



RESULTS 2011

MADRID, 23 FEBRUARY 2012
www.indra.es

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1. INTRODUCTION

Despite a worse than expected deterioration of the macro economic environment, **Indra has met all its objectives in 2011:**

- **Revenues increased** by **5%**, slightly above the expected level announced in November. This increase includes the impact of the Brazilian Politec and the Italian Galileo (the acquisitions ⁽²⁾). Excluding these acquisitions growth would have reached 3%, 1% above the guidance released at the beginning of the year.
- **Order intake grew 3%** (+2% excluding acquisitions), being **11% higher** than **revenues** of the period.
- **EBIT margin** stood at **10%**, in line with the target announced in the previous result report. Excluding the impact of acquisitions, EBIT margin would have reached 10.5%, in line with the target announced at the beginning of the year.

During 2011, Indra has continued to move forward and develop actions to maintain a growth and high profitability profile, such as:

- Increase its exposure to **emerging** and high growth potential **markets**, through the acquisition of Politec in Brazil and the establishment of subsidiaries in countries of the Asia-Pacific region.

Revenues in **international markets represent** already circa **half** of the group's pro-forma **sales**, posting an **increase of 17%**, and double digit growth excluding the positive impact of the acquisitions ⁽²⁾.

Order intake in the international arena has also shown a strong performance, **growing 9%**, and represents 47% of the group's order intake.

- During 2011, Indra has accomplished the necessary actions to develop and adapt its offer to the requirements of the international markets where it is building its presence and to the new needs of its current relevant clients. The **technological investment** carried out by the company allows maintaining a high **competitive** offer, with a significant growth potential.
- Indra has **improved its position** in those clients and local markets where it operates, benefiting from the trend of its largest clients and their main markets to concentrate its portfolio of suppliers into larger companies with a global offering and delivery service.

(1) Galileo and Politec's contribution in 2011 amounts €48m in Order Intake, €115m in Order Backlog and €62m in sales, with circa flat EBIT margin excluding integration and acquisition costs, and a loss of €7m including these costs

(2) These acquisitions have an impact in the international order intake and the Services segment, thus not having any effect in the domestic market nor the Solutions segment.

MAIN FIGURES

Order Intake

- Reached **€2,976m**, posting an **increase of 3%** compared to the same period of previous year, being 11% higher than revenues of the period (**book to bill** ratio at **1.11x**).
- Excluding acquisitions, order intake would have increased 2% versus 2010.
- **International order intake** represented 47% of Indra's total order intake, posting a **9% growth**. Excluding the contribution from acquisitions, the rate of growth would have reached +5%.
- **Commercial activity in international markets** is key in Indra's growth strategy. In this sense, relevant contracts have been awarded during the year 2011, such as the project to develop a high speed train line between La Meca-Medina in Saudi Arabia, the modernisation of the air traffic management system in Omán as well as the modernisation of Bahrain's healthcare system or other contracts in the energy sector in Latin-American.
- **Domestic** market registered a **slight decrease** of 1%, with a positive performance in the areas of telecommunications and air traffic management, as well as in balloting processes, as in 2011 took place general and regional elections in Spain
- **Services** segment continues **growing**, and registers **double digit** growth rate. This increase responds to the positive contribution of the acquisitions (5 percentage points of growth) and to client's preferences to invest in projects that increase efficiency versus projects that generate growth. **Solutions** segment has remained **flat**.

Revenues

- Reached **€2,688**, **growing 5%** compared to the previous year, and 3% excluding acquisitions.
- **International** market **grows** at double digit rate excluding acquisitions. These increase the rate of growth up to **+17%**. All regions posted positive growth excluding the impact of acquisitions, highlighting the c. 20% rates in Latin America, Asia Pacific and Middle East region as well as Africa. Europe registers a flat performance.
- **Domestic** market revenues **decreased** by **3%** compared to 2010, affected by the weak macroeconomic domestic situation which has deteriorated in the second half of the year.
- **Services** segment **increased** by **20%** (or 12% without acquisitions), while **Solutions** decreased slightly (**-1%**). Demand for solutions in mature markets has been lower than in emerging markets, where demand for services that improve efficiency has intensified.
- It should be highlighted that all **verticals**, except Security & Defence, show a positive evolution:
 - Telecom & Media (+24%, +22% ex-acquisitions), Energy & Industry (+12%, +7% ex-acquisitions), Public Administration (+9%, +4% ex-acquisitions), Transport & Traffic (+8%), and Financial Services (+5%, +1% ex-acquisitions).
 - Security & Defence (-14%) posted a negative performance in 2011, although improving in the last quarter of the year, as expected and anticipated in the previous results report.

Order backlog

- Order **backlog** reached **€3,231m**, having increased by **11%** versus 2010.
- At the close of the quarter, order **backlog represents 1,2x** the last twelve month (LTM) **revenues**, ratio which has increased for the third consecutive year.

