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CONSOLIDATED ANNUAL ACCOUNTS

CONSOLIDATED STATEMENTS OF FINANCIAL POSITION AT 31 DECEMBER 2013 AND 2012 (IN THOUSANDS OF EUROS)

Assets	Note	2013	2012
Property, plant and equipment	6	140,778	163,139
Investment property	7	3,363	3,250
Goodwill	8	605,943	645,291
Other intangible assets	9	285,926	280,325
Equity-accounted investees	11	7,925	10,011
Non-current financial assets	12	71,534	58,525
Deferred tax assets	36	175,045	164,118
Total non-current assets		1,290,514	1,324,659
Assets held for sale	10 and 17	7,572	9,082
Inventories	13	416,460	417,191
Other financial assets	14	97,582	97,665
Current tax assets	36	39,930	54,871
Trade and other receivables	15	1,649,742	1,782,646
Cash and cash equivalents	16	363,071	69,829
Total current assets		2,574,357	2,431,284
Total assets		**3,864,871**	**3,755,943**

Equity and liabilities	Note	2013	2012
Suscribed capital	18	32,826	32,826
Share premium	18	375,955	375,955
Reserves	18	4,465	3,116
Other own equity instruments	18	16,999	-
Cash flow hedges	18	3,777	(3,898)
Own shares	18	(1,258)	(111)
Translation differences	18	(40,024)	4,671
Retained earnings	18	731,242	676,322
Equity attributable to owners of the Parent		1,123,982	1.088.881
Non-controlling interests	18	10,680	20,735
Total equity		1,134,662	1,109,616
Financial liabilities from issuing bonds and other marketable securities	20	263,913	-
Loans and borrowings	20	525,944	398,116
Other non-current financial liabilities	21	28,068	100,261
Government grants	22	15,969	29,356
Provisions for liabilities and charges	23	99,338	74,953
Deferred tax liabilities	36	104,094	97,729
Total non-current liabilities		1,037,326	700,415
Loans and borrowings	24	195,674	304,988
Trade and other payables	25	1,180,397	1,326,645
Current tax liabilities	36	18,277	18,333
Other liabilities	26	298,535	295,946
Total current liabilities		1,692,883	1,945,912
Total Equity and Liabilities		**3,864,871**	**3,755,943**

CONSOLIDATED INCOME STATEMENTS FOR THE YEARS ENDED 31 DECEMBER 2013 AND 2012 (IN THOUSANDS OF EUROS)

	Note	2013	2012
Revenues	27	2,914,073	2,940,980
Self-conducted assets	-	51,700	70,514
Other income	28	115,777	26,020
Changes in inventories of finished goods and work in progress	-	10,414	77,502
Materials and other supplies used	29	(752,943)	(808,541)
Personnel expenses	30	(1,481,439)	(1,429,454)
Other operating expenses	31	(590,490)	(603,926)
Other losses on non-current assets	32	(16,892)	(4,717)
Amortisation and depreciation	6 and 9	(51,914)	(51,169)
Results from operating activities		**198,286**	**217,209**
Finance income	10	5,644	13,333
Finance costs	10	(69,625)	(67,090)
Share in profit of other investees	33	11,685	427
Net finance cost		**(52,296)**	**53,330**
Profit / (loss) of equity-accounted investees	11	666	(587)
Profit before income tax		**146,656**	**163,292**
Income tax expense	36	(29,968)	(35,726)
Profit for the year		**116,688**	**127,566**
Profit for the year attributable to the Parent		115,822	132,658
Profit/(loss) for the year attributable to non-controlling interests	18	866	(5,092)
Basic earnings per share (in Euros)	19	0.7061	0.8159
Diluted earnings per share (in Euros)	19	0.6972	0.8159

	Note	2013	2012
Profit for the year		**116,688**	**127,566**
Other comprehensive incomel:			
Items that will be reclassified to the income statement:			
Translation differences		(46,153)	18
Cash flow hedges	18	10,910	11,430
Tax effect	18	(3,273)	(3,429)
Other comprehensive income for the year, net of tax		(38,516)	8,019
Total comprehensive income for the year		78,172	135,585
Total comprehensive income attributable to the Parent		78,802	139,893
Total comprehensive income attributable to non-controlling interests		(630)	(4,308)

CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY FOR THE YEARS ENDED 31 DECEMBER 2013 AND 2012

							Other comprehensive income				
	Capital	Share premium	Other reserves	Retained earnings	Own shares	Other own equity instruments	Translation differences	Cash flow hedges	Total	Non-controlling interests	**Total**
Balance at 01.01.12	**32,826**	**375,955**	**8,935**	**648,900**	**(15,187)**		**4,247**	**(9,913)**	**1,045,763**	**21,437**	**1,067,200**
Distribution of 2011 profit:											
– Dividends	-	-	-	(109,255)	-	-	-	-	(109,255)	(174)	**(109,429)**
Transactions with own shares (note 18)	-	-	(1,921)	-	(15,076)	-	-	-	13,155	-	**13,155**
Acquisition from non-controlling interests (note 18)	-	-	(87)	809	-	-	(302)	-	420	695	**1,115**
Other increases and decreases	-		(3,811)	3,210	-		1,435	-	834	3,085	**3,919**
Total comprehensive income for the year	-	-	-	132,658	-	-	(709)	6,015	137,964	(4,308)	**133,656**
Balance at 31.12.12	**32,826**	**375,955**	**3,116**	**676,322**	**(111)**	**-**	**4,671**	**(3,898)**	**1,088,881**	**20,735**	**1,109,616**
Distribution of 2012 profit:											
– Dividends	-	-	-	(55,805)	-	-	-	-	(55,805)	-	**(55,805)**
Transactions with own shares (note 18)	-	-	759	-	(1,147)	-	-	-	(388)	-	**(388)**
Acquisition from non-controlling interests (note 18)	-	-	-	(5,755)	-	-	-	-	(5,755)	(9,936)	**(15,691)**
Issue of compound instruments	-	-	-	-	-	16,999	-	-	16,999	-	**16,999**
Other increases and decreases	-	-	590	658	-	-	-	-	1,248	511	**1,759**
Total comprehensive income for the year	-	-	-	115,822	-	-	(44,695)	7,675	78,802	(630)	**78,172**
Balance at 31.12.13	**32,826**	**375,955**	**4,465**	**731,242**	**(1,258)**	**16,999**	**(40,024)**	**3,777**	**1,123,982**	**10,680**	**1,134,662**

CONSOLIDATED STATEMENTS OF CASH FLOWS FOR THE YEARS ENDED 31 DECEMBER 2013 AND 2012 (IN THOUSANDS OF EUROS)

	2013	2012
Profit for the year	116,688	127,566
Income tax	29,968	35,726
Profit before income tax	146,656	163,292
Adjustments for:		
– Amortisation and depreciation	51,914	51,169
– Provisions, grants and other	(9,602)	(12,219)
– (Profit)/loss of associates	(666)	587
– Net finance cost	60,294	55,253
+ Dividends received	1,117	-
Operating profit before changes in working capital	**249,713**	**258,082**
Changes in trade and other receivables	17,452	67,663
Change in inventories	(3,681)	(85,411)
Changes in trade and other payables	(76,390)	(38,160)
Cash flows used in operating activities	**(62,619)**	**(55,908)**
Income tax paid	(34,912)	(49,293)
Net cash flows from operating activities	**152,182**	**152,881**
Payments for the acquisition of:		
· Property, plant and equipment	(17,922)	(24,127)
· Intangible assets	(56,419)	(62,295)
· Financial assets	(44,921)	(68,108)

Proceeds from the sale of:		
· Property, plant and equipment	8,003	481
· Intangible assets	1,117	344
· Financial assets	30,837	15,258
Interest received	4,369	3,961
Other cash flows from investing activities	9,037	11,153
Cash flows used in investing activities	**(65,899)**	**(123,333)**
Changes in own shares	(2,507)	6,465
Dividends paid to non-controlling interests	(171)	-
Ordinary dividend of the Parent	(55,805)	(109,255)
Increase in grants	3,378	3,825
Increase in loans and borrowings	38,117	105,328
Increase in debt from issuing bonds and other marketable securities	281,103	-
Interest paid	(51,648)	(47,488)
Changes in other investments	(1,530)	435
Net cash flows from/(used in) financing activities	**210,937**	**(40,690)**
Net increase/(decrease) in cash and cash equivalents	**297,220**	**(11,142)**
Cash and cash equivalents at beginning of the year	69,829	81,947
Effect of exchange rate fluctuations on cash and cash equivalents	(3,978)	(976)
Net increase/(decrease) in cash and cash equivalents	297,220	(11,142)
Cash and cash equivalents at year end	**363,071**	**69,829**

1. Nature, Composition and Activities of the Group

The parent of the Group, Indra Sistemas, S.A. (hereinafter the Parent), adopted its present name at an extraordinary shareholders' meeting held on 9 June 1993. Its registered offices are located at Avenida Bruselas 35, Alcobendas (Madrid, Spain).

The Parent is listed on the Madrid, Barcelona, Valencia and Bilbao stock exchanges in Spain (note 18).

The statutory activity of the Parent consists of the design, development, production, integration, operation, repair and marketing of systems, solutions and products based on the use of information technology, as well as the provision of professional services in the areas of business and management consultancy, technological and training consultancy and outsourcing services.

The consolidated companies, their registered offices, activities and the percentage interest held by the Parent in these companies are shown in Appendix I, which forms an integral part of the notes to the consolidated annual accounts for the year ended 31 December 2013.

Details of subsidiaries incorporated by the Group during the year ended 31 December 2013 are as follows:

- On 11 November 2013, the subsidiary Indra BMB Servicios Digitales, S.L. set up a Portuguese company, Indra II Business Process Outsourcing Portugal, Unipersonal Lda., subscribing and paying up 100% of its capital.

  Business process outsourcing (BPO) is Indra II Business Process Outsourcing Portugal, Unipersonal Lda's statutory activity.

Details of subsidiaries incorporated by the Group during the year ended 31 December 2012 are as follows:

- On 13 January 2012 the Parent incorporated the Turkish company Indra Turkey Teknolojileri Çözümleri Anonim Sirketi, subscribing and paying up 100% of its share capital.

  This subsidiary's statutory activity consists of the design, development, production, integration and maintenance of systems, solutions and services based on information technology (computing, electronics and communications).

- On 21 March 2012 the Parent incorporated the Brazilian company Indra Tecnología Brasil Ltda, subscribing and paying 99.99% of its share capital.

  This subsidiary's statutory activity consists of the design, development, production, integration and maintenance of systems, solutions and services based on information, technology: computing, electronics and communications for the air traffic, defence, ground transport and traffic, shipping and railway sectors and for electoral use.

- On 7 May 2012, the subsidiary Indra BMB Servicios Digitales, S.L. set up a Spanish company, Servicios Avanzados Printing & Finishing, S.L., subscribing and paying up 100% of its capital.

  Business process outsourcing (BPO) is Servicios Avanzados Printing & Finishing, S.L.'s statutory activity.

- On 26 November 2012 the Parent incorporated the Saudi company Indra Arabia Company Llc, subscribing and paying 95% of its share capital.

  On the same date, the Group subsidiary Indra Business Consulting, S.L. subscribed and paid up the remaining 5%.

  This subsidiary's statutory activity consists of the design, development, production, integration and maintenance of systems, solutions and services based on information technology (computing, electronics and communications).

Details of investments in subsidiaries divested by the Group during the year ended 31 December 2013 are as follows:

- On 29 January 2013 the subsidiary Prointec, S.A. sold its entire interest in Inserail, S.A. for Euros 2,875 thousand..

Details of investments in subsidiaries divested by the Group during the year ended 31 December 2012 are as follows:

- On 10 January 2012 the Parent sold a 30% stake in its Malaysian subsidiary Indra Technology Solutions Malaysia SBN DHB.

- On 3 February 2012 the Parent sold 100% of the Spanish company Administradora de Archivos, S.A. for Euros 15,210 thousand (see note 8).

  Euros 14,210 thousand was received at the date of sale. The remaining Euros 1,000 thousand was deferred, with payment conditional upon compliance with certain financial indicators in the sold company's annual accounts for 2012.

- On 16 May 2012 the Parent dissolved its investee Longwater Systems Ltd (see note 8).

- On 17 October 2012 the subsidiary Prointec, S.A. dissolved its investee Prointec Hidrógeno, S.L.

Moreover, during the year ended 31 December 2013 the Group increased its percentage ownership of the following subsidiaries, which it already controlled:

- On 14 March 2013 the Parent acquired an additional 1.9% of the share capital of its subsidiary Prointec, S.A. for Euros 2,767 thousand, thereby increasing its percentage ownership to 99.8%.

- On 16 May 2013 the Parent acquired the remaining 25% of the subsidiary Indra Perú, S.A. for Euros 12,357 thousand, thereby becoming the sole shareholder of this company.

- On 23 December 2013 the subsidiary Indra Business Consulting, S.L. (previously Europraxis Atlante, S.L.) agreed to purchase the remaining 20% of its investee Mensor Consultoría y Estrategia, S.L. for Euros 800 thousand. This payment was made on 10 January 2014. As a result of this acquisition, this company is now wholly-owned by the Group.

2. Basis of Presentation and Comparative Information

The accompanying consolidated annual accounts have been prepared by the directors of the Parent on the basis of the accounting records of Indra Sistemas, S.A. and the subsidiaries forming the Indra Group. The consolidated annual accounts for 2013 have been prepared in accordance with International Financial Reporting Standards as adopted by the European Union (IFRS-EU), and other applicable provisions in accordance with article 48 of the Spanish Code of Commerce, to present fairly the consolidated equity and consolidated financial position of Indra Sistemas, S.A. and subsidiaries at 31 December 2013 and consolidated results of operations and changes in consolidated equity and cash flows of the Group for the year then ended.

The Group adopted IFRS-EU on 1 January 2004.

The directors of the Parent consider that the consolidated annual accounts for 2013, authorised for issue on 27 March 2014, will be approved with no changes by the shareholders at their annual general meeting.

The consolidated annual accounts for 2012 were approved by the shareholders at their annual general meeting held on 27 June 2013.

Presentation and format

The figures disclosed in the consolidated annual accounts are expressed in thousands of Euros, the Parent's functional and presentation currency, rounded off to the nearest thousand. Foreign currency transactions are recorded following the principles described in note 4.y)..

Relevant accounting estimates and assumptions

Relevant accounting estimates and judgements and other estimates and assumptions have to be made when applying the Group's accounting principles to prepare the consolidated annual accounts in conformity with IFRS-EU. A summary of the items requiring a greater degree of judgement or which are more complex, or where the assumptions and estimates made are significant to the preparation of the consolidated annual accounts, is as follows:

- As its principal activity, the Group carries out projects commissioned by customers. The Group recognises income and expenses on contracts using the percentage of completion method. This method is based on estimating the total project costs and income, costs to complete the contract, contractual risk and other parameters. Group management reviews all estimates on an ongoing basis and adjusts them accordingly.

- Expenditure on development projects is capitalised under development costs when it is probable that the cost of the asset will be offset by future economic benefits. Intangible assets are amortised based on the best estimates of their useful lives. The estimation of useful lives requires a certain degree of subjectivity, and, to ensure that estimates are adequately supported, they are based on reports prepared by the corresponding technical departments.

- The Group tests goodwill for impairment on an annual basis. The calculation of the recoverable amount of a division to which goodwill has been allocated requires the use of estimates by management. The recoverable amount is the higher of fair value less costs to sell and value in use. The Group generally uses cash flow discounting methods to calculate these values. Cash flow discounting calculations are based on five-year projections that take into consideration past experience and represent management's best estimate of future market performance. From the fifth year cash flows are extrapolated using individual growth rates. The key assumptions employed when determining these values include growth rates, the weighted average cost of capital and tax rates (see note 8).

- The Group estimates the useful lives of property, plant and equipment and intangible assets to calculate the corresponding depreciation and amortisation expenses. Determining the useful life of assets requires estimates of expected technological developments, which implies a significant degree of judgement. Factors such as technological obsolescence, the cancellation of certain projects and other changes in estimated circumstances must be taken into consideration when assessing possible impairment.

- The Group makes provisions for liabilities and charges. The final cost of lawsuits and contingencies may vary depending on the interpretation of the principles, opinions and ultimate evaluations. Any variations in these circumstances could have a significant effect on the amounts recognised under provisions for liabilities and charges.

Although these estimates are calculated based on the best information available at the date on which these consolidated annual accounts were prepared, future events may require changes to these estimates in future years. Any such changes would be made prospectively and the effects recognised in the annual accounts for future years.

First-time application in the consolidated annual accounts for the year ended 31 December 2013 of standards and interpretations approved by the European Union

The standards and interpretations adopted by the European Union that have taken effect in 2013 have not had a significant impact on the consolidated annual accounts of the Parent.

The standards applied for the first time in the consolidated annual accounts for the year ended 31 December 2013 are as follows:

- Amendment to IAS 1 Presentation of Financial Statements.

  Items presented in other comprehensive income must be classified distinguishing between items that may subsequently be taken to income and those that will not.

Mandatory for annual periods beginning on or after 1 July 2012. The Parent has amended its presentation of the consolidated statement of comprehensive income for 2012 included in the consolidated annual accounts for that year

- IAS 19 (revised) Employee Benefits

  Eliminates the option of recognising actuarial gains and losses on defined contribution pension plans in the income statement (corridor method) and requires them to be recognised in other comprehensive income (equity) and amends the Concept of expected returns on plan assets.

Mandatory for annual periods beginning on or after 1 January 2013.

- Amendments to IFRS 7 Financial Instruments: Disclosures - Offsetting Financial Assets and Financial Liabilities:

  Clarifies disclosure requirements on rights for offsetting financial assets and liabilities..

Mandatory for annual periods beginning on or after 1 January 2013

- Amendment to IAS 12 Income Taxes - Deferred Tax: Recovery of Underlying Assets..

  An exception was introduced to the valuation principle established in this standard through a rebuttable presumption that the carrying amount of investment property measured at fair value is recovered through the sale and the entity must use the tax rate applicable to the sale of the underlying asset

Mandatory for annual periods beginning on or after 1 January 2013.

- IFRS 13 Fair Value Measurement..

  Establishes a framework for measuring fair value, and provides exhaustive guidelines on methods for measuring the fair value of financial and non-financial assets and liabilities. IFRS 13 is applied when another IFRS requires or permits measurement at fair value or requires disclosure of information on fair values.

Mandatory for annual periods beginning on or after 1 January 2013.

- Annual Improvements to International Financial Reporting Standards (IFRS), 2009-2011 Cycle.

  Aimed at a addressing a number of issues deriving from possible inconsistencies in International Financial Reporting Standards (IFRS) or the need for clearer wording, amending the following standards:

  - IFRS 1 First-time Adoption of International Financial Reporting Standards.
  - IAS 1 Presentation of Financial Statements.
  - IAS 16 Property, Plant and Equipment.
  - IAS 32 Financial Instruments.

Mandatory for annual periods beginning on or after 1 January 2013.

The amendments to the standards referred to above, which have been applied for the first time in these consolidated annual accounts, have not had a significant impact thereon.

Standards and interpretations to be applied for the first time from 2014

At the date of authorisation for issue of these consolidated annual accounts, the following standards and interpretations have been published by the IASB but are not yet effective, either because they come into effect after the date of these consolidated annual accounts or because they have not yet been adopted by the European Union:

- IFRS 10 Consolidated Financial Statements".

  Provides a single consolidation model that identifies control as the basis for consolidation for all types of entities. This standard replaces IAS 27 Consolidated and Separate Financial Statements and SIC-12 Consolidation - Special Purpose Entities.

- IFRS 11 Joint Arrangements.

  Redefines the Concept of joint control in line with the definition of control provided in IFRS 10 Consolidated Financial Statements. Eliminates the option of accounting for joint arrangements using proportionate consolidation. This standard replaces IAS 31 Interests in Joint Ventures and SIC 13 Jointly Controlled Entities – Non-Monetary Contributions by Venturers.

Following application of IFRS 11 Joint Arrangements, the financial statements of joint ventures that were proportionately consolidated prior to the entry into force of this standard must now be accounted for using the equity method. Had this standard been early-applied during 2013, revenues would have amounted to Euros 2,901,167 thousand and results from operating activities would have totalled Euros 199,250 thousand.

- IFRS 12 Disclosure of Interests in Other Entities.

  Unifies and reinforces the disclosure requirements applicable to subsidiaries, joint arrangements, associates and unconsolidated structured entities previously included in IAS 27 Separate Financial Statements, IAS 28 Investments in Associates and Joint Ventures and IAS 31 Interests in Joint Ventures.

- IAS 27 (revised) Separate Financial Statements.

  Standard amended due to the issue of IFRS 10 Consolidated Financial Statements and IFRS 12 Disclosure of Interests in Other Entities, with the aim of limiting the contents of this IAS to accounting for investments in subsidiaries, jointly controlled entities, and associates in the separate financial statements.

- IAS 28 (revised) Investments in Associates and Joint Ventures.

  Standard amended due to the issue of IFRS 11 Joint Arrangements and IFRS 12 Disclosure of Interests in Other Entities with the aim of unifying the definitions and other clarifications provided in these new International Financial Reporting Standards (IFRS).

- Amendments to IFRS 10 Consolidated Financial Statements, IFRS 11 Joint Arrangements and IFRS 12 Disclosure of Interests in Other Entities.

  The amendments provide additional transition relief in IFRS 10 Consolidated Financial Statements, IFRS 11 Joint Arrangements and IFRS 12 Disclosure of Interests in Other Entities, limiting the requirement to provide adjusted comparative information to only the preceding comparative period.

Furthermore, for disclosures related to unconsolidated structured entities, the amendments will remove the requirement to present comparative information for periods before IFRS 12 Disclosure of Interests in Other Entities is first applied.

- Amendments to IAS 32 Financial Instruments: Presentation - Offsetting Financial Assets and Financial Liabilities.

  Clarifies the requirements for offsetting financial assets and financial liabilities with a view to eliminating inconsistencies in the application of annual offsetting criteria in IAS 32.

- Amendment to IAS 36 Impairment of Assets.

  Clarifies that the disclosure of information about the recoverable amount of assets, if that amount is based on fair value less costs of disposal, should be limited to impaired assets only.

- Amendment to IAS 39 Financial Instruments: Recognition and Measurement in the document "Novation of Derivatives and Continuation of Hedge Accounting".

  Clarifies that there would be no need to discontinue hedge accounting if a hedging derivative was novated, i.e. where a central counterparty replaces a counterparty in a derivative designated as a hedging instrument as a consequence of laws or regulations.

- IFRS 9 Financial Instruments and subsequent amendments.

  Constitutes the first step in the project to replace IAS 39 Financial Instruments: Recognition and Measurement and will apply to the classification and measurement of financial assets and financial liabilities, as defined in IAS 39.

- Amendments to IAS 19 Employee Benefits. Defined Benefit Plans: Employee Contributions.

  The objective of these amendments is to simplify the accounting of employee contributions to defined benefit plans that are independent of the number of years of employee service. As a result, these contributions may be recognised as a reduction in the service cost in the year in which the service is rendered, rather than attributing contributions to all years of employee service.

- Annual Improvements to International Financial Reporting Standards (IFRS), 2010-2012 Cycle.

  Aimed at a addressing a number of issues deriving from possible inconsistencies in International Financial Reporting Standards (IFRS) or the need for clearer wording, including amendments to the following standards:

  - IAS 16 Property, Plant and Equipment.
  - IAS 38 Intangible Assets.
  - IAS 24 Related Party Disclosures.
  - IFRS 2 Share-based Payment.
  - IFRS 3 Business Combinations.
  - IFRS 8 Operating Segments.

- Annual Improvements to International Financial Reporting Standards (IFRS),

  Aimed at a addressing a number of issues deriving from possible inconsistencies in International Financial Reporting Standards (IFRS) or the need for clearer wording, including amendments to the following standards:

  - IAS 40 Investment Property.
  - IFRS 1 First-time Adoption of IFRS.
  - IFRS 3 Business Combinations.
  - IFRS 13 Fair Value Measurement

- Interpretation of the IFRS Interpretations Committee (IFRIC 21) Levies

  This interpretation of IAS 37 Provisions, Contingent Liabilities and Contingent Assets provides guidance on when to recognise a liability for a government levy, other than income tax, in financial statements.

  The directors have assessed the potential impact of applying these standards in the future and, with the exception of IFRS 11 as described above, do not consider that they will have a significant effect on the consolidated annual accounts when they enter force.

  The Group has not opted for the early adoption of any of the IFRSs that have already been issued but have not yet come into effect.

Comparative information

As required by IFRS-EU, these consolidated annual accounts for 2013 include comparative figures for the prior year.

The consolidated statement of comprehensive income for 2012 has been restated pursuant to IAS 1, insofar as this standard has amended the presentation criteria for items of other comprehensive income, requiring these items to be grouped into those that will not and those that will be subsequently reclassified to profit or loss.

3. Distribution of Profit

The directors of the Parent will propose to the shareholders at their ordinary general meeting that profit for the year be distributed as follows:

	Thousands of Euros
Basis of allocation	
Profit of the Parent for 2013	108.415
Distribution	
Dividends	55.805
Voluntary reserve	38.695
Goodwill reserve	13.915

The board of directors will propose that, as in 2012, a dividend of Euros 0.34 per share be distributed for 2013.

These dividends, which would total Euros 55,805 thousand if made effective for all shares held (Euros 55,805 in 2012), will be distributed with a charge to profit for 2013.

The directors of the different Group companies have proposed the distribution/ application of these companies' profits/losses for 2013. These proposals are pending approval by the shareholders at their respective ordinary general meetings

4. Significant Accounting Principles

The consolidated annual accounts have been prepared in accordance with International Financial Reporting Standards and their interpretations as adopted by the European Union (IFRS-EU).

The accounting policies set out below have been applied consistently in the periods presented in these consolidated annual accounts.

The most significant principles are as follows:

a) Subsidiaries and business combinations

Subsidiaries are entities over which the Group, either directly or indirectly (through subsidiaries), exercises control. Control is the power to govern the financial and operating policies of an entity so as to obtain benefits from its activities. In assessing control potential voting rights held by the Group or other entities that are exercisable or convertible at the end of each reporting period are considered.

Subsidiaries are consolidated from the acquisition date until the date control ceases.

Subsidiaries are fully consolidated. Therefore, their assets, liabilities, income, expenses and cash flows are included in the consolidated annual accounts after adjusting and eliminating intra-Group transactions.

As permitted by IFRS 1 First-time Adoption of International Financial Reporting Standards, the Group has recognised only business combinations that occurred on or after 1 January 2004, the date of transition to IFRS-EU, using the acquisition method. Entities acquired prior to that date were recognised in accordance with accounting principles prevailing at that time, taking into account the necessary corrections and adjustments at the transition date.

The Group applied IFRS 3 Business Combinations, revised in 2008, to transactions carried out since 1 January 2010.

For business combinations carried out prior to 1 January 2010, the cost of the business combination includes contingent consideration, if this is probable at the acquisition date and can be reliably estimated. Subsequent recognition of contingent consideration or subsequent variations to contingent consideration are recognised as a prospective adjustment to the cost of the business combination.

The Group applies the acquisition method for business combinations.

The acquisition date is the date on which the Group obtains control of the acquiree.

The consideration given in a business combination is calculated as the sum of the acquisition-date fair values of the assets transferred, the liabilities incurred or assumed, the equity instruments issued and any consideration contingent on future events or compliance with certain conditions in exchange for control of the acquiree.

The consideration given excludes any payment that does not form part of the exchange for the acquiree. Since 1 January 2010 acquisition costs have been recognised as an expense when incurred.

Contingent liabilities are recognised until settlement, cancellation or expiration at the higher of the initially recognised amount, less amounts which should be taken to consolidated profit or loss in accordance with revenue recognition criteria, and the amount resulting from provision measurement criteria.

At the acquisition date the Group recognises the assets acquired and liabilities assumed (and any non-controlling interest) at fair value. Non-controlling interests in the acquiree are recognised at the proportionate interest in the fair value of the net assets acquired. These criteria are only applicable for non-controlling interests which grant entry into economic benefits and entitlement to the proportional part of net assets of the acquiree in the event of liquidation. Otherwise, non-controlling interests are measured at fair value or value based on market conditions. Liabilities assumed include any contingent liabilities that represent present obligations arising from past events for which the fair value can be reliably measured. The Group also recognises indemnification assets transferred by the seller at the same time and following the same measurement criteria as the item that is subject to indemnification from the acquired business, taking into consideration, where applicable, the insolvency risk and any contractual limit on the indemnity amount.

Assets and liabilities assumed are classified and designated for subsequent measurement in accordance with the contractual terms, economic conditions, operating or accounting policies and other factors that exist at the acquisition date, except for leases and insurance contracts.

The excess between the consideration transferred, plus the value assigned to non-controlling interests, and the value of net assets acquired and liabilities assumed, is recognised as goodwill. Any shortfall after evaluating the consideration given and the value assigned to non-controlling interests, and after identifying and measuring the net assets acquired, is recognised in profit or loss.

(i) Non-controlling interests

Non-controlling interests are disclosed in consolidated equity separately from equity attributable to shareholders of the Parent. Non-controlling interests' share in consolidated profit or loss for the year (and in consolidated total comprehensive income for the year) is disclosed separately in the consolidated income statement and consolidated statement of comprehensive income.

The consolidated profit or loss for the year (consolidated total comprehensive income for the year) and changes in equity of the subsidiaries attributable to the Group and non-controlling interests after consolidation adjustments and eliminations, is determined in accordance with the percentage ownership at year end, without considering the possible exercise or conversion of potential voting rights and after discounting the effect of dividends, agreed or not, on cumulative preference shares classified in equity accounts. However, Group and non-controlling interests are calculated taking into account the possible exercise of potential voting rights and other derivative financial instruments which, in substance, currently allow access to the economic benefits associated with the interests held, such as entitlement to a share in future dividends and changes in the value of subsidiaries.

The excess of losses attributable to non-controlling interests incurred prior to 1 January 2010, which cannot be attributed to them as such losses exceed their interest in the equity of the subsidiary, is recognised as a decrease in equity attributable to shareholders of the Parent, except when the non-controlling interests are obliged to assume part or all of the losses and are in a position to make the necessary additional investment. Profits obtained in subsequent years are allocated to equity attributable to shareholders of the Parent until the non-controlling interest's share in prior years' losses is recovered.

As of 1 January 2010, profit and loss and each component of other comprehensive income are allocated to equity attributable to shareholders of the Parent and to non-controlling interests in proportion to their investment, even if this results in a balance receivable from non-controlling interests. Agreements entered into between the Group and non-controlling interests are recognised as a separate transaction.

The increase and reduction of non-controlling interests in a subsidiary in which control is retained is recognised as an equity instrument transaction. Consequently, no new acquisition cost arises in increases nor is a gain recorded on reductions, rather, the difference between the consideration transferred or received and the carrying amount of the non-controlling interests is recognised in the reserves of the investor, without prejudice to reclassifying consolidation reserves and reallocating other comprehensive income between the Group and the non-controlling interests. When a Group's interest in a subsidiary diminishes, non-controlling interests are recognised at their share of the consolidated net assets, including goodwill.

The Group recognises put options on interests in subsidiaries extended to non-controlling interests at the date of acquisition of a business combination as an advance purchase of the interests, recognising a financial liability at the present value of the best estimate of the payable, which forms part of the consideration given.

In subsequent years any variation in the financial liability, including the financial component, is recognised in reserves. Any discretionary dividends paid to non-controlling interests before the exercise date of the options are recognised as a distribution of profit. If the options are ultimately not exercised, the transaction is recognised as a sale of interests to non-controlling interests.

Puttable financial instruments and instruments that involve an obligation upon liquidation, and which qualify for classification as equity instruments in the separate financial statements of the subsidiaries, are classified as financial liabilities in the consolidated annual accounts and not as non-controlling interests.

(ii) Provisional values

If it is only possible to determine a business combination provisionally, the identifiable net assets are initially recognised at their provisional amounts and adjustments made over the twelve months following the acquisition date are recognised as if they had been known at that date.

