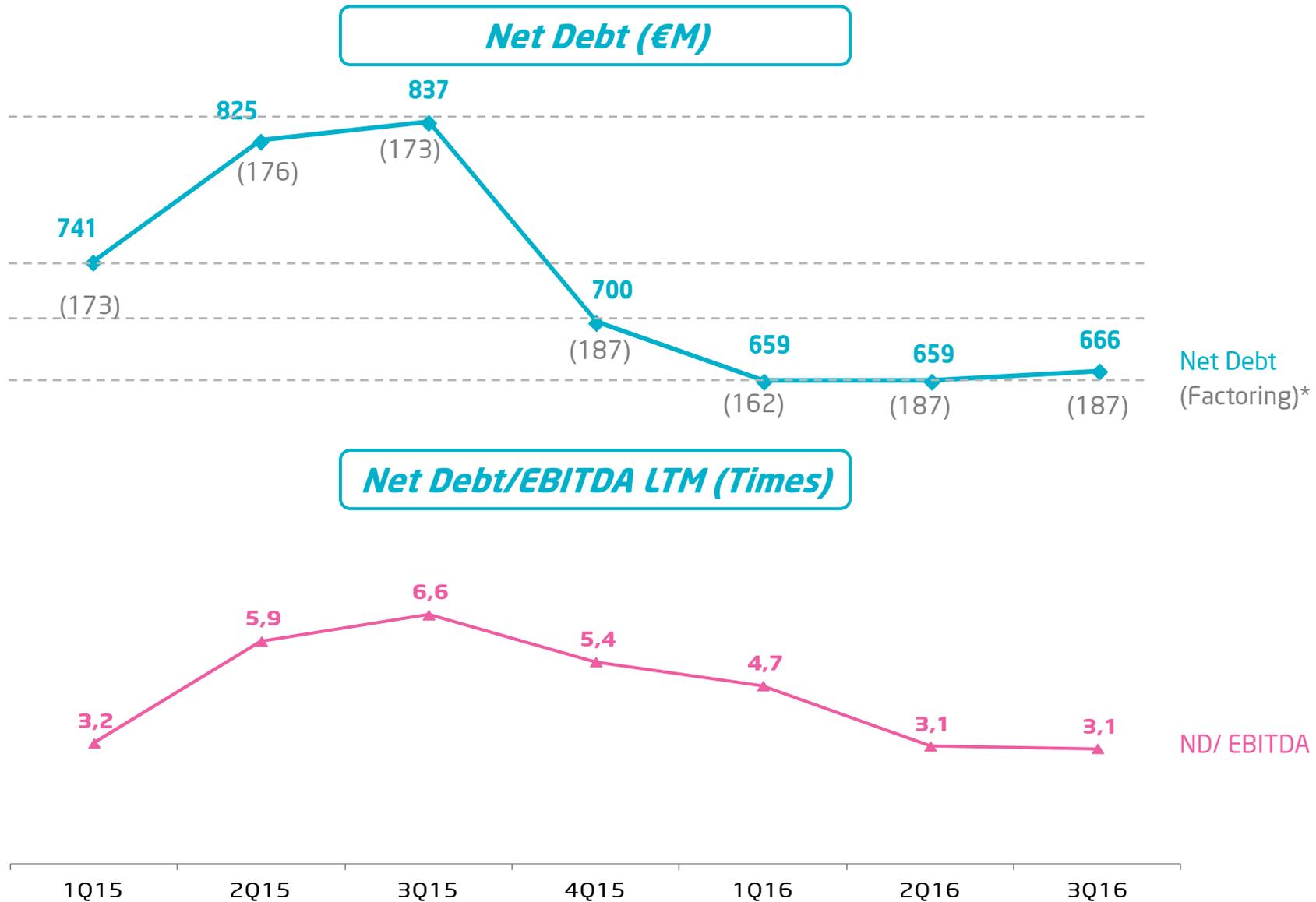
Accumulated FCF LTM (€M)



Underlying FCF 9M16 (€M)