Income statement and Balance Sheet

- **Net operating profit** (EBIT) reached €268m, 6% ahead of the figure reported the previous year.
- No extraordinary costs have been registered during the year. In 2010 €33m extraordinary costs were accounted.
- **Net operating margin** (EBIT/Sales) stood at **10%**, 1.2pp below the Recurrent Operating Margin (before extraordinary costs) of 2010. This difference is not only due to the decrease in the contribution margin in Services and Solutions but also to the impact of the acquisitions, which have lower contribution margins than Indra's. Excluding this effect, net operating margin would have reached 10.5%.
- **Net profit** reached **€181m**, 4% below net profit in 2010. Excluding the contribution of the acquisitions, net profit would have been **€191m**.
- **Net working capital** is equivalent to **98 days of annualised revenues** (versus 93 days at the end of 2010), including the positive effect of acquisitions. Excluding this impact, net working capital would have reached 100 days of annualised revenues. This level is below the 108 DOS target announced in November mainly due to some unexpected revenues' **collection by year end**.
- Regarding financial items:
 - During the year, total tangible and intangible **investments** (net of capital grants) have amounted €111m
 - Ordinary **dividend** payment on 2010 results reached **€111m**.
 - **Net debt** position stood at **€514m** by the end of the year, equivalent to **1.6x EBITDA**, versus €275m reported in 2010

TRADING UPDATE AND 2012 AND MID TERM TARGETS

Despite higher **difficulties** to make forecasts coming from the complexity and uncertainty of the general economic environment, **Indra's** current backlog, commercial ongoing initiatives, its position in solid clients, and the growing presence in high growth markets grants the company **enough visibility to present its 2012 targets**. Indra is fully confident that it will meet these targets, as it has done in the past, even on such difficult years as the recent ones.

The acute and swift **economic deceleration** seen in some of the company's markets, in particular in the Spanish one, impact negatively the company in the very short term. Indra is reacting to the situation although the **initiatives undertaken** and ongoing will have full effect in a longer timeframe. Thus, Indra is presenting its **targets to 2014** so that the impact and costs of such actions can be fully assessed.

The nature of Indra's activities and its market position, together with the actions it has quickly and surely adopted, have allowed it to sustain, during these years of **economic crisis** its **growth profile** with recurrent operating **profitability** of double digit and a solid financial position. All with the ultimate objective of **maintaining** the company's **shareholders remuneration** policy.

These **objectives** will continue to be key in managing through **2012** and in the following years, as the complex and difficult economic environment in Spain continues, progressively and softly improving from next year on.

In this context, **international markets** will continue being the company's **growth engine**. In 2012 we expect international order intake to be larger than the domestic one, and that **international revenues** will account for **50%** of **total** revenues. The strong international growth is based, amongst other factors in the **improvement** of Indra's **portfolio of solutions** to adapt them to the specifics of the international markets, and on the acceleration of the company's **positioning** in high **growth geographies**.

In the **domestic** market, although the suppliers concentration trend by large clients benefits Indra, we will follow a policy of very **selective growth** prioritizing profitability and net working capital.

The higher weight of **services** and the dilutive impact from the **lower operating margin of acquisitions**, mainly **Politec** in **Brazil**, in a context of **lower pricing** power, **reduce** Indra's **profitability** in **2012**. The company's **profitability** will **progressively recover** with the increase in the operating margins in Brazil and the positive impact of the initiatives undertaken to increase the efficiency of the company's production processes. Such organizational and resources allocation initiatives will imply **extraordinary costs** of around **1%** and **0.5%** of **revenues** in **2012** and **2013** respectively.

The **strengthening** of the company's **portfolio of solutions** will also have a **positive impact**. Investments in developing new offer will not only help in the international expansion of the company, but also allow to **leverage** the **demand** for high added value solutions in areas where the company already has a leading position (transport & traffic, energy, healthcare, financial services, security,...) and other emerging areas (cloud, analytics, ...).

The **size** of such **investments** will **decrease** in the coming years thanks to the **efforts already made** in the last years.

In this context, Indra aims to achieve the following **targets** for 2012 and following two years:

- **Revenues** are expected to grow between **6.5% and 7.5%** in **2012**, with positive performance excluding Politec and Galileo acquisitions. The domestic revenues are expected to decrease at a single digit rate and International markets are expected to post a relevant growth rate. During the following two years, we expect the domestic market to progressively recover and to maintain a relevant rate of growth in international markets.
- Book-to-bill ratio above 1x every year so that order backlog will continue to grow.
- **Recurrent EBIT margin** is expected to be between **8%** and **9%**, recovering progressively to levels around **10%** in **2014**.
- **Maintain net working capital** between a range of **110-100 DOS**, converging towards the lower range at the end of the period.
- Decrease the level of **tangible** and **intangible** capex to **€65-75m** per year

2. MAIN FIGURES

The table below shows Indra's 2011 main figures, including the impact of the acquisitions of Galileo (consolidated since July 1st) and Politec (consolidated since October 1st):

INDRA	2011 (€M)	2010 (€M)	Variation (%)
Order Intake	2,975.8	2,882.0	3
Revenues	2,688.5	2,557.0	5
Backlog	3,230.9	2,899.2	11
<i>EBIT margin (before non recurrent extraordinary costs)</i>	10.0%	11.2%	(1.2) pp
<i>Extraordinary costs</i>	--	(33.4)	na
Net Operating Profit (EBIT)	267.8	251.9	6
<i>EBIT Margin</i>	10.0%	9.9%	0.1 pp
Attributable Profit	181.0	188.5	(4)
Net debt position	<i>513.6</i>	<i>274.9</i>	87

Earnings per Share (according to IFRS)	2011 (€M)	2010 (€M)	Variation (%)
Basic EPS	1.1129	1.1605	(4)
Diluted EPS	1.1129	1.1605	(4)

- **Basic EPS** is calculated by dividing net profit for the period by the total number of outstanding shares less weighted treasury shares at the close of the period.
- Treasury shares and total shares are weighted in accordance with the number of days they have been on the company's balance sheet during the year.
- **Diluted EPS** is the same as basic EPS given the company has not issued convertible shares or any other similar financial instruments.

