

INNO VATI ON&+



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1

General description of
the Organization and its
Environment

Letter from the Chairman
& CEO

Letter from the President
& COO

Key Financial Figures

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presentation



PRESENTATION

Indra is the leading consulting and technology multinational in Spain and one of the most important enterprises in this field in Europe and Latin America. It offers technology solutions and services for the Transport and Traffic, Energy and Industry, Public Sector and Healthcare, Financial Services, Security and Defense, Telecommunications, and Media sectors.

In 2013 Indra's revenues amounted to €2.914 billion. It employs over 38,500 professionals and has clients in over 138 countries.

Indra is one of the leading European companies in its sector in terms of R&D investment and last year invested €195 million in this purpose.

**GENERAL
DESCRIPTION**

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**LETTER FROM
THE CHAIRMAN**

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**KEY FINANCIAL
FIGURES**

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**BRAND
ARCHITECTURE**

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1.1 GENERAL DESCRIPTION OF THE ORGANIZATION



1.2 LETTER FROM THE CHAIRMAN & CEO

IN 2013 WE
CELEBRATED
INDRA'S 20TH
ANNIVERSARY

Ambition
Flexibility
Realism



Javier Monzón
Chairman & CEO

JAVIER **MONZÓN**

Dear Shareholder,

In 2013 we celebrated Indra's 20th anniversary. We should all feel proud of what we have built, of what we are and, above all, of **our project for the future**. We are still a young company, with a project defined with **ambition**, conceived with **realism**, and developed with the **flexibility** that allows us to adapt to a constantly changing and almost always unpredictable environment.

In these 20 years we have experienced very **different economic contexts**, some of them extremely advantageous and others fraught with uncertainty and difficulty. But whatever the climate of the day, we have acted with **determination and rigor**, with creativity and a passion for excellence, inspired by an unswerving commitment to our clients, professionals and shareholders but also to everyone with whom we have dealings and, most especially, to the communities in which we conduct and project our business.

The complexity of previous years continued to mark 2013, in a multi-speed global environment that performed somewhat worse than expected. Even so, Indra met its targets for the year.

Our sector is facing increasing global competition as a result on the one hand of greater activity by traditional agents and the arrival of new ones, and on the other of the growing interest that companies in related sectors are showing in the technological transformations that facilitate interconnectivity, mobility and big data processing, and flexible information management.

In such an environment, our competitive position must remain firmly based on a differential offer on which we can continue to build lasting competitive advantages. Our commitment to technology and innovation with a global focus is imprinted in our DNA. Today we have

operating companies in 47 countries from which we develop projects in 138 countries. We are very close to achieving our original ambition of becoming a multinational technology and consulting enterprise with a global presence, a global offer, global production processes and a global capacity to attract talent.

Our priorities are focused on **maximizing the growth potential in the various geographic markets, on developing and marketing new offers promptly, simultaneously boosting the growth of our global accounts, and on improving the efficiency of our production and delivery processes**. These objectives, coupled with stringent balance sheet management (investments, working capital and cash flow), are the key elements for ensuring that Indra remains a successful company and continues to benefit its clients, professionals and shareholders.

At the 2014 General Shareholders Meeting at which this report is presented, the proposed appropriation of earnings we would like to submit for approval by our investors and shareholders contemplates the distribution of an ordinary dividend of 0.34 euros gross per share in line with our payout policy, thus maintaining attractive levels of profitability per dividend while preserving a balanced financial structure that will enable us to create long-term value.

We are conscious that a solid, sustainable business project is always a long-term project that requires the constant renewal of ambitions for the future. From the position we have built and the one that is now within our reach, thanks to our culture and our values, we will continue to develop our ambition to maintain a reputation as one of the most reliable companies in the industry, a company preferred by the most demanding

Objectives

Maximizing the growth potential in the various geographic markets.

Developing and marketing new offers promptly, simultaneously boosting the growth of our global accounts

Improving the efficiency of our production and delivery processes

clients at the forefront of their sectors and by the finest professionals.

We have the capacity and determination to continue our journey along this path on which we will have to deploy all of our skills in combining and reconciling growth strategies with efficiency strategies in very diverse environments marked by increasing uncertainty, rapid transformations and strong, new competitors. And we

must do all of this while maintaining innovation as the hallmark not only of our solutions and services offer but of our management processes as well.

We are keen to share these developments with our shareholders and with all of our stakeholders in general, and for this reason we apply the best practices in transparency and information. This report has been prepared according to the guidelines of the new version

of the Global Reporting Initiative, G4, published in November 2013, at the “Comprehensive” level, and as in previous years it applies the principles of the Integrated Reporting Pilot Program (IIRC) and the AA1000 APS (2008) Accountability Standard. It also describes the company’s progress in meeting the Global Compact principles. The result is a balanced and responsible presentation of our financial, environmental and social performance that has been verified externally.

1.3 LETTER FROM THE PRESIDENT & COO

JAVIER DE ANDRÉS

Dear Shareholder,

Once again, Indra **has met its targets** for the year.

In 2013 our **revenues** amounted to €2.914 billion, which represents an increase of **2% in local currency in relation to 2012**. In **reported terms** (in euros), and taking into account the impact of the divestment of the advanced digital documentation management business in 2013, our revenues were similar to those of last year.

By geographic area, there was a certain improvement in the Spanish market, where the downturn in 2013 (-11%) was considerably lower than the downturn reported in 2012 (-18%).

Latin America sustained its double-digit growth (+22% in local currency), despite the poor performance of the euro against the main currencies in the region, resulting in a reported growth of 11%.



Revenues
2,914MEU
+2%

Order intake
+4% higher
than revenues

Javier de Andrés
President & COO

In the case of Asia, the Middle East and Africa (AMEA), we continued to reinforce our position, although revenues declined as a result of the execution of a major one-off project during the previous year.

By offer segment, revenues from Solutions (65% of the total) grew by 3% in local currency, compared with a 2% growth in revenues from Services (35% of the total).

All **the vertical markets**, except for Transport & Traffic (greatly affected by the weakness of the Spanish market), experienced growth in local currency, with a notable performance in Energy & Industry (+8%), Security & Defense (+7%) and Financial Services (+6%).

Order intake was 4% higher than revenues, although **2% lower in local currency** compared with the previous year. Without the effect of the rail transport project in Saudi

Arabia (€205 m), begun in 2012, there would have been a 4% growth in local currency. Order intake in Latin America increased by 28% in local currency. Meanwhile, the Spanish market experienced a downturn of 12%, but this was considerably lower than the 26% reported in 2012.

Consequently, the **order book** figure was **€3.493 billion** (+1%), with a book-to-bill ratio of 1.2.

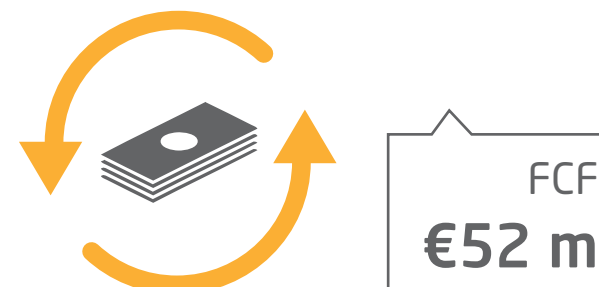
The recurring EBIT was €226 m, 7.8% in recurring EBIT margin terms.

The **net working capital** at the close of the year stood at **109 days' sales outstanding (DSO)**, within the target range notified to the market at the beginning of the year (100-110 DSO), even though the plan to speed up payments from the Spanish autonomous communities was postponed until the first quarter of 2014.

The **investments** (net tangible and intangible) amounted to **€64 m**, slightly below forecasts (€70 m).

The **free cash flow** (FCF) generated during the year was **€52 m**, including the positive impact of €25 m corresponding to the divestment of the aforementioned business line.

The **net debt** at the close of the year stood at **€622 m** (€634 m the previous year), and we therefore met our objective of not incurring any more debt. This net debt represents a **leverage level of 2.2 times** the recurring EBITDA in the period. In October 2013 the company issued its **first 5-year convertible bonds** for €250 m, which, in addition to **diversifying its sources of financing**, has helped improve the average maturity term of the financial resources used.



In 2013, as in previous years and since 2010 in particular, Indra implemented a variety of measures to offset the effects of the strong downturn in the Spanish market.

This situation in what used to be our principal market had a negative impact not only on margins (due to greater pricing pressure and the changes in the revenue mix following the strong decline in revenues from Solutions and the more lucrative offer in institutional markets) but also on the balance sheet (due on the one hand to the longer payment periods introduced by clients, and on the other to the company's decision to continue some of its new developments with a greater input from its own funds).

The measures implemented to compensate for this situation included **adapting and improving the efficiency of resources and reinforcing Indra's position in high-**

growth markets like Latin America and AMEA. This resulted in the company's decision to use the necessary resources to **adapt its solutions with the greatest potential to these markets, make selected acquisitions,** and launch several major projects that required the initial allocation of resources. In 2013 the plan to adapt and improve the efficiency of resources resulted in extraordinary expenses to the tune of €28 m, in line with the indications reported over the course of the year.

The combination of the aforementioned measures is already bearing fruit, which means that Indra should continue to increase its cash flow and in the coming years gradually recover its pre-crisis levels. Thus, for **2014** the company's prime **goal** and priority is to generate a **free cash flow of more than €100 m** and lay the foundations for progressive improvement in the coming years.

This goal should allow the company to reduce its debt while maintaining an adequate level of remuneration for shareholders. As we have already informed all of our shareholders, the decision to adopt this free cash flow goal was based on a series of business hypotheses and considerations in light of the current environment and in line with our strategy to maintain our status as a sector leader with proprietary solutions and a global presence.

To make all of this possible, we must be able to continue meeting clients' demands, and we are therefore faced with the enormous challenge of continuously improving the way we do things and developing an innovative offer at the cutting-edge of our industry.



Adapt and improve the efficiency of resources and reinforce Indra's position in high-growth markets

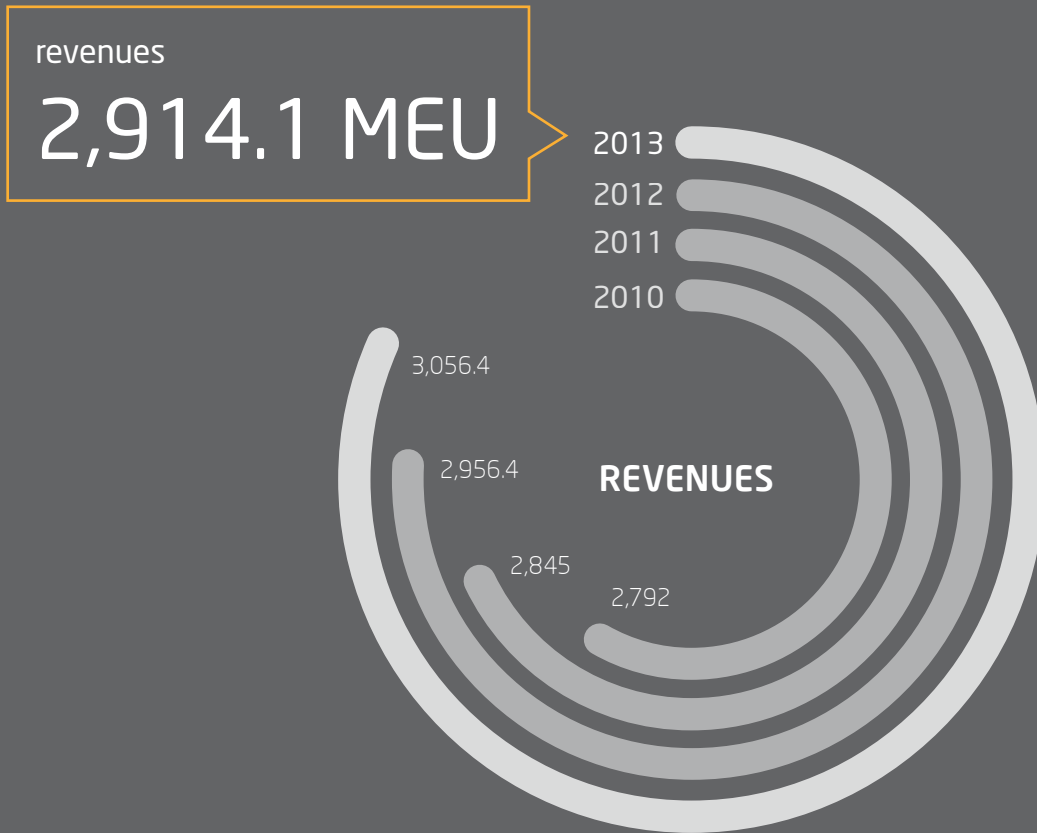
adapt solutions with the greatest potential to these markets, make selected acquisitions and launch several major projects

2014 main goal
FREE CASH FLOW >100M€

Furthermore, it is vital that we continue to attract, retain and manage talent, bearing in mind the diversity of our professionals in order to preserve a motivated team that will allow the company to achieve its primary goal: creating value.

I would therefore like to take this opportunity to publicly thank all of our professionals for their dedication and efforts this last year, and to express my gratitude to our clients and shareholders for their continued trust.

1.4 KEY FINANCIAL FIGURES



Development of sales from 2009 through 2013



Percentage of highly-qualified professionals

1.4 KEY FINANCIAL FIGURES

	2009	2010	2011	2012	Target 2013	2013	Target 2014
Economic performance							
Order intake	2,697.4	2,882.0	2,975.8	3,193.2	≥ Revenues 2013	3,028.8	1. Similar to revenues
Revenues	2,513.2	2,557.0	2,688.5	2,941.0	Slight growth	2,914.1	2. Organic growth in local currency
Order book	2,578.9	2,899.2	3,230.9	3,470.3		3,493.3	
Recurring operating profit (EBIT)	285.4	285.3	267.8	248.8	Recurring EBIT margin of approximately 8%.	226.2	3. Operating profit maintained at levels similar to 2013
Recurring EBIT margin	11.4%	11.2%	10.0%	8.5%		7.8%	
Extraordinary expenses	0	(33.4)	0	(31.6)		(27.9)	
Operating profit (EBIT)	285.4	251.9	267.8	217.2		198.3	
EBIT margin	11.4%	9.9%	10.0%	7.4%		6.8%	
Recurring net income	195.6	188.5	181.0	157.3		138.0	
Net income	195.6	188.5	181.0	132.7		115.8	
Net debt	134.6	274.9	513.6	633.3		622.5	
Free cash flow	-	-	-	38.7		52.1	4. Over €100 m
Corporate progress							
Investment in R&D&i	175	184	189	193		195	
Final workforce	26,175	28,608	35,730	38,577		38,548	
Percentage of highly-qualified professionals (%)	83	85	82	88		89	
Percentage of h/m professionals (%)	64/36	65/35	64/36	64/36		64/36	
Environment progress							
1.4.1.1.1.1 CO2 emissions (Scopes 1 and 2) (T)	34,246	33,655	34,004	35,255	5% reduction per employee	33,648	5. 5% reduction per employee

1.4.1 ANALYSIS OF FINANCIAL AND NONFINANCIAL STATEMENTS

Income Statement

The **contribution margin (15.0%)** fell by 0.9 percentage points in relation to **2012**, partly due to the aforementioned pricing pressure.

The **Solutions** contribution margin (16.6%) fell by 1.0 percentage points compared with the same period last year due to the weak situation of the Spanish market, the mixed effects of the projects carried out this year, and the significant international expansion undertaken, which led to a certain degree of commercial investment.

The **Services** contribution margin was **11.9%**, down by 0.9 percentage points as a result of pricing pressure in certain vertical markets and regions (mainly Spain).

The **recurring operating profit** (EBIT before extraordinary expenses) reached €226 million, 9% below the 2012 figure, mainly affected by the weak situation of the Spanish market and in spite of the productivity improvements implemented by the company.

The **recurring EBIT margin** (before extraordinary items) was **7.8%, in line with the target** of around 8% for the year. The fourth quarter **other income figure** (€76 million) includes the reversal of liabilities due to the pending payment of the acquisition of Politec in Brazil, which will be finalized in the second quarter of 2014. This amount also includes provisions to cover contingencies related to the company acquired.

The accounts also include **€28 million of extraordinary expenses** corresponding to the productivity improvements introduced by the company, in line with expectations.

After extraordinary expenses, the **operating profit (EBIT)** reached **€198 million**, which represents a decline of 9% compared with 2012.

The **disinvestment** of Indra's 12.77% stake in **Banco Inversis S.A.** ("Inversis), for the price of €29 million,

represented a capital gain for Indra of approximately €15 million before tax. Meanwhile, the sale of the advanced printing **centers** business in Spain and Mexico had a **neutral impact** on the company's earnings.

Financial expenses climbed to €64 million from the €54 million the previous year, mainly as a result of higher financial costs due to the greater average differentials of the renewed lines, exchange-rate losses arising from increased international activity and the volatility of foreign currencies, and the nominal effect—with no impact on the cash account—on the convertible bond issued in October 2013.

The **tax rate was 20.4%**, slightly lower than in 2012 (21.8%) due to changes in the different relative weights of the company's international activities.

Net income reached €117 million (-9%).

The **recurring net income** (not including extraordinary expenses) was €138 million, down 12% on the figure recorded in 2012.

Balance Sheet and Cash Flow Statement

The **net working capital** reached €868 million, which represents **109 days' sales outstanding** in the last 12 months, in line **with the target** set for the year. This amount does not reflect the impact of the regularization plan to speed up payments to suppliers by the Spanish autonomous communities as the actual implementation of the plan was postponed until the first quarter of 2014 and the first payments were only received in February of this year.

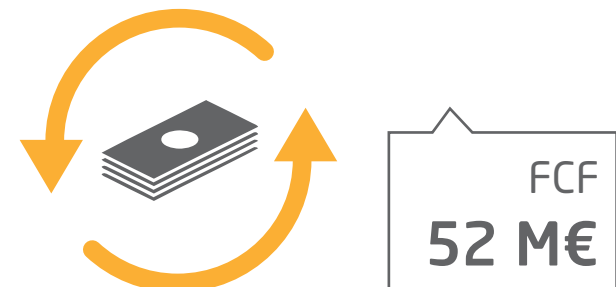
The level of **net tangible and intangible investments** reached **€64 million**, of which the net intangible investment (before the collection of subsidies)

represents €46 million and tangible investment €18 million. The sale of assets corresponding to the advanced digital documentation management business in Spain and Mexico has been deducted from this amount, producing a final figure of €10 million in net tangible investments in the period.

The **net financial investments** (€14 million) mainly corresponded to the payment of approximately €14 million for 25% of the shares in Com S.A. in **Peru** (which consolidated the company globally as the group already owned 75% of the shares), the **payment of various contingencies in Brazil to be deducted** from the price to be paid for Politec (€24 million), and the **disposal** of Indra's 12.77% stake in **Inversis**, for the sum of €29 million.

The **free cash flow** (FCF) generated during the year was **€52 million** (following the positive impact of €25 million for the sale of the advanced digital documentation management business), representing a significant recovery as of September 2013 figure (€0.3 million).

The **net debt was €622 million** (compared with €634 million the previous year), which represents a **leverage level of 2.2 times** the recurring EBITDA in the period.



1.4.2 FORECASTS

In 2013, as in previous years and since 2010 in particular, Indra implemented a variety of measures to offset the effects of the strong downturn in the Spanish market.

This situation in what used to be the company's principal market had a negative impact not only on margins (due to greater pricing pressure and the changes in the revenue mix following the strong decline in revenues from Solutions and the increased value of the offer in institutional markets) but also on the balance sheet (due on the one hand to the longer payment periods introduced by clients, and on the other to the company's decision to continue some of its new developments with a greater input from its own funds).

The measures implemented to compensate for this situation included adapting and improving the efficiency of resources (which has led to extraordinary expenses in three of the last four years) and reinforcing Indra's position in high-growth markets like Latam and AMEA. This resulted in the company's decision to use the necessary resources to adapt its solutions with the greatest potential to these markets, make selected acquisitions, and launch several major projects that required the initial allocation of resources.

The company also adopted, and publicly announced, various decisions designed to maintain its financial

parameters, and debt position in particular, at reasonable levels.

The combination of the aforementioned measures is already bearing fruit, which means that Indra should continue to increase its cash flow and in the coming years gradually recover its pre-crisis levels (in 2008 and 2009 the free cash flow generated was 5% of revenues).

Targets

Thus, for **2014 the company's prime goal** and priority is to generate a **free cash flow of more than €100 million** and lay the foundations for progressive improvement in the coming years.

This should allow the company to reduce its debt while maintaining an adequate level of compensation for shareholders.

The free cash flow target was defined on the basis of the following prospects and considerations:

1. **Revenues in 2014** that reflect a **positive organic growth** in local currency and an order intake level on a similar par, within a context characterized by:
 - » **A slight economic recovery in the Spanish market**, where the decline in revenues is expected



to be quite modest and significantly less than in the previous two years (-18% in 2012 and -11% in 2013).

- » This predicted performance is principally based on the anticipated reversal of the current trend in the institutional markets, which are among the hardest hit by the crisis. A return to double-digit growth in revenues is predicted for the Security & Defense market, particularly affected in the last five years (-20% CAGR); mild growth in the Public Sector & Healthcare market; and a drastic reduction of the decline in revenues in the Transport & Traffic market, which fell by 35% in 2013.
- » The macroeconomic performance will influence the company's pace of growth in Latin America, although a sharp deceleration is not expected. The global position reached in the region should

compensate for the varying performances of the different economies and the anticipated solid performance in countries like Brazil, Mexico, Peru and Colombia is expected to create double-digit growth in local currency (although this growth is likely to be penalized once again by the depreciation of these countries' currencies).

- » Double-digit growth in AMEA, where the company is making important commercial efforts and developing **major solutions**, especially in the Transport & Traffic, Security & Defense, and Public Sector & Healthcare markets.
 - » Slight **recovery in the rest of Europe**, where stable revenue performance is expected.
2. Maintaining operating profitability at similar levels to those of 2013. Although pricing pressure will continue to affect operating profitability in the Spanish market (and will not be completely mitigated by the productivity improvements implemented),

this should be offset by **increased profitability in the Latin American market**, where the company is gaining efficiency and increasing the relative weight of Solutions revenues (with a greater margin) compared with those obtained from the Services division. Extraordinary expenses, used to optimize management processes, are also expected to be considerably lower.

3. In 2014 the company expects to forge ahead with its policy of developing new solutions and will continue to allocate resources to completing and rolling out **several latest-generation solutions**, most notably in the Energy & Utilities (inCMS), Defense (Surveillance and UAVs), Rail Transport (Control Centers) and Airlines (Revenue Accounting) sectors. The CAPEX anticipated for this purpose is around €40 million (approximately 30% financed through soft loans and R&D subsidies from Spanish and European public administrations), which coupled with the investment in tangible assets will in any case produce a total CAPEX below that of 2013.

4. Finally, the net working capital (measured in days' sales outstanding) is also expected to be lower in 2014. This will be based partly on the measures introduced by the Spanish government to pay overdue debts and gradually reduce payment periods to suppliers, and partly on the company's decision to make cash flow generation a priority of its project management.

1.5 BRAND ARCHITECTURE



2

Ownership Structure

Governance Bodies

Duties of Governance Bodies

Remuneration model

Risks management

Sustainability management

Ethics and values

governance model



GOVERNANCE MODEL

The Indra administration model consists of a set of principles that underpin the company's management system and establish:

- ◆ An appropriate distribution of rights and responsibilities between the various company participants
- ◆ Control mechanisms to guarantee the efficient and ethical management of the company (creation of value and satisfaction of shareholder interests)

Indra has several governance bodies and adheres to a set of standards designed to guarantee good governance and contribute to the company's growth. Accordingly, every year Indra reviews the composition, operations and governance standards of the Board of Directors and its committees in order to ensure that they comply with the best practices in this regard.

OWNERSHIP
STRUCTURE

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GOVERNANCE
BODIES

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SHAREHOLDER
STRUCTURE

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REMUNERATION
MODEL

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2.1 OWNERSHIP STRUCTURE

At December 31, 2013 the company's share capital was €32,826,507.80, fully subscribed and paid up, and represented by 164,132,539 ordinary shares with a nominal value of €0.20 each, all of the same class. All the shares are officially listed on the four Spanish stock markets.

The **ordinary shares** have been listed on the **continuous market** since March 23, 1999 in the Information and Communication Services sector and the Electronics and Software subsector, and since July 1, 1999 Indra has also been listed on the selective **IBEX 35** index, which includes the 35 most representative companies, in terms of market capitalization and liquidity, from the Spanish stock market. At December 31, 2013, the share weighting on the IBEX 35 was 0.46%.

Moreover, on April 14, 2000 MEFF Renta Variable started contracting Call and Put options on the company's ordinary shares.

Indra also forms part of major international indices such as the Dow Jones STOXX Broad Market Index, which includes the main European listed companies, and the STOXX Europe Technology and IT Services indices, which list the leading European technological shares. Similarly, since

September 18, 2006 Indra's shares have been listed on the Dow Jones Sustainability World Index (DJSWI) and the Dow Jones STOXX Sustainability Index (DJSI STOXX), both of which select companies that make the greatest effort to adapt their activities to meet sustainability criteria from among the largest companies in the world and in Europe, respectively.

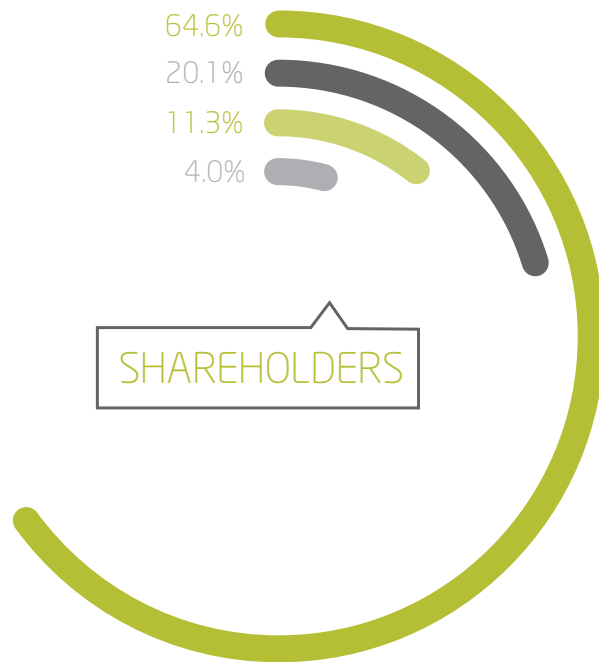
Lastly, in October 2013 the company issued a five-year convertible bond worth up to €250 million in shares. The bonds carry a nominal annual interest of 1.75%, paid twice yearly. The initial conversion price was fixed at €14.29 for each Indra share (a 30% premium).

1st COMPANY
IN ITS INDUSTRY



8 years on the
DJSI INDEXES

2.1.1 SHAREHOLDER STRUCTURE



Free-Float

105,921,402 64.6%

Sociedad Estatal de Participaciones Industriales

33,057,734 20.1%

Alba Participaciones, S.A.

18,587,155 11.3%

Casa Grande de Cartagena

6,566,248 4.0%

The company does not have a nominal register of its shareholders and therefore the shareholder composition can only be identified through the information that shareholders communicate directly or publicly announce, in line with the current legislation regarding significant stakes (which obliges shareholders to declare stakes of over 3% of the share capital), and through the information supplied by the company Iberclear, which Indra compiles for its general shareholders' meetings.

In line with the aforementioned practice, the information obtained by the company reveals that at December 31, 2013 the principal shareholder was Sociedad Estatal de

Participaciones Financieras (SEPI), with a 20.1% stake that it acquired from Banco Financiero y de Ahorros (Bankia) in August 2013. Alba Participaciones, S.A was the second largest shareholder with 11.3% of the shares (the same as last year), while Casa Grande de Cartagena had a 4.0% stake in the company, having reduced its position by 1 percentage point since last year. Additionally, in August 2013 Liberbank placed its 5% stake on the market (following the sale of Bankia's shares to SEPI). Two foreign institutional investors, Fidelity USA and Invesco, also have a considerable stake in the company, holding 10.0% and 5.5% of its shares, respectively.

2.1.2 DISTRIBUTION OF THE SHARE CAPITAL

According to the information from the General Shareholders' Meeting of June 2013, the share capital distribution by share tranche is as follows:

Number of ordinary shares owned por	Shareholders	Total Shares	Stake in the share capital
Hasta 500	67,825	7,718,726	4.70%
De 501 a 2,000	7,256	7,270,730	4.43%
De 2,001 a 5,000	1,288	4,048,845	2.47%
De 5,001 a 10,000	411	2,978,788	1.81%
De 10,001 a 20,000	201	2,901,084	1.77%
De 20,001 a 30,000	77	1,861,338	1.13%
De 30,001 a 50,000	49	1,971,895	1.20%
De 50,001 a 100,000	33	2,232,269	1.36%
De 100,001 a 500,000	75	15,880,443	9.68%
De 500,001 a 2,000,000	16	15,813,540	9.63%
More than 2,000,000	9	101,454,881	61.81%
Total	77,240	164,132.539	100.00%

At December 31, 2013 Indra held **103,558 of its own or treasury shares**, representing 0.06% of the total number of company shares.

2.1.3 STOCK MARKET INDICATORS

Main stock market indicators

Total No. of shares (12-31-2013)	164,132,539
No. of ordinary shares in free circulation -free-float- (12-31-2013)	105,921,402
Nominal share value	0.20€
.....	
Average daily trading in shares	1,066,104
Average daily trading (in thousands of euros)	11,244
Trading days	255
Trading frequency	100%
Minimum daily trading (in shares) (May 27th)	135,938
Maximum daily trading (in shares) (August 6th)	33,387,126
Total actual trading (thousands of €)	2,867
Total annual trading (in shares)	271,856,598
Total traded shares over total ordinary shares	166%
Total traded shares over ordinary shares in free circulation	257%
.....	
Minimum annual closing share price (March 4th)	8.933
Maximum annual closing share price (October 21)	12.640
Closing share price (December 31st)	12.155
Average share price at close	10.586
Market capitalization at 31st December (thousands of €) €)	1.995
.....	
Net earnings per share (EPS) (in euros)	0.706
Cash flow per share (CFPS) (in euros) (1)	1.521
Book value per share (in euros) (1)	6.913
.....	
Share price/EPS (PER) (2)	17.22
Share price/CFPS (PCF) (2)	7.99
Share price/Book value per share (2)	1.76
EV / Revenues (3)	0.90
EV / EBITDA (3)	9.11

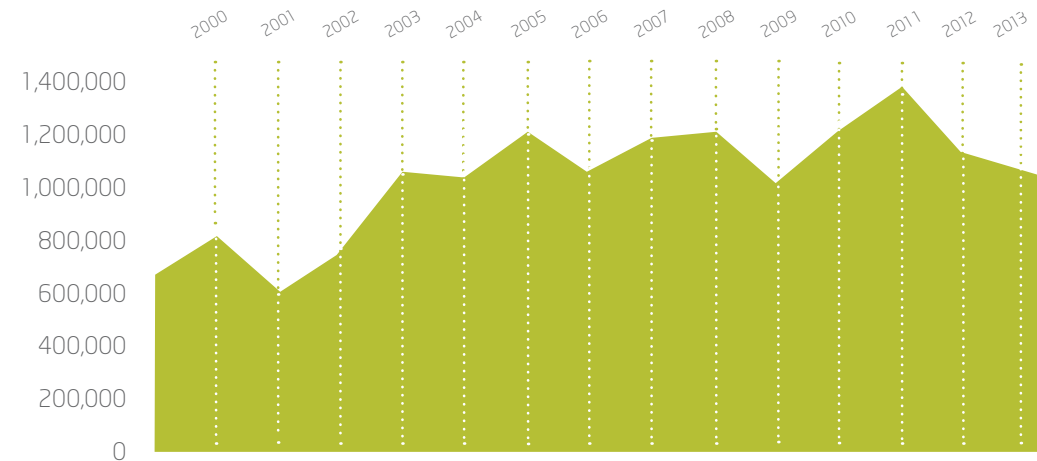
2.1.4 TRADING VOLUME

trading frequency
100%

The trading frequency of shares was **100%** throughout the year.

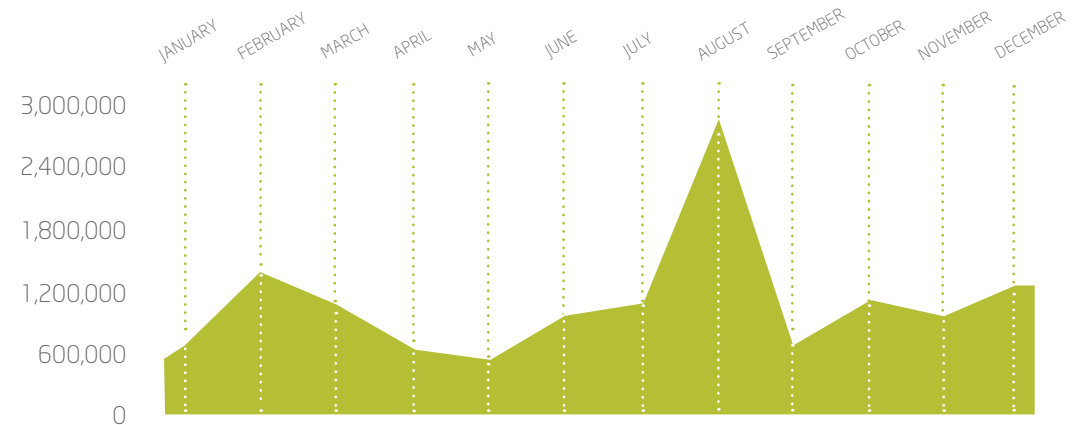
The average daily trading was **1,066,104**, down by 6% on the previous year.

272 million shares were traded on the market in 2013, which is equivalent to 1.66 times the total number of ordinary shares and 2.57 times the ordinary shares in free circulation (or free-float). The actual trading value was €2.867 billion, representing an increase of 18% on the previous year. The average daily trading and the monthly trends in 2013 are shown in the graph below:



Annual progress of the average daily trading volume (shares)

The information from 1999 includes the period from April to December and excludes the extraordinarily high volume traded in the week following IPO (March 23-30, 1999), which distorts the ordinary volume.



Monthly progress of the average daily trading volume (shares)

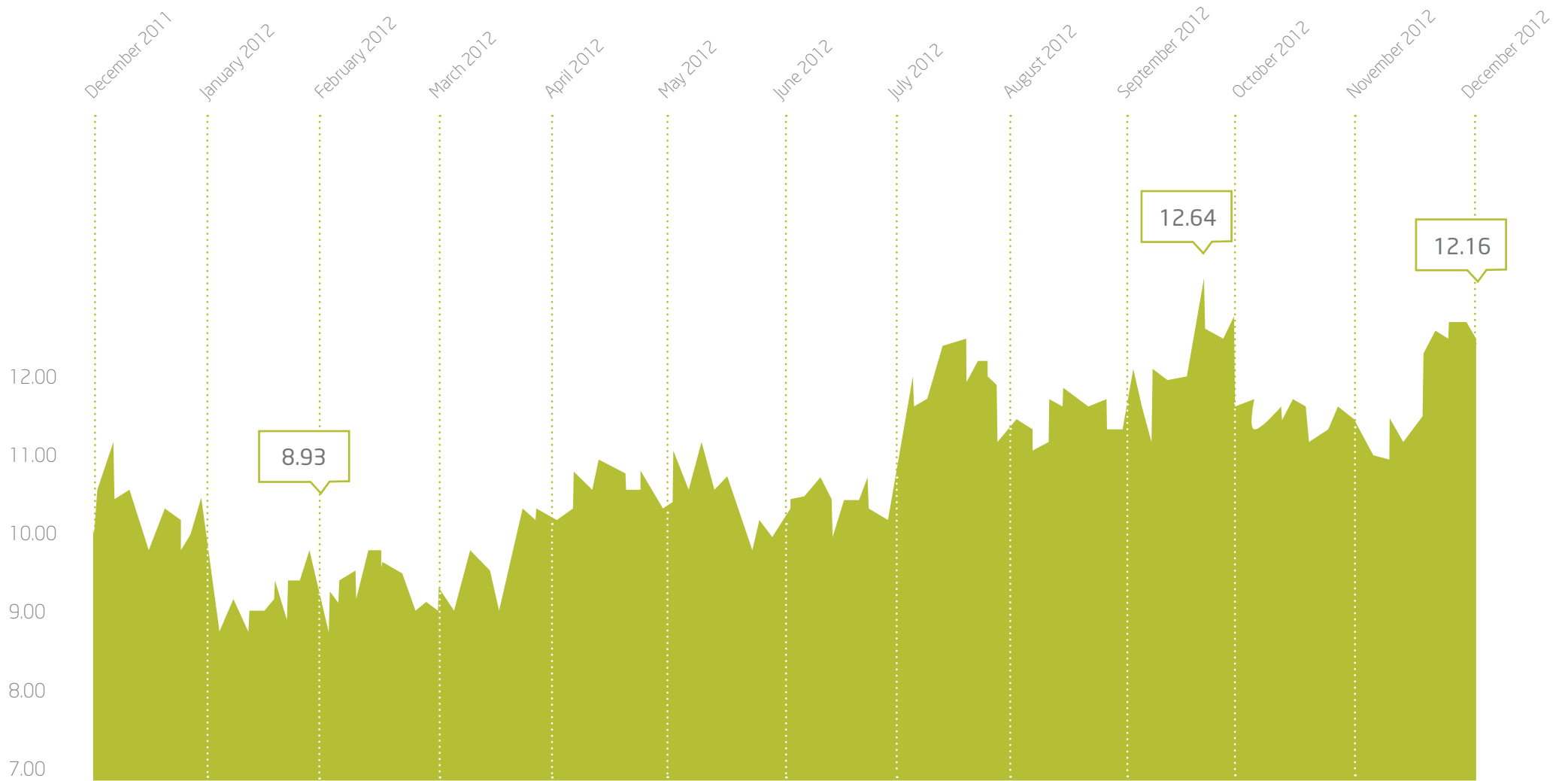
2.1.5 SHARE PERFORMANCE

The maximum, minimum, average and end-of-month closing prices of Indra's shares for each month of the year are shown below, along with a graph illustrating the share performance for the entire year:

INDRA: Monthly progress of the closing price in 2013

	Minimum	Maximum	Medium	Close of month
January	9.629	10.845	10.151	9.629
February	8.970	9.797	9.242	9.571
March	8.933	9.821	9.445	9.300
1st part of the year	8.933	10.845	9.630	
April	9.191	10.285	9.602	10.210
May	10.120	10.750	10.467	10.175
June	9.864	10.870	10.367	9.941
2nd part of the year	9.191	10.870	10.147	
July	10.065	10.580	10.317	10.200
August	10.300	11.970	11.492	10.965
September	10.850	11.560	11.288	11.085
3rd part of the year	10.065	11.970	11.017	
October	10.845	12.640	11.796	12.170
November	10.915	11.445	11.224	11.230
December	10.830	12.225	11.444	12.155
4th part of the year	10.830	12.640	11.498	

Intraday prices not included



Share performance of INDRA

Source: Bloomberg

Information for wealth tax return: The average share price in the fourth quarter of 2013 was €11.50 (published in Official State Gazette No. 53 of March 3, 2014).

2.1.5.1 TREASURY STOCK

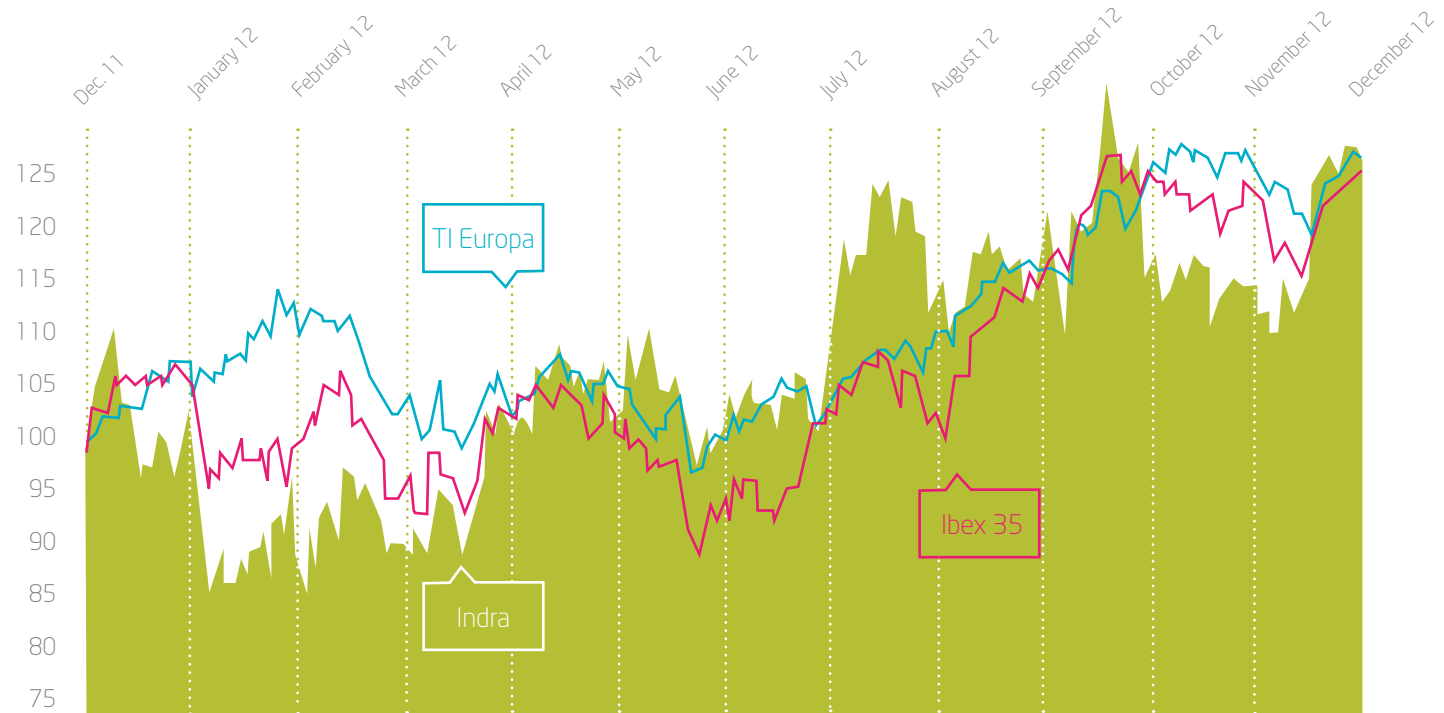
At December 31, 2013 the parent company owned **103,358 shares directly, worth €1,258,000** (compared with 11,041 shares worth €111,000 at December 31, 2012).

