



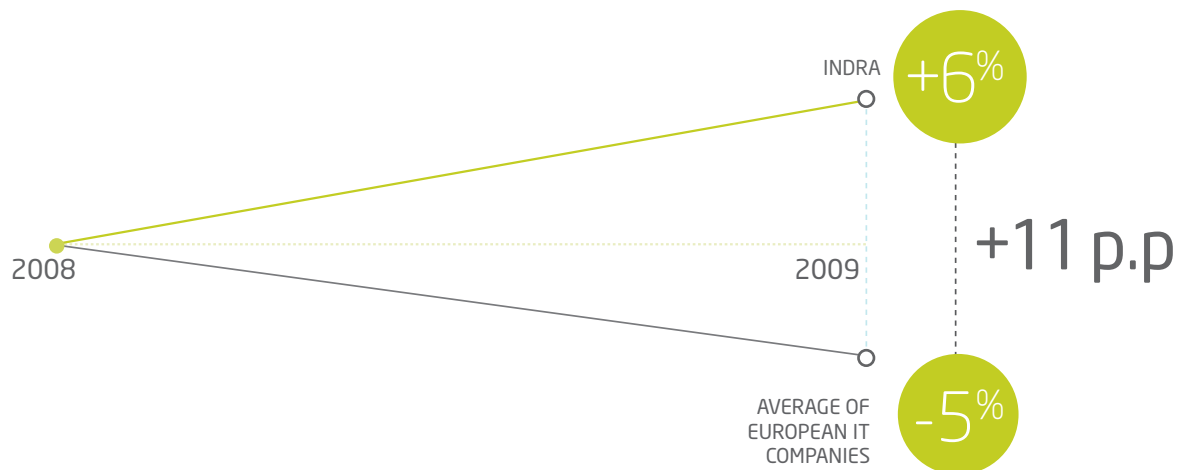
YES

TO AGILITY, TO SUSTAINABILITY,
TO TALENT, TO TECHNOLOGY

YES, TO INNOVATION

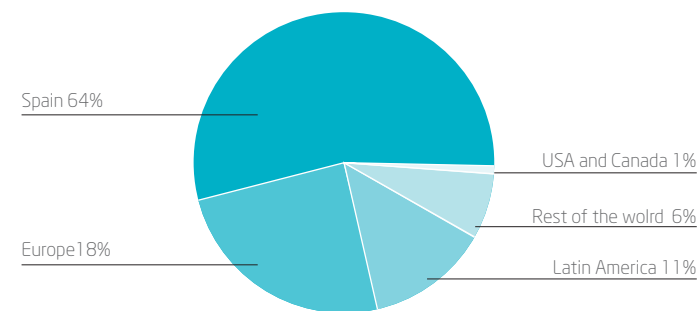
TO GROW ABOVE THE MARKET

Indra revenue growth in relation to European average

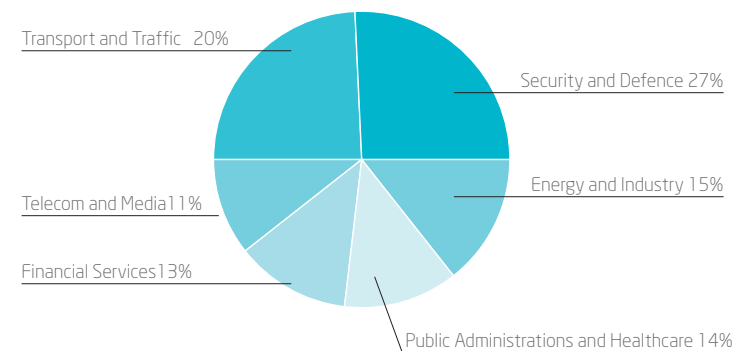


TO DIVERSIFY IN PRODUCTS AND MARKETS

Revenues by geographical markets



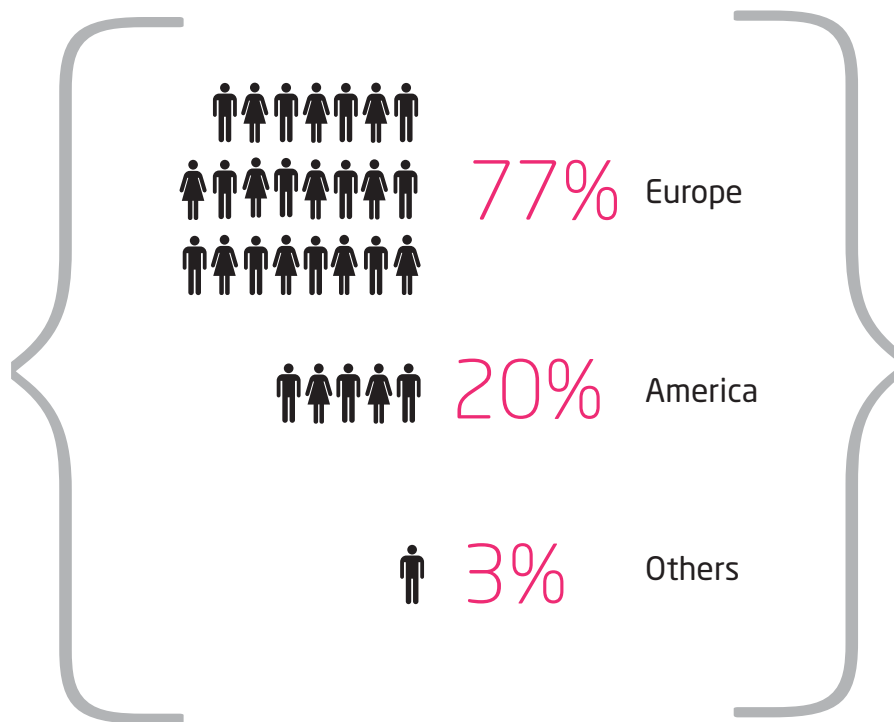
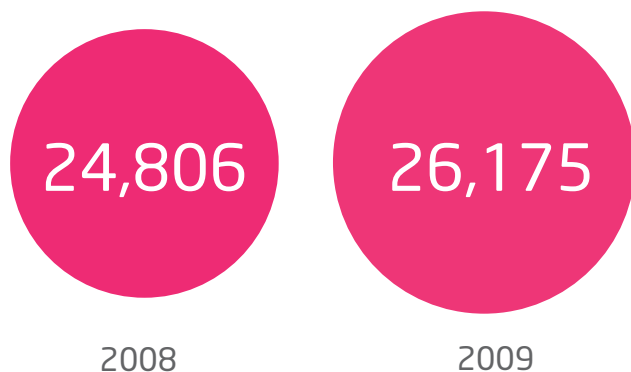
Revenues by vertical markets



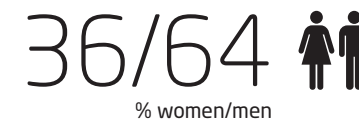
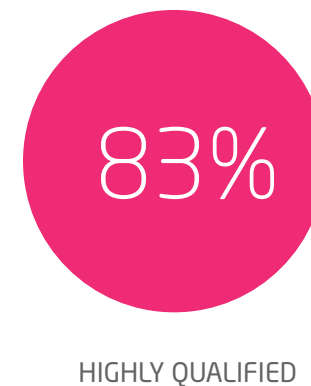
YES TO INNOVATION

TO NURTURE TALENT

GROWTH OF INDRA'S PROFESSIONALS



TOTAL WORKFORCE BY GEOGRAPHIC AREAS



Revenues (Millions of euros)

2,513M€

Professionals

26,175

Economic performance

(Millions of euros)

	05	06	07	08	09	% chg 08-09
Revenues	1,202.2	1,406.8	2,167.6	2,379.6	2,513.2	+6%
Order backlog	1,623.1	1,885.0	2,241.8	2,428.3	2,578.9	+6%
Net assets	248.6	431.0	889.1	972.7	1,111.7	+14%
Net cash/(debt) position	54.1	(58.9)	(150.3)	(148.7)	(134.6)	-10%
Net operating profit (EBIT)	142.4	163.6	223.5	270.5	285.4	+6%
Attributable profit	104.1	114.1	147.8	182.4	195.6	+7%
Operating cash flow	165.6	193.8	248.9	308.8	337.9	+29%

Social performance

	05	06	07	08	09	% chg 08-09
R&D+i investment (€M)	86	99	136	152	175 ¹	+15.1%
Average workforce (Number of employees)	7,584	10,611	22,055	24,415	25,256	+3.4%
% of highly qualified personnel	82	80	77	76	83	+7 p.p.
% of men/women	69/31	69/31	64/36	64/36	64/36	

Environmental performance

	05	06	07	08	09	% chg 08-09
Direct CO2 emissions (tonnes)	n.ap.	1,278	1,263	1,443	1,389	-4.3%

¹ Scope: Indra Sistemas, Indra Espacio, Indra Software Labs, Indra Sistemas de Comunicaciones Seguras, Inmize, IP Sistemas, I3 Televisión, Indra BMB and Indra Sistemas de Seguridad

YES TO INNOVATION

TO CREATE NEW PRODUCTS
AND SERVICES

During 2009 Indra has developed over 270 R&D projects

SOFÍA air traffic control innovation initiative **TOYRA** augmented reality for rehabilitation of people with serious injuries or disabilities **OPTIX** laser detection of explosives **ELECTRIC CAR** recharging system for urban use **MOBIAR** augmented reality platform for tourism solutions **LUMINICA** projection system for audiovisual environments **VESTA** user-focused domotic solutions **ETIOBE** virtual therapy for obese children **HESPERIA** cutting-edge security and video surveillance systems **TACTIC** tactile interface for the deaf and blind **ICARO** innovation in advanced composites **ITECBAN** banking platform of tomorrow **BUSCAMEDIA** semantic multimedia search engine **SIMGE** emergency management system **HORUS** boarding system **GPATE** automated maintenance systems **ALFIL** financial resource management **UAV-AT** technology for unmanned aircraft **OASIS** safe, intelligent and sustainable motorways **SOSTAR** terrestrial surveillance system **VAFORIT** flight plan presentation system **ITEC** Single European Sky **ASFA DIGITAL** automatic rail signal and brake systems **DESSO SATELITE** satellite distribution of interactive multimedia content.

Introduction	04	Key figures
	07	Chairman's Letter
	10	Managing Director's Letter
	13	Governing Bodies
<hr/>		
Yes to innovation	15	Market environment and trends
	16	Our strategy
	17	Innovation
	22	Our approach to sustainability
<hr/>		
Our business	30	Solutions and Services
	34	Geographical Markets
	36	Vertical Markets
	37	Transport and Traffic
	42	Energy and Industry
	47	Public Administrations and Healthcare
	52	Financial Services
	57	Security and Defence
62	Telecoms and Media	
<hr/>		
Our stakeholders	68	Shareholders
	76	Employees
	85	Customers
	89	Suppliers and partners
	93	Environment
	100	Knowledge Institutions
	103	Society
<hr/>		
Commitments and results	112	Commitments and results
	114	The principles governing this report
	118	GRI indicators
	128	Verification letter

Yes

to Innovation



2009, like its predecessor, was a year of tremendous complexity and increasing difficulty, in excess of what might have been expected when the year began. Nevertheless, we managed to record very significant growth and profitability rates, which have kept us even more clearly at the forefront of our industry than in previous years.

Against such a difficult backdrop, the fact that we have managed to meet each and every one of our demanding objectives underpins the conviction in our capacity to continue generating value for our customers and shareholders, while also offering our employees an appealing future in terms of professional development and career prospects.

In the last ten years we have had to tackle highly complex and difficult challenges, although this was certainly the toughest and most global and will likely last the longest; and we have learned that our wisest decision and best strategy has been, and will continue to be, to pursue the values that define us. This will enable us to continue to build a company that is strongly sustainable in the very long term and based on an unflinching commitment to innovation in all our fields of activity, not only internally but also in respect of our stakeholders, and in particular our customers, to whom we want to convey and extend this conviction and this commitment.

"Yes to innovation" is the message we want to share and galvanise wherever we operate. In 2009, we increased our investment in R&D&i significantly, to 7% of revenue. This has contributed to our sustained and sustainable growth during this difficult period and will continue to do so. We are the leading European company in terms of R&D investment in our industry and we rank second among all Spanish companies.

We think this firm commitment to innovation is the way for companies to achieve economic sustainability, and it must be combined with social and environmental sustainability to comprise a three-pillared approach throughout any organisation. The same applies to regions and countries, in a context where the main and most significant challenges are already global in scale.

INDRA, 10 YEARS OF STRENGTH

This Annual Report summarises our activity and our commitment as a company and in particular it highlights the sustainable value of our solutions and services, which enables us to use our own activity as a springboard from which to help and encourage other public and private, regional and global organisations, to be innovators.

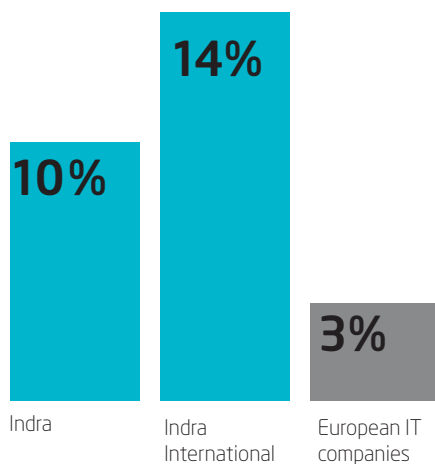
This innovation encompasses and extends to all spheres, including energy efficiency systems, emissions measurement, control and management, and remote control of the environmental aspect of sustainability; citizens' services and participation, electronic administration, the scorecard system, localisation and monitoring, smart grids and knowledge portals emphasising economic sustainability that secures the future of organisations and companies; and solutions and services to

facilitate remote healthcare, employee mobility, accessibility, supplier chain responsibility and equality policies, all within the sphere of social commitment, which is the third pillar of sustainability.

This commitment to innovation prioritises substantial investment in talented professionals, in supporting their development and in retaining them at Indra. Consequently, this year we have grown in talent an increasingly international talent that we are managing through a new model based on both diversity and values, on the ethical outlook linked to sustainability.

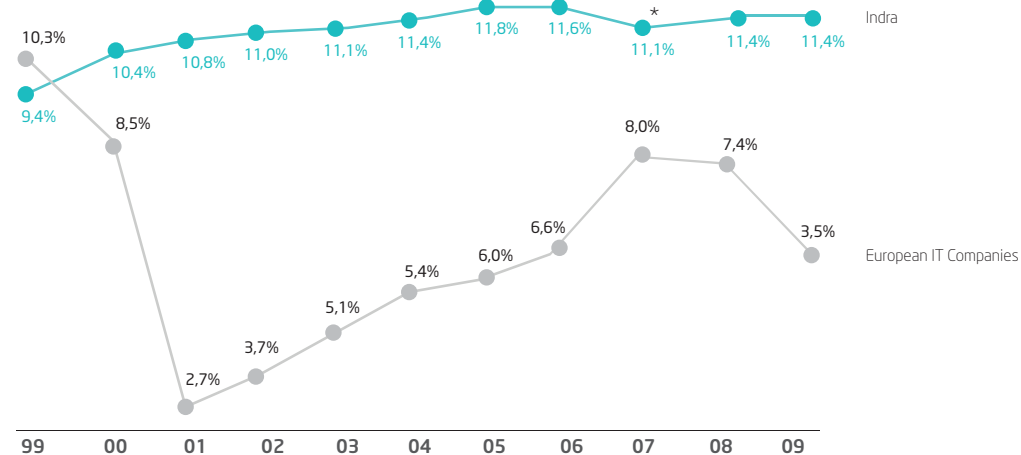
Revenue growth

(Organic CAGR 1999-2009)



Profitability

(EBIT mg)



*Integration of Azertia: September 2006. Integration of Soluziona: January 2007

INDRA, A GROWTH COMPANY OFFERING SUSTAINABLE VALUE

Total shareholder remuneration 1999-2009

17.2%
annual

Significant over the sector

66%
over revenues

Please go to www.informeannual2009.indra.es/en/annual-report/introduccion/chairman-letter to view the message of the President.

This year we approved the revised version of our Code of Ethics and Professional Conduct, which not only sets out the internal control systems and other procedures to prevent, identify and correct any deficiencies or weaknesses in the company's compliance and control systems. Above all, this Code unites all of us working at Indra in a commitment to the strong values (ambition, determination, rigour, sensitivity and originality) which must define and distinguish us.

Our future hinges on our ability to continue persevering and progressing in developing our highly technology-oriented solutions and services; on recruiting and retaining the most talented professionals; on maintaining and strengthening the position of an increasing number of our leading customers with large-scale business projects and on boosting our global development and presence.

The following report has been prepared in accordance with the Global Reporting Initiative's G3 Guidelines, to application level A+, as well as the AA1000 APS (2008) Accountability standard, including our conduct in respect of the principles of the Global Compact, to which we are wholeheartedly committed. The result is a balanced and fair presentation of our economic, environmental and social performance, which has been externally verified.

Javier Monzón
Chairman

Stock performance





Although the economic environment in 2009 was more unfavourable than initially expected, we still managed to meet all of our objectives.

Revenues totalled €2,513M in 2009, up 6%, in line with our target. Order intake rose by 5% to €2,697M, 7% more than revenues in the period and implying 6% growth in the order book, which now totals €2,579M, amply exceeding the objectives we set early in the year.

EBIT was €285M, 6% higher than in 2008. It is worth highlighting that, in a year of increasingly fierce competition and price pressure, Indra managed to maintain its EBIT margin at 11.4%, in line with the previous year's figure and well above the industry average. Attributable profit increased by 7% to €196M.

Operating cash flow totalled €338M, up 9% year-on-year.

As regards Indra's financial position, at 2009 year-end net debt was €135M (0.4 times EBITDA and 10% lower than in 2008) following an ordinary dividend payout totalling €99M, considerably higher than the €80M paid in 2008.

This is all especially significant at a time of economic and financial contraction such as this. Year-end net working capital was equivalent to 80 days' revenues, which, although higher than last year, is a major improvement on our projections.

International revenues drove the company's growth and positive performance. International markets (36% of revenues) grew by 11%, while

the domestic market increased by 3%. Latin America and North Africa, plus some South-East Asian countries (China, India and the Philippines), grew very quickly, evidencing the strength and competitiveness of our range of services and solutions.

The process of globalising our activities is therefore forging ahead according to plan: business in Latin America has been buoyant and international activity across the board, particularly in Transport & Traffic, has seen order intake and the portfolio of opportunities swell.

The trend for outsourcing and supplier concentration has enabled Indra to gain market share, building on commercial relations with our main customers, as evidenced by the 13% growth achieved in the Services segment. Services order intake for the Telecommunications & Media, Energy and Financial Services sectors was particularly impressive.

In Solutions, we posted 2% growth. It is worth highlighting the contracts won in air traffic management (i.e. China, Tunisia and Peru) and in financial services, where the risk management and core insurer systems performed extremely well. Systems to efficiently manage public administrations, healthcare and control and automation of energy networks won notable references in international markets.

In 2010 we will focus on improving processes at the company, specifically in risk management, control of operations and talent management.

2010 objectives

2%-4%

Revenue growth

11.4%

Ordinary EBIT margin

By vertical market, it is worth highlighting the strong growth in Transport & Traffic (+15%) and Telecommunications & Media (+11%), as well as the robust performance in Financial Services (+7%) and Public Administrations & Healthcare (+5%). Revenues remained stable in Energy & Industry and Security & Defence segments during the year, thanks to international commercial activity.

Looking ahead to 2010, we expect a very sluggish general and industry-specific economic environment with similar levels of competitive pressure, especially domestically and most notably in the institutional demand segments. However, we are confident that the strong order book and major commercial opportunities generated in the international markets will enable us to continue growing in terms of order intake and revenues.

Consequently, we have again set ourselves demanding targets for 2010. We expect to boost revenues by 2%-4%, increase order intake by more than 5% and maintain an ordinary EBIT margin of around 11.4%. Once again, the international market will be our growth driver.

We are convinced that international development and accelerating the globalisation process are key to our future project. In the last few years, we have laid solid groundwork to achieve these demanding objectives. Never before have we had such a broad and powerful brand, portfolio of opportunities or exposure to leading customers.

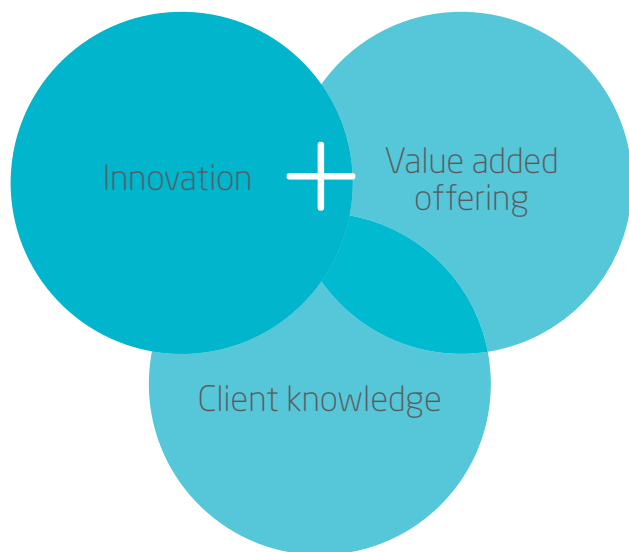
Profitability is still a priority for Indra. As we have been doing for the last few years, this year we will implement the necessary measures to maintain high operating efficiency and productivity levels by improving processes and applying stringent cost containment and management.

Consequently, in 2010 we will focus on improving processes at the company, specifically in risk management, control of operations and talent management.

Technological development is generating new medium-term business opportunities in devising digital solutions that render infrastructure intelligent. Digital, sensorised and interconnected intelligent infrastructure will be the basis for radically transforming business models and creating increasingly global value chains in sectors such as energy, transport and healthcare. Accordingly, we think the demand for solutions will be driven by the need of organisations to strengthen their competitive advantages by broadly digitalising infrastructure and defining new ways of working based on the potentialities offered by intelligent infrastructure.

Permanent innovation and a comprehensive and valuable range of services and solutions are the pillars of our commercial strategy.

Commercial strategy



Please go to www.informeanual2009.indra.es/en/annual-report/introductionn/managing-director-letter to view the message of the Managing Director.

The outsourcing of services or business processes is not only a key tool to allow companies to cut costs, but it also gives them the capacity to access technological innovations that enable them to marshal competitive advantages, to distinguish themselves from competitors and boost their competitiveness. This is why we project continued growth in the services business.

Permanent innovation and a comprehensive and valuable range of services and solutions are the pillars of our commercial strategy. Accordingly, we aim to continue developing new initiatives to increase the competitiveness of our offering, to bring us closer to our customers and boost our ability to respond to their needs, thereby enhancing our competitive position.

In this sense, R&D activity continues to bear fruit in the creation of solutions able to compete globally. Our insurance platform and healthcare and energy solutions are but some of the examples that illustrate this.

Indra was born with a great ambition: to develop value-added solutions and services for the most demanding customers anywhere in the world. Without their trust, we would not be able to achieve this. We owe our customers the utmost gratitude and our commitment to continue providing them with a range of solutions and services tailored to their needs. It is the talent of our professionals that enables us to respond to these demands and thereby strengthen our capacity to continue growing.

Our future hinges on our ability to persevere and progress in the four areas I have mentioned: developing our highly technology-oriented solutions and services, recruiting and retaining the most talented professionals, maintaining and strengthening the position of an increasing number of leading customers with large-scale business projects and boosting our global development and presence.

At Indra we firmly believe that, once again, we will rise to the challenge.

Regino Moranchel
Managing Director

EXECUTIVE COMMITTEE

Javier Monzón (Chairman)
Isabel Aguilera
Matias Amat
Luis Lada
Juan March
Regino Moranchel
Joaquín Moya-Angeler
Rosa Sugrañes

BOARD OF DIRECTORS

Vice-chairmen

Matias Amat ²
Manuel Soto

Members

Isabel Aguilera
Salvador Gabarró³
Daniel García-Pita
Felipe Fernández ⁴
Luis Lada

Juan March
Joaquín Moya-Angeler
Mónica de Oriol
Estanislao Rodríguez-Ponga⁵
Rosa Sugrañes
Eusebio Vidal-Ribas ⁶

Secretary (non-executive)

Pedro Ramón y Cajal

Vice-secretary (non executive)

Carlos González

CHAIRMAN

Javier Monzón ¹

MANAGING DIRECTOR

Regino Moranchel ¹

SENIOR MANAGEMENT

Javier Monzón
Regino Moranchel

EXECUTIVE VICE-CHAIRMAN

Javier de Andrés
Juan Carlos Baena
Emma Fernández
Rafael Gallego
Ángel Lucio
Cristobal Morales
Santiago Roura
Joaquín Uguet

AUDIT AND COMPLIANCE COMMITTEE

Manuel Soto (Chairman)
Isabel Aguilera
Mónica de Oriol
Estanislao Rodríguez-Ponga
Eusebio Vidal-Ribas

APPOINTMENTS, REMUNERATION AND CORPORATE GOVERNANCE COMMITTEE

Joaquín Moya-Angeler (Chairman)
Matias Amat
Mónica de Oriol
Salvador Gabarró
Daniel García-Pita

ADVISORY BOARD

Fernando Fernández-Tapias
Humberto Figarola
Julián García Vargas
Luigi Michetti
Emilio Saracho
Ángel Serrano
Santiago de Torres

The functions of each governing bodies are listed in the Corporate Governance Report of 2009 Indra's Annual Report.

(1) Executives

(2) Representing Medición y Diagnósticos, S.A., 100% owned by Caja Madrid.

(3) Representing Gas Natural.

(4) Representing Administradora Valtenas S.L., 100% owned by CajAstur.

(5) Representing Participaciones y Cartera de Inversión, S.L., owned by Caja Madrid.

(6) Representing Casa Grande de Cartagena, S.L.

Composition of Governing Bodies as of 31st December 2009.



Yes

TO INNOVATION

The leading European company in its sector, with R&D investment totalling €175M in 2009

The culture of sustainability is deeply engrained in our organisation and fully aligned with our businesses and objectives

Success will depend on their ability to design this change through innovation and technology.

Sustained and sustainable growth

Following 2009, a year when the crisis affected all economies worldwide, we are now starting to see signs of recovery. However, there is still some uncertainty regarding the strength and evenness of this recovery. There is no doubt that this crisis has forced companies to reconsider their way of working and rethink their growth strategies. At a time of sharp contraction in lending, many companies have proved to be vulnerable to changes in the economy, and the need to strengthen balance sheets and be more rigorous in their decision-making is patent.

We are in an interconnected and interactive world in which millions of people aspire to greater levels of consumption and well-being, and demand secure and healthy environments. There is an increasing awareness of the need to boost efficiency in energy and the use of resources. This opens up huge opportunities but at the same time it raises standards. Business models must therefore be able to tackle the restrictions imposed by the short-term scenario and start

to take into account the medium- and long-term implications of decisions concerning their organisation and its related interest groups.

To survive and prosper in this new environment, organisations must become more flexible when it comes to developing the new capabilities called for in this ever-changing context, they must tap the opportunities offered by an interconnected network of partners and suppliers and seek new ways of working that more efficiently combine internal and external talent. To achieve this, they need the backing of solutions and services that create new competitive advantages with a global vision of their economic, social and environmental impact. Success will depend on their ability to design this change through innovation and technology.

Demand driven by intelligent infrastructure

The role of technology is changing. As well as the capacity to mechanise processes and help decision-making, there is now the opportunity to tap into the potential offered by ICTs to radically enhance the usefulness of infrastructure by rendering it intelligent. Intelligent, digitalised, sensorised and interconnected infrastructure can be reconfigured in response to changes in the environment with no need for human input, and can serve as the basis from which to radically transform business models. Intelligent infrastructure creates increasingly global value chains in which capital and work are deployed in the best locations to optimise economic performance. Accordingly, we think the demand for solutions will be driven by organisations' need

to strengthen their competitive advantages by digitalising their entire infrastructure and defining new working models based on the new potentialities offered by intelligent infrastructure.

Growth in services

The outsourcing of services or business processes is not only a key tool to allow companies to cut costs, but it also gives them the capacity to access technological innovations that enable them to seek competitive advantages, to distinguish themselves from competitors and to boost their competitiveness.

In this connection, organisations no longer merely seek technology providers for isolated projects. They now need a long-term commitment from ICT companies, forging closer ties with them, to the point of making them global technology partners. Against this backdrop, joint innovation and stable relationships for maintaining applications and outsourcing services or entire business processes are efficient tools for cutting costs and, at the same time, increasing their capacity to access technological innovations.

To survive and prosper in this new environment, organisations must seek new ways of working that more efficiently combine internal and external talent.



Innovation capacity, command of technology, knowledge of our customers and the talent of our professionals. A strategy for sustainability.

Yes to innovation

In 2009, at Indra we were able to adapt swiftly to a tough market environment and, at the same time, keep feeding our future growth. This was possible by underpinning what has historically been our commitment as a company, namely innovation, which is the cornerstone of our strategy, our competitiveness and our sustainability.

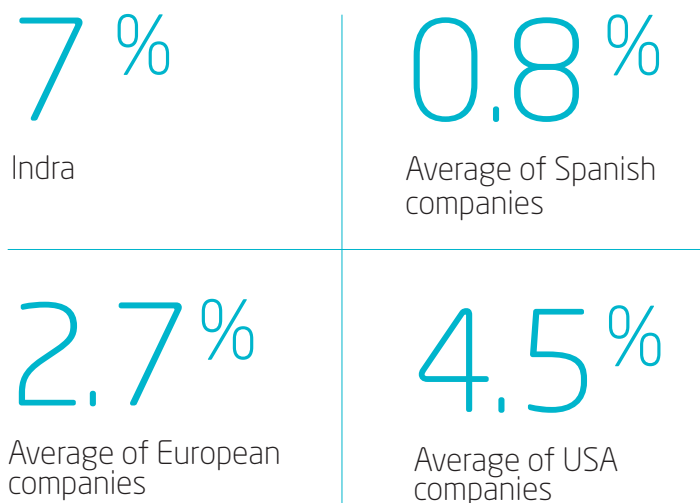
Periods of economic crisis such as the present one test the soundness of companies' business models and sustainability. Consequently, it is vital at such times to increase efforts to maintain our competitive edge by boosting investment in R&D&i to adapt Indra to our customers' new needs and to pursue our clear commitment to nurturing talent.

The road to success is paved with uncertainty. This is why we at Indra are convinced that investing in the talent of our professionals will help us develop new solutions and services and operate in new markets, which will afford us a more stable future and the capacity to keep growing. Recruiting, developing and retaining talented professionals is a fundamental part of Indra's sustainability and it is therefore a strategic priority. These efforts are evidenced continually through a robust and prestigious brand image in all the markets where we operate.

BRAND

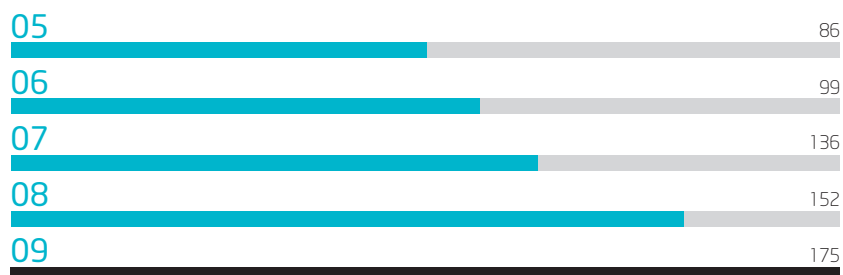


R&D&i investment over revenues



Investment in R&D&i

(Millions of euros)



Indra Sistemas, Indra Espacio, Indra Software Labs, Indra Sistemas de Comunicaciones Seguras and Indra Sistemas de Seguridad, IP Sistemas, I3 Televisión, Indra BMB, Inmize.

At Indra we think it is precisely during times of crisis when R&D&i investment makes the most difference. When many technology companies are putting a hold on investment, at Indra we think now is the time to continue committing to the future. This is the difference between being content to survive and having the ambition to grow in a sustained and sustainable manner.

2009 has demonstrated the strength of Indra's commitment to innovation. In a tough year, at Indra we significantly increased our R&D&i expenditure, from 6.4% of revenue in 2008 to 7.0% in 2009.

Leaders in innovation

We are the leading European company in R&D investment in the computer services industry, according to the EU Industrial R&D Scoreboard published by the European Commission in 2009, based on investment data for 2008. The company, which has scaled 13 positions with respect to the previous year, has consolidated its position as the second-ranking Spanish company in terms of research and development investment, investing 7.0% of revenue, well above the average of Spanish companies (0.8%) and their European and US counterparts (2.7% and 4.5%). As a result, we rank first in the computer services subsector.

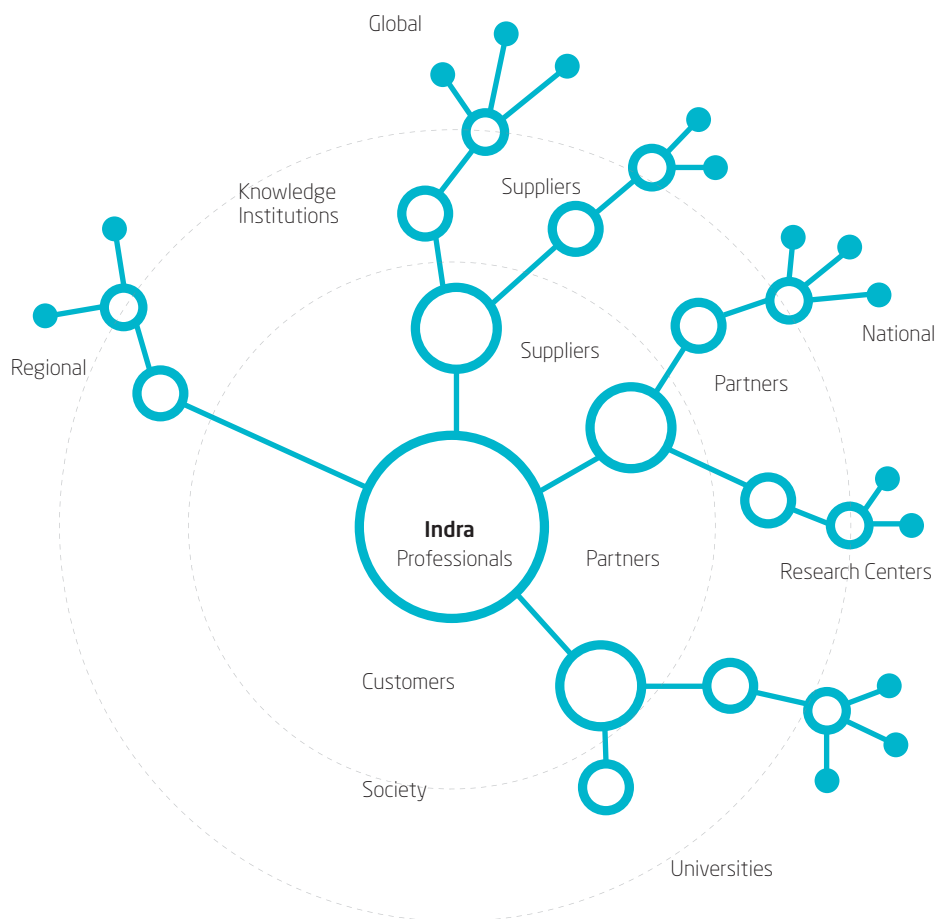
As a leader in innovation, at Indra we are involved in major R&D projects both in Spain and

Indra, the leading European company in R&D investment in its sector

Europe. Indra plays a leading role in the Spanish government's CENIT programme, where we are present in eight projects. Among these, we are co-leaders of Oasis, a development focused on operating safe, intelligent and sustainable highways; we lead ITECBAN, a future system for integrated banking management; and we also lead the Hesperia project to develop technology for integrated security in public places.

We are also involved in R&D projects under the Spanish Industry, Tourism and Trade Ministry's Plan Avanza. For example, we lead the Tratamiento 2.0 project, aimed at creating a generic middleware platform integrating applications used for remote management of smart medical treatments.

Indra's Innovation Ecosystem



Our open innovation model: Connect to Innovate

At Indra we understand that organisations must be able to use both external and internal ideas on their path towards technological development. This is why we have an open innovation model, and rely on all of our stakeholders to help us innovate. We are convinced that the most innovative companies are built above all on the talent available both internally and externally:

- Employees
- Universities and Research Centres
- Customers
- Partners
- Suppliers
- Public Administrations
- Society
- Etc.

Our model is based on developing an organisation open to external cooperation, in which part of the innovation is outsourced, together forming a global, open and cooperative entity.

Innovation at our Software Labs

Innovation does not only mean creating new solutions and services. Innovation means pinpointing a challenge, analysing it and finding a way to solve it effectively and efficiently. Sometimes this challenge might be to help a customer boost productivity or seek a competitive advantage, but other times it will be to respond to a more aggressive competitive environment

or a shrinking market. In these cases, the need to innovate is aimed at the company's own processes.

At Indra we also innovate our own processes permanently, in an attempt to make them faster, and more dynamic, using resources more efficiently and tapping the most suitable resources at any given time.

Part of this strategy is our Software Labs network. This is a network of laboratories specialising in software development located in nine different countries in Asia, Europe and Latin America, which work as virtual factories 24 hours a day, 365 days a year.

However, the value of Indra's software labs network extends well beyond simply improving productivity. The software labs network represents a standard-bearing technological hub at Indra to develop projects using state-of-the-art technologies and architectures, and it affords significant added value to all the projects it handles. Furthermore, the software labs network is a key element in Indra's relationship with universities, and is often used to channel that relationship.

Our Software Labs comprise a highly-qualified team of professionals and indeed we employ personnel certified by the AEC (Spain's quality association - Asociación Española de la Calidad) as innovation managers, and in 2009 we began implementing the R&D&i management system according to AENOR UNE: 166002 R&D&i management system requirement standard. Completion of this implementation is scheduled for 2010.

This commitment to innovating the software labs network has enabled us to be present in all the technological platforms in Spain (INES, eVIA, eMOV, eNEM, eSEC, Internet.es), as well as major R&D&i projects under the umbrella of the AVANZA, CENIT, Interempresas-CDTI or European AAL programmes. Among the projects awarded to Indra in 2009, we highlight Energos (CENIT), SITIO (EUREKA+AVANZA), VESTA (AVANZA), TacTIC (AVANZA), LUMINICA (AVANZA), MoBiAR (AVANZA) and Senior Channel (European AAL programme).

The software labs network meets the highest quality standards. Most of the labs hold ISO 9001 certification, four of them have level 3 CMMI (in Mexico and Argentina) and the IGEA product has obtained level 4 CMMI and has passed the OGC WMS compliance test.

Our centres of excellence

Knowledge of our customers' business and technology has led us to develop a network of over 38 centres of excellence throughout the world. These centres work as advanced R&D&i laboratories, offering cutting-edge technological trends to develop tailor-made solutions for our customers.