(iii) Other aspects relating to the consolidation of subsidiaries

Transactions and balances with Group companies and unrealised gains or losses have been eliminated upon consolidation. Nevertheless, unrealised losses have been considered as an indicator of impairment of the assets transferred.

The subsidiaries' accounting policies have been adapted to Group accounting policies for like transactions and events in similar circumstances.

The annual accounts or financial statements of the subsidiaries used in the consolidation process have been prepared as of the same date and for the same period as those of the Parent

b) Joint ventures

Joint ventures are those in which there is a contractual agreement to share the control over an economic activity, in such a way that strategic financial and operating decisions require the unanimous consent of the Group and the remaining venturers.

Investments in jointly controlled entities are proportionately consolidated from the date joint control is obtained until the date joint control ceases.

The Group includes its share of assets, liabilities, income, expenses, recognised income and expense and cash flows of the jointly controlled entity, combined line by line with similar items in its consolidated annual accounts, from the date joint control commences.

Reciprocal transactions, balances, income, expenses and cash flows have been eliminated in proportion to the interest held by the Group in joint ventures. All dividends received by the Group have been eliminated.

The Group only recognises the portion of gains and losses on transactions in joint ventures that is attributable to the interests of the other venturers. In the event of losses, the Group applies the same recognition criteria as that described in the previous paragraph.

The Group has made the necessary measurement and timing harmonisation adjustments applying the criteria described for subsidiaries.

c) Equity-accounted investees

Associates are entities over which the Company, either directly or indirectly through subsidiaries, exercises significant influence. Significant influence is the power to participate in the financial and operating policy decisions of the investee but is not control or joint control over those policies. The existence of potential voting rights that are exercisable or convertible at the end of each reporting period, including potential voting rights held by the Group or other entities, are considered when assessing whether an entity has significant influence.

Investments in associates are accounted for using the equity method from the date that significant influence commences until the date that significant influence ceases.

The Group's share of the profit or loss of an associate from the date of acquisition is recognised as an increase or decrease in the value of the investments, with a credit or debit to share of the profit or loss for the year of equity-accounted investees in the consolidated income statement

d) Intangible assets

(iv) Goodwill

Goodwill (see note 8) on business combinations carried out subsequent to the transition date (1 January 2004) is initially measured at an amount equivalent to the difference between the cost of the business combination and the Group's share of the net fair value of the assets acquired and liabilities and contingent liabilities assumed from the acquired subsidiary or joint venture.

Goodwill is not amortised but is tested for impairment annually or more frequently where events or circumstances indicate that an asset may be impaired. Goodwill on business combinations is allocated to the cash-generating units (CGUs) that are expected to benefit from the synergies of the business combination and the criteria described in section h) of this note are applied. After initial recognition, goodwill is measured at cost less any accumulated impairment losses

(v) Other intangible assets

Intangible assets are measured at purchase price or production cost, less any reduction in value as described in section h) of this note. Intangible assets include the following:

- Development expenses: these are direct costs incurred for development work that is specifically attributable to individual projects.

  Expenditure on research, development and innovation projects (R&D&innovation) are recognised directly in the consolidated income statement for the corresponding period, except for costs incurred on development projects, which are capitalised under development costs when the following conditions exist:

  - It is technically feasible and the Group intends to complete the intangible asset so that it will be available for use or sale.
  - The Group is able to use or sell the intangible asset.
  - The intangible asset is likely to generate economic benefits in the future, grants have been received for the development project; or the repayment of loans obtained to finance the development project is conditional upon commercial viability.

» Adequate technical, financial and other resources are available to complete the development and to use or sell the intangible asset.
» The expenditure attributable to the intangible asset during its development can be measured reliably.

Development expenses are only capitalised when there is certainty that, regardless of commercial success, a project is able to generate future income that will offset the costs capitalised on the project.

The cost of completed development projects is transferred to computer software and amortised on the basis of the estimated useful life of the asset.

- Computer software: this is the cost of acquiring computer software or licences, as well as costs related to programs developed by the Group, which are capitalised when these assets contribute to the generation of income.

  Amounts capitalised do not include costs incurred to modify or upgrade programs already used by the Group or expenses arising from review, consultancy and training services provided by third parties in relation to the adoption of a software package.

- Industrial property: this is measured at cost of acquisition and amortised over the period of use of the rights gained through ownership of the industrial property.

  Industrial property acquired in business combinations is recognised at the transaction-date fair value of the identifiable asset

- Useful life and amortisation rates: The Company assesses whether the useful life of each intangible asset acquired is finite or indefinite. An intangible asset is regarded by the Company as having an indefinite useful life when there is no foreseeable limit to the period over which the asset will generate net cash inflows.

  Intangible assets with indefinite useful lives are not amortised, but are instead tested for impairment on an annual basis or whenever there is an indication that the intangible asset may be impaired.

e) Property, plant and equipment

Property, plant and equipment are measured at cost less accumulated depreciation and any accumulated impairment losses. Costs of expansion, modernisation or improvements which increase the productivity, capacity or efficiency or extend the useful lives of assets are capitalised as an increase in the cost of those assets. Repair and maintenance costs are recognised in the consolidated income statement when incurred.

The cost of property, plant and equipment or, where applicable, the value assigned by independent experts is depreciated on a straight-line basis over the following average estimated useful lives:

	Years of useful life
Buildings	50
Technical installations, machinery and other fixtures	10
Furniture	10
Information technology equipment	4
Motor vehicles	7
Other property, plant and equipment	10

f) Investment property

Investment property, including assets under construction or development, is property which is totally or partially held to earn rentals or for capital appreciation or both. Investment property is initially recognised at cost, including transaction costs.

After initial recognition, investment property is measured using the cost or deemed cost criteria applicable to property, plant and equipment. Details of the depreciation method and useful lives are provided in that note.

Lease income is recognised using the criteria described in note i).

g) Foreclosed assets

Non-monetary assets acquired through foreclosure are recognised at the lower of the carrying amount of the related receivables, plus all costs related to the transaction, and the fair value of the non-monetary assets.

If on the date of foreclosure non-monetary assets qualify for classification as non-current assets held for sale, they are recognised at the lower of the carrying amount of the related receivables, plus all costs related to the transaction, and the fair value of the assets received less costs to sell.

h) Impairment of non-financial assets subject to amortisation or depreciation

Impairment testing is carried out annually in the case of goodwill and whenever there is any indication of impairment in the case of assets with finite useful lives. An impairment loss is recognised in the consolidated income statement when the carrying amount of the asset exceeds the recoverable amount, and the carrying amount is reduced to the recoverable amount. The recoverable amount is the higher of fair value less costs to sell and value in use.

To estimate value in use the Group prepares cash flow forecasts based on the best available estimates of income and expenses of cash-generating units, sector forecasts, historical experience and future expectations.

The Group calculates impairment on the basis of the five-year strategic plans of the different cash-generating units to which the assets are allocated, applying expected growth rates and maintaining constant growth as of the fifth year. To calculate the present value of cash flows, these are discounted at a pre-tax rate that considers the cost of capital of the business and of the geographical area in which the business is carried out. This calculation takes into account the present cost of money and the risk premiums generally used for each business and geographical area. The pre-tax rates used in 2013 ranged from 9% to 12%.

In the case of identifiable assets that do not generate cash flows independently, the Group estimates likelihood of recovery of the CGU to which the assets belong.

Reversal of impairment losses incurred on assets, except in the case of goodwill and development expenditure, is recognised as revenue in the consolidated income statement, with an adjustment to the provision associated with the assets. Where the Company has reasonable doubts as to the technical success or financial and commercial feasibility of in-progress development projects, the amounts in the consolidated statement of financial position are recognised directly in losses on the disposal of intangible assets in the consolidated income statement and may not be reversed.

i) Leases

Leases in which the Group assumes substantially all the risks and rewards incidental to ownership are classified as finance leases. At the inception of the finance lease, the Group recognises finance leases as assets and liabilities at the lower of the fair value of the leased asset and the present value of the minimum lease payments. Interest is expensed using the effective interest method.

All other leases are operating leases and the leased assets are not recognised in the consolidated statement of financial position. Lease payments are recognised as an expense on a straight-line basis over the lease term.

Contingent rents are recognised as an expense when it is probable that they will be incurred

j) Financial instruments

(i) Classification of financial instruments

Financial instruments are classified on initial recognition as a financial asset, a financial liability or an equity instrument in accordance with the economic substance of the contractual arrangement and the definitions of a financial asset, a financial liability and an equity instrument in IAS 32 "Financial Instruments: Presentation".

Financial instruments are classified into the following five categories: 1. financial assets and financial liabilities at fair value through profit or loss; 2. loans and receivables; 3. held-to-maturity investments; 4. available-for-sale financial assets; and 5. financial liabilities at amortised cost. Financial instruments are classified into different categories based on the nature of the instruments and management's intentions on initial recognition.

- Financial assets and financial liabilities at fair value through profit or loss

Financial assets and financial liabilities at fair value through profit or loss are those classified as held for trading on initial recognition.

A financial asset or financial liability is classified as held for trading if it:

» Is acquired or incurred principally for the purpose of selling or repurchasing it in the near term;

» Forms part, on initial recognition, of a portfolio of identified financial instruments that are managed together and for which there is evidence of a recent actual pattern of short-term profit-taking; or

» Is a derivative, except for a derivative that is a designated and effective hedging instrument or a financial guarantee contract.

Equity instruments which do not have a quoted price in an active market and for which fair value cannot be measured reliably are not classified in this category.

Financial assets and financial liabilities at fair value through profit or loss are initially recognised at fair value. Transaction costs directly attributable to the acquisition or issue are recognised as an expense when incurred.

After initial recognition, they are recognised at fair value through profit or loss. Fair value is not reduced by transaction costs incurred on sale or disposal.

- Loans and receivables

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market, other than those classified in other financial asset categories. These assets are initially recognised at fair value, including transaction costs, and are subsequently measured at amortised cost using the effective interest method.

- Available-for-sale financial assets

The Group classifies in this category non-derivative financial instruments that are designated as such or which do not qualify for recognition in the aforementioned categories.

Available-for-sale financial assets are initially recognised at fair value plus transaction costs directly attributable to the acquisition.

Following initial recognition, financial assets classified in this category are measured at fair value and any gain or loss is taken to other comprehensive income. On disposal of the financial assets, amounts recognised in other comprehensive income or the impairment loss are reclassified to profit or loss.

- Financial assets carried at cost

Investments in equity instruments whose fair value cannot be reliably measured, and derivative instruments that are linked to and must be settled by delivery of such unquoted equity instruments, are measured at cost. Nonetheless, if the financial assets or liabilities can subsequently be reliably measured on an ongoing basis, they are accounted for at fair value and any gain or loss is recognised in accordance with their classification.

The Group recognises income from investments in equity instruments measured at cost only to the extent that retained earnings accumulated since the acquisition are distributed. Dividends received in excess of such earnings are regarded as a recovery of the investment and are therefore recognised as a reduction in the carrying amount of the investment.

- Financial liabilities

Financial liabilities, including trade and other payables, which are not classified at fair value through profit or loss, are initially recognised at fair value less transaction costs that are directly attributable to the issue of the financial liability. After initial recognition, liabilities classified under this category are measured at amortised cost using the effective interest method.

- Convertible bonds

When compound financial instruments are issued with equity and liability components, the equity component is assigned the residual amount, after deducting from the fair value of the instrument as a whole the liability component, including any derivative financial instrument. The liability component is measured at the fair value of a similar instrument that does not have an associated equity component. Transaction costs relating to the issue of compound financial instruments are allocated to the components based on their relative carrying amount upon classification.

- Offsetting principles

  A financial asset and a financial liability are offset only when the Group currently has the legally enforceable right to offset the recognised amounts and intends either to settle on a net basis or to realise the asset and settle the liability simultaneously.

(ii) Fair value

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date.

The Group generally applies the following systematic hierarchy to determine the fair value of financial assets and financial liabilities:

» Level 1: quoted assets and liabilities in liquid markets.
» Level 2: assets and liabilities whose fair value has been determined using valuation techniques based on observable market assumptions.
» Level 3: assets and liabilities whose fair value has been determined using valuation techniques not based on observable market assumptions.

The risks associated with the asset or liability in question, including the credit risk posed by both the counterparty (credit value adjustment) and the entity itself (debt value adjustment) are taken into account when determining fair value. Any security or collateral or offsetting agreements with the counterparty are also taken into account when calculating credit risk.

(iii) Impairment and uncollectibility of financial assets

An impairment loss is recognised on a financial asset or group of financial assets when there is objective evidence of impairment as a result of one or more events occurring after initial recognition of the asset.

The Group recognises impairment and uncollectibility of loans and receivables and debt instruments by recognising an allowance account for financial assets. When impairment and uncollectibility are considered irreversible, their carrying amount is eliminated against the allowance account. The impairment loss is reversed against the allowance account.

- Impairment of available-for-sale financial assets

  When a decline in the fair value of an available-for-sale financial asset has been accounted for directly in other comprehensive income, the cumulative loss is reclassified to profit and loss when there is objective evidence that the asset is impaired. The impairment loss recognised in profit or loss is calculated as the difference between the acquisition cost, net of any reimbursements or repayment of the principal, and the present fair value, less any impairment loss previously recognised in profit or loss for the year.

  Impairment losses for investments in equity instruments are not reversed through profit or loss. Subsequent increases in the fair value of equity instruments are recognised in other comprehensive income.

  If the fair value of debt instruments increases and the increase can be objectively related to an event occurring after the impairment loss was recognised, the increase is recognised in profit or loss up to the amount of the previously recognised impairment loss and any excess is accounted for in other comprehensive income.

- Derecognition of financial assets

The Group applies the criteria for derecognition of financial assets to part of a financial asset or part of a group of similar financial assets or to a financial asset or group of similar financial assets.

Financial assets are derecognised when the contractual rights to the cash flows from the financial asset expire or have been transferred and the Group has transferred substantially all the risks and rewards of ownership. Where the Group retains the contractual rights to receive cash flows, it only derecognises financial assets when it has assumed a contractual obligation to pay the cash flows to one or more recipients and if the following requirements are met:

» Payment of the cash flows is conditional on their prior collection;
» The Group is unable to sell or pledge the financial asset; and
» The cash flows collected on behalf of the eventual recipients are remitted without material delay and the Group is not entitled to reinvest the cash flows. This criterion is not applicable to investments in cash or cash equivalents made by the Group during the settlement period from the collection date to the date of required remittance to the eventual recipients, provided that interest earned on such investments is passed on to the eventual recipients.

If, as a result of a transfer, a financial asset is derecognised in its entirety, the new financial asset, financial liability or servicing liability are recognised at fair value.

If the transferred asset is part of a larger financial asset, the previous carrying amount of the larger financial asset is allocated between the part that continues to be recognised and the part that is derecognised, including servicing assets, based on the relative fair values of those parts on the date of the transfer.

On derecognition of a financial asset in its entirety, the difference between the carrying amount and the sum of the consideration received, net of transaction costs, including any new asset obtained less any new liability assumed and any cumulative gain or loss deferred in other comprehensive income, is recognised in profit or loss.

If the Group neither transfers nor retains substantially all the risks and rewards of ownership of the financial asset, it determines whether it has retained control of the financial asset. In this case:

» If the Group has not retained control, it derecognises the financial asset and recognises separately as assets or liabilities any rights and obligations created or retained in the transfer.
» If the Group has retained control, it continues to recognise the financial asset to the extent of its continuing involvement therein and recognises an associated liability. The extent of the entity's continuing involvement in the transferred asset is the extent to which it is exposed to changes in the value of the transferred asset. The transferred asset and the associated liability are measured on a basis that reflects the rights and obligations that the Group has retained. The associated liability is measured in such a way that the carrying amount of the transferred asset and the associated liability is equal to the amortised cost of the rights and obligations retained by the Group, if the transferred asset is measured at amortised cost, or to the fair value of the rights and obligations retained by the Group, if the transferred asset is measured at fair value. The Group continues to recognise any income arising on the transferred asset to the extent of its continuing involvement and recognises any expense incurred on the associated liability. Recognised changes in the fair value of the transferred asset and the associated liability are accounted for consistently with each other in profit and loss or equity, following the general recognition criteria described previously, and are not offset.

- Derecognition and modifications of financial liabilities

  The Group derecognises all or part of a financial liability when it either discharges the liability by paying the creditor, or is legally released from primary responsibility for the liability either by process of law or by the creditor.

  The exchange of debt instruments between the Group and the counterparty or substantial modifications of initially recognised liabilities are accounted for as an extinguishment of the original financial liability and the recognition of a new financial liability, providing the instruments have substantially different terms.

  The Group considers the terms to be substantially different if the discounted present value of the cash flows under the new terms, including any fees paid net of any fees received and discounted using the original effective interest rate, is at least 10 per cent different from the discounted present value of the remaining cash flows of the original financial liability.

  The difference between the carrying amount of a financial liability, or part of a financial liability, extinguished or transferred to another party and the consideration paid, including any non-cash assets transferred or liabilities assumed, is recognised in profit or loss.

k) Parent own shares

The Group's acquisition of equity instruments of the parent is recognised separately at cost of acquisition in the consolidated statement of financial position as a reduction in equity, irrespective of the reason for the purchase. Any gains or losses on transactions with own equity instruments are not recognised.

The subsequent redemption of the parent shares entails a capital reduction equivalent to the par value of the shares. Any positive or negative difference between the purchase price and the par value of the shares is debited or credited to reserves.

Transaction costs related to own equity instruments, including issue costs related to a business combination, are accounted for as a reduction in equity, net of any tax effect.

l) Cash and cash equivalents

Cash and cash equivalents include cash on hand and demand deposits in financial institutions. They also include other short-term, highly liquid investments that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value. An investment normally qualifies as a cash equivalent when it has a maturity of less than three months from the date of acquisition.

m) Inventories

Inventories are measured at the lower of cost on a FIFO basis and net realisable value. Work in progress includes the direct cost of labour, materials or services acquired for projects. Materials and services directly attributable to projects are measured at cost, while labour is recognised at standard cost, which does not differ significantly from the actual cost.

n) Receivables

Following initial recognition, receivables are measured at amortised cost using the effective interest method, provided that they have a fixed maturity date that does not fall within the next year.

The Group provides for bad debts when there is objective evidence of impairment losses.

o) Government grants

Non-refundable grants received by the Group to finance research and development costs are recognised by reducing the corresponding asset by the amount received and are taken to income in line with the amortisation of projects capitalised under other intangible assets.

Financial liabilities comprising implicit assistance in the form of below-market interest rates are initially recognised at fair value. The difference between this value, adjusted where necessary for the issue costs of the financial liability and the amount received, is recognised as a government grant based on the nature of the grant awarded.

p) Provisions for Liabilities and Charges

Provisions are recognised when the Group has a present obligation (legal or constructive) as a result of a past event; it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation; and a reliable estimate can be made of the amount of the obligation.

The amount recognised as a provision is the best estimate of the expenditure required to settle the present obligation at the end of the reporting period, taking into account all risks and uncertainties surrounding the amount to be recognised as a provision and, where the time value of money is material, the financial effect of discounting provided that the expenditure to be made each period can be reliably estimated. The discount rate is a pre-tax rate that reflects the time value of money and the specific risks for which future cash flows associated with the provision have not been adjusted at each reporting date.

Single obligations are measured using the individual most likely outcome. When the provision involves a large population of identical items, the obligation is estimated by weighting all possible outcomes by their associated probabilities. Where there is a continuous range of possible outcomes, and each point in that range is as likely as any other, the mid-point of the range is used.

The financial effect of provisions is recognised as a finance cost in profit or loss.

The tax effect and gains on the expected disposal of assets are not taken into account in measuring a provision.

If it is not probable that an outflow of resources will be required to settle an obligation, the provision is reversed. The provision is reversed against the income statement caption in which the related expense was recognised, and any surplus is accounted for in other income.

(i) Provisions for restructuring costs

A provision for restructuring is recognised when the Group has a constructive obligation deriving from a detailed formal plan and it has raised a valid expectation that it will carry out the process by starting to implement the plan or announcing its main features to those affected by it. Restructuring provisions only include the direct expenditures arising from the restructuring which are not associated with the ongoing activities of the Group.

Obligations existing at the reporting date that arose as a result of past events, the amount and settlement date of which are not determined and which could have a negative effect on the Group's equity are recognised as provisions for liabilities and charges under liabilities in the consolidated statement of financial position at the present value of the most probable estimated amount that the Group would be obliged to disburse to settle the obligation.

These provisions are measured at each reporting date based on the best available information on the consequences of the event for which they were recognised.

(ii) Trade provisions

Trade provisions are made to cover the estimated cost of project repairs or revisions during the warranty period.

q) R&D loans

R&D loans are granted to assist the Group's research and development activities. These loans bear zero explicit interest and the repayment schedule generally exceeds five years.

R&D loans are initially recognised under liabilities at the present value of the future cash flows, discounted using market interest rates. The difference between this value and the nominal amount of the loan is recognised as a decrease in the accrued expense. The loan is therefore treated as an operating grant if an expense has been incurred or as a capital grant if no cost has been incurred or has been capitalised.

In subsequent years the loan revaluation is recognised under finance income or costs.

r) Classification of assets and liabilities

Assets and liabilities are classified in the consolidated statement of financial position as current and non-current, as follows:

- Non-current: payables falling due more than twelve months from the date of the statement of financial position, which is the Group's normal operating cycle, and assets which are not expected to be realised, sold or consumed within this time.
- Current: assets expected to be realised, sold or consumed within the Group's normal operating cycle and payables falling due within twelve months of the date of the statement of financial position

s) Income taxes

The income tax expense or tax income for the year comprises current tax and deferred tax.

Current tax is the amount of income taxes payable or recoverable in respect of the consolidated taxable profit or tax loss for the period. Current tax assets or liabilities are measured at the amount expected to be paid to or recovered from the taxation authorities, using the tax rates and tax laws that have been enacted or substantially enacted at the reporting date.

Current and deferred tax are recognised as income or an expense and included in profit or loss for the year, except to the extent that the tax arises from a transaction or event which is recognised, in the same or a different year, directly in equity, or from a business combination.

A deferred tax liability is an amount payable in the future in respect of income tax relating to taxable temporary differences, while a deferred tax asset is an amount recoverable as a result of deductible temporary differences, tax loss carryforwards or deductions pending application. A temporary difference is the difference between the carrying amount of assets and liabilities and their tax base.

Taxable temporary differences are recognised in all cases except where they arise from the initial recognition of goodwill or an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither accounting profit nor taxable income.

Deductible temporary differences are recognised provided that it is probable that sufficient taxable income will be available against which the deductible temporary difference can be utilised, unless the differences arise from the initial recognition of an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither accounting profit nor taxable income.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply to the years when the asset is realised or the liability is settled, based on tax rates and tax laws that have been enacted or substantially enacted. The tax consequences that would follow from the manner in which the Group expects to recover or settle the carrying amount of its assets or liabilities are also reflected in the measurement of deferred tax assets and liabilities.

Deferred tax assets and liabilities are recognised in the consolidated statement of financial position under non-current assets or liabilities, irrespective of the expected date of recovery or settlement.

t) Earnings per share

The Group calculates basic earnings per share using the weighted average number of shares outstanding during the period. Outstanding shares are issued shares not held as own shares. Diluted earnings per share are calculated taking into account the dilutive effect of convertible instruments or instruments with an equity component.

u) Derivative financial instruments and hedge accounting

Derivative financial instruments which qualify for hedge accounting are initially measured at fair value, plus any transaction costs that are directly attributable to the acquisition, or less any transaction costs directly attributable to the issue of the financial instruments. Nonetheless, transaction costs are subsequently recognised in profit and loss providing they do not change the effectiveness of the hedge. Derivatives that do not meet these criteria are classified and measured as financial assets and financial liabilities at fair value through profit or loss.

The Group also records hedges of foreign currency risk of a firm commitment as a cash flow hedge.

At the inception of the hedge the Group formally designates and documents the hedging relationships and the objective and strategy for undertaking the hedges. Hedge accounting is only applicable when the hedge is expected to be highly effective at the inception of the hedge and in subsequent years in achieving offsetting changes in fair value or cash flows attributable to the hedged risk, throughout the period for which the hedge was designated (prospective analysis) and the actual effectiveness, which can be reliably measured, is within a range of 80%-125% (retrospective analysis).

For cash flow hedges of forecast transactions, the Group assesses whether these transactions are highly probable and if they present an exposure to variations in cash flows that could ultimately affect profit or loss.

The Group has arranged forward purchases and sales of foreign currency. These exchange rate insurance contracts are considered as derivative financial instruments that classify for hedge accounting, details of which are as follows.

- In the case of hedges of the exposure of the fair value of foreign currency monetary financial assets and liabilities to currency risk, changes in both the market value of derivative financial instruments designated as hedging instruments and the market value of the hedged item as a result of the hedged exposure are taken to the consolidated income statement.
- In the case of cash flow hedges, changes in the market value of hedging derivative financial instruments are recognised, to the extent that these hedges are effective, in other comprehensive income in the consolidated statement of comprehensive income during the year in which the expected transaction or firm commitment impacts on profit and loss.

As currencies are traded on official markets, the fair value of exchange rate insurance is calculated based on the quoted price of each currency at each reporting date.

The Group has also contracted interest rate hedges to eliminate or significantly reduce these risks. The fair value of interest rate hedges is based on the market values of equivalent derivative financial instruments at the reporting date. All interest rate hedges are also effective as cash flow hedges. The Group recognises the portion of the gain or loss on the measurement at fair value of a hedging instrument that is determined to be an effective hedge in recognised income and expense.

v) Termination benefits

Unless there is just cause, prevailing employment law requires companies to pay termination benefits to employees whose services are discontinued in certain circumstances. Termination benefits are expensed when the decision to terminate employment is approved and announced to the affected parties.

w) Segment reporting

An operating segment is a component of the Group that engages in business activities from which it may earn revenues and incur expenses, whose operating results are regularly reviewed by the Group's chief operating decision maker to make decisions about resources to be allocated to the segment and assess its performance, and for which discrete financial information is available.

The Group's activities are carried out in two main segments:

- Solutions: a wide range of systems, applications and components for compiling, processing, transmitting and presenting data and other information for use in the control and management of complex processes. The Group's solutions business is characterised by its customer-oriented approach and knowledge of the business, and involves a large degree of business consulting and technology services.
- Services: the management and operation of systems and solutions, as well as certain business processes where technology is a strategic element.

Inter-segment pricing is determined on an arm's length basis. The contribution margin, which is the gross margin on projects less costs to sell in the markets in which the Group offers its solutions and services and the cost of completing projects, is used to measure each segment's profit and loss and to take resource allocation decisions.

For consolidation purposes, corporate functions and other activities which cannot be allocated to a specific segment are shown under Corporate (unallocated).

Based on the different characteristics of the geographical areas in which the Group operates, the Group's activities have been divided into the following geographical areas: Spain, Latin America, Europe, the United States and Canada, the Middle East and Africa.

x) Revenue recognition

The Group recognises income on projects using the stage of completion method, which is based on the estimated portion of the total contract completed at the closing date. Accordingly, the total estimated profit is distributed over the period over which the contract is carried out, based on the percentage of completion at each reporting date.

The Group determines the percentage of completion of transactions, which is used as a basis for revenue recognition, as the proportion that contract costs incurred for work performed to date bear to the estimated total contract costs.

Where the amounts billed exceed the income calculated by applying the percentage of total costs incurred, the difference is recognised under advances from customers. Conversely, where the amount billed is lower than the income calculated by applying the percentage of completion method, the unbilled amount is recognised under receivables in the consolidated statement of financial position.

The Group regularly assesses whether any service contracts are onerous and, where applicable, recognises the necessary provisions.

y) Foreign currency transactions and balances

(i) Functional and presentation currency

The figures disclosed in the consolidated annual accounts are expressed in thousands of Euros, the parent's functional and presentation currency, rounded off to the nearest thousand.

(ii) Foreign currency transactions, balances and cash flows

Transactions in foreign currency are translated at the spot exchange rate prevailing at the date of the transaction.

Monetary assets and liabilities denominated in foreign currencies have been translated into the functional currency at the closing rate, while non-monetary assets and liabilities measured at historical cost have been translated at the exchange rate prevailing at the transaction date. Non-monetary assets measured at fair value have been translated into the functional currency at the exchange rate at the date that the fair value was determined.

In the consolidated statement of cash flows, cash flows from foreign currency transactions have been translated into Euros at the exchange rates prevailing at the dates the cash flows occur. The effect of exchange rate fluctuations on cash and cash equivalents denominated in foreign currencies is recognised separately in the statement of cash flows as effect of exchange rate fluctuations on cash and cash equivalents held.

Exchange gains or losses on monetary financial assets or financial liabilities denominated in foreign currencies are recognised in profit or loss.

Monetary financial assets denominated in foreign currencies classified as available for sale are measured at amortised cost in the foreign currency. Consequently, the exchange differences associated with changes in amortised cost are recognised in profit or loss and the remainder of the change in fair value is recognised as set forth in section j).

(iii) Translation of foreign operations

The Group applied the exemption permitted by IFRS 1, First-time Adoption of International Financial Reporting Standards, relating to accumulated translation differences. Consequently, translation differences recognised in the consolidated annual accounts generated prior to 1 January 2004 are recognised in retained earnings. As of that date, foreign operations whose functional currency is not the currency of a hyperinflationary economy have been translated into Euros as follows:

- » Assets and liabilities, including goodwill and net asset adjustments derived from the acquisition of the operations, including comparative amounts, are translated at the closing rate at the reporting date.
- » Income and expenses, including comparative amounts, are translated at the exchange rates prevailing at each transaction date; and
- » All resulting exchange differences are recognised as translation differences in other comprehensive income

These criteria are also applicable to the translation of the financial statements of equity-accounted companies, with translation differences attributable to the Group recognised in other comprehensive income.

Translation differences recognised in other comprehensive income are accounted for in profit or loss as an adjustment to the gain or loss on the sale using the same criteria as for subsidiaries and associates.

(iv) Entities located in hyperinflationary countries

Following the criteria established in IFRS-EU, the Venezuelan economy has been considered as hyperinflationary at the 2013 close. The financial statements of Group companies located in Venezuela have therefore been adjusted to correct the effects of inflation.

As required by IAS 29, monetary items have not been restated, whereas non-monetary items (mainly property, plant and equipment and equity) have been restated based on the Venezuelan Consumer Price Index.

The differences arising from this adjustment have been taken to the consolidated income statements for 2013 and 2012.

At 31 December 2013 these adjustments have had a positive impact of Euros 200 thousand on the equity recognised in the consolidated statement of financial position (a positive impact of Euros 472 million in 2012)

5. Business Combinations

a) Subsidiaries

Details of subsidiaries acquired during the year ended 31 December 2013 are as follows:

- On 12 March 2013 the Parent acquired 100% of the capital of G-nubila Technology, S.L.U. and G-nubila Colombia SAS for Euros 2,652 thousand and Euros 290 thousand, respectively. On 28 October 2013 G-nubila Technology S.L.U. was merged with and into the Parent..

Aggregated details of the cost of the business combination, the fair value of the net assets acquired and goodwill (see note 8) are as follows:

	Thousands of Euros
Assets	**4,181**
Property, plant and equipment	38
Intangible assets	3,901
Trade receivables	156
Other assets	86
Liabilities	**(1,293)**
Non-current payables	(935)
Suppliers	(202)
Other liabilities	(156)
Total net assets	2,888
Cost of the business combination	2,942
Cash and cash equivalents	54
Goodwill	-
Cost of the business combination:	2,942
- Cash paid	2,942
Fair value of net assets acquired	2,942
Goodwill (note 8)	-

Had these acquisitions taken place at 1 January 2013, the Group's revenue and profit attributable to the Parent for the year ended 31 December 2013 would have amounted to Euros 2,914,282 thousand and Euros 115,691 thousand, respectively.

The business combinations acquired during 2013 generated revenue of Euros 482 thousand and profit of Euros 24 thousand since the acquisition date. These amounts were included in the consolidated statement of comprehensive income for 2013.

