

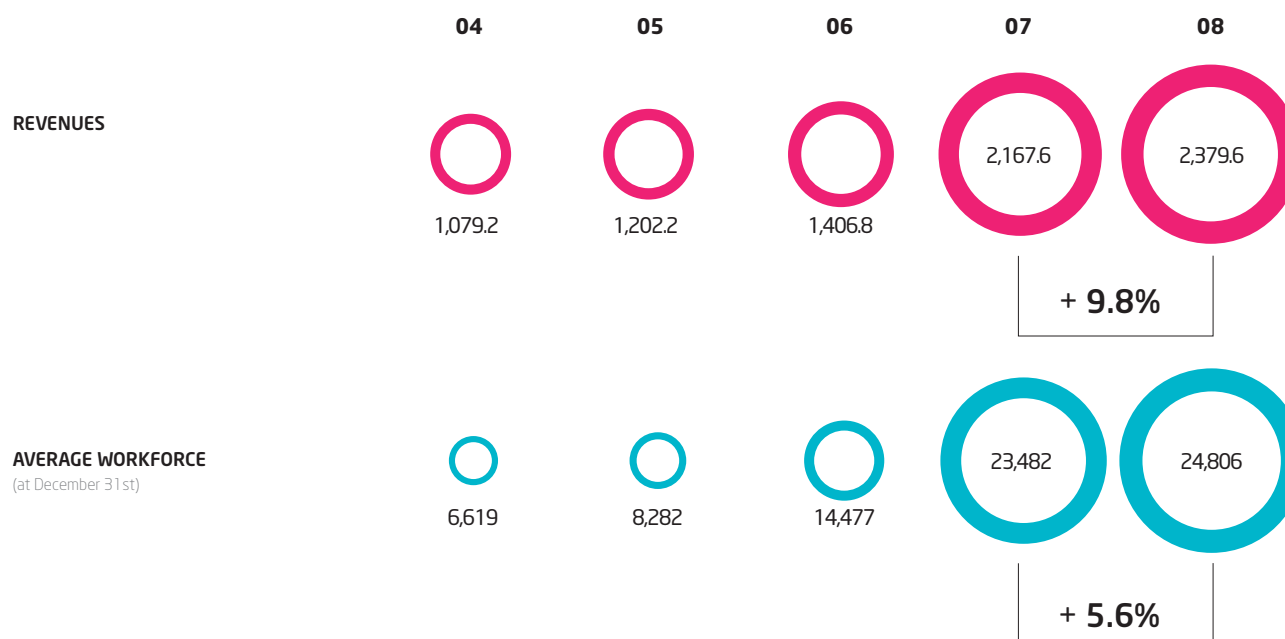
INDRA,
SUSTAINABLE GROWTH
ANNUAL REPORT 2008



KEY BUSINESS FIGURES

REVENUES
2,380 M€

PROFESSIONALS
24,800

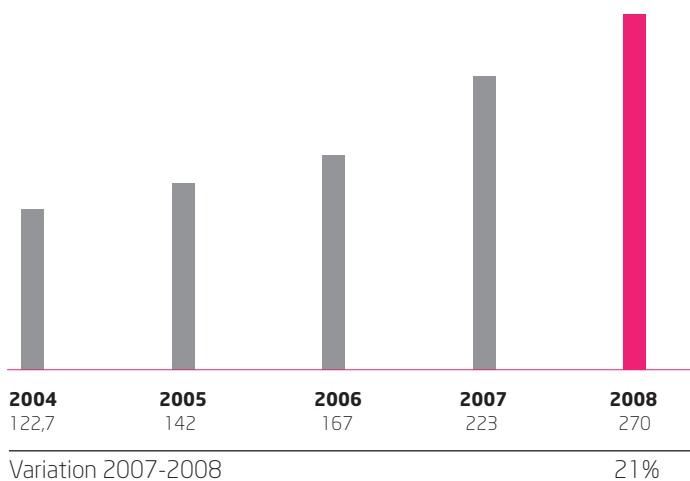


INTERNATIONAL MARKET (% sales)	35%	35%	33%	32%	34%	16.4%
ORDER INTAKE	1,225	1,417	2,172	2,334	2,579	10.9%
BACKLOG	1,363.7	1,623.1	1,885.0	2,241.8	2,428.3	8.3%
NET ASSETS	233,5	248,6	431,0	888,8	972,7	9.4%
NET CASH POSITION (Debt)	197.7	54.1	(58.9)	(150.3)	(148.7)	-1.1%

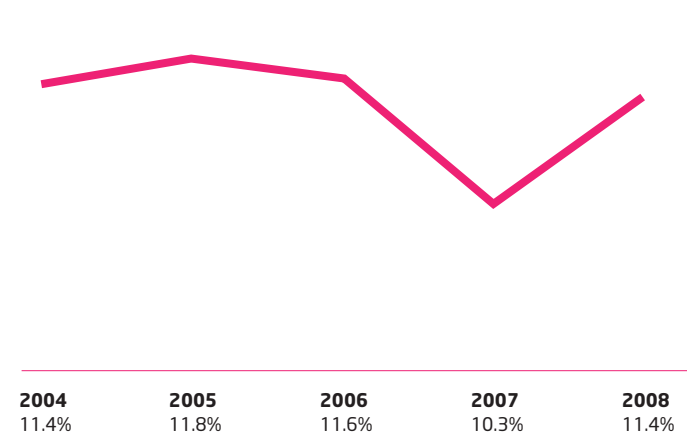
KEY BUSINESS FIGURES

OPERATING PROFIT (EBIT)

(MILLIONS OF EUROS)

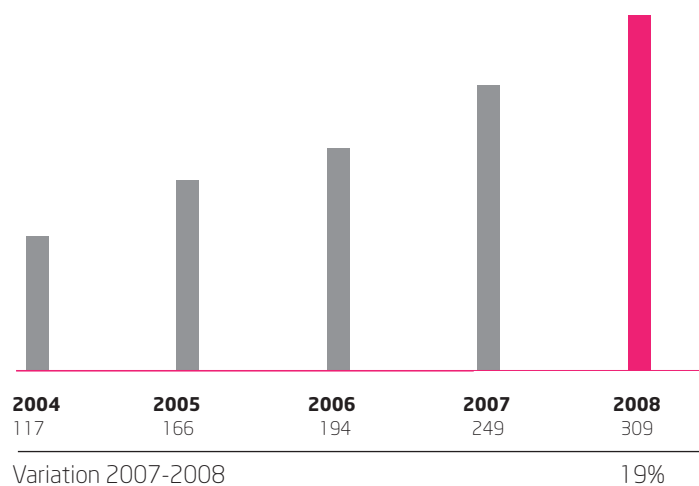


OPERATING MARGIN (EBIT)



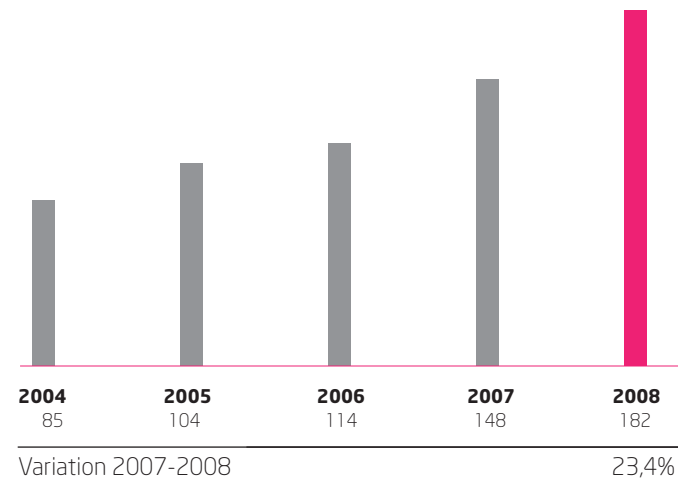
OPERATING CASH-FLOW

(MILLIONS OF EUROS)



ATTRIBUTABLE PROFIT

(MILLIONS OF EUROS)



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OUR ADVANCES IN SUSTAINABILITY

IN 2008 WE HAVE ADVANCED, AS A GLOBAL COMPANY, IN SUSTAINABILITY IN THREE ACTION AREAS –FINANCIAL, SOCIAL AND ENVIRONMENTAL– AS WELL AS IN OUR POSITION AS AN ORGANIZATION THAT OFFERS VALUE SOLUTIONS AND SERVICES IN SUSTAINABILITY.

The **financial sustainability** of Indra, the value that we create for the shareholder and the financial viability of the company continues to be a fundamental area, that today, in times of crisis, is shown to be a priority. During 2008 we have kept this commitment with the shareholders, but furthermore, Indra has continued **to lead** the **DJSI** sustainability indexes in its sector, demonstrating it to be an attractive and socially responsible investment.

CHAIRMAN'S LETTER

Dear shareholder:

2008 –a complicated year, of increasing difficulties, which were greater than that which could have been foreseen– has been a satisfying one for Indra.

After the successful integration of Azertia and Soluziona in the previous financial year, for this past year we set some undoubtedly demanding objectives, which although assuming a deterioration in the general and sector economic environment, it was not contemplated that it would be so extensive, intense and rapid as it has turned out to be. Despite this less favorable fact, we have met and surpassed the objectives set at the start of the year, positioning ourselves for another year at the head of our sector in growth and profitability.

This sound achievement of our objectives makes clear that, with a size and complexity far greater than a few years ago, we maintain an agile and flexible organization, attentive at all times to changes in the environment, with a capacity to anticipate and react rapidly, lead by a management team that maintains the tension and demands necessary to drive and adopt the decisions required.

The Board of Directors as well as the company management is strongly committed to our stakeholders: shareholders, clients, professionals, and the communities where we carry out and plan our operations. Although times like the present remind us that the basic priority is to survive and maintain the successes that we have achieved, we can and should aspire to continue strengthening our position, to achieve greater levels of stability and increase our potential for development.

We cannot at this time define, in the way that we are accustomed, the future horizons and the paths to follow, their reach or duration: but we know that in Indra, we will do so intensifying our status as a technologically strong innovating company, capable of attracting the best talent and fostering their development in a framework of ambition, rigor and determination to realize our objectives, with an evermore global presence and dedicated to leading well renowned clients.

In the past 2008 financial year we celebrated the fifteenth anniversary of the birth of the project that Indra has made reality. These values- ambition, rigor, determination and commitment- have been present at all times, when we defined our project and in every one of the years gone by; and will continue being so in the future.



At our foundation as well as at some later moments we have already had to face serious difficulties. Without false modesty we can say that, on those occasions, we have known how to combine these values in order to look forward with eyes on the future, managing the present with realism and prudence.

Which is what we are doing at the moment, in the first place in the setting of short-term targets and in operational management, to maintain and reinforce our credibility and preserve our levels of profitability and financial soundness.

At the same time we continue to think long-term and mount actions for a wide-ranging horizon. We are convinced that the best times for Indra have yet to come. In all the vertical markets where we operate there exists high potential demand for the technologies that make up the nucleus of our knowledge and capacity for innovation; we have a solid position of top level clients; and we continue to consolidate the presence in geographical markets to deal with this challenge.

Our future will be determined by our capacity to continue to persevere and concentrate in depth on the four vectors that I have mentioned: evolving and developing our offer with a strong technological content; recruiting and retaining the best talent; maintaining and strengthening the position in a growing number of leading clients and with high level business products; and growing development and international presence.

This conviction, from the realism that we manage at the present time, has driven us, for another year, to set demanding objectives for 2009, with relevant and distinctive growth with regard to our sector, preserving our already high profitability levels and the sound balance position that we maintain; and also proposing an increased dividend, proof of our confidence in the future and in our capacity to continue generating value.

These words could seem to be of an arbitrary nature or that they do not spring from the sufficient recognition of the gravity of the present time. It is not like that. We have proven and maintain our capacity to correctly diagnose concrete situations to act responsibly. But it is true that they are formed from a strong passion, that we believe necessary at all times in a business project such as ours to continue its development and to give sound replies to the expectations of all

those who have deposited their confidence in us. We maintain the same ambition as we have had in the last fifteen years and we are as committed for Indra to continue generating hope and value for all on solid and sustainable bases.

In line with the commitment to improve the rendering of accounts of our economic, environmental and social performance, this year we present the information in a manner integrated in a single report "Indra a sustainable company". This report has been produced conforming to the G3 directives of the Global Reporting Initiative, following an application level of A+, as well as Accountability standard AA1000. We have also continued to advance in the application of the principles defined in the Global Compact. All this constitutes a balanced and reasonable presentation of the economic, environmental and social performance of our organization, which has been externally verified.

Javier Monzón
Chairman

MANAGING DIRECTOR'S LETTER

Dear shareholder,

Although the general and sectoral economic environment deteriorated further and more quickly than anticipated, Indra met all its objectives for 2008 which were revised upwards on two occasions during the year. In particular, there has been a favourable evolution on international markets with double digit growth in order intake and revenues.

2008 revenues totalled € 2,380 M, which represents a 10% increase on the figures for 2007. Order intake grew 11% to reach € 2,579.4 M. Backlog grew by 8% to € 2,428 M which is more than double the year's revenue.

Net operating profit (EBIT) grew 21% to € 270 M. Operational profitability has increased yet again, with the EBIT/Revenue margin at 11.4% against 11.1% for 2007 (not including extraordinary costs resulting from the integration of Azertia and Soluzionia)

Net profit grew by 23% to € 182 M, which permitted a 24% increase on Earnings Per Share (EPS).

With regard to its financial position, Indra closed 2008 with net liabilities of € 149 M having paid out an ordinary dividend totalling € 80 M during the year.

Operational cashflow increased by 23%. Net working capital was, as anticipated, slightly higher than a year ago (76 revenue days as opposed to 73 days at year end December 2007).

The solutions and services segments have both grown at a rate of 10%. The positive evolution of the solutions segment is due, in particular, to international air traffic management systems; land traffic, rail traffic and ticketing systems; the security market; solutions for the financial services sector; and the international telecommunications market. Growth in the services segment was mainly in financial services markets and increasingly, public administrations because both these markets are interested in initiatives that improved efficiency and productivity.



The Security and Defence, Transport and Traffic markets continued positively in the year with 8% and 10% growth rates respectively. The increase was close to 20% in both cases in the international market, a market which already generates 43% of joint Security and Defence revenues, plus Transport and Traffic.

In Telecom and Media, the national market has evolved positively with double digit growth, but again, the international market (Latin America and the European Union) was the main area of growth in 2008.

The Financial Services market is still one of the company's major growth areas, and this trend is likely to continue, together with the Telecom and Media market in 2009. The double digit growth in 2008 in the national market (in finance and insurance) and in the international market is particularly remarkable and is due to the high investor level of leading Spanish financial entities, where Indra is well-regarded.

The growth in the public administrations and healthcare market is due to the positive evolution of the national market in the central administration area, mainly in justice and tax.

Finally, the energy and industry market has seen an upturn in the area of energy in the national market and in industry in the Latin American market, with these trends continuing throughout the year.

For 2009 we anticipate a more negative general and sectoral economic environment than last year, in line with the trend already evident in the last quarter. Despite this situation, Indra has the potential to continue growing and registering better trends than the other companies in its sector and maintain its high operating profitability.

In 2009 international markets will again be the main driver of the company's growth. In view of the market backlog and the significant commercial opportunities which have been generated over the last two years, Indra has the potential to continue with double digit growth in international markets in terms of order intake and revenues.

In order to preserve its profitability levels, since 2008 the company has been applying strict policies on expenditure control and costs management, reviewing its operational processes so they are permanently being optimised and will continue to do so in 2009.

In this context, 2009 targets specify a 5 to 7% growth in revenues, with greater growth in international markets; higher growth in order intake than in revenues for the year, enabling the backlog to be increased yet again; and a continuing EBIT margin of between 11.3% and 11.5%.

At the moment it is not easy to know when new circumstance will occur that will drive demand up to double digit growth which has been the tonic in previous financial years. We know that the influence of technology in economic activity is an essential global and competitive element, and for that reason we are optimistic that that in the near future we will return to higher growth levels. We are confident that we will know how to anticipate which will be the most relevant sectors and in what way the new demand that impulses change at all times

The position of Indra in this field is sound because it is based upon two basic pillars: important clients and demand sectors with a high technological content.

Our position on important clients is reinforced for various reasons, but above all, for its clear policy to concentrate its demand in a reduced number of suppliers. At the moment the important clients want to dedicate their time in defining and developing their strategy in Information Technology, rather than supervising a more complex supplier environment.

The growth in demand in the coming years will focus on those sectors with a high technological content, where the hardware/software integration is a key element in the solutions and the price contemplates all of the life cycle. The development of this new offer is a task that should have amongst other things two basic considerations: a medium and long term time horizon; and global reach.

This exercise of imagining the future points towards the sectors of the economy that will develop more will be those in which technology forms an essential part of its transformation model. The demographic changes, the need to use efficiently health services, the new modes of diagnosis and treatment converting the health sector into one of the segments with the best potential for future development: security, for the gradual integration between the concepts of security and defense will also define the coming years in a new paradigm; energy efficiency through the intelligent management of water and energy grids, and mobility, that makes possible economic and social development respecting the environment, will allow us to face the scarcity of resources and the growth of the big cities.

In these sectors Indra has at this moment recognition and highly innovative solutions and with a global reach to tackle new opportunities: From this solid position we will continue progressively and as we have done up to now gaining share in the international markets.

In this environment of growth and continuous transformation, our professionals are those that have the capacity to create new solutions and services, learn, teach and promote new forms of doing and thinking. The recruitment, development and retention of talent are fundamental for sustainability in Indra and a strategic priority. In 2008 we have continued to improve our talent management systems; we have stated up a new career management model that evaluates and fosters the capacities of each one of our professionals favoring their professional development.

In Indra we have professionals who are committed, motivated and open to change and with the capacity to learn. The results achieved and our future are closely linked to the confidence of each and every one of our clients, as well as our professionals. To all of them we should express the highest recognition and our future commitment.

Regino Moranchel
Managing Director

GOVERNING BODIES

BOARD OF DIRECTORS

CHAIRMAN

Javier Monzón ¹

MANAGING DIRECTOR

Regino Moranchel ¹

VICE-CHAIRMEN

Pedro López Jiménez ²Mariano Pérez Claver ³

Manuel Soto

MEMBERS



Isabel Aguilera

Felipe Fernández ⁴

Luis Lada

Honorato López Isla ²

Joaquín Moya-Angeler



Mónica de Oriol



Pedro Ramón y Cajal

Estanislao Rodríguez-Ponga ⁵

Rosa Sugrañes Arimany

Eusebio Vidal-Ribas ⁶

SECRETARY (NON EXECUTIVE)



Daniel García-Pita

VICE-SECRETARY (NON EXECUTIVE)



Carlos González

EXECUTIVE COMMITTEE

Javier Monzón (Chairman)

Isabel Aguilera

Honorato López Isla

Regino Moranchel

Joaquín Moya Angeler

Mariano Pérez Claver

Pedro Ramón y Cajal

Rosa Sugrañes Arimany

AUDIT AND COMPLIANCE COMMITTEE

Manuel Soto (Chairman)

Isabel Aguilera

Honorato López Isla

Mónica de Oriol

Estanislao Rodríguez-Ponga

APPOINTMENTS, REMUNERATION, AND CORPORATE GOVERNANCE COMMITTEE

Joaquín Moya-Angeler (Chairman)

Luis Lada

Pedro López Jiménez

Mónica de Oriol

Mariano Pérez Claver

*The functions of each governing body are listed in the Corporate Government book of Indra's Annual Report 2008.

(1) Executives

(2) Representing Unión Fenosa, S.A. As of 27th March 2009 replaced by Salvador Gabaró Serra

(3) Representing Mediación y Diagnósticos, S.A. 100% owned by Caja Madrid.

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

(5) Representing Participaciones y Cartera de Inversión S.L., 100% owned by Caja Madrid.

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

GOVERNING BODIES

SENIOR MANAGEMENT



Javier de Andrés



Juan Carlos Baena



Emma Fernandez



Rafael Gallego



Ángel Lucio



Cristóbal Morales



Javier Piera



Santiago Roura



Joaquín M. Uguet

EXECUTIVE VICE-CHAIRMEN

Javier de Andrés Corporate Control and Purchase
 Juan Carlos Baena Corporate Development and Financial
 Emma Fernández Talent, Innovation and Strategy
 Rafael Gallego Operations
 Ángel Lucio BPO
 Cristóbal Morales Operations (international)
 Javier Piera Operations
 Santiago Roura Operations
 Joaquín M. Uguet Operations

ADVISORY BOARD

Fernando
Fernández-Tapias

Humberto Figarola



Julián García Vargas



Luigi Michetti



Ramón de Miguel



Ángel Serrano



Santiago de Torres

Indra's Advisory Board is a consultative body whose mission is to advise and support the Board of Directors and top executives on the analysis and definition of the Company's general strategies and in particular, in relation to international markets and corporate responsibility.

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

INDRA, A SUSTAINABLE COMPANY

**2ND EUROPEAN COMPANY IN ITS SECTOR IN R&D INVESTMENT
WITH 152 MILLION EUROS IN 2008 (*)**

The culture of sustainability is integrated in the organisation and aligned with our activity and objectives. We are committed to information transparency, innovation and reducing our impact on the environment.

(*)Scope: Indra Sistemas, Indra Espacio, Indra Software Labs, Inmize, Indra Sistemas de Comunicaciones Seguras and Indra Sistemas de Seguridad.

OUR STRATEGY

ENVIRONMENT AND MARKET TRENDS

TECHNOLOGY AND INNOVATION ARE CHANNELS FOR GROWTH

During 2008 the **uncertainty** which dominated the global economy generated a complicated situation which, however, **had no significant impact** on the demand for Information Technologies (IT). Despite the fact that the technology sector has been shown to suffer the consequences of economic downturns later, no significant reductions in technological budgets are expected in 2009. This is due to the fact that the **Information Technologies** market is in a state of high maturity: the investment made in recent years responds to a meticulous analysis of the return on investment.

The key to survival and sustainability is to achieve ongoing improvements in productivity and competitiveness, which are only possible through investment in innovation and technology. That is why the demand for

solutions will be boosted by the need for firms to differentiate themselves in a more aggressive competition environment.

Outsourcing services and business processes can be a key tool for companies to reduce costs and enable them to access technological innovations which they can use to seek competitive advantages, differentiate themselves and improve their competitiveness.

In short, 2009 will be a year of uncertainty, marked by cost control, improved competitiveness and the return on investment as guides for IT investment.

+ Innovation

+ Cost control

+ Transparency

+ Sustainability

+ Risk management

+ Technology

A STRATEGY FOR SUSTAINABILITY

OUR STRENGTHS ARE:
KNOWLEDGE OF OUR CUSTOMERS,
TECHNOLOGY COMPETENCE AND THE
COMPETENCE OF OUR PROFESSIONALS

THE CAPACITY OF INDRA TO INNOVATE IS
THE CRUX OF ITS CORPORATE
RESPONSIBILITY AND ITS MAIN CONTRIBUTION
TO SUSTAINABLE DEVELOPMENT

CR

Our sustainability focus stems from the Corporate Responsibility (CR) vision that was defined in 2004, after a consultation process with the employees.

The desire to anticipate our customers' needs and our employees' technological expertise enable us to innovate continuously. Innovation is the basis of Indra's strategy and the key to differentiation in developing high added value solutions and services for our customers.

Periods of economic downturn such as at the present time test the strength of business models and the sustainability of firms' competitive advantages. That is why it is fundamental to strive towards maximising strict management, especially through the use of control tools and risk management.

The international market is our major challenge

Indra also has a great opportunity and the major challenge of growing in international markets. That is where Indra intends to focus its efforts as by doing so, the company will be able to continue growing above the sector average.

Sustainability united to innovation

Indra understands that its main responsibility as a company is to create wealth through innovation, leading to the generation of solutions and services. Indra's capacity to innovate is the core of its corporate responsibility, which is its main contribution to local and global sustainable development.

Our sustainability focus stems from the Corporate Responsibility (CR) vision that was defined in 2004, after a consultation process with the employees.

"To display knowledge and capacity for innovation in our relations with our internal and external stakeholders (shareholders, employees, clients...), as well as the institutions that cultivate and develop innovation, and with the communities in which we operate."

INNOVATION MANAGEMENT

INCREASE
IN R&D INVESTMENT
IN 2008

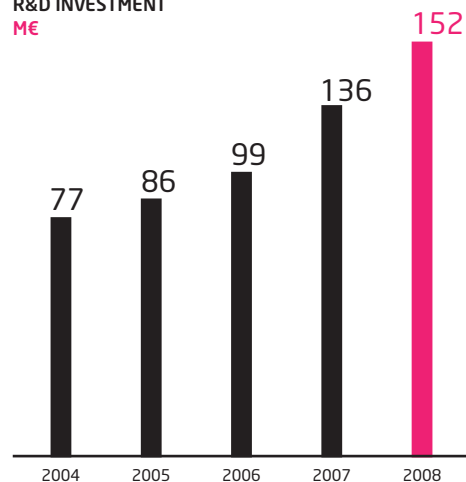
+11.8%

INNOVATION IN INDRA: THE FACTOR WHICH DIFFERENTIATES ITS BUSINESS, AND THE KEY TO ITS COMPETITIVENESS AND SUSTAINABILITY

152

Million Euros is the total figure that Indra invested in 2008, which meant an increase of 11.8% with respect to the previous year.

R&D INVESTMENT
M€



In 2008, Indra backed its commitment to innovation with an investment of 152M€, which led to 11.8% growth. Since 2004, we have invested 550M€, an investment effort of between 6 and 8% over revenues for the period.

The nature of a company with global products and services like Indra means that innovation is directed at identifying and developing business solutions for its customers. Highlights from 2008 include:

- **TOYRA:** Occupational therapy and virtual reality-enhanced rehabilitation.
- **E-Tiobe:** Intelligent e-therapy for obesity treatment.
- **Tratamiento 2.0:** Generic middleware e-health platform for more efficient diagnosis and treatment.
- **Horus:** The development of a family of ship-borne radars.
- **UAV-AT:** High and medium voltage line inspection with unmanned aerial vehicles (UAVs).

Our innovation capability is also apparent from the company's leading position in CENIT, the Spanish government's innovation programme. During 2008, Indra took part in eight research projects: four begun in 2007 and four new

projects approved in 2008. These four new projects are:

- **Oasis:** Safe, intelligent and sustainable motorway operation.
- **Icaro:** Innovation in advanced composites and rear-end optimised.
- **Seduce:** Explosives detection systems for public buildings and infrastructures.
- **España Virtual:** new generation 3D tools for interaction with virtual environments.

GLOBAL DEVELOPMENT NETWORK - SOFTWARE LABS

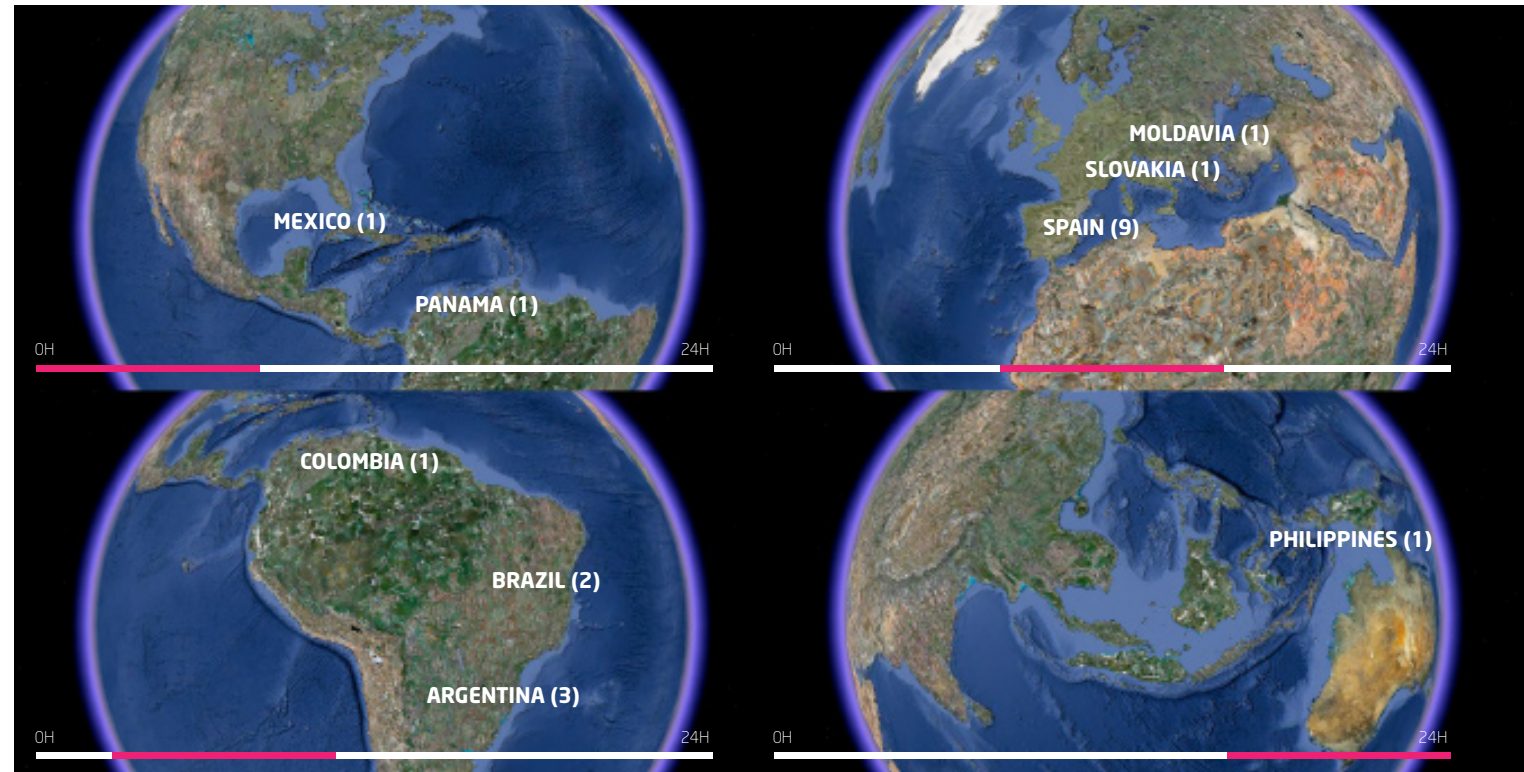
6,328,000 DEVELOPMENT HOURS A YEAR

SOCIAL IMPACT

SOFTWARE LABS AND UNIVERSITIES: VALUE NETWORKS

Software Labs maintain close links with universities as a way of tapping into their talent pool and promoting innovation in solutions and services. Collaboration often materialises in the setting up of knowledge exchange centres. This is the case, for example, of the Joint Centre for Software Research and Design with the Castilla La Mancha University in Spain.

The Centre, which was created in 2006, aims to support the university's research activity for application to business needs, fostering relations with other international centres and facilitating access to research for recent university graduates.



Indra also innovates in its internal management processes. Proof of this is the network of Software Labs which works as a virtual factory 24 hours a day, seven days a week, 365 days a year. In 2008 Indra promoted its Software Labs activity by opening new centres and now has 20 centres in 9 countries. Each centre has a high degree of sectorial specialisation.

In 2008 the Software Labs network had centres in Spain, (Badajoz, Ciudad Real, A Coruña, Gijón, Lleida, Madrid, Málaga, Salamanca and Valencia) and in Argentina, Brazil, Colombia, Slovakia, the Philippines, Mexico, Moldavia and Panama.

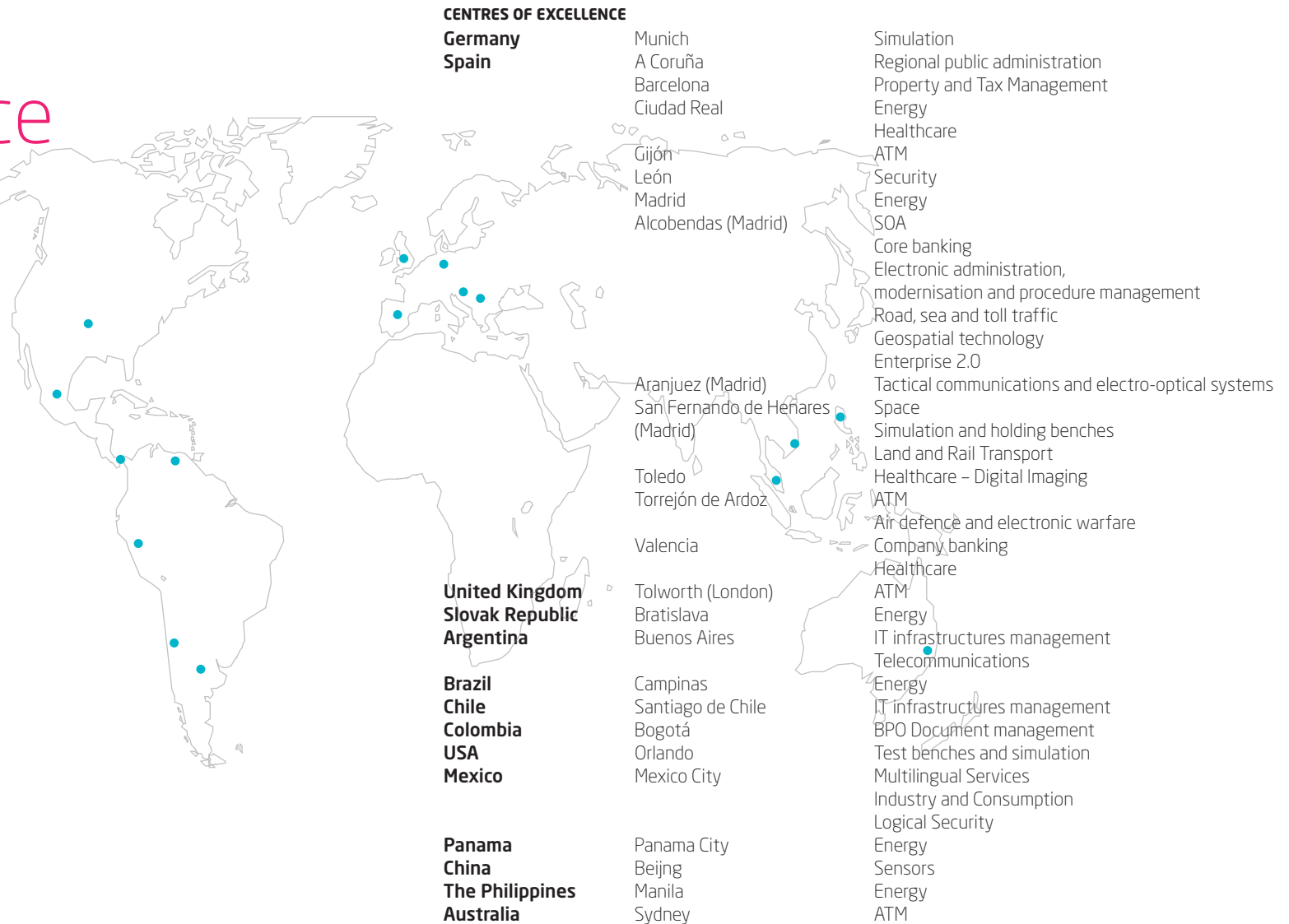
The Software Labs network has an ongoing commitment to quality and all the centres have CMMI level 3 certification.

CENTRES OF EXCELLENCE: SPECIALISATION, INNOVATION AND SERVICE.

INDRA RECEIVES THE 'CINCO DÍAS' AWARD FOR THE MOST
INNOVATIVE BUSINESS PROJECT IN NEW TECHNOLOGIES

38 Centres of Excellence worldwide

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.



OUR SUSTAINABILITY APPROACH

3

ACTION AREAS

INNOVATION

COMMUNICATION CHANNELS
(LISTENING)

INFORMATION TRANSPARENCY

ENVIRONMENTAL MANAGEMENT, ETHICS, HUMAN RIGHTS, SOCIAL IMPACT AND RISK MANAGEMENT

INDRA HAS ESTABLISHED A DECENTRALIZED RESPONSIBILITY MANAGEMENT SYSTEM INTEGRATED INTO THE ORGANIZATION

INDRA IS COMMITTED TO PROGRESSIVELY CERTIFY ALL ITS WORKPLACES AND REDUCE ENERGY AND RAW MATERIAL CONSUMPTION

Sustainability. Integrated and decentralised

For Indra, corporate responsibility, as a means of guaranteeing the company's sustainability, must be integrated throughout the organisation, in line with the company's activity and objectives. Consequently, Indra has established a decentralised responsibility management system integrated throughout the organisation.

Information on the company's responsibility management is reported to Board member, Isabel Aguilera and she informs the Board. Emma Fernández, Vice president of Talent, Innovation and Strategy is in charge of Corporate Responsibility.

Influenced by Global Reporting Initiative (GRI) Reporting Guidelines (G-3), Indra specifies its management and governance approaches to economic performance, environmental management, employment practice and work ethics, human rights and impacts on communities and society.

Since 2007, Indra has been reviewing the definition of these approaches through a process of consultation and participation with all internal employees responsible for stakeholder relations. This process will be used to update the Corporate Responsibility Master Plan.

Financial performance approach

Transparent accounting and the creation of knowledge intensive local employment

- Financial sustainability and profitability are essential for companies to develop and guarantee the creation of wealth which is the basis for creating shared value for the whole of society. Efficient financial management of the company, transparency and accuracy in the rendering of accounts of economic performance are fundamental aspects for corporate and brand reputation in financial and commercial markets.
- Indra provides global solutions and services, in developed and developing economies. The company's global nature also involves setting up workplaces in different countries which contributes to the creation of local knowledge intensive employment and to the development of the communities where we operate.
- Indra considers its suppliers and knowledge institutions to be partners in value creation and allies in innovation and that is a major responsibility.

Environmental management approach

Reduce our environmental impact and raise awareness among all employees by objectives

- Indra believes that Information Technologies can make an effective contribution towards improving environmental management in companies and more widely in society in general. Indra is committed to innovation in this area as well as its main contribution to environmental sustainability.
- Although the environmental impact of the IT industry is not one of the highest, processes and systems must be managed to minimise its impact. Indra's commitment includes improving management, gradually certifying all its workplaces and reducing energy and raw materials consumption.