Centres of Excellence

Country	City	Especiality
Germany	Munich	Simulation
Spain	A Coruña	Regional public administration
	Barcelona	Property and Tax Management
	Ciudad Real	Energy healthcare
	Gijón	ATM
	León	Security
	Madrid	Energy
	Alcobendas (Madrid)	SOA Core banking electronic administration, modernisation and procedure management road, sea and toll traffic geospatial technology enterprise 2.0
	Aranjuez (Madrid)	Tactical communications and electro-optical systems
	San Fernando	Simulation and holding benches Land and Rail Transport
	de Henares (Madrid)	Healthcare – Digital Imaging
Toledo	Healthcare – Digital Imaging	
Torrejón de Ardoz	ATM Air defence and electronic warfare	
Valencia	Company banking healthcare	
United Kingdom	Tolworth (London)	ATM
Slovak Republic	Bratislava	Energy
Argentina	Buenos Aires	IT infrastructures management telecommunications
Brazil	Campinas	Energy
Chile	Santiago de Chile	IT infrastructures management
Colombia	Bogotá	BPO Document management
US A	Orlando	Test benches and simulation
Mexico	Mexico City	Multilingual Services industry and Consumption Logical Security
Panama	Panama City	Energy
China	Beijing	Sensors
The Philippines	Manila	Energy
Australia	Sydney	ATM

The software labs network meets the highest quality standards. Most of the labs hold **ISO 9001 certification**



ECONOMIC SUSTAINABILITY

INNOVATION

in the Media market



The Media market is in the midst of deep-rooted change, as a result of the convergence of telecommunications networks and the technological development of audiovisual platforms. Responding to new challenges in the sector is vital to the sustainability of our customers and requires a firm commitment to innovation. This allows Indra to be a strategic partner for its customers in the field of innovation. Indra endeavours to stay ahead of its customers' needs and evidence of this are the numerous R&D&i projects in which it has been involved in 2009:

- CBDP (Context Based Digital Personality). A project developed by a Spanish/French/Turkish consortium. The purpose of this project is to study the distribution of personalised content based on user preferences.
- Buscamedia: CENIT project, involving more than 19 institutions, whose main purpose is to develop a semantic multimedia, multilingual and multiplatform search engine based on user preferences and habits.
- Web N+1: The main purpose of this project is to develop applications that enable prosumers (users who produce and consume content at the same time) to capture, manage, search and interact with content and services easily, securely and in a personalised manner, combining semantic web tools with social web technologies and the new Web 3.0 concept.
- DESSO SATELLITE: A Spanish-Uruguayan IBEROEKA project to distribute interactive multimedia content via satellite to the entire region for fixed and mobile environments.
- DESECO: A Spanish-Colombian IBEROEKA project to migrate traditional television to a mobile environment, enabling users to interact.
- Movilidad Interactiva www.movilidadinteractiva.com: R&D project initiated in 2008 to provide a solution for the dynamic insertion of advertising in Video on Demand (VoD), allowing the personalisation of advertising in linear channels for mobile broadcasts.

SOCIAL SUSTAINABILITY

SOFIA,

one of the best European R&D projects



Indra is involved in the Smart Objects For Intelligent Applications (SOFIA) project, which was chosen as the best project among the 59 presented to the European Commission in the European ARTEMIS & ITEA CO-SUMMIT 2009.

The purpose of SOFIA is to develop a platform based on semantic web technology, interoperability and intelligent sensor networks for domotics in cities, buildings and cars, as well as providing intelligent and personalised services, such as geolocation, context information or movement detection, via mobile handsets.

Another example of the application of this platform, in the sphere of tourism, is access to a 'virtual teacher' to explain the characteristics and history of a particular monument to visiting tourists and to inform them places of interest nearby. Through augmented reality, users will also be able to visualise a virtual reconstruction of the area or monument on their mobile handset.

Furthermore, SOFIA will allow users to consult restaurant menus online, make bookings, or access other users' opinions just by pointing their handset at a particular establishment. Similarly, by simply pointing their handsets towards an apartment building, users will be able to tell whether any apartments are for sale, and to receive the price, characteristics and seller's contact details.

ENVIRONMENTAL SUSTAINABILITY

CO2PERATION

Involvement in the project



Since 2009, we have been actively involved in the European initiative to manage emissions in air and maritime transport systems as part of the CO2PERATION platform.

CO2PERATION is a proposal to provide a common platform able to process, monitor and report 'real' CO2 emissions. Based on the domain, CO2PERATION will apply the specific guidelines required by the European Union in air and maritime transport. Furthermore, 80% of the test findings will be suitable for application in other fields, such as land transport.

CO2PERATION provides software and hardware tools for:

- Management and control of emissions in real time. It includes processing and monitoring, establishing the specific status of each company, generation of reports, presentation of equivalent emission rights to the relevant administrative body and setting of possible penalties, in the case of low-performance hardware.
- Emissions trading. It provides information concerning emissions markets, management of permit sales, sale-purchase of emission rights, evaluation of contracts, settlement and business volume of contracts.

Responding to Spain's Sustainable Economy Act

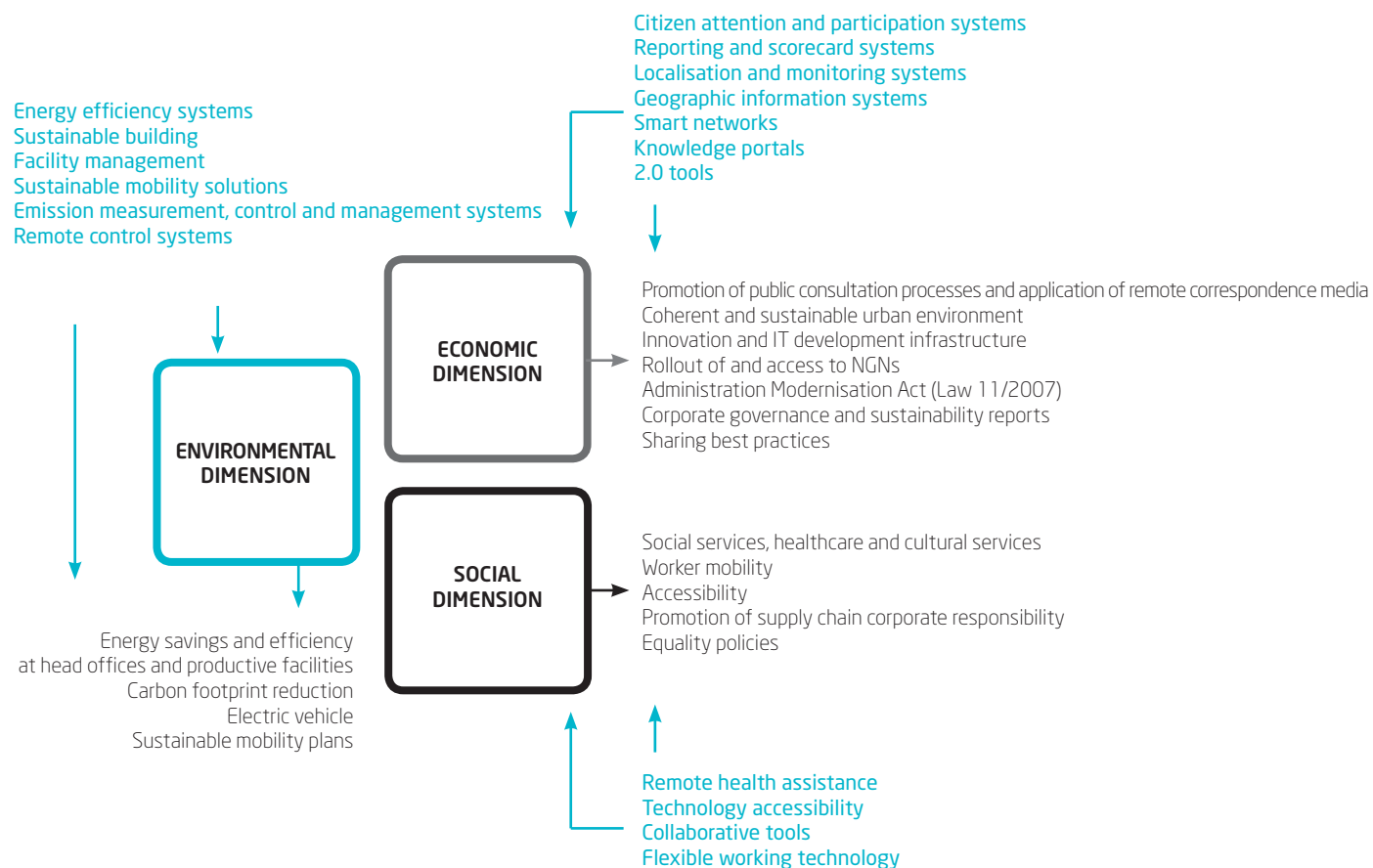
Spain's Sustainable Economy Act, drafted in 2009 and scheduled to come into force in 2010, proposes a new pattern of growth that reconciles economic, social and environmental development with a productive and competitive economy.

The act has five main pillars:

- Competitiveness
- Environmental sustainability
- Normalisation of the housing sector
- Innovation and professional training
- Support for new economic sectors

Technology must play a key role in this new 'intelligent growth' model. This is why Indra has already developed a range of services and solutions to meet the challenges of the new law. Sustainable mobility, intelligent networks, energy efficiency and tele-medicine will not be possible without advanced systems for obtaining information in real time, and command and control systems.

Indra's response to initiatives under the Sustainable Economy Act.



Sustainability combined with innovation capacity

Indra's innovation capacity is the cornerstone of our corporate social responsibility and our sustainability. Our approach to sustainability is based on the company's Corporate Social Responsibility vision, which after a process of consultation and participation of the company's professionals was defined in 2004 as follows:

"To be an innovative, knowledge-based company in all relations with our internal and external stakeholders (shareholders, employees, customers, etc.) and with the institutions that cultivate and develop those values, and the communities where we operate."

Integrated and decentralised management

For us, Corporate Social Responsibility, as a means to guarantee our sustainability, must be integrated throughout the entire organisation and in line with our activity and objectives. Consequently, at Indra we have established a decentralised and integrated CSR management system in the various management areas for the entire organisation.

Isabel Aguilera is the member of the Board of Directors to whom the company's CSR management is reported and who, in turn, reports to the Board in this connection. The Corporate Social Responsibility function is headed by Emma Fernández, General Manager of Talent, Innovation and Strategy.

Based on the Global Reporting Initiative's Sustainability Reporting Guidelines (version G3), at Indra we explicitly state our management approach in terms of our economic results, environmental policies, labour practices and decent work, human rights and impact on communities and on society as a whole.



<http://www.indracompany.com/en/sostenibilidad-e-innovacion/sustainability>

In 2007, we revised the definition of these areas after a process of consultation and participation of all those internally responsible for relations with each stakeholder. This process resulted in updating our Corporate Social Responsibility Master Plan.

We are advancing in sustainability management: end-to-end information for decision-making

In 2009, we further improved the management of corporate social responsibility at Indra by launching a project to devise a Sustainability Control Panel.

The objectives of this project are as follows:

- To comprehensively and automatically monitor how Indra's sustainability strategy is developed.
- To detect environmental, social and economic risks and opportunities.
- To identify areas of improvement and to act therein in a timely manner.
- To share and disclose information to stake

holders (internal and external) in regard to action taken by the organisation.

- To nurture innovation and use strategy as a lever for transformation.

The Sustainability Control Panel will compile information from Indra's systems and reflect its data in chart format. The indicators are divided into two categories: nature of the indicator (economic, social, environmental) and target stakeholders (shareholders, employees, customers, suppliers, etc.).

The tool will keep a record of historical information on a quarterly and annual basis for comparison purposes. For each indicator, in addition to the real data from the period, the system will include the target set so as to compare and contrast the degree of compliance.

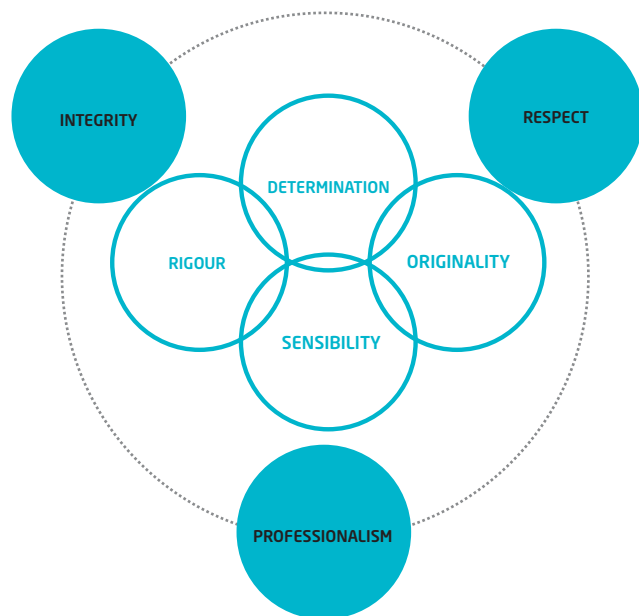
Our Corporate Responsibility vision

"To be an innovative, knowledge-based company in all relations with our internal and external stakeholders (shareholders, employees, customers, etc.) and with the institutions that cultivate and develop those values, and the communities where we operate."



The revision and improvement of the Code of Conduct to adapt it to international best practices is another step forward in our policy of seeking excellence and positioning ourselves at the forefront of sustainability.

Code of Ethics and Professional Conduct



New Code of Ethics and Professional Conduct: at the cutting-edge of sustainability

The Code of Conduct includes new principles and creates a Direct Channel of confidential communication and a Monitoring Committee to deal with enquiries and receive information relating to irregularities.

The revision and improvement of the Code of Conduct to adapt it to international best practices is another step forward in our policy of seeking excellence and positioning ourselves at the forefront of sustainability.

In 2009, the Board of Directors approved a new Code of Ethics and Professional Conduct which is compulsory for all of the company's professionals. The new Code of Conduct is a revised and improved version of the Code of Professional Conduct approved in 2000, bringing it in line with international best practices, in accordance with our policy of seeking excellence and positioning ourselves at the forefront of sustainability, corporate social responsibility and corporate governance. In drafting the new Code of Conduct, we took into account the requirements of the Unified Code of Good Governance as well as the criteria established by the Dow Jones Sustainability Indexes, the Global Compact and the FTSE4Good CSR Index, among others.

Improvements include the creation of a Direct Channel for confidential communication, through which Indra's professionals can submit enquiries concerning the interpretation and application of the Code of Conduct, and report any possible irregularities.

A Monitoring Committee, comprising five of the company's Directors plus other professionals, is commissioned with the task of clarifying doubts,

investigating and resolving irregularities, and keeping a record of actions taken. It will also submit an annual report on the degree of compliance with the Code of Conduct to Indra's administrative and governing bodies.

The Board of Directors' Audit and Compliance Committee is responsible for supervising the Direct Channel and the actions implemented.

New principles

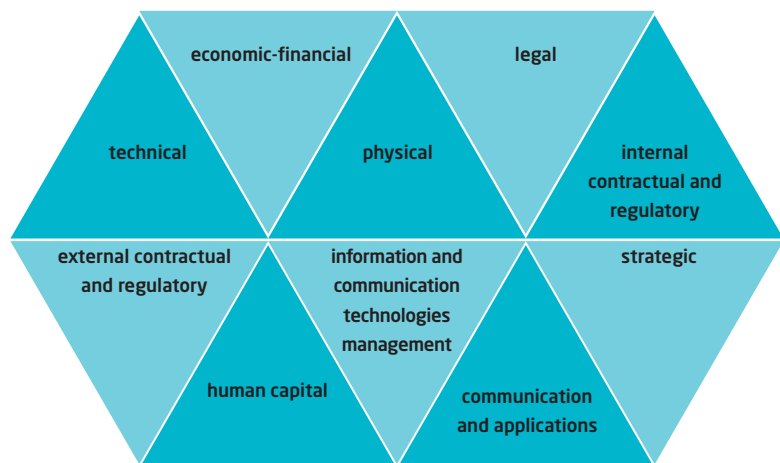
The new Code of Ethics and Professional Conduct also includes new principles and improves the way existing principles are implemented. This includes the explicit prohibition of corruption and bribery practices, as well as cooperation in the correct operation of internal control systems and other procedures designed to identify or correct deficiencies or weaknesses in compliance, integrity and control systems at Indra. Furthermore, the new document bolsters the protection of privacy, in particular in regard to personal data and the balance between work and outside obligations and activities. Similarly, the Code of Conduct envisages respect for legislation, transparent and truthful disclosure, quality, team work, protection and dissemination of knowledge, equal opportunities, and safeguards for diversity and for the environment.

The Code of Conduct is structured around three principles: integrity, professionalism and respect, which, in turn, are based on the values of determination, rigour, sensitivity and originality that define our conduct.



Risk management has historically been a priority action area for Indra.

Corporate Risk Map



Risk management

Risk management is one of the central pillars of Indra's sustainability as a company, since it involves identifying the critical areas of its business and the risks linked thereto, as well as defining initiatives to minimise these risks, prevent them and even anticipate possible responses. In other words, this means that thanks to our risk management system the company is able to operationally manage many of the aspects considered 'material' within the framework of its Corporate Social Responsibility policy.

Risk management has historically been a priority action area for Indra. It was first implemented in 1999 as a continuation of the insurance coverage activities. Since then, the company has internally developed its own risk management system, whereby it periodically reports to the Audit and Compliance Committee.

In June 2008, Indra launched a project risk management system, fully integrated in the project management tool, which enables us to assess and monitor the risk of each of the company's projects. In 2009, Indra began to extend the risk management system to include the company's corporate risk. Specifically, in 2009, we drew up a corporate risk map, to be implemented in 2010.

The corporate risk map covers all the company's risks: technical; economic-financial; physical; legal, internal and external contractual and regulatory; human capital; information and communication technologies management, communication and applications; and strategic.

Sustainability landmarks in 2009

2005	2006	2007	2008	2009
<ul style="list-style-type: none"> • Revenue growth: 11%. • EBIT margin: 11.8%. • 25% increase in staff. 	<ul style="list-style-type: none"> • Organic revenue growth: 11%. • Agreements with Azertia and Soluziona: strengthened global position, particularly in Latin America. • 20% organic increase in staff. 	<ul style="list-style-type: none"> • Revenue growth: 11% (pro-forma). • Integration of Azertia and Soluziona: 50% increase in activity and resources. • Third largest investor in R&D among Spanish companies. • 20% increase in staff (pro-forma). 	<ul style="list-style-type: none"> • Revenue growth: 10%. • Acquisition of Interscan in Australia. • EBIT margin + 0.3 p.p. (11.4%). • Second largest investor in R&D in its sector in Europe. • 6% increase in staff. 	<ul style="list-style-type: none"> • Revenue growth: 6% in a scenario of slowing economic and sector growth. • EBIT margin stable (11.4%) despite price pressure. • Net debt cut by 10%. • Acquisition of COM, S.A. in Peru • Increased R&D investment: 0.6 p.p. (from 6.4% to 7.0%). • 6% increase in staff.
	<ul style="list-style-type: none"> • Focus on sustainability as an opportunity for innovation in Solutions and Services. • Sustainability and responsibility roadmap drawn up. • Four areas for innovation identified in Services and Solutions linked to sustainability. 	<ul style="list-style-type: none"> • Groundwork laid for Indra's first global sustainability and responsibility survey to integrate values and expectations into responsibility management of in the markets where we operate. • Indra defines its stance vis-à-vis the digital gap and relationships with governments and public administrations. 	<ul style="list-style-type: none"> • Indra carries out an in-depth study of its offer to foster Solutions and Services with high added value for economic, social and environmental sustainability. 	<ul style="list-style-type: none"> • Improvement of the management of Corporate Social Responsibility at Indra by launching a project to devise a Sustainability Control Panel. • As a result of the application of new AA1000 APS standard (2008), Indra carries out a study to assess how its stakeholders are involved in the design and implementation of CSR initiatives.
	<ul style="list-style-type: none"> • Corporate Social Responsibility becomes a Board of Directors' issue, with independent Director, Isabel Aguilera, appointed to monitor the initiatives taken. 	<ul style="list-style-type: none"> • Work begins on the new Code of Professional Conduct. • Indra's brand concept is revised to include sustainable values. 	<ul style="list-style-type: none"> • Progress is made on Code of Ethics and Professional Conduct. 	<ul style="list-style-type: none"> • Code of Ethics and Professional Conduct approved and a follow-up committee set up to interpret the Code of Ethics.
<ul style="list-style-type: none"> • Diagnosis revised with managers responsible for each of our stakeholders. 			<ul style="list-style-type: none"> • The stakeholder relations process is expanded to include meetings with Indra's heads of operations in order to identify products with sustainable high value and detect areas of demand. 	<ul style="list-style-type: none"> • First steps taken towards establishing an integrated management system to manage our relationships with stakeholders (Stakeholder Relationship Management or SRM).
<ul style="list-style-type: none"> • The Plan Director (Master plan) is revised, working with representatives of each of our stakeholders to set new targets and proposed actions. 	<ul style="list-style-type: none"> • Development of an integrated responsibility management system to ensure rendering of accounts with external verification (AA1000). 			<ul style="list-style-type: none"> • Adaptation to the new AA1000 APS standard (2008).

Sustainability landmarks in 2009

2005	2006	2007	2008	2009
<ul style="list-style-type: none"> • Communication study carried out with shareholders. 	<ul style="list-style-type: none"> • Launch of newsletter for minority shareholders. • Indra starts trading on the DJSI and DJSI STOXX selective sustainability indices. 	<ul style="list-style-type: none"> • Indra is leader in the Computer services & Internet subsector on the DJSwI and DJSI STOXX sustainability indices. 	<ul style="list-style-type: none"> • Indra is recognised as leader and growth driver in its sector (Computer services & Internet) by SAM 	
<ul style="list-style-type: none"> • The following actions are launched: Con tu opinión mejoramos (Your opinion helps us to improve). Work satisfaction survey – the conclusions of which are used to define new internal policies. • The Convenio Inserta agreement is signed with Fundación ONCE for the integration and promotion of disabled people. • Start up of the "Plan Equilibra" to promote healthy work/life balance. 	<ul style="list-style-type: none"> • Plan Igualdad (Equality Plan) is launched. • The Equilibra Plan is further rolled out. • A work culture study is carried out following the integration of Azertia. 	<ul style="list-style-type: none"> • Plan 90 gets underway to integrate Azertia and Soluziona. • The Plan Igualdad (Equality Plan) is rolled out on a 3-yearly basis. • The process to obtain certification as a Family-Responsible Company gets underway. • Designation of Equilibra team to develop the plan throughout the organisation. • Groundwork is laid to include consultation with trade unions on responsibility issues on a formal and regular basis. 	<ul style="list-style-type: none"> • New measures are implemented as part of Equilibria Plan. • Certification as a Family-Responsible Company is obtained. • An International CSR Survey is carried out among 35 employees in 10 countries. • A new career management system is launched. • Formalisation of consultancy process with trade unions on responsibility and reporting issues. • Finalisation of the Unacceptable Conduct Policy: sexual harassment and sexual discrimination. 	<ul style="list-style-type: none"> • Training model revised. • Internal communication boosted via initiatives such as the "Mis Consultas" (My Queries) channel, the "Portal del Profesional" (Professional Portal) and the new digital version of Actual • Progress in diversity management through initiatives to train, select, recruit and integrate disabled people. • The Unacceptable Conduct, sexual harassment and sexual discrimination policy is disseminated, establishing measures to prevent, detect and resolve such issues. The Equality Helpline is created parallel to this policy. • The new Equality Plan is announced, with the support of the workers' representatives.
<ul style="list-style-type: none"> • Improvements made to systems to measure customer satisfaction. 	<ul style="list-style-type: none"> • Improvements made to systems to measure customer satisfaction. • Systems for consulting and surveying suppliers are expanded to include policies of responsibility and sustainability. • Promotion of responsibility in the value chain 	<ul style="list-style-type: none"> • Improvements made to systems to measure customer satisfaction. • Azertia and Soluziona's certified workplaces are integrated into Indra's quality system. • Focus on IT security as an important aspect of Indra's corporate responsibility policy. 	<ul style="list-style-type: none"> • The opinion of customers and suppliers is sought in relation to the materiality of various sustainability issues. 	<ul style="list-style-type: none"> • Progress towards improving management methods for MIDAS projects promoting productivity and sustainability in the business. • Progress on the Information Security Management System (SGSI).
<ul style="list-style-type: none"> • Launch of Suppliers Portal, significantly reducing waste and waiting time. 		<ul style="list-style-type: none"> • The first status of responsibility study is carried out among Indra's 110 partners to define future actions to foster responsibility among them. 		<ul style="list-style-type: none"> • Improvement in supplier risk management and anticipation of possible consequences of the crisis on our chain of supply, via an analysis of our suppliers. • Spillages and emissions assessment included in questionnaire sent to suppliers.

Sustainability landmarks in 2009

2005	2006	2007	2008	2009
<ul style="list-style-type: none"> • ISO 14001 and EMAS certification obtained by workplaces in Torrejón de Ardoz and San Fernando de Henares (both in Madrid) and environmental awareness programme developed. 	<ul style="list-style-type: none"> • EMAS certification obtained for the Triángulo building. 	<ul style="list-style-type: none"> • Environmental certification obtained for workplaces in Aranjuez (Madrid) and Roc Boronat (Barcelona) and for the Triángulo building (Madrid). • Environmental awareness campaign carried out in the newly certified workcentres in Aranjuez and Barcelona. • Environmental impact study carried out for products and services. • New environmental website launched. 	<ul style="list-style-type: none"> • Two new workcentres obtain environmental certification. • Launch of internal awareness campaign. 	<ul style="list-style-type: none"> • UNE-EN ISO 14001 environmental management certification obtained for four workcentres: Barcelona (Spain), La Coruña (Spain), Bogotá (Colombia) and Lisbon (Portugal). • Launch of the "Adopt a Tree" programme in the Philippines, with 238 trees being "adopted".
<ul style="list-style-type: none"> • Indra appoints a Head of Relations with Universities. 	<ul style="list-style-type: none"> • The Indra Professorship is created at the Universidad Politécnica de Madrid. 	<ul style="list-style-type: none"> • Focus on consulting Knowledge Institutions in the area of responsibility. 		<ul style="list-style-type: none"> • Indra and Universidad Politécnica de Valencia create the "Healthcare Technologies Professorship."
<ul style="list-style-type: none"> • Publication of the third CSR report in accordance with GRI guidelines. 	<ul style="list-style-type: none"> • Publication of the fourth CSR report in accordance with GRI guidelines and externally verified. 	<ul style="list-style-type: none"> • Publication of the fifth CSR report in accordance with GRI guidelines, applying the highest level, A+, and including external verification. 	<ul style="list-style-type: none"> • Publication of the sixth CSR report in accordance with GRI guidelines, applying the highest level, A+, and including external verification. 	
			<ul style="list-style-type: none"> • Christmas campaign for the development of accessible technologies. 	

INTEGRATED STAKEHOLDER

RELATIONSHIP management

In 2009, we took the first steps to consolidate an Integrated Stakeholder Relationship Management (SRM) system, to be fully rolled out in 2010. The idea is to further enhance our relationships with stakeholders. Accordingly, we will extend the processes of consultation, currently available to customers, suppliers, technological partners and knowledge institutions, to include other people whose opinion is of key importance for the company, such as representatives of the press, investment analysts, market analysts, industry associations, etc.

Last year, Swiss rating agency SAM, in cooperation with PricewaterhouseCoopers, named Indra one of the best-positioned companies to tackle the challenges of the future.

INDRA

VALUE building brand and reputation

Against a backdrop of uncertainty, Indra has managed to boost its brand value and reputation. The strength of Indra, reflected in the prestige of our services and solutions and the confidence we generate as a company among such qualified stakeholders as customers, investors, analysts, opinion leaders, etc. helps explain why, even in times of crisis, we have managed to post sustained growth in sales and increase our global presence.

In 2010, we rank 17th in the MERCO index (Spanish index for corporate reputation), which features the 100 most prestigious companies in the Spanish market. Moreover, by sector, MERCO ranks us first among consultancy companies and we have achieved a higher score than technology companies.

According to the KAR (Key Audiences Research) report by Ipsos which annually assesses the reputation of leading Spanish companies, last year Indra was among the ten companies likely to enjoy most success in the next few years, one of the ten most strategic companies for Spain, one of the top-ten in terms of international presence in all continents and one of the ten best managed companies.

Furthermore, Indra ranks 35th out of the Top 50 Spanish Brands in 2010, an annual ranking of the financial value of brands compiled by Coleman CBX and Brand Finance. According to this monitor, Indra's brand and company value have increased by 21% with respect to the previous year.



YES

TO SUSTAINABILITY

Our offering

Solutions
Services

Our markets

Transport & Traffic
Public Admin & Healthcare
Financial Services
Energy & Industry
Security & Defence
Telecom & Media

WE HELP OUR CUSTOMERS BECOME LEADING AND SUSTAINABLE ORGANISATIONS IN THEIR BUSINESS AREAS

INTELLIGENT
INFRASTRUCTURE

SOLUTIONS

THINK
BUILD



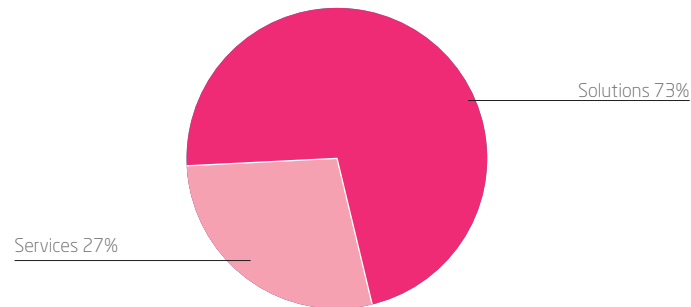
NEW WAYS OF
WORKING

SERVICES

OPERATE

New growth models are based on intelligent infrastructure and new ways of working. We offer solutions and services that respond to the economic, social and environmental challenges facing our customers today.

Solutions and services



Intelligent infrastructure and new ways of working

Technology is one of the main axes from which to increase productivity and competitiveness, and at Indra we are working with our customers to help them develop new and more efficient business models and management processes that turn the crisis into an opportunity to strengthen their competitive position in the medium and long term.

At Indra we develop all of our potential in highly competitive environments where technology helps our clients to stand out and to compete on a global scale. The solutions and services we offer range from the design stage right through to construction and operating management. This model is applied transversely in all markets so as to help our customers become leading and sustainable organisations in their respective business areas, from the economic, social and environmental standpoint.

Air traffic management projects (such as those secured in China, Tunisia and Peru) and numerous financial services agreements, encompassing both banking and insurance; these were the main growth drivers in the Solutions order intake for the year.

Our approach

Based on a combination of electronics, communications and information technology, our solutions contribute intelligence to different infrastructure in order to respond to the challenges facing our customers. Intelligent, digitalised, sensorised and interconnected infrastructure can be reconfigured in response to changes in the environment without human input.

Excellence in infrastructure is indispensable to achieving medium- and long-term objectives, as new connectivity and remote data management capacity will facilitate the development of new solutions that will enhance levels of security, bring healthcare closer to citizens and permit a more efficient management of energy, with the resulting saving.

These days, commitment to intelligent infrastructure optimises resources, laying the groundwork for growth and achieving high levels of sustainability and security.

Ongoing investment in research, development and innovation gives us a ground-breaking, proven and broad range for all markets.

 <http://www.indracompany.com/en/soluciones-y-servicios>

Development of international markets

In 2009, the Solutions segment was hit by delays in decision-making and in the launch of some investment projects on the part of some customers. Nevertheless, at Indra we managed to maintain high levels of commercial activity which ultimately materialised in our entry into new countries. This activity has enabled growth in international markets to be significant in 2009. Worthy of particular note were air traffic management projects (such as those secured in China, Tunisia and Peru) and numerous financial services agreements, encompassing both banking and insurance; these were the main growth drivers in the Solutions order intake for the year.

The company likewise reported significant gains in the Solutions intake for Public Administrations management, and also in the field of healthcare.

A range that is tailored to the needs of our customers

In 2009, we maintained our firm commitment to developing highly competitive proprietary solutions that are unique and tailored to our customers' needs. Ongoing investment in research, development and innovation gives us a ground-breaking, proven and broad range for all markets.

Indra also has close relations with leading business software companies to offer its customers solutions that incorporate state-of-the-art technology. The objective of these

alliances is to enter new international markets. Our leading international partners include SAP and Oracle.

Solutions for sustainability

At Indra we offer innovative solutions to improve integral management of organisations and meet environmental standards, and we work actively with leading companies in their development and integration in the various business areas. Furthermore, we develop energy efficiency solutions, green IT, green building and energy technologies.

At corporate level, our talent management, personal development, job-task adaptation, mobility, corporate social responsibility and work-home reconciliation programmes, as part of what we call Change Management, are a tangible response to the CSR strategy which any company might wish to launch.


 <http://www.indracompany.com/en/soluciones-y-servicios/solucion/sustainability-solutions/summary>



Our strategy: Generate added value to our offering in the services area

Our approach

In the economic and industrial environment where we operate, outsourcing and the quest for competitive advantages in other geographical areas and the development of new technologies are among the key development areas. The creation of services centres that offer excellent services anywhere in the world will be a strategic cornerstone. Indra's commitment to outsourcing our technology is underpinned by the robust order backlog and major commercial opportunities generated mainly in international markets.

 <http://www.indracompany.com/en/soluciones-y-servicios>

Continuous growth

Organisations are increasingly aware that outsourcing allows them to cut expenditure in IT management while at the same time boosting the performance of their systems. Indra's outsourcing and business process outsourcing (BPO) services continue to grow on the back of increasing demand. Here, technology and added value are the distinguishing elements. Innovation, cost cuts, environmental protection and energy savings are essential ingredients in our outsourcing services.

In 2009, we continued to grow in services for the telecommunications, energy and media sectors, in Europe and in Latin America. Two emblematic examples were Endesa and Telefónica, both in the midst of processes to globalise their information systems maintenance. We also highlight the global outsourcing contract awarded by Prisa since it strengthens the company's offering in internationalisation terms.

Supplier concentration

These projects are excellent examples of the increasingly popular trend not only of outsourcing application maintenance and management processes, but also of supplier concentration currently to be found within the market, which is allowing Indra to increase its market share by building on commercial relations with its key customers. All of this, together with the company's ample offering in BPO, places Indra in a strong position to meet major customers' growing outsourcing needs both in application management and in the processes that depend thereon, activities that can only be executed by suppliers with considerable resource capacity and knowledge of these applications and processes.

Offering new ways to manage processes in international markets

Indra has a comprehensive outsourcing offering in business processes that it provides via its subsidiary Indra bmb.

In 2009 our experience in business process management in the financial sector was strengthened by the addition of Bancomer (Mexico), with which the company has signed a 10-year outsourcing contract for processes and payment.

Innovating in our range of services

As part of our strategy of generating a value offering in services, we are developing a new system to support the process of mortgage approval and provision of utilities; we have developed green IT initiatives in our switch to virtual platforms and we are working on various ways to improve efficiency.

The document management business is growing with the launch of new digitalisation services to broaden our horizon of opportunities. This is the case of the launch of electronic justice or the custody of geological samples, or of biological and pathological samples that we have undertaken in the health sector. This is practically uncharted territory in which digitalisation may bring massive savings of time, space and resources, as well as contributing to looking after the environment by reducing paper consumption.

Furthermore, we have added new business lines by acquiring specialist technology and process companies COBB and Intos. These companies bring to Indra their expert know-how and an efficient track-record in foreign trade activities, trade bills management, specialist financing and support for companies.

FUTURE

SOLUTIONS

Intelligent infrastructure

Innovation, creativity and generation of new services and solutions are the linchpins for our future. We are therefore working on designing more complex and more valuable solutions that will help distinguish us from our competitors, enhance our relations with customers and integrate new systems.

Our way forward is to industrialise the innovation process. Small-scale experimental pilot projects are today the seeds of future needs which, as such, will generate business opportunities.

The international business is expanding significantly. Eastern Europe, the Middle East, South East Asia and North Africa are all priority markets. Our efforts are focused on major economic-financial transformation projects, initiatives to modernise Administration and major corporations and large-scale technological projects with international and multilateral backing and funding.

+ INNOVATION
+ CREATIVITY
+ GENERATION OF
NEW OFFERING

▶ FUTURE
GROWTH

Small-scale experimental pilot projects are today the seeds of future needs which, as such, will generate business opportunities.

FUTURE

SERVICES

New ways of working

Management outsourcing and application maintenance services continue to play a significant role in spurring on order intake, particularly in the Public Administrations, Healthcare and Telecommunications and Media markets. With a view to further enhancing the efficiency of the services and solutions platform, we have continued development of our Production Services Centre (PSC) network in Spain, Latin America and Eastern Europe.

We continue to develop green IT initiatives to reduce energy consumption at data processing centres, optimise available space and help customers become more eco-efficient.

Asia and Eastern Europe are priority growth areas for Indra. We have already developed a number of projects and we are expecting our most recent sales drives to bear fruit soon.

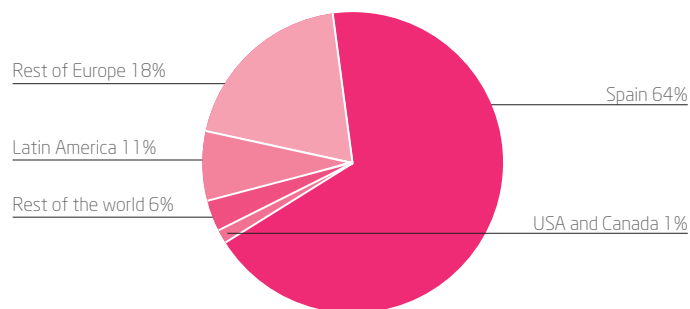
In BPO, the development strategy is based on accompanying customers in their internationalisation processes and helping them to reduce costs and hone their competitiveness by outsourcing services. The growth drivers in BPO will be electronic justice management, provision of utilities, payment methods and specialist financing. The main markets are Europe, Asia and Latin America.

PRODUCTION
SERVICES
CENTERS

LATIN AMERICA
EAST EUROPE
ASIA

SOLUTIONS AND SERVICES IN ALL FIVE CONTINENTS

Sales by geographical aerea



References in
106
countries

Offices in
35
countries

Indra is a company committed to global leadership and we are convinced that the current context represents a wealth of opportunities to broaden our geographical scope. Growth in international markets is both a great opportunity and a major challenge. It is here that the company plans to focus its efforts, enabling us to continue to grow faster than the sector average.