The balances and transactions in the treasury stock account for the six-month period are shown below:

	Balance on 31.12.12	High	Low	Balance on 31.12.13
Ordinary transactions in thousands of euros	111	109,031	(107,881)	1,258
Ordinary transactions in number of shares	11,041	10,291,495	(10,199,178)	103,358
% shares of capital	0.01			0.06

2.1.6 INDRA AND THE SECTOR

Source: Bloomberg
 By the close of 2013, Indra's shares had accumulated an increase in value of 172% from the date of the IPO (March 22, 1999), compared to a slight loss in value of 0.4% in the IBEX 35 and of 1% in the European IT sector.



The year 2013 represented a turning point in the global economic and financial situation. Economic growth in the United States was consolidated, the principal countries in the euro zone slowly began to shake off the recession, and the emerging countries—until recently the main driving forces behind growth worldwide—entered a slowdown. The main US indices experienced an increase in value of more than two digits, with the Dow Jones and the S&P 500 reaching record highs. The performance of the selective European share indices was quite uneven, with the German DAX at the top end of the spectrum

and the British FTSE at the bottom (DAX +25%; IBEX +21%; CAC +18%; MIB +17%, FTSE +14%).

In relation to the technology sector, the European companies experienced an average increase of 22%, but with considerable variations ranging from 1% to 50%. The STOXX EUROPE IT sector index closed the year with a gain of 26%. Indian and North American technology companies performed better than their European counterparts, nearly doubling their values in the case of the United States and more than tripling them in the case of Indian companies..

Both the IBEX and Indra experienced the same revaluation (+21% in both cases), following a similar trend throughout the year. Indra's shares were quite volatile during the first half of the year, but began an upward trend in the second half, finally closing the year with a gain of 21%.

The following graph compares Indra's performance with that of the IBEX 35 and with the average performance of the leading European IT Service companies (over a base of 100), showing a positive correlation between the three indices throughout the year.

2.1.7 DIVIDEND OF THE YEAR

The dividend proposed by the Board of Directors for approval at the General Shareholders' Meeting was €0.34 per share. Thus:

DIVIDEND PER SHARE CHARGED AGAINST THE 2013 FINANCIAL YEAR

Gross dividend per share	0.34
Variation in the ordinary gross dividend per share 2011	0%
% of dividends over net result (payout)	48%
Profitability per dividend (over 31.12.12 closing price)	2.8%

2.1.8 RELATIONS WITH SHAREHOLDERS AND INVESTORS

In 2013 Indra continued to develop an **active communication policy** in order to ensure the highest level of transparency and information for the financial markets, making numerous presentations to institutional investors and analysts in Spain, other countries in Europe, and the United States. A total of **356** investors were visited throughout the year.

Meetings were also held with proxy advisors in order to analyze all the aspects related to the company's corporate governance, with a special focus on the commitment to create fluid channels of communication. The conclusions defined at these meetings were presented to the company's Board of Directors so that the members could examine stakeholder trends and assess the modifications to internal regulations in order to guarantee compliance with the corporate governance recommendations.

At December 31, 2013 the breakdown of recommendations from the 28 analysts was as follows: **32% positive**, 14% neutral and 54% negative. Their recommended average target price was €11.23 per share.

In order to respond to shareholders' questions and information needs, Indra has created a specific department for them, the Shareholder Office (Tel: +34 914 809 800; email: accionistas@indracompany.com). In 2013 this telephone number dealt with 1,151 inquiries related to

a wide variety of matters connected to the company's business, its growth forecasts, the dividend, the Shareholders' Meeting, the share price etc.

Furthermore, the Shareholder magazine continues to provide a specific channel of communication, targeted at minority shareholders in particular.

Meanwhile, the "Shareholders and Investors" section of indracompany.com provides the requisite contents stated in Circular Resolution 1/2004 of March 17 issued by the Spanish Stock Market Commission (CNMV), which implements the Transparency Act, as well as other useful information for shareholders and investors. It also offers the option of joining an email distribution list, and the Shareholder Office automatically sends subscribers all the information the company publishes externally: press releases, statements, material facts, financial results, and the annual report.

The aforementioned "Shareholders and Investors" section of the website provides detailed and up-to-date information about the company:

- ◆ Key financial figures and financial and stock market information
- ◆ Corporate governance information
- ◆ Quarterly financial statements in both PDF and Excel

format to facilitate management of the information

- ◆ Information regarding dividends
- ◆ The latest presentations for investors and analysts
- ◆ The investor's diary, including an annual calendar of scheduled events with analysts and investors and the planned dates for the publication of quarterly results
- ◆ Analysts' recommendations regarding Indra, including their latest report
- ◆ Information about the next Shareholders' Meeting and the meetings of the previous two years, as well as the option of following meetings online on the day they are held
- ◆ Annual report in PDF and interactive format for easy use

Indra is also a member of the Spanish Association of Investor Relations (AERI) and of the Spanish Issuer Association (EE), thus guaranteeing optimum communication practices with its shareholders and the financial community in general.

2.2 GOVERNANCE BODIES

As established by Indra's "Regulations of the Board of Directors and Its Committees", the company has three committees to which the Board of Directors delegates duties:

- ◆ **Delegated Committee**
- ◆ **Audit and Compliance Committee**
- ◆ **Appointments, Remuneration and Corporate Governance Committee**

The Audit and Compliance Committee and the Appointments, Remuneration and Corporate Governance Committee have powers regarding the **provision of information, advice and recommendations** to the board.

The three committees are obliged to inform the board of the matters discussed and agreements adopted at their meetings. Except in the case of the Delegated Committee, the decisions made by the committees are treated as recommended agreements or reports for the board.

In recent years the Board of Directors has dedicated more time to analyzing all the aspects related to the company's corporate governance, placing heavy emphasis on creating fluid channels of communication with shareholders and proxy advisors.

The duties of the board and each of its committees are described below.

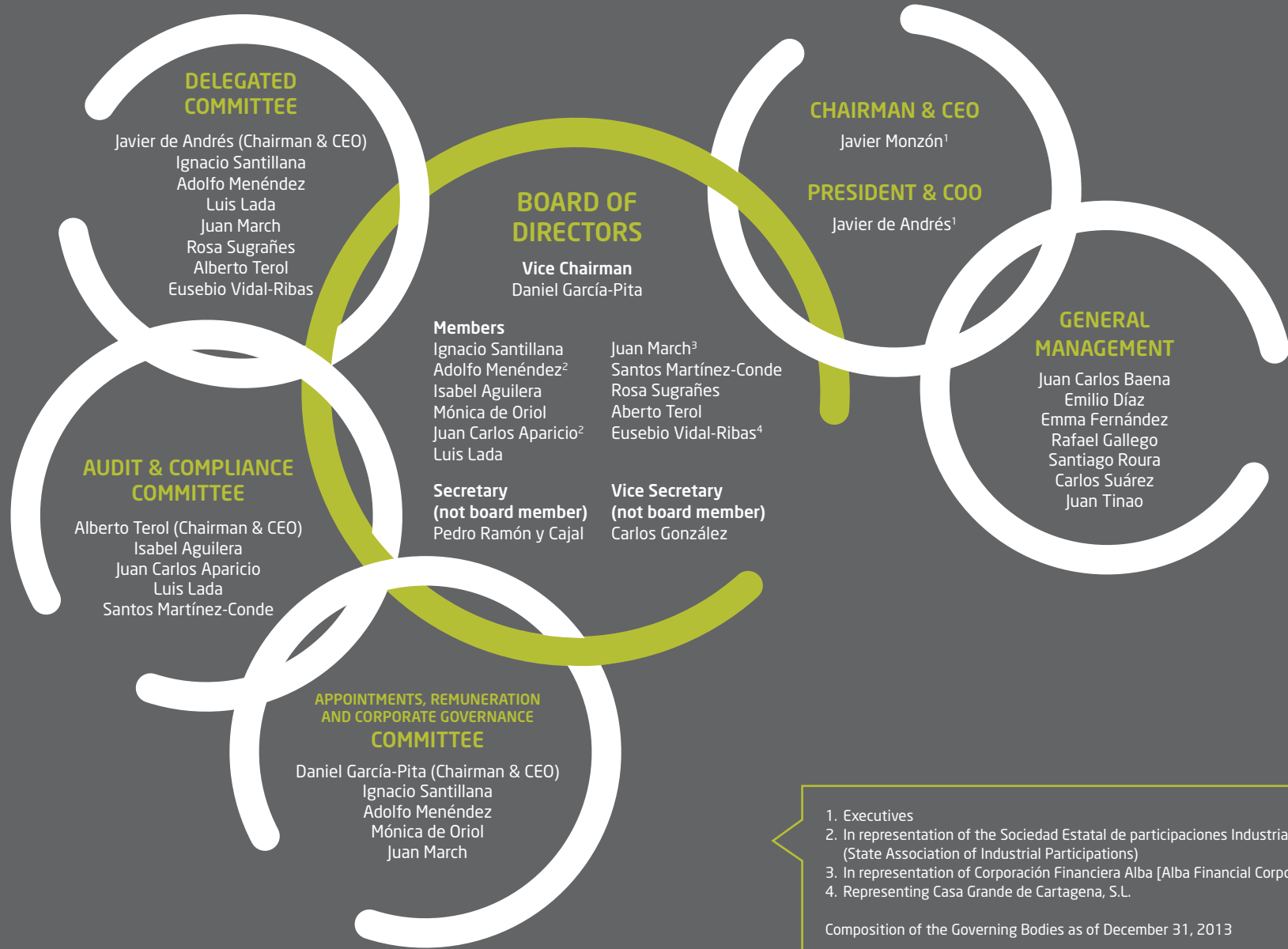
As indicated in Chapter C.1.6 of the [Corporate Governance Report](#), Article 9 of the Board Regulations establishes that [the Board of Directors and the Appointments, Remuneration and Corporate Governance Committee](#) are responsible for monitoring the use of criteria and policies designed to **encourage gender diversity on the board**. Moreover, Article 20.4.a) stipulates that the duties of the Appointments, Remuneration and Corporate Governance Committee include the obligation to support diversity in the recruitment of new board members.

Since these criteria were introduced in 2005, three independent female directors have joined the board (Isabel Aguilera in 2005, Mónica de Oriol in 2007 and Rosa Sugrañes in 2008).

The three female directors appointed to the board represent 21.42% of the total; 25% of non-executive directors (independent plus those representing major shareholders); and 43% of independent directors, which is the category where the Board of Directors and the Appointments, Remuneration and Corporate Governance Committee have the greatest scope of action as they assess a much larger number of potential candidates for appointment to the post of director.

In the case of the executive directors, both the Chairman & CEO and the President & COO are men. With regard to the directors representing major shareholders, the board and the committee may only recommend that shareholders consider the appointment of women as board members in accordance with their shareholding interest. Although this depends on whether there are women in the top management level in their respective organizations, given that it is in the company's interest for this category of shareholder to belong to that level.

Consequently, Indra is one of the IBEX-35 companies with the highest proportion of independent female directors, which clearly demonstrates the company's commitment to gender diversity.



DELEGATED COMMITTEE

Javier de Andrés (Chairman & CEO)
 Ignacio Santillana
 Adolfo Menéndez
 Luis Lada
 Juan March
 Rosa Sugrañes
 Alberto Terol
 Eusebio Vidal-Ribas

BOARD OF DIRECTORS

Vice Chairman
 Daniel García-Pita

Members

Ignacio Santillana	Juan March ³
Adolfo Menéndez ²	Santos Martínez-Conde
Isabel Aguilera	Rosa Sugrañes
Mónica de Oriol	Aberto Terol
Juan Carlos Aparicio ²	Eusebio Vidal-Ribas ⁴
Luis Lada	

Secretary (not board member)
 Pedro Ramón y Cajal

Vice Secretary (not board member)
 Carlos González

CHAIRMAN & CEO

Javier Monzón¹

PRESIDENT & COO

Javier de Andrés¹

GENERAL MANAGEMENT

Juan Carlos Baena
 Emilio Díaz
 Emma Fernández
 Rafael Gallego
 Santiago Roura
 Carlos Suárez
 Juan Tínao

AUDIT & COMPLIANCE COMMITTEE

Alberto Terol (Chairman & CEO)
 Isabel Aguilera
 Juan Carlos Aparicio
 Luis Lada
 Santos Martínez-Conde

APPOINTMENTS, REMUNERATION AND CORPORATE GOVERNANCE COMMITTEE

Daniel García-Pita (Chairman & CEO)
 Ignacio Santillana
 Adolfo Menéndez
 Mónica de Oriol
 Juan March

1. Executives
 2. In representation of the Sociedad Estatal de participaciones Industriales (State Association of Industrial Participations)
 3. In representation of Corporación Financiera Alba [Alba Financial Corporation]
 4. Representing Casa Grande de Cartagena, S.L.

Composition of the Governing Bodies as of December 31, 2013



2.3 DUTIES OF THE GOVERNANCE BODIES

The **Board of Directors** comprises the following committees:

> **Delegated Committee**

> **Audit and Compliance Committee**

> **Appointments, Remuneration and Corporate Governance Committee**

The latter two bodies inform, advise and make recommendations to the board on the issues defined in each case.

In any case, all three committees must inform the board of the matters discussed and agreements adopted at their meetings. Accordingly, the chairman of each committee is required to communicate the deliberations to the first board meeting held after the corresponding committee meeting. Except in the case of the Delegated Committee, the decisions adopted by the committees are treated as recommended agreements or reports for the board.

The Board of Directors dedicates more and more time to analyzing aspects related to the company's corporate governance, which has led to the creation of fluid channels of communication with investors and proxy advisors.

The duties of the board and each of its committees are described below.

BOARD OF DIRECTORS

The Board of Directors is the company's highest governance body, except for the duties reserved exclusively for the General Meeting.

The board is primarily concerned with supervision and ensuring that the executive bodies and management team, in whom it delegates the day-to-day management of the company, act in accordance with the strategies approved and the objectives defined.

However, in accordance with Article 5 of the Board Regulations, it may not delegate any legal or statutory powers reserved for its direct knowledge, such as:

- ◆ **The annual strategy, objectives and budgets.**
- ◆ **The risk management policy and the definition of the control and information systems.**
- ◆ **The financing, treasury shares and shareholder remuneration policy.**
- ◆ **The corporate structure.**
- ◆ **The acquisition or disposal of assets worth more than 30 million euros.**
- ◆ **Related transactions, in accordance with legal and internal regulations.**

- ◆ **The creation or acquisition of stakes in special purpose entities or in territories regarded as tax havens**
- ◆ **The policy for communicating with shareholders, markets and public opinion in general. Specifically:**
 - » The preparation and approval of the Annual Accounts and the information submitted for the approval of the General Meeting.
 - » The approval of periodic financial information.
- ◆ **Recommendations regarding the remuneration of directors.**
- ◆ **The appointment and contractual conditions of senior managers.**
- ◆ **The general corporate responsibility policies.**
- ◆ **The corporate governance policies, the operating rules for the board and its committees, and their assessment.**

DELEGATED COMMITTEE

In accordance with Article 18 of the Board Regulations, the Delegated Committee is entrusted with all the powers of the Board of Directors, except for the aforementioned ones expressly reserved for that body, and is responsible for monitoring the company's business and operations.

In such cases where it is warranted by the importance of the matter, the agreements adopted by this committee are submitted for ratification by the full board. This also applies to any matters which the board sends to the Delegated Committee for examination but on which it reserves the right to make the final decision.

AUDIT AND COMPLIANCE COMMITTEE

The responsibilities and competencies of the Audit and Compliance Committee are stated in Article 31 of the Articles of Association and in Article 19 of the Board Regulations, as follows:

- ◆ **To supervise financial information**
 - » To supervise the preparation and submission of regulated financial information
 - » To inform the board about the periodic financial information which the company is obliged to publish. The committee ensures that all quarterly and six-monthly accounts are drawn up following the same accounting criteria as the annual accounts.
- ◆ **To review the internal control and risk management systems**
 - » To supervise the effectiveness of the company's internal control, internal audits, and risk management systems
 - » To monitor the independence and effectiveness of internal audits
- » To propose the chief auditor and the budget for the internal audit service
- » To ensure that senior managers act on the conclusions and recommendations contained in the reports prepared by the Internal Audit service
- » To establish and supervise the procedure for allowing employees to confidentially report irregularities of a potentially important nature to the committee
- ◆ **To manage relations with the external auditor**
 - » To act as a communication channel between the board and external auditors
 - » To assess the management team's response to recommendations
 - » To submit recommendations for appointing external auditors
 - » To assess the work of external auditors and its independence
- ◆ **To inform the board about the creation or acquisition of shell companies or companies registered in tax havens**
- ◆ **To review informative brochures for admission to securities trading**
- ◆ **To inform the General Shareholders Meeting about matters for which it is responsible**

APPOINTMENTS, REMUNERATION AND CORPORATE GOVERNANCE COMMITTEE

The Appointments, Remuneration and Corporate Governance Committee is entrusted with the following responsibilities, in accordance with Article 20 of the Board Regulations:

- ◆ **To report on the composition and operation of the Board of Directors and Advisory Board**
 - » To report on the professional profiles required and the selection criteria. The committee must ensure that the selection procedures include criteria that promote gender diversity
 - » To assess the suitability of the knowledge, skills and experience of the individuals proposed
 - » To ensure that the nature/type of board members is maintained: independent, representing major shareholders and executive
 - » To submit a report to the board regarding the annual assessment of the chairman of the board
 - » Prior to re-election, to submit a report to the board regarding the chairman's performance in his/her post
 - » To report on recommended appointments or dismissals of the secretary and vice secretary of the board
 - » To submit recommendations to the board regarding the remuneration system, components and amounts for directors
 - » To inform the board about succession planning for the Chairman & CEO and senior managers

- ◆ **To review the corporate governance and corporate responsibility regulations**
 - » To periodically analyze the company's policy, rules, procedures, practices, efficiency and compliance in the fields of corporate governance and corporate responsibility.
 - » To make recommendations to the board about any necessary changes in the company's corporate governance regulations.
- ◆ **Composition and assessment of senior management:**
 - » To inform the board about recommended appointments and dismissals of senior managers, their remuneration conditions, and the terms and conditions of their employment contracts.
 - » To submit a report to the board on the annual performance evaluation of senior managers.

- ◆ **To give advance notice to the board about any transactions** related to directors, major shareholders or shareholders represented on the board, senior managers, and people associated with any of them.
- ◆ **To make recommendations to the board** about internal regulations governing the Advisory Board.

This is a summary of the duties carried out by Indra's governance bodies. For a detailed description, visit: <http://www.indracompany.com/accionistas/reglamentos-internos>

Indra's internal regulations are designed to guarantee the dedication and the **effective performance** of the board directors. One of the consequences in this respect has been an **attendance rate** for board meetings of around **90%** over the last five years. Moreover, in cases where directors cannot attend, they are obliged to delegate their voting

instructions, thereby guaranteeing the full protection of shareholders' interests.

In accordance with Article 35 of the Board Regulations, the process for recruiting directors pays particular attention to **the capacity to dedicate sufficient time to board duties**. To this end, candidates are obliged to inform the board of any other activities that may impact on their dedication to their duties as a director of the company. In relation to the number of other boards to which directors may belong, the general rule is that no director may serve more bodies than permit **adequate dedication** to his/her post as a director of the Indra board. This number is defined for each director, based on the professional and personal circumstances in each case and paying particular attention to the actual **dedication** required by the other governance bodies to which s/he belongs and the **performance** of executive

To resume...

The Delegated Committee is responsible for monitoring the company's businesses and operations.

The ACC supervises the financial information, reviews the internal control systems, and manages relations with external auditors.

The AR&CGC reviews its standards, elevates proposals to the board and reports on the composition and operation of the Boards and the transactions.

or other time-consuming duties at other organizations. Section C.1 of the Corporate Governance Report contains details about the directors' membership of other boards as well as their personal performance in 2013.

In the Corporate Governance Report contains details about the directors' membership of other boards.

For further information about the directors' performance in 2013, please see the Corporate Governance Report.

Directors membership of the governing bodies

	Category	Board of Directors	Delegated Committee	Audit and Compliance Committee	Appointments, remuneration and Corporate Governance Committee	Total number of bodies served
Javier Monzón	Executive	Chairman				1
Daniel García - Pita	Independent	Vice chairman			Chairman	2
Javier de Andrés	Executive	President & COO	Chairman			2
Ignacio Santillana del Barrio	Independent	Member	Member		Member	3
Adolfo Menéndez	Rep. major shareh.	Member	Member		Member	3
Isabel Aguilera	Independent	Member		Member		2
Mónica de Oriol	Independent	Member			Member	2
Juan Carlos Aparicio	Rep. major shareh.	Member		Member		2
Luis Lada	Independent	Member	Vocal	Member		3
Juan March de la Lastra	Rep. major shareh.	Member			Member	3
Santos Martínez-Conde	Independent	Member	Vocal	Member		2
Rosa Sugrañes	Independent	Member	Vocal			2
Alberto Terol	Independent	Member	Vocal	Chairman		3
Eusebio Vidal-Ribas	Rep. major shareh.	Member	Vocal			2

2.4 REMUNERATION MODEL

The aim of the Indra remuneration model is to establish incentives to ensure that the governance bodies are aligned with the company's strategy and objectives and with the sustainable creation of value in the short, medium and long term. To achieve this, Indra seeks what it regards as a reasonable balance between short and long-term incentives.

At the 2013 General Shareholders Meeting the company announced its decision to introduce a series of **modifications to the remuneration system for the Board of Directors and senior managers** in order to integrate the latest corporate governance trends in this respect. Specifically, Indra contemplates the following:

- ◆ The elimination of severance pay for Senior Management and its replacement by a contingency fund to guarantee similar payments
- ◆ The modification of Senior Management contracts

2.4.1 BOARD OF DIRECTORS

The remuneration for members of the Board of Directors is determined in accordance with the provisions of the Articles of Association and the Board Regulations, and in accordance with the resolutions adopted by the General Shareholders Meeting.

Indra periodically reviews the remuneration criteria and amounts for its directors to ensure that they reflect market levels at all time and are in line with the best practices and recommendations in this regard.

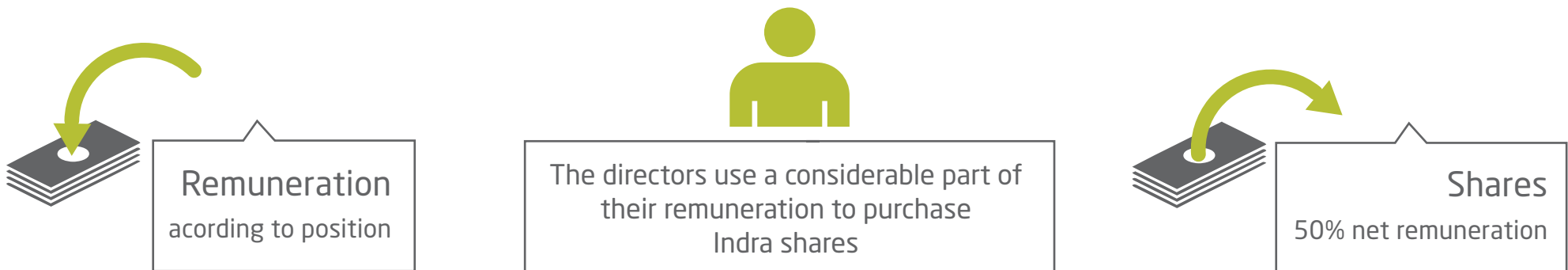
Remuneration structures are usually defined for three-year periods. The structure currently in force (2011-2013) was defined in 2011 based on advice from expert independent firms (Egon Zehnder and PwC).

Following the expert analysis and the recommendations of the Appointments, Remuneration and Corporate Governance Committee, the profit-sharing remuneration structure was abolished and the current remuneration for directors is therefore composed solely of a fixed salary determined in accordance with the position held on the board. The purpose of this measure is to separate the remuneration for directors from short-term objectives and variables.

However, all the directors have announced their decision to use a considerable part of their remuneration (a third of the gross remuneration, which is equal to approximately 50% of the net remuneration) to purchase Indra shares and keep them until the end of their term of office.

Meanwhile, the 2013 General Shareholders Meeting approved the modification of Article 27 of the Articles of Association, whereby the amount paid to executive directors for the performance of their duties now forms part of the total remuneration limit for the Board of Directors. This amount was previously regulated independently, and the modification has led to a review of the remuneration limit for the board.

For a breakdown of the total remuneration paid to each member of the Board of Directors in 2012, please see the Consolidated Annual Accounts Report or the [Annual Report on Remunerations of Board Directors and Senior Managers](#).



2.4.2 SENIOR MANAGEMENT

The remuneration for members of Senior Management is determined by the Board of Directors following recommendations from the Appointments, Remuneration and Corporate Governance Committee. Since 2002 Indra has established the remuneration framework for its senior

managers for medium-term periods, usually lasting three years. The remuneration framework currently in force spans the period 2011 to 2013 and is based on external advice from independent experts (Egon Zehnder). The objectives of the remuneration model are as follows:

- ◆ To motivate the continuity of senior managers
- ◆ To focus their management appropriately and competitively according to Indra's current position, prospects and objectives.

Consequently, the Indra remuneration model consists of the following components:

ANNUAL REMUNERATION		MEDIUM-TERM REMUNERATION	
<p>Fixed remuneration in cash and cash equivalents (Fixed for the 3-year period)</p>	<p>Variable remuneration in cash and cash equivalents subject to objectives¹ (Between 50% and 100% of the fixed remuneration) retribución fija)</p>	<p>Variable remuneration in cash and cash equivalents² Between 1.9 and 3 times the annual fixed remuneration</p>	<p>Variable remuneration in shares (Between 15% and 25% of the gross remuneration)</p>

¹ Objectives (criteria for receiving variable remuneration))

Overall company

- Revenues
- Order intake
- Profitability
- Investments
- Working capital
- Net debt

Individual management

Financial:

- Revenues
- Order intake
- Contribution margin and profitability
- Investment
- Working capital

Non-financial:

- International development
- Generation of new offerings
- Acquisitions and integration of new businesses
- Implementation of processes
- Reduction in costs
- Mgmt. improvements

² Objectives (criteria for receiving variable remuneration)

- Annual objectives
- Strategic and medium-term objectives defined by the Board of Directors

The following criteria have been used to determine the terms and amounts of the remuneration components:

- ◆ The variable remuneration should represent a substantial and increasingly large proportion of the total remuneration.
- ◆ The medium-term remuneration should represent a significant and increasingly large element.
- ◆ The remuneration related to stock market value should be more significant, but not excessively so.

Indra believes that this remuneration model establishes incentives for guaranteeing the sustainable creation of value in the short, medium and long term.

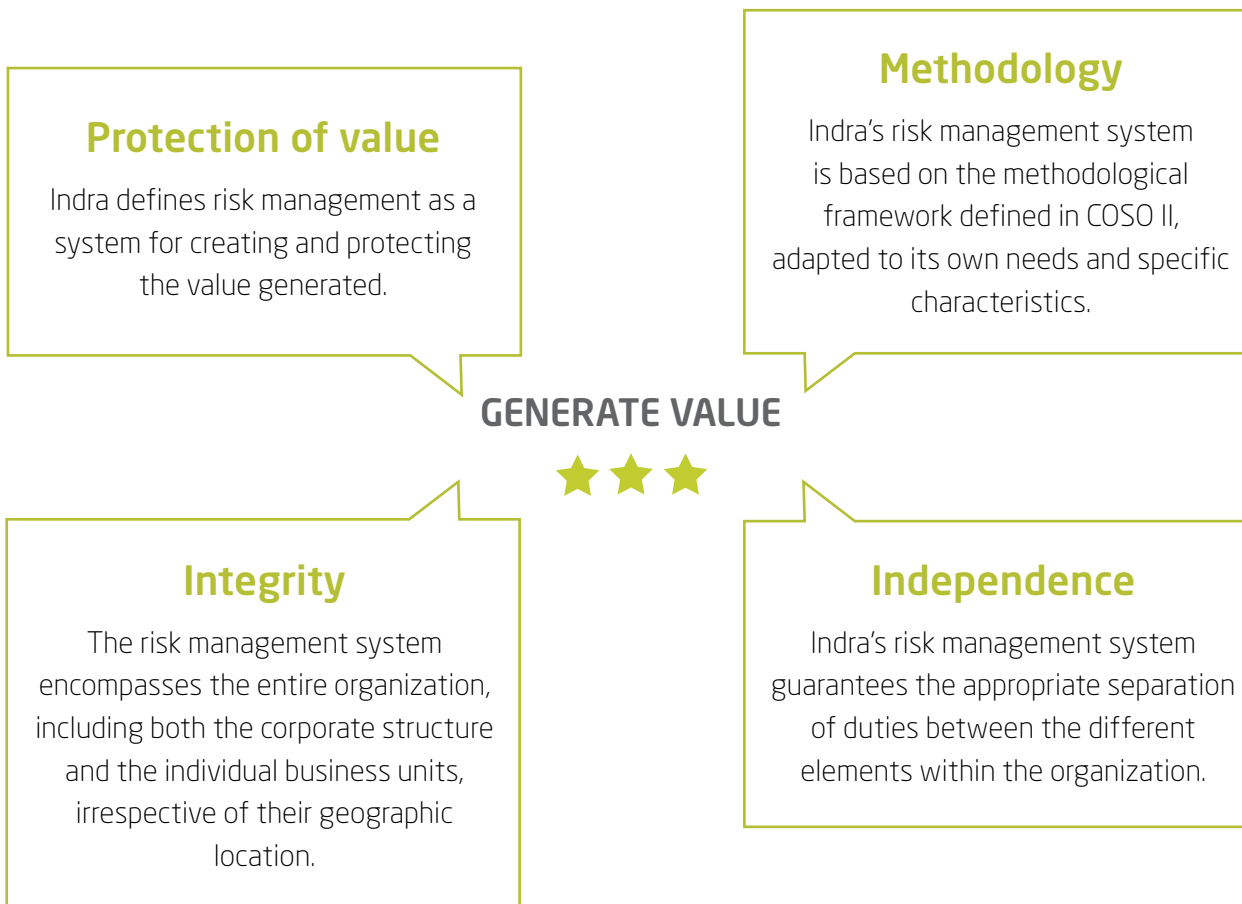
For further information on the remuneration model, see the Annual Report on Remunerations for Board Directors and Senior Managers.

2.5 RISK MANAGEMENT

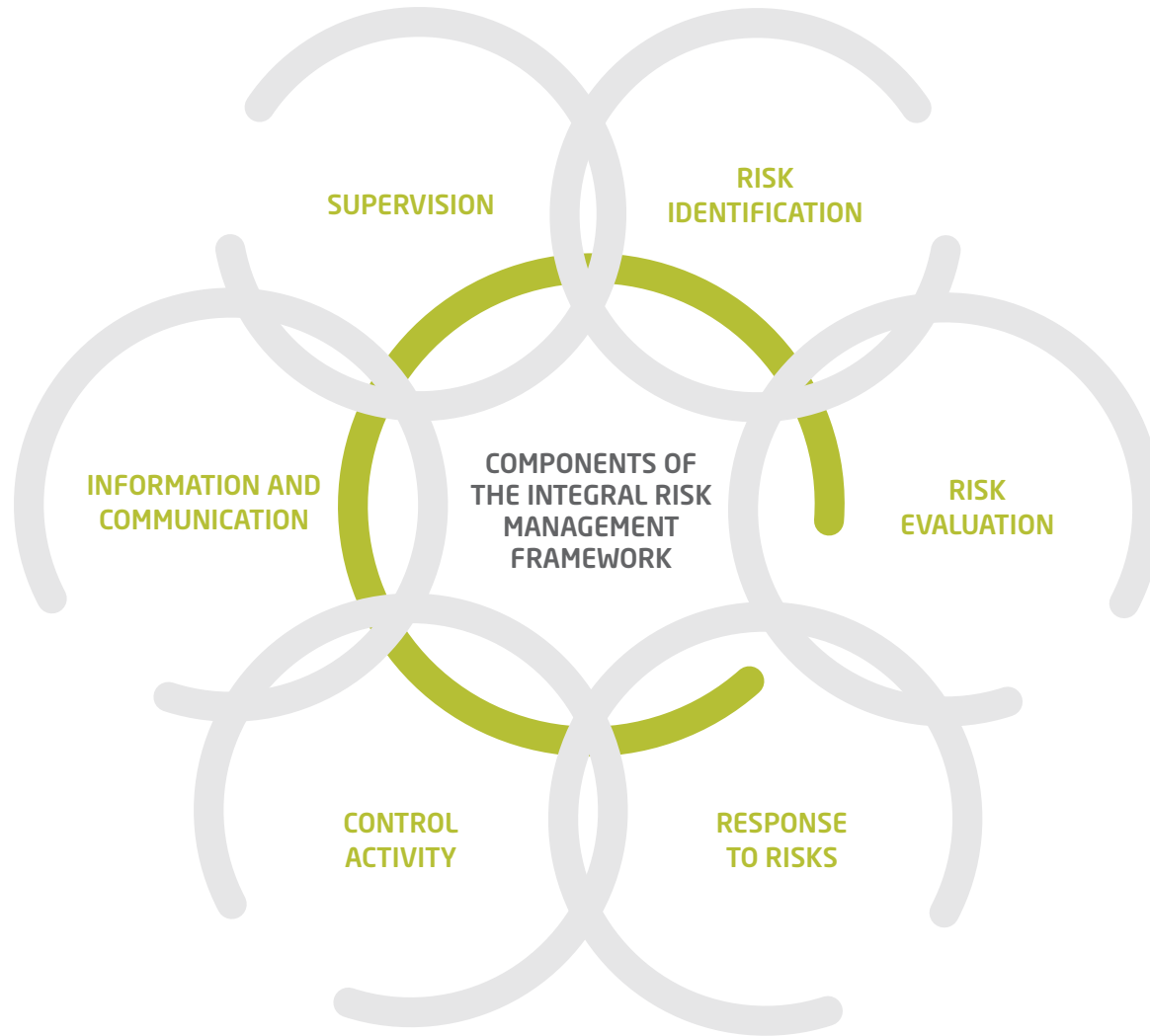
Indra's Risk Management System is designed **to provide reasonable security while reaching set goals**, contributing value and a level of assurance sufficient for the shareholders, other stakeholders and the market in general

As part of its risk management policy, Indra has established a series of key operating principles aimed at improving its capacity to generate value:

Indra's Risk Management System is based on **management by business units, processes, geographies and corporate departments**, being an integral element in the decision making processes of Indra.

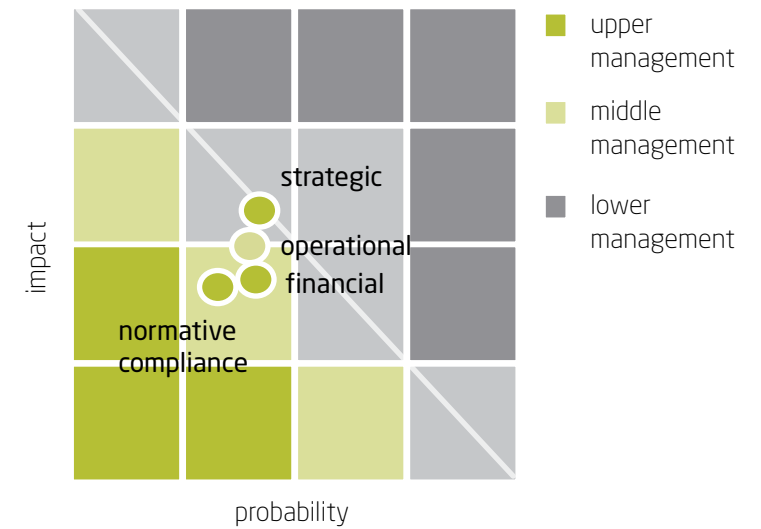


The methodology of the Risk Management System **consists in and assessing risks, as well as monitoring control activities and defined action plans**, allowing the reasonable management of the risks that Indra is exposed to.



The assessment of risks is done through a combination of quantitative and qualitative techniques, according to their probability of occurrence and their impact if they do materialize.

According to the **rating scales** established for each of these parameters (probability and impact), which will ultimately give rise to a risk assessment matrix in which each risk is defined according to **four levels**: critical risk level, high risk level, medium risk level and low risk level, represented on the company's Global Risk Map.



The policies and procedures applied to the Risk Management System of Indra are established and implemented to, among other factors, **ensure that risks are effectively responded to.**

Also, the Management of Risks adds **rigor to the identification of risks and selection of possible alternatives for responding to them**, thus reducing surprises and associated expenses or losses.

Strategic risks

- » The difficult national and international socio-economic and political situation has required Indra to establish new measures needed to mitigate the possible negative effect of low demand through expansion in new geographical areas and searching for new offers to develop.
- » Innovation and the anticipation of technological changes have also been basic pillars for facing the growing competition in the sectors where Indra operates.

Operative risks

- » Indra has a range of regulations to manage the precontractual and contractual phases of the projects as well as an Award Committee that analyzes and supervises the offers proposed for their submission.
- » The Company also has tools designed to monitor risks that supply information and allow for the control of key indicators identified during the planning of the project.
- » Within the scope of information security, Indra has established a series of mechanisms responsible for implementing the necessary measures for ensuring compliance with all of the established security policies.

Economic financial risks

- » P The formalization of operations coverage with financial entities, as well as purchasing financial instruments for the coverage of the interest rates of long-term bank financing are some of the tools used by Indra to mitigate economic-financial risks.

Regulatory compliance risks

- » P Indra has a Code of Ethics and Professional Conduct and its own joint prevention service made up of professionals specialized in the matters it centrally handles for different group companies and specialized external services.

For further information on the management of risks at Indra, please see the chapter entitled “E. RISK CONTROL AND MANAGEMENT SYSTEMS” in the Corporate Governance Report, in the Consolidated Annual Accounts Report.

2.6 SUSTAINABILITY MANAGEMENT

Corporate responsibility, as a means of guaranteeing the company's sustainability, should be integrated throughout the organization and aligned with our activities and objectives.

Indra sees corporate responsibility as a means of guaranteeing its sustainability and something that should be integrated throughout the organization and aligned with our activities and objectives. Consequently, the company has established a decentralized corporate responsibility system across the various management areas, which is integrated throughout the organization.

The Appointments, Remuneration and Corporate Governance Committee, which reports directly to the Board of Directors, is responsible for analyzing Indra's corporate responsibility policies, regulations, procedures and practices. Similarly, one of the duties of the Board of Directors is to approve the general corporate responsibility policies. Corporate responsibility is handled by Emma Fernández, General Manager of Talent, Innovation and Strategy.

10 YEARS PLANNING CORPORATE RESPONSIBILITY

Ten years ago, Indra decided to reassess and boost its corporate responsibility actions in order to promote its role as a corporate citizen in line with its business objectives and to contribute value to society in general. This led to the Corporate Responsibility Master Plan, the purpose of which is to define uniform responsibility policies and actions for the entire organization and establish indicators to improve accountability and public communication.

Since its creation 10 years ago, the plan has been reviewed annually by the internal employees who are responsible for relations with Indra's stakeholders. The framework established by the master plan emphasizes corporate responsibility as a driving force for knowledge and innovation, aligned with the company's business objectives. Indra has a decentralized sustainability management model with input from the main corporate divisions.

The master plan sets out the company's requisite policies, programs and actions, which are divided into two broad areas:

- ◆ Stakeholder integration: Improving communication and listening channels
- ◆ Innovation in the company's management in order to improve sustainability

MANAGEMENT APPROACHES

In line with the requirements set out in the Global Reporting Initiative's Sustainability Reporting Guidelines (Version G4), at Indra we state our management approaches explicitly in terms of our economic performance, environmental management, labor practices and work ethic, human rights, impact on the community and society in general, and our product responsibility.

Resumen de los enfoques de gestión

 Economic Performance	 Environmental Management	 Labor practices and Work Ethic	 Human Rights	 Communities and Society	 Product Responsibility
<p>Economic sustainability and profitability.</p> <p>Creation of wealth for society.</p> <p>Financial management and transparency.</p> <p>Creation of local knowledge-intensive employment.</p> <p>Partnerships with knowledge institutions and suppliers to create value.</p>	<p>Commitment to innovation for environmental sustainability.</p> <p>Minimizing the impact of processes and systems.</p> <p>Progressive ISO 14001 certification for all work centers.</p> <p>Reduction of energy and raw materials consumption.</p>	<p>People as the focus of innovation.</p> <p>Capture, development and retention of talent.</p> <p>Diversity of professionals (as described in the company's Code of Ethics and Professional Conduct) to leverage innovation.</p> <p>Code of Ethics and Professional Conduct.</p>	<p>Endorsement of the Global Compact since 2004.</p> <p>Commitment to the Universal Declaration of Human Rights, the ILO Declaration and OECD Guidelines</p> <p>Free market principles.</p> <p>Respect for the legal system in force in each country.</p>	<p>Innovation in technology solutions and services as a means of improving living conditions.</p> <p>Knowledge institutions as a strategic audience.</p>	<p>Development of customized solutions and services for clients, with a particular emphasis on adhering to the specific requirements of the applicable legislation.</p> <p>Policies and initiatives to ensure respect for clients' rights and the efficient management of client relations.</p>

Since 2007 we have been reviewing these approaches by consulting and involving all the people responsible internally for managing relations with stakeholders. This process guarantees that our Corporate Responsibility Master Plan is constantly updated.