THE COMPANY PRODUCES ANNUALLY A 'PROGRESS REPORT' WITH THE ADVANCES MADE RELATING TO THE UNITED NATIONS GLOBAL COMPACT WHICH IT SIGNED IN 2004

INDRA BELIEVES THAT THE BEST CONTRIBUTION THAT IT CAN MAKE IS THROUGH INNOVATION IN TECHNOLOGICAL SOLUTIONS AND SERVICES

Employment practices and work ethics approach

- Indra's vision of sustainability is based mainly on people, the leading players in innovation as they research, learn, teach and in short, innovate solutions, services, ways of doing things and of thinking. That is why talent management is a key area for our sustainability.
- Consequently it attaches great importance to initiatives for recruitment, development and retaining employees.
- As part of talent management, Indra is committed to leveraging diversity for innovation. This commitment is expressed through various policies designed to develop our employees' potential and capabilities.
- Indra has a Code of Professional Conduct which sets out the guiding principles for our employees performance.

Human rights approach

In 2004, Indra signed the United Nations Global Compact and produces an annual Progress Report specifying the progress made in implementing each Global Compact principle.

In addition to this public rendering of accounts, Indra also declares:

- Our respect and commitment to the Declaration of Human Rights enacted by the United Nations in 1948 which we consider to be the written expression of people's basic rights, International Labour Organisation Declaration (ILO) on Fundamental Principles and Rights at Work and OECD Guidelines for Multinational Enterprises.
- Our commitment to work, in our sphere of activity, to promote respect for those rights and in particular the rights which acquire particular relevance in relation to our business activity, the sector and the markets where we operate and the nature of our services and solutions.

- Indra is committed, within the free market environment where it operates as a global company, to the following principles:

- Respect for its employees' employment rights.
- Respect for diversity and equal treatment without discrimination of employees, suppliers and the other stakeholders we deal with.
- Respect for third generation environmental rights.
- Respect for all intellectual property rights and the privacy of persons.

As Indra has operations throughout the world, the company has a presence in geographical areas with differing degrees of social, economic, political and environmental development and differing levels of acceptance, promotion and observance of human rights. Indra works in all of these countries observing the legislation in force, its commitment to the Global Compact and the other instruments and the most relevant rights mentioned above.

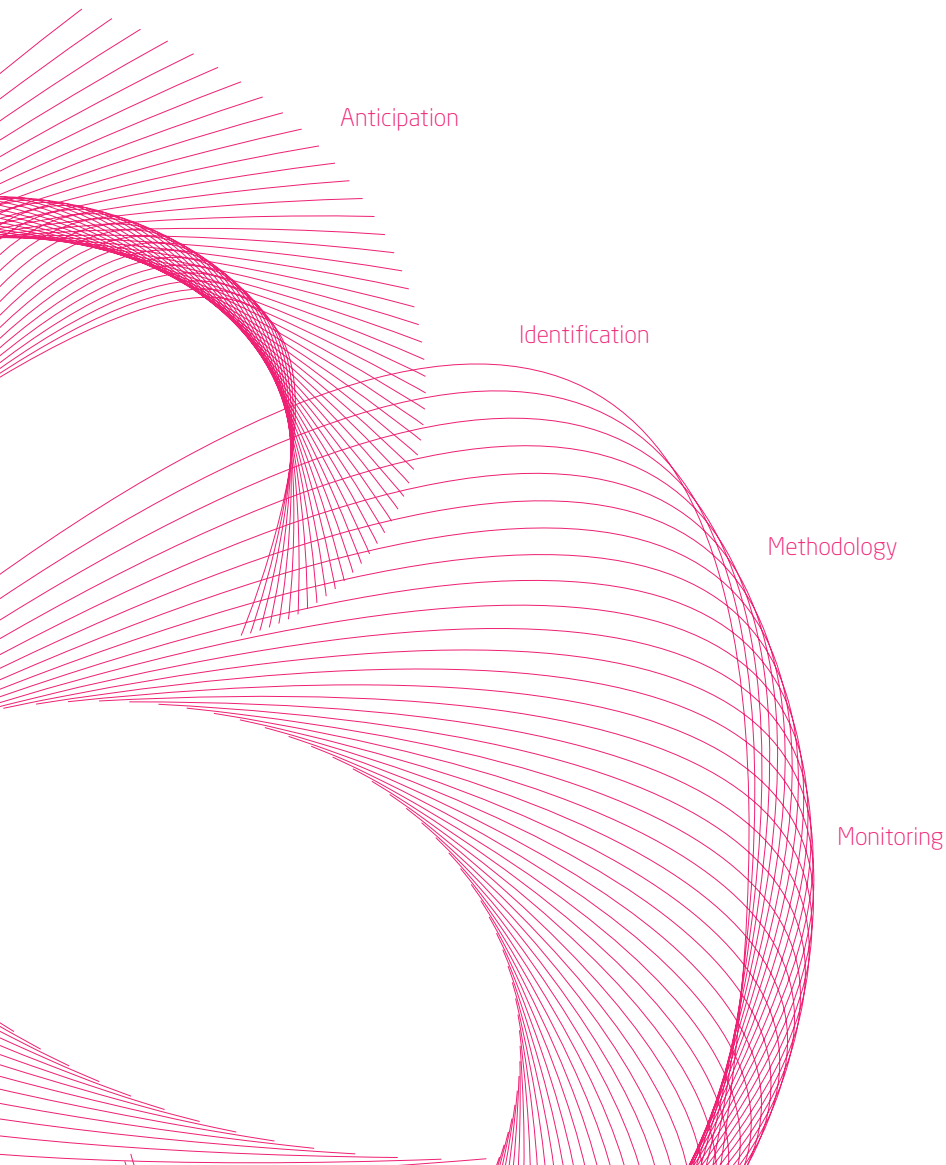
In particular, the company develops its human rights commitments through different human resources policies (remuneration, performance evaluation, reconciliation of professional, personal and family life, trade union and employment relations...), supplier relations principles, information security policy, environmental policy and other company instruments.

Approach to the impact on communities where Indra is present and society

- Indra considers that the best contribution it can make to society is by innovating technological solutions and services. The company believes that innovation contributes to improving living conditions (social, economic and environmental) in societies where it operates. This is the case, for example in services and solutions to facilitate safe, effective public services; those which support peoples' safety and protection; and those which facilitate electoral procedures and their technical reliability in modern democracies.
- Knowledge institutions are one of Indra's strategic shareholders because innovation is a priority action area for the company's corporate responsibility. Collaboration between Indra and knowledge institutions focuses on advanced R&D&I projects and capturing talent.

RISK MANAGEMENT

IN 2008 A SPECIFIC RISK MANAGEMENT UNIT WAS SET UP TO STRENGTHEN THE WARNING CAPACITY FOR ALL LEVELS OF THE ORGANIZATION



Risk management began in Indra in 1999 as a continuation of its insurance cover services. Since then we have developed our own risk management which is periodically reported to the Auditing and Compliance Committee.

Project risk management

In line with advances in the area of project Risk Management in the different areas of the company, since June 2008 a new system for this discipline has been implanted, which integrated into the general Indra Methodology for Project Management, gathers together the practices of the diverse markets and is situated within the corporate Project Management tool.

The system is available for the whole of Indra, in the different companies, markets and countries and allows the identification, evaluation and monitoring of project risks and operations, and according to a single and standardized classification broad enough to take into account the diverse risk situations

The Indra Methodology for Project Management and the internal training courses for projects have at the same time been updated and improved to respond to the new needs of management, information and control.

The aim of the system is to provide, according to the different levels of management, up to date information on projects and the project portfolios relating not only to the possible problems that are affecting their development, but also predicting the possible risks that the projects could face in the future and the quality of the response strategies defined to mitigate such risks.

Together with the Monitoring of the state of the projects in the corporate tools, these new risk-monitoring modules allow efficient and global visualization, the evolution of the state of the projects, adding to the improvement in the capacity to attend to the project, and definitively, in improving the results and better customer service.

MAIN MILESTONES IN RESPONSIBILITY MANAGEMENT

2004	2005	2006	2007	2008
<p>Indra's Corporate Responsibility (CR) is defined.</p> <p>The Global Compact is signed.</p>		<p>Sustainability is profiled as an innovation opportunity in the company's solutions and services.</p> <p>Material responsibility and sustainability issues are mapped.</p> <p>Four areas of services and solutions innovation linked to sustainability are defined.</p>	<p>The foundations are laid for Indra's first global questionnaire on sustainability and responsibility to integrate the responsibility management values and expectations of the markets where we operate.</p> <p>Indra defines its position with regard to the digital divide and relations with governments and administrations.</p>	<p>Indra makes a comprehensive study of its solutions and services to promote those which have high value for financial social and environmental sustainability.</p>
<p>Interviews with Indra directors and sector benchmarking are used to define strategic stakeholders for CR: shareholders, employees, customers, suppliers, environment, society, communities where the company operates and knowledge institutions.</p>		<p>CR is taken to Board of Directors level assigning monitoring of initiatives to independent Board Member Isabel Aguilera.</p>	<p>Work starts on the new Code of Professional Conduct.</p> <p>The Indra brand idea is revised to include sustainable values.</p>	<p>Progress is made in drafting the Codes on Ethics and Professional Conduct.</p>
<p>Indra's CR is diagnosed from quantitative and qualitative information obtained in interviews with managers and departments responsible for stakeholder relations.</p>	<p>The diagnosis is reviewed with each stakeholder manager.</p>			<p>Meetings with the different Indra operations managers are included in the consultation process in order to identify high sustainable value products and services and detect areas of demand.</p>
<p>The Corporate Responsibility Master Plan is drafted which indicates by stakeholder areas the policies, programmes and actions to be carried out or emphasised, the indicators for which accounts must be rendered and the people in charge.</p> <p>The responsibility score card is integrated in the company.</p>	<p>The Master Plan is reviewed working with stakeholder managers setting new horizons for objectives and action.</p>	<p>Developing the responsibility management system for future rendering of accounts with external verification (AA1000).</p>		

IN 2008 INDRA HAS OBTAINED THE SOCIALLY RESPONSIBLE COMPANY CERTIFICATE AND HAS PUT NEW MEASURES IN PLACE IN THE 'EQUILIBRA' PLAN FOR THE RECONCILIATION OF PROFESSIONAL, PERSONAL AND FAMILY LIFE

2004	2005	2006	2007	2008
	A shareholder communication study is carried out	The bulletin for minority shareholders is launched Indra included in the Dow Jones sustainability indexes DJSI/DJSWI and DJSI STOXX.	Indra leads the technology subsector (Computer services & Internet) in the Dow Jones sustainability indexes DJSWI and DJSI STOXX.	Indra is identified as SAM sector leader and mover (Computer services & Internet).
Employees are involved in the vision, diagnosis and CR Master Plan through discussion groups at different levels in the company Training, sensitising and internal communication on CR. The first internal communication actions are taken: dedicated website: including glossary, questionnaire. The company's diversity policy is defined	Launched: We improve with your opinion. A questionnaire on the employment environment used to define new internal policies. The Insertion Agreement is signed with Fundacion ONCE for the integration and promotion of people with disabilities. The <i>Plan Equilibra</i> starts up as an integrated concept for the reconciliation of professional, personal and family life.	The <i>Plan Igualdad</i> is launched. The <i>Plan Equilibra</i> continues An employment culture audit is carried out after the integration of Azertia.	Plan 90 is started to integrate Azertia and Soluzionaria. The <i>Plan Igualdad</i> is promoted on a three-yearly basis. Work towards obtaining Family-Responsible Company certification is begun Start up of the Equilibra Group to develop the plan in the organisation. The foundations are laid for including formalised, periodic consultations with unions on matters of responsibility	New measures in <i>Equilibra</i> are started up. Family-Responsible Company Certification is achieved. A questionnaire is conducted on corporate responsibility at international level A new Career Management System is launched. Consultations with unions on matters of responsibility and the report are institutionalised. The Non-tolerated Behaviour Protocol: Sexual harassment and Sex discrimination is completed.
Improvements to customer satisfaction measurement systems	Improvements to customer satisfaction measurement systems	Improvements to customer satisfaction measurement systems	Improvements to customer satisfaction measurement systems Azertia and Soluzionaria certificated centres are integrated in Indra's quality system. IT security is promoted as a particularly relevant area of Indra's responsibility.	Customers and suppliers are asked their opinion on the materiality of various aspects of sustainability.

THE 2008 CORPORATE RESPONSIBILITY REPORT IS THE SECOND ISSUED BY INDRA FOLLOWING THE GLOBAL REPORTING INITIATIVE CRITERIA WITH THE HIGHEST APPLICATION (A+) AND INCLUDING EXTERNAL VERIFICATION

2004	2005	2006	2007	2008
<p>The guiding principles for Indra's supplier relations is defined.</p> <p>A supplier consultation and survey system is set up.</p>	<p>The suppliers' portal starts up with significant impact on reducing consumption and times</p>	<p>The supplier consultation and survey systems include responsibility and sustainability aspects.</p> <p>Responsibility is promoted in the value chain.</p>	<p>An initial assessment is made of the state of Responsibility in Indra's 110 partners to define future actions to promote responsibility among them.</p>	
	<p>The facilities at Torrejon de Ardoz and San Fernando de Henares (both in Madrid) obtain ISO 14001 and EMAS certification, and environmental awareness plans are developed.</p>	<p>EMAS certification for the <i>Triángulo</i> building.</p>	<p>Environmental certification for the facilities in Aranjuez (Madrid), Roc Boronat (Barcelona) and the <i>Triángulo</i> building (Madrid)</p> <p>Environmental awareness-raising sessions are held at the new certified workplaces in Aranjuez and Barcelona.</p> <p>A study of the environmental impact of products and services is made.</p> <p>New website with environmental information and sensitisation</p>	<p>Environmental certification obtained for 2 new workplaces.</p> <p>An internal sensitisation campaign is started.</p>
	<p>A university relations manager is appointed</p>	<p>The Indra Professorship is created at the Polytechnic University of Madrid.</p>	<p>The importance of consulting knowledge institutions on matters of Responsibility is considered</p>	
<p>The company's first Corporate Responsibility Report is produced following GRI framework, reporting on the indicators in chapters 1, 2 and 3.</p>	<p>A second Corporate Responsibility Report is produced in accordance with GRI.</p>	<p>The fourth Corporate Responsibility Report is produced in accordance with GRI and is externally verified.</p>	<p>A fifth Corporate Responsibility Report is produced following Global Reporting Initiative and applying the highest level, A+ and including external verification.</p>	<p>A sixth Corporate Responsibility Report is issued following the Global Reporting Initiative and applying the highest level, A+ and including external verification.</p>
				<p>The Christmas campaign is dedicated to the development of accessible technologies.</p>

BRAND, VALUES AND CODE

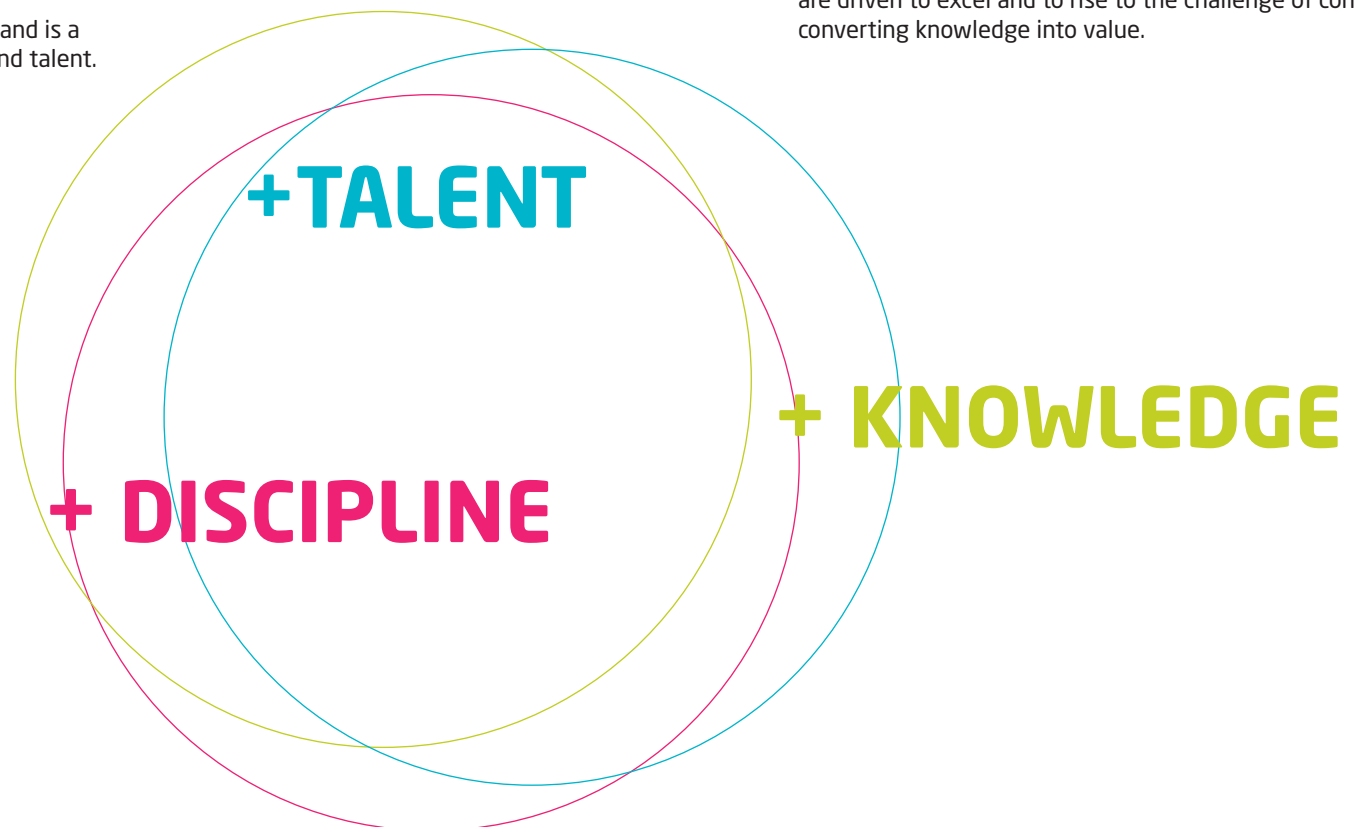
The Indra brand is based on its employees' talent and commitment to innovation. It is supported by an idea which reflects the competitive advantages that make the company unique and special in all the areas of its activity.

Our brand idea is defined by the word virtuosity and is a commitment to the combination of technology and talent.

In Indra, scientific vocation and its employees' talent mark the way forward. Precision, growth and responsible innovation are the result.

Indra's work is not just about meeting defined objectives, we are driven to excel and to rise to the challenge of constantly converting knowledge into value.

INDRA IS



BRAND, VALUES AND CODE

OUR BRAND IDEA IS BASED ON FOUR BASIC VALUES, SHARED BY THOSE SHAPING INDRA WHO DETERMINE HOW THE ORGANISATION BEHAVES

DETERMINATION

We are driven by ambition, by our desire to excel.
We are essentially entrepreneurs, fast and restless, with a strategic vision.
In our day to day business we operate in keeping with our status as a premier company, we are competitive and demanding. We are passionate about meeting targets and exceeding expectations.
We want to become a world benchmark.



ORIGINALITY

We regard each success with relativism, aware that everything changes quickly.
That is why we put all our energy into working for the future and we attach the appropriate importance to innovation. We are committed to a way of doing things differently which combines the best of our experience in each area and offers tailor-made solutions for each case.
This is what makes us unique and candidates for becoming a paradigm.
We always try to get ahead of ourselves whenever possible and exceed expectations.

RIGOUR

We deliver quality service and solutions. Everything we do is based on solid strategic planning.
We are persevering, responsible, meticulous and therefore accurate and reliable.
We apply scientific logic and method in our work. Our methodology is well-known and praised by those who know us. Our maxim is excellence and we aspire to perfection.

To foster Indra's values

certain mandatory rules have been established which define the company's expectations of its employees' behaviour:

Professional competence - Commitment to quality - Independence - Dedication - Communication - Information management - Use of Indra's assets - Customer and supplier relations - Relations with external experts and competitors - Social outreach

The Professional Code of Conduct is the starting point for ethical, responsible behaviour. In 2008 the code was reviewed and will be effectively introduced in 2009, redefining the commitments we have with all our stakeholders, to share the new aspects of this behaviour with them.

OUR BUSINESS

WE MAKE THE DIFFICULT LOOK EASY

We are passionate about what we do and we are continuously putting ourselves in the place of others, making what is difficult look easy.

Meeting commitments is not optional for us, but a habit acquired thanks to mastery of a refined technique and impeccable management.

In addition to being efficient and accurate we are also flexible. We know how to innovate and use our experience for each solution and service we offer.

WHAT WE OFFER

SOLUTIONS

CONSULTANCY & DEVELOPMENT
SECTOR SOLUTIONS

SERVICES

FULL MANAGEMENT OF
IT SERVICES & BUSINESS
PROCESSES

THE MARKETS WHERE WE OPERATE

TRANSPORT Y TRAFFIC
ENERGY & INDUSTRY
PUB. ADMIN. & HEALTHCARE
FINANCIAL SERVICES
SECURITY & DEFENSE
TELECOM & MEDIA

SOLUTIONS AND SERVICES

74%

SOLUTIONS

26%

SERVICES

INDRA'S GLOBAL MANAGEMENT MODEL IS CUSTOMER-ORIENTED. INDRA'S SOLUTIONS AND SERVICES RANGE FROM SOLUTION DESIGN, DEVELOPMENT AND IMPLEMENTATION TO OPERATIONAL MANAGEMENT. THIS MODEL IS APPLIED TRANSVERSALLY IN ALL THE MARKETS WHERE THE COMPANY IS ACTIVE.

SOLUTIONS

IN INDRA, OWN SOLUTIONS ARE A DIFFERENTIATING FACTOR AND A SIGN OF THE COMPETITIVE EXCELLENCE OF THE COMPANY



**KNOWLEDGE OF
THE BUSINESS**

**OWN
TECHNOLOGY**

**SECTOR
SOLUTIONS**

We unite our strategic consulting and business skills with our in-depth expertise in technology.

Strategic and business consulting: value creation oriented

Indra offers high value added services in strategy, innovation, territorial development, human resources and organisation management. Through Europraxis, Indra offers its clients strategic and management consulting solutions to help international corporations improve their value creation.

Technology consulting: developing a new horizontal path for our solutions and services

Indra's technological consulting unit focuses on innovation and new advanced management methods and models to speed up business results. Our services include information technology planning and management, document and content management, digital markets and platforms design and sustainability services.

Third party solutions: fostering global alliances

Indra has close links with leading business software design companies so that it can offer its clients leading-edge technological solutions. The aim of these alliances is to enter new international markets. Our main international partners include SAP and Oracle.

Sector solutions: moving forward in specialisation

At Indra we are heavily committed to developing highly competitive own solutions to offer unique, customised solutions for our clients. Ongoing R&D&I investment means we can provide an innovative, contrasted broad range of solutions and services for all markets.

Own solutions include health-care management systems, electronic intelligence, air defence systems, simulation, energy efficiency, core banking and underwriting, transport infrastructure management systems, hotel management, etc.

PRODUCTIVITY CAN ONLY BE INCREASED BY INTRODUCING SOLUTIONS WHICH IMPROVE BUSINESS AND ORGANISATION EFFICIENCY

FUTURE

In a context of global competition, the key to company survival lies in achieving ongoing improvements in productivity and competitiveness. Productivity can only be increased by introducing solutions which improve business and organisation efficiency. That is why the demand for solutions will be boosted by the need for firms to invest in innovation to differentiate themselves in an environment of weak demand and aggressive competition. The Latin American, Asian, Western and Eastern European markets are a great opportunity for us to grow and introduce our solutions.

We continue with our strategy of developing specific solutions for each vertical segment, as it enables us to differentiate Indra's solutions and services and obtain faster, more efficient access to all markets.

In the area of technological consulting work, we will continue moving towards the development of fast-build models delivering customised solutions, developing the *Empresa 2.0* products and services and consolidating our Eco IT value proposal.

MICROSOFT 'SOLUCIONES WIN THE WEB' AWARD

Indra received this award in the 'Latest Generation Web Environments' specialty for the project to redefine the new Terra model (www.terra.es).

ECONOMIC IMPACT

ACTA: A CENTRE OF EXCELLENCE FOR TECHNOLOGY ARCHITECTURE OF THE FUTURE

In 2008 Indra created Spain's first Advanced Centre for Technology Architectures with the aim of being a point of reference for all the technological and commercial activities developed in the context of Service Oriented Architectures (SOA).

This centre has the support of 200 Java and .Net experts who are developing customised tools for customers, creating prototypes with SOA and introducing Web applications and services following Indra's i-Builder methodology.

International projects are managed at ACTA as in the case of O2 Telefonica in the Czech Republic, Meditel in Morocco and firms from the electricity and banking sectors in the Philippines.

SERVICES

INDRA, A TECHNOLOGICAL PARTNER WITH STRATEGIC VISION

GLOBAL
CAPABILITIES

GREEN IT

RELATIONAL
MODEL

DELIVERY
QUALITY

Our services can include assuming IT management and our customers' business processes where technology and added value are strategic and differential elements.

We understand outsourcing from the perspective of a technology partner, building a close relationship with our customers where collaboration is linked to the evolution of their business, sharing goals, risks and profits.

That is why Indra can cover the entire services value chain, from applications management to BPO.

IT outsourcing

Indra's outsourcing services are supported by our structural capabilities. A network of Production Services Centres (PSC) a set of highly qualified experts and a methodology adapted to best practice.

In 2008 we continued to globalise our outsourcing services, improving our customer relations model to be nearer to their geographical needs and response times. The outsourcing processes are organised by countries, specialising by geographical areas so that we can standardise our supply, reduce costs and develop dynamic, optimised technology models.

In 2008 Indra continued to be the top company in the Spanish Applications Management (AM) and IT outsourcing market, among the leaders in Latin America and growing in Europe.

Business Process Outsourcing: efficiency and operational profitability

Indra has an integral business process outsourcing service through its subsidiary company Indra bmb.

In 2008 we have moved towards developing sector-based provision based on the successful outsourcing we have already delivered. In fact the BPO activity has grown significantly in the Public Administrations and Healthcare market and in Telecom and Utilities, strategic sectors which have been joined by a new business unit directed at the Transport and Traffic and Security and Defence markets.

Indra continues to lead the Financial Services sector, managing over 90 types of business processes for the financial entities collaborating with us.

The search for quality and excellence was clearly reflected in 2008 with the setting up of the Efficiency Team with a mission to optimise processes to increase profitability and efficiency. The Casiopea Project is an example of the work done in 2008 which converted 60 independent mortgage management centres into exclusively customer relations points, centralising management in a single centre in Valencia, which has brought time and costs savings, a reduction in errors and increased quality of results.

In the Telecom market, for operators such as ONO and Orange, we manage services throughout the supply chain, in both administrative and purely technical processes, our company's aim is to increase the after-sales service to provide differential value for our clients.

FUTURE

In periods of economic downturn, outsourcing services become particularly important. Services and business processes outsourcing can be a key tool for companies to reduce costs and also provide them with the ability to access technological innovations which they can use to seek competitive advantages, differentiate themselves and improve their competitiveness.

Currently we have the necessary capability, in terms of our services and international presence to become a global partner for any company.

In the BPO segment, we shall continue to offer sector-based services in each of the sectors of demand where we operate,

benefiting from our successful service provision. In the financial sector, where our position is stronger, we anticipate consolidating our leading position in Spain by developing our services.

Our positioning as a sustainable company drives us to continue innovating in our processes to achieve technology services which minimise energy consumption and the environmental impact.

Furthermore, our positioning and capabilities place us in an excellent position to benefit from market growth. Outsourcing and in particular BPO continue to be the fastest growing segments in the IT services market.

ENVIRONMENTAL IMPACT

GREEN IT: ENERGY SAVINGS IN DATA PROCESSING CENTRES

Outsourcing services and BPO usually include associated hosting and housing services, that is hosting client applications in own servers or client servers in own facilities, known as Data Processing Centres (DPC).

DPCs are energy intensive due to the electricity consumption of computer equipment and the equipment necessary to cool the installations.

In 2008, Indra encouraged initiatives to reduce electricity consumption in its Data Supply Centres by consolidating servers. This consolidation consists in analysing existing servers to concentrate the capacity in fewer more powerful servers.

Consequently:

1. As the number of servers is reduced, electricity consumption is also reduced.
2. Better use is made of the space, which has a positive influence on costs.
3. As fewer servers and less space has to be refrigerated, the refrigeration equipment is used more efficiently.

Indra intends to continue with the initiatives to consolidate and virtualise servers as a basic tool for reducing the company's energy consumption and environmental impact.

Furthermore, Indra has plans to develop and introduce specific indicators to measure energy efficiency in its Data Processing Centres (DPC).

INNOVATING IN SOLUTIONS AND SERVICES FOR SUSTAINABILITY

Innovating in solutions and services to contribute to sustainability

Technology can have a decisive contribution to financial, social and environmental sustainability. In 2008, Indra identified solutions and services in its business which can become potential responses to various sustainability challenges proposed in companies and society in general. Indra's aim is to promote these solutions and services in the market.

Technology can decidedly contribute to financial, social and environmental sustainability. In 2008 Indra identified the solutions and services in its business that can be established as potential responses to diverse sustainability challenges that arise in companies and in society in general. The aim of Indra is to promote these solutions and services in the market

To summarise then, our sustainable offering helps to resolve the following challenges:

Information transparency

- Opinion/on-line satisfaction surveys (Opina)
- Portals
- Control Panels
- On-line report
- Governance plans (Public Administration)

Risk management

- Measurement tool for financial sector, operational risks (associated to Basle II).
- Scoring technology for financial sector decision making
- IT security systems
- Information Security Management Systems (ISMS)

Environment - Ecoefficiency

- Emissions control for production processes: OCEN-MA
- Teledetection: water contamination detection
- Accountability for natural resources, urban atlas, territorial planning, catastrophe evacuation, agricultural monitoring.
- Control panels
- Simulators
- Generation/Production Equipment: renewables; emission control; emissions trading
- Buildings / Properties: Energy saving and efficiency systems; Energy monitoring and management in buildings; Home automation

Mobility

- e-billing
- Teleworking models
- On-line administration
- e-procurement and SASP (Automatic ordering monitoring system)
- E-Administration: Virtual file (tax, justice, health care, etc.)

Inclusión tecnológica

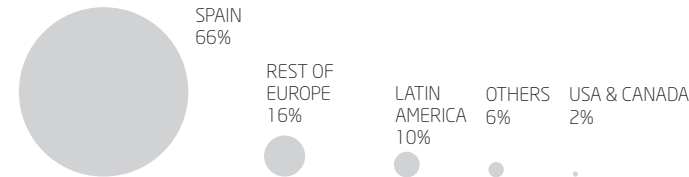
- Accessibility to administrative processes: voting
- Telemedicine
- Accessible technology: Eye mouse, accessible street plan, accessible DTT...
- Website accessibility

Human capital development

- Knowledge management, e-learning, learning communities, forums
- Evaluation tools and opinion polls.
- Employee portals
- Performance evaluation systems

GEOGRAPHICAL MARKETS

**SOLUTIONS AND SERVICES
IN FIVE CONTINENTS**
REFERENCES IN 100 COUNTRIES



INDRA WORLDWIDE



Argentina

Software development and systems maintenance services for Peugeot Citroën France and all the countries with PSA presence.

Brazil

Distribution management system in the energy company Elektro.

Chile

Operational and financial core for the Caja de Compensación Los Héroes.

Colombia

Integral risk and energy transaction management platform in ECOPETROL.

Costa Rica

Introduction of SAP for rating and invoicing in Energía Global.

Ecuador

Approach control centre and simulator for Quito Airport.

Mexico

Maintenance and development of systems for the Comisión Nacional del Sistema de Ahorro para el Retiro (National Commission of Retirement Savings System).

Panama

Management systems for the new Regional Electricity Market for Central America.

Peru

Single ERP model for Telefonica.

USA

US Navy AEGIS system.

Czech Republic

Order and payment management applications for O2.

France

Satellite tactical communication systems for the Ministry of Defence.

Italy

Integral power plant management systems for ENEL.

Portugal

New data processing centre for the Ministry of Foreign Affairs.

Romania

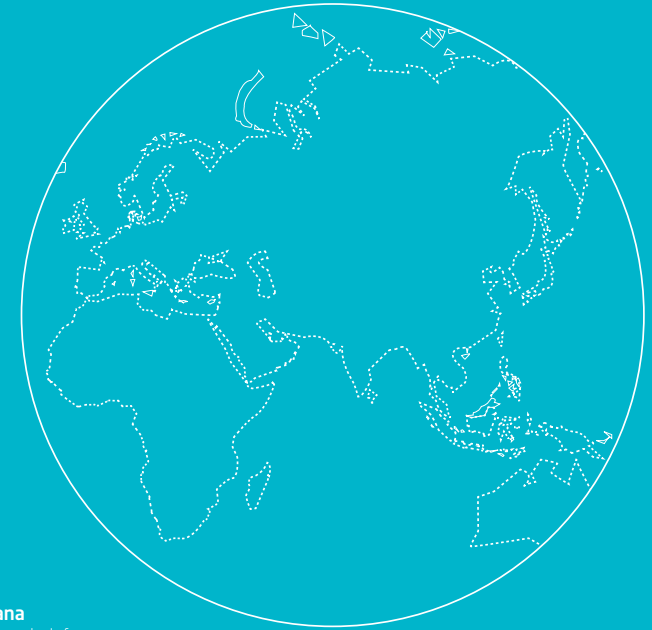
Introduction and start up of an integrated maritime surveillance system for the Black Sea border for the Ministry of Finance.

Spain

Emission of Global Risk Policies for MAPFRE.

United Kingdom

Elections for the Mayor of London and the London Assembly.



Botswana

Botswana air defence.

China

Air control system in Beijing airport.

Kenya

Air traffic control simulator for training controllers throughout East Africa for the East African School of Aviation in Nairobi.

Mongolia

Modernisation of air traffic control and management systems for Mongolia's Civil Aviation Authority.

Morocco

Integrated management system of Property and Land Registers and Cartography in Morocco.

Pakistan

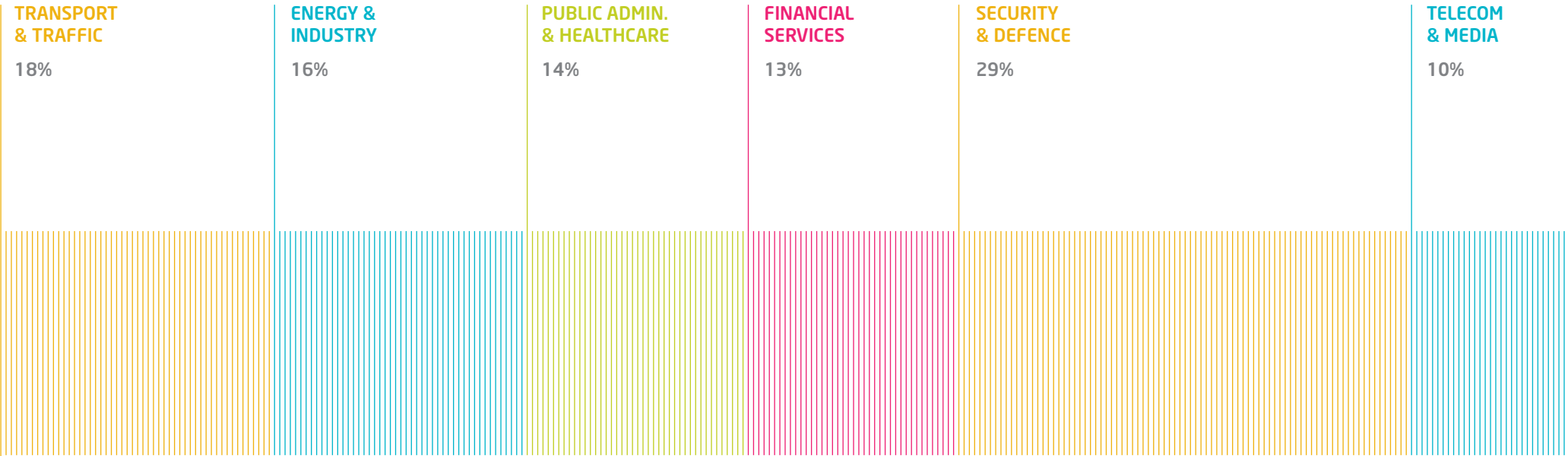
Air Traffic Control Automation Systems in Karachi and Lahore Airports.

Vietnam

Financial, human resources, warehouse and buying management system for Vietnam Electricity.

VERTICAL MARKETS

INDRA IS ONE OF THE LEADERS IN ALL THE MARKETS IN WHICH IT OPERATES AND HAS AN INTERNATIONAL PRESENCE ALLOWING IT TO MEET THE NEEDS OF THE MOST DEMANDING CUSTOMERS



PERCENTAGE OF TOTAL REVENUES.

TOTAL REVENUES 2,379.6 M€

+9.8% WITH RESPECT TO 2007

TRANSPORT & TRAFFIC

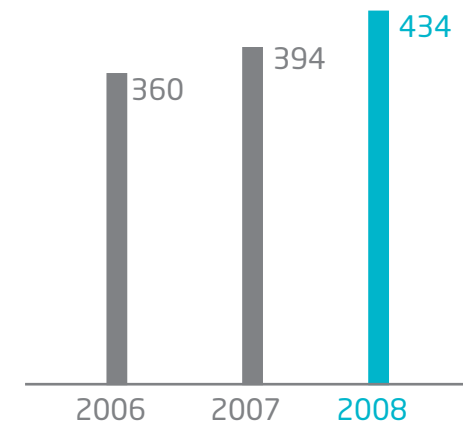
SECURITY, SUSTAINABILITY AND EFFICIENCY

THREE WORDS WHICH ARE PARTICULARLY
SIGNIFICANT IN THE TRANSPORT AND
TRAFFIC MARKET.

Our solutions and services

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

MARKET EVOLUTION (SALES M€)



1,000

WORLD LEADER IN AIR TRAFFIC: MORE
THAN 1,000 FACILITIES/INSTALLATIONS
IN 75 COUNTRIES.

