Press Release

EPS also up +73% vs 2016

INDRA´S NET PROFIT INCREASED BY +82% IN 2017, TO REACH 127 MILLION EUROS

- **In reported terms, including Tecnocom, Order Intake increased by +18%, revenues by +11% and EBIT by +21%**

- **Order Intake, Revenues and EBIT, ex Tecnocom, grew +10%, +2% and +23% respectively**

- **Free Cash Flow stands at €186m, driven by the operational improvement**

- **Net Debt/EBITDA LTM ratio down to 2.2x. Excluding the companies acquired, this ratio would have been reduced to 1.2x**

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Madrid, 27 February 2017. - Indra's net profit went up +82% and totaled €127m in 2017 vs €70m registered in 2016. EPS grew +73% vs 2016.

In reported terms, including Tecnocom, Order Intake increased by +18%, revenues by +11% and EBIT by +21%.

Order Intake, Revenues and EBIT, ex Tecnocom, grew +10%, +2% and +23% respectively.

Free Cash Flow down to €186m, driven by the operational improvement.

2017 EBITDA increased by +16% vs last year, to €266m. Net Debt/EBITDA LTM ratio stands at 2.2x. Excluding the companies acquired, this ratio would have been reduced to 1.2x.

Indra fulfilled all the guidance metrics (ex Tecnocom) announced for 2017 in terms of revenues, EBIT margin and FCF before working capital.

Order Intake grew +18% in both local currency and reported terms, as a consequence of Tecnocom's contribution and the positive organic evolution of Indra's orders. Excluding Tecnocom, Order Intake would have increased by +10% (in local currency and reported terms), accelerating its growth in 4Q17 (+30% in local currency; +28% in reported terms) thanks to the positive performance of the orders in both T&D and IT segments.

2017 Revenues reached €3,011m, which implied a growth of +11% in local currency and reported terms, backed by the contribution from Tecnocom and Indra's organic growth (+2%). By segments, revenues in IT increased by +23% in local currency and reported terms (with all verticals posting growth), thanks to Tecnocom's consolidation and the contribution from the Election business. In contrast, revenue in T&D (Transport & Traffic and Defense & Security) declined by -3% in 2017 in both local currency and reported terms. Exchange rates barely had impact in 2017 sales (negative impact of €-2m).

Excluding Tecnocom (whose activity is only concentrated in the IT segment), sales would have totaled €2,756m, increasing +2% in local currency and reported figures. Excluding Tecnocom, 2017 IT sales would have grown +6% in local currency and reported terms, highlighting the growth posted in Public Administrations & Healthcare (mainly by the Elections Business) and Energy & Industry (due to better dynamics in the Oil & Gas sector).

4Q17 Revenues reached €895m (+20% local currency; +18% reported). Excluding Tecnocom, revenues (€806m) would have increased by +8% in local currency (+6% reported) thanks to the IT business (all verticals posted growth) and Transport.

Tecnocom, which started to consolidate since April 18th 2017, added €255m of sales and of €-4.3m of EBIT (including €12.2m of integration costs) in 2017 reported figures. EBIT margin was -1.7%, or 3.1% excluding the impact from the integration costs assigned to Tecnocom (€12.2m). EBIT figure also includes the PPA Amortization (€5m). In comparable terms, 2017 Revenues would have declined by -7.5% and 2017 estimated EBIT (excluding the impacts associated with the integration) would have reached 2.9% vs 4.4% in 2016. Operating synergies communicated at the time of the deal (€30.5m) are being delivered faster than expected, and with lower associated restructuring costs.

Other income reached €58m in 2017, slightly lower than in 2016 (€63m). This item is mainly composed of R&D capitalization (€38m) and subsidies (€11m).

OPEX (Operating Expenses) increased by +10% in 2017 in reported terms to €2,803m vs €2,543m in 2016. Excluding Tecnocom, OPEX would have remained almost flat:

- Materials consumed and other operating expenses increased by +10% as a result of Tecnocom's consolidation and higher revenues.
- Personnel expenses increased +11% in 2017 to €1,486m as a consequence of Tecnocom's integration. Excluding this impact, personnel expenses would have decreased by -3% in reported figures, which compares with a -6% fall of Indra's average workforce (excluding Tecnocom) during the period.