Indra has identified the following stakeholders:



2.6.1 RECOGNITIONS

SUMMARY OF EXTERNAL ASSESSMENTS REGARDING CORPORATE RESPONSIBILITY AT INDRA

Índices	Comments
<p>DOW JONES SUSTAINABILITY INDICES (DJSI): WORLD AND EUROPE</p>	<p>Dow Jones Sustainability Indices (DJSI): World and Europe Indra has renewed its presence for the eighth year running and is the only company in the IT Services and Internet subsector that has remained on the world index since joining it in 2006. It has maintained its positive overall assessment in the economic, social and environmental dimensions thanks to the measures undertaken, and has increased its score in fields like innovation management, technology security and code of conduct.</p>

REPUTATION MONITORS

Monitor		Comments
<p>REPORT WATCH</p>	<p>2013: rank 208 - rating B 2012: rating B</p>	<p>Top company in its sector and 2nd Spanish company in the global ranking of the world's Best Annual Reports.</p>
<p>MERCO RANKING</p>	<p>Merco LEADERS: Rank 17 (43 in 2012) Merco COMPANIES: On the closure date of this Report the 2013 edition of the Monitor had not been published. (17 in 2012) Merco PEOPLE: Rank 32 (28 in 2012)</p>	<p>Once again, Indra was voted the most highly rated Spanish company in the consulting sector at the "2nd Edition of ABC Awards for Merco Leaders".</p>

SUMMARY OF AWARDS AND RECOGNITIONS

Awards and recognitions	Comments
Corporate Responsibility Management	
CORPORATE SOCIAL RESPONSIBILITY OBSERVATORY	<p>2013: On the closure date of this Report the 2013 edition of the Report had not been published.</p> <p>2012: Rank 5; 1.84 points out of 4</p> <p>2011: Rank 7; 1.77 points</p> <p>2010: Rank 9; 1.66 points</p>
BUSINESS SOCIAL RESPONSIBILITY OBSERVATORY	<p>2013: Rank 4; 68 points out of 100</p> <p>2012: Rank 3; 67 points out of 100</p> <p>2011: Rank 3; 66 points</p> <p>2010: Rank 3; 61 points</p>
	<p>The areas where Indra has obtained the highest scores are:</p> <ul style="list-style-type: none"> ◆ Contribution to territorial development and social cohesion ◆ Overall effort in R&D&i investment and promoting the sustainable use of natural resources ◆ Products and services that address social needs and change initiatives to encourage responsible production and consumption <p>The main areas for improvement are:</p> <ul style="list-style-type: none"> ◆ Equal opportunities and the removal of all forms of discrimination ◆ Salaries and social benefits, profit-sharing, and fair and equitable treatment
Cients	Comments
INDRA MAINTAINS ITS RIGHT TO USE THE "MADRID EXCELENTE" GUARANTEE SEAL	<p>The company has maintained the trust of consumers, the recognition of society in general, and the support of the Regional Government of Madrid since 2009.</p>
Offer	Comments
THE SIMAULA PROJECT VOTED ONE OF THE BEST 100 IDEAS BY ACTUALIDAD ECONÓMICA	<p>The magazine Actualidad Económica acknowledges the most innovative initiatives in fields like Training and Employment, Technology, Services, Energy and Finance.</p>

SUMMARY OF AWARDS AND RECOGNITIONS

Offer	Comments
2012 MICROSTRATEGY PARTNER CHALLENGE INNOVATION AWARD	The award was granted for the Business Intelligence project that facilitated the implementation of iPads as work tools at Novartis.
PROJECT WITH THE GREATEST IMPACT IN EUROPE	The IMPONET R&D&i project was voted the project with the greatest impact in Europe by the steering committee of the European R&D&i program ITEA 2.
COMMUNITY BUILDING AWARD AT EUROPEAN LEVEL	The R&D&i project OPEES (Open Platform for Engineering of Embedded Systems) won the Community Building Award ITEA 2 for creating the open software repository PolarSys, currently active and constantly growing.
Talento	Comments
RANDSTAD RATES INDRA ONE OF THE MOST ATTRACTIVE EMPLOYERS IN SPAIN'S TELECOMMUNICATIONS SECTOR	The Randstad Awards are based on a survey of 7,000 working-age people who are asked their views on the largest 150 companies in Spain.
INDRA ONE OF THE TOP THREE EMPLOYERS IN SPAIN, ACCORDING TO JOB AND TALENT	The ranking is based on the copious data compiled during 2012 related to the number of job vacancies published and draws conclusions about which employers young Spaniards found the most attractive..
INDRA ONE OF THE BEST EMPLOYERS ACCORDING TO THE COLOMBIAN STUDY ZONAJOB	2013: Rank thirteen in the category rated by employees

SUMMARY OF AWARDS AND RECOGNITIONS

CONTRIBUTION TO THE COMMUNITY	Comments
<p>"BEST LARGE COMPANY" AT THE EUROPEAN CSR AWARDS</p>	<p>Indra won the first Spanish edition of the European CSR Awards for its Consignos project and represented Spain at the European award ceremony held in Brussels in June.</p>
<p>FUNDACIÓN SERES AWARD FOR CORPORATE INNOVATION AND SOCIAL COMMITMENT</p>	<p>The 4th Edition of the Fundación SERES Awards for Corporate Innovation and Social Commitment rewarded Indra for its Accessible Technologies project that offers innovative solutions for facilitating access to technology and integrating people with disabilities.</p>
<p>ACKNOWLEDGED FOR CONTRIBUTING TO THE INTEGRATION OF GROUPS AT RISK OF SOCIAL EXCLUSION</p>	<p>Fundación Integra acknowledged Indra's efforts to hire people from groups at risk of social exclusion and people with disabilities.</p>
<p>SPECIAL MENTION AT THE FUNDACIÓN CASER DEPENDENCY AND SOCIETY AWARDS</p>	<p>Indra was rewarded for developing accessible technologies to encourage the social integration of people with disabilities.</p>
<p>FUNDACIÓN CÍRCULO DE ECONOMÍA FOR BUSINESS SPONSORSHIP AND PATRONAGE AWARDS</p>	<p>Rewarded for its Accessible Technologies: 12 research chairs in partnership with different universities, associations and foundations like Fundación Adecco in Spain and 40 R&D&i projects in this field.</p>

2.7 ETHICS AND VALUES

In view of its exposure to the various risks associated with its operations and the demand from its stakeholders for information about the company's operating principles, Indra has periodically made public statements regarding its position on a range of business risks and corporate conduct, for example, about the risks of corruption and bribery, presence in tax havens, lobbying policies, the defense of human rights, relations with public administrations, and climate change.

In addition to these statements of principles, the company has also joined initiatives like the Global Compact (in 2011) and the Women's Empowerment Principles.

In general, the company applies its public commitments internally through its Code of Ethics and Professional Conduct and its Compliance Program.

The Code of Ethics and Professional Conduct is based on a series of principles drawn from the corporate values that govern the company's activities, use of resources, and the everyday actions of Indra employees.

Adherence to the code is mandatory for all employees, irrespective of the country, category, status or company to which they belong.

Following the rollout of the current Code of Ethics and Professional conduct at the end of 2009 and its subsequent implementation in the various Indra subsidiaries, we further developed the code by launching the **"Compliance Program"**, which contains the policies and procedures that set out the corporate values and principles.

This program represents another step forward in Indra's commitment to continuous improvement and the observance at all times of the highest standards of integrity and professionalism in its operations.

The Compliance Unit is the body responsible for resolving any issues that arise **in relation to the application and interpretation of the Compliance Program.**

The program was implemented in Spain in 2012 and, one year later, in most of the international subsidiaries in the countries where the company operates. Prior to extending the program to the international arena, it was reviewed and adapted to the local legislation and characteristics of each country.

The implementation of the program was accompanied by a series of training actions for the company's professionals both in Spain and in the Latin American subsidiaries. A new training strategy for professionals, comprising both face-

to-face and distance learning modules, has been planned for this year and the coming years and will include every subsidiary.

Indra plans to update the Compliance Program constantly by monitoring legal changes that impact on it or should at least be taken into account.

With regard to the Supplier Code of Ethics (launched in 2012), this will be included in the supplier approval process and will also apply to the nonprofit organizations that collaborate with the company.

In 2013 the number of communications received by the Compliance Unit (the body responsible for answering questions related to the use and interpretation of the Code of Ethics and Professional Conduct and the Compliance Program) was higher than the previous year. Altogether, **the unit received 40 communications** (excluding specific inquiries or queries).

Thanks to the implementation and dissemination of the procedures and policies associated with the Compliance Program, and the effectiveness of the channels for reporting incidents, in 2013 we were able to identify two cases of irregular conduct by professionals who were using the company’s suppliers for their own benefit. Both cases were analyzed and resolved, and the corresponding disciplinary action was taken against the professionals involved.

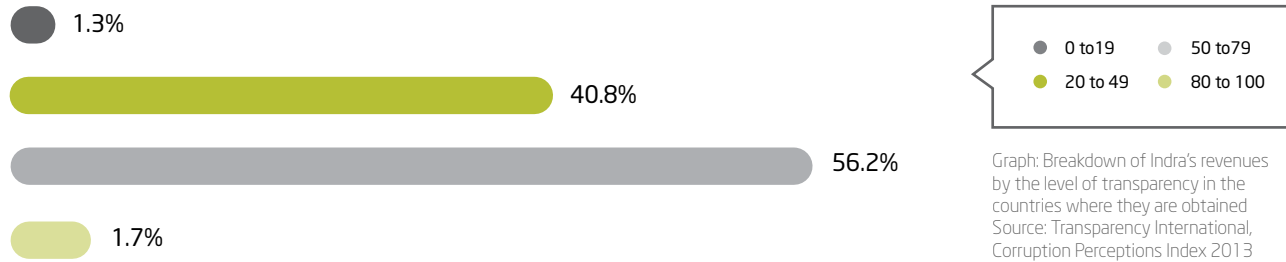
The main public commitments undertaken by the company in its various management areas are described below:

INDRA'S MANAGEMENT OF THE RISK OF CORRUPTION

Indra carries out operations in **138 countries around the world**, which means that it has had to deal with varying levels of transparency.

Specifically, **58% of Indra’s revenues** in 2013 came from countries **with a transparency level score of more than 50 out of 100**, according to the index published by Transparency International.

Indra is aware that it must conduct its business activities not only in accordance with the law, free market conditions



Graph: Breakdown of Indra’s revenues by the level of transparency in the countries where they are obtained
 Source: Transparency International, Corruption Perceptions Index 2013
<http://www.transparency.org/cpi2013/results>

and fair competition, but also in an ethical and transparent manner.

To mitigate the risks of corruption and bribery in its activities, Indra has reinforced the implementation of its ethics and professional conduct policies. In 2009 we updated our Code of Ethics and Professional Conduct, and in 2011 we created the Compliance Unit to develop and implement the Compliance Program. The unit also provides annual training courses for the company’s professionals on its policies and procedures.

The company has extended this commitment to all of its professionals through the Code of Ethics and Professional Conduct, whose third article expressly forbids its employees from “participating in any acts of bribery when dealing

with authorities and/or government employees, and from offering or granting to senior managers, employees and external partners any benefits or advantages of any nature that fall outside the realm of lawful market practices or which could be construed as being aimed at inappropriately influencing the normal progress of the commercial, administrative and professional relations in which Indra engages.” Furthermore, the Compliance Program contains a set of specific policies and procedures designed to prevent and control these practices.

Indra also has an internal audit department, reporting to the Audit and Compliance Committee of the Board of Directors, which reviews the company’s processes and units to determine whether the controls for mitigating the inherent risks are sufficient and function correctly.

SUPPORT FOR THE FREE MARKET AND FAIR COMPETITION

Indra's Compliance Program includes various policies aimed at ensuring that the company's behavior encourages **free market conditions and fair competition**, thus contributing to better quality goods and services on the market, reasonable price levels, and an efficient market structure. Among other aspects, the policies contained in the **Compliance Program govern professional courtesy**, donations and sponsorships, conflicts of interest, and public subsidies and grants.

In general, these policies aim to remove all types of restrictions to free competition and, specifically, those to which Indra is most exposed due to the type of activity it carries out: vertical agreements between buyers and sellers, and the fraudulent award of government grants. The technological services sector is extremely competitive and highly fragmented, which means that other types of restrictions to free competition, such as horizontal agreements between competitors and abuse of a dominant position, are much less likely.

Indra's activities are not particularly exposed to risks from unfair or abusive commercial practices because the services it provides are regulated by means of contracts based on requirements set by the clients themselves.

Moreover, contracts are often the result of bidding processes in which Indra openly competes with other companies. The aforementioned policies on respecting free market conditions and fair competition are further evidence of Indra's adherence to responsible marketing.

In any case, Indra manifests its commitment to responsible marketing by providing existing and potential clients with objective, complete, clear and accurate information about the solutions and services it provides. This applies to all the communications the company issues and all the channels it uses (website, press releases, media advertising, temporary architectural elements, commercial documentation, etc.).

Furthermore, Indra has implemented numerous policies and initiatives to ensure respect for clients' rights and to manage client relations appropriately. These policies and initiatives are described in detail in the Clients chapter of this annual report.

POLICY ON THE FOREIGN TRADE OF DEFENSE AND DUAL-USE MATERIAL

One of the objectives for most countries in the area of security is **to prevent the illicit sale of defense material and sensitive technologies to other countries** that might act against their security interests or become

involved in terrorist activities. Consequently, the export and import of defense and dual-use material is subject to governmental control on a national level.

Nearly all exports and a large proportion of imports of defense and dual-use material require special authorization or a license, and in the specific cases where this does not apply the client usually requires a certificate issued by the competent authority stating that the operation is not subject to authorization or a license.

In most countries there are also full or partial prohibitions on the export of defense and dual-use material to certain countries ("countries with embargoes").

Moreover, the processing of licenses and authorizations not only affects Indra as the exporter or importer, but also applies to its suppliers, which are required to obtain the necessary licenses or authorizations from their own countries for exporting their materials and technologies.

Indra is committed to the responsible trade of defense and dual-use technologies that contribute to stability, security and peace. Accordingly, the company's Compliance Program requires strict application of the legislation in force by all of its professionals.

POLICY ON INFORMATION SECURITY

Indra's Code of Ethics and Professional Conduct underscores the importance for the company, given the nature of its business, of **maintaining the confidentiality of the information it works with**, including know-how, intellectual and industrial property, and other intangible assets owned by Indra or any third parties it deals with. The code also requires all company professionals to properly use, maintain and manage the resources (technological, economic and material, among others) that Indra places at their disposal to assist them in their work.

In accordance with these general principles, the Compliance Program includes a general policy on information security with a special emphasis on Indra's industrial and intellectual property rights as well as those of third parties, the integrity of information systems, and data protection.

The Clients chapter of this report contains more detailed information about the company's policies and strategy as well as its performance in 2013 in this area.

ENVIRONMENTAL POLICY

In keeping with the interests and commitment of its Senior Management, Indra has established and

implemented an **Environmental Management System** based on the requirements of the UNE-EN ISO 14001 standard and EU Regulation 1221/2009 of the European Eco-management and Audit Scheme (EMAS) and its later editions.

Indra, a leader in Information Technology, is organized into two broad segments, Solutions and Services, which over the years have developed a profound understanding of the business and established strong relations with clients. The knowledge gained, along with the most advanced technology, allows Indra to create a distinct offer and develop unique solutions and services for each market segment.

The Indra Environmental Management System governs every activity undertaken in every one of the company's work centers.

Our environmental policy defines the commitment to carry out our activities within the parameters of sustainable development and to control and manage the environmental aspects these activities produce, especially the most significant ones.

Indra and its employees are committed to respecting environmental regulations and striving for continuous improvement vis-à-vis clients, the community and the authorities.

To fulfill these commitments and achieve the established objectives, Senior Management has defined the following fundamental principles:

- ◆ **Working** in a way that respects and protects the environment is a key factor underpinning all of our activities.
- ◆ **To ensure** compliance with applicable legal environmental requirements in accordance with the activity undertaken, the geographic location and the requirements voluntarily assumed by the organization.
- ◆ **To minimize** the environmental effects produced as a result of the activities carried out in our work centers with regard to waste, spills and atmospheric emissions.
- ◆ **To publicize** the Environmental Management System across the entire organization, encourage the active participation of all employees and include their suggestions for improvement as a means of promoting continuous improvement.
- ◆ **To achieve** client satisfaction.
- ◆ **To prioritize** prevention criteria over corrective actions in our procedures.
- ◆ **To maintain** an appropriate level of awareness among

all employees by promoting environmental training.

- ◆ To integrate the Environmental Management System with overall management systems.
- ◆ To define specific, measurable objectives and goals within the environmental program and review the degree of compliance at least once a year.
- ◆ To perform annual assessments of the environmental aspects derived from our activity in order to maintain and continuously improve the Environmental Management System.

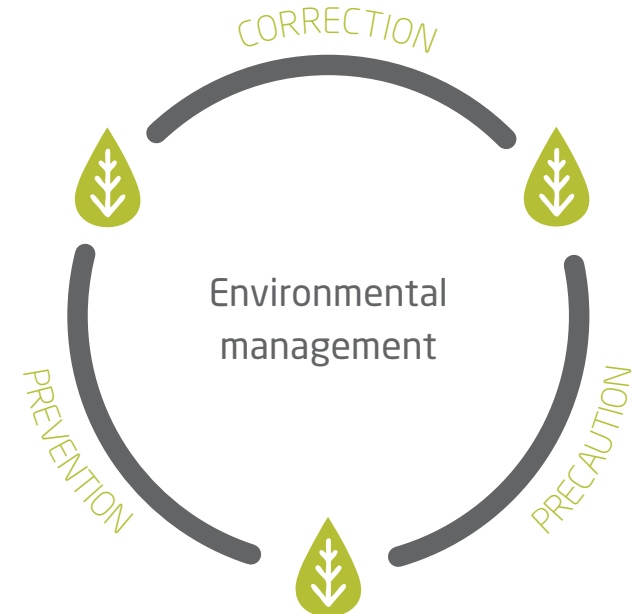
Furthermore, the identification and assessment of the environmental aspects allows the company to pursue **an environmental management policy based on the following three principles:**

- ◆ **Precaution:** Avoiding actions that may involve an environmental risk, irrespective of their potential seriousness if they occur.
- ◆ **Prevention:** Avoiding the environmental consequences associated with a specific action.

- ◆ **Correction:** Planning how to counteract the environmental consequences of a risk should it occur.

All Indra personnel have a responsibility to fulfill the environmental requirements, and **environmental management is therefore the result of a joint effort.**

Everyone who belongs to Indra accepts these principles and is responsible for putting them into practice. Management promotes environmental improvement and assigns the necessary resources to ensure the successful implementation of Indra’s environmental policy.



2.8 ON RELATIONS WITH LOCAL COMMUNITIES AND THE ENVIRONMENT

RELATIONS WITH GOVERNMENTS

Indra believes that it must conduct its business activities not only in accordance with the law, free market conditions and fair competition, but also in an ethical and transparent manner.

As a company that operates in the global market, it is aware of the importance of acting independently of governments and political powers, whether national, regional or local. Indra's presence in all of the countries where it operates is governed **by respect for the local legislation and by cordial relations with public institutions and governments**, always in accordance with the **principles of transparency and ethical conduct**.

Given the range of the information technology services and solutions that Indra provides, the company's client base includes a wide variety of public institutions and administrations.

In this context, the fight against bribery and corruption is a major commitment. Only under this principle can we combat situations whose consequences might compromise the free market, cause instability, inequality or insecurity on all levels, and prevent socio-economic development to the detriment of those who are most vulnerable.

Accordingly, Indra is committed to fighting bribery, facilitating payments and any form of active or passive corruption. It is also opposed to making contributions to political parties, and in light of its transparency and accountability policy, it publicly declares all contributions made to nonprofit entities.

INDRA AND LOBBIES

Lobbies are recognized and regulated in various markets. They constitute a legitimate means of relation with legislators and administrations, and are characterized by **the transparency and public disclosure** of their activities. Companies, as well as associations and organizations with commercial or other interests, such as nonprofit entities, hire professional lobbyists who operate on their behalf before legislative authorities and public representatives, informing them of the specific technical implications of a piece of legislation in one way or another for the entities they represent. Lobbying is completely legal in these markets, is always conducted with public knowledge—in terms of whom the lobbyists work for and the fees they receive as professionals—and is closely regulated, forming part of the legitimate activity that companies and other organizations are entitled to carry out in defense of their interests and as agents of public life.

In this area, Indra states that it does not carry out any actions aimed at modifying government policies. Indra's relations with administrations are exclusively based on commercial or administrative purposes, and are always conducted within the framework of the law. Specifically, Indra's subsidiaries in the US maintain commercial relations with law firms because that is the method used in that country to manage and obtain information about contracts, subsidies and grants.

These contributions are made in compliance with the applicable legislation and said activities are publicly declared. For further details about this matter, please visit: <https://lda.congress.gov/lc/home.aspx>

INDRA'S PRESENCE IN TAX HAVENS IN 2013

Indra's activities in countries regarded as tax havens is not fiscally motivated but is aimed solely at developing the company's international business, always with the approval of the Audit and Compliance Committee and the Board of Directors.

Specifically, in 2013 Indra had a significant presence or carried out projects in the following countries that are included on the latest list of tax havens published by the Tax Justice Network:

- ◆ **Philippines:** Indra employs over 850 professionals in the Philippines at a work center that forms part of the company's Software Labs and supports Indra's operations all over the world. The company also carries out major projects in this country, such as managing the commercial service for Manila's water companies (Maynilad and Manila Water) and modernizing the country's justice administration system. Moreover, Indra's commitment to the local community in the Philippines is evident in a number of social action projects. For further information, please visit <http://www.indracompany.com/pais/filipinas>
- ◆ **Panama:** Indra's presence in this country consists of one work center with 190 professionals. The company carries out major projects in Panama, such as modernizing the information management systems for the Panama Maritime Authority (AMP). For further information, please visit <http://www.indracompany.com/pais/panam%C3%A1/df>
- ◆ **Uruguay:** Indra has one work center with 90 professionals who provide support for the company's projects in the country, which include among others the air traffic management and aerial surveillance systems.
- ◆ **Bahrain:** Indra has one subsidiary, whose opening was noted in the 2011 Annual Report, with approximately

50 professionals who provide support for a major healthcare project.

Additionally, in 2013 Indra carried out isolated activities in the following countries or territories which the aforementioned institution also regards as tax havens: Andorra, Antigua and Barbuda, the Netherlands Antilles, Belize, Bermuda, Cyprus, Dominica, Gibraltar, Grenada, Ireland, Luxembourg, Malta, the Netherlands, Puerto Rico, the Seychelles, Singapore, Switzerland and Uruguay.

As a whole, Indra's 2013 revenues in places considered to be tax havens represented **3.6% of the company's total revenues.**

HUMAN RIGHTS AT INDRA

Indra maintains an active policy for managing the various aspects of work-related human rights that affect its business and relations with its professionals.

- ◆ **Child labor and forced labor:** given the nature of its activity, which requires highly qualified professional profiles, Indra has a low risk of incurring in child labor or forced labor, but it has nevertheless signed the Global Compact and openly manifests its opposition to all types of exploitation. In any case, Indra applies mechanisms to guarantee this: verifying the age of employees when they are hired, maintaining updated

information systems that contain the personal details of each employee, controlling the work days of each employee, etc. By way of example, this annual report contains a graph showing the age pyramid for Indra's professionals.

Moreover, Indra extends this commitment to its suppliers by means of the Supplier Code of Ethics.

- ◆ **Freedom of association and collective bargaining:** as one of the commitments acquired in the Global Compact, Indra respects the rights of its employees in terms of labor union membership and collective bargaining. Moreover, the Indra Code of Ethics and Professional Conduct establishes the following basic principles: equal opportunities, respect for all people, non-discrimination on any grounds, and, specifically, labor union membership.

The Labor Relations section of the Talent chapter in this report describes the relational model with unions in Spain.

The working conditions of Indra professionals are based on the industrial or collective agreements that are in place in the countries where the company has significant operations. Accordingly, in recent years, more than 75% of the company has been covered by a collective agreement.

Indra operates in certain countries where freedom of association is limited or persecuted. However, its activities in these countries are governed by the same general principles of respect for free association and collective bargaining.

- ◆ **Non-discrimination and equality:** in addition to the company's adherence to the Global Compact, Indra has implemented various policies and initiatives designed to guarantee non-discrimination and equality among its professionals.

The Code of Ethics and Professional Conduct manifests Indra's respect for diversity, all people and non-discrimination, and it encourages its professionals to adopt these principles. Furthermore, the code is reinforced by other policies, such as the Equality Plan, the Diversity Policy and the Protocol on Unacceptable Behavior.

- ◆ **Promotion and job security:** Indra is an important employer in the communities where it is established, and its commitment to creating and maintaining jobs is evident in the constant growth of its workforce in recent years. For example, in the period from 2009 to 2013, Indra's workforce grew at a compound annual rate of **10%**.

- ◆ **The occupational health and safety** of Indra's professionals and of those who carry out work on our behalf. Indra aims to ensure the highest possible level of safety, health and wellbeing for its employees and for anyone who could be affected by its actions. The company is therefore committed to complying with all the legal obligations regarding occupational risk prevention.

The Talent chapter in this annual report provides a detailed description of Indra's activities in the field of occupational health and safety in 2013.

- ◆ **Salaries, benefits and work days:** since 2005, Indra has implemented specific equality and work-life balance policies for each country where it is present. The Talent chapter in this annual report contains information about the company's policies in this area and the implementation of its equality and work-life balance program in 2013.
- ◆ **Training:** developing talent is a fundamental aspect for a company like Indra, which is made up of knowledge professionals. Training hours increased at an annual rate (compound annual growth rate) of 12% between 2009 and 2013.

The Talent chapter in this annual report contains information and indicators regarding Indra's performance in this area for 2013.

STATEMENT ON CONFLICT MINERALS

As part of its business operations, Indra develops electronic equipment and components that may contain elements such as tungsten, tantalum, tin or gold. Many electronic components acquired by Indra (components, circuits and connectors) are coated in tin or gold.

Indra is aware that many of the global reserves of such rare minerals are concentrated in countries such as the Democratic Republic of Congo, Rwanda, Uganda and Burundi, where many mining areas are under the control of guerrilla militias who exploit the local population to extract the minerals to fund their armed movements.

Indra believes that one of its responsibilities as a company is to avoid using minerals or components that have been extracted from these conflict mines, and it is committed to protecting human rights throughout its value chain.

Mining operators are at the very beginning of the Indra supply chain and the company is unable to trace the exact origin of all minerals. Therefore, in order to prevent the use of conflict minerals, Indra applies its own commitment to all direct suppliers, thus ensuring that the same policies are extended, link by link, throughout the supply chain.

In 2013 Indra began an assessment of its supply chain in order to obtain detailed information about the initiatives it needs to carry out. The company plans to introduce

improvements in its procurement process in 2014 aimed at ensuring that its electronic equipment and components are free of conflict metals.

POSITION ON CLIMATE CHANGE

Indra accepts that it has been scientifically proven that human activity, primarily through the process of burning fossil fuels, has a negative impact known as the greenhouse effect because it produces carbon, methane and nitrous oxide emissions.

Climate change and atmospheric pollution affect the natural, social and environmental systems that favor not only life on the planet but also economic growth on the global scale and, consequently, development and wellbeing.

Indra acknowledges that its activities have a major environmental impact derived from the energy consumption of the computers used to develop the solutions and services that comprise its offer, and from the travel of its professionals to deliver services. Both of these impacts lead to greater indirect emissions of CO₂ and other greenhouse gases.

Indra has taken full responsibility for minimizing its environmental impact by establishing specific policies and objectives for reducing greenhouse gas emissions.

Specifically, it has undertaken the following actions:

- ◆ **Measuring and controlling** its level of greenhouse gas emissions by performing periodic combustion analyses
- ◆ **Implementing energy efficiency measures**, green IT, responsible mobility of professionals and, in general, any action that reduces the energy consumed by the company, its professionals and its value chain
- ◆ **Publicly reporting its objectives**, actions and progress in the area of greenhouse gas emissions

The Contribution to the Community chapter in this annual report contains information about the specific actions undertaken in 2013.

All of this has led to a **37% reduction in CO₂ emissions per employee (including Scopes 1 and 2) between 2009 (the year Indra started measuring its CO₂ emissions) and 2013.**

Indra also believes that technology can play an important role in combating climate change by contributing to a more efficient and rational use of energy. Accordingly, the company identifies commercial opportunities that promote the greater environmental awareness of its clients and a greater demand for technologies that allow organizations to be more energy-efficient.

Within its “solutions for sustainability”, Indra has a specific “energy and climate change” offer (link to <http://www.indracompany.com/soluciones-y-servicios/solucion/soluciones-para-la-sostenibilidad/9727/18046/energia-y-cambio-climatico>). Moreover, many of Indra’s solutions help reduce the environmental impact in the business sectors in which the company operates:

- ◆ Its “smart city” solutions contribute to more rational mobility and energy use.
- ◆ Its air traffic management solutions increase the efficiency of transport routes, which mitigates the environmental impact through reduced fuel consumption and CO₂ emissions.
- ◆ Its space solutions monitor the effects of climate change.
- ◆ Indra offers specific solutions for renewable energy companies.
- ◆ Its eBusiness solutions help reduce travel thanks to telematic processing.

DIGITAL DIVIDE

As a global company that operates on a worldwide scale in the area of information technology, Indra believes it is important to declare its position on the digital divide and its activity in this area, to which it can make decisive contributions as a company.

What is the digital divide?

The term “digital divide” refers to **difficulties or limits in terms of access to new information and communication technologies such as the Internet, cellphones and similar devices.**

It also refers to any differences that may exist between diverse groups of people in accordance with their ability to use these technologies effectively, based on their various levels of literacy and technological capabilities.

Finally, the digital divide concept is sometimes used to highlight differences between groups that have quality access to digital content and those who do not.

Although the digital divide usually stems from differences prior to actually accessing these technologies, the position adopted by the companies and organizations that work in this area is an essential element for reducing it.

Reasons for our commitment to minimizing the divide
As a global company, Indra operates in markets where

the digital divide has a varied scope and implications. Our objective is to try to minimize that variety. It is precisely because the profile of Indra’s services and solutions lies within the scope of new technologies that their social value must be highlighted. Consequently, one of the company’s objectives is to foster greater equality in their use and promote quality content, resulting in a better quality of life for everyone.

3



Vision

Summary of our activities
in 2013

Capitals model

Impacts

Creating value

Critical success factors

Environment and strategy

Production and delivery model

Clients

Offer

Talent

Contribution to the
community

business model



BUSINESS MODEL

Our ordinary business contributes to the creation of wealth by generating solutions and services as well as the distinguishing characteristic that sets the company apart: innovation. This is of crucial importance because innovation is essential for the economy and an indispensable requirement for social development. At Indra we firmly believe that our solutions and services are excellent tools for contributing to development, not only to the benefit of our clients but, in a much wider sense, to the benefit of society in general and the communities where we operate.



3.1 VISION

As a corporate project, Indra has always been built around a long-term vision and the firm belief that maintaining a company profile focused on innovation with a strong technological base and offering premium solutions to leading clients allow us to generate higher growth and profitability rates and, by extension, acquire the capacity to create value in the short, medium and long term.

In 2004, following a consultation and feedback period with company professionals, we therefore defined our vision as follows:

“To be an innovative knowledge-based company in our relations with our internal and external public (shareholders, professionals, clients, etc.) as well as with the institutions that cultivate and develop this knowledge and with the communities in which we are present”.

3.2 SUMMARY OF OUR ACTIVITIES IN 2013



CLIENTS

Our **revenues** reached €2.914 billion, with a 2% increase in local currency:

- ◆ In Spain they fell by 11%, a percentage considerably lower than the 18% decline of the previous year
- ◆ In Latin America they increased by 22% in local currency.
- ◆ In Europe and North America they grew by 10%.
- ◆ In Asia, the Middle East and Africa they fell by 8%, although if we focus on the details rather than the global picture, specific elements experienced substantial growth.
- ◆ Improvements in the Quality Management System
- ◆ Continuous improvement of the project management methodology
- ◆ Continuous reinforcement of information security



OFFER

Revenues from **Solutions** increased by **3% in local currency**. Revenues from **Services** grew by **2% in local currency** (-3% reported), but would have grown by 3% without the disinvestment of the aforementioned business.

Our **investments** (net tangible and intangible) were €64 million.

The implementation of the partnership management model begun in 2012 continued in 2013.

Efforts in Latin America

Focus on strategic offers for the company and for the countries where these have been developed, such as air traffic control, the mining sector and software productivity.

Training and capture of international talent
Continuous promotion of institutional relations with innovation and knowledge institutions
Constant support for innovation and the new offer development model:

- ◆ Involvement in innovation programs and platforms
- ◆ R&D&i projects



TALENT

5.7% growth of the workforce in emerging countries and 3.9% in mature markets

Capacity development in the company's priority growth regions: Latin America, Asia and the Pacific.

Rollout of the global assignments program

Capture of talent through competitions and monitoring of candidates

Talent retention and development:

- ◆ Culture of internal innovation and entrepreneurship
- ◆ Professional development
- ◆ Knowledge sharing
- ◆ New work methods and models
- ◆ Health and safety



CONTRIBUTION TO THE COMMUNITY

Reduction in CO2 emissions per person (scope 1 + scope 2) by -8.3% in 2013

Increase in investments in social action by 11% in 2013

Collaboration in research projects with universities

Involvement in institutional programs

Indra contributes to the development of an entrepreneurial and innovative culture in the communities where it operates.

Collaboration with nonprofit foundations, associations and entities.

Environmental monitoring of subcontractors

Minimization of the environmental impact

- ◆ Investments
- ◆ Energy efficiency measures
- ◆ Smart mobility
- ◆ Environmental management system: awareness, objectives



GOVERNANCE

Governance bodies and standards designed to guarantee good governance and contribute to the company's growth

The Board of Directors attaches great importance to opening fluid channels of communication with investors and proxy advisors.

Gender diversity of the board: **43% of independent directors are women**

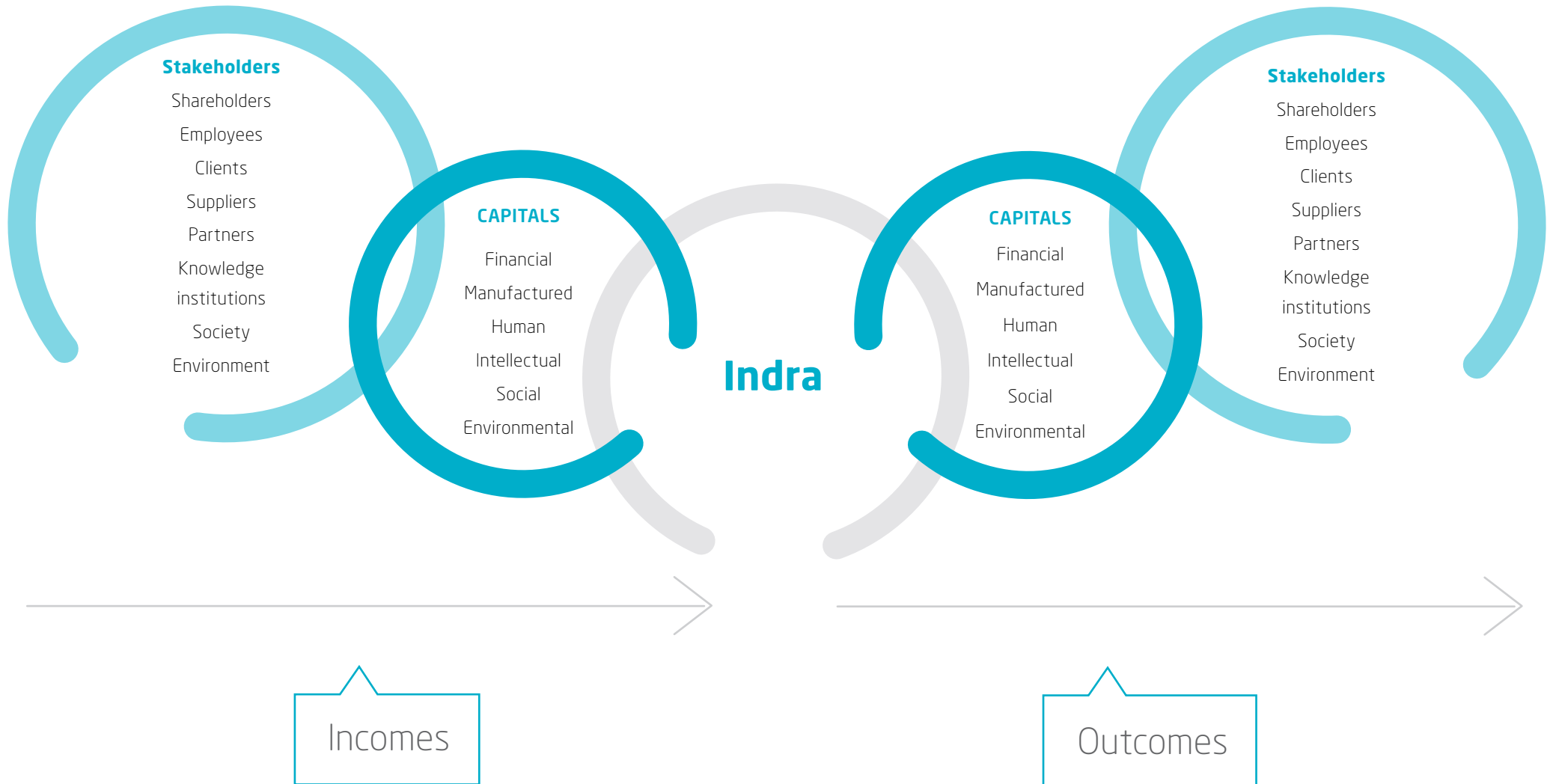
High attendance rate at board meetings, around **90%**.

Modifications in the remuneration system for the Board of Directors and Senior Management in order to reflect the latest corporate governance trends.

- ◆ 2013 General Shareholders Meeting: review of the remuneration limit for the board.

3.3 CAPITALS MODEL

Acceder a la web para la versión interactiva



3.4 IMPACTS



In accordance with the new definition established by the [European Commission in 2011](#), “Corporate Social Responsibility” may be described as “the responsibility of enterprises for their impacts on society”.

- ◆ Maximizing the creation of shared value for all stakeholders
- ◆ Identifying, preventing and mitigating their possible adverse effects

Throughout this report, the company also describes how it intends to maximize the creation of shared value and how it strives to prevent and mitigate the negative impacts identified.

The Commission also states that enterprises must maintain close relations with their stakeholders, with the aim of:

The main impacts and sources of shared value derived from Indra’s activities and in relation to each of its stakeholders are described below.

Our stakeholders	 Economic impact	 social impact	 environmental impact
Shareholders	+ We generate economic value for our shareholders	+ We represent an investment that is socially and environmentally responsible	
Employees	+ We generate employment in the communities where we operate	— We have workers in countries where human rights are not guaranteed by law. Given the profile of our professionals (highly qualified), the risk of human rights violations is low, but the company nevertheless makes every effort to minimize this risk	— Commuting to work centers and business travel generate CO2 emissions
Clients	+ Our technology helps improve the competitiveness and productivity of our clients	+ IT security is key for the sustainability of our activities — Some of our activities are aimed at public sector clients in countries with a risk of corruption and bribery	



Our stakeholders

Economic impact

Social impact

Environmental impact

Suppliers	+ Purchasing from local suppliers boosts economic development	+ Contracting suppliers generates indirect employment. Our value chain has a social impact	- Our value chain has an environmental impact
Partners	+ Collaboration with partners is key to open innovation models		
Environment	+ Technology has great potential for improving and conserving the environment		- Our activities require very high electrical consumption due to the extensive use of computer equipment, which results in considerable indirect CO2 emissions
Knowledge Institutions	+ Support from the business sector is key for knowledge institutions	+ Businesses represent the main source of employment for fresh graduates	
Society	+ Technology and innovation contribute to the socioeconomic development of countries	+ Technology and innovation contribute to the socioeconomic development of countries	
	+ Taxes related to business activities contribute to the economic sustainability of the communities where we operate		
	+ Our presence in countries regarded as tax havens is purely for business reasons		



Economic impact



Social impact



Environmental impact

Our businesses

Transport and Traffic

+ Technology boosts efficiency in transport routes and reduces management costs

- + The mobility of people is key for sustainability
- + Our accessible ticketing solutions enable the mobility of people with disabilities

+ Efficiency in transport routes means a lower environmental impact through reduced fuel consumption and CO2 emissions

Energy and Industry

+ We provide solutions and services that enable energy and industrial companies to be more efficient

+ Our maintenance outsourcing and technology platform support for companies in the Industry and Mass Market sector allow them to optimize their response to incidents and clients' requests

- + The improved energy efficiency provided by our solutions helps conserve natural resources
- + Our environmental solutions manage the protection of ecosystems

Public Sector and Healthcare

+ We provide solutions and services that enable public administrations to be more efficient

- + We provide solutions in fields with a high social impact, such as electoral processes, healthcare, employment, education, dependency, etc.
- + We help build closer relations between governments and citizens

- Our eAdministration solutions reduce the use of paper and citizen travel thanks to telematic processing

Financial Services

+ We provide solutions and services that enable financial services companies to be more efficient

+ We collaborate in projects that have a social impact: support for rural employment, microcredits in Latin America



Economic impact



Social impact



Environmental impact

Our businesses

Security and Defense

+ Our simulation solutions significantly reduce costs and improve security

- + We offer technology to boost personal safety and infrastructure security
- ! Indra complies with Spanish legislation regarding the export of defense articles

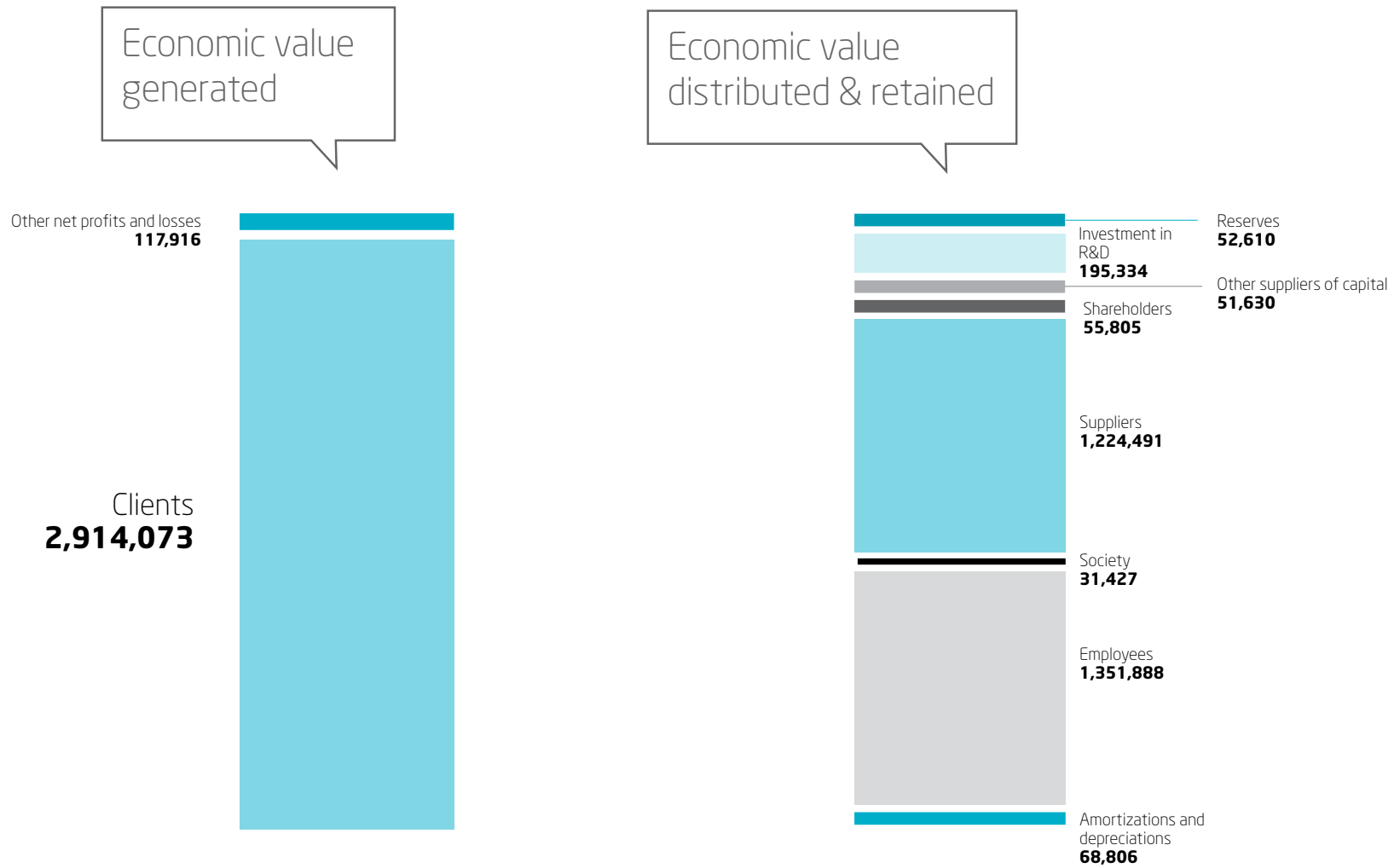
+ Our space technology activity comprises a wide variety of solutions and R&D projects that help improve the environment

Telecom and Media

+ We provide solutions and services that enable telecommunications and media companies to be efficientes

+ The company's DTT offer allows citizens to access the public sector as well as interactive audiovisual contents

3.5 CREATING VALUE



Economic value generated, retained and distributed in 2013

3.6 CRITICAL SUCCESS FACTORS

Innovation is the cornerstone of Indra's business model, the core of its sustainability as a company, and the key that differentiates its offer of solutions and services.