Facilitating sustainable mobility
for environmentally friendly
economic and social development.

GROWTH IN SALES

+10%



IN 2008, INDRA HAS STARTED TRANSPORT & TRAFFIC BUSINESS IN COUNTRIES WITH PROMISING EMERGING ECONOMIES SUCH AS INDIA & BRAZIL

MARKET TRENDS

Growing concern for sustainability and the environment.

Growing importance of security.

Sustained growth over time in the demand for transport.

Strong impact of energy prices can affect demand in the short term.

Migratory movements have increased and therefore countries demand greater border control.

Generation of Public Private Partnership (PPP) or public-private finance models.

Upsurge in international activity

Ticketing, toll and traffic and tunnel control and leading-edge provision of rail traffic control have made a qualitative leap forward in their international career in 2008. In addition to Indra's traditional markets in Europe and Latin America, the company has started to do business in promising countries such as India, Brazil and Morocco. Air traffic control continues to be a leading global player with important growth in emerging markets. All this is happening in an increasingly competitive context where Indra has responded with high value added provision able to meet all customer needs.

Ticketing takes off in India

India is the world's second most populated country after China, with 1,100 million inhabitants, and the seventh largest country: 3,287,590 km². The development of transport has only just begun in India and Indra has already achieved a privileged position, it will be the company responsible for managing ticketing on Mumbai's first underground line. This was one of the Spanish multinational's milestones in 2008. Furthermore, entry into India has been accompanied by two other strategic projects: ticketing management for the light metro connecting the city of Delhi to the airport and a contract with L&T one of India's major infrastructure companies to manage Mumbai's monorail. These successes have placed Indra as a front runner in a country with an unquestionable potential for growth.

Indra's ticketing system has thus become consolidated as one of the most competitive on the market and continues to spread to new countries such as the Czech Republic where the company is under contract to introduce validating machines in the Prague underground, valued at one million euros and in other countries where it was already present such as Portugal. Where it has signed a contract to manage ticketing in the extension to the blue and yellow lines on the Lisbon underground. In previous years similar contracts were obtained in the United States and various South American and European countries.

Over 900 kilometres of roads in Brazil controlled by Indra's toll system.

Toll system management and road traffic control was another of the most dynamic work areas in 2008. 11 international contracts were signed in the United States, Mexico and Chile. In countries such as Ireland, Indra has grown to such an extent that it has become one of the country's principle suppliers providing services to five of the principle highways in the country and managing over 120,000 vehicles/day. Although the three contracts achieved in Brazil hold the most future potential: 206 toll roads, 17 squares and over 900 kilometres of Brazilian roads will be controlled by the Spanish multinational. Also in Brazil, Indra will be managing urban traffic in Curitiba, the largest city in the south and the third highest GDP per capita in Brazil. Its special characteristics make Curitiba a model city for developing urban transport in Brazil. In the first phase of the project, Indra will tackle control of the 48 crossings and their corresponding traffic lights. In this case, the project is even more significant bearing in mind the future needs and size of the country in question.

Another field in which Indra is laying the foundations for future growth is in tunnel management, which include among the contracts signed last year, entry for the first time in Colombia.

Indra strengthens its position in Eastern Europe with air traffic agreements.

Indra is a top player in traffic air control in Europe and Latin America and its systems

AT THE END OF 2008 THE COMPANY HELD AIR TRAFFIC CONTRACTS IN LITHUANIA, BOSNIA-HERZEGOVINA AND RUSSIA, STRENGTHENING ITS POSITION IN EASTERN EUROPE

IN 2008, FOR THE FIRST TIME, AN INTERNATIONAL CONTRACT FOR THE TOTAL MANAGEMENT OF RAILWAY CONTROL SYSTEMS IN MOROCCO WAS COMPLETED

FUTURE

Land and rail transport offers interesting future opportunities in developed countries which need to update their provision and in developing countries which are committed to using the latest technologies. This makes the transport and traffic markets increasingly more competitive and drives companies to continuously update their products and services. To face up to this challenge, Indra emphasises its proven innovative capability as a differentiating element in its proposals. Under this maxim, the company plans to approach markets with the greatest promise of medium and long term growth such as India and Brazil, countries of particular interest in view of their size and the special characteristics of their economy. And more strategic geographical areas such as the Maghreb and Asia-Pacific where sustained investment is expected in rail transport especially. In mature markets, where Indra is already a leading company, growth is expected to be marked by greater demand for road safety.

continue to gain support in the international market. Last year Indra's presence in Eastern Europe was strengthened with the signing of a contract with Empresa Estatal Oro Navigacija, the Lithuanian Aeronautical Services Agency to introduce surveillance and radar control systems at Kaunas and Palanga airports. This is a new step forward in addition to the air space surveillance system and radar previously introduced in the airport at Vilnius, the country's capital. Similarly, contracts have been signed to equip the air controllers' centre in Mostar in Bosnia and Herzegovina and to update the control systems in the centre in Rostov, Russia.

Furthermore, in Morocco, Indra has signed several contracts with ONDA, the Moroccan Airports Authority, to facilitate air traffic management. Air traffic in Morocco grew by 17%, the highest increase in the world. Indra will also introduce three Automatic Dependent Surveillance-Broadcast (ADS-B) stations to increase air space surveillance cover and the stations required for data communication via the satellite communications network.

First rail contract in Morocco
In the railway sector, Indra has closed 2008 with its first international contract for complete management of a railway control system in Morocco. There, Indra and ADIF, the Spanish railway infrastructure manager will be the companies responsible for starting up Morocco's trains for the future. This consolidates Indra's commitment to making integral high value added solutions and service provision which cover all customer needs, as in the case of the Da Vinci system which Morocco has contracted.

Da Vinci is a realtime control system for all the components in a railway network: from GPS and communications to track surveillance. Da Vinci was originally designed to respond to Spanish High Speed Train needs (AVE) but in a second phase Indra has adapted it to manage all types of networks. The system has been installed in all High Speed trains in Spain and in 2008, the Spanish narrow gauge railway company (FEVE) contracted to introduce the system on several of its lines. Other countries such as the United Kingdom have also expressed an interest in the control system and the London underground has already signed a contract to use one of Indra's Da Vinci modules.



UK



PANAMA

ENVIRONMENTAL IMPACT

CONTRIBUTION OF TRAFFIC MANAGEMENT SYSTEMS TOWARDS REDUCING CO₂ EMISSIONS

Obviously more people in movement, travelling more frequently to more places has created a very positive outlook in terms of economic and social dynamism, but it has also generated four major negative effects – congestion, waste of energy, local air pollution and increased CO₂ emissions and accidents, in addition to the use and division of the public space to the detriment of other uses.

That people can move and that more people do so, is largely a demand of economic and social progress. To do it sustainably, in the threefold sense, environmental, social and economic,

requires an integrated system to which Indra is contributing not just because of the environmental impact but also because of the economic and social costs of congestion.

Thus, Indra's Hermes system is a method for regulating urban traffic which prioritises public transport transit. It provides buses with sensors connected to the traffic light network which receive a signal as the bus approaches and give it priority. This mechanism, and others, form part of Indra's projects in Brazil to improve traffic management and already exists in Spanish cities such as Albacete and Pamplona.

SUSTAINABILITY, SECURITY AND EFFICIENCY FOR THE AIR TRAFFIC CONTROL SYSTEM OF THE FUTURE

NATS, the UK's leading air traffic services provider has awarded a contract to Indra to develop the next generation of flight data processing equipment for the United Kingdom, a corner stone in the air traffic control system.

Indra and NATS will work together on this complex and technically demanding project. The agreement also serves to underscore both companies' confidence in establishing a long term relationship.

The system which Indra will develop for NATS is part of the iTEC (interoperability through European collaboration) collaboration agreement where NATS and Indra are joined by AENA and DFS, the Spanish and German air navigation services providers. This system is also being considered by other European countries in response to their future air traffic control needs in matters such as safety, efficiency, and minimising the environmental impact.

IMPROVING MOBILITY IN THE CITY OF PANAMA, UNESCO WORLD HERITAGE SITE

Indra has been chosen to provide consulting services on accessibility, public transport and rehabilitation of the tram system in the historic district in the City of Panama.

The aim of the study is to analyse how to integrate this historic district with the city of Panama through a unified public transport system and appropriate urban design for the area. The project must encourage the exclusion of buses, which are incompatible with the scale of the historic centre, consider the restoration of the old tram lines, design new routes and lines and connection with mass transport networks currently being planned for the rest of the Metropolitan Area.

The project includes the design of a global strategy for accessibility to the historic district, considering vehicle circulations and signposting proposals, reorganisation of parking and pedestrianisation.

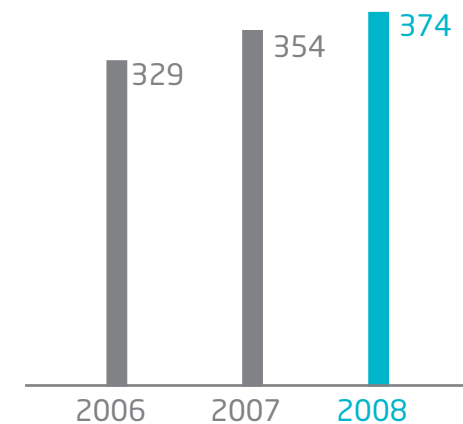
ENERGY AND INDUSTRY

Addressing a key sector for sustainable development
Objective: help improve efficiency and management capacity in companies in the energy and industry sectors.

Our solutions and services

Energy markets	Generation solutions
Open Utilities:	Solutions for the oil industry
Solutions for the water industry	Technical consulting
Measurement and control systems	Modelling and monitoring
Outsourcing	Supply and logistics solutions
CRM	Distributor integration
Payment runways	Digital markets
Applications maintenance	
ERP solutions for hotel chains, construction, real estate and retail	
Third party solutions: SAP, Oracle, Microsoft, etc.	

MARKET EVOLUTION (SALES M€)



1ST

INDRA IS THE NUMBER ONE SUPPLIER OF TECHNOLOGICAL SERVICES IN THE SECTOR.

+THAN 130

UTILITY COMPANIES WORLDWIDE USE INDRA SOLUTIONS.

GROWTH IN SALES

+5.4%

INDRA HAS CONSOLIDATED IN APPLICATIONS MANAGEMENT (AM) SYSTEMS, CONTROL/REAL TIME AND IT OUTSOURCING

MARKET TRENDS

Major influence of environmental and sustainability policies.

Increased efficiency to deal with the increased price of energy raw materials.

Concern for security.

Urgent needs to develop water and energy infrastructures in emerging countries.

Clear focus on costs and improved productivity.

Speeding up business objectives

In 2008 Indra's experience, know-how and broad range of solutions and services meant our consolidation as the leading technology services provider in Spain's utilities sector and one of the leading companies globally and has opened the doors to new international clients in countries such as India, Russia and Vietnam, in addition to retaining a strong presence in all Latin American markets.

In the industry sector, Indra has specialised in solutions which provide value by improving productivity in vertical markets and reducing costs in the distribution, hotel and air line industries.

Indra's solutions and services are consolidated and recognised in the market in the area of applications management (AM), of control/real time systems such as in IT Outsourcing; our solid relationships, alliances and experiences in corporate systems with SAP and Oracle mean that we can design unique customised solutions for our customers.

20 years of experience to continue with our international expansion

With more than 20 years' experience of developing solutions and services for the energy and utilities sector, we can deliver competitive advantages to our customers from day one. This is the case with Vietnam

Electricity (EVN), Vietnam's largest electricity company, which in 2008 chose us to modernise its finance and human resources departments. The software package we introduced complies with Vietnam legislation and is tailored to EVN's needs in finance, human resources and materials.

In 2008 we entered Uganda's energy market with utility management technology in Umeme, the country's only electricity distribution company, thereby consolidating our presence in the utilities sector in South and East Africa. In Uganda the Open SGC was installed which provides integral support for customer-management business processes and covers all commercial cycle management processes.

In Latin America, the Costa Rican Oil Refinery (Recope) chose Indra to update its administrative management system. It is Indra's most ambitious project in Central America and the Caribbean for starting up an Enterprise Resource Planning (ERP) system. The pioneering contract combines the energy market and the public sector. The ultimate aim is to provide the refinery with a tool which integrates all its operations and unifies its financial information, a key aspect for ensuring the success of its plans for growth.

THE LARGEST ELECTRICAL COMPANY IN VIETNAM HAS CHOSEN INDRA TO MODERNISE ITS FINANCIAL AND HUMAN RESOURCES AREAS

INDRA INTRODUCED SAP IN THE TOP CEMENT PRODUCER IN ARGENTINA

FUTURE

The energy and utilities sector is expected to see significant international development. Most Eastern European countries are busy modernising and updating their energy industries and Indra has gained broad experience in this area after having carried out similar processes in Spain.

In the industry and consumption market, Indra will continue to focus its efforts on developing selective solutions and services in specific sectors to help our customers improve their costs and productivity. Applications management, outsourcing the IT function and business processes, together with developing international markets are the most important channels for growth.

Important investment is also expected in generating companies and in the gas sector (especially in the Middle East), projects to which we will undoubtedly be able to contribute with our products and capabilities.

Other markets that are proving interesting for us are India and Russia.

Improving productivity in Industry and Consumption companies

Throughout 2008 companies in the sector continued to allocate their IT investments to improving productivity. Our customers are demanding integrated technology solutions which will enable them to reduce costs and resolve specific management problems. Introducing packaged solutions which facilitate real time information in the various distribution processes, is one of the main instruments for meeting that demand.

One such example is the start of the project to reintroduce the SAP management system at Cobega, Coca Cola's main bottling plant and distributor in Spain. This project seeks to simplify the systems map, integrate the systems better and reduce system development and maintenance costs. Indra intends to do this by reintroducing SAP's commercial, industrial and economic-financial modules.

Developing new solutions and services: Tourism Management Suite for Hotels

At Indra, we are convinced that information systems can bring significant savings and competitive advantages for the world of industry and consumption. That is why in 2008 we continued to develop new specialised solutions and services. Proof of

that is the acquisition of the vertical hotel solution SAP Tourism Management Suite for Hotels which enables hotel chains to integrate operations, reaping maximum benefit from their competitive advantages and optimising the business processes. In 2008 we have boosted marketing and introduction of this solution, at international level in particular.

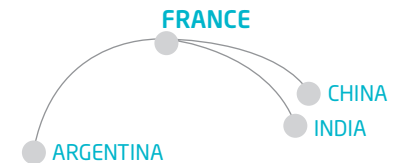
Open SGI has also been introduced which allows the management of incidents in the grid and is perfectly integrated with the commercial system.

Continuing with international development

International expansion is a great opportunity to grow and Latin America is one of our main markets. An example of this is Loma Negra, Argentina's leading cement manufacturer, which commissioned Indra to introduce SAP'S TP-VS Transportation Planning and Vehicle Scheduler solution to manage its supply chain. Optimising logistics is a key factor for business success in this type of company and it is the first project with these characteristics in Latin America. In 2008 this solution helped Loma Negra to optimise both its transport fleet and its logistics chain, by perfecting dispatch and truck loading routes, to give improved delivery times and considerable ROI.



COLOMBIA



ENVIRONMENTAL IMPACT

SUSTAINABILITY AND ENERGY EFFICIENCY FOR ENERGY AND UTILITY COMPANIES

Indra's solutions and services are continuously evolving to adapt to sector trends where sustainability policies require more energy efficient, environmentally friendly solutions. For example, in 2008 a new business line was started up to use our in-depth knowledge of the market and the tools we have, obtaining innovative solutions focused on issues such as the development of new energy infrastructures, optimising production costs, operational sustainability and network intelligence-related aspects which can provide real time online energy distribution information to assess possible variations and anticipate consumption needs.

INTRODUCING RISK MANAGEMENT IN COLOMBIA'S LEADING OIL COMPANY

In 2008 Indra was awarded the contract to introduce an integral risk management and energy transaction platform in Ecopetrol, Colombia's largest company and its leading oil company. Indra is going to introduce the Allegro Energy Trading and Risk Management (ETRM) solution for the international marketing of crude and refined oil.

This state of the art technology will allow Ecopetrol to manage its trading activities in real time (the buying and selling processes) thereby making them more efficient. Similarly, this solution will contribute towards optimum risk management, making it a valuable tool for business decision making, performing strategic transactions and making its international marketing operations more and more profitable.

This project makes Indra a front runner in ETRM solutions with unique positioning in terms of experience and knowledge of the technology.

INDRA BECOMES PEUGEOT CITROËN'S GLOBAL STRATEGIC PROVIDER

Three years ago, PSA decided to move part of the development of the company's IT systems from France to China, India and Argentina. In Argentina, Indra has been one of the technology providers chosen to serve everyone else. Indra's collaboration could benefit any of the 150 countries in which the giant car manufacturer is present, including 15 production centres and industrial plants.

Among the factors influencing PSA group's choice of Indra as strategic provider is the fact that it is part of an important European group, has broad experience in the IT sector, the successful work model in Indra's development centre in Argentina and the fact that it has level 3 CMMI certification.

PUBLIC ADMINISTRATIONS AND HEALTHCARE

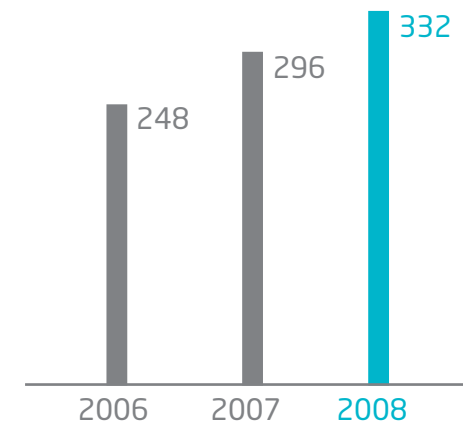
180

OVER 180 ELECTORAL PROCESSES
AND 2,000 MILLION VOTERS.

Our solutions and services

E-Administration:	Citizen Advice
Digital Cities	Integral tax management
Outsourcing	Governance plan
Property management systems	Judicial management systems
Identification systems	Vote counting systems
Social-healthcare assistance	Healthcare ERP
Clinical stations	Personal Healthcare history
Digital medical imaging	Tele-medicine and monitoring
Electronic prescriptions	Information assistance system
Multichannel citizen advice portal	
Health surveillance and workplace risk prevention	

MARKET EVOLUTION (SALES M€)



THE MAJORITY

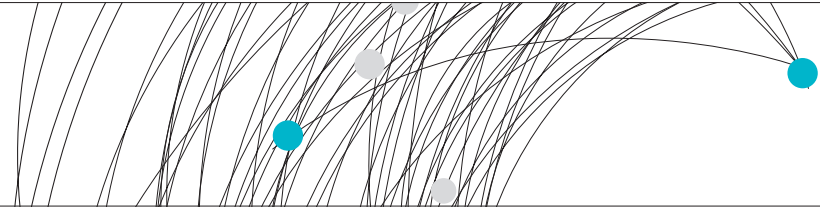
OF THE POPULATION IN SPAIN ARE ATTENDED
BY HEALTHCARE MANAGEMENT SYSTEMS
INTRODUCED BY INDRA.

Indra has responded successfully to the objective marked by public administrations: introduce solutions and services which provide better service to the public.

GROWTH IN SALES

+12%

IN 2008, INDRA HAS ENTERED THE ASIAN MARKET WITH ITS JUDICIAL AND PROPERTY SOLUTIONS



MARKET TRENDS

Public administrations' budgetary restraints

Growing need for administrations to modernise in some international markets

Growing demand for health care services

Greater citizen participation in public decision making

Specialised solutions and services to compete successfully on international markets

In recent years, Indra has committed to specialising its Public Administrations solutions and services by including functions specifically directed at resolving the particular needs of e-administration and modernisation, tax, justice, property and healthcare.

This has been possible thanks to heavy investment in R&D and close collaboration with our customers who have helped Indra to gain in-depth knowledge of all levels of Public Administrations.

This specialisation has led to higher added value for customers who in turn have contributed towards increasing the differentiation and competitiveness of Indra's solutions and services. The company has continued to emphasise the internationalisation of its solutions and services in the sectors of justice, property and healthcare in particular.

A front runner in E-Administration and Digitalisation

2008 saw the start up of the initial phase of the world's first e-administration system based on open source software developed for the Extremadura Region. This phase started up the first administrative processes in a project which includes over 100 processes and will enable management of all the documentation associated to formalities between citizens and the regional administration. This project provides important experience which will enable this system to be replicated in other Administrations in Spain and other countries.

Introducing our solutions for Justice and the Property Register in the Asian market

In 2008, Indra entered the Asiatic market with its Justice and property solutions for the first time. The company has been commissioned to design and develop the management model and systems to modernise the administration of justice for the Philippines Supreme Court, the country's highest court and the seat of Judicial Power. Indra's technology will notably streamline data entry, management and access, increase information security and control, reduce the period for deciding cases and facilitate the definition of work quality indicators. All this will notably improve functioning in all the courts nationwide.

Consolidating trust in Latin American institutions

Meanwhile, in Latin America, Indra continues to gain the trust of institutions. In Argentina, Indra optimised the Judicial Power Management System in Santa Fe province by developing and introducing software which organises and interrelates cases being processed in the various Courts, Jurisdictions and Instances. This provides an optimum internal register of the activities and judges can access documentary databases with information on case law, legislation and doctrine, vital for their work. Furthermore, members of the public also benefit from the project as they can consult the procedural status of cases through public networks (Internet) and access to the entire digitalised file.

Salud 2.0 a success for Healthcare and for international expansion

Indra's range of healthcare services and solutions evolved in 2008 with Salud 2.0, a comprehensive offer to respond to the technological transformation of the healthcare model and the public's demand for integral care.

Salud 2.0 is a long term, wide ranging initiative where Indra is in a position to provide integral advanced solutions and the company's experience gained in the numerous projects developed by private and public entities in Spain and abroad. This is a promising initiative because of our experience in system interoperability after the decentralisation of healthcare.

YKONOS, THE CASTILLA-LA MANCHA MEDICAL IMAGING PROGRAM HAS RECEIVED THE MINISTRY OF HEALTH AND CONSUMPTION'S QUALITY AWARD ,

THE MANAGEMENT PROJECT FOR THE LONDON ELECTIONS STANDS OUT AS A STANDARD IN ELECTORAL PROCESSES .

FUTURE

The efforts made to structure know-how and create an international offer for public administrations has already shown results in 2008 and are one of the focal points for the company's growth in the coming years. Indra has detected significant commercial opportunities in international markets, linked in particular to the modernisation of justice systems and tax collection system. Latin America is a natural outlet for Indra where it already has important Public Administration projects in countries such as Argentina, Mexico, Chile and Venezuela.

In the healthcare market, the strategy focuses on consolidating own solutions and subsequently using them internationally. Indra anticipates important opportunities for growth in integral healthcare systems management, based on Indra's experience and the growing demand in developing countries which are introducing or promoting their national public healthcare systems. That is happening, for example, in several Eastern European countries.

In fact, Indra's accumulated experience in developing solutions for the Spanish healthcare system, an international standard in terms of the system's universal healthcare provision and cost efficiency has allowed the company to expand to new international markets in recent years. Thus, Indra already has important projects in countries such as Portugal, Tunisia, Morocco, Jordan, Mexico and Brazil, and significant commercial opportunities.

Technology in medicine projects

Initiatives such as Ykonos, the digital medical image program, and Diraya, software for primary and specialised healthcare and electronic prescription management are showcases for technology in medicine

In 2008 Ykonos, the Castilla-La Mancha digital medical imaging program received the Spanish Ministry of Health and Consumer Affairs award for quality and the World Congress on Information Technology WITSA 2008 Global ICT Excellence award. As a result, Indra's contract with the Castilla La Mancha Health Service has been renewed for a further 5 years.

This project has transformed the world of radiology as it permits electronic sharing of radiological images and associated reports among all the region's specialists.

Latest technologies and expertise in electoral processes

In 2008, Indra has continued to stand out in international electoral processes. The London elections management project is particularly remarkable because of the complexity of the project, the customer's demanding technological requirements and the success of the results.

Furthermore, in the Spanish market, Indra was again commissioned to count the votes at the Spanish Parliament elections and the Andalusian regional parliament.

Indra can cover the entire electoral process from the electoral role to counting the votes and disseminating the results and is taking on new profiles of non governmental customers such as the Spanish Sports Council which Indra has collaborated with recently in the election of Federation representatives.



MOROCCO



LONDON

SOCIAL IMPACT

CREATING SOLUTIONS FOR BETTER HEALTH

Indra's solutions in the healthcare market have a clear social impact since they contribute towards improving healthcare services thereby furthering the well-being of patients and citizens in general. Our services and solutions include medical records, electronic prescriptions, image digitalisation systems, telehealthcare, wifi hospitals etc.

Indra is making a significant R&D effort to develop new solutions for the healthcare industry and in 2008 four research lines were started:

- **Etioibe:** This is the first technology application for monitoring, preventing and treating child obesity, developed in conjunction with the General University Hospital of Valencia. It comprises a software system which enables doctors to design customised treatment which patients can follow over the Internet on their PC or mobile phone, from home.
- **Toyra:** R&D project promoted by the Castilla La Mancha Government through the National Paraplegics Hospital Foundation for research and integration, the Rafael del Pino Foundation and Indra to develop a platform for managing the occupational therapy process. It includes the design of Interactive physical elements, interfaces, simulations and new games to make the therapies enjoyable.
- **'Tratamiento 2.0':** An R&D project to develop an intelligent treatment system which uses technology to help the patient follow the doctor's guidelines from home.

AUTOMATING PROPERTY REGISTER AND PROPERTY MANAGEMENT IN MOROCCO

Indra has been contracted by the National Agency for Conserving the Land and Property Register and Cartography of the Kingdom of Morocco (ANCFCC) to design, develop and introduce a system to streamline management of property registration processes and citizens' access to information.

The project signifies Indra's entry into Morocco's Public Administration market and envisages the automation of all property register and property procedures. It also includes the creation of a single database to be integrated with a system of geographical information which will allow users and the public to carry out procedures such as locating and obtaining information on property instantaneously.

The system will enable the gradual replacement of paper documents with digital content, ensure efficient use of stored information and will provide greater legal certainty over ownership of property rights.

INNOVATIVE TECHNOLOGIES IN THE LONDON ELECTIONS

London's governing body, the Greater London Authority (GLA) awarded Indra the contract for the technological development of the mayoral

and London Assembly elections, the largest and most complex electoral event in the United Kingdom.

Indra carried out the technological deployment of the e-counting system which supported the vote counting process and disseminating the definitive results for elections in which around 6 million people were entitled to vote. Indra's technology became the commissioner for oaths to certify the final count.

The e-counting system includes the logistics of transferring the ballot papers from the polling stations to the processing centres, scanning them through machines which capture and store the votes on a secure database, calculating the voting and disseminating the election results. The system manages multiple votes on one ballot paper and the criteria for human intervention to adjudicate any ballots where the voter's intention is unclear.

The company installed the Centre of Electoral Excellence in the heart of London, where a completely new e-counting solution was developed, and three count centres throughout the city. The system guarantees reliable, quality electronic vote counting and has become a world standard as it can process over 1 million ballot papers per hour. This meant that the count was completed with the allotted time despite the high turn out which resulted in 25% more ballot papers than expected.

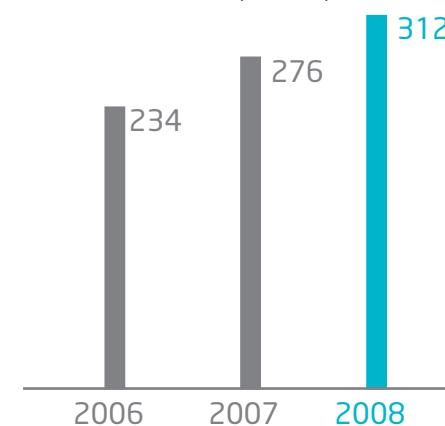
FINANCIAL SERVICES

Global vision and solutions tailored to local needs
The best combination of experience and proximity.

Our solutions and services

Payment & compensation systems	Payment methods and financing
Core banking	Operations outsourcing
Insurance framework	Core assurer
Claim framework	Pay as you drive
Advanced client management	Life & non-life health
Private Banking and Personal Banking	Solvency II
Risk management: credit, market, operational...	
Management information systems: commercial, risks...	
Infrastructure outsourcing and applications management	
Company banking: international, factoring, confirming, leasing, renting...	
Multichannel: financial terminal, internet, telephone banking...	

MARKET EVOLUTION (SALES M€)



VALUE

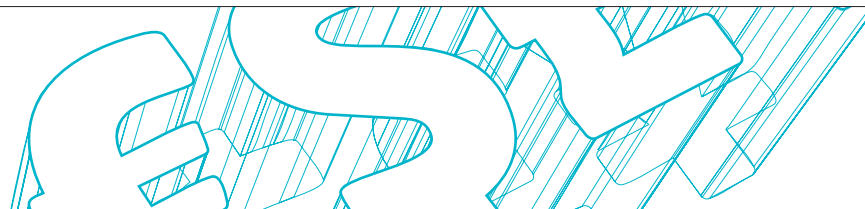
SOLUTIONS FOR THE ENTIRE FINANCIAL AND INSURANCE VALUE CHAIN.

9 OUT OF 10

9 OUT OF 10 OF SPAIN'S LEADING FINANCE AND INSURANCE ENTITIES ARE INDRA'S CUSTOMERS.

GROWTH IN SALES

+13.3%



MARKET TRENDS

Deep crisis in the financial markets.

Companies in difficulties being taken over by more solvent companies

Growing need for risk management and control systems

Growing pressure on commercial margins

Rationalisation of resources in the search for greater efficiency and cost reductions

Optimisation of commercial capability

Technological solutions for overcoming the crisis in the sector

Beating the crisis in the world financial sector requires heavy investment in technology so that entities can reduce costs, enhance their differentiation in the highly aggressive competition environment to capture deposits and manage operational risks better. Indra has a comprehensive range of services and own solutions which can address all financial sector needs and position companies favourably in this complex environment.

The finance business demands multi-channel distribution strategies, increased efficiency, strengthening traditional business and introducing new paths for development. Indra provides an integral range of specific solutions such as BPM/SOA which facilitates system building and enables the virtualisation of company assets.

Specialised solutions and services for new challenges

An example of the degree of specialisation in Indra's solutions and services is the project we introduced in 2008 for Banco Pastor's factoring business. This solution was developed in collaboration with Bancaja and the fact that a banking entity has participated in the development has meant savings in effort, design, construction and stabilisation time for Banco Pastor. The solution provided by Indra and Bancaja has given the entity enormous flexibility to centralise and decentralise tasks, improve customer service and increase the level of automation thereby reducing administrative tasks and operational risk.

Making a single European payments market possible

As technology provider with deep knowledge of the finance sector, Indra has introduced the Single Euro Payments Area (SEPA) transfer system, the first pan European payment instrument. The European Union is harmonising legislation in the sector to create a single payments area so that any EU citizen can make any type of payment in an EU country as if they were in their own country and at minimum cost. Iberpay is responsible for the project in Spain and Indra has become its technology partner

Accompanying our clients in their international expansion

The strategy of becoming our customers' allies has yielded fruit with Banco Santander. This leading global financial entity asked Indra to introduce a core banking solution and payment methods systems in Abbey National Bank in the United Kingdom, joining them to the commercial network's existing applications, the activity monitoring systems and the corporate credit risk control systems.

Indra is already present in seven BBVA subsidiaries internationally with different types of services such as fixed-price projects, service level agreements and technical assistance. In 2008, the company once again relied on Indra to maintain the core banking applications for Bancomer in Mexico.

Another example of a long term relationship is Caja Madrid. This entity commissioned Indra to outsource the administration and operation of the banking platform supporting its Miami and Lisbon office operations. This is the first time that Caja Madrid has delegated provision of a service of these characteristics to a technology partner. The high level of quality demanded by the banking sector has led Indra and Caja Madrid to carry out exhaustive examinations to verify platform solidity and performance and obtain Aenor quality certification.

ADVANCED MANAGEMENT AND BUSINESS INTELLIGENCE ARE TOOLS THAT INDRA OFFERS TO STRUCTURE CLIENT INFORMATION

IN 2008, THE INSURER ASISA ENTRUSTED INDRA WITH THE DEVELOPMENT OF A MANAGEMENT SYSTEM THAT ALLOWS ITS INCLUSION IN THE LIFE INSURANCE SECTOR

FUTURE

Given the uncertain, complex environment, financial entities need to continue investing in technology, with particular emphasis on technologies to reduce costs and improve operational risk management.

In view of the challenges in the sector, Indra plans to continue deepening its solutions and services portfolio and base its growth on the healthy Spanish financial sector where Indra has two customers out of the world's five largest banks and to penetrate new geographical markets, especially Latin America and Europe. This experience as technology partner with some of the world's most important finance entities should serve as a letter of presentation helping us to gain entry into new countries.

Consolidating the company's position in Latin America

Indra has developed specialised high added value services and solutions which enable it to extend its customer base throughout the world. For example, in Banco Fonacot, we introduced Topaz core banking, a powerful, comprehensive tool for developing financial applications and an integral, on-line/real-time system; with systems which are able to count automatic processes in real time.

Customer management solutions and greater efficiency for the insurance sector

Nowadays insurance entities are facing enormous challenges such as the search for operational efficiency by improving key business processes, risk control and information management processes to improve service and products.

The economic situation has also led to reduced demand for insurance company products which has meant companies need to gain more knowledge about their customers above all, to retain them; Indra can provide advanced customer management and Business Intelligence tools to enable companies to structure their customer information.

Management systems for insurance companies

In 2008 ASISA commissioned Indra to develop the management system which will allow it to join the life insurance sector. Similarly, Seguros Reale has asked Indra to develop an Internet portal support project to assist its strategy of getting closer to customers, employees and mediators. AVIVA has also strengthened relations with Indra after the successful introduction of its core underwriting by awarding Indra the contract to develop various solutions to streamline business processes and create a technological framework for the present and the future.



ECONOMIC IMPACT

OPERATIONAL RISK MANAGEMENT SOLUTIONS FOR FINANCIAL ENTITY SUSTAINABILITY

Indra, in conjunction with QRR (a company set up by the Autonomous University of Madrid), has developed OpVisión a new Operational Risk Management solution. The solution is commercialised in collaboration with BBVA, this tool is designed to facilitate advanced operational risk management and is Basel II compliant, according to which standard financial entities are required to cover any unexpected losses by capital allocation.

The term operational risk includes losses due to failed internal processes, people, systems or from external causes. The introduction of requirements to cover these risks is intended to guarantee banks' solvency, and avoid the consequences of bankruptcies of banks on the rest of the banking system as in the recent subprime crisis.

OPTIMISING BANKING CLEARING PROCESSES TO BECOME LEADERS IN LATIN AMERICA

Indra signed a service agreement with HSBC, one of Argentina's leading financial entities to optimise its clearing processes.

More specifically, Indra was commissioned to implement and operate Clearing 2000 at the Bank's processing plant, tailoring the software integrally to the Bank's needs. Through this system, HSBC can enter the deposits sent and received by its customers with a fast and efficient settlement system. When the cheques have been processed, Indra transmits the results to HSBC and the Electronic Clearing House. As well as the cost benefits for the financial institution, this contract guarantees presentation of the data to an automated clearing house (COELSA) in the correct time and form.

This agreement has enabled Indra to continue positioning itself in the region as a leading clearing solutions provider with agreements in Argentina with BBVA, Banco Francés and Banco Comafi and banks in Colombia and Venezuela. In Argentina, Indra has been doing the processing for Automated Clearing House for over ten years.

GLOBAL RISKS FOR MAPFRE

MAPFRE has entrusted Indra to develop and introduce the new Global Risks policy issuance system (SIGLO). This type of policy places MAPFRE's entire portfolio with its major customers, mainly at international level and covers the different technical branches demanded by the market (Aviation and Space, Sector Loss, Construction, Third Party Liability, Assembly, Goods and Maritime). These policies require the issuance of multi-currency receipts and can be multi-risk, multi-cover, multi-payer and multi-sector. They also require a high degree of customising to the particular requirements of each customer's business. SIGLO has been conceived of and designed to respond to all these needs. It includes a toolkit of highly versatile products which allow the full online parametrisation of all the concepts appearing in this type of policies. In addition to the workshop and the functionalities characteristic of the issuance, it includes a management information module which enables users to utilise stored data effectively. Developed in MAPFRE'S J2EE architecture, it is integrated with the company's other applications (Loss, Reinsurance Management, Accounting...) and its modular design also makes it portable.

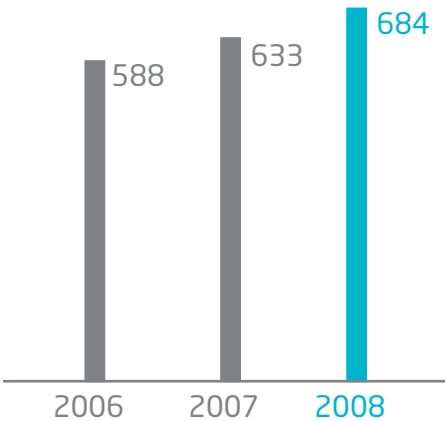
SECURITY AND DEFENCE

We offer our customers leading technology in security and defence to make the world a safer place.

Our solutions and services

Air defence
Self-protection and electronic defence
C3I (Order and control, communications and intelligence)
Simulation
Outsourcing
Border surveillance
Personal identification
Critical infrastructure protection

MARKET EVOLUTION (SALES M€)



2,500

OVER 2,500 KM OF LAND AND SEA
BORDER SURVEILLANCE.

10,000

INSTANT PASSPORTS A DAY IN MEXICO
INDRA TO SUPPLY THE US ARMY.

GROWTH IN SALES

+8%

INNOVATION IN SECURITY AND DEFENSE, A MARKET IN CLEAR EXPANSION

MARKET TRENDS

Growing recent importance in information systems, intelligence and communications in the the area of defense and security

Increase in private investment in security .

Migratory movements have increased and therefore, countries want more border control.

Growing demand for simulators for military training as well as the civilian market opening up.

The most innovative and competitive technology on the market; that is the slogan governing our relations in the Security and Defence market. Indra, the leading company in the sector in Spain has been able to respond efficiently in an increasingly demanding environment thanks to its capacity to constantly update its portfolio of solutions and services. This puts Indra on a par with the world's leading companies to compete for major international contracts.