Some notable projects

Ireland

Toll systems in five of Ireland's main toll roads

Norway

Ballot counting in Norwegian Parliamentary elections for the Oslo Municipal Government

Germany

Satellite communications system for the Navy

Portugal

Implementation of a Portuguese coastline surveillance system for the Portuguese Ministry of the Interior

Italy

Implementation of the control centre for Enel Green Power's renewable energy capacity

Spain

Management and operation of the Information Technology function of the Prisa Group's Publishing, Press, Radio and Audiovisual areas

Czech Republic

Applications maintenance contract for O2

Turkey

Renewal and expansion of air-space surveillance network for Turkish air traffic

control. The contract was awarded by the Turkish Airports and Air Navigation Authority (DHMI), dependent on the country's Transport Ministry

Argentina

Truck driving simulator centre for Argentine truck drivers' unions Mutual de Camioneros and Sindicato de Camioneros

Brazil

Implementation of Diraya, the electronic medical history system for the Acre State Health Department

El Salvador

Modernisation of El Salvador's property register at the National Registry (Centro Nacional de Registros - CNR)

Panama

Modernisation of Panama's air navigation systems management for the country's international civil aviation authority (Organización de Aviación Civil Internacional - OACI), a body in which the Panama Aeronautical Authority (Autoridad Aeronáutica de Panamá - AAP) delegated follow-up of the project

Mexico

Outsourcing of processes and payment methods for Bancomer

Angola

Modernisation of the terminal and navigation systems at Lubango airport for the Angolan airports authority (Empresa Nacional de Aeroportos e Navegação Aérea de Angola - ENANA)

Tunisia

Implementation of surveillance stations to support air traffic navigation for Tunisian airports authority (Office de l'Aviation Civile et des Aéroports)

Algeria

Implementation of the SAP tax management system at Algeria's General Taxation Directorate (DGI)

Morocco

Automation of hydroelectric plants for the National Electricity Office of Morocco (ONE),

India

Modernisation of management systems for the Central Bank of Bangladesh

Philippines

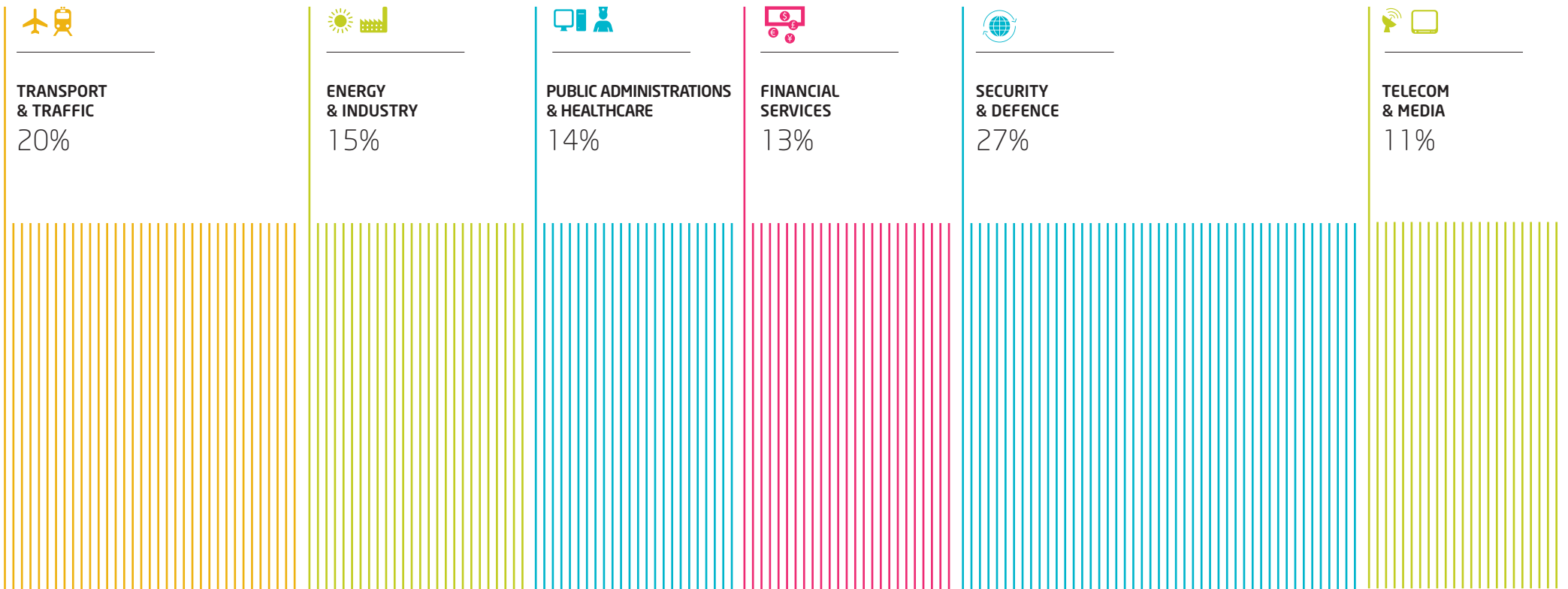
Implementation of open-utilities customer management systems for Manila Electric Company (MERALCO).

China

Supply of two flight simulators for Hainan Airlines

Strong international presence focused on geographical markets with high potential growth





Percentage of total sales

OUR PRIORITY:
TO DESIGN MORE SECURE, ECOLOGICAL, ECONOMICAL AND
EFFICIENT TECHNOLOGIES

+ THAN

100

CITIES IN THE WORLD RELY ON INDRA
FOR THE MANAGEMENT, SECURITY
AND DEVELOPMENT OF THEIR PUBLIC
TRANSPORT NETWORKS

1,200

AIR TRAFFIC MANAGEMENT
FACILITIES IN MORE THAN
90 COUNTRIES

Solutions and services

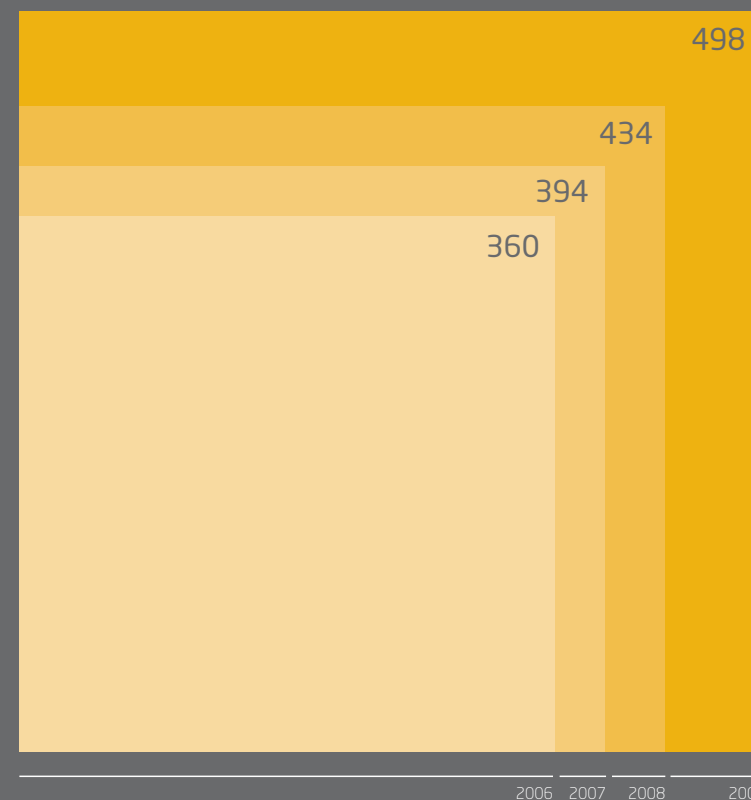
Air Traffic Management (ATM)
Communication, navigation and surveillance (CNS)
Airports
Rail traffic management
Road and maritime traffic
Ticketing and tolls

Market trends

Intelligent infrastructure based on digital solutions: logistics, transport, traffic..
Intensive urban planning process worldwide and increase in number of 'megacities'.
Major need for transport infrastructure development in emerging countries.
Increasing importance of security and sustainable mobility.
Sustained increase in demand for transport.
Generation of public-private partnership models.

+15%

Sales growth



GEARED TOWARDS MORE SECURE, RELIABLE, ENVIRONMENTALLY- FRIENDLY TRANSPORT

One of the central pillars of Indra's activity in the transport and traffic market is the development of solutions to improve road management and progress towards more reliable, economical and environmentally-friendly transport means.

We are actively involved in the Single European Sky project (SESAR), one of the most ambitious R&D initiatives in the European Union

Sustainability in transport is essential for economic and social development. An example of this development is the Single European Sky (SESAR) project, of which Indra is a leading member and which is aimed at harmonising air space, optimising communications, increasing security and reducing energy consumption. This can be considered as one of the most ambitious R&D projects to date in the European Union, where we are working with other major European navigation services suppliers and with the aeronautical industry. In 2009, Indra received the Supplier Excellence Award from NATS, a British air traffic services provider, for meeting performance criteria in the commercial, delivery, management systems, technology and capacities categories. NATS highlighted our compliance with deadlines and objectives in the delivery of the iMAS, a connectivity or middleware system developed specifically by Indra for air traffic management (ATM) systems.

Transport security

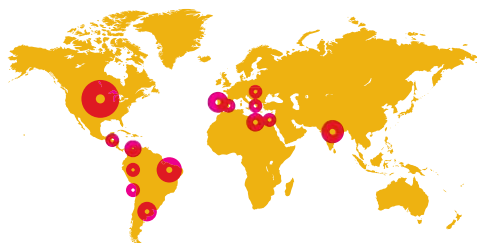
Improving security is the priority objective of the ocean tracking system we are developing in Brazil. Installation of the air tracking and control systems facilitates air transit over the Atlantic, enhances security and efficiency of communications and helps locate aircraft quicker and more simply.

Also in Brazil, in 2009 Indra, together with its investee IESSA, was awarded a contract to implement a smart road traffic management system in Curitiba, as well as toll systems for the highway network in the southern coastal region.

At Toluca international airport (Mexico), in a joint project with the company OHL, we have implemented a security and payment system in the car park that includes innovative technology for licence plate recognition and printing on the ticket, so as to prevent robberies. This car park, with a capacity for 2,400 vehicles, enables users to book a parking space online and includes highly useful tools in regard to occupancy levels, unoccupied spaces, etc. which make it the most advanced of its kind in all Mexico. As a result, users save time and money, reduce emissions and enjoy more security.

In 2009, Indra received the Supplier Excellence Award from NATS, a British air traffic services provider





Continuing our international drive

One of our most innovative projects is the unification of the Argentine public transport ticketing system, which we have migrated from cash payment formulae to contactless cards (SUBE project - Sistema Único de Boleto Electrónico). We are also developing access control and ticketing for the underground rail systems in Bombay, Athens and Cairo. Among these projects, our involvement in the tender to build the railway system in Saudi Arabia is particularly significant because of the scale and appeal of this initiative.

Furthermore, OTLIS (Operadores de Transportes del Área Metropolitana de Lisboa) has awarded Indra the pilot project contract to adapt the ticket desks and automatic doors of Lisbon's metro system to allow payment via mobile telephone.

We have further strengthened our commitment to China (which commenced in 1997) by signing a joint venture agreement to manufacture and sell civil aviation radars for the local market.

In Mumbai, India, we are rolling out two ticketing and access control projects for the city's underground railway and monorail systems.

We are international standard-bearers in ticketing, with key projects in Argentina, India, Greece and Egypt

In air traffic, many of our projects are aimed at optimising use of air space and enhancing service quality. We are supporting the process to modernise traffic management systems at major Eastern European airports, our presence in the Asia-Pacific region is increasing and we have secured significant references in Africa.

We are currently conducting major projects in China, India, Turkey, Tunisia, Ecuador, Panama and Peru, some under the turnkey formula. Most of these are traffic management, security, surveillance and sustainability systems. We approach these markets with a global corporate vision, based on well-integrated solutions and an excellent letter of presentation thanks to our projects and leading position in the European Union, EMEA (Europe, Middle East and Africa), Asia and America are our priority markets in the medium and long term.

Air traffic across most of Central America is managed mainly with Indra's systems and equipment. Furthermore, a number of countries elsewhere in Latin America have implemented Indra's systems.

In the last year, we have secured agreements to modernise air traffic management systems in Panama and for the approach control centre at Quito airport (Ecuador).

Indra is one of the leading Spanish companies in development and implementation of integrated

high-tech solutions for traffic management and control, tunnel control and toll systems, with customers in Spain, the US, China, Mexico, Chile, Brazil, Portugal and Montenegro, among other countries.

In 2009, we won contracts for five of the main tollroads in Ireland, which cater for close to 100,000 vehicles daily. These are modern systems that combine manual and automatic radiofrequency payment (no need to stop) and include licence plate recognition and queue detection technologies. We have also implemented technology in Chile's new north-eastern toll road (Autopista Nororiente), the country's fifth, to cut journey times.

Faster ports in Morocco

We continue to grow in Morocco, where we have been involved in various significant projects in the last few years. In addition to the rollout of the Da Vinci technology platform in the country's rail network in 2008, we have been working on the management and control systems for the first tunnel in the country's main road network and on speeding up processes at Moroccan ports (the PortNet project).

These initiatives are linked to the improvement of the port logistics network and the efforts to offer citizens and visitors to Morocco a better service. Tourism is Morocco's second-largest source of currency revenue and this year some ten million people are expected to visit the country.



Air traffic across most of Central America is managed mainly with Indra's systems and equipment



We have been operating in Mexico for more than 15 years. Among other projects, we developed the underground rail network ticketing system for Mexico City and the toll systems for three of the countries main toll roads.



FUTURE

Road and rail transport offers interesting future opportunities for both developed countries that need to update their services and developing countries that are committed to introducing new technologies. Accordingly, transport and traffic markets are increasingly competitive, forcing companies to continually update their products and services.

To meet this challenge, Indra's proven innovation capacity is an element that distinguishes its proposals from the rest. Based on this premise, the company plans to target markets with the best growth prospects in the medium and long term, such as: China, India and Brazil; countries that are particularly interesting because of their scale and the special characteristics of their economies. We are also targeting the most strategic geographical areas like North Africa and Asia-Pacific, where sustained investment is expected, especially in rail transport. In mature markets, growth on the back of higher demand for road safety is projected.

AWARDS AND RECOGNITION

The Future Systems Award granted by Jane's Airport Review in recognition of the successful launch, on 12 December 2008, of the New FDPS, the new Flight data Processing System developed by Indra for the Maastricht air traffic control centre.

Supplier Excellence Award from NATS, a leading British air traffic services provider. NATS annually grants one of its key suppliers a Supplier Performance Award for meeting performance criteria in the commercial, delivery, management systems, technology and capacities categories.

Proprietary solutions, experience and leadership

At Indra we develop and implement integrated solutions for traffic management and control, tunnel control systems and toll systems. In Mexico, OCL Concesiones – one of the largest construction and environment groups, commissioned Indra to implement a proprietary solution for the country's first rapid and prepaid electronic toll system.

The solution, which includes eight payment stations and 48 toll lanes, was implemented in the Circuito Exterior Mexiquense highway and will handle more than 4,500 vehicles per day in the initial phase. Indra's experience and international leadership in developing value solutions for transport networks explain why we were chosen.

We have been operating in Mexico for more than 15 years. Among other projects, we developed the underground rail network ticketing system for Mexico City and the toll systems for three of the country's main toll roads. Our customers include five of Mexico's biggest banks and leading companies from the industry, retail, telecommunications, energy and public sectors.

Rail Control System at Madrid's Puerta de Atocha

In 2009, two rail control and supervision centres were set up inside a singular building at the Puerta de Atocha railway station in Madrid. The first, opened in September 2009, was the regulation and control centre for the Madrid–

Seville high-speed rail link and for sections of the Cordoba–Malaga and Madrid–Valladolid links, supplied with the Da Vinci system, already available in other lines such as Madrid–Barcelona and Madrid–Valladolid.

On the second floor of the building the 24-hour network management centre ('CGRH24') was installed, for the supervision and integration of the necessary information to tackle contingencies throughout the ADIF (rail infrastructure administration) network. This centre houses the elements for traffic supervision throughout the network, and is integrated with the Civil Protection and Security systems, communication with the media, crisis room and post-analysis systems.



In 2009, two rail control and supervision centres were set up inside a singular building at the Puerta de Atocha railway station in Madrid. The first, opened in September 2009, was the regulation and control centre for the Madrid–Seville high-speed rail link.



ENVIRONMENTAL SUSTAINABILITY

TECHNOLOGY

With zero environmental impact in the Galapagos Islands



In 2009, we launched an air space surveillance system in one of the world's most protected areas with the most stringent ecological requirements: the Galapagos Islands.

On Cerro San Joaquin, San Cristobal (Chatham) Island, Indra installed an air traffic surveillance station, equipped with a secondary radar system, whose environmental impact is almost nil. The entire area has been declared a UNESCO Human Heritage site and its environment is preserved and kept practically unspoiled.

We have scrupulously complied with the guidelines on electromagnetic emissions issued by the International Civil Aviation

Authority (ICAA); we conducted a prior environmental impact study; and we coordinated with the experts at the National Park, who supervised the work.

The launch of this new station affords the General Civil Aeronautics Department of Ecuador better control of the air space over the Galapagos Islands, an area that previously depended on radio communications to control the approach to San Cristobal and Baltra islands. It will also control the ocean corridor that joins the archipelago with the continent.

SOCIAL SUSTAINABILITY

TRAFFIC

We help reduce road deaths



We are the flagship supplier to Spain's Traffic Department (Dirección General de Tráfico - DGT) in infrastructure projects and systems to improve road management and safety. We have been involved in the launch of initiatives like the traffic control hub in Madrid, the driving licence points system and the transportation of hazardous goods. Overall, these projects that boost efficiency and reduce risks have helped make Spain a standard-bearer in reducing road accidents.

In addition to these initiatives are others of a more social nature, such as online driving licence processing, reduction of CO2 emissions through better traffic management, etc. which build on our robust and lasting relationship with the DGT that already spans a number of years.

**170 WIND FARMS ARE OPERATED
USING OUR CONTROL
AND MANAGEMENT SYSTEMS**

+ THAN

700

POWER GENERATION PLANTS
ARE MANAGED USING INDRA
SOLUTIONS

Solutions and services

- Plant management
- Plant information
- Status monitoring
- Control systems
- Facilities management
- Sales cycle management
- Trading and risk management
- Lotteries
- RFID solutions
- Revenue Accounting for airlines
- iFlotas: planning, location and tracking of moving vehicles
- Construction and infrastructure management
- TMS for Hotels

Market trends

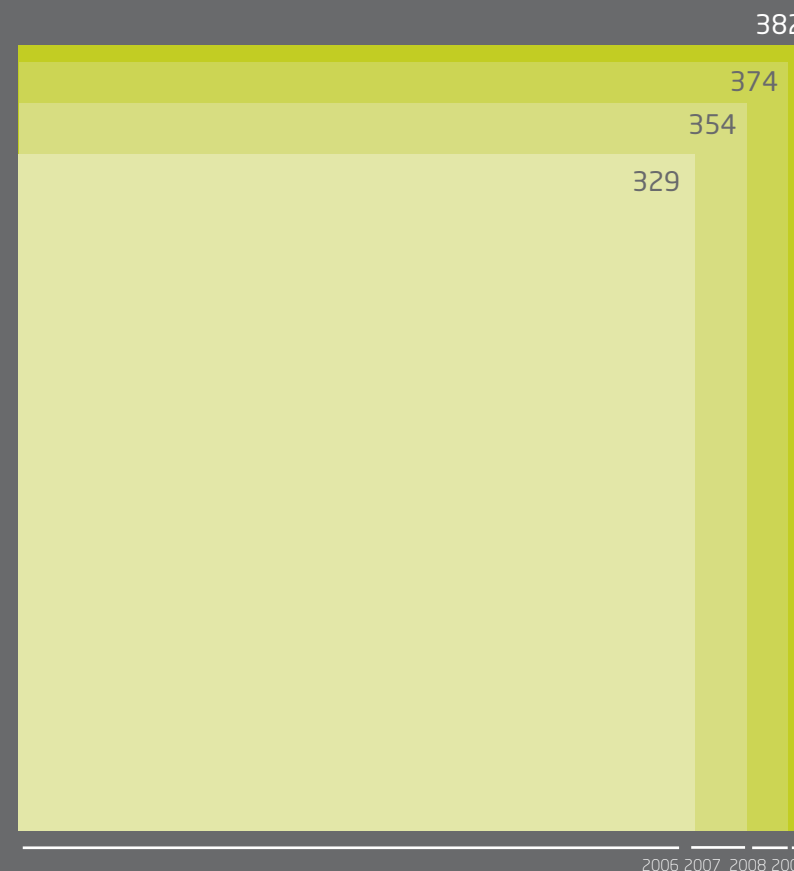
- Pressure on natural resources.
- Major impact on environmental and sustainability policies.
- Intelligent infrastructure based on digital solutions: smart power grid, water infrastructure, buildings, electric vehicle, etc.
- ICT as an energy efficiency vector, both at sector level (green IT) and to help other industries reduce consumption and emissions.
- Cybersecurity and protection of critical infrastructure.
- Major need for water and energy infrastructure development in emerging countries.
- Transition towards renewable and nuclear energies.

WE MANAGE THE REVENUE OF + THAN

70%

OF LATIN AMERICAN AIRLINE TRIPS

+2%
SALES GROWTH



2006 2007 2008 2009

DEVELOPING A NEW RANGE OF SOLUTIONS IN ENERGY

In 2009, we won the global maintenance and development contract for the management systems of Endesa in Spain and Latin America for a five-year period. This contract makes Indra a technology supplier to Endesa on a global scale in the implementation of its new unified applications management model.



We invest in developing energy capacities that can respond to the new rules of the economic game where efficiency will be the cornerstone. Consequently, one of our main strategies in cooperating with customers and partners is to develop eco-efficient projects in the various industrial spheres.

Indra has worked intensively in this sphere with the leading energy companies, participating in the development of high added-value solutions. The basic premise is to innovate in order to boost energy efficiency, either through turnkey solutions or services. After accumulating more than 20 years of experience and cooperation in this connection, our solutions can be readily found in the areas of power generation, supply and distribution at all the main operators.

In 2009, we won the global maintenance and development contract for the management systems of Endesa in Spain and Latin America for a five-year period. This contract makes Indra a technology supplier to Endesa on a global scale in the implementation of its new unified applications management model. The service includes providing functional support to more than 300 applications in the areas of corporate and energy management at the power giant. Indra will make its offices in Spain, Argentina, Chile, Colombia, Brazil and Peru available to Endesa. Furthermore, Indra's Software Labs in Malaga (Spain) and Argentina will provide support to applications development.

Also in 2009, Indra signed an agreement to renew Gas Natural's sales systems. Gas Natural is now a part of Unión Fenosa and we are working as a top supplier in the process to integrate the two companies.

Support to renewable energies

The promotion of renewable energies and cogeneration is a priority objective for the European Union because their contribution to achieving the Kyoto targets. Indra works with Spain's Energy Commission (CNE) to comply with Article 30 of Royal Decree 661/2007, whereby at the end of 2009 the CNE was assigned the task of settling the equivalent premiums, incentives and supplements to CHP/renewable electric power production facilities, and which in accordance with the economic framework established in said Royal Decree, guarantees owners of these facilities a reasonable remuneration on their investment. To achieve this, in 2009 Indra defined, developed and implemented the support system for this activity, called SICILIA, and provides back-office services for the management of the affected facilities and pledges.

The Philippines, Morocco, Italy, Mexico, Uruguay and Brazil were some of the most significant markets in the last year



Major international projects

In the energy market, we took a decisive step with the launch of various projects that consolidate our international presence and open up new horizons: the Philippines, Morocco, Italy, Mexico, Uruguay and Brazil were some of the most significant markets in the last year.

In the Philippines, Indra's Energy Technology unit was responsible for the design, engineering, manufacture and supply of the supervision and control system for the hydroelectric plants at Sibulan. The refurbishment of electric power facilities (especially in CHP/renewables) is one of the businesses with the best outlook, in view of the current energy framework. Use of renewable energy and support for supply security and sustainability are essential for any country's economic development. With this project, Indra unlocks the value of the experience and know-how it has accumulated domestically.

In Italy, we implemented the maintenance project of Enel's energy management system and set up the control centre for Enel Green Power, encompassing the Italian operator's renewables capacity. Furthermore, we manage its entire generation capacity comprising more than 400 electric power plants, based on a proprietary solution devised by Indra called OCEN, also used at other generation plants elsewhere in the world.

Automation of hydroelectric plants in Morocco

By implementing cutting-edge hydroelectric plant supervision and control system technology, the project will help ensure the secure operation of the plants and the maintenance of the facilities, and will boost performance and efficiency in electric power generation. The control and planning of the plants will also include the supply of drinking and non-drinking (irrigation) water.

The system will enhance security and control at the hydroelectric plants, since it enables supervision from the remote management centres of all incidents at plants and dams, and monitoring of all variables at reservoirs, such as water levels, inflows, rainfall or spillway discharge during floods. As well as facilitating a more detailed and up-to-date monitoring of the state of reservoirs, it allows the operation of all equipment to be controlled and all standard procedures at hydroelectric plants to be performed remotely.

Responsible water management

In 2009, we launched the Mageryt project, consisting in developing a simulator of Madrid regional water utility Canal de Isabel II's strategic network, in order to predict future drought scenarios. The tool, at the cutting edge of ICT application in responsible water management, minimises drought scenarios and maximises the use of elements to reduce operating costs, backing up methods to monitor guaranteed supply to all users.

To conduct the simulations, the solution takes into account a flexible set of operating rules and limits on assets configured by the system operators, as well as other parameters that are relevant to the sustainability of water such as seasonal quality or waste spills.

Increase in demand for services in Industry and Consumer Retail

Despite the decline in budgets earmarked for investment in solutions, the recession has significantly boosted demand for outsourcing and maintenance application services.

The economic situation is behind this significant change in the industrial and consumer retail sectors. This is because outsourcing is more attractive for companies in terms of cost and quality, and enables them to maintain leadership in technological know-how, which is vital for competitiveness. Most of the proposals approved in 2009 are along these lines.

We help optimise the management of airlines, an industry where technology is indispensable to maintain efficiency ratios and sound management

Improving airline efficiency

We help optimise the management of airlines, an industry where technology is indispensable to maintain efficiency ratios and sound management. In this connection, we have developed a novel revenue accounting application which solves sales record problems. Companies like Brazilian airline TAM and Spain's Spanair are using our tool, which is resulting in highly significant productivity and efficiency levels. This is a strategic market for Indra, based on its growth and sizeable international projection, especially in North America, Central Europe and Asia.

Within the framework of the cooperation agreement with Iberia in place since 1999, we have implemented new functionalities to simplify the online flight search and booking process. Accordingly, customers of iberia.com can establish the maximum price of their ticket in advance, inputting date and destination, to find the cheapest available flights.

Strategic alliance with SAP

Cobega (which markets Coca-Cola and other brands) was the first company to implement the SAP Beverage solution in Spain, combining project, service and BPO. The solution was developed jointly with German business software giant SAP, a strategic partner of Indra from the outset. With SAP, we also developed major projects for companies like Eroski, Cuatrecasas and Unipapel.

SAP has also accompanied us in projects for other major customers outside Spain, such as Mexican supermarket chain Dunosusa, for whom we have slashed information processing time at its 148 points of sale by 80%. In Argentina, Sodexo chose the Indra-SAP solution for implementing its management model at its other Latin American subsidiaries.

FUTURE

Two members of the group of countries with the fastest economic growth in the last few years and significant growth prospects in the short term, namely Brazil and India, are priority markets for Indra, especially in the energy market. Furthermore, most countries in Eastern Europe are in the midst of an energy modernisation and updating process in which Indra has ample experience having performed similar projects in Spain. Sizeable investments are projected at generating companies and in the gas sector (especially in the Middle East), and these are projects in which we will doubtless be able to contribute with our products and capabilities. Other markets we are interested in include Italy and Russia.

In the industry and consumer retail sectors we see the future in internationalisation of experiences (projects) to enable us to stand out from our competitors in sectors such as transport, tourism and retail distribution, on the one hand, and growth in demand for application maintenance and outsourcing services, on the other. All of this is pivotal upon two axes: cost savings and competitiveness.

ENVIRONMENTAL SUSTAINABILITY

TECHNOLOGY

For energy efficiency and sustainability



Since 2009, we have been participating, together with Gas Natural-Unión Fenosa, in two major energy efficiency and sustainability projects: development of a remote-metering device to tackle future changes in the electric power market (called Emiel) and the Energos project, comprising a set of initiatives involving a significant R&D+i component. Energos covers electricity, water and utilities in general and involves various companies and universities.

We are participating in smart grid projects to achieve a better balance between supply and demand based on new energies and more rational consumption. The idea is to combine

information technologies with user behaviour models to improve smart energy grid systems. In this connection, Cepsa has asked us to come devise a smart management system for its oil reserves with a view to an updated valuation of the company.

Our commitment to the future is firm and ongoing. The aim is to boost efficiency, essentially through recycling materials and reducing waste, water and energy consumption, by more efficiently tapping natural light and heat. We are already working on projects for Inditex stores, and Banco Popular and BBVA branches, among others.

ECONOMIC SUSTAINABILITY

MERZA

Optimising the business processes of Merza group in Mexico



Indra will implement the SAP Retail solution at Merza, enabling the company to place its commercial partners and customers at the centre of the value chain. The project entails optimising the group's processes to efficiently use resources without relinquishing cost containment and without having to compromise business growth plans.

The objective is for the Merza group to obtain greater efficiency levels, improve its discount and promotion systems, increase in-store merchandise availability and customer satisfaction. As well as defining a standardised model to acquire new

businesses, the company is already projecting reducing stock as a result of efficacy in executing purchase plans, inventory cycle management and enhancement of operating functions, on top of detailed analyses of the group itself and the commercial performance of the industry as a whole, including margins on goods.

24 MILLION ELECTRONIC
MEDICAL RECORDS

+ THAN
20

YEARS OF EXPERIENCE
IN TRANSFORMING AND
DEVELOPING TECHNOLOGY FOR
JUSTICE SYSTEMS AND LAND
REGISTRIES INTERNATIONALLY

2,500
PROCEDURES TRANSFORMED
TOWARDS NEW ELECTRONIC
CHANNELS

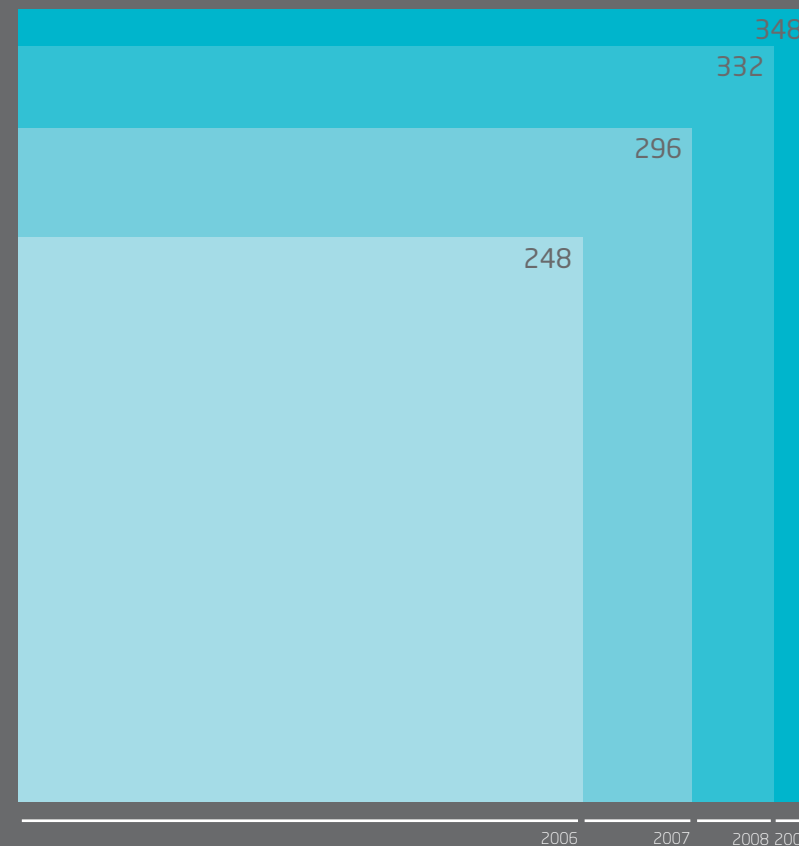
Solutions and services

- Electronic administration
- Land registry management systems
- Citizens' services
- Integrated tax management
- Judicial management systems
- Multichannel citizens' services portal
- Electoral ballot counting systems
- iParticipa
- Single Health Record
- Clinical Stations
- Digital medical imaging
- Multichannel citizens' services portal
- Electronic prescriptions
- Telemedicine and monitoring

Market trends

- Budget containment by Public Administrations.
- Increasing need for modernisation and efficiency enhancement (digitalisation, automation, etc.) at Administrations.
- More citizen involvement in public decision-making.
- Growing demand for health services as the population grows and ages.
- Digital healthcare: development from current hospital model (based on cure), towards a more preventive and automated model (telemedicine).

+5%
SALES GROWTH



PUBLIC SERVICES AT THE CUTTING EDGE OF TECHNOLOGY



In 2009, Indra presented its new electronic administration platform, known as AMARA, a solution that allows maximum development levels in e-Administration, offering citizens new models for relating with the Administration and higher quality in public services.



In the last few years, Indra has opted to specialise its solutions and services for Public Administrations by including functionalities that are specifically designed to meet the concrete needs in four key areas: justice, land registry, tax system and e-Administration.

The objective is to consolidate, enhance and convert them into knowledge vectors with a view to our globalisation. In justice, we are implementing the future concept of the legal office and we have created a platform to export this knowledge, especially to Latin America. We have made progress in international projects and we have optimised the e-Administration and tax services.

By specialising we have been able to provide greater added value in our services and solutions to customers and this, in turn, has helped differentiate Indra's range and boost our competitiveness. Consequently, the company has continued to pursue internationalisation in its solutions and services, especially in the sectors of justice and land registry, and in healthcare.

In emerging countries, Indra is working on major projects to modernise public services in areas like legal administration, healthcare and tax. In the medium term, we expect the pace of investment to continue, especially in projects that bring Administrations closer to citizens, improving service quality and system efficiency.

A new integrated electronic administration solution: e-Administration

In 2009, Indra presented its new electronic administration platform, known as AMARA, a solution that allows maximum development levels in e-Administration, offering citizens new models for relating with the Administration and higher quality in public services.

AMARA brings the administration closer to citizens and integrates administrations, the private sector and associations to offer a comprehensive service, improving quality and efficiency. The platform offers mechanisms to transform traditional offices into paperless offices, paper-based processes into electronic processes, internal communications into communications with other offices and public bodies into efficient and transparent processes. The system allows different public institutions to work together, establishing workflows to speed up processes, resulting in more and better services for citizens.

In 2009, Centro Nacional de Registros (CNR) in El Salvador commissioned us to develop phase two of the modernisation of its land registry.

Land registry offering in international expansion

In the last few years Indra has developed a consolidated range of products and services in land registry that is being implemented in a number of countries worldwide.

In 2009, Centro Nacional de Registros (CNR) in El Salvador commissioned us to develop phase two of the modernisation of its land registry. The project—which is a major boost to the Public Administrations business in Latin America—includes verification of ownership rights and identification and measurement of properties in various departments of El Salvador.

This project is in addition to the recent contract to modernise tax management in Algeria, the ultimate purpose of which is to centralise and integrate tax administration and combat fraud.

These two new contracts come on the heels of the one Indra secured in Morocco in 2008 to automate the land and property registry, and they make Indra one of the most experienced companies in this kind of project.

Self-service enquiry booths to improve services to citizens

In 2009, Indra opened self-service points in all the Catalanian. Employment Service's job centres so that unemployed people could perform many of the most common procedures without having to wait for a professional to deal with them. Procedures such as renewal of unemployment benefit claims, registering for a job offer or training course, updating personal information or processing the necessary documentation to access the various benefits now take a matter of minutes.

This pioneering scheme in Spain improves services to the unemployed and enables the qualified personnel at job centres to focus on more added value tasks such as career guidance. Furthermore, the use of this system saves considerable time and makes the service more efficient. Surveys conducted during the test phase revealed a high degree of satisfaction among the unemployed.

Developing Salud 2.0

Indra's healthcare technologies are based on its Salud 2.0 platform, which specialises in areas such as telemedicine and digital imaging, among others. This platform is the result of our cumulative experience in developing projects for public and private institutions in Spain, Portugal and Tunisia.

It is precisely the experience accumulated by Indra in developing solutions for the Spanish

healthcare system, an international standard-bearer because of its combination of universal care and cost efficiency, that has enabled the company to grow in new international markets in the last few years. Accordingly, Indra now has significant references in countries like Portugal, Tunisia, Morocco, Jordan, Mexico and Brazil, as well as major commercial opportunities.

Pioneers in digital healthcare in Europe

In 2009, Indra continued to improve the capacity of its medical digital imaging system Ykonos (a ground-breaker in Europe), so that doctors can instantly see all the images generated at the hospital and can compare tests performed over time. We have also added new computer-assisted diagnosis solutions to further enhance the Virtual Diagnosis Centre.

Furthermore, Indra is working on the European Patients - Smart Open Services (epSOS) project, which involves 12 countries and 27 beneficiaries. epSOS is co-financed by the European Commission and is part of the Competitiveness and Innovation Framework Programme. The aim is to achieve cross-border interoperability for patients' medical records and e-prescriptions.



The experience accumulated by Indra in developing solutions for the Spanish healthcare system, an international standard-bearer because of its combination of universal care and cost efficiency, that has enabled the company to grow in new international markets in the last few years.



Indra's electronic medical records system is undergoing testing in Brazil

The Diraya medical records system developed by Indra for the Andalusian Health Service began its process of adaptation in 2009 to the requirements of the Brazilian state of Acre. This solution, which integrates the medical records of all patients, allows information to be accessed from any hospital or health centre, improves appointment management and facilitates the development of e-prescriptions and treatment follow-up, among other benefits.

The final objective is to adapt Diraya to export it to all other Brazilian states and to unify the municipal and state-wide medical records.

Leadership in electoral processes

We have strengthened our international presence with election solutions and services in a number of countries over the last few years. In 2009, the elections in Norway, the European Parliament in Spain, and legislative polls in Argentina (e-voting) all used Indra technologies.

The Oslo municipal government again asked us to manage its ballot count in the 2009 election using our e-counting system. The process included consultation of the electoral list, design, printing and distribution of around 4.5 million ballots, logistics, ballot counting and post-election analysis. This is Indra's fourth election project in Norway, where we are the only foreign company to operate in this market.

To date, we have taken part in election processes worldwide, involving more than 2 billion voters. We are pioneers in the use of new technologies such as PDAs, e-voting, e-counting, online voting and software development for citizen involvement. Our vote counting system (SIRE) has been tested, and verified in countries such as France, the UK, Spain, Norway and Italy.