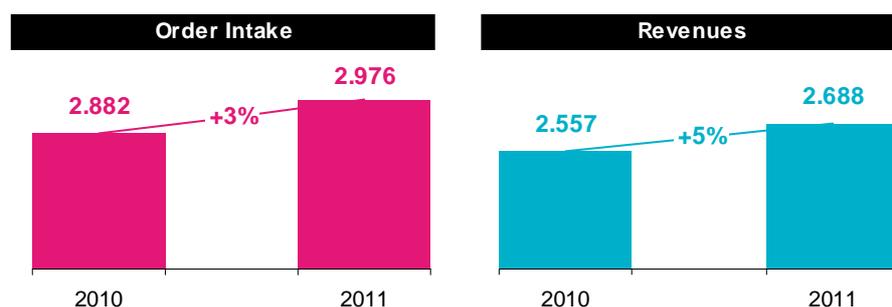
	2011 (€M)	2010 (€M)
Total number of shares	164,132,539	164,132,539
Weighted treasury stock	1,491,128	1,687,159
Total shares considered	162,641,411	162,445,380

- At the close of December 2011, the company held 1,332,549 weighted treasury shares representing 0.81% of total shares in the company.

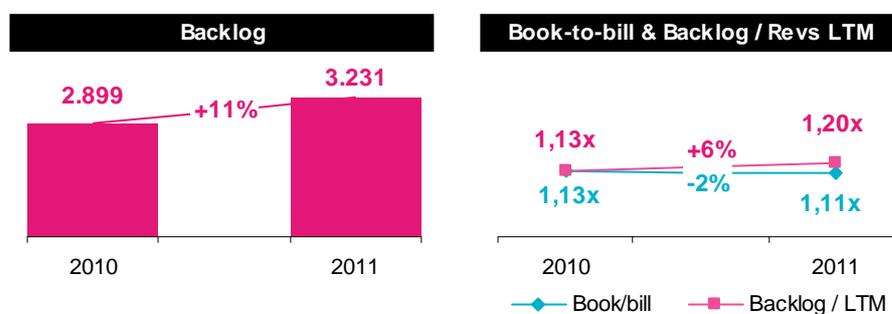
3. ANALYSIS OF REVENUES AND COMMERCIAL ACTIVITY

INDRA

- Group's **order intake** during 2011 has posted a **3%** growth reaching €2,976m. This amount includes the positive impact from Galileo and Politec. Excluding this effect, the underlying order intake for the period has grown 2%
- Total **revenues** registered a **5% growth**, standing at €2,688m, being the underlying growth, excluding the positive impact from Galileo and Politec, of 3%

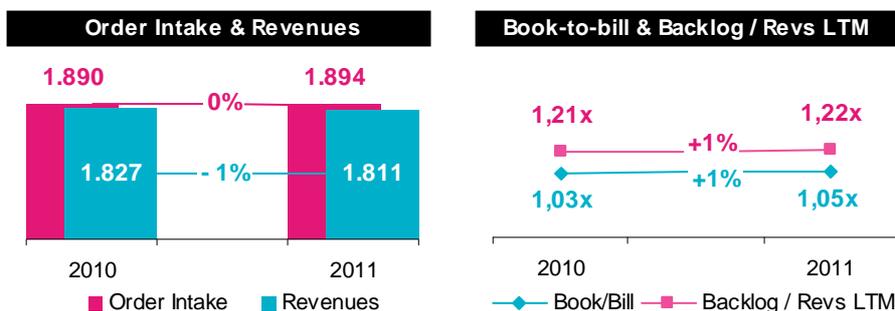


- Order backlog** grew by **11%** representing, at the close of the year, **1.2x LTM revenues**, above the ratio reached at the end of 2010 (1.1x).
- Book-to-bill ratio** (order intake / revenues of the period) by the year end stands at **1.11x**, similar level to that posted in 2010.