Details of subsidiaries acquired by the Group during the year ended 31 December 2012 are as follows:

- On 21 March 2012 the Parent acquired 100% of the Norwegian company Indra Navia, A.S. for Euros 37,660 thousand.

- On 11 October 2012, the Group subsidiary Indra BMB Servicios Digitales, S.L. acquired 100% of the Spanish companies Central de Apoyos y Medios Auxiliares S.A.U. (Caymasa) and Compañía de Medios y Servicios S.A. (C.M.S.).

  These businesses were acquired by assuming obligations with a fair value equivalent to that of the net assets acquired.

Aggregated details of the cost of the business combination, the fair value of the net assets acquired and goodwill of Indra Navia (see note 8) are as follows:

	Thousands of Euros
Assets	**53,953**
Property, plant and equipment	5,091
Intangible assets	92
Financial assets	368
Deferred tax	8,354
Inventories	13,520
Trade receivables	23,051
Other assets	3,477
Liabilities	**(50,683)**
Non-current provisions	(1,883)
Non-current payables	(2,093)
Non-current loans	(1,725)
Deferred tax liabilities	(389)
Suppliers	(19,794)
Other payables	(1,560)
Loans and borrowings	(8,438)
Other liabilities	(14,801)
Total net assets	3,270
Cost of the business combination	37,660
Cash and cash equivalents	3,190
Goodwil	**31,200**
Cost of the business combination:	37,660
- Cash paid	37,660
Fair value of net assets acquired	6,460
Goodwill (note 8)	**31,200**

Had these acquisitions taken place at 1 January 2012, the Group's revenue and profit attributable to the Parent for the year ended 31 December 2012 would have amounted to Euros 2,978,202 thousand and Euros 122,904 thousand, respectively.

The business combinations acquired during 2012 generated revenue of Euros 50,355 thousand and profit of Euros 5,110 thousand since the acquisition date. These amounts were included in the consolidated statement of comprehensive income for 2012.

b) Joint ventures

Reapro, a Peruvian consortium, was established on 6 March 2013.

There were no changes to the composition of jointly controlled entities in 2012

6. Property, Plant and Equipment

Details of this item at 31 December 2013 and 2012 are as follows:

Thousands of Euros

	Balance at 31.12.12	Business combinations	Translation differences	Additions	Disposals	Transfers	Balance at 31.12.13
Investments							
Land	10,719	-	-	-	-	25	10,744
Buildings	57,118	-	(411)	274	(359)	(203)	56,419
Tech. installations, mach. and other fixtures	231,422	17	(6,175)	10,036	(28,064)	(452)	206,784
Furniture	40,504	28	(1,035)	1,708	(2,028)	(1,276)	37,901
Motor vehicles	3,976	-	(268)	439	(673)	(42)	3,432
Information technology equipment	74,045	138	(3,107)	3,865	(4,884)	(2.283)	67,774
Other property, plant and equipment	9,812	-	(1,338)	1,790	(336)	(36)	9,892
Property, plant and equipment under construction	258	-	(9)	738	-	(138)	849
	427,854	**183**	**(12,343)**	**18,850**	**(36,344)**	**(4,405)**	**393,795**
Depreciation							
Buildings	(18,076)	-	122	(1,306)	180	-	(19,080)
Tech. installations, mach. and other fixtures	(153,825)	(10)	4,707	(15,759)	18,856	1,940	(144,091)
Furniture	(24,330)	(16)	744	(3,153)	1,519	1,009	(24,227)
Motor vehicles	(1,975)	-	70	(432)	484	28	(1,825)
Information technology equipment	(59,340)	(119)	2,416	(7,628)	4,914	2,813	(56,944)
Other property, plant and equipment	(7,169)	-	1,052	(953)	220	-	(6,850)
	(264,715)	**(145)**	**9,111**	**(29,231)**	**26,173**	**5,790**	**(253,017)**
Carrying amount:							
Land	10,719	-	-	-	-	25	10,744
Buildings	39,042	-	(289)	(1,032)	(179)	(203)	37,339
Tech. installations, mach. and other fixtures	77,597	7	(1,468)	(5,723)	(9,208)	1,488	62,693
Furniture	16,174	12	(291)	(1,445)	(509)	(267)	13,674
Motor vehicles	2,001	-	(198)	7	(189)	(14)	1,607
Information technology equipment	14,705	19	(691)	(3,763)	30	530	10,830
Other property, plant and equipment	2,643	-	(286)	837	(116)	(36)	3,042
Property, plant and equipment under construction	258	-	(9)	738	-	(138)	849
Total	**163,139**	**38**	**(3,232)**	**(10,381)**	**(10,171)**	**1,385**	**140,778**

Thousands of Euros

	Balance at 31.12.11	Business combinations	Translation differences	Additions	Disposals	Transfers	Balance at 31.12.12
Investments							
Land	10,107	612	-	-	-	-	10,719
Buildings	46,120	3,506	90	108	-	7,294	57,118
Tech. installations, mach. and other fixtures	211,575	10,626	3,362	15,203	(12,367)	3,023	231,422
Furniture	36,052	826	-	3,686	(889)	829	40,504
Motor vehicles	4,094	44	(19)	631	(765)	(9)	3,976
Information technology equipment	67,214	2,716	(330)	6,878	(3.237)	804	74,045
Other property, plant and equipment	11,200	33	(753)	763	(432)	(999)	9,812
Property, plant and equipment under construction	8,495	-	-	74	(6)	(8,05)	258
	394,857	18,363	2,350	27,343	(17,696)	2,637	427,854
Depreciation							
Buildings	(15,817)	(1,009)	(28)	(1,150)	1	(73)	(18,076)
Tech. installations, mach. and other fixtures	(131,518)	(9,145)	(3,216)	(16,828)	5,134	1,748	(153,825)
Furniture	(19,495)	(655)	(164)	(3,469)	572	(1,119)	(24,330)
Motor vehicles	(1,987)	(43)	6	(428)	461	16	(1,975)
Information technology equipment	(50,230)	(2,390)	176	(9,404)	3,013	(505)	(59,340)
Other property, plant and equipment	(8,155)	(30)	570	(1,204)	216	1,434	(7,169)
	(227,202)	(13,272)	(2,656)	(32,483)	9,397	1,501	(264,715)
Grants:							
Tech. installations, mach. and other fixtures	(298)	-	-	-	298	-	-
	(298)	-	-	-	298	-	-
Carrying amount:							
Land	10,107	612	-	-	-	-	10,719
Buildings	30,303	2,497	62	(1,042)	1	7,221	39,042
Tech. installations, mach. and other fixtures	79,759	1,481	146	(1,625)	(6,935)	4,771	77,597
Furniture	16,557	171	(164)	217	(317)	(290)	16,174
Motor vehicles	2,107	1	(13)	203	(304)	7	2,001
Information technology equipment	16,984	326	(154)	(2,526)	(224)	299	14,705
Other property, plant and equipment	3,045	3	(183)	(441)	(216)	435	2,643
Property, plant and equipment under construction	8,495	-	-	74	(6)	(8,305)	258
Total	**167,357**	**5,091**	**(306)**	**(5,140)**	**(8,001)**	**4,138**	**163,139**

As in 2012, additions to technical installations, machinery and other fixtures in 2013 are mainly due to the ongoing fitting-out of the Parent's new offices.

In June 2012 the new data processing centre in the Parent's San Fernando de Henares work centre was completed and this item was therefore reclassified from property plant and equipment under construction.

A loss of Euros 1,520 thousand was generated on disposals of technical installations, machinery and other fixtures in 2013 and has been recognised in the consolidated income statement (see note 32).

Details of assets acquired through finance leases, by type of asset, at 31 December 2013 and 2012 are as follows:

	Thousands of Euros	
	2012	2013
Investments:		
Buildings	2,905	2,613
Tech. installations, mach. and other fixtures	8,487	18,993
Furniture	98	98
Information technology equipment	2,581	727
Other property, plant and equipment	649	784
	14,720	23,215
Depreciation:		
Buildings	(1,463)	(845)
Tech. installations, mach. and other fixtures	(3,494)	(9,134)
Furniture	(55)	(45)
Information technology equipment	(541)	(236)
Other property, plant and equipment	(247)	(268)
	(5,800)	(10,528)
Carrying amount:		
Buildings	1,442	1,768
Tech. installations, mach. and other fixtures	4,993	9,859
Furniture	43	53
Information technology equipment	2,040	491
Other property, plant and equipment	402	516
Total	**8,920**	**12,687**

Details of minimum payments and the present value of finance lease liabilities, by maturity date, are as follows:

	Thousands of Euros					
	2013			2012		
	Minimum payments	Interest	Purchase option	Payments	Interest	Purchase option
Less than one year	2,261	332	28	2,704	501	20
One to five years	6,262	471	515	8,846	802	556
	8,523	803	543	11,550	1,303	576

Finance lease liabilities are effectively secured as the rights to the leased assets revert to the lessor in the event of default.

At 31 December 2013 fully depreciated property, plant and equipment amount to Euros 135,211 thousand (Euros 131,344 thousand at 31 December 2012).

The Group has taken out insurance policies to cover the risk of damage to its property, plant and equipment. The coverage of these policies is considered sufficient.

7. Investment Property

An appraisal by an independent expert shows that the Group's investment property has been impaired by Euros 65 thousand in 2013 (Euros 1,300 thousand in 2012). This loss has been recognised in the consolidated income statement (see note 32).

8. Goodwill

For impairment testing purposes, goodwill has been allocated to the Group's cash-generating units (CGUs) in accordance with their respective business segment and the country of operation.

A summary of goodwill is as follows:

	Thousands of Euros					
	2013			2012		
	Cost	Accumulated impairment	Carrying amount	Cost	Accumulated impairment	Carrying amount
Indra EWS	14,462	-	14,462	14,462	-	14,462
Indra ATM	29,447	-	29,447	29,447	-	29,447
Brasil	100,408	-	100,408	120,983	-	120,983
Indra Italia	20,504	-	20,504	20,504	-	20,504
Indra Navia	28,364	-	28,364	32,317	-	32,317
Grupo Consultoría	36,608	-	36,608	36,608	-	36,608
Grupo BMB	58,925	-	58,925	59,665	-	59,665
Grupo Azertia	67,811	(8,582)	59,229	68,540	(120)	68,420
Grupo Prointec	30,522	(1,788)	28,734	30,524	(894)	29,630
Grupo Soluziona	169,930	(2,831)	167,099	173,844	(2,831)	171,013
Otros	63,077	(914)	62,163	62,960	(718)	62,242
Total	620,058	(14,115)	605,943	649,854	(4,563)	645,291

	Thousands of Euros						
	31.12.12	Additions	Business combinations	Translation differences	Disposals	Impairment	31.12.13
Indra EWS	14,462	-	-	-	-	-	14,462
Indra ATM	29,447	-	-	-	-	-	29,447
Brasil	120,983	-	-	(20,575)	-	-	100,408
Indra Italia	20,504	-	-	-	-	-	20,504
Indra Navia	32,317	-	-	(3,953)	-	-	28,364
Grupo Consultoría	36,608	-	-	-	-	-	36,608
Grupo BMB	59,665	-	-	-	(740)	-	58,925
Grupo Azertia	68,669	-	-	(978)	(8,462)	-	59,229
Grupo Prointec	29,630	-	-	(2)	-	(894)	28,734
Grupo Soluziona	170,764	-	-	(3,665)	-	-	167,099
Otros	62,242	3,237	-	(3,120)	-	(196)	62,163
Total	**645,291**	**3,237**	-	**(32,293)**	**(9,202)**	**(1,090)**	**605,943**

	Thousands of Euros						
	31.12.11	Additions	Business combinations	Translation differences	Disposals	Impairment	31.12.12
Indra EWS	14,462	-	-	-	-	-	14,462
Indra ATM	29,447	-	-	-	-	-	29,447
Brasil	135,390	-	-	(14,407)	-	-	120,983
Indra Italia	20,504	-	-	-	-	-	20,504
Indra Navia	-	-	31,200	1,117	-	-	32,317
Grupo Consultoría	36,608	-	-	-	-	-	36,608
Grupo BMB	57,065	2,600	-	-	-	-	59,665
Grupo Azertia	76,557	-	-	411	(8,299)	-	68,669
Grupo Prointec	30,583	-	-	(59)	-	(894)	29,630
Grupo Soluziona	170,415	-	-	650	-	(301)	170,764
Otros	53,555	9,544	-	168	(1,025)	-	62,242
Total	**624,586**	**12,144**	**31,200**	**(12,120)**	**(9,324)**	**(1,195)**	**645,291**

Additions for the year ended 31 December 2013 reflect the following transactions relating to business combinations established prior to 2010, giving rise to the recognition of new goodwill:

- On 16 May 2013, the Parent settled Euros 2,428 thousand of the variable price for the acquisition of Indra Perú, S.A., recognising goodwill of Euros 3,237 thousand.

Disposals for the year ended 31 December 2013 relate to the following transactions:

- On 17 May 2013 the subsidiary Indra BMB, S.L. sold its printing and finishing (P&F) activity, derecognising goodwill of Euros 740 thousand accordingly.

  The Group has derecognised goodwill allocated to Azertia Group companies amounting to Euros 8,462 thousand as a result of this sale.

Additions for the year ended 31 December 2012 reflected the following transactions relating to business combinations established prior to 2010, giving rise to the recognition of new goodwill:

- On 26 April 2012, the subsidiary Indra BMB, S.L. settled the variable payment of Euros 2,600 thousand for the acquisition of COB Barcelona S.L.U., generating goodwill for the same amount.

- On 27 April 2012, the Parent settled Euros 7,158 thousand of the variable price for the acquisition of Indra Perú, recognising goodwill of Euros 9,544 thousand.

Disposals for the year ended 31 December 2012 related to the following transactions:

- On 3 February 2012 the Parent sold 100% of the Spanish company Administradora de Archivos, S.A., derecognising the Euros 8,299 thousand goodwill associated with this investment (see note 1).

- On 16 May 2012 the Parent dissolved its investee Longwater Systems Ltd, derecognising Euros 1,025 thousand from goodwill (see note 1).

Key assumptions used to calculate value in use

The Group periodically measures the recoverability of the goodwill included in the above table by discounting the expected future cash flows based on the strategic plans of the different businesses.

The assumptions on which these cash flow projections are based are past experience and reasonable forecasts supported by the strategic plans of the Group's different cash-generating units. These forecasts are contrasted with market growth forecasts according to different specialised sources, the company's position in the market and any strategic aspects that could lead to changes in this position (innovation, new market openings, etc.).

The assumptions used to calculate the value in use of each significant cash-generating unit at the beginning of the year are as follows:

	Year-on-year growth rate		Discount rate		Residual growth rate	
	IIncome (5 years)				Income	
	2013	2012	2013	2012	2013	2012
Indra EWS	0.8%	-5.5%	8,.%	9.12%	1.00%	1.00%
Indra ATM	-0.7%	1.8%	8.90%	9.12%	2.00%	2.00%
Brasil (*)	16.3%	14.0%	11.65%	9.12%	4.70%	2.13%
Indra Italia	3.5%	10.5%	8.90%	9.12%	2.00%	2.00%
Indra Navia	9.4%	4.9%	8.90%	9.12%	2.00%	2.00%
Grupo Consultoría	1.1% to 9.6%	5.2%	8.90%	9.12%	1.5% to 2%	1.50%
Grupo BMB	-3.5% to 6.8%	-2.2% to 7.1%	8.90%	9.12%	2.00%	1% to 2%
Grupo Azertia	-0.5% to 8.5%	-3.3% to 11.5%	8.90%	9.12%	2% to 2.13%	2%to 2.13%
Grupo Prointec	11.4%	0.9%	8.90%	9.12%	2.00%	2.00%
Grupo SoluzionaTotal	1.7%to 25.1%	-13.1% to 23.5%	8.90%	9.12%	2%to 2.13%	2% to 2.13%

(*) The change in discount and growth rates reflects the fact that projections were performed in Euros in 2012 but in Brazilian Reais in 2013.

These projections relate to the coming five years. Cash flows for the years not considered in the projections are estimated as perpetual income with growth of between 1% and 4.7% for projections performed in 2013 (between 1% and 2.13% for projections performed in 2012).

When calculating the value in use, estimated cash flows are discounted to their present value using the discount rate before tax that reflects present market values relating to the time value of money and the specific risks of the assets. The present cost of money (ten-year Spanish government bonds and, in the case of Brazil, ten-year United States government bonds plus a country risk premium) and the risk premiums generally used for the business by analysts are considered when calculating this rate and the geographical area is also taken into account, obtaining future discount rates of approximately 9%, or 11.65% in the case of Brazil (in local currency).

Details of the carrying and recoverable amounts of the most significant CGUs, the Azertia and Soluziona Groups and Brazil, at 31 December 2013 and 2012, are as follows:

	2013 Thousands of Euros		2012 Thousands of Euros	
	Carrying amount	Recoverable amount	Carrying amount	Recoverable amount
Grupo Azertia	86.893	230.545	88.489	185.399
Grupo Soluziona	206.125	519.823	202.459	342.266
Brasil	175.119	232.878	143.318	207.119

In all cases sensitivity analyses are performed in relation to the discount rate used (around 9%), and the residual growth rate (between 1% and 2.13%), to verify that reasonable changes in these assumptions would not have an impact on the possible recovery of the goodwill recognised. Sensitivity analyses are also conducted on the main assumptions: sales, margins and working capital.

A sensitivity analysis of the impairment tests conducted on the goodwill allocated to the Azertia Group, Soluziona Group and Brazil CGUs gave the following results:

	2013				2012			
	WACC fluctuation		Residual growth rate		WACC fluctuation		TResidual growth rate	
	-1.0%	+1.0%	-0.5%	+0.5%	-1,0%	+1,0%	-0,5%	+0,5%
Impact on recoverable amount of Azertia Group	44,811	(33,186)	(1,.445)	13,242	28,482	(21,406)	(6,033)	6,947
Impact on recoverable amount of Soluziona Group	96,022	(70,959)	(19,310)	22,345	68,066	(50,795)	(10,698)	12,319
Impact on recoverable amount of Brazil	52,027	(38,628)	(11,655)	13,462	42,927	(31,779)	(9,900)	11,423

	2013			2012		
	Sales fluctuation	Margin	Change in days of working capital	Sales fluctuation	Margin	Change in days of working capital
	- 8.0%	-1.0%	+10 days	- 8.0%	-1.0%	+10 days
Impact on recoverable amount of Azertia Group	(1,.990)	(16,696)	(5,646)	(7,969)	(14,302)	(4,773)
Impact on recoverable amount of Soluziona Group	(24,293)	(53,650)	(17,088)	(14,372)	(51,720)	(16,685)
Impact on recoverable amount of Brazil	(14,449)	(29,657)	(13,546)	(12,891)	(22,169)	(8,127)

These calculations show that impairment of Euros 1,090 thousand was incurred in 2013 (Euros 1,195 thousand in 2012). This amount has been recognised under other losses on non-current assets in the consolidated income statement (see note 32).

9. Other Intangible Assets

Details of this item at 31 December 2013 and 2012 are as follows:

	Thousands of Euros						
	Balance at 31.12.12	Business combinations	Translation differences	Additions	Disposals	Transfers	Balance at 31.12.13
Investments:							
Industrial property	4,,977	-	(2,183)	1	(1,702)	107	39,200
Computer software	61,626	4,743	(1,841)	3,412	(843)	49,569	116,666
Development expenses	259,152	-	(1,324)	51,551	(589)	(52,373)	256,417
Other intangible assets	33,381	-397,136	(2,553)	22	(4,722)	(1,835)	24,293
	397,136	**4,743**	**(7,901)**	**54,986**	**(7,856)**	**(4,532)**	**436,576**
Amortisation							
Industrial property	(8,879)	-	(589)	(1,318)	-	751	(10,035)
Computer software	(31,446)	(842)	1,396	(17,150)	516	2,425	(45,101)
Development expenses	(6,478)	-	556	(1,386)	162	(499)	(7,645)
Other intangible assets	(11,727)	-	494	(2,829)	1,222	647	(12,193)
	394,857	**(842)**	**1,857**	**(22,683)**	**1,900**	**3,324**	**(74,974)**
Grants							
Development expenses	(58,281)	-	-	(17,395)	-	-	(75,676)
	(58,281)	**-**	**-**	**(17,395)**	**-**	**-**	**(75,676)**
Carrying amount:							
Industrial property	34,098	-	(2,772)	(1,317)	(1,702)	858	29,165
Computer software	30,180	3,901	(445)	(13,738)	(327)	51,994	71,565
Development expenses	194,393	-	(768)	32,770	(427)	(52,872)	173,096
Other intangible assets	21,654	-	(2,059)	(2,807)	(3,500)	(1,188)	12,100
Total	**280,325**	**3,901**	**(6,044)**	**14,908**	**(5,956)**	**(1,208)**	**285,926**

	Thousands of Euros						
	Balance at 31.12.11	Business combinations	Translation differences	Additions	Disposals	Transfers	Balance at 31.12.12
Investments:							
Industrial property	56,019	-	(1,538)	3	(11,406)	(101)	42,977
Computer software	50,526	867	(249)	6,544	(22,208)	26,146	61,626
Development expenses	221,554	-	(541)	69,801	(468)	(31,194)	259,152
Other intangible assets	32,384	-	(111)	29	12	1.067	33,381
	360,483	**867**	**(2,439)**	**76,377**	**(34,070)**	**(4,082)**	**397,136**
Amortisation							
Industrial property	(16,303)	-	168	(2,520)	9,674	102	(8,879)
Computer software	(39,475)	(775)	144	(12,833)	21,914	(421)	(31,446)
Development expenses	(6,921)	-	280	(976)	-	1,139	(6,478)
Other intangible assets	(8,393)	-	(114)	(2,357)	13	(876)	(11,727)
	(71,092)	**(775)**	**478**	**(18,686)**	**31,601**	**(56)**	**(58,530)**
Grants							
Development expenses	(46,128)	-	-	(12,395)	242	-	(58,281)
	(46,128)	**-**	**-**	**(12,395)**	**242**	**-**	**(58,281)**
Carrying amount:							
Industrial property	3,716	-	(1,370)	(2,517)	(1,732)	1	34,098
Computer software	11,051	92	(105)	(6,289)	(294)	25,725	30,180
Development expenses	168,505	-	(261)	56,430	(226)	(30,055)	194,393
Other intangible assets	23,991	-	(225)	(2,328)	25	191	21,654
Total	**243,263**	**92**	**(1,961)**	**45,296**	**(2,227)**	**(4,138)**	**280,325**

The most significant projects capitalised are as follows:

	Thousands of Euros	
	2013	2012
Investments:		
Banking core	33,029	31,035
Healthcare market software development	15,166	15,046
Insurance market platform development	30,321	24,581
Development of air surveillance system (Atlante)	17,595	14,214
Internal SAP software	17,114	17,114
Energy market sales management systems	64,041	54,040
	177,266	156,030
Amortisation		
Banking core	(2,496)	-
Internal SAP software	(2,398)	(705)
	(4,894)	(705)
Carrying ammount		
Banking core	30,533	31,035
Healthcare market software development	15,166	15,046
Insurance market platform development	30,321	24,581
Development of air surveillance system (Atlante)	17,595	14,214
Internal SAP software	14,716	16,409
Energy market sales management systems	64,041	54,040
Total	**172,372**	**155,325**

The directors of the Parent consider that these projects are likely to generate future economic benefits that will offset the cost of the assets recognised.

In 2013, as in 2012, the Parent has continued to invest in internal developments in all areas of activity, particularly in the area of financial institutions and in the energy market. A total amount of Euros 51,700 thousand was capitalised in 2013 (Euros 70,514 thousand in 2012).

In 2012 and 2011 the Parent incurred internal development expenses on workbenches, which, once completed, were reclassified to machinery under property, plant and equipment, accounting for Euros 4,076 thousand of the balance under transfers in 2012.

In 2013, industrial property includes the following assets acquired from third parties for a total amount of Euros 40,566 thousand:

- Software maintenance rights acquired by the Parent for Euros 23,170 thousand in 2010.
- Industrial property of Euros 13,711 thousand recognised on the acquisition of Politec Tecnología da InformaÇao, S.A

In 2012 this balance included the following assets acquired from third parties for a total amount of Euros 37,095 thousand:

- Software maintenance rights acquired by the Parent for Euros 23,170 thousand in 2010.
- Industrial property of Euros 13,711 thousand recognised on the acquisition of Politec Tecnología da InformaÇao, S.A.

- Politec Tecnología da InformaÇao, S.A por importe de 13.711 m€.

In 2013 computer software includes additions of Euros 3,471 thousand recognised as a result of acquiring G-nubila Technology, S.L. during the year.

The useful lives and amortisation rates of intangible assets are as follows:

At 31 December 2013 fully amortised intangible assets amount to Euros 41,423 thousand (Euros 27,927 thousand at 31 December 2012).

A loss of Euros 5,080 thousand was generated on disposals in 2013 and has been recognised in the consolidated income statement (see note 32).

The Group has taken out insurance policies to cover the risks to which some of its intangible assets are exposed. The coverage of these policies is considered sufficient.

	Thousands of Euros					
		Costs incurred internally		Acquisitions from third parties		
	Balance at 31.12.13	Finite useful	Amorti-sation rate	Indefinite useful life	Finite useful life	Amorti-sation rate
Carrying Ammount						
Industrial property	29,165	-	-	19,948	9,217	10%
Computer software	71,565	59,124	20-25%	-	12,441	25%
Development expenses	173,096	171,731	20%	-	1,365	10-25%
Other intangible assets	12,100	-	-	-	12,100	10%
	285,926	230,855		19,948	35,123	

	Thousands of Euros					
		Costs incurred internally		Acquisitions from third parties		
	Balance at 31.12.12	Finite useful	Amorti-sation rate	Indefinite useful life	Finite useful life	Amorti-sation rate
Carrying Ammount						
Industrial property	34,098	-	-	121,650	12,448	10%
Computer software	30,180	25,126	20-25%	1,401	3,653	25%
Development expenses	194,393	188,446	20%	-	5,947	10-25%
Other intangible assets	21,654	-	-	-	21,654	10%
	280,325	213,572		23,051	43,702	

10. Financial Instruments

The classification of financial instruments (except investments in associates) by class and maturity date in 2013 and 2012 is as follows:

FINANCIAL ASSETS: NATURE/CATEGORY	Note	2013 Thousands of Euros Available-for-sale financial assets	Loans and receivables	Hedging derivatives
Other investments in non-Group companies	12	13,902	-	-
Derivatives	14	-	-	1,943
Debt securities	12	-	30,962	-
Other financial assets	12	-	24,727	-
Non-current		**13,902**	**55,689**	**1,943**
Equity instruments	17	205	-	-
Debt securities	16	-	5,971	-
Derivatives	14	-	-	8,449
Other financial assets	14 and 15	-	1,687,056	-
Current		**205**	**1,693,027**	**8,449**
Total		**14,107**	**1,748,716**	**10,392**

FINANCIAL LIABILITIES: NATURE/CATEGORY	Note	2013 Thousands of Euros Loans and receivables	Hedging derivatives
Loans and borrowings	20	416,855	-
Bonds and other marketable securities	20	263,913	-
Derivatives	20	-	3,839
Other financial liabilities	20 and 21	133,318	-
Non-current payables/financial liabilities		**814,086**	**3,839**
Loans and borrowings	24	195,674	-
Derivatives	26	-	215
Other financial liabilities	25 and 26	1,354,808	-
Current payables/financial liabilities		**1,550,482**	**215**
Total		**2,364,568**	**4,054**

The carrying amount of financial assets and financial liabilities measured at cost or amortised cost does not differ significantly from their fair value, except for the convertible bond (see note 20).

FINANCIAL ASSETS: NATURE/CATEGORY	Note	2012 Thousands of Euros Available-for-sale financial assets	 Loans and receivables	 Hedging derivatives
Other investments in non-Group companies	12	27,116	-	-
Derivatives	14	-	-	5
Debt securities	12	-	2,421	-
Other financial assets	12	-	28,983	-
Non-current		**27,116**	**31,404**	**5**
Equity instruments	17	205	-	-
Debt securities	16	-	1,139	-
Derivatives	14	-	-	22
Other financial assets	14 and 15	-	1,818,190	-
Current		**205**	**1,819,329**	**22**
Total		**27,321**	**1,850,733**	**27**

FINANCIAL LIABILITIES: NATURE/CATEGORY	Note	2012 Thousands of Euros Loans and receivables	 Hedging derivatives
Loans and borrowings	20	296,885	-
Derivatives	20	-	5,980
Other financial liabilities	20 and 21	195,512	-
Non-current payables/ financial liabilities		**492,397**	**5,980**
Loans and borrowings	24	304,988	-
Derivatives	26	-	3,726
Other financial liabilities	25 and 26	1,485,608	-
Current payables/ financial liabilities		**1,790,596**	**3,726**
Total		**2,282,993**	**9,706**

Details of the characteristics of each financial instrument are provided in the relevant note to these consolidated annual accounts.

A breakdown of the net finance cost recognised in the consolidated income statements for 2013 and 2012 is as follows:

	Thousands of Euros 2012	 2013
Finance costs relating to loans and borrowings	41,618	31,654
Other finance costs	13,095	17,276
Financial liabilities at amortised cost through profit or loss	6,881	14,045
Interest on bonds and obligations	4,028	-
Exchange gains	4,003	4,115
Total finance costs	69.,25	67,090
Other finance income	5,644	13,333
Total finance income	5,644	13,333

11. Equity-accounted Investees

Details of this item at 31 December 2013 and 2012 are as follows:

	Thousands of Euros						
	Balance at 31.12.12	Changes in scope of cons.	Investment	Dividends	Profit/(loss)	Transfers	Balance at 31.12.13
SAES Capital	2,500	-	-	(513)	513	-	2,500
Eurofighter Simulation Systems	3,052	-	-	(520)	641	-	3,173
Euromids	250	-	-	-	87	-	337
Iniciativas Bioenergéticas	1,410	-	334	-	(665)	-	1,079
Idetegolf	12	-	-	-	3	-	15
Trias Beltran	8	-	-	-		-	8
Huertas de Binipark	1,205	(1,310)	-	-	105	-	-
A4 Essor	97	-	-	-	61	-	158
Eólica Maritima y Portuaria	(20)	-	-	-	(1)	-	(21)
Tower Air Traffic System	501	-	-	-		-	501
Oyauri Investment	828	(742)	-	-	(86)	-	-
Indra Sistemas de Tesorería	59	-	-	-	(21)	-	38
Logistica Marítima de Tuxpan	150	-	-	-	-	-	150
Romskog Utvickling AS	7	-	-	-	-	(1)	6
Natming	3	-	-	-	-	-	3
Indra Isolux México	2	-	-	-	3	-	5
Visión Inteligente Aplicada	(52)	-	-	-	(15)	-	(67)
EFI Túneles Necaxa	(1)	-	-	-	41	-	40
Total	**10,011**	**(2,052)**	**334**	**(1,033)**	**666**	**(1)**	**7,925**

	Thousands of Euros						
	Balance at 31.12.11	Changes in scope of cons.	Investment	Dividends	Profit/(loss)	Transfers	Balance at 31.12.12
SAES Capital	2,377	-	-	(392)	515	-	2,500
Eurofighter Simulation Systems	3,339	-	-	-	(287)	-	3,052
Euromids	257	-	-	-	(7)	-	250
Iniciativas Bioenergéticas	1,228	-	650	-	(459)	(9)	1,410
Idetegolf	6	-	-	-	(3)	9	12
Trias Beltran	8	-	-	-	-	-	8
Huertas de Binipark	-	-	-	-	(23)	1,228	1,205
A4 Essor	(14)	-	-	-	111	-	97
Eólica Maritima y Portuaria	(19)	-	-	-	(1)	-	(20)
Tower Air Traffic System	500	-	-	-	1	-	501
Oyauri Investment	1,322	-	-	-	(494)	-	828
Indra Sistemas de Tesorería	8	-	-	-	51	-	59
Logistica Marítima de Tuxpan	-	150	-	-	-	-	150
Romskog Utvickling AS	-	7	-	-	-	-	7
Natming	-	3	-	-	-	-	3
Indra Isolux México	-	-	-	-	9	(7)	2
Visión Inteligente Aplicada	-	-	-	-	-	(52)	(52)
EFI Túneles Necaxa	-	-	-	-	-	(1)	(1)
Total	**9,012**	**160**	**650**	**(392)**	**(587)**	**1,168**	**10,011**

Movement relating to investments in associates during the year ended 31 December 2013 is as follows:

- On 29 January 2013 the subsidiary Prointec, S.A. sold its stake in Huertas de Binipark, S.L. for Euros 1,230 thousand (see note 33).