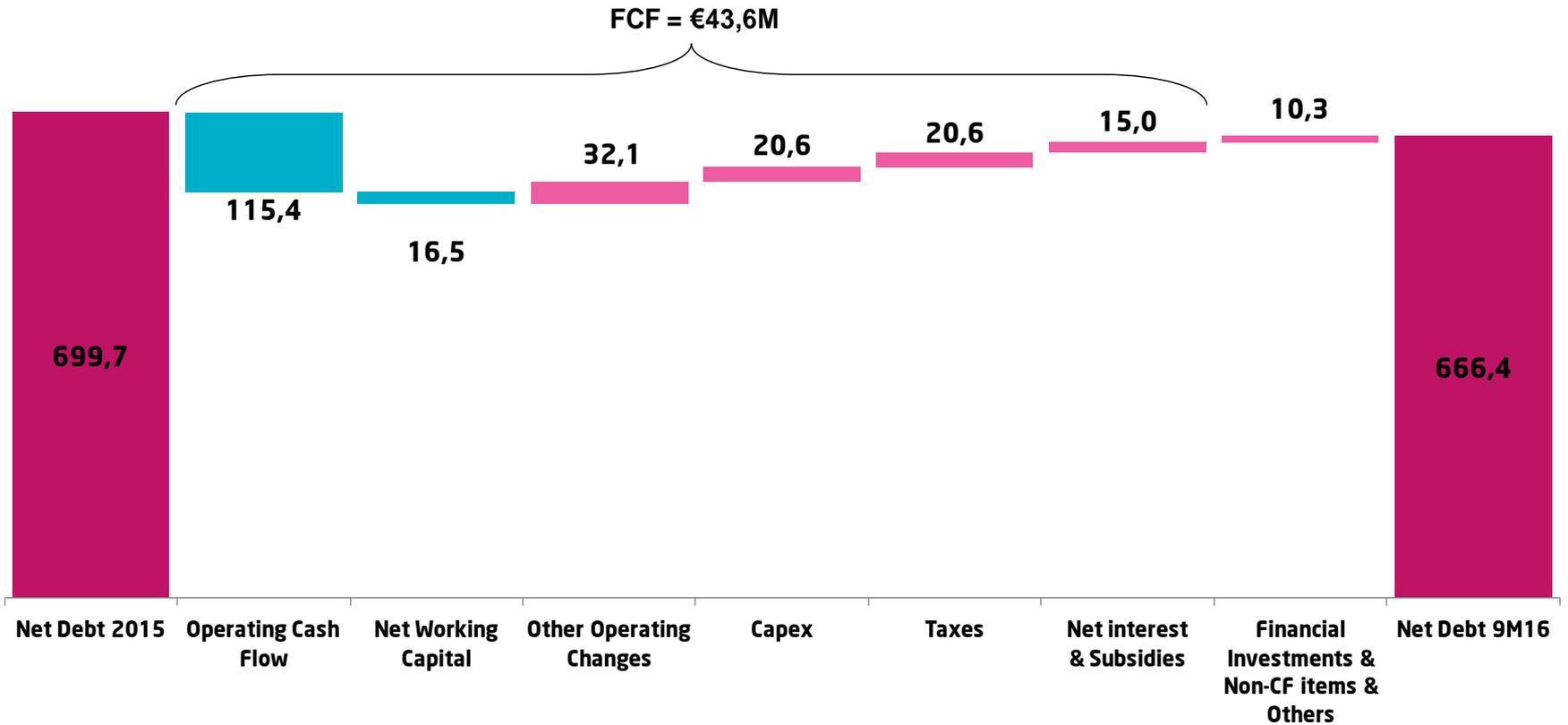


NET DEBT EVOLUTION



(*) Non-recourse factoring

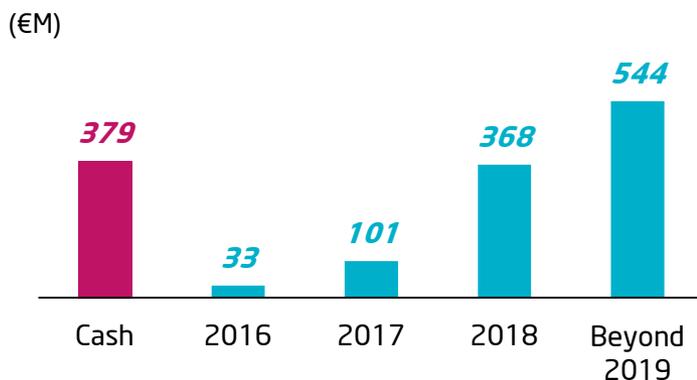
NET DEBT BRIDGE



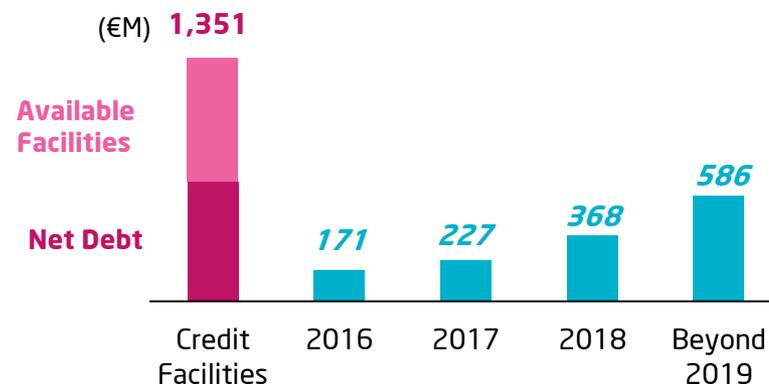
DEBT STRUCTURE

(€M)	9M16		2015	
	Total	% of total	Total	% of total
L/T Debt	918	88%	962	92%
S/T Debt	127	12%	79	8%
Gross Debt	1,045	100%	1,041	100%
Cash & Others	379	n.m.	342	n.m.
Net Debt	666	n.m.	700	n.m.
Cost of Net Debt	3.2%		4.2%	

