indra

Press release

INDRA REVENUES REMAINED STABLE IN LOCAL CURRENCY IN 9M15 AND NET PROFIT TOTALLED LOSSES OF -561 MILLION EUROS BY THE IMPACT OF NON-RECURRENT EFFECTS

- Eliminating the non-recurring effects, the losses would have been -€56m

- Revenues improve their behavior comparing to 1H15. Revenues grow +12% in the third quarter of 2015 in local currency and in 9M15 would have grown +2% vs 9M14 excluding the seasonality of the Election Business

- Recurrent EBIT amounts to €23m, vs -€25m of the first half of the year. Recurrent EBIT margin of 3Q15 reaches 3.5%, below the 7.0% of 3Q14

- Indra booked a provision of 160m in this quarter due to its personnel cost optimization plan. Non-recurring ítems include the provision of the total expenses associated with the plan, which ends on December, 31st of 2016

- FCF in 3Q15 stands at -€23m. FCF in 3Q15 would have reached -€14m if we exclude the cost of the personnel optimization plan of that period

- Stabilization of the Net Debt, which amounts to €837m vs €825m of June 2015 and vs €726m of September 2014

- Brazil's business review will include non-recurring items at year-end, which is still under an analysis process for its quantification

This report may contain certain forward-looking statements, expectations and forecasts about the Company at the time of its elaboration. These expectations and forecasts are not in themselves guarantees of future performance as they are subject to risks, uncertainties and other important factors that could result in final results differing from those contained in these statements.

This should be taken into account by all individuals or institutions to whom this report is addressed and that might have to take decisions or form or transmit opinions relating to securities issued by the Company, and in particular, by the analysts and investors who consult this document..

Madrid, 5 November, 2015.- Indra Revenues stands at €2,069m in 9M15, with a flat growth in local currency (-1% in reported terms). However, excluding the impact of the Elections Business, revenues would have increased +2%. During the third quarter of the year the revenues have accelerated, registering a growth of +12% in local currency (+8% reported), which is also equivalent to a growth of +4% excluding the positive impact of the Business Elections in 3Q15.

This growth is underpinned by the better performance of all verticals vs the first semester of the year, highlighting the favorable sales momentum in Spain, backed by the speed-up of public programs.

Other income reaches €64.4m, in line with the €63.5m of 9M14.

Operating expenses (OPEX) in 9M15 has grown +6% to €2,070m (vs €1,943m in 9M14), due to basically the increase of Supplies and Other operating (+12%) as a consequence of the efforts made in the execution of some projects and the overruns associated with some underperforming projects, as well as the revenues speed-up in 3Q15. Meanwhile, Personnel expenses has increased +2% in 9M15, highlighting the turnaround in the 3Q15 (-4% vs 3Q14) in line with the fall of the workforce in that period.

Contribution margin of 9M15 stands at 7.7% vs 14.9% in 9M14 (-7.2pp), although it increases +1.1pp vs 1H15 (6.6%):

- Contribution margin in Solutions (7.2%) has decreased -10.1 pp. vs the same period of the previous year (17.3%) basically dragged down by the overruns in certain underperforming projects, as well as the deterioration of the activity in Latam (especially in Brazil because of the overruns incurred in certain contracts in Financial Services and Public Administrations).

- Contribution margin in Services was 8.7%, -2.1 pp. lower vs 9M14 (10.8%), although it improves significantly vs 1H15 (5.6%) because of the effort made by the company in finalizing those services with lower value added and the higher weight during the quarter of services associated with more value added solutions (mainly in the Transport & Traffic vertical).

D&A reaches €65m in 9M15 vs €49m in 9M14 (+33%) due to the recognition and amortization of the corresponding subsidies to R&D finalized projects. If we exclude this impact, D&A would have reached similar levels as of 9M14.

Recurrent operating profit (EBIT before non-recurring costs) in 9M15 accounts for -€1m with a recurrent operating margin of -0.1% (vs 7.5% in 9M14). Recurrent EBIT in the 3Q15 reaches €23m (recurrent EBIT margin of 3.5%) as a consequence, basically, of the lower negative impact of the problematic projects after the provisions that were booked in 1H15, and the different cost reduction plans already implemented.