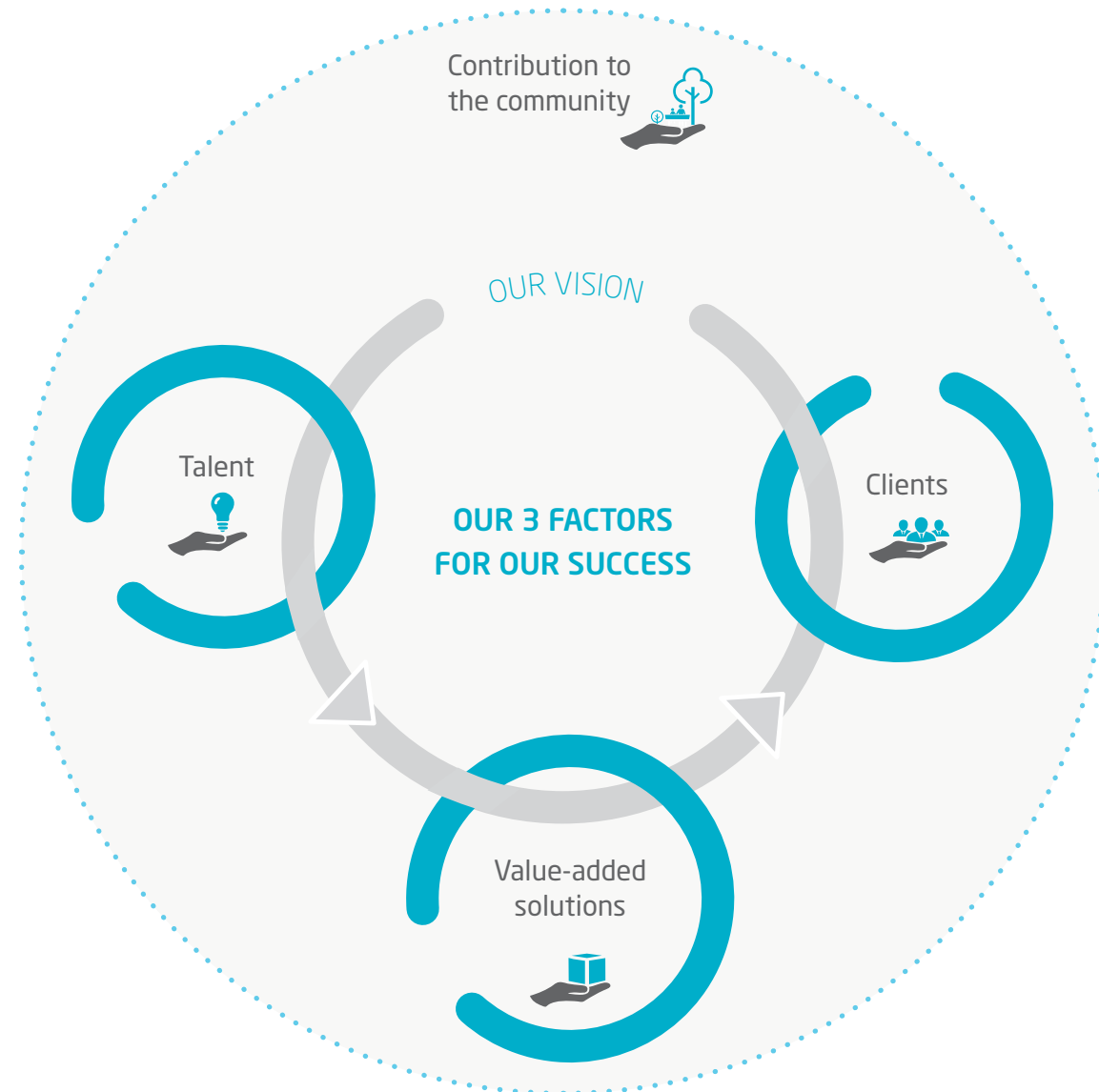
Based on this premise, Indra's business model has three critical success factors that influence the company's ability to create value in the short, medium and long term.

Indra is also conscious of the fact that it could not exist without the community that enables it to carry out its activities, and assuming the responsibility of making a positive contribution to the sustainability of this community is therefore a natural part of its activities.

How are the three critical success factors related to each other?

Indra's professionals are the people who develop the solutions and provide the value-added services that the company offers to its clients.

A technology company that offers smart, efficient and real-time solutions and services for clients around the globe



CLIENTS

Business model based on being the technology partner for sector leaders and making a contribution to their business objectives. The demands of these types of clients, determined by their own competitive contexts, are what drive Indra to develop high value-added innovative solutions to meet their every need.

Indra's goal is to build close relations with clients in order to obtain a significant share of their investment in technology.

The company has a diversified market structure which lends it balance, thanks to the combination of businesses that provide long-term stability and others that offer enormous growth potential.

Key aspects

- Business and commercial strategy
- Program and project management
- Product quality management
- IT security
- Global development and delivery capacity

Main initiatives

- Commercial and client plans
- Strategic Quality Plan
- Quality management systems
- Measuring client satisfaction
- Internal project quality audits
- Procedure for processing clients' complaints and claims
- Program and project management
- Emphasis on monitoring and controlling projects
- Main certificates that accredit our processes
- Operational risks system
- IT security
- IT Services Management System



OFFER

From the outset, Indra has always been committed to developing proprietary technologies and solutions with a differential value for the various sectors in which it operates. This is what provides the company with its competitive edge and enables it to penetrate new markets as well as harnessing the synergies that arise from applying the capabilities developed in one sector across all the other sectors.

Open innovation model in which collaboration and knowledge generation are offered to clients, technology partners, universities, research centers and even society in general.

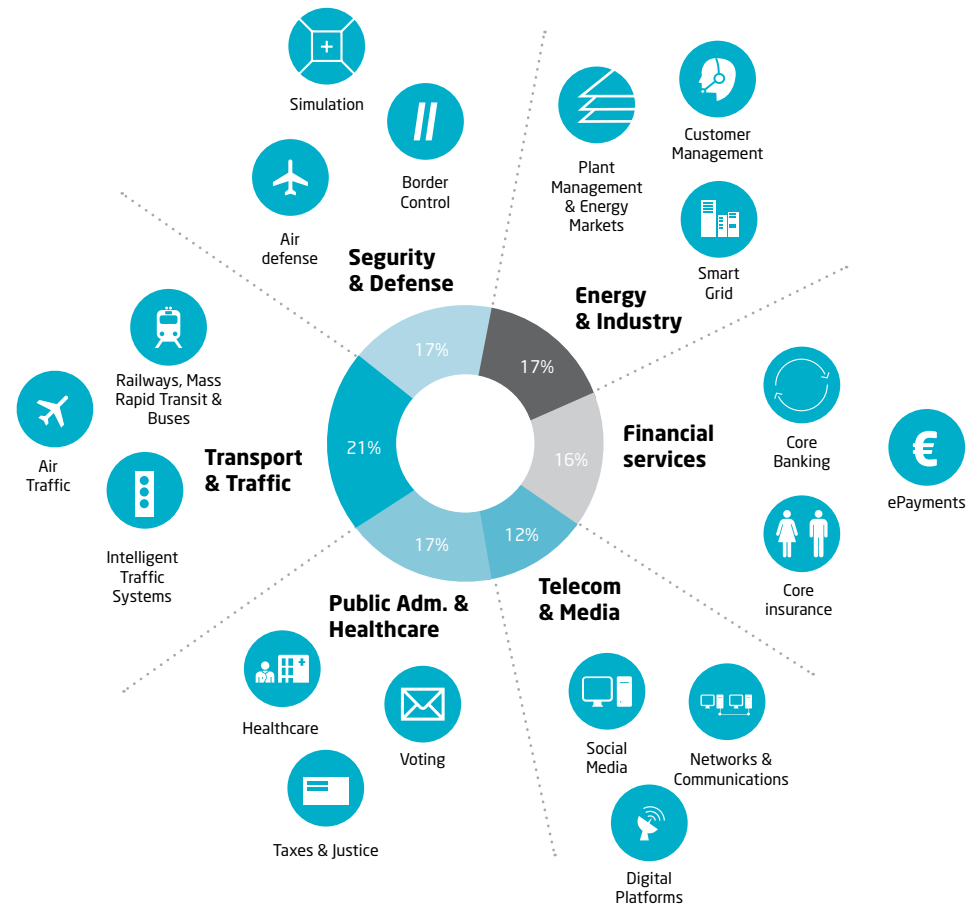
Balanced, diversified structure of the offer. The balance between “solutions” and “services” is achieved by combining highly profitable activities with highly recurrent ones, thus providing Indra with tremendous stability and an enormous capacity for growth.

Key aspects

- Developing and adapting the offer
- Partnership management
- Relations with knowledge institutions
- Relations with innovation institutions
- Supply chain management

Main initiatives

- Innovation model.
- Involvement in technology platforms and industrial associations linked to innovation.
- R&D&i management system (SIGDi) certified under the UNE 166002 standard
- Partnership management
- Partner satisfaction survey
- University Relations Coordinator
- Institutional relations with knowledge and innovation institutions
- Agreements and research chairs
- Supplier assessment and approval
- Purchasing Portal
- Supplier satisfaction survey



TALENT

In an increasingly global economy, it is very likely that a company's sole lasting competitive advantage is **the talent of its professionals**.

The capacity to innovate resides in people. It is people who create, learn, teach and promote new ways of thinking and doing.

People management is a critical issue for Indra, and capturing, developing and retaining talent is a strategic priority.

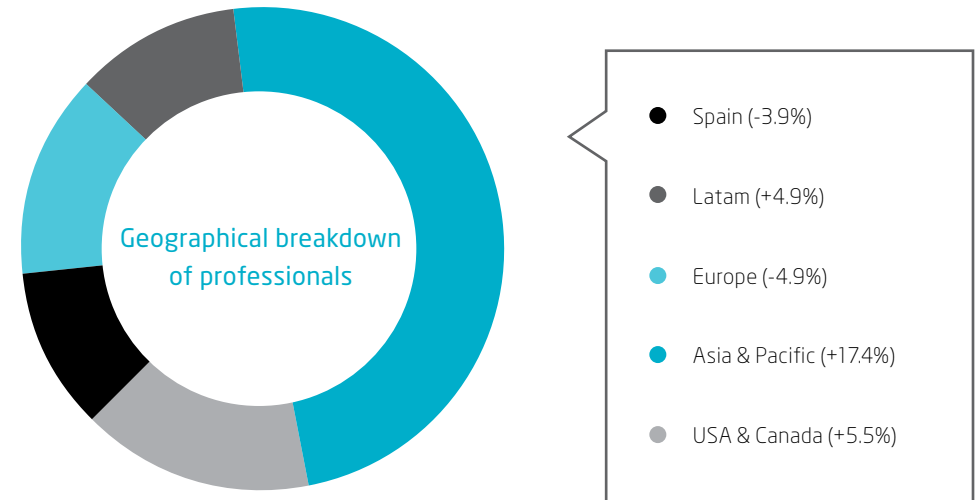
The talent management model is based on individual treatment and embracing diversity (of abilities, ambitions and interests) as a driving force of innovation.

Key aspects

Capture, retention and development of talent
 Diversity management
 Training model
 Occupational risk prevention

Main initiatives

Talent development
 Diversity management
 Internal communications
 Occupational risks and safety assurance plan
 Code of Ethics



CONTRIBUTION TO THE COMMUNITY

The company's objectives are:

- 1. To minimize the possible negative impacts** (economic, social and environmental) derived from its activities on the local communities in which it operates and on society in general. Indra is aware that its responsibility is not only limited to the direct impacts but also to the impacts generated through its value chain, and for this reason its basic sustainability commitments also apply to its suppliers.
- 2. To contribute to the creation of wealth** (economic, social and environmental) through the distinguishing characteristic that sets the company apart: innovation. Indra believes that its solutions and services are excellent tools for contributing to development, not only to the benefit of its clients but, in a much wider sense, to the benefit of society in general and the communities where it operates.

The company's Social Action policy is focused on reducing the digital divide, especially as experienced by people with disabilities.

Key aspects

Economic, social and environmental development of society
 development of society
 Supply chain
 Transparency

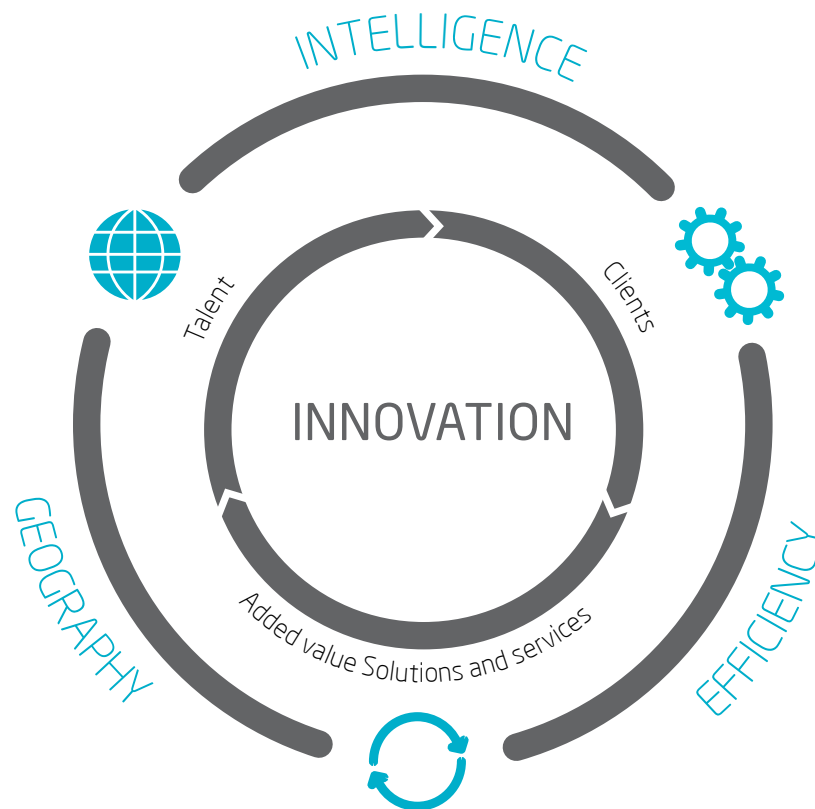
Main initiatives

Solutions for sustainability
 Accessible technologies
 Corporate volunteering
 Environmental management policy and system
 Environment strategic plan
 Environmental risk assessment
 Environmental management system
 Environmental certifications
 Implementation module of legal environmental requirements in uncertified buildings
 Green IT
 Energy efficiency
 Position on climate change

Environmental assessment of subcontractors
 Environmental assessment of suppliers
 Good traveler's guide
 Raising awareness of professionals
 Use of eco-friendly paper
 Supplier Code of Ethics
 Purchasing at Special Employment Centers
 Initial pre-approval using the Achilles platform

3.7 ENVIRONMENT AND STRATEGY

Indra perceives the following important trends in its environment that may influence its business in the short, medium and long term:



TRENDS

In the short term:

- ◆ **Complex economic and sectoral environment.** The different economic growth patterns observed in each country, coupled with increasing competition in the consulting and technology sector, add up to a complex environment.
- » **Asymmetric market development.** In a context in which economic growth on a global scale was below its potential during the 2008-2012 period, each country or region is performing differently. For example:
 - **The “advanced economies”** are recovering from the crisis more slowly and more tentatively than initially predicted.
 - **The emerging markets** are experiencing varying growth rates. Economic growth is primarily occurring in certain economies of the Asia Pacific region, Latin America and the Middle East.

In 2013 most of the global growth was concentrated in the emerging economies.

- » **Greater global competition.** The international expansion processes currently being pursued by the sector's suppliers, the growing interest in consulting and technology operations shown by companies in other sectors (such as hardware, telecommunications and security and defense firms), and the maturity of investment cycles in certain geographic markets are creating increased competition for the sector.
- ◆ **Concentration of demand around the concepts of "intelligence" and "efficiency".** There are pockets of opportunity associated with a more intelligent and efficient use of technology. Indra believes that this trend will continue to grow in the coming years.
- » **Demand for smart solutions.** The company is maintaining its investing activities aimed at improving the capacity of infrastructures to respond to environment changes, and more resources are being allocated to analyzing all the data generated by these infrastructures with greater precision in order to take advantage of the business opportunities derived from this information.
- » **Demand for cost cuts and more efficient processes.** Companies and institutions continue to strive for efficiency, driven by an increasingly demanding environment. This confirms the trend of exploiting the potential of virtualization technology and concentrating resources on tasks that genuinely set the company apart, outsourcing systems and processes wherever possible.
- ◆ **Demand for comprehensive suppliers.** Clients in the consulting and technology sector are demanding suppliers that are capable of providing comprehensive support for their operations, in terms of both geographic location and offer. This is leading to:
 - » **Increasing importance of integration capabilities.** The only way to cover the entire spectrum of client requirements is to establish partnerships with key suppliers and develop integration capabilities to ensure the optimum performance of solutions.
 - » **Reinforcement of relations with key suppliers.** In many cases, major consulting and technology multinationals are the only ones capable of meeting their clients' demand for comprehensive suppliers.
- may contribute in the medium term to a shift in the global political and economic axis in favor of emerging countries.
- ◆ **Change in the population structure.** The global population is growing (although the growth is primarily concentrated in emerging countries in Asia), the age pyramid is widening at the bottom, a process of mass urbanization is underway, and a "middle class" is developing in emerging countries. These processes are expected to continue in the coming decades.
- ◆ **Climate change and pressure on natural resources.** The population growth and its development are likely to lead to a global rise in consumption that could increase the pressure on natural resources. Meanwhile, global warming may affect the availability and quality of these resources.

In the medium and long term

- ◆ **A shift in the global political and economic axis due to the development of emerging countries.** The economic development observed in the short term

STRATEGY

Within this context, Indra maintains the pillars for growth that have underpinned its strategy for the past three years. This aim of this strategy is to develop a sustainable business model and ensure that Indra can create value in a sustainable manner in the short, medium and long term and address the challenges perceived in its environment.

Geography

Based on the strong organic growth and the competitiveness of its solutions and services, Indra must become **a fully global company** in terms of its commercial operations (order intake and revenues), its production (development, execution and delivery of projects and the provision of services), and—the most difficult and challenging of all—its talent management. It must be capable of attracting the best professionals, wherever they may be, retaining them, and motivating them to continue their career at Indra.

This strategic pillar is based on the premise that investing in technology has a high pro-cyclical component; in other words, it is clearly linked to the pace of economic growth. For this reason, the company must know how to position itself strategically in regions experiencing a more positive economic growth. Moreover, as its clients are also pursuing strategies to improve their presence in key regions and expect their technology provider to be able to offer them

global support for their operations, it is important to develop capacity in every region.

Acquiring the capacity to attract, retain and develop talent in every region is undoubtedly one of the keys to internationalizing IT service operations, given that this type of business is strongly based on the provision of local services to clients, and that means having the appropriate human resources in the different regions.

Intelligence

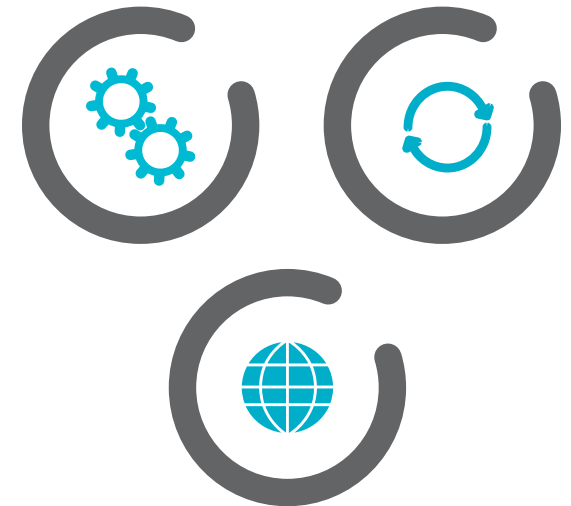
"Intelligence" refers to the **ability to make the best decisions**. To achieve this, it is necessary to introduce "elements of intelligence" in all levels of decision making, whether it is by including a larger volume of information in the analysis, by employing a better way of processing it, or by improving the decision making criteria.

Indra's aim is to apply that "intelligence" to the sustainable creation of value thanks to a greater knowledge of its markets, clients' requirements and technology, to better adaptation to the various professional profiles in its human resources, and to a more active involvement of its stakeholders.

Efficiency

"Efficiency" focuses **on applying management models that permit the optimization of "resources"**

in the widest sense of the term: financial resources, manufactured resources, human resources, intellectual resources, social resources and natural resources. Indra believes that this strategic pillar allows it to reconcile its own development as an organization with that of its stakeholders: professionals, clients, suppliers, shareholders, and society in general.



3.8 PRODUCTION AND DELIVERY MODEL

Providing consultancy and technology is a key component of local services and resources in permanent contact with clients, thus guaranteeing a more accurate appreciation of their needs, improved service, and greater cultural alignment.

At the same time, the introduction of efficiency initiatives in development demands the concentration and specialization of operations, which inevitably and increasingly leads to the separation, even physically, of delivery operations and development activities.

In the case of Indra, the company employees professionals in 47 countries to guarantee delivery and client management capabilities in the regions where it operates, whereas its development capabilities are concentrated in 21 centers in seven countries.

Indra carries out processes to consolidate and concentrate its development activities at centers that specialize in specific technologies or knowledge areas. This not only makes it possible to take advantage of any economies of scale that arise but also promotes greater efficiency in the production process. In addition to specialized production, these **Global Development Centers** contribute to the creation of an extensive knowledge of technology, and each center therefore has **its own innovation unit** focused on developing the offer. In other words, they have Software Labs which operate as advanced laboratories that exploit the latest technology trends to develop customized solutions for clients.

The consolidation and concentration of development activities facilitates the introduction of industrialization initiatives, with two fundamental aims:

- ◆ **Improving the management of the production capacity of the global company** by enabling the software factories distributed around the world

to work as a single virtual center, both from the perspective of development activities and the organizational culture.

- ◆ **Improving productivity** by incorporating technology that enhances the reuse, traceability and management of knowledge, and by using analytical and predictive models to monitor the performance of projects and organizations.

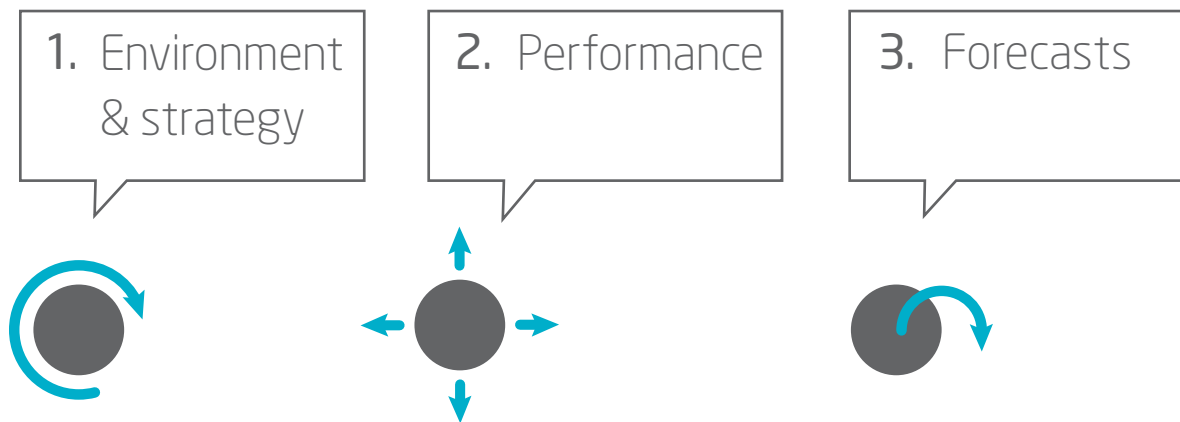
In 2011 Indra obtained the CMMI Level 3 multi-site certification for its entire network of Global Development Centers. This guarantees that the network operates as a single virtual center, sharing the same production model, methodology and tools. It also dramatically minimizes the impact of the geographical distance and the time zone and cultural differences between the centers.

3.9 CLIENTS

Indra's goal is to remain proactive in its relationships with clients, securing a greater share of their technology investment or adding new clients to its portfolio.

In 2013 Indra continued to consolidate its presence in the various markets in which it operates.

In 2013 Indra continued to increase its exposure in key regions.



3.9.1 ENVIRONMENT AND STRATEGY



Main trends in the company's environment that may influence the short, medium and long term activity of Indra in relation to its clients:

SHORT TERM TRENDS

Complex economic environment

- » The economic environment determines the investments that a country's institutions and companies make in technology
- » This means that it is important to have a presence in countries that show greater economic growth
- » Strong growth in emerging markets
- » Greater competitiveness raises the level of clients' requirements.
- » Pricing pressure
- » Suppliers are required to undertake internal optimizations processes to improve the competitiveness of their services

Concentration of demand around the concepts of "intelligence" and "efficiency"

- » Demand for intelligent solutions, cost cuts and increased efficiency
- » Early investment cycles in infrastructures, healthcare and security
- » Accelerated adoption of intelligent systems
- » Maintenance of strong demand for services
- » More widespread adoption of delivery models based on cloud computing
- » Strong demand for services (outsourcing and BPO)

Demand for comprehensive suppliers

- » Suppliers must have global commercial capabilities in order to support clients in their expansion.
- » Greater global competition
- » Concentration of suppliers
- » Increasing importance of integration capabilities

MEDIUM AND LONG TERM TRENDS

Shift of the global political and economic axis

It is important to focus operations on the countries that have the greatest growth potential in the medium and long term

Change in the population structure

Population growth leads to market growth and may contribute to increased demand.



STRATEGY

Indra's goal is to **remain proactive in its relations** with clients, securing a greater share of their technology investment or adding new clients to its portfolio.

Accordingly, Indra's strategy is to **accompany its key clients in their expansion processes** and **win local accounts in selected markets** (geography), to identify growth segments and ensure repeat business from key accounts through **better decision making** (intelligence), and to optimize development and delivery processes in order to **gain competitiveness and help improve the company's profitability** (efficiency).

- ◆ **To increase exposure in key regions.** Investment in technology has a high pro-cyclical component. In other words, it is clearly linked to the pace of economic growth. For this reason, the company must know how to position itself strategically in regions experiencing a more positive economic growth. In addition, as our customers are also executing strategies to improve their presence in key regions, and given that they expect their technology provider to be able to offer them global support for their operations, it is important to develop capacity in the various regions. Indra is already a strong competitor in Latin America and one of the European companies with the greatest exposure to emerging markets. The strategy must enable the company to establish itself as a leader in Latin America with improved profitability. Indra also

aspires to become a key company in the Asia and Pacific markets. Its experience in these markets is built around its transport and traffic offer, but it is also developing solid business in other sectors.

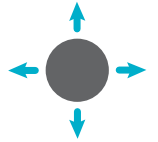
- ◆ **Continuous improvement of global commercial, development and delivery capabilities.** IT services operations are strongly based on the provision of local services and on local resources in permanent contact with clients. Consequently, Indra is developing a strategy based on:
 - » Improving its knowledge about key countries in order to identify commercial opportunities, both in export models as well as local implementation models
 - » Implementing and developing a presence in selected regions in order to improve local delivery and customer service capabilities
 - » Developing the network of Global Development Centers
- ◆ **Development of the company's presence in the various markets where it operates.** Indra focuses its solutions and services on six "vertical markets" that are differentiated according to client profile: Transport and Traffic, Energy and Industry, Public Sector and Healthcare, Financial Services, Security and Defense, and Telecom and Media.

- ◆ **Development and adaptation of the solutions and services offer.** Indra's offer covers the entire technology value chain, from consulting to BPO. Its goal is to strengthen its capabilities in each link of the value chain.
- ◆ **Ensuring repeat business from clients.** In order to achieve this, Indra strives for excellence in developing and delivering its projects and services. This is materialized in the following lines of action:
 - » **Continuous improvement of the quality management system by:**
 - Extending the quality management model to the new countries in which Indra establishes a presence
 - Evolving the maturity of its accreditations and certificates
 - Auditing projects
 - » **Continuous improvement of the methodological framework through:**
 - Improvements in MIGP and MIDAS. Monitoring and adoption of international best practices. Standardization of the bid management process.
 - Incorporation of global development methodologies (applicable in IT solutions and services) in MIDAS in order to support Indra's



- production efficiency
- Achieving extensive risk management, from the initial detection in the opportunity stage to monitoring and finalization in the contractual stage, and from the bottom up, from risks in projects to their integration in the company's global risk map
 - Training for professionals in the use of methodologies
 - Improved project monitoring and control. Coordinated review of the key aspects and plans in the setup and review of projects by the Corporate Project Management Office and Management Control in the new Autoriza system
- » **Continuous improvement in software development processes:** The objectives are to shorten production/delivery times, cut costs and increase quality. This strategy includes various production industrialization initiatives, reuse of code, use of offshore resources, etc.
 - » **Development of a culture of excellence among Indra professionals.** Indra demands the full commitment of all of its professionals to ensure that the various methodologies are applied effectively. Accordingly, the company carries out training and awareness actions so that its professionals fully understand the importance of excellence in everyday work.
- ◆ **Process optimization.** This is closely linked to excellence in development and delivery (see previous section). Indra aims to optimize its processes in order to improve competitiveness and profitability. To achieve this, the company carries out the following initiatives:
 - » **Consolidation and concentration of development activities.** Indra carries out processes to consolidate and concentrate its development activities. For more information, please see the chapter entitled "Production and Delivery Model".
 - » **Industrialization of development activities.** The consolidation and concentration of development activities facilitates the introduction of industrialization initiatives. One of the fundamental elements in this respect is the MIND suite of tools, based on the ORIGIN (Organizations that are Intelligent, Global and Innovative) R&D project (<http://www.indracompany.com/sostenibilidad-e-innovacion/proyectosinnovacion/origin-organizaciones-inteligentes-globalesinnovad>), launched in 2010. This is a proprietary suite of tools that permits a comprehensive approach to the entire operation management and technical cycle. The MIND suite has two fundamental objectives:
 - To improve the management of the production capacity of the global company by enabling the software factories distributed around the world to work as a single virtual center, both from the perspective of development activities and the organizational culture.
 - To improve productivity by incorporating technology that enhances the reuse, traceability and management of knowledge and by using analytical predictive models to monitor the performance of projects and organizations.
- » **To strengthen information security through:**
 - The continuous improvement of the information security management system
 - The continuous improvement of technological measures to protect information

3.9.2 PERFORMANCE



In 2013, as in previous years, the company met its targets for the year.

Our **revenues** reached €2.914 billion, representing an **increase of 2% in local currency**. In reported terms (euros), they reached a similar level to the previous year, taking into account the impact of the disinvestment in the Services business sold in 2013(1) and meeting the company's target for the year.

- ◆ **By geographic area**, revenue performance was as follows:
 - » Spain (39% of the total): -11% reported
 - » Latin America (28% of the total): +22% in local currency (+11% reported)
 - » Europe & North America (20% of the total): +12% in local currency (+10% reported)
 - » AMEA (13% of the total): -7% in local currency (-8% reported)

The decline experienced in Spain (-11%) was considerably lower than that of 2012 (-18%). In the case of AMEA, the fall in revenues can be explained by the execution of a major project during the previous year.

- ◆ All the vertical markets, except for Transport & Traffic (greatly affected by the weakness of the Spanish market), experienced growth in local currency (unchanged in the case of Public Sector & Healthcare), with a notable performance in Energy & Industry (+8%), Security & Defense (+7%) and Financial Services (+6%).

In 2013, as in previous years and since 2010 in particular, Indra carried out a variety of measures to offset the effects of the strong downturn in the Spanish market.

This situation in what used to be the company's principal market had a negative impact not only on margins (due to greater pricing pressure and the changes in the revenue mix following the strong decline in revenues from Solutions and the increased value of the offer in institutional markets) but also on the balance sheet (due on the one hand to the longer payment periods introduced by clients, and on the other to the company's decision to continue some of its new developments with a greater input from its own funds).

The measures taken to compensate for this situation included adapting and improving the efficiency of resources (which has led to extraordinary expenses in three of the last four years) and reinforcing Indra's position in high-growth markets like Latam and AMEA. This resulted in the company's decision to use the necessary resources

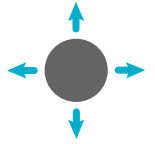
to adapt its solutions with the greatest potential to these markets, make selected acquisitions, and launch several major projects that required the initial allocation of resources.



Revenue growth in
local currency
+2%

Recommendation
indicator
7.24/10





In 2013 Indra continued to consolidate its presence in the various markets in which it operates.



Energy & Industry (+8% in local currency, +4% reported). Positive performance of business volumes in Spain (+7%), especially in the case of proprietary commercial solutions for the electricity and tourism markets. Order intake grew sharply (+24 reported), most notably in Latin America and AMEA, which lays excellent foundations for further growth in 2014.



Revenues in **Financial Services** grew by 6% in local currency (+1% reported). The impact of the depreciation of several currencies was more profound in this vertical market due to the considerable weight of Latin America in the revenues from this market (c. 40%). The volume of business in Spain was slightly lower, although the sector's reduced capacity following the bank consolidation process may generate business opportunities (Consulting, BPO and outsourcing of operations). The Insurance market experienced considerable growth (+22% reported in 2013) thanks to the development of proprietary solutions.



Telecom & Media (+3% in local currency). The greater relative weight of revenues in Latin America (c. 50%) impacted on the figures reported (-4%) due to the depreciation of several currencies during the period. The pricing pressure of recent years continued to affect the market.



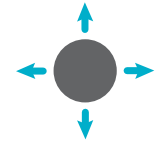
Public Sector & Healthcare recorded similar revenues in local currency as those obtained in 2012 (-3% reported). The 4th quarter of the year saw the return of positive growth rates in reported terms, supported by the proprietary solutions segment in Latin America and AMEA.



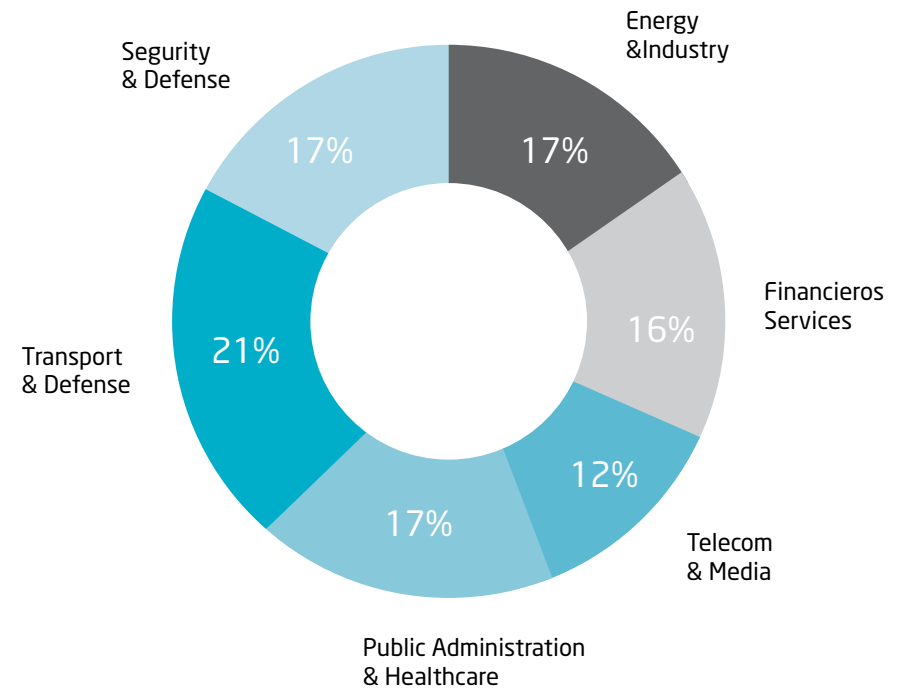
Transport & Traffic (-7% in local currency, -8% reported). Spain continued to experience a sharp downturn in activity. However, Latin America recorded exceptionally high growth rates (>50% reported), thanks to the development of infrastructure plans in the region. Road Traffic and Ports performed very well, especially outside Spain.

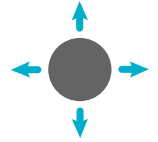


Security & Defense (+7% in local currency, +7% reported). 80% of the revenues were obtained outside Spain. Revenues continued to fall considerably in this country, although the order intake at the close of 2013 was very positive (+21%), which allows for a certain optimism regarding a possible reversal of the revenue trend.



REVENUES BY MARKETS	2013 (M€)	2012 (M€)	Variation%	
			Reported	Currency
Energy & Industry	479.5	460.4	4	8
Financial services	470.1	464.4	1	6
Telecom & Media	355.3	369.0	(4)	3
Public Adm. & Healthcare	503.3	516.9	(3)	(0)
Transport & Traffic	611.1	667.1	8	(7)
Security & Defense	494.8	463.2	7	7
TOTAL	2,914.1	2,941.0	1	2





In 2013 Indra continued to increase its exposure in key regions:

SPAIN

The decline in the **Spanish market** was lower than that of the previous year (-11% compared with -18% en 2012), in line with forecasts. This significantly smaller rate of decline with regard to 2012 and the order intake anticipated in certain vertical markets suggests that the worst is behind us, and although the prospects for 2014 indicate a slight decline the rates should be considerably lower.

The performance of prices in the Spanish services market continues to reflect weak demand. However, the company was partly able to offset this impact by improved productivity and a greater share in the case of certain clients.

Order intake in the Spanish market

(-12%) reflected revenue performance, with a 0.9x book-to-bill ratio.

LATAM

The Latin American market (+22% in local currency) was affected by the depreciation of most of the local currencies, leading to a growth of 11% measured in euros.

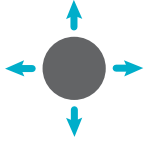
Other salient aspects to note are the **positive performance of business** in local currency in countries like Mexico (+21%) and Brazil (+17%), and the negative impact of the depreciation of the currencies in Argentina and Venezuela, whose revenues represent less than 3% of the company total.

AMEA

Revenues in Asia, the Middle East and Africa (AMEA) fell by 7% in local currency (-8% reported), reflecting the exceptionally high volume of activity recorded the previous year due to the execution of a major project in the region. Had it not been for this, revenues would have grown.