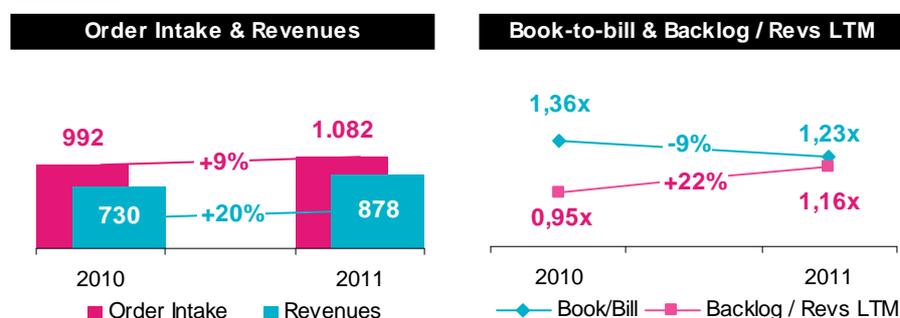
3.1 ANALYSIS BY SEGMENT

SOLUTIONS



- **Revenues** have experienced a slight decrease (-1%) versus previous year, given that reported growth in Transport & Traffic and in Telecom & Media verticals have partially offset the decline in sale of Solutions registered in the Security & Defence vertical.
- It's worth mentioning that Galileo and Politec acquisitions have no impact in the Solution's performance (neither at revenues nor at order intake level) as both companies are Services' oriented.
- **Order Intake** has reported a flat performance versus 2010 as well, mainly on the back of a lower activity in Security & Defence.
- **Order intake** during the period was **5% ahead** of sales (book-to-bill at 1.05x) slightly above of that registered by the end of 2010
- **Order backlog** continues growing (+0.4%) reaching €2,216m, with order backlog / LTM sales ratio at 1.22x, as well above 2010's order backlog.
- Along 2011, the company has maintained its **differentiation policy** on its **Solutions' offering base**. This has implied investments in all verticals, being worth highlighting the following:
 - Development of the Security & Defence offer base
 - Natural extension of the Solutions in rail transport
 - Development of smart grid Systems particularly related to utilities.
 - Large systems for the banking and insurances sectors.

SERVICES



- **Sales** increased by 20% during the period, reflecting not only the double digit organic growth, but also the positive impact from Galileo and Politec. Excluding these, the underlying growth reaches 12%.
- Services' revenues, excluding the impact from acquisitions, have registered a moderate performance in the last quarter compared to that reported as of the

first nine months of the year due to two relevant contracts that started to be executed in the fourth quarter of 2010 in the Telecom & Media vertical, already commented in previous result's reports.

- **Order intake grew** by **9%** in the year to €1,082m (4% excluding acquisitions) and more than 20% ahead of sales, therefore setting the **book-to-bill ratio** (order intake / revenues) at **1,23x**. Concentration of suppliers' trend in large clients has allowed the company to renew multiannual Services contracts in almost all verticals.
- **Order backlog** shows a strong **growth** of **47%** to €1,015m, having posted a significant growth (30%) excluding acquisitions.
- **Order book / LTM** sales ratio reached 1,16x, registering a 22% growth.
- It's particularly remarkable the order intake growth reported in Telecom & Media and Public Administrations & Healthcare, verticals with relative Services' weight above the average of the company.

3.2 ANALYSIS BY VERTICAL

REVENUES	2011 (€M)	2010 (€M)	Variation €M	Variation %
Telecom & Media	396.8	321.3	75.5	24
Energy & Industry	407.8	362.7	45.1	12
PPAA & Healthcare	390.5	356.6	33.9	9 (*)
Transport & Traffic	597.2	554.8	42.4	8
Financial Services	386.4	367.7	18.7	5
Security & Defence	509.8	593.9	(84.1)	(14)
TOTAL	2,688.5	2,557.0	131.5	5

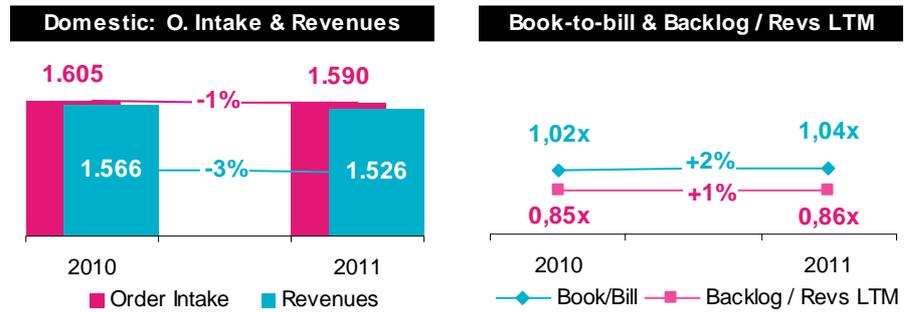
(*) Public Administrations & Healthcare, excluding balloting projects, falls by 3%.

- **Telecom & Media** posted an organic growth of 22% that rises up to 24% after including Galileo and Politec results.
 - During the period, Indra has reinforced its presence on its main clients, having renewed relevant multiannual application management contracts, that provides mid-term stability to the vertical.
 - The flat performance reported in the last quarter of the year, as preannounced in previous results, is the result of the ramp up of outsourcing activities and projects in the fourth quarter of 2010 that have produced relevant revenues' growth during the first three quarters of 2011.
- **Energy & Industry** reached a 12% growth with positive organic performance, above the initial expectations of the company, helped by the positive impact of Galileo and Politec which have relevant presence in this vertical.
 - Domestic revenues posted positive growth, after the good performance of outsourcing activities in the utilities sector.
 - International growth is supported by awarded contracts in the oil sector (in Peru and Colombia) and in the water management segment (Peru) amongst others.
 - Indra continues strengthening its energy Solutions backlog, particularly those related to smart grid distribution systems, a high potential segment in the mid term. As well, the company expects to leverage its know how in oil Solutions real time applications.
- **Public Administrations & Healthcare** totalled a 9% growth (growing 4% excluding acquisitions), supported by the high activity registered in the balloting business both international (Colombia and Argentina) and domestic. Excluding these projects, revenues would have posted a 3% decline, mainly due to the weak domestic market demand.
 - International markets have reported a positive growth for the year, particularly in the second half of the year, on the back of relevant outsourcing contracts in Latam, mainly in the tax and justice fields.
 - At the same time, the company has started the execution of a relevant healthcare contract in Bahrain, a project which the company expects will strength its healthcare business presence in the Middle East, complementing its positive outlook in the Latam market.
- **Transport & Traffic** reaches an 8% growth in the period, becoming the vertical with higher relative weight of revenues in the company. Its worth highlighting:
 - The international market performance, which posted a double digit growth, increasing its relative revenues weight in the vertical to more than 50%. Air Traffic Management business continues posting sustainable growth in the international arena.