Financial expenditures remains practically stable (€43m vs €42m 9M14) despite the rise in Net Debt, mainly due to the reduction of the average cost of debt of 0.3 pp to 4.4%. Share of profits of associates and other investees was -€6m vs €4m in 9M14. The difference is explained by the extraordinary result of +€4m that happened regarding a more favorable agreement reached with Indra Italia's acquired company related to the final payment to be paid in May 2016 (which amounts to €3.7m) for its 22.5% stake, as well as the impact of certain non-recurring items in investees, and the change in the scope of the consolidation of some subsidiaries in Latam.

The tax expenses rose to -€46m (income) vs €23m (expenditure) as a consequence of the tax treatment that took place in Spain because of the losses of these nine months and the R&D deductions, which was partially compensated by the provisions corresponding to non-recurrent effects of -€32m of Brazil's tax credit impairment. The tax income has accelerated in 3Q15 due to the provision related to the redundancy plan.

Net Profit stands at -€561m basically due to the non-recurrent effects (€557m in 9M15). Taking out these non-recurrent effects, Net Profit in 9M15 would have reached -€56m, vs €78m in 9M14.

Non-recurring items

Non-recurring items in 9M15 reaches €589m, of which €422m correspond to the change in estimations as a result of different factors and events occurred during first semester of 2015.

Non-recurrent effects in 3Q15 stand at €167m, of which €160m corresponds to the provision of the redundancy plan and the rest accounts for optimization of additional resources. The provision has been booked for the total expenses associated with the plan, regardless the timing of the expected cash outflow (concentrated in the following quarters). The plan ends on December 31st of 2016.

Accordingly, the following table shows the impact of the non-recurring items in 9M15, whose details are as follows:

Concept	(€m)
Provisions, impairments, and overruns	(264)
Impairment of Goodwill	(101)
Impairment of Intangible assets	(7)
Efficiency improvement costs	(26)
Provision of the redundancy plan	(160)
Non-recurring items to EBIT	**(557)**
Impairment of Tax credit	(32)
Total Non-recurrent Effects	**(589)**

These effects of €589m imply a negative impact of €557m in the operating margin (with the remaining €32m impacting directly to taxes).

The business review done in Brazil and in some of their more problematic projects at the end of the second quarter of 2015, and from whose analysis resulted in different non-recurrent effects, included certain scenarios as temporary premises of execution and/or completion of some projects, as well as the limitation of the scope and/or transfer to third parties of others. Currently, the estimation regarding the calendar of the above mentioned hypotheses has deviated to the best provision in June.

The continuing deterioration of Brazil's situation, mainly due to the significant deterioration of the country's macro, the situation of the budget restriction of the public clients (70% of our portfolio), the tightening of the demanding local conditions of the project milestones, and the deterioration of the payment terms of the Public Administration, also contribute to delay the implementation of the measures that we have adopted.

The Company has decided to complement its analysis by commissioning a process of technical, legal, and accounting estimates in order to review the deviation of the projects, to external companies, in order to update the current situation of these contracts, their perspective about timing and pending costs associated with those projects, as well as to evaluate other financial or legal alternatives, if necessary.

As a consequence of all these, the Company advances that it will be additional provisions that will be accounted as non-recurrent effects at year-end, even though at this time and until the end of the above mentioned review process, it will not be possible to quantify them. If the Company would determinate the amount of these non-recurrent effects prior to the publication of the year-end financial results, the Company will publish the amount through a Relevant Fact.

Balance Sheet and Cash Flow Statement

Free cash flow in 9M15 stands at -€187m vs -€5m in 9M14 basically as a consequence of the worsening operating performance. In 3Q15 the Free Cash Flow generated has been of -€23m, amount which includes cash out of -€9m due to the workforce adjustment plan.

Net Working Capital has decreased to €485m, which represents 61 days of equivalent LTM sales vs 64 days of LTM sales in 1H15; it implies a reduction of 3 days during a quarter that historically has never been favorable for the company's Working Capital evolution. This enhancement is motivated by the improvement of the Account Receivables (-8 days) and Inventories (-1 day), and it gets worse the Account Payables (+5 days) compared to June 2015.

Income tax rose to €21m, vs the €37m reported in 9M14, basically due to the lower payments as a consequence of the lower results, and the favorable final settlement of the advance payments made at the expense of the provision of previous financial results. Intangible investments (net of the charge in grants) have been €19m, vs €29m in the same period of last year. The tangible investments reached €10m, below the level that we accounted last year (€12m).

Financial investments involved a payment of €1m.

Net debt position at the end of 9M15 amounted to €837m (slightly higher than the €825m in 1H15), equivalent to 6.6x LTM recurrent EBITDA. Around 85% of the debt is denominated in Euros, while the rest is concentrated in other currencies (mainly in Brazil that represents a 10% of the gross debt). Average cost of debt is 4.4%, improving in 0.3 pp. compared to the same period of last year.