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EBITDA increased by +16% in 2017 to €266m, which implies an EBITDA margin of 8.8% (vs 8.5% in 2016). Excluding total restructuring costs (€15.9m), EBITDA margin would have reached 9.4% in the period.

EBIT margin reached 6.5% in 2017 (or 7.0% excluding total restructuring costs) vs 6.0% in 2016, somehow negatively affected by Tecnocom's consolidation and its associated integration costs. Excluding Tecnocom, EBIT margin would have reached 7.2% in 2017.

T&D EBIT margin went down to 11.6% vs 13.0% 2016, mainly explained by Defence & Security, due to the lower activity in the Eurofighter program.

IT EBIT margin went up to 3.2% vs 0.1% in 2016 driven by the Elections business, and the slight improvement in Financial Services and Public Administrations & Healthcare (ex Elections).

4Q17 EBIT margin accelerated to 8.0% (vs 7.6% in 4Q16), as a consequence of the operational improvement in IT and despite the negative impact derived from Tecnocom's consolidation. Excluding Tecnocom, Indra's organic EBIT margin in 4Q17 would have reached 9.9%.

D&A reached €71m in 2017, higher level than in 2016 (€68m).

Despite the pick-up in Net Debt levels, Financial Results improved to €-32m in 2017 (vs €-39m in 2016), due to the reduction in its average borrowing costs (down by -0.6pp to 2.2% in 2017 and vs 2.8% in 2016), and the positive impact of certain FX hedging and other financial results.

Profit or loss of the equity accounted investees decreased to €-0.5m.

Tax expenses reached €34m in 2017, equivalent to a tax rate of 21%, which implies a significant reduction in the tax rate versus 2016, as a result of the benefits associated with better usages of the tax credits in Brazil (this impact took place in 3Q17).

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Indra

MAIN FIGURES	2017* (€M)	2016 (€M)	Variation (%) Reported / Local currency
Net Order Intake	3,248	2,744	18.3 / 18.3
Revenues	3,011	2,709	11.1 / 11.2
Backlog	3,612	3,129	15.4
Gross Operating Profit (EBITDA)	266	229	16.1
EBITDA Margin	8.8%	8.5%	0.3 pp
EBITDA Margin ex restructuring costs from Tecnocom	*9.4%*	*8.5%*	*0.9 pp*
Operating Profit (EBIT)	196	162	21.1
EBIT margin	6.5%	6.0%	0.5 pp
EBIT margin ex restructuring costs from Tecnocom	*7.0%*	*6.0%*	*1.0 pp*
Net Profit	127	70	81.5
Net Debt Position	588	523	12.5
Free Cash Flow	186	184	1.6
Basic EPS (€)	0.738	0.427	72.8

(*) Displayed data includes Tecnocom consolidation since April 18th, 2017

Indra ex Tecnocom

MAIN FIGURES	2017 (€M)	2016 (€M)	Variation (%) Reported / Local currency
Net Order Intake	3,020	2,744	10.0 / 10.1
Revenues	2,756	2,709	1.7 / 1.8
Backlog	3,395	3,129	8.5
Gross Operating Profit (EBITDA)	258	229	12.6
EBITDA Margin	9.4%	8.5%	0.9 pp
Operating Profit (EBIT)	199	162	23.1
EBIT margin	7.2%	6.0%	1.2 pp
Net Profit	132	70	88.4

Balance Sheet and Cash Flow Statement

2017 Free Cash Flow was €186m (vs €184m in 2016), showing a very positive performance in 4Q17 totaling €142m (versus €140m in 4Q16).

Operating Cash Flow before net working capital grew +16% and reached €264m vs €228m in 2016, mainly as a result of the improvement in operating activity.

2017 Net Working Capital variation was negative (€-20m), as a consequence of the Inventories and Clients increase (associated with the contribution from Tecnocom) which were mostly offset by the positive performance of Suppliers management.

Net Working Capital decreased to €-6m (vs €33m at December 2016) despite the impact from the companies acquired (whose NWC amounts to €69m in 2017, equivalent to 8 DoS). As a result, Indra's Net Working Capital is equivalent to -1 Days of LTM Sales (DoS) or -9 DoS excluding the impact from the companies acquired. In 4Q17, NWC improved in +5 DoS backed by the positive evolution from Suppliers management.