Furthermore, Indra is expanding its range of balloting products and services to include the private sector. Evidence of this is the e-balloting for the Extraordinary General Assembly of Delegate Members of Real Madrid Football Club.

iParticipa, a tool to improve communication between administrations and citizens

We invest in R&D+i to seek formulae that improve public sector management and increase citizens' participation. A practical example of this is the iParticipa platform, aimed at establishing a more dynamic channel for communication between administrations and citizens.

FUTURE

In the current macroeconomic context, a good deal of our effort is focused on improving efficiency at public administrations. We want to help improve services to citizens, not through more investment, but by boosting the efficiency of the available resources. We see an increasing interest among governments and operators in implementing energy saving and efficiency systems. Our consultancy area has already designed a number of projects and we hope to sign new agreements in Latin America and North Africa soon.

In healthcare, efficiency is also essential. We expect to continue to win contracts both in Spain and elsewhere in Europe, as well as in Latin America and in Africa, where there is a vast potential market. For this purpose, the know-how we have acquired in Spain is enormously useful.

AWARDS AND RECOGNITION

Award for the TOyRA project. The TOYRA project, aimed at developing a virtual rehabilitation system based on designing a therapeutic platform, has won awards from the journals Actualidad Económica and Computing in recognition of its contribution to improving the quality of life of patients with spinal cord injuries. This subject has been developed with the economic support of the "Hospital de Paraplégicos de Toledo" and Rafael del Pino Foundation.

SOCIAL SUSTAINABILITY

REMOTE

Management of smart medical treatments



Indra spearheads an R&D project aimed at creating a technological platform that will help delocalisation in the application of medical treatments and increase their efficacy, monitoring and control.

'Tratamiento 2.0' (www.tratamiento20.com) is aimed at creating a generic technological platform integrating applications to be used in managing and applying smart medical treatments. The purpose of this ambitious project is to boost the efficacy of treatments, reduce the degree of dependence among patients, especially chronically ill patients, and intensify monitoring of their condition by health professionals using ICT.

'Tratamiento 2.0' also incorporates smart agents able to detect deviations and warn both the patient and the healthcare professional, so that the latter can decide on the best course of action.

The project envisages the integration of information from various medical devices and sensors. Similarly, we are studying the use of applications that enable personalised clinical therapies to be performed remotely based on Enhanced Reality and Virtual Reality technologies.

Our team of experts is working on the design of a prototype for patients with diabetes for which some applications have already been developed, and which is expected to be fully operational in mid-2010. The idea is to extrapolate the technology developed for its use in remote treatments of a wide range of conditions, including high blood pressure (HBP) and chronic obstructive pulmonary disease (COPD).

ENVIRONMENTAL SUSTAINABILITY

ELECTIONS

Environmentally-friendly



In 2009, we added new electronic systems to cut the use of paper and speed up the election process for the European Parliament on 7 June in Spain.

The Electronically-Managed Electoral College was used in Lleida, Pontevedra and Salamanca. This system allows ballots to be printed as needed, and significantly reduces the amount of paper used.

The system also enabled electoral colleges to computerise tasks that members of the committee would normally have to perform: voter identification, document management and transmission of information concerning the constitution of the committee and turnout.

As regards the ballot count, it was performed by reading the ballot bar-code and the data were sent electronically to the results transmission device. Consequently, the provisional count and the final count coincided 100%. This system was supplemented by the use of PDAs in 40% of electoral colleges for delivering data to processing centres. This system had already been successfully used at the last general election in Spain. Ballot counting in Spain was the fastest of any European country with similar voter numbers thanks to deploying this system. It is also worth highlighting its capacity to disseminate information, via the Internet, SMS and mobile telephony.

GLOBAL VISION AND SOLUTIONS
TAILORED TO LOCAL NEEDS. **THE BEST
COMBINATION OF EXPERIENCE
AND PROXIMITY.**

9

OF SPAIN'S TOP-10 FINANCIAL
INSTITUTIONS AND INSURERS
ARE INDRA CUSTOMERS.

MAKING POSSIBLE A SINGLE
EUROPEAN PAYMENT MARKET

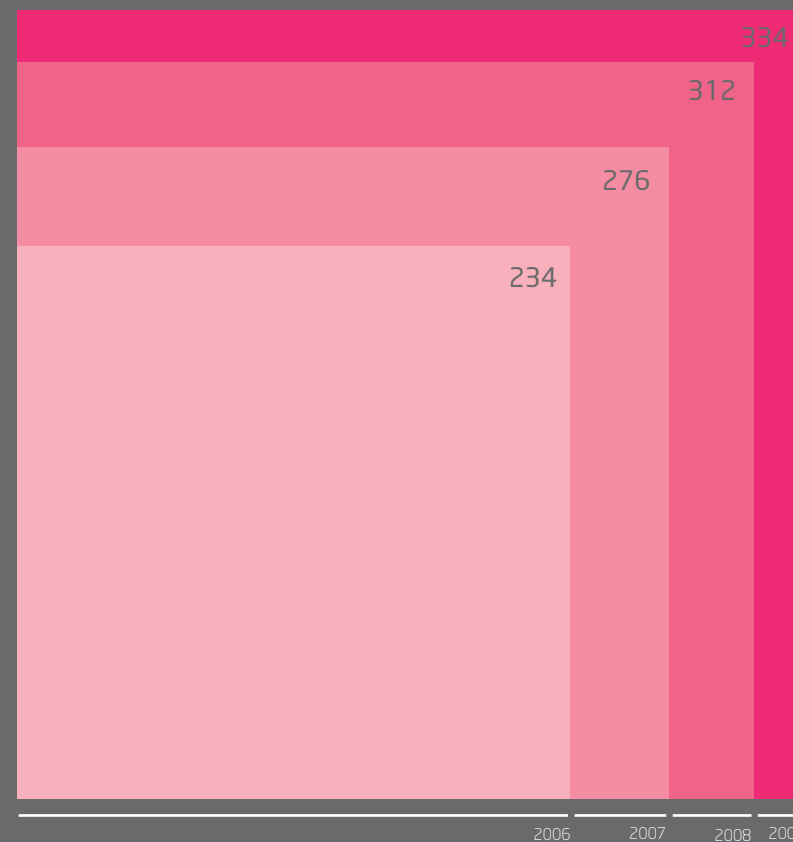
Solutions and services

- Core banking
- Risk management: credit, market, operating
- Payment methods and financing
- Payment systems and clearing
- Infrastructure outsourcing and application management
- Outsourcing of operations
- Insurer platform
- Development of applications and integration of systems
- Indra solutions for the insurance market
- Workplace accident insurers and pension providers
- Business operations outsourcing

Market trends

- Profound crisis in the financial market.
- Concentration process among financial institutions.
- Increasing need for risk management and control systems, as well as regulatory compliance.
- Increasing pressure on commercial margins.
- Rationalisation of resources to achieve greater efficiency and lower costs.
- Optimisation of commercial capacity.

+7%
SALES GROWTH



OUR MAJOR CHALLENGE: INTERNATIONALISATION

In the last few years we have made significant progress in opening markets and establishing relations that are useful to continue our growth in new countries.

In 2009, we made major strides with top Spanish banks like BBVA and Santander and insurer Mapfre. We have already made progress and launched projects which these institutions are considering implementing globally, and we hope they will bear fruit this year.

We help create more efficient operating models

We are working to offer solutions that help financial institutions to develop the business, improve service quality and introduce new channels. Our technologies contribute to creating more efficient and sustainable operating models by optimising service and automating tasks. In this connection, we can rely on the specialisation and know-how of our subsidiary Indra BMB, a leader in Business Process Outsourcing (BPO).

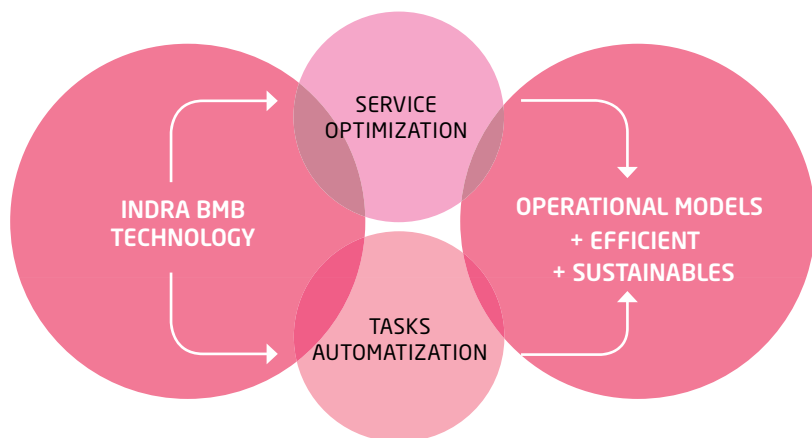
We have already developed projects in most Latin American markets, including Brazil, Mexico, Argentina, Ecuador, Peru and Colombia, accompanying top Spanish players like BBVA, Santander and Mapfre.

Proprietary technology for a hugely dynamic sector

Following the effort made to build the new insurance framework, in 2009 we commenced production of the latest versions of Core Asegurador. This is a comprehensive information system developed by Indra to support business management at insurers. Among other benefits, it allows a rapid response to changes in the market, thus boosting efficiency and reducing operating costs at insurance companies and underpinning activities throughout the value chain.

We are already issuing policies and managing activities, among other tasks. Along with our partner AVIVA, we hope to implement this system in some of the leading European countries shortly.

Furthermore, we have finalised the functional architecture project ITECBAN, aimed at developing basic technological and methodological infrastructure for an integrated banking information system with national and international projection.



Development has commenced on an application to predict stock market performance.

SONAR

First search engine designed specifically for the financial and stock market sector.

ITECBAN

Functional architecture project ITECBAN, aimed at developing basic technological and methodological infrastructure for an integrated banking information system with national and international projection.

First financial search engine using semantic technology

In partnership with Madrid's Carlos III University and the University of Murcia, we have developed the first search engine designed specifically for the financial and stock market sector based on semantic technology, called SONAR. Its main advantage is that it allows users to perform structural searches (not based only on a series of key words) and smart searches. For this purpose, it uses a mechanism that is able to perform various reasoning tasks based on annotated information and to provide results that match users' queries. Because of these characteristics, this application will be very useful for banks' treasury departments and to contribute added value to Internet search engines.

Based on this prototype, development has commenced on an application to predict stock market performance. The aim is to create an integrated help environment for traders and financial analysts.

Outsourcing and project management: generating new economies

At the end of last year, BBVA commissioned Indra to outsource the back-office operations at its Latin American branches. These contracts reflect a new trend in the financial sector, shaped by process outsourcing as a formula to boost operating efficiency and focus available resources on quality and customer care.

Two years ago, Mapfre commissioned Indra to develop and implement the new Global Risk Policy Issuance System (SIGLO), comprising Mapfre's entire portfolio with large customers, mainly internationally, and requiring the issuance of multi-currency receipts and various types of policy (multirisks, multicovers, multipayers and multibranches). The operation's success has led the insurer to seek Indra's support to launch its new system for changing supply models. In practical terms, this is a supplier concentration process that will boost internal efficiency and quality, and optimise daily operations. Indra will maintain the system through factories abroad.



Indra is modernising the Central Bank of Bangladesh

The two contracts awarded to Indra to modernise the operations at the Central Bank of Bangladesh envisage deploying two corporate systems to manage resources and automate and improve operating processes at the bank.

These new projects are part of the Central Bank of Bangladesh's technology transformation process, under the 'Central Bank Strengthening Project', which aims to render the country's financial system more efficient.

On the one hand, Indra will roll out ERP (enterprise resource planning) in order to improve information processing and automate accounting, treasury, human resources and monetary control processes at the bank. Furthermore, launching a data storage and

operating system will facilitate the analysis and dissemination of information concerning the bank's research, statistics and monetary policy. Setting up this data storage centre will enable senior management at the Central Bank of Bangladesh to optimise access to information, thereby improving decision-making.

The Central Bank of Bangladesh project comes on the heels of similar projects, such as the one executed for the Central Bank of Philippines, and lays the groundwork to access new opportunities at other financial institutions in the region.



Central Bank Strengthening Project

Resources management
Automatization and improvement of operating processes.

FUTURE

Strengthening IT services and solutions for the financial industry, expanding in international projects and striving to offer attractive solutions in the current context of mergers between savings banks are Indra's main medium-term objectives in the financial services area.

We want to play a central role as a standard-bearing partner in the future configuration of this sector. Accordingly, we have a broad, diverse range of products and services and an interesting value proposal, which we are ready to develop alongside our customers.

We encourage our customers to outsource as a way of optimising business resources and we are committed to shared services centres as a way to cut costs. Flexibility and the ability to adapt to circumstances are also factors that set Indra apart.

The strategic cooperation projects we have been working on for years with some of the world's leading financial institutions give us a comprehensive vision of the situation and prospects in the financial and insurance industries, and serve as a letter of presentation to help us gain entry into new countries.

SOCIAL SUSTAINABILITY

MICROCREDIT

Technological partner for managing microcredit in Latin America



In its commitment to sustainability and cooperation in the economic development of the most depressed areas, Indra has signed an agreement to participate in the BBVA Microfinance Foundation (Fundación Microfinanzas BBVA). This organisation was set up to provide banking services to the more than 500 million people who do not have access to them. Using microcredit systems, the initiative will help entrepreneurs and families in developing countries to launch businesses, escape poverty and improve their quality of life.

In this project, which will soon be launched in Latin American countries like Peru and Colombia, Indra is involved as a technological partner, agreeing to contribute technology and know-how. As well as encouraging economic development, Indra will design or operate the management platform of the service headed by BBVA, to be distributed by various financial institutions, using an ASP model. The idea is to offer financing solutions to more than 10 million people via the branch networks of BBVA and other banks.

ENVIRONMENTAL SUSTAINABILITY

EFFICIENCY

Energy for BBVA



At Indra we provide a consultancy service to minimise the consumption of resources at the bank's headquarters in Madrid and Asunción (Paraguay) and the new corporate campus to be built in Madrid. BBVA wants these three centres to obtain LEED certification (Leadership in Energy and Environmental Design), a stringent system developed by the US Green Building Council (USGBC).

Indra is helping BBVA to plan the new buildings from the foundation stage so as to meet the stipulated efficiency requirements. To reduce consumption and tap resources such as natural light, Indra is using sophisticated computer programs to perform simulations.

BBVA hopes to recycle 70% of unused construction materials. Once the building is operating, the bank plans to recycle 100% of the waste it generates. As regards water, the plan is to halve consumption levels. Accordingly, the investment in design will pay for itself in just three years. Furthermore, environmental quality and the use of natural light have a positive effect on the productivity of professionals, boosting it by between 3% and 5%, and reducing days of leave.

+ THAN

500

AIR PLATFORMS PROTECTED USING
INDRA TECHNOLOGY

Solutions and services

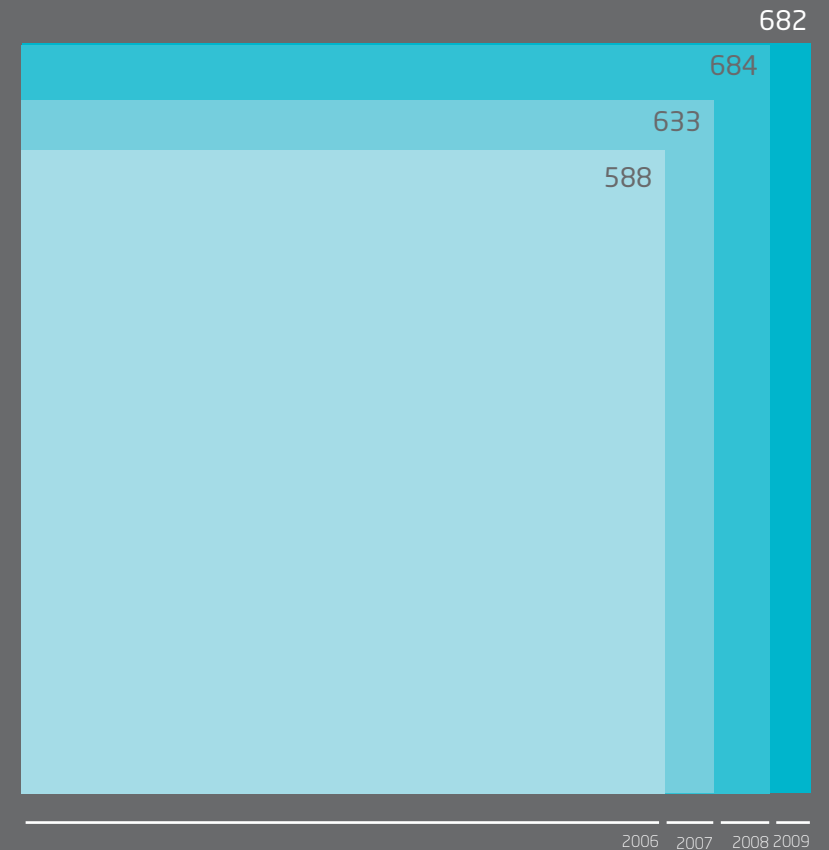
- Radars
- Electronic defence
- Military communications
- Command and Control
- Simulation
- Security
- Space

Market trends

Cost containment in defence in developed countries, that are seeking ways to cut costs and boost efficiency (public-private partnerships, outsourcing), in contrast to a strong increase in spending on defence in emerging nations.

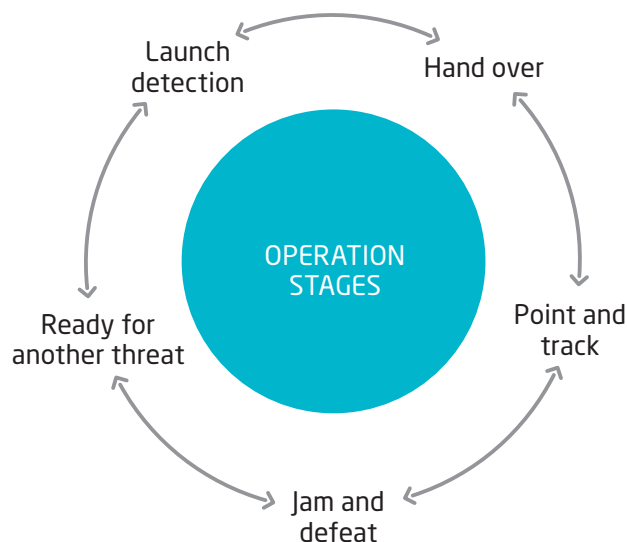
Increase in private security investment.

Markets with huge potential: unmanned systems, force protection and military air transport, information, intelligence and communications systems, cybersecurity, protection of critical infrastructure, border control and simulation.



DEVELOPMENT OF INTERNATIONAL MARKETS

The MANTA programme



Last year was characterised by budget-slimming that triggered a delay in various projects and fierce competition. Demand in Latin America, Asia and Europe has been key to keeping figures on track and offsetting the fall in demand in Spain.

Designing the future of tactical communications

In 2009, Indra consolidated its position in developing radio software communications technology, which is setting the stage for future military tactical communications worldwide. We play a significant role in the SOFT programme to develop the basic European radio software operating system and high-capacity radio for communications between land forces. This contributes interoperability, reduces costs and enhances communications, among other benefits.

The programme, which concludes in 2012, will provide solutions based on this technology. We have successfully completed the first phase and we hope to make a significant contribution to a technology with major potential to change and transform peace missions, that deploy many people and systems which need to be interconnected.

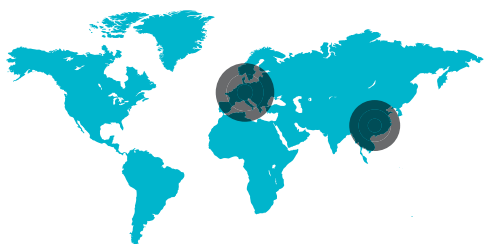
In tactical communications we are still developing innovative technologies for peace-keeping and protection of infrastructure and people. We have designed electro-optical systems to observe air fire that enable the source of shots to be located, a sound locator (HALO) to protect facilities and 360° vision equipment for panoramic surveillance observation from inside tanks.

New range in self-protection and unmanned platforms

The MANTA programme, launched in partnership with the Spanish Defence Ministry to protect aircraft and helicopters from infrared-guided attacks, has already passed all the operating tests on land. The system has performed according to expectations, and in-flight testing is therefore underway.

Our new range of products and services must be consolidated in 2010 in two pivotal markets: unmanned aerial vehicles (UAV) and NBC (nuclear, biological and chemical) protection against bacteriological threats. There is demand

The most notable international projects have been signed in China and Europe



for these protection systems worldwide as preventive equipment. We have consolidated our strategy to acquire UAV capacity and we have a system ready to be marketed. We have also developed a rotating wing programme for naval application in helicopters and civilian application, which has excellent future prospects.

Indra is the Spanish representative in the consortium that is developing sense avoidance, a collision avoidance system to enable UAVs to be inserted in air space. In early 2010, the European Space Agency (ESA) awarded us a contract to study integration of unmanned aircraft—so far mainly for military use—in civilian air traffic control using communication and navigation satellites. The report will be completed in 2011.

Technological alliances to respond to new challenges in the sector

In 2009, Indra and Cisco signed a Memorandum of Understanding to cooperate in the research and development of new solutions and technologies for security and defence, and specifically in technologies such as mobility, wireless networks, mobile data centres, Cisco's TelePresencia solution and IP surveillance. The two companies have been working together for close to fifteen years.

Technology for the submarine of the future

Indra has signed a cooperation agreement with Navantia to develop a simulator for the future S-80 submarine, which the shipbuilder is manufacturing for the Spanish Navy. This training system, which is likely to be launched in 2013, will allow all the features to be tested and enable users to perform virtual simulations. This is the first time Indra has cooperated in the design of a training system for an underwater craft. The project comes on the heels of the ones already assigned to Indra to introduce radar, electronic defence and identification systems in the S-80.

Moreover, Indra has signed a contract with the German Navy to provide two of its U212 submarines with a satellite broadband communications system that multiplies the normal transmission speed by more than 10. This new system will enable the submarines to transmit voice and data at periscope depth. This new contract is in addition to the one already in place for electronic defence systems. This, coupled with the contract for automatic Tiger helicopter maintenance systems also in 2009, are a notable boost to Indra's position in the German defence market.

At the cutting edge of simulation

We are highly active in the simulator business. In the last year, we have launched a simulation system distributed for the joint training of pilots from different bases. The purpose is for them to train together even while they are located

at different bases and to thereby improve their tactics and team coordination in missions.

In 2009, the ATR-72 passenger aircraft simulator came into operation, developed by Indra for GTA and including state-of-the-art technologies. It is the only one of its kind in Spain and the first Spanish simulator to obtain the top score from the European and Spanish civil aviation authorities in this category. The ATR programme, including the ATR-42 and ATR-72, forms part of the fleets of more than 100 airlines spanning the five continents.

In China, a contract has been signed with Hainan Airlines to supply two complete flight simulators, in addition to other recent projects in this country such as the air traffic surveillance and control system in place during the 2008 Olympic Games and the simulators for Air China.

In Europe, we have consolidated our position in Eurocopter, by adding to our current two projects a new simulator project for the AS-350, which is a strategic area for Indra.

We are developing new simulators for helicopters and taking positions in the pilot training school area. In 2009, we qualified for the first time to supply the US Army, making us eligible to obtain contracts for five years.

Internationally, we have performed air and ground simulation projects for Portugal, Italy, Venezuela, Germany, United Kingdom, United States, Turkey and Chile; in the civilian sphere, some notable projects were for Indonesia, Malaysia, Argentina and China, among other countries.

International references in countries with considerable future potential

Indra has won a contract to provide the aircraft carrier Sao Paulo, flagship of the Brazilian Navy, with an advanced satellite communications system.

Furthermore, our systems are starting to be installed in vessels belonging to the Indian Navy, which has extended contracts to include more equipment. These are electronic defence systems, that were developed in partnership with a local company.

Improving security in Portugal

In 2009, the Portuguese government awarded us a contract to develop and launch the surveillance and control system of its entire coast, which is more than 900 kilometres long. Indra will provide Portugal with an advanced system to improve security and response capacity in the event of emergencies, and will facilitate rescue missions. The project, probably the largest of its kind in Europe in terms of its geographical scope, comes on the heels of others we have recently implemented in Romania and Latvia and is a testimony to the quality of Indra solutions.

Furthermore, the Secretariat of State for the Portuguese Regions (Secretaría de Estado das Comunidades Portuguesas) in 2009 began using the system developed by Indra to locate citizens abroad and contact them where necessary to arrange their rapid evacuation. Using the portal secomunidades.pt, Portuguese

citizens can report their destination, identifying themselves and providing the names of contact persons, travel plans, journey and return dates, and other information. Accordingly, in the event of a critical situation they can be speedily returned to Portugal.

This application allows visualisation and generation of a geographic information system, evacuation itineraries linking each route to the kind of transport available, the number of people using it, duration and cost. It is also possible to access information concerning intervention forces in each territory, and the resources available to evacuate or protect persons. The process concludes with the subsequent graphic and orderly presentation of all the information concerning the operation.

FUTURE

Indra's objective in Security and Defence is to consolidate markets, grow in new areas, keep our range up to date and seek new customers and references.

We are working to increase our exposure to NATO, a leading reference in the technological systems market because of its contribution to peace-keeping and security missions worldwide. The incorporation of new countries will multiply the opportunities and open the door to new markets.

The simulator area is currently experiencing considerable growth, as it is applied to an increasing number of different activities. Simulators cut costs, allow testing, recreate situations and help in training. Demand is growing in helicopters, which are used more and more due to traffic congestion, in emergencies, surveillance, etc. In this segment, Asia and Latin America are Indra's main markets.

We are exploring new opportunities in Automatic Test Systems (ATS) and logistics systems in Latin America and Europe. In Argentina, for example, we have launched a radar maintenance project in partnership with local companies.

The remote detection market outside Europe is looking just as attractive. We see growth in demand for solutions in border defence, cartography, agricultural applications, image processes and systems, etc. Latin America and Asia are regions with good future prospects in this sphere.

AWARDS AND RECOGNITION

Award for the "Best Initiative in Information Security and Corporate Security" for the Incident Response Centre in Information Technologies (CERT) developed by Indra for Spain's National Communication Technology Institute (INTECO), granted by the review "Auditoría y Seguridad" published by Fundación para la Difusión de las Ingenierías Informática y de Telecomunicación (DINTEL).

ENVIRONMENTAL SUSTAINABILITY

CLIMATE CHANGE

Technology to study climate change



On 2 November, the SMOS satellite was launched from Russia's Plesetsk Cosmodrome. The satellite will provide data on ocean salinity and soil moisture levels. Based on these data, the scientific community will be able to better understand the planet's water cycle and its impact on global warming.

Indra's technology plays a key part in this environmental mission, since the company has spearheaded building of the satellite data processing centre.

As well as coordinating the industrial consortium and systems engineering activities, Indra has been directly responsible for a number of subsystems, including the satellite data reception station and the centre's nerve-centre, namely its recording, distribution, management and monitoring system.

Indra also coordinated development of the machinery necessary to process the information received, to measure radiation emitted by Earth and through which it is possible to gauge ocean salinity and continental soil moisture levels. The findings generated are filed, catalogued and distributed to the scientific community. This information will enable scientists to understand more precisely how the water cycle takes place on Earth and to learn more about ocean currents, which directly impact on climate and severe weather phenomena.

For the first time, the scientific community will have global data on salinity and soil moisture, systematic measurements that encompass the entire planet, rather than regional data hitherto compiled using ships or buoys. Furthermore, the data will be updated entirely every three days for at least the three years the mission is expected to last (it could be extended for another two years).

SOCIAL SUSTAINABILITY

R&D

European R&D to improve security



Indra heads the European Union's OPTIX project to develop new methods of detecting explosives remotely using optical technologies.

The OPTIX project is developing a system able to detect and identify traces of explosives at microgram level at a distance of 20 metres. This will enable security forces to avoid taking risks to determine whether, for example, a suspicious vehicle or object contains explosives or is merely a false alarm.

The phase of definition of requirements and functionalities has now been completed and in August the development phase is due to begin. The prototype will be operational at the end of 2010 and the tests will be conducted over the following two years.

The solution will be transportable and will use a high-energy multipurpose laser that will act on the suspicious material or object, exciting the substance and identifying its chemical composition.

The R&D project is based on the fact that when explosives are handled they always leave a residue. This makes it almost impossible to handle and transport them without leaving a trace, tiny traces that stick to the surfaces of objects in which they are carried, or the hands of the people handling or touching them. It is very difficult indeed to completely remove these traces, of around a millionth of a gram.

COMPREHENSIVE SOLUTIONS FOR THE AUDIOVISUAL BUSINESS

SYSTEMS FOR

200

MILLION MOBILE OPERATOR
CUSTOMERS

Solutions and services

Outsourcing
Business support systems (BSS), customer care, sales, loyalty, invoicing, payment collection, portals
Operations support systems (OSS), networking planning, network inventory, network O&M, interconnection, mediation
Management and support of audiovisual producers
DTT services
Satellite communications stations
IT infrastructure

SOLUTIONS AND SERVICES FOR

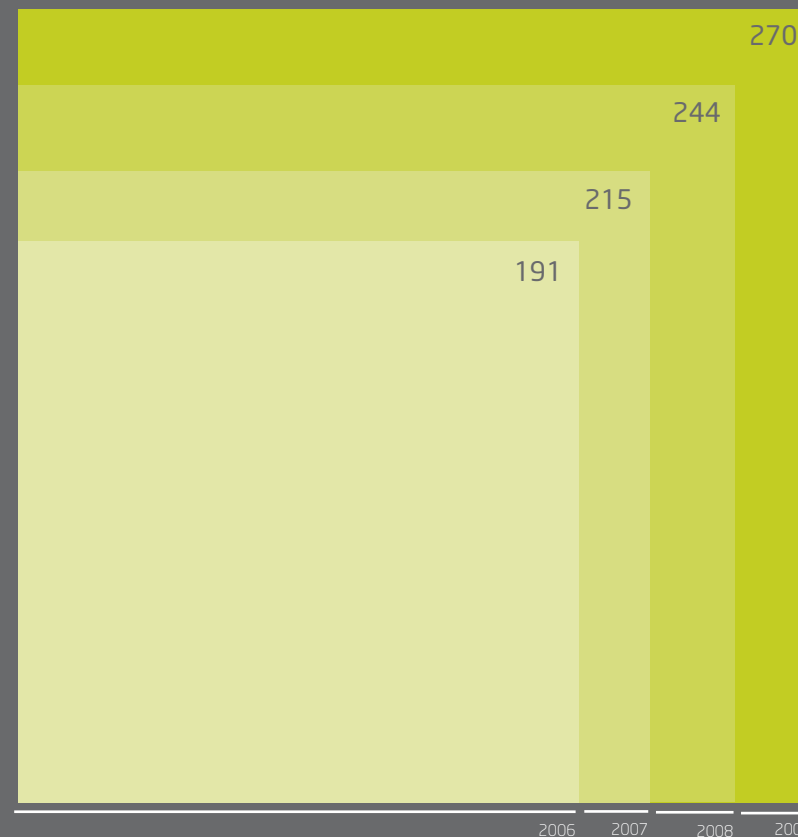
3 OF THE TOP 10

TELECOMMUNICATIONS
OPERATORS IN THE WORLD

Market trends

Convergence of services (fixed – mobile – xDSL).
Robust growth in mobile handsets and broadband.
Infrastructure transformation (migration to fibre optics, wireless and convergence of IP platforms).
Sophisticated customer management.
Cost rationalisation.
Consolidation of operators and centralisation of decision-making.

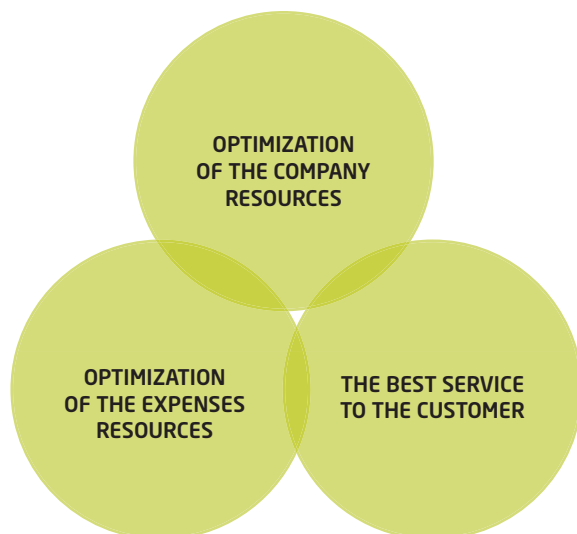
+11%
SALES GROWTH



CAPACITY FOR INNOVATION, EXPERIENCE AND KNOWLEDGE OF THE MARKET

More than 200 million customers of the main telecommunications operators use Indra technology every day. Our capacity for innovation, experience and knowledge of the market enables us to tailor solutions to meet operators' specific needs quickly and dynamically.

Drivers of Indra's activity in Telecom Projects



Using the company's resources better, optimising costs and providing better customer service are three of the central axes of activity in telecommunications projects. Throughout 2009, we have cemented our position in Latin America, where Indra is supplier to some of the leading companies in the sector, and we are still making sound progress in the tough European market.

Strength in Latin America

The rapid growth in telecommunications in Latin America has made us a reference supplier for any technological project of a significant scale. The Telefónica group has reiterated its confidence in Indra by awarding us the maintenance blocks of applications for its fixed and mobile operators in Latin America. These are maintenance services for all the supply, business intelligence and management systems, of all fixed and mobile operators belonging to the Telefónica group in the region, and it represents exponential growth in Indra's business with these customers.

This project is supplemented by the one commissioned by VIVO (Brazilian mobile operator, with more than 47 million customers) to implement Siebel as its customer care framework in the business segment. VIVO is the largest company in the sector in Latin America. In the sphere of customer care, we previously performed the customised development and integration of its unified CRM system. As well as maintaining customer care systems, Indra conducts maintenance and development of integration systems, number management, SIM card management, economic-financial management, logistics and sales at proprietary stores for VIVO.

Progress in Europe

We have strengthened our position in the Czech Republic, where we gained a foothold little more than a year-and-a-half ago, with the new applications maintenance contract signed with O2. This agreement is in addition to the projects we have already developed for this O2, and it covers maintenance of the business intelligence systems and trouble-shooting portals. We



The rapid growth in telecommunications in Latin America has made us a reference supplier for any technological project of a significant scale.

PRISA

Indra has been awarded a seven-year contract to develop and manage the information technology function at the Prisa group worldwide. This service covers the audiovisual, radio, press and magazines, advertising and publishing sectors in the 22 countries where Prisa operates. The agreement makes us a technology partner for the group worldwide.

hope to continue to strengthen our position in Eastern Europe and to gain the trust of new customers.

Innovation for the media

Indra has been awarded a seven-year contract to develop and manage the information technology function at the Prisa group worldwide. This service covers the audiovisual, radio, press and magazines, advertising and publishing sectors in the 22 countries where Prisa operates. The agreement makes us a technology partner for the group worldwide.

Accordingly, Indra will provide corrective and developmental maintenance services and will devise new projects resulting from the development of this media group's business. Furthermore, Indra will deal with the management and maintenance of Prisa's IT infrastructure.

This contract strengthens our position in this sector, where we already provide services to other major media groups, such as Antena 3, Telecinco, Vocento and Unidad Editorial.

Notably, we have been involved in creating a technological hub of interactive applications for all kinds of digital environments in Montevideo, the development of 3D television, a customised advertising system via mobile telephony and a multi-support search engine for smart processing of text and images.

Innovation is the common denominator of the most significant projects in this area. Indra is interested in further exploring projects relating to research in signal coding and processing to enable broadcasting of high-definition three-dimensional (3D-HD) content over existing networks, as well as studying alternatives for the distribution of multimedia content and, more specifically, personalising content and advertising, both in linear channels and Video on Demand (VoD).

Examples of the initiatives developed in these areas are: CELTIC, for studying distribution of customised content according to user preferences; Buscamedia, to develop a semantic multimedia search engine; Web N+1, to develop applications that allow content capturing, management, search and interaction; Desso, for the distribution of multimedia content via satellite; Deseco, to provide television in mobile environments; and Movilidad Interactiva, to customise advertising. This kind of initiative will contribute to improving accessibility, boosting citizen participation, closing the digital gap and building a better-informed society.



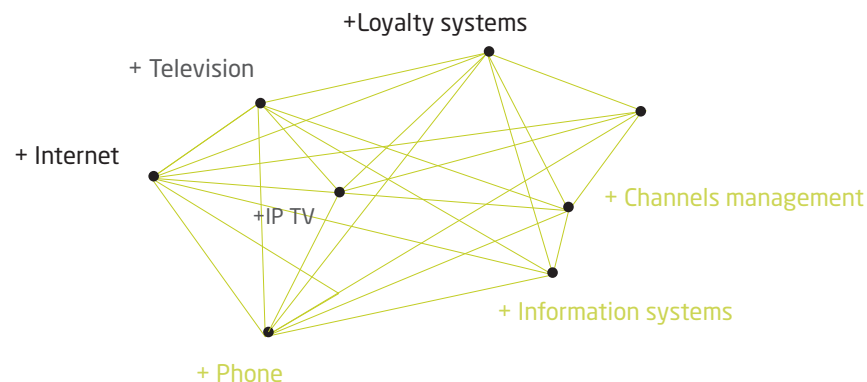
Indra and RNE successfully overcame a challenge of historic proportions: the first radio programme broadcast from a submarine.

Communications at below sea level

Indra and RNE successfully overcame a challenge of historic proportions: the first radio programme broadcast from a submarine. At a depth of 14 metres, the team of España Directo broadcast their entire programme live from the Spanish Navy's Siroco S-72 submarine. The project was made possible by Indra's satellite communications terminal, developed

in partnership with Madrid's Universidad Politécnica. This system has made the Spanish Navy's S-70 into one of the first conventional non-nuclear NATO submarines able to establish X-band military satellite communication.

Convergence



FUTURE

We think there are major growth opportunities in markets like Latin America and Eastern Europe, where we have accompanied our customers in their internationalisation processes and where, as a result, we already have significant references to back our proven track record in both telecommunications and media. Furthermore, these are relatively less mature markets than Europe or North America and, therefore, they offer more growth potential. To respond to the challenges in these regions, it will be increasingly necessary to offer integrated services, and Indra is one

of the most appealing technological partners possible because of our experience and our varied range of solutions and services, in both telecommunications and digital television.

In particular, IT outsourcing by the Prisa group, which has placed its trust in Indra as its supplier from now on, has led us to further develop our solutions and services for media customers and, as a result, has underpinned our capacities in Latin America.

ECONOMIC SUSTAINABILITY

TELYCO

Commercial risk management



Telyco, which belongs to the Telefónica group, will conduct credit risk control and verification at its commercial business and will be able to calculate estimated losses and assess risk using this new tool implemented by Indra.