In 9M15 the balance of the non-recourse factoring lines amounted to €173m vs €176m in 1H15 and vs €187m in FY14.

Human resources

Final Workforce	9M15	%	1S15	%	Variation (%) 9M15 vs 1H15	2014	%	Variation (%) 9M15 vs 2014
Spain	21.496	57	21.893	56	(2)	21.461	55	0
Latam	13.084	34	13.723	35	(5)	14.388	37	(9)
Europe & North America	1.775	5	1.814	5	(2)	1.788	5	(1)
Asia, Middle East & Africa	1.576	4	1.565	4	1	1.493	4	6
TOTAL	**37.931**	**100**	**38.995**	**100**	**(3)**	**39.130**	**100**	**(3)**

At the end of 3Q15, the total workforce is 37,931 professionals, which represents a decrease of -3% compared to FY14, mainly achieved along the third quarter.
The workforce in Spain remains stable with the same levels as FY14. Although, during 3Q15 the workforce is reduced in 397 professionals, of which approximately 39% are within the workforce adjustment plan.

In Latam, the workforce declines -9% compared to FY14 (1,304 professionals) and -5% vs 1H15 (639 professionals) as a consequence, among other aspects, of the workforce plan initiated by the company during the beginning of 2015 (specially in Brazil) in line with the expected repositioning in the area, and which is partially compensated with more people hired due to the increase in certain BPO projects in the region.

In Asia, Middle East & Africa (AMEA), workforce increase +6% vs FY14 due to the increase of personnel in Philippines, as a result of the development strategy carried out in an offshore factory in the country, and in north Africa because of higher needs of resources.

In Europe and North America, the workforce stays stable compared to FY14 (-1%) as well as to 1H15 (-2%).

Main Figures

	9M15 (€M)	9M14 (€M)	Variation (%) Reported / Local currency
Order Intake	2,019	2,126	(5) / (5)
Revenues	2,069	2,086	(1) / (0)
Backlog	3,376	3,436	(2)
Recurrent Operating Profit (EBIT) (1)	(1)	156	(101)
Recurrent EBIT margin (1)	(0.1%)	7.5%	(7.6) pp
Non recurrent costs	(557)	(16)	3,404
Net Operating Profit (EBIT)	(559)	140	(499)
EBIT margin	(27.0%)	6.7%	(33.7) pp
Net Profit	(561)	78	(815)
Net Debt Position	837	726	15
Free Cash Flow	(187)	(5)	--
Earnings per Share (according to IFRS)	**9M15 (€)**	**9M14 (€)**	**Variation (%)**
Basic EPS	(3,422)	0,479	(815)
Diluted EPS	(3,069)	0,455	(775)

(1) Before non-recurring costs

Basic EPS is calculated by dividing net profit by the average number of outstanding shares during the period less the average treasury shares of the period.

Diluted EPS is calculated by dividing net profit (adjusted by the impact of the €250m convertible bond issued last October 2013 with a conversion price of €14.29), by the average number of outstanding shares during the period less the average treasury shares of the period, and adding the theoretical new shares to be issued once assuming full conversion of the bond.

The average number of shares used in the calculation of the EPS and dilutive EPS for treasury shares, total number of shares, and theoretical shares to be issued related to the convertible bond, are calculated using daily balances.

At the close of the period, the company held 364,999 treasury shares, representing 0.22% of the company’s total shares.

	9M15	9M14
Total number of shares	164,132,539	164,132,539
Weighted treasury stock	246,549	231,670
Total shares considered	163,885,990	163,900,869
Total diluted shares considered	181,380,741	181,395,621

Analysis by segment

SOLUTIONS

Solutions	9M15 (€M)	9M14 (€M)	Variation (%)	
			Reported	Local currency
Order Intake	1,298	1,354	(4)	(4)
Revenues	1,301	1,319	(1)	(2)
Book-to-bill	1.00	1.03	(3)	
Backlog / Revs LTM	1.38	1.33	4	

Revenues 9M15 have decreased by -2% in local currency (-1% in reported figures). However, they have experienced a very good performance in 3Q15 (+18% in local currency) as a consequence of the Elections business and the Security & Defence vertical. Sales in Solutions represent 63% of total sales (same distribution as in 9M14).

Excluding the Elections business revenues would have grown +4% in reported terms.