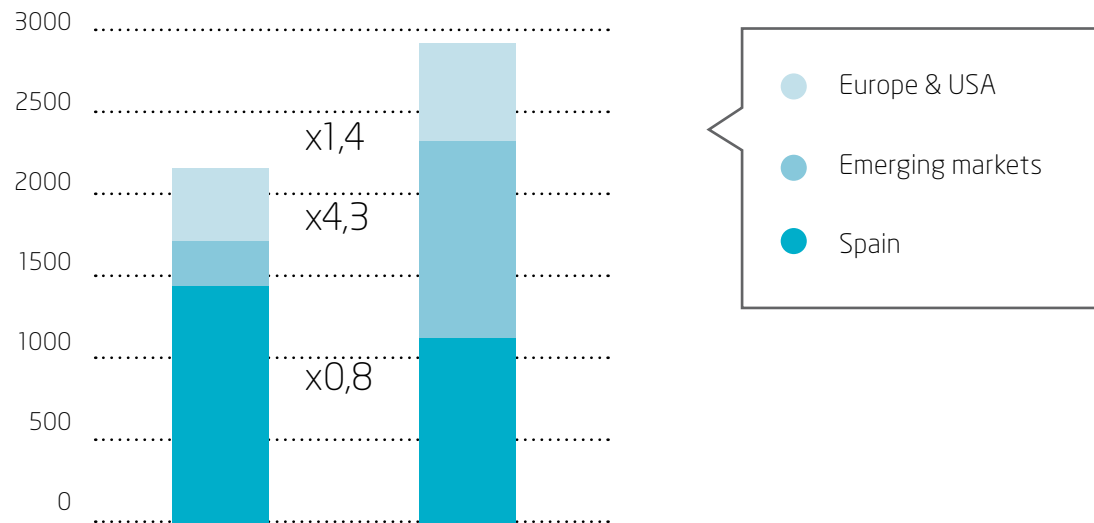
EUROPE & NORTH AM.

Europe and North America both recorded a double-digit growth rate (+12% in local currency, +10% reported), with outstanding performance in Germany (+32%) and the United Kingdom (+34%), mainly due to business in the Security & Defense vertical market.

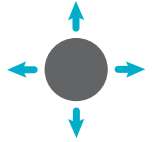


All the geographic regions outside Spain recorded higher order intake levels than revenues, with book-to-bill ratios of just over 1x in Europe and North America and 1.2x in AMEA, reflecting the growth or order intake in every one of these areas (except in the case of AMEA due to the impact of the €205 million rail project in Saudi Arabia contracted in 2012).

Since 2007 Indra has focused increasingly on emerging markets



42% of revenues obtained in emerging markets

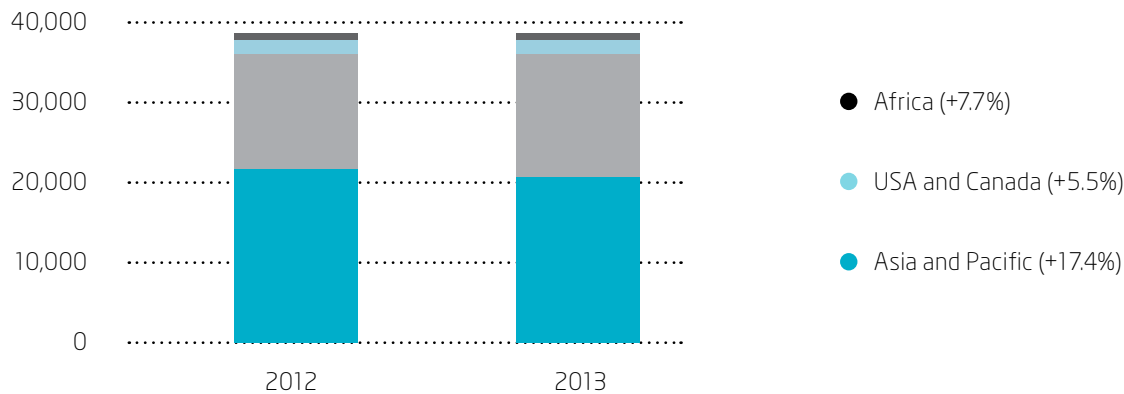


The factors that have helped Indra achieve its goals and, in the company's opinion, will help maintain future growth, are described below.

- ◆ Continuous improvement of global commercial, development and delivery capabilities

The workforce in Latin America and Asia Pacific grew significantly in 2013 (for further information, see the Talent chapter), thus reinforcing company's delivery and customer service capacity these priority regions.

- ◆ **Ensuring repeat business from clients:** Indra strives for excellence in developing and delivering its projects



and services in order to guarantee client satisfaction and help build client loyalty.

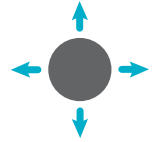
- » In 2013 Indra continued to extend its quality management system. The quality systems of the subsidiaries in Italy, Australia, the Philippines, Mexico and Colombia all gained ISO 9001 certification. Italy, Colombia and Mexico will form part of a global certification for the quality system.

91.2% of Indra's revenues are obtained by subsidiaries with ISO 9001 certification.

Moreover, in 2013 Indra passed the audit carried out to renew its Madrid Excelente accreditation for the next three years.

- » In 2013 Indra rolled out the "Methodological Framework" designed to integrate lifecycle management with the production of Indra operations and programs. Accordingly, in 2013 MIDAS (Indra Methodology for Development, Adaptation and Services) and MIGP (Indra Methodology for Project Management) were both integrated. This represents a major improvement as it provides the two Indra methodologies with a process language that is consistent with the process map (whose key processes are deployed by the framework).

The methodological framework makes it possible to select the Indra production system best suited to the nature of a specific operation (tailoring), thus achieving a better fit between the methodology and its use in operations. The framework contents are organized in libraries (first tailoring level), each of which corresponds to a different production system. At Indra, these production systems are global rather than focused on markets.



The framework currently covers four Indra productions systems in different libraries.

The implementation of the **methodological framework** will guarantee traceability between processes, methods and tools as well as its use in operations, leading to greater reliability, efficiency, process predictability and analytic capacity.

This integration of management and production methods, coupled with tailoring, reinforces the use of key processes in the company's operations.

- » In 2013 the "Control Station" was extended to and implemented in Indra's subsidiaries in Colombia, Argentina, Chile, Slovakia, Peru, Czech Republic and Venezuela. These countries join Spain, Portugal, Mexico, Panama and Brazil, where it was implemented in 2012.

The purpose of the station is to implement controls for key processes by incorporating functions such as project authorization and approval, indicator monitoring, claims processing, etc. This establishes preventive actions from the start of an operation and guarantees greater success when the projects are implemented.

- » In line with the goal stated in 2012, in 2013 Indra capitalized on the knowledge and experience

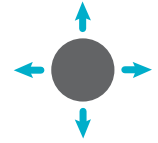
acquired by its PMP certified professionals to continue disseminating and improving the project management culture within the company. The 2013 PMP certification program was delivered by Indra professionals who had already won PMP certification. At the close of the year, 590 Indra professionals had PMP certification (compared with 525 in 2012).

The company believes that knowledge about project management should be shared with the majority of its professionals, and in 2013 it extended the scope of training in this discipline to include experienced technicians involved in pre-management tasks, thus providing these employees with skills to take on additional responsibilities in future projects.

- » The quality of relations with clients remained at a similar level to those of 2012. While the global client satisfaction indicator was slightly lower than the previous year (3.85 out of 5 in 2013, compared with 3.93 in 2012), the recommendation indicator and the Net Promoter Score (NPS) were higher. The recommendation indicator (measured on a scale of 10) rose from 7.09 in 2012 to 7.24 in 2013, while the NPS climbed from -1 to 3.

◆ Reinforcement of information security

- » In 2013 Indra extended its security management to encompass every stage of its operations, including the pre-contract phase. This means that security measures are analyzed and designed from the bidding phase, thus improving the response to clients' growing demands in the field of security.
- » Renewal of the certifications for the Information Security Management System (ISO 27001) and the Information Technology Service Management System (ISO 20000-1). Indra continued to consolidate the processes covered by the scope of the certificates, applying these improvements to the work methods used in its other services.
- » In 2013 Indra implemented a cloud antivirus solution to allow all offshore professionals to benefit from the same functionality and antimalware protection as those within Indra's network infrastructure.
- » During the course of 2013, as in previous years, numerous cyber-attacks were received from the Internet. Specifically, 30,776,458 security events were detected in the perimeter protection elements. However, no critical security incidents arising from these attacks were recorded. In order to improve protection from targeted attacks, a tool for analyzing



files and malicious traffic was piloted. The company also continued to proactively analyze project platforms in order to identify and correct any possible risks prior to their connection to the Indra network.

» Renewal of the biennial LOPD (personal data protection legislation) audits in the companies where required.

» Collaboration with Spanish government organizations to share knowledge and experience in the field of IT security aimed at identifying and preventing attack patterns.

2013 Goals

- ◆ Slight rise in revenues
- ◆ Order intake in line with or higher than revenues
- ◆ Recurring EBIT margin (before non-recurring expenses) of approximately 8%
- ◆ Standardization of the quality systems in the subsidiaries in Italy, Australia, the Philippines, Mexico and Colombia
- ◆ Extension of the “control station” to new countries
- ◆ To attain a client satisfaction rate of over 4 points (out of 5) within the next three years (2015)
- ◆ Extension of the data protection model to new Indra subsidiaries
- ◆ Renew the certification for the Information Security Management System (SGSI)
- ◆ Biennial data privacy audits in the companies where required

2013 Achievements

- ◆ Revenues reached €2.914 billion, representing a 2% increase in local currency. ✓
- ◆ Order intake was 4% higher than revenues. ✓
- ◆ The recurring EBIT was €226 million and the recurring operating margin 7.8%. ✓
- ◆ All received certification. ✓
- ◆ In 2013 the “control station” was extended to and implemented in Mexico, Colombia, Argentina, Brazil, Chile, Slovakia, Spain, Panama, Peru, Czech Republic and Venezuela. ✓
- ◆ The global satisfaction indicator was 3.85. ✓
- ◆ The Pointec Group adopted the corporate data protection model. ✓
- ◆ The Information Security Management System (ISO 27001) and the IT Services Management System T1 (ISO 20000-1) were both renewed ✓
- ◆ Audits were carried out in Indra BMB, S.D. and Pointec. ✓

2013 KEY PROJECTS

PETROBRAS

ENERGY

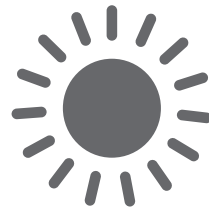
Two new contracts with Petrobras. Leadership in consulting and technology in the energy sector of Brazil.

Petrobras will manage its plants with Indra technology. First implementation of this system in South America. Implementation of inGEN for the Centralized Control Center and 18 thermo electric centers.



Indra also obtained its first contract with the company Liquigas, which belongs to the Petrobras group.

A team of professionals specialized in technology, products and leasing software will support the information technology department.



Standardize the programming and operation procedures in real time between the energy operations center and company headquarters.

Main benefits

- > Automation of communications with telecommunications operators.
- > Availability in the systems of analytic information in real time.
- > Centralized and local management of information. Normalization of processes and unification of information.
- > Use of common power generation management indicators and standardized reports.

Main benefits

- > Increased productivity
- > Increased agility and confidence in the use of professional resources in the IT area

"I am sure that the relation just begun with Liquigas will be sustained over time and will allow us to apply our experience and knowledge to increase the productivity of this Brazilian company, a major player in the gas market," said Hussein Keshavjee, executive director of Indra's utilities and energy market in Brazil"



2013 KEY PROJECTS

PASARANA

TRANSPORT & TRAFFIC

Indra consolidated its position as the technology partner of **Prasarana**, the public company responsible for modernizing the Malaysian transportation system.



Indra will be responsible for the design, implementation and rollout of the new integrated control center for the monorail and the Ampang and Kelana Jaya lines of the Kuala Lumpur light rail network.

It will integrate all the transport lines, in future contracts the remaining MRT lines, KTM Komuter rail line, as well as any future transportation systems introduced will be added.

Thanks to this technology from Indra, Prasarana will have greater real time control of its transportation systems, will increase their efficiency and will cut operational costs. Meanwhile, passengers will benefit from a better and safer transport service.

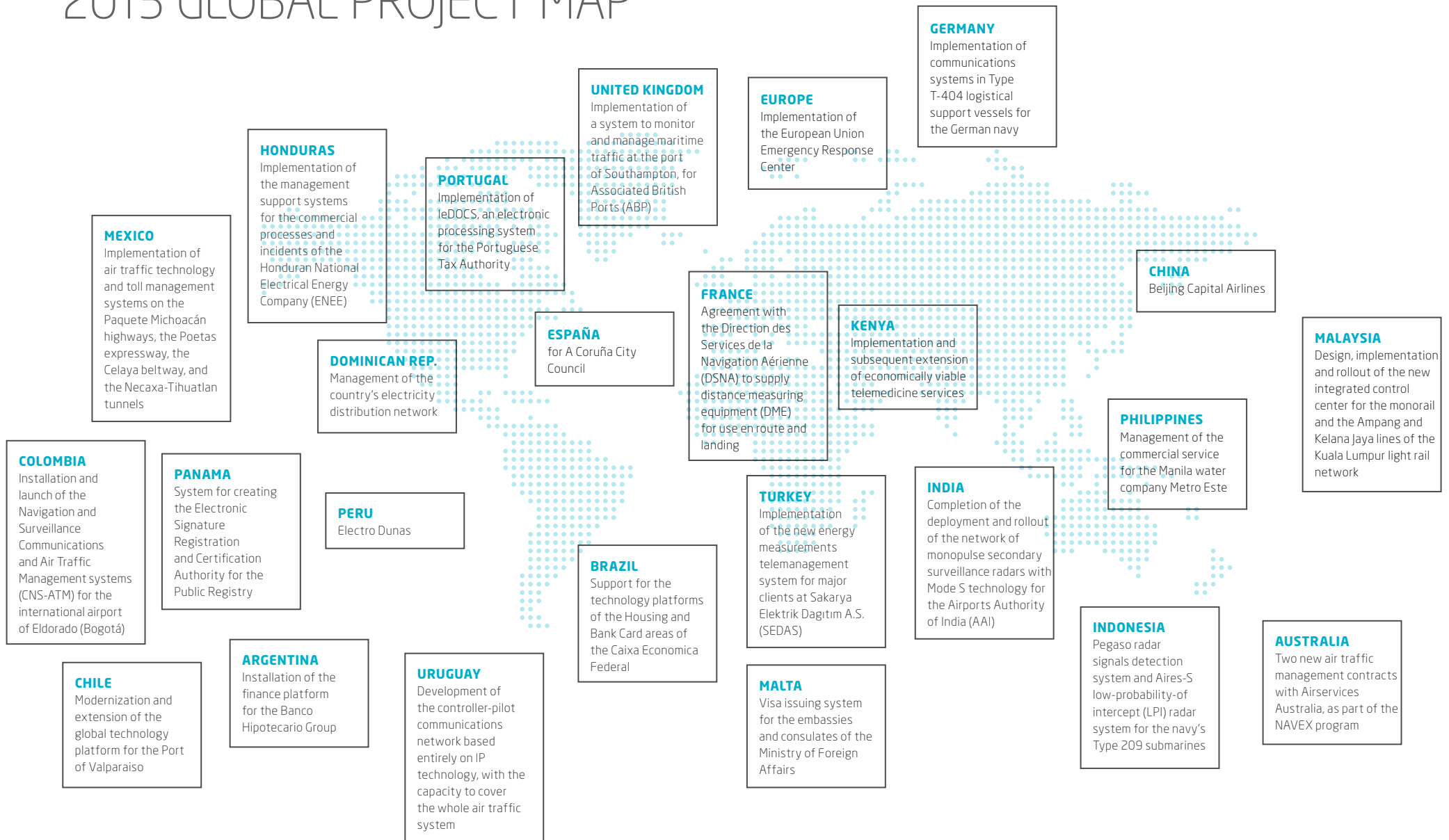
It will include a tool to aid in making strategic decisions and a statistical scorecard.

Advanced control center

The new control center will also have a room with 22 work stations and a vast video wall to view the operation of the different lines in real time.

22 control points

2013 GLOBAL PROJECT MAP



3.9.3 FORECASTS



Although in 2014, the main objective and priority for the company is generating a free cash flow above € 100M and set the basis for progressive improvement in subsequent fiscal years, setting this objective is based on the following perspectives and considerations for the commercial environment.

For 2014, Indra predicts revenues that reflect a positive organic growth in local currency and an order intake level on a similar par, within a context characterized by:

- ◆ **A slight economic recovery in the Spanish market**, where the decline in revenues is expected to be quite modest and significantly less than in the previous two years (-18% in 2012 and -11% in 2013).
- ◆ This predicted performance is principally based on the anticipated reversal of the current trend in the institutional markets, which are among the hardest hit by the crisis. A double-digit growth in revenues is predicted for the Security & Defense market, particularly affected in the last five years (-20% CAGR); mild growth in the Public Sector & Healthcare market; and a drastic reduction of the decline in revenues in the Transport & Traffic market, which was reduced by 35% in 2013.
- ◆ The macroeconomic performance will influence the company's pace of growth in Latin America, although a sharp deceleration is not expected. The global position reached in the region should compensate for the varying performances of the different economies and the anticipated solid performance in countries like Brazil, Mexico, Peru and Colombia is expected to create double-digit growth in local currency (although this growth is likely to be penalized once again by the depreciation of these countries' currencies).
- ◆ Double-digit growth in AMEA, where the company is making important commercial efforts and developing major solutions, especially in the Transport & Traffic, Security & Defense, and Public Sector & Healthcare markets.
- ◆ Slight recovery in the rest of Europe, where stable revenue performance is expected.
- ◆ Extension of the Global Quality System to between five and 20 countries, which will form part of Indra's global certification.
- ◆ TMMi accreditation for the specific area of Software Labs testing in five countries.
- ◆ Adaptation of the existing courses on key processes to disseminate the methodological framework, and definition of new libraries to incorporate new productive systems in the framework.
- ◆ Indra will continue to capitalize on the knowledge and experience acquired by its PMP certified professionals, using them to disseminate best practices and improve the project management culture within the company.
- ◆ Formal creation of new independent communication channels with clients to manage complaints and claims.
- ◆ Improvement of the client satisfaction assessment model. Unification of the various sources of information on client satisfaction, review of the survey to improve data quality. Improve and complete the satisfaction assessment information given to client managers

In order to achieve these goals, Indra will continue to **develop its client-based strategy through the following lines of action:**

- ◆ **Ensuring repeat business from clients.** Indra strives for excellence in developing and delivering its projects and services in order to guarantee client satisfaction and help build client loyalty.



Reinforcement of information security. The most significant initiatives planned for 2014 include:

- ◆ Extension of the security organization model to Portugal, Brazil, Mexico and Colombia.
- ◆ Implementation of a traffic supervision and file analysis solution to analyze the behavior of dubious files, phishing, lateral intruder movements on the net, etc. In short, to improve the detection of malicious files and targeted attacks.
- ◆ Implementation of new encryption software.
- ◆ Preparation of a new information security regulatory framework, based on the main security risks that affect Indra in its various environments and that allow all users to clearly identify the security measures they need to implement in the course of their duties.
- ◆ Preparation of a common privacy policy for all Indra companies around the globe, including basic guidelines that apply to every location.
- ◆ Extension of the platform connection model to new countries.
- ◆ Renewal of the Information Security Management System (ISMS) certification.
- ◆ Biennial data privacy audit.

Objectives 2014

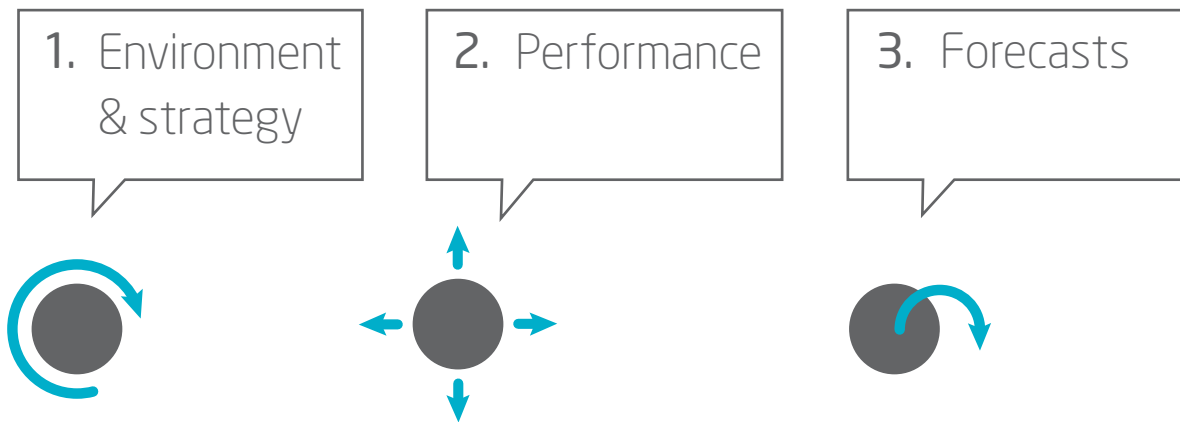
- ◆ Revenues that reflect organic growth in local currency
- ◆ Order intake on a par with revenues

3.10 OFFER



Indra's aim is to have the most advanced offer on the market at all times and to provide added value to its clients, especially in segments where strong growth potential has been identified. Accordingly,

In 2013 the company forged ahead with its policy of investing in development and adapting its solutions offer.



3.10.1 ENVIRONMENT AND STRATEGY



Main trends in the environment that may influence the short, medium and long term activity of Indra in relation to the offer

SHORT TERM TRENDS

Complex economic environment

In general, certain solutions and services are more exposed to the economic cycle (development and integration of technology) while others are less exposed to the cycle or are even anti-cyclical (outsourcing and BPO).

- » Adapting the offer to the specific requirements of each country is of utmost importance.
- » Competitiveness increases the need to differentiate the offer.

Concentration of demand around the concepts of "intelligence" and "efficiency"

- » Demand for smart solutions
- » Opportunity niches in advanced economies
- » Fast adoption of intelligent systems in emerging markets
- » Demand for cost cuts and more efficient processes
 - Industrialization of services
 - More widespread adoption of delivery models based on cloud computing

Demand for comprehensive suppliers

- » It is important to have an offer that covers the entire technology value chain, from consultancy to BPO
- » Continued concentration of suppliers
- » Increasing importance of integration capabilities
- » Concentration and globalization of partners

MEDIUM AND LONG TERM TRENDS

Shift of the global political and economic axis

- » The possible geopolitical tensions of the process may contribute to greater demand in certain markets, such as Security & Defense

Change in the population structure

Processes such as the aging of the population and urbanization may contribute to the growth in demand for solutions in fields like healthcare and smart cities.

Climate change and pressure on natural resources

Technological solutions in areas such as energy efficiency can play an important role in alleviating the pressure on natural resources.



Strategy

Indra's aim is to have the most advanced offer on the market at all times and to provide added value to its clients, especially in segments where strong growth potential has been identified. Accordingly, Indra's strategy is aimed at reinforcing its ability to develop and adapt its offer locally, in each region or geography, and to improve the development model for the offer.

◆ Improvement of local development capabilities:

Developing and adapting the offer for each region requires highly qualified local resources with a thorough understanding of the technology involved and of each client's business. Indra is optimizing its ability to develop and adapt its offer for key strategic regions, such as Latin America.

◆ Development of relations in the different regions with each innovation agent:

- » **Involvement in innovation programs.** Indra aims to enhance its innovation capabilities in key regions such as Europe and Latin America (particularly Brazil) through increased involvement in international R&D&i projects.
- » **Internationalization of partnerships.** Technology partners are essential for Indra because they

provide strategic knowledge-based alliances, help improve our offer and commercial capabilities, and help strengthen the company's position in specific regions. Indra seeks to identify, prioritize and reinforce relations with technology partners who can help optimize the company's globalization and innovation capabilities.

- » **Development of agreements with knowledge institutions in key regions.** Knowledge institutions not only reinforce Indra's ability to innovate but represent a source of talent for developing the company's local capabilities. Indra is extending its policy of maintaining relations with knowledge institutions to other regional markets, particularly Latin America.

◆ Development of solutions and services in segments with strong growth potential.

The company groups these under two broad concepts: "intelligence" and "efficiency".

- » **"Intelligence"** consists of a client's ability to make decisions at all levels. To this end, it is necessary to introduce "intelligence elements" at all the client's decision levels, from their infrastructures (connected devices that generate a massive quantity of information and that ought to be

capable of independently adapting to evolving environments), processes and operations, analysis of the information, and the consulting services offered to complement the technology itself.

- » **"Efficiency"** is the use of technology management and delivery models to optimize resources. In particular, this refers to the tendency to adopt industrial models for IT outsourcing and application management, the outsourcing of business processes, and virtualizable, flexible, and elastic IT platforms known collectively as cloud computing services.
- » This new offer should allow Indra to increase its share with existing clients and increase the number of key accounts.
- ◆ **Constant support for innovation and the new offer development model.** Indra dedicates a significant volume of its resources to R&D&i. As a result, the company maintained its position as the fifth largest player in the European "software & computer services" sector, one of the most R&D&i capital intensive industries according to the annual EU ranking. The company also strives to ensure that this effort is concentrated on segments that offer the strongest medium and long-term returns on investment.



Consequently, Indra has established a culture of continuous improvement in the innovation and development of its new offer in order to ensure that it is fully aligned with the company's strategy.

◆ **Continuous improvement of the innovation model.**

The origin of Indra R&D&i projects lies in the company's strategic planning procedure. It is crucial for Indra to provide a differentiated offer of value-added solutions and services, and the innovation model is therefore becoming more and more important.

- » Participation in platforms. Indra participates in various Spanish and European platforms in which it has decision making powers and interacts with various players involved in R&D&i programs.

◆ **Continuous promotion of relations with innovation and knowledge institutions.** Indra's strategy consists in establishing solid, permanent and mutually beneficial cooperative relations with these institutions. This cooperation is often established through framework agreements and research chairs.

◆ **Reinforcement of key partnerships.** In keeping with the IGAN concept (Indra Global Alliance Network), Indra distinguishes between its main technology partners in terms of innovation capabilities and globalization. Many of the policies and initiatives aimed at internationalizing partnership management and supporting innovation with partners have been carried out with IGAN partners.

◆ **Continuous improvement of the supply chain by enhancing supplier management efficiency**

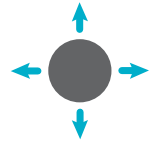
» Purchasing Portal. Designed to build closer relations with suppliers and facilitate communication in purchasing processes, the portal has increased transparency and speeded up transactions by flagging situations that could affect compliance with contractual agreements.

» Consolidation of logistical procedures. An initiative to create regional logistical centers and consolidate deliveries, thus helping to cut both costs and environmental impacts.

◆ **Extension of the excellence commitment to suppliers:**

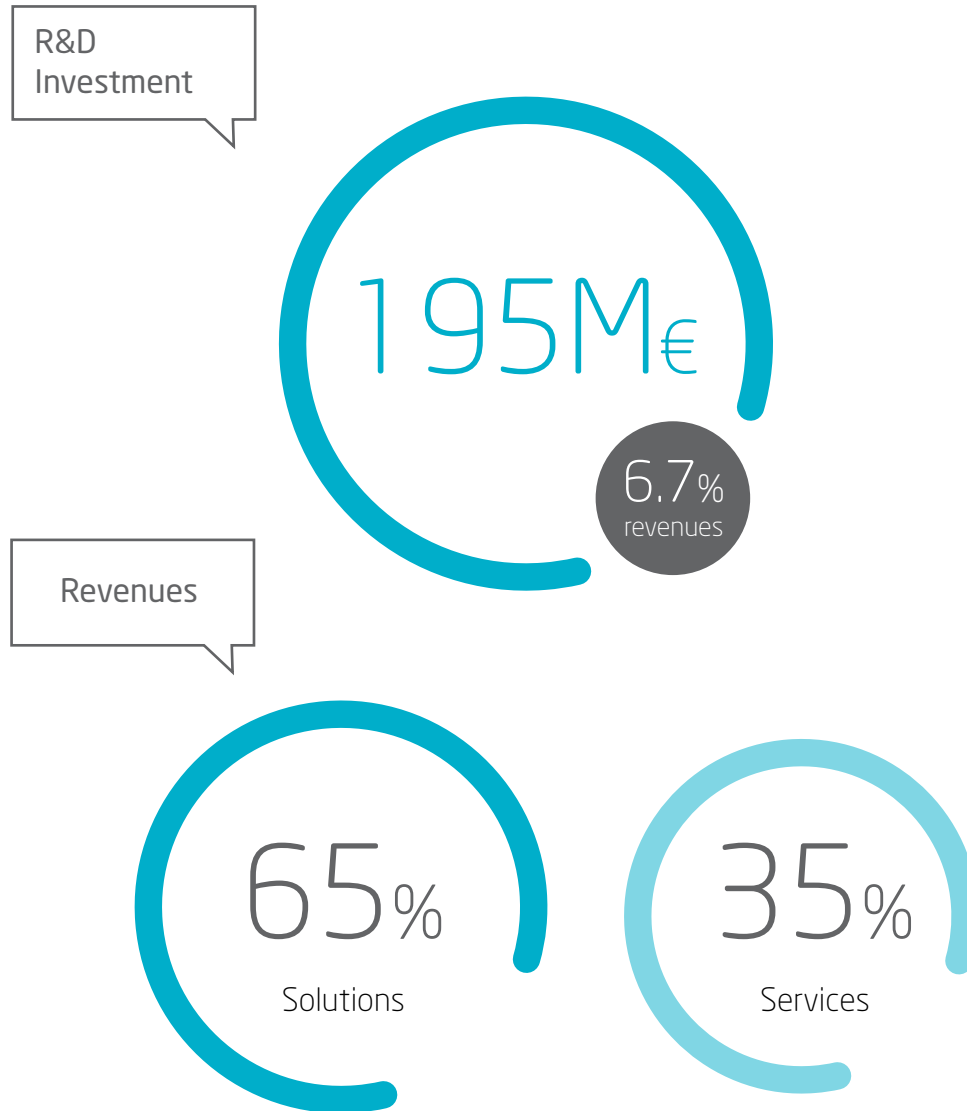
» Inclusion of social and environmental requisites in the pre-approval process. Pre-approval process based on the Achilles platform, which aims to reach the entire active supplier base.

3.10.2 PERFORMANCE

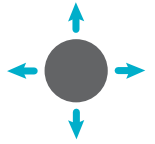


In 2013 the company forged ahead with its policy of investing in development and adapting its solutions offer. In total, its investments (net tangible and intangible) were €64 million, slightly lower than the €70 million anticipated.

Revenues from Solutions (65% of the total) increased by 3% in local currency (unchanged in reported terms). Revenues from Services (35% of the total) grew by 2% in local currency (-3% reported), but would have grown by 3% without the disinvestment of the advanced digital documentation management business in Spain and Mexico.



ANALYSIS OF KEY SEGMENTS



Solutions

ORDER INTAKE

The order intake was **5% higher than revenue**, mainly supported by the Security & Defense, Energy & Industry and Financial Services markets. Order intake in the 4th quarter of 2013 grew significantly (+40% vs 4T12), thanks to the positive performance of the markets in Europe and North America, AMEA and Spain.

However, revenues for 2013 fell by 2% in local currency (-4% reported) due to the contract in the first quarter of 2012 for the first phase of the high speed train in Saudi Arabia (€205 million). Had it not been for this, revenue would have risen by 9% in local currency.

If this effect is isolated, it would have increased by 9% in local currency local.

REVENUES

Revenues grew by **3% in local currency** (unchanged in reported terms), representing **65% of the company's total revenues** (64% in 2012) thanks to **strong performance** in the Security & Defense, Energy & Industry and Financial Services markets. Business in Spain was lower (-16%), but both Latin American and Europe and North America experienced double-digit growth.

ORDER BOOK

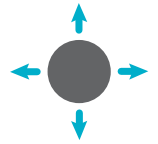
The order book rose to **€2.527 billion, up by 4%**. The book-to-bill ratio for the last 12 months was 1.34x, **4% higher** than the ratio recorded in 2012 (1.29x).

Services

Oder intake fell by 2%, but was higher than revenues.

The revenues reported would have remained unchanged in 2013 had it not been for the impact of the disinvestment of the advanced digital documentation management business in Spain and Mexico. Revenues were also adversely affected by the performance of exchange rates, due to the concentration of international business in Latin America. Without these two effects, revenues from services would have grown by 5%.

The order book (€966 million) was slightly lower with a book-to-bill ratio of close on 1x for the last 12 months.



The constant support for innovation, the development model and the adaptation of the offer play a crucial role in helping Indra achieve its goals and, in the company's opinion, will help maintain future growth.

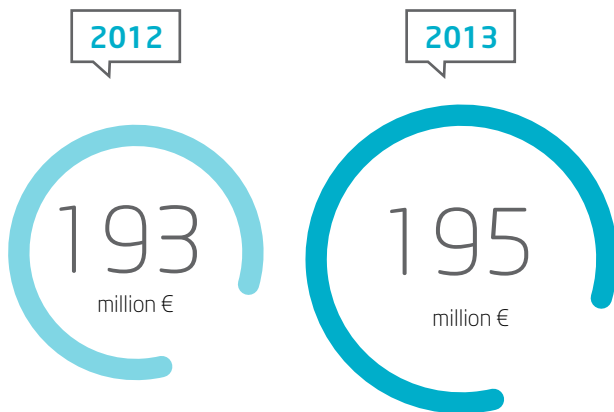
In 2013 this support for innovation and the development of new offer took the form of:

- ◆ Investment in R&D&i: €195 million (6.7% of revenues)
- ◆ Involvement in innovation programs, development of R&D&i projects, and participation in platforms:

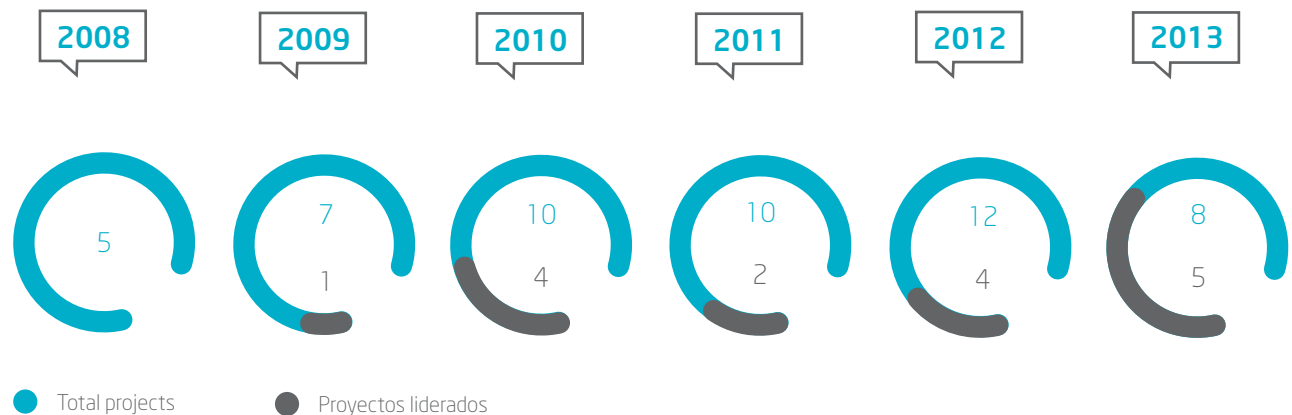
» In 2013 the company was involved in various international financing programs, both in Europe (such as the 7th Framework Program and Artemis) and Latin America. Indra believes that its growing involvement in international programs over the last five years (see graph below) is owing to greater experience and enhanced knowledge of these financial instruments as well as to the involvement of a larger number of the company's business units and Indra's stronger reputation within these programs (evidenced by the increasing number of projects that the company is leading).

» In line with Indra's innovation model, the projects carried out in 2013 pursued the following key goals:

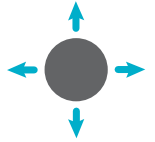
- To develop the strategic lines of the new offer
- To reinforce the value added to the external and internal agents involved in the process
- To share experiences and knowledge
- To foster the talent and initiative of its professionals



Investment in R&D&i



Indra's involvement in European Framework Programs

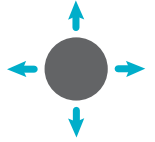


R&D Projects granted in 2013

DEWI (I)	Dependable Embedded Wireless Infrastructure
SeniorLudens (I)	Serious Games dev. platform for older workforce training and intergenerational knowledge transfer
NOTTS (I)	Next generation Over-The-Top multimedia Services
CONVERGENCIA ADS MLAT WAM (N)	Fusión de la línea de productos WAM, MLAT y ADS-B obteniendo un único tipo de producto flexible, fácilmente escalable y a la vanguardia del mercado
PSR 12+ (N)	Desarrollo Radar PSR12+
Clúster modo S (N)	Capacidad de coordinación y cooperación en red a un conjunto de radares Modo S
PISCIS (A)	Paradigmas de Innovación, Social y Colaborativo aplicados a Ingeniería del Software
GOAL (A)	Gamificación Orientada a Application Lifecycle Management
ITECBAN (A)	Evolución Tecnológica Core Bancario para Pequeñas y Medianas Entidades Financieras en modo SaaS
ONCOEXPERT (A)	Sistema Oncológico Experto. Biotecnología para el Diagnóstico y Tratamiento Oncológico
CTC Máster (A)	Plataforma Inteligente para el Control de Tráfico Ferroviario Centralizado

R&D Projects granted <2013

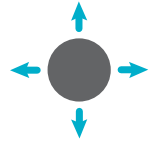
EVACUATE (I)	A holistic, scenario-independent, situation-awareness and guidance system for sustaining the active evacuation route for large crowds
PEAJE RTA (A)	Plataforma Real Time Accounting para sistemas de peaje en flujo libre
SPECTRA (N)	Spectrum and Energy Efficiency Through Multi-band Cognitive Radio
ARROWHEAD (I)	Eficiencia energética y flexibilización del uso de la energía mediante la automatización cooperativa en edificios, infraestructuras públicas, procesos industriales y el sector energético a través del uso de tecnologías embebidas.



In 2013 Indra reinforced **its presence and involvement in technology platforms, industrial associations and influential groups**, playing a prominent role in defining strategic agendas and international financing programs, including the following:

Platforms

CAF	DG Connect Advisory Forum, the principal advisory body to the EC's DG Connect, where following the renewal of candidates Indra is the sole Spanish representative
ARTEMIS	Member of the Steering Board of ARTEMIS-IA (European Industry Association on Embedded Systems). Indra played an active role in Smart Cities and in defining the steps for developing the platform in H2020, mainly associated with cyber-physical systems
euRobotics	Full member of this platform, which is being promoted by the PPP in robotics. Indra is also a member of the working groups on aerial robotics, maritime surveillance and autonomous navigation systems.
NESSI	Member of the Board and Steering Committee.
ICT Labs	Members of the steering committee of the Spanish Node of this KIC.
es.Internet	Vice chairman of the Spanish platform es.Internet. Involved in managing the strategic agenda of the Internet of the future.
FUTURED - Spanish Power Grid Platform	Member of the governing board and promoter of the platform. Objectives: <ul style="list-style-type: none"> • To integrate all energy sector operators in order to establish and promote nationwide strategies for consolidating a much more advanced grid that is capable of addressing the challenges of the future. • To define a shared vision and defend a common position in Europe.
Net!Works (ant.eMobility)	Involvement in the Net! Works European Technology Platform, which is promoting the PPP 5G



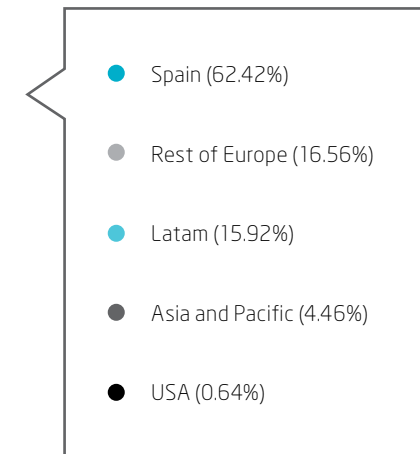
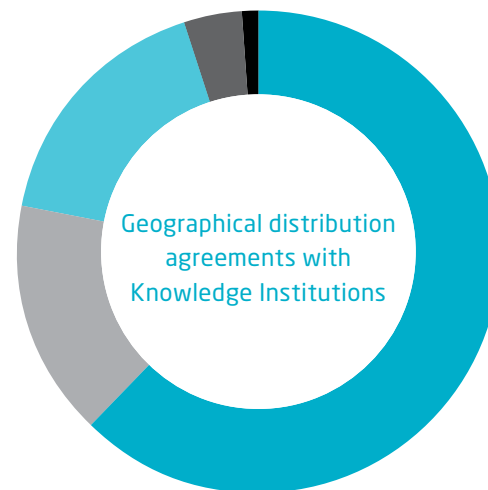
- ◆ **Reinforcement of key partnerships In 2013** Indra continued to implement the partnership management model introduced during the previous fiscal year. This development has given rise to an increased ecosystem of partners. In 2013, a total of 220 alliances were reached with technology partners, and existing agreements with the most strategic partners—especially those in the iGAN group (Indra Global Alliance Network)—were strengthened. Indra reinforced its relations with this group of iGAN partners by:
 - » Globalizing agreements and applying them locally, principally in Latin America.

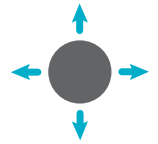
- » Increasing local dialogue capabilities with each of the iGAN partners in the different regions, appointing liaison officers and defining responsibilities.
- ◆ **Promotion of institutional relations with innovation and knowledge institutions:**
 - » In 2013 Indra stepped up its prospecting and analysis of knowledge institutions, targeting Latin America in particular. This led to the signature of six

framework agreements (three in Chile, two in Brazil and one in Colombia) and the creation of an accessible technologies research chair in Mexico. Last year, Indra concentrated its efforts on strategic offer areas (for both the company and the countries where there were developed), such as air traffic control, mining, and software productivity. Accordingly, in 2013 Indra maintained 182 agreements with knowledge institutions. En 2013, Indra ha financiado 20 Cátedras de Empresa, de las cuales:

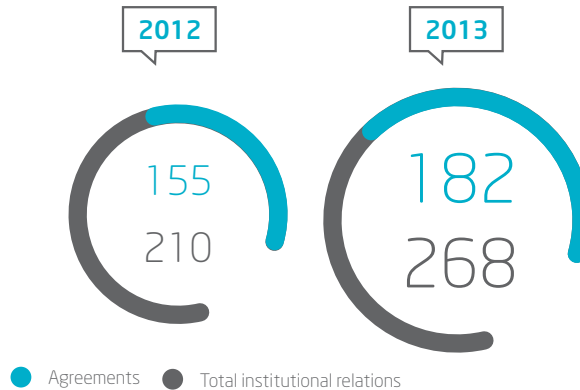


Number of technology partnerships





- five were created in 2013 (four in Spain and one in Mexico)
 - 12 are dedicated to accessible technologies: one in Argentina (National University of Córdoba Argentina), one in Mexico (National Polytechnic of Mexico), and 10 in Spain.
- » Indra has signed 16 new Framework Agreements, of which six are in priority countries for the Indra global strategy (three in Chile, two in Brazil and one in Colombia). The agreements have various objectives: collaboration with cybersecurity research groups, participation in master groups on Smart Cities, collaboration with centers specializing in graphics, collaboration agreements for researching healthcare matters, etc. One of the most important new framework agreements is the one signed with the Center for Brazilian Studies at the University of Salamanca, the aim of which is train and recruit international talent.