- As well in the international area, its important to mention the awarded contract in Saud Arabia to a Spanish consortium on which Indra participates as supplier of different systems (control centres, communications, ticketing, management systems, etc) and that will be put in force in 2012, being reflected in the order intake of such period.
- The importance of this contract will allow the company to increase its presence in the railway sector, on which Indra continues the development of advanced Solutions, particularly in the signalling field.
- Indra expects to opt for some important commercial opportunities in the mid term on international markets, both in high speed and in conventional railways.
- Domestic performance shows a small weakness on an annual basis, regardless the good performance in the last quarter of the year. Growth coming from the air, rail or sea transport, via clients financed by their own or by the central government has partially offset the activity decline coming from public entities linked to regional administrations.
- **Financial Services** reports a 5% growth in the period (1% excluding the acquisition's impact) helped out by the activities coming from Galileo and Politec, in a general context of cost control and moderated investments from clients.
 - Despite this environment, during 2011, Indra has increased its presence in the big financial institutions, both in the banking and in the insurance sectors, leveraging on its ability to offer outsourcing services in the application and process management businesses.
 - In these areas, Indra has not only managed to renew multiannual projects, but it has also increased its clients' base, both in the domestic and in the International markets.
 - Concentration in the banking system has speed up and this will, eventually, allow Indra to lever its position and offering in the sector. Indra's position has been reinforced along the year on the back of the agreement reached with a financial entity for a jointly operation of Treasury and capital markets departments.
 - International markets, and Latam in particular, continues registering good pace of growth, which it's expected to be consolidated thanks to Politec's position in the Brazilian financial services market.
- **Security & Defence** has reported a 14% decline on its 2011 revenues, in line with Indra's expectations.
 - The negative performance totalled in the domestic market continues showing the difficult domestic budgetary environment which it's not expected to revert in the short term.
 - However, budget's cuts suffered in the Ministry of Defence in the previous years, and already reflected in Indra's domestic activity, drives the company to expect that 2012 negative performance will be moderate compared to that reported in 2011.
 - In the international segment, it's worth highlighting the slowdown of the annual activity at the Eurofighter programme, which is partially compensated through an extension of its lifespan. It's expected that the adjustment on this programme ends in 2012, reaching thereafter a stable volume of activity.

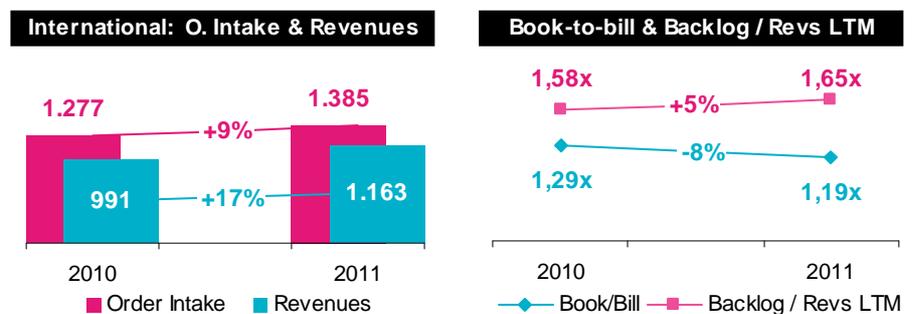
3.3. ANALYSIS BY GEOGRAPHY

Domestic market:



- **Revenues** decreased by 3% versus 2010, reaching €1,526m, in line with expectations.
- Telecom & Media and Energy & Industry showed the strongest revenue growth, while those markets with a higher component of institutional demand (Security & Defense, Transport & Traffic and Public Administrations) have registered a decrease in revenues.
- **Order intake decreased by 1%** (showing a worse performance markets with institutional demand). Despite this slight decrease in order intake, **book-to-bill** in 2011 exceed 1.0x (**1.04x**), reaching a similar level than the one in 2010.
- **Backlog / LTM** ratio reached 0.86x , same level as In 2010
- Indra's domestic backlog stability at the end of 2011 is one of the main indicators that allow anticipating that, despite domestic sales will probably decline in 2012, this slowdown will be moderate.