- On 8 April 2013 the Parent sold its shareholding in Oyauri Investment, S.L. for Euros 100 thousand (see note 33).

- On 27 September 2013 the subsidiary Prointec, S.A. subscribed and paid up the share capital increase carried out by Iniciativas Bioenergéticas, S.L. for Euros 334 thousand.

The following movements took place in investments in associates during the year ended 31 December 2012:

- On 29 February 2012 the subsidiary Prointec, S.A. subscribed and paid up Euros 650 thousand of the share capital increase carried out by its investee Iniciativas Bioenergéticas, S.L.

- On 31 March 2012 the subsidiary Prointec, S.A. subscribed and paid up 25% of the capital of the Mexican company Logística Marítima de Tuxpan S.A.P.I de C.V. for Euros 150 thousand.

12. Non-current Financial Assets

Movement in other investments during the years ended 31 December 2013 and 2012 is as follows:

	Thousands of Euros					
	Balance at 31.12.12	Translation differences	Additions	Disposals	Transfers	Balance at 31.12.13
Investments						
Other non-current investments in non-Group companieso	45,403	-	1,926	(31,746)	(31,746)	(16.,63)
Non-current loans	2,421	(23)	11	(33)	(33)	2,343
Non-current security deposits	22,933	(3,292)	11,635	(6,439)	(6,439)	18,398
Cash flow hedges	5	-	1,938	-	-	1,943
Other financial assets	6,050	(3,638)	27,205	(31)	(31)	29,555
	76,812	**(6,953)**	**42,715**	**(38,249)**	**(38,249)**	**36,076**
Impairment:						
Other non-current investments in non-Group companieso	(18,287)	-	(1,000)	17,606	17,606	15,925
	(18,287)	**-**	**(1,000)**	**17,606**	**17,606**	**15,925**
Carrying ammount						
Other non-current investments in non-Group companies	27,116	-	926	(14,140)	(14,140)	(238)
Non-current loans	2,421	(23)	11	(33)	(33)	2,343
Non-current security deposits	22,933	(3,292)	11,635	(6,439)	(6,439)	18,398
Cash flow hedges	5	-	1,938	-	-	1,943
Other financial assets	6,050	(3,638)	27,205	(31)	(31)	29,555
Total	**58,525**	**(6,953)**	**41,715**	**20,643**	**(20,643)**	**52,001**

	Balance at 31.12.11	Business combinations	Translation differences	Additions	Disposals	Transfers	Balance at 31.12.12
	Thousands of Euros						
Investments							
Other non-current investments in non-Group companieso	48,592	64	-	984	(4,237)	-	45,403
Non-current loans	4,718	-	(94)	157	(400)	(1,960)	2,421
Non-current security deposits	14,837	295	(717)	9,618	(1,797)	697	22,933
Cash flow hedges	-	-	-	5	-	-	5
Other financial assets	7,564	9	(179)	447	(1,500)	(291)	6,050
	75,711	**368**	**(990)**	**11,211**	**(7,934)**	**(1,554)**	**76,812**
Impairment:							
Other non-current investments in non-Group companieso	(18,287)	-	-	-	-		(18,287)
	(18,287)	-	-	-	-	-	(18,287)
Carrying ammount							
Other non-current investments in non-Group companies	30,305	64	-	984	(4,237)	-	27,116
Non-current loans	4,718	-	(94)	157	(400)	(1,960)	2,421
Non-current security deposits	14,837	295	(717)	9,618	(1,797)	697	22,933
Cash flow hedges	-	-	-	5	-	-	5
Other financial assets	7,564	9	(179)	447	(1,500)	(291)	6,050
Total	**57,424**	**368**	**(990)**	**11,211**	**(7,934)**	**(1,554)**	**58,525**

a) Other non-current investments in non-Group companies

Details are as follows:

	Thousands of Euros			
	Balance at 31.12.12	Additions	Disposals	Balance at 31.12.13
Investments				
Safelayer Secure Comunications	476	-	-	476
Galileo Sistemas y Servicios	138	-	-	138
Banco Inversis	31,672	-	(31,672)	-
Hisdesat Servicios Estratégicos	7,572	-	-	7,572
Subgrupo Prointec	130	-	(12)	118
Neotec	3,166	1,905	-	5,071
Bansabadell Information Systems	1,151	18	-	1.169
Volcat	1,000	-	-	1.000
Other	98	3	(62)	39
	45,403	1,926	(31,746)	15,583
Impairment				
Safelayer Secure Comunications	(152)	-	-	(152)
Galileo Sistemas y Servicios	(3)	-	-	(3)
Banco Inversis	(17,594)	-	17,594	-
Hisdesat Servicios Estratégicos	(520)	-	-	(520)
Subgrupo Prointec	(6)	-	-	(6)
MRCM	-	-	-	-
Neotec		-	-	
Avanzit Telecom S.A.U.	-	-	-	-
Bansabadell Information Systems	-	-	-	-
Volcat	-	(1,000)	-	(1.000)
Other	(12)	-	12	-
	(18,287)	(1,000)	17,606	(1,681)
Carrying ammount				
Safelayer Secure Comunications	324	-	-	324
Galileo Sistemas y Servicios	135	-	-	135
Banco Inversis	14,078	-	(14,078)	-
Hisdesat Servicios Estratégicos	7,052	-	-	7,052
Subgrupo Prointec	124	-	(12)	112
Neotec	3,166	1,905	-	5,071
Bansabadell Information Systems	1,151	18	-	1,169
Volcat	1,000	(1,000)	-	-
Other	86	3	(50)	39
Total	**27,116**	**926**	**(14,140)**	**13,902**

	Thousands of Euros			
	Balance at 31.12.11	Additions	Disposals	Balance at 31.12.12
Investments				
Safelayer Secure Comunications	564	-	(88)	476
Galileo Sistemas y Servicios	138	-	-	138
Banco Inversis	31,672	-	-	31,672
Hisdesat Servicios Estratégicos	7,572	-	-	7,572
Subgrupo Prointec	145	-	(15)	130
Neotec	2,214	952	-	3,166
Bansabadell Information Systems	1,119	32	-	1,151
Volcat	1,000	-	-	1,000
Plataforma Tecnológica para el Emprendimiento Microempresarial	4,134	-	(4,134)	-
Other	34	64	-	98
	48,592	1,048	(4,237)	45,403
Impairment				
Safelayer Secure Comunications	(152)	-	-	(152)
Galileo Sistemas y Servicios	(3)	-	-	(3)
Banco Inversis	(17,594)	-	-	(17,594)
Hisdesat Servicios Estratégicos	(520)	-	-	(520)
Subgrupo Prointec	(6)	-	-	(6)
Other	(12)	-	-	(12)
	(18,287)	-	-	(18,287)
Carrying ammount				
Safelayer Secure Comunications	412	-	(88)	324
Galileo Sistemas y Servicios	135	-	-	135
Banco Inversis	14,078	-	-	14,078
Hisdesat Servicios Estratégicos	7,052	-	-	7,052
Subgrupo Prointec	139	-	(15)	124
Neotec	2,214	952	-	3,166
Bansabadell Information Systems	1,119	32	-	1,151
Volcat	1,000	-	-	1,000
Plataforma Tecnológica para el Emprendimiento Microempresarial	4,134	-	(4,134)	-
Other	22	64	-	86
Total	**30,305**	**1,048**	**(4,237)**	**13,902**

The main transactions involving non-current investments in non-Group companies in 2013 are as follows:

- On 8 July 2013 the Parent made an additional payment of Euros 476 thousand to increase the share capital of Neotec Capital Riesgo Sociedad de Fondos S.A. S.C.R.

- On 5 November 2013 the Parent sold its interest in Banco Inversis for Euros 28,904 thousand (see note 33).

- On 20 November 2013 the Parent subscribed to Euros 1,429 thousand of a share capital increase by Neotec Capital Riesgo Sociedad de Fondos S.A. S.C.R. (payable in January 2014). At the reporting date its interest in the share capital of this company was the same as in the prior year.

The main transactions involving non-current investments in non-Group companies in 2012 were as follows:

- On 30 January 2012 the capital of Plataforma Tecnológica para el Emprendimiento Microempresarial, S.L. was reduced by the same amount as the Parent's interest in this company, Euros 4,134 thousand.

- On 6 February and 18 July 2012 the Parent made two additional payments of Euros 476 thousand each to increase the share capital of Neotec Capital Riesgo Sociedad de Fondos S.A. S.C.R. At the reporting date its interest in the share capital of this company was the same as in the prior year.

b) Non-current security deposits

This item also includes deposits and guarantees placed to secure the rental of buildings and properties used by the Group and employment-related claims.

Additions include Euros 11,635 thousand (Euros 1,497 thousand in 2012) reflecting deposits placed for leased property, due to the relocation of activities, which also resulted in disposals of Euros 6,439 thousand (Euros 1,547 thousand in 2012).

c) Other financial assets

Euros 4,754 thousand of other financial assets (Euros 6,005 thousand in 2012) reflects the estimated fair value of the asset arising from the nine-year marketing agreement arranged as part of the sale of Gibb Portugal Consultores de Engenharia, Gestado e Ambiente, S.A.

The addition of Euros 27,205 thousand in 2013 mainly reflects an asset recognised on the payment of secured contingent liabilities in 2013, which will be recoverable when completing the purchase of the subsidiary Indra Brasil, S.A. This purchase process is due to commence in the first half of 2014.

13. Inventories

Details of inventories at 31 December 2013 and 2012 are as follows:

	Thousands of Euros	
	2013	2012
Merchandise	271	2,945
Raw materials	13,338	8,364
Work in progress	402,851	405,882
Total carrying ammount	416,460	417,191

The estimated recovery period for inventories is less than 12 months.

14. Other Financial Assets, Including Derivatives, and Other Current Assets

Details of other assets at 31 December 2013 and 2012 are as follows:

	Thousands of Euros	
	2013	2012
Other receivables	14,785	8,587
Advances and loans to personnel	8,354	10,126
Public entities (note 36)	45,848	62,099
Prepayments	10,692	8,114
Current deposits	2,791	5,175
Current security deposits	6,663	3,542
Cash flow hedges (note 38 a)	8,449	22
Total Carrying ammount	97,582	97,665

15. Trade and Other Receivables

Details of trade and other receivables at 31 December 2013 and 2012 are as follows:

	Thousands of Euros	
	2013	2012
Trade receivables, non-Group	741,681	948,079
Receivables, billable production	920,278	833,322
Advances to suppliers	11,790	15,778
Other receivables	6,354	23,533
Total	1,680,103	1,820,712
Impairment	(30,361)	(38,066)
Total Carrying ammount	1,649,742	1,782,646

16. Cash and Cash Equivalents

Details are as follows:

	Thousands of Euros	
	2013	2012
Current deposits and fixed-income securities	282,965	23,629
Other current investments	966	1,139
Subtotal	283,931	24,768
Cash	79,140	45,061
Total	363,071	69,829

Deposits and fixed-income securities include several Euro deposits totalling Euros 280,350 thousand (Euros 20,725 thousand in 2012), which mature in January 2014 and earn interest at one-month Euribor plus a spread of 1.85% (one-month Euribor plus 0.20% in 2012).

17. Non-current Assets Held for Sal

This balance includes land with a value of Euros 7,367 thousand (Euros 8,877 thousand in 2012) obtained on the acquisition of Indra Brasil, S.A., as this investment has been put up for sale.

It also includes Euros 205 thousand reflecting the Parent's interests in the subsidiaries Azertia Brasil and Azertia Puerto Rico, which are currently undergoing liquidation (see note 10).

18. Equity

Subscribed capital

At 31 December 2013 subscribed and paid-in share capital amounts to Euros 32,826,507.80, represented by 164,132,539 ordinary shares of Euros 0.20 par value each, represented by book entries.

The share capital has been subscribed and fully paid.

All the shares of the Parent company are listed on the Madrid, Barcelona, Valencia and Bilbao stock exchanges. They are traded on the Organised Stock Market and listed on the IBEX-35 index, with a year-end share price of Euros 12.155 (Euros 10.02 at the 2012 reporting date). The average share price for the last quarter of the year was Euros 11.498 in 2013 and Euros 8.88 in 2012.

The Parent does not have a register of the percentage interests held by shareholders and can only verify its shareholding structure when this information is provided directly by shareholders or made public in compliance with prevailing legislation on significant shareholdings (which generally requires the disclosure of interests exceeding 3% of share capital), or through the information provided by Iberclear when shareholders' meetings are held.

Consequently, according to information available to the Parent, the significant shareholders with an interest exceeding 3%, excluding any interest held on behalf of third parties, are as follows:

	31.12.13	31.12.12
Sociedad Estatal de Participaciones Industriales (SEPI)	20.141%	-
Corporación Financiera Alba	11.324%	11.324%
Fidelity Management & Research LLC	9.962%	9.962%
Invesco Ltd.	5.520%	-
Casa Grande de Cartagena, S.L.	4.001%	5.007%
Banco Financiero y de Ahorros	-	20.136%
Liberbank	-	5.015%

Details of the shareholdings held directly or indirectly by members of the board of directors at 31 December 2013 are as follows de los consejeros a título personal, son las siguientes:

Board members	Class	Number of shares Direct	Indirect	Total	% of share capital
Isabel Aguilera Navarro	Independent	28,686	-	28,686	0.017
Javier de Andrés González	Executive	116,200	-	116,200	0.071
Juan Carlos Aparicio Pérez (1)	Executive	292	-	292	0.00
Casa Grande de Cartagena, S.L.U	Proprietary	6,566,248	-	6,566,248	4.001
Daniel García-Pita	Independent	1,274	47,269	48,543	0.03
Luis Lada Díaz	Independent	24,260	-	24,260	0.015
Juan March de la Lastra (2)	Proprietary	19,391	-	19,391	0.012
Santos Martínez-Conde Gutiérrez-Barquín (2)	Proprietary	7,497	-	7497	0.005
Adolfo Menéndez Menéndez (1)	Proprietary	767	-	767	0.00
Javier Monzón de Cáceres	Executive	352,895	-	352,895	0.215
Mónica de Oriol Icaza	Independent	22,042		22,042	0.013
Ignacio Santillana del Barrio	Independent	12,203	-	12,203	0.007
Rosa Sugrañes Arimany	Independent	24,333	-	24,333	0.015
Alberto Terol Estabean	Independent	17,522		17,522	0.011
Total		**7,193,610**	**47,269**	**7,240,879**	**4.412**

(1) Representing the shareholder Sociedad Estatal de Participaciones Industriales (SEPI)
(2) Representing the shareholder Corporación Financiera Alba

Shares owned either directly or indirectly by members of the board of directors at 31 December 2012 were as follows:

Board members	Class	Number of shares Direct	Indirect	Total	% of share capital
Administradora Valtenas, S.L. (1)	Proprietary	17,783	-	17,783	0.011
Isabel Aguilera Navarro	Independent	24,427	-	24,427	0.015
Javier de Andrés González	Executive	88,584	-	88,584	0.054
Casa Grande de Cartagena, S.L.	Proprietary	8,212,998	-	8,212,998	5.004
Daniel García-Pita	Independent	30,209	12,600	42,809	0.026
Luis Lada Díaz	Independent	18,362	-	18,362	0.011
Juan March de la Lastra (2)	Proprietary	14,149	-	14,149	0.009
Mediación y Diagnósticos,S.A. (3)	Proprietary	24,871	-	24,871	0.015
Javier Monzón de Cáceres	Executive	298,777		298,777	0.182
Mónica de Oriol Icaza	Independent	17,783	-	17,783	0.011
Participaciones y Cartera de Inversión, S.L. (3)	Proprietary	24,270	-	24,270	0.015
Ignacio Santillana	Independent	7,288	-	7,288	0.004
Rosa Sugrañes	Independent	19,091	-	19,091	0.012
Alberto Terol	Independent	10,038	-	10,038	0.006
Total		**8,808,630**	**12,600**	**8,821,230**	**5.375**

(1) Representing the shareholder Liberbank, S.A.
(2) Representing the shareholder Corporación Financiera Alba.
(3) Representing the shareholder Banco Financiero y de Ahorros, S.A
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At 31 December 2013 the board of directors represented 58,885,768 shares or 35.88% of total share capital. At 31 December 2012 the board of directors represented 68,615,091 shares or 41.80% of total share capital.

At the annual general meetings held on 27 June 2013 and 2 June 2012, the shareholders agreed to the distribution of the profit for 2012 and 2011, respectively, shown in the consolidated statements of changes in equity.

The Group manages its capital with the aim of safeguarding its capacity to continue operating as a going concern, so as to continue providing shareholder remuneration and benefiting other stakeholders, while maintaining an optimum capital structure.

To maintain and adjust the capital structure, the Group can adjust the amount of dividends payable to shareholders, reimburse capital, issue shares or dispose of assets to reduce debt.

Share premium

The share premium deriving from the share capital increases carried out in 2001, 2003 and 2007 is subject to the same restrictions and may be used for the same purposes as the voluntary reserves of the Parent, including conversion into share capital.

The share premium and voluntary reserves include a non-distributable portion equivalent to the amount of the balance sheet revaluation permitted by Law 9/1983 of 13 July 1983, totalling Euros 9,784 thousand at 31 December 2013 and 2012, and the amount of research and development costs not yet amortised, totalling Euros 234,601 thousand at 31 December 2013 (Euros 234,566 thousand at 31 December 2012).

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Other reserves

Details of other reserves are as follows:

	Thousands of Euros	
	2013	2012
Merger reserves	1,846	1,846
Other changes in equity	2,619	1,860
Employee remuneration	-	(590)
Total	4,465	3,116

a) Other changes in equity

Any gains or losses on the sale of own shares are recognised in this account. The balance has increased by Euros 759 thousand as a result of sales of own shares in 2013 (Euros 1,921 thousand in 2012).

b) Employee remuneration

This balance comprises shares granted to employees under the 2011-2013 Share Plan. Details are as follows:

	Thousands of Euros	
	2013	2012
Share-based remuneration	-	(590)
Total	-	(590)

The remuneration policy established in 2011 also considered remuneration deferred over the medium term through the delivery of Company shares accrued between September of that year and the end of 2013.

A total of 231,479 shares (346,221 shares in 2012) have been transferred as part of this plan, valued at Euros 2,209 thousand at the transfer date (Euros 3,062 thousand in 2012).

Other own equity instruments

The change in equity arising due to the difference between the funds obtained in the Parent's October 2013 bond issue (see note 20) and the fair value of the corresponding financial liability, Euros 16,999 thousand in total, has been recognised in this item. This amount includes the Euros 1,125 thousand embedded derivative arising from the early redemption clause.

Exchange rate and interest rate cash flow hedging reserves

This caption comprises the hedging reserve generated by the following:

- The effect of changes in the fair value of exchange rate insurance contracts used to hedge highly probable future transactions or firm commitments.
- The effect of changes in the fair value of interest rate swap contracts.

Details are as follows:

	Thousands of Euros	
	2013	2012
Exchange rate insurance cash flow hedges	6,534	389
Interest rate cash flow hedges	(2,757)	(4,287)
Total	3,777	(3,898)

Own shares

As authorised by the shareholders at their annual general meeting, at 31 December 2013 the Parent directly holds 103,358 own shares amounting to Euros 1,258 thousand (11,041 shares amounting to Euros 111 thousand at 31 December 2012).

Details of own shares and movement during 2013 and 2012 are as follows:

	Thousands of Euros			
	Balance at 31.12.12	Additions	Disposals	Balance at 31.12.13
Used in:				
-Ordinary transactions	111	109,031	(107,884)	1,258

	Thousands of Euros			
	Balance at 31.12.11	Additions	Disposals	Balance at 31.12.12
Used in:				
-Ordinary transactions	15,187	54,845	(69,921)	111

Details of movement in shares in 2013 and 2012 are as follows:

	% ownership	Number of shares 31.12.12	Additions	Disposals	31.12.13	% ownership
Used in:						
-Ordinary transactions	0.01	11,041	10,291,495	(10,199,178)	103,358	0.6

	% ownership	Number of shares 31.12.11		Disposals	31.12.12	% ownership
Used in:						
-Ordinary transactions	0.81	1,332,549	6,549,003	(7,870,511)	**11,041**	0.01

In 2013 the Parent acquired 10,291,495 own shares on the stock market (6.27% of the official volume for the period) and sold 10,199,178 own shares (6.21% of official volume for the period).

In 2012 the Parent acquired 6,549,003 own shares on the stock market (2.27% of the volume for the period) and sold 7,870,511 own shares (2.73% of volume for the period).

Retained earnings

Details of retained earnings are as follows:

	Thousands of Euros 2013	2012
Legal reserve	6.955	6.955
Reserves in fully consolidated companies	(9.387)	(12.714)
Reserves in proportionately consolidated companies	848	687
Merger reserve	15.212	15.212
Reserves in equity-accounted investees	4.518	4.353
Voluntary reserves	534.476	466.373
Undistributed reserves	62.798	62.798
Profit for the year attributable to the Parent	115.822	132.658
Total	731.242	676.322

a) Legal reserve

The Spanish Companies Act requires that the Parent transfer 10% of profits for the year to a legal reserve until this reserve reaches an amount equal to 20% of share capital. This reserve is not distributable to shareholders and if it is used to offset losses, in the event that no other reserves are available, the reserve must be replenished with future profits. Under certain conditions it may also be used to increase share capital.

At 31 December 2013 and 2012, the Parent has appropriated to this reserve the minimum amount required by law.

b) Reserves in fully consolidated companies

Details by company of reserves in consolidated companies at 31 December 2013 and 2012 are as follows:

	Thousands of Euros	
	2013	2012
Indra Sistemas	(9,934)	(9,510)
Grupo Bmb	(17,514)	(15,884)
Indra Emac	(900)	(935)
Indra Sistemas de Seguridad	6,273	4,723
Indra SI	(2,463)	957
Indra Sistemas Chile	(7,327)	1,738
Indra Sistemas Portugal	4,346	4,698
Grupo Consultoría	17,203	18,386
Inmize Capital	(161)	(104)
Inmize Sistemas	2,123	1,882
Indra Systems	(15,163)	(13,146)
Indra Beijing	10,081	981
Indra Company (Brasil)	(76,299)	(43,869)
Indra Software Labs	25,626	18,939
Indra México	8,445	3,541
Indra Sistemas Comunicaciones Seguras	2,999	3,159
Indra Magreb	(261)	(369)
Indra Francia	(958)	(1,089)
Indra Polonia	(117)	(50)
Indra Australia	1,778	(503)
Azertia TI Mexico	5,707	5,385
Indra Colombia	4,850	3,309
Azertia TI Venezuela	(3,132)	(1,677)
Azertia GC Venezuela	(4,625)	(7,196)
Azertia TI Argentina	(7,599)	(6,042)
Indra USA	(1,188)	(1,704)
Prointec	(11,911)	(3,452)
Soluziona C&S Holding (Chile)	140	365
Soluziona Chile	-	(10,092)

	Thousands of Euros 2013	2012
Indra Czech Republic	(188)	(912)
Indra Slovakia	240	(77)
Soluziona Guatemala	262	437
Indra Hungary	332	863
Indra Kenya	1,243	1,187
Soluziona Mexico	(3,114)	(1,515)
Soluziona Uruguay	(17)	157
Indra Sisteme SRL	(278)	433
Indra Panama	985	529
Indra Philippines	2,712	2,061
Electrica Soluziona (Rumania)	823	764
Indra Ucrania	(189)	(517)
Soluziona SP CA (Venezuela)	1,195	3,334
Computación Ceicom	4,761	3,035
Indra Company Perú	1,326	606
Indra Perú	2,931	4,273
AC-B	941	637
Indra Radar Technology	(1,336)	(889)
Indra India	(2,549)	(1,583)
Avitech Technology	951	233
Indra P+D	-	2,671
Indra Malasya	(289)	(24)
Indra Bahrain	3,484	3,663
Indra Indonesia	(769)	(1)
Indra Italia	4,743	1,106
Indra Brasil SA	37,983	14,374
Indra Navia	5,600	-
Indra Turquia	(652)	-
Indra Kazakhstan	(86)	-
Politec Argentina	(192)	-
Teknatrans	(259)	-
Total	(9,387)	(12,714)

c) Reserves in proportionately consolidated companies

Details by company of reserves in consolidated companies at 31 December 2013 and 2012 are as follows:

	Thousands of Euros	
	2013	2012
IRB Riesgo Operacional	341	339
I3 TV	(6)	(154)
IESSA Brasil	513	502
Total	848	687

d) Reserves in equity-accounted companies

Details by company of reserves in consolidated companies at 31 December 2013 and 2012 are as follows:

	Thousands of Euros	
	2013	2012
Eurofighter Simulation System	2,984	3,271
Euromids	239	247
Trias Beltrán	7	7
Saes Capital	1,160	1,037
A4 Essor SAS	77	(34)
Oyauri Investment	-	(178)
Indra Sistemas de Tesorería	51	3
Total	4,518	4,353

e) Voluntary reserves and merger reserves

These reserves are freely distributable except for the amount of development costs recognised in the Parent's statement of financial position (see note 9), the distribution of which is prohibited by prevailing legislation.

f) Profit/loss for the year attributable to the Parent

Details of the consolidated companies' profits/losses for 2013 and 2012 are disclosed in Appendix I.

Non-controlling interests

Movement in non-controlling interests in consolidated companies during 2013 and 2012 is as follows:

Thousands of Euros

	Balance at 31.12.12	Profit/(loss) attributable to NCIs	Translation differences	Change in % ownership	Profit/(loss) in equity	Other changes	Balance at 31.12.13
Inmize Capital	637	48	-	-	-	-	685
Inmize Sistemas	3,711	239	-	-	-	-	3,950
Tourism & Leisure	165	(61)	-	-	(46)	-	58
ALG Perú	65	(4)	(7)	-	-	-	54
ALG Venezuela	355	(41)	(121)	-	-	-	193
ALG Maroc	37	(174)	-	-	-	-	(137)
Prointec	309	(33)	9	(368)	6	-	(77)
Elektrica Soluziona	667	115	(2)	-	-	-	780
Indra Filipinas	4,636	1,100	(647)	-	-	-	5,089
Inserail	315	(1)	-	-	2	(316)	-
Uatec	41	(372)	-	-	-	15	(316)
Indra Radar Technology (Tianjin) Co., Ltd.	55	(86)	1	-	-	-	(30)
Indra Perú	9,123	57	(507)	(9.482)	-	809	-
IFOS	63	(117)	5	-	-	-	(49)
Indra Kazakhstan	548	(45)	(35)	-	-	-	468
Indra Malasya	(85)	79	7	-	-	-	1
Normeka	1,054	134	(137)	-	-	-	1,051
Search	(961)	44	(23)	-	-	-	(940)
Prointec Panama	-	(16)	(1)	-	-	3	(14)
Indra Technology South Africa	-	-	-	(86)	-	-	(86)
Total	**20,735**	**866**	**(1,458)**	**(9,936)**	**(38)**	**511**	**10,680**

	Thousands of Euros								
	Balance at 31.12.11	Additions to cons. group	Profit/(loss) attributable to NCIs	Translation differences	Dividends	Change in % ownership	Profit/(loss) in equity	Other changes	Balance at 31.12.12
Inmize Capital	580	-	57	-	-	-	-	-	637
Inmize Sistemas	3,440	-	271	-	-	-	-	-	3,711
Tourism & Leisure	217	-	(52)	-	-	-	-	-	165
ALG Perú	73	-	(11)	3	-	-	-	-	65
ALG Venezuela	247	-	97	11	-	-	-	-	355
ALG Maroc	-	160	(123)	-	-	-	-	-	37
BMB Ges.Doc.Canarias	(41)	-	9	-	-	32	-	-	-
Prointec	6,480	-	(5,739)	(69)	-	(420)	57	-	309
Elektrica Soluziona	603	-	85	(21)	-	-	-	-	667
Indra Filipinas	3,817	-	828	165	(174)	-	-	-	4,636
Inserail	301	-	14	-		-	-	-	315
Prointec Hidrógeno	(1)	-	(2)	-	-	-	-	3	-
Uatec	44	-	(6)	-	-	-	-	3	41
Indra Radar Technology (Tianjin) Co., Ltd.	246	-	(191)	-	-	-	-	-	55
Indra Perú	5,506	-	688	543	-	-		2,386	9,123
IFOS	13	-	53	(3)	-	-	-	-	63
Indra Kazakhstan	600	-	(82)	30	-	-	-	-	548
Indra Malasya	-	-	(117)	4	-	8	-	-	(85)
Normeka	-	894	132	28	-	-	-	-	1,054
Search	(688)		(1,003)	37	-	-	-	693	(961)
Total	**21,437**	**1,054**	**(5,092)**	**728**	**(174)**	**(360)**	**57**	**3,085**	**20,735**

A breakdown of non-controlling interests at 31 December 2013 and 2012 is as follows:

Thousands of Euros

	31.12.13				31.12.12			
	NCI capital	NCI reserves	NCI profit/ (loss)	Total	NCI capital	NCI reserves	NCI profit/ (loss)	Total
Inmize Capital	32	605	48	685	32	548	57	637
Inmize Sistemas	750	2,961	239	3,950	750	2,690	271	3,711
Tourism & Leisure	18	101	(61)	58	18	199	(52)	165
ALG Perú	1	57	(4)	54	17	59	(11)	65
ALG Venezuela	-	234	(41)	193	5	253	97	355
ALG Maroc	161	(124)	(174)	(137)	472	(312)	(123)	37
BMB G.D.Canarias	-	-	-	-	1	(10)	9	-
Prointec	396	(440)	(33)	(77)	396	5,652	(5,739)	309
Elektrica Soluziona	15	650	115	780	15	567	85	667
Indra Filipinas	264	3,725	1,100	5,089	264	3,544	828	4,636
Inserail	6	(5)	(1)	-	6	295	14	315
Prointec Hidrógeno	-	-	-	-	3	(1)	(2)	-
Uatec	18	38	(372)	(316)	18	29	(6)	41
Indra Radar Technology	579	(523)	(86)	(30)	567	(321)	(191)	55
Indra Perú	242	(299)	57	-	242	8,193	688	9,123
IFOS	1	67	(117)	(49)	1	9	53	63
Indra Kazakhstan	600	(87)	(45)	468	600	30	(82)	548
Indra Malasya	35	(113)	79	1	35	(3)	(117)	(85)
Normeka	-	917	134	1,051	-	922	132	1,054
Search	1,201	(2,185)	44	(940)	933	(891)	(1,003)	(961)
Prointec Panama	-	2	(16)	(14)	-	-	-	-
Indra Technology South Africa	-	(86)	-	(86)	-	-	-	-
Total	**4,319**	**5,495**	**866**	**10,680**	**4,375**	**21,452**	**(5,092)**	**20,735**

The main transactions with non-subsidiary investees in 2013 are as follows:

- On 29 January 2013 the subsidiary Prointec, S.A. sold its entire interest in Inserail, S.A.
- On 14 March 2013 the Parent company acquired an additional 1.9% of the share capital of its subsidiary Prointec, S.A., thereby increasing its percentage ownership to 99.8%.
- On 16 May 2013 the Parent company acquired the remaining 25% of the subsidiary Indra Perú, S.A., thereby becoming the sole shareholder of this company.