The tool, which Indra developed using the SAP R/3 platform, automates management, calculation and assignment of the customer's purchase capacity, minimising manual data input and processing. The system analyses all commercial activity of customers and, together with the rest of available information, proposes a specific risk result.

In order to evaluate the company's overall risk, the new functionality enables it to calculate expected losses, the severity of losses from

the perspective of unrecovered bad debt in the event of default, and lastly the risk assessment of the company.

Because the parameters influencing the process of obtaining purchase capacity and credit quality evolve daily at each customer, the tool is equipped with automatic online updating mechanisms. Furthermore, the system sends out alerts to the credit manager in the event that any previously-defined situations should occur.

SOCIAL SUSTAINABILITY

PORTABILITY

Simpler portability of mobile number



At Indra we will develop and manage the new platform to facilitate portability. At present, when users want to switch operator, they must request portability of their number from the previous operator and the rest of operators must update their records.

With the new model we will launch, the operator will only need to contact the central node or registry, which will make the number available and facilitate all the other necessary changes.

The Fixed Reference Entity (Entidad de Referencia del Fijo) which manages fixed telephony portability, and the telecommunications watchdog (Comisión del

Mercado de Telecomunicaciones - CMT) may also consult the records. The project was commissioned to Indra by the Association of Operators for Mobile Portability (Asociación de Operadores para la Portabilidad Móvil).

According to 2008 data, 14 million users changed operator in that year. For Indra this is a milestone project, since the more than 14 million users that have switched mobile operators place Spain at the top of portability rankings in the EU.



YES

TO TALENT

Indra's commitment to sustainability translates into using innovation to respond to the challenges and opportunities established by each of its stakeholders: shareholders, employees, customers, suppliers, environment, knowledge institutions and society at large.

Shareholders
Employees
Customers
Suppliers and Partners
Environment
Knowledge institutions
Society



TRANSPARENCY
AND RIGOUR

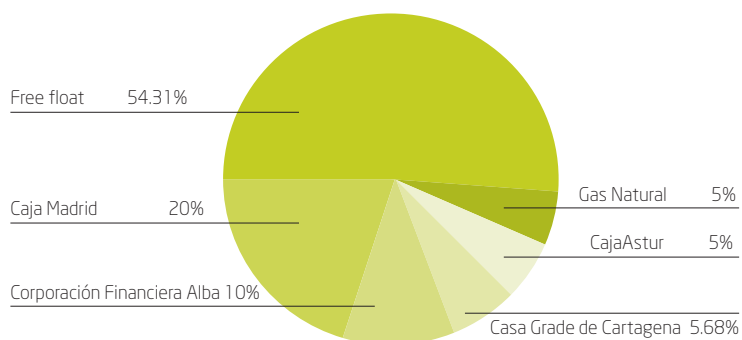
2ND European IT services company
by market capitalization at the
close of 2009

€2,702M

Market capitalization
totalling at 31
December 2009

Shareholders	N ^o of shares	% of Share Capital
Caja Madrid	32,831,856	20.00
Corporación Financiera Alba	16,413,254	10.00
Casa Grande de Cartagena	9,329,794	5.68
Gas Natural	8,206,627	5.00
CajaAstur	8,212,805	5.00
Free-Float	89,138,203	54.31
TOTAL SHARES	164,132,539	100.00

Ownership structure at 31 December 2009 (% of Share capital)



Indra is fully aware that responsibly managing its relationships with shareholders and investors is a pillar of its economic sustainability since, without shareholders, Indra would lack the capital resources necessary to conduct its business.

Accordingly, the company aims to cement long-term relationships with shareholders and investors and understands that this inevitably involves winning investors' trust, especially in terms of a solid and sustainable business strategy that ensures the company's growth; a competitive remuneration policy that rewards the trust placed in it; a transparent, truthful and rigorous disclosure policy; and a corporate governance regulation that ensures good governance.

A business strategy that ensures sustained and sustainable growth

In a year in which the computer services market contracted, Indra continued to outperform its competitors based on a differentiated business strategy that focuses on innovation, talent and sustainability. This way, the value of our company continues to grow.

Stock market performance and remuneration policy

At 31 December 2009, Indra's share capital totalled €32,826,507.80, fully subscribed and paid up, and represented by 164,132,539 ordinary shares, each with a par value of €0.20, and all belonging to the same class. All the shares are admitted to trading in the four Spanish stock markets.

The ordinary shares have been trading in the Continuous Market since 23 March 1999, in the Electronics and Software segment of the Information and Communication Services sector. Similarly, since 1 July 1999, Indra has been listed on the Ibex 35 selective index, which includes the thirty five most representative listed Spanish companies, in terms of both market capitalisation and liquidity. At 31 December 2009, Indra's weighting on the Ibex 35 was 0.67%

Furthermore, on 14 April 2000, Spain's official equity trading platform, MEF Rent Variable, began trading call and put options on the company's ordinary shares.

Finally, Indra is listed on major international indices, such as the MSCI IT index (since July 2003), a key reference for institutional investors in the sector, the FTSE eTX, which includes the main European technology securities, and the Dow Jones STOXX Broad Market Indices, which include the top European listed companies. Likewise, since 18 September 2006, Indra's shares have been trading on the Dow Jones Sustainability World Index (DJSWI) and the Dow Jones STOXX Sustainability Index (DJSI STOXX) which select those companies that make the greatest effort to adjust their activity to sustainability criteria from among the best companies in the world and in Europe, respectively.

Ownership structure

(at 31 december 2009)

The company does not keep a nominal register of its shareholders, so it only knows the composition of its ownership structure through the information they submit to it directly or publish in application of legislation concerning

significant shareholdings (which, generally speaking, obliges shareholders to report shareholdings in excess of 3% of total share capital), and through the information provided by the Spanish central securities depository, clearing and settlement company Iberclear, which the company compiles ahead of its General Shareholders' Meetings.

Accordingly, based on the information available to Indra, at 31 December 2009 its main shareholder was Caja Madrid, with a 20% stake, followed by Corporación Financiera Alba, with a 10% stake, Casa Grande de Cartagena with 5.68% and CajAstur, with a 5.00% stake. Furthermore, according to the records held by the Securities Market Commission (Comisión Nacional del Mercado de Valores - CNMV), Barclays Bank and Fidelity International Ltd reported, on 21 November 2005 and on 11 December 2009, holding stakes of 5.15% and 2.013%, respectively

Distribution of capital

The distribution of share capital by tranche, in accordance with data from the General Shareholders' Meeting held in June 2009, is as follows:

Number of ordinary shares hold by shareholders	Shareholders	Total shares	Shareholding
Up to 500	57,530	8,031,402	4.89%
From 501 to 2.000	6,461	6,551,367	3.99%
From 2.001 to 5.000	1,283	4,011,980	2.44%
From 5.001 to 10.000	435	3,093,860	1.88%
From 10.001 to 20.000	219	3,177,290	1.94%
From 20.001 to 30.000	84	2,054,771	1.25%
From 30.001 to 50.000	62	2,317,580	1.41%
From 50.001 to 100.000	67	4,906,708	2.99%
From 100.001 to 500.000	67	12,528,032	7.63%
From 500.001 to 2.000.000	23	21,509,761	13.11%
More than 2.000.000	9	95,949,788	58.46%
Total	66,240	164,132,539	100.00%

At 31 December, treasury shares totalled 866,640, representing 0.53% of the total shares in the company.

Stock market indicators

The main stock market indicators in the period were as follows:

MAIN STOCK MARKET INDICATORS IN 2009

Total number of shares (31-12-2009)	164,132,539
Number of free-float ordinary shares (31-12-09)	89,138,203
Nominal value of each share	0.20 €
Average daily trading (Number of shares)	1,074,672
Average daily trading (thousands of euros)	16,885
Trading days	254
Trading frequency	100%
Minimum daily trading (in shares) (25 May)	248,567
Maximum daily trading (in shares) (2 July)	28,010,175
Total effective trading	€4.288M
Total trading in the year (in certificates)	272,966,647
Total trading vs. total ordinary shares	166%
Total shares traded vs. ordinary free float	306%
Minimum price in the year (6 March and 21 April)	€13.77
Maximum price in the year (21 September)	€17.65
Year-end price (31 December)	€16.46
Average price	€15.75
Market capitalisation at 31 December	€2,702M
Earnings per share (EPS) (in euros)	1.214
Cash flow per share (CFPS) (in euros) (1)	2.059
Carrying amount per share (CAPS) (in euros) (1)	5.953
Price/EPS (P/E) (2)	13.55
Price/CFPS (P/CF) (2)	8.00
Price / Carrying amount per share (CAPS) (2)	2.76
EV/Sales (3)	1.13
EV/EBITDA (3)	8.66

(1) Based on the total number of shares in the company: 164,132,539 shares

(2) Based on the price at 31 December 2009

(3) Based on enterprise value (EV) at year-end: market capitalisation at 31 December 2009 + the company's net debt on that date (€134.6M).

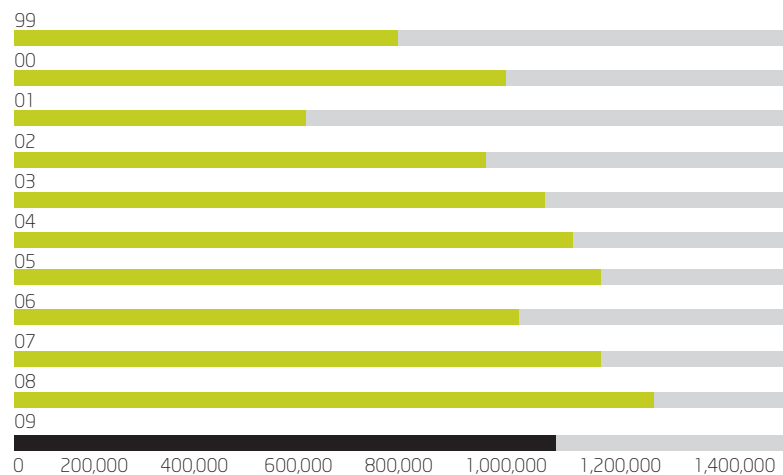
Trading volume

Trading frequency was 100% throughout the year (254 days). Average daily trading was 1,074,672 shares, 13% lower than the previous year.

Furthermore, with regard to volume of options traded on Indra shares on the MEFF Renta Variable market, in 2009 there were 37,520 contracts, each of 100 options, of which 22,564 were call options and 14,956 put options.

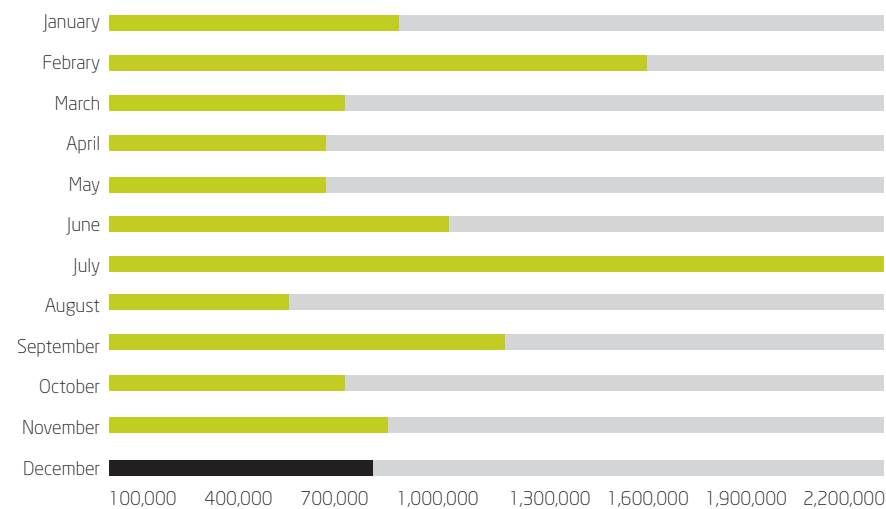
In 2009, 272.9 million shares were traded in the market, equivalent to 1.66 times the total number of ordinary shares and 3.06 times ordinary free float. Effective trading totalled €4,288M, 19% lower than in the previous year. Average daily volume and the monthly performance in 2009 are shown in the following chart:

Average daily trading volumen (shares)



The figure for 1999 is for the period April- December, and excludes the extraordinarily high trading volume in the week following the IPO (23-30 March 1999), which distorts ordinary volume.

2009 Average daily trading and monthly evolution



Indra's share performance

The following table shows Indra's maximum, minimum, average and final monthly share prices for each month of the year, and the chart below depicts overall share performance during the year:

Indra: monthly share performance

	Min	Max	Ave	Month / end
Jan	15.51	16.88	16.04	15.75
Feb	14.05	16.37	15.36	14.45
Mar	13.77	14.81	14.28	14.52
1st Q	13.77	16.88	15.23	
Apr	13.77	15.02	14.46	15.02
May	14.94	16.44	15.63	16.09
Jun	14.65	16.02	15.21	15.42
2nd Q	13.77	16.44	15.10	
Jul	15.20	16.18	15.70	16.12
Ago	16.00	16.63	16.32	16.55
Sep	16.19	17.65	16.97	17.04
3rd Q	15.20	17.65	16.33	
Oct	16.01	17.36	16.82	16.01
Nov	15.57	16.73	16.17	15.82
Dec	15.75	16.46	15.99	16.46
4th Q	15.57	17.36	16.33	

Not including intraday prices

Information for net wealth tax return:
The average share price for the final quarter of 2009 was €16.36 (as published in the Official Spanish Gazette Number 50, dated 26 February 2010).

2009



Source: Bloomberg

Indra and the sector

Following the turmoil that hit the financial markets and the global economy in 2008 and early 2009, stock markets welcomed the stabilisation of the financial and banking markets and the steady improvement in worldwide economic expectations as 2009 progressed. Against this backdrop, the leading global stock markets closed 2009 with overall gains of more than 20%, although they did not recover to pre-crisis levels.

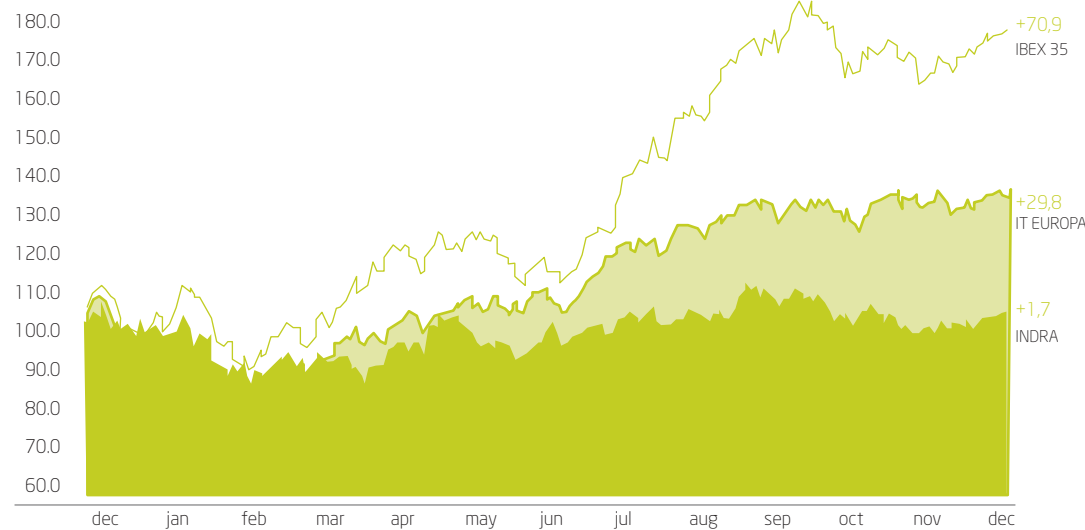
As a cyclical sector, the computer services industry was not immune to this expectation of economic recovery, as evidenced by one of the main industry indices, the FTSE eTX, which in 2009 gained a massive 48%.

After closing 2008 on a relatively positive footing, with respect to both the Ibex and the European technological sector, Indra's shares closed 2009 up 2%, evidencing its defensive nature.

At 2009 year-end, Indra's share had soared by 268% since the IPO (22 March 1999), vs. a 20% gain by the Ibex 35. The average stock market value of European IT companies was down 7% in the same period.

The chart below shows Indra's performance compared to the IBEX 35 and the European computer services companies' average (baseline 100).

2009



Source: Bloomberg

Dividend in the year

The dividend proposed by the Board of Directors for approval at the General Shareholders' Meeting is 8% higher than the ordinary dividend charged to earnings in the previous year. Accordingly:

Dividend per share charged to 2009 earnings

Gross dividend per share	0.66
Increase vs. gross dividend per ordinary share in 2008	8%
% net profit or EPS (payout)	55%
Dividend yield	4%

Relations with shareholders and investors

In 2009, Indra further implemented an active communication policy in order to ensure the utmost transparency and disclosure to financial markets, making a number of presentations to institutional investors and analysts in Spain, elsewhere in Europe and the United States. We visited 380 investors during the year, 8% more than in the previous year.

At 31 December 2009, a total of 29 institutions that actively and recurrently performed stock market coverage analyses of Indra, of which 16 were international institutions. Furthermore, in December 2009, 31% of stock market research entities held a "buy" recommendation, 41% had a "hold" recommendation and 28% a "sell" recommendation. The average target price among the 28 analysts at the end of the year was €17.83, representing 8.3% upside vs. the year-end share price.

In order to respond to all enquiries and requests for information from our shareholders, Indra has a dedicated department, its Shareholders Office (telephone number: (++) 34 91 480 9800, accionistas@indra.es). In 2009, this service dealt with 1,410 enquiries concerning a variety of themes related to the company's business, growth prospects, dividends, the Shareholders' Meeting, share price, etc. Furthermore, the Shareholders Bulletin (Revista del Accionista) has become increasingly important as a communication medium aimed specifically at minority shareholders.

In the "Shareholders and Investors" section of our website www.indra.es, as well as the content required under CNMV Circular 1/2004, dated 17 March, in application of the Transparency Act, we include other useful information for shareholders and investors, such as the possibility of subscribing to a mailing list. Subscribers periodically receive from the Shareholders Office all information published externally by the company: press releases, communiqués, significant events, financial results and the annual report.

In this "Investor Relations" section of the website, we provide shareholders with permanent, updated and detailed information about the company:

- Key figures, financial and stock market data.
- Corporate governance information.
- Quarterly financial statements in user-friendly PDF and Excel formats.

- Dividend information.
- The latest presentations to investors and analysts.
- The investor calendar, including the annual schedule of events arranged with analysts and investors and projected quarterly earnings publication dates.
- Analysts' recommendations on Indra, including their latest reports.
- Information regarding the next General Shareholders' Meeting and meeting held over the last few years and the possibility, when the time comes, of following meetings online.
- The Annual Report, in user-friendly interactive and PDF formats.

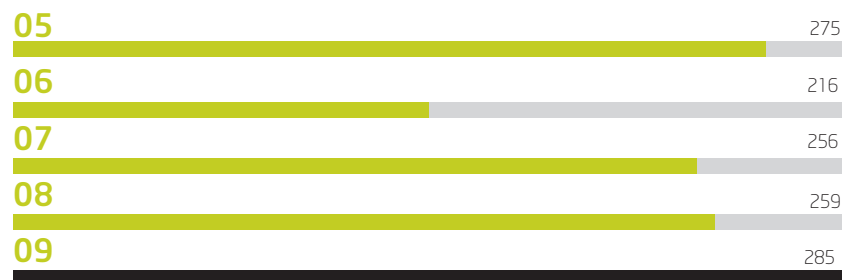
Furthermore, Indra belongs to the Spanish Association for Investor Relations (Asociación Española para las Relaciones con Inversores - AERI), as part of its policy to ensure best practices in communications with shareholders and with the financial community as a whole.

Award for the Spanish company with the best online financial information

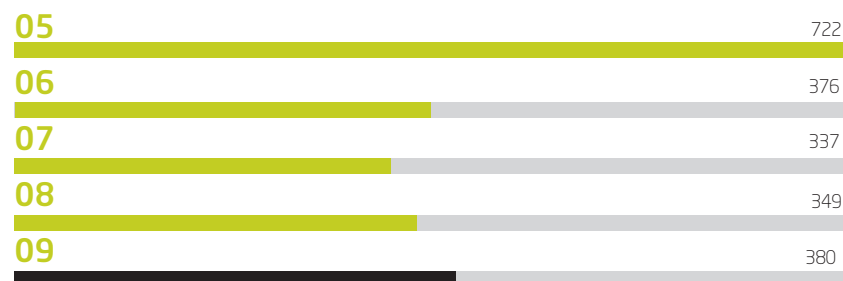
The Spanish Association of Accounting and Business Administration (Asociación Española de Contabilidad y Administración de Empresas - AECA) awarded Indra an honourable mention as the Spanish company with the best online financial information in 2009, in the IBEX-35 companies category.



One-on-one meetings



Visits with institutional investors in the year



Indicators	2005	2006	2007	2008	2009
Number of telephone enquiries addressed by the Shareholders Office	2,308	2,183	2,299	2,052	1,410
Number of institutions tracking Indra in the year.	41	31	27	29	29
Number of international institutions tracking Indra in the year.	24	20	15	16	16
Number of analysts' reports	118	126	225	306	241
Number of research institutions that closed the year with a positive Buy recommendation.	12	16	20	15	9

Transparent, truthful and rigorous information

Indra's long-standing commitment to transparency in disclosure means that the company now has a number of different channels enabling it to offer a substantial amount of information to its shareholders and investors. Furthermore, these channels are adapted so as to meet the information requirements of various investor profiles, from small shareholders to institutional investors:

- Website: An award-winner for the quality of the financial information it contains, this is our main window of communication with shareholders and investors.
- Shareholders Office: The contact channel for all kinds of shareholders and investors, to deal with any kind of enquiry.
- Shareholders Bulletin: Specially designed for minority shareholders. (<http://www.indracompany.com/en/accionistas/revista-del-accionista>)
- One-on-one meetings
- Visits with institutional investors

Good governance: the basis of sustainable development

Indra has a set of internal standards and regulations, adapted to the best practices in corporate governance and designed to ensure the good governance of the company (www.indracompany.com/en/accionistas/regulations).

- General Shareholders' Meeting Regulation (updated in June 2007)
- Board of Directors Regulation (updated in December 2007)
- Internal Code of Conduct in Matters Relating to the Securities Markets (updated in December 2009)
- Bylaws (updated in June 2008)

From the outset, Indra has always taken on board the requirements of the Unified Code on Good Corporate Governance. Accordingly, in 2009 we made further headway in compliance with the guidelines of this Code, submitting our remuneration policy report for approval as a separate item on the agenda.

Indra is also working to make the structure of its governing bodies help the company to grow (www.indracompany.com/en/accionistas/organos-de-gobierno). In particular, we are paying special attention to fostering gender diversity in the Board of Directors. For Indra, diversity is a lever of innovation, at Board level too, and it is therefore a factor that generates competitive advantages for the company. In this connection, Indra is one of the Spanish companies with the largest number of female independent directors. The three female independent directors on the Board together represent 20% of Board members, and 43% of independent Board members.

TRANSPARENCY

TRANSPARENCY

ONE OF THE MOST TRANSPARENT COMPANIES
IN SPAIN

Indra ranks fourth among the most transparent companies in Spain, according to a study made by business magazine Actualidad Económica and PricewaterhouseCoopers.

The study, which analysed the transparency of 136 listed Spanish companies, assesses their transparency with regard to 28 variables, including disclosure to the market, strategic objectives, customer management, innovation and intangible fixed assets, or information on risk control and management policies.

Indra obtained the highest possible score in the variables of transparency with regard to corporate strategy and organisation, the multi-year series of key indicators and the degree of compliance with corporate governance recommendations outlined in the Conthe Code, among others.

In 2010, we will work on:

- Implementing actions to improve the exchange of knowledge and innovation with shareholders.
- Continuing to introduce best corporate governance practices.
- Continuing to improve transparency.

CORPORATE GOVERNANCE

PERSEVERANCE

Constant adaptation and ongoing improvements in our governance standards

As established in Article 20.4 of the Board of Directors' Regulations, the Appointments, Remunerations and Corporate Governance Committee is required to report to the Board in regard to the efficiency and compliance with the company's good governance standards and procedures, proposing, in the event, any necessary changes. In 2009, as a result of the evaluation of efficiency and compliance with good governance standards and procedures at the company, its Internal Code of Conduct in Matters Relating to the Securities Markets was revised to bring it in line with the most recent standards, interpretative criteria and practices among Ibex 35 companies. This review concluded with approval by the Board in its December meeting of a text that entered into force on 1 January 2010.

Furthermore, in 2009, following a favourable report by the Audit and Compliance Committee, the Board of Directors approved a new Code of Ethics and Professional Conduct to replace the one introduced in 2000. As part of this new Code of Conduct, in accordance with the provisions of the Board of Directors' Regulations concerning compliance with the guidelines established in the Unified Code on Good Corporate Governance, the Board approved the launch of a confidential communication channel to enable employees to report irregularities and submit enquiries regarding other matters in relation to the application of the Code of Conduct. The channel is known as the Direct Channel. We have set up a Monitoring Committee to interpret the Code of Conduct.

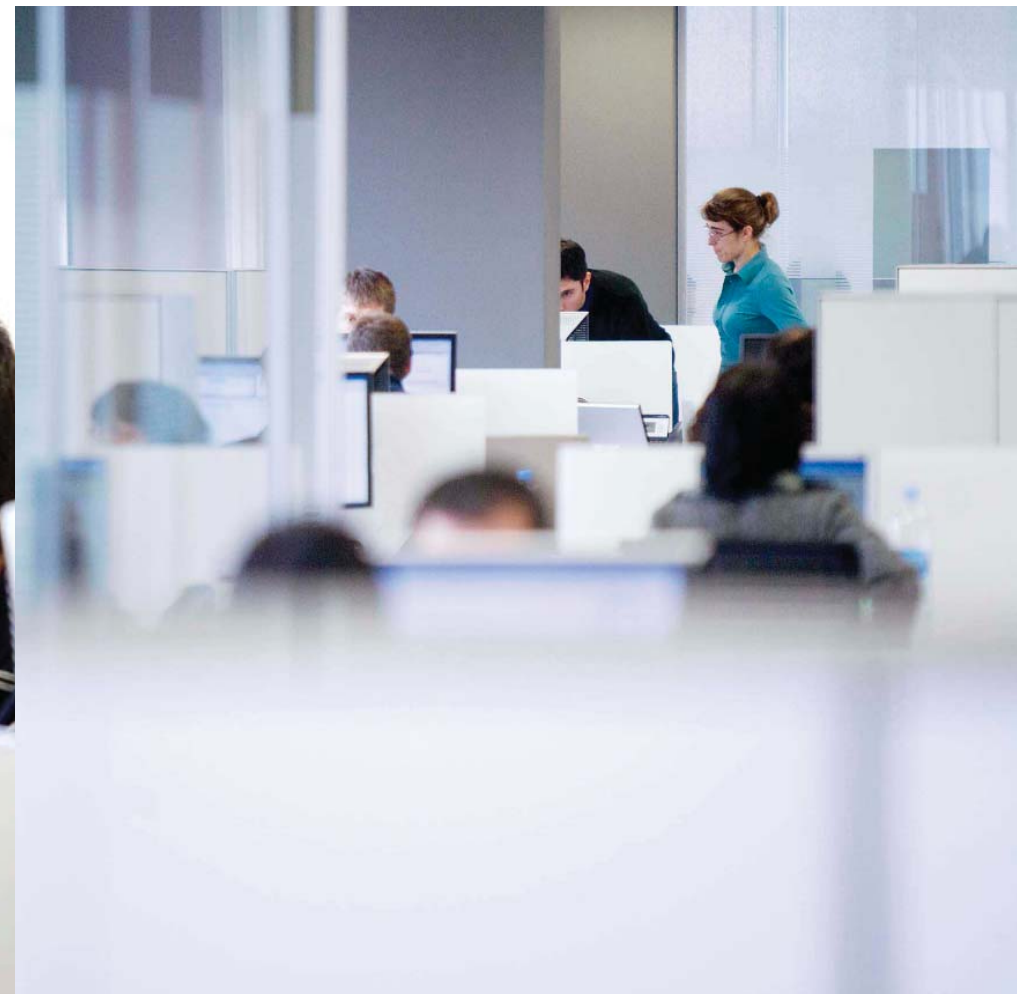
SUSTAINABILITY

RESPONSIBILITY

Responsibility in the Board of Directors

- Approval of the Annual Report entitled "Indra, Sustainable Company".
- The Board is informed of the renewal for the fourth consecutive year of Indra's membership of the Dow Jones Sustainability Indexes.
- The text of the new Code of Ethics and Professional Conduct is presented to the Board, having been previously reviewed by the Audit and Compliance Committee.
- The Board is notified in regard to the various awards and prizes received by Indra in 2009 relating to corporate reputation.
- Assessment of the internal Corporate Governance standards.
- Reform of the Internal Regulation Concerning Matters Relating to the Securities Market.
- Presentation of risk map, risk management and policy with regard to insurance.





OUR PROFESSIONALS ARE THE KEY
TO ONGOING GROWTH

+26,000
professionals*

83%
are graduates or highly
qualified personnel**

* Scope: Indra Sistemas and all subsidiaries, joint businesses and associated companies.

** Scope: 89% of the workforce

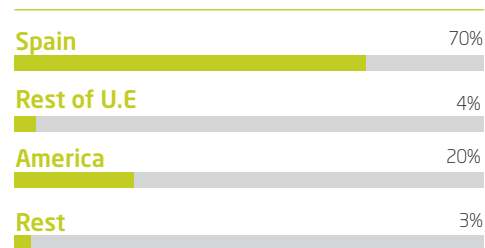
INVESTING IN THE TALENT OF OUR PROFESSIONALS WILL HELP US DEVELOP NEW SOLUTIONS AND SERVICES AND OPERATE IN NEW MARKETS

The road to success is paved with uncertainty. But we at Indra are convinced that investing in the talent of our professionals will help us develop new solutions and services and operate in new markets, which will afford us a more stable future and the capacity to keep growing. That is why recruiting, developing and keeping talented professionals is a fundamental part of Indra's sustainability and it is therefore a strategic priority. At Indra we rely on highly-committed and motivated professionals who are open to change and have the capacity to learn.

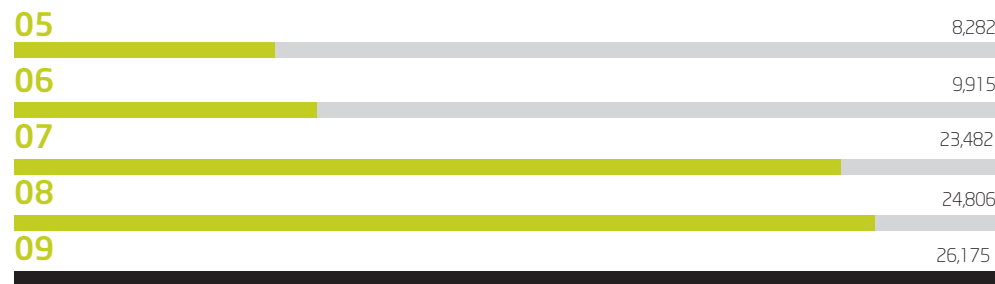
Percentage of men/women

64/36

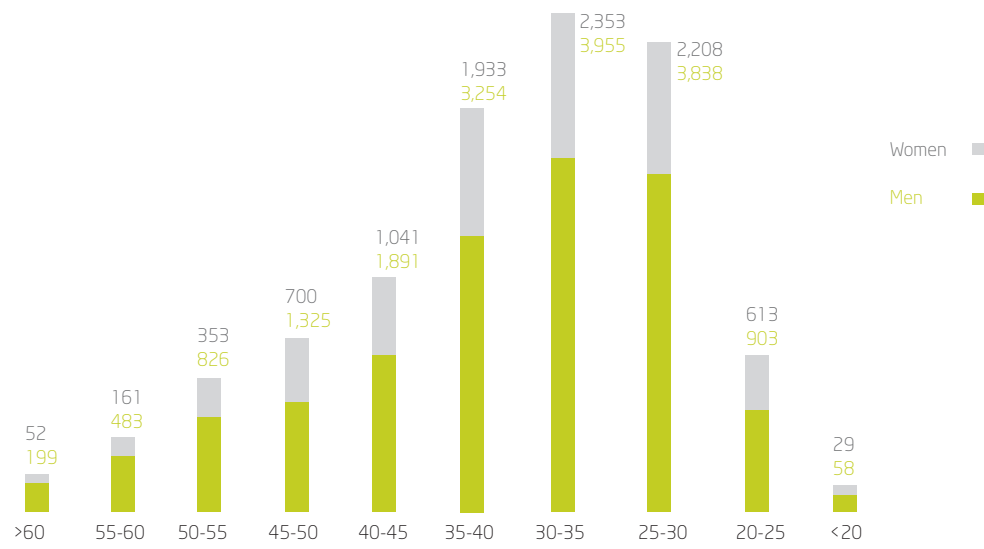
Breakdown of professionals by geographical area (%)



Total workforce



Breakdown of professionals by age and gender



1. ATTRACTING 2. DEVELOPING 3. RETAINING

Atracting talented professionals. We continue to grow

Despite the tough economic environment in 2009, attracting talented professionals is still a priority for the company. Only with the very best talent will we be able to pursue the commitment to innovation which guarantees Indra's sustainability. Consequently, in 2009 our workforce totalled 26,175, compared with 24,806 in 2008.

Indra is seen as an attractive and appealing employer for a large number of young professionals who list our company as one of their favourites. In this connection, we have implemented a number of measures and programmes aimed at making Indra known among knowledge institutions where we can recruit the most talented people.

We have been present in universities and business schools that train top professionals and we have been involved in employment forums, round tables and trade fairs, as well as deploying other strategies like sponsorship, cooperation and agreements with universities, research scholarships, etc.

At the same time, we know that our diversity policy is vital to attract talented people wherever they are to be found. That is why we have made further headway in recruiting talented people abroad and today 27% of Indra's professionals work outside Spain.

Indra's total workforce 2009

26,175

Indra's professionals work outside Spain

27%

Welcoming talented professionals

In 2009, we launched a Welcome Portal via our corporate intranet. This is an area with practical information about the company to make life easier for new recruits.

The Portal offers an introduction to Indra, its brand, its values, its organisation and structure and how it operates. It also provides information on procedures for new recruits, how to obtain security passes, etc. and at the same time helps familiarise our new professionals with internal policies in regard to training, professional development, benefits, etc.



bienvenida.indra.es

Activities designed to strengthen Indra's position as an employer

Profiles without experience

- | | |
|--------------------------|--|
| Proactive relationship | > Agreements with the major universities |
| Universities and schools | > Research professorships and specific collaboration agreements |
| Renowned business | > Speakers and sponsors of various prestigious employment and Masters programs |
| Participation | > Institutional events |
| Main forums | > Agreements with main employment agencies and social networks on internet |

Profiles with experience

- | | |
|-----------------------|---|
| Direct search | > Direct business references |
| Specialised companies | > Global partners for senior and management positions |
| | > Local or niche companies for the remainder |

1. ATTRACTING **2. DEVELOPING** 3. RETAINING

Developing the talent

Developing the talent already existing at Indra is another key aspect of our company which comprises a variety of professionals, mostly knowledge workers, who demand a new approach to human resources management.

Consequently, in this sphere the Indra Talent Management model is based on four main pillars:

- 1.** Knowledge: all our professionals must have a high standard of technical preparation at the organisation's disposal.
- 2.** Action: knowledge must always be oriented towards action, otherwise it will be of little use.
- 3.** Social: professionals' social relations must be excellent when it comes to relating to the various stakeholders
- 4.** Individual: we must nurture the values inherent to each person.

This model approaches the development of professionals in a comprehensive manner, contributing elements that transcend individuals' growth as professionals.

Our Global Talent Management

Programme is an innovative model for developing skills based on three principles: team learning, viral marketing and cost economy

Professionals that have been promoted

13%

focused on the development of professionals within the organisation. It has the singular feature that some of the participants eventually become leaders in their own right with the capacity to train new participants.

The Selective Talent Management

Programme focuses on professionals with especially high potential, and it is structured into groups, each with individualised monitoring. The programme envisages four years of ongoing training to provide the tools necessary to develop new skills and hone those already acquired.

Within this sphere, in 2009 we launched the **'Desarrolla Tu Talento' (Develop Your Talent)** programme, consisting of a space accessible to all professionals from Indraweb and devised to cultivate the skills of the people working in our organisation. Among other initiatives, "Nurture Your Talent" includes the publication of summaries of books that enable people to learn and reflect on questions of practical application to improve professional activity and personal skills. Professionals may also subsequently participate in debates on the content of these books.

A developing training model

In line with the idea of nurturing our company's talent, and in keeping with Indra's international profile and new business and project needs, at Indra we have renewed our Training Model.

The new model is universal and caters for all the different training requirements and learning interest areas, in terms of both skills and technical

and functional competencies, and it is linked to employees' demands, responsibilities and tasks, as well as their professional track record.

The advantages of this revamped model are its national and international aspects, the fact that it takes into account diversity, its cultural integration, its ability to foster the concept of learning community, its use of Indra's experience and knowledge, universality and intensification, the way it taps into new technologies and its tendency to foster transversality and versatility.

The Model envisages five kinds of training or ways of acquiring skills and technical and functional competencies: core training, recommended training, open catalogue, additional training and supplementary learning resources.

It also envisages structured and modular training and offers training itineraries that are conceived as a mixed methodology combining in-class modules with online modules supported by the training portal and organised into communities. Virtual learning communities are thematic and focus either on their target audience or the themes and content they discuss.

The Career Management Process: a tool for professional and corporate development

Indra's Career Management Process is a key tool for personal development and an integral part of the Human Resources Management model.

The Career Management Process has three kinds of beneficiary:

- The people evaluated, who learn which aspects are most highly valued by the company for their

professional development, their managers' expectations regarding their performance and their strengths and areas where they may improve, as well as specific measures to be implemented to foster their development.

- Managers, because the process enhances communication with their teams, encourages reflection on their managing methods and facilitates the transmission of individual objectives and team targets, thereby enabling managers to work with teams that are motivated by specific career plans.
- The organisation, which has an opportunity to evaluate people in the short, medium and long term and define each individual's contribution, enabling it to pinpoint those who need improvement in specific areas, detect potential and plan management teams in the medium term.

The Career Management Process comprises three components:

- Performance evaluation: this takes place annually and in accordance with the professional performance goals set.
- Progress in individual roles: comparing the person's profile with their role.
- Career projection: establishing career development based on the projections derived from the previous phase.

The evaluation is part of the development of the professionals working at Indra, enabling them to consolidate their position, change posts, be promoted or plan their career in the medium term.

1. ATTRACTING 2. DEVELOPING **3. RETAINING**

Retaining talent


Today, in order to keep talented professionals it is vital to develop a diversity policy based on the needs, demands and values of the increasingly diverse profiles of the very best professionals.