Very positive momentum in Spain (+23%) and in the international markets as well, which posted double digit growth in the quarter.

Order Intake fell -4% in local currency (-2% excluding the project to support the Iraq Elections), resulting in a Book-to-Bill ratio (Order Intake/Sales) of 1,00x vs 1,03x in 9M14

Order Backlog amounted to €2,578m, which represents an increase of +3% in reported terms. The ratio Backlog/ Revenues of LTM was 1.38x, increasing by +4% vs the one registered in 9M14 (1.33x).

SERVICES

Services	9M15 (€M)	9M14 (€M)	Variation (%)	
			Reported	Local currency
Order Intake	721	771	(6)	(5)
Revenues	769	768	0	2
Book-to-bill	0.94	1.00	(7)	
Backlog / Revs LTM	0.76	0.94	(19)	

Revenues 9M15 grew +2% in local currency (flat in reported figures). Sales 3Q15 registered -6% declines, with the verticals of Public Administrations, Telecom & Media and Energy & Industry posting the largest declines.

By geographic areas, 9M15 sales decline in Spain was offset by the international markets.

Order Intake decreased by -5% in local currency (-6% in reported terms). By vertical markets, it is noteworthy the drop in reported terms of: Telecom & Media (-28%), Energy & Industry (-23%) and Public Administrations & Healthcare (-11%). However, Order Intake grew +2% in 3Q15 due to the beginning of some services related to the Security & Defence field.

Order Backlog decreased to €798m, representing 0.76x LTM sales as a consequence of the execution of multiyear projects contracted in previous years.

Analysis by Vertical

Revenues by Verticals	9M15 (€M)	9M14 (€M)	Variation (%) Reported	Local currency
Energy & Industry	333	335	(1)	(1)
Financial Services	383	363	5	8
Telecom & Media	205	232	(12)	(10)
PPAA & Healthcare	349	385	(9)	(9)
Transport & Traffic	444	431	3	2
Security & Defence	355	339	5	4
TOTAL	**2,069**	**2,086**	**(1)**	**(0)**

Energy & Industry

Revenues in Energy & Industry decreased by -1% both in local currency and reported terms.

Sales in 3Q15 (-6%) were conditioned by the decline in the Latam activity, especially in Brazil and in those geographic areas more dependent on the oil price (i.e. Colombia). The levels of activity in the area have been conditioned as well by certain delays in multiyear projects, which it is expected to be compensated in the coming quarters.

Good performance in Spain (>+20%), both in the Energy and in the Industry segments. Better relative performance in the Industry segment vs the Energy one, especially in the solutions field.

Financial Services

Sales in Financial Services registered +8% growth in local currency (+5% in reported terms).

The recovery pace in the Banking activity in Spain keeps a positive momentum (+10% in 3Q15 vs +7% in 1H15), as a consequence of the new business opportunities that have risen among the main Spanish Banks due to their business repositioning (Consultancy +35%), as well as trying to gain market share (core Banking, Digital Banking, etc) and improving their efficiency (BPO).

The management is concentrated on Latam (c.35% of the vertical), especially in Brazil, where the company is focused on the repositioning, as well as on the correct execution (and evaluation) of the problematic projects and BPOs from third party solutions. A positive performance in the region is not expected in the coming quarters.

Despite the worse relative performance in the Insurance segment vs Banking, it is worth stressing the good performance in the quarter (+4% 9M15 vs +2% 1S15), mainly in Spain.

Telecom & Media

Revenues in the Telecom & Media vertical decreased by -10% in local currency (-12% in reported terms).

During the third quarter there haven't been substantial changes in the dynamics of the Telco Operators sector, which continues focusing on efficiency and cost control measures, mainly in the Business Support Systems (BSS). Thus, the demanding pricing environment highlighted in previous quarters persists. All in all, a sales recovery in this vertical from current levels is not expected for the year-end.

The Media vertical had a worse relative performance than Telecom, especially in Spain where the market share is very high.

Public Administrations & Healthcare

The activity in Public Administrations & Healthcare suffered a -9% fall both in local currency and in reported terms, experiencing a remarkable improvement in the 3Q15.

As it has been mentioned in prior occasions, sales in the first semester (-21%) were negatively affected by the demanding Elections business comparative (mainly in AMEA and Latam). However, its relative performance has improved in the 3Q15 as a consequence of the Elections in Catalonia (regional), Colombia and Argentina, which has resulted in a relevant growth of the vertical in 3Q15 (+25%).

