



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

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

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

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

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

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

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

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

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

Based on the procedures performed, as described above, nothing has come to our attention that causes us to believe that the data included in the Annual Report of Indra Sistemas, S.A. for the year ended 31 December 2009 have not been reliably obtained, that the information has not been fairly presented, or that significant discrepancies or omissions exist, nor that the Report is not prepared, in all material respects, in accordance with the Sustainability Reporting Guidelines (G3) of the Global Reporting Initiative as described in the chapter entitled The principles governing this report. Additionally, and also based on the procedures performed, as described above, nothing has come to our attention that as a result of Indra implementing the procedures described in the chapter entitled The principles governing this report, any material issues have been omitted as applies to the principles of inclusivity, materiality and responsiveness as included in the AA1000 AccountAbility Principles Standard 2008.

Under separate cover, we will provide Indra management with an internal report outlining our complete findings and areas for improvement. Without prejudice to our conclusions presented above, we present some of the key observations and areas for improvement below:

In relation to the INCLUSIVITY principle

Indra identifies and classifies its stakeholders at a corporate level through an internal process which is reviewed annually and that was initiated in 2003. It is recommended that Indra continues working to formalize the stakeholder identification and prioritization process. This procedure should provide more useful information for stakeholder management in the context of the design of the Corporate Responsibility Master Plan.

In relation to the MATERIALITY principle

Indra has a Corporate Responsibility Master Plan for the period of 2009-2010 which is reviewed and updated yearly. Its objective is to include the issues considered to be most relevant for each of Indra's Corporate Responsibility management areas. We recommend systematizing and documenting the process to identify the issues of most relevance, as well as the criteria used, enabling better coverage and consistency in the periodic revisions of the Plan.

In relation to the RESPONSIVENESS principle

Indra's different management areas capture stakeholders' opinions on the actions taken as a response to their needs. It is recommended that Indra continue working on its stakeholder dialogue, as well as documenting the implementation of the responses and following up on postponed or discarded initiatives.

KPMG Asesores, S.L.

(Signed)

José Luis Blasco Vázquez
Partner

18 May 2010

