

1. INTRODUCTION

- Indra continues to report a **positive performance** after the closing of the first nine months of the year.
- **Order intake** and **revenues grew** by **3%**, with international markets growing at around 10% and the domestic market decreasing slightly. Indra's growing market share in the domestic market partially compensates the market's lack of growth.
- First nine month results include the global consolidation of Galileo in Italy since July 1st (*). Politec (Brazil) will consolidate from October 1st 2011.
- Indra **reiterates its confidence in meeting all 2011 targets** made public at the beginning of the year: to reach **revenue growth** of at least **2%**, a **10.5% EBIT margin**, and **book to bill above 1x** with order intake positive yearly growth.

MAIN FIGURES

Order Intake

- Reached **€2,169m**, posting an **increase** of **3%** compared to the same period of previous year, being 12% higher than revenues of the period (**book to bill ratio at 1.12x**).
- **International** market registers a **growth** of **9%**. It is important to mention the recent award to a consortium in which Indra will provide various technological systems, of a major project in Saudi Arabia, for the development of Mecca-Medina high speed train. The contract is expected to be put in force in 2012.
- **Domestic** market, in line with expectations, shows a **slight decrease** of **2%**.
- The **Services** segment continues **growing (+9%)**, while **Solutions** have **decreased** by **1%**

Revenues

- Reached **€1,929m**, **growing 3%** compared to the same period of previous year.
- **International** market **grows 10%**, increasing the rate of growth of the first semester of the year, highlighting the double digit growth in Latin America and the Asia Pacific region.
- **Domestic** market revenues **decreased by 2%** compared to the same period of previous year, affected by the weak macroeconomic domestic situation.
- **Services** segment continuous to grow at high rates, registering a **16% growth**, while **Solutions decreased** by **3%**.
- All **verticals**, except Security & Defence, show a positive evolution:
 - Telecom & Media (+33%), Energy & Industry (+10%), Transport & Traffic (+5%), Public Administration (+6%, supported by balloting activity) and Financial Services (+3%).
 - Security & Defence (-22%) continues to post negative performance, although it is expected to improve in the last quarter of the year.

(*)The contribution of Galileo to Indra's nine months 2011 results reached €11,2m in order Intake, €45m in order backlog and €9,7m in revenues with an EBIT margin of 9%.

Order backlog

- **Order backlog** reached **€3,141m**, having been increased by **11%**.
- At the close of the this quarter, **order backlog** represents **1,20x** the **last twelve month (LTM) revenues**, above the **1,12x** ratio reached at the end of third quarter of **the previous year** .

Income statement and Balance Sheet

- **Net operating profit** (EBIT) reached €203m, 6% ahead of the figure reported for the same period of previous year.
- No extraordinary costs have been registered during the period. In the first nine months of 2010, 15.3M€ extraordinary costs were accounted.
- **Net operating margin** (EBIT/Sales) stood at 10.5%, 0.5pp below the Recurrent Operating Margin (before extraordinary costs) of the first nine months of 2010, mainly due to the decrease in the Services' margin. Operating margin is 0.3pp higher than the one reported for the same period last year including the above mentioned extraordinary expenses.
- **Net profit** reached €145m, growing 1% versus the same period of the previous year. Excluding extraordinary costs incurred in 2010, Net Profit would have decreased by 7%.
- **Net working capital** is equivalent to **108 days of annualised revenues** (versus 98 days at the end of the third quarter of the previous year), due to the delays in the billing process with some domestic clients. This effect will remain in the following months, and it is expected that net working capital will stand by year end at similar levels as of the end of third quarter.
- By the end of the quarter, the company had a **net debt** position of €484m, representing **1,5x** LTM's **recurrent EBITDA**, compared to €311m at the end of the third quarter of 2010. The 173 M€ net debt increase reflects the payment of the ordinary dividend of 111 M€ and the 196 M€ allocated to capex and financial investments during the last twelve months.

MEETING 2011 TARGETS

- Accumulated revenues for the first three quarters of the year, together with order backlog as of September 30th to be executed in the last quarter of the year, implies a **2011 revenue target coverage** (which exclude the acquisitions of Galyleo and Politec) of **96%**, in **line with last year's** figure.
- The company **confirms** its confidence in **reaching all** of its **2011 financial targets**, which exclude the above mentioned acquisitions, and expects that:
 - **Revenues will grow 2%**, with international markets posting a significant growth rate and the domestic market registering a slight decrease.
 - **Order Intake** will be **ahead of last year's**, with book-to-bill higher than 1x.
 - **EBIT margin will be 10.5%**.
- Considering the integration of Galyleo from July 1st and Politec from October 1st, our current and **best estimate** for **2011** is to reach **revenues** around **2,675 M€** (5% growth versus 2010), with an **EBIT margin** of 10% (which decreases due to acquired companies' lower operating margin and the transaction and integration costs related to the acquisitions)
- Indra will **announce** its **2012** targets at the time of the release of 2011 results.

- Order backlog as of the end of the third quarter includes 1,200 M€ of revenues to be executed in 2012. This figure is ahead of last year's and represents more than 45% of last twelve months revenues.
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DIVIDEND PAYMENT CHARGED TO 2010

- On 4 July, the company paid out an ordinary gross dividend of € 0.68 per share charged to FY2010 profit, representing a 3% increase on the ordinary dividend paid against 2009 profit.
- Dividend payment in the third quarter of the year amounted of €111m.
- This dividend is equivalent to a pay-out of 59% in line with the company's recurrent shareholders remuneration policy
- The amount of this dividend represents a 5.3% yield on Indra's share price closing at the end of 2010 (12.785€).

2. MAIN FIGURES

The following table lists the key figures for the period:

INDRA	9M11 (€M) (*)	9M10 (€M)	Variation (%)
Order Intake	2,168.9	2,112.2	3
Revenues	1,929.6	1,878.6	3
Backlog	3,140.9	2,817.8	11
<i>EBIT margin (before non recurrent extraordinary costs)</i>	10.5%	11.0%	(0.5) pp
<i>Extraordinary costs</i>	--	(15.3)	na
Net Operating Profit (EBIT)	202.5	190.8	6
<i>EBIT Margin</i>	10.5%	10.2%	0.3 pp
Attributable Profit	144.8	143.4	1
Net debt position	<i>484.3</i>	<i>310.9</i>	56

Earnings per Share (according to IFRS)	9M11 (€M)	9M10 (€M)	Variation (%)
Basic EPS	0.8882	0.8833	1
Diluted EPS	0.8882	0.8833	1

- **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.

	9M11 (€M)	9M10 (€M)
Total number of shares	164,132,539	164,132,539
Weighted treasury stock	1,137,912	1,798,227
Total shares considered	162,994,627	162,334,312

- At the close of the third quarter, 2011, the company held 2.697.066 weighted treasury shares representing 1.64% of total shares in the company.

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