The main transactions with non-subsidiary investees in 2012 were as follows:

- A 66% stake in the Norwegian company Normeka A.S. was acquired as a result of the Parent's acquisition of 100% of another Norwegian business, Indra Navia, A.S., on 21 March 2012.
- On 19 November 2012 the subsidiary Indra BMB, S.L. acquired a further 30% interest in its Spanish subsidiary BMB Gestión Documental de Canarias, S.L., increasing its ownership to 100%. BMB Gestión Documental de Canarias, S.L. was merged into Indra BMB, S.L. on the same date.
- On 28 December 2012 the subsidiary Prointec, S.A.'s capital was increased through the issue of 17,500 new shares with a par value of Euros 1 thousand each. The Parent paid up this new share capital in full, thereby increasing its interest in this company from 60.4% to 97.86%.

19. Net Earnings Per Share

The calculation of the weighted average number of ordinary shares outstanding and the weighted average number of diluted shares at 31 December 2013 and 2012 is as follows:

	Weighted average number of ordinary shares at 31.12.13	Ordinary shares at 31.12.13	Weighted average number of ordinary shares at 31.12.12	Ordinary shares at 31.12.12
Total shares issued	164,132.539	164,132,539	164,132,539	164,132,539
Own shares and financial instruments linked to shares	(93.096)	(103.358)	(1,538,122)	(11,.041)
Total shares outstanding	**164,039,443**	**164,029,181**	**162,594,417**	**164.121.498**

The calculation of basic earnings per share (rounded to four decimal places) for 2013 and 2012 is as follows:

	2013	2012
Profit attributable to the Parent (in thousands of Euros)	115,822	132,658
Weighted average number of ordinary shares outstanding	164,039,443	162,594,417
Basic earnings per ordinary share (in Euros)	**0.7061**	**0.8159**

The calculation of diluted earnings per share (rounded to four decimal places) for 2013 and 2012 is as follows:

	2013	2012
Profit attributable to the Parent (in thousands of Euros) (*)	116,903	132,658
Weighted average number of ordinary shares outstanding	167,682,186	162,594,417
Diluted earnings per ordinary share (in Euros)	**0.6972**	**0.8159**

(*) Profit for the year not including the cost accrued on the convertible bond, net of the tax effect

The calculation of earnings per ordinary share (rounded to four decimal places) for 2013 and 2012 is as follows:

	2013	2012
Profit attributable to the Parent (in thousands of Euros)	11,.822	132,658
Shares issued	164,132,539	164,132,539
Earnings per ordinary share (in Euros)	0.7057	0.8082

20. Financial Liabilities from Issuing Bonds and Other Marketable Securities and Non-current Loans and Borrowings

This line item includes a financial liability of Euros 229,999 thousand for the issue by the Parent of convertible and/or redeemable bonds relating to shares listed on Freiverkehr, the open market of the Frankfurt Stock Exchange. The terms and conditions of the bonds are as follows:

- The bonds have been issued for a nominal amount of Euros 250,000 thousand, to be redeemed after five years (17 October 2018).
- The issue expenses totalled Euros 4,702 thousand.
- The bonds accrue annual fixed interest at a nominal rate of 1.75%, payable every six months in arrears, specifically on 17 April and 17 October each year. The first interest payment is to be made on 17 April 2014.
- Effective interest rate on the bonds: 3.7%.
- The initial conversion price of the bonds was Euros 14.290 per share.
- The shares underlying the bonds initially represented around 10.7% of the Company's share capital prior to the issue.
- Three years and 21 days following the date of issue, Indra may fully (but not partially) redeem the bonds in advance for their nominal amount plus interest accrued if (a) the market value of the underlying shares exceeds Euros 130,000 during a certain period of time; or (b) if 10% or less of the nominal amount of the bonds initially issued remains outstanding.

- The bond issue is guaranteed by the Company's equity, and not by any third parties.

- The fair value of the bond at the reporting date is Euros 268,000 thousand, based on the quoted price on the Frankfurt Stock Exchange.

This item also includes the bonds issued by the subsidiary Indra Brasil, S.A. for an amount of Euros 33,914 thousand. The terms and conditions of these bonds are as follows:

- The bonds have been issued for a nominal amount of Brazilian Reais 110,000 thousand, to be redeemed after two years (20 May 2015).

- The bonds were issued on 20 May 2013.

- Interest is accrued at a floating rate, comprising the ID rate (interbank deposit rate in Brazil) +2.52%, payable every six months in arrears (first payment made on 20 November 2013).

Details by maturity of all other non-current loans and borrowings at 31 December 2013 are as follows:

	Thousands of Euros			
Year	Finance lease payables	Credit institutions	R&D loans	Total
2015	1,791	206,945	11,799	220,535
2016	1,900	113,185	11,900	126,985
2017	1,546	59,388	14,353	75,287
Subsequent years	1,025	31,075	71,037	103,137
Total at 31.12.13	6,262	410,593	109,089	525,944

Details by maturity of all other non-current loans and borrowings at 31 December 2012 were as follows:

	Thousands of Euros			
Year	Finance lease payables	Credit institutions	R&D loans	Total
2014	2,422	43,334	9,769	55,525
2015	2,384	165,962	10,107	178,453
2016	1,683	73,246	11,014	85,943
Subsequent years	2,357	5,497	70,341	78,195
Total at 31.12.13	8,846	288,039	101,231	398,116

Loans and borrowings include loans of Euros 165,000 thousand taken out by the Group in 2013 (Euros 194,050 thousand in 2012). The interest rate on these loans is pegged to Euribor (three-month and annual).

This caption also includes the Euros 2,693 thousand mortgage loan assumed by the subsidiary Prointec, S.A. in 2010 in relation to the properties acquired that year (Euros 3,232 thousand in 2012) (see note 7). This mortgage loan had a grace period until 31 January 2013 and falls due on 31 January 2019, accruing interest at Euribor plus a spread of 0.75%, which is settled annually.

The balance under credit institutions also includes interest rate swaps used by the Parent to manage its exposure to interest rate fluctuations, mainly on non-current bank loans arranged at floating rates. The fair value of these swaps, Euros 2,941 thousand (Euros 5,126 thousand in 2012) has been determined based on the market values of equivalent financial derivatives at the reporting date (see note 38 (a)).

21. Other Non-current Financial Liabilities

Details of other non-current financial liabilities are as follows:

	Thousands of Euros	
	2013	2012
Guarantees and deposits received	189	190
Suppliers of property, plant and equipment and intangible assets	12.613	82.436
Other non-current payables	15.266	17.635
Total	28.068	100.261

In 2013 suppliers of property, plant and equipment and intangible assets include outstanding payables relating to acquisitions of subsidiaries that took place in 2011, particularly a balance of Euros 7,369 thousand relating to the acquisition of Indra Italia Spa and a further Euros 2,750 thousand relating to the acquisition of G-Nubila Technology.

The variable payment of Euros 74,031 thousand due in relation to the Brazilian company Politec Tecnología da Informacao, S.A. has been written off from this same heading in 2013, considering year-end values based on the contract terms and the foreseeable settlement of this balance.

22. Government Grants

Details of government grants and movement in 2013 and 2012 are as follows:

	Thousands of Euros				
	Balance at 31.12.12		Transfers	Taken to p/l	Balance at 31.12.13
Grants	29.356	5.178	(12.654)	(5.911)	15.969

	Thousands of Euros				
	Balance at 31.12.11		Transfers	Taken to p/l	Balance at 31.12.12
Grants	32.602	1.976	73	(5.295)	29.356

Grants have been awarded by various public entities for development projects (see note 9) and training programmes.

23. Provisions for Liabilities and Charges

Details of provisions for liabilities and charges and movement during 2013 and 2012 are as follows:

Thousands of Euros

	Balance at 31.12.12	Translation diff.	Charges	Applications	Payments	Transfers	Balance at 31.12.13
Provisions for taxes	6,779	(518)	2,998	(535)	(15)	958	9,667
Other provisions	68,174	(11,123)	33,241	(1,650)	(441)	1,470	89,671
Total	74,953	(11,641)	36,239	(2,185)	(456)	2,428	99,338

Thousands of Euros

	Balance at 31.12.11	Comb. negocio	Translation diff.	Charges	Applications	Payments	Transfers	Balance at 31.12.12
Provisions for taxes	11,711	1,571	(682)	284	(3,566)	(128)	(2,411)	6,779
Other provisions	97,610	1,474	(7,759)	3,084	(15,747)	(24)	(10,464)	68,174
Total	109,321	3,045	(8,441)	3,368	(19,313)	(152)	(12,875)	74,953

Details of provisions, as well as the corresponding temporary differences and expected application dates, are as follows:

Thousands of Euros

Provision for taxes	Balance at 31.12.12							Balance at 31.12.13		
Concept	Balance	Temporary difference	Translation differences	Charges	Applications	Payments	Transfers	Balance	Temporary difference	Expected cancel. date
Appeals filed with taxation authorities	6,779	415	(518)	2,998	(535)	(15)	958	9,667	33	2013-2016
Total provision for taxes	6,779	415	(518)	2,998	(535)	(15)	958	9,667	33	

Thousands of Euros

Provision for taxes	Balance at 31.12.12								Balance at 31.12.13		
Concept	Balance	Temporary difference	Business comb	Translation differences	Charges	Applications	Payments	Transfers	Balance	Diferencia Temporaria	Temporary difference
Appeals filed with taxation authorities	11,711	415	1,571	(682)	284	(3,566)	(128)	(2,411)	6,779	415	2013-2016
Total provision for taxes	11,711	415	1,571	(682)	284	(3,566)	(128)	(2,411)	6,779	415	

Thousands of Euros

Other provisions	Balance at 31.12.11							Balance at 31.12.12		
Concept	Balance	Temporary difference	Translation differences	Charges	Applications	Payments	Transfers	Balance	Temporary difference	Expected cancel. date
Trade claims	234	212	(3)	282	(133)	-	(18)	362	362	2015
HR claims	20,627	4,464	(6,149)	32,602	(1,480)	(408)	(123)	45,069	3,537	2015
Salaries	20,493	19,128	(165)	357	(37)	-	2,862	23,510	22,742	2016-2029
Contingencies	26,820	4,907	(4,806)	-	-	(33)	(1,251)	20,730	4,907	2015-2017
Total other provisions	68,174	28,711	(11,123)	33,241	(1,650)	(441)	1,470	89,671	31,548	

Thousands of Euros

Other provisions	Balance at 31.12.11								Balance at 31.12.12		
Concept	Balance	Temporary difference	Business comb	Translation differences	Charges	Applications	Payments	Transfers	Balance	Temporary difference	Expected cancel. date
Trade claims	388	388	-	-	372	(383)	-	(143)	234	212	2014
HR claims	32,114	6,850	-	(3,219)	887	(5,305)	(24)	(3,826)	20,627	4,464	2013-2016
Salaries	23,039	23,039	1,434	52	219	-	-	(4,251)	20,493	19,128	2013-2016
Contingencies	42,069	7,273	40	(4,592)	1,606	(10,059)	-	(2,244)	26,820	4,907	2013-2016
Total other provisions	97,610	37,550	1,474	(7,759)	3,084	(15,747)	(24)	(10,464)	68,174	28,711	

As is explained in more detail in note 40, in December 2013 the board of directors resolved, as planned, to convert the existing termination benefit scheme for senior management into an early retirement and long-term savings scheme channelled through a defined contribution fund that has been externalised to an insurance provider. The board also resolved to transfer to this fund the provisions recognised for this scheme at 31 December 2013, which amounted to Euros 21,110 thousand and were included under salaries within other non-current provisions. The various steps necessary to put these resolutions into effect were taken during January 2014.

The amounts relating to trade appeals pending resolution by courts and city councils have been discounted using the discount rate applicable to late payment interest for each year.

24. Current Loans and Borrowings

Details of this line of the consolidated statement of financial position at 31 December 2013 and 2012 are as follows:

	Thousands of Euros	
	2013	2012
Loans	181,475	292,738
Interest payable	2,811	2,347
Finance leases (note 6)	2,261	2,704
Total	186,547	297,789
Official loans for research programmes (note 9)	9,127	7,199
Total	195,674	304,988

25. Trade and Other Payables

Details of trade and other payables at 31 December 2013 and 2012 are as follows:

	Thousands of Euros	
	2013	2012
Purchases and services received	565,156	634,695
Advances from customers	615,241	691,950
	1,180,397	1,326,645

Late Payments to Suppliers. "Reporting Requirement", Third Additional Provision of Law 15/2010 of 5 July 2010

Details of the Spanish Group companies' payments at 31 December 2013 and 31 December 2012 are as follows:

	Thousands of Euros			
	2013		2012	
	Amount	%	Amount	%
Within maximum legal period (*)	643,920	48.54%	759,854	41.55%
Other	682,787	51.46%	1,069,105	58.45%
Total payments for the year	1,326,707	100.00%	1,828,959	100.00%
Weighted average late payment days	84		49	

Details of the payment terms applicable to the Spanish Group companies' outstanding payables at 31 December 2013 and 2012 are as follows:

	Thousands of Euros			
	2013		2012	
Within maximum legal period (*)	334,713	72.87%	444,155	88.39%
Other	124,588	27.13%	58,340	11.61%
Total outstanding balance	**459,301**	**100.00%**	**502,495**	**100.00%**

* The maximum legal payment period is 60 days in 2013 and 75 days in 2012 in accordance with Law 15/2010 of 5 July 2010 (which amended Law 3/2004 of 29 December 2004), containing measures to combat late payments in commercial transaction.

26. Other Liabilities

Details of other liabilities at 31 December 2013 and 2012 are as follows:

	Thousands of Euros	
	2013	2012
Public entities (note 36)	123,909	13,.257
Salaries payable	74,506	78,665
Cash flow hedges	215	3,726
Guarantees and deposits received	444	135
Trade provisions	56,959	37,841
Accruals	2,337	2,637
Suppliers of property, plant and equipment and intangible assets	6,291	1,166
Other payables	33,874	38,519
Total	298,535	295,946

27. Segment Reporting

Operating segments are the components that engage in activities from which the Group may earn income and incur expenses and whose operating results are regularly reviewed, discussed and assessed by management in the decision-making process.

The Group's segments are Services and Solutions. Information on each segment is allocated on the basis of the financial statements of the different Group companies.

Information on the Group's business segments is as follows.

2013 (Thousands of Euros)

Segment reporting at 31 December 2013:	Solutions	%	Services	%	Unallocated corporate	Eliminations	Total	%
External sales	1,887,946	100%	1,026,127	98%	-	-	2,914,073	100%
Inter-segment sales	2,271	0%	21,172	2%	-	(23,443)	-	-
Net sales	**1,890,217**	**100%**	**1,047,299**	**100%**	**-**	**(23,443)**	**2,914,073**	**100%**
Contribution margin	**296,444**	**15.7%**	141,478	13.5%	-	(1,154)	436,768	15%
Other income and expenses (corporate and unallocated)	-		-		(239,636)	1,154	(238,482)	-8%
Results from operating activities	**296,444**		**141,478**		**(239,636)**	-	**198,286**	**7%**
Other gains/(losses)	(40,689)		(22,095)		10,488	-	(52,296)	-2%
Share in profit/(loss) of associates	666		-		-	-	666	0.0%
Income tax	(68,237)		(30,130)		68,399	-	(29,968)	-1.0%
Segment profit/(loss)	**188,184**	**10%**	**89,253**	**9%**	**(160,749)**	-	**116,688**	**4%**
Otra information								
Investments	57,793		5,353		10,690	-	73,836	
Amortisation and depreciation	18,653		14,212		19,049	-	51,914	
Balance sheet								
Assets	1,633,528		694,535		1,528,883	-	3,856,946	
Segment assets	7,378		547		-	-	7,925	
Assets in associates								
Total consolidated assets							**3,864,871**	
Liabilities								
Segment liabilities	1,033,337		1,515,314		192,238	-	2,740,889	
Total consolidated liabilities							**2,740,889**	

2013 (Thousands of Euros)

Geographical segment reporting at 31 December 2013:	Spain	Latin America	Europe and North America	Asia, Middle East and Africa	Total
External sales	1.124.930	830.686	577.340	381.117	2.914.073
Investments	59.621	10.180	2.242	1.793	73.836
Assets employed	3.073.855	483.951	146.745	160.320	3.864.871

2012 (Thousands of Euros)

Segment reporting at 31 December 2012:	Solutions	%	Services	%	Unallocated corporate	Eliminations	Total	%
External sales	1,881,139	100%	1,059,841	98%	-	-	2,940,980	100%
Inter-segment sales	1,174	0%	18,044	2%	-	(19,218)	-	-
Net sales	**1,882,313**	**100%**	**1,077,885**	**100%**	**-**	**(19,218)**	**2,940,980**	**100%**
Contribution margin	314,617	16.7%	152,793	14.2%	-	(59)	467,351	16%
Other income and expenses	-		-		(250,201)	59	(250,142)	-9%
(corporate and unallocated)								
Results from operating activities	**314,617**		**152,793**		**(250,201)**	**-**	**217,209**	**7%**
Other gains/(losses)	(36,422)		(16,749)		(159)	-	(53,330)	-2%
Share in profit/(loss) of	(587)		-		-	-	(587)	0.0%
associates					75,089	-	(35,726)	-1.2%
Income tax	(75,081)		(35,734)					
Segment profit/(loss)	**202,527**	**11%**	**100,310**	**9%**	**(175,271)**	**-**	**127,566**	**4%**
Otra information								
Investments	74,643		13,297		15,780	-	103,720	
Amortisation and depreciation	15,026		18,318		17,825	-	51,169	
Balance sheet								
Assets	1,675,856		758,556		1,311,520	-	3,745,932	
Segment assets	9,443		568		-	-	10,011	
Assets in associates								
Total consolidated assets							**3,755,943**	
Liabilities								
Segment liabilities	1,254,101		1,154,668		258,295	-	2,667,064	
Total consolidated liabilities							**2,667,064**	

2012 (Thousands of Euros)

Geographical segment reporting at 31 December 2012	Spain	Latin America	Europe and North America	Asia, Middle East and Africa	Total
External sales	1.257.794	745.010	524.090	414.086	2.940.980
Investments	91.168	5.977	4.825	1.750	103.720
Assets employed	2.651.625	707.317	234.745	162.256	3.755.943

28. Other Income

This consolidated income statement line item includes the income generated as a result of writing off the variable payment of Euros 74,031 thousand due in relation to the Brazilian company Politec Tecnología da Informacao, S.A., considering year-end values for 2013, and the proceeds from the sale of the P&F activity for Euros 17,878 thousand.

29. Materials and Other Supplies Used

The total cost of materials and other supplies used by the Group during the years ended 31 December 2013 and 2012 is as follows:

	Thousands of Euros	
	2013	2012
Subcontracted work and materials consumed	753,783	807,067
Change in inventories	(840)	1,474
Total	752,943	808,541

30. Personnel Expenses

Details of personnel expenses during the years ended 31 December 2013 and 2012 are as follows:

	Thousands of Euros	
	2013	2012
Salaries and wages	1,173,640	1,129,021
Social Security and other employee benefits expenses	307,799	300,433
Total	1,481,439	1,429,454

The average headcount of the Parent and its directors in 2013 and 2012, distributed by category, is as follows:

	Number of employees					
	2013			2012		
	Male	Female	Total	Male	Female	Total
Board members	11	3	14	12	3	15
Senior management	8	1	9	8	1	9
Management	441	77	518	456	68	524
Graduates and other qualified staff	20,829	10,117	30,946	19,830	9,254	29,084
Administrative staff	1,326	2,380	3,706	1,349	2,217	3,566
Factory employees	2,043	1,493	3,536	2,120	1,516	3,636
Other	37	18	55	46	55	101
Total	24,695	14,089	38,784	23,821	13,114	36,935

Details of the staff employed by the Spanish companies in 2013 and 2012 with a percentage of disability equal to or higher than 33%, distributed by category, are as follows:

	Number of employees					
	2013			2012		
	Male	Female	Total	Male	Female	Total
Management	3	-	3	2	-	2
Graduates and other qualified staff	101	38	139	87	30	117
Administrative staff	16	25	41	14	21	35
Factory employees	8	-	8	7	-	7
Other	1	-	1	-	-	-
Total	129	63	192	110	51	161

At the 2013 and 2012 reporting dates the distribution by gender and category is as follows:

	Number of employees					
	2013			2012		
	Male	Female	Total	Male	Female	Total
Board members	11	3	14	11	3	14
Senior management	8	1	9	7	1	8
Management	429	74	503	451	69	520
Graduates and other qualified staff	20,835	10,150	30,985	20,569	9,714	30,283
Administrative staff	1,356	2,274	3,630	1,417	2,512	3,929
Factory employees	1,997	1,441	3,438	2,194	1,608	3,802
Other	33	17	50	44	55	99
Total	24,669	13,960	38,629	24,693	13,962	38,655

31. Other Operating Expenses

Details at 31 December 2013 and 2012 are as follows:

	Thousands of Euros	
	2013	2012
Leases and royalties	12,,982	122,097
Repairs and maintenance	17,272	19,151
Professional services	118,188	163,159
Carriage and shipping costs	9,795	25,495
Insurance	7,245	6,367
Banking services	8,803	10,189
Donations, trade fairs, advertising and representation	14,455	17,450
Utilities	11,771	15,342
Travel and other costs	195,980	179,613
Taxes	38,666	34,965
Other operating expenses	42,333	10,098
Total	590,490	603,926

32. Other Losses on Non-current Assets

Details at 31 December 2013 and 2012 are as follows:

	Thousands of Euros	
	2013	2012
Disposals/impairment of goodwill (note 8)	(10,292)	(1,195)
Losses on other intangible assets (note 9)	(5,080)	(1,702)
Losses on property, plant and equipment	(1,520)	(1,820)
Total	(16,892)	(4,717)

In 2013, losses on property, plant and equipment include impairment losses of Euros 65 thousand (Euros 1,300 thousand in 2012) on investment property, specifically on housing owned by the subsidiary Prointec, S.A. (see note 7).

This caption also includes disposals of Euros 1,390 thousand (Euros 520 thousand in 2012) due to equipment being replaced by the Parent.

33. Share in Profit of Other Investees

Details at 31 December 2013 and 2012 are as follows:

	Thousands of Euros	
	2013	2012
Gains on financial assets	14,947	1,666
Losses and impairment on financial assets	(3,262)	(1,239)
Total	11,685	427

Gains on financial assets include the Euros 14,826 thousand proceeds from the sale of Banco Inversis (see note 12).

34. Foreign Currency Transactions

The main transactions in non-Euro currencies in 2013 and 2012 are as follows:

	Thousands of Euros	
	2013	2012
Sales	1,264,331	996,736
Purchases	683,719	564,351

35. Deposits and Guarantees

At 31 December 2013 several different banks and insurance companies have deposited guarantees totalling Euros 962,965 thousand with third parties on behalf of the Group, mainly to secure the completion of contracts. At 31 December 2012 these guarantees totalled Euros 887,930 thousand.

The Group does not expect any significant liabilities to arise from these guarantees.

36. Taxation

The Parent files consolidated income tax returns as the parent of tax group 26/01, which comprises the Parent and the subsidiaries Indra Sistemas de Seguridad, S.A.U., Inmize Capital, S.L., Indra Business Consulting, S.L.U., Indra Software Labs, S.L.U., Indra BMB, S.L.U., Indra Emac, S.A.U., Indra Sistemas de Comunicaciones Seguras, S.L.U, Advanced Logistics Group, S.L.U., Indra BMB Servicios Digitales, S.L.U., Mensor Consultoría Estratégica, S.L., Prointec, S.A., Prointec Extremadura, S.L., Central de Apoyos y Medios Auxiliares S.A.U. and Caymasa El Sendero, S.L.U.

Deferred tax assets

Details of movement in deferred tax assets are as follows:

The recovery of deferred tax assets depends on the generation of sufficient taxable income in the future. The Parent's directors consider that the projected taxable income of the various Group companies amply cover the amounts necessary to recover these assets.

Details of deferred tax liabilities at 31 December 2013 and 2012 are as follows:

	Thousands of Euros						
	Balance at 31.12.12	Business comb.	Translation differences	Generated	Reversals	Other movements	Balance at 31.12.13
Deferred tax assets	164.118	-	(18.406)	31.621	(15.308)	13.020	175.045

	Thousands of Euros						
	Balance at 31.12.11	Business comb.	Translation differences	Generated	Reversals	Other movements	Balance at 31.12.12
Deferred tax assets	137.959	8.355	(18.406)	63.863	(35.857)	(2.693)	164.118

	Thousands of Euros	
Concept	2013	2012
Charges to and application of provisions	97,832	88,272
Amortisation of goodwill	2,613	2,799
Excess amortisation/depreciation	4,658	4,091
Other	69,942	68,956
Deferred tax assets	175,045	164,118

At 31 December 2013 the "other" category includes capitalised tax losses and deductions totalling Euros 48,099 thousand (Euros 47,715 at 31 December 2012).

The Spanish Group companies have deferred tax assets with an estimated reversal period of more than one year amounting to Euros 46,475 thousand (Euros 30,445 thousand at 31 December 2012).

Current tax assets

Details of income tax assets at 31 December 2013 and 2012 are as follows:

	Thousands of Euros	
	2013	2012
Prior years' income tax eecoverable	16,806	14,193
Current year's income tax recoverable	23,124	40,678
Total	39,930	54,871

Deferred tax liabilities

The Parent has not recognised deferred tax liabilities relating to undistributed profits of subsidiaries over which its control enables it to manage when the temporary differences are reversed, and these are not expected to reverse in the near future.

Details of movement in deferred tax liabilities during 2013 and 2012 are as follows:

	Thousands of Euros						
	Balance at 31.12.12	Business comb.	Translation differences	Generated	Reversals	Other movements	Balance at 31.12.13
Deferred tax liabilitiess	97,729	-	(5,971)	20,747	(9,566)	1,155	104,094

	Thousands of Euros						
	Balance at 31.12.11	Business comb.	Translation differences	Generated	Reversals	Other movements	Balance at 31.12.12
Deferred tax liabilities	79,546	389	(2,042)	52,287	(36,289)	3,838	97,729

Details of deferred tax liabilities at 31 December 2013 and 2012 are as follows:

	Thousands of Euros	
Concept	2013	2012
Finance leases	1,004	1,120
Taxable gains	4,613	4,661
Portfolio provisions	54,682	50,923
Amortisation of goodwill	24,073	23,567
Other	19,722	17,458
Deferred tax liabilities	104,094	97,729

No se estima que un importe significativo de los pasivos por impuesto diferido sea revertido en un plazo inferior a un año.

Current tax liabilities

Details of income tax liabilities at 31 December 2013 and 2012 are as follows:

	Thousands of Euros	
	2013	2012
Income tax (prior years)	2,585	697
Income tax (current year)	10,761	11,286
Income tax (companies located abroad)	4,931	6,350
Total	18,277	18,333

Income tax expense

Due to the treatment permitted by fiscal legislation of certain transactions, accounting profit differs from taxable income. A reconciliation of accounting profit for the year with the taxable income of the companies which form part of the Group, including the income tax expense calculation at 31 December 2013 and 2012, is as follows:

	Thousands of Euros	
Concept	2013	2012
A.- Accounting profit before tax	146,656	163,292
Adjustments to accounting profit:		
- Other positive differences	46,671	10,442
- Other negative differences	(56,369)	(219)
Total adjustments to accounting profit	(9,698)	10,223
B.- Adjusted accounting profit	136,958	173,515
Temporary differences:		
- Positive, generated during the year	103,529	122,065
- Positive, generated in prior years	28,404	120,805
- Negative, generated during the year	(64,506)	(177,966)
- Negative, generated in prior year	(50,405)	(117,448)
Total temporary differences	17,022	(52,544)
C.- Taxable income	153,980	120,971
D.- Tax loss carryforwards for offset	(6,315)	(2,111)
E.- Adjusted taxable income	147,665	118,860
Income tax payable	51,600	48,817
Deductions:		
- Domestic double taxation relief	-	(414)
- International double taxation relief	(4,298)	(4,575)
- Investments in R&D&i and others	(32,335)	(33,265)
F.- Credit for loss carryforwards	19,192	21,587
G.- Local taxes abroad	257	211
H.- Total tax payable	34,416	32,361
Withholdings and payments on account	46,779	61,753
Total recoverable	(12,363)	(29,392)

Concept	Thousands of Euros 2013	2012
I.- Deferred tax assets (current year)	**(31,621)**	**(35,857)**
J.- Deferred tax assets recovered	**15,308**	**36,690**
K. - Deferred tax liabilities (current year)	**20,747**	**52,287**
L.- Deferred tax liabilities recovered	**(9,566)**	**(36,289)**
Accrued income tax (H+I+J+K+L)	29,284	49,192
Income tax (companies located abroad)	8,621	10,098
Prior years' income tax	7,549	1,510
Income tax, differences in tax rates	3,844	(1,673)
Deductions capitalised	(19,330)	(23,401)
M.-Income tax for the year	**29,968**	**35,726**
Profit for the year after tax (A-M)	116,688	**127,566**

A reconciliation of the legal tax rate and the effective tax rate applied by the Group is as follows:

	2013 Thousands of	%
Consolidated profit (before tax)	146,656	
- Income tax at the rate applicable in Spain	43,997	30.00%
- Effect of permanent differences	(2,909)	(1.98)%
- Effect of deductions	(36,633)	(24.98)%
- Effect of other income tax adjustments from prior years	7,549	5.15%
- Effect of tax loss carryforwards	19,192	13.09%
- Effect of deductions capitalised	(19,330)	(13.18)%
- Income tax on companies located abroad	8,621	5.88%
- Effect of different international tax rates	9,482	6.47%
Total	29,968	20.43%

	2012 Thousands of	%
Consolidated profit (before tax)	163,292	
- Income tax at the rate applicable in Spain	48,988	30.00%
- Effect of permanent differences	3,067	1.88%
- Effect of deductions	(38,254)	(23.43)%
- Effect of other income tax adjustments from prior years	1,510	0.92%
- Effect of tax loss carryforwards	21,587	13.22%
- Effect of deductions capitalised	(23,401)	(14.33)%
- Income tax on companies located abroad	10,098	6.18%
- Effect of different international tax rates	12,131	7.43%
Total	35,726	21.88%

Details of deductions for investment, training and export activities at 31 December 2013 and 2012 are as follows:

Thousands of Euros

Deductions for investments and other reasons

Year	2013	Year	2012
2009 and prior year	1,351	2008 and prior year	2,219
2010	1,269	2009	552
2011	3,508	2010	534
2012	16,918	2011	11,505
2013	9,128	2012	16,733
Total 2013	32,174	Total 2012	31,543

The Group has not recognised deferred tax assets amounting to Euros 1,948 thousand of the total balance under deductions for investment and other reasons (Euros 4,378 thousand at 31 December 2012).

As in 2012, the Group has no reinvestment commitments at 31 December 2013.

Under prevailing Spanish tax legislation, the application period for deductions in respect of investments and other reasons is 15 years.

Details of loss carryforwards available for offset and not yet capitalised at 31 December 2012 and 2011 are as follows:

Thousands of Euros

Tax loss carryforwards for offset

Year	2013	Year	2012
2009 and prior year	13,022	2008 and prior year	26,159
2010	17,731	2009	2,478
2011	18,922	2010	9,122
2012	28,445	2011	43,319
2013	22,171	2012	34,616
Total 2013	100,291	Total 2012	115,694

Spanish tax legislation caps the amount of tax loss carryforwards available for offset by the companies forming part of the tax group headed by Indra Sistemas, S.A. in 2012, 2013, 2014 and 2015 at 25% of taxable income prior to offset. For the rest of the Spanish companies, this percentage varies depending on the volume of transactions and revenues. For these same periods goodwill may only be amortised up to one hundredth of its amount per year and the amortisation of intangible assets with indefinite useful lives is capped at one fiftieth of the amount. Furthermore, for 2013 and 2014 property, plant and equipment, intangible assets and investment property may only be depreciated or amortised up to 70% of the assets' depreciation/amortisation for accounting purposes.