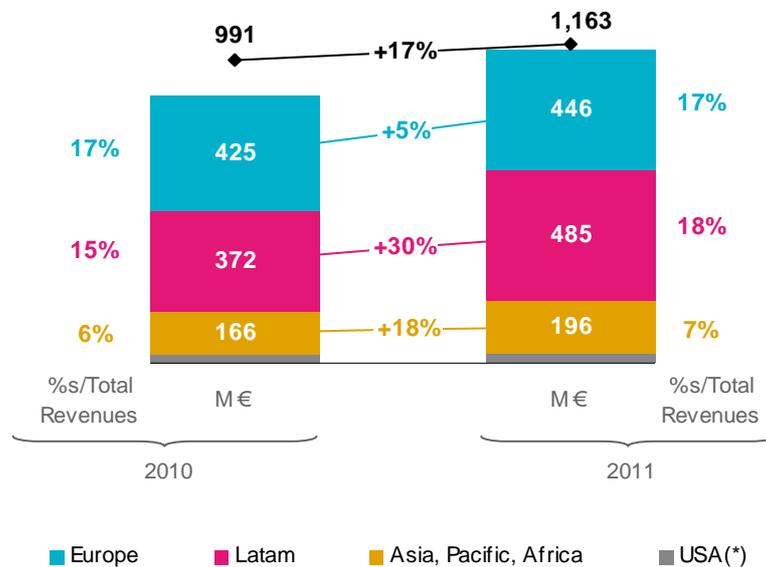
International market:



- The international market registered a **growth in sales** of 17% versus 2010, helped by the contribution of Galyleo and Politec.
- Excluding this contribution, revenues in international markets increased by 11%, slightly above the company's expectations announced at the beginning of the year.
- Considering that Galyleo and Politec will consolidate 12 months in 2012 (versus 6 and 3 months respectively in 2011), international markets will represent in 2012 more than 50% of the group total revenues
- **Order intake** has reached €1,385m in 2011, **increasing 9%** versus 2010 (excluding acquisitions, growth reached 5%). This figure is almost 20% above international revenues (**book-to-bill of 1.19x**), allowing for a significant increase of international order backlog (even excluding Galyleo and Politec acquisitions).

- Order backlog represents 1.65x international sales, posting an increase of 5% versus 2010 level.
- It should be highlighted that this order backlog does not include some of the relevant international contracts awarded at the end of 2011, such as the high speed train La Meca-Medina in Saudi Arabia, since this contract will be put in force during 2012.
- **Latin America** continues to show a positive trend, with **30% growth** in revenues (sales increased 20% without Politec):
 - Brazil, Argentina, Colombia and Peru have maintained a positive trend along the year, with rates of growth above the average of the region.
 - During 2011 Indra has reinforced its presence in Brazil, not only through organic growth but also through the critical mass provided by the acquisition of Politec. Politec consolidates since October 1st.
- In **Europe**, revenues posted a **5% growth**. This increase includes the impact of:
 - The slowdown in the production of the Eurofighter programme anticipated in previous reports, which negatively affect growth in the European market.
 - Galileo's sales contribution as the company consolidates globally since July 1st. Excluding this acquisition, sales in the European market would have remained flat.
- Lastly, the **Asia Pacific** and **Africa's** revenues have posted a **18%** rate of growth in 2011:
 - Commercial efforts in this area is one of Indra's strategic priorities
 - During 2011 Indra has opened subsidiaries in several countries, reinforcing its commercial presence in the area

Geographical Breakdown International 2011 vs 2010



* USA: 2010: €28m; 1% /total revenues
2011: €23m (+24%); 1% /total revenues

4. ANALYSIS OF THE CONSOLIDATED FINANCIAL STATEMENTS (IFRS)

Income statement

- **Net operating profit** (EBIT) reached €268m, 6% ahead of the figure reported in the same period of the previous year.
- No extraordinary costs have been accounted this year, compared to €33.4m registered in 2010. Adjusted by the above mentioned extraordinary costs, recurrent EBIT decreased by 6%.
- **Net operating margin** (EBIT/Sales) stood at 10%, in line with the guidance announced by the company, including the dilution effect from the lower profitability of the acquired companies, as well as the acquisition and integration costs. Excluding these impacts, Operating Margin reached 10.5%.

Reported Operating margin is 1.2pp below the Recurrent Operating Margin (excluding extraordinary costs) announced in 2010.

- **Contribution Margin** declined, in line with the company's expectations, by 1.0pp to 17.3%. This dilution includes the impact from the acquired companies (Galyleo & Politec) which have registered contribution margins below Indra standalone.
- During FY11, margin pressure factors have remained in place:
 - pricing pressure, regardless it is not been equally spread out along the different geographies and markets on which Indra operates;
 - Increasing revenue growth in the Services segment relative to that registered in Solutions.
 - the decrease contribution margin in the Services segment, by 0.9pp, and the one of Solutions, by 0.8pp, to 14.4% and 18.7% respectively.
 - the commercial effort implied in the international expansion process, not only derived from the tendering process but also from the setting up costs of the different subsidiaries.
- **Overheads** account for 7.3% of revenues, representing an increase of 8% vs. last year. This amount includes the impact derived from the closing of the acquisitions.
- **Net financial expenses** reached €37.7m compared to €19.1m in 2010. The increase, derives not only from a higher average net debt and higher cost, but also from the accounting of the hyperinflation registered in Venezuela and from the accounting of long term R&D zero coupon loans.
- **Tax rate** stood at 22%, slightly ahead of that registered during 2010 (20%).
- **Net profit** reached €181m (growing to €191m excluding the impact from the acquisitions), which represents a 4% decline vs. 2010.