At Indra, this policy includes other initiatives such as work-life balance (Equilibra) and encompasses all aspects of human resources management, training, planning and career development, etc., always acutely aware of diversity.

Men/women wage ratio by employment category

2009	(Scope: 89% of total workforce)
Senior Management*	113.4%
Management	108.7%
Level 3 technical employees	104.0%
Level 2 technical employees	101.7%
Level 1 technical employees	102.1%

* Excluding members of the Board

 To see the Equilibra policies please follow this link: <http://www.indracompany.com/en/sostenibilidad-e-innovacion/29.000-professionals>

**Also includes beneficiaries of other initiatives available in Indra Sistemas de Comunicaciones Seguras, IP Sistemas, Indra Sistemas Seguridad, Indra Espacio, Intos, Indra Software Labs, Indra Espacio and Indra EMAC.

Equilibra in figures

Scope: Indra Sistemas

2005 24 employees benefited from the financial help which the company provides to employees with disabled children dependent upon them. 27 mothers benefited from the 50% reduction in working hours during the first month after maternity leave (while still drawing 100% of their salary). 231 employees enrolled on official courses were able to take time off for their studies.

2006 25 employees benefited from the financial help which the company provides to employees with disabled children dependent upon them. 56 mothers and 2 fathers benefited from the 50% reduction in the working day during the first month after maternity/paternity leave (while still drawing 100% of their salary). 23 mothers chose to extend their maternity leave by 2 weeks. 8 mothers enjoyed the extension of the reduction in working hours (now available to mothers of children aged up to 8 years, previously up to 6). 307 employees enrolled on official courses were able to take time off for their studies. 25 people took unpaid leave (up to 3 months).

2007 27 employees benefited from the financial help which the company provides to employees with disabled children dependent upon them. 26 mothers and 3 fathers benefited from the 50% reduction in the working day during the first month after maternity/paternity leave (while still drawing 100% of their salary). 44 mothers and 1 father chose to extend their maternity/paternity leave by 2 weeks. 370 employees enrolled on official courses were able to take time off for their studies. 19 people took unpaid leave (up to 3 months).

2008 207 mothers and 3 fathers took flexible maternity/paternity leave under any of the three available formulae. 390 fathers took paternity leave. 827 employees enrolled on official courses were able to take time off for their studies. 75 people took unpaid leave (up to 3 months).

2009 278 mothers and 13 fathers took flexible maternity/paternity leave under any of the three available formulae. 495 fathers took paternity leave. 324 employees enrolled on official courses were able to take time off for their studies**. 72 people took unpaid leave (up to 3 months).

Enhancing internal communication

Since 2006, Indra has had an Internal Communication Observatory which allows us to implement new initiatives in internal communication each year.

In 2009, we launched the **Mis Consultas** (My Queries) channel as a one-stop-shop for any doubts raised by company employees.

In July 2009 we launched the **Portal del Profesional** (Professional Portal) to unify access to all applications concerning human resources and other areas. The portal houses all the information relating to human resources, such as the career management system and the Equilibra Plan, among others.

Similarly, in mid-2009 we launched the digital version of Actual, Indra's monthly internal bulletin, which is available to employees on the corporate Intranet. This initiative has improved the use of resources and enabled the company to continue to reduce its environmental impact by 3%, by largely eliminating paper versions of this bulletin.

1. ATTRACTING 2. DEVELOPING **3. RETAINING**

Diversity management

Understanding and accepting diversity is both a challenge for companies' management and a good business opportunity since, when well-managed, it improves knowledge and boosts productivity. At Indra we are fully committed to diversity as a driver of innovation and growth, not only in terms of productivity, but also in relation to corporate social responsibility and within the framework of our strategic goals.

Since 2000, the EU member states have been updating their regulations to banish discrimination from the workplace, markets and access to public services. At Indra we have gone one step further. Our strategy is to progress in diversity management through initiatives to train, select, recruit and integrate disabled people

To better tap cognitive and identity diversity, we have launched a review of human resources best practices concerning selection and recruitment. This review covers:

- Reconfiguring profiles to foster cognitive diversity. The tendency to associate certain skills with certain training and characteristics often leads to underestimating candidates who could become important assets for the company. Accordingly, Indra will open up its selection processes to include non-technical kinds of intelligence and candidates who do not meet some of the technical requirements, and we will redouble our efforts in mentoring.

- Reducing the impact of unconscious discrimination. Economists and sociologists have shown that the rates of discrimination based on age and ethnic origin in Spain are among the highest in our region. Consequently, it is advisable to conduct an initial round of interviews without knowing the name, gender, age and appearance of candidates. Commissioning third parties to conduct the first round of selection will make this process easier and will enrich our workforce.
- Increasing our efforts to access new sources of collaborators in our selection process, both in direct offers and through third parties. Revising job descriptions, improving the degree of information and reconsidering some of the ways of disseminating opportunities as well as the channels used are among the main initiatives in this phase.

In short, diversity increases the range of options and solutions for tackling various challenges, helps people to reflect and apply more rigour to analysing situations and increases the likelihood of finding more innovative and robust solutions.

Making headway in equality: Unacceptable Conduct Policy and Equality Helpline

As one the pillars of diversity management and part of the Equality Policy, in 2009 Indra released its **Protocol on non tolerated behaviour**: establishing the means to prevent, detect and solve any instance of sexual harassment and harassment due to gender discrimination among professionals at Indra Sistemas.

In addition to this Statement, we launched the **Equality Helpline** run by experts to resolve and channel enquiries and cases of sexual harassment or harassment due to gender discrimination.

New Equality Plan

At Indra we have a strong commitment to diversity in general and to gender diversity in particular. Consequently, among other initiatives Indra Sistemas has published its new Equality Plan following negotiations with trade union representatives.

To ensure compliance and improvement on this plan, a joint monitoring and follow-up committee has been created comprising the signees of the agreement.

This Equality Plan comes on the heels of various initiatives which Indra has developed in the last few years in the sphere of diversity, including the Diversity Policy (2004) and the Equilibra Program for work-life balance (2005).

This is confirmation of our commitment to equality between men and women, by fostering initiatives concerning access to employment, selection and promotion, training, work-life balance, remuneration, specific measures to prevent sexual harassment and harassment due to gender discrimination and communication.

Workplace Risk Prevention (WRP)

Occupational Health and Safety

Indra is committed to complying with occupational health and safety regulations in all countries where it operates, not only because this is a legal requirement, but because it aims to foster a culture of risk prevention in all its activities.

Furthermore, it has entered into a commitment with its employees to seek the utmost standards of health, safety and well-being, and to strive to ensure that in all activities all persons working for us and all those potentially affected by our actions are adequately protected.

To achieve this goal, and in accordance with applicable legislation in the countries where Indra operates, the company has set up an organisational structure for health and safety responsibilities and tasks, communication mechanisms and training for personnel to better and more comprehensively meet all the demands of compliance with legal obligations in health and safety.

Fostering a culture of prevention

Indra's preventive approach is based on a process of ongoing improvement, by identifying dangers and evaluating risks, and verifying the efficiency of the preventive measures in place. Its position is clearly to foster the integration of prevention throughout the company.

Another essential element for preventive culture and awareness is information and training, and that is why we have established stringent minimum training requirements which involve a substantial investment.

Promoting health and well-being

Indra is committed to the health and well-being of its employees and that is why it implements campaigns to promote health, even outside the occupational health sphere, in order to help improve general health and well-being; this helps our employees become aware of the importance of protecting their own health and avoiding risks, nurturing healthy living habits.

Our intranet advertising campaigns include material aimed not only at disseminating information but also at fostering the personal motivation and skills necessary to adopt the necessary measures to improve health.

Prevención de la Gripe H1N1 (Gripe A)

In view of the potential impact of Swine Flu or Influenza A, in accordance with the guidelines issued by health authorities in each country and by the WHO, on 4 September 2009 Indra approved and implemented its Influenza A Contingency Plan.

Coordination with suppliers

Based on the model in place, we undertook to involve our suppliers and contractors in our preventive policy. For this purpose, continuing with the protocols and guidelines set by the various preventive organisations, Indra cooperated with the various companies and closely monitored their health and safety status. The idea was to help the Procurements Department to choose and evaluate its contractors and suppliers, based on the additional criteria of health and safety.

Goals for 2010

- To complete identification and standardisation of preventive criteria and/or standards in the various countries where Indra operates.
- To renew the certification of conformity with occupational health and safety regulations at Indra companies due to expire this year.
- To be a company that stands out for measures and processes that efficiently and verifiably contribute to reducing accidents, obtaining recognition and awards from the Public Administrations in this regard.

As part of the ongoing improvement, we will continue to work on:

- The full integration of prevention in all processes and decisions taken and in the accountability of the organisational structure.

- Actions to enhance established processes to keep them permanently optimised.
- Health and safety information campaigns.

Online training in Occupational Health and Safety

As part of training in workplace risk prevention for employees, Indra offered online courses aimed at employees who work with data visualisation screens and use computers in order to provide adequate prevention information to help them correctly perform their work and to ensure adequate health and safety conditions. The courses also included training in ergonomics (workplace environment and posture), etc, as well as information regarding risks and preventive measures in offices.

Indicators	2005	2006	2007	2008	2009
General profiles					
Scope over total workforce (%)	100%	100%	87%	99%	89%
Percentage of graduates and highly qualified personnel	82	80	77	76	83
Scope over total workforce (%)	100%	100%	100%	99%	100%
Managers	122	126	320	455	508
Commitment and motivation					
Scope over total workforce (%)	100%	100%	87%	99%	100%
Average seniority	8,9	7,6	5,8	5,5	6,2
Scope over total workforce (%)	93%	91%	87%	99%	100%
Percentage of employees in variable-pay system (%)	25	25	20	20	21
Scope over total workforce (%)	93%	91%	53%	93%	100%
Percentage of people promoted	5,7	11,0	8,5	6,2	13
Scope over total workforce (%)	84%	83%	59%	93%	100%
No. employees in competency evaluation system	6,272	7,424	11,078	18,841	19,566
Scope over total workforce (%)	100%	100%	100%	93%	100%
Percentage of people in Share Options Plans	54,5%	124	79	148	185
Scope over total workforce (%)	93%	91%	96%	99%	100%
Unwanted external turnover	6,5	9,87	18,8	13,3	5,0
Experience					
Scope over total workforce (%)	100%	91%	87%	99%	100%
Average age of staff	38,1	36,7	35,1	35,3	35,8
Average staff job experience*	13,8	12,4	10,8	10,9	11,5
Average age of managers	46,9	48,4	46,4	46,9	47,2
Average manager job experience*	23,4	24,9	22,9	23,7	23,9
Training and expertise**					
Scope over total workforce (%)	81%	81%	72%	61%	66%
Total hours training (incl. online)	169,588	222,844	394,020	456,749	535,186
Online training hours	47,020	58,572	106,971	83,169	137,045
Training actions	802	853	1,532	1,491	2,224
No. of pupils attending	7,780	8,428	15,055	20,922	25,215
Percentage of training costs over total pay	2,38	2,57	2,48	2,63	2,50
Evaluation of the training: student satisfaction (1-5)	4,1	4	4	4,1	4
Employment attraction					
Scope over total workforce (%)	100%	81%	53%	51%	64%
No. spontaneous job applications*	18,753	19,248	19,312	21,882	22,660
Average no. of job applications received per advertisement*	176	170	93	74	112
Reconciliation of work and personal life					
Scope over total workforce (%)	100%	100%	100%	100%	100%
No. of employees teleworking	25	50	82	95	110
Percentage of employees who state they have achieved better balance between work and personal life	85%	100%	100%	99%	96%
Maternity leave	77%	71%	65%	51%	69%
Requests to work a shorter day ⁵	127	160	174	236	465
	59	280	242	434	1,078
Knowledge management					
Scope over total workforce (%)	100%	100%	100%	100%	100%
No. messages in forums	9,293	8,520	6,792	8,392	5,593
No. issues considered in forums	1,508	1,456	1,784	1,322	1,102
No. message visits per year	1.561,095	2.566,738	2.390,096	3.893,129	2.006,233
% professional/social matters	77/23	51/48	42/58	41/59	47/53
Social benefits					
Scope over total workforce (%)	100%	100%	60%	61%	58%
% Employees who access the social security supplement during illness	93,5%	100%	99,4%	99,3%	99,4%
% Employees who access the social security supplement in the event of an accident	93,5%	100%	100%	100%	100%
% Employees with additional food benefits	67%	64%	50%	46%	36%
Data on accidents at work					
Scope over total workforce (%)	100	100	70	74	73
Frequency rate	16,1	12,1	6,6	11,4	7,4
Incidence rate	27,0	20,4	11,0	19,5	13,2
Seriousness rate	0,05	0,06	0,04	0,07	0,04
Average duration	4,54	4,63	6,73	6,49	4,85
Fatal accidents	0	0	0	0	0
Safety at work training hours	8,3	4,7	16,3	25,0	23,1

* Estimated data.

** Do not included training on safety at work.

SOCIAL SUSTAINABILITY

FLEXIBILITY

Flexible office at Indra



Working methods evolve constantly. Accordingly, the most innovative companies are increasingly efficient in dealing with the working methods of their professionals, adapting to their infrastructure needs to make them leaders in progress and flexibility. This is why Indra is making further headway in this area by implementing a mobile working policy in some offices which increases the areas of relationship and cooperation between professionals.

In the Flexible Office, it is the space that adapts to the changing needs of the company and its people, not vice-versa: professionals are free to move at any time from one kind of work station to another, in accordance with their needs. Furthermore, the different kinds of spaces provide a better balance between individual and cooperative work areas.

The Flexible Office is also a paperless office: electronic formats and server network storage replace paper, which is destroyed after use or filed externally. This makes work quicker and more efficient, helps make each person's working area tidier, reduces errors, and enhances confidentiality.

Employee relations

Union and legal representation of workers in Spain is structured around the trade unions and employee committees. Legal representation of Indra's employees in Spain comprises more than 350 people, most of which belong to the trade unions CCOO, UGT and USO. Indra provides trade unions with information in regard to significant aspects or initiatives at the company. For example, presentations have been made to union representatives concerning the new Career Management Process or the draft of the New Code of Ethics and Professional Conduct, in order to ascertain their opinion and take on board their suggestions.

The company and the representatives of trade union CCOO (COMFIA) in the IT area have not yet reached an agreement in regard to the difference of opinion mentioned in the 2008 Sustainability Report, concerning the model of representation (by workplace or company) and regarding the system of accumulation and use of union time.

In 2010, we will work on:

- Implementing actions to improve the exchange of knowledge and innovation with shareholders.
- Nurturing talent.
- Fostering diversity.
- Introducing new ways of working.
- Training in the Code of Ethics and Professional Conduct.
- Launching of the new corporate volunteer programme.
- Increasing the culture and commitment of our professionals.
- Encouraging creativity and innovation among our professionals.





EFFICIENT, ACCURATE
AND FLEXIBLE

At Indra we offer our customers an efficient,
accurate and flexible response to their needs.

* Scope: Indra Sistemas and all subsidiaries, joint businesses and associated companies.

4,424

customers in 2009

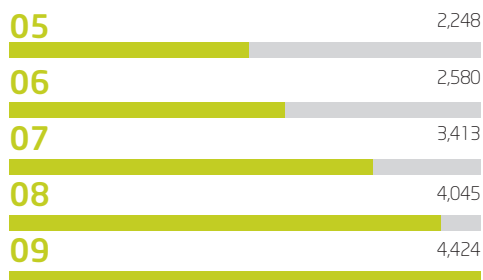
106

countries where Indra has
references

AT INDRA WE OFFER OUR CUSTOMERS AN EFFICIENT, ACCURATE AND FLEXIBLE RESPONSE TO THEIR NEEDS.

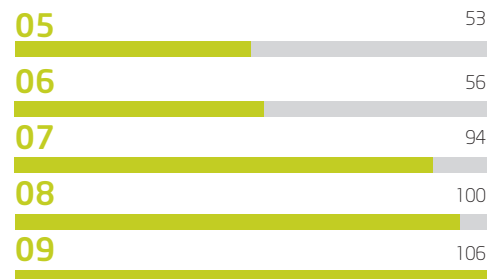
Total number of customers per year

(figures accumulated since 1991)



Scope (as % of total sales) > 2005 = 100%; 2006 = 100%;
2007 = 92%; 2008 = 93%; 2009 = 97%

Number of countries where Indra has references



Calculated based on the number of countries in which Indra has recorded sales in the last four years

Total international sales (€ M)



Customer satisfaction

Customer satisfaction is a management area that is focusing major efforts and is embodied by the following tools:

- An annual external corporate survey of a significant sample of our customer portfolio, by sales volumes, to compile information about customers' perception of the quality of the services rendered.
- A systematic internal survey of project managers during the project completion phase.
- The preparation of half-yearly and yearly monitoring reports.
- The ongoing improvement of processes directly relating to customers.

Annual Corporate Survey

In 2009, the average score from customers improved slightly compared to the score in 2008 (3.78 out of 5 in 2009, vs. 3.62 in 2008). However, if we had to highlight one aspect, it would be the steadiness of our commitment to quality since, as our performance over the last five years shows, customers' scores have always stayed in a very narrow range of 3.6-3.8 points.

In 2009, of all the variables considered, customers highlighted Indra human resources, because of their excellent skills in listening to customers and interpreting their needs, and because of their knowledge and experience in the industry, and their high standard of technical know-how and command of technology. In contrast, the main area for improvement identified by customers is in the quality of documentation delivered, although at all events it still obtained a very positive score (3.49).

Customer profile

Indicators	2005	2006	2007	2008	2009
Scope (as % of total sales)	100%	100%	92%	93%	97%
Number of public-sector customers	631	738	963	1,139	1,254
Number of private-sector customers	1,617	1,842	2,450	2,906	3,170
Number of new customers	239	332	833	632	379
Scope (as % of total sales)	100%	100%	100%	100%	100%
Revenue from the top 35 customers (€M)	691	755	937	968	1,026
Customer satisfaction and loyalty (1-5)	3.8	3.6	3.8	3.6	3.8

Ensuring project quality

MIDAS: an innovative method at the service of productivity and sustainability.

MIDAS (Método Indra de Desarrollo, Adaptación y Servicios) is Indra's development, adaptation and services model aimed at affording structure to the activities of IT operations for their application in the projects that Indra executes and manages. The method encompasses all stages of the computer services business and is integrated with Indra's project management processes.

The innovative nature of MIDAS as a methodology, based on its concept, support and the way it integrates quality, tools and customer orientation, has helped its implementation and unlocked its value in such a complex and rich environment as Indra, with myriad projects of all different kinds.

The innovative support of MIDAS, entirely online, allows a sustainable and continued improvement in content and a dynamic contribution to success. This enables us to harness Indra's highly diverse know-how for its

Countries where Indra has references

106

better use in projects, creating a real knowledge base of best practices. Environmentally, MIDAS is concerned that all derivative processes should be conducted without paper copy and to optimise the use of low-consumption media.

MIDAS offers a system to control the quality standards to which Indra is committed, based on benchmarks and verification lists. ISO 9000, CMMI levels 2, 3 and 4, ITIL, ISO 20000 and PMBok standards are also present in this system, which brings out all Indra's quality potential in every operation we carry out.

Furthermore, MIDAS provides productivity tools to facilitate the technical implementation, planning and monitoring of projects, as well as the reporting and measurement system. For this purpose, Indra has agreements with the most highly reputed suppliers (Embarcadero, IBM, Microfocus/Borland, Microsoft), enlisting them as our allies to improve business productivity.

The involvement of MIDAS in the company's projects in 2009 was based on various key actions:

- New best practices libraries based on success stories and expert knowledge in the company's different areas.
- Inclusion of developmental support and documentary processing tools as productivity aids to help implement MIDAS technical processes.
- Integration of Indra's official training plans as part of the indispensable knowledge for professionals involved in IT projects/operations.

- Internationalisation, enabling the multi-language feature.
- Image, implementing the visual projection of corporate image.

All this has enabled us to lay a foundation from which to raise methodological standards in 2010 in order to meet standardisation thresholds that boost productivity, business sustainability and control capacities. And all this is at the service of our customers to ensure able, sustainable and innovative performance.

Managing data security at Indra

Indra Sistema's data security policy was developed further in 2009 in line with the demands of our own Information Security Management System certified by AENOR (UNE/ISO 27001). As a requirement of this standard, we annually implement a risk analysis plan. In 2009, the plan included some new aspects, most notably integration of monitoring panels to manage intruder detection, security alerts, regulatory non-compliance, antivirus and anti-spam controls; and conducting automatic monthly analyses of technical weaknesses at corporate services, the findings of which are included in the risk management scorecard. In 2010, our aim is to renew Indra's UNE/ISO 27001 standard certification, increasing the scope of certification to a new process.

It is also worth highlighting a landmark in IT services management, namely the UNE-ISO/IEC 20000 standard relating to Security Management Systems, which completes our vision of development in Indra's information security policy. This involved launching four processes which are stipulated in the aforementioned standard: incident management, configuration management, change management and problem management. For all these processes, effective implementation encompassed current flow analysis, identification of requirements, identification of services and those responsible, generation of procedures and training.

Another major goal looking ahead to 2010 is to create the office for operating application of Spain's Data Protection Act (Ley Orgánica de Protección de Datos - LOPD), one of the world's strictest. The aim is to further ensure compliance with the Data Protection Act in projects through standardisation, thereby reducing risks.



For more on Indra's Security Policy, visit our website:
<http://www.indracompany.com/en/sostenibilidad-e-innovacion/93%25-of-effectiveness-%2A>

EXPECTATIONS

OUR CUSTOMERS

Factoring in our customer's expectations on sustainability

In order to gauge the degree of knowledge among our customers in regard to our commitment to sustainability and with a view to further improving in this connection, since 2008 Indra has been asking its customers about this matter. In its second edition, the survey introduced changes to obtain more in-depth knowledge of customers' opinions about Indra's approach to sustainability and about the information it publishes in this regard.

Customers highlight innovation as the most significant aspect of sustainability at a computer services company, underpinning our commitment to innovation as the cornerstone of our strategy and our sustainability as a company. It is also worth highlighting the increasing importance of corporate social responsibility management at technological services providers as a purchase criterion. Our customers say that in five years' time suppliers' commitment to sustainability will be a critical purchase factor in the sector (agreement on this scored 4 out of a possible 5).

According to the survey, there is scope for improving communications with customers in Indra's approach to sustainability and corporate social responsibility: 48% said they were not familiar with Indra's profile in this area as an advanced company. However, Indra's average score among those who are aware of this commitment was 3.8 out of a maximum of 5.

QUALITY

GLOBALISING

The corporate quality system

For the last two years, Indra has been working to create a global quality system that is common to all its international subsidiaries. This objective had already resulted in adapting and certifying Indra's quality systems in Portugal and Slovakia and, in 2009, it led to the development of various initiatives at subsidiaries in Europe, Latin America and Asia.

- Europe: In 2009 the process to implement and adapt the corporate quality system began, with a view to obtaining certification in December 2010.
- Latin America: Harmonisation initiatives were implemented (document system, processes, quality practices, etc.) allowing certification of the quality systems in place in Colombia, Mexico and Panama. In 2010, we hope to continue consolidating these systems until the entire corporate system has been fully harmonised.
- Asia: Gradual implementation of a harmonised quality system at the Chinese subsidiary has commenced. The first steps focused, among other areas, on training quality personnel, the document quality system and support to operating quality.

For 2009-2012, the Strategic Quality Plan envisages the following lines of action:

- Strengthening the quality function.
- Continuing to implement a global quality system.
- Fostering internal communication to boost awareness.
- Promoting the use of quality models as a distinguishing feature of the company.

In 2010, we will work on:

- Implementing actions to improve the exchange of knowledge and innovation with shareholders.
- Continuing to improve innovation management.
- Continuing to improve our information security policy.
- Implementing initiatives to improve customer satisfaction.
- Broadening the scope of the customer satisfaction survey.
- Obtaining new quality standard certifications.





PROMOTING SUSTAINABILITY IN THE VALUE CHAIN

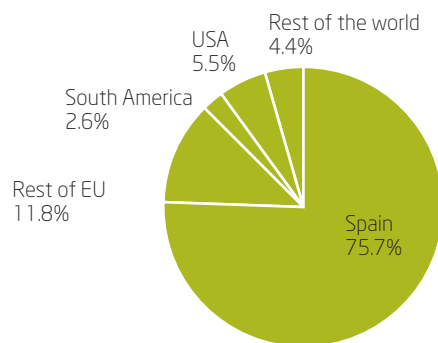
Scope: 95% of sales volume
* Scope: Indra Sistemas

126

technological
alliances*

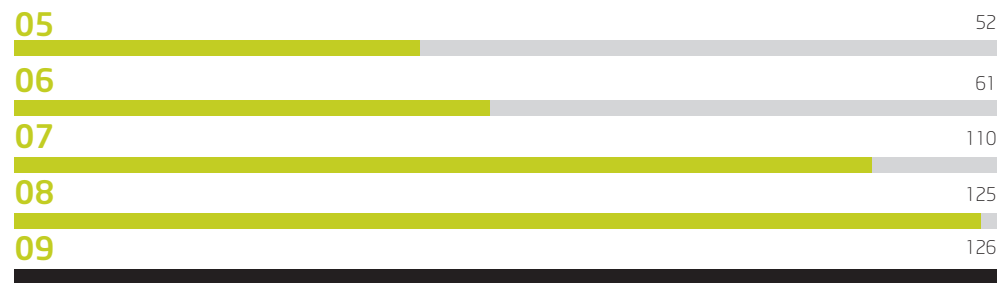
PROMOTING SUSTAINABILITY IN THE VALUE CHAIN

Breakdown of procurements by country, based on order volume (%)



Scope: 95% of sales volume

Number of partnerships in place



Scope: Indra Sistemas

Indicators	2005	2006	2007	2008	2009
------------	------	------	------	------	------

Suppliers' satisfaction

Number of suppliers surveyed	229	227	226	225	388
Response rate	27%	36%	35%	39%	46%
Satisfaction rate (scale of 1-5)	4.1	4.1	4.2	4.1	4.0

Partners' satisfaction

Number of partners surveyed	366
Response rate	16%
Satisfaction rate (scale of 1-5)	3.4

Managing supplier risk

In 2009, in anticipation of the possible consequences of the economic crisis on our supply chain, at Indra we decided to conduct an analysis of our suppliers. The study was conducted on a sample of 134 suppliers, representing a volume of Indra's total procurements of 52%, and included an evaluation of the supplier's financial solvency, the supplier's degree of dependence on Indra and Indra's degree of dependence on the supplier.

Consequently, the risk analysis enabled us to pinpoint a group of high-risk suppliers (less than 25% of those analysed), whose situation we began monitoring and for whom we designed a plan to minimise supplier risk, ensure their business continuity and thereby their supply of resources and producer goods to Indra.

In 2010, Indra plans to conduct another analysis to assess how supplier risk has evolved and identify suppliers who might have become high risk.

Average satisfaction on a scale of 1 to 5

4,05

Suppliers' satisfaction

Indra conducts an annual survey of its suppliers in order to ascertain their evaluation and degree of satisfaction with Indra as a client and, where appropriate, to incorporate their suggestions as to how to improve our performance. Likewise, Indra uses this tool to measure the degree of knowledge and perception among our suppliers with regard to our sustainability and to identify issues that are important to these stakeholders in this connection.

In 2009, 180 suppliers took part in the survey, of a total initial sample of 388 surveys sent.

With regard to the general level of satisfaction with Indra among those surveyed, in 2009 the score was 4,05* on average (on a scale of 1 to 5). For 35% of those surveyed relations with Indra are excellent (5 out of 5). Another 44% were highly satisfied with their relationship with Indra (4), 13% gave an average score (3), and 6% gave a low score in satisfaction.

The efficiency of interlocutors was the feature that obtained the highest overall average score (4,24*). In contrast, transparency and free competition in the selection policy was the main area for improvement, with an average score of 3,69*.

* Data updated as of 31 st of May 2009

Suppliers surveyed consider that Indra is a sustainable company

67%

Partners' satisfaction

For the first time, in order to ascertain the degree of satisfaction among our partners and define areas for improvement in our relations with them, in 2009 Indra launched a survey aimed at our partners. The 62 partners participating in the survey analysed five areas: communication, relations, value generation, comparison and performance, and global evaluation.

The level of global satisfaction of our partners is good and they highlight our compliance with the commitments undertaken, our depth of technological knowledge and our capacity for technological innovation. Although the degree of satisfaction with the assigned interlocutors is positive and they are seen as efficient (scoring 3.6 of a possible 5), communication with partners is an area for improvement.

Our partners gave Indra an average score of 3.4 (out of 5) in terms of global relations. In communication, Indra scored 3.5, and the survey revealed specific areas for improvement based on the suggestions of those surveyed. The company's relationship with partners obtained an average score of 3.4, and the survey also revealed specific areas for improvement. Value generation is the top-scoring feature, with 3.7 points, while 47.5% of the sample gave Indra a high score compared to the rest of their partners.

In 2010, we will work on:

- Implementing actions to improve the exchange of knowledge and innovation with shareholders.
- Extending the Code of Ethics and Professional Conduct to include our suppliers.
- Making further headway in our international management of partnerships.
- Developing innovation with our technological partners.



SUPPLIERS

PERCEPTION

of sustainability among our suppliers

In order to gauge the degree of knowledge among our suppliers in regard to our commitment to sustainability and with a view to further improving in this connection, since 2008 Indra has been asking its suppliers about this matter.

In its second edition, with regard to the perception of our sustainability, the survey covered three areas: Indra's approach to sustainability and corporate social responsibility; the management approach to suppliers and the information published by Indra as well as material or relevant matters for suppliers.

67% of suppliers surveyed consider that Indra is a sustainable company, committed to disclosure transparency, innovation and reducing its environmental impact.

Lastly, when asked about a set of 18 key issues in the area of sustainability, the survey found that, for suppliers, innovation is the most significant aspect for a company like Indra, followed by attracting and retaining talent, Corporate Governance and the development of human capital.



Link to "Framework principles for relations with suppliers":
<http://www.indracompany.com/en/sostenibilidad-e-innovacion/125-technology-alliances>

PARTNERS

PERCEPTION

of sustainability among our partners

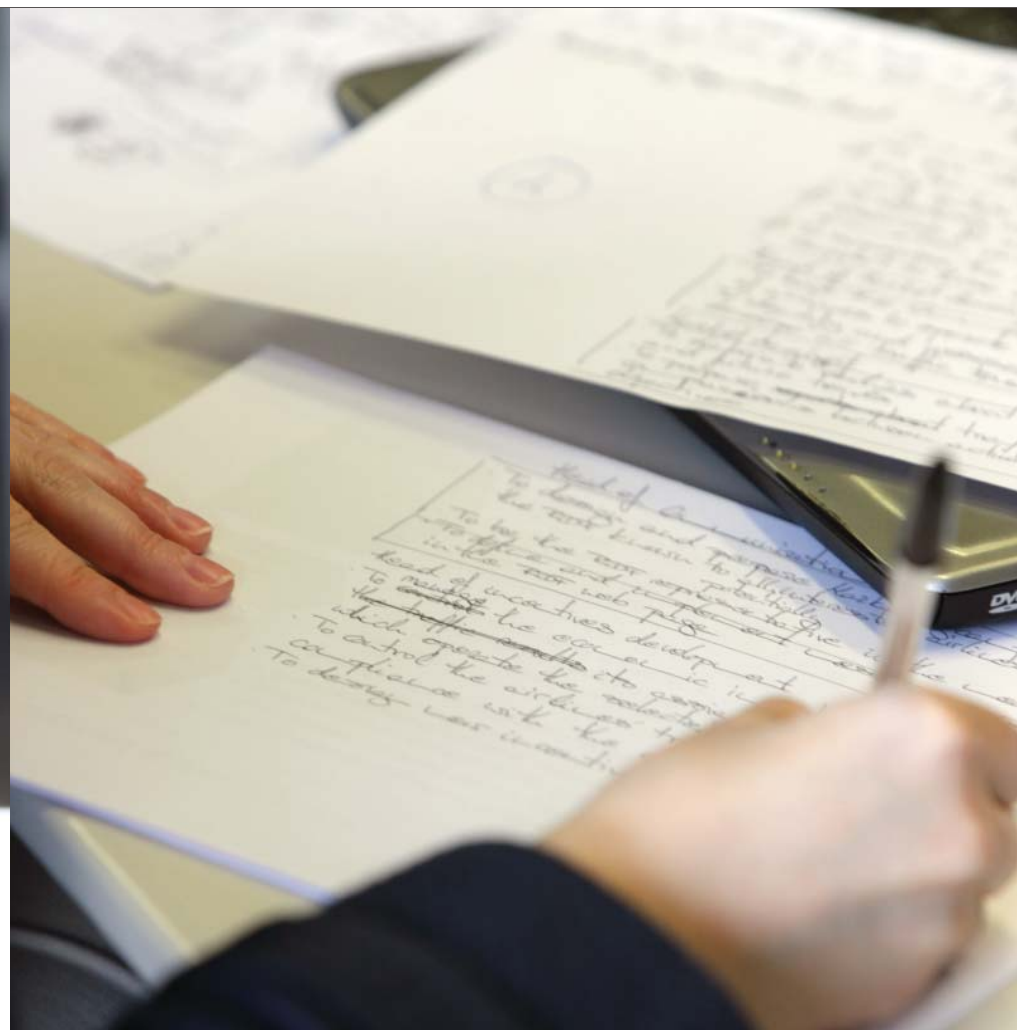
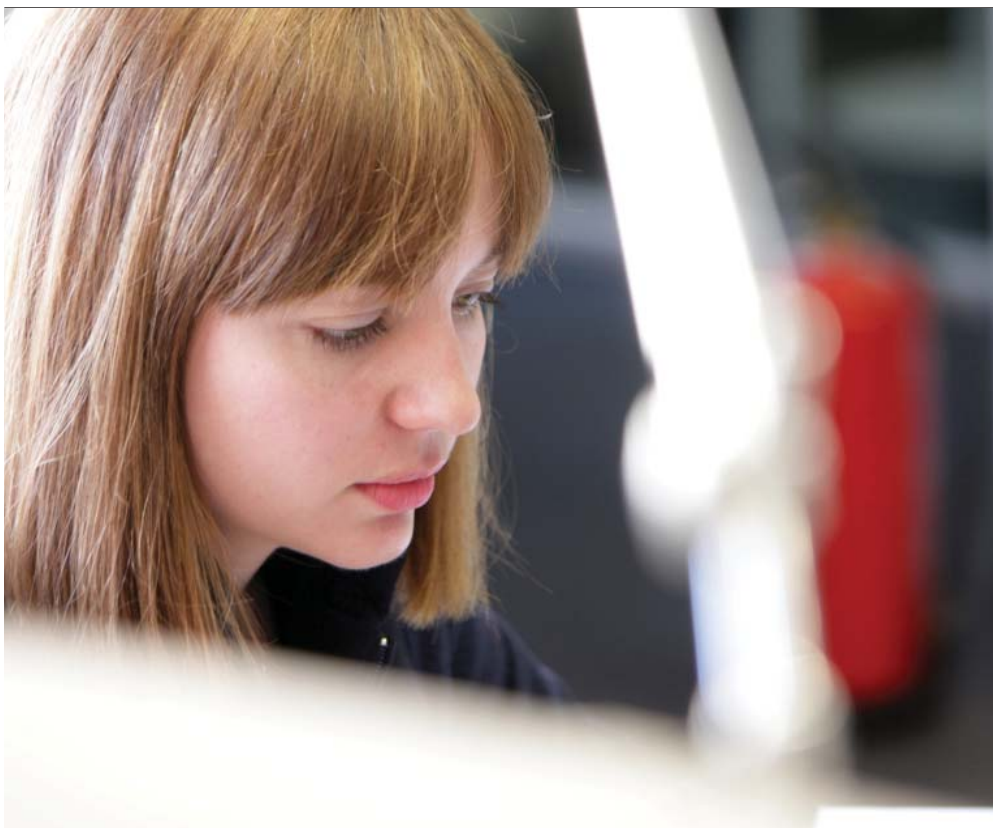
In 2009 Indra has asked its partners, for the first time, about their perception of the company's sustainability. The aim has been to gauge the degree of knowledge of sustainability actions implemented by Indra and identify aspects of sustainability that are important for them. Of the 58 partners surveyed, 67% agreed or strongly agreed that Indra is a sustainable company committed to disclosure transparency, innovation and reducing its environmental impact, and just 25% were not yet aware of the company's approach in this area. 72.2% of our partners who responded asserted that Indra was implementing initiatives relating to sustainability and corporate social responsibility, while 27.8% did not know and cited a dozen or so initiatives in the area.

The assertion that suppliers' commitment to sustainability and corporate social responsibility in the computer services industry is currently a critical factor obtained a score of 3.9 out of 5. Looking ahead to the next five years, this is clearly seen as a critical factor in procurements in our industry, with a score of 4.1 among those surveyed. Indra's more robust commitment to sustainability compared to other partners was given a score of 3.6 out of 5.

However, close to 41.1% of our partners did not know that Indra publishes a sustainability report. Of those who did know about the report, only 58% had read the section relating to partners. Among the suggestions for improvement was the idea of promoting disclosure of volumes managed by Indra per business line and the idea of increasing information regarding Indra's responsibility and the most significant aspects of its relationships with partners.

Based on these findings, Indra plans to run a communication drive to raise awareness among partners about the sustainability of our company, and we plan to introduce other improvements which they have suggested.





TECHNOLOGICAL SOLUTIONS AND SERVICES FOR ENVIRONMENTAL SUSTAINABILITY

INDRA IS AWARE THAT CERTAIN NATURAL RESOURCES ARE BEING DEPLETED AND DETERIORATED BY HUMAN ACTIVITY

And understands that reducing its own environmental footprint is part of its responsibility as a company and key to its sustainability, in addition to helping to improve the environment through its range of solutions and services.

Specifically, Indra considers that its largest environmental impact derives from the power consumption of the IT equipment used to develop its solutions and services.

Over the last few years, we have worked to reduce the consumption of power and natural resources and reduce waste while at the same time working to create IT systems that allow us to better understand our environmental impact and help us to become more transparent.

This is the first report to include information on indirect greenhouse gas emissions deriving from power consumption and transport (Scope 2 and 3).

Environmental management: Four new workplaces certified in 2009

In 2009, Indra obtained ISO 14001 environmental management certification for four new workplaces, in Barcelona (Spain), La Coruña (Spain), Bogotá (Colombia) and Lisbon (Portugal). Indra now has 13 certified workplaces, employing 49.4% of our total workforce (47.5% in 2008).

The goal for 2010 is to obtain certification for another three workplaces: two in Spain and one more in Latin America. In this connection, we plan to continue working to obtain ISO certification for workplaces in Latin America and two more workplaces will commence the process of obtaining certification in the medium term.