Front runner in technology: the radio of the future

This is precisely what has happened with our radio software products. Indra is the standard company in Spain for this type of technology which multiplies transmission capacity and speed, reduces costs and increases interoperability. That is why Indra has been chosen to form part of the ESSOR project, a contract under which Spain, France, Italy, Sweden and Poland have agreed to work jointly to develop European radio software. This technology already appears to be the radio for the future due to its user-friendliness and versatility, adaptable for military or civil use. Indra is also present in all the European radio software research systems such as the European Technology Acquisition Program, EDA (European Defence Agency) programs to integrate radio architectures and the company actively participates in the American version,

the Joint Tactical Radio System (JTRS), whose second development phase was completed in 2008. In Spain, Indra's most outstanding project is with the Spanish Ministry of Defence to develop the VERSO program, an operational radio software demonstrator.

The development of Indra's own technology is also progressing in other fields such as Sonar. After 30 years producing various elements for these electronic defence devices, in 2008 Indra installed the first Sonar, a one hundred percent own product in Spanish navy F-105 frigates.

Cutting-edge technology for unmanned aerial vehicles

In 2008 Indra also moved forward in developing technology for unmanned aerial vehicles with the development of the Mantis and Albatros solutions. These low cost solutions facilitate intelligence, surveillance, objective acquisition and reconnaissance missions in short range, daytime or night-time tactical operations which require rapid deployment. The development of these prototypes have put us in a favourable position to get to grips with a strong market.

Strengthening our presence in the United States

Indra's leading-edge technology as simulator supplier is bringing excellent results in Spain and abroad. In 2008 the simulator of one of the Cougar helicopters manufactured by Eurocopter was officially certified for military use in the Spanish army. Germany

and the United States are going to use Indra's simulators for the EC-135, one of the smallest Eurocopter models and Indra will be the only EC225 supplier.

Another of the milestones achieved in 2008 is that the United States army chose Indra to be one of its suppliers.

Helicopter simulation is a clearly growing market not only in the military world but also the civil sector where there is increasing demand for this type of vehicles due to keen pricing and versatility.

In the Defence market, international activity in 2008 has been especially fruitful. In Germany, 40 CH53 helicopters will be equipped with Indra's threat alert systems. In India, the cooperation which started in 2007 with the company Bharat Electronics for the supply of electronic defence naval systems has been strengthened with a new agreement to supply electronic intelligence systems to the Indian army. In Kazakhstan, Indra's position as supplier of electronic disturbance systems for border defence has been reinforced. In France, Indra continues to be a top level supplier for Syracuse, the French defence program.

An area with great future potential is the commercialisation of HORUS, a multimode ship-borne radar.

INDRA ASUMES CONTROL OF SECURITY IN THE RENFE STATIONS IN SEVILLE, BILBAO, MADRID AND BARCELONA

INDRA, SOLE CONTROLLER AOF SATELLITES LAUNCHED BY SPAIN, DEVELOPS NEW AMAZONAS II CONTROL SYSTEMS, FOR HISPASAT

FUTURE

Security and Defence budgets are directly related to developments in the international economic situation, that is why Indra focuses on growth in countries with the greatest protection. Those whose basic protection and security needs are still not fully met and where Defence budgets are rising.

In more mature markets, growth must come from the company's differentiated solutions and services, as in the case of radio software or adapting technologies to new civil demand. In the Spanish market, logistics maintenance services and helicopter equipment are the sectors with the greatest potential for growth.

International tensions show a generalised increase in demand for civil security, from building and infrastructure control, to citizen and border control systems among others.

Indra has continued to consolidate its leadership with projects such as Eurofighter, the European defence plane in collaboration with leading European Union countries where a new milestone was reached in 2008. The Spanish multinational has become the leading supplier of test benches for DASH electronic defence systems

Civil applications, driver of growth

The area of greatest future growth is expected to be in adapting all these technological innovations for civil use. In this regard, 2008 was a particularly dynamic year with Indra signing contracts for a wide range of activities, from the logistics security software, Aranea for Caja Madrid to developing and maintaining a secure website for SMEs and users at the National Institute for Communication Technologies (Inteco) in Leon.

In addition to computers, the demand for security is becoming increasingly urgent in all aspects of society, buildings, infrastructures, governments, multinationals,....

In 2008 Indra also showed that its portfolio of solutions and services can cover all those needs. As supplier of infrastructure protection, in Spain Indra has assumed control of security at the Renfe train stations in Seville and Bilbao

(it is already responsible for the stations in Madrid and Barcelona) and security at all Spanish shipyards managed by Avandia.

The European Union has chosen Indra as one of the companies commissioned to cover security in all its diplomatic headquarters throughout the world. Identification cards for the gendarmerie in Morocco and the points-based driving licence in Angola also carry the Indra brand. In this field, the most outstanding project has been the start up of the passport issuance system in Mexico.

For border surveillance Indra's Sives systems are continuing to gain ground. In 2008 these systems started to operate in Huelva, Gran Canaria and Romania, among others.

The leading company in Spanish satellite control

Finally, throughout 2008, Indra's supremacy in the Spanish space sector continued. As the only controller for satellites launched in Spain, Indra is currently working to develop control systems for the new Amazonas II for Hispasat which will be controlled from the plants in Rio de Janeiro, Brazil and the Canaries in Spain.

Earth observation satellites have consolidated as one of the areas with the greatest potential for growth in the Security and Defence market. During 2008, Indra reinforced its

presence in SMOS, the scientific satellite for measuring ocean salinity and soil moisture and the Pleyades program, a constellation of earth observation satellites which it is developing in collaboration with France. After 2008, Indra will also be participating in the Multinational Geospatial Co-Production Program (MGCP), an international initiative involving leading NATO countries. The contract is to process images of the area of the world assigned to each country to produce a world database of vector maps.

In addition, Indra continues to actively participate in the trials of ETNOS, the American localisation program, in satellites and ships. Work has also been extended on Galileo, the European GPS, but is more specifically targeted. Thus Indra assures its presence in the two localisation systems of the future.



ROMANIA



SPAIN

SOCIAL IMPACT

POLICY ON THE SALE OF DEFENCE TECHNOLOGIES

Indra is committed to responsible trade in defence technology material which contributes to stability, security and peace.

Sales of Indra's defence technologies in international markets are regulated by Spanish legislation under the "Regulations controlling foreign trade on defence material, other material and dual-use products and technologies" which establishes an authorisation procedure for all exports of defence materials.

Royal Decree 2061/2008 clearly establishes as grounds for refusing an export licence "the existence of rational signs that the defence material, other material or dual-use material might be used in actions which disturb peace, stability or security at world or regional level or which may infringe Spain's international commitments".

www.boe.es/boe/dias/2009/01/07/pdfs/BOE-A-2009-254.pdf

SURVEILLANCE FOR ROMANIA'S BLACK SEA BORDER

Indra gained its first contract in the Security business in Romania when the company was awarded an international tender, beating competition from the sector's leading companies, to introduce and start up an integrated surveillance system in the Black Sea maritime border.

This second border surveillance project in Eastern Europe, after the contract awarded in 2007 in Latvia, confirms Indra's position in an area with significant growth potential in this market.

The Integrated System for surveillance, control and observation of maritime traffic in the Black Sea will provide Romania's territorial waters and 245 km of its coastline with protection from threats of all kinds and facilitate assistance and rescue at sea and fishing fleet control.

PARACHUTE DROP SIMULATOR

In 2008 the Spanish Air Force signed an agreement with Indra to co-manage the commercial use of its Parachute Drop Simulator in Alcantarilla, Murcia (Spain). Using the Public-Private Partnership (PPP) model they will exploit the surplus hours at the centre.

This is a pioneering collaboration experience between the Armed Forces and a civil company to commercialise one of the Army's capabilities. The parachutists who contract the service will be able to use the world's most advanced wind tunnel to date. The centre also has a simulation system which comprises a holding harness and virtual vision glasses used to visualise the drop scene and emergency and navigation procedures are rehearsed with the parachutes open.

The centre also has a parachute drop tower simulator and another for descent for practising exits from aircraft with automatic activation, where the parachute is opened by a static line.

With this agreement, the Army optimises the use of one of its facilities and Indra provides its experience in outsourcing processes to the civil sphere.

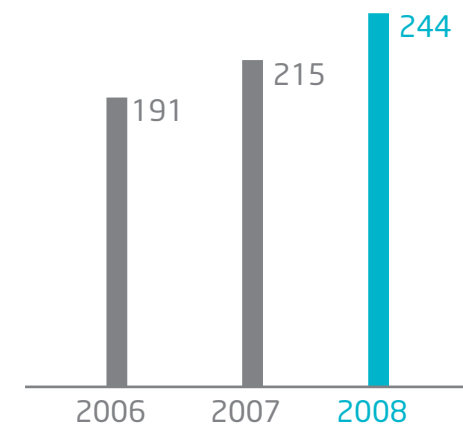
TELECOM & MEDIA

Indra helps to boost competitiveness in the telecommunications sector through its solutions and services for improving customer service and reducing costs.

Our solutions and services

Outsourcing
Business support systems (BSS), customer service, sales, loyalty building, invoicing, payments, portals.
Operations Support Systems (OSS), network planning, network inventory, network O&M, interconnection, mediation
Audiovisual producers management and support
DTT services
Satellite communications stations
IT infrastructures

MARKET EVOLUTION (SALES M€)



200

SYSTEMS FOR 200 MILLION MOBILE OPERATOR CUSTOMERS.

3 OUT OF 10

SOLUTIONS AND SERVICES FOR 3 OUT OF 10 OF THE WORLD'S LEADING TELECOM OPERATORS.

GROWTH IN SALES

+13.8%

MARKET TRENDS

Rationalisation of costs.

Convergence of services (landline-mobile-xDSL).

Sophisticated customer management.

Development of new software for mobiles and broadband.

Infrastructure transformation (IP and fibre optics).

Consolidation of operators and centralisation of decision making.

New challenges in the telecom market

The sector is immersed in a process of rationalising costs which increases the demand for outsourcing services and third party solutions. Furthermore, the trend towards offering converged landline, mobile and Internet services is being consolidated.

100% compliance with Telefonica's quality indicators

This has been another year of intense activity with Telefonica due to our 100% compliance with its quality and satisfaction indicators and our outstanding position in terms of productivity. Indra has consolidated its position as providers of operational and business support systems and its exclusive supplier of network systems and service assurance. Currently 30% of Telefonica's business support systems and 60% of its operations support have been developed by Indra.

In Telefonica we have consolidated our position in unique projects such as the depot unification project, Indra has developed a single depot which groups all customer services (contracting, invoicing and contracted technical services). This is a historical

milestone for Telefonica which has made it the only operator with a unified depot.

Expanding our position in Europe

The success of our work to introduce services in the Czech Republic has positioned us to continue working on maintenance and allows us to access other projects within the operator's value chain. Currently we have a group of employees in the country who have developed demand and payment management applications and we have also been commissioned to introduce the Euro conversion systems for Slovakia.

And in Latin America we are moving forward with our customers

Telecoms are being heavily developed in Latin America. In the region, Telefonica's growth strategy is based on three pillars: outsourcing, regionalisation and concentration. In order to respond to these new challenges Indra has worked towards ERP (Enterprise Resource Planning) regionalisation using SAP, by including three more operators in 2008, two in Peru and one in Chile. In terms of concentration, Indra is responsible for outsourcing the Midrange servers in Chile, making it Telefonica's only outsourcer of open systems.

A clear indication of Indra's involvement in Telefonica's expansion in Latin America is the deployment of over 1,000 employees in the region, a number comparable to those

working for the operator in Spain. In addition Indra's Software Labs network, at workplaces in Buenos Aires and Cordoba (Argentina) are giving excellent results in maintaining over 24 of the group's companies in this area.

On the same agenda as mobile leaders

Indra is a technology partner to four of the world's ten telecommunications operators. Including France Telecom-Orange and Vodafone.

France Telecom has recognised Indra at international level as a major supplier after 7 years of good results. The African continent is a very important part of France Telecom's strategy and it is counting on Indra to develop several projects in the area. In Spain, Indra is collaborating with France Telecom in operational efficiency projects for its customers, in the area of capturing, loyalty building and retention, seeking to increase service quality and at the same time manage costs more effectively.

Vodafone is another premier multinational operators and is counting on Indra to develop its activity in Spain, more specifically in the self-care platform which is key to the company's business, to include accessibility

INDRA HAS BECOME THE ONLY SUPPLIER CAPABLE OF COVERING ALL THE NEEDS OF A TELEVISION CHANNEL

THE PLATFORMS FOR THE ANTENA 3 GROUP AND PRISACOM, DESIGNED BY INDRA, ARE NOW INTERNET STANDARDS

FUTURE

The challenge is to continue growing in new geographical markets, boosting development of our own specialised and high added value solutions and strengthening alliances with international customers.

2009 will be a year where the major focus is on costs savings and improving customer service, continuing to converge mobile, landline, Internet and television services. Integral services are increasingly necessary to respond to these challenges and so Indra is positioning itself as one of the most attractive technology partners because of its experience and varied portfolio of solutions and services for telecommunications and digital television.

The digital television business is one of the future growth opportunities mainly due to DTT in Latin America, where Indra is likely to have many opportunities if the European standard, which the company has already used to create several prototypes, is successful.

tools, multi-language and the search for innovative new products.

Own solutions covering the entire media company value chain

In 2008 Indra has pursued its objective of continuing to work towards the creation of own solutions to cover a media company's entire business cycle. Indra has become the only supplier able to cover all a television channel's needs, from creation to start up and maintenance. 2008 has been the year of greatest opening up to the international market.

Latin America: A market for DTT growth

Indra is having the most impact in Latin America, through R&D projects followed by Digital Terrestrial Television. Indra's experience in Spain has made the company a standard in the sector, particularly in Colombia where the European standard is being introduced and where business prospects for the future are promising.

Leading portals operate with Indra

Furthermore, the market is seeking to contact the public through all the media. In Internet, Indra's solutions are already standards, clear examples are the Internet platform for the Antena 3 Group businesses, which besides

corporate needs, supports Antena 3 Television, Onda Cero, Europa FM, Antena 3 Multimedia, Unipublic, etc., or the improvements and expansions carried for the Sistema Editorial de Prisa, which is the digital platform of the Prisa Group business units (*El País*, *Cinco Días*, *As*, *Cadena Ser*, *Cuatro*, etc.)

I3: Front-runner technologies

Indra's own solutions generated in I3 television, serve other companies in addition to Antena3, such as Mundo TV for whom it provides all the technology for its continuous broadcasting management systems and Madrid City Council's ESMADRIDTV where it provides broadcasting centre management solutions. This last case is a pioneering business model which in the future could support Spain's different regional televisions.

Santillana + Indra



SOCIAL IMPACT

DTT ACCESSIBLE

For the first time in Spain people with visual disability have been able to use one of DTT's interactive services. It is a job search tool which Indra has adapted in collaboration with RTVE.

Emplea-T Accesible is the version for the partially sighted or the totally blind of Emplea-T, the job search tool associated to the programme "Aquí hay trabajo" on Spain's national television channel La 2.

The project has been developed as part of research at the Polytechnic

University of Madrid, Indra and Adecco Foundation's Department of Accessible Technology at the Advanced School of Telecommunications Engineering

This version offers the possibility of making graphic modifications so that people with low vision and different degrees of colour-blindness can use it. Blind people can access spoken guides.

The project is now in its second phase directed at developing a digital television receiver for people with disabilities.

NETWORK LEARNING/ONLINE EDUCATION

ICT are entering Spanish classrooms. Indra and the publishing group Santillana are developing a major Internet platform for sharing quality educational material.

In 2008 both companies started work on introducing the online educational content platform promoted by red.es which will be ready in the last quarter of 2009.

Give visibility and share experiences and content

Teachers will be able to make their contents visible and share them with their colleagues. Each community will also be able to include the educational content it already has. Last July, the platform obtained the official contents of the Spanish Ministry of Education.

The platform includes a Service Oriented Architecture (SOA) and is developed with a freeware licence which makes it open to participation from public administrations, companies, R&D&I groups and users specialised in developing this type of technologies.

In line with the concept of Education 2.0, tools have been provided to enable the socialisation of content and their inclusion in any private use or teaching website.

Another of the main innovations is the implementation of the latest standards for content creation and sharing which enable their future integration in other similar European and international initiatives.

CHANGE OPERATOR? A SOLUTION UNIFIED BY INDRA

Competition in Spain's mobile telephony market is one of the most aggressive in the world because it has three of the world's leading telecommunications operators and a penetration of over 100%, so the strategy for increasing market share is based on capturing customers from the competition. For that reason Spain has the world's highest number portability.

To promote this portability for users and facilitate the free market, the Spanish Telecommunications Market Commission (TMC) has forced operators to centralise the process.

OUR STAKEHOLDERS

INDRA'S SUSTAINABILITY IS LINKED TO THE RELATIONSHIP IT HAS WITH EACH ONE OF OUR STAKEHOLDERS

A company's sustainability is linked to the relations it maintains with each of its stakeholders: **shareholders, employees, customers, suppliers, partners**, communities where the company operates and society in general. Furthermore, in Indra's case, due to their major role in its business model, a specific target group are **knowledge institutions**, that is, organisations such as universities, educational and research institutions whose main activity is linked to the generation and diffusion of knowledge.

Information Technology (IT) companies have an outstanding capacity to contribute to innovation for all their stakeholders. In other words, technology companies in particular can make a decisive contribution to improving the productivity and competitiveness of companies and economies as a whole and thereby to economic and social development. Indra believes that this capacity to contribute to development creates a responsibility for the company vis-à-vis **society** and that its sustainability as a company is closely linked to fulfilling this responsibility. At the same time Indra works on innovative solutions and services that minimise the impact of its activities on the **environment** and facilitate the environmental management of its companies.

INDRA'S STAKEHOLDERS

SHAREHOLDERS
EMPLOYEES
CUSTOMERS
SUPPLIERS
& PARTNERS
ENVIRONMENT
KNOWLEDGE INSTITUTIONS
SOCIETY

SHAREHOLDERS

ONE OF OUR MAIN
RESPONSIBILITIES IS TO CREATE
VALUE FOR SHAREHOLDERS

2,657

MILLION EUROS MARKET CAPITALISATION
AT THE CLOSE OF 2008

2nd

EUROPEAN IT SERVICES
COMPANY BY MARKET
CAPITALISATION AT THE
CLOSE OF 2008



Scope: Indra Sistemas and all the dependent companies,
joint ventures and associates.

SHAREHOLDER AND INVESTOR RELATIONS

IN DECEMBER 2008, THE ANALYST HOUSES THAT HAD A 'BUY' RECOMMENDATION REACHED 51% AND TO 'HOLD' 28%.

INDRA HAS MADE AVAILABLE FOR THIS GROUP THE SHAREHOLDER OFFICE, TELEPHONE (+34) 91 480 9800 AND E-MAIL: ACCIONISTAS@INDRA.ES

Indra works to generate value for all the groups it operates with. In particular, creating value for shareholders is one of a company's main responsibilities, key to its financial sustainability, which can also be the basis for creating social value. The duty to inform on the company's economic and financial situation, to render transparent accounts under the principle of equal treatment, is also a fundamental element for any company which trades on the stock market.

At Indra, we consider that good Corporate Governance and shareholder relations are one of the most significant spheres of our responsibility as a company.

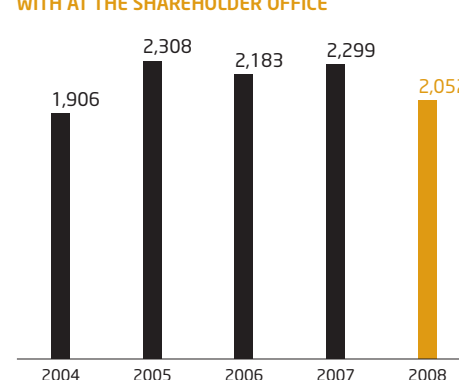
In 2008, Indra continued to develop an active communication policy in order to ensure greater transparency and information for financial markets, making numerous presentations to institutional investors and analysts in Spain, Europe and the United States. In fact, 349 investors were visited over the year, 4% up on the previous year.

At 31 December 2008, the entities producing, actively and repeatedly hedge analysis reports on Indra totalled 29, of which 16 were international and 2 began coverage during 2008. In addition, in December 2008, 51% of analyst houses had a "Buy" recommendation, while the recommendations to "Hold" and "Sell" were 28% and 21% respectively. Furthermore the average target price of the 29 analysts at year end was 18.23% representing a 12.6% premium in relation to the year-end share price.

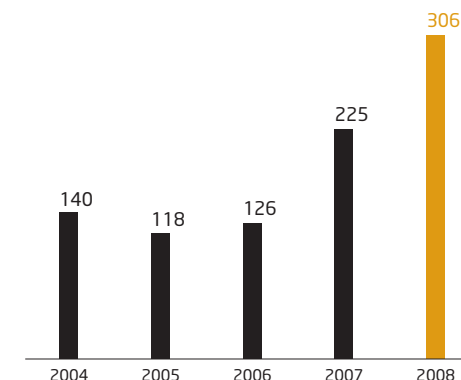
To respond to all our shareholders' questions and information needs, Indra has a dedicated department, the Shareholder Office (telephone 91 480 9800, accionistas@indra.es). In 2008, the call line responded to 2,052 consultations on a wide variety of subjects related to the company's business, growth prospects, the dividend, Shareholders' Meeting, stock market quotation, etc. The Shareholder Magazine (*Revista del Accionista*) also continues to consolidate its position as a communication medium directed especially at minority shareholders.

As a pioneering technology company, since 2004, the General Meetings of Shareholders have been using electronic and remote communication media so that shareholders can exercise their attendance, representation and voting rights.

NUMBER OF TELEPHONE CONSULTATIONS DEALT WITH AT THE SHAREHOLDER OFFICE



NUMBER OF FOLLOW-UPS OF ANALYST REPORTS



INDICATORS	2004	2005	2006	2007	2008
No. of entities producing hedge analysis reports on Indra in the year.	40	41	31	27	29
No. of international entities providing hedge analysis reports on Indra in the year.	23	24	20	15	16
No. of analysis entities which closed the year with a positive recommendation to buy.	27	12	16	20	15
No. of one-on-one meetings	306	275	216	256	259
No. of institutional investors seen in the year.	686	722	376	337	349

CORPORATE GOVERNANCE: UNITED IN EXCELLENCE

INDRA PROVIDES INFORMATION,
THROUGH ITS WEBSITE, OVER AND
ABOVE THAT LEGALLY REQUIRED
FOR CORPORATE GOVERNANCE

THERE ARE THREE (INDEPENDENT)
FEMALE DIRECTORS ON THE
BOARD, WHICH REPRESENTS
20% OF THE TOTAL

One of the basic pillars and a guiding principle in Indra's corporate governance is transparency. Indra prioritises efforts to ensure the transmission of broad, detailed, updated information on the company's economic and financial position, its administration regime and other significant aspects for investors and markets in general. Information is disseminated under the principle of equal treatment.

Precisely because of the importance of the information transmitted to the market, Indra is not content just to comply strictly with the regulations laid down on the matter by the Spanish Law on Corporations and the applicable regulations for companies trading on the stock market. Indra voluntarily publishes supplementary information which it makes available to the market and also encourages initiatives directed at maintaining a fluid dialogue with shareholders and stakeholders.

Below we highlight some of these publications and initiatives:

- Annual Corporate Governance Report.
- On its website, Indra provides information over and above that which is required by law and it complies with the most recent recommendations on Corporate Governance matters:
 - The General Shareholders Meeting can be followed live on the website.
 - The opportunity to register on an e-mail distribution list, used by the Shareholder Office to actively inform subscribers of the news published on the corporate website.
 - The company's financial information is provided in various formats (pdf and .xls) to make handling and managing the information more user-friendly.
 - Calendar of presentations to investors and analysts.
 - Investor diary which informs on events scheduled with analysts and investors and the planned dates for publishing the quarterly results in addition to the information required by law.
 - Investment analysts' recommendations about Indra, including the latest published report (upon authorisation from the analyst).
 - Information on the outcome of general meetings which surpasses that which is legally required.
 - Press releases issued by the company and the news about Indra which is published in printed media.

- Report on matters to be dealt with at the Shareholders' General Meeting (agenda). In addition to the mandatory information, information is provided justifying each resolution proposal submitted to the shareholders.

In 2007 Indra reviewed its Corporate Governance regulations and amended its Articles of Association, Shareholders' Meeting Regulations and Board of Directors Regulations to comply with the recommendations listed in the Unified Code of Good Governance published by the Spanish Securities Exchange Commission.

The 2008 General Shareholders Meeting was notified about the amendments to the Board Regulations. These amendments mean that Indra's Corporate Governance regulations are now in line with the latest Corporate Governance practice according to company characteristics and have been duly updated and organised.

Gender diversity on the Board

Applying criteria and policies for gender diversity in the Board of Directors, a new female board member was proposed and approved by the 2008 General Meeting. This appointment means there are now three independent female Board members on the Board of Directors, which represents 20% of the total members, 23% of external members (independent plus controlling shareholder representatives) and 43% of independent members.

Remuneration policy report

In application also of the current recommendations on Good Corporate Governance and in accordance with the provisions in article 29.5 of the Board Regulations, at the proposal of the Appointments, Remuneration and Corporate Governance Committee, the Board of Directors produced for the first time ever in 2008 a Report on Salary Policy which it took to the General Meeting of Shareholders. The report provides information on Board of Directors and Senior Management salaries for the financial year ended and, if any, salary proposals for the next period with detailed information on salary policy and criteria and the components, accrual requirements and form of payment.



BOARD OF DIRECTORS RESPONSIBILITY

The following is a list of the most outstanding Corporate Responsibility-related aspects dealt with by the Board in 2008:

- At the Board meeting of 13th March 2008: Evaluation of the Board and its Committees and the Chair. Efficiency and compliance with the Company's Corporate Governance regulations was also evaluated.

- At the Board meeting of 14th May 2008: Analysis and approval of public information for dissemination in relation to the convocation of the General Meeting of Shareholders. Specifically:

- Annual Corporate Responsibility Report.
- Activity Report.
- Annual information on Corporate Governance
- Report to the General Shareholders Meeting on the amendments to Board Regulations (approved in December 2007).
- Annual Corporate Governance Report.

The Chair of the Board reported in this session on the regulations which guided the drafting of the 2007 Corporate Responsibility Report, the procedure for independent third-party review of the report and the supervision by the Board member appointed to monitor these matters, Isabel Aguilera.

- At the Board meeting of 24th July 2008: analysis of the introduction in Spain and in international subsidiaries of the Strategic Human Resources Plan to harmonise employment conditions after the merger with Azertia and Soluziona. The Chair of the Audit and Compliance Committee informed the Board on the analysis of the measures adopted during the year to accompany the internationalisation process on matters of equality and adaptation of the selection process among others. It was also reported that work was being done to produce a new Code of Ethics and Professional Conduct.

INDRA CONSOLIDATES ITS LEADING POSITION AS A RESPONSIBLE INVESTMENT

In 2008, Indra was recognised as a world leader in sustainability in the area of IT Services and Internet for the second consecutive year, after continuing to be included on the Dow Jones Sustainability World Index (DJSWI) and Dow Jones STOXX Sustainability Index (DJSI STOXX) and achieving the best score in the ranking for this subsector based on economic, environmental and social criteria.

The company reinforced its number one position, by maintaining its leadership in the evaluation by economic criteria; achieving for the first time, the best score for environmental criteria and making considerable progress in its social assessment.

Indra also improved its overall score in relation to last year, which went from 67 to 70 points and placed it above competitors such as IBM or the Indian company TATA Consultancy Services in the IT services segment, one of the five subsectors in the technology sector which includes 22 companies.

This progress in the ranking means recognition of the company's policy on corporate responsibility, corporate governance and sustainable development and its shares have been reinforced as a socially responsible investment.

ASPI, THE EURO ZONE SUSTAINABILITY INDEX

Indra belongs to the ASPI Euro zone sustainability index (Advanced Sustainable Performance Indices), which comprises 120 of the best companies in the Euro Zone due to performance and management in the area of sustainable development, in accordance with the evaluation carried out by the European agency Vigeo.



INDRA ON THE STOCK EXCHANGE

IN 2008, INDRA CONSOLIDATED ITS POSITION IN THE DOW JONES SUSTAINABILITY INDEX AND ITS POSITION AS NUMBER ONE IN COMPUTER SERVICES AND INTERNET SECTOR

Significant data

At 31 December 2008, the company's working capital totalled 32,826,507.80 Euros, fully subscribed and paid up, represented by 164,132,539 ordinary shares of 0.20 Euros nominal value each, all in the same class. All the shares have been admitted to trading on the four Spanish Securities Markets.

Ordinary shares have been trading on the Continuous Market since 23rd March 1999 in the Communications and Information Services sector and the Electronics and Software subsector. Indra has also belonged to the IBEX 35 selective index since 1st July 1999 which includes the thirty-five most representative companies on the Spanish stock market, in terms of market capitalisation and liquidity. At 30st December 2008, the BEX35 weighting was 0.82%.

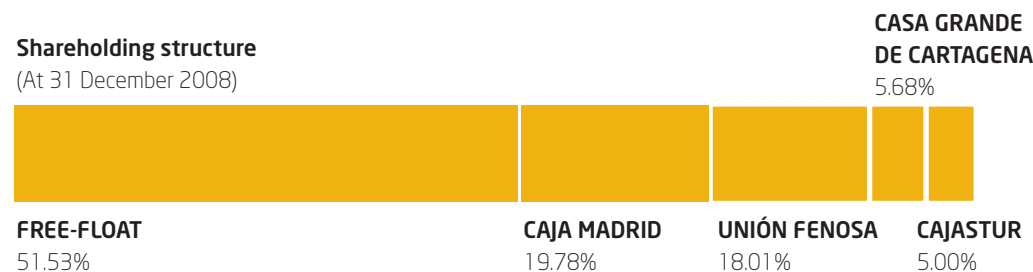
On 14th April 2000, MEFF Renta Variable began to contract Call and Put options on the company's ordinary shares.

Finally, it should be noted that Indra is part of important international indexes such as the European MSCI index for IT Services (since July 2003), an important benchmark sector index for institutional investors, FTSE eTX which represents the performance of the main European technology companies and Dow Jones STOXX Broad which includes major European companies. Also since 18th September 2006, Indra's securities have been traded on the Dow Jones Sustainability World Index (DJSWI) and Dow Jones STOXX Sustainability Index (DJSI STOXX) which select the companies which make major efforts to adapt their activity to sustainability criteria from among the world's and Europe's leading companies respectively. In 2008, Indra consolidated its position in the Dow Jones Sustainability Index and held its position as number 1 in the area of IT services and Internet for the second consecutive year.

The company does not have a nominal register of its shareholders and so can only know its shareholder composition when they communicate with the company directly or make the information public under the current regulations on significant shareholdings (which imposes a duty, generally, to notify shareholdings of over 3% of the capital) and from the information provided by Iberclear, which the company collects when the general meetings of shareholders are held.

Shareholding structure

(At 31 December 2008)



SHAREHOLDER	SHARES	% OF COMPANY CAPITAL
Caja Madrid	32,462,725	19.78%
Unión Fenosa	29,566,098	18.01%
Casa Grande de Cartagena	9,329,794	5.68%
CajAstur	8,213,864	5.00%
Free-float	84,560,058	51.53%
Total shares	164,132,539	100.00%

In accordance with the above, according to the Company's information at 31 December, its major shareholder is Caja Madrid with a 19.78% shareholding, followed by Unión Fenosa, with a 18.01% shareholding, Casa Grande de Cartagena with a 5.68% shareholding and CajAstur with a 5% shareholding in Indra's capital. Also, according to the Spanish Securities Exchange Commission registers on 21st November 2005 and 18th April 2008 Barclays Bank and Fidelity International Ltd notified the acquisition of 5.15% and 1.99% shareholdings respectively.

Distribution of capital

Distribution of the capital by tranches according to data from the June 2008 General Meeting of Shareholders is as follows:

NUMBER OF ORDINARY SHARES HELD BY SHAREHOLDERS	SHAREHOLDERS	TOTAL SHARES	STAKE HOLDING
Up to 500	60,518	8,538,005	5.20%
Between 501 and 2,000	7,034	7,040,076	4.29%
Between 2,001 and 5,000	1,371	4,322,271	2.63%
Between 5,001 and 10,000	453	3,219,061	1.96%
Between 10,001 and 20,000	237	3,434,521	2.09%
Between 20,001 and 30,000	86	2,068,491	1.26%
Between 30,001 and 50,000	78	2,935,114	1.79%
Between 50,001 and 100,000	72	5,352,003	3.26%
Between 100,001 and 500,000	70	15,295,555	9.32%
Between 500,001 and 2,000,000	21	21,084,893	12.85%
Over 2,000,000	10	90,842,549	55.35%
Total	69,950	164,132,539	100.00%

At 31st December, the number of own treasury shares totalled 3,956,924 shares which represent 2.41% of the total number of company shares, of which 2,261,000 shares correspond to shares which serve to hedge the 2005 Options Plan, a plan with financial hedging done through an Equity-Swap with a finance company.

Stock market indicators

The main stock market indicators for the period are listed below:

Total No. of shares (31-12-2008)	164,132,539
No. of ordinary shares in free float (31-12-2008)	87,038,154
Nominal share price	€ 0.20
Average day trading in certificates	1,229,408
Average day trading (in thousands of euros)	20.756
Trading days	254
Trading frequency (%)	100
Minimum daily trading (in certificates) (28 August)	191,706
Maximum daily trading (in certificates) (19 September)	19,892,227
Total effective trading (in millions of euros)	5.272
Total trading in the year (in certificates)	312,269,609
Total shares traded over total ordinary shares (%)	190
Total shares traded over ordinary free float shares (%)	359
Minimum annual share price (27 October) (in euros)	13.16
Maximum annual share price (5 March) (in euros)	18.84
Year-end price (31 December) (in euros)	16.19
Average share price (in Euros (in euros)	16.92
Market capitalisation at 31 December (in millions of euros)	2.657
Net earnings per share (EPS) (in euros)	1.139
Cash Flow per share (CFPS) (in euros) ⁽¹⁾	1.882
Book value per share (in euros) ⁽¹⁾	5.018
Market price / EPS (PER) ⁽²⁾	14.21
Market price / CFPS (PCF) ⁽²⁾	8.60
Market price / Book value per share (BVPS) ⁽²⁾	3.23
EV/Sales ⁽³⁾	1.18
EV/EBITDA ⁽³⁾	9.10

(1) Taking into account the total number of company shares 164,132,539 certificates

(2) Taking into account the price at 31 December 2008

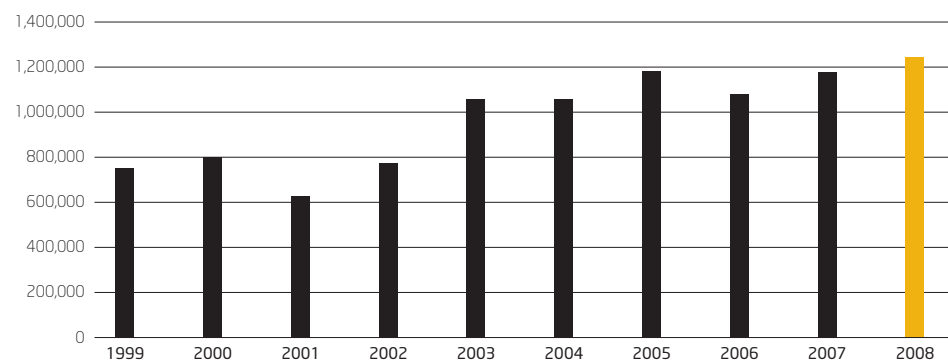
(3) Taking into account the Enterprise Value (EV) at year end: market capitalisation at 31 December 2008 + the company's Net Liabilities at that time (148.66 M€)

THE STOCK ENJOYED HIGH LIQUIDITY: WITH AVERAGE DAILY TRADING OF 1,229,408 SHARES, 5.0% UP ON 2007

Trading volume

Trading frequency was 100% throughout the year (254 days). Liquidity was also high with average daily trading rising to 1,229,408 certificates, 5% up on last year.

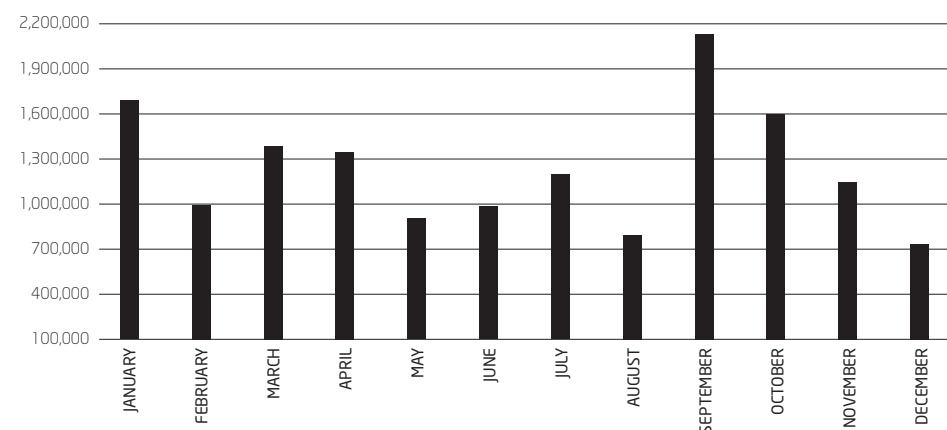
AVERAGE DAILY TRADING VOLUME CERTIFICATES



The 1999 data is from the period April – December as it excludes the extraordinarily high volume traded the week after the Public Share Offering (23-30 March 1999) which distorts the ordinary volume..

In 2008 312.3 million certificates were traded on the market, equivalent to 1.90 times the total number of ordinary shares and 3.59 times the ordinary shares in free float. Effective trading was 5,272 million Euros, a 4.8% drop on the previous year. Average daily trading and the monthly evolution in 2008 is shown in the graph below:

AVERAGE DAILY TRADING MONTHLY EVOLUTION IN 2008



In 2008, in the trading volume of options on Indra shares negotiated on the MEFF Equity market, there were 36,712 options on 100 shares each, of which 19,282 were call options and 17,430 were put options.