Balance Sheet and Cash Flow Statement

- **Net working capital** reached €756m, equivalent to 98 days of revenues including the positive impact from the acquisitions. Excluding the acquisitions, net working capital would have reached 100 days of revenues. This level of DOS (Days of Sales) is slightly below the targeted 108 DoS announced in November mainly due to some unexpected revenues' collection by year end.

- During the year, total tangible and intangible investments (net of capital grants) have sum up €111m, including:
 - €42m investments in tangible expenditures, including non recurring items, and
 - €69m in intangible investments (net of capital grants), including €20m from FY10.
- Payments from **acquisitions**, reached a total of €45M, of which more than 40% belong to transactions done during the previous year.
- Ordinary **dividend** payment on 2010 results reached €111m.
- Net investments in **treasury stock** totalled €3.6m in the year, closing the period with a 0.81% of total outstanding shares in the company.
- **Net debt** position stood at €514m by the end of the year, equivalent to 1.5x 2011 EBITDA, versus €275m reported in 2010.

Human Resources

- **Total workforce** at the close of the year 2011, stood at 35,730 employees (of which 41% is located in international markets), 25% up on 2010.
 - Galileo and Politec acquisitions implied more than 5,000 new employees in Indra, representing more than 70% of the total workforce increase.
 - The main increase in absolute terms took place in **Latin America**, home to 35% of the total workforce, after the acquisitions of Politec (80% of the increase) and the organic growth of Indra's activity in the area (20% of the rest of growth).
 - International workforce in emerging markets accounts already for 37% of total workforce.
 - Domestic workforce in Spain has increased by 5%, reflecting the increase of activity in the Services segment.
- **Average workforce** grew by 14% versus 2010 to 31,077 employees.



5. OTHER EVENTS OVER THE PERIOD

- There were no relevant events to be highlighted during the period.

6. EVENTS FOLLOWING THE CLOSE OF THE PERIOD

- During the month of February, Indra materialized the sale of its shareholding in Administradora de Archivos S.A.U., a Spanish company specialized in the physical security and custody of documentation. The size of this transaction is not relevant.

APENDIX 1: CONSOLIDATED INCOME STATEMENT

	2011 €M	2010 €M	Variation €M	%
Revenue	2,688.5	2,557.0	131.5	5
Other income	83.8	74.4	9.4	13
Materials consumed and other operating expenses	(1,282.4)	(1,255.5)	(27.0)	2
Personnel expenses	(1,194.0)	(1,047.5)	(146.5)	14
Results on non-current assets	17.6	(1.0)	18.6	NA
Gross operating profit (EBITDA) recurrent	313.4	327.4	(14.0)	(4)
Depreciations	(45.6)	(42.1)	(3.5)	8
Net operating profit (EBIT) recurrent	267.8	285.3	(17.5)	(6)
EBIT margin (recurrent)	10.0%	11.2%	(1.2) pp	--
Extraordinary costs	0.0	(33.4)	NA	NA
Net operating profit (EBIT)	267.8	251.9	15.9	6
EBIT margin	10.0%	9.9%	0.1 pp	--
Financial result	(37.7)	(19.1)	(18.6)	97
Share of profits / (losses) of associates and other investees	3.2	0.9	2.4	NA
Earnings before tax	233.3	233.6	(0.3)	(0)
Income tax expenses	(52.2)	(45.7)	(6.5)	14
Profit for the period	181.1	187.9	(6.9)	(4)
Attributable to minority interests	(0.1)	0.6	(0.7)	NA
Net Profit attributable to the parent company (recurrent)	181.0	215.4	(34.4)	(16)
Net Profit attributable to the parent company (reported)	181.0	188.5	(7.5)	(4)

Figures not audited.

APENDIX 2: INCOME STATEMENTS BY SEGMENTS

1. Solutions

	2011 €M	2010 €M	Variation €M	%
Net sales	1,810.8	1,827.2	(16.5)	(1)
Contribution margin	337.9	354.9	(17.0)	(5)
Contribution margin / Net revenues	18.7%	19.4%	(0.8) pp	
Results from associates	1.0	0.7	0.3	--
Segment result	339.0	355.6	(16.7)	(5)

2. Services

	2011 €M	2010 €M	Variation €M	%
Net sales	877.7	729.8	147.9	20
Contribution margin	126.5	112.1	14.4	13
Contribution margin / Net revenues	14.4%	15.4%	(0.9) pp	
Results from associates	0.0	(0.0)	0.0	--
Segment result	126.5	112.1	14.4	13

3. Consolidated Total

	2011 €M	2010 €M	Variation €M	%
Revenue	2,688.5	2,557.0	131.5	5
Consolidated contribution margin	464.5	467.0	(2.6)	(1)
Contribution margin / Revenues	17.3%	18.3%	(1.0) pp	
Other non-distributable corporate expenses	(196.7)	(181.7)	(15.0)	8
Net operating profit (EBIT) recurrent	267.8	285.3	(17.5)	(6)
Extraordinary costs	0.0	(33.4)	33.4	-
Net operating profit (EBIT)	267.8	251.9	15.9	6

Figures not audited.