Other Operating Changes were €56m in 2017 vs €-10m in 2016. This improvement is due to the fact that this line in 2016 included the cash outflow related to the Redundancy Plan and fewer payments in 2017 vs 2016 to the Public Administration (VAT, Social Security, Personnel Income Tax withholding). Besides, in 4Q17, this line includes some Spanish Ministry of Defence payments related to some multiyear contracts (included in this line given its long term nature).

2017 Taxes totaled €-53m compared to €-47m in 2016, as a consequence of the improvement in profitability of the company vs last year.

CAPEX (net of subsidies) totaled €40m vs €28m in 2016. Intangible investments reached €26m vs €19m in 2016 due to higher investment in the Air Traffic Management (ATM) segment. Tangible investments amounted to €14m vs €9m in 2016. Gross CAPEX (excluding subsidies) reached €52m in 2017 vs €39m in 2016.

Net debt increased to €588m in 2017 (vs €523m in December 2016), mainly as a consequence of the acquisition's payments of Tecnocom, Paradigma and GTA (€248m) and their debt consolidation (€10m). Net Debt/EBITDA LTM ratio stands at 2.2x. Excluding the companies acquired, this ratio would have been reduced to 1.2x (vs 2.3x in 2016) and net debt would have declined to €309m.

Gross debt borrowing costs were 2.2%, improving +0.6pp vs 2016.

Non-recourse factoring lines amounted to €187m, in line with the figures reported in the last 6 quarters.

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Analysis by Vertical Markets

Transport & Defence

T&D	2017 (€M)	2016 (€M)	Variation (%) Reported	Variation (%) Local currency	4Q17 (€M)	4Q16 (€M)	Variation (%) Reported	Variation (%) Local currency
Net Order Intake	1,248	1,241	1	1	503	343	47	48
Revenues	1,183	1,224	(3)	(3)	372	377	(2)	(1)
- Defence & Security	596	599	(1)	(1)	188	198	(5)	(5)
- Transport & Traffic	587	625	(6)	(6)	184	179	2	4
Book-to-bill	1.05	1.01	4		1.35	0.91	49	
Backlog / Revs LTM	2.00	1.88	6					

2017 T&D Revenues went down by -3% (both in local and reported terms) as a consequence of the drop in Transport & Traffic (-6% in local currency and reported terms) and the slight decrease in Defense & Security (-1% in local currency and reported terms).

4Q17 Revenues dropped by -1% in local currency (-2% reported terms) due to the slowdown in Defence & Security (-5% in local currency and reported terms) as a consequence of the lower activity in the Eurofigther program, and despite the improvement in Transport & Traffic (+4% in local currency and +2% reported terms). Within this vertical, Transport accelerated its growth in 4Q17 (+8%).

2017 Order Intake grew +1% both in local and reported figures, with strong acceleration in 4Q17 (+48% in local currency; +47% reported terms) in both Defense & Security and Transport & Traffic, being higher in the Defense & Security vertical. Both book-to-bill and Backlog/Revenues LTM ratio improved in the period. Book-to-bill ratio was 1.05x vs 1.01x in 2016. Backlog/Revenues LTM reached 2.00x vs 1.9x.

IT

IT	2017* (€M)	2016 (€M)	Variation (%) Reported	Variation (%) Local currency	4Q17* (€M)	4Q16 (€M)	Variation (%) Reported	Variation (%) Local currency
Net Order Intake	2,000	1,504	33	33	393	321	22	25
Revenues	1,828	1,485	23	23	524	381	37	40
- Energy & Industry	481	400	20	21	140	106	31	34
- Financial Services	605	476	27	27	168	124	36	39
- Telecom & Media	236	212	12	11	65	51	28	32
- PPAA & Healthcare	506	398	27	27	151	101	50	53
Book-to-bill	1.09	1.01	8		0.75	0.84	(11)	
Backlog / Revs LTM	0.64	0.55	15					

(*) Displayed data includes Tecnocom consolidation since April 18th, 2017

2017 IT sales grew +23% in both local and reported terms, mainly as a consequence of the consolidation of Tecnocom (whose activity is only concentrated on the IT segment) and the growth of the Elections business and, to a lesser extent, by the Energy & Industry vertical.