In accordance with prevailing legislation, taxes cannot be considered definitive until they have been inspected by the taxation authorities or before the prescription period pursuant to legislation in force in each of the countries in which the Group operates has elapsed. The Parent has open to inspection all applicable taxes for 2009 and subsequent years.

The Group companies consider that all applicable taxes for the years open to inspection have been properly filed and settled. However, in the event of inspection, discrepancies could arise regarding the interpretation of prevailing tax legislation, although the companies do not expect that any such discrepancies would be significant to the consolidated annual accounts.

Balances with public entities

Balances receivable from public entities comprise the following:

	Thousands of Euros	
	2013	2012
Taxation authorities:		
Value added tax	31,439	31,144
Other taxes	9,295	19,599
Subtotal	**40,734**	**50,743**
Grants receivable	4,554	6,872
Social Security receivable	560	4,484
Total (note 14)	**45,848**	**62,099**

Details of balances payable to public entities are as follows:

	Thousands of Euros	
	2013	2012
Taxation authorities:		
Value added tax	60,353	67,659
Personal income tax withholdings	24,888	27,908
Other taxes	10,822	6,692
Subtotal	**96,063**	**102,259**
Repayable grants	2	64
Social Security payable	27,844	30,934
Total	123,909	133,257

37. Financial Risk Management and Hedging Policies

Financial risk factors

The Group's activities are exposed to various financial risks: market risk (including currency risk and interest rate risk), credit risk and liquidity risk. The risk management model aims to minimise potential adverse effects on the Group's profits.

Risk management is controlled by the Group's Finance and Control departments. Internal rules include policies on global risk management and on specific issues such as currency risk, interest rate risk, liquidity risk, the use of derivative and non-derivative instruments, and investments of cash surpluses.

To ensure that the above-mentioned risks are managed appropriately, the Group maintains control over financial information using an internal system that is highly efficient in all major respects.

a) Market risk

(i) Currency risk

The Group operates internationally and is therefore exposed to foreign currency risk. Currency risk arises when future commercial transactions and recognised assets and liabilities are presented in a foreign currency other than the Parent's functional currency.

In order to mitigate the impact of exchange rate differences on the projects carried out by the Group, hedging transactions (mainly forward purchases and sales of foreign currency) are arranged with banks. Indra analyses the exchange rate risk at the time each individual project contract is signed and arranges suitable hedges (primarily exchange rate insurance policies) to ensure that future profits are not significantly affected by fluctuations in the exchange rate. No derivative financial instruments are used for speculative ends.

The profits of operations with income and expenses denominated in currencies other than the Euro may increase or decrease on consolidation into the Group's Euro-denominated accounts. Although this risk is partly mitigated by the Group's significant geographical diversity, exchange rate fluctuations in the different currencies of Latin America, as the most important region in terms of the Group's non-Euro activity, could have a detrimental impact on the Group's results.

The Group's risk management policy involves hedging 100% of forecast transactions in each currency other than the functional currency. Approximately 95% (95% in 2012) of forecast transactions in each of the main foreign currencies are classified as highly probable forecast transactions for hedge accounting purposes.

Details of the Group's exposure to currency risk at 31 December 2013 and 2012 are provided in the following tables, which show the carrying amount (in thousands of Euros) and type of the Group's financial instruments denominated in foreign currencies.

	2013 (Thousands of Euros)							
	US Dollar	Pounds Sterling	Mexican Peso	Argentine Peso	Chilean Peso	Brazilian Real	Other	Total
Other financial assets	120		630	381	154	43,150	138	44,573
Total non-current assets	**120**		**630**	**381**	**154**	**43,150**	**138**	**44,573**
Trade and other receivables	140,050		122,072	33,733	38,983	137,711	235,796	709,228
Other financial assets	883		283	349	668	703	3,450	13,334
Debt securities	6,998		14,304	1,028	1,288	52,112	2,012	77,742
Total current assets	**147,931**		**136,659**	**35,110**	**40,939**	**190,526**	**241,258**	**800,304**
Total assets	**148,051**		**137,289**	**35,491**	**41,093**	**233,676**	**241,396**	**844,877**
Other financial liabilities	-		-	13	-	11,989	699	12,701
Total non-current financial liabilities	**-**		**-**	**13**	**-**	**11,989**	**699**	**12,701**
Loans and borrowings	9,297		19,967	9,687	7,904	76,065	2,475	125,413
Finance lease payables	18		-	182	-	-	138	24,432
Trade and other payables	24,094		50,712	16,583	19,037	64,781	82,905	258,112
Total current liabilities	**33,409**		**70,679**	**26,452**	**26,941**	**140,846**	**85,518**	**407,957**
Total liabilities	**33,409**		**70,679**	**26,465**	**26,941**	**152,835**	**86,217**	**420,658**
Gross balance sheet exposure	**114,642**		**66,610**	**9,026**	**14,152**	**80,841**	**155,179**	**424,219**
Forecast sales in foreign currency	293,731		211,637	48,421	58,573	320,799	540,199	1,528,588
Forecast purchases in foreign currency	55,228		88,744	9,300	16,758	30,576	195,930	396,536
Total gross exposure	**353,145**		**278,247**	**9,026**	**14,152**	**371,064**	**499,448**	**1,556,271**
Derivative financial instruments - hedges								
Sales	267,166		19,143	5,690	10,442	14,442	47,166	406,776
Purchases	42,727		69	-	22	-	8,340	51,158
Net exposure	**128,706**		**259,173**	**3,336**	**3,732**	**356,622**	**460,622**	**1,200,653**

	2012 (Thousands of Euros)							
	US Dollar	Pounds Sterling	Mexican Peso	Argentine Peso	Chilean Peso	Brazilian Real	Other	Total
Other financial assets	3,267	-	755	823	172	15,493	443	20,953
Total non-current assets	**3,267**	**-**	**755**	**823**	**172**	**15,493**	**443**	**20,953**
Trade and other receivables	71,729	5,431	104,907	28,635	39,190	132,110	212,938	594,940
Other financial assets	555	-		176	933	1,744	2,367	5,775
Debt securities	2,526	-	12,121	1,223	1,668	42,771	22,258	82,567
Total current assets	**74,810**	**5,431**	**117,028**	**30,034**	**41,791**	**176,625**	**237,563**	**683,282**
Total assets	**78,077**	**5,431**	**117,783**	**30,857**	**41,963**	**192,118**	**238,006**	**704,235**
Loans and borrowings	-	-	-	-	-	5,696	-	5,696
Other financial liabilities	32	-	-	-	-	83,866	823	84,721
Total non-current financial liabilities	**32**	**-**	**-**	**-**	-	**89,562**	**823**	**90,417**
Loans and borrowings	9,269	-	28,101	13,560	10,811	75,588	10,886	148,215
Finance lease payables	16	-	-	84	-	18	87	205
Trade and other payables	37,622	1,597	53,743	20,874	25,137	99,952	129,710	368,635
Total current liabilities	**46,907**	**1,597**	**81,844**	**34,518**	**35,948**	**175,558**	**140,683**	**517,055**
Total liabilities	**46,939**	**1,597**	**81,844**	**34,518**	**35,948**	**265,120**	**141,506**	**607.472**
Gross balance sheet exposure	**31,138**	**3,834**	**35,939**	(3,661)	6,015	(73,002)	96,500	96,763
Forecast sales in foreign currency	263,622	19,060	185,147	83,201	57,965	356,086	517,817	1,482,898
Forecast purchases in foreign currency	63,861	14,210	110,951	20,456	17,788	65,419	305,628	598,313
Total gross exposure	**230,899**	**8,684**	**221,086**	**(3,661)**	**6,015**	**217,665**	**308,689**	**981,348**
Derivative financial instruments - hedges								
Sales	236.,836	19,060	22,569	208	4,962	3,053	41,608	328,296
Purchases	50,205	14,210	-	432	135	-	110,540	175,522
Net exposure	**44,268**	**3,834**	**198,517**	**(3,437)**	**1,053**	**214,612**	**377,621**	**828,574**

(ii) Interest rate risk

Interest rate risk arises due to exposure to movements in the interest rate curves applicable to non-current and current bank borrowings. Indra considers arranging financial instruments to manage these risks when circumstances so dictate. At 31 December 2013, Indra holds interest rate hedges for non-current bank borrowings through variable and fixed interest rate swap contracts. In 2013 the Group carried out a fixed-interest bond issue, eliminating this risk for a large part of its non-current borrowings (see note 20).

The following table shows the sensitivity of the Group's consolidated profit (in millions of Euros) to interest rate fluctuations:

	2013 Interest rate fluctuation		2012 Interest rate fluctuation	
	+0.5%	-0.5%	+0.5%	-0.5%
Effect on pre-tax profit	(0.82)	0.82	(1.85)	1.85

b) Credit risk

Indra is exposed to this risk due to possible default by customers. The credit standing of Indra's customers is very good. Due to the nature of Indra's business, its commercial relationships are mainly with large business groups, governments, public sector bodies and public-private partnerships, which are exposed to a lesser extent to the risk of default. The Group has not historically incurred any significant losses as a result of default. Nevertheless, it uses irrevocable letters of credit and hedges transactions through insurance policies to insure collection, especially in the international sales area.

These tables present details of the ageing of past-due unimpaired financial assets at 31 December 2013 and 2012.

2013 (Thousands of Euros)	Less than 3 months	3 to 6 months	6 months to 1 year	More than 1 year	Total
Trade and other receivables	324,959	29,814	42,608	65,799	463,180
Total assets	**324,959**	**29,814**	**42,608**	**65,799**	**463,180**

2012 (Thousands of Euros)	Less than 3 months	3 to 6 months	6 months to 1 year	More than 1 year	Total
Trade and other receivables	150,368	65,275	34,172	67,828	317,643
Total assets	**150,368**	**65,275**	**34,172**	**67,828**	**317,643**

c) Liquidity risk

The Group applies a prudent policy to cover its liquidity risks, consisting of arranging credit facilities and loans with financial institutions and issuing bonds for a sufficient amount to settle its current commitments. Indra Group policy with regard to cash surpluses is to invest them in highly liquid, non-speculative short-term instruments through prestigious financial institutions.

Given the dynamic nature of its underlying business, the Group's Treasury Department aims to be flexible with regard to financing through drawdowns on credit facilities.

Details of the Group's exposure to liquidity risk at 31 December 2013 and 2012 are provided in the following tables, which show an analysis of financial liabilities by maturity date:

2013 (Thousands of Euros)

	Less than 1 month	1 to 3 months	3 months to 1 year	1 to 5 years	More than 5	Total
Loans and borrowings	8,963	53,930	130,520	460,101	59,580	713,094
Financial liabilities from bonds and debentures	-	-	-	263,914	-	263,914
Finance lease payables	158	604	1,499	6,262	-	8,523
Trade and other payables	64,964	1,221,163	68,896	-	-	1,355,023
Other financial liabilities	-	-	-	24,229	-	24,229
Total	74,085	1,275,697	200,915	754,506	59,580	2,364,783
Derivative financial instruments	-	215		3,839	-	4,054
Total	74,085	1,275,912	200,915	758,345	59,580	2,368,837

2012 (Thousands of Euros)

	Less than 1 month	1 to 3 months	3 months to 1 year	1 to 5 years	More than 5	Total
Loans and borrowings	21.982	159.661	120.641	337.490	51.780	691.554
Finance lease payables	134	1.386	1.184	7.822	1.024	11.550
Trade and other payables	56.331	196.287	1.236.716	-	-	1.489.334
Other financial liabilities	-	-	-	94.281	-	94.281
Total	78.447	357.334	1.358.541	439.593	52.804	2.286.719
Derivative financial instruments	-	517	3.209	5.980	-	9.706
Total	78.447	357.851	1.361.750	445.573	52.804	2.296.425

38. Commitments and Other Contingent Liabilities

a) Foreign currency commitments

The Group has arranged forward currency sale and purchase agreements to cover open foreign currency positions at 31 December 2013 (see note 4 u)). These commitments are as follows:

	Amount in foreign currency			
	Current		Non-current	
Currency	Purchase	Sale	Purchase	Sale
US Dollar	54,368,981	275,621,298	2,441,600	79,610,114
Pound Sterling	5,018,590	7,540,794	890,906	172,358
Swiss Franc	333,988	-	-	-
Chilean Peso	14,434,599	6,751,953,811	-	131,563,944
Mexican Peso	1,176,714	320,501,334	-	4,147,519
Argentine Peso	-	41,560,462	-	-
Malaysian Ringgit	519,797	15,335,770	-	-
Australian Dollar	43,450	9,525,790	-	8,136,542
Canadian Dollar	762,462	3,298,739	100,000	-
Polish Zloty	415,446	17,897,389	-	
Swedish Krona	1,100,000	-	-	-
Brazilian Real	-	41,408,684	-	-
Colombian Peso	4,763,538,938	32,714,898,648	-	-
Moroccan Dirham	-	11,432,695	-	2,498,318
Czech Koruna	7,945,762	-	-	-
Kuwaiti Dinar	-	1,460,248	-	-
Singapore Dollar	-	1,912,681	-	-
UAE Dirham	-	7,319,955	-	-
Peruvian New Sol	972,967	14,304,777	-	-
South African Rand	-	1,293,873	-	-
Russian Rouble	5,407,515	114,546,713	-	-
Philippine Peso	5,980,800	302,526,948	-	-

At 31 December 2012 the Group had the following commitments:

	Amount in foreign currency			
	Current		Non-current	
Currency	Purchase	Sale	Purchase	Sale
US Dollar	59,941,529	270,443,236	6,299,184	42,037,723
Pound Sterling	9,276,006	3,890,098	2,321,160	11,664,797
Swiss Franc	4,852,060	-	-	-
Chilean Peso	85,200,000	3,132,043,710	-	-
Mexican Peso	-	350,372,738	-	37,463,679
Argentine Peso	2,799,810	1,345,784	-	-
Australian Dollar	455,786	15,524,404	-	9,153,037
Canadian Dollar	854,355	6,108,827	300,000	1,856,492
Polish Zloty	415,446	28,066,003	-	-
Norwegian Krone		4,850,649	-	-
Brazilian Real		8,254,481	-	-
Colombian Peso	2,558,195,514	3,923,351,264	-	313,024,841
Moroccan Dirham	-	8,352,695	-	-
Czech Koruna	10,870,390	-	4,420,609	-
Kuwaiti Dinar	-	2,471,519	-	1,085,771
Peruvian New Sol	-	1,401,912	-	-
South African Rand	-	3,800,000	-	-
Hungarian Forint	466,128,089	1,524,864,721	-	-

At 31 December 2013 and 2012 exchange rate hedges are valued as follows:

	Thousands of Euros							
	2013				2012			
	Current		Non-current		Current		Non-current	
Exchange rate hedges	Assets	Liabilities	Assets	Liabilities	Assets	Liabilities	Assets	Liabilities
Cash flow hedges	(1,113)	202	4,387	3,831	(1,113)	202	4.387	3,831
Fair value hedges	9,562	13	(2,444)	8	9,562	13	(2,444)	8
Total (nota 10)	8,449	215	1,943	3,839	8,449	215	1,943	3,839

Fair value hedges also include interest rate swaps used by the Parent to manage its exposure to interest rate fluctuations, mainly on non-current banks loans arranged at floating rates. The fair value of these swaps, Euros 2,941 thousand (Euros 5,126 thousand in 2012) has been determined based on the market values of equivalent financial derivatives at the reporting date (see note 20).

b) Share options plan

No new share option plans were agreed in 2013 or 2012.

Details of the remuneration plan linked to share price at 31 December 2012 and movement during the year then ended were as follows:

	Balance at 31.12.11	Extinguished	Exercised	Balance at 31.12.12	Exercise price Euros	Expiry date
2008 options	870.045	(870.045)	-	-	16,82	from 01.01.11 to 31.03.12

No personnel expenses have been recognised in relation to this plan in 2013 or 2012.

39. Operating Leases

The Group has contracted various assets under operating leases from third parties.

The most significant lease contracts are as follows:

Lessor	Leased premises	Contract signature date	Contract expiry date	Review	Review %	Deposits (thousands of Euros)
Testa Inmuebles en Renta, S.A.	Avenida de Bruselas, 35 (Alcobendas)	01/01/02	30/06/22	July	CPI	1,005
Ayuntamiento de Alcobendas	Anabel Segura, 7 (Alcobendas)	01/09/07	31/05/17	January	CPI	423
Gratan, S.L.	Tanger, 120 (Barcelona)	01/07/05	01/01/17	July	CPI	660
General de Edificios y Solares	Avda. de Arteixo, s/n (La Coruña)	15/05/08	31/05/14	May	CPI	83
Grupo Castellvi	Tanger 98-108, Edificio Interface (Barcelona)	01/07/08	31/10/27	June	CPI	371

Operating lease payments have been recognised as an expense for the year as follows:

OWNER	Location	Contract expiry date	2013 expense	2012 expense
Testa	Alcobendas (Madrid)	30/06/22	6,150	5,860
Ayuntamiento de Alcobendas/Sogepima	Alcobendas (Madrid)	31/05/17	3,097	3,288
Grupo Castellvi	Barcelona	31/10/17	2,980	2,889
Gratan, S.L.	Barcelona	01/01/17	1,269	1,333
Obenque	Madrid	31/12/21	1,184	962
Mapfre Vida, S.A.	Madrid	29/02/16	894	1,139
Rentiber Internacional	San Fernando de Henares (Madrid)	31/03/17	746	297
Grupo Integral de Desarrollo Inmobiliario	México D.F. (México)	31/12/22	728	-
Portocarrio, S.L.	Madrid	07/04/16	685	665
El Remanso, S.A.	Avda. del Valle (Chile)	31/01/16	633	656
M. Ruiz Clavijo, S.L.	Torrejon De Ardoz - Madrid	01/06/15	569	598
Edificio De Alcobendas, S.A.	Alcobendas (Madrid)	31/05/15	463	451
Cos Informática México, S.A. de C.V.	México D.F. (México)	01/01/14	393	-
Inmobiliaria Financiera	Bogota (Colombia)	31/08/17	383	-
Politec ParticipaÇoes Ltda.	Brasilia (Brasil)	31/12/14	368	-
General de Edificios y Solares	La Coruña	31/05/14	366	521
General de Edificios y Solares	Madrid	31/12/14	366	359
Red Tenc. Servicios de Asistencia Sanitaria	Málaga	31/08/21	355	-
Alfrapark	Alfragide, Lisboa (Portugal)	30/11/17	349	354
Adper, S.L.	Valencia	01/03/14	334	373
Fundación P. Cientifico Universidad de Salamanca	Salamanca	31/10/17	322	-
Alleanza Toro Spa	Roma (Italia)	30/09/16	319	389
Centro de Empresas Zamundio	Erandio (Vizcaya)	06/04/14	298	-
Inmoan, S.L.	Torrejon De Ardoz - Madrid	31/10/19	275	262
Investments Monterrosa	Torre Metálica Mezanina 2 (Venezuela)	25/04/13	-	924
Inmobiliaria Lorena, S.L.	Madrid	31/05/13	-	373
Hermandad Nacional de Arquitectos	Madrid	31/03/13	-	348
Criber 2000, S.L.	Madrid	31/03/13	-	274
Otros			9,158	10,909

Other" includes all amounts lower than Euros 250 thousand.

40. Remuneration of the Board of Directors and Senior Management

1. Remuneration of board members

1.1 Remuneration for general oversight and decision-making duties

The remuneration of the members of the board of directors is governed by the articles of association and board regulations, as well as agreements adopted by the shareholders at their general meetings.

The Parent follows a practice of reviewing the remuneration received by its board members and the underlying criteria on a regular basis to ensure that these are kept in line with best practices and recommendations at all times, considering the characteristics of the Parent, the profiles of its board members, the dedication required to carry out a member's duties diligently and the responsibility inherent to membership, as well as the requirement set out in the board member regulations that the remuneration of external members should be an incentive to reward dedication, qualification and responsibility, but must not compromise independence in the case of independent members.

The existing remuneration scheme was established in 2011, considering prevalent corporate governance criteria on remuneration and the most widespread practices among comparable companies. In its design the board of directors was supported by independent expert advice from Egon Zehnder and PwC. This remuneration scheme is based on the following criteria:

- The remuneration received by board members, with the exception of executive board members, should not be linked to profits or share price, with the aim of ensuring that board remuneration is entirely detached from short-term targets and variables, and is paid entirely in cash;
- Considering the members' excellent records of attendance at board and committee meetings, and bearing in mind that the Group demands a high level of dedication and availability from its board members, board member remuneration should consist of a fixed sum based on each member's individual duties.

The fixed sum is distributed among the members on the basis of the responsibility and dedication required of them, as follows: Euros 100 thousand for members of the board of directors; Euros 30 thousand for Delegate Committee members; Euros 50 thousand for Audit and Compliance Committee members; and Euros 30 thousand for Appointments, Remuneration and Corporate Governance Committee members. The chair of each body receives 1.5 times these amounts. These amounts have been determined in such a way that they give an approximate average remuneration of Euros 150 thousand per member.

The board also agreed that if the Parent failed to meet its published annual targets, the members' remuneration would be reconsidered and submitted once again to the shareholders.

Through its Appointments, Remuneration and Corporate Governance Committee, the board requested that the two firms of independent experts in this field mentioned earlier, PwC and Egon Zehnder, give their opinions on the remuneration scheme for 2011 onwards approved by the shareholders and the board itself. Their conclusions were that "the remuneration Concepts and amounts are suitable and reflect market levels" and "follow the best practices and most recent recommendations in this area". Egon Zehnder has confirmed that these conclusions continue to apply in 2012 and 2013. Moreover, on the occasion of the review of this board remuneration framework for 2014 and subsequent years, independent experts from the firm Spencer Stuart issued a similar verdict.

An itemised breakdown of total remuneration received by the members of the board of directors of the Parent in 2013 and 2012 in relation to the duties of oversight and decision-making is as follows:

	Fixed amount				
Board member	Board of directors	Delegate committee	Audit and compliance committee	Appointments, remuneration and corporate governance committee	Total
ADM. VALTENAS (1)	50,000	15,000	-	-	**65,000**
I. AGUILERA	100,000	-	8,333	25,000	**133,333**
J. DE ANDRÉS	100,000	45,000	-	-	**145,000**
J.C. APARICIO (2)	25,000	-	8,333	-	**33,333**
CASA GRANDE DE CARTAGENA	100,000	15,000	25,000	-	**140,000**
D. GARCÍA-PITA	100,000	25,000	-	45,000	**170,000**
MEDIACION Y DIAGNOSTICOS (3)	66,667	20,000	-	20,000	**106,667**
L. LADA	100,000	30,000	50,000	-	**180,000**
J. MARCH	100,000	30,000	-	30,000	**160,000**
S. MARTÍNEZ-CONDE (4)	50,000	-	25,000	-	**75,000**
A. MENÉNDEZ (2)	25,000	5,000	-	5,000	**35,000**
J. MONZON	150,000	-	-	-	**150,000**
M. ORIOL	100,000	25,000	-	5,000	**130,000**
PARTICIPACIONES Y CARTERA DE INVERSION (3)	66,667	-	33,333	-	**100,000**
I. SANTILLANA	100,000	5,000	41,667	5,000	**151,667**
R. SUGRAÑES	100,000	30,000	-	25,000	**155,000**
A. TEROL	100,000	5,000	75,000	-	**180,000**
	1,433,333	**250,000**	**266,667**	**165,000**	**2,110,000**

Average remuneration per board member (13.8 members)

(1) Representing Liberbank, board member until June 2013

(2) Board member since October 2013

(3) Representing Banco Financiero y de Ahorros, board member until August 2013

(4) Board member since July 2013

During 2013 and 2012 no options on Parent shares were granted to the members of the board of directors, nor did they exercise any options on Parent shares. At the 2013 and 2012 year ends the members of the board of directors do not hold any Parent share options.

In 2013 and 2012 the members of the board of directors have not received any benefits or remuneration other than those disclosed above for the duties of oversight and decision-making. Neither the Parent nor any of the consolidated group companies have assumed any pension commitments on behalf of directors for the fulfilment of those duties or extended any loans or advances to the members of the board.

Although the remuneration of the board members for the duties of oversight and decision-making is settled entirely in cash, all of the board members have informed the Parent of their decision to use a significant part of the sum received (a third of gross remuneration, currently equivalent to approximately 57% of the net amount received by an individual member) to purchase Indra shares and have committed to retain ownership of these shares until the end of their mandate. The Spanish National Securities Market Commission was informed of this decision

	Fixed amount				
Board member	Board of directors	Delegate committee	Audit and compliance committee	Appointments, remuneration and corporate governance committee	**Total**
ADM. VALTENAS [1]	100,000	30,000	-	-	**130,000**
I. AGUILERA	100,000	17,500	29,167	12,500	**159,167**
J. DE ANDRÉS	100,000	31,250	-	-	**131,250**
CASA GRANDE DE CARTAGENA	100,000	-	50,000	-	**150,000**
D. GARCÍA-PITA	100,000	30,000	-	45,000	**175,000**
MEDIACION Y DIAGNOSTICOS [2]	100,000	30,000	-	30,000	**160,000**
L. LADA	100,000	30,000	20,833	-	**150,833**
J. MARCH	100,000	30,000	-	30,000	**160,000**
J. MONZON	150,000	-	-	-	**150,000**
R. MORANCHEL [3]	91,667	41,250	-	-	**132,917**
M. ORIOL	100,000	12,500	-	17,500	**130,000**
PARTICIPACIONES Y CARTERA DE INVERSION (2)	100,000	-	50,000	-	**150,000**
I. SANTILLANA	100,000	-	50,000	-	**150,000**
R. SUGRAÑES	100,000	30,000		30,000	**160,000**
A. TEROL	100,000	-	75,000	-	**175,000**
TOTAL	**1,541,667**	**282,500**	**275,000**	**165,000**	**2.264,167**
Average remuneration per board member (14.9 members)					151,957

(1) Representing Liberbank

(2) Representing Banco Financiero y de Ahorros

(3) Board member until November 2012

in a price sensitive information report filed on 28 July 2011, and the members of the board have fulfilled these commitments since then.

1.2 Remuneration of executive directors for administration and management duties delegated by the board of directors

The board members who also form part of the Parent's senior management personnel (executive directors) accrue additional remuneration through their contractual relationship with the Parent for the administration and management duties entrusted to them. This remuneration is based on the same criteria and includes the same components as that received by the rest of the Parent's senior management personnel. As such, although it forms part of their remuneration as board members pursuant to article 27 of the articles of association, for the sake of clarity and to avoid unnecessary repetition this remuneration is disclosed along with that of the other senior management personnel in section 2 below.

2. 2. Remuneration of senior management

2.1. Characteristics and components of the remuneration system

The remuneration of the Company's senior management, comprising the executive directors and general managers, is determined on an individual basis by the board of directors, based on proposals by the Appointments, Remuneration and Corporate Governance Committee.

Since 2002 the Parent has established the remuneration received by senior management on a medium-term basis, usually for a period of three years, over which fixed remuneration has not changed.

In 2011 the board of directors established the remuneration framework for senior management, as proposed by the aforementioned Committee, for the three-year period from 2011 to 2013. The independent expert firm Egon Zehnder was engaged as an external advisor to the Committee and the board, with the aim of ensuring that the items and amounts of remuneration, and other items associated with the employment of senior management, remained in line with market practice at all times, thus encouraging the executives to remain in service and bring their management practices into line with Parent's situation and objectives.

The remuneration scheme in force in 2013 comprises both annual and multi-year components.

2.1.1 Annual remuneration comprises: (i) a fixed sum paid in cash; (ii) a variable remuneration component, also in cash, depending on the extent to which established annual targets have been reached and the evaluation of each executive's performance; and (iii) remuneration in kind.

(i) Fixed remuneration will remain unchanged for the entire three-year period, unless an executive's responsibility level changes or specific circumstances arise that warrant a review.

(ii) Annual variable remuneration is determined at each year end and is based on the percentage of fixed annual remuneration established for each senior executive, provided that the board is satisfied with his or her performance in terms of budgets, targets and individual management. This percentage is between 50% and 100% of annual fixed remuneration.

To determine the extent to which each senior executive has reached his or her goals, the Company weighs up both the extent to which it has met its own overall targets and the executive's quantitative and qualitative individual targets for his or her area of responsibility, using metrics for the different parameters making up the quantitative component. Comparative performance by the market and the main sector businesses is also taken into account.

(iii) Remuneration in kind mainly consists of a life insurance policy covering death or incapacity and a health insurance policy.

2.1.2 Medium-term remuneration is fully variable and is also aimed at retaining senior management, and is thus dependent on the senior executive remaining within the Company until the end of the period to which the sum relates. This amount consists of: (i) a cash incentive linked to the Company's performance and achievement of targets, as well as the management performance of each senior executive, and (ii) a share-based payment, with the aim of linking part of the remuneration to the Company's share price.

(i) The medium-term cash remuneration has been established at 1.9 to 3 times fixed annual remuneration. This incentive will be received provided that the board is satisfied with the Company's performance in 2011-2013 and with the management of each senior executive, based on the development and achievement of strategic and medium-term objectives established for the period by the board of directors. In this evaluation, the board also compares the Company's performance on the markets in which it operates with that of the main comparable companies in the sector. The methods and criteria used to determine the extent to which medium-term targets have been met are similar to those outlined above for annual variable remuneration. This medium-term remuneration is accrued over the three-year period set and, where applicable, settled after the 2013 year end.

(ii) The total net amount of medium-term share-based remuneration is determined considering an appraisal of management performance for the year preceding each share delivery. If this performance is deemed satisfactory, share-based remuneration is equivalent to between 15% and 25% of each senior executive's total gross remuneration for the period. At their 2011 annual general meeting, the shareholders approved the terms and conditions for the distribution of shares to senior management, agreeing that the shares would be granted in 2011, 2012 and 2013 at their market value at the distribution date, and that the recipients would be required to retain ownership of these shares for at least three years. The senior executives' ownership of the shares does not vest until the three-year remuneration period is complete.

The values allocated to executive directors are the top values of the range established for each component of variable remuneration. Furthermore, the targets considered in determining the executive directors' variable remuneration are the overall targets and those of the Company's businesses as a whole, although a target pertaining to a more specific area could be considered if of particular significance.

The terms and amounts of each of the components outlined above are determined considering the following criteria: fixed remuneration should remain constant throughout the period; variable remuneration should represent a substantial portion of total remuneration (comparatively above average market level); and medium-term remuneration should also represent a significant proportion of total remuneration and the portion linked to share price should be significant but not excessive.

The board understands that this is an efficient scheme that ensures that the remuneration received by senior management of the Parent is in line with best practices and market conditions, encouraging executives to remain in its employment, orientating and challenging their management practices and focusing particularly on the medium term, linked to a reasonable extent – and solely in the medium term – to the share price, and taking into account the Parent's present situation, prospects and sustainable growth targets.

When the remuneration scheme in force for Indra senior management for this three-year period (2011-2013) was established, Egon Zehnder declared to the board that "the policy, structure and amounts of the remuneration are in line with those applied by IBEX 35 companies of a similar complexity, geographical diversity and size". The advisor also highlighted the fact that "fixed remuneration remains unchanged in overall terms, except in the event that a senior executive takes on a higher responsibility level, and only variable remuneration increases, primarily the medium-term component".

2.2. Remuneration amounts

In 2013 the Company has nine senior management personnel. Details are as follows:

Chairman	Javier Monzón
Managing Director	Javier de Andrés
Corporate General Managers	Juan Carlos Baena
	Emma Fernández
	Juan Tinao
General Managers of Operations	Emilio Díaz
	Rafael Gallego
	Santiago Roura
	Carlos Suárez

Regino Moranchel held the post of Vice-chairman for eight months in 2012.

Details of annual remuneration are as follows:

	Thousands of Euros							
	Total Senior management		Chairman		Vice-Chairman		Managing Director	
	2013	2012	2013	2012	2013	2012	2013	2012
Fixed remuneration	4,170	4,446	1,000	1,000	--	596	450	450
Variable remuneration	2,474	3,025	800	850	--	596	360	383
Remuneration in kind	285	267	54	49	--	38	20	18
Total remuneration	6,929	7,738	1,854	1,899	--	1,230	830	851
Average number of senior management personnel	9	8.9						
Total average remuneration per member of senior management	770	869						

The total remuneration received by the executive directors represents 1.35% of consolidated net operating profit and 1.83% of consolidated profit before income tax for 2013 (1.83% and 2.44%, respectively, in 2012).