Gross Debt Maturity Profile

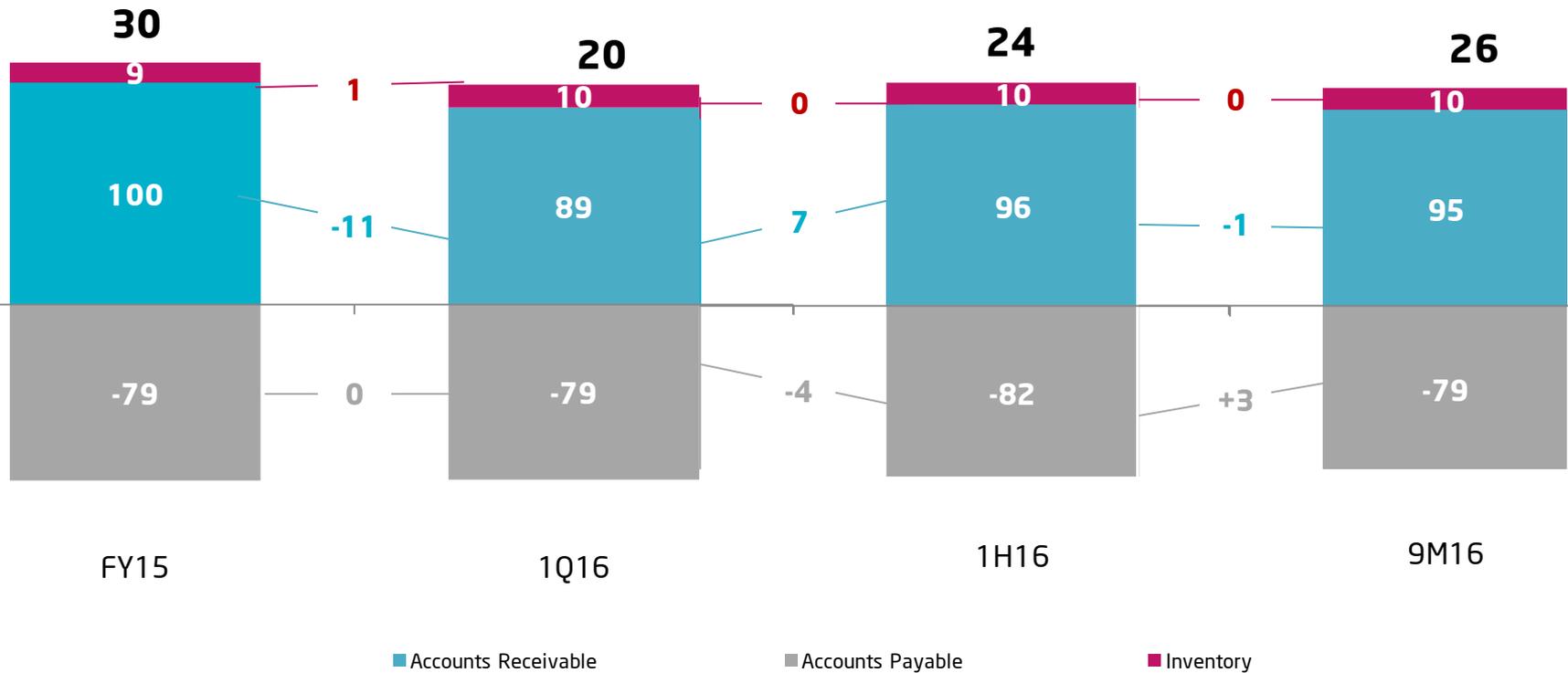


Available Credit Facilities



NET WORKING CAPITAL EVOLUTION

Net Working Capital (DoS)



Note: The headings "Accounts Receivable" and "Accounts Payable" has minor changes to be aligned with the standards of the annual report. It does not imply any change in DoS.



Investor Relations

irindra@indra.es

Avda. de Bruselas 35
28108 Alcobendas,
Madrid Spain
T +34 91 480 98 00
www.indracompany.com