Number of institutional relations and agreements with Knowledge Institutions.

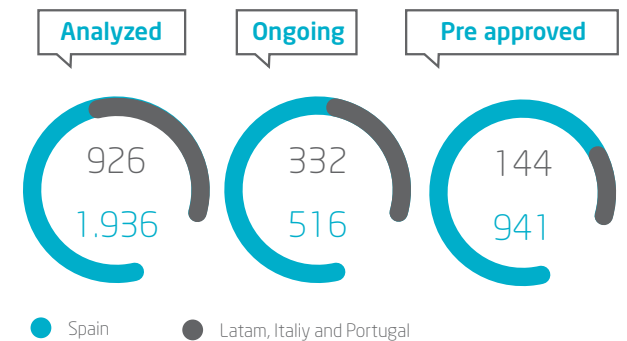
- » The agreements that Indra holds with the Polytechnic University of Madrid for teaching materials for postgraduate studies have continued achieving milestones during 2013:
- The agreement for jointly creating and teaching the UPM postgraduate course “Specialist in Adif Management” along with ETSI Industriales from the Polytechnic University of Madrid.
 - Agreement for jointly creating and teaching the UPM postgraduate course “Specialist in Management Strategy” with ETSI Industriales

of the Polytechnic University of Madrid (two sessions of the Senior Manager postgraduate course and two sessions of the Managers course).

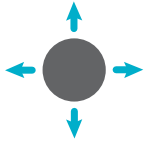
Continuous supply chain improvements:

- » In 2013 suppliers were informed of Indra’s strategy regarding pre-approval, establishing weekly progress reports on decision making and daily incident monitoring for registered suppliers. Accordingly, 150 supplier incidents were managed.

At the same time, the supplier pre-approval process was extended to Indra subsidiaries in Latin America, Portugal and Italy, with plans to increase the number of countries during subsequent phases.



Number of suppliers in the pre-approval process



This means that 66.4% of the economic purchasing volume is monitored through Achilles.

- » Start of the audit phase and supplier visits in 2013: As part of the supplier approval process, Indra has defined a new methodology and tools for determining the appropriateness of continuing with the approval process. The goal is to standardize all purchasing operations during the supplier audit phase.

The basic criteria for defining priority suppliers and starting the approval process are as follows:

- Analysis of shortages in the supply base that compromise our deliveries
 - Supplier approval requests from internal clients
 - Measures defined at purchasing committees for the pre-assessment of suppliers
- » In 2013 a committee was created to monitor risk situations detected in the supply basis. Thirty-two suppliers were monitored.

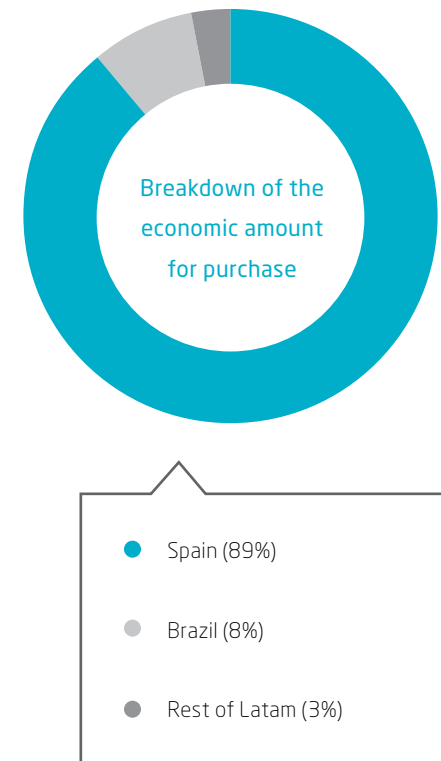
Additionally, analyses were conducted, action plans were deployed and results were monitored to protect Indra's business from potential severe incidents caused by suppliers.

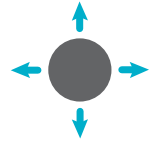
- Creation of a monitoring committee made up of the purchasing heads from each unit.
- Transition from a reactive model to a proactive model for handling company risks.
- Monthly monitoring and control of the status of supplier incidents to adjust the action plans accordingly.
- Quantification, description and prioritization of incidents related to suppliers.
- Creation of a risk matrix to assess the severity of the risk that the incident represents for Indra.

- » The "Purchasing Committee" process were consolidated in 2013 as important operations that allow the company to:
 - Share expert knowledge between all of the affected units
 - Guarantee transparency in decision making, both internally and for suppliers
 - Identify risk situations with suppliers in advance and manage them accordingly

Specifically, the Purchasing Committee Model covers all important shared operations between different units, with a special focus on Corporate Purchasing Committee Processes. In total, €828 million were managed in 2013.

» Breakdown of the economic amount for purchases managed through the Purchasing Committees





» In 2013 the first pilot was performed using Sourcing tools to support the business process with suppliers in the “last stretch”, aimed at improving negotiation efficiency, providing greater transparency and equitable treatment in processes, and reducing negotiation times.

» In 2013 Indra continued using tools implemented as supplier communication channels, forging ahead with the implementation of the Purchasing Portal, the incorporation of new suppliers in the platform, and the rollout of the Tender Portal, using it for negotiation processes and 444 new suppliers.

2013 goals

- ◆ To sustain a level of net tangible and intangible investments of approximately €70 million.
- ◆ Supplier audits integrated with the approval model.

2013 achievements

- ◆ Investments (net tangible and intangible) amounted to €64 million, slightly below the €70 million forecast. ✓
- ◆ In 2013 a total of 58 audits were carried out. ✓

2013 KEY PROJECTS

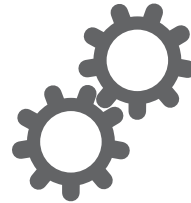
SMART CITIES

DEVELOPMENT & INNOVATION

SUSTAINABLE, SAFE AND ECONOMICAL
DEVELOPMENT OF SMART CITIES.

The Gijón Smart City Strategic Plan

- > Reduction in energy needs
 - > The digital integration of the citizen into administrative processes
 - > Coordination of the municipal activity.
- Included in the short-mid term actions
- > Creation of overall inventory of city assets.
 - > Optimization of the Citizenship Card
 - > Energy efficiency in municipal buildings
 - > Publication of information on "Open Data".



Having deployed in Gijón a version of an integration and orchestration technology for smart cities' information on the SOFIA2 cloud. The first integral government platform for a smart city, improving the quality of life its citizens and its economic and business environment for technological innovation

Platform features:

- > "Open source" solution.
- > Infrastructure solution with business capabilities, deployment on the cloud, Big Data (storage and handling information), scalability (both for adding new devices and capacity) and multi-platform

This solution will facilitate execution and integrations between systems that make up the A Coruña urban platform.

INDRA is developing Smart Energy in Barcelona for Arrowhead, the largest smart city R + D + i project.

Indra is responsible for the design, implementation and launch of an energy efficient system (Smart Building) and an intelligent public lighting service (Smart Lighting).

R + D + i

2013 KEY PROJECTS

SAHEL

HEALTHCARE



Implementation and subsequent extension of economically viable **telemedicine** services in **Africa**.

'SAHEL' connects remote areas of countries from sub-Saharan Africa with excellent hospitals and medical centers. The pilot has already been implemented in three primary healthcare centers in Senegal and Kenya, connecting them with centers of reference in both countries.

Indra has participated in the project by implementing its Telemed platform and its Health Network, which give the **following benefits**:

- > Telemedicine brings the best clinical care.
- > Remote diagnosis means offering real-time assistance for solving clinical problems.
- > Communication of specialists with benchmark centers for improved diagnosis and treatment.

Generation of Epidemiological reports on Notifiable Diseases; an especially important function for that facilitates monitoring and controlling endemic illnesses (malaria), tuberculosis and AIDS.

It incorporates an e-Learning service (distance learning) designed to provide a continuing education service for healthcare professionals (doctors, nurses, midwives...) in rural settings.

This project is a landmark in the healthcare services provided to date on the African continent and is an example of how collaboration between institutions, companies and organizations can help to smooth over differences and contribute to a real and effective improvement in the quality of life of the population and the local economy in developing countries.

3.10.3 FORECASTS



In 2014 the company expects to forge ahead with its policy of developing new solutions and will continue to allocate resources to completing and rolling out several latest-generation solutions, most notably in the Energy & Utilities (inCMS), Defense (Surveillance and UAVs), Rail Transport (Control Centers) and Airlines (Revenue Accounting) sectors. The CAPEX anticipated for this purpose is around €40 million (approximately 30% financed through soft loans and R&D subsidies from Spanish and European public administrations), which coupled with the investment in tangible assets will in any case produce a total CAPEX below that of 2013.

During the course of 2014, the drive for innovation and the development of new offer will result in:

- ◆ **Involvement in innovation programs:** Indra plans to maintain its involvement in international R&D&i projects in Europe and Latin America. In the European scope, we hope to achieve greater access to programs, and to the new H2020 Framework Program in particular, through the following actions:
 - » Increasing collaborative networks and optimizing networking with officers of the European Commission in order to reinforce Indra's leadership position in Europe: network collaboration with the main European agents for R&D&i affairs. To do this, we plan to create an innovation unit at our Brussels

office.

- » Reinforcing the globalization of R&D&i activity.
- » Increasing involvement in European programs in accordance with the strategic alignment of the company. In recent years, Indra has created a strong presence in Europe with regard to R&D&i. Prior to completion of the 7th European Framework Program (2013), in which Indra has become increasingly involved, whether by participating in or leading various projects in cooperation with other national and European organizations, the company has already gained a strong position in the next European framework program, named 2020 Horizon Framework Program (2014-2020). The expectations set for this framework program, which has now started, are the result of the convergence of different fundamental vectors for the company, and it is strengthening strategic alliances with major partners while promoting topics in line with its corporate strategies.
- ◆ **Transparency and promotion of a culture of innovation,** through communication and awareness actions. Specifically, we expect to continue and consolidate the following actions:
 - » Posting details of the various projects in progress or completed (respecting confidentiality) on the corporate website (link to <http://www.indracompany.com>).

[com/sostenibilidad-e-innovacion/proyectos-innovacion](http://www.indracompany.com/sostenibilidad-e-innovacion/proyectos-innovacion)).

- » Collaborating in different actions for sharing projects.
- » Supporting the provision of market information to the public (company/public in general).
- » Internal publication of relevant R&D&i information.
- ◆ **Consolidation of the key partnerships model:**
 - » Pursuing the globalization of agreements and their local implementation, consolidating Latin America and expanding toward other regions (North America and Pacific Asia).
 - » Optimizing innovation activities by harnessing synergies with iGAN partners.
 - » Adding new strategic partners to the iGAN selection.
- ◆ **Promotion of institutional relations with innovation and knowledge institutions.** In 2014 Indra plans to reach its target of 25 research chairs and maintain the same line of collaboration with the framework agreements.

2014 Objectives

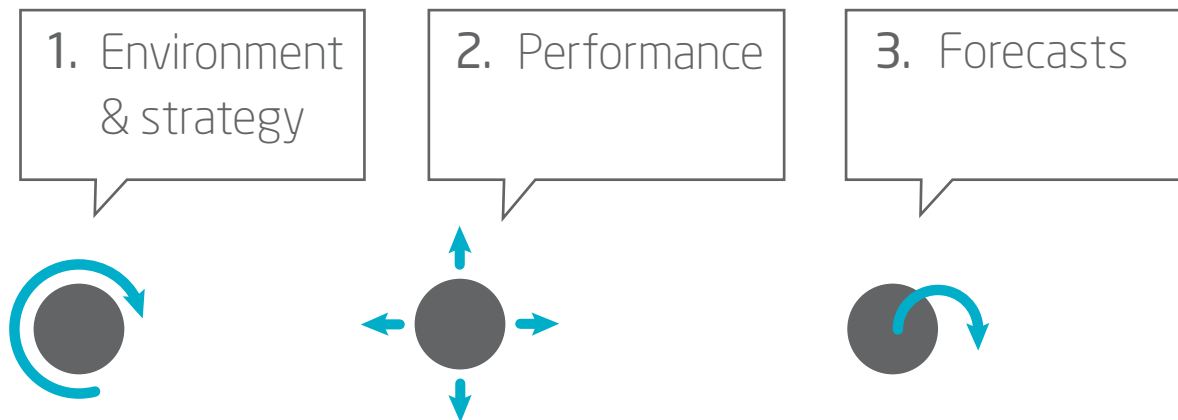
- ◆ To sustain a level of net tangible and intangible investments of approximately €40 million.

3.11 TALENT



Our challenge is to build a global company throughout the entire value chain. This challenge requires the global management of human resources to support the three strategic aspects (geography, intelligence and efficiency).

in such a way that they can contribute to the sustainable growth of the company. In 2013 Indra has significantly developed its capacities (in terms of volume of local professionals) in the company's priority growth areas:



3.11.1 ENVIRONMENT AND STRATEGY



Background trends that influence or could influence the short, medium and long term activity of Indra in relation to talent:

SHORT TERM TRENDS

Complex economic environment

- » A country's economic activity tends to be closely correlated to the level of employment and can also affect professional turnover and labor costs.
- » The competition between suppliers within the sector increases the pressure on qualified resources.

Demand for comprehensive suppliers

To the extent that services require a local presence, it is essential to develop policies for the recruitment, retention and development of talent adapted to each country.

MEDIUM AND LONG TERM TRENDS

Change in the population structure

- » An aging population can increase tensions in the employment market, especially in advanced economies.
- » Advantage in terms of demographics and costs in Latin American and Asian-Pacific countries. High capability for generating qualified professionals in certain countries in these regions. Economies experiencing strong growth with very dynamic labor markets that contribute to a high turnover.
- » Urban development.



STRATEGY

Our challenge is to build a global company throughout the entire value chain. This challenge requires the global management of human resources to support the three strategic aspects (geography, intelligence and efficiency) in such a way that they can contribute to the sustainable growth of the company. Our human resources strategy therefore allows us to:

Human resources:

1. Provide a global vision of talent
2. Boost the necessary generation of talent and management so that the company may progress in a sustainable manner
3. Act as an integrating/inclusive process for the company with a clear, shared governance and relational model
4. Act as a lever for change: manage the recognition of individuals
5. Provide value-added solutions for the management of individuals

We extend the people management model to every field in which we operate in order to support the company's global expansion process, paying special attention to the markets where Indra is focusing its activities: Latin America and Asia-Pacific. Our main levers for this development are:

- ◆ Global development of commercial operations (order intake and revenues), production (development, execution and delivery of projects, as well as service provision), and the offer (adapting the offer and generating new solutions and services). These key operations in Indra's strategy are based on individuals and require the global expansion of talent management capabilities. They require attracting the best professionals wherever they may be, retaining them, and persuading them to pursue their career at Indra. The development of global capabilities is achieved through the recruitment, retention and development of local professionals in every country where the company operates, and also by assigning professionals to projects in other countries—in other words, by promoting international mobility.

Talent Recruitment.

- ◆ We promote the development of the Indra brand as a Global Employer, and we strengthen relationships with universities in the geographic areas where we operate. Indra understands that it must present itself as an "attractive" brand to the labor market and, in particular, to its main source of professionals: the knowledge institutions. Therefore, most of the efforts in this area are aimed at establishing agreements and developing joint initiatives with knowledge institutions.

Talent Retention and Development.

- ◆ Extension and adaptation of the policies. Indra is extending and adapting locally in each country the main corporate policies and initiatives in the areas of retention and development, such as the Career Management Process, Training and Assignment Management.

Indra maintains a culture of continuous improvement in its management systems by improving the systems used for decision making (intelligence) and process optimization (efficiency). Specifically, Indra pursues the following actions:



◆ **Contribution to the creation of an internal culture of innovation and entrepreneurship** as Indra recognizes, as part of its vision, that innovation is the key to its competitiveness and sustainability. The company's professionals are the protagonists of innovation and therefore Indra intends to continuously improve the culture of innovation and entrepreneurship within the company.

- » Indra regards diversity as a lever for innovation. Indra has a long track record in managing the diversity of its professionals. Since 2004, the company has launched numerous initiatives aimed at: promoting equal opportunities for everyone, regardless of race, gender, language, religion, beliefs, origin, financial standing, birth or any other characteristic; respecting the uniqueness of each person and their culture; meeting the individual needs of the people who work for Indra; and promoting these values throughout the company.

◆ **Development of the company's professionals.** Indra is aware that the effective development of professionals requires addressing the diversity of profiles, motivations, capabilities and interests. This awareness has led us to develop a range of career options that address the requirements of the company's different lines of business as well as each

professional's preferences, capabilities and needs: from individuals in search of a fast-moving career with an international focus, to people who prefer to focus on specific technologies and become experts in them.

- » Continuous development of professional skills through **training**, to meet the needs of our clients, technological development and the interests of our professionals, constantly updating training content to incorporate new technological and functional knowledge and sector knowledge from the business areas in which we operate, as well as the management and interpersonal relations skills that support them.
- » To complete its development model, Indra has an internal platform, "**Sharing Knowledge**", which is aimed at complementing and reinforcing the learning process of professionals through groups and communities, in a more open and collaborative context.

◆ **Professionals and their representatives.** Indra provides the legal employee representatives with information about the company's status and performance, as well as relevant aspects and initiatives. Indra holds meetings in which it informs and encourages the participation of legal representatives

in the company processes that affect or are related to its professionals. The legal employee representatives, through the most important labor unions, participate in the collective bargaining of the collective agreements that apply to Indra.

- ◆ **Improving the efficiency and productivity of professionals.** Indra's objective is to maximize the productivity of its professionals. To achieve this, it pursues the following lines of action:
 - » Continuous improvement of work methodologies and processes
 - » Internal communications. Internal communication is crucial for developing a solid culture and a cohesive company, establishing common objectives for all professionals, implementing the strategy and processes, motivating personnel, etc. Indra continuously reviews and improves the company's internal communication channels.
 - » Employee satisfaction. Indra is aware that having motivated and satisfied professionals helps improve the company's productivity. Accordingly, the company has a series of instruments to monitor how its professionals perceive the company. These instruments use information from internal



studies conducted by the company as well as from external sources, and they are based on several methodologies (focus groups, surveys, interviews, discussion groups and benchmarking).

» **Occupational Health, Safety and Wellbeing.**

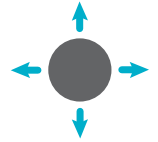
Every year Indra carries out preventive activities, pursuing the effective integration of these measures by involving professionals and company representatives as vital elements for creating a culture that is conscious of occupational health and safety issues. The aim of this process is to review working conditions in order to avoid/minimize occupational risks and guarantee a safe environment. It includes prevention awareness actions to help create an efficient and effective culture of health and safety at work by increasing employee awareness about the importance of protecting their own health, avoiding risks, and maintaining healthy habits. Indra considers and recognizes the importance of the active and collaborative involvement of company representatives through Risk Prevention Delegates since this helps focus the desired level of attention on matters related to occupational health and safety.

» **Reconciliation and promotion of new work models.**

Reconciliation at Indra promotes the balance between work and personal life, promoting measures that address business as well as personal needs. Indra is aware that work is not a rigid activity, but rather an activity which increasingly permits the adaptation of space, time and relationships, as well as optimizing results and helping to generate, for both professionals and the company:

- Greater commitment, satisfaction and motivation
- A comfortable, respectful and flexible work environment.

3.11.2 PERFORMANCE

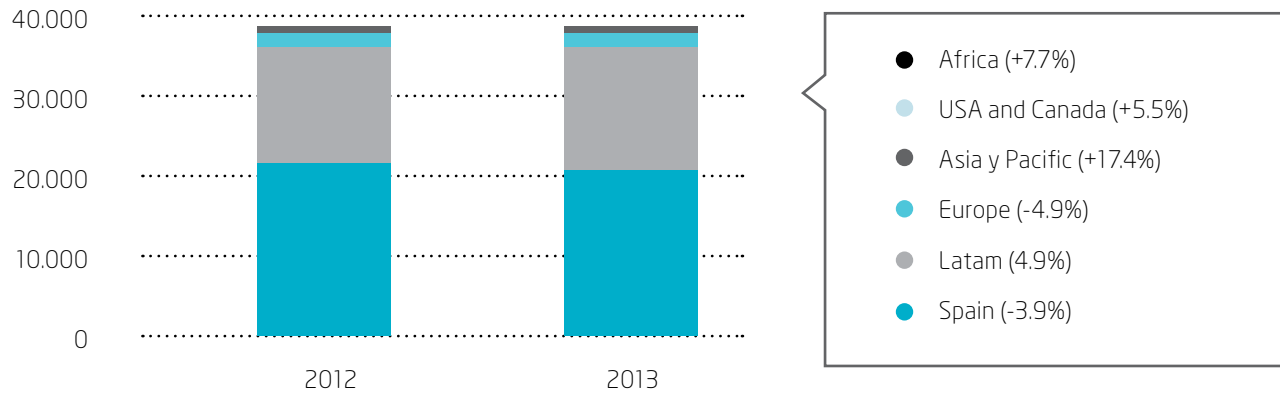


Reorientation of skills toward markets with a higher growth potential.

+5.7%

Workforce growth in emerging markets

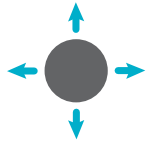
Global development of commercial operations (order intake and revenues), production (development, execution and delivery of projects, as well as service provision), and the offer (adapting the offer and generating new solutions and services):



In 2013 Indra has significantly developed its capacities (in terms of volume of local professionals) in the company's priority growth areas:

- » In Latin America, the staff has grown by 4.9%, with particularly significant increase in Mexico (+14.9%), Colombia (+12.8%) and Brazil (+5.7%). Indra now has more than 14,800 professionals in the region (38.6% of the total workforce).
- » In the Asia-Pacific region, the staff grew by 17.4%. The growth recorded in the Philippines was particularly significant (+18.9%), as the workforce has tripled since the end of 2011.

Indra has also launched a program (called "Global Assignments") to encourage the international mobility of its professionals, and of the management team in particular, aimed at transferring skills developed in the Spanish market to markets with a high growth potential. The program will also guarantee that the available resources are fully used. Latin America and Asia-Pacific are the main growth opportunities for Indra, and the company intends to take advantage of these opportunities by leveraging its talent as a critical resource.



TALENT RECRUITMENT :

- ◆ **Indra Future Minds Competition.** The third edition of the competition aimed at university students from different countries around the world took place in 2013. The competition aim to raise the company's brand recognition and reputation in universities of the countries where Indra is growing significantly, such as Brazil, Mexico, etc. The following countries participated in the 2013 edition: Spain, Portugal, Italy, Turkey, Czech Republic, Philippines, Brazil, Mexico, Chile, Colombia and Peru. This was the first year that the final took place in a country other than Spain, namely Brazil.
- ◆ **Generation of large communities of candidates** in social networks with profiles sought by the company. In these communities we proactively monitor professionals, analyze their interests and define activities that that allow us to maintain long-term relationships in which we generate the candidates' interest in our company.
- ◆ In 2013 Indra maintained **agreements with 182 Knowledge Institutions.**

TALENT RETENTION AND DEVELOPMENT

Contributing to the creation of a culture of internal innovation and entrepreneurship :

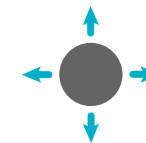
- » Promotion of diversity and equality:
 - Indra maintains the certificate of Distinction for Equality. In 2013 the company received from the Board on Equal Opportunities of the Ministry of Healthcare, Social Services and Equality in Spain the first annual report of actions and effects of the equality policies after implementing the certificate in 2011. The report highlights the following advances made by Indra:
 - Increased presence of women, both on the workforce and in positions of responsibility
 - A significant number of people over 45 years
 - One hundred people with disabilities (one third of whom are women)
 - Indra has an Equality Committee in which the Legal Employees' Representative participates.
 - All of the actions listed in the Women and Leadership Program at Indra have continued. These actions are based on professional development through training, mentoring and meetings with senior management, and their aim is to mobilize, create awareness and generate

a commitment to the advancement and leadership of women in their careers with Indra.

- Indra extended its agreements with other organizations for the effective integration of professionals with disabilities in Spain. The company participates in the Unidos program of the Adecco Foundation and the Polytechnic University of Madrid, which provides mentoring for students with disabilities

Development of the company's professionals

- » Indra has continued to strive to ensure that there are professionals in management and executive positions at the company with the necessary skills to support the development of the company. Specifically, in 2013 the company implemented a process designed to analyze the risks associated with management generation and promote the necessary measures to minimize these risks.
- » Continued development of professionals' capabilities through training and challenging assignments:
 - 75% of employees (65% in 2012) had access to the training platform to complete more than 92,899 training actions (56,000 actions in 2012).
 - The development plan for the management team



at a global level continued. The postgraduate program “Specialist in Strategic Management” (link to <http://www.indracompany.com/noticia/el-rector-de-la-upm-y-el-consejero-delegado-de-indra-clausuran-el-primer-postgrado-conjunto->), conducted in collaboration with the Polytechnic University of Madrid (Spain), is one notable action in this field.

- Indra updated its development programs for the management team with a special emphasis on improving the skills required for the global management of the company.
- In line with the company’s business strategy and the fact that clients increasingly value expert technological knowledge, but also a knowledge of their own business, new training itineraries, or “functional itineraries” were developed with the specific aim of reinforcing corporate knowledge about the different sectors in which Indra operates.
- As indicated elsewhere in this report, the company reinforced international mobility through the “Global Assignments” program.

Promotion of knowledge sharing and management

- » The “Knowledge Sharing” collaborative platform received more than three million visits.
- » Within “Knowledge Sharing”, new business communities

were launched, allowing us to reinforce our offer and the knowledge related to it.

Professionals and their representatives

- » In 2013 several agreements with the leading labor union in the industrial sector were reached, all within the framework of the Collective Agreement. One of the agreements regards the use of specific criteria to classify professionals in line with the new professional classification system.
- » Professionals and their representatives: the union and joint representation of employees in Spain is structured around labor unions employee committees. In Spain, Indra’s employee body comprises over 450 people from different labor unions: CCOO, UGT, CGT, USO, STC, Co.Bas, ELA and ATC.

Internal communications

- » Indra introduced a new corporate Intranet with new functionalities for facilitating more collaborative and efficient work. For more details, please see the case mentioned in the last chapter.

Employee satisfaction

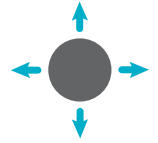
- » Indra continues promoting measures that favor the

recognition of its professionals, like the Excellent program in the Philippines.

- » The company promotes actions that encourage the comprehensive development of professionals as well as the sense of belonging and corporate culture. Indra has launched recreation and sporting groups in Spain, in which professionals with the same interests participate in activities like races, internal leagues, training, etc.
- » It has also incorporated new services that offer professionals additional advantages for working at Indra: new flexible remuneration products in different countries (for example, Spain), service programs that favor the professional and personal wellbeing of the individuals who work at Indra.

Promotion of new work models

- » In 2013 Indra forged ahead with the collaborative model for the company, adapting management processes and increasing the involvement of different supervisors in staff development. Dual dependency, hierarchical and functional, is encouraged to ensure that both to participate in decision making regarding staff development.



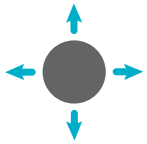
- » Additionally, the monitoring and reporting model, the procedure for establishing objectives, and the assessment system were all adapted to create a global view of the company's capacities.

Occupational safety, health and wellbeing

- » In 2013 the Favorable Certification of the Management System for Labor Risk Prevention was renewed for the following companies, which means that they have implemented a health and safety management system that is periodically audited by the certification body:
 - Advance Logistics Group, S.A.
 - Indra Emac, S.A.
 - Indra Sistemas, S.A.

- Indra Sistemas de Comunicaciones Seguras, S.L.
- Indra Sistemas Seguridad, S.A.
- Teknatrans Consultores, S.L.
- » Training in risk prevention for professionals depending on their preventive management responsibilities and the risks involved in their work: 19,532.50 hours.
- » The company optimized internal awareness and information by creating a specific section on the corporate Intranet regarding "Occupational Safety, Health and Wellbeing" available to all of its employees. The information includes details about the preventive management system and "awareness-raising campaigns" designed not only to impart information but to motivate professionals and reinforce the personal skills required for adopting measures to improve health and general wellbeing:

- » Preventive Security:
 - Ten Commandments of Good Practices
 - How To Prevent Avoidable Risks
 - Postural Ergonomics
 - Stress
 - Road Safety
- » Health Prevention:
 - Addictions
 - Healthy Lifestyle Habits
 - Senior Health
- » Professionals represented in matters of occupational health and safety: 86%.



2013 Objectives

2013 achievements

- ◆ Launch of a new corporate Intranet
- ◆ Expansion of the preventive organization’s scope: integration of new companies with Indra’s Joint Preventive Service:
 - » Central de Apoyo y Medios Auxiliares S.A.U
 - » Telemarketing, Catalogo y Promociones S.A.U
 - » Caymasa El Sendero S.A.

- ◆ Launch of the teleworking program in Argentina and Chile

- ◆ Indra launched a new corporate Intranet that will include new functions aimed at promoting communication within the company. ✓
 - ◆ Integration of Indra’s companies in Spain, within the scope of the preventive organization, with the Joint Preventive Service in order to maintain a single management and standards system for health and safety. ✓
- In 2013 the following companies were integrated: Central de Apoyo y Medios Auxiliares, S.A.U (Caymasa), Caymasa El Sendero, S.A., Prointec, S.A. and Prointec Extremadura, S.L.
- ◆ The program was abandoned in Argentina due to problems with the regulatory framework, and in Chile the rollout was postponed until 2014. ✗

2013 KEY PROJECTS

INTRANET

TELECOM
& MEDIA

THE NEW MORE **GLOBAL AND
MORE EFFICIENT** CORPORATE
INTRANET.



In July of 2013, Indra launched its new corporate intranet with the main objective of **increasing the productivity** of its professionals. The new Intranet has, among other advancements, a “Professional network” which improves communication regarding projects and opportunities among professionals from different parts of the world.

As a global business, Indra has decided to incorporate the Intranet in different languages adapting it to the needs of professionals from every country in which it operations, to facilitate collaboration and information sharing.

With a more attractive design and an architecture based on user experience, the new intranet is designed to be a work and communication tool for professionals to increase the efficiency and productivity of the company.

UX

3.11.3 FORECASTS



The anticipated development of the staff management model will continue to support Indra's expansion process by maintaining our principles of talent management aimed at each and every one of our professionals.

Talent recruitment

- » Fourth edition of the Indra Future Minds Competition, with the final in Mexico.
- » Reinforce our positioning strategy as a global employer brand in social networks, with the launch of new corporate profiles aimed at candidates.
- » Promote recruitment, retention and development programs for young professionals through graduate internships.
- » Implementation of the Junior Consultant Plan: Appointment of promising new graduates with a view to including them in our High Potential pool.

Talent retention and development

- » Review of the training model for optimizing continuing training throughout professionals' careers. Restructuring by technology departments, which will permit better technological reorientation and promote the use of all of training resources.
- » Ensure the development of high potential groups to ensure their retention and development.
- » Strengthen internal mobility between management units and on an international scale.
- » Optimize gender diversity in all areas of the organization, with a special emphasis on positions of responsibility.
- » Update the welcome process, implement it globally and adapt it to local and business customs.

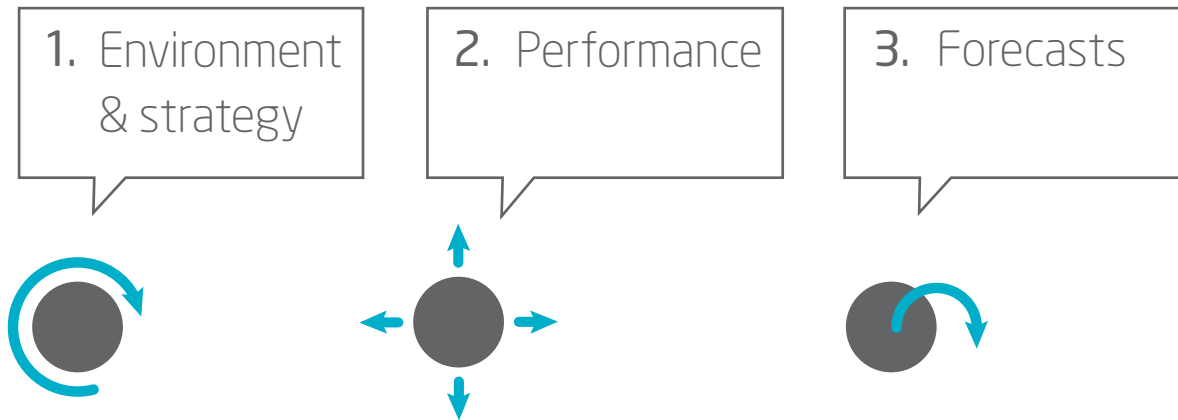
- » Development of new projects to strengthen identification with the company and cultural cohesion, fundamentally through the extension of the corporate volunteering program and pro bono projects

Occupational safety, health and wellbeing

- » Renewal of the certification for the Occupational Risk Prevention Management System through the requisite external audit in Spain for the companies Central de Apoyo y Medios Auxiliares, S.A.U (initial), Indra bmb, S.L.U (renewal), Indra Bmb Servicios Digitales, S.A. (renewal) and Indra Sistemas Tesorería, S.L. (initial).
- » Campaigns to promote and raise awareness about healthy lifestyle choices, creating dynamic means of dissemination to meet the highest standards as a healthy company.

3.12 CONTRIBUTION TO THE COMMUNITY

Indra's relationship with its environment is based on transparency and the contribution to social, economic and environmental development by promoting knowledge and innovation.



3.12.1 ENVIRONMENT AND STRATEGY



Main trends in the environment that could impact on the short, medium and long term activity of Indra with relation to its contribution to the community:

SHORT TERM TRENDS

Complex economic environment

- » Companies as a whole, but especially those with a major technology and innovation component, play an essential role in a country's productive fabric and in
- » improving productivity and growth.

Demand for comprehensive suppliers

Suppliers must distinguish and manage their impact on the environment in the various communities where they operate, through their different operations and their value chain (suppliers).

MEDIUM AND LONG TERM TRENDS

Shift of the global political and economic axis

- » Geopolitical tensions.
- » Development of emerging countries.

Change in the population structure

- » Global population growth.
- » Aging of the population. Urban development.

Climate change and pressure on natural resources

- » The growth of the population may contribute to increased pressure on natural resources.
- » Proliferation of environmental legislation.



STRATEGY

Indra's relationship with its environment is based on transparency and the contribution to social, economic and environmental development by promoting knowledge and innovation.

Indra's strategy to contribute to the sustainability of its environment is governed by the same core values defined for the entire organization, and it is aimed at expanding its main policies to all the geographic markets where it operates (geography), improving decision making by including stakeholders (intelligence), and rationalizing the company's impact (efficiency).

Specifically, Indra's strategy to contribute to the sustainability of its environment translates into:

- ◆ **Extension of policies.** The effective contribution to society's economic, social and environmental development requires adapting policies to each country in order to address their specific reality.
 - » Implementing the Environmental Management System and the "implementation module of legal environmental requirements". Extending the environmental management system to new centers enables Indra to expand its environmental indicators in order to measure its environmental impact more precisely, to design better initiatives

and policies, to reduce the consumption and generation of waste more easily, and to establish more appropriate objectives.

- ◆ **Contributing to the socio-economic and environmental development of the communities in which the company operates. This is done by:**
 - » Developing the "Solutions for Sustainability" offer. In general, many of Indra's solutions and services contribute to generating a positive impact on the sustainability of its customers or society as a whole, as described in the "Impacts of Our Business" chapter. In addition, in 2008 Indra launched a new offer called "Solutions for Sustainability" which grouped and improved the solutions and services of the company's offer portfolio that could be used as potential responses to the different challenges in the area of sustainability that arise in companies and in society in general. Indra's aim is to continue promoting these solutions and services in the market.
 - » Contributing to developing an entrepreneurial and innovative culture in the communities where the company operates. Indra is aware that innovation is essential for society since it contributes to the growth of sustainable productivity and competitiveness, and that it also has the potential

for the economic and social development of the communities to be inclusive (allowing all the stakeholders to benefit from it). As a technology company that is strongly based on innovation, Indra believes that it is responsible for contributing to the development of an entrepreneurial and innovative culture in the communities where it operates.

- » Promoting pro bono and volunteering initiatives. Indra is aware that its professionals are socially conscious and also that it has the opportunity to encourage commitment among its staff and contribute to the sustainability of the community. As a result, the company promotes donations in kind and initiatives among its professionals. The company aims to align its corporate volunteering program with the social action policy of helping society through technology.
- » Collaborating with nonprofit foundations, associations and entities. Indra is aware that it must have an institutional presence in the main sector associations of the countries where it operates in order to defend the interests of the company and the sector. Furthermore, Indra is aware that the best way for it to support the third sector is through innovation and technology, and applying these to minimize the digital divide.



Accordingly, it supports nonprofit entities through technology projects. This priority objective is complemented by others such as projects to support innovation and the implementation of the Information Society, projects to support corporate responsibility, and cultural support projects.

- » Contributing to minimizing the digital divide. This divide is especially relevant for people with disabilities, where technology can have a relevant impact on the improvement of life conditions. Therefore, most of the projects that are carried out are aimed at helping this group.
- » Creating highly skilled employment. Indra is aware of the importance of creating and maintaining employment in order to generate wealth and achieve the social sustainability of the communities in which it operates. The company believes that its global development strategy of commercial operations, production and the offer (see the Talent chapter) encourages the creation of local employment in the communities where it is present.
- » Financial contribution to society. In addition to the social action policy, Indra contributes to the financial sustainability of the communities where it operates by paying taxes. In this regard, the company has a clear policy regarding its presence in countries

regarded as tax havens, which can be consulted in the Our Commitments chapter.

- ◆ **Ensuring sustainability throughout the entire supply chain.** Indra carries out initiatives for extending sustainability to the supply chain:
 - » Supplier code of ethics
 - » Supplier pre-approval process based on the Achilles platform
 - » Environmental requirements. Indra assesses its subcontractors with the highest environmental impact to monitor matters such as waste, emissions and spills.
 - » Improving logistics processes. Creation of regional logistics centers and consolidating shipments.
- ◆ **Minimizing environmental impact.** Indra has established the attempt to reduce the consumption of energy and natural resources and the amount of waste generated as a priority. At the same time, it is implementing information systems which shed more light on its environmental impact and lead to greater transparency.
 - » Rational use of resources. The Indra environmental

management system, based on standards UNE-EN ISO 14001, requires the company to establish annual objectives aimed at, among other goals, reducing the consumption of resources. Indra's main environmental impacts are the indirect CO2 emissions derived from computers' energy consumption and the indirect CO2 emissions tied to the travel of professionals. For that reason, the main initiatives are aimed at:

- Green IT. Indra applies different initiatives for minimizing and rationalizing computers' energy consumption: storage consolidation and server virtualization, desktop virtualization (VDI), construction and updating of the server rooms, measurement of IT energy and management of the power supply for PCs, centralized printing systems, and the promotion of new means of communication to reduce digital pollution.
- Smart mobility. Indra introduces policies and recommendations to manage trips with a view to increasing efficiency, encouraging responsible mobility and promoting new means of communication to avoid travel.
- Energy efficiency in buildings. Indra is carrying out actions designed to improve energy efficiency in the main work centers in Spain. The plan contemplates different initiatives for implementation each year. Depending on



the specific needs of each building, these activities may include the replacement of conventional lamps for low consumption lamps, the installation of presence detectors, the installation of LED lamps, the replacement of heaters by more efficient condensing boilers, the improvement of building insulation and air conditioning installations, and the installation of solar panels.

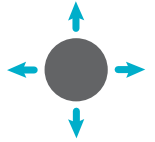
- » Reduction of waste generation and waste management. The Indra environmental management system also requires the establishment of annual objectives for the reduction of the waste generation.
- » Reduction of CO2 emissions. As part of its commitment to fight climate change (see the chapter "Our Commitments"), Indra establishes objectives for reducing its CO2 emissions, related to the corporate carbon footprint.
- » Training and environmental awareness. Indra carries out training activities related to certification processes and to ensure that professionals are aware of the requirements of the environmental management system and the company's environmental surveillance plans (derived from the specific requirements of clients). These training

actions are complemented by more general awareness campaigns targeting all professionals.

◆ **Maintaining a culture of transparency with stakeholders in order to build trust:**

- » Promoting a presence in social networks. Indra maintains an active presence in social networks as a two-way communication channel with all of its stakeholders.
- » Continuous improvement of the Annual Report. Indra treats this report as an exercise in transparency and introduces improvements each year with the aim of improving the accessibility and clarity of the information.
- » Continuous improvement of the corporate website. Indra is aware that its website is the main contact point for many of its stakeholders, which is why the company focuses on continuously improving its content.