Awareness among Indra's professionals

As well as the course to increase awareness which were held at each workplace during the certification process, targeting personnel involved in managing environmental aspects (maintenance and cleaning personnel), in 2009 we offered a course for professionals working in General Services, focusing on technical-legal requirements at all our workplaces.

This course was highly suitable since General Services are, in turn, responsible for the activities and persons most directly involved in areas that generate environmental impacts at Indra, resulting from the maintenance of equipment, air conditioning and heating, waste collection, etc.

Another new aspect introduced in 2009 was the banner on Indra's Intranet homepage aimed at raising awareness about the purchase and use of recycled paper.

For 2010, the awareness campaign encompasses the following initiatives:

- Further encouraging the purchase of recycled paper as opposed to new paper.
- Reducing paper consumption in general, through awareness-raising messages sent throughout the company.
- Broadening training in environmental management.

Spreading our environmental standards throughout the value chain

In 2009 a questionnaire was sent out to suppliers concerning waste spills and emissions, in addition to the survey we already conducted on waste management and, in particular, the management of hazardous waste by our suppliers.

+4
New workplaces
certified in 2009

13
Certificated
centers

We highlight the investment made in 2009 to replace

40%

of air conditioning equipment that uses R-22 gas.

Responsible environmental solutions and services

At the end of 2008 and in particular throughout 2009, Indra began implementing the measures required under the European regulation concerning chemical and hazardous substances (Registration, Evaluation, Authorisation and Restriction of Chemical substances - REACH), which must be fully implemented at all EU companies by 2015. The process will enable

Indra to control the chemical substances used in its operating processes, and in 2009 the following actions were taken:

- We issued an internal procedure for "Chemical Substances and Preparations" (REACH requirements).
- We informed around 4,000 suppliers and subcontractors about REACH requirements and the standards concerning the use of highly contaminating substances (substances of very high concern - SVHC) included therein.

- We compiled safety records for the chemical products at all our workplaces and began a process to analyse and register all substances involved.

Furthermore, pursuant to Spanish legislation, Indra continues to submit a quarterly statement of the electrical and electronic equipment placed in the market, as well as an annual statement of packaging and packaging waste for the Madrid regional government's Department of the Environment.

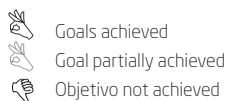
Main environmental investment and expenses (ISO 14001 certified centres)

2006	2007	2008	2009
Bringing environmental conditions at workplaces into line with updated legislation	Bringing environmental conditions at workplaces into line with updated legislation	Extending updating of environmental legislation to new autonomous regions	Extending updating of environmental legislation to new autonomous regions
Implementing the Environmental Management System in Aranjuez (in process) and conducting internal audit of the Triángulo building	Implementation and certification of Environmental Management System in Aranjuez and Barcelona	Internal audit at workplaces Waste room at Anabel Segura offices	Internal audit at workplaces Certification audits
ISO 14001 certification of the Triángulo building	Internal audit at workplaces Measurement of noise levels at Aranjuez	Measurement of noise levels at La Finca offices Certification audits	Measurement of noise levels at Coruña offices Replacement of air conditioning equipment that uses R-22 gas
Measurement of noise levels at the Triángulo building	Waste minimisation study at Aranjuez Lighting at Aranjuez.	UW separation at Anabel Segura workplace Inertisation of tanks in Torrejón offices	Amortisation of installation of natural gas boilers at Aranjuez offices
Waste minimisation study in the DASS clean room	Waste analysis at Aranjuez	Cooling equipment at Aranjuez offices	Addition of glass waste to waste separation system in San Fernando de Henares offices (Madrid)
Floor study at San Fernando, Torrejón and Aranjuez workplaces	Replacement of San Fernando transformation centres	Adapting polluting refrigerant gas R-22 to EC regulation 2037/2000	
17,782€	557,612€	42,231€	511,078€

Objectives of the Environmental Management Programme in 2009

2009 goals achieved in reducing consumption and generating less waste:

Goal in 2009	Workspace	Result in 2009	
To reduce consumption of raw materials			
Global reduction per person of 3% in new paper used in the year	San Fernando de Henares (Madrid)	Paper -53% Photocopies: -33%	
	Anabel Segura (Alcobendas, Madrid)	Paper: -52% Photocopies: -3%	
	Triángulo (Alcobendas, Madrid)	Paper +55% Photocopies: -100%	
	Interface (Barcelona)	Goal initially set for 2010	
	La Coruña	Goal initially set for 2010	
Global reduction pre person of 3% in white paper used in the year	Aranjuez	Paper -12% Photocopies on white paper -100%	
To reduce generation of urban waste			
Global reduction of 3% in toner cartridge waste per person	San Fernando de Henares (Madrid)	-19%	
	Arroyo de la Vega (Alcobendas, Madrid)	-44%	
	Triángulo (Alcobendas, Madrid)	+53%	
	Aranjuez (Madrid)	-41%	
Global reduction of 3% in generation of paper waste	Roc Boronat (Barcelona)	-24%	
	La Finca (Pozuelo, Madrid)	+3%	
Global reduction of 3% in scrap metal	Torrejón de Ardoz (Madrid)	-44%	
To reduce consumption of natural resources			
Global reduction of 3% in water consumed per person per year	Torrejón de Ardoz (Madrid)	Red: -4%	
	Arroyo de la Vega (Alcobendas, Madrid)	Red: +35%	
	Ciudad Real	-36%	



Environmental consumption	Electricity (Kwh)	Gas oil C C (L)	Natural Gas (m3)	Drinking Water (m3)	Non-drinking water (m3)	Hazardous waste managed (Kg)	Non- Hazardous waste managed (Kg)	Recyclable Toner (Un)	Vegetable oil (litres)	Direct CO2 emissions**	Indirect CO2 emissions through electricity consumed**
Germany*	316,142	n.a	n.a	n.a	n.a	–	–	–	–	–	127.6
Argentina	2,405,321	n.ap.	n.ap.	n.a	n.a	–	–	–	–	–	729.7
Australia*	165,423	n.a	n.a	n.a	n.a	–	–	–	–	–	152.3
Bolivia*	161,747	n.a	n.a	n.a	n.a	–	–	–	–	–	81.8
Brasil	364,655	n.ap.	n.ap.	n.a	n.a	–	–	–	–	–	29.7
Bulgaria*	22,056	n.a	n.a	n.a	n.a	–	–	–	–	–	9.9
Colombia ISO 140001 certified centers	237,418	n.ap.	n.ap.	948	n.a	–	–	–	–	–	439.7
Other non certified centers	2,701,482	n.ap.	n.ap.	5,066	n.a	–	–	–	–	–	–
Costa Rica*	3,676	n.a	n.a	n.a	n.a	–	–	–	–	–	0.2
Chile*	567,934	n.ap.	n.ap.	n.a	n.a	–	–	–	–	–	167.1
China	39,273	n.ap.	n.ap.	5,746	n.a	–	–	–	–	–	31.0
USA*	774,918	n.ap.	n.ap.	n.a	n.a	–	–	–	–	–	613.0
El Salvador*	242,621	n.a	n.a	n.a	n.a	–	–	–	–	–	52.6
Eslovaquia*	194,832	n.ap.	n.ap.	n.a	n.a	–	–	–	–	–	43.5
Spain ISO 140001 certified centers	48,323,328	235,545	332,233	104,042	44,887	40,979	712,214	2,430	790	1259.4	25,973.7
Arroyo de la Vega	9,789,872	n.ap.	133,168	15,636	n.ap.	1,488	174,300	561	140	–	–
San Fernando de Henares	5,603,617	25,000	n.ap.	11,135	25,000	5,578	104,250	415	650	–	–
Torrejón de Ardoz	14,917,957	205,690	73,673	53,849	2,097	11,707	146,830	666	n.a.	–	–
Aranjuez	6,229,727	4,855	104,928	6,710	17,790	13,644	127,008	326	n.a.	–	–
Triángulo	911,287	n.ap.	n.ap.	1,048	n.ap.	504	9,512	87	n.a.	–	–
Roc Boronat (Barcelona)	2,910,533	n.ap.	n.ap.	3,195	n.ap.	37	8,910	36	n.a.	–	–
Interface (Barcelona)	1,548,136	n.ap.	n.ap.	1,991	n.ap.	72	17,620	69	n.a.	–	–
La Finca	2,453,595	n.ap.	n.ap.	2,214	n.ap.	3,717	81,929	20	n.a.	–	–
Ciudad Real	1,279,129	n.ap.	20,464	1,794	n.ap.	630	24,315	0	n.a.	–	–
Anabel Segura	1,899,914	n.ap.	n.ap.	4,070	n.ap.	3,602	16,460	242	n.a.	–	–
La Coruña	779,561	n.ap.	n.ap.	2,400	n.ap.	0	1,080	8	n.a.	–	–
Other non certified centers	25,931,014	n.a	n.a	n.a	n.a	n.d.	n.d.	n.d.	n.d.	–	–
Philippines	246,297	n.ap.	n.ap.	136,272	n.a	–	–	–	–	–	107.1
France	10,639	n.a	n.a	n.a	n.a	–	–	–	–	–	0.9
Hungary*	47,789	n.ap.	n.ap.	n.a	n.a	–	–	–	–	–	16.4
India*	7,352	n.a	n.a	n.a	n.a	–	–	–	–	–	7.0

Environmental consumption	Electricity (Kwh)	Gas oil C C (L)	Natural Gas (m3)	Drinking Water (m3)	Non-drinking water (m3)	Hazardous waste managed (Kg)	Non- Hazardous waste managed (Kg)	Recyclable Toner (Un)	Vegetable oil (litres)	Direct CO2 emissions**	Indirect CO2 emissions through electricity consumed**
Ireland*	40,437	n.a.	n.a	n.a	n.a	–	–	–	–	–	21.6
Italy	20,095	n.ap.	n.ap.	n.a	n.a	–	–	–	–	–	8.1
Kazakhstan*	7,352	n.a.	n.a	n.a	n.a	–	–	–	–	–	3.8
Kenya*	132,339	n.ap.	n.ap.	n.a	n.a	–	–	–	–	–	42.0
Latvia*	22,056	n.a.	n.a	n.a	n.a	–	–	–	–	–	3.7
Libya*	14,704	n.a.	n.a	n.a	n.a	–	–	–	–	–	12.9
Morrocco	8,821	n.ap.	n.ap.	51	n.a	–	–	–	–	–	6.2
México*	3,173,548	n.a.	n.a	n.a	n.a	–	–	–	–	–	1,717.8
Moldavia*	161,747	2,000	n.ap.	n.a	n.a	–	–	–	–	5.4	76.9
Nicaragua*	36,761	n.a.	n.a	n.a	n.a	–	–	–	–	–	20.2
Panama	155,145	n.ap.	n.ap.	n.a	n.a	–	–	–	–	–	35.5
Peru*	3,194,507	n.a.	n.a	n.a	n.a	–	–	–	–	–	550.5
Portugal ISO 140001 certified centers	261,822	n.a.	n.a	2,966	n.a	–	–	–	–	–	181.1
Other non certified centers	173,098	n.a.	n.a	22,246	n.a	–	–	–	–	–	
UK*	22,056	n.a.	n.a	n.a	n.a	–	–	–	–	–	11.1
Czech Republic	154,208	32,294	19,785	1,166	n.a	–	–	–	–	124.3	81.2
Dominican Rep.	63,691	n.ap.	n.ap.	n.ap.	n.a	–	–	–	–	–	39.7
Romania*	613,904	n.a.	n.a	n.a	n.a	–	–	–	–	–	263.1
Turkey*	3,676	n.a.	n.a	n.a	n.a	–	–	–	–	–	1.6
Ukanie	7,306	n.ap.	n.ap.	160	n.a	–	–	–	–	–	2.5
Uruguay	360,000	n.ap.	n.ap.	1,389	n.a	–	–	–	–	–	106.7
Venezuela	2,631,500	n.ap.	n.ap.	28,478	n.a	–	–	–	–	–	548.5
Zambia*	22,056	n.a.	n.a	n.a	n.a	–	–	–	–	–	0.1
Zimbabwe*	11,028	n.a.	n.a	n.a	n.a	–	–	–	–	–	3.4
Total	94,055,774	269,839	352,018	308,530	44,887	40,979	712,214	2,430	790	1,389.1	32,321.4

Other CO2 emissions

Direct CO2 emissions from transport (own vehicles) (t)**	535.6
Indirect CO2 emissions from transport (third-party vehicles, train and aircraft) (t)**	10,807,871

* Data calculated according to average electricity consumption per employee applied to number of employees in each country.

** Estimates made according to GHG Protocol calculation tools

In some cases the data reporting period does not coincide with the natural year (temporal scope established in this report) or consumption is not available for some months. Therefore, estimates have been made.

GLOBALISING THE SUSTAINABILITY

INDRA

has obtained ISO 14001 and OHSAS 18001 certification in Colombia

In 2009, Indra obtained ISO 14001 (2004 version) environmental management certification and OHSAS 18001 (2007 version) Occupational Health and Safety Management certification in Colombia.

These two certifications enable companies to make headway in competitiveness, improve the quality of life of their professionals and associates, and adequately manage resources so as to preserve the environment.

The ISO 14001 standard (2004 version), certifies that Indra in Colombia is constantly improving its resource management through a permanent commitment to environmental protection. The ISO 14001 standard envisages compliance with the applicable legislation, as well as identifying environmental aspects and impacts generated by Indra's economic activity in Colombia and our environmental responsibilities, tackling these issues systematically to improve our performance in this area.

The OHSAS 18001 standard (2007 version), certifies companies' performance in occupational health and safety management. Its priority is to achieve excellence in this sphere. Among the key areas Indra took into account to obtain this certification are: Identifying hazards, evaluating risks, devising controls relating to these risks, and complying with legislation and regulations.

This standard also ensures preparation and response in the event of emergency, the priority being the safety of all persons inside the company's facilities, whether they be employees, business partners or visitors.

ENVIRONMENTAL MANAGEMENT

REFORESTATION

in the Philippines

In the last 50 years 66% of forest surface area in the Philippines has been destroyed, making it one of the regions with the fastest pace of deforestation on Earth.

To combat, or at least mitigate, the devastating effects of this trend, in mid-2009 the 'Adopt a Tree' initiative was launched, aimed at raising people's awareness of the essential role of forests in maintaining the biodiversity and health of river basins.

Indra took part in the programme and invited its professionals to adopt trees and cooperate in the reforestation activities in the La Mesa river basin. The response was wide and satisfactory, with 238 trees 'adopted'.

In 2010, we will work on:

- Continuing to secure environmental certification for all of Indra's workplaces.
- Continuing to measure and reduce CO2 emissions
- Involving our professionals in achieving our environmental goals.
- Raising awareness among our professionals about what they can do to minimise the environmental impact in their personal lives.
- Enhancing our range of solutions and services that contribute to environmental sustainability.

GOOD TRAVELLER

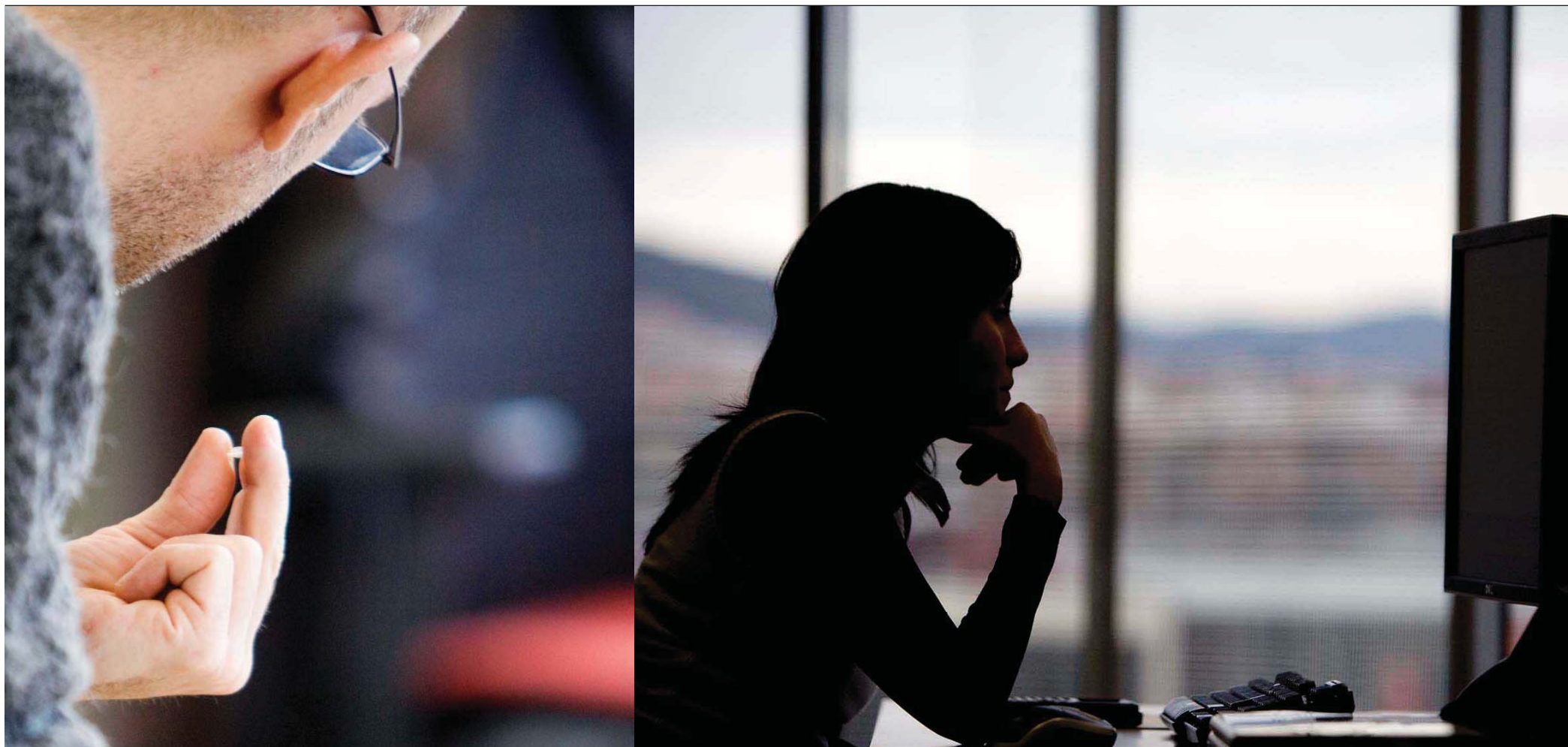
INDRA'S

New travel policy

In the last few years, Indra's travel policy has changed with a view to rationalising and making better use of resources. For this purpose, in 2008 we produced a "Good Traveller Guide" including policies and recommendations linked to the process of managing journeys.

The measures to become more efficient in using resources in travel included, for example, the use of videoconferences to avoid travel altogether or planning trips well in advance.





UNITED TO MEET THE
CHALLENGE OF INNOVATION

Indra Sistemas, Indra Espacio, Indra Software Labs, Imize, Indra Sistemas de Comunicaciones Seguras and Indra Sistemas de Seguridad

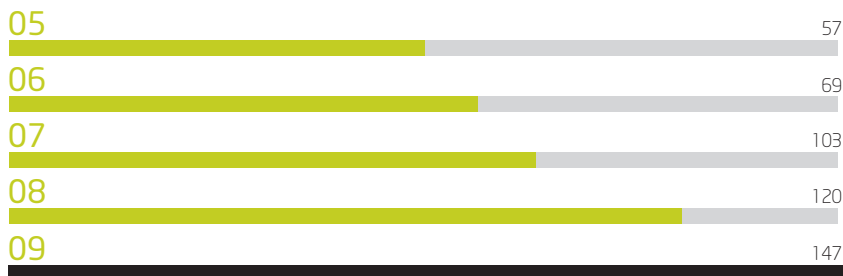
Agreements with

147
institutions

8
Professorships

Knowledge institutions (universities, research centres and other learning institutions) are a hugely valuable interlocutor for developing our general activity and, in particular, our model of corporate social responsibility, and they are an important source of talent recruitment.

Main agreements with universities, research centres, foundations and business schools



Indicators	2005	2006	2007	2008	2009
Number of conferences and forums for external relations	64	47	115	137	234
Main associations to which Indra belongs in Spain	60	60	95	125	173

Generating and disseminating knowledge linked to education, research and training is the cornerstone of our activity. Many of Indra's projects are innovative technologies devised to meet new needs among users. In this connection, we are actively involved in a number of major institutional R&D&i projects in Spain and on the international stage.

We work actively with universities to develop new applications and we offer opportunities to university undergraduates, research students and doctors. We already have agreements with Universidad Pontificia de Salamanca, Universidad de Alcalá de Henares, Universidad Carlos III (Madrid), Universidad Politécnica de Valencia, Universidad de Extremadura and Universidad de Castilla-La Mancha, among others. We want to offer universities a new way of relating to business and, with their help, raise social awareness.

In line with our accessible technology professorships, for the last three years we also sponsored the Award for the Best Final Degree Project in Accessible Technologies. This award is designed to encourage research, bring on talented young professionals, promote sustainability and foster accessible technologies. It is included in the Final Degree Project Awards held annually by Spain's College of Telecommunications Engineers (Colegio Oficial/Asociación Española de Ingenieros de Telecomunicación) which in 2009 celebrated their 29th edition.

In 2009, Indra received the University-Society Cooperation Award in the R&D cooperation category from Universidad Politécnica de Valencia for our contribution to developing relations between universities and society.

Indra Software Labs Badajoz received a special mention for its "Continuous Cooperation" with Universidad de Extremadura, making it the first company to obtain this kind of recognition from the institution.

SOCIAL SUSTAINABILITY

PROFESSORSHIP

Healthcare Technologies



Indra and Universidad Politécnica de Valencia created the Healthcare Technologies Professorship to foster the use and development of information technology in the sphere of healthcare.

The new professorship involved activities to promote research, training, technological transfer and dissemination, and job-creation, among others. The training actions available are aimed at students (via the provision of scholarships, courses and seminars, practical placements at companies, final degree project awards) and qualified personnel (for completing doctoral theses, masters, etc.). Other educational events are also held. The activities take place at the University's School of Applied IT and its IT faculty.

For Indra, this agreement strengthens a strategic line of development, namely the application of information technology to the healthcare sector. It also underpins cooperation with Spanish universities, which we see as indispensable in progressing in research into new solutions.

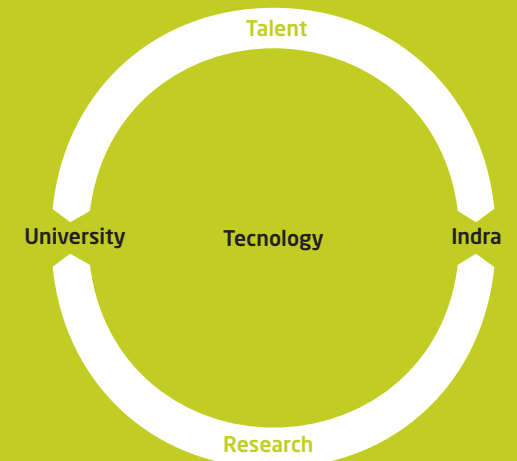
Indra sponsors 8 professorships at the following universities:

- General Professorship: Universidad Politécnica de Madrid.
- Professorship in Accessible Technologies: Universidad Politécnica de Madrid.
- Space Technology Professorship: Universidad de Cantabria
- Security and Accessible Technologies Professorship: Universidad de Castilla La Mancha.
- Security Professorship: Universidad Autónoma de Madrid.
- Professorship in Accessible Technologies: Universidad de Lleida.
- Healthcare Professorship: Universidad Politécnica de Valencia.
- IT Technologies Applied to Disabled People Professorship: Universidad de Extremadura, created at the beginning of 2010.

Types of cooperation between universities and Indra

- **Recruitment of talented people** (recruitment plans, awards, scholarships, job search forums).
- **Training and dissemination of knowledge** (participation in courses and masters degrees, seminars, visits to Indra, institutional participation in conferences, etc.)
- **R&D&i activities** (direct recruitment, Avanza, Cenit and other projects).
- **Business activities** (access to new markets, strategic alliances).

Indra - University Alliance



In 2010, we will work on:

- Fostering actions to improve the exchange of knowledge and innovation with universities and other knowledge institutions.
- Internationalising our Accessible Technologies Professorships.
- Launching new initiatives to improve Indra's brand as an employer in all countries where we operate.





SOLUTIONS AND SERVICES FOR A
SUSTAINABLE SOCIETY

SOLUTIONS AND SERVICES FOR A SUSTAINABLE SOCIETY

Innovation is the cornerstone of Indra's business, the pillar of its sustainability as a company and the key to differentiating its range of services and solutions. It is the common thread in the company's corporate social responsibility, because it is the value that best describes its philosophy, culture and track record, and because it contributes to creating wealth and sustainable development on three levels: economic, social and environmental.

The screenshot shows the Indra website's 'TECNOLOGÍAS ACCESIBLES' page. At the top, there is a navigation menu with links: Inicio, Por qué lo hacemos, Nuestros Proyectos, Cátedras, Contacta, Trabajo Accesible, and Descargas. The main content area is divided into two columns. The left column has a heading 'La tecnología al servicio de la sociedad' and a paragraph explaining the company's commitment to accessible technology. Below this is a section for 'Cátedras Indra' and the Fundación Adecco logo. The right column features a large blue graphic with the text 'COMPARTE TUS IDEAS PARA UN MUNDO MÁS ACCESIBLE' and a link to 'Indra y Fundación Adecco quieren conocer tus necesidades'. Below the graphic is a 'NOTICIAS' section with a sub-heading 'INDRA participó en REATECH -IX' and a brief news item dated 18.04.2010.

As a global company, our main commitment to society is to promote knowledge and innovation by developing differential and valuable solutions and services. We think technology is efficient and useful for society if people do not find it difficult to use. We contribute by fostering research and development in projects with a dual purpose: to make technology accessible to all and to use it to reduce the so-called digital gap.

This gap is different in scope and significance in the various markets where Indra operates. The aim is to help close it, **using our solutions and services to promote accessibility** and extend the use and enjoyment of quality content to improve education and quality of life.

Indra and accessible technologies

We highlight the special contribution by Indra's accessible technologies division (<http://www.indra-tecnologiasaccesibles.com>), which encompasses the projects undertaken in cooperation with Fundación Adecco and various Spanish universities to develop innovative solutions and services in the areas of accessibility and inclusion via the Accessible Technologies Professorships.

With this initiative, we hope to become an international standard-bearer, both through the design and launch of the most accessible technologies and because of the model chosen for university-business cooperation. In 2009, these Professorships conducted projects of undeniable technological value and social usefulness. Highlights, included:

VirtualKeyboard, a keyboard for people with limited mobility

This system enables people to write texts using any device able to control a cursor on a screen (mouse, joystick, touchpad). It is designed for people with limited mobility or difficulties in using conventional keyboards and works as an on-screen application. It features five dictionaries and is able to adapt to the writing style of each user, optimising word prediction in various contexts. It is available free online.

HeadMouse, the virtual mouse

This virtual mouse, which integrates seamlessly with VirtualKeyboard, is designed to allow people with limited mobility to access information technologies. It enables people to control the computer cursor through head movements (for "dragging") and face movements (for "clicking"). The HeadMouse, which is also freely available online for download and which can be used in any computer equipped with a webcam, was unveiled last year in Chile. Based on artificial vision logarithms developed for the mobile robotics area, it enables users to use the virtual mouse intuitively and naturally.

TOyRA (Occupational Therapy and Augmented Reality), a double award winner

The TOyRA (occupational therapy and augmented reality) project (undertaken by Indra, the Rafael del Pino Foundation and the Research and Integration Foundation of Toledo Hospital for Paraplegics) last year received two awards: Business magazine Actualidad Económica's award for one of the Best Ideas of the Year, in the healthcare category, and the Computing 2009 award in the R&D&i category.

TOyRA is designed to help improve quality of life and social integration of persons with spinal injuries by developing a virtual rehabilitation system to enable various patients to be managed by a small number of physiotherapists and to be individually monitored. This initiative is part of Indra's corporate social responsibility area.

Professorship in Accessible Technologies in Extremadura

In February 2010, the University of Extremadura, Indra and the Adecco Foundation together set up a professorship for research into accessible technologies. This is the fourth project of its kind undertaken by Indra as part of its corporate social responsibility initiatives alongside the Adecco Foundation at various Spanish universities, to develop innovative solutions and services to promote access to technology and the integration of people with

disabilities. The first R&D&i project undertaken by the professorship will enable excluded persons to work on designing web applications which, in turn, will be accessible.

Furthermore, the University of Lleida, Indra and the Adecco Foundation reiterated their commitment to social responsibility by renewing their cooperation agreement signed in 2008. Accordingly, the research, development, technology transfer and dissemination activities will continue in the sphere of Information and Communication Technologies (ICT). Among the main projects are to update the HeadMouse system and optimise VirtualKeyboard, the combination of which enables disabled persons to access employment using new technologies.

Completion of GANAS project

In 2009 Castilla-La Mancha University (UCLM) completed the GANAS project (animation generator for sign language), which provides a virtual interpreter able to convert a written text into sign language for the hearing-impaired. The project, which got underway two years ago, forms part of Accessible Technology Professorships run by Indra in collaboration with the Adecco foundation and various Spanish universities.

The objective of the GANAS project is to provide a "translator" of written language into sign language for the hearing-impaired.

The solution has been designed to help the deaf community to understand information in public places such as airports or schools and to offer interpreting services for the cinema, television and web pages.

The aim of the GANAS project is to help the hearing-impaired (for whom sign language is a natural form of communication and who often have difficulties understanding written language) to understand information. Using a 3D figure, the solution allows a written text to be converted into Spanish sign language through a computer.

We contribute to social and economic development

1,3 M€

on Community Action Initiatives

+25

Community support projects

Support for rural employment

For Indra, to innovate is to change the way the company works in order to make the environment more sustainable and diverse. It is in this context that we launched the Rural Employment Generation Plan two years ago in Spain's Somontano region, and we are now extending it to Catalonia and Extremadura. By launching data digitalisation and filing services in depressed districts, we help sustain families who normally live from farming, and thereby avoid the rural exodus.

Project for the work insertion of disabled people

Indra has worked with Valencia's Institute for Disabled Persons and Social Action (Instituto Valenciano de Atención a Personas Discapacitadas y Acción Social - IVADIS) in a training programme for the work insertion of disabled people. The aim of this project (involving almost 300 training hours), was to train disabled women aged 35 and over in spoken and telephone communication techniques (handling telephone devices and looking after visitors), in the general operation of computers and their functions and in various office applications. The participants were able to complete various non-employment practical placements at a number of participating companies. This agreement earned Indra an award from the Valencia Welfare Department.

Support for the altruistic work of Casa Esperanza, in Panama

As part of its social responsibility activities, in 2009 Indra reiterated its commitment to children and adolescents at Casa Esperanza, in Panama. It is the leading Non-Governmental Organisation focusing on combating child labour by implementing healthcare, education and skill-building initiatives for children living in poverty. Founded in 1992, Casa Esperanza provides development opportunities to more than 4,000 children and has a team of around 300 people including teachers, permanent staff and volunteers.

Raising funds for the Philippines

In the aftermath of Typhoon Ketsana which last September caused the worst flooding for 42 years in Philippines, Indra launched an international fundraising campaign to help those affected, raising almost €38,000. Of this amount, €20,000 was contributed by the professionals at Indra in all the countries where we operate and the rest was a corporate donation. Around 30% of our team working in Philippines (which comprises more than 200 professionals) were affected one way or another by the floods.

Portal for Portuguese bank BIPP

As part of its corporate social responsibility policy, Indra worked with Banco de Informação de Pais para Pais (BIPP) in Portugal to maintain its portal, with a view to improving the website and adapting it to the needs of all users. BIPP's online portal, which was developed entirely by Indra, aims to meet the needs of excluded citizens and their families, and thereby to facilitate their integration.



Link to digital gap and to relation with governments:

<http://www.indracompany.com/en/sostenibilidad-e-innovacion/society>

Main associations and foundations to which Indra belongs

Entities linked to quality, ethics and corporate responsibility

AENOR
Asociación Española de la Calidad
Club Gestión de Calidad Forética

Social welfare entities Indra collaborates with

Fundación Deporte de Alcobendas.
Fundación Adecco
Fundación Integra
Fundación ONCE
Fundación Realiza
SECOT

Main sector associations

AETIC
AEC
TEDAE
ATECMA

Indra and lobby groups

In a number of markets, lobbies are recognised and regulated and constitute a legitimate sphere of action alongside legislative and administrative powers. They are characterised by transparency and public knowledge of their activities. Companies, as well as associations or organisations with commercial interests of one kind or another, such as non-profit organisations, hire professionals to lobby government or parliament, reporting to them on specific technical aspects that involve legislation in one direction or another, according to the entities they represent. Lobbying is entirely legal in these markets, and is always in the public domain (it is known who each professional lobbyist works for and how much they earn). It is carefully regulated as a part of legitimate activity which companies and other organisations are entitled to conduct in defence of their interests and as agents on the political stage.

Therefore, Indra states that it carries out no actions aimed at changing government policy. Indra's relationships with public administrations are exclusively commercial or administrative based and are at all times strictly legal.

Specifically, Indra's US subsidiaries have mercantile relations with law firms as this is the procedure followed in this country to obtain information and manage contracts, subsidies and aid. Contributions are made in compliance with legislation in force, via the public statement of said activities. Information is available at: <http://soprweb.senate.gov/index.cfm?event=selectfields>

SOCIAL RESPONSIBILITY

AGREGA, fostering the use of ICT in education



For the last year, the Educational Digital Object Platform (Agrega) has been rolled out in all 17 of Spain's autonomous regions to support the education community, which comprises more than seven million students. This is a federation of educational digital repositories for all regions, accessible via a group of instruments and services made available to users. The content is organised by curricular criteria, so that it can be used in non-university regulated education.

Agrega is a common-interest initiative promoted by red.es, the Ministry for Education, Social Affairs and Sports and the regional governments to support the integration of technologies in the education system. It allows the pooling and use of digital educational content among teachers and students in all Spanish regions.

It includes a powerful, fast and easy tracking tool for specific content that can be used immediately in the classroom, without complicated installation processes. The platform, which has received more than two million visits in the last year, is capable of handling any kind of object usable in web environments, of various kinds and digital formats, whether simple (text, images, audio, video, etc.) or composite (any combination of the above).

Its innovative features and contribution to development in the educational community earned Agrega a **Silver IMS Learning Award in 2009**.

SOCIAL RESPONSIBILITY

RESPONSIBLE Company Award



In December, Indra received one of the awards conferred by the Adecco Foundation to the most responsible companies, institutions and employees, to mark the Foundation's tenth anniversary. The Adecco Foundation highlighted the "commitment and responsible conduct [of the winning companies] which has enabled the persons facing most difficulties to have access to employment and to introduce socially fair and responsible models of conduct."

Indra works with the Adecco Foundation to foster the workplace integration of disabled people. Furthermore, within the framework of its corporate social responsibility policy, it works with the Adecco Foundation in the Accessible Technology Professorships, to design solutions that facilitate access to technology for the disabled.

In 2010, we will work on:

- Boosting development of R&D&i projects to improve social sustainability and, specifically, accessible technologies.
- Fostering actions to improve the exchange of knowledge and innovation with non-profit organisations, associations and foundations.
- Encouraging corporate volunteer initiatives.



Community Welfare

PROJECTS TO SUPPORT INNOVATION AND IMPLEMENT THE INFORMATION SOCIETY

PROJECT	ACTIVITIES INVOLVED	PROJECT PARTNER	BENEFICIARIES
Promoting cooperation between the scientific and productive communities to respond to Andalusian society's innovation and development needs	Defining, promoting and financing viable R&D projects from two stand-points: economic and social	Corporación Tecnológica de Andalucía	Society Local Communities
Strengthening and fostering growth and enhancing competitiveness in the information and telecommunication industry in Galicia	Financing projects in this sphere	Fundación Centro Tecnológico de Telecomunicaciones de Galicia	Society
Helping to develop the country by fostering technological innovation in business and society at large	Publishing books and research and involvement in working committees	Fundación COTEC	Society
Developing entrepreneurial culture at universities, stimulating their role as a driver of regional society	Participating in drafting the CYD report, and in seminars, conferences and surveys	Fundación Conocimiento y Desarrollo (CYD)	Society
Promoting research and development in financial studies and their dissemination	Financing activities performed by the Foundation in the sphere of research in finance and equity markets	Fundación de Estudios Financieros	Society
Promoting culture, tourism and heritage.	Financing the highly technological and innovative cultural platform with services and content based on web 3.0	Fundación Puerta 34	Society
Promoting, analysing, developing and disseminating the Technology and Information Society, as well as Advanced Telecommunications	Financing activities performed by the Foundation	Fundación OVSI	Society
Identifying, developing, promoting and disseminating technologies, processes, products and consumer habits that boost energy efficiency and sustainability in industry, construction, transport and society in general.	Financing activities performed by the Foundation	Fundación Energylab	Society
Conducting a comprehensive study of the interests of Spain and Spaniards in the international society, to be placed at the service of the community	Organising congresses, presentations, seminars, conferences and bilateral forums. Publishing Barometer, bulletins and working documents	Real Instituto Elcano	Society
Supporting companies to help them innovate and grow in a world that is increasingly dependent on the major challenges of sustainable development.	Financing activities performed by the Foundation	Fundación Entorno	Society
Supporting innovation and entrepreneurial spirit	Sponsorship of Graduate Programme	Fundación Junior Achievement and the Fundación Universidad-Empresa	Young people
Helping to improve training for young people, acting as a forum for reflection and foster social projects	Financing activities performed by the Foundation	Fundación Junior Achievement and the Fundación Universidad-Empresa	Young people
Promoting knowledge in the sphere of technology	Financing summer courses	Fundación Príncipe de Girona	Society
Promoting use and development of information technologies in healthcare.	Financing the professorship for training, research, technology transfer and fostering the use of information technologies in healthcare.	Universidad Politécnica de Madrid Universidad Politécnica de Valencia	University / Society.
Generating an interdisciplinary area for matters linked to safety and business, via research, training, dissemination forums and creation of a broad documentary database	Financing activities performed by the Foundation	Fundación Empresa, Seguridad Y Sociedad	Society

PROJECTS TO SUPPORT TECHNOLOGICAL DEVELOPMENT FOR UNDERPRIVILEGED GROUPS

PROJECT	ACTIVITIES INVOLVED	PROJECT PARTNER	BENEFICIARIES
Sponsoring Accessible Technology Professorships to develop innovative solutions and services in the sphere of accessibility and inclusion	Generating innovation together with the university in accessibility and inclusion, by developing research lines and implementing specific projects	Fundación Adecco, Universidad de Lérida, Universidad de Castilla-La Mancha, Universidad Politécnica de Madrid	Disabled people, University and Society
Developing innovative solutions and services in accessibility and inclusion	TOyRA project	Hospital Paraplégicos de Toledo y Fund. Rafael del Pino	Disabled people and Society
Supporting employment insertion of disabled people	Donation	Instituto Valenciano de Apoyo a los Discapacitados (IVADIS)	Disabled people
Supporting employment insertion of disabled people	Donation	Fundación Rey Ardid	Disabled people
Supporting technological development with NGO	Sponsorship of the accessibility observatory	Fundación Konecta	Disabled people
Donating computers	Donation of computer equipment		Underprivileged groups

SUPPORT PROJECTS FOR UNDERPRIVILEGED GROUPS

PROJECT	ACTIVITIES INVOLVED	PROJECT PARTNER	BENEFICIARIES
Sponsoring Insurance Solidarity Awards (Premios solidarios del Seguro)	Sponsorship of the training and support programme for young people with especially high intellectual ability.	Universidad Politécnica de Madrid	Gifted children
Sponsoring Proyecto Ilusion	Sponsorship of construction of a centre for disabled people.	Apsuria	Disabled people
Helping underprivileged groups-employees	Donation to rebuild houses destroyed by Typhoon Ketsana	Indra Filipinas	Employees of Indra Filipinas
Underprivileged groups	Donation	Red Cross, Fundación Asistencial para Las Fuerzas Armadas y La Guardia Civil, Fundación Síndrome de Down, Desarrollo y Asistencia	Underprivileged groups

+164 COMPUTERS

TOTAL DONATIONS €1,319,065

YES

TO THE SUSTAINABILITY



COMMITMENT IN 2008

RESULT IN 2009

CORPORATE

To publish a review of the Code of Professional Conduct in 2009

At its meeting in November 2009 Indra's Board of Directors approved the new Code of Ethics and Professional Conduct, as well as creation of the Monitoring Committee and the Direct Channel.
In December 2009, implementation of the New Code of Conduct began in Spain and it will continue throughout 2010 at all Indra's subsidiaries.