Excluding the impact of Tecnocom's acquisition, 2017 sales would have grown +6% in local currency and in reported terms. Public Administrations and Healthcare has been the vertical with the best performance due to the Elections business. It is also worth highlighting the growth of Energy & Industry followed by Financial Services (flat performance). Telecom & Media is the only vertical that showed declines due to the cancellation of the BPO contract with Vodafone. Excluding Elections business and Tecnocom, IT sales would have slightly decreased (-0.8%).

Revenues in Digital solutions (Minsait) reached €314m vs 2016 and accounts for c. 17% of the total IT revenues, implying a growth of +0.3% vs 2016 (difficult comparison vs 2016 as last year included the

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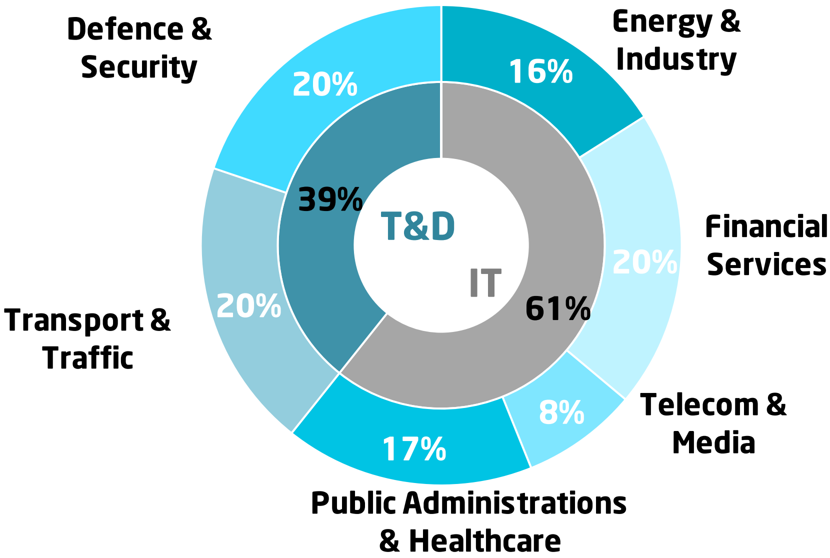
contribution from cibersecurity and biometrics solutions from a relevant contract in Latam). However, Minsait 4Q17 sales grew +25%.

2017 Order Intake in the IT business went up +33% in local currency and in reported terms, resulting in a Book-to-Bill ratio of 1.09x vs 1.01x in 2016. Excluding the impact of Tecnocom, Order Intake in 2017 would have grown +18% in local currency and reported terms pushed by Public Administration (Election business) & Healthcare and Energy & Industry. Excluding the Elections business and Tecnocom, Order Intake would have increased +6%.

Backlog / Revenues LTM improved to 0.64x vs 0.55x in 2016.



Analysis by Region

Revenues by Region	2017*		2016		Variation (%)		4Q17*	4Q16	Variation (%)	
	(€M)	(%)	(€M)	(%)	Reported	Local currency	(€M)	(€M)	Reported	Local currency
Spain	1,387	46	1,164	43	19	19	402	301	33	34
America	656	22	653	24	0	(0)	189	173	9	16
Europe	492	16	524	19	(6)	(6)	133	172	(23)	(23)
Asia, Middle East & Africa	477	16	368	14	30	31	171	112	53	56
TOTAL	**3,011**	**100**	**2,709**	**100**	**11**	**11**	**895**	**759**	**18**	**20**

(*) Displayed data includes Tecnocom consolidation since April 18th, 2017

Region wise, it should be noted the growth of Asia, Middle East & Africa (+31% in local currency; 16% of total sales) thanks to the positive performance of the Elections business, and in Spain, country with the largest revenues share of total sales (+19%; 46% of total sales), on the back of the integration of Tecnocom. Besides, it is worth mentioning America (flat performance; 22% of total sales), which posted +16% growth in 4Q17 in local currency (+9% reported). On the contrary, Europe is the only region that showed declines in 2017 (-6% in local currency; 16% of total revenues), due to the slowdown in the Eurofighter project over the last quarter.

Excluding the impact of Tecnocom, whose main activity is concentrated in Spain and Latam (and only in the IT business), 2017 sales would have increased by +1% in Spain, while sales in America would have fallen -5%, in both local and reported figures. 4Q17 sales (ex Tecnocom) would have posted almost double digit growth in Spain and America in both local and reported terms (+9% in local and reported figures).