Excluding the impact of the Elections business, sales in 9M15 would have grown significantly (+10%), highlighting the favorable evolution in Spain (mainly in Education and Smart Cities).

The Healthcare field registered a worse relative performance vs the Public Administrations field, mainly in the international market.

The Elections Business activity in the fourth quarter will benefit the relative performance at the end of the year (vs last year).

Transport & Traffic

Sales in the Transport & Traffic vertical grew by +2% in local currency (+3% in reported terms).

It is worth highlighting the positive evolution in the 3Q15 (+7%) supported by the good performance in Spain.

The own proprietary solutions area of the company registered positive growth rates (+6%), mainly in the Land & Railway Signaling segment (especially in Spain due to the High Speed train in the North/North West of Spain). In the 3Q15, it is remarkable the growth consolidation of the aforementioned segment as well as the positive momentum of the Air Traffic Management segment (+7%), especially in the international market.

The activity in Spain keeps growing very positively (+24%) thanks to the positive momentum of the Railway and Infrastructure businesses.

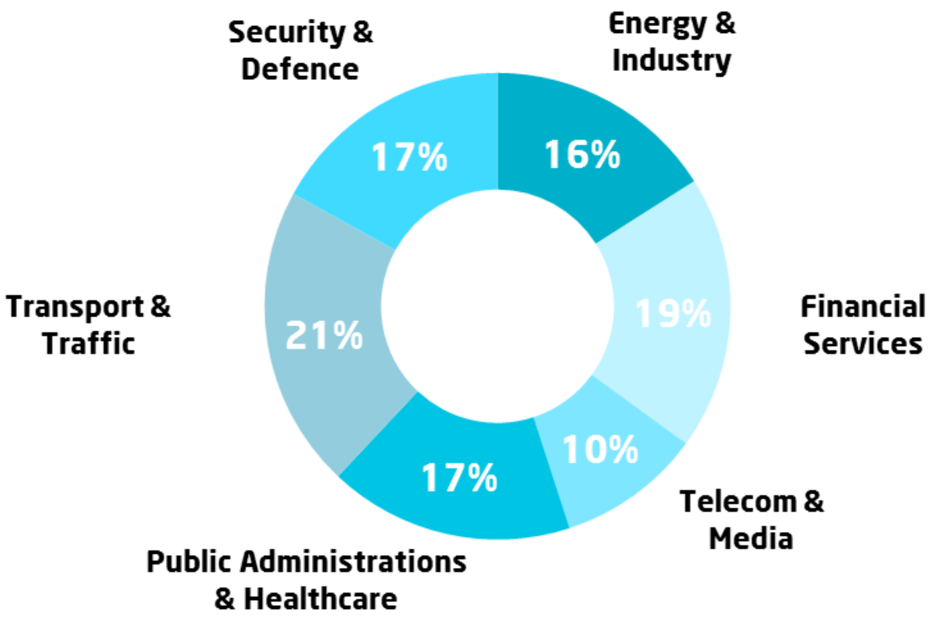
The 1H15 Transport & Traffic vertical profitability was dragged down by the railway transport systems project in Lithuania, which has no negative impact during this quarter.

Security & Defence

Revenues in the Security & Defence vertical increased by +4% in local currency (+5% in reported terms).

The activity posted a very good performance in the 3Q15 (+32%), mainly in the segments of Airborne Systems, Simulation and Logistic Systems.

The Spanish business continues with is recovery phase (+38% in 9M15) supported by specific projects in the new investment cycle by the Ministry of Defence, which is compensating the less contribution by the Eurofighter program in Europe.



Analysis by Geography

Revenues by Geography	9M15		9M14		Variation (%)	
	(€M)	(%)	(€M)	(%)	Reported	Local currency
Spain	881	43	797	38	11	11
Latam	573	28	578	28	(1)	3
Europe & North America	403	19	440	21	(8)	(9)
Asia, Middle East&Africa	212	10	272	13	(22)	(25)
TOTAL	**2,069**	**100**	**2,086**	**100**	**(1)**	**(0)**

Spain

Sales in Spain continue to consolidate their recovery (+11%), accelerating their growth in the 3Q15 (+20%) by the support of the proprietary solutions segment (+28% in 3Q15) and circumstantially by the public investments increase.

The recovery remains underpinned by the Public Sector (+28%), although with low levels of profitability (mainly in the IT verticals).

The Private Sector improves versus previous quarters, showing positive rates of growth in 3Q15 (+12% in 3Q15 vs -5% in 1H15) thanks to the verticals of Energy & Industry and Financial Services.