As stated above, **medium-term remuneration** is governed by the three-year scheme approved in 2011 for the 2011-2013 period and consists of a cash incentive and a share-based payment.

At the 2012 and 2011 reporting dates the Parent had recognised provisions for the entire amount of the medium-term **cash** remuneration that would be payable in the event of a satisfactory appraisal and achievement of targets. The appraisal of management performance and the extent to which the targets for this multi-year incentive had been met brought to light a 15% surplus in the provision recognised in 2011 and 2012. The total remuneration payable to senior management in 2013 amounted to Euros 2,848 thousand, of which Euros 850 thousand corresponded to the Chairman and Euros 382.5 thousand to the Managing Director. Similarly, the amounts for 2012 were Euros 3,184 thousand for senior management as a whole, of which Euros 850 thousand corresponded to the Chairman, Euros 506 thousand to the Vice-chairman and Euros 382.5 thousand to the Managing Director.

As for share-based payment, as authorised by the shareholders at the 2011 general meeting referred to in section 2.1 above, and at the proposal of the Appointments, Remuneration and Corporate Governance Committee, the board of directors agreed to deliver a total of 155,356 shares to senior management (including 49,204 to the Chairman and 22,910 to the Managing Director) in 2013. In 2012 senior management received 228,671 shares in total (executive directors: 65,125 (Chairman), 38,856 (Vice-Chairman) and 30,322 (Managing Director)).

No share options have been granted to senior management in 2013 or 2012.

No options on Company shares have been exercised by senior management personnel in 2013 or 2012.

In 2013 and 2012 members of senior management did not receive any benefits, compensation or remuneration other than those indicated in this note. Neither the Parent nor any of the Group companies has assumed any pension commitments on behalf of or extended any loans or advances to senior management.

However, the Appointments, Remuneration and Corporate Governance Committee has recommended that senior management acquire Parent shares on their own account so as to reach and maintain a stable interest in its share capital equivalent to at least their fixed annual remuneration. At the 2013 year end senior management personnel hold a total of 841,983 shares. The year-end market value of these shares is equivalent to 2.5 times the annual fixed remuneration received by senior management.

The board of directors, through its Appointments, Remuneration and Corporate Governance Committee, requested an opinion on the remuneration of senior management for 2012 and 2013 from the independent firm Egon Zehnder, which concluded that the remuneration scheme for both years is "very appropriate, with a moderate fixed component and a proportionately large variable component, as well as significant medium-term remuneration, largely linked to business performance, and with a reasonable proportion linked to the share price".

3. 3. Contractual framework for executive directors and senior management

Each member of senior management, including the executive directors, has signed a contract with the Parent regulating the conditions applicable to his or her employment relationship. The Parent has published details of the terms of these contracts since 2006, and since 2007 they have been authorised by the board of directors after receipt of a favourable report and proposal from the Appointments, Remuneration and Corporate Governance Committee, before being presented to the shareholders at their general meeting. As resolved by the shareholders and the board last year, the relationship between the executive directors and the Parent now takes the form of a business arrangement governed by a service level agreement, while the general managers remain in the special employment relationship regulated by Royal Decree 1382/1985.

Under these agreements, the senior executives maintain their entitlement to termination benefits in the event that their contractual relationship with the Company is ended for reasons other than breach of contract by or the voluntary departure of the senior executive. These termination benefits are based on the same terms set forth for an ordinary employment relationship in Spain's Workers' Statute: forty-five days' salary per year of tenure since appointment to a senior management post, calculated using each executive's total annual remuneration (the basic salary defined in his or her contract), including multi-year remuneration components calculated on an annual basis, and total compensation of at least one year's salary but no more than three-and-a-half years' salary. As is common practice in the sector in which the Parent operates, in 2006 the board of directors made it known that it was highly likely, in the Company's interests, that senior management personnel would end their relationship with the Company on reaching a certain age. The Parent therefore began to recognise an annual provision to cover this contingency and since then has applied this provision to compensate those senior executives who have ended their relationship with the Company under the terms of their respective contracts (as was the case in November 2012 with the Executive Vice-chairman and former Managing Director, who accrued compensation of Euros 9,100 thousand, covered entirely by this provision).

As planned, and at the proposal of the Appointments, Remuneration and Corporate Governance Committee, in December 2013 the board of directors resolved to: (i) convert the scheme described above into an early retirement and long-term savings scheme channelled through a defined contribution fund, with individual contributions for each senior executive, externalised via an insurance policy taken out with a first-rate insurance provider; and (ii) amend the general contractual framework for senior management personnel so that neither the executive directors nor the new general managers have specific termination benefits or "golden parachute" clauses in their contracts. If any of these senior executives were previously in an ordinary employment relationship with the Company, he or she will retain the rights afforded by this relationship under prevailing legislation. To ensure a smooth transition to the new system while considering the new rights acquired by the current general managers, over a transition period six general managers are to retain an entitlement to a decreasing amount of compensation of between one and two times their basic salary.

The Parent is to make annual contributions to this early retirement and long-term saving scheme for each senior executive, generally around 15% of his or her basic salary (in the case of executive directors, 15% for the Chairman and 17% for the Managing Director). These contributions are to be made while the executive's contractual relationship with the Parent remains in force and until he or she reaches sixty-two years of age, whereupon he or she will receive the accumulated lump sum (or earlier in the event that the relationship with the Parent is terminated for reasons not attributable to the senior executive – not including a change of control, except in the case of executive directors).

As authorised by the shareholders at a general meeting held on 27 June 2013, the board of directors also resolved to apply and transfer to the new scheme the accumulated provision set aside in relation to the previous system, with a total balance of Euros 21,110 thousand at the 2013 reporting date (including Euros 11,500 thousand corresponding to the Chairman and Euros 3,400 thousand to the Managing Director).

The executive directors and general managers of operations have signed non-compete clauses applicable for two years from the termination of their contractual relationship with the Parent (in the case of the general managers, if the Parent decides to enforce this clause). In return they are entitled to total compensation of 0.75 times (in the case of executive directors) or 0.5 times (in the case of general managers) their total annual remuneration for each year of compliance.

41. Information Provided by the Members of the Board of Directors as Required by Article 229 of the Spanish Companies Act

The information declared by the board members in relation to the obligations established in article 229 of the Spanish Companies Act, which will be analysed by the Committee, is as follows:

Name of board member	Company	Percentage ownership	Position or duties
Luis Lada	Telefónica I+D, S.A.U	--	Board member

42. R&D&Innovation Activities

R&D&innovation expenditure is incurred on a significant part of the activities carried out by the Indra Group. These expenses are taken to the consolidated income statement when they are incurred (see note 4).

In total Euros 195,334 thousand was incurred on R&D&innovation projects, including capitalised projects (see note 8), in 2013, equivalent to 6.7% of the Group's total sales for the year. R&D&innovation expenses incurred by the Parent account for approximately 97% of total expenses of this nature incurred by the Group during the year.

In 2012, R&D&innovation expenses amounted to Euros 193,040 thousand, equivalent to 6.6% of total Group sales.

43. Environmental Information

At 31 December 2013 and 2012 the Group has no assets related to environmental protection and improvement and has not incurred any expenses in this respect. No environment-related grants have been received in 2013 or 2012.

The directors of the Parent consider that no significant contingencies exist in relation to the protection and improvement of the environment and therefore do not consider it necessary to make any environment-related provision for liabilities and charges.

However, as part of its commitment to corporate responsibility, Indra seeks to protect the environment during the course of its activities, as is demonstrated by the environmental management system based on UNE-EN ISO 14001 implemented in the Group's different work centres. Since its introduction, this project has primarily focused on the Parent's main work centres. In addition to certification under this standard obtained in previous years in Arroyo de la Vega (Alcobendas), San Fernando de Henares, Torrejón de Ardoz, Triángulo (Alcobendas), Aranjuez, Barcelona (Calle Roc Boronat), Barcelona-Interface, La Coruña, Anabel Segura (Alcobendas-Madrid), Ciudad Real, Sevilla, Erandio (Bilbao), Baracaldo (Bilbao), C/Alcalá (Madrid) and C/Julián Camarillo (Madrid), in 2013 this recognition was achieved by the Bembibre (León) centre used by the Parent and the Málaga and Salamanca centres used by the subsidiary Indra Software Labs, S.L.

In addition to these two companies, the subsidiaries Indra Sistemas de Seguridad, S.A., Indra BMB Servicios Digitales, S.L., Indra Emac, S.A. and Advanced Logistics Group, S.A. had also been certified to operate in the aforementioned centres.

With regard to international subsidiaries, in 2013 environmental initiatives were carried out at three work centres in Brazil, in addition to the two already in place in that country and two others in Buenos Aires, as part of the Indra Group's Globalisation

Plan for corporate quality and environmental management systems. These activities will be maintained over the coming years and the Group plans to introduce further environmental initiatives among its international subsidiaries.

Moreover, following Indra's Global Strategic Environmental Plan, in 2013 Strategic Environmental Plans have been drawn up for the following subsidiaries: Portugal, Colombia, Brazil, Mexico, Chile and Peru.

2013 also saw the continuation of a number of initiatives relating to energy efficiency and "green IT" to the Group's installations and activities. The project introduced in 2010 to reduce greenhouse gas emissions from the Indra Group facilities also remained on track, increasing the reduction from 3% to 5%.

44. Audit Fees

KPMG Auditores, S.L., the auditors of the consolidated annual accounts of the Group, and other companies affiliated with KPMG International have invoiced the following net fees for professional services during the years ended 31 December 2013 and 2012:

The amounts detailed in the above table include the total fees for services rendered in 2013 and 2012, irrespective of the date of invoice.

Other auditors charged total fees for audit services of Euros 91 thousand in 2013 (Euros 96 thousand in 2012).

45. Related Party Transactions

LRelated party transactions with significant shareholders and board members do not represent, either individually or collectively, a significant amount of the Parent's revenues or statement of financial position at 31 December 2013 or 2012. All of these transactions took place in the normal course of the Parent's business and in market conditions, and were authorised by the board of directors as required by the board regulations. However, it is Parent policy to publish detailed information on these transactions.

	KPMG Auditores	KPMG Europe	Resto KPMG	KPMG Auditores	KPMG Europe	Resto KPMG	Total
Audit services	537	17	646	488	17	640	1.145
Other services	37	-	253	7	4	288	299
	574	**17**	**899**	**495**	**21**	**928**	**1.444**

The regulations governing the board of directors require that transactions with related parties be assessed in consideration of the principle of equal treatment of shareholders and the application of market conditions. Under article 38 of these regulations, any such transactions must be authorised by the board of directors on the basis of a report from the Appointments, Remuneration and Corporate Governance Committee.

During 2013 and 2012 commercial, financial and service transactions were carried out with Banco Financiero y de Ahorros (up to August 2013), SEPI (as of August 2013) Banca March (a major shareholder in Corporación Financiera Alba, S.A.) and Liberbank (until July 2013), all of which are major shareholders or entities related to major shareholders, and with entities related to the board member Ms. de Oriol.

Details of related party transactions in 2013 and 2012, by type of transaction, are shown in the table below:

a) Transactions with shareholders

All transactions with shareholders were with Banco Financiero y de Ahorros (until August 2013), SEPI (since August 2013), Banca March and Liberbank (until July 2013) or with companies from their respective groups.

Sale of goods and services reflect services provided to these shareholders in the ordinary course of business.

Purchases of goods and services reflect services provided to the Group in the ordinary course of business.

Finance income reflects the interest earned on current financial deposits with Bankia (a Banco Financiero y de Ahorros Group company).

Type of transaction	With shareholders	With board members	With other parties	Total 31.12.2013
Sale of goods and services	7,926	-	2,033	9,959
Purchase of goods and services	382	2,582	-	2,964
Finance income received	83	-	-	83
Expenses for financial services	211	-	82	293
	8,602	**2,582**	**2,115**	**13,299**

Type of transaction	With shareholders	With board members	With other parties	Total 31.12.2013
Sale of goods and services	11,346	11	4,019	15,376
Purchase of goods and services	336	2,881	-	3,217
Finance income received	196	-	-	196
Expenses for financial services	437	-	-	437
	12,315	**2,892**	**4,019**	**19,226**

Expenses for financial services include expenses and interest on the management of guarantees, financial brokerage services and drawdowns from credit facilities with Banco Financiero y de Ahorros Group companies, Banca March and Liberbank.

In both 2013 and 2012 the Indra Group has held several financial contracts with Banco Financiero y de Ahorros Group companies and Banca March. Details of the main contracts are as follows:

- Banco Financiero y de Ahorros: a credit facility with annual maturity and a maximum limit of Euros 14,243 thousand in 2013 and Euros 16,521 thousand in 2012, and average drawdowns of Euros 4,040 thousand and Euros 7,760 thousand, respectively; a guarantee and credit card facility with annual maturity totalling Euros 50,025 thousand in 2013 and Euros 72,248 thousand in 2012; a reverse factoring facility with annual maturity and a maximum limit of Euros 10,000 thousand in 2012; financing of commercial operations totalling Euros 69,819 thousand in 2013 and 2012; an interest rate hedge for a maximum amount of Euros 15,000 thousand in 2013 and 2012.

- Banca March: a guarantee facility with annual maturity amounting to Euros 2,648 thousand in 2013 and Euros 10,990 thousand in 2012.

- Liberbank: a credit facility with annual maturity and a maximum drawdown limit of Euros 3,232 thousand in 2013.

The dividends paid to shareholders represented on the board of directors were as follows:

	Thousands of Euros	
	2013	**2012**
Banco Financiero y de Ahorros	11,157	22,347
Corporación Financiera Alba	6,320	12,639
Casa Grande Cartagena	2,795	5,587
Liberbank, S.A.	2,792	5,595

b) Transactions with board members

All transactions with board members were conducted with entities related to Ms. de Oriol.

Sales of goods and services reflect security services provided by companies belonging to the Seguriber-Umano Group, in which Ms. de Oriol holds a 58% stake (direct and indirect) and the position of chairwoman in 2013 and 2012. The commercial relationship between Seguriber/Umano and the Indra Group dates back to before the appointment of Ms. de Oriol as a board member (Seguriber since 2006 and Umano since 2000).

Amounts paid in 2013 and 2012 in this regard totalled Euros 2,582 thousand and Euros 2,881 thousand, respectively. Transactions with Indra represent 2.46% and 2.11% of the Seguriber-Umano Group's total revenues for 2013 and 2012, respectively. The Indra Group commissions these services annually, basing its choice of provider strictly on market criteria. The increase in services procured in 2012 was mainly due to the unexpected integration of Seguriber and Umano, meaning that services from Umano – which the Company had been commissioning since 2000 – became related party transactions (services procured from Seguriber alone totalled Euros 987 thousand in

2011). Following a review of these services in 2014, business with Seguriber-Umano now represents around 1% of this group's total revenues.

Given the lack of relative significance that business with Indra represents to the Seguriber-Umano group, the nature and characteristics of the security services themselves and Ms. de Oriol's professional reputation and circumstances, this provision of services should not affect her independence as a board member of Indra.

Details of remuneration of the members of the board of directors are provided in note 40.

c) Transactions with other related parties

All transactions with other related parties are those conducted with Banco Inversis, which ceased to be classed within "other related parties" in August 2013 as a result of the sale of Banco Financiero y de Ahorros's stake in Indra.

d) Transactions with senior management

No transactions with senior management personnel or their related parties have taken place in 2013 or 2012.

Details of senior management remuneration are provided in note 40.

e) Transactions with associates and joint ventures

The following transactions were carried out with associates and joint ventures in 2013 and 2012:

	Receivables	Payables	Income	Expenses
Associates	956	16,544	10,690	2,079
Joint ventures	1,681	2,017	8,532	6,166
	2,637	**18,561**	**19,222**	**8,245**

	Receivables	Payables	Income	Expenses
Associates	3.219	12.125	12.428	3.326
Joint ventures	2.578	3.022	12.350	10.817
	5.797	**15.147**	**24.778**	**14.143**

Note: receivables and payables reflect the amounts recognised at 31 December each year.

46. Events after the Reporting Period

There have been no significant events since the reporting date.

Company	Registered offices	Activity
1. Parent		
Indra Sistemas, S.A.	Avenida de Bruselas, 35 Alcobendas (Madrid)	Design, development, production, integration and maintenance of systems, solutions and services based on information technology: computing, electronics and communications.
2. Subsidiaries		
Indra Emac, S.A.	Calle Mar Egeo, 4 Pol.Ind.1 San Fernando de Henares (Madrid)	Engineering and maintenance of aerial defence systems and other related areas.
Indra Sistemas de Seguridad, S.A.	Carrer de Roc Boronat, 133 Barcelona	Design, development, integration and maintenance of systems and solutions for surveillance and installation security.
Indra Sistemas de Comunicaciones Seguras, S.L.	Avenida de Bruselas, 35 Alcobendas (Madrid)	Research, engineering, design, manufacturing, development, sale, installation, maintenance and repair of security equipment, devices and systems for data communication, encoding systems, encrypting, signals and command and control centres.
Inmize Capital, S.L.	Avenida de Bruselas, 35 Alcobendas (Madrid)	Management, engineering, marketing and sale of defence systems.
Inmize Sistemas, S.L.	Avenida de Bruselas, 35 Alcobendas (Madrid)	Management, engineering, marketing and sale of defence systems.
Indra Software Labs, S.L.	Avenida de Bruselas, 35 Alcobendas (Madrid)	Design, manufacture and testing of IT system development products.
Teknatrans Consultores, S.L.	Portuetxe, 23, San Sebastian	Technical architecture and engineering services.

Company	Registered offices	Activity
Indra SI, S.A.	Buenos Aires (Argentina)	Design, development, production, integration and maintenance of systems, solutions and services based on information technology: computing, electronics and communications.
Azertia Tecnologías de la Información Argentina S.A.	Buenos Aires (Argentina)	Design, development, production, integration and maintenance of systems, solutions and services based on information technology: computing, electronics and communications.
Computación Ceicom, S.A.	Buenos Aires (Argentina)	Data processing, consultancy services and technical assistance in systems analysis, development and implementation of programmes for computing equipment.
Indra Company, Ltda.	Sao Paulo (Brazil)	Design, development, production, integration and maintenance of systems, solutions and services based on information technology: computing, electronics and communications.
Indra Brasil, S.A.	Sao Paulo (Brasil)	Design, development, production, integration and maintenance of systems, solutions and services based on information technology: computing, electronics and communications.
Search Informatica Ltda	Brasilia (Brasil)	Advisory and consultancy services for IT-based business management, software development and the sale of equipment and software.
Ultracom Consultoría	Sao Paulo (Brazil)	Customisation, development, adaptation and maintenance of IT programs and systems. IT advisory, consultancy and training services; IT localisation services, software installation, implementation and technical support services; software design and the sale of IT materials and accessories.
Indra Tecnología Brasil LTDA	Brasilia (Brazil)	Design, development, production, integration and maintenance of systems, solutions and services based on information technology: computing, electronics and communications for the air traffic, defence, ground transport and traffic, shipping and railway sectors and for electoral use.
Politec Argentina, S.A.	Buenos Aires (Argentina)	Design, development, production, integration and maintenance of systems, solutions and services based on information technology: computing, electronics and communications.
Indra USA IT Services	Atlanta (USA)	Design, development, production, integration and maintenance of systems, solutions and services based on information technology: computing, electronics and communications.
Indra Colombia LTDA.	Bogota (Colombia)	Design, development, production, integration and maintenance of systems, solutions and services based on information technology: computing, electronics and communications.
Gnubila Colombia, SAS	Bucaramanga (Colombia)	Design, development, production, integration and maintenance of systems, solutions and services based on information technology: computing, electronics and communications.
Indra Sistemas Chile, S.A.	Santiago de Chile (Chile)	Design, development, production, integration and maintenance of systems, solutions and services based on information technology: computing, electronics and communications.
Soluziona C & S Holding, S.A.	Santiago de Chile (Chile)	Design, development, production, integration and maintenance of systems, solutions and services based on information technology: computing, electronics and communications.

Company	Registered offices	Activity
Soluziona Guatemala, S.A.	Guatemala (Guatemala)	Design, development, production, integration and maintenance of systems, solutions and services based on information technology: computing, electronics and communications.
Indra Sistemas México S.A. de C.V.	Mexico City (Mexico)	Design, development, production, integration and maintenance of systems, solutions and services based on information technology: computing, electronics and communications.
Indra Isolux Mexico, S.A. de C.V.	Mexico City (Mexico)	Signage services for motorways.
Azertia Tecnología de la Información México S.A.C.V.	Mexico City (Mexico)	Design, development, production, integration and maintenance of systems, solutions and services based on information technology: computing, electronics and communications.
Soluziona Mejico S.A. de C.V.	Mexico City (Mexico)	Design, development, production, integration and maintenance of systems, solutions and services based on information technology: computing, electronics and communications.
Indra Panamá, S.A. (Panamá)	Panama	Design, development, production, integration and maintenance of systems, solutions and services based on information technology: computing, electronics and communications.
Indra Company Perú SAC	Lima (Peru)	Design, development, production, integration and maintenance of systems, solutions and services based on information technology: computing, electronics and communications.
Indra Perú, S.A.	Lima (Peru)	Design, development, production, integration and maintenance of systems, solutions and services based on information technology: computing, electronics and communications.
Soluciones y Servicios Indra Company Uruguay S.A.	Montevideo (Uruguay)	Design, development, production, integration and maintenance of systems, solutions and services based on information technology: computing, electronics and communications.
Indra USA Inc.	Filadelfia (USA)	Design, development, production, integration and maintenance of systems, solutions and services based on information technology: computing, electronics and communications.
Indra Systems, Inc.	Orlando (USA)	Design, development, production, integration and maintenance of systems, solutions and services based on information technology: computing, electronics and communications.
Azertia Tecnologías de la Información Venezuela S.A.	Caracas (Venezuela)	Design, development, production, integration and maintenance of systems, solutions and services based on information technology: computing, electronics and communications.
Azertia Gestión de Centros Venezuela S. A.	Caracas (Venezuela)	Design, development, production, integration and maintenance of systems, solutions and services based on information technology: computing, electronics and communications and document management services.

Company	Registered offices	Activity
Soluziona, S.P. C.A. (Venezuela)	Caracas (Venezuela)	Design, development, production, integration and maintenance of systems, solutions and services based on information technology: computing, electronics and communications.
AC-B air Traffic Control & Business Systems GmbH (Alemania)	Germany	Design, development, production and maintenance of systems, solutions and services based on the use of information technologies as well as navigation and landing support and air traffic control systems.
Avitech AG	Germany	Design, development, production and maintenance of navigation and landing support and air traffic control systems.
Indra Italia Spa	Rome (Italy)	Design, development, production, integration and maintenance of systems, solutions and services based on information technology: computing, electronics and communications.
Indra Italia Lab SRL	Rome (Italy)	Information technology products and projects and other related activities.
Indra Navia AS (Park Air Noruega)	Oslo (Norway)	Design, development, production and maintenance of navigation and landing support and air traffic control systems.
Normeka, AS	Rømskog (Norway)	Design, development, production and maintenance of navigation and landing support and air traffic control systems.
Indra Czech Republic s.r.o.	Prague (Czech Republic)	Design, development, production, integration and maintenance of systems, solutions and services based on information technology: computing, electronics and communications.
Indra Eslovakia, a.s.	Bratislava (Slovakia)	Design, development, production, integration and maintenance of systems, solutions and services based on information technology: computing, electronics and communications.
Indra France SAS	Paris (France)	Design, development, production, integration and maintenance of systems, solutions and services based on information technology: computing, electronics and communications.
Indra Hungary L.L.C.	Debrecen (Hungary)	Design, development, production, integration and maintenance of systems, solutions and services based on information technology: computing, electronics and communications.
Indra Sisteme S.R.L.	Chisinau (Moldova)	Design, development, production, integration and maintenance of systems, solutions and services based on information technology: computing, electronics and communications.
Indra Sistemas Polska sp.z.o.o	Warsaw (Poland)	Design, development, production, integration and maintenance of systems, solutions and services based on information technology: computing, electronics and communications.
Indra Sistemas Portugal, S.A.	Lisbon (Portugal)	Design, development, production, integration and maintenance of systems, solutions and services based on information technology: computing, electronics and communications.

Company	Registered offices	Activity
Elektrica Soluziona S.A. (Rumania)	Bucharest (Romania)	Design, development, production, integration and maintenance of systems, solutions and services based on information technology: computing, electronics and communications.
Indra Ucrania L.L.C.	Kiev (Ukraine)	Design, development, production, integration and maintenance of systems, solutions and services based on information technology: computing, electronics and communications.
Indra Kazakhstan Engineering Llp	Astana (Kazakhstan)	Design, development, production, integration and maintenance of systems, solutions and services based on information technology: computing, electronics and communications.
Indra Turkey Teknolojileri Çözümleri Anonim Sirketi	Istanbul (Turkey)	Design, development, production, integration and maintenance of systems, solutions and services based on information technology: computing, electronics and communications.
Indra Beijing Information Technology Systems Co. Ltd.	Beijing (China)	Design, development, production, integration and maintenance of systems, solutions and services based on information technology: computing, electronics and communications.
Indra Radar Technology (Tianjin) Co., Ltd.	Tianjin (China)	Design, development, production and maintenance of navigation and landing support and air traffic control systems.
Indra Philippines, Inc.	Quezon (Phillipines)	Design, development, production, integration and maintenance of systems, solutions and services based on information technology: computing, electronics and communications.
Indra Technology Solutions Malasya Sdn Bhd	Kuala Lumpur (Malaysia)	Design, development, production, integration and maintenance of systems, solutions and services based on information technology: computing, electronics and communications.
PT Indra Indonesia	Jakarta (Indonesia)	Design, development, production, integration and maintenance of systems, solutions and services based on information technology: computing, electronics and communications.
Indra Sistemas India Private Limited	New Dheli (India)	Design, development, production, integration and maintenance of systems, solutions and services based on information technology: computing, electronics and communications.
Indra Bahrain Consultancy SPC	Manama (Bahrain)	Design, development, production, integration and maintenance of systems, solutions and services based on information technology: computing, electronics and communications.
Indra Arabia Company Ltd.	Jeddah (Saudi Arabia)	Design, development, production, integration and maintenance of systems, solutions and services based on information technology: computing, electronics and communications.
Indra Sistemas Magreb S.A.R.L	Rabat (Morocco)	Design, development, production, integration and maintenance of systems, solutions and services based on information technology: computing, electronics and communications.
Indra Limited (Kenya)	Nairobi (Kenya)	Design, development, production, integration and maintenance of systems, solutions and services based on information technology: computing, electronics and communications.

Company	Registered offices	Activity
Soluziona Professional Services (Private) LTD	Harare (Zimbabwe)	Design, development, production, integration and maintenance of systems, solutions and services based on information technology: computing, electronics and communications.
Indra Technology South Africa Pty Ltd	Johannesburg (South Africa)	Design, development, production, integration and maintenance of systems, solutions and services based on information technology: computing, electronics and communications.
Indra Australia Pty Limited	Australia	Design, development, production and maintenance of navigation and landing support and air traffic control systems.
Indra BMB, S.L.	Avenida de Bruselas, 35 Alcobendas (Madrid)	Business process outsourcing (BPO), document management services and mortgage management.
Indra BMB Servicios Digitales, S.A.	Avenida de Bruselas, 35 Alcobendas (Madrid)	Data capture and digitisation.
Servicios Avanzados Printing & Finishing, S.L.	Avenida de Bruselas, 35 Alcobendas (Madrid)	Business process outsourcing (BPO).
Central de Apoyos y Medios Auxiliares, S.A.U.	Manufacturas, 11. Mairena del Aljarafe (Sevilla)	Business process outsourcing (BPO).
Caymasa El Sendero, S.A.U.	Manufacturas, 11. Mairena del Aljarafe (Sevilla)	Business process outsourcing (BPO).
Indra II Business Process Outsorcing Portugal, unipersonal LTD	Portugal	Business process outsourcing (BPO).
OUAKHA Services, Saarl AU (Marruecos)	Tangier (Morocco)	Back-office process outsourcing (BPO) for financial institutions.
IFOS (International Financial Operational Services), S.A.	Buenos Aires, Argentina	Business process management and outsourcing, and design, development, production, integration and maintenance of systems for financial institutions.
Indra Bussines Consulting, S.L.	Calle Tanger, 98 Barcelona	Professional services consisting of business, technological and solutions consultancy.
Tourism & Leisure Advisory Service, S.L.	Calle Tanger, 98 Barcelona	Professional tax, financial, industrial and technical advisory and consultancy services for all types of companies and organisations.

Company	Registered offices	Activity
Advanced Logistics Group, S.A.	Calle Tanger, 98 Barcelona	Preparation of studies, technical projects and reports on transport engineering, consultancy and logistics.
Mensor Consultoría y Estrategia S.L.	Avenida de Bruselas, 35 Alcobendas (Madrid)	Consultancy, strategy, management and support services in the development and implementation of technology solutions for companies, as well as teaching activities and continuous training for post-graduates and professionals.
Europraxis ALG Consulting Maroc, S.A.	Morocco	Professional services consisting of business, technological and solutions consultancy.
Europraxis ALG Consulting Brasil, Ltda.	Sao Paulo (Brazil)	Professional services consisting of business, technological and solutions consultancy.
Europraxis ALG Consulting Mexico S.A. de C.V.	Mexico City (Mexico)	Professional services consisting of business, technological and solutions consultancy.
Advanced Logistic Group Andina, S.A.C. (Perú)	Lima (Peru)	Professional services consisting of business, technological and solutions consultancy..
Advanced Logistic Group Venezuela, S.A.	Colinas del Bello Monte (Venezuela)	Professional services consisting of business, technological and solutions consultancy.
Europraxis Consulting, S.r.l.	Milan (Italy)	Professional services consisting of business, technological and solutions consultancy.
Europraxis ALG Consulting, Ltd (U.K.)	Slough Berkshire (UK)	Professional services consisting of business, technological and solutions consultancy.
Prointec, S.A.	Avda de Burgos 12, Madrid	Engineering and consultancy services mainly in relation to the environment, transport, construction, water and industry.
Unmanned Aircraft Technologies, S.A.	Avda de Burgos 12, Madrid	Research and development of autopilot systems and advanced solutions in unmanned aircraft systems.
Prointec Extremadura, S.L.	José Luís Cotallo 1, Cáceres	Civil engineering services and consultancy.
Prointec Engenharia, Ltda.	Sao Paulo (Brazil)	Civil engineering services and consultancy.
Ingeniería de Proyectos e Infraestructuras Mexicana, S.A. de C.V.	Mérida (México)	Technical architecture and engineering services.

Company	Registered offices	Activity
Prointec Panamá, S.A.	Ancon (Panama)	Civil engineering services and consultancy.
Prointec Usa LLc	Sacramento, California, (USA)	Research and development of autopilot systems and advanced solutions in unmanned aircraft systems.
Prointec Civil Engineering Consultancy (Irlanda)	Dublin (Ireland)	Civil engineering services and consultancy.
Consis Proiect SRL	Bucharest (Romania)	Civil engineering services and consultancy.
Prointec Romaría S.R.L. (Rumanía)	Bucharest (Romania)	Civil engineering services and consultancy.
Prointec India Privated Ltd	Haryana (India)	Civil engineering services and consultancy.