Indra share price evolution

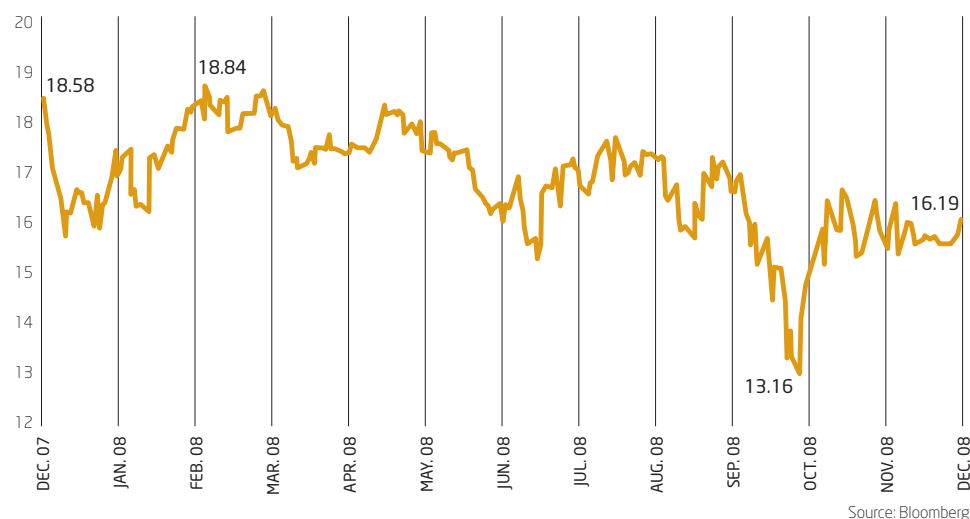
Below are the end-of-session maximum, minimum, average and month-end closing prices for Indra shares for each month of the year and the graph showing share price evolution over the year:

	MINIMUM	MAXIMUM	AVERAGE	MONTH-END
January	15.88	18.10	16.72	17.25
February	16.35	18.44	17.52	18.44
March	17.92	18.84	18.33	18.24
1st quarter	15.88	18.84	17.52	
April	17.22	18.43	17.66	17.53
May	17.53	18.45	17.96	17.55
June	16.32	17.93	17.18	16.52
2nd quarter	16.32	18.45	17.60	
July	15.42	17.41	16.60	17.20
August	16.71	17.86	17.28	17.51
September	15.85	17.47	16.80	16.78
3rd quarter	15.42	17.86	16.89	
October	13.16	17.12	15.16	15.18
November	15.31	16.80	16.05	16.00
December	15.51	16.56	15.89	16.19
4th quarter	13.16	17.12	15.70	

Not including intra-day prices.

Information for the Net Wealth Tax return: average market price for the fourth quarter in 2008 was 15.70 Euros (published in the Spanish Official Gazette (BOE) no. 51, dated 28th February 2009).

MONTHLY EVOLUTION OF CLOSING PRICE



Indra and the sector

2008 put an end to a period of optimism in the markets and the major international stock exchanges suffered significant losses as a result of an intense credit crunch which began in the real estate sector and led to repercussions in the financial sector and the real economy. Throughout the year the crisis became more evident since in addition to the loss of confidence and greater restrictions on credit, the world's leading powers went into recession. Consequently, the monetary authorities and official bodies were forced to introduce coordinated emergency measures at an international level in the form of successive interest rate reductions, financial plans and injections of liquidity.

In this context, the perspectives for world economic growth were radically and periodically reduced, and this was reflected in the stock market evolution of the Information Technologies

IN 2008, AND IN THE IBEX 35,
INDRA CAME SECOND IN
THE STOCK MARKET
EVOLUTION RANKING

THE DIVIDEND PROPOSED BY THE
BOARD OF DIRECTORS FOR APPROVAL
BY THE GENERAL SHAREHOLDERS
MEETING SHOWS A 22% INCREASE

Services sector which is closely linked to the economic cycle. This situation has meant that the sector's leading companies have seen average drops of 50% in their stock market evaluations over this year which has also affected the main sector indexes with 44% drops in the case of FTSEeTX and 35% in the case of MSCI Europe IT Services.

In this environment, Indra shares ended the year with a 12.9% drop which again demonstrates the differential characteristics of Indra's business model. In Ibex 35, Indra came second in the stock market evolution ranking.

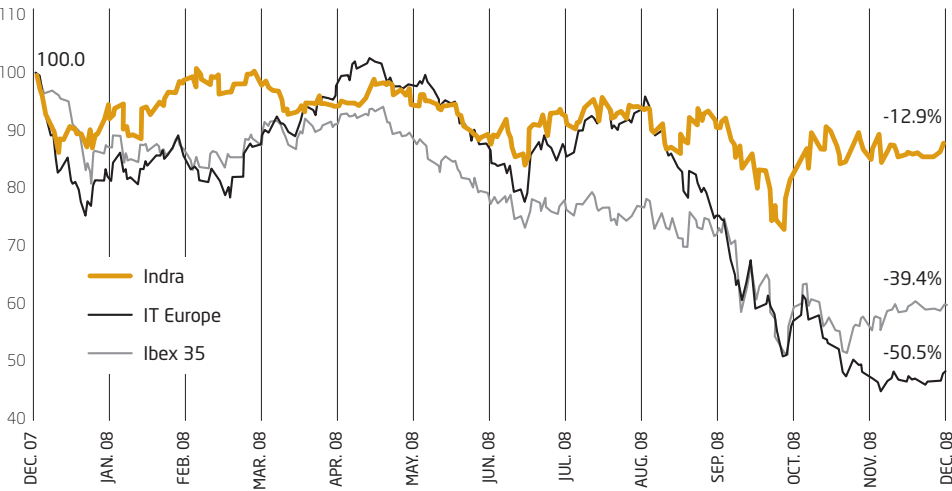
The following graph shows Indra's evolution in comparison to the IBEX 35 and with the average of the leading European IT Services companies (percentage)

At year end 2008, Indra's stock market value accumulated a 262% rise from the moment of the IPO (March 1999) whereas the average stock market value for the European IT sector fell 52% and the Ibex 35 fell 39% in the same period.

Year's Dividend

The dividend proposed by the Board of Directors for approval by the General Shareholders Meeting shows a 22% increase in relation to the ordinary dividend paid out in the previous year. Thus:

Gross dividend per share (in Euros)	0.61
Dividend on net profit per share (EPS) (payout) (%)	55
Profitability per Dividend in 2008 (%)	3.8



Source: Bloomberg

EMPLOYEES

PEOPLE ARE THE KEY TO
INDRA'S SUSTAINABILITY

We work in an environment of growing competitiveness at home and abroad where business needs demand quality, innovative solutions and services.

It is people are that have the capacity to create new solutions and services, to learn, teach and promote new ways of doing and thinking. That is why capturing, developing and retaining talent is critical for Indra's sustainability and is therefore a strategic priority. Indra employees are committed, motivated, open to change and able to learn.



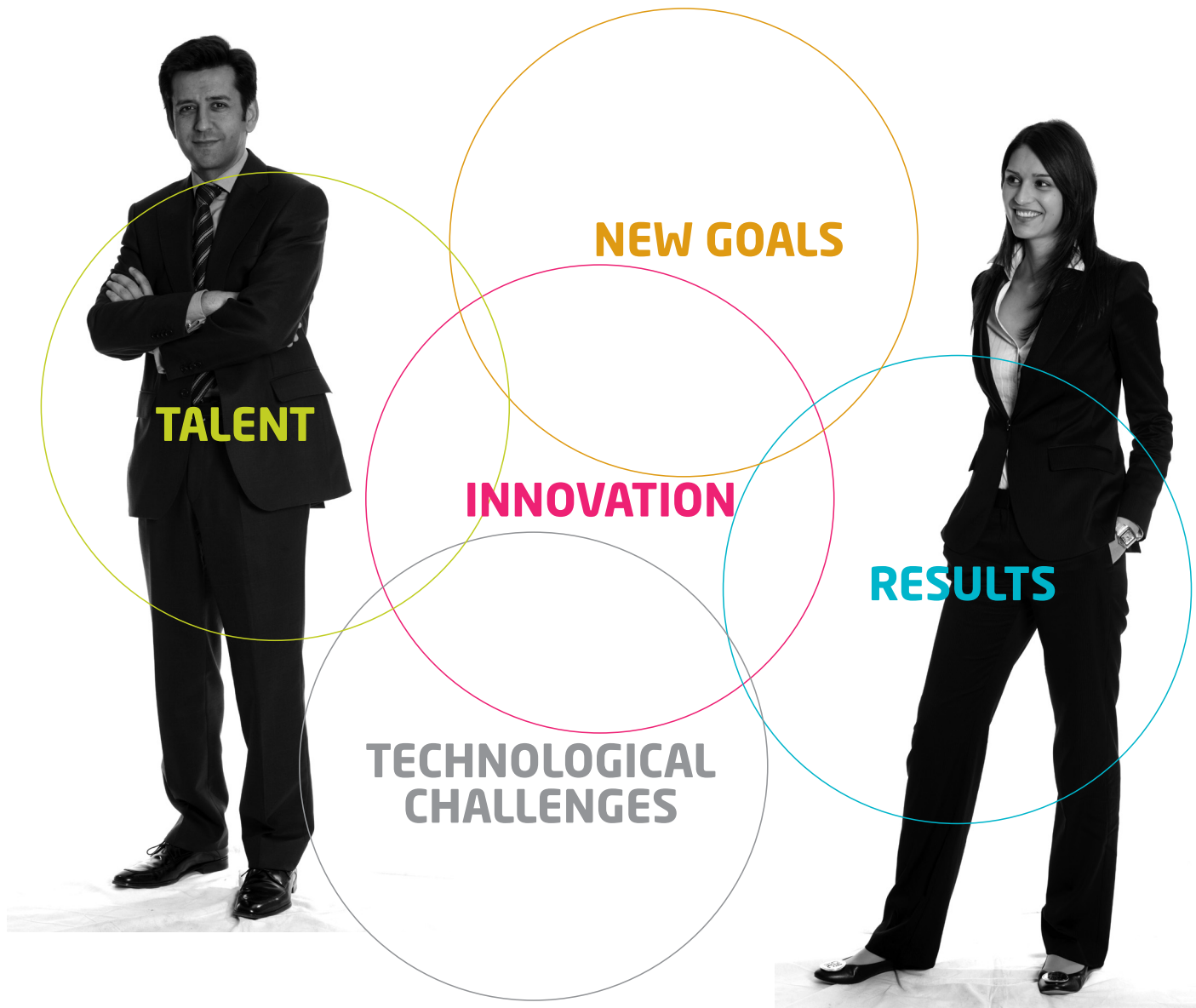
MORE THAN

24,800

EMPLOYEES

76% HIGHLY QUALIFIED GRADUATES (*)

Scope: Indra Sistemas and all the dependent companies, joint ventures and associates. I3 Televisión and CEICOM Argentina consolidate their shareholding percentage (50%).
(*) Data representative of 99% of the workforce.

**ATTRACTING
TALENT**

The company's growth in revenues has led to the need to integrate new employees in our team. In 2008, Indra continued to increase its staff up to 24,806 employees, a 5.6% increase on the previous year. Of those employees, 5,664 work outside Spain.

In 2008 we have continued to actively manage the brand as an employer, carrying out a large number of actions in all the countries where Indra operates. These actions have taken place mainly at knowledge institutions: universities and business schools which offer top level training. Indra's activity in this sphere consists of sponsorships, participation in employment forums, round tables, visits to Indra, collaborations and agreements with universities, research professorships, etc.

DEVELOPING TALENT

DEVELOPING INTERNAL TALENT MEANS FOSTERING A CULTURE OF DEVELOPMENT AND GROWTH IN THE ORGANISATION WHICH MAKES OUR EMPLOYEES FEEL COMMITTED TO THE COMPANY'S PROJECT.

IN 2008 INDRA'S PEOPLE MANAGEMENT PROCESSES CONTINUED TO EVOLVE, INTEGRATING PROFESSIONAL DEVELOPMENT-RELATED PROCESSES INTO THE CAREER MANAGEMENT SYSTEM

Developing internal talent means fostering a culture of development and growth in the organisation which makes our employees feel committed to the company's project.

Investing in people helps to optimise the business results, without talent there is no innovation. That is why talent management is a core area for Indra and since 2005 the company has taken a four pillars approach:

- Knowledge: all employees must provide the organisation with a high level of technical expertise and skills.
- Action: knowledge must be action-oriented, otherwise it is useless.
- Social: employees must have excellent social relations for interrelating with different stakeholders.
- Individual: each person must be encouraged to reach their full potential.

The talent management model covers integral employee development, contributing elements which stretch beyond the individual's professional development.

The Global Talent Management Program is an innovative capacity development model based on three principles: team learning, viral marketing and economy of costs focused on developing the organisation's workforce. The special feature is that at the end of the process, some participants then become leaders able to train new participants.

The Selective Talent Management Program is dedicated to high-potential employees, and is organised in groups with personalised monitoring for each group. The program envisages four years of ongoing training which provides the tools to develop new skills and optimise previously acquired skills.

Identifying and Managing Potential

In 2008 we introduced a potential appraisal (PA) system, directed at identifying the 3 dimensions of potential in an employee:

- Develops the business: Has commercial sense
- Develops the team: Has interpersonal relations and shows leadership with internal teams
- Develops himself: Has self-insight and strives to do his best.

The results provided a global map for the company positioning all Indra employees in terms of their potential. This information is necessary to:

- provide broader information on each person's influence in the organisation, which is a valuable individual career management tool for the medium term.
- provide the basis for designing appropriate development and training plans.
- be in a position to take on future growth projects with the appropriate profiles.

The information generated in the potential appraisal process has also been used to identify and create the 2008/2009 edition of High-Potential Groups.

Career Management System (*)

In 2008 Indra's people management processes continued to evolve, integrating professional development-related processes into the Career Management System. The system integrates several processes which used to be carried out sequentially:

- Performance evaluation.
- Potential appraisal.
- Promotion appraisal.

The Career Management System is an annual process which is used to establish and evaluate:

- The annual performance objectives for each year.
- The role-holder's progression.
- The role-holder's potential for commercial activity and management.

(*) Scope: 21% of the workforce.

INDRA VIRTUAL CLASS STARTED IN 2008, A WEB TOOL DIRECTED AT REAL TIME DISTANCE LEARNING FOR THE COMPANY PROFESSIONALS

DURING 2008, INDRA STARTED UP THE THIRD EDITION OF THE INTERNAL CULTURE AND COMMUNICATION OBSERVATORY WITH THE FORMATION OF 12 FOCUS GROUPS'

UNIVERSHSUS, INDRA'S STUDENT PLATFORM

Univerhsus, Indra's Student Platform, launched Indra Virtual Class in June 2008, a web tool directed at real time distance learning with geographically dispersed students and teachers, with the aim of adapting better to employees' needs and timetables.

The timetable and geographical flexibility offered by the new learning methodology system, Indra Virtual Class, means that online training can reach all company employees more easily. This proposal

arose as the result of research directed at improving the quality of training and innovation in the use of the new technologies.

Indra Virtual Class started in 2008 with courses in English, office automation, and technology partners' technologies. The interactive training system emulates the classroom environment, is similar to a real-time video conference and provides a friendly and attractive virtual classroom experience.

This evaluation provides each leader with a global vision of the employees in his or her team and helps to determine which aspects have been consolidated and which need developing. It facilitates short and medium term decision making on the employee's career: possible changes of assignation, of role, training needs or other development actions.

Internal communication and culture observatory.

Since 2006, Indra has had an internal communication and culture observatory whose aim is to develop strategies to help optimise alignment of its corporate culture with its business goals.

This observatory responds to the company's need to gauge the internal climate, its employees' attitudes and opinions. The data was collected via discussion group and dynamic exchange techniques.

During 2008, Indra started up the third edition of the observatory with 12 discussion or focus groups in Madrid, Barcelona, Valencia and Ciudad Real.

The information from this observatory has helped Indra to design new internal communications actions for the coming years.

RETAINING TALENT

At Indra we want to retain our employees with innovative proposals that favour the balance between professional and personal life and enable professional growth and innovation.

With a workforce of more than 24,000 employees, diversity presents an opportunity and a challenge for management.

An opportunity because diversity leverages innovation and is therefore crucial to our capacity to compete in the Information Technologies industry.

But diversity is not just about considering different capacities. Each employee's different personal and professional needs must be addressed as a fundamental aspect of our policies to attract, retain and develop talent.

That is why in 2005 Indra introduced *Equilibra*, a programme designed to increase flexibility at work in order to adapt to the professional and personal needs of each of our employees.

In turn, *Equilibra* is composed of two initiatives, *Concilia* and *Iguala*, directed at fostering reconciliation between our employees' professional, personal and family life, critical for providing truly equal opportunities.

What does diversity mean to Indra?

More than 24,000 people work at Indra which means more than 24,000 different talents, with different perspectives, visions, capabilities and skills and, also, more than 24,000 challenges for the company.

Diversity therefore, is an opportunity and a driver of success and a reliable source for promoting innovation, as innovation always comes directly from people.

What does diversity entail for Indra?

Diversity means seeing each person as a unique being with their own needs and capabilities which must be responded to.

Diversity also means equal opportunities for all. In parallel it is also a value on which to build our business venture.

What has diversity got to do with talent?

Understanding and managing diversity is crucial for attracting and retaining talent, boosting our international growth, facilitating professional development and motivating organisational learning and generating commitment.

But diversity is also in line with our values of sensitivity and originality and our vision of responsibility: managing knowledge for innovation

What are the strategic objectives in diversity?

- Ensure equal opportunities without taking into account differences of race, sex, religion, opinion, origin, economic position, birth or any other condition.
- Respect the uniqueness of people and their cultures.
- Address the individual needs of the people who work for Indra.

What policies does the company have to help manage diversity?

Indra already has diversity management policies in place such as:

- A career development policy which adapts to the diversity of people's skills and knowledge.
- Training plans which are also adapted to needs.
- Promotion policies based on equal opportunities and non discrimination.
- The reconciliation program *Equilibra* where we deal with the needs for reconciliation between family and personal life and work.
- The *Reflex* program which allows everyone to design their pay package in line with their needs.
- The *Iguala Plan* which we began in 2006 in relation to gender diversity and which aims to make a professional career compatible with the family objectives of the people working for Indra and to offer the same opportunities to men and women when it comes to seeking, retaining and developing talent and in their career progression.
- The *Inserta Agreement* with Fundación Once in which we undertake to promote the integration of people with disabilities in society and in our company. Going even further, we are designing a plan to integrate people with disabilities in the company supported by Fundación Adecco and we are collaborating with other entities to achieve the employment insertion of people with disabilities.

BEING A GLOBAL COMPANY
DEMANDS CONSIDERATION OF LOCAL
PECULIARITIES WHEN IT COMES TO
MANAGING HUMAN RESOURCES

2008 SAW WORK START ON DEVELOPING
THE PROTOCOL ON NON-TOLERATED
BEHAVIOUR WHICH COVERS THE ACTIONS
TO BE TAKEN IN CASES OF DISCRIMINATION

WHY DOESN'T EQUILIBRA APPLY TO INDRA EVERYWHERE IN THE WORLD?

BECAUSE WE THINK GLOBALLY AND ACT LOCALLY

Being a global company demands consideration of local peculiarities when it comes to managing human resources. In the case of Equilibra, which contains important measures directed at reconciliation, this aspect is particularly delicate as the employee expectations and needs in Spain may not be valued or even demanded in other countries.

In 2008 we carried out a first international survey on corporate responsibility from a sample of 35 professionals in 10 countries, as an initial approach to demands, expectations and needs in this area so that initiatives can be tailored to provide value in each market.

- The collaboration agreement with Fundación Integra to integrate people at risk of social exclusion in our company.
- A Diversity Policy which is directed at respecting different cultures and human rights and promoting these values in our staff.

In addition to the above we are planning to develop initiatives which take into account generational and cultural diversity. The *Equilibra Program* contains some initiatives on generational diversity, but we want to promote others such as Top Senior. In terms of cultural diversity, taking into account our international scope, Indrajobs and expatriation policies are initiatives which address and support international mobility.

We have also created *Equilibra Groups* formed by people working in different markets and environments who are responsible for sensitising and listening to needs and demands in the area of reconciliation.

2008 also saw work start on developing the Protocol on Non-Tolerated Behaviour which covers the actions to be taken in cases of any form of discrimination.

What are Indra's next steps in this area?

Diversity is going to become an enormous people- and organisation-management umbrella.

We want the company to extend the valuable policies in this area such as those on reconciliation to its operations throughout the world.

We also want to continue with and update the Equality Plan to achieve the legal milestones, launch the discrimination protocol, retain the Responsible Family Company certification and extend it to other companies and countries and launch the Top Senior.

THE 'EQUILIBRA GROUPS' HAVE BEEN A BASIC ELEMENT FOR GENERATING AND PROMOTING THE CULTURE OF RECONCILIATION OF WORK AND PERSONAL LIFE

IN SPRING 2008 THE COMPANY WAS AWARDED THE FAMILY RESPONSIBLE CERTIFICATE WHICH COMMITS US TO A PHILOSOPHY OF ONGOING IMPROVEMENT

WE PROMOTE A CULTURE OF RECONCILIATION: EQUILIBRA GROUP

Since 2007, the Equilibra groups have been a basic element for generating and promoting the culture of reconciliation of work and personal life.

These teams carry out information work, informing employees of the company's policy, identifying the most appreciated initiatives, detecting possible difficulties in putting them into practice.

The teams, which are made up of 12 people working in different markets and environments who are especially conscious of equality and reconciliation-related matters, are intended to provide a two-way communication channel to combine our employees' needs and the Human Resources strategy in this aspect.

Reconciliation

In 2008 we improved already existing measures with the addition of three options for extending maternity leave for mothers and fathers who can choose between.

Moreover, the *Equilibra* measures were extended in February 2008 to people from Azertia and Soluziona who joined Indra Sistemas and began in Indra Espacio in December 2008 increasing the group benefitting from it by 10,000 more people.

Another step forward was the award in Spring 2008 of the Family Responsible Company certificate which commits us to a philosophy of ongoing improvement.

In 2008 a large part of the Human Resources team was trained in the area of equality and reconciliation, placing particular emphasis on employees working in recruitment as they are a clear element to attract and retain.

INDRA IN THE 'TOP COMPANIES TO WORK FOR 2008'

Indra has also been chosen to form part of *Empresas TOP para trabajar 2008*, (the 2008 edition of top companies to work for), a report produced by CRF which includes the companies which really stand out above the average and offer their employees the best benefits and quality of life.

Indra also became part of *Las Súper Empresas 2008 de México* (The best companies in Mexico 2008), the places where everyone wants to work, produced by 'Expansion' and 'Top Companies'. The ranking lists 94 of a total of 407 companies whose employees said they felt more satisfied, productive and motivated.

IF BETWEEN 50 AND 80% OF THE TASKS IN A JOB CAN BE DONE REMOTELY WITH TECHNOLOGICAL SUPPORT AND THE MANAGER AGREES, TELEWORKING IS POSSIBLE

IF THERE IS AN OFFICIALLY RECOGNISED DISABILITY OF AT LEAST 33%, INDRA WILL FINANCE 100% OF THE COST OF BROADBAND.

'Equilibra': Flexibility policy

- 1 If between 50 and 80% of the tasks in a job can be done remotely, supported by the appropriate technology and the manager agrees, teleworking is possible.
- 2 Flexible Maternity / Paternity: There are 3 possibilities:
 - Accumulated Maternity / Paternity leave: A 30 calendar day extension to statutory maternity leave.
 - Extended Maternity / Paternity leave: A 50% reduction in the working day receiving 100% pay for 60 calendar days following incorporation after statutory maternity leave.
 - Combined Maternity / Paternity leave: A 15 calendar day extension with a one hour reduction in the working day from incorporation until the baby is 9 months old.
- 3 Intensive working week (Friday afternoons off).
- 4 A 30 to 60 minutes flexible time band, depending on the workplace, for start/end times.
- 5 30 to 45 flexible lunch break also depending on the workplace.
- 6 Future parents can have 3 working days' leave which is one day more than the statutory period.
- 7 If employees need to travel to the wedding of children, parents or siblings, they are entitled to 1 day if the wedding is within the province where they work or in neighbouring provinces, extendable to 2 or more days in other cases.
- 8 In the case of serious illness or death of family members (to the second degree of kinship) the entitlement is one day over the statutory period, that is 3 or 5 days in total depending on travel needs.

- 9 In the event of temporary incapacity involving hospitalisation during holidays, the days used are excluded from the holiday period calculations.
- 10 Leave to accompany children under the age of 14 to the doctor, or at any age if they have disabilities and also to accompany the spouse.
- 11 10 days a year or 20 half days for employees following official courses to take exams.
- 12 The time necessary to visit the GP or a specialist National Health doctor.
- 13 After working more than one year for the company, unpaid leave can be requested up to a maximum of three months provided the employees' line manager agrees.

'Equilibra': Services policies

- 1 Employee Assistance Service (EAS) This is a free legal help line and a service for carrying out official formalities at preferential prices. The family unit is entitled to use the service.
- 2 Indraclub. Through this club, Indra offers its employees benefits in the purchase of products and services.
- 3 Financial help is available for employees who have children with disabilities in their care.
- 4 The company supplements Social Security benefits up to 100% of the salary from the first day in the case of maternity/paternity leave.
- 5 If there is an officially recognised disability of at least 33%, Indra will finance 100% of the cost of broadband.
- 6 All parents are congratulated and given a gift voucher when their child is born.

207 MOTHERS AND 3 FATHERS HAVE TAKEN ADVANTAGE OF THE FLEXIBLE MATERNITY/PATERNITY MEASURES IN ONE OF ITS THREE ALTERNATIVES

44% OF THE PEOPLE THAT TELEWORK ARE MEN AND 30%, HAVE NO FAMILY RESPONSIBILITIES

'Equilibra' statistics (*)

2005	<p>24 employees with children with disabilities in their care benefited from the company's financial help</p> <p>27 mothers benefited from the 50% reduction in the working day for the first month after maternity leave (with 100% of the salary).</p> <p>231 employees taking official studies used the measure to free days for study.</p>
2006	<p>25 employees with children with disabilities in their care benefited from the company's financial help</p> <p>56 mothers and 2 fathers benefited from the 50% reduction in the working day for the first month after statutory maternity leave (with 100% of the salary).</p> <p>23 mothers opted to extend their maternity leave by 2 weeks.</p> <p>8 mothers extended the reduction of the working day from 6 to 8 years.</p> <p>307 employees taking official studies used the measure for free days for study.</p> <p>25 people took unpaid leave (up to 3 months).</p>
2007	<p>27 employees with children with disabilities in their care benefited from the company's financial help</p> <p>26 mothers and 3 fathers benefited from the 50% reduction in the working day for the first month after maternity leave (with 100% of the salary).</p> <p>44 mothers and 1 father opted to extend their maternity/paternity leave by 2 weeks.</p> <p>370 employees taking official studies used the measure to free days for study.</p> <p>19 people took unpaid leave (up to 3 months).</p>
2008	<p>207 mothers and 24 father took either of the three options for flexible maternity/paternity leave.</p> <p>390 fathers took paternity leave.</p> <p>827 employees taking official studies used the measure to free days for study.</p> <p>75 people took unpaid leave (up to 3 months).</p>

(*) Indra Sistemas and Indra Software Labs. Indra Espacio has not reported any data, given that the measures began to be applied in December 2008.

TL-Teleworking an innovative way of working which dispenses with clichés

Indra is an increasingly global company in which distance working with people in other cities, other countries and even other continents is common. Virtual work is therefore, a business need which helps the company to grow, innovate and manage knowledge within the organisation more effectively and offers its employees undoubted advantages.

TL-Teleworking provides all the tools to ensure that the virtual work done at home by people participating in the programme is effective. But in addition, teleworking at Indra has dispensed with some of the clichés as shown by the latest survey carried out in the company in the 2nd half of 2008.

TL-Teleworking is compatible with all the roles in the organisation. Thus, of the teleworkers, 87% are technical experts, 5% management, 5% administrative support and 3% operational support. TL-Teleworking is not an obstacle to team management as 29% of the teleworkers are team leaders, out of which, 15% are in charge of teams of more than 10 people. 50% of managers who regard TL-Trabajo as a management tool have more than one teleworker on their teams.

It is also not true that teleworking is only something women or people with family responsibilities or of a certain age are interested in. 44% of teleworkers are men. 30% of teleworkers have no family responsibility. Young people see TL-Trabajo as another way of working, the distribution of Indra employees by age is as follows: 10% are between 20 and 30 years old, 61% are between 31 and 40 and 23% are between 41 and 50 and 6% are over 50.

Teleworking is a significant way of facilitating sustainable mobility in cities, reducing traffic and congestion, reducing displacement costs and supporting people where they want to live without

FIVE TELECENTRES WERE
INSTALLED IN SOMONTANO
WHICH HAVE GENERATED
OVER 50 JOBS

DELTA SYSTEM: TELEWORKING IN RURAL AREAS

One of the main reasons for depopulation in rural areas is the lack of local employment which motivates people to migrate to where there are jobs.

In collaboration with Fundación Etnodiversidad, Indra has set up a teleworking project in Aragon with the objective of promoting rural development by enabling people at risk of marginalisation because they live in small population centres and family dependency to access the world of employment through the new technologies.

Five telecentres were installed in Somontano which have generated over 50 jobs. Female employment is very significant, and training and learning are facilitated beforehand. Between 6 and 12 people record data through a computer system called Delta which uses a sophisticated task division and telecontrol environment which enables administrative work to be done in remote workplaces. These telecentres offer employees a flexible time table compatible with their family obligations.

detriment to their professional career. 25% of teleworkers live in a city which is not where their workplace is.

At Indra, TL-Teleworking has also become a way of reducing the working day. 27% of the questionnaire respondents chose TL-Trabajo as an option for reducing or extending their working day.

TL-Teleworking has also shown that it helps to develop capabilities such as time management, task prioritisation and autonomy in Indra.

93% of teleworkers consider that teleworking increases performance. 39% of managers also consider that TL-Teleworking brings higher performance; 56% confirm that it remains the same.

99% of teleworkers state they are satisfied or very satisfied with the Program and 68% state that their level of commitment has been increased by the teleworking opportunity provided by the organisation.

Managers with teleworkers in their team regard teleworking as a good management tool: 81% of the managers interviewed are satisfied or very satisfied with this situation.

When the adaptation process ends, 96% of teleworkers consider that the level of communication with their team has been maintained or even improved. Managers also consider that teleworking has no negative influence on communication. 88% confirm that communication has been maintained or even improved (now they receive more information from the teleworkers).

The requirements for participating in TL-Teleworking are:

- That it is voluntary on the part of the employee.
- That it is approved by the manager.
- That the functions/tasks can be performed remotely.
- That there is a willingness to structure work activities to achieve objectives.
- That 40-80% of the work can be done at home (depends on the profile).
- If the work is project-based, teleworking will be linked to project duration.
- The teleworker must have a space and furniture which comply with risk prevention at work regulations.

IN 2008, INDRA CARRIED OUT A FIRST INTERNATIONAL SURVEY TO GAIN FIRST HAND KNOWLEDGE OF ITS EMPLOYEES' VISION OF RESPONSIBILITY

INTERNATIONALISING CORPORATE RESPONSIBILITY: WHAT DO OUR EMPLOYEES IN OTHER COUNTRIES KNOW AND THINK ABOUT IT?

Indra is an international company with a global corporate responsibility and sustainability policy. However, its stakeholders have different expectations, values and demands and it is worth bearing in mind this diversity when designing responsible initiatives.

Thus for example, reconciliation of personal and professional life by teleworking may be viewed positively in Spain, but not in some Latin American countries where that demand does not exist and may even be badly perceived by employees who prefer to travel to the work place and do not conceive of work from home as a positive value.

For that reason in 2008, Indra carried out a first international survey from of a sample of 35 employees in 10 countries, to gain first hand knowledge of its employees' vision of responsibility, their values and expectations in this area, the extent of knowledge of Indra's

responsibility report and the Global Compact and to gather information on the actions being carried out in each country.

In particular, the results show that the Global Compact is considered an important instrument for operating in each country and is being respected. Responsibility was seen as a company ethic which must be aligned with the business.

The questionnaire also gathered information of interest on collaboration initiatives with society through non profit entities which are being carried out in several countries where such initiatives continue to be regarded as having responsible value given the social and economic context.

But, also, in addition to this survey, Indra is working to internationalise its best employment practices when they are appreciated by employees in other countries.

Special Mention for Fundación Integra

In recognition of Indra's contribution towards the placement in employment of people at risk of social exclusion



WORKPLACE RISK PREVENTION (WRP)(*)

AN AIM IS TO ADAPT OUR PREVENTATIVE MANAGEMENT SYSTEMS TO REACH OSHAS 18001 CERTIFICATION IN 2010

Indra is committed to complying with Workplace Risk Prevention regulations in the countries where it operates, not only because it is a legal obligation but also because the company wants to encourage a preventive culture in all its activities.

Indra has also acquired the commitment with its employees to promote the highest possible levels of health, safety and well-being and to ensure that in all its activities, those working for us and those who may be affected by our actions are afforded the appropriate protection.

To achieve these commitments and in accordance with the applicable legislation in the countries where it is active, Indra has established a preventive organisation which meets in an integral and integrated manner, all the demands brought by compliance with the legally established health and safety obligations.

Promoting a culture of prevention

The preventive management of *Indra's Sistema de Gestión Mancomunado* is based on a process of ongoing improvement, by identifying the dangers, assessing the risk and verifying the effectiveness of the preventive measures introduced and clearly positions itself to integrate prevention in the organisation, by means of the following actions:

- Identifying and evaluating work risks through annual action programmes.
- Planning preventive actions arising out of the technical actions.
- Checking compliance and efficiency of the preventive measures in place.
- Offer and guarantee health surveillance of employees in relation to the risks they are exposed to at work.
- Establish on-site emergency and healthcare emergency measures.
- Establish the means and channels for coordinating business activities between customers and suppliers on health and safety matters.
- Investigate work accidents to verify and where appropriate, identify and evaluate risk and the adoption of preventive measures.
- Analyse epidemiological studies on collective and work-related health in order to take into account, where appropriate, the identification and evaluation of risks and adoption of preventive measures.
- Periodic audits of the preventive management system

The process described is directed at effectively integrating preventive action and participation of employees, managers, and company representatives, essential elements to configure a preventive business culture.

Another essential element for preventive culture and awareness is information and training; to that end, minimum training criteria have been established which represent a clear training investment being promoted by different preventive organisations:

- Training actions for employees, intended to provide them with appropriate training on health and safety in their activity and adapt to statutory requirements, our customers' demands and Indra standards.
- 50-hour basic elementary courses in workplace risk prevention for all managers where necessary due to activity risk and/or for inter-company coordination.
- 50-hour basic elementary courses in workplace risk prevention for all employees with particularly dangerous jobs, at height, in construction works, etc.

According to the above training standards, more than 750 employees have followed the 50-hour Basic Course in Workplace risk prevention at 31-12-2008 (accumulated data).

Consulting and Participation in Company Representation

Indra recognises the importance of active collaborative participation in company representation and so the company has set up Health and Safety Committees in its workplaces with over 50 employees and holds periodical meetings with them. These committees are equal, collegiate participation organs intended for regular and periodic consultation on Indra's action on health and safety matters. Company representation in health and safety matters comprises 27 Health and Safety Committees and 91 Prevention Delegates.

Promotion of Health and Well-being

Although not part of health at work actions, there are 4 medical care centres in Madrid whose goal is to "Take medical healthcare to the work place". Health promotion action will provide information on pathologies prevalent in the employed population which will help to direct preventive and health campaigns and contribute to improving and promoting health and general well-being for all Indra employees. The actions include:

(*) Scope: 75% of the workforce.

- Healthcare consultation, primary healthcare, initial treatment and successive treatment, medical treatment (pharmacology), etc.
- First aid and emergencies.
- First aid box upkeep.
- Medicines maintenance (control, expiry dates, orders, waste)
- Advice for sick employees.
- Coordination with medical services from the Mutual Insurance company for Workplace Accidents and Work Related Illnesses linked to the Public Health System.
- Biosanitary waste management and control before the competent bodies.

In addition to these actions the company has also participated in blood donations with the Community of Madrid and the Red Cross Blood services.

Objectives 2009

- Identify and officially authorise preventive criteria and/or standards in the countries where Indra operates.
- Obtain approval from the Mandatory Audit of the Workplace Risk Prevention Management system in the companies: Indra BMB, Indra BMB Canaries, Indra BMB Digital Services, 13 Television, IP Systems and Metradis; which in addition to compliance with legal requirements also guarantees the efficiency and improvement of our preventive management system for our employees, customers and suppliers.
- Be a company which differentiates itself by adopting measures and processes which contribute effectively and verifiably to accident reduction, obtaining recognition and awards from Public Administrations.
- Adapt our Preventative Management Systems to achieve OSHAS 18001 certification in 2010.
- As part of ongoing improvement, work will continue on:
 - Full integration of prevention in all processes and decisions and in the assumption of responsibilities in the organisational structure.
 - Actions to improve established processes so that they are permanently optimised.
 - Preventive and Health care educational campaigns.

EMPLOYMENT RELATIONS

Union and legal representation of employees in Spain is organised through the trade union organisations and the works committees which have been formed. The legal representation of Indra's workers in Spain comprises over 300 people, who mainly belong to the CC.OO, UGT and USO unions. Indra provides unions with constant information on relevant aspects and company initiatives. For example, presentations have been made to unions on the new Career Management System, the Corporate Responsibility Master Plan and the draft of the future Code on Ethics and Professional Conduct to find out their opinion and collect suggestions. Training actions for union representatives are also taking place, for example training on Indra's Performance Evaluation process.

There is a difference of opinion between the trade union representation of CC OO (Comfia) in the IT area with regard to the model of representation (by workplace or company) and regarding the system of accumulation and use of trade union time, no agreement having been reached in these areas.


THE TRADE UNIONS AND CR

Since 2003, Indra has been making a series of consultations with various unions to notify them of the initial diagnostic of company responsibility, the Master Plan and the subsequent reports.