3.12.2 PERFORMANCE



Contribution to society's economic, social and environmental development in the communities in which the company operates through the offer of "sustainability solutions"

Indra continues developing its offer of sustainability solutions, through feedback from a virtuous circle, by launching the best practices that the company has developed for its own model on the market: technologies for calculating carbon footprint, improving energy efficiency, ensuring compliance with regulations and information transparency. These initiatives not only encourage sustainable performance but generate innovation. Indra supplies sustainability solutions to major corporations like Coca-Cola Femsa, 3M and BBVA

Contributing to an entrepreneurial and innovative culture in the communities where the company operates to support their development

In 2013 Indra collaborated in approximately 100 projects with universities and participated in six institutional programs for supporting entrepreneurs. These six programs include a few from previous years that were still running in 2013 (the Yuzz program, the Entrepreneurs Campus of San Fernando and Entrepreneurship Is Possible), and new programs started during the year, such as:

-8.3%

CO2 per professional

1.459.000€

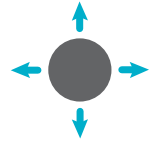
Investment in social action

- ◆ AMETIC. Indra actively participates in the entrepreneurial and new start-up scope of action of AMETIC, occupying the vice-presidency
 - ◆ ICT Labs. The company participates in the entrepreneurship work group of the Spanish division of ICT Labs.
- We would like to make special mention of the **Entrepreneurship Is Possible program** which already has over 500 entrepreneurs registered on the platform. In 2013 we continued to work closely with Fundación Príncipe de Girona in the "Entrepreneurship Is Possible" initiative by:
- ◆ Holding 10 workshops directed at entrepreneurs in collaboration with different Spanish institutions.

- ◆ Advising entrepreneurs. The provision of this support led to the creation of four companies in 2013.

Promoting pro bono and volunteering initiatives

A major initiative in 2013 was the launch of the pro bono program in Spain, which offers services for free or at a special price for foundations, nonprofit organizations and associations. Through this initiative, the company has not only attempted to strengthen its relationships with third-sector organizations, but also to maximize the impact of the social action on the company itself, given that the pro bono programs offer advantages in terms of professional training and development and the pride of belonging. For more details, see the case mentioned in the last chapter.



Additionally, in 2013 Indra carried out various corporate volunteering initiatives in Spain, such as offering computing classes to people with disabilities and disadvantaged groups, mentoring sessions to promote the employability of young people from disadvantaged environments or those at risk of social exclusion, and

revegetation and restoration workshops for people with intellectual disabilities. In total, 107 professionals from Indra collaborated in these initiatives.

Besides this, Indra carried out other volunteering initiatives such as charity markets and food drives for social causes in

Spain or drives for community support in Mexico, Argentina and Brazil.

COLLABORATING WITH NONPROFIT FOUNDATIONS, ASSOCIATIONS AND ORGANIZATIONS

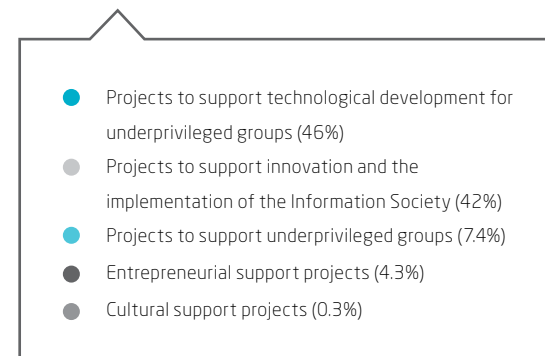
Projects to support technological development for underprivileged groups

Projects to support innovation and the implementation of the Information Society

Projects to support and integrate underprivileged groups

Entrepreneurial support projects

- ADECCO Foundation
- FEAPS
- Toledo Paraplegic Hospital Foundation
- Elcano Royal Institute
- Foundation for the IT Development of Companies and Society (Fundetec)
- Foundation/Technology Center for Efficiency and Sustainability
- Technology Corporation Foundation of Andalusia
- Spanish Aeronautical and Astronautical Foundation
- Company Security and Society Foundation
- CYD Foundation
- Integra Foundation
- Universia Foundation
- Prince of Girona Foundation
- Polytechnic University of Valencia

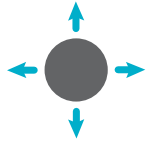


SECTORAL ASSOCIATIONS

Association	Country
Asociación de Empresas de Electrónica, Tecnologías de la Información, Telecomunicaciones y Contenidos Digitales (AMETIC)	Spain
Asociación Española de Empresas de de Consultoría (AEC)	Spain
Asociación Española de Tecnologías de Defensa, Aeronáutica y Espacio (TEDAE)	Spain
WTC Business Club	Brazil
Associação Brasileira das Empresas de Sistemas Eletrônicos de Segurança (ABESE)	Brazil
Associação Brasileira das Indústrias de Material de Defesa (ABIMDE)	Brazil
Federação Interestadual de Sistemas Eletrônicos de Segurança (FENABESE)	Brazil
Asociación Mexicana de la Industria de Tecnologías de Información (AMITI)	Mexico
Cámara de la Industria del Software y Tecnologías de la Información y Comunicaciones (CISTIC)	Argentina
Cámara de Empresas de Software y Servicios Informáticos de Argentina (CESSI)	Argentina
Asociación Nacional de Empresarios de Colombia (ANDI)	Colombia
Asociación Chilena de empresas de tecnología de la información (ACTI)	Chile
SOFOFA	Chile
ABI-Lab (Associazione Bancaria Italia-Lab)	Italy
Tecnologie, Innovazione e Servizi Finanziari (Cetif)	Italy

ASSOCIATIONS LINKED WITH CORPORATE LIABILITY

Association	Country
Asociación Española de la Calidad	Spain
Forética	Spain
Consejo Empresario Argentino para el Desarrollo Sostenible (CEADS)	Argentina
Fundación Empresaria para la Calidad y la Excelencia (Fundece)	Argentina
Instituto Chileno de Administración Racional de Empresas (ICARE)	Chile
Pacto Mundial	Worldwide



Contributing to minimizing the digital divide

Technologies help to **minimize the digital divide**, especially in the case of people with disabilities. Therefore, our main social action project is the Accessible Technology Chair. In 2013 Indra dedicated 46% of its investment in social action to accessible technology projects.

Indra is carrying out the **LOOP project**, which involves the creation of **a comprehensive online tool to facilitate labor market integration for people with disabilities**, offering the different tools and content required to support this collective in their environment and in their efforts to gain employment. It covers the entire work cycle from job searches, preparing for the interview, first day on the job, as well as monitoring their work life and providing the candidate, the company, foundation, university and special employment center with helpful training tools, professional social networks and assessment tools.

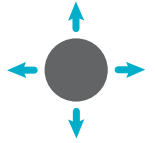
The first pilot will be for FEAPS Madrid, for one sector and one type of disability: intellectual.

In 2013 agreements for 10 research chair projects were signed:

- ◆ Six projects were renewed with universities that the company had already collaborated with.
- ◆ Four projects were signed with new universities.

Projects for Accessible Technology Chairs in 2013:

- ◆ SAINET project (University of Castile-La Mancha) (completed in 2013): Mobile hardware/software solution that provides the blind with auditory feedback containing information about the non-verbal cues of the social interactions that take place at work, such as the number of people present and their position (left, right, near and far).
- ◆ AMICOG project (Autonomous University of Madrid) (completed in 2013): Labor integration project for people with intellectual disabilities using mobile devices to help and train these workers in the tasks they perform on a daily basis.
- ◆ HeadMouse Project (University of Lleida) and VirtualKeyboard Project (University of Lleida). In 2013 we released a new version of both tools to improve compatibility with operating systems and introduce new functions (sequential execution of commands in Headmouse and executing macros in Virtualkeyboard).
- ◆ REM project (University of Lleida). Indra continued developing a REM device that enables a person with disabilities to move the cursor on the computer screen using the movement of their eyes and the least effort possible. We optimizing the design of the device so that the final version allows texts to be written in the program with VirtualKeyboard.
- ◆ APR project (University of Lleida). Robotic Personal Assistant (APR by its Spanish abbreviation) allows a user with a disability to connect to APR over the Internet and see through its camera, be seen through its screen and be present, traveling virtually through the office environment thanks to the mobility offered by the robot. Its aim is to make group and team work easier.
- ◆ Social Support Networks Project for professionals with disabilities (University of Valencia). Innovative solution that encourages the integration of people with disabilities in the labor market in a normalized environment, combining work methods designed for the disabled with ICTs.



Minimizing environmental impact

◆ Implementation of the environmental management systems:

In 2013 the following work centers received the ISO14001 standard certification: Bembibre (León), Málaga and Salamanca in Spain; Porto in Portugal; Zona Franca and Medellín in Colombia; and the Indra center in Australia. Additionally, the company implemented the “environmental legal requirement compliance module” at three centers in Spain (Valladolid, Badajoz and Edificio Kenia, in the Business Park of San Fernando de Henares de Madrid), three in Brazil and one in Mexico.

At the close of 2013, 59% of Indra’s professionals were located at centers covered by the certifications based on the ISO 14001 standard or by the “implementation module of legal environmental requirements” (51.5% in 2012).

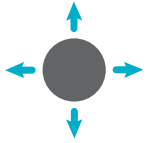
The certification and implementation of this module was accompanied by the introduction of Strategic Environment Plans in Spain, Brazil, Peru, Mexico, Chile and Portugal.

◆ Energy efficiency measures and environmental investments. The main measures in 2013 were:

- » Opening of a new office in Valencia (Spain), which replaces the three previous buildings and has a more energy efficient infrastructure.
- » Improvement of the control and monitoring systems for technical installations (between 2013 and 2014). Extension of the number of installations and control points for security and HVAC systems to nine Indra work centers in Spain. Inclusion of these elements in a control system operating within the Indra network. Two redundant servers and several work stations were installed. This means that wherever a work station

is installed in the Indra network, it will be able to access and control any element at any site included in the improvement plan. The total investment planned for Phase 1 of the project, which covers 2013 and 2014, is €402,000 and it is estimated to reduce CO2 emissions by 243 tons.

- » Expenses and investments aimed at minimizing the impact of our operations: waterproofing buildings, replacing the CPD HVAC at Arroyo de la Vega, replacing HVAC and waste management devices.
- » Indra continued overseeing the compliance of the obligations arising from RITE laws (for heat regulations in buildings).



2008

- ◆ Extension of the environmental legislation update to the new AC
- ◆ Internal auditing of centers
- ◆ Create waste room at the Anabel Segura (Madrid) center
- ◆ Measure noise at the La Finca center
- ◆ Certification audits.
- ◆ Waste separation at Anabel Segura
- ◆ Blanketing deposits at the Torrejón center
- ◆ Refrigeration equipment at the Aranjuez center
- ◆ Alignment of Gas pollutant r-22 according to Regulation CE No. 2037/2000

42,231€

2009

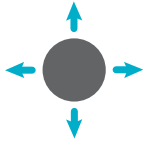
- ◆ Extension of the environmental legislation update to the new AC
- ◆ Internal auditing of centers
- ◆ Certification audits
- ◆ Measuring noise at the A Coruña center
- ◆ Replacement of air conditioning equipment that used R-22 gas
- ◆ Amortization of the natural gas boiler installation at the Aranjuez center
- ◆ Incorporation of glass waste to the waste separation system at the center in San Fernando de Henares (Madrid)

511,078€

2010

- ◆ Extension of the environmental legislation update
- ◆ Internal auditing of centers
- ◆ Certification audits
- ◆ Withdrawal of devices put on the market after their useful life
- ◆ Replacement of air conditioning equipment that used R-22 gas
- ◆ Maintenance of air conditioning systems
- ◆ Emergency generator maintenance
- ◆ Autocontrol of environmental emissions
- ◆ Replacement of diesel oil boilers
- ◆ Management of hazardous waste
- ◆ Spill analysis
- ◆ Waste collection
- ◆ Removal of equipment
- ◆ Consulting on the implementation of the Integral HSEQ management system at the four centers in Colombia
- ◆ Installation of two automatic revolving doors with the aim of maintaining a constant temperature and reducing electricity consumption at the Arroyo de la Vega (Alcobendas, Madrid) center

398,216€



2011

- ◆ Extension of the environmental legislation update
- ◆ Increased use of LED lights
- ◆ Electric car charging ports
- ◆ Water source economizers
- ◆ Internal auditing of centers
- ◆ Certification audits
- ◆ Withdrawal of devices put on the market after their useful life
- ◆ Replacement of air conditioning equipment that used R-22 gas
- ◆ Renewal of HVAC devices
- ◆ Installation of sanitary thermo solar water
- ◆ Replacement of diesel oil boilers
- ◆ Waste collection
- ◆ Management of hazardous waste
- ◆ Improvements to dangerous waste storage systems
- ◆ Worker awareness

755,059€

2012

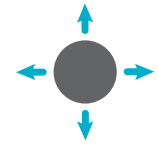
- ◆ Extension of the environmental legislation update
- ◆ Internal auditing of centers
- ◆ Certification audits
- ◆ Waste collection
- ◆ Management of dangerous waste
- ◆ Withdrawal of devices put on the market after their useful life
- ◆ Improvements to water installations
- ◆ Installation of new LED lights
- ◆ Replacement of air conditioning equipment that used R-22 gas
- ◆ Renewal of HVAC devices
- ◆ Worker awareness

184,731€

2013

- ◆ Extension of the environmental legislation update
- ◆ Certification audits
- ◆ Containers for the proper separation of waste
- ◆ Waste collection
- ◆ Management of hazardous and non-hazardous waste
- ◆ Withdrawal of devices put on the market after their useful life.
- ◆ Improvements to water installations (well meters)
- ◆ Collection and elimination of extinguishers
- ◆ Installation of LED lights and motion detectors
- ◆ Replacement of air conditioning equipment that used R-22 gas
- ◆ Renewal of HVAC devices
- ◆ Installation of thermostats to better regulate/control the temperature
- ◆ Supply and Installation for parking bicycles
- ◆ Spills analysis
- ◆ Waterproofing buildings

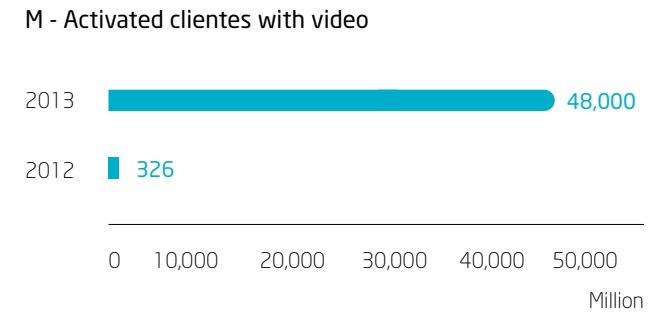
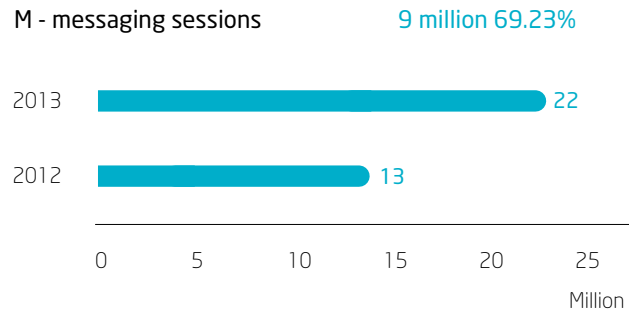
473,262€



◆ **Smart mobility.** Indra promotes the effective use of telecommunications to avoid travel. Specifically during 2013 we optimized videoconference services and promoted a greater use of internal instant messaging services.

◆ **Green IT (computer equipment efficiency).** In 2013 Indra participated in the European Union LIFE+ ECORAE project, led by the University of Vigo. The project consists in exemplifying and demonstrating an industrial process for reusing electronic devices, aimed at promoting standards for the transposition of European regulations and contributing to the efficient sorting of these devices. Indra has contributed by turning in a total of 342 devices for recycling, with a total weight of 5,472kg, of which 18% of the CPUs and 7% of the screens and monitors have been reused. Also, a large number of components have been reused, especially cables.

The most innovative aspect was performing a carbon footprint analysis that allowed us to quantify the positive effect of avoided CO2 emissions as a result of the recycling activity for these devices. Altogether, through this project we avoided 10,457.55 kg CO2-eq emissions.



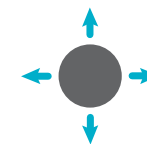
◆ **Worker awareness and sensitization**
 Indra carried out several awareness campaigns via its corporate Intranet: World Water Day "Water Cooperation"; World Recycling Day, "Treat Waste Correctly"; World Environment Day "Think, feed yourself, save"; and "Earth Hour 2013", an initiative promoted by WWF which aims to achieve a global change commitment to benefit the environment.

The degree of compliance of the objectives established centers for environmental certificates in 2013 was:

2013 objectives	Center	Degree of compliance	Center	Degree of compliance
Reduce gas consumption by 3%	Lisbon (Portugal)	+6.10%	Oporto (Portugal)	12.22%
SGA certification	Oporto (Portugal)	100%	Alcalá 506	100%
	Bembibre	100%	Salamanca	100%
	Julián Camarillo	100%	Australia	100%
	Málaga	100%		
3% Reduction in natural gas consumption	Torrejón de Ardoz	28.96%	Arroyo de la Vega	4.92%
3% Reduction in electrical energy consumption	Torrejón de Ardoz	8.57%	Lisbon	+7%
	San Fernando de Henares	21.14%	Porto	-77.75%
44% reduction in well water consumption	Arroyo de la Vega	22.3%		
3% Reduction in toner waste	La Coruña	44.18%	Sevilla	62.93%
	Aranjuez	6.63%		
3% Reduction in paper/cardboard waste	Bembibre	Objetivo 2014	Alcalá 506	29.17%
	Barakaldo	49.78%	Salamanca	Objetivo 2014
	Erandio y Erandio BMB	18.51%	Lisboa/ Porto	28%
	Julián Camarillo	13.74%	San Fernando de Henares	44.34%
	Málaga	Objetivo 2014		
	Triángulo	37.93%		
3% Reduction in water consumption	Ciudad Real	4.75%		
3% Reduction in hazardous waste: WEEE	San Fernando de Henares	48.28%		
	Anabel Segura	40.63%		
3% Reduction in hazardous waste: fluorescent lights	BCN Roc Boronat	74%		
	INTERFACE			

	Electricity	Heating Diesel	Natural Gas	Potable water	Well water	Hazardous waste	Non-hazardous waste	Direct CO2 emissions	Indirect CO2 emissions
Country	Kwh	l	m3	m3	m3	kg	kg	T CO2e	T CO2e
Germany	578,581	Not applicable	Not applicable	145	Not applicable	Not applicable	Unavailable	Not applicable	249
Saudi Arabia	2,359	Unavailable	Unavailable	12	Unavailable	Unavailable	Unavailable	Unavailable	1.786
Algeria	22,551	Not applicable	Not applicable	497	Not applicable	Not applicable	Unavailable	Not applicable	12
Argentina	2,060,309	Not applicable	Not applicable	13,860	Not applicable	Not applicable	Unavailable	Not applicable	732
Australia	235,823	Not applicable	Not applicable	Not applicable	Not applicable	Not applicable	Unavailable	Not applicable	201
Bahrain	132,084	Unavailable	Unavailable	677	Unavailable	Unavailable	Unavailable	Unavailable	87.8
Brazil	16,718,123	Unavailable	Unavailable	85,647	Unavailable	Unavailable	Unavailable	Unavailable	1,072
Bolivia	13,631	Not applicable	Not applicable	1,075	Not applicable	Not applicable	Unavailable	Not applicable	5
Bulgaria	11,976	Unavailable	Unavailable	60	Unavailable	Unavailable	Unavailable	Unavailable	5
Canada	7,076	Unavailable	Unavailable	36	Unavailable	Unavailable	Unavailable	Unavailable	1
Chile	433,043	Not applicable	Not applicable	2,508	Not applicable	Not applicable	Unavailable	Not applicable	161
China	16,234	4,454	Not applicable	Not applicable	Not applicable	Not applicable	Unavailable	11.985	12
Colombia	934,415	Not applicable	Not applicable	5,582	Not applicable	Not applicable	Unavailable	Not applicable	163
Costa Rica	16,024	Not applicable	Not applicable	97	Not applicable	Not applicable	Unavailable	Not applicable	1
Ecuador	40,097	Unavailable	Unavailable	205	Unavailable	Unavailable	Unavailable	Unavailable	11.6
U.S.A.	264,169	Unavailable	Unavailable	1,353	Unavailable	Unavailable	Unavailable	Unavailable	141
Egypt	4,717	Unavailable	Unavailable	24	Unavailable	Unavailable	Unavailable	Unavailable	2
El Salvador	544,849	Unavailable	Unavailable	2,791	Unavailable	Unavailable	Unavailable	Unavailable	173.6
Emirates	21,228	Unavailable	Unavailable	109	Unavailable	Unavailable	Unavailable	Unavailable	13
Slovakia	95,908	Not applicable	Not applicable	270	Not applicable	Not applicable	Not applicable	Not applicable	21
Spain	63,482,237	186,561	456,182	97,214	13,297	36,671	636,502	1,363	18,967
Philippines	788,240	Not applicable	Not applicable	57	1,750	Not applicable	Unavailable	Not applicable	376
France	11,562	Unavailable	Unavailable	60	Unavailable	Unavailable	Unavailable	Unavailable	1
Hungary	6,937	Unavailable	Unavailable	36	Unavailable	Unavailable	Unavailable	Unavailable	2

	Electricity	Heating Diesel	Natural Gas	Potable water	Well water	Hazardous waste	Non-hazardous waste	Direct CO2 emissions	Indirect CO2 emissions
Country	Kwh	l	m3	m3	m3	kg	kg	T CO2e	T CO2e
India	181,616	Unavailable	Unavailable	930	Unavailable	Unavailable	Unavailable	Unavailable	173
Indonesia	7,134	Not applicable	Not applicable	Not applicable	Not applicable	Not applicable	Unavailable	Not applicable	5
Italy	420,810	Not applicable	Not applicable	Not applicable	Not applicable	Not applicable	Unavailable	Not applicable	162
Kazakhstan	2,837	Not applicable	Not applicable	12	Not applicable	Not applicable	Unavailable	Not applicable	1
Kenya	30,143	Not applicable	Not applicable	Not applicable	Not applicable	Not applicable	Unavailable	Not applicable	12
Latvia	9,435	Unavailable	Unavailable	48	Unavailable	Unavailable	Unavailable	Unavailable	1
Malaysia	20,490	Not applicable	Not applicable	Not applicable	Not applicable	Not applicable	Unavailable	Not applicable	13
Morocco	63,684	Unavailable	Unavailable	326	Unavailable	Unavailable	Unavailable	Unavailable	40.6
Mexico	4,765,239	Not applicable	Not applicable	1,047	Not applicable	Not applicable	Unavailable	Not applicable	2,168
Moldova	99,063	Unavailable	Unavailable	508	Unavailable	Unavailable	Unavailable	Unavailable	39.6
Norway	533,055	Unavailable	Unavailable	2,731	Unavailable	Unavailable	Unavailable	Unavailable	9
Oman	35,380	Unavailable	Unavailable	181	Unavailable	Unavailable	Unavailable	Unavailable	29.8
Panama	181,319	Not applicable	Not applicable	2,320	Not applicable	Not applicable	Unavailable	Not applicable	54
Peru	372,361	Not applicable	Not applicable	841	Not applicable	Not applicable	Unavailable	Not applicable	87.9
Portugal	379,866	147,480	Not applicable	776	Not applicable	Not applicable	ND	397	139
Poland	18,869	Unavailable	Unavailable	97	Unavailable	Unavailable	Unavailable	Unavailable	12.08
United Kingdom	13,992	Not applicable	21,915	47	Not applicable	Not applicable	Unavailable	41	6
Czech Republic	231,148	Unavailable	Unavailable	1,184	Unavailable	Unavailable	Unavailable	Unavailable	118
Dominican Rep.	75,477	Unavailable	Unavailable	387	Unavailable	Unavailable	Unavailable	Unavailable	44.5
Romania	10,962	Unavailable	Unavailable	Not applicable	Unavailable	Unavailable	Unavailable	Unavailable	4
Turkey	12,250	Not applicable	35,181	360	Not applicable	Not applicable	Unavailable	66	5
Uruguay	226,431	Unavailable	Unavailable	1,160	Unavailable	Unavailable	Unavailable	Unavailable	57.3
Venezuela	1,433,930	Not applicable	Not applicable	Not applicable	Not applicable	Not applicable	Unavailable	Not applicable	284.7
TOTAL	95,567,851	338,496	513,278	225,271	14,841	36,671	636,502	1,880	25,891



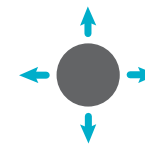
CO2 emissions

In 2013 Indra exceeded its global CO2 emissions reduction target (-5% per professional) by managing to achieve an overall **8% reduction of emissions per professional**.

reduction of emissions
per professional

-8.3%

	2012	2013	var. 2012 / 13
Direct CO2 emissions (T CO2e)	1,489	1,880	+26%
Indirect CO2 emissions through electricity consumed (T CO2e)	28,818	25,891	-10%
Direct CO2 emissions from transport (own vehicles) (T)	4,948	4,547	-8%
Indirect CO2 emissions from transport (third-party vehicles) (T)	17,058	19,433	+14%
Number of professionals	38,577	38,548	0%
Scope 1	6,437	6,427	-0.15%
Scope 2	28,818	25,891	-10.15%
Scope 1 + Scope 2	35,255	32,318	-8.33%
Intensity Scope 1	0.1669	0.1667	-0.1%
Intensity Scope 2	0.7470	0.6716	-10%
Intensity Scope 1 + Scope 2	0.9139	0.8383	-8.26%



Ensure sustainability throughout the entire supply chain:

- ◆ **the categorization of the relevant suppliers was completed with the following actions:**
 - » Pareto analysis on orders placed in 2012/2013 have been identified buying groups in each country to classify providers by type of service or material.
 - » Pareto analysis on orders placed in 2012/2013 have been identified buying groups in each country to classify providers by type of service or material.

Launch of the Supplier Pool Streamlining project for production subcontracting. An analysis was performed to provide information about the volume and nature of purchases from production suppliers, for the classification and identification of suppliers.

A Professional Services Supplier streamlining plan was designed, based on the progressive optimization of the supply base. The pilot test conducted with **a supplier produced an objective fulfillment score of 91%.**

- ◆ **Improving logistics processes.** In 2013 Indra continued its efforts to achieve two main objectives: to centralize and reduce storage space, and to optimize transportation and shipping processes. Ultimately,

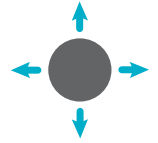
this will provide financial and environmental benefits. Logistics processes were improved through four initiatives:

- » **Consolidation at HAWB, New York.** In 2013 the degree of shipment consolidation was maintained, with the corresponding impact on CO2 per kilogram of material shipped.
- » **Warehouse reduction.** In 2013 Indra maintained its initiative to reduce surface storage, reducing the merchandise storage space at the main warehouse by 50% through the Identification +Compacting

+Inverse Logistics plan for items with a low turnover and obsolescence. Thanks to this plan, a significant reduction was achieved in the consumption of energy for lighting, air conditioning and use of industrial material, as well as an economic impact thanks to savings on storage costs.

- » **In relation to national transportation in Spain,** the optimization measures already implemented were consolidated: ground transportation, thanks to which the shipment kms were reduced by 33.8%, leading to reduction in CO2 emissions; and the management of the transportation center located at Indra

Row Labels	Sum Weight (kg)	Sum Picup Dis. (km)	Sum Ship. Dis. (km)	Sum Tot. Carbon (kg)
2012	15,036.70	1,034,808.05	4,625,364.56	54,473.86
2013	14,505.30	1,080,491.30	4,389,493.98	53,501.26
Grand Total	29542.00	2,115,299.35	9,014,858.55	107,975.12



Torrejón, thanks to which a reduction of 33% was maintained for outgoing shipments with an implicit impact on CO2 reduction.

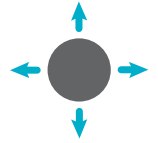
» **Optimization of international shipments.**

Two optimization actions were implemented for international shipments in 2013. Firstly, cardboard replaced wood for packing air freight instead, resulting in a 66.13% reduction in weight with the subsequent impact on savings for international shipments and a reduction in CO2 per kg of material sent. Secondly, the loading of containers was centralized for sea freight from the main warehouse, thus eliminating redundant cranes and trucks and resulting in a 50% reduction of CO2 emissions

♦ **Environmental assessments of subcontractors. At the close of 2013 the following subcontractors had been assessed:**

- » As of 2013, there were **677 subcontractors** reviewed in an accumulated basis, regarding the impact of their activities in relation to waste, emissions and discharges. 328 of them have been approved and the rest are subcontractors to which do not apply the environmental requirements due to the low environmental impact of its activities.
- » In 2013, **297 subcontractors**, from different industries, have been evaluated. **124 of them were approved.**

- » Also, Indra continued overseeing the compliance of the obligations arising from REACH laws (on chemical products)



2013 objectives

- ◆ Certify the center in Porto, Portugal, under the ISO14001 standard
- ◆ Implement the “module of environmental requirements” at four centers in Brazil: the centers in Sao Paulo and Brasilia (begun in 2012), as well as Rio de Janeiro and Salvador de Bahía
- ◆ In Spain, acquire UNE-EN ISO14001 certification for three more centers and implement the “module of environmental requirements” at three more centers.
- ◆ Include the Supplier Code of Ethics as part of the new contracts signed with suppliers from 2013 or 2014 onwards .
- ◆ Add criteria for the responsible origin of metals to the supplier contracting process

2013 achievements

- ◆ Certification of the Porto center. Also, two centers in Colombia were certified, and one in Australia. ✓
- ◆ The company also installed the “implementation module of legal environmental requirements” at four international subsidiaries: three centers in Brazil (Alphaville, Villalobos, Campinas) and one in Mexico (Antara). ✓
- ◆ Certification of centers in Málaga, Bembibre and Salamanca. Implementation of the legal requirements module from the Badajoz and Valladolid centers and the Edificio Kenia in San Fernando de Henares (Madrid). ✓
- ◆ 2014 Objective ➤
- ◆ 2014 Objective ➤

2013 objectives

- ◆ Sign three agreements for new research chairs with universities in Spain.

2013 achievements

- ◆ 10 chair project agreements were signed: ✓

six were renewed with universities that we have collaborated with:

- HeadMouse and VirtualKeyboard, APR, and REM 2.0 projects with the University of Lleida
- University of Salamanca: MOVI-CLOUD project
- University of Castile-La Mancha: ARGOS project
- University of Valencia: SOCIAL MENTORING project

Four project agreements were signed with new universities:

- Autonomous University of Barcelona: PROLOG project
- University of Málaga: ALMA project
- Polytechnic University of Barcelona: INTEGRAGAME project
- National Polytechnic Institute of Mexico: MOVITASK project

- ◆ Continue with the projects in progress.

- ◆ Many of the projects underway were successfully completed (the AMICOG project of the Autonomous University of Madrid and the INLADIS project of the Polytechnic University of Madrid). ✓

2013 KEY PROJECTS PROBONO

DEVELOPMENT & INNOVATION

During the second half of 2013, Indra implemented in Spain the Pro bono Program, in order to offer technology **services for free** or at a special price for foundations, non-profit organizations and associations.



The main objectives of the Indra Pro-bono Program are:

- > Training and development of the designated professionals.
- > Promoting a pride of belonging among all of the professionals.
- > Positive contribution to society by improving the skills deployed by NGOs, associations and foundations through technology and consulting projects.

The estimated impact of the pro bono project on Indra according to a study by the Mckinsey y -Fundación Seres are:

- > The projects to be performed are mainly technology and consulting with the scope of Indra's strategic offer, such as cloud computing, analytics, healthcare, mobility, ECM, etc.), as well as in more mature scopes of the offer.

> Inicialmente el ámbito geográfico es España, con objetivo de extenderlo globalmente en el futuro.

> At the end of 2013 meetings were held with 22 Foundations, NGO's and associations, a project was completed for the Desarrollo y Asistencia project, another 5 projects are being performed and 4 more are in the definition phase..

22 foundations, NGO's
y associations



3.12.3 FORECASTS

In order to contribute to society's economic, social and environmental development in the communities in which the company operates, we have planned the following initiatives for 2014:

◆ **Contributing to an entrepreneurial and innovative culture in the communities where the company operates to support their development**

Indra will maintain its entrepreneurial projects such as "Entrepreneurship Is Possible", with the goal of increasing our collaboration in Latin America. Also, the "Emprende Uc3M" initiative with the Carlos III University will be promoted.

◆ **Promoting pro bono and volunteering initiatives:**

The Pro Bono Program will also continue, with the goal of consolidating and professionalizing this type of internal management project and continuing to promote more new technology resources. At least 10 campaigns are expected to be launched in 2014.

◆ **Contributing to minimizing the digital divide**

In 2014 the company's aim is to sign two new research chair agreements with universities in Spain that Indra already collaborates closely with in other areas:

- » Carlos III in Madrid: LIGHT-ACCESS project, Transmission of Audiovisual Accessibility Services through Light
- » Polytechnic University of Madrid, Biomedicine Technology Center: E-SIGHT project, Tiphlotechnical System for Work Centers

Also, the agreement signed with the University of Lleida will continue through the execution of the following projects: continuity and improvement of HeadMouse and VirtualKeyboard, completion of the REM prototype, and continuation of the APR project.

Meanwhile, the 2014 objective for **LOOP, the labor market integration tool for people with disabilities**, is to develop different scenarios and run a first pilot test in FEAPS Madrid and at a company.

In Latin America and Asia, the company is working to identify research centers with which to sign new research chair agreements, specifically in countries like Brazil, Colombia and the Philippines.

◆ **Minimizing environmental impact**

The initiatives for attempting to reduce the company's consumption of energy and natural resources and the

quantity of waste it generates in 2014, will be aimed at:

- » Extending the scope of the 14001 certificate and control of legal requirements. Accordingly, Indra plans to gain ISO 14001 certification for its center in Bollullos (Seville, Spain) and the Fuente Álamo branch (Cartagena, Spain), and implement the "environmental requirements module" at the new center in Valencia and at various centers in Brazil and Mexico.
- » Continuing to improve the control and monitoring systems for technical installations.
- » Energy audit plan for large work centers in Madrid, with an estimated investment of €150,000, in order to fully analyze the potential savings on the consumption and cost of the current installation, and in the future implement an efficiency plan.
- » Consolidation of the Indrabmb offices in Barcelona into one center.

◆ **Ensure sustainability throughout the entire supply chain**

Indra plans to continue expanding sustainability principles to suppliers by:



- » Including of a code of ethics for suppliers in the pre-approval process, making it necessary for all new suppliers to automatically accept the code.
 - » Including the supplier code of ethics as part of the new contracts signed with suppliers from 2013 or 2014 onwards.
 - » Adding criteria for the responsible origin of metals to the supplier contracting process.
- Furthermore, in 2014 a “Carbon Footprint Questionnaire” will be sent to the subcontractors with the largest environment impact in order to learn about their CO2 emissions related to the activities they perform for Indra.

2014 objectives

- ◆ To include the Supplier Code of Ethics as part of the new contracts signed with suppliers from 2013 or 2014 onwards.
- ◆ To add criteria for the responsible origin of metals to the supplier contracting process.
- ◆ To sign two new research chair agreements with universities in Spain.
- ◆ For LOOP, to develop different scenarios and implement an initial pilot at FEAPS Madrid and at a company.
- ◆ To acquire ISO14001 certification for our center in Bollullos (Seville) and the Fuente Álamo (Cartagena) branch.

4



The principles that govern
this report

Integrated Report

Management Report
Guidelines for Listed
Companies

Material Aspects that
affect our business

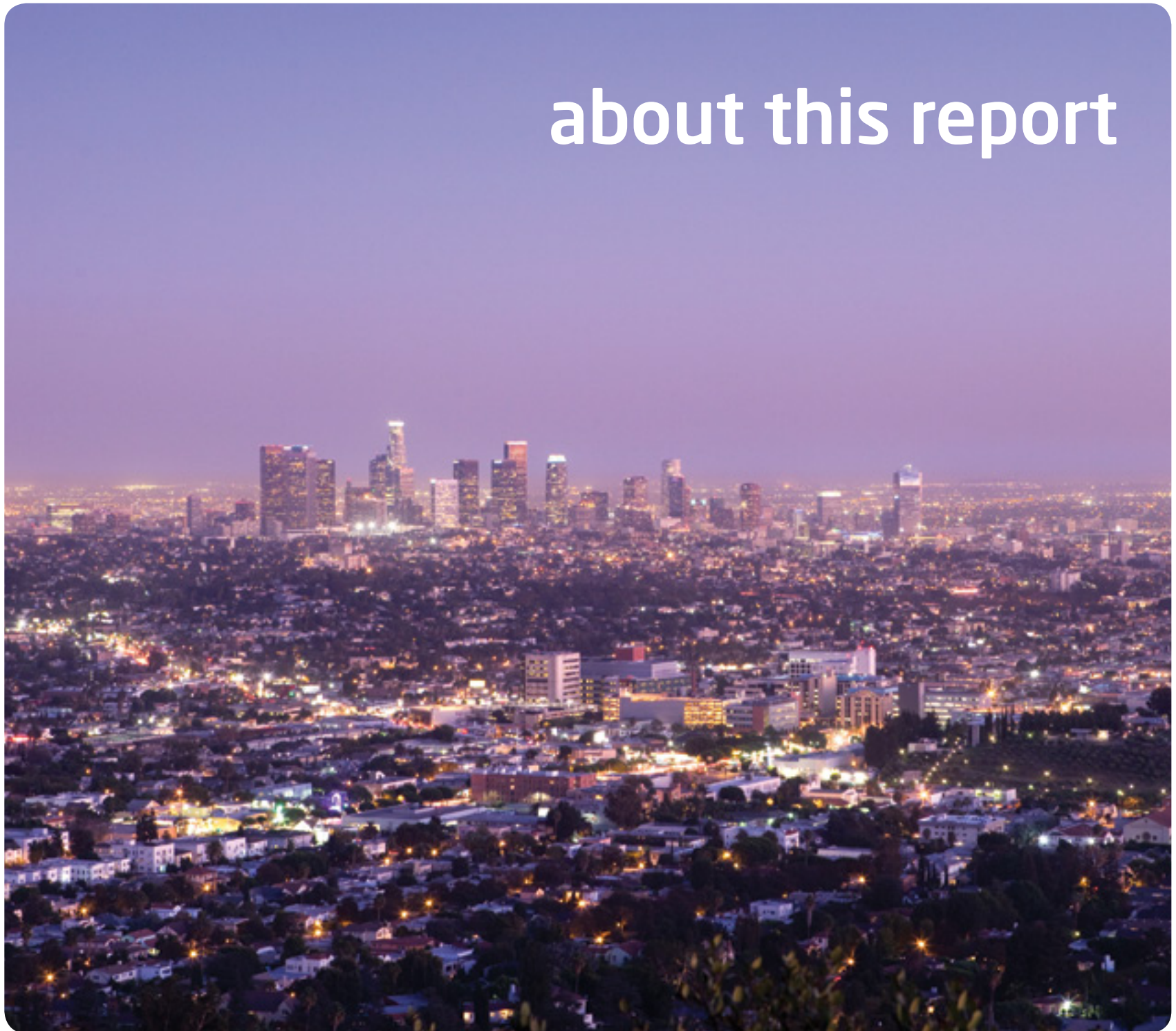
G4 Index and Global
Compact

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GRI Control Statement

Review Report

about this report



ABOUT THIS REPORT

This report has been prepared according to the G4 guidelines of the Global Reporting Initiative according to the comprehensive option, the AA1000 APS (2008) Accountability Standard, and the principles of the Global Compact to which Indra is committed.

In 2012 Indra prepared an integrated report in keeping with the introduction in 2011 of the Pilot Program of the International Integrated Reporting Committee (IIRC) and with the aim of continuing to achieve greater integration between its economic, social and environmental reporting methods. This year the report also takes into account the guidelines of the new IIRC work framework, published in December 2013.

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ELABORACIÓN

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PRINCIPLES

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G4 INDEX AND
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4.1 THE PRINCIPLES GOVERNING THIS REPORT

This year Indra has also used the guide for preparing management reports from the **National Stock Market Commission of Spain (CNMV)**, with a view to anticipating future foreseeable legislative changes (especially the European Directive Project for modifying accounting directives 78/660/EEC and 83/349/EEC) and the information integration trends required by the stakeholders

Specifically, the reasons for adapting the report include among others:

- ◆ The CNMV guide for preparing management reports and the IIRC working framework have important similarities in both the focus of the report and its contents.
- ◆ Our stakeholders, and analysts specifically, increasingly value the nonfinancial aspects of company reports. Four blocks are common in these requests and are listed by the CNMV and by the IIRC:

- » Strategy and method for generating short, medium and long term value
- » Risk identification and management
- » Economic, social, environmental and governance performance indicators
- » Forecasts

The CNMV guide is currently voluntary but is expected to become mandatory.

By advancing toward the integration of financial and nonfinancial information, the company is able to:

- ◆ Avoid duplication
- ◆ Provide stakeholders with information in a single, well-structured document that facilitates its use.

The purpose of this report is to show the company's progress throughout 2013 as well as its ability to create value in the short, medium and long term.

To do this, the report includes a description of the policies, strategy and initiatives carried out in 2013, as well as the company's action plans and the most important quantitative indicators.

This report has been drafted in accordance with the G4 version of the Global Reporting Initiative's (GRI) Guide for Preparing Sustainability Reports, according to the comprehensive option, as well as in accordance with the AA1000 APS Accountability standard (2008 version).

The economic, social and environmental information contained in this report has been verified externally by an independent third party. The scope, the description of the work and the conclusions of this verification can be found in the chapter titled "Verification Letter".

In accordance with its commitment to continuous improvement, Indra has strived since it produced its first Corporate Responsibility and Sustainability Report (2003) to extend the scope of the information to all of its subsidiary companies. The scope of the information presented here therefore includes all Indra companies, unless stated otherwise. The complete list of the

companies belonging to Indra as at December 31, 2013 can be found in Chapter 6, Annexes "List of Companies".

As every year, this report has been prepared with the participation of all the people responsible internally for relations with each of the company's stakeholders, which not only involves sharing information but also continuously improving Indra's dialogue systems with its various stakeholders.

The procedure for preparing the report facilitates compliance with the principles for defining its contents (materiality, stakeholder participation, an explanation of the sustainability context and exhaustiveness) as well as the principles regarding the report's quality (balance, comparison, accuracy, timeliness, clarity and reliability) required by the G4 Guide and the three founding principles of the AA1000 APS standard (2008) (response capacity, an exclusive principle of the AA1000 standard; and inclusiveness and relevance, which are principles shared with the GRI but with an interpretation as per the AA1000 standard).