APENDIX 3: CONSOLIDATED BALANCE SHEET

	2011	2010	Variation
	€M	€M	€M
Property, plant and equipment	171.9	147.9	24.0
Intangible assets	243.3	193.1	50.2
Investment in associates and other investments	66.4	50.5	15.9
Goodwill	624.6	456.3	168.3
Deferred tax assets	138.0	50.3	87.7
Non-current assets	1,244.2	898.0	346.1
Assets held for sale	10.1	0.2	9.9
Operating current assets	2,017.6	1,830.7	186.8
Other current assets	169.8	89.6	80.2
Short term financial investment	1.2	1.2	0.1
Cash and cash equivalents	81.9	129.0	(47.0)
Current assets	2,280.7	2,050.7	230.0
TOTAL ASSETS	3,524.9	2,948.7	576.1
Share capital and reserves	1,061.0	1,009.6	51.4
Treasury stock	(15.2)	(18.6)	3.4
Equity attributable to parent company	1,045.8	991.0	54.8
Minority interests	21.4	23.0	(1.6)
TOTAL EQUITY	1,067.2	1,014.0	53.2
Provisions for liabilities and charges	109.3	19.8	89.5
Long term borrowings	314.4	248.2	66.1
Other financial liabilities	7.6	1.0	6.7
Deferred tax liabilities	79.5	50.7	28.8
Other non-current liabilities	116.8	30.9	85.8
Non-current liabilities	627.6	350.6	277.0
Current borrowings	281.2	155.6	125.6
Operating current liabilities	1,261.7	1,176.8	84.9
Other current liabilities	287.1	251.7	35.5
Current liabilities	1,830.0	1,584.1	245.9
TOTAL EQUITY AND LIABILITIES	3,524.9	2,948.7	576.1
Net debt position	513.6	274.9	238.7

Figures not audited.

APENDIX 4: CONSOLIDATED CASH FLOW STATEMENT

	2011 €M	2010 €M	Variation €M
Profit before tax	233.3	233.6	<i>(0.3)</i>
<u>Adjusted for:</u>			
- Depreciations	45.9	42.1	<i>3.8</i>
- Provisions, capital grants and others	7.8	9.1	<i>(1.3)</i>
- Results on non-current assets	(0.4)	0.9	<i>(1.3)</i>
- Share of profits / (losses) of associates and other investees	(1.0)	(0.7)	<i>(0.3)</i>
- Share options expense	1.1	3.8	<i>(2.7)</i>
- Net financial result	37.7	19.1	<i>18.6</i>
+ Dividends received	0.0	0.1	<i>(0.1)</i>
Operating cash-flow prior to changes in working capital	324.4	308.1	16.3
Receivables, net	(38.8)	(216.2)	<i>177.4</i>
Inventories, net	(91.9)	(41.0)	<i>(50.8)</i>
Payables, net	28.7	151.4	<i>(122.7)</i>
Change in working capital	(101.9)	(105.9)	3.9
Other operating changes	(50.3)	(38.8)	<i>(11.6)</i>
Income taxes paid	(75.2)	(54.4)	<i>(20.8)</i>
Cash flow from operations	96.9	109.0	(12.1)
Property, plant and equipment, net	(42.1)	(20.4)	<i>(21.7)</i>
Intangible assets, net	(84.0)	(68.6)	<i>(15.4)</i>
Other cash flow investing items	14.9	14.7	<i>0.2</i>
Investments, net	(45.4)	(49.3)	<i>3.9</i>
Interest received	3.8	1.1	<i>2.6</i>
Cash-flow provided/ (used) by investing activities	(152.8)	(122.5)	(30.3)
Changes in treasury stock	(3.6)	(6.4)	<i>2.8</i>
Dividends of subsidiaries paid to minority interests	(0.3)	0.0	<i>(0.3)</i>
Dividends of the parent company	(110.9)	(106.8)	<i>(4.1)</i>
Short term financial investment variation	0.0	0.1	<i>(0.1)</i>
Increase (repayment) in capital grants	7.9	3.2	<i>4.7</i>
Increase (decrease) in borrowings	146.4	201.8	<i>(55.4)</i>
Interest paid	(31.0)	(13.8)	<i>(17.3)</i>
Cash-flow provided / (used) by financing activities	8.5	78.1	(69.6)
NET CHANGE IN CASH AND CASH EQUIVALENTS	(47.4)	64.6	(112.0)
Cash and cash equivalents at the beginning of the period	129.0	66.5	62.5
Foreign exchange differences	0.4	(2.1)	<i>2.5</i>
Net change in cash and cash equivalents	(47.4)	64.6	<i>(112.0)</i>
Cash and cash equivalents at the end of the period	81.9	129.0	(47.0)
Long term and current borrowings	(595.6)	(403.8)	<i>(191.7)</i>
NET DEBT POSITION	513.6	274.9	238.7

Figures not audited.

DISCLAIMER

The information in this report contains certain “forward-looking” statements regarding estimates and anticipated results for the Company.

Analysts and investors should bear in mind that these statements are no guarantee of future performance or results and that they are subject to material risks and uncertainties, which could mean that actual results vary materially from the expectations contained herein.

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