Human Resources

Final Workforce	2017*	%	2016	%	Variation (%) vs 2016
Spain	25.081	63	18.951	55	32
America	11.326	28	12.091	35	(6)
Europe	1.811	5	1.632	5	11
Asia, Middle East & Africa	1.802	5	1.620	5	11
TOTAL	**40.020**	**100**	**34.294**	**100**	**17**

(*) Displayed data includes Final workforce of Tecnocom and Paradigma

Average Workforce	2017*	%	2016	%	Variation (%) vs 2016
Spain	24.517	61	19.474	55	26
America	11.921	30	12.952	36	(8)
Europe	1.836	5	1.584	4	16
Asia, Middle East & Africa	1.730	4	1.637	5	6
TOTAL	**40.004**	**100**	**35.647**	**100**	**12**

(*) Displayed data includes Tecnocom's average workforce for the entire 2017 period

ANNEX 1: CONSOLIDATED INCOME STATEMENT

	2017*	2016	Variation		4Q17*	4Q16	Variation	
	€M	€M	€M	%	€M	€M	€M	%
Revenues	**3,011.1**	**2,709.3**	**301.8**	**11**	**895.2**	**758.6**	**136.6**	**18**
Other income	58.0	62.9	(4.9)	(8)	23.9	32.6	(8.7)	(27)
Materials consumed and other operating expenses	(1,315.7)	(1,199.1)	(116.6)	10	(412.6)	(364.5)	(48.1)	13
Personnel expenses	(1,486.0)	(1,342.2)	(143.8)	11	(410.4)	(347.8)	(62.6)	18
Other results	(1.1)	(1.5)	0.4	NA	(0.4)	(0.2)	(0.2)	NA
Gross Operating Profit (EBITDA)	**266.3**	**229.4**	**36.9**	**16**	**95.7**	**78.7**	**17.0**	**22**
Depreciations	(70.6)	(67.8)	(2.8)	4	(23.7)	(21.4)	(2.3)	11
Net Operating Profit (EBIT)	**195.6**	**161.5**	**34.1**	**21**	**72.0**	**57.3**	**14.7**	**26**
EBIT Margin	***6.5%***	***6.0%***	***0.5 pp***	**NA**	***8.0%***	***7.6%***	***0.4 pp***	**NA**
Financial Result	**(32.3)**	**(39.3)**	**7.0**	**(18)**	**(10.5)**	**(8.9)**	**(1.6)**	**18**
Profit/(loss) of equity-accounted investees	(0.5)	1.7	(2.2)	NA	(0.4)	0.2	(0.6)	NA
Earnings Before Taxes	**162.8**	**123.9**	**38.9**	**31**	**61.1**	**48.6**	**12.5**	**26**
Income tax expenses	(33.8)	(53.5)	19.7	(37)	(17.8)	(26.2)	8.4	(32)
Profit for the period	**129.1**	**70.4**	**58.7**	**83**	**43.2**	**22.5**	**20.7**	**92**
Attributable to minority interests	(2.2)	(0.4)	(1.8)	NA	(0.9)	(0.6)	(0.3)	NA
Net Profit	**126.9**	**69.9**	**57.0**	**82**	**42.4**	**21.8**	**20.6**	**94**

(*) Displayed data includes Tecnocom consolidation since April 18th, 2017

Earnings per Share (according to IFRS)	2017*	2016	Variation (%)
Basic EPS (€)	0.738	0.427	73
Diluted EPS (€)	0.672	0.413	63

	2017*	2016
Total number of shares	176,654,402	164,132,539
Weighted treasury stock	603,063	346,306
Total shares considered	172,010,724	163,786,233
Total diluted shares considered	200,216,246	183,734,414
Treasury stock in the end of the period	813,376	333,508

(*) Displayed data includes Tecnocom consolidation since April 18th, 2017

Figures not audited

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 in October 2013 with a conversion price of €14.29 (and with a conversion price of 13.79€ since 28/04/2017, first trading day of the new shares after the Capital Increase associated with the Tecnocom's acquisition) and the €250m convertible bond issued in October 2016 with a conversion price of €14.629, and taking into account the repayment of €95m of the convertible bond issued in 2013), 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 bonds.

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 bonds, are calculated using daily balances.

