

Alcobendas, July 29th 2011

COMISION NACIONAL DEL MERCADO DE VALORES

C/ Miguel Angel, 11
28010 Madrid

Dear Sirs,

In accordance to article 82 of the Spanish Ley del Mercado de Valores (Stock Exchange Law), we hereby inform you of the following facts relating to this Company:

Indra has reached an agreement for the acquisition, through Indra Brasil, of 100% of the shares of Politec Tecnologia da Informação S.A., owned by its founding partners ⁽¹⁾ with a 84.66% stake; Mitsubishi Corporation with a 8.77% stake, being the remaining 6.57% owned by other minority shareholders.

Politec is one of the largest companies in the Brazilian IT Services sector, with 40 years experience and a solid position in the verticals of Energy and Industry, Financial Services and Public Administrations, having reached sales of c. 400 R\$M (approximately 180 €M) in 2010, and employing 5,000 professionals with a broad sales force network across the most relevant Brazilian states.

Indra has paid in the last years a special attention to the Brazilian market, where it is present through its 100% owned subsidiary Indra Brasil⁽¹⁾, whose revenues in 2010 reached 157 R\$M (approximately 70 €M) employing 1,000 professionals.

The agreement reached implies the following transactions:

- Indra will contribute 100 R\$M in capital to its subsidiary Indra Brasil
- Acquisition of the 6.57% minority shareholder stake of Politec for 4.5 R\$M (approximately 2 €M), payable at the closing of the transaction; this implies an EV/2010 Sales multiple of 0.6x
- Acquisition of the 93.43% stake of Politec owned by the founding partners and Mitsubishi Corporation, with payment in 2014, for 219.5 R\$M (approximately 98 €M) on the basis that Politec and Indra Brasil reach together in 2013 revenues of 1,000 R\$M (22% 2010-13 CAGR) and an EBIT margin of 9%. This price implies, estimating a joint net debt of 90 R\$M at the end of 2013, an EV/2013 Sales multiple of 0.9x.

(1) Indra Brasil does not include the activities of national security and defence, air traffic Management, ground transport and traffic, balloting, and strategic consulting

This price could be adjusted upwards or downwards depending, additionally to the variations in the net debt, on the actual evolution of both revenues and EBIT margin. If the revenues are the ones mentioned in the previous paragraph and the EBIT margin were 8%, the price would be adjusted downwards implying an EV/2013 Sales multiple of 0.5x; if the EBIT margin were 10%, such multiple would be 1.1x.

It is expected to close the acquisition before September 30th, 2011.

With the acquisition of Politec Indra will become in a top tier player in the Brazilian IT services market, with pro-forma revenues of 557 R\$M (approximately 250 €M) and a diversified position in the main vertical markets.

This transaction generates significant revenue synergies both from cross selling of Indra's solutions portfolio through Politec's sales network and client base and from the possibility to undertake larger projects. Additionally, it strengthens Indra's potential to grow in the Security & Defense and Transport & Traffic markets.

With the acquisition of Politec, Brazil will be Indra's second largest country (10% of revenues), turning Latam (22% of revenues) into the first regional market within Indra's international activities, which represents already 47% of total revenues.

The transaction is expected to be accretive to earnings per share in 2013 and thereafter, having a neutral impact on earnings per share in 2012. Additionally, the ROCE of the transaction is expected to be above Indra's WACC already in 2012.

Indra will publish in its web page and will file with the CNMV a presentation with information on the transaction

Sincerely yours,

Juan Carlos Baena