3.- Joint ventures

I3 Televisión, S.L	Avda. Isla Graciosa 13, San Sebastian de los Reyes (Madrid)	Design, development, manufacture, supply, assembly, repair, maintenance, installation and marketing of IT products, solutions, applications and systems for the audiovisual industry.
IRB Riesgo Operacional S.L.	Avenida de Bruselas, 35 Alcobendas (Madrid)	Design, development, production, integration and maintenance of systems, solutions and services based on information technology: computing, electronics and communications.
Indra Esteio Sistemas S.A. (Brasil)	Sao Paulo (Brazil)	Design, development, production, integration and maintenance of systems, solutions and services based on information technology: computing, electronics and communications.
UTE Indra EWS/STN Atlas Leopard 2	Calle Joaquín Rodrigo, 11 Aranjuez (Madrid)	Development, supply, installation, integration and maintenance of the Leopard 2 tank combat system.
UTE Manteniment Rondes	Avenida de Bruselas, 35 Alcobendas (madrid)	Maintenance of the Llobegrat-Morrot nodes.
UTE Copsa-Indra	Cami de la Gran (Andorra)	Execution of works on phase IV of the Dels Valieres tunnel.
UTE Jocs del Mediterrani	Avenida de Bruselas 35 Alcobendas (Madrid)	Contract for the operation and development of lotteries for the Catalonia Regional Government, organised and managed by its autonomous games and lotteries entity.
UTE mantenimiento Semafórico de Torrejón de Ardoz	Calle Príncipe de Vergara 135 (Madrid)	Repair and maintenance, supply and installation of automatic traffic lights.

Company	Registered offices	Activity
UTE CDTA	Calle Valgandre, 6 (Madrid)	Operation of the automated complaint handling centre.
UTE Indicadores Ambientales Delta del Ebro	Avenida Diagonal, 211 (Barcelona)	Execution of works included in urgent project 4.3 C "Indicadores Delta del Ebro".
UTE Área Metropolitana	Alcalde Francisco Hernández González, 4. Las Palmas de Gran Canaria	Road maintenance services in the Metropolitan Area of Gran Canaria.
UTE Mantenimientos Rondes 2012	Carrer de les Tápies, 4 (Barcelona)	Comprehensive maintenance services of the Dalt and coastal ringroads in Barcelona.
UTE Mantenimiento Las Palmas	Alcalde Francisco Hernández González, 4. Las Palmas de Gran Canaria	Road, pavement, square and pedestrianised area maintenance services in Las Palmas de Gran Canaria.
UTE Segura XXI-II	C/ Sepúlveda, 6 Pol.Ind. Alcobendas, Alcobendas (Madrid)	Maintenance and operation of the automated hydrological information system (SAIH) of the Segura watershed (Murcia, Albacete, Alicante, Almeria and Jaen).
UTE CIC TF	C/Ramón y Cajal nº3. Santa Cruz de Tenerife	Road information and maintenance centre.
UTE CEIDECOM	Pol. Industrial Bembibre. Parque Ind. Alto de San Román. Bembibre. León.	Execution of the measures included in the CEIDECOM Bembibre project, presented to the Institute for the Restructuring of Coal Mining (Instituto para la Reestructuración de la Minería del Carbón).
UTE Indra-Eurocopter	Avenida de Bruselas 35, Alcobendas (Madrid)	Survival equipment for the Spanish navy air fleet HU-21 helicopter (AS-332, AS-532 UL).
UTE Saih CHJ	C/ Polígono 43, Aldaya (Valencia)	Operation, maintenance, renovation and upkeep of the automated hydrological information system (SAIH) network of the Jucar basin.
UTE Telvent-Indra-Atos	Avenida Pio XII, 83 Madird	Development of an interface with the Bluemassmed pilot project.
UTE Instalación VSM Instalazioak	C/ Henao 2, Bilbao	Construction of the control centre installations of the Variante Sur Metropolitana motorway.

Company	Registered offices	Activity
Indra Peru		
Consorcio Procom	Peru (Lima)	Installation of commercial management meters
Consorcio CEI	Peru (Lima)	Number portability
Consorcio GMD	Peru (Lima)	Central archive management
Consorcio Petróleos	Peru (Lima)	Installation of ERP
Consorcio NSC	Peru (Lima)	Development and installation of accounting software
Consorcio Mincetur	Peru (Lima)	Development and installation of casino software
Consorcio Fábrica	Peru (Lima)	Software factory
Consorcio Reapro	Peru (Lima)	Process re-engineering and automation
4.- Associates		
Saes Capital, S.A.	Paseo de la Castellana 55, Madrid	Through associates, the design, development, production, integration, maintenance and operation of electronic, IT and communications systems mainly related to naval systems and submarine acoustics.
Eurofighter Simulation System GmbH	Munich (Germany)	Development and production of flight simulators for the Eurofighter EF-2000.
Euromids SAS	Paris (France)	Development, manufacture and commercialisation of tactical communications systems.
Green Border OOD	Sofia (Bulgaria)	Design, development, integration and maintenance of systems and solutions for surveillance and security control of installations.
Tower Air Traffic Services, S.L.	Carretera de Loeches 9, Torrejon de Ardoz (Madrid)	Airfield transit services for the management of airborne traffic.
A4 Essor, S.A.S.	Paris (France)	Development of a security programme for radio communications.
Indra Sistemas de Teserorería, S.L.	Pº de la Castellana 89, Madrid	Design, development, production, integration, operation, repairs and maintenance and marketing of systems, solutions and products based on the use of information technology. Professional services consisting of business, management, technology and training consultancy.

Company Registered offices

		Activity
Idetegolf, S.A.	Julio Sáez de la Hoya 7, Burgos	Design, management and construction of sports facilities.
Gestión de Recursos Eólicos Riojanos, S.L.	Avda. Gran Vía Ray Juan Carlos I, Logroño	Generation (particularly from wind power), transmission and distribution of electricity.
Aerobus Arapiles, S.L.	Avda. Burgos 12, Madrid	Services for the installation of elevated railway systems with low environmental impact.
Eólica Marítima y Portuaria, S.L.	Claudio Coello 43, Madrid	Operation of renewable energy relating to the environment and geology. Technical engineering services.
Iniciativas Bioenergéticas, S.L.	Gran Vía Juan Carlos I nº9, Logroño (La Rioja)	Study, promotion, development and execution of groundbreaking projects relating to the environment and energy generation.
Logística marítima de Tuxpan S.A.P.I. de C.V.	Veracruz (Mexico)	Engineering and consultancy services rendered to port infrastructures.
Indra México		
Indra Isolux México SA de CV	Mexico City	Supply, installation and entry into service of equipment for toll management systems and/or traffic control systems.
Visión Inteligente Aplicada S.A de C.V	Mexico City	Rendering of services
EFI Túneles Necaxa SA de CV	Munich (Germany)	Study, advisory services, preparation of projects and construction of public works, as well as any other types of civil, hydraulic, electrical, infrastructure or similar works, in the public and private sector, the acquisition of materials and consumables for the construction and transportation thereof and all activities related to construction in general.

FINANCIAL INFORMATION ON GROUP COMPANIES AT 31 DECEMBER 2013

Company	Interest			Equity	Total operating income	Individual post-tax profit/(loss)
	Direct	Indirect	Total			
1.- Parent						
Indra Sistemas				1,202,520	1,904,381	108,415
2.- Dependientes						
Indra Emac, S.A.	100%	-	100%	2,561	16,237	1,620
Indra Sistemas de Seguridad, S.A.	100%	-	100%	6,739	10,713	560
Indra Sistemas de Comunicaciones Seguras, S.L.	-	100%	100%	9,393	4,197	1,572
Inmize Capital, S.L.	80%	-	80%	1,548	-	(5)
Inmize Sistemas, S.L.	-	50%	50%	7,666	2,712	488
Indra Software Labs, S.L.	100%	-	100%	35,917	153,045	9,253
Teknatrans Consultores, S.L.	100%	-	100%	669	684	191
Grupo BMB	**100%**	-	**100%**	**19,475**	**152,035**	**2,011**
Grupo Consultoría	**100%**	-	**100%**	**30,668**	**56,697**	**(6,894)**
Grupo Prointec	**100%**	-	**100%**	**22,020**	**52,796**	**(2,484)**
Grupo Indra Brasil	**100%**	-	**100%**	**(7,493)**	**268,590**	**1,634**
Indra SI, S.A.	83%	17%	100%	3,066	53,555	(1,240)
Indra Company Brasil LTDA	100%		100%	(28,999)	74,742	(12,418)
Politec Argentina	95%	5%	100%	13	103	(148)
Azertia Tecnología de la Información Argentina S.A.	100%	-	100%	(2,423)	11,228	(4,552)
Computación Ceicom	100%	-	100%	3,365	11,059	29
Indra Colombia LTDA.	100%	-	100%	10,740	43,394	(1,330)
Indra Sistemas Chile S.A.	100%	-	100%	5,354	51,759	232

Company	interest			Equity	Total operating income	Individual post-tax profit/(loss)
	Direct	Indirect	Total			
Soluziona C&S Holding S.A.	-	100%	100%	1,307	-	54
Soluziona S.A. Guatemala	100%	-	100%	105	-	-
Indra Sistemas México, S.A. de C.V.	100%	-	100%	16,848	119,808	7,709
Azertia Tecnología de la Información México S.A. de C.V.	100%	-	100%	12,404	41,084	2,556
Soluziona México S.A. de C.V.	100%	-	100%	(4,834)	12,309	(3,313)
Indra Panama, S.A.	100%	-	100%	3,271	16,569	539
Indra Company Perú SAC	100%	-	100%	1,719	7,139	0
Indra Perú, S.A.	100%	-	100%	13,888	40,853	2,858
Soluciones y Servicios Indra Company Uruguay S.A.	100%	-	100%	1,295	3,953	(89)
Indra USA, Inc	100%	-	100%	3,895	15,117	2,061
Indra Systems, Inc	100%	-	100%	(17,269)	996	(2,477)
Azertia Tecnología de la Información Venezuela S.A.	100%	-	100%	4,207	3,150	830
Azertia Gestión de Centros Venezuela, S.A.	100%	-	100%	(2,014)	258	(433)
Soluziona SP, C.A. Venezuela	100%	-	100%	7,978	20,958	2,657
AC-B air Traffic Control & Business Systems GmbH (Alemania)	100%	-	100%	1,268	1,812	279
Avitech AG	100%	-	100%	4,292	14,100	993
Indra Italia Spa (Visiant Galyleo Spa)	78%	-	-	11,291	59,071	1,635
Indra Czech Republic s.r.o.	100%	-	100%	4,047	9,310	1,108
Indra Eslovakia, a.s.	100%	-	100%	664	2,398	(127)
Indra France Sas	100%	-	100%	(127)	1,010	(448)
Indra Hungary K.F.T.	100%	-	100%	(142)	364	(226)
Indra Sisteme S.R.L. (Moldavia)	100%	-	100%	455	762	127

Company	interest Direct	Indirect	Total	Equity	Total operating income	Individual post-tax profit/(loss)
Indra Polska Sp.z.o.o	100%	-	100%	(322)	168	(220)
Indra Sistemas Portugal, S.A.	100%	-	100%	6,619	35,774	(634)
Electrica Soluziona S.A. (Rumanía)	51%	-	51%	1,600	2,835	233
Indra Ukraine L.L.C.	-	100%	100%	(25)	-	(74)
Indra Kazakhstan Engineering Llp	51%	-	-	953	2,244	(91)
Indra Beijing Information Technology Systems Ltd. (China)	100%	-	100%	1,544	4,336	228
Indra Radar Technology (Tianjin) Co., Ltd.	70%	-	70%	(73)	144	(285)
Indra Philippines INC	50%	-	50%	10,376	31,824	2,117
Indra Technology Solutions Malasya Sdn Bhd.	70%	-	-	11	8,285	263
Indra Indonesia	100%	-	-	(622)	95	(1,167)
Indra Arabia LLC CO	95%	5%	100%	-	-	-
Indra Bahrain Consultancy SPC	100%	-	-	3,772	12,156	120
Indra Sistemas Magreb S.A.R.L.	100%	-	100%	483	1,370	126
Indra Limited (Kenya)	100%	-	100%	2,634	3,868	373
Soluziona Professional services (private) Limited (Zimbabwe)	70%	-	70%	-	-	-
Indra Australia Pty Limited	100%	-	100%	5,995	36,193	2,289
Indra Sistemas India Private Limited	100%	-	100%	469	3,928	(1,682)
Indra Navia AS	100%	-	100%	16,733	61,790	5,998
Indra Turquía	100%	-	100%	888	2,085	(913)
Indra Technology South Africa	62%	-	62%	(227)	-	(227)
Indra Tecnología Brasil LTDA	100%	-	100%	971	4,767	3
Gnubila Colombia SAS	100%	-	100%	289	482	24

Company	interest Direct	Indirect	Total	Equity	Total operating income	Individual post-tax profit/(loss)
3.- Joint ventures						
I-3 Televisión S.L.	50%	-	50%	130	3,389	13
IRB Riesgo Operacional S.L.	33%	-	33%	430	88	(42)
IESSA (Brasil)	50%	-	50%	(866)	2,386	(1,678)
UTE Zona Norte	10%	-	10%	39	160	14
UTE Alta Capacidad	20%	-	20%	119	743	118
UTE Copsa-Indra	50%	-	50%	114	3	(2)
UTE Jocs del Mediterrani	49%	-	49%	(4,022)	1,004	17
UTE Área Metropolitana	20%	-	20%	57	12	1
UTE Mantenimiento Las Palmas	10%	-	10%	(7)	24	23
UTE Segura XXI-II	35%	-	35%	82	64	81
UTE Indra-Eurocopter ECE	63%	-	63%	(7)	756	11
UTE Saih CHJ	25%	-	25%	7	14	7
UTE CIC-TF	50%	-	50%	316	199	50
UTE CEIDECOM	60%	-	60%	(352)	-	(16)
UTE Instalación VSM Instalazioak	25%	-	25%	12	-	0
UTE Mantenimiento Semafórico de Torrejón de Ardoz	50%	-	50%	(7)	40	(7)
UTE IND. AMB. DELTA DEL EBRO	33%	-	33%	56	268	54
UTE Mantenimiento Rondes 2012	30%	-	30%	(7)	1,085	(35)
UTE Telvent-Indra-Atos	33%	-	33%	-	1,742	-

Company	interest Direct	Indirect	Total	Equity	Total operating income	Individual post-tax profit/(loss)
Indra Perú						
Consorcio Procom	49%	-	49%	799	8,611	845
Consorcio CEI	50%	-	50%	(108)	393	(31)
Consorcio GMD	50%	-	50%	1,647	8,141	1,693
Consorcio Petróleos	95%	-	95%	6,759	3,278	(566)
Consorcio NSC	90%	-	90%	285	14	(102)
Consorcio Mincetur	98%	-	98%	378	469	88
Consorcio Fábrica	50%	-	50%	3,462	3,178	132
Consorcio Reapro	85%	-	85%	404	3,917	626
4.- Associates						
Saes Capital, S.A.	49%	-	49%	-	-	-
Eurofighter Simulation System GmbH	26%	-	26%	-	-	-
Euromids SAS	25%	-	25%	-	-	-
A4 Essor SAS	21%	-	21%	-	-	-
Tower Air traffic	50%	-	50%	-	-	-
Indra Sistemas de Tesorería, S.A.	33%	-	33%	-	-	-
Green Border OOD	50%	-	50%	-	-	-
Indra México						
Indra Isolux México SA de CV	50%	-	50%	-	-	-
Visión Inteligente Aplicada S.A de C.V	50%	-	50%	-	-	-
EFI Túneles Necaxa SA de CV	10%	-	10%	-	-	-

Company	interest Direct	Indirect	Total	Equity	Total operating income	Individual post-tax profit/(loss)
BMB Group composition						
2.- Subsidiaries						
Indra BMB S.L.				12,665	21,501	1,327
OUAKHA Services, Saarl AU (Marruecos)	100%	-	100%	(256)	-	(9)
Indra BMB Servicios Digitales, S.A.	100%	-	100%	46,455	122,113	5,013
Central de Apoyos y Medios Auxiliares, S.A.U. (CAYMASA)	100%	-	100%	4,858	14,277	(1,206)
Caymasa El Sendero, S.L.	100%	-	100%	148	421	(544)
IFOS (Argentina)	80%	-	80%	(373)	1,438	(586)
Indra II BPO Portugal	100%	-	100%	252	25	2
4.- Asociados						
Trias Beltran, S.L.	40%	-	40%	-	-	-
Consultoría Group composition						
2.- Subsidiaries						
Indra Business Consulting	-	-	-	41,288	33,469	(1,116)
Tourism & Leisure Advance Service, S.L.	70%	-	70%	205	4,411	(205)
Europraxis ALG Consulting, Ltd. (UK)	100%	-	100%	144	367	47
Europraxis ALG Consulting, Ltda. (Brasil)	99.99%	0.01%	100%	(4,581)	1,177	(2,413)
Advanced Logistics Group, S.A.	100%	-	100%	220	14,468	(662)
Europraxis Consulting, S.R.L.	100%	-	100%	(578)	606	(497)
Indra Business Consulting ALG Mexico	100%	0%	100%	447	2,672	(193)
Advanced Logistics Group Andina	-	90%	90%	490	715	(35)

Company	interest Direct	Indirect	Total	Equity	Total operating income	Individual post-tax profit/(loss)
Advanced Logistics Group Venezuela	-	90%	90%	1,932	868	(411)
Mensor Consultoría y Estrategia S.L.	80%	-	80%	(2,327)	1,922	(829)
Europraxis Alg Maroc	67%	-	67%	(402)	344	(512)
Indra Brasil composition						
2.- Subsidiaries						
Indra Brasil SA	100%			56,631	261,978	(25,632)
Search Informática Ltda.	51%	-	51%	1,289	6,504	2,488
Ultracom-Consultoría em Tecnología da InformaÇao Ltda.	100%	-	100%	(108)	4,071	107
Indra USA IT Services	100%	-	100%	2,300	2,573	268
Prointec Group composition						
2.- Subsidiaries						
Prointec, S.A.				28,675	40,409	(11,661)
Prointec Hidrógeno, S.L.	60%	-	60%	-	-	(5)
Consis Proiect SRL (Rumanía)	100%	-	100%	1,600	1,048	47
Geoprin, S.A.	99.99%	0.01%	100%	(1,934)	165	(554)
GICSA-Goymar Ingenieros Consultores, S.L.	99.80%	0.2%	100%	(1,161)	45	(587)
Ingenieria de Proyectos de Infraestructuras Mexicanas	98%	2%	100%	1,640	2,686	93
Inse Rail, S.A.	90%	-	90%	3,171	1,281	143
Mecsa, S.A.	99%	1%	100%	(681)	930	(550)
Procinsa Ingeniería, S.A.	99%	1%	100%	936	1,143	(109)
Prointec civil engineering Consultancy (Irlanda)	100%	-	100%	606	7	(23)

Company	interest Direct	Indirect	Total	Equity	Total operating income	Individual post-tax profit/(loss)
Prointec Romaría S.R.L. (Rumanía)	100%	-	100%	(29)	1,177	89
Prointec Engenharia, Ltda.	99.99%	-	100%	574	217	246
Prointec Panama	75%	-	75%	-	-	-
Prointec Extremadura, S.L.	97%	3%	100%	15	64	2
Prointec Diseño y Construcción, S.A.	99%	1%	100%	(633)	-	(97)
Unmanned Aircraft Technologies, S.A.	51%	-	51%	80	170	(12)
Prointec USA	100%	-	100%	198	1,201	92
4.- Associates						
Idetegolf, S.A.	33%	-	33%	-	-	-
Gestión de Recursos Eólicos Riojanos, S.L.	-	16%	16%	-	-	-
Iniciativas Bioenergéticas, S.L.	-	20%	20%	-	-	-
Eólica Marítima y Portuaria, S.L.	-	20%	20%	-	-	-
Huertas de Binipark	25%	-	25%	-	-	-
Indra Isolux México SA de CV	50%	-	50%	(17)	241	5
Visión Inteligente Aplicada S.A de C.V	50%	-	50%	(128)	4,459	(30)
EFI Túneles Necaxa SA de CV	10%	-	10%	659	4,232	(613)

FINANCIAL INFORMATION ON GROUP COMPANIES AT 31 DECEMBER 2012

Company	interest			Equity	Total operating income	Individual post-tax profit/(loss)
	Direct	Indirect	Total			
1.- Parent						
Indra Sistemas				1,122,763	1,987,955	138,176
2.- Subsidiaries						
Indra Emac, S.A.	100%	-	100%	2,831	15,139	1,888
Indra Sistemas de Seguridad, S.A.	100%	-	100%	6,162	12,702	1,159
Indra Sistemas de Comunicaciones Seguras, S.L.	-	100%	100%	9,034	3,260	1,213
Inmize Capital, S.L.	80%	-	80%	1,554	-	(4)
Inmize Sistemas, S.L.	-	50%	50%	7,178	2,489	541
Indra Software Labs, S.L.	100%	-	100%	39,503	169,467	13,648
Teknatrans Consultores, S.L.	100%	-	100%	671	663	193
Grupo BMB	**100%**	**-**	**100%**	**17,213**	**172,294**	**(1,423)**
Grupo Consultoría	**100%**	**-**	**100%**	**37,894**	**62,608**	**(1,278)**
Grupo Prointec	**98%**	**-**	**98%**	**20,756**	**(72,158)**	**(246)**
Grupo Indra Brasil	**100%**	**-**	**100%**	**44,254**	**275,347**	**(11,347)**
Indra SI, S.A.	76%	24%	100%	2,991	40,388	(3,309)
Politec Argentina	95%	5%	100%	215	1,563	(92)
Azertia Tecnología de la Información Argentina S.A.	100%	-	100%	131	12,918	(1,685)
Computación Ceicom	100%	-	100%	4,789	13,386	1,725
Indra Colombia LTDA.	100%	-	100%	9,690	49,560	1,412
Indra Sistemas Chile S.A.	100%	-	100%	5,241	46,555	1,395
Soluziona Chile S.A.	100%	-	100%	847	2,148	951

Company	interest Direct	Indirect	Total	Equity	Total operating income	Individual post-tax profit/(loss)
Politec Chile	-	100%	100%	313	1,493	(340)
Soluziona C&S Holding S.A.	-	100%	100%	1,438	-	42
Soluziona S.A. Guatemala	100%	-	100%	103	-	(175)
Indra Sistemas México, S.A. de C.V.	100%	-	100%	9,708	91,826	4,750
Azertia Tecnología de la Información México S.A. de C.V.	100%	-	100%	10,364	30,634	384
Soluziona México S.A. de C.V.	100%	-	100%	(1,623)	12,197	(1,492)
Indra Panama, S.A.	100%	-	100%	2,868	11,899	470
Indra Company Perú SAC	100%	-	100%	1,963	7,546	815
Indra Perú, S.A.	75%	-	75%	12,609	40,457	3,536
Soluciones y Servicios Indra Company Uruguay S.A.	100%	-	100%	1,627	3,224	(196)
Indra USA, Inc	100%	-	100%	1,942	9,655	965
Indra Systems, Inc	100%	-	100%	(15,517)	2,232	(2,181)
Azertia Tecnología de la Información Venezuela S.A.	100%	-	100%	5,135	4,282	(1,481)
Azertia Gestión de Centros Venezuela, S.A.	100%	-	100%	(2,421)	6,800	(1,206)
Soluziona SP, C.A. Venezuela	100%	-	100%	7,601	18,994	235
AC-B air Traffic Control & Business Systems GmbH (Alemania)	100%	-	100%	988	1,615	289
Avitech AG	100%	-	100%	3,299	12,036	923
Indra Italia Spa	78%	-	78%	9,478	58,072	4,146
Indra Navia AS	100%	-	100%	11,633	45,291	5,074
Indra Czech Republic s.r.o.	100%	-	100%	3,205	9,419	731
Indra Eslovakia, a.s.	100%	-	100%	801	3,701	212
Indra France Sas	100%	-	100%	321	2,984	132
Indra Hungary K.F.T.	100%	-	100%	82	722	(102)

Company	interest			Equity	Total operating income	Individual post-tax profit/(loss)
	Direct	Indirect	Total			
Indra Sisteme S.R.L. (Moldavia)	100%	-	100%	527	827	36
Indra Polska Sp.z.o.o	100%	-	100%	(103)	94	(66)
Indra Sistemas Portugal, S.A.	100%	-	100%	7,253	29,399	688
Electrica Soluziona S.A. (Rumanía)	51%	-	51%	1,368	2,809	172
Indra Ukraine L.L.C.	-	100%	100%	52	-	(16)
Indra Kazakhstan Engineering Llp	51%	-	51%	1,114	2,194	(167)
Indra Turkey Teknolojileri Çözümleri Anonim Sirketi	100%	-	100%	300	1,810	(652)
Indra Beijing Information Technology Systems Ltd. (China)	100%	-	100%	1,337	2,885	102
Indra Radar Technology (Tianjin) Co., Ltd.	70%	-	70%	206	682	(637)
Indra Philippines INC	50%	-	50%	9,350	28,097	1,741
Indra Technology Solutions Malasya Sdn Bhd.	100%	-	100%	(290)	-	(388)
Indra Indonesia	100%	-	100%	(404)	1	(767)
Indra Sistemas India Private Limited	100%	-	100%	(970)	5,952	(963)
Indra Bahrain Consultancy SPC	100%	-	100%	3,812	10,049	(150)
Indra Arabia LLC co.	95%	5%	100%	99	-	-
Indra Sistemas Magreb S.A.R.L.	100%	-	100%	360	1,091	100
Indra Limited (Kenya)	100%	-	100%	2,612	3,863	557
Soluziona Professional services (private) Limited (Zimbabwe)	70%	-	70%	-	-	-
Indra Australia Pty Limited	100%	-	100%	5,201	38,149	1,977

Company	interest Direct	Indirect	Total	Equity	Total operating income	Individual post-tax profit/(loss)
3.- Joint ventures						
I-3 Televisión S.L.	50%	-	50%	118	3,406	28
IRB Riesgo Operacional S.L.	33%	-	33%	471	78	(26)
IESSA (Brasil)	50%	-	50%	979	5,460	15
UTE Indra EWS/STN Atlas Leopard 2	60%	-	60%	-	-	-
UTE Manteniment Rondes	30%	-	30%	38	20	46
UTE Jocs del Mediterrani	49%	-	49%	(3,884)	869	(586)
UTE Área Metropolitana	20%	-	20%	277	477	176
UTE Mantenimiento Las Palmas	10%	-	10%	(29)	56	(10)
UTE Segura XXI-II	35%	-	35%	4	31	3
UTE Indra-Eurocopter ECE	63%	-	63%	444	1,536	430
UTE Saih CHJ	25%	-	25%	(119)	498	73
UTE CIC-TF	50%	-	50%	259	200	(71)
UTE CEIDECOM	60%	-	60%	(335)	-	(57)
UTE Instalación VSM Instalazioak	25%	-	25%	283	-	(261)
UTE Mantenimiento Semafórico de Torrejón de Ardoz	50%	-	50%	4	63	1
UTE CTDA	33%	-	33%	-	-	-
UTE Indicadores Ambientales Delta del Ebro	33%	-	33%	595	797	-
UTE Mantenimiento Rondes 2012	30%	-	30%	(192)	1,001	(193)
UTE Copsa-Indra	50%	-	50%	81	2,330	50
UTE Telvent-Indra-Atos	33%	-	33%	-	1,961	-

Company	interest			Equity	Total operating income	Individual post-tax profit/(loss)
	Direct	Indirect	Total			
4.- Associates						
Saes Capital, S.A.	49%	-	49%	-	-	-
Eurofighter Simulation System GmbH	26%	-	26%	-	-	-
Euromids SAS	25%	-	25%	-	-	-
A4 Essor SAS	21%	-	21%	-	-	-
Tower Air traffic	50%	-	50%	-	-	-
Indra Sistemas de Tesorería, S.A.	49%	-	49%	-	-	-
Oyauri Investmet, S.L.	33%	-	33%	-	-	-

BMB Group composition

Company	Direct	Indirect	Total	Equity	Total operating income	Individual post-tax profit/(loss)
2.- Subsidiaries						
Indra BMB S.L.	-	-	-	11,338	18,558	(5,222)
OUAKHA Services, Saarl AU (Marruecos)	100%	-	100%	(248)	-	(9)
Indra BMB Servicios Digitales, S.A.	100%	-	100%	42,781	119,559	3,714
Compañía de Medios y Servicios, S.A	-	100%	100%	1,595	817	119
Central de Apoyos y Medios Auxiliares, S.A.U. (CAYMASA)	-	100%	100%	5,107	4,398	446
Caymasa El Sendero, S.A.U.	-	100%	100%	(609)	386	(1,098)
Telemarketing, Catálogos y Promoción, S.A.U.	-	100%	100%	1,359	223	(71)
Servicios Avanzados Printing & Finishing, S.L.	-	100%	100%	-	-	-
Viálogos Servicios de Comunicación, S.L.	100%	-	100%	2,131	3,432	316
TASAI, S.A.	100%	-	100%	(880)	2,393	(18)
IFOS (Argentina)	80%	-	80%	320	3,138	264

Company	interest			Equity	Total operating income	Individual post-tax profit/(loss)
	Direct	Indirect	Total			
2.- Subsidiaries						
Trias Beltran, S.L.	40%	-	40%	-	-	-
Consultoría Group composition						
2.- Subsidiaries						
Europraxis Atlante, S.L.	-	-		42,432	37,670	1,841
Tourism & Leisure Advance Service, S.L.	70%	-	70%	561	4,593	(174)
Europraxis ALG Consulting, Ltd. (UK)	100%	-	100%	97	310	(78)
Europraxis ALG Consulting, Ltda. (Brasil)	99.99%	0.01%	100%	(2,617)	2,545	(1,484)
Advanced Logistics Group, S.A.	100%	-	100%	(175)	13,176	(733)
Advanced Logistics Group Andina	-	90%	90%	601	338	(113)
Advanced Logistics Group Venezuela	-	90%	90%	3,582	1,488	974
Europraxis Consulting, S.R.L.	100%	-	100%	(82)	924	(638)
Europraxis ALG Consulting México SA de CV	100%	-	100%	675	1,535	203
Mensor Consultoría y Estrategia S.L.	80%	-	80%	(1,449)	2,609	(312)
Europraxis Alg Maroc	67%	-	67%	110	371	(361)
Indra Brasil composition						
2.- Subsidiaries						
Indra Brasil, LTDA	100%	-	100%	11,058	81,193	(32,285)
Indra P+D Brasil LTDA	100%	-	100%	9,043	12,911	2,693
Politec Tecnología da Informacao,SL	-	100%	100%	4,491	170,062	(6,562)
Search Informática Ltda.	51%	-	51%	(1,694)	2,148	(3,644)

Company	Interest Direct	Interest Indirect	Interest Total	Equity	Total operating income	Individual post-tax profit/(loss)
Ultracom-Consultoría em Tecnología da InformaÇao Ltda.	100%	-	100%	(269)	3,613	(145)
Politec U.S.A.	100%	-	100%	2,126	3,927	76
Prointec Group composition						
2.- Subsidiaries						
Prointec, S.A.	-	-	-	24,273	43,552	676
Consis Proiect SRL (Rumanía)	100%	-	100%	1,671	1,580	71
Ingenieria de Proyectos de Infraestructuras Mexicanas	98%	2%	100%	2,955	13,527	401
Inse Rail, S.A.	90%	-	90%	-	199	(15)
Prointec civil engineering Consultancy (Irlanda)	100%	-	100%	595	-	(10)
Prointec Romaría S.R.L. (Rumanía)	100%	-	100%	73	1,273	102
Prointec Engenharia, Ltda.	99.99%	-	100%	185	581	(277)
Prointec Panama	75.00%	-	75%	(56)	-	(63)
Prointec Extremadura, S.L.	96.80%	3%	100%	13	32	(2)
Unmanned Aircraft Technologies, S.A.	51%	-	51%	(650)	-	(760)
Prointec USA	100%	-	100%	350	961	163
Prointec India	100%	-	100%	-	-	-
4.- Associates						
Idetegolf, S.A.	33%	-	33%	-	-	-
Gestión de Recursos Eólicos Riojanos, S.L.	-	16%	16%	-	-	-
Iniciativas Bioenergéticas, S.L.	-	20%	20%	-	-	-
Eólica Marítima y Portuaria, S.L.	-	20%	20%	-	-	-