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ANNEX 2: INCOME STATEMENTS BY BUSINESSES

2017*

M€	T&D	IT	Eliminations	Total
Total Sales	1,183	1,828	-	3,011
Inter-segment sales	-	-	-	-
External Sales	**1,183**	**1,828**	**-**	**3,011**
Contribution Margin	**224**	**258**	**-**	**482**
Contribution Margin (%)	***18.9%***	***14.1%***	***-***	***16.0%***
EBIT	**137**	**58**	**-**	**196**
EBIT Margin (%)	***11.6%***	***3.2%***	***-***	***6.5%***

4Q17*

	T&D	IT	Eliminations	Total
Total Sales	372	524	-	895
Inter-segment sales	-	-	-	-
External Sales	**372**	**524**	**-**	**895**
Contribution Margin	**56**	**94**	**-**	**150**
Contribution Margin (%)	***15.0%***	***17.9%***	***-***	***16.7%***
EBIT	**32**	**40**	**-**	**72**
EBIT Margin (%)	***8.6%***	***7.7%***	***-***	***8.0%***

2016

	T&D	IT	Eliminations	Total
Total Sales	1,224	1,495	(10)	2,709
Inter-segment sales	0	10	(10)	-
External Sales	**1,224**	**1,485**	**-**	**2,709**
Contribution Margin	**233**	**145**	**-**	**378**
Contribution Margin (%)	***19.1%***	***9.8%***	***-***	***14.0%***
EBIT	**160**	**2**	**-**	**162**
EBIT Margin (%)	***13.0%***	***0.1%***	***-***	***6.0%***

4Q16

	T&D	IT	Eliminations	Total
Total Sales	377	383	(2)	759
Inter-segment sales	0	2	(2)	-
External Sales	**377**	**381**	**-**	**759**
Contribution Margin	**79**	**35**	**-**	**114**
Contribution Margin (%)	***20.8%***	***9.2%***	***-***	***15.0%***
EBIT	**58**	**(1)**	**-**	**57**
EBIT Margin (%)	***15.4%***	***-0.2%***	***-***	***7.6%***

(*) Displayed data includes Tecnocom consolidation since April 18th, 2017

Figures not audited

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ANNEX 3: CONSOLIDATED BALANCE SHEET

	2017* €M	2016 €M	Variation €M
Property, plant and equipment	105.6	103.4	2.2
Intangible assets	352.2	284.9	67.3
Investments in associates and other investments	232.1	184.9	47.2
Goodwill	802.7	471.9	330.8
Deferred tax assets	165.8	178.4	(12.6)
Non-current assets	**1,658.4**	**1,223.6**	**434.8**
Non-current assets held for sale	26.9	31.2	(4.3)
Operating current assets	1,321.9	1,271.8	50.1
Other current assets	160.3	131.5	28.8
Cash and cash equivalents	699.1	673.9	25.2
Current assets	**2,208.2**	**2,108.5**	**99.7**
TOTAL ASSETS	**3,866.6**	**3,332.0**	**534.6**
Share Capital and Reserves	640.8	368.3	272.5
Treasury stock	(9.4)	(3.4)	(6.0)
Equity attributable to parent company	**631.4**	**364.9**	**266.5**
Minority interests	17.5	13.0	4.5
TOTAL EQUITY	**648.9**	**378.0**	**270.9**
Provisions for liabilities and charges	70.2	99.2	(29.0)
Long term borrowings	1,016.4	1,136.0	(119.6)
Deferred tax liabilities	20.8	12.4	8.4
Other non-current liabilities	136.5	98.8	37.7
Non-current liabilities	**1,243.9**	**1,346.4**	**(102.5)**
Liabilities related to non-current assets held for sale	0.0	0.0	0.0
Current borrowings	271.0	60.7	210.3
Operating current liabilities	1,328.2	1,238.4	89.8
Other current liabilities	374.6	308.6	66.0
Current liabilities	**1,973.7**	**1,607.7**	**366.0**
TOTAL EQUITY AND LIABILITIES	**3,866.6**	**3,332.0**	**534.6**

Current borrowings	(271.0)	(60.7)	(210.3)
Long term borrowings	(1,016.4)	(1,136.0)	119.6
Gross financial debt	(1,287.3)	(1,196.7)	(90.6)
Cash and cash equivalents	699.1	673.9	25.2
Net Debt	***(588.2)***	***(522.8)***	***(65.4)***