Order intake in the Spanish market keeps evolving at a good pace (especially in the TECH verticals), with better performance vs 1H15 (+16% in 9M15 vs +5% in 1H15), with all the verticals showing positive rates of growth in 3Q15.

By vertical markets, it is noteworthy the circumstantial positive sales performance in Security & Defence, Public Administrations, Financial Services and Transport & Traffic.

Latam

Revenues in Latam grew by +3% in local currency (-1% in reported figures).

Despite the positive performance of the proprietary solutions of the company in 3Q15 (+18%), the macro deterioration and the political backdrop in some countries (especially in Brazil), continues to affect negatively the order intake and execution of some projects.

Revenues in Brazil (c.35% of sales in Latam) continue to be affected by the overruns associated to the execution of the implementation projects from third party solutions in the Financial Services and Public Administrations.

Sales in Latam excluding Brazil grew +3% in local currency, especially in the own proprietary solutions.

By verticals, Security & Defence, Public Administrations, Financial Services and Telecom & Media registered positive growth rates.

The negative Order Intake growth rates indicates an activity slowdown in the coming quarters and incorporates a higher level of restrictions in the selection of new contracts.

Asia, Middle East & Africa (AMEA)

Revenues in Asia, Middle East & Africa (AMEA) decreased by -25% in local currency (-22% reported) mainly due to the intense level of activity last year in the Elections business in relation to the project which supported the elections in Iraq (finalized in 2Q14).

Excluding this impact, revenues would have increased by +10% compared to 9M14.

It is worth mentioning the favorable performance of the activity in 3Q15(+26%), especially in the Radars, Electronic Defence and Infrastructures fields.

The pipeline in the region continues to be positive, with the book-to-bill ratio above 1.1x.

Europe & Nort America

The activity in Europe & North America has registered a -9% drop in local currency (-8% in reported figures).

The verticals of Security & Defence and Transport & Traffic concentrate the majority of the activity in the area (c. 75%).

Despite the improvement registered in 3Q15 (-3,5% vs -11% in 1H15), the Security & Defence vertical activity has been conditioned by the decline of the activity in the Eurofighter project, while the Transport & Traffic vertical has been affected by the lower levels of activity in certain countries, which it is expected to be offset in the coming quarters.

Order Intake registered an increase of +11%, mainly in the Security & Defence field.

Other events over the period

1) In the context of the 2014-2018 Strategic Review to investors and analysts that the company hosted on the 8th of July, Indra disclosed the following:

<u>Mid term targets.</u>

Indra, based on its 2014 reported figures, establishes the following financial targets for the year 2018:

- Revenue growth rate between +2.5% and +4.5% per year (CAGR 2014-2018)
- Recurrent EBIT margin between 10%/11% by 2018
- A free cash flow generation of around 200 €M in 2018, which represents approximately 6% of the expected revenues of that year
- A net debt to EBITDA ratio of around 1x by 2018

<u>Efficiency Plan</u>

To achieve these objectives, and among other measures, the company has put in place an efficiency plan that is expected to generate approximately savings between 180 and 200 €M. This plan is based on the following actions:

- Personnel cost optimization with an impact of approximately 120 €M yearly savings
- Production and other costs with yearly savings of approximately 30 €M
- Overruns and project delays reduction with an amount of approximately between 20 and 40 €M yearly savings
- Delivery model optimization with an amount of approximately €10m yearly savings

The final result of the plan might differ from the aforementioned indications as the company has just opened the process of negotiations with Union representatives in Spain and is also subject to the final results of the negotiations to held in the different countries it operates.

2) On August the 4th, the Company and the majority of the legal representation of the employees reached a pre-agreement that concludes the negotiation process started on July 7th for the procedure for collective redundancies. This pre-agreement includes, among other things, the ending of a maximum of 1,750 jobs up to December 31st 2016. Total cost of the process will be assumed by the Company.

The pre-agreement is within the actions presented last July 8th in the context of the 2014-18 Strategic Plan of the Company that implies, among other things, expected savings of 120 €m per year due to the organizational restructuring of the activities mainly in Spain and Latam.

The execution of the plan in Latam started already in the second quarter, while the implementation of the plan in Spain is expected to be concentrated throughout the fourth quarter, with a portion pending to be finalized in 2016. Thus, the majority of associated annual savings of the plan will be accounted during 2016.