EMPLOYEES

To identify and standardise preventive criteria and rules in the various countries where Indra operates.

Target postponed until 2010.



To obtain requisite audit approval for the workplace risk prevention management system at the companies Indra BMB, Indra BMB Canarias, Indra BMB Servicios Digitales, I3 Televisión, IP Sistemas and Metradis.

Metradis and Euroquality have been absorbed by Indra Sistemas, thereby obtaining certification. Certification for the remaining companies has been postponed until 2010.



To be a company that distinguishes itself for measures and processes that efficiently and verifiably contribute to reducing accidents, obtaining recognition and awards from the Public Administrations in this regard.

No awards were received in this area in 2009.



To adapt our Prevention Management Systems to obtain OSHAS 18001 certification during 2010.

The objective of obtaining OSHAS 18001 certification has been postponed to a medium-term horizon.



Goal in 2009: As part of the ongoing improvement, we will continue to work on:

- The full integration of prevention in all processes and decisions taken and in the accountability of the organisational structure.
- Actions to enhance established processes to keep them permanently optimised.
- Health and safety information and prevention campaigns.

Dissemination campaigns are carried out regularly on the intranet.
In 2009, investigation into accidents has been improved, along with training management.
In 2010 a clearer improvement should be seen in the process to integrate the prevention of workplace risk into applications.
In 2010 the ERP corporate management system will be migrated and PRL features introduced in the different areas.



Goal achieved

Goal partially achieved

Goal not achieved

COMMITMENT IN 2008

RESULT IN 2009

**SUPPLIERS
AND PARTNERS**

To obtain SAP Global Partner status.



To incorporate sustainability criteria to the process of supplier approval in 2009.

This goal was met in early 2010. In April 2010, Indra added questions relating to the sustainability of its suppliers to its approval processes.



To raise awareness and promote sustainability among suppliers in the medium term.

In 2010, Indra plans to unveil a new Code of Conduct for suppliers, and to urge its suppliers and subcontractors to sign it.



ENVIRONMENT

To implement Environmental Management system at three more workplaces: Barcelona, A Coruña and Lisbon.



Indra has exceeded its objective, since it actually obtained certification for 4 new workplaces in 2009: Interface (Barcelona), A Coruña, Lisbon and Bogotá.

Medium-term objective of implementing Environmental Management system at all workplaces worldwide.




In 2010, Indra plans to certify two new workplaces in Spain and one more in Latin America. In the medium term, Indra plans to continue certifying workplaces at a rate of at least 2 or 3 per year.



Environmental awareness and communication so that Indra's employees are committed to the goals of reducing consumption and generating less waste.

Via Intranet, Indra conducted a campaign to raise awareness about the goals in reducing consumption and generating less waste.



-  Goal achieved
-  Goal partially achieved
-  Goal not achieved

Since 2008, Indra has published an annual report overviewing its economic, social and environmental performance in the previous year.

Indra considers that by issuing such a report we present the company in a more realistic way, by offering a global and comprehensive view of the impact of our activity in all the company's stakeholders.

The report issued in 2010 with reference to our performance in 2009 was prepared in accordance with the October 2006 edition of the Global Reporting Initiative (GRI) Guide to Producing Sustainability Reports (known as G3), to the maximum level of application (A+), and in accordance with the provisions of the AA1000 Accountability standard (2008 edition).

Both this report and the economic, social and environmental information it contains have been externally verified by independent third parties. The scope, description of the work involved and conclusions of this verification are contained in the section entitled Verification Letter.

In accordance with our commitment to ongoing improvement, Indra has been working since compiling its first report on corporate social responsibility and sustainability (in 2003) to extend the scope of information to all companies within the group.

The scope of the information presented is described at the beginning of each chapter of the report. The complete list of Indra companies at 31 December 2009 appears in Annex I of the Consolidated Annual Financial Statements and Management Report. For any information whose temporal or structural scope is other than that mentioned at the start of each chapter, the differences are explained alongside the information in question.

As is the case every year, this report has been produced with the involvement of those internally responsible for relations with each stakeholder with whom the company operates, which means not only pooling information but ensures continuing improvements to the

systems of communication between Indra and its various stakeholders.

The procedure for preparing this report facilitates compliance with the principles defining its content (materiality, stakeholder participation, explanation of the context of sustainability and completeness), as well as with the principles pertaining the report's quality (balance, comparability, accuracy, timeliness, clarity and reliability) required by G3 and by the three founding principles of the AA1000 Standard (2008) (responsiveness, exclusive to the AA1000 principle; and inclusivity and materiality, principles that are shared with GRI but interpreted according to AA1000).

The information provided in this document comes from various management and reporting systems implemented in the areas reporting to Brand Management and Corporate Responsibility, in charge of accounting for the company's economic, social and environmental performance, as well as promoting the Corporate Responsibility Master Plan. Information concerning the characteristics or performance of markets are all Indra's opinions, drawn up by the company's experts.

There are a number of internal mechanisms in place to control information handled by the management and information systems. Indra makes every effort to improve its systems for generating, adding and consolidating data, so as to enhance the quality of the information presented in the Sustainability Report.

**The steps taken to produce this report,
from November 2009 to March 2010,
were as follows:**

1.

Interviews were held in the final quarter of 2009 with each of the managers in charge of relations with the various stakeholders, with a twofold purpose: firstly, to update the Corporate Responsibility Master Plan, by defining new actions to be implemented or promoted; and secondly, to compile information regarding the sustainability status of the company in order to prepare the rendering of accounts for the year.

As in previous years, to produce the Activities Report interviews were also held with the managers responsible for the company's operations, both in vertical markets and activities, in order to report on the main trends and actions in the business areas where the company operates. However, continuing the initiative implemented in 2008, a particular effort was made to identify the possible social and environmental impacts of Indra's businesses, as set forth in the "Our Business" section of this report.

2.

Internal managers responsible for relations with each stakeholder were issued with a formal request for information concerning the GRI (G3) indicators. Likewise, information was compiled concerning responsible value policies, programmes, initiatives and actions introduced during the year, whether those included in the company's Corporate Responsibility Master Plan or those developed from other strategic lines and having synergies in sustainability and responsibility.

3.

After the report was drafted, it was sent to each internal manager in charge of relations with the various stakeholders, and to those responsible for company operations, in order to verify that the information on their management area was faithfully reflected.

4.

The draft of this report was also sent to the representatives of the trade unions, CCOO and USO, to take into account their suggestions.

Explanation of the principle according to GRI G3 or AA1000 APS (2008)

How we ensure this principle

CONTENT DEFINITION PRINCIPLES OF THE REPORT

**Materiality/ Relevance
(GRI and AA1000 APS 2008 principle)**

What is significant, important and relevant and impacts on the responsibility and sustainability of our activity.

In accordance with AA1000 (2008), materiality must be applied to the business so that material issues are of strategic importance for the company.

Since 2007, before drafting the report, Indra conducts a materiality analysis on issues to determine the relevant topics for reporting. To do this, it analyses the topics covered in the sustainability reports prepared by IT and defence sector companies. Then, it researches press reports to identify the topics the media have focused on, looking particularly at any reputational crises the company may have suffered. Lastly, the company takes as a benchmark the topics that socially responsible investors (e.g. members of the Dow Jones Sustainability Index) consider material, as well as the views of opinion leaders in the sectors where Indra does business.

The purpose of the Corporate Responsibility Master Plan is to identify the material topics for the company and the actions to be taken. The company updates the Plan annually based on external and internal sources. It takes the previous year's Plan and includes the topics considered relevant in the materiality analysis and the recommendations arising during the previous year's verification process. It also considers the results of surveys measuring employee, customer and supplier satisfaction, the description of which is included in the respective chapters of the report. Since 2008, customer and supplier surveys include specific questions aimed at ascertaining the degree of importance they assign to the various aspects of corporate responsibility. In addition, standards such as the GRI and opinions of socially responsible investors are taken into account. Finally, data are obtained from other, less formal sources (e.g. observatories and focus groups).

The report production process enables the organisation to align the material aspects arising from the Corporate Responsibility Master Plan with the financial information disclosed in the Annual Report. Indra aims to continue working on improving the process in order to make it more standardised for forthcoming revisions and to gradually expand the scope of the report.

**Stakeholder participation
Inclusiveness**

Identification of the groups and response appropriate to their reasonable expectations and interest, and stakeholders' participation in the development and achievement of a transparent and strategic response to sustainability.

Indra has several systems for periodic consultation with the following stakeholder groups: shareholders, employees, customers and suppliers. It also maintains communication with knowledge institutions and society as a whole. Indra's main systems for specific consultation with each of its stakeholders are described in the related chapters. Departments also have tools to identify and prioritise stakeholders.

Indra's Communication and Marketing department held meetings in 2009 with the heads of relations with investors, employees, customers, suppliers and partners, the environment, knowledge institutions and society to identify the topics to be disclosed in the Report and the monitoring and follow-up of objectives set in previous years. The report was drafted with the participation of managers of relations with each stakeholder. Furthermore, various operations managers were consulted in order to gauge the sustainability of Indra's range of solutions and services.

Indra aims to advance in the formalisation of these identification and prioritisation processes.

Explanation of the principle according to GRI G3 or AA1000 APS (2008)

How we ensure this principle

CONTENT DEFINITION PRINCIPLES OF THE REPORT

Sustainability context

Manner in which the organisation contributes to local, regional and global development.

At Indra, the vision of responsibility is combined with innovation. Management approaches to economic, social, human rights, environmental and product performance (presented in the section entitled "Our Approach to Sustainability") include observations relating to this context. This year, for the second time, Indra has identified the impacts (economic, social and environmental) linked to its activities.

**Responsiveness
(exclusive to Standard AA1000)**

The different mechanisms by which the organisation responds to its stakeholders' expectations. In accordance with Standard AA1000 (2008) this principle, which retains its communication and action value, places particular emphasis on response comprehension.

Through consultation processes and periodic surveys of shareholders, employees, customers and suppliers, Indra includes its stakeholders' expectations and values in its sustainability management. Indra discloses its stakeholders' expectations and values in the various chapters of this report. The purpose of the Corporate Responsibility Master Plan (whose elaboration process has been described in the "Stakeholders participation/Inclusiveness" section) is to include the main activities which respond to the needs of the stakeholders identified. As a result of the communication held with its stakeholders, Indra understands that it must improve its CSR and sustainability. Besides, it will continue working with the aim to improve the documentation of the responsiveness, as well as the monitoring of the viability of each of the identified actions.

Completeness

Scope, boundary and time frame to which the report refers. Reasonable and appropriate presentation of data, and relation to quality.

The report production process and internal and external verification process are conducive to the report's completeness.

Explanation of the principle according to GRI G3 or AA1000 APS (2008)

How we ensure this principle

QUALITY PRINCIPLES OF THE REPORT

<p>Balance</p>	<p>The report should reflect the positive and negative aspects to enable a reasoned assessment of overall performance.</p>	<p>The 2009 report provides data on positive aspects and aspects for improvement, as well as future objectives vis-à-vis each stakeholder, and the degree of compliance with past objectives and commitments.</p> <p>The process of identifying material subjects (see Materiality principle) also contributes to compliance.</p>
<p>Comparability</p>	<p>The report should enable analysis of performance and changes.</p>	<p>The 2009 report includes a record of data since 2005 to analyse Indra's performance over time. The report also notes any changes in calculation methods.</p>
<p>Accuracy</p>	<p>The report should be sufficiently accurate and detailed to enable assessment of the organisation's performance.</p>	<p>The aim has been to render accounts at the very highest level of application, A+, and where appropriate to explain when indicators are not applicable, not available or only refer to parts of the company.</p> <p>The verification process for this report ensures the accuracy of the quantitative information and confirms the evidence and appropriate context for the qualitative information.</p>
<p>Timeliness</p>	<p>The report is presented on time according to a regular schedule.</p>	<p>Indra has published a Corporate Responsibility Report every year since 2003. In 2008, the Sustainability Report replaced the Corporate Responsibility Report as the report on its economic, social and environmental performance. The Sustainability Report will also be published annually, at the same time as the other annual reports the company publishes.</p>
<p>Clarity</p>	<p>Information should be presented in a way that is understandable and accessible.</p>	<p>Indra is developing a digital version of its public access report through its website: www.informeannual2009.indra.es</p> <p>Furthermore, it sends the report to shareholders, leading customers, the media, responsible investment institutions and other interested parties who request the report.</p>
<p>Reliability</p>	<p>The information used in the report can be verified by a third party. The data included is supported by documentation and the relevant internal controls.</p>	<p>In line with its commitment to transparency, Indra has requested independent third parties verify the economic, social and environmental information contained in this report. The scope, description of the work involved and conclusions of this verification are contained in the section entitled Verification Letter.</p>

AR: Annual Report CAA: Consolidated Annual Accounts nap: No applicable
CG: Corporate Governance na: No available

Indicators	Section, Page Number	Comments	Global Compact
------------	----------------------	----------	----------------

PROFILE

STRATEGY AND ANALYSIS

1.1	Statement of the person ultimately responsible for making decisions in the organisation (managing director, chairman or equivalent position) on the relevance of sustainability on the organisation and its strategy.	Chairman's letter, 7-9AR	
1.2	Description of the main impacts, risks and opportunities.	"Our Approach to Sustainability", 22 AR; "Sustainability Offering", 31AR; Other impacts linked to projects on pages :20,41,46,51,56,61,66 AR	
2.1	Name of the organisation.	PFront page AR	
2.2	Main brands, products and/or services.	"Sustainability Offering", 31 AR; Offering in each market on pages: 37,42,47,52,57,62 AR	
2.3	Operative structure of the organisation, including the main divisions, operating bodies, subsidiaries and joint ventures.	"Our business", 29 AR; "Group companies", 85-98 CAA	
2.4	Location of the organisation's main headquarters.	"Group companies", "Parent company", 85 CAA	
2.5	Number of countries in which the organisation operates and name of the countries in which it develops significant activities or those which are specifically relevant in relation to the sustainability aspects dealt with in the Report.	"Revenues by geographical market" and "Some notable projects", 34 AR	
2.6	Type of ownership and legal status.	"Nature, composition and activities of the group", 10 CAA	

PROFILE OF THE ORGANISATION

2.7	Dimensions of the informing organisation.	"Key figures" 4 AR	
2.8	Markets serviced (including geographical breakdown, the sectors supplied and the type of clients/beneficiaries).	"Our Business", 29 AR; "Revenues by geographical market", 34 AR	
2.9	Significant changes during the period covered by the Report in size, structure and ownership of the organisation.	"Managing Director's Letter", 10-12 AR	
2.10	Awards and distinctions received during the reporting period.	Awards and recognition for Indra's activity on pages: 28,38,40,50,60,73,105,108 AR	

Indicators	Section, Page Number	Comments	Global Compact
REPORT PARAMETERS			
3.1	Period covered by the information contained in the Report (e.g. tax year, 24 calendar year).	Front page, AR	
3.2	Date of most recent previous report (if any).	"The Principles Governing this Report" 114 AR	
3.3	Reports presentation cycle (annual, biennial, etc.).	Front page and "The principles governing this report" 114 AR	
3.4	Contact point for issues relating to the Report or its content.		http://www.indracompany.com/sostenibilidad-e-innovacion/contactos
3.5	Report content definition process, material aspects, priority of the aspects included in the Report.	"Our Approach to Sustainability", 114-118 AR	
3.6	Coverage of the Report (e.g. countries, divisions, subsidiaries, leased facilities, joint ventures, suppliers...)	"The Principles Governing this Report" 114 AR	
3.7	Indicate the existence of limitations on the scope or coverage of the Report.	"The Principles Governing this Report" 114 AR	
3.8	Basis for reporting on joint ventures, subsidiaries, leased facilities, outsourced operations and other entities that can significantly affect comparability from period to period and/or between organisations.	"The Principles Governing this Report" 114 AR	
3.9	Data measurement techniques and bases of calculations, including underlying assumptions and techniques	"The Principles Governing this Report" 114 AR "Basis of Presentation", 10 CAC	
3.10	Explanation of the effect of any re-statements of information provided in earlier reports, and the reasons for such re-statement (e.g. mergers/ acquisitions, change of base years/periods, nature of business, measurement methods).	"The Principles Governing this Report" 114 AR	
3.11	Significant changes from previous reporting periods in the scope, boundary, or measurement methods applied in the report.	"The Principles Governing this Report" 114 AR	
3.12	Table identifying the location of the Standard Disclosures in the report.	"Contents", 6 IA; "GRI Indicators", 119-127 AR	
3.13	Policy and current practice with regard to seeking external assurance for the report. If not included in the assurance report accompanying the sustainability report, explain the scope and basis of any external assurance provided. Also explain the relationship between the reporting organisation and the assurance provider(s).	Verification Letter	

Indicators	Section, Page Number	Comments	Global Compact
GOVERNANCE, COMMITMENTS AND ENGAGEMENT			
4.1 Governance structure of the organisation, including committees under the highest governance body responsible for specific tasks, such as setting strategy or organisational oversight.	"Governance and Administration of the Company", 8-22 CG		
4.2 Indicate whether the Chairman of the highest governance body is also an executive officer (and, if so, their function within the organisation's management and the reasons for this arrangement).	"Composition" (of the Board of Directors), 10-11 CG		
4.3 For organisations that have a unitary board structure, state the number of members of the highest governance body that are independent and/or non-executive members.	"Composition" (of the Board of Directors), 10-11 CG		
4.4 Mechanisms for shareholders and employees to provide recommendations or direction to the highest governance body.	"Relations with shareholders and investors", 69AR; "New Code of Ethics and Professional Conduct" 23 AR		
4.5 Linkage between compensation for members of the highest governance body, senior managers, and executives (including departure arrangements), and the organisation's performance (including social and environmental performance).	"Compensation of directors and senior managers", 24-30 CG		
4.6 Processes in place for the highest governance body to ensure conflicts of interest are avoided.	"Article 33. Conflicts of Interest", 80 CG		
4.7 Process for determining the qualifications and expertise of the members of the highest governance body for guiding the organisation's strategy on economic, environmental, and social topics.	"Composition" (of the Board of Directors), 10-11 CG, "Chapter VII. Appointment and removal of directors", 76-77 CG		
4.8 Internally developed statements of mission or values, codes of conduct, and principles relevant to economic, environmental, and social performance and the status of their implementation.	"Our Strategy", 16 AR; "Our Approach to Sustainability", 22 AR; "New Code of Ethics and Professional Conduct" 23 AR		
4.9 Procedures of the highest governance body for overseeing the organisation's identification and management of economic, environmental and social performance, including relevant risks and opportunities, and adherence or compliance with internationally agreed standards, codes of conduct, and principles.	"Chapter II. Mission of the Board of Directors", 69-70 CG		
4.10 Processes for evaluating the highest governance body's own performance, particularly with respect to economic, environmental, and social performance.	"Activity during the year and evaluation of performance" (of the Board of Directors), 7-18 CG		

Indicators	Section, Page Number	Comments	Global Compact
4.11 Explanation of whether and how the precautionary approach or principle is addressed by the organisation.	"Our Approach to Sustainability" 22 AR		Principio 7
4.12 Externally developed economic, environmental, and social charters, principles, or other initiatives to which the organisation subscribes or endorses.	"Chairman's Letter", 7-9 AR		
4.13 Memberships in associations (such as industry associations) and/or national/international advocacy organisations which the organisation supports.	"The main associations and foundations to which Indra belongs", 107 AR		
4.14 List of stakeholder groups engaged by the organisation.	"Our Stakeholders", 67 AR		
4.15 Basis for identification and selection of stakeholders with whom to engage.	"The Principles Governing this Report" 114-118AR		
4.16 Approaches to stakeholder engagement, including frequency of engagement by type and by stakeholder group.	"The Principles Governing this Report" 114-118 AR		
4.17 Key topics and concerns that have been raised through stakeholder engagement, and how the organisation has responded to those key topics and concerns, including through its reporting.	"The Principles Governing this Report" 114-118 AR		

ECONOMIC DIMENSION

Information about the management approach

EC1 Economic value generated and distributed, including revenues, operating costs, employee compensation, donations and other community investments, retained earnings, and payments to capital providers and governments.	"Our Approach to Sustainability" 22 AR "Key Figures" 2 AR; "Acción Social", 110 AR; "Cuentas de resultados consolidadas", 6-7 CAA		
EC2 Financial implications and other risks and opportunities for the organisation's activities due to climate change.	"Geared towards more secure, reliable, environmentally-friendly transport" 38 AR; "Tecnología para la eficiencia y sostenibilidad energética", 46; "Technology for energy efficiency and sustainability", 61 AR		
EC3 Coverage of the organisation's defined benefit plan obligations.	"Social Benefits", 86 AR		
EC4 Significant financial assistance received from government.	"Capital grants", 54 CAA		
EC6 Policy, practices, and proportion of spending on locally-based suppliers at significant locations of operation.	Breakdown of procurements by country, based on order volume" 90 AR		

Indicators	Section, Page Number	Comments	Global Compact
EC7 Procedures for local hiring and proportion of senior management hired from the local community at significant locations of operation.	n.a.	Human Resources has a structure allowing the selection of professionals in local communities where the company operates.	
EC8 Development and impact of infrastructure investments and services provided primarily for public benefit through commercial, in-kind, or pro bono engagement.	"Solutions and Services" (Public Administrations and Healthcare), 47 AR		
EC9 Understanding and describing significant indirect economic impacts, including the extent of impacts.	"Our Approach to Sustainability" 22 AR		
ENVIRONMENTAL DIMENSION			
Information on the management approach.	"Our Approach to Sustainability" 22 AR		
EN1 Materials used by weight or volume.	"Environmental consumption", 97-98 AR		
EN2 Percentage of materials used that are recycled input materials.	"Environmental consumption", 97-98 AR		Principle 8 / Principle 9
EN3 Direct energy consumption by primary energy source.	"Environmental consumption", 97-98 AR		
EN4 Indirect energy consumption by primary energy source.	"Environmental consumption", 97-98 AR		
EN5 Energy saved due to conservation and efficiency improvements.	"Environmental consumption", 97-98 AR		Principle 8 / Principle 9
EN6 Initiatives to provide energy-efficient or renewable energy based products and services, and reductions in energy requirements as a result of these initiatives.	"Continuous Growth" ; "Innovating in our range of services", 32 AR		Principle 8 / Principle 9
EN7 Initiatives to reduce indirect energy consumption and reductions achieved.	"Main environmental investment and expenses" 95 AR		Principle 8 / Principle 9
EN8 Total water withdrawal by source.	"Environmental consumption" 97-98 AR		
EN1 1 Description of land managed in, or adjacent to, protected areas and areas of high biodiversity value outside protected areas. Location and size of land owned, leased, managed in, or adjacent to, protected areas and areas of high biodiversity value outside protected areas.	n.ap.	Indra's offices are located on urban sites, and do not therefore impact on protected natural areas or areas of high biodiversity value.	
EN1 2 Description of significant impacts of activities, products, and services on biodiversity in protected areas and areas of high biodiversity value outside protected areas.	n.ap.	Indra's offices are located on urban sites, and do not therefore impact on protected natural areas or areas of high biodiversity value.	

Indicators	Section, Page Number	Comments	Global Compact
EN16 Total direct and indirect greenhouse gas emissions by weight.	"Environmental consumption", 97-98 AR		
EN17 Other relevant indirect greenhouse gas emissions by weight.	n.a.	At present, Indra does not monitor journeys and travel using vehicles not owned by the group. In 2008 Indra decided to postpone, for the medium-term, the carrying out of a study on means of transport which it had envisaged due to the planning and launching of a Mobility Plan to reduce employee trips	
EN18 Initiatives to reduce greenhouse gas emissions and reductions achieved.	"Main environmental investment and expenses" 95 AR		Principle 8 / Principle 9
EN19 Emissions of ozone-depleting substances by weight.	n.ap.	No installation of Indra's ISO 14001 certified buildings contains CFCs	
EN20 NOx, SOx, and other significant air emissions by type and weight.	n.ap.	The only emissions produced by Indra are those associated with its natural gas and gasoil boilers. The natural gas and gasoil boilers produce low levels (insignificant) of NOx and SOx.	
EN21 Total water discharge by quality and destination.	n.ap.	Indra's offices are located on urban sites, and discharges are made through the urban network. Water consumption coincides with discharge of water as the only waste water and industrial processes are not in the activities of Indra.	Principle 8
EN22 Total weight of waste by type and disposal method.	Environmental consumption", 97-98 AR		
EN23 Total number and volume of significant spills.	n.ap.	There have been no significant spills registered.	
EN26 Initiatives to mitigate environmental impacts of products and services, and extent of impact mitigation.	"Responsible environmental solutions and services", 95 AR		Principle 8 / Principle 9
EN27 Percentage of products sold and their packaging materials that are reclaimed by category.	"Responsible environmental solutions and services" 95 AR		Principle 8 / Principle 9
EN28 Monetary value of significant fines and total number of non-monetary sanctions for non-compliance with environmental laws and regulations.	n.ap.	Indra's Legal Department has no record of significant sanctions or fines. In the societies Indra Sistemas, Indra BMB, BMB Canarias, BMB Servicios digitales, I3 Televisión, CEICOM, Indra Espacio, Indra EMAC, Indra Software Labs, Europraxis and ALG.	
EN30 Total environmental protection expenditures and investments by type.	"Main environmental investment and expenses" 95 AR		Principle 8

Indicators	Section, Page Number	Comments	Global Compact
SOCIAL DIMENSION			
LABOUR PRACTICES AND WORK ETHIC			
Information on the management approach.		"Our Approach to Sustainability" 22 AR	
LA1 Total workforce by employment type, employment contract, and region.	"Breakdown of professionals by age and gender"; 77AR; "Breakdown of professionals by geographical area" 77AR; "General profile" 83 AR		
LA2 Total number and rate of employee turnover by age group, gender, and region.	"Final workforce" 77AR; "Unwanted external rotation"; 83AR		Principle 6
LA3 Benefits provided to full-time employees that are not provided to temporary or part-time employees, by major operations.	"Social Benefits"; 83 AR		
LA4 Percentage of employees covered by collective bargaining agreements.	90%		Principle 3
LA5 Minimum notice period(s) relating to significant operational changes, including whether it is specified in collective agreements.	Indra strictly complies with the Spanish legislation and, in particular, the Workers' Statute, in relation to communicating organisational changes to the workers' legal representatives.		Principle 3
LA6 Percentage of total workforce represented in formal joint management-worker health and safety committees that help monitor and advise on occupational health and safety programs.	"Fostering a culture of prevention"; 82 AR		
LA7 Rates of injury, occupational diseases, lost days, and absenteeism, and number of work-related fatalities by region.	Workplace risk prevention 83 AR		
LA8 Education, training, counselling, prevention, and risk-control programs in place to assist workforce members, their families, or community members regarding serious diseases.	"Promoting health and well-being"; "Online training in occupational health and safety" 82 AR		
LA9 Health and safety topics covered in formal agreements with trade unions.	"Fostering a culture of prevention"; 82 AR		
LA10 Average hours of training per year per employee by employee category.	"Training and knowledge"; 83 AR		Principle 6
LA11 Programmes for skills management and lifelong learning that support the continued employability of employees and assist them in managing career endings.	"Nurturing talent"; 79 AR		
LA12 Percentage of employees receiving regular performance and career development reviews.	"Number of employees in skill-based evaluation system"; 83 AR		
LA13 Composition of governance bodies and breakdown of employees per category according to gender, age group, minority group membership, and other indicators of diversity.	"Breakdown of professionals by age and gender"; "Breakdown of professionals by geographical area"; 77 AR; "Governance and Administration of the Company"; 8-22 CG		Principle 6
LA14 Ratio of basic salary of men to women by employee category.	"Men/women wage ratio by employment category"; 80 AR		Principle 6

Indicators	Section, Page Number	Comments	Global Compact
HUMAN RIGHTS PERFORMANCE INDICATORS			
Information about the management approach		"Our Approach to Sustainability" 22 AR	
HR1 Percentage and total number of significant investment agreements that include human rights clauses or that have undergone human rights screening.	"Community Welfare", 109 AR		Principle 1/ Principle 2
HR2 Percentage of significant suppliers and contractors that have undergone screening on human rights and actions taken.	"Suppliers and Partners" (Commitments and results), 113 AR	Please see "Framework principles for relations with suppliers" in http://www.indracompany.com/en/sostenibilidad-e-innovacion/125-technology-alliances	Principle 1/ Principle 2
HR4 Total number of incidents of discrimination and actions taken.	n.ap.	Indra Sistemas has not recorded incidents of this type.	Principle 1 / Principle 6
HR5 Operations identified in which the right to exercise freedom of association and collective bargaining may be at significant risk, and actions taken to support these rights.	n.ap.	This type of activity does not exist.	Principle 1/ Principle 3
HR6 Operations identified as having significant risk for incidents of child labour, and measures taken to contribute to the elimination of child labour.	"Our Approach to Sustainability" 22 AR	The company's activity and its operations do not imply such risks.	Principle 1 / Principle 5
HR7 Operations identified as having significant risk for incidents of forced or compulsory labour, and measures taken to contribute to the elimination of forced or compulsory labour.	"Our Approach to Sustainability" 22 AR	The company's activity and its operations do not imply such risks.	Principle 1 / Principle 4
SOCIETY PERFORMANCE INDICATORS			
Information about the management approach		"Our Approach to Sustainability" 22 AR	
S01 Nature, scope, and effectiveness of any programs and practices that assess and manage the impacts of operations on communities, including entering, operating, and exiting.	"We help reduce road deaths", 41 AR; "Remote management of smart medical treatments" 51 AR; "Technological partner for managing microcredit in Latin America", 56 AR		
S02 Percentage and total number of business units analysed for risks related to corruption.	"Internal Audit", 46 CG	Indra's Internal Audit Management analyses all of the company's processes in multiannual plans, which include a corruption risk analysis. The processes analysed in 2009 form part of the 2008-2012 plan.	Principle 10
S03 Percentage of employees trained in organisation's anti-corruption policies and procedures.		The Professional Code of Conduct, which regulates behaviour in relation to corruption, is distributed on the Intranet and through the Human Resources international structure.	Principle 10
S04 Actions taken in response to incidents of corruption.		Indra has not recorded incidents of this type.	Principle 10

Indicators	Section, Page Number	Comments	Global Compact
SOCIETY PERFORMANCE INDICATORS			
S05	Public policy positions and participation in public policy development and lobbying. "Indra y los lobbies", 107 AR		
S08	Monetary value of significant fines and total number of non-monetary sanctions for non-compliance with laws and regulations.	In 2009, Indra registered sanctions and fines totalling €559,774	
PRODUCT LIABILITY PERFORMANCE INDICATORS			
Information about the management approach		"Our Approach to Sustainability" 22 AR	
PR1	Life cycle stages in which health and safety impacts of products and services are assessed for improvement, and percentage of significant products and services categories subject to such procedures.	"Responsible environmental solutions and services" 95AR	
PR3	Type of product and service information required by procedures, and percentage of significant products and services subject to such information requirements.	n.ap.	Indra develops tailored solutions and services. These solutions are delivered together with technical and user manuals which contain detailed information about the product.
PR5	Practices related to customer satisfaction, including results of surveys measuring customer satisfaction.	"Customer satisfaction", 86 AR	
PR6	Programmes for adherence to laws, standards, and voluntary codes related to marketing communications, including advertising, promotion, and sponsorship.	n.ap.	Indra does not make any mention of laws, standards on products or voluntary codes in its marketing communications.
PR9	Monetary value of significant fines for non-compliance with laws and regulations concerning the provision and use of products and services.	n.ap.	Indra has not registered any significant fines.



KPMG Asesores S.L.
Edificio Torre Europa
Paseo de la Castellana, 95
28046 Madrid

Independent Assurance Report to the Management of Indra Sistemas, S.A.

(Free translation from the original in Spanish.
In case of discrepancy, the Spanish language version prevails.)

We performed a limited assurance review on the non-financial information contained in Indra Sistemas, S.A. (hereinafter Indra) Annual Report for the year ended 31 December 2009 (hereinafter "the Report").

Indra management is responsible for the preparation and presentation of the Report in accordance with the Sustainability Reporting Guidelines version 3.0 (G3) of the Global Reporting Initiative as described in the chapter entitled The principles governing this report. This section details the self-declared application level, which has been confirmed by Global Reporting Initiative. Management is also responsible for the information and assertions contained within the Report, for the implementation of processes and procedures which adhere to the principles set out in the AA1000 AccountAbility Principles Standard 2008 (AA1000APS); for determining its objectives in respect of the selection and presentation of sustainable development performance; and for establishing and maintaining appropriate performance management and internal control systems from which the reported performance information is derived.

Our responsibility is to carry out a limited assurance engagement and to issue an independent report based on the work performed, which refers exclusively to the information corresponding to the year 2009. Data corresponding to previous years have not been the object of review. We conducted our engagement in accordance with International Standard on Assurance Engagements (ISAE) 3000, "Assurance Engagements other than Audits or Reviews of Historical Financial Information", issued by the International Auditing and Assurance Standards Board. This standard requires that we plan and perform the engagement to obtain limited assurance about whether the Report is free from material misstatement and that we comply with the independence requirements included in the International Federation of Accountants Code of Ethics which outlines detailed requirements regarding integrity, objectivity, confidentiality and professional qualifications and conduct. We have also conducted our engagement in accordance with AA1000 Assurance Standard 2008 (AA1000AS) (Type 2), which covers not only the nature and extent of the organisation's adherence to the AA1000APS, but also evaluates the reliability of performance information as indicated in the scope.

A limited assurance engagement on a sustainability report consists of making inquiries to Management, primarily to the persons responsible for the preparation of information presented in the Report, and applying analytical and other evidence gathering procedures, as appropriate through the following procedures:

- Inquiries of management to gain an understanding of Indra's processes for determining the material issues for their key stakeholder groups.
- Interviews with relevant Indra staff concerning the application of sustainability strategy and policies.
- Interviews with relevant Indra staff responsible for providing the information contained in the Report.
- Analysing the processes of compiling and internal control over quantitative data reflected in the Report, regarding the reliability of the information, by using analytical procedures and review testing based on sampling.
- Reading the information presented in the Report to determine whether it is in line with our overall knowledge of, and experience with, the sustainability performance of Indra.
- Verifying that the financial information reflected in the Report was taken from the annual accounts of Indra, which were audited by independent third parties.

KPMG Asesores, S.L. is a limited liability Spanish company, a subsidiary of KPMG Network of member firms of the KPMG network of independent member firms affiliated with KPMG International, a Swiss entity.

Reg. No. 460911 / 14.073 / 1.82.
Soc. de. 14.073.0000, S.R.L.
CIF: 46228980

2

The extent of evidence gathering procedures performed in a limited assurance engagement is less than that for a reasonable assurance engagement, and therefore also the level of assurance provided. Also, this report should not be considered an audit report.

Our multidisciplinary team included specialists in AA1000APS, stakeholder dialogue, social, environmental and economic business performance.

Based on the procedures performed, as described above, nothing has come to our attention that causes us to believe that the data included in the Annual Report of Indra Sistemas, S.A. for the year ended 31 December 2009 have not been reliably obtained, that the information has not been fairly presented, or that significant discrepancies or omissions exist, nor that the Report is not prepared, in all material respects, in accordance with the Sustainability Reporting Guidelines (G3) of the Global Reporting Initiative as described in the chapter entitled The principles governing this report. Additionally, and also based on the procedures performed, as described above, nothing has come to our attention that as a result of Indra implementing the procedures described in the chapter entitled The principles governing this report, any material issues have been omitted as applies to the principles of inclusivity, materiality and responsiveness as included in the AA1000 AccountAbility Principles Standard 2008.

Under separate cover, we will provide Indra management with an internal report outlining our complete findings and areas for improvement. Without prejudice to our conclusions presented above, we present some of the key observations and areas for improvement below.

In relation to the INCLUSIVITY principle

Indra identifies and classifies its stakeholders at a corporate level through an internal process which is reviewed annually and that was initiated in 2003. It is recommended that Indra continues working to formalize the stakeholder identification and prioritization process. This procedure should provide more useful information for stakeholder management in the context of the design of the Corporate Responsibility Master Plan.

In relation to the MATERIALITY principle

Indra has a Corporate Responsibility Master Plan for the period of 2009-2010 which is reviewed and updated yearly. Its objective is to include the issues considered to be most relevant for each of Indra's Corporate Responsibility management areas. We recommend systematizing and documenting the process to identify the issues of most relevance, as well as the criteria used, enabling better coverage and consistency in the periodic revisions of the Plan.

In relation to the RESPONSIVENESS principle


Indra's different management areas capture stakeholders' opinions on the actions taken as a response to their needs. It is recommended that Indra continue working on its stakeholder dialogue, as well as documenting the implementation of the responses and following up on postponed or discarded initiatives.

KPMG Asesores, S.L.

(Signed)

José Luis Blasco Vázquez
Partner

18 May 2010



AA1000
Assurance Standard
2008