(*) Displayed data includes Tecnocom consolidation since April 18th, 2017

Figures not audited

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ANNEX 4: CONSOLIDATED CASH FLOW STATEMENT

	2017* €M	2016 €M	Variation €M	4Q17* €M	4Q16 €M	Variation €M
Profit Before Taxes	**162,8**	**123,9**	**38,9**	**61,1**	**48,6**	**12,5**
Adjusted for:						
- Depreciations	70,6	67,8	2,8	23,7	21,4	2,3
- Provisions, capital grants and others	(5,3)	(2,9)	(2,4)	11,6	33,4	(21,8)
- Share of profit / (losses) of associates and other investments	0,5	(1,7)	2,2	0,4	(0,2)	0,6
- Net financial results	32,3	39,3	(7,0)	10,5	8,9	1,6
Dividends received	**3,2**	**1,8**	**1,4**	**3,2**	**0,8**	**2,4**
Operating cash-flow prior to changes in working capital	**264,2**	**228,3**	**35,9**	**110,4**	**112,9**	**(2,5)**
Recievables, net	(79,6)	87,7	(167,3)	(45,0)	47,1	(92,1)
Inventories, net	(20,7)	1,4	(22,1)	0,1	8,0	(7,9)
Payables, net	80,1	(23,1)	103,2	40,3	(5,7)	46,0
Change in working capital	**(20,2)**	**65,9**	**(86,1)**	**(4,6)**	**49,4**	**(54,0)**
Other operating changes	**56,0**	**(10,1)**	**66,1**	**87,5**	**22,0**	**65,5**
Tangible, net	(13,9)	(9,0)	(4,9)	(7,7)	(3,4)	(4,3)
Intangible, net	(26,2)	(18,9)	(7,3)	(7,9)	(4,0)	(3,9)
Capex	**(40,0)**	**(27,9)**	**(12,1)**	**(15,6)**	**(7,4)**	**(8,2)**
Net financial result	**(21,0)**	**(25,7)**	**4,7**	**(10,1)**	**(10,7)**	**0,6**
Income taxes paid	**(52,5)**	**(46,9)**	**(5,6)**	**(25,2)**	**(26,3)**	**1,1**
Free Cash Flow	**186,5**	**183,6**	**2,9**	**142,4**	**139,9**	**2,5**
Short term financial investment variation	0,4	(2,4)	2,8	(0,3)	1,4	(1,7)
Financial investments/divestments, net	(192,3)	(3,9)	(188,4)	(48,3)	(0,6)	(47,7)
Dividends of subsidiaries paid to minority interests	(0,1)	(0,9)	0,8	0,0	0,0	0,0
Dividends of the parent company	0,0	0,0	0,0	0,0	0,0	0,0
Shareholders contribution	(5,2)	0,0	(5,2)	0,0	0,0	0,0
Change in treasury stock	(6,1)	(0,3)	(5,8)	(0,7)	(1,2)	0,5
Cash-flow provided/(used) by financing activ	**(16,8)**	**176,0**	**(192,8)**	**93,2**	**139,5**	**(46,3)**

Initial Net Debt	**(522,8)**
Cash-flow provided/(used) in the period	(16,8)
Foreign exchange differences and variation with no impact in cash	(48,6)
Final Net Debt	***(588,2)***

Cash & cash equivalents at the beginning of the period	**673,9**	**341,6**	**332,3**
Foreign exchange differences	(13,7)	17,3	(31,0)
Increase (decrease) in borrowings	55,8	139,0	(83,2)
Net change in cash and cash equivalents	(16,8)	176,0	(192,8)
Ending balance of cash and cash equivalents	**699,1**	**673,9**	**25,2**
Long term and current borrowings	**(1.287,3)**	**(1.196,7)**	**(90,6)**
Final Net Debt	***(588,2)***	***(522,8)***	***(65,4)***

(*) Displayed data includes Tecnocom consolidation since April 18th, 2017

Figures not audited

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ANNEX 5: ALTERNATIVE PERFORMANCE MEASURES (APMS)

Due to the application of the Alternative Performance Measures (APM) published by the European Securities and Markets Authority (EMSA), Management of the Group considers that certain APMs provides useful financial information that should be considered to evaluate the performance of the Group by users. Additionally, Management uses these APMs for making financial, operating and strategic decisions, as well as to evaluate the Group performance. It should be noted that the amounts of the APMs have not been subject to any type of audit or review by the auditors of the Company.