3) The Board of Directors with the previous report of the Appointment, Remuneration and Corporate Governance Committee unanimously resolved to pass certain resolutions among them, the simplification of the organizational structure.

These resolutions involve the ending of the contractual relationship of the following Senior Managers: Ms. Emma Fernández (until that time in charge of Brand, CSR and Institutional Relations); Mr. Emilio Díaz (U.S.A); and Mr. Santiago Roura (Strategy and Innovation).

The abovementioned responsibilities were assumed by other executives of the Company that are not members of the Management Committee, therefore no further incorporations will be necessary.

Events following the close of the period

On October the 1st, the Board of Directors, previous report of the Appointment, Remuneration and Corporate Governance Committee unanimously resolved to pass the following resolution:

To appoint Mr. Javier Lázaro Rodríguez as new Chief Financial Officer (CFO) to replace Mr. Juan Carlos Baena, who will leave the Company

ANNEX 1: CONSOLIDATED INCOME STATEMENT

	9M15	9M14	Variation	
	€M	€M	€M	%
Revenues	**2,069.3**	**2,086.3**	**(16.9)**	**(1)**
Other income	64.4	63.5	1.0	2
Materials consumed and other operating expenses	(992.5)	(887.3)	(105.2)	12
Personnel expenses	(1,077.1)	(1,056.2)	(20.9)	2
Other results	(0.9)	(1.7)	0.8	NA
Gross Operating Profit (recurrent EBITDA)	**63.2**	**204.5**	**(141.2)**	**(69)**
Depreciations	(64.7)	(48.7)	(15.9)	33
Recurrent Operating Profit (EBIT before non recurring costs)	**(1.4)**	**155.7**	**(157.2)**	**(101)**
Recurrent EBIT margin (before non recurring costs)	***-0.1%***	***7.5%***	***(7.6)***	--
Non recurring costs	(557.1)	(15.9)	(541.2)	3,404
Net Operating Profit (EBIT)	**(558.5)**	**139.8**	**(698.4)**	**(499)**
EBIT Margin	***(27.0%)***	***6.7%***	***(33.7)***	--
Financial results	(42.7)	(41.8)	(0.9)	2
Share of profits (losses) of associates and other investees	(5.7)	4.2	(9.9)	NA
Earnings Before Taxes	**(606.9)**	**102.2**	**(709.1)**	**(694)**
Income tax expenses	45.9	(22.8)	68.7	(302)
Profit for the period	**(561.0)**	**79.4**	**(640.4)**	**(807)**
Attributable to minority interests	0.2	(0.9)	1.1	NA
Net Profit	**(560.8)**	**78.5**	**(639.2)**	**(815)**

Figures not audited

ANNEX 2: INCOME STATEMENTS BY SEGMENTS

1.- Solutions

	9M15	9M14	Variation	
	€M	€M	€M	%
Net sales	**1,301**	**1,319**	**(18)**	**(1)**
Contribution margin	93	228	(135)	(59)
Contribution margin/ Net revenues	***7.2%***	***17.3%***	***(10.1) pp***	
Results from associates	0	(0)	0	--
Segment result	**93**	**228**	**(135)**	**(59)**

2.- Services

	9M15	9M14	Variation	
	€M	€M	€M	%
Net sales	**769**	**768**	**1**	**0**
Contribution margin	67	83	(16)	(20)
Contribution margin/ Net revenues	***8.7%***	***10.8%***	***(2.1) pp***	
Results from associates	(0)	0	(0)	--
Segment result	**67**	**83**	**(16)**	**(20)**

3.- Total consolidated

	9M15	9M14	Variation	
	€M	€M	€M	%
Net sales	**2,069**	**2,086**	**(17)**	**(1)**
Contribution margin	160	311	(151)	(49)
Contribution margin/ Net revenues	***7.7%***	***14.9%***	***(7.2) pp***	
Other non-distributable corporate expenses	(162)	(156)	(6)	4
Recurrent Operating Profit (EBIT before non recurring costs)	**-1**	**156**	**(157)**	**(101)**
Non recurring costs	(557)	(16)	(541)	3,404
Net Operating Profit (EBIT)	**(559)**	**140**	**(698)**	**(499)**