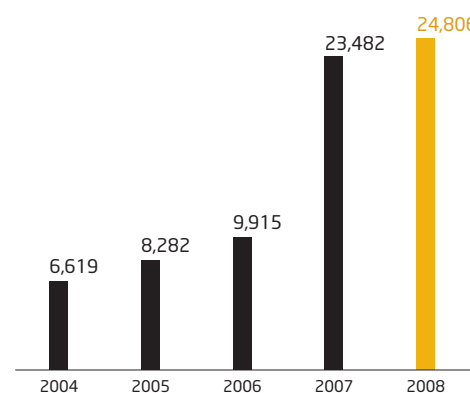
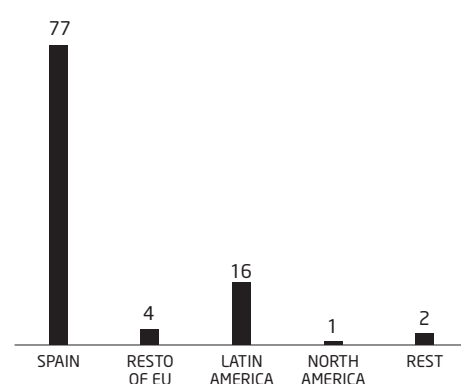
At Indra we consider their collaboration in this area to be fundamental and we initiated collaboration with an employee consultation.

Employees were defined as one of Indra's stakeholders. In this regard, the Responsibility Master Plan integrates

initiatives of value with employees and promotes others. Similarly, the rendering of annual accounts includes exhaustive information on the matter. All this is available to the unions and the company continues to send them information to elicit their comments and amendments. Indra considers unions to be a stakeholder, but integrated with employees and not independently.

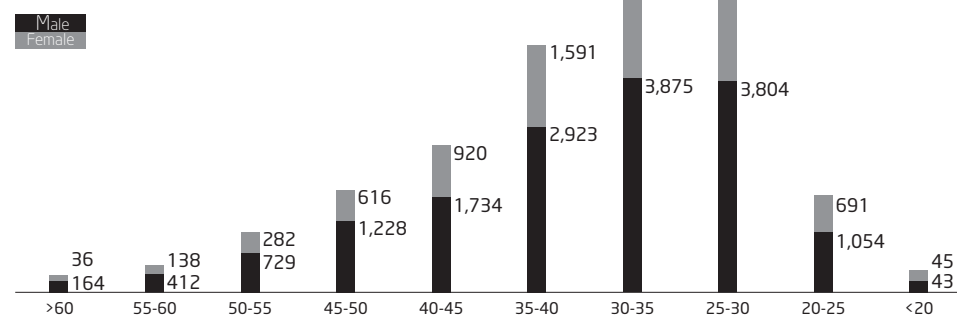
64% 36% 

Reach: data representing 99% of the workforce.

FINAL WORKFORCE ⁹BREAKDOWN OF EMPLOYEES BY GEOGRAPHICAL AREAS (%) ⁹

BREAKDOWN OF EMPLOYEES BY AGE

Estimated data.



INDICATORS

General profiles

	2004	2005	2006	2007	2008
Percentage of graduates and highly qualified personnel	85	82	80	77 ¹	76 ¹⁰
Managers	119	122	126	320	455 ¹⁰

Commitment and motivation

Average seniority	9.7	8.9	7.6	5.8 ¹	5.5 ¹⁰
Percentage of employees in variable-pay system (%)	29	25 ²	25 ³	20 ¹	20 ¹⁰
Percentage of people promoted	4.0	5.7 ²	11 ³	8.5 ⁴	6.2 ²
No. employees in competency evaluation system	5,595	6,272 ⁵	7,424 ⁶	11,078 ⁷	18,841 ²
Percentage of people in Share Options Plans	54.9	54.5	124 people	79 people	148 people ²
Unwanted external turnover	4.5	6.5 ²	9.8 ³	18.8 ⁸	13.3 ¹⁰

Experience

Average age of staff	38.6	38.1	36.7 ³	35.1 ¹	35.3 ¹⁰
Average staff job experience ⁹	14.3	13.8	12.4	10.8	10.9 ¹⁰
Average age of managers	47.8	46.9	48.4 ³	46.4	46.9 ¹⁰
Average manager job experience ¹³	24.1	23.4	24.9	22.9	23.7 ¹⁰

¹ Data 87% of the total staff ² Data 93% of total staff ³ Data 91% of total staff ⁴ Data 53% of total staff ⁵ Data 83% of total staff ⁶ Data 83% of total staff ⁷ Data 59% of total staff ⁸ Data 96% of total staff ⁹ Estimated data ¹⁰ Data 99% of total staff ¹¹ Data 61% of the workforce.

Male/ female salary ratio by professional category 2008 ¹¹

Board (*)	103.8%
Management	104.7%
Technical 3	103.1%
Technical 2	101.1%
Technical 1	101.6 %

(*) Including Senior Management

+16%

Training hours

2008 > 456,749

2007 > 394,020

INDICATORS	2004	2005	2006	2007	2008
Training and expertise					
Total hours training (incl. online) ⁴	166,912	169,588 ¹	222,844 ¹	394,020 ²	456,749 ⁸
Online training hours		47,020 ¹	58,572 ¹	106,971 ²	83,169 ⁸
Training actions		802 ¹	853 ¹	1,532 ²	1,491 ⁸
No. of pupils attending		7,780 ¹	8,428 ¹	15,055 ²	20,922 ⁸
Percentage of training costs over total pay	2.8	2.38 ¹	2.57 ¹	2.48 ²	2.63 ⁸
Evaluation of the training: student satisfaction (1-5)	4	4.1 ¹	4 ¹	4 ²	4.1 ⁸
Employment attraction					
No. spontaneous job applications ⁷	19,231	18,753	19,248 ¹	19,312 ⁶	21,882 ⁹
Average no. of job applications received per advertisement ⁷	216	176	170	93	74 ⁹
Reconciliation of work and personal life					
No. of employees teleworking		25	50	82	95
Percentage of employees who state they have achieved better balance between work and personal life		85	100	100	99
Maternity leave ⁵		127	160	174	236
Requests to work a shorter day ⁵		59	280	242	434
Knowledge management					
No. messages in forums		9,293	8,520	6,796	8,392
No. issues considered in forums		1,508	1,456	1,784	1,322
No. message visits per year		1,561,095	2,566,738	2,390,069	3,893,129
% professional/social matters		77/23	51/48	42/58	41/59
Social benefits					
% Employees who access the social security supplement during illness		93.5	100	99.4 ³	99.3 ⁸
% Employees who access the social security supplement in the event of an accident		93.5	100	100 ³	100 ⁸
% Employees with additional food benefits		67	64	50 ³	46 ⁸

INDICATORS	2004	2005	2006	2007 ¹⁰	2008 ¹¹
Data on accidents at work					
Frequency rate	18.4	16.1	12.1	6.6	11.4
Incidence rate	30.8	27.0	20.4	11.0	19.7
Seriousness rate	0.07	0.05	0.06	0.04	0.07
Average duration	4.05	4.54	4.63	6.73	6.49
Fatal accidents	0	0	0	0	0
Safety at work training hours	6,021	8,300	4,730	16,281	25,230

10 Data 70% of the workforce 11 Data 74% of the workforce.

1 Data 81% of the total staff 2 Data 72% of total staff 3 Data 60% of total staff 4 Does not include training in occupational hazards since 2004 5 Indra Sistemas, includes employees originating from Azertia & Soluziona since 1st October 2007 6 Data 53% of total staff 7 Estimated data 8 Data 61% of the workforce 9 Data 51% of total staff.

CUSTOMERS

AT INDRA WE ARE EFFICIENT, ACCURATE AND FLEXIBLE
IN OUR RESPONSE TO CUSTOMER NEEDS

4,045
CLIENTS



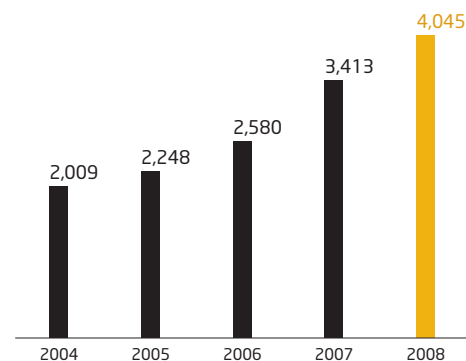
100

COUNTRIES IN
WHICH INDRA IS A
REFERENCE POINT

Scope: Indra Sistemas and all its dependent companies,
joint ventures and associates.

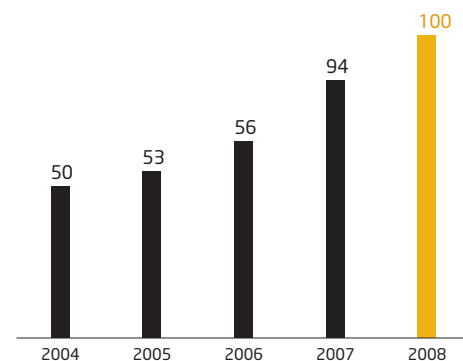
IN 2009, INDRA LEADS THE SECTOR
IN THE SPANISH MONITOR OF CORPORATE
REPUTATION (MERCO) WHICH SELECTS
THE COMPANY'S TOP 100 COMPANIES

TOTAL NUMBER OF CUSTOMERS PER YEAR

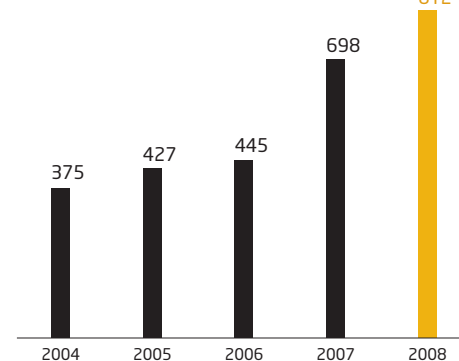


Data accumulated since 1991.¹⁴

NUMBER OF COUNTRIES WHERE INDRA HAS PROJECTS



Calculated by the number of countries where Indra has had revenues in the last four years

TOTAL INTERNATIONAL SALES
Million Euros

Offering our customers innovative solutions and services and with high quality standards is our main responsibility, crucial to our sustainability as a company.

The quality of our solutions and services and constant innovation are our first responsibilities as a company and the way we can best contribute to sustainability.

INDICATORS	2004	2005	2006	2007	2008
Customer profile					
No. of public sector customers	538	631	738	963 ²	1,139 ¹
No. of private sector customers	1,471	1,617	1,842	2,450 ²	2,906 ¹
No. of new customers	243	239	332	833 ²	632 ¹
Business turnover of our top 35 customers (M€)	606	691	755	937	968
Customer satisfaction and loyalty index (1-5)	3.7	3.8	3.6	3.8	3.6

¹ Scope: Indra Sistemas Portugal S.A., Indra MBM Servicios Digitales, S.A.U., Indra BMB S.L., Etnodiversidad Somontano, IP Sistemas, Imize Sistemas S.L., Indra Emac S.A., Indra Espacio S.A., Indra Sistemas de Seguridad S.A., Indra Sistemas, Indra Sistemas de Comunicaciones Seguras S.L., Imize Capital S.L., IB Televisión S.L., Metradis, Safo Sistemas S.L., BMB Canarias, Indra System Inc., Indra Sistemas México S.A.D.C., Soluziona México S.A., Azertia T.I. México, Indra Panamá S.A., Indra Colombia LTDA, Soluziona SP C.A. Venezuela, Seintex Consultores Venezuela, Azertia T.I. Venezuela, Azertia G.C. Venezuela, Indra Brasil Ltda., Soluziona C&S Chile Holding, Indra Chile S.A., Soluziona Chile S.A., Soluziona Uruguay, Soluziona S. A. Argentina, Indra S.I., Azertia T.I. Argentina.

² Includes Indra Sistemas and all its dependent companies, except Indra Software Labs, Grupo Europraxis, Indra Beijing Information Technology Systems, Indra Sistemas Magreb, Indra France, Indra Polska, Interscan Navigation Systems, Azertia Tenologías de la Información USA, Euroquality, Radiología Digital y Comunicaciones, Indra USA, Soluziona S.A. (Guatemala), Indra Czech Republic, Indra Ucrania, Indra Eslovaquia, Soluziona K.F.T. Hungría, Soluziona S.R.L. Moldavia, Elektrica Soluziona (Rumanía), Soluziona Kenya, Soluziona Zimbabwe and Prointex. Includes the joint venture IB TV.

In 2008, Indra continued to work to innovate solutions and services, identifying new lines which respond to customers' needs and to a large extent to new challenges for economic, social and environmental sustainability.

In 2009, Indra leads the sector in the Spanish Monitor of Corporate Reputation (MERCO) which selects the company's top 100 companies out of 2,500 candidates, heading for another year the IT and technology consulting sector, and 8th in the Spanish Company Confidence Barometer (BCEE) produced by Futurebrand.

Indra has also been recognised for another year by CRF as one of the Spanish companies which generates greatest confidence for the future in the 2008 edition of "Companies with more future. Excellence in Value Creation". CRF is an international publishing company dedicated to identifying the greatest exponents in human resources, strategy and leadership.

ENSURING PROJECT QUALITY

INDRA'S QUALITY MANAGEMENT STRATEGY IS UNDERPINNED BY THE COMPANY'S MISSION "TO BE OUR CUSTOMERS' ALLY"

THE AIM OF 'MIDAS' IS TO ORGANISE TECHNICAL ACTIVITY PERFORMANCE IN INFORMATION TECHNOLOGY OPERATIONS

Quality in Indra

For Indra, quality management has traditionally and continues to be, a strategic objective for its business development. Quality was introduced in the early stages of our activity and continues to adapt to the new activities which Indra has initiated and the new quality management models which have appeared in recent decades.

Currently Indra's entire Quality Management strategy is underpinned by the Company's mission "To be our customers' ally".

That is the starting point for designing a management model which, taking into account the requirements and recommendations in internationally recognised standards, models and best practice, allows us to design, produce and deliver the products and services that Indra promises its customers.

Given the diversity of Indra's Markets and Business and the technological complexity of the systems it undertakes to provide, "get things right the first time", a simple definition of our quality objective, requires advanced user-friendly methodologies and management tools for all the people involved in the entire cycle of Indra's activity, based on a process of awareness, dissemination and training for everyone in the Indra collective.

As one of our major concerns is to deliver products and services which meet our customers' requirements, Indra has developed a Quality Management model tailored to our organisational structure and the technologies we work with and in accordance with the most important international standards: ISO, PECAL, Aerospace Sector, etc.

Furthermore, given Indra's leading position in many of the areas of its activity, we have developed programs to improve our management, following the most widely internationally recognised models such as the EFQM Excellence Model and CMMI-SW/SE.

'MIDAS': A methodology to improve project quality'

MIDAS is the Spanish abbreviation of Indra's Development, Adaptation and Services Method for organising technical activity performance in Information Technology operations to be applied across-the-board in Indra. The method, introduced in 2008, covers all the stages of the information technologies business and is used jointly and to supplement Indra's Project Management Model (MIGP).

MIDAS includes in its description a set of control milestones with self-check lists which contain quality criteria from ISO 9000, CMMi levels 2 and 3, and ISO 20000. MIDAS also provides tools to facilitate project planning and monitoring.

MIDAS forms part of a broad plan to improve the quality of the projects we supply:

- Good practice libraries: practical interpretations of MIDAS on technology lines, customers or parts of the organisation which, during 2008 have included specific work methods for Business Intelligence, SAP, Model-based development solutions and Indra Software Labs.
- Improvements to corporate tools to include MIDAS-based operational control information.
- Inclusion of new quality standards which provide each application of the method with added benefits
- Specific MIDAS methodology training included in Indra's training plans.

The process of introducing MIDAS in Indra has begun with Indra Sistemas, Indra Software Labs (in Spain) and Indra Sistemas Portugal, and has consisted of a set of classroom training actions in which more than 800 professionals have participated, of which 795 have direct project responsibility as management team, promoting and committing very significantly to methodological organisation and the application of good practices in IT operations.

The corporate inclusion of IBM development support tools in addition to those already in use produced by Borland and the start of their deployment and use in the company efficiently and profitably reinforce the introduction of methodology in the operations, emphasising process automation and real integration in each operation's life cycle. This way of working provides an integrated solution covering the levels of definition and communication, with levels of introduction and productivity which are closer to the real work process.

The advantage of having descriptions of the work methods used in Indra is enabling us to move forward with objectives of improving organisational management such as, for example, efficient communication models between different parts of the organisation participating in operations development (Internal Markets, Indra Software Labs and Customers) thereby favouring the gradual maturity of a Relationship Model which maximises quality and service levels.

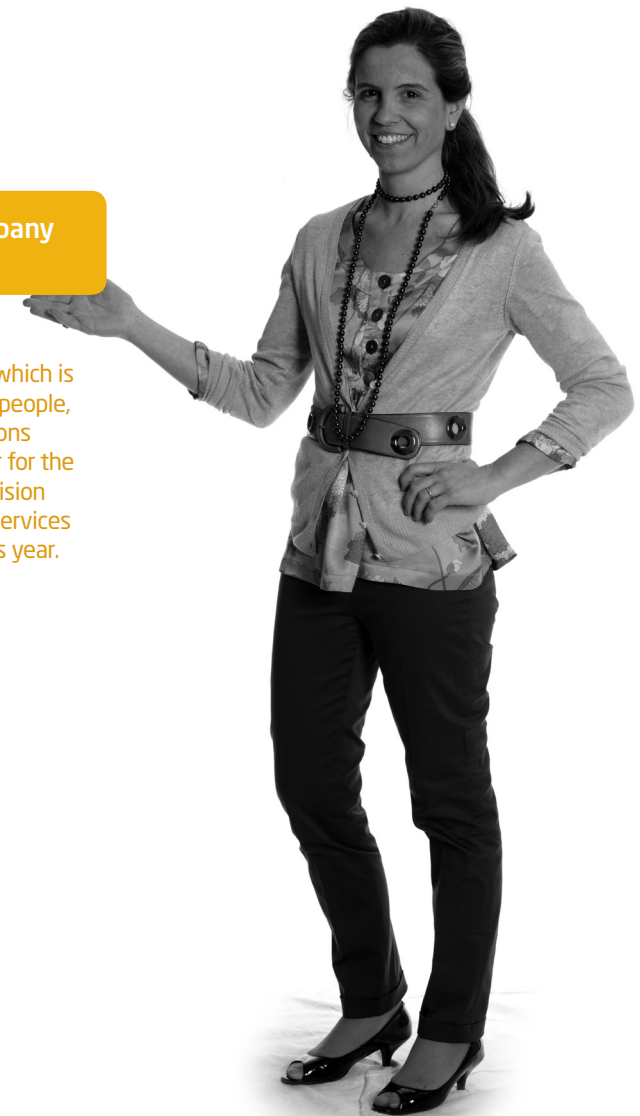
In 2008, two types of technical controls, i.e. "Static Code Analysis" and "Technology Launch Meetings" were performed to reinforce analysis of technical quality in operations and they have provided valuable information for orienting quality improvement in this area. Both these controls proved very valuable in Information Technology operations, helping to discover possible weaknesses for early correction.

ONLINE INFORMATION ON THE QUALITY OF PROJECT AND SERVICE MANAGEMENT IN THE OPERATIONS PORTAL

In addition to the Quality and Environment Portal which has been operational on Indraweb since November 2007, from November 2008 the IT markets and horizontal units in Indra Sistemas and Indra Sistemas Portugal have been able to boost operations management quality through the Operations portal. Through a private access area it is possible to monitor operations management online, identify aspects and areas requiring more emphasis, reinforce guidelines and provide support.

"Best Service Company in 2007"

Computerworld award, which is intended to distinguish people, companies and institutions related to the ICT sector for the work done and the provision of quality professional services throughout the previous year.



INFORMATION SECURITY MANAGEMENT IN INDRA

THE POLICY ALSO INTRODUCES THE
NEW FIGURE OF CHIEF INFORMATION
SECURITY OFFICER (CISO)

**En 2008,
the Security Policy
was reviewed**

With the aim of
improving the
management and
administration of
information security
in accordance with
business needs and
the legislation in force.



In 2008, the Security Policy was reviewed in order to improve management and administration of Information Security in the company in accordance with business requirements and current legislation and standards. This policy seeks to achieve appropriate risk management to mitigate risk to acceptable levels, establishing infrastructure and organisational security measures and techniques.

The document follows the guidelines established in ISO/IEC 27002, the code of good practice for information security management.

This new policy marks mandatory standards for employees in the virtual and physical environment when managing information in order to mitigate risk.

The policy is mandatory for the group's companies, at the level of corporate information, where responsibility lies with the Internal Systems Information Security department and at the level of the information managed by the different business areas whose managers are responsible for applying and implementing the guidelines. The new Information Security Policy envisages the creation of Security Committees and Sub-committees at international, functional and geographical level.

The policy also introduces the new figure of Chief Information Security Officer (CISO) as member and head of coordination for the Security Committee and Subcommittees.

The security management system refers to the international standard ISO/IEC 27003 of good practice and the certification standard is UNE ISO/IEC 27001, which Indra Sistemas achieved in late 2007 from AENOR and Applus for the workplaces in Arroyo de la Vega (Madrid) and Cerro de la Plata (Madrid).

In 2008, ISO 27001 (SGSI) certification was renewed on Access Control on Services and Corporate Systems offered by Internal Systems, achieving the classification "advanced degree of maturity".

Indra's security model is based on five domains:

- Organising security.
- Regulations and Procedures Published on the Intranet
- Security technology
- Audit and compliance
- Dissemination and awareness

IN 2008, AND WITH A VIEW TO PROTECTING CONFIDENTIAL AND SENSITIVE INFORMATION, A NEW CORPORATE PORTAL CIPHERING SERVICE WAS INTRODUCED

The measures applied can be grouped in two categories:

- Preventive. Measures which reduce the likelihood of things happening.
 - Antivirus: Internet, e-mail, servers, work stations.
 - Antispam.
 - Security updates.
 - Continuous monitoring of the technology platform.
 - Controlling communications security from outside.
 - Authentication using digital certificates.
- Curative. Measures which reduce the impact.
 - Back-up policy. For Databases, storage and systems.
 - Disaster recovery plan

The monitoring model provides real time information on any type of alert concerning the communications network, infrastructure or security and sets in motion the procedures to eliminate any type of risk.

In turn and to guarantee that all security measures are complied with, Indra has an audit system for verifying the state of security in all its systems and compliance with the Organic Law on Data Protection (LOPD) concerning confidential treatment for personal data.

Indra has not registered any incident in recent years in relation to the privacy of customer or third party data or security breakdowns due to raids by hackers.

The company is also insured against any loss of income due to IT complications caused by accidents such as fire, flood, etc.

However, what would happen if a customer were to detect a problem with our services?

- Indra has a defined and documented internal procedure for these cases and a Service Desk to resolve problems with internal systems which is in line with ITIL Methodology (a set of best practices for global management of IT services).
- If security holes are detected once the software is in the customers' hands, the remedied or updated version of the software is resent immediately.

In 2008, and with a view to protecting confidential and sensitive information, a new corporate portal ciphering service was introduced by Internal Systems based on Indra's information classification and handling procedure.

Quality Certifications

UNE_EN ISO 9001:2000 Certificates

ER- 0682/1996	Indra Sistemas, S.A. at the following workplaces: Madrid (Arroyo de la Vega - Alcobendas, San Fernando de Henares, Torrejón de Ardoz, Aranjuez, C/ Telémaco, C/ Acanto - Cerro de la Plata, La Finca - Pozuelo de Alarcón, C/ Anabel Segura - Alcobendas y C/ San Julián - Alcobendas) Barcelona (C/ Roc Boronat, C/ Ramón Turró, Paseo de la Marina) Vizcaya (Bilbao y Erandio) Sevilla Valencia (C/ Colón 1 y 60, C/ Isabel la Católica y Alaquás) Navarra (Pamplona) A Coruña
ER-0311/1998	Indra Sistemas, S.A. – Area of Defence. At the following workplaces. Aranjuez. San Fernando de Henares (Simulation and Logistics Systems). Torrejón de Ardoz . Branches.
ER-0986/1997	Indra Espacio, S.A. at the following workplaces: San Fernando de Henares Barcelona
ER-1094/1998	Indra Sistemas de Seguridad, S.A. at the following workplaces: Arroyo de la Vega (Alcobendas) Barcelona La Finca - Pozuelo de Alarcón (Madrid).
ER-1901/2005	Indra Sistemas Portugal, S.A. at the following workplaces: Lisboa Oporto

ER-1365/2001	ER-1365/2001 Indra BMB, S.L. at the following workplaces: Alcobendas (C/ Anabel Segura). Azuqueca de Henares, Guadalajara (Avda. Miralcampo). Barcelona (C/ Córcega). Bilbao (C/ Juan de Garay, Avda. San Adrián). Leganés, Madrid (C/ Herramientas). Montcada i Rexac, Barcelona (C/ Vilator). Valencia.
ER-1179/2008	Indra Software Labs, S.L.U. at the following workplaces: Arroyo de la Vega (Alcobendas) C/ Acanto - Cerro de la Plata (Madrid) Ciudad Real (Ronda de Toledo) A Coruña (Avda. de Arteixo y A Grela) Lleida (Gardeny Technology Park) Salamanca, Badajoz, Málaga, Cáceres and Asturias

Quality Certificate PECAL 2110 (Ministry of Defence)

9122/04/98/00	Indra Sistemas, S.A. (Corporate: Workplaces in Arroyo de la Vega (Alcobendas), Aranjuez, San Fernando de Henares, Torrejón de Ardoz and branches).
9122/05/98/02	Indra Espacio, S.A. (Workplaces in San Fernando de Henares and Barcelona)

Certificates PECAL 160 SW development (Ministry of Defence).

9122/02/98/01	Indra Sistemas, S.A. Área de Defensa (Workplaces in Aranjuez, San Fernando de Henares and Torrejón de Ardoz).
9122/04/98/02	Indra Espacio, S.A. (Centros de San Fernando de Henares y Barcelona)

Aerospace quality certificates UNE-EN 9100

OP-0006/2003	Indra Sistemas, S.A. (Defence). Workplaces in Arroyo de la Vega (Alcobendas), Aranjuez, San Fernando de Henares, Torrejón de Ardoz and branches.
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Certificate of Approval as Maintenance Organisation according to EASA Part 145

ES.145-172	Indra Sistemas, S.A. (Workplace in Aranjuez).
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Certificate of Approval as Production Organisation according to EASA Part 21, Section A, Sub-section G

ES.21G.0013	Indra Sistemas, S.A. (Workplace in Aranjuez).
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CMMi

Indra Sistemas S.A.	Software Engineering Institute (SEI) Maturity Level 3 recognition of CMMi model – DEV version 1.2 in: Simulation and Logistics Systems. Software Engineering Institute (SEI) Maturity Level 3 recognition of CMMi model – Sw version 1.1 in: High Performance Software Maintenance Workplace (CARMA) Software Engineering Institute (SEI) Maturity Level 3 recognition of CMMi model – Sw version 1.1 in: Development Workplaces Network (Software). Software Engineering Institute (SEI) Maturity Level 3 recognition of CMMi model – Sw version 1.1 in: European ATM Program Management and International ATM for the Transport and Traffic Market (Software).
Indra Software Labs, S.L.U.	Software Engineering Institute (SEI) Maturity Level 3 recognition of CMMi in the following development workplaces: Madrid, Ciudad Real, A Coruña, Badajoz, Málaga, Llerida, Salamanca and Panama.

Information Security Management System Certificate

ISO 27001:2005 for the production services workplace (PSC) in Cerro de la Plata (Madrid) for its information security management system

UNE 71502:2004	Indra Sistemas, S.A.
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ISO/IEC 27001	Indra Sistemas, S.A.
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CUSTOMER SATISFACTION

THE 'CUSTOMER SATISFACTION CORPORATE SURVEY', CARRIED OUT IN 2008, INVOLVED 71 COMPANIES AND BODIES

CUSTOMER ORIENTATION IS THE INDICATOR MOST VALUED BY CUSTOMERS SCORING 3.81 ON A SCALE FROM 1 TO 5



92%
OF CLIENTS WERE SATISFIED

Much effort goes into the area of managing customer satisfaction and as a result the following tools have been developed:

- An annual external corporate survey on a significant sample of our customer portfolio.
- An internal, systematic survey administered to the project manager at project end stage.
- Production of half-yearly and annual monitoring reports.
- Permanent improvement of processes directly related to the customer.

The Customer Satisfaction Corporate Survey is an annual investigation into customer perception of the quality of the service delivered.

In the 2008 survey, 71 companies and bodies took part.

In the survey the customer was asked to evaluate 5 attributes: two on the general assessment of the company (customer orientation and general capabilities) and three concerning the works developed over the year (value received, project management and work team). The questionnaire achieved a score of 3.62 (out of 5 points). All the management parameters used to measure satisfaction level show a positive value with very low dispersion.

62% of customers were very satisfied, giving Indra between 4 and 5 points and another 29.6% stated they were satisfied, giving scores of 3 points.

Customers value above all Indra's enormous technological capacity, with a human team with excellent skills in listening and interpreting what the customer needs, knowledge and experience of their sector problems and a high level of technical expertise.

Customer orientation is the indicator most valued by customers scoring 3.81 on a scale from 1 to 5, with emphasis on Indra's capacity to "know and understand the customer's activity and sector" and "appropriate commercial treatment". All the attributes of this indicator were valued very positively. Commercial strength and tailoring the offer to customer needs are also aspects emphasised by customers.

Team work is another of the highest scoring indicators with 3.69 points. The attributes evaluated include "Ability to listen" with 3.9 points.

54.3% OF THE SAMPLE
FELT THAT INDRA STANDS
OUT ABOVE THE OTHER
SUPPLIERS

The worst valued indicator was that of general capabilities but even so, the score was very positive (3.32). The best valued aspect in this indicator was "Commercial Strength" (3.89).

In their assessment of Indra's positioning, 10% of the customers interviewed considered that Indra is in a leading position. 54.3% of the sample felt that Indra stands out above the other suppliers (42% in 2007) and for 27.1%, Indra is on an equal footing with the other technology providers present in the list.

Finding out about our customers' sustainability expectations

This year, for the first time the survey included aspects of an IT company's management of corporate responsibility which customers considered relevant and which should be reported. 16 were proposed and they all obtained scores over 3.1 on a scale from 1 to 5.

The 5 aspects which scored highest and were considered the most important were: human capital development; privacy protection; innovation; ethics and integrity/code of conduct/anticorruption policy and attracting and retaining talent.

Measuring satisfaction at project level

Indra also has another system for measuring satisfaction and its customers' assessment through the Project End Questionnaire which was started in 2004. This questionnaire is a permanent process of investigating project managers' perceptions of service quality throughout the project on a half-yearly basis.

A total of 811 projects whose Project End Questionnaire was completed between 1st July and 31 December 2008 were analysed. The average global score for customer satisfaction with the project was 8.25 (scale of 0 to 10).

The 'acceptance of the result' by the users was the factor with the highest priority for the customer (desired quality). The highest scoring attributes (perceived quality) were Project team, communication and reasonable changes to the initial scope. Critical attributes (significant difference between perceived quality and desired quality) were, once again, acceptance of the result by users and meeting deadlines.

The most frequent cause of customer dissatisfaction with an attribute was project management. The percentage of problematic projects was around 12.9% whereas 2.7% of projects were excellent.

Active quality promotion agents

Indra is a member of various institutions and associations whose objectives include promoting quality. In particular, Indra is member of the Spanish Quality Association (AEC), where it participates in the Environment, Defence Industries and Services and Software Committees. Indra is also a member of sector associations such as AETIC, ATECMA.

SUPPLIERS AND PARTNERS

PROMOTING RESPONSIBILITY
IN THE VALUE CHAIN

At Indra we consider that sustainability must be promoted throughout the value chain. Therefore our supplier relations are key in this area.

The Responsibility Master Plan for 2004 laid down the Framework Principles for Supplier Relations to promote responsibility and to include environmental and social aspects.

Two approaches govern Indra's supplier relations.

- Include supplier opinions to improve action with customers.
- Promote our suppliers' responsibility and sustainability making it a fundamental aspect for those who want to work with Indra.

125

TECHNOLOGY ALLIANCES



Scope: Indra Sistemas, Indra Espacio, Indra Sistemas de Seguridad, Indra Sistemas de Comunicaciones Seguras, Inmize Sistemas, Indra Software Labs, Indra Sistemas Portugal, Internet Protocol Sistemas Net, Safo Sistemas, Metraxis, Indra BMB Servicios Digitales, Programarius, Indra BMB.

SUPPLIER SATISFACTION

INDRA HAS BEEN PERIODICALLY EVALUATING ITS SUPPLIERS' SATISFACTION FOR FOUR YEARS

IN 2008 GENERAL SATISFACTION SCORED AN AVERAGE OF 4.1 POINTS ON A SCALE FROM 1 TO 5

The company periodically evaluates its suppliers' satisfaction and has been assessing their suggestions for improving its relationships with them for four years through a specific survey.

In 2008, 89 suppliers took part in the survey, on an initial sample of 228 questionnaires sent. General satisfaction in 2008 scored an average of 4.1 points on a scale from 1 to 5.

For a very significant number of suppliers, 37% of those interviewed, relations with Indra are excellent (5 out of 5). Another 44% valued the relation with a high level of satisfaction (4), 15% gave an average value (3) and for 4% the level of satisfaction was low.

In the questionnaire, 6 questions were put to classify different management aspects:

- Indra supplier selection policy. Is it transparent and does it favour free competition?
- Supply contract specifications. Are they sufficiently clear?
- Supply contract performance. Does Indra comply with the terms laid down?
- Exigency in the agreed terms. Is Indra's level of exigency appropriate?
- Interlocutor efficiency. Were the interlocutors you have had contact with efficient enough?
- Flexibility. Does Indra offer a flexible framework for relations where the supplier can contribute its experience?

Transparency and free competition in the selection received an average score of 3.82 points. With regard to contract specifications, the average score of the sample was 3.78 points. The attribute compliance with contract obtained an average score of 4.04 points. The level of requirements obtained an average value of 3.94 points. The level of requirements obtained an average value of 3.94 points. Interlocutor efficiency, an aspect assessed for the first time this year was the best considered attributed with an average score of 4.25 points. Flexibility scored an average 3.84 points.

In addition to the above 6 management attributes, suppliers were asked three questions linked to their assessment of Indra as customer to the supplier. In this aspect Indra scored 4.18; in comparison with other customers it scored 3.88 and the evolution of the relationship scored 3.90.

With regard to aspects related to sustainability, the survey asked the value that the providers gave to various sustainability aspects with the aim of finding out the relevance given by each of them to it as well as which they should publically inform Indra about.

Client management, innovation, ethics/ Code of Conduct, anti-corruption policy the development of human capital and technology security obtained a medium-high valuation, although all those analysed reached an average of 3,7 in a scale of 1 to 5 regarding its relevance.

Moreover, with respect to public information, all those aspects were valued with a medium-high valuation (better than 3.7 points out of 5) at the time of reporting them. The 5 most valued were the following: innovation, ethics and integrity/ Code of Conduct/anti-corruption policy, client management, technological security and environmental effort.

FRAMEWORK PRINCIPLES FOR INDRA'S SUPPLIER RELATIONS

Basic Objectives

Indra's supplier relations is one of the company's pillars and underpins the quality of the services we offer our customers. Indra has established rigorous standards for quality and the way we carry out our business relations. That is why we expect the same commitment from our suppliers.

Indra wants all the organisations it collaborates with to see the company as their best ally for their development and undertakes to carry out its activity with proximity, visibility and accessibility in relation to its suppliers.

This general statement is expressed in the specific intentions, objectives and commitments detailed below:

How Indra would like its suppliers to perceive the company

- As a technology benchmark.
- As an excellent customer (*the customer*) in terms of solvency, the way it conducts its business and growth.
- As a demanding customer.
- As a customer who meets its commitments and collaborates with its suppliers.
- As a very good commercial reference.

What Indra expects from a supplier

- Involvement and commitment to Indra's objectives to achieve satisfaction for Indra's customers.
- Loyal compliance with agreed commitments.
- Ongoing excellence in the quality of goods and services supplied.
- Flexible management and response capacity to enable Indra to adapt at all times to any modifications to its customer requirements.
- Ethics and transparent management.

What Indra offers the supplier

- Participation:
Establishing supplier participation policies in the areas where they are involved to help them understand Indra's needs and contribute their experience.
- Selection:
Indra's supplier selection policy is based on professional ethics and free competition principles.
- Communication and relations:
Establish reciprocal communication channels to favour or guarantee transparent relations and understanding of mutual needs and can also provide information on any situations or changes in either organisation which might affect compliance with contractual agreements to search for joint solutions.

Human rights and essential employment standards

Indra recognises its responsibility under the Universal Declaration of Human Rights to promote and protect human rights in our business operations. We also recognise Global Compact principles and have our own diversity policy.

We encourage all our suppliers to adopt a similar approach. In particular, we expect our suppliers to:

- Comply with the applicable legislation and recommendations ratified by the ILO.
- Maintain a safe working environment, adopting the corresponding preventive measures (information, training, personal protection equipment and health monitoring) in order to prevent workplace risk.
- Treat employees fairly and not discriminate on the grounds of sex, sexual orientation, ethnic origin, age, union membership, political affiliation, marital status or nationality.

Environmental commitment and impact

Indra is committed to working with suppliers that meet the legislation in force and wishes that they demonstrate their commitment to the environment and develop environmental management systems, and in particular who:

- Maintain and are committed to relevant environmental policies.
- Recognise the key environmental impacts of their business.
- Supervise and periodically report on compliance with improved objectives.
- Adopt the necessary environmental management systems and assign the corresponding responsibilities.

INDRA AND ITS PARTNERS

VIGNETTE RECOGNISED INDRA AS ITS BEST PARTNER IN SOUTHERN EMEA (EUROPE, MIDDLE EAST, AFRICA) IN 2008

IN 2008 INDRA ACHIEVED THE LEVEL OF ORACLE'S GLOBAL PARTNER, ONE OF ONLY FIVE COMPANIES IN THE WORLD TO ACHIEVE THIS DISTINCTION

Indra continues with reference partners Oracle and SAP, especially in international markets. By combining the capabilities of both, from a preventive and contingency perspective, Indra can increase its operational capacity abroad and manage the project from Spain. This is exemplified by the project the company was awarded in Vietnam to modernise financial and human resources management in the country's largest electricity company.