Net Operating Profit (EBIT):

Definition/Conciliation: It is defined in the consolidated income statement.

Explanation: Metric that the Group uses to define its operating profitability, and Investors use to the Company's valuation.

Likewise, the Group uses as an indicator the performance of the EBIT margin that is the result of the ratio between EBIT and the amount of sales for the same period. This indicator is interpreted as the operating profit of the Group for each euro of sales.

Coherence in the criteria applied: There is no change in the criteria applied compared to last year.

Gross Operating Profit (EBITDA):

Definition/Conciliation: Represents the Net Operating Profit (EBIT) plus Depreciations and Amortizations.

Explanation: Metric that the Group uses to define its operating profitability, and Investors use to the Company's valuation.

Likewise, the Group uses as an indicator the performance of the EBITDA margin that is the result of the ratio between EBITDA and the amount of sales for the same period. This indicator is interpreted as the operating profit of the Group plus Depreciations and Amortizations for each euro of sales.

Coherence in the criteria applied: There is no change in the criteria applied compared to last year.

Net Financial Debt:

Definition/Conciliation: Represents Cash and Cash equivalents less Non-current Loans and Borrowings and less Current Loans and Borrowings. Net Financial Debt is obtained by subtracting the balances corresponding to the headings of the Consolidated Balance Sheet, "Long and Current borrowings with Credit Institutions" and "Financial Liabilities for Issuance of Non-current and Other Marketable Securities", the amount of the heading "Cash and cash equivalents".

Explanation: Financial proxy that the Group uses to measure its leverage.

Likewise, the Group uses the ratio Net Financial Debt over EBITDA as an indicator of its leverage and repayment capacity of its financial debt. For that reason, the figure used to calculate the ratio for intermediate periods is made by taking into consideration the equivalent last twelve months EBITDA immediately preceding the calculation date of the ratio.

Coherence in the criteria applied: There is no change in the criteria applied compared to last year.

Free Cash Flow:

Definition/Conciliation: These are the funds generated by the Company excluding dividend payments, net financial investments/divestments and others, and the investment in treasury stock.

Explanation: It is the treasury made by the operations of the Group that is available to providers (shareholders and financial creditors) once the investment needs of the Group are already satisfied, and Investors use to the Company's valuation.

Coherence in the criteria applied: There is no change in the criteria applied compared to last year.

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Contribution Margin:

Definition/Conciliation: It is the different between revenues and direct and indirect costs of the segments or businesses of the Group. Direct costs are those directly attributable to the sales recognized in a specific period of time and include the cost of the headcount or subcontractors used in the projects as well as any incurred costs related to the development and completion of the project; such as material costs, travel expenses of the project, among others. Indirect costs are those which, although are linked to a segment or businesses of the Group, are not directly attributable to billable projects or to revenues accounted for a specific period of time; such as, commercial costs, cost of making offers, the cost of Management of a specific segment, among others. Contribution Margin does not include overheads as these costs are not directly attributable to a particular segment or business.

Explanation: Contribution Margin measures the operating profitability of a segment or business of the Group excluding overheads as these costs are not directly attributable to a particular segment or business.

Likewise, in order to ease the comparison between segments with different relative weight in the total revenues of the Group, it is used the contribution margin ratio over revenues of a segment or business. This indicator is interpreted as the contribution margin for each euro of sales of a specific segment.

Coherence in the criteria applied: There is no change in the criteria applied compared to last year.

Order Intake:

Definition/Conciliation: It is the amount of contracts won over a period of time. Order Intake cannot be confused with revenues or the net amount of sales because the amount of a contract won in a specific period of time (and that computes as Order Intake in that period of time) can be executed over several years.

Explanation: As it is the amount of the contracts won over a period of time, Order Intake is an indicator of the future performance of the Group.

Coherence in the criteria applied: There is no change in the criteria applied compared to last year.

Backlog:

Definition/Conciliation: It is the amount of accumulated Order Intake less revenues executed, plus/minus forex adjustments and the renegotiation of the contracts, among others. It is the pending revenues figure until the completion of the project to complete the Order Intake figure.

Explanation: As it is the amount of the contracts won pending to be executed, Order Intake is an indicator of the future performance of the Group.

Coherence in the criteria applied: There is no change in the criteria applied compared to last year.

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