Figures not audited

ANNEX 3: CONSOLIDATED BALANCE SHEET

	9M15 M€	2014 M€	Variation M€
Property, plant and equipment	125.9	127.3	(1.5)
Intangible assets	283.9	289.8	(6.0)
Investments in associates and other investments	78.0	89.5	(11.6)
Goodwill	475.2	583.3	(108.1)
Deferred tax assets	177.3	116.0	61.2
Non-current assets	**1,140.1**	**1,206.1**	**(65.9)**
Non-current net assets held for sale	1.1	7.7	(6.5)
Operating current assets	1,549.2	1,841.2	(292.0)
Other current assets	135.2	132.5	2.7
Cash and cash equivalents	277.5	293.9	(16.3)
Current assets	**1,963.0**	**2,275.2**	**(312.2)**
TOTAL ASSETS	**3,103.2**	**3,481.3**	**(378.1)**
Share Capital and Reserves	380.9	942.5	(561.7)
Treasury stock	(3.4)	(1.6)	(1.8)
Equity attributable to parent company	**377.4**	**940.9**	**(563.5)**
Minority interests	12.4	12.7	(0.3)
TOTAL EQUITY	**389.9**	**953.6**	**(563.7)**
Provisions for liabilities and charges	115.7	40.4	75.3
Long term borrowings	971.1	825.7	145.4
Other financial liabilities	9.0	8.9	0.1
Deferred tax liabilities	2.3	1.8	0.5
Other non-current liabilities	28.6	35.0	(6.4)
Non-current liabilities	**1,126.8**	**911.9**	**214.9**
Current borrowings	143.9	130.9	13.1
Operating current liabilities	1,064.2	1,193.0	(128.8)
Other current liabilities	378.4	292.0	86.5
Current liabilities	**1,586.5**	**1,615.8**	**(29.3)**
TOTAL EQUITY AND LIABILITIES	**3,103.2**	**3,481.3**	**(378.1)**
Net debt	***837.5***	***662.7***	***174.8***

Figures not audited

ANNEX 4: CONSOLIDATED CASH FLOW STATEMENT

	9M15 M€	9M14 M€	Variation M€
Profit Before Taxes	(606.9)	102.2	(709.1)
Adjusted for:			
- Depreciations	64.7	48.7	15.9
- Provisions, capital grants and others	385.7	(20.7)	406.4
- Share of profit / (losses) of associates and other investments	(0.1)	(0.2)	0.1
- Net financial result	42.7	37.0	5.7
- Dividens received	1.4	0.4	1.0
Operating cash-flow prior to changes in working capital	**(112.5)**	**167.3**	**(279.8)**
Receivables, net	(43.0)	36.8	(79.9)
Inventories, net	91.8	(9.2)	101.0
Payables, net	(54.6)	(38.7)	(15.9)
Change in working capital	**(5.8)**	**(11.1)**	**5.2**
Other operating changes	(0.2)	(59.5)	59.3
Income taxes paid	(20.9)	(36.8)	15.8
Cash-flow from operating activities	**(139.4)**	**60.1**	**(199.5)**
Tangible, net	(9.9)	(12.1)	2.3
Intangible, net	(18.6)	(29.4)	10.8
Investments, net	(1.0)	(16.1)	15.0
Interest received	2.7	3.6	(1.0)
Net cash-flow provided/(used) by investing activities	**(26.8)**	**(53.9)**	**27.1**
Changes in treasury stock	(2.4)	(9.4)	7.0
Dividends of subsidiaries paid to minority interests	(0.3)	0.0	(0.3)
Dividends of the parent company	0.0	(55.6)	55.6
Short term financial investment variation	1.1	0.8	0.4
Increases (repayment) in capital grants	7.8	3.1	4.6
Increase (decrease) in borrowings	176.5	4.5	172.1
Interest paid	(29.8)	(29.9)	0.1
Cash-flow provided/(used) by financing activities	**152.9**	**(86.6)**	**239.5**
NET CHANGE IN CASH AND CASH EQUIVALENTS	**(13.3)**	**(80.4)**	**67.2**
Cash & cash equivalents at the beginning of the period	**293.9**	**363.1**	**(69.2)**
Foreign exchange differences	(3.0)	1.0	(4.0)
Net change in cash and cash equivalents	(13.3)	(80.4)	67.2
Cash & cash equivalents at the end of the period	**277.5**	**283.6**	**(6.1)**
Long term and current borrowings	(1,115.0)	(1,009.5)	(105.5)
Net debt/ (cash) position	***837.5***	***725.9***	***111.6***

Free Cash Flow [1]	**(187.3)**	**(4.6)**	**(182.7)**

[1] ***Free cash flow*** *is defined as cash generated before dividend payment, net financial investments and similar payments, and investment in treasury stock*

Figures not audited