In 2008 Indra achieved the level of Oracle's Global Partner, one of only five companies in the world to achieve this distinction and in 2009 it is expected to achieve the same level of trust with SAP. Moreover, Indra was in 2008 one of the first Service Partners in training investment; the company is recognised as the company which has invested most in training in Spain; these facts demonstrate Indra's close relations with its partners and the guarantees and level of requirements it sets when introducing solutions for its customers.

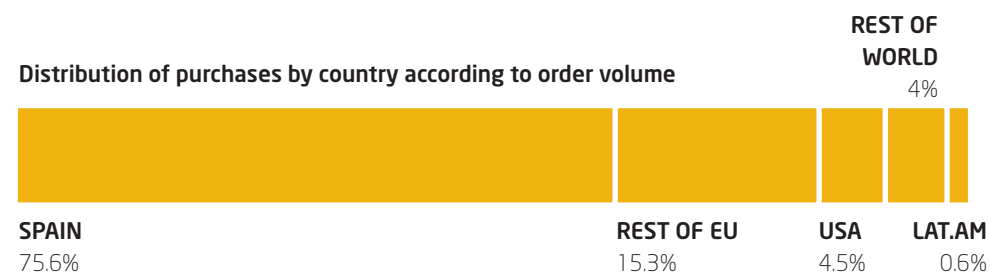
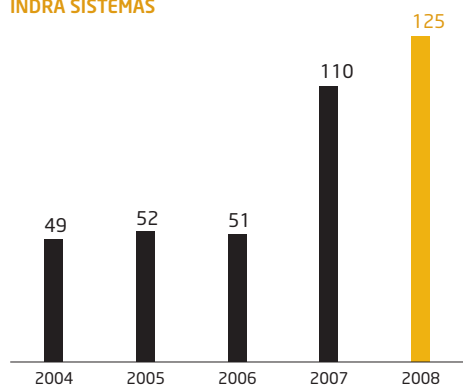
In the international area, as part of the IFMIS Programme, under the World Bank, Indra is responsible for modernising the Zambian Government's financial and supply management, modernising the Public Administration structure to provide traceability for the development funds the country receives from international organisations, a requirement which must be met if the country is to continue receiving these sums. Within this IFMIS programme, Indra is making important proposals for countries such as Cambodia, Bangladesh and the Ukraine.

Indra is the SAP partner that has grown most in 2008

This data ratifies the leadership position that Indra holds in the IT field, and in particular in SAP, with solid experience in marked growth.



NUMBER OF CURRENT ALLIANCES INDRA SISTEMAS



INDICATORS	2004	2005	2006	2007	2008
Supplier satisfaction					
No. of suppliers interviewed	137	229	227	226	228
Response rate		27%	36%	35%	39%
Satisfaction indicator (scale of 1-5).	4.2	4.1	4.1	4.2	4.1

Since 2005, the triennial Strategic Buying Plan includes aspects with high sustainability value provided by simplifying, automating and applying new e-commerce technologies to buying processes, with important savings in consumptions and time for Indra and its suppliers.

Since this plan was started, Indra's most significant actions include:

- Eliminating paper from all order placements. The electronic signature.
- Introducing an Automatic Order Monitoring System (SASP) which since 2008 has been chosen as a corporate system.
- Automating the non-production articles purchase process (MRO) and standard production articles from distributors' catalogues.

After the surveying subcontractors for the Torrejón and San Fernando de Henares workplaces, Indra established some minimum environmental requirements for contracting with them.

ENVIRONMENT

SOLUTIONS AND TECHNOLOGY SERVICES FOR ENVIRONMENTAL SUSTAINABILITY

Indra is aware of the importance of the environment for the long-term sustainability of its business and that conserving the environment also depends on what the company can do to prevent damage or improve the environment.

The company is working to reduce its environmental footprint and, at the same time it is attempting to orient its innovative capacity in Information Technology solutions and services to find technologies which can help to improve the environment or, at least, the way it is managed by companies. More specifically, Indra's efforts are directed towards two goals:

- Minimising the environmental impact of business activity, by reducing the consumption of energy and raw materials and the generation of waste, spillage and emissions. To this end, the company has introduced environmental management systems in its workplaces based mainly on ISO 14001 and EMAS certifications and is attempting to promote environmental awareness in its suppliers, partners and employees.
- Creating and promoting information technology solutions and services that can effectively contribute towards improving environmental management in companies and more widely, in society.



3%

OBJECTIVE FOR REDUCTION IN
CO₂ EMISSIONS AND ENERGY
CONSUMPTION FOR ALL INDRA
PROFESSIONALS

Scope: Indra Sistemas and all dependent companies, joint ventures and associates.

INDRA HAS A DUTY TO MINIMISE ITS ENVIRONMENTAL IMPACT BY ESTABLISHING POLICIES AND SPECIFIC OBJECTIVES TO REDUCE GREENHOUSE-EFFECT GAS EMISSIONS

Awareness campaigns to reduce water consumption in all workplaces

Also, promotion of the reduction of printed copies, externally as well as internally, to favour the use of recycled paper.

INDRA'S POSITION ON CLIMATE CHANGE

Indra recognises that it has been scientifically proven that human activity, mainly through the burning of fossil fuels, has a negative impact on what is known as the greenhouse effect as it produces carbon, methane and nitrous oxide emissions.

Climate change and atmospheric pollution can alter the natural, social and environmental systems which favour not only life on the planet, but also economic growth on a global scale and consequently, development and well-being.

Indra has a duty to minimise its environmental impact by establishing

policies and specific objectives to reduce greenhouse-effect gas emissions and consequently has undertaken the following actions:

- To measure and control the level of greenhouse gas emissions by periodic combustion analysis.
- To reduce the level of direct greenhouse gas emissions by using cleaner energy sources. Thus in recent years, C diesel boilers have been replaced with natural gas and renewable energy sources have been installed (solar energy).
- To make public the company's objectives, actions and progress on greenhouse gas emissions.

DIRECT EMISSION OF GREENHOUSE GASES

TOTAL CO₂ (T)

2006	2007	2008
1,278	1,263*	1,443

*Consumption in certified centres. Calculated on the basis of the "The Greenhouse Gas Protocol Initiative" greenhouse gas emissions calculation tool for the services sector.

ENVIRONMENTAL MANAGEMENT

ALMOST HALF OF THE INDRA WORKFORCE
CARRIES OUT ITS DUTIES IN THE NINE
WORKPLACES WHERE THE ENVIRONMENTAL
MANAGEMENT SYSTEM HAS BEEN IMPLEMENTED

THE MEDIUM-TERM AIM OF THE
COMPANY IS TO IMPLEMENT THE
ENVIRONMENTAL MANAGEMENT SYSTEM
IN ALL WORKPLACES GLOBALLY

Indra has an Environmental Management system based on the requirements of standard UNE EN ISO 14001 and EU Regulation 761/2001 on Eco-Management and Audit (EMAS), which is applied to the activities at its workplaces in:

- Arroyo de la Vega, Alcobendas (Madrid). (EMAS).
- San Fernando de Henares (Madrid). (EMAS).
- Torrejón de Ardoz (Madrid). (EMAS).
- Aranjuez (Madrid).
- La Finca, Pozuelo (Madrid).
- Edificio Triángulo, Alcobendas (Madrid).
- Anabel Segura, Alcobendas (Madrid).
- Roc Boronat (Barcelona).
- Ciudad Real.

These workplaces represent 47.5% of Indra's staff at year end 2008.

Indra is in the process of introducing an Environmental Management system on three more workplaces in Barcelona, La Coruña and Lisbon, with certification anticipated for 2009. Indra's medium term aim is to introduce an Environmental Management System in all its workplaces throughout the world.

Indra's Environmental Management System analyses each workplace and identifies possible environmental risks so that they can be correctly managed. Any hazardous waste which is generated is also identified and a management method is established in accordance with current legislation, through authorised managers for the treatment of each type of waste. Furthermore, Indra has contracted ECOTIC (SIG) for the management of the removal, at the end of its useful life, of the equipment in the market.

The main new features in the Environmental Management System in 2008 were:

- Study of energy efficiency at seven workplaces to assess the introduction of improvements and the replacement or introduction of solar panels.
- Company-wide awareness campaign, 3% ECO+.
- In the process of introducing an integrated Quality and Environment Management System in Indra Portugal, to be certified in 2009.
- Reduction of well water consumption by introducing drip irrigation systems in the gardens at the Torrejón de Ardoz workplace (Madrid).
- Inertisation of two 5,000L underground gas oil tanks in Solana.
- Significant reduction in the type and amount of hazardous waste generated at the San Fernando de Henares workplace (Madrid) due to the transfer of Indra Espacio production area.
- Installation of new refrigeration equipment which has significantly reduced water consumption at the Aranjuez workplace (Madrid).
- Environmental awareness-raising sessions held at the new certified workplaces to support the company's environmental sustainability by the action of all employees.
- Urban waste separation is consolidated by the separate collection of plastics, containers and organic waste at the *La Finca* workplace (Madrid).
- Updating of the contents and information on Indraweb's (intranet) quality and environment portal, which provides specific information on the area and awareness campaigns are carried out.
- Awareness campaigns were held on the subject of reducing water consumption at workplaces, reducing the printing of paper both internally and externally and reducing the use of white paper.
- Plans for separating urban waste were produced at the *Anabel Segura* workplace (Alcobendas, Madrid).

INDRA CARRIED OUT ENVIRONMENTAL AWARENESS SESSIONS IN THE NEWLY CERTIFIED WORKPLACES, TO SUPPORT SUSTAINABILITY THROUGH THE ACTIONS OF ITS PROFESSIONALS

MAIN MILESTONES IN WORKPLACE CERTIFICATION

2001

First certification for Indra Espacio based on UNE-EN ISO 14001 in Indra. The company's San Fernando de Henares workplace is certified.

2003

This initiative is extended to Indra Sistemas. The company headquarters in Arroyo de la Vega obtain UNE-EN ISO 14001 and EU Regulation 761/2001 for an Eco-management and Audit Scheme (EMAS) certification.

2005

The workplaces in Torrejón de Ardoz (Madrid) and San Fernando de Henares (Madrid) (Indra Sistemas) obtain UNE-EN ISO 14001 and EMAS certification.

2006 y 2007

The Environmental Management System (UNE-EN ISO 14001) is introduced and certified for the Triángulo building in Alcobendas, the workplace in Aranjuez (Madrid) and the facilities at Roc Boronat street in Barcelona, extending the certification to Indra Sistemas de Seguridad.

After the operational integration of Azertia and Soluziona's consulting business, the certified workplace La Finca (Pozuelo, Madrid) joined our Environmental Management System.

2008

The Anabel Segura in Alcobendas (Madrid) and Ciudad Real workplaces obtain UNE-EN ISO 14001 certification which is extended to Indra Software Labs and Indra BMB.

MAIN ENVIRONMENTAL INVESTMENTS AND COSTS IN THE CERTIFIED CENTRES

2006	2007	2008
Updating environmental legislation in the workplaces	Updating environmental legislation in the centres	Extending and updating environmental legislation to the new autonomous communities
Introducing the Environmental Management System in Aranjuez (in progress) and internal Audit at the Triángulo Building	Introduction and certification of the Environmental Management System in Aranjuez and Barcelona.	Internal audit at workplaces
ISO 14001 certification for Triángulo building	Internal audit at workplaces	Fitting out waste room at the Anabel Segura workplace.
Noise measurement in the Triángulo building	Noise measurement at the Aranjuez workplace	Noise measurement at the La Finca workplace
Waste minimisation study in the DASS clean room	Waste minimisation study in Aranjuez	Certification audits.
Ground study at San Fernando, Torrejón and Aranjuez workplaces	Aranjuez lights	UW separation in Anabel Segura
	Waste analysis Aranjuez	Inertisation of tanks at the Torrejón workplace.
	Replacement of San Fernando transformation centres	Refrigeration equipment at Aranjuez workplace.
		Adapting contaminating gas r-22 to EC Regulation No. 2037/2000
17,782€	557,612 €	42,231€

'ENVIRONMENTAL MANAGEMENT PROGRAMME 2008' OBJECTIVES

OBJECTIVE 2008	CENTRE	RESULT 2008
REDUCE RAW MATERIAL CONSUMPTION		
Global reduction per person of 3% in one year of white paper use, replaced by recycled paper.		
	Arroyo de la Vega (Alcobendas, Madrid)	White paper: -8% Photocopies: -25% ■
	San Fernando de Henares (Madrid)	White paper: +47% Photocopies: -11% □
	Aranjuez (Madrid)	White paper: -2% Photocopies white paper: -100% □
	La Finca (Pozuelo, Madrid)	White paper: -35% Photocopies: -50% ■
	Anabel Segura (Alcobendas, Madrid)	2009 Objective
REDUCE URBAN WASTE		
Global 3% reduction in organic waste per person up to December 2008.		
	Arroyo de la Vega (Alcobendas, Madrid)	-25% ■
Global 3% reduction in printer cartridges per person		
	Torrejón de Ardoz (Madrid)	-38% ■
Global 3% reduction in paper UW		
	Roc Boronat (Barcelona)	+83% ⁽¹⁾ □
Reduce energy consumption		
Global 3% reduction per person in gas oil consumption for heating over one year.		
	San Fernando de Henares (Madrid)	+5% □
	Torrejón de Ardoz (Madrid)	-50% ■
Reduce raw materials consumption		
Global 3% reduction in water consumption per person in one year		
	Torrejón de Ardoz (Madrid)	-28% ■
	Aranjuez (Madrid)	-48% ■
	Edificio Triángulo (Alcobendas, Madrid)	White paper: -68% ■
	Ciudad Real	2009 Objective

(1) on the reference average ■ Objective met □ Objective partly met □ Objective not met

In 2008 advances were made in reducing raw material consumption

The company has an environmental management program that intends to reduce urban waste generation and consumption of natural resources.



[illegible]

		Direct energy consumption. broken down by primary sources			Total water consumption		Total waste. broken down by type			
		Electricity (Kwh)	Gas oil C (L)	Natural Gas (m3)	Potable water (m3)	Well water (m3)	Hazardous waste managed by authorised waste manager (Kg)	Non-hazardous waste managed by authorised waste manager (Kg)	Recyclable toner (Un)	Vegetable oils (litres)
2008										
Argentina		1,551,424*	198,004*	147,366*	6,404*	n.av.	n.av.	n.av.	n.av.	n.av.
Australia		96,396*	12,303*	9,156*	398*	n.av.	n.av.	n.av.	n.av.	n.av.
Bolivia		92,758*	11,838*	8,811*	383*	n.av.	n.av.	n.av.	n.av.	n.av.
Brazil		296,966	n.ap.	n.ap.	1,584*	n.av.	n.av.	n.av.	n.av.	n.av.
Chile		1,045,802*	n.ap.	n.ap.	4,317*	n.av.	n.av.	n.av.	n.av.	n.av.
China		43,909	n.ap.	n.ap.	5,859	n.av.	n.av.	n.av.	n.av.	n.av.
Colombia		625,020	n.ap.	n.ap.	3,248	n.av.	n.av.	n.av.	n.av.	n.av.
Costa Rica		7,275*	929*	691*	30*	n.av.	n.av.	n.av.	n.av.	n.av.
USA		705,007*	28,552*	21,250*	1,074*	n.av.	n.av.	n.av.	n.av.	n.av.
Slovakia		198,329	7,224	8,886	447	n.av.	n.av.	n.av.	n.av.	n.av.
Spain	ISO14001 certification	40,555,036	258,306	348,397	86,671	17,451	40,762	722,582	2,574	750
	Arroyo de la Vega	9,385,428	n.ap.	119,435	13,443	n.ap.	8,327	170,834	923	200
	San Fernando de Henares	5,499,565	49,999	n.ap.	8,813	962	4,801	123,385	373	550
	Torrejón de Ardoz	12,225,555	203,164	86,594	45,911	1,306	11,135	195,748	542	n.ap.
	Aranjuez	6,336,575	5,143	110,782	7,188	15,183	10,762	102,298	554	n.ap.
	Edif. Triángulo	790,865	n.ap.	n.ap.	954	n.ap.	61	8,872	58	n.ap.
	Barcelona	2,629,859	n.ap.	n.ap.	2,701	n.ap.	377	7,395	0	n.ap.
	La Finca	2,502,625	n.ap.	n.ap.	1,148	n.ap.	2,802	79,420	25	n.ap.
	Ciudad Real	1,122,339	n.ap.	31,586	2,144	n.ap.	556	19,622	36	n.ap.
	Anabel Segura	62,225	n.ap.	n.ap.	4,369	n.ap.	1,941	15,008	63	n.ap.
	Otros centros no certificados	24,377,248*	n.ap.	n.ap.	59,378*	n.av.	n.av.	n.av.	n.av.	n.av.
Philippines		3,403	n.ap.	n.ap.	136	n.av.	n.av.	n.av.	n.av.	n.av.
France		6,096	2,089*	1,555*	68*	n.av.	n.av.	n.av.	n.av.	n.av.
Hungary		25,463*	n.ap.	n.ap.	105*	n.av.	n.av.	n.av.	n.av.	n.av.
Italy		20,175	n.ap.	n.ap.	113*	n.av.	n.av.	n.av.	n.av.	n.av.
Kenya		63,658*	n.ap.	n.ap.	263*	n.av.	n.av.	n.av.	n.av.	n.av.
Latvia		10,193*	1,393*	1,037*	45*	n.av.	n.av.	n.av.	n.av.	n.av.
Morocco		3,543	n.ap.	n.ap.	68	n.av.	n.av.	n.av.	n.av.	n.av.
Mexico		2,290,781*	n.ap.	n.ap.	4,076*	n.av.	n.av.	n.av.	n.av.	n.av.
Moldavia		105,490*	2,500	n.ap.	435*	n.av.	n.av.	n.av.	n.av.	n.av.
Nicaragua		18,188*	2,321*	1,728*	75*	n.av.	n.av.	n.av.	n.av.	n.av.
Panama		144,701	35,051*	26,087*	1,134*	n.av.	n.av.	n.av.	n.av.	n.av.
Portugal		856,463*	107,010*	79,643*	3,588*	n.av.	n.av.	n.av.	n.av.	n.av.
Czech Republic		161,537	41,808	19,947	915	n.av.	n.av.	n.av.	n.av.	n.av.
Dominican Republic		70,214	n.ap.	n.ap.	n.ap.	n.av.	n.av.	n.av.	n.av.	n.av.
Romania		269,180*	34,355*	25,569*	1,111*	n.av.	n.av.	n.av.	n.av.	n.av.
Ukraine		13,926	n.ap.	n.ap.	172	n.av.	n.av.	n.av.	n.av.	n.av.
Uruguay		298,200	n.ap.	n.ap.	1,099	n.av.	n.av.	n.av.	n.av.	n.av.
Venezuela		1,202,218*	153,435*	114,196*	4,962*	n.av.	n.av.	n.av.	n.av.	n.av.
Zambia		12,732*	1,625*	1,209*	53*	n.av.	n.av.	n.av.	n.av.	n.av.
Zimbabwe		5,456*	696*	518*	23*	n.av.	n.av.	n.av.	n.av.	n.av.
Total 2008		75,177,536	899,438	816,481	188,232	n.av.	n.av.	n.av.	n.av.	n.av.

* Estimated data applying the average consumption per employee to the number of employees in each country. In some cases the reporting period for the data does not coincide with a natural year (time scope established in this report) or the consumption for some months is unknown so estimates have been made..

RAISING AWARENESS AMONG INDRA'S EMPLOYEES

To minimise the impact of business activity on the environment the collaboration of company employees is fundamental. That is why Indra is carrying out several initiatives to raise its employees' awareness of the environment and their responsibility.

One of the main channels of communications with employees on environmental aspects is Indra's corporate intranet Quality and Environment portal, started up in late 2007. It is one of the most active tools for sensitising and promoting better environmental behaviour in the company.

The Portal includes the contents on the company's Quality and Environmental Management System and information relative to Indra's Environmental Policy, the different centre management programmes, the applicable legal requirements, emergency plans and a guide to good environmental practices within the company.

The Portal also includes environment-related news items and access to the manual and procedures for the environmental management system, UNE-EN ISO 14001:2004 and Indra's certificates.

3% ECO+ CAMPAIGN: REDUCING THE CONSUMPTION OF WATER, PAPER AND ELECTRICITY AND WASTE GENERATION.

In 2008, Indra reaffirmed its commitment to reduce its consumption of water, electricity and paper and waste generation in the certified workplaces by 3% with respect to 2007.

Furthermore, the company decided to achieve this by involving the entire organisation through a series of sensitisation and communication campaigns so that this commitment could be achieved in 2009 by the rest of the company workplaces. To that end the Quality and Environmental portal mentioned the initiative, providing relevant information for employees; an explanatory video was made and other support activities were begun.

The 3% initiative is part of Indra's objectives to meet UNE-EN ISO 14001 requirements and those of EU Regulation 761/2001 for an Eco-management and Audit Scheme (EMAS).

THE COMPANY HAS BEEN PROMOTING FOR SEVERAL YEARS NOW TELEWORKING POLICIES AND VIDEOCONFERENCING TO REDUCE AS MUCH AS POSSIBLE TRAVEL FOR ITS PROFESSIONALS.

MOBILITY: FEWER JOURNEYS FOR A BETTER ENVIRONMENT

Indra is developing several initiatives directed at reducing the number of journeys made by its employees with the three-fold aim of improving work efficiency (reducing time wasted in travelling), reducing economic costs and avoiding the environmental impact of transport.

To achieve these objectives the company has been promoting teleworking policies and videoconferencing as alternatives to travel for several years now.

Indra is also introducing a system to improve the trip request and reservation process and is working to produce a good traveller guide.

This initiative is part of what is known as "sustainable mobility" which involves making fewer, shorter, more eco-efficient journeys (considering different means of transport).

ENVIRONMENTAL MANAGEMENT SOLUTIONS AND SERVICES

IN 2008 THE NATIONAL ENERGY COMMISSION COMMISSIONED INDRA TO PROVIDE TECHNICAL SUPPORT TO START UP THE ENERGY ORIGIN GUARANTEE AND LABELLING SYSTEMS

TECHNOLOGY TO IMPROVE WATER MANAGEMENT

Indra is introducing an enormous SAP database to centralise and optimise data and cartography information management for the Water Department at the Ministry of the Environment. The project is intended to standardise, integrate and process enormous volumes of information from the many bodies collaborating with the Ministry to collect and manage part of the water data. These bodies include the Regional Water Confederations and Agencies, the Spanish geological and mining Institute, the State Meteorological Agency, the Centre for Hydrographic Studies attached to CEDEX (Centre for Public Works Studies and Experimentation) and the National Geographical Institute.

With this type of innovation project, Indra is helping to facilitate environmental management and improve the environment, vital for the company's sustainability and society as a whole.

SUPPORTING THE MARKETING OF GREEN ENERGY

In 2008 the National Energy Commission commissioned Indra to provide technical support to start up the energy origin guarantee and labelling systems. These systems provide consumers with information on the origin of the energy being consumed so they can choose their electricity supply company not only on the basis of price but also according to the environmental quality of the energy being supplied.

The contract also includes the introduction of all the technology infrastructure necessary to operate the

systems and operation of the service for the first nine months.

The Origin Guarantee System is the instrument used to ensure publicity and permanent management and updating of the ownership and control of the guarantees generated on the basis of renewable energy sources and high efficiency cogeneration. The Electricity Labelling System lays down the information that supply companies must provide their customers with on the origin of the electric energy marketed the previous year and its associated environmental impact.

KNOWLEDGE INSTITUTIONS

UNITED IN THE CHALLENGE
TO INNOVATE

120

AGREEMENTS WITH
OVER 120 INSTITUTIONS



7

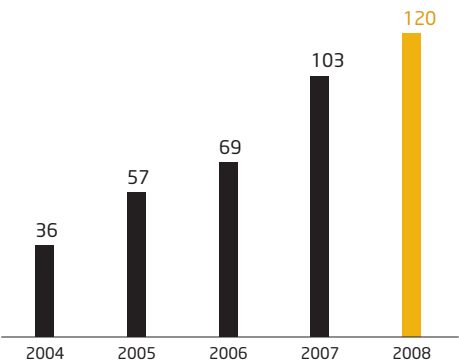
PROFESSORSHIPS
IN UNIVERSITIES

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

KNOWLEDGE INSTITUTIONS ARE THE NEW FRONTIER FOR BUSINESS ACTIVITY IN THE FRAMEWORK OF AN INCREASINGLY GLOBALISED AND COMPLEX ECONOMY

INDRA ALSO MAINTAINS PERMANENT CONTACT WITH UNIVERSITIES WITH REGARD TO EMPLOYMENT OF NEW PROFESSIONALS

MAIN AGREEMENTS WITH UNIVERSITIES, RESEARCH CENTRES, FOUNDATIONS AND BUSINESS SCHOOLS



INDICATORS	2004	2005	2006	2007	2008
No. of conferences and external relations forums	45	64	47	115	137
Indra's membership of leading associations in Spain	22	60	60	95	125

Knowledge institutions are entities which work to generate and diffuse knowledge such as universities, training centres, foundations and various non profit organisations closely linked to education, research or training and very specifically to areas of interest to us as a company, as in the case of information technologies.

These institutions are nowadays key to the knowledge economy, the new frontier for business activity in the framework of an increasingly globalised and complex economy.

In 2003 Indra pioneered the definition of these institutions as one of the company's strategic stakeholders, including the definition in its vision of responsibility and the subsequent Master Plan.

In 2005, a coordinator for university relations was appointed and a work group was created to monitor and develop the activities and various systems for monitoring university relations.

The challenge of this innovation together with the need to diversify supply and the complexity of information technology markets are also incentives for very special collaboration with universities. In this regard, the importance of pre-competition research must be taken into account and how it can be carried out precisely by those who are not under pressure to put a product or service on the market quickly. Innovation can sometimes demand the research and more unhurried reflection which universities can provide.

Thus, collaboration with universities has materialised as follows:

- Through cooperation agreements to include qualified technical experts in Indra's projects, thereby also facilitating their postgraduate training.
- Collaborating with university departments in some of the company's in-house projects, where they can participate in technology specialisation areas which complement those of Indra.

Indra also maintains permanent contact with universities with regard to employment of professionals. Indra also sponsors and teaches master's degrees, courses and seminars.

IN 2008, WITH A VIEW TO CAPTURING TALENT THE "PLAN BRILLANTES" WAS INTRODUCED, A SET OF ACTIONS DIRECTED AT STRENGTHENING RELATIONS WITH THE PROFESSORSHIPS AND STUDENTS AT TEACHING CENTRES WITH THE GREATEST PRESTIGE IN TECHNICAL DEGREE COURSES

INDRA: RECOGNISED AND VALUED BY UNIVERSITIES

In 2008 Universum carried out a company brand recognition study among Spanish university students. The study's main conclusions were that:

- Indra's image has improved in recent years, climbing from 13th position in 2007 to 8th in 2008
- Indra is a very attractive company for women.
- The average age of students attracted by our company is 24.4 years.
- Indra is more attractive for student from the Polytechnic University of Madrid, Carlos III University and the Autonomous University of Madrid.

Indra used the study's conclusions to improve its talent capture strategy and the way it communicates to students.

Part of Indra's university relations are channelled through the professorships. In 2008, Indra reviewed the agreements it has with various universities in order to reinforce university/company relations and standardise the level of collaboration with the different professorships. Furthermore, the concept of the professorship has been reconsidered and also the concept of the Framework Agreement has been promoted as an alternative form of collaboration to professorships.

Currently Indra has 7 professorships at different Spanish universities.

- 2 professorships at the Polytechnic University of Madrid, one, a general proposition and the other in Accessible Technologies.
- Professorship at the University of Cantabria, dedicated to Space.
- Professorship at the University of Castilla La Mancha dedicated to Security and Accessible Technologies.
- Professorship at the Autonomous University of Madrid, dedicated to Security.
- Professorship at the University of Lleida, dedicated to Accessible Technologies.
- Professorship at the Polytechnic University of Valencia, dedicated to Health.

In 2008, with a view to capturing talent the "Plan Brillantes" was introduced, a set of actions directed at strengthening relations with the professorships and students at teaching centres with the greatest prestige in technical degree courses. These actions include:

- Increasing the number of collaborations with departments in order to find shared interests and obtain privileged access to students.
- Including the best students in projects with cutting-edge technologies.
- Monitoring students involved in joint projects.
- Agreeing plans with the professorships for students to join Indra.
- Making access agreements for 10% of the best graduates each year.
- Creating "Indra Global Scholarships" to provide students with the opportunity to gain international experience.
- Creating the "Indra Awards for the best Projects/Academic Records".

1. For the best End of Degree Projects which contribute to one of Indra's main values and in particular, to innovation.
2. To the best academic records.

SOCIETY

SOLUTIONS AND SERVICES
FOR A SUSTAINABLE SOCIETY

BREAKING DOWN BARRIERS



DEVELOPMENT AND PROMOTION OF TOOLS
THAT ENCOURAGE ACCESS

Scope: Indra Sistemas, Indra Espacio, Indra Sistemas de Seguridad, Indra EMAC, Indra BMB S.L., BMB Canarias, Ceicom Europe, I3 Televisión, Indra BMB Services, Inmize Capital, Inmize Sistemas, Indra Software Labs, Internet Protocol Sistemas, Safo Sistemas, Metradis, Programarius and Etnodiversidad.

WE CONTRIBUTE TO SOCIAL AND ECONOMIC DEVELOPMENT

INDRA HAS AS AN OBJECTIVE TO MINIMISE THE IMPACT OF THE SO-CALLED DIGITAL DIVIDE. CONSEQUENTLY, ONE OF OUR OBJECTIVES IS TO PROMOTE GREATER EQUALITY IN RELATION TO THE USE OF THESE NEW TECHNOLOGIES

Our business activity gives us a positive impact on society through the direct and indirect generation of employment. We also generate qualified employment in our sector which contributes to social and economic development in the communities where we operate.

Also, as a global company, our internationalisation project leads us to set up in markets where our presence boosts local and regional development to create highly qualified jobs.

DIGITAL DIVIDE

As a global company operating worldwide in the information technologies industry, Indra considers it highly important to state its position on the digital divide and its action in this area where we can make a decisive contribution as a company.

What is the digital divide?

The term digital divide refers to the difficulties or limitations on access to new information and communication technologies such as Internet, mobile phones and other devices.

The same term is also used to refer to the differences between groups of people according to their ability to use these technologies effectively, due to differing levels of technological literacy and capability.

Finally, the digital divide concept is sometimes used to indicate differences between groups with access to quality digital content and those which do not.

Although the digital divide usually originates in differences which precede access to technologies, the approach taken by companies and organisations working in this area is essential in helping to narrow the gap.

Reasons for our involvement in minimising the divide

As a global company, Indra operates on markets where the digital divide is very varied in scope and significance. Our objective is to try and minimise it. Precisely because our services and solutions are developed in the area of the new technologies, emphasis must be placed on their social value. Consequently, one of our objectives is to promote greater equality in relation to the use of these technologies and to promote quality contents which will help to enhance quality of life for everyone.

A POLICY OF TRANSPARENCY AND PUBLIC RENDERING OF ACCOUNTS, ALL CONTRIBUTIONS TO NON PROFIT COMPANIES, AS WELL AS GIFTS AND HOSPITALITY EXPENSES

INDRA AND TAX HAVENS

Indra has commercial and business relations with companies and administrations in 100 countries. These include countries such as Panama, Andorra and Bahrein and areas such as Hong Kong which can be classified as tax havens.

Indra's activity in those countries is not tax motivated, but related to the development of its international business as provider of technology solutions and services for customers who operate in a variety of sectors such as Healthcare, Energy, Telecommunications, Industry and Consumption, etc. All this leads us to operate in a variety of countries such as those mentioned above, either by establishing offices or subsidiaries or commercial relations.

After a report from the Audit and Compliance Committee, Indra's Board is responsible for analysing the creation or acquisition of stakes in entities based in tax havens which may be required to attend to business needs and in general for analysing the operations and transactions carried out in such countries. All operations and commercial relations involving tax havens obey legitimate motives and do not impinge unjustifiedly on the transparency of operations and structure of the group.

As occurs when we operate in countries where human rights are not safeguarded, we do so guided by the company's commercial interest, without prejudice to our ethical commitment and the standards we have set for ourselves based on our values.

INDRA'S ANTI-CORRUPTION STATEMENT

Indra considers that its business activity must be carried out with respect for the law, within the framework of conditions characteristic of the free market and in an ethical and transparent manner.

As a company which operates globally, Indra is aware of the importance of acting independently with governments and any political power, whether national, regional or local. Indra's presence in any of the countries where it is active is governed by respect for each legislation and by cordial relations with public institutions and governments, always in the spirit of transparency and ethics.

Given the range of information technology services and solutions which Indra provides, the company's customers include various public institutions and administrations.

In this context, the fight against bribes and corruption is a major commitment. It is only under this principle that situations can be fought against whose consequences are a brake on a truly free market, cause instability, inequality and insecurity at all levels, and prevent economic and social development to the detriment of the weakest.

Indra is committed to fighting against bribes, facilitation payments and any form of active or passive corruption. In this regard, the company declares that it makes no political contribution to any party, and discloses, out of a policy of transparency and public rendering of accounts, all contributions to non profit companies, gifts and hospitality expenses.

This policy will be developed through the Ethical Code and the company's other ethical management instruments.

SOLUTIONS AND SERVICES
FOR SUSTAINABILITY

Part of our information technology services and solutions have considerable social significance and value.

This area, is one of the most important elements for Indra's relations with society. Innovation is the company's best vehicle for contributing towards social development in the countries where it operates and the markets it serves. In particular, the following areas of value for social and environmental sustainability have been defined and are periodically reviewed:

- Technology solutions and services which facilitate public service reliability, security and efficiency. For example, our services and solutions for public administrations, healthcare and transport. In developed societies and transition economies or developing countries, public services, transport and healthcare are a particularly critical area for society and citizens' well-being and economic and social development.
- Solutions and services which support peoples' safety and protection (security solutions) Nowadays in particular, people's security poses important challenges which demand innovation to satisfy demands in an increasingly global world.
- Solutions and services which facilitate electoral processes, and their technical reliability, because modern democratic systems are based on such processes.
- Accessibility solutions and services.
- Technology solutions and services to facilitate environmental management or improve environmental conditions. An example of this are our tele-detection solutions and many others which means savings in energy consumption, raw materials and time for our customers and indirectly, for society.
- Solutions and services for sustainable business management. Indra offers environmental, sustainability and responsibility consulting services.

LISTS OF THE MOST REPRESENTATIVE FORUMS AND INSTITUTIONS
IN WHICH INDRA IS PRESENT IN SPAIN

BODIES LINKED TO QUALITY, ETHICS AND CORPORATE RESPONSIBILITY	BODIES LINKED TO SOCIAL ACTION WITH WHICH INDRA COLLABORATES	PRINCIPLE SECTOR ASSOCIATIONS
AENOR	Fundación Deporte de Alcobendas	AETIC
Asociación Española de la Calidad	Fundación Adecco	AEC
Club Gestión de Calidad	Fundación Integra	AFARMADE
Forética	Fundación ONCE	ATECMA
	Fundación Realiza	
	SECOT	

INDRA AND ACCESSIBLE TECHNOLOGIES

INDRA'S FIRM BELIEF IS THAT THE BEST WAY OF DEMONSTRATING ITS CORPORATE RESPONSIBILITY IS THROUGH ITS ACTIVITY – INNOVATING TECHNOLOGY SOLUTIONS AND SERVICES

The third sector must become a knowledge partner which drives the company to innovate high social value solutions and services. This must be achieved through collaboration with non profit entities from a perspective of shared value so that, as far as possible, a knowledge partner can drive us to innovate high social value solutions and services.

Indra's Accessible Technology professorships are a set of collaborations with one of its strategic stakeholders, knowledge institutions, to develop innovative solutions and services in the area of accessibility and inclusion.

Through the professorships, Indra, in collaboration with Fundacion Adecco, seeks to make a high impact in the short to medium term on society and the market, becoming an international benchmark in the search for excellence in developing accessible technologies and in the model of University-Enterprise collaboration and technology transfer.

The main professorship work lines are directed at promoting integral employment and social integration for people with disabilities.

- Independent living.
- Accessible education.
- Accessible employment.

Accessible technologies is a sensitive, strategic area which ranges from the a collective's basic need to general recognition of improved quality of life for everyone, as indicated by the three European plans eEurope2002, eEurope2005 and the current i2010. The initiative is based on the following points:

- Indra's firm belief that the best way of demonstrating its corporate responsibility is through its activity – innovating information technology solutions and services.
- Indra's conviction that collaboration with knowledge institutions is key to this innovation and that knowledge institutions are one of the company's strategic stakeholders.
- Recognition that accessibility and conclusion are a fundamental area where information technologies can provide substantive improvements for people and communities where we operate.

A CHRISTMAS CAMPAIGN DIRECTED AT ACCESSIBLE TECHNOLOGY PROJECTS

In December 2008, Indra started a Christmas campaign which allocated the funds traditionally used for presents to promoting projects which aimed to make technology accessible for all.

This measure was applied in all the countries where Indra operates. The company produced a specific policy on the issue which was made available on Indraweb together with a communication campaign with the slogan "Let's break down barriers" directed at customers and the addressees of the gifts to make them a party to this initiative.

Information on Indra projects in this area was provided on the dedicated website www.indra-tecnologíasaccesibles.com, sensitising to the importance of accessibility and the role of the new technologies in this area.

THE ACCESSIBLE TECHNOLOGY PROFESSORSHIPS ARE AN INTERNATIONAL REFERENCE MODEL

TOYRA PROJECT

In May 2008, Indra signed an agreement with Castilla La Mancha Regional Government and the Rafael del Pino Foundation to develop the TOyRA (Occupational Therapy and enhanced Reality) project with the goal of producing a platform for applying advanced technology systems to develop occupational therapy activities.

Occupational Therapy is a technique applied in patient rehabilitation processes, (in the case of the National Hospital for Paraplegics in Toledo for patients with spinal cord injuries) designed to facilitate their reintegration in daily life through the use of devices and games which favour articular mobility, develop muscle strength and work on accuracy.

Enhanced Reality is the virtual creation of real situations using systems based on latest generation technology and is designed to boost and optimise the results obtained in simulation or similar processes in this type of patient.

The application of these new technological systems will lead to more effective occupational therapy either through the use of currently available devices and games duly equipped with sensors or additionally with the introduction of another series of totally new devices such as WII or image treatment-based devices.

TOyRA thus increases the benefits of occupational therapy techniques through the application of enhanced reality technological systems as the patient does not need to travel and rehabilitation can be delivered at a distance.

The benefits of this application are summarised as follows:

- Increased medical and physiotherapeutic care for patients as it helps to improve monitoring of spinal cord injuries.
- More attractive devices and games for occupational therapy.
- The creation of a monitoring database using patient evolution technology systems. The information accumulated from experiments can then be used to make occupational therapy more effective.

The Accessible Technology professorships group a varied set of collaborations with knowledge institutions directed at generating innovation in the area of accessibility and inclusion. These collaborations cover the development of research lines and specific projects with Indra's financial support. The professorships also promote the training of university students, training of the company's engineers and activities which promote the dissemination of knowledge in this area. The intention is to:

- Contribute to innovation and technological development in the area of disability.
- Reinforce university-enterprise collaboration, benefiting from the talent and capabilities universities make available to the company and in turn, promoting business culture in the university environment.
- Make a viable model of university-enterprise collaboration which promotes technology transfer and promoting it on the market, obtaining mutual benefit from the synergies created.
- Maximise the social, economic and scientific impact of the professorships, seeking excellence in the development of accessible technologies.
- Make the professorships an international benchmark for university-enterprise collaboration and accessible technologies research.
- Joint, university-enterprise work on academic initiatives which promote the dissemination of knowledge.
- Capture talent in a university environment for possible incorporation in the company on one hand and promote Indra employees' interest in research and collaboration with universities on the other.

What do the professorships involve at the moment?

At present the Accessible Technology Professorships include:

- Three professorships:
 - One with the University of Castilla La Mancha (UCLM).
 - One with the University of Lleida (UDL)
 - And the third with the Polytechnic University of Madrid (UPM).

CORPORATE SOCIAL INVESTMENT: PROMOTING TRAINING IN THE PHILIPPINES

In line with social needs and local adaptation of community collaboration initiatives, Indra has carried out two projects in the Philippines which involve the company in education, a very important social cause.

Thus in 2008, a coin collecting initiative to raise funds for primary schools was started in the country promoted by Bangko Sentral ng.

Indra employees were encouraged to donate 10, 5 and 1 peso coins and 25, 10 and 5 cents. The result was that employees contributed 44,079.81 pesos to the programme which were allocated to the Department of Education's Tulong Barya Para sa Eskuwela Trust Fund to provide new classrooms and facilities in state schools.

In addition to formal education, support for young people's extra-academic activities is another priority in the Philippines. The Tambayani centres were chosen as one of the projects for collaboration. People working for the company were encouraged to donate funds to provide computers and books on new technologies and participate through volunteering to renovate the centre and other initiatives to update them. The result was a total donation of 350,000 pesos which provided the centre with a minilibrary, a tutorial centre, a classroom for learning about new technologies with 5 computers and various support materials.

- Funding for several projects in the area of disability such as:
 - The Headmouse Project: The goal of the Headmouse project is to provide an alternative, low cost interaction mechanism for people with reduced mobility or problems with pointing which mean they cannot use an ordinary mouse or keyboard. First of all a virtual mouse guided by head movements was developed. Headmouse can identify user head movements using artificial vision mechanisms which on screen become virtual mouse movements. In a second phase, a predictive virtual keyboard was developed to facilitate writing for this group of users. At year end 2008, there had been 140,000 downloads.
 - GANAS project (UCLM): The GANAS (Generator of Automatic Animations for Sign Language) project aims to provide a virtual interpreter of sign languages which dynamically converts a text into sign language for people with auditory disabilities. GANAS is currently in the development phase.
 - Emplea-T Accesible Project (UPM): The aim of the Emplea-T Accesible project is to make the interactive DTT application Emplea-T for consulting job offers which is broadcast on Spanish National Television channel La 2 in the programme *Aquí hay trabajo* accessible to people with visual disabilities

PROJECTS TO SUPPORT INNOVATION AND INTRODUCE THE INFORMATION SOCIETY

	ACTIVITIES INCLUDED	PROJECT PARTNER	BENEFICIARIES
Promote collaboration between the scientific and productive environments to respond to innovation and development needs in Andalusian society.	Define, promote and finance viable R&D projects from two perspectives: economic and social.	Corporación Tecnológica de Andalucía	Local Communities
Strengthen and boost growth and enhance competitiveness in the telecommunication and information technologies industry in Galicia.	Sponsoring projects in this sphere.	Fundación Centro Tecnológico de Telecomunicaciones de Galicia	Local Communities
Contribute to the country's development by promoting technological innovation in the company and society.	Publishing books and studies and collaborating on work committees.	Fundación COTEC	Society
Develop an entrepreneurial culture at Universities stimulating their role as driver of regional society.	Collaborate in the production of the CYD report, workshops, conferences and surveys.	Fundación Conocimiento y Desarrollo (CYD)	Society
Promote research and development of financial studies and their dissemination.	Sponsoring activities carried out by the Foundation in research into the field of finance and stock markets.	Fundación de Estudios Financieros	Society
Knowledge and relationship management directed at facilitating actions to promote sustainable mobility in the public and private sectors.	Sponsorship of the International Conference on Citizens and Mobility Management.	Fundación Movilidad	Society
Identify, develop, promote and diffuse technologies, processes, products and consumption habits to improve energy efficiency and sustainability in industry, construction, transport and society in general.	Sponsorship of the Foundation's activities.	Fundación Energylab	Society
Exhaustive study of Spain and Spanish people's interests in international society, for use by the community.	Organisation of congresses, presentations, seminars, conferences and bilateral forums Publication of the Barometer, bulletins and working documents.	Real Instituto Elcano	Society
Producing, promoting, support and management of teaching activities, technological innovation and cultural extension of universities in the sphere of Information and Communication Technologies.	Sponsorship of the Foundation's activities.	Fundetel	Society
Generate an interdisciplinary area on subjects related to security and enterprise, through research studies, training activities, dissemination forums and the creation of a broad documentary base.	Sponsorship of the Foundation's activities.	Fundación Empresa, Seguridad y Sociedad	Society

PROJECTS TO SUPPORT TECHNOLOGICAL DEVELOPMENT FOR DISADVANTAGED GROUPS

	ACTIVITIES INCLUDED	PROJECT PARTNER	BENEFICIARIES
Accessible Technology Professorships to develop innovative solutions and services in the area of accessibility and inclusion.	Generate innovation jointly with universities in the area of accessibility and inclusion, by developing research lines and specific projects.	Fundación Adecco, Universidad de Lérida, Universidad de Castilla-La Mancha, Universidad Politécnica de Madrid	People with disabilities Universities Society
Develop innovative solutions and services in the area of accessibility and inclusion.	<i>Toyra Project.</i>	Paraplegic Hospital Toledo and Fundación Rafael del Pino	People with disabilities Society
Support technological development in the third sector.	Technological support for internal management.	Fundación Integra	Disadvantaged groups
Support technological development in the third sector.	Creation of an online classroom.	Fundación Konecta	People with disabilities
Donation of computers.	Donation of computer equipment.		Disadvantaged groups
<i>Premios solidarios del Seguro</i> (Insurance company solidarity awards.	Sponsorship.	<i>Asociación Amigos por África</i>	Nouadhibou, a city in Mauritania (Africa)
Support the Afghan community	Donation of blankets and material for schools.	Air force	Disadvantaged groups in Afghanistan
Disadvantaged groups	Donation.	Cruz Roja, AECC, Asoc. de Santa Bárbara, Ntra.Sra del Carmen; Fundación Asistencial para Las Fuerzas Armadas and La Guardia Civil, Lukemia Research, AMREF Flying Doctor	Disadvantaged groups
Sponsorship Projects			
Promote progress and artistic relations between the Spanish community and International Bodies with headquarters in Geneva.	Sponsorship of the restoration of the cupola of Room of the Human Rights Council at the United Nations in Geneva.	Fundación ONUART	Society

1,382,802 €

103 COMPUTERS

COMMITMENTS AND RESULTS

WE ARE COMMITTED TO OUR STAKEHOLDERS' OBJECTIVES

	COMMITMENT 2007	RESULT 2008	
Corporate	Define new listening and consultation tools or renew existing ones with stakeholders.	Include questions on the materiality of aspects of Corporate Responsibility in customer and supplier surveys. Institutionalise consultation with unions for the purposes of reviewing the master plan and the report. Launch a survey on satisfaction for knowledge institutions in the first quarter of 2009.	■
	Conduct a survey on corporate responsibility at international level.	In 2008, Indra carried out a first survey of employees in 10 countries to find out their values and expectations on matters of corporate responsibility and the extent of knowledge of Indra's CR report and the Global Compact.	■
	Review of the Code of Conduct. Did not end up being implemented in 2008 due to a review of the project approach.	A new Code has been produced which is pending approval by Indra's Board of Directors.	□
Employees	Progress towards equality for men and women.	A woman has been included on the Board of Directors. The proportion of women on the staff has remained the same as in 2007, 36%. The male/female salary ration has improved across all employment categories (in 2008 the Indra staff categories were modified)..	■
	Renew the audit of the System of Work Risks Prevention Management	The audit has been renewed.	■
	Adopt measures and processes to reduce accident levels.	Measures have been taken, however frequency, severity and impact have increased due to increased company activity. However, the average duration of sick leave has fallen.	□
	Reinforce risks at work training.	There has been more training in workplace risks.	■
Suppliers and partners	Extend sustainability criteria to supply contracts internationally and supplier purchase policies in each country.	It is planned to include sustainability criteria in the supplier approval process in 2009.	□
	Take action for awareness and promote sustainability with suppliers.	The actions will be taken when the sustainability criteria have been included in the supplier approval process as it will enable identification of areas for improvement in corporate responsibility. This commitment is renewed but set as a medium term objective.	□
Environment	Introduce environmental certification in the company's remaining centres in the medium term.	In 2008 Indra certified two new workplaces: Anabel Segura in Alcobendas (Madrid) and the workplace in Ciudad Real. In 2009, Indra is in the process of certifying another three workplaces. The medium term objective of certifying Indra's workplaces with the greatest number of employees is maintained.	□

THE GLOBAL COMPACT

10 PRINCIPLES WE ARE COMMITTED TO

The United Nations Global Compact is a commitment with 10 principles presented on the right. When companies join the Global Compact, they commit to introducing the principles gradually, making them an essential part of their strategy and operations.

The Global Compact is therefore, a firm commitment from each company to advance in its activities along the path marked by these principles and underpins their configuration as good corporate citizens.

Indra has made the corresponding progress report and renders accounts in this report on the Global Compact points as indicated in the tables attached at the end of this report.

PRINCIPLE ONE

Businesses should support and respect the protection of internationally proclaimed human rights, within their sphere of influence.

PRINCIPLE TWO

Businesses should make sure they are not complicit in human rights abuses.

PRINCIPLE THREE

Businesses should uphold the freedom of association and the effective recognition of the right to collective bargaining.

PRINCIPLE FOUR

Businesses should support the elimination of all forms of forced and compulsory labour.

PRINCIPLE FIVE

Businesses should uphold the abolition of child labour.

PRINCIPLE SIX

Businesses should uphold the elimination of discrimination in respect of employment and occupation

PRINCIPLE SEVEN

Businesses should support a precautionary approach to environmental challenges.

PRINCIPLE EIGHT

Businesses should undertake initiatives to promote greater environmental responsibility.

PRINCIPLE NINE

Businesses should encourage the development and diffusion of environmentally friendly technologies.

PRINCIPLE TEN

Businesses should work against corruption in all its forms, including extortion and bribery.

THE PRINCIPLES GOVERNING THIS REPORT



In 2008, Indra published a report describing the company's economic, social and environmental performance. The company began to disclose information on its social and environmental performance in 2003, but in 2008 Indra offered a report integrating the threefold approach to sustainability (economic, social and environmental). Thus, the information which in previous years' Indra Reports was included in the Activity Report and the Corporate Responsibility Report is now included in a new Annual Report. Indra considers that this way of informing is a more realistic presentation of the company as it offers a joint, global vision of the impact of its activities on all its stakeholders.

This report has been prepared in accordance with the Global Reporting Initiative (GRI) Guide to Producing Sustainability Reports, October 2006 edition (known as G3), at the highest level of application (A+), and according to AA1000 Accountability standard (2003 version).

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 and conclusions of this verification can be found in the chapter entitled Verification Letter.

In accordance with its commitment to ongoing improvement, Indra has been working, since the first time it rendered accounts on corporate responsibility and sustainability (2003), to extend the scope of the information to all the companies within the group.

The scope of the information presented is described at the start of each chapter in the report. The complete list of companies in Indra at 31 December 2008 appears in Annexe 1 of the Consolidated Annual Accounts Report and Management Report. For temporary or organisational information other than that mentioned at the start of each chapter, the nuances in scope are described together with the information in question.

As every year, this report has been produced with the participation of those responsible for relations with each of the stakeholders the company operates with, which involves not only a sharing of information, but continuous improvement to Indra's dialogue systems with its various stakeholders. Also in 2008, Indra began a consultation process with those in charge of operations, to analyse the sustainable value of the company's solutions and services and to analyse potential and real customer demand for sustainability.

The report production procedure facilitates compliance with the content definition principles (materiality, stakeholder participation, explanation of the sustainability context and completeness) and report quality principles (balance, comparison, accuracy, periodicity, clarity and reliability) demanded by the G3 Guide and the response principle in Standard AA1000.

The information provided in this document comes from various management and information systems in the areas which report to Brand Management and Corporate Responsibility, the area responsible for coordinating the rendering of accounts on the company's economic, social and environmental performance and for promoting the Corporate Responsibility Master Plan.

There are several internal mechanisms for controlling the information managed by the management and information systems. Indra is making every effort to improve its data generation, aggregation and consolidation systems in order to improve the quality of information presented in the Sustainability Report.

IN THE LAST QUARTER OF 2008
THE DIFFERENT MANAGERS RESPONSIBLE
FOR COMPANY OPERATIONS WERE
INTERVIEWED TO PREPARE THE ANNUAL
ACTIVITIES REPORT .

The steps taken to produce this report, from October 2008 to February 2009 were:

1. Holding interviews during the last quarter of 2008 with each of the managers responsible for stakeholder relations with a twofold aim: Firstly, to update the Corporate Responsibility Master Plan, by defining new actions to be done or promoted and secondly, to gather information on the status of sustainability in the company to prepare the rendering of accounts for the year.

As in previous years, to produce the Annual Report, interviews were also held with the managers responsible for company operations, in vertical markets as well as activities in order to report on the main trends and actions in the business areas where the company is operating. However, in 2008 particular effort was made to identify the social and environmental impact of Indra's business as reflected in the chapter Our Business in this report.

Also, as already mentioned, in 2008 those in charge of the different business areas were interviewed in order to identify sustainable value in Indra's solutions and services.

2. Information on GRI indicators (version G3) was formally requested from internal managers responsible for relations with the different stakeholders. Information was also gathered on any policies, programmes, initiatives and actions with responsible value introduced during the year, both those included in the Corporate Responsibility Master Plan and those which may have been developed from other strategic lines and which have synergies for sustainability and responsibility.

3. After drafting the report, it was sent to each internal manager responsible for relations with the different stakeholders and those responsible for company operations to check that the information on their management was faithfully reflected.

4. The report was also sent to trade unions of Indra Sistemas and more representatives of other Indra companies to gather part of their suggestions.

GRI INDICATORS

THIS YEAR, INDRA HAS DRAWN UP A MAP OF THE SERVICES AND SOLUTIONS IT OFFERS WHICH HAVE A CLEAR SUSTAINABILITY VALUE.

THE 2008 REPORT INCLUDES DATA SINCE 2002 WHICH ALLOWS THE ANALYSIS OF ITS EVOLUTION, AND NOTES ANY CHANGE IN THE CALCULATION METHODS.

Explanation of the principle according to GRI G3		How we ensure said principle
Content definition principles of this report		
Materiality	What is significant, important, relevant and impacts on the responsibility and sustainability of our activity.	<p>The Corporate Responsibility Master Plan reflects what responsibility covers and is updated each year.</p> <p>The report production process allows the organisation to reorient material aspects.</p> <p>Since 2007, before producing the report, a materiality study is carried out to detect the relevant areas for reporting.</p> <p>In addition to this study, the consultation of business managers to visibilise Indra's products with sustainable value has also served to detect demands and expectations in certain areas of sustainability.</p>
Stakeholder inclusiveness	Identification of the groups and response appropriate to their reasonable expectations and interests.	<p>Indra has several systems for periodic consultation with the following stakeholders: shareholders, employees, customers and suppliers. It has also made a questionnaire available at www.Indra.es/responsabilidadcorporativa/, to strengthen communication and dialogue with all its stakeholders.</p> <p>The report has been drafted with the participation of internal managers of relations with each stakeholder in addition to consulting various operations managers to detect sustainability in Indra's products.</p> <p>Each chapter contains specific information on Indra's specific consultation systems with each of its stakeholders.</p>
Sustainability context	Mode in which the organisation contributes to local, regional and global development.	<p>At Indra, the vision of responsibility is combined with innovation.</p> <p>Management approaches to economic, social, human rights, environment and product performance (presented in the chapter Our Approach to Sustainability) include observations on this context.</p> <p>This year, Indra has traced a map of the offer of services and solutions which has clear threefold sustainability value: economic, environmental and social.</p>
Completeness	Scope, boundary and time 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 facilitate the report's completeness.

IN 2008, CLIENT AND SUPPLIER SURVEYS INCLUDED QUESTIONS TO ASCERTAIN THEIR INTEREST IN CORPORATE RESPONSIBILITY

AT THE START OF 2009, INDRA WIDENED ITS CONSULTATION PROCESS TO A NEW INTEREST GROUP: THE KNOWLEDGE INSTITUTIONS.

	Explanation of the principle according to GRI G3	How we ensure said principle
Report quality principles		
Balance	The report should reflect positive and negative aspects to enable a reasoned assessment of overall performance.	<p>The 2008 report provides data on positive aspects and aspects for improvement in addition to future objectives with each stakeholder, level of compliance with past objectives and commitments.</p> <p>The process of identifying material subjects (see Materiality principle) also contributes to compliance.</p> <p>Since 2008 we have included in this report, and in the Corporate Responsibility Master Plan, the opinions and suggestions from Indra's international sphere.</p>
Comparability	The report should enable analysis of evolution and changes	The 2008 report includes a record of data since 2002 to analyse changes in Indra's performance over time. The report also notes any changes in the calculation methods. For that reason a initial survey of 35 employees in 10 countries was carried out.
Accuracy	The report should be sufficiently accurate and detailed to enable assessment of the organisation's performance.	<p>The aim has been to render accounts at the 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>
Timeliness	The report is presented on time according to a regular schedule.	Indra has published the 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 produces.
Clarity	Information should be presented in a way that is understandable and accessible.	<p>Indra is developing a digital version of its public access report through its website: www.indra.es/responsabilidadcorporativa/</p> <p>Furthermore, it sends this report to its shareholders, main customers, the media, responsible investment institutions and other interested parties who request the report.</p> <p>At the end of this document, there is also the communication channel Your opinion is important and the name and address of those in charge of relations with target stakeholders.</p>
Reliability	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	In line with its commitment to transparency, Indra has requested independent third parties to verify the economic, social and environmental information obtained in this report. The scope, description of the work and conclusions of this verification can be found in the chapter entitled Verification Letter.
Responsiveness(exclusive standard AA 1000 version 2003)	The different mechanisms by which the organisation responds to its stakeholders' expectations.	<p>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 different chapters in this report.</p> <p>In 2008, customer and supplier surveys included for the first time, specific questions directed at knowing the degree of importance these stakeholders award to different aspects of corporate responsibility.</p> <p>In early 2009, Indra broadened its consultation processes to include a new stakeholder: Knowledge institutions.</p>

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AR: Annual Report
 CG: Corporate Governance Report
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 NA: Not available
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Indicators	Page No.	Comments	Global Compact
PROFILE			
Strategy and analysis			
1.1 Declaration of the person ultimately responsible for taking decisions in the organization (managing director, chairman or equivalent position) on the relevance of sustainability form the organisation and its strategy.	5 AR		
1.2 Description of the main impacts, risks and opportunities.	13, 17, 31, 33, 39, 40, 43, 44, 47, 48, 51, 52, 59, 60 AR		
2.1 Name of the organization.	Title Page AR		
2.2 Main brands, products and/or services.	28-35 AR		
2.3 Operative structure of the organization, including main divisions, operating bodies, subsidiaries and joint ventures.	28-35 AR; 65-69 CAA		
2.4 Location of the organisation's main headquarters	65 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.	35 AR		
2.6 Type of ownership and legal status.	9 CAA		
Profile of the organization			
2.7 Dimensions of the informing organization.	1-2 AR		
2.8 Markets serviced (including geographic breakdown, the sectors supplied and the type of clients/beneficiaries).	28, 30, 32, 34-36 AR		
2.9 Significant changes during the period covered by the Report in size, structure and ownership of the organization.	5 AR		
2.10 Awards and distinctions received during the reporting period.	18, 31, 47, 65, 77, 81, 87, 89, 98 AR		
Report Parameters			
3.1 Period covered by the information contained in the Report (e.g. tax year, 24 calendar year).	Title Page, 5, 127 AR		
3.2 Date of the most recent previous Report (if any).	25, 126 AR		
3.3 Reports presentation cycle (annual, biennial, etc.).	Title Page, 25, 126 AR		

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Indicators	Page No.	Comments	Global Compact
3.4 Contact point for issues relating to the Report or its content.	127 AR		
3.5 Report content definition process, material aspects, priority of the aspects included in the Report.	19-25, 125-126 AR		
3.6 Coverage of the Report (e.g. countries, divisions, subsidiaries, leased installations, joint ventures, suppliers ...)	123 AR		
3.7 Indicate the existence of limitations on the scope or coverage of the Report.	123 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 organizations.	123 AR		
3.9 Data measurement techniques and the bases of calculations, including assumptions and techniques underlying estimations applied to the compilation of the Indicators and other information in the report.	123 AR, 9 CAA		
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).	123 AR		
3.11 Significant changes from previous reporting periods in the scope, boundary, or measurement methods applied in the report.	123 AR		
3.12 Table identifying the location of the Standard Disclosures in the report.	3, 128-136 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 organization and the assurance provider(s).	Verification		
Governance, Commitments and Engagement			
4.1 Governance structure of the organization, including committees under the highest governance body responsible for specific tasks, such as setting strategy or organizational oversight.	10-11 AR; CG		
4.2 Indicate whether the Chairman of the highest governance body is also an executive officer (and, if so, their function within the organization's management and the reasons for this arrangement).	7 CG		
4.3 For organizations that have a unitary board structure, state the number of members of the highest governance body that are independent and/ or non-executive members.	7 CG		
4.4 Mechanisms for shareholders and employees to provide recommendations or direction to the highest governance body.	63 AR; 12 CG		
4.5 Linkage between compensation for members of the highest governance body, senior managers, and executives (including departure arrangements), and the organization's performance (including social and environmental performance).	14, 19 CG		
4.6 Processes in place for the highest governance body to ensure conflicts of interest are avoided.	17, 41, 53 CG		
4.7 Process for determining the qualifications and expertise of the members of the highest governance body for guiding the organization's strategy on economic, environmental, and social topics.	13, 49-50 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.	14, 19, 26-27, 113-114, 122 AR		

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Indicators	Page No.	Comments	Global Compact
4.9 Procedures of the highest governance body for overseeing the organization'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.	14,19, 26-27, 113-114, 122 AR; 43-44 CG		
4.10 Processes for evaluating the highest governance body's own performance, particularly with respect to economic, environmental, and social performance.	14,19, 26-27, 113-114, 122 AR; 43-44 CG		
4.11 Explanation of whether and how the precautionary approach or principle is addressed by the organization.	19-25, 123 AR		Principle 7
4.12 Externally developed economic, environmental, and social charters, principles, or other initiatives to which the organization subscribes or endorses.	114-121 AR		
4.13 Memberships in associations (such as industry associations) and/or national/international advocacy organizations which the organization supports.	110, 115, 119-120 AR		
4.14 List of stakeholder groups engaged by the organization.	61 AR		
4.15 Basis for identification and selection of stakeholders with whom to engage.	123-126 AR		
4.16 Approaches to stakeholder engagement, including frequency of engagement by type and by stakeholder group.	123-126 AR		
4.17 Key topics and concerns that have been raised through stakeholder engagement, and how the organization has responded to those key topics and concerns, including through its reporting.	83, 123-126 AR		
ECONOMIC DIMENSION			
Information about the management focus	9-25, 123 AR		
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.	1-2 17, 114-120 AR; 6 CAA		
EC2 Financial implications and other risks and opportunities for the organization's activities due to climate change.	20, 33, 40, 44, 108 AR		
EC3 Coverage of the organization's defined benefit plan obligations.	85 AR		
EC4 Significant financial assistance received from government.	5, 18, 30, 41 CAA		
EC5 Range of ratios between standard entry level wage and local minimum wage at significant operation locations.	N/A	Indra's information systems currently do not allow this information to be obtained. Measuring this indicator is not a short-term priority for the company.	
EC6 Policy, practices, and proportion of spending on locally-based suppliers at significant locations of operation.	97-99 AR		
EC7 Procedures for local hiring and proportion of senior management hired from the local community at significant locations of operation.		HR has a structure to recruit professionals in the countries where it operates.	

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Indicators	Page No.	Comments	Global Compact
EC8 Development and impact of infrastructure investments and services provided primarily for public benefit through commercial, in-kind, or pro bono engagement.	39, 119-120 AR		
EC9 Understanding and describing significant indirect economic impacts, including the extent of impacts. .	20, 31, 52 119-120 AR		
ENVIRONMENTAL DIMENSION			
Information on the management approach.	19-25, 123 AR		
EN1 Materials used by weight or volume.	105-106 AR		
EN2 Percentage of materials used that are recycled input materials.	105-106 AR		Principle 8 Principle 9
EN3 Direct energy consumption by primary energy source.	105-106 AR		
EN4 Indirect energy consumption by primary source.	105-106 AR		
EN5 Energy saved due to conservation and efficiency improvements.	105-106 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.	33, 40, 44, 108 AR		Principle 8 Principle 9
EN7 Initiatives to reduce indirect energy consumption and reductions achieved.	100-108 AR		Principle 8 Principle 9
EN8 Total water withdrawal by source.	105-106 AR		
EN9 Water sources significantly affected by withdrawal of water.	105-106 AR		
EN10 Percentage and total volume of water recycled and reused.	N/Ap	Water has not been reused or recycled.	Principle 8 Principle 9
EN11 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 has its centres on urban land, and as such has no impact on protected natural areas and/or on biodiversity.	
EN12 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 has its centres on urban land, and as such has no impact on protected natural areas and/or on biodiversity.	
EN13 Protected or restored habitats.	N/Ap	Indra has its centres on urban land, and as such has no impact on protected natural areas and/or on biodiversity.	Principle 8
EN14 Strategies, current actions, and future plans for managing impacts on biodiversity.	N/Ap	Indra has its centres on urban land, and as such has no impact on protected natural areas and/or on biodiversity.	Principle 8

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Indicators	Page No.	Comments	Global Compact
EN15 Number of IUCN Red List species and national conservation list species with habitats in areas affected by operations, by level of extinction risk.	N/Ap	Indra has its centres on urban land, and as such has no impact on protected natural areas and/or on biodiversity.	
EN16 Total direct and indirect greenhouse gas emissions by weight.	101 AR		
EN17 Other relevant indirect greenhouse gas emissions by weight.	N/A	At present, Indra does not monitor the trips and travel using vehicles not owned by the group. Indra expects to develop in the medium term a system to estimate emissions. 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.	100, 101, 104, 107-108 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 has its centres on urban land, and as such has no impact on protected natural areas and/or on biodiversity.	Principle 8
EN22 Total weight of waste by type and disposal method.	105-106 AR		Principle 8
EN23 Total number and volume of significant spills.	N/Ap	There have been no significant spills registered.	
EN24 Weight of transported, imported, exported, or treated waste deemed hazardous under the terms of the <i>Basel Convention</i> Annex I, II, III, and VIII, and percentage of transported waste shipped internationally.	N/Ap	The company does not transport, import or treat hazardous waste.	
EN25 Identity, size, protected status, and biodiversity value of water bodies and related habitats significantly affected by the reporting organization's discharges of water and runoff.	N/Ap	Indra has its centres on urban land, and as such has no impact on protected natural areas and/or on biodiversity.	
EN26 Initiatives to mitigate environmental impacts of products and services, and extent of impact mitigation.	30, 40, 44 AR		Principle 8 Principle 9
EN27 Percentage of products sold and their packaging materials that are reclaimed by category.	102 AR		Principle 8 Principle 9

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Indicators	Page No.	Comments	Global Compact
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 ISO 14001 certified workplaces.	
EN29 Significant environmental impacts of transporting products and other goods and materials used for the organization's operations, and transporting members of the workforce.	N/Ap	Due to the company's activity, the environmental impact of transporting products is irrelevant.	
EN30 Total environmental protection expenditures and investments by type.	103 AR		Principle 8

SOCIAL DIMENSION

Labour practices and work ethic

	Information about the management focus.	19-25, 123 AR	
LA1	Total workforce by employment type, employment contract, and region.	84-85 AR	
LA2	Total number and rate of employee turnover by age group, gender, and region.	84-85 AR	Principle 6
LA3	Benefits provided to full-time employees that are not provided to temporary or part-time employees, by major operations.	73-79, 85 AR	
LA4	Percentage of employees covered by collective bargaining agreements.	77%	Principle 3
LA5	Minimum notice period(s) relating to significant operational changes, including whether it is specified in collective agreements.		Principle 3 Indra strictly complies with the Spanish legislation and, in particular, the <i>Workers' Statute</i> , in relation to communicating organisational changes to the workers' legal representatives.
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. .	82-85 AR	
LA7	Rates of injury, occupational diseases, lost days, and absenteeism, and number of work-related fatalities by region.	85 AR	
LA8	Education, training, counseling, prevention, and risk-control programs in place to assist workforce members, their families, or community members regarding serious diseases.	82-85 AR	
LA9	Health and safety topics covered in formal agreements with trade unions.	82-85 AR	
LA10	Average hours of training per year per employee by employee category.	85 AR	Principle 6
LA11	Programs for skills management and lifelong learning that support the continued employability of employees and assist them in managing career endings.	73 AR	
LA12	Percentage of employees receiving regular performance and career development reviews.	84-85 AR	

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Indicators	Page No.	Comments	Global Compact
LA13 Composition of governance bodies and breakdown of employees per category according to gender, age group, minority group membership, and other indicators of diversity.	10-11, 84-85 AR		Principle 6
LA14 Ratio of basic salary of men to women by employee category.	84 AR		Principle 6
Human Rights performance indicators			
Information about the management approach	19-25, 123 AR		
HR1 Percentage and total number of significant investment agreements that include human rights clauses or that have undergone human rights screening.	119-120 AR		Principle 1 Principle 2
HR2 Percentage of significant suppliers and contractors that have undergone screening on human rights and actions taken.	97 AR		Principle 1 Principle 2
HR3 Total hours of employee training on policies and procedures concerning aspects of human rights that are relevant to operations, including the percentage of employees trained.	N/A	The policies and procedures relating to human rights are available for employees through the corporate intranet.	Principle 1
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.	21 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.	21 AR	The company's activity and its operations do not imply such risks.	Principle 1 Principle 4
HR8 Percentage of security personnel trained in the organization's policies or procedures concerning aspects of human rights that are relevant to operations.	N/A	Indra outsources its security services. Through the supplier relationship principles framework it encourages its suppliers to promote and protect human rights.	Principle 1 Principle 2
HR9 Total number of incidents of violations involving rights of indigenous people and actions taken.	N/Ap	The company's activity and its operations do not imply such risks.	Principle 1
Society performance indicators			

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Indicators	Page No.	Comments	Global Compact
Information about the management approach.	19-25, 123 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.	112-120 AR		
S02 Percentage and total number of business units analysed for risks related to corruption. .	24-29 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 2008 form part of the 2008-2012 plan.	Principle 10
S03 Percentage of employees trained in organization's anti-corruption policies and procedures.		The <i>Professional Code of Conduct</i> , 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 registered this type of incident in the companies Indra Sistemas, Indra EMAC, Indra Sistemas de Seguridad, Indra Espacio, Indra Portugal, Europraxis, Indra Software Labs, IP Sistemas, Metradis, Indra Sistemas de Comunicaciones Seguras and ALG. t	Principle 10
S05 Public policy positions and participation in public policy development and lobbying.		Indra has not performed any action aimed at modifying government policies. Indra's relations with the authorities are based on commercial interests, and are aimed at obtaining contracts, subsidies and grants, always within the strictest legal framework. In 2008 the Indra subsidiaries in the USA have made payments to legal practises, given that it is the means in that country to obtain contracts, subsidies and grants. These contributions have been carried out complying with the legislation in force, through the public declaration of these activities. This information is available at http://soprweb.senate.gov/index.cfm?event=selectfields	
S06 Total value of financial and in-kind contributions to political parties, politicians, and related institutions by country.		Indra does not make financial contributions or contributions in kind to political parties or institutions.	
S07 Total number of legal actions for anti-competitive behaviour, anti-trust, and monopoly practices and their outcomes.		In 2008, Indra has registered a preliminary diligence demand for a possible further action for disloyal competition.	
S08 Monetary value of significant fines and total number of non-monetary sanctions for non-compliance with laws and regulations.		In 2008 Indra registered sanctions and fines totalling 321,025 €.	

Indicators		Page No.	Comments	Global Compact
Product Liability performance indicators				
	Information on management approach.			
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.	25-29, 90-91, 123 AR		
PR2	Total number of incidents of non-compliance with regulations and voluntary codes concerning health and safety impacts of products and services during their life cycle, by type of outcomes.	N/Ap	There have been no significant incidents nor fines.	
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.	
PR4	Total number of incidents of non-compliance with regulations and voluntary codes concerning product and service information and labelling, by type of outcomes.	N/Ap	Indra has not registered any non-compliance.	
PR5	Practices related to customer satisfaction, including results of surveys measuring customer satisfaction.	93 AR		
PR6	Programs 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.	
PR7	Total number of incidents of non-compliance with regulations and voluntary codes concerning marketing communications, including advertising, promotion, and sponsorship by type of outcomes.	N/Ap	Indra has not registered any incidents.	
PR8	Total number of substantiated complaints regarding breaches of customer privacy and losses of customer data.	N/Ap	Indra has not registered any complaints.	
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.	



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Independent Review Report of the Indra 2008 Annual Report according to the ISAE 3000 Standard

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

To the management of Indra Sistemas, S.A. (hereinafter Indra)

Introduction

We have been engaged by Indra to review the non-financial information corresponding to the year 2008, included in its 2008 Annual Report (hereinafter the Report), which is available to the general public and whose scope is described in the chapter entitled Principles governing this Report.

The contents, preparation and maintenance of the information systems that provide the data, as well as the integrity of the Indra Report, are the responsibility of Indra Management.

Scope

In the Report, Indra describes the efforts and progress it has made towards a more sustainable development. Our responsibility has been to review the Report, assure appropriate application of both the AA1000 Assurance Standard (2003), (AA1000 AS) and the Global Reporting Initiative Version 3 (GRI G3) Guidelines based on Indra's level of self-declaration, and to offer readers a limited level of assurance in relation to the verification of non-financial information, according to the ISAE 3000 standard (International Standard for Assurance Engagements), that:

- The quantitative data has been reliably obtained
- The qualitative information is adequately supported by internal or third-party documentation
- The AA1000 AS (2003) standard has been applied and that the Report follows the GRI G3 Guidelines for A+ level of application, whose self declaration has received the confirmation from Global Reporting Initiative.

Review criteria

Our work has been carried out in accordance with ISAE 3000: *Assurance Engagements other than Audits or Reviews of Historical Financial Information*, issued by the International Auditing and Assurance Standards Board (IAASB), and the Guidelines for Engagements in the Revision of Corporate Responsibility Reports from the Spanish Institute of Registered Auditors (ICJCE). Among other requirements, compliance with these norms requires the following:

- The engagement has been carried out with a team specialised in assurance and corporate sustainable development. In accordance with the aforementioned norms, this engagement complies with KPMG's independence policy, which is based on the IFAC Code of Ethics for Professional Accountants.
- The procedures undertaken are substantially fewer than those of a reasonable assurance procedure, and consequently the assurance provided is also lower. Under no circumstances may this report be understood as an audit report.

In our review we have followed Indra's criteria for application of the AA1000 AS (2003) standard and GRI G3 principles, as described in the chapter entitled Principles governing this Report.

Work performed

a) Quantitative data and other qualitative information included in the Report

We have reviewed the reliability of the quantitative data and other qualitative information included in the Report as described in the scope, basing our review on the following activities:

- Interviews with personnel responsible for the systems providing information included in the Report.
- Review of the systems used to generate, aggregate and facilitate the data.
- Analysis of the scope and manner in which information is presented.
- Review by sampling of the calculations carried out at corporate level and their consistency.
- Verification that other information included in the Report is adequately supported by internal or third-party documentation.

b) Review of the alignment of criteria and principles for defining the contents of the Report and its scope based on AA1000 AS (2003) and GRI G3 Guidelines

Documentation of the criteria and procedures used to define the contents of the Report has been reviewed in accordance with the scope described.

The criteria for presentation of the aforementioned information in terms of scope, including possible scope limitations, significance, and data integration and aggregation methods based on Indra's interests in the different Group companies, are described in general in the Principles governing this Report chapter and specifically in the different sections on the presentation of non-financial information.

Conclusions

Based on the work described above, we have not observed circumstances indicating that the data included has not been obtained by reliable means, that the information is not fairly stated. We have also not identified any significant omissions or differences in the information reviewed.

KPMG Asesores, S.L.

(Signed)

José Luis Blasco Vázquez
Partner

25 May 2009