The information provided in this document comes from several management and information systems installed in all of the company's areas. These areas report their

information to the **Brand, Corporate Responsibility and Internal Communication Department**, which is responsible for coordinating the presentation of accounts regarding the company's economic, social and environmental performance, as well as for preparing the Corporate Responsibility Master Plan. The information related to market characteristics or performance represents Indra's opinions and is prepared by company experts.

There are various internal mechanisms for controlling the information handled by management and information systems. Indra is working on improving its data generation, aggregation and consolidation systems in order to improve the quality of the information presented in its Annual Report.

The steps taken to prepare this report, from October 2013 to June 2014, were as follows:

Step 1

Between December 2013 and January 2014, interviews with each person responsible for stakeholder relations, with a dual purpose: first, to update the Corporate Responsibility Master Plan by defining new actions to be carried out or promoted, and second, to collect information about the status of sustainability in the company in order to prepare the presentation of the year's accounts.

Step 2

A formal request for information regarding GRI indicators (version G4) was made to the people responsible internally for relationships with each stakeholder. Information was also compiled about responsible-value policies, programs, initiatives and actions that may have been carried out during the year, including those listed in the company's Corporate Responsibility Master Plan as well as those that may have been carried out through other strategic lines and that present synergies in terms of sustainability and responsibility.

Step 3

Once the report was written, it was sent to each person responsible internally for stakeholder relations as well as to those responsible for company operations in order to confirm that the information regarding their management was reflected accurately.

Step 4

The report draft was also sent to the CCOO, UGT, USO, CGT and ATC labor union representatives in order to receive their suggestions.

Step 5

Submissions and approval by the Board of Directors in April of 2014.

Step 6

Publication on the website in May 2014.

Step 7

Presentation at the General Shareholders Meeting in June 2014.

Principles related to defining the contents of this report		AA1000				How we ensure this principle
		APS2008	GRI	CNMV	IR	
Participation of the stakeholders/Inclusivity	Identifying stakeholders and an appropriate response to their reasonable expectations and interests, as well as stakeholder participation in developing and achieving a transparent and strategic response to sustainability.	●	●	●	●	<p>Indra has a number of periodic systems for consulting with the following stakeholders: shareholders, employees, clients and suppliers. There is also communication with knowledge institutions and society in general. Indra's main consultation systems for each of its stakeholders are described in the corresponding chapters. The responsible areas also have their own identification and prioritization tools for their stakeholders.</p> <p>Indra's Brand, Corporate Responsibility and Internal Communication Department has held meetings with the people responsible for relations with shareholders, employees, clients, suppliers, parties, the environment, knowledge institutions and society as a whole in order to identify the aspects to be included in the report and to monitor the objectives defined in previous years. The report has also been drafted with the participation of the people responsible for stakeholder relations, and a number of operations supervisors have also been consulted in order to detect the sustainable value in Indra's commercial offer.</p> <p>Indra's objective is to improve the formalization of these identification and prioritization processes.</p>
Materiality/Relevance	What is meaningful, important, relevant and has an impact on the liability and sustainability of our activity. In accordance with AA1000 APS (2008), materiality should be linked to the business so that the material is strategic for the company.	●	●	●	●	<p>Since 2007 a materiality study has been carried out before the report is prepared to analyze a number of matters in order to include the most relevant ones. To do this, the matters addressed in the sustainability reports of companies in the Information Technology and the Defense sectors are analyzed. News items are also researched in order to identify the aspects that the media considered important, paying special attention to any reputational crisis the company may have experienced. Finally, the aspects that socially responsible investors (such as the Dow Jones Sustainability Index) have considered most relevant are taken into account, along with the opinions of various commentators, both for the sectors in which Indra operates as well as society in general.</p>

Principles related to defining the contents of this report	AA1000	APS2008	GRI	CNMV	IR	How we ensure this principle
Response capacity	<p>The different mechanisms through which the organization responds to the expectations of the stakeholders. In accordance with AA1000 APS 2008, this principle retains its communicative and action value but places particular emphasis on the clarity of the response.</p>	●	●	●	<p>Through consultation processes and regular surveys given to shareholders, employees, clients and suppliers, Indra incorporates stakeholder expectations and values into its sustainability management. Indra publicly reports stakeholder expectations and values in the various chapters of the Annual Report. The process for preparing the report is described throughout this chapter.</p> <p>The purpose of Indra's Corporate Responsibility Master Plan (whose preparation process has been explained in the stakeholder participation/inclusiveness section) is to compile the main actions that address the various stakeholder needs that have been identified.</p>	

Principles related to defining the contents of this report	AA1000	APS2008	GRI	CNMV	IR	How we ensure this principle
Sustainability context	Way in which the organization contributes to local, regional or global development.	●	●	●		As a result of communications with its stakeholders, Indra understands that it must improve its Corporate Responsibility and Sustainability communication. It will also continue to work on improving the documentation for implementing its responses as well for monitoring the feasibility of each of action that has been identified.
Exhaustiveness	The scope, coverage and time defined for the report. Reasonable and appropriate presentation of data as well as quality relation.	●	●	●		At Indra, the vision of responsibility is linked to innovation. The management and administration approaches to economic, social, human rights, environmental and product performance (explained in the "Sustainability Management" chapter) include observations regarding this context. Since 2008 Indra has identified in this report the impacts (economic, social and environmental) associated with the businesses it carries out. The "Impacts of Our Business" chapter includes information regarding these impacts.
Completes the financial statements	Prepared for the investors, in order to support their assessments for assigning financial capital.		●	●		Indra responds to the greater demand for information from stakeholders: past events, explanation of decisions made, prospective information, risks and doubts. It has also decided to fill out the 2013 integrated report with certain information from the financial statements. The integrated report is more valuable because it lists information of a financial, socio-economic and environmental nature of interest to the different stakeholders.

Principles related to the quality of this report**How we ensure this principle**

Balance	The report should reflect the positive and negative aspects and permit a reasonable assessment of company performance.	The 2013 report provides data about positive and improvable aspects, the level of fulfillment of objectives and commitments assumed in the past, as well as future objectives. The process for identifying material subjects (see principle of materiality) also contributes to its compliance.
Comparability	The report permit analysis of the company's progress and changes	The sustainability scorecard of this report includes a data log as of 2007 that enables the analysis of progress. The report also documents any changes to the calculation methods.
Accuracy	The report must be sufficiently accurate and detailed so that the organization's performance can be assessed.	The objective was to present accounts according to the comprehensive option, and where appropriate explain when the indicators are not applicable, are not available or only refer to parts of the company. The verification process to which this report has been submitted ensures the accuracy of the quantitative data and the confirmation of the appropriate evidence and context for the qualitative information.
Timeliness	The report will be submitted on time and following a periodic calendar.	Indra has published its Corporate Responsibility Report since 2003. Since 2008, the Annual Report has replaced the Corporate Responsibility Report as the report on economic, social and environmental performance. The Annual Report is also published annually and at the same time as the other annual reports that the company prepares.
Clarity	The information should be presented in an understandable and accessible manner.	Indra prepares a digital version of its report that can be accessed by the public on the corporate website: pending link This report is also sent to Indra's shareholders, main clients, the media, responsible investment institutions and other interested parties on request. Since the 2009 Annual Report, the online version of the report has included a survey with the objective of measuring the degree of user satisfaction regarding four variables: clarity, relevance, transparency and the amount of information. The areas for improvement that are identified are then incorporated into the planning and design of the annual report for the next year.

Principles related to the quality of this report

How we ensure this principle

Reliability

The information included in the report is verified by a third party. The data included is supported by relevant documentation and internal controls.

In line with its commitment to transparency, Indra has requested the verification, by independent third parties, of the economic, social and environmental information contained in this report. The scope, the description of the work and the conclusions of this verification can be found in the chapter titled "Verification Letter".

Connectivity of information

he report should fulfill the principles of hierarchy, the separation of content into different levels, and the use of cross references.

Indra prepares an integrated report in pdf format that allows for cross references between chapters and specific content on the company website.

The online report uses links to other content on the website to avoid duplicated information.

Strategic focus and orientation to the future

An integrated report should allow for a better understanding of company strategy and its relationship with the ability to create short, medium and long term value, as well as using capital and the impact it has on them.

The integrated report clearly defines the strategies and future forecasts for each of the matters deemed material.

Indra defines its capital model and the different effects this has throughout its value chain.

4.2 INTEGRATED REPORT

Since 2008 Indra has published a report that describes the company's performance in terms of its economic, social and environmental plans.

Indra believes that this way of reporting means presenting the company in a more realistic manner by offering a joint and global vision of the impact of the operations on all of its stakeholders.

At the end of 2011 Indra joined the Pilot Program of the International Integrated Reporting Council (IIRC) in order to continue making progress towards the increased integration of economic, social and environmental reporting.

The work carried out within this pilot program was included in the 2011 Annual Report and continued to be applied in the 2012 edition. In keeping with this line and the aim of continuous improvement of the integration and the report, this year the guidelines from the new working framework of the IIRC published in December of 2013 have been taken into account.



NEW FEATURES OF THE 2013 ANNUAL REPORT

Throughout 2013, the report's content structure continued to be developed in order to better illustrate how the company creates value in the short, medium and long term. To do this, a narrative thread, based on the company strategy "Innovación y +", was created to connect the different contents of the report.

Additionally, the entire report has been reviewed in order to illustrate the various chapters in a clear, concise manner by using graphic resources and prominent indicators to facilitate reading and permit easier assessment of the company strategy.

The "sustainability scorecard" has also been continued and this year includes new indicators in response to the requirements of certain standards and stakeholder requests, such as G4 and CDP.

Once again, in keeping with our efforts since 2008 regarding the web version of the report, this year we have integrated the report with the Indra corporate website by creating a specific section entitled "Our Actions in 2013", which has a unique design and style that sets it apart from the rest of the website and has different cross references to static web content in order to avoid duplication and provide easier, more intuitive navigation.

ABOUT THE PILOT PROGRAM

The Integrated Reporting Pilot Program is a two-year initiative launched by the International Integrated Reporting Council (IIRC) in September 2011 for an exclusive group of companies that will form part of the development of an International Integrated Reporting Framework.

Participants work with other companies and the IIRC to develop the practical application of integrated reporting and address the key challenges involved in improving corporate reporting. The Pilot Program, which is based on the opinions of a group of investors and other stakeholders, aims to gain an understanding of the perspectives of users regarding the content and format of integrated reports.

As a key part of developing the framework, the program provides valuable information to the IIRC and helps create a procedure for integrated reporting.

In December 2013 the new IR international framework was launched following a worldwide three-month search by the International Committee of Integrated Reports (IIRC) at the start of the year which elicited over 350 responses from every part of the world, the majority of which expressed their support

This new framework applies principles and concepts focused on a greater cohesion and effectiveness of the report pre-

sentation process and the adoption of “integrated thinking” as a way of breaking internal silos and reducing duplication. It also improves the quality of the information available for financial capital providers, thus permitting a more efficient and productive assignment of capital. Meanwhile, its focus on the creation of value, and the ‘capitals’ used by the company to create value in time, contribute to a more economically stable global economy and a force for sustainability.

The framework will be used to accelerate IR adoption throughout the world, where it is currently being tested in more than 25 countries, 16 of which are members of the G-20, the group of nations focused on strengthening the global economy.

For additional information, please visit <http://www.theiirc.org/international-ir-framework/>

ABOUT THE INTERNATIONAL INTEGRATED REPORTING COUNCIL (IIRC)

The International Integrated Reporting Council (IIRC) comprises a multidisciplinary representation of leaders from corporate, investment, accounting, securities, regulatory, academic, establishment of standards and civil society fields.

Its aim is to contribute to the development of more complete and understandable information about organizations, both prospective and retrospective,

and support the transition toward a more global and sustainable economy.

The main roles of the IIRC are:

- ◆ To develop a General Integrated Reporting Framework that will establish the scope and the key components of the integrated presentation of reports;
- ◆ To reach a consensus between governments, investment indices, companies, investors, and accounting and standards bodies about the best way to progress toward the presentation of integrated reports;
- ◆ To identify the priority areas where additional work is required and to provide a plan for their development,
- ◆ To promote the adoption of integrated reporting by the corresponding regulatory bodies as well as the companies that publish reports.

An integrated report compiles the relevant information regarding the strategy, governance, results and prospects of an organization in such a way that it reflects the commercial, political, social and environmental context in which it operates. By addressing the relevant questions about an organization, it provides a clear and concise representation of how the organization creates value,

now as well as in the future. Integrated reports combine information elements that are currently reported in separate publications (financial, management report, remuneration policy, sustainability, etc.) into a coherent entity, and in particular:

- ◆ Illustrates the connection between information,
- ◆ Explains how it affects the organization’s ability to create and maintain value in the short, medium and long term.

Integrated reports reflect what is known as “integrated thinking”, that is, the capacity of a company to control, manage and communicate the complexity of the value creation process and contribute to the success of the organization over time. The effective communication of this process can help investors and other stakeholders to understand not just the performance of an organization today, but also how it is likely to perform in the future.

For additional information, please visit www.theiirc.org

4.3 MANAGEMENT REPORT GUIDELINES FOR LISTED COMPANIES

Listed Spanish companies are required to provide a management report and financial statements, regardless of their size, level of capitalization or nature of the traded stocks.

The CNMV has promoted the creation of a group of experts with the purpose of improving the quality of management reports:

- ◆ Improve quality
- ◆ Help summarize content
- ◆ Reinforce comparability
- ◆ Increase its value

The goal of the working group was to prepare a set of recommendations within the scope of management

reports for listed Spanish companies, in accordance with the need detected within the European scope. The result is a guide to help listed companies preparing their management reports.

This guide contains recommendations that listed companies can follow for the preparation of management reports attached to the annual accounts. By legal mandate, the contents of this report should offer a faithful reflection of the business and the company's situation, along with a description of the main risks and challenges faced.

The aim of the Management Report Working Group is to promote good practices within the management report scope, because since until the year 2015 this guide is voluntary.

The reference framework covers a set of general principles and good practices that can be taken into account when

preparing a management report. The framework revolves around three fundamental pillars:

- ◆ Pillar I: Objectives of the management report
- ◆ Pillar II: Contents of the management report
- ◆ Pillar III: Principle and rules for preparing the management report

For additional information, please see:

http://www.cnmv.es/DocPortal/Publicaciones/Grupo/Guia_Gral.pdf

4.4 MATERIAL ASPECTS THAT AFFECT OUR BUSINESS

To identify the materiality of our company we have the support of a team of independent experts. The methodology carried out is based on:

- ◆ Analysis of the information on corporate responsibility that the written media and investors pay the most attention to as sector prescribers for each vertical market of Indra.
- ◆ Identification of corporate, environmental and ethical behavior matters which are relevant for the corporate responsibility focus, thereby providing an understanding of which matters are significant and where they are located within the value generation chain.

The aim of this task is to identify and justify which matters are of interest to the company stakeholders and which links in the value generation chain are the most significant and therefore constitute possible opportunities or risks for the company's reputation and clients' trust.

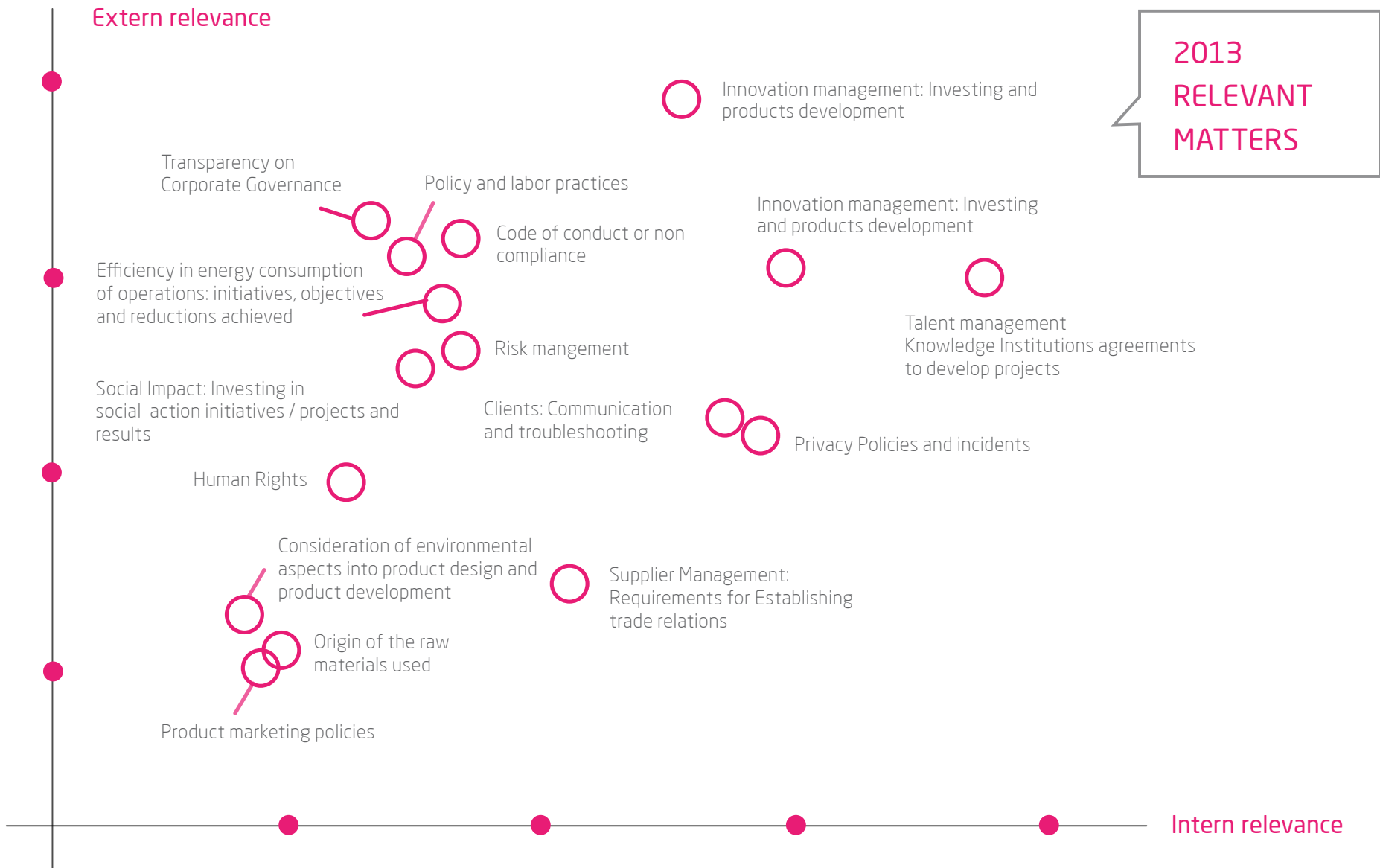
The relevant matters, namely, those which are most important for the performance of business, have been identified from the following sources:

- » Matters included in previous materiality studies
- » Eurosif
- » Stakeholders Document on the Global Reporting Initiative
- » Dow Jones Sustainability Index, DJSI
- » 2012 Indra Annual Report Questionnaire based on the Canvas model

Sixteen issues were identified and classified according to Indra's critical factors: offer, clients, talent, administration model and contribution to the community. Due to their importance, these issues were prioritized for inclusion in the 2013 Integrated Report.

This prioritization has given rise to a graph showing the external and internal importance of each of the issues identified.

The most important issues, located on the top right-hand side of the graph, are regarded as material issues.



Critical success factors	Relevant matter	What we do about it	Measuring performance
Administration model	Transparency in Corporate Governance	<ul style="list-style-type: none"> • Corporate Governance Report that complies with the transparency good practices recommendations • Maintenance of a high attendance rate at Board meetings 	<ul style="list-style-type: none"> • Number of communications received by the Compliance Unit
	Code of Conduct and breaches	<ul style="list-style-type: none"> • Continual update of the compliance program. • Extension of the program to the international level, adapted to legal requirements on this matter and local characteristics 	
	Risk management	<ul style="list-style-type: none"> • Risks map. • Risk management system. 	
Clients	Clients: Communication and resolution of incidents	<ul style="list-style-type: none"> • Quality Management System • Methodological Framework • Measuring client satisfaction • Procedure for processing clients' complaints and claims 	<ul style="list-style-type: none"> • Results of the surveys for measuring client satisfaction
	Information security	<ul style="list-style-type: none"> • Global Security Governance Model • Information security regulations • Security services managed through the Service Management System in line with UNE-ISO/IEC 20.000 • Training and awareness of employees and users • Monitoring, review and audit 	<ul style="list-style-type: none"> • Number of claims based on the violation of privacy and client data leaks
	Policies for marketing products	<ul style="list-style-type: none"> • Indra Compliance Program, which includes the foreign trade policy on defense and dual use material 	

Critical success factors	Relevant matter	What we do about it	Measuring performance
Offer	Innovation management: investments and development of products	<ul style="list-style-type: none"> • Innovation model • Participation in technology platforms 	<ul style="list-style-type: none"> • €M in investment and % of revenues
	Agreements with knowledge Institutions for the development of projects	<ul style="list-style-type: none"> • University Relations Coordinator • Relations with Knowledge and Innovation Institutions 	<ul style="list-style-type: none"> • Number of chairs and framework agreements • Number of relationships with knowledge institutions
	Consideration of environmental aspects in the design and development of products	<ul style="list-style-type: none"> • Improving logistics processes. • Compliance with obligations derived from the REACH and RoHS laws • Recovery of equipment at the end of its useful life • Sorting and management of hazardous and non-hazardous waste 	<ul style="list-style-type: none"> • Amount of waste . • CO2 emissions and other greenhouse gases
Talent	Supplier management: Requirements for establishing commercial relations	<ul style="list-style-type: none"> • Supplier assessment and pre-approval • Committee for monitoring risk situations detected in the supply base 	<ul style="list-style-type: none"> • Number of pre-approved suppliers • Supplier audits integrated with approval model
	Talent management (Training, university agreements, satisfaction, performance assessment)	<ul style="list-style-type: none"> • Career Management Process: this defines professional development and on which the decisions for the development and compensation of each professional are based • General Development Plan: training plan based on the career path of each professional that aims to assist in the development of the technical, functional and methodological skills and knowledge required at every stage of their career 	<ul style="list-style-type: none"> • Percentage of employees that receive regular performance and professional development assessments • Number of training hours • Number of promotions

Critical success factors	Relevant matter	What we do about it	Measuring performance
		<ul style="list-style-type: none"> • Special training and development programs: programs aimed at specific groups with unique training needs. • Junior training plan: Training plans aimed at newly hired professionals with the aim of facilitating their personal and professional development within the company • Technological reorientation plan: training programs designed to keep abreast of technological developments by attending training courses and/ or on-the-job training, with the aim of improving the employability of all professionals • Procedures and applications for internal communication (Open Dialogs, My Questions, Indra Community...) 	<ul style="list-style-type: none"> • Average employee turnover • Social benefits for employees
	Policies and work practices	<ul style="list-style-type: none"> • Promoting diversity and equality • Women and leadership Program actions • Increases their agreements with other companies for the effective integration of professionals with disabilities 	<ul style="list-style-type: none"> • % women on the board • % women on the workforce • % people with disabilities
Contribution to the community	Energy consumption efficiency in operations: Initiatives, objectives and reductions achieved	<ul style="list-style-type: none"> • ISO14001 certification of centers and implementation module of legal environmental requirements in uncertified buildings • Energy efficiency measures • Green IT initiative • Smart mobility 	<ul style="list-style-type: none"> • Environmental objectives • Environmental investments • Energy consumption • CO2 emissions

Critical success factors	Relevant matter	What we do about it	Measuring performance
	Origin of the raw material used	<ul style="list-style-type: none"> • Environmental assessment of suppliers 	<ul style="list-style-type: none"> • % suppliers examined based on environmental criteria
	Social impact: Investment in social action, initiatives/projects and results	<ul style="list-style-type: none"> • Accessible Technologies • Donations to Associations and Foundations • Corporate volunteering • Pro Bono 	<ul style="list-style-type: none"> • Environmental impact on the supply chain • Investment in Social Action • Number of accessible technology chairs
	Human rights	<ul style="list-style-type: none"> • Code of Ethics and of Professional Conduct and Compliance Program. • Supplier pre-approval process. 	<ul style="list-style-type: none"> • Professionals trained in the code of ethics

4.5 G4 INDEX AND GLOBAL COMPACT

Custom Content Index - 'in accordance' Comprehensive

This Content Index provides an overview of the G4 Standard Disclosures based on the selections made.

GRI's Standard Disclosures are comprised of one or more disclosure requirements. Following the link on a specific disclosure label in this Index will take you to the next sheet, 'Overview - Standard Disclosures', where the requirements are listed from "a" to "z" under the column "Disclosure Requirements". In order to report 'in accordance', an organization must answer each of the disclosure requirements for all the required Standard Disclosures.

In exceptional cases, if it is not possible to disclose certain required information, reasons for omission may apply for those Standard Disclosures marked with (*) in tables 3 and 4 on page 12 of [Guidelines – Reporting Principles and Standard Disclosures](#). Consult the "Reasons for omission" on page 13 of the [Guidelines – Reporting Principles and Standard Disclosures](#). There are also macros embedded in this sheet to assist you in disclosing accepted reasons for omission; click on the cell in the Reason(s) for Omission(s) column that you want to provide such a reason for and a selection form will open.

GENERAL STANDARD DISCLOSURES					
General Standard Disclosures	Page Number (or Link)	Identified Omission(s)	Reason(s) for Omission(s)	Explanation for Omission(s)	External Assurance
	Information related to Standard Disclosures required by the 'in accordance' options may already be included in other reports prepared by the organization. In these circumstances, the organization may elect to add a specific reference to where the relevant information can be found.	In exceptional cases, if it is not possible to disclose certain required information, identify the information that has been omitted.	In exceptional cases, if it is not possible to disclose certain required information, provide the reason for omission.	In exceptional cases, if it is not possible to disclose certain required information, explain the reasons why the information has been omitted.	Indicate if the Standard Disclosure has been externally assured. If yes, include the page reference for the External Assurance Statement in the report.
STRATEGY AND ANALYSIS					
G4-1	6-8, 9-12	Not applicable	Not applicable	Not applicable	181
G4-2	43-45, 69-72, 79-80, 166-167	Not applicable	Not applicable	Not applicable	181
ORGANIZATIONAL PROFILE					
G4-3	Cover, 225	Not applicable	Not applicable	Not applicable	181
G4-4	19, 76	Not applicable	Not applicable	Not applicable	181
G4-5	225	Not applicable	Not applicable	Not applicable	181
G4-6	4, 225-236	Not applicable	Not applicable	Not applicable	181
G4-7	22-23, 225	Not applicable	Not applicable	Not applicable	181
G4-8	75-76, 88-92	Not applicable	Not applicable	Not applicable	181
G4-9	4, 14, 22-23, 183-224	Not applicable	Not applicable	Not applicable	181
G4-10	183-224	Not applicable	Not applicable	Not applicable	181
G4-11	183-224	Not applicable	Not applicable	Not applicable	181
G4-12	76	Not applicable	Not applicable	Not applicable	181
G4-13	6-8, 22-23, 225-236	Not applicable	Not applicable	Not applicable	181
G4-14	158-162	Not applicable	Not applicable	Not applicable	181
G4-15	6-8	Not applicable	Not applicable	Not applicable	181
G4-16	135-136	Not applicable	Not applicable	Not applicable	181
IDENTIFIED MATERIAL ASPECTS AND BOUNDARIES					
G4-17	156	Not applicable	Not applicable	Not applicable	181
G4-18	157, 158, 160	Not applicable	Not applicable	Not applicable	181
G4-19	168, 169, 170, 171	Not applicable	Not applicable	Not applicable	181
G4-20	168, 169, 170, 171	Not applicable	Not applicable	Not applicable	181
G4-21	168, 169, 170, 171	Not applicable	Not applicable	Not applicable	181
G4-22	161	Not applicable	Not applicable	Not applicable	181
G4-23	156	Not applicable	Not applicable	Not applicable	181

STAKEHOLDER ENGAGEMENT					
G4-24	48	Not applicable	Not applicable	Not applicable	181
G4-25	157	Not applicable	Not applicable	Not applicable	181
G4-26	157-158	Not applicable	Not applicable	Not applicable	181
G4-27	159	Not applicable	Not applicable	Not applicable	181
REPORT PROFILE					
G4-28	Cover, 155-156	Not applicable	Not applicable	Not applicable	181
G4-29	155-162	Not applicable	Not applicable	Not applicable	181
G4-30	155-162	Not applicable	Not applicable	Not applicable	181
G4-31	http://www.indracompany.com/sobre-indra/contactos	Not applicable	Not applicable	Not applicable	181
G4-32	155-156, 181	Not applicable	Not applicable	Not applicable	181
G4-33	181	Not applicable	Not applicable	Not applicable	181
GOVERNANCE					
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G4-35	36-38	Not applicable	Not applicable	Not applicable	181
G4-36	46	Not applicable	Not applicable	Not applicable	181
G4-37	155-162	Not applicable	Not applicable	Not applicable	181
G4-38	34-35, 39	Not applicable	Not applicable	Not applicable	181
G4-39	39	Not applicable	Not applicable	Not applicable	181
G4-40	33, 155-162, CAA 166-167, CAA 171-172	Not applicable	Not applicable	Not applicable	181
G4-41	CAA 189-190	Not applicable	Not applicable	Not applicable	181
G4-42	36-38	Not applicable	Not applicable	Not applicable	181
G4-43	46	Not applicable	Not applicable	Not applicable	181
G4-44	CAA 172-173	Not applicable	Not applicable	Not applicable	181
G4-45	CAA 190	Not applicable	Not applicable	Not applicable	181
G4-46	CAA 191	Not applicable	Not applicable	Not applicable	181
G4-47	36-38	Not applicable	Not applicable	Not applicable	181
G4-48	46, 155-156	Not applicable	Not applicable	Not applicable	181
G4-49	155-162	Not applicable	Not applicable	Not applicable	181
G4-50	155-162	Not applicable	Not applicable	Not applicable	181
G4-51	40-42, CAA 182-183	Not applicable	Not applicable	Not applicable	181
G4-52	40-42	Not applicable	Not applicable	Not applicable	181
G4-53	ARC 3-4	Not applicable	Not applicable	Not applicable	181
G4-54	183-224	Not applicable	Not applicable	Not applicable	181
G4-55	183-224	Not applicable	Not applicable	Not applicable	181
ETHICS AND INTEGRITY					
G4-56	53-62	Not applicable	Not applicable	Not applicable	181
G4-57	53-62	Not applicable	Not applicable	Not applicable	181
G4-58	53-62	Not applicable	Not applicable	Not applicable	181
SPECIFIC STANDARD DISCLOSURES					
DMA and Indicators	Page Number (or Link)	Identified Omission(s)	Reason(s) for Omission(s)	Explanation for Omission(s)	External Assurance
	Information related to Standard Disclosures required by the 'in accordance' options may already be included in other reports prepared by the organization. In these circumstances, the organization may elect to add a specific reference to where the relevant information can be found.	In exceptional cases, if it is not possible to disclose certain required information, identify the information that has been omitted.	In exceptional cases, if it is not possible to disclose certain required information, provide the reason for omission.	In exceptional cases, if it is not possible to disclose certain required information, explain the reasons why the information has been omitted.	Indicate if the Standard Disclosure has been externally assured. If yes, include the page reference for the External Assurance Statement in the report.

CATEGORY: ECONOMIC					
MATERIAL ASPECT: ECONOMIC PERFORMANCE					
G4-DMA	47, 69-72				181
G4-EC1	73	The break-down by country is not included	The information is subject to specific confidentiality constraints	Indra believes that by giving this information it compromises its competitive position	181
G4-EC2	43-45, 61-62				181
G4-EC3	Not reported	Coverage of the organization's defined benefit plan obligations	The Standard Disclosure or part of the Standard Disclosure is not applicable	Indra does not have benefit plans	181
G4-EC4	23, 183-224	The break-down by country is not included	The information is currently unavailable	Indra plans to improve its information systems in 2 years	181
MATERIAL ASPECT: MARKET PRESENCE					
G4-DMA	47, 69-72				181
G4-EC5	183-224. "Local" refers to the same region where Indra has operations	A break-down by region is included instead a break-down by country	The information is subject to specific confidentiality constraints	Indra believes that by giving this information it compromises its competitive position	181
G4-EC6	183-224. "Local" refers to the same region where Indra has				181
MATERIAL ASPECT: INDIRECT ECONOMIC IMPACTS					
G4-DMA	47, 69-72				181
G4-EC7	69-72, 104-112, 134-137				181
G4-EC8	69-72				181
MATERIAL ASPECT: PROCUREMENT PRACTICES					
G4-DMA	47, 69-72				181
G4-EC9	183-224. "Local" refers to the same region where Indra has				181
CATEGORY: ENVIRONMENTAL					
MATERIAL ASPECT: ENERGY					
G4-DMA	47, 69-72				181
G4-EN3	183-224				181
G4-EN4	183-224. GHG Protocol methodology used.				181
G4-EN5	183-224				181
G4-EN6	138-147, 183-224				181
G4-EN7	138-147				181
MATERIAL ASPECT: EMISSIONS					
G4-DMA	47, 69-72				181
G4-EN15	183-224. Calculation includes CO2, CH4 and N2O. GHG Protocol				181
G4-EN16	183-224. Calculation includes CO2, CH4 and N2O. GHG Protocol				181
G4-EN17	183-224				181
G4-EN18	183-224				181
G4-EN19	143-145, 183-224				181
G4-EN20	183-224				181
G4-EN21	183-224				181

MATERIAL ASPECT: COMPLIANCE					
G4-DMA	47, 69-72				181
G4-EN29	183-224				181
MATERIAL ASPECT: OVERALL					
G4-DMA	47, 69-72				181
G4-EN31	139-140				181
MATERIAL ASPECT: SUPPLIER ENVIRONMENTAL ASSESSMENT					
G4-DMA	47, 69-72				181
G4-EN32	110-111, 146-147				181
G4-EN33	69-72, 110-111, 146-147				181
MATERIAL ASPECT: ENVIRONMENTAL GRIEVANCE MECHANISMS					
G4-DMA	47, 69-72				181
G4-EN34	183-224				181
CATEGORY: SOCIAL					
SUB-CATEGORY: LABOR PRACTICES AND DECENT WORK					
MATERIAL ASPECT: EMPLOYMENT					
G4-DMA	47, 69-72				181
G4-LA1	183-224				181
G4-LA2	183-224. "Significant locations of operations" refers to the				181
G4-LA3	183-224	Total number of employees that were entitled to parental leave, by gender; Total number of employees that took parental leave, by gender; Total number of employees who returned to work after parental leave ended, by gender; Total number of employees who returned to work after parental leave ended who were still employed twelve months after their return to work, by gender; Return to work and retention rates of employees who took parental leave, by gender.	The information is currently unavailable	Indra is working to improve its information systems in 2 years	181
MATERIAL ASPECT: LABOR/MANAGEMENT RELATIONS					
G4-DMA	47, 69-72				181
G4-LA4	It depends on the legislation of the countries where the company				181
MATERIAL ASPECT: OCCUPATIONAL HEALTH AND SAFETY					
G4-DMA	47, 69-72				181
G4-LA5	126, 183-224				181

G4-LA6	183-224	Break down by gender and information for independent contractors	The Standard Disclosure or part of the Standard Disclosure is not applicable	Indra believes that the information not disclosed is not material	181
G4-LA7	Not reported		The information is currently unavailable	Indra is working to improve its information systems in 2 years	181
G4-LA8	126				181
MATERIAL ASPECT: TRAINING AND EDUCATION					
G4-DMA	47, 69-72				181
G4-LA9	183-224	Break down by gender and category	The information is currently unavailable	Indra is working to improve its information systems in 2 years	181
G4-LA10	117-118				181
G4-LA11	183-224	Break down by gender and category	The information is currently unavailable	Indra is working to improve its information systems in 2 years	181
MATERIAL ASPECT: DIVERSITY AND EQUAL OPPORTUNITY					
G4-DMA	47, 69-72				181
G4-LA12	35, 183-224				181
MATERIAL ASPECT: EQUAL REMUNERATION FOR WOMEN AND MEN					
G4-DMA	47, 69-72				181
G4-LA13	183-224. "Significant locations of operations" refers to the				181
MATERIAL ASPECT: SUPPLIER ASSESSMENT FOR LABOR PRACTICES					
G4-DMA	47, 69-72				181
G4-LA14	110-111, 146-147				181
G4-LA15	69-72, 110-111, 146-147	Percentage of suppliers identified as having significant actual and potential negative impacts for labor practices with which improvements were agreed upon as a result of assessment; Percentage of suppliers identified as having significant actual and potential negative impacts for labor practices with which relationships were terminated as a result of assessment, and why.	The information is currently unavailable	Indra is working to improve its information systems in 2 years	181
MATERIAL ASPECT: LABOR PRACTICES GRIEVANCE MECHANISMS					
G4-DMA	47, 69-72				181
G4-LA16	183-224				181
SUB-CATEGORY: HUMAN RIGHTS					
MATERIAL ASPECT: NON-DISCRIMINATION					
G4-DMA	47, 69-72				181

G4-HR3	53					181
MATERIAL ASPECT: FREEDOM OF ASSOCIATION AND COLLECTIVE BARGAINING						
G4-DMA	47, 69-72					181
G4-HR4	60-61					181
MATERIAL ASPECT: CHILD LABOR						
G4-DMA	47, 69-72					181
G4-HR5	60-61					181
MATERIAL ASPECT: FORCED OR COMPULSORY LABOR						
G4-DMA	47, 69-72					181
G4-HR6	60-61					181
MATERIAL ASPECT: SUPPLIER HUMAN RIGHTS ASSESSMENT						
G4-DMA	47, 69-72					181
G4-HR10	110-111, 146-147					181
G4-HR11	110-111, 146-147	as having significant actual and	The information is currently unavailable	information systems in 2 years		181
MATERIAL ASPECT: HUMAN RIGHTS GRIEVANCE MECHANISMS						
G4-DMA	47, 69-72					181
G4-HR12	183-224					181
SUB-CATEGORY: SOCIETY						
MATERIAL ASPECT: ANTI-CORRUPTION						
G4-DMA	47, 69-72					181
G4-SO3	53-54					181
G4-SO4	53-54, 183-224					181
G4-SO5	53-54					181
MATERIAL ASPECT: PUBLIC POLICY						
G4-DMA	47, 69-72					181
G4-SO6	58					181
MATERIAL ASPECT: ANTI-COMPETITIVE BEHAVIOR						
G4-DMA	47, 69-72					181
G4-SO7	183-224					181
MATERIAL ASPECT: COMPLIANCE						
G4-DMA	47, 69-72					181
G4-SO8	183-224					181
MATERIAL ASPECT: SUPPLIER ASSESSMENT FOR IMPACTS ON SOCIETY						
G4-DMA	47, 69-72					181
G4-SO9	110-111, 146-147, 183-224					181

		Percentage of suppliers identified as having significant actual and potential negative impacts on society with which improvements were agreed upon as a result of assessment; Percentage of suppliers identified as having significant actual and potential negative impacts on society with which relationships were terminated as a result of assessment, and why.			
G4-SO10	183-224		The information is currently unavailable	Indra is working to improve its information systems in 2 years	181
MATERIAL ASPECT: GRIEVANCE MECHANISMS FOR IMPACTS ON SOCIETY					
G4-DMA	47, 69-72				181
G4-SO11	53				181
SUB-CATEGORY: PRODUCT RESPONSIBILITY					
MATERIAL ASPECT: CUSTOMER HEALTH AND SAFETY					
G4-DMA	47, 69-72				181
G4-PR1	As Indra's activity is based on the development of personalized				181
G4-PR2	183-224				181
MATERIAL ASPECT: PRODUCT AND SERVICE LABELING					
G4-DMA	47, 69-72				181
G4-PR3	As Indra's activity is based on the development of personalized				181
G4-PR4	183-224				181
G4-PR5	93				181
MATERIAL ASPECT: MARKETING COMMUNICATIONS					
G4-DMA	47, 69-72				181
G4-PR6	55-56				181
G4-PR7	183-224				181
MATERIAL ASPECT: CUSTOMER PRIVACY					
G4-DMA	47, 69-72				181
G4-PR8	183-224				181
MATERIAL ASPECT: COMPLIANCE					
G4-DMA	47, 69-72				181
G4-PR9	183-224				181

3

In relation to the MATERIALITY principle

As in previous years, Indra has updated its materiality study for the year 2013. Last year, for the first time, the company has taken into account the issues that are relevant in the whole value chain of the company, both externally and internally. Additionally, with respect to internal prioritization, the company is working to extend the consultation process with the company's key leaders in the areas of strategy, risk and stakeholder management. Indra should continue this consultation process and making progress in including the value creation chain in the prioritization process, both internally and externally, in order to identify the relevant issues.

In relation to the RESPONSIVENESS principle

Indra carries out a continuous, two-way communication process with its stakeholders. Additionally, the company is working on aligning the CSR Master Plan with the critical success factors of the company. This is in order to adapt this process to the actions developed to address the needs of these stakeholders. It is recommended, therefore, to continue making progress in this regard and in the consideration of the results of the materiality study (what issues are material and how they are material) when designing the responses given to stakeholders.

KPMG Asesores, S.L.

(Signed)

José Luis Blasco Vázquez

22 May 2014



5



Control panel

Financial information



financial figures

5.1 CONTROL PANEL

Indicators	2009	2010	2011	2012	2013
GOVERNANCE MODEL					
Composition of Board of Directors					
Number of Indra directors	15	14	15	14	14
External directors	13	12	12	12	12
Independent directors	7	7	7	7	7
Proprietary directors	6	5	5	5	5
Number of Indra executive directors	2	2	3	2	2
Number of women on Indra Board of Directors	3	3	3	3	3

Indicators	2009	2010	2011	2012	2013
GOVERNANCE MODEL					
Board profile					
Proportion of women on Board of Directors	20%	21%	20%	21%	21%
Nationalities represented on Board of Directors	2	2	2	3	2
Average length in post (years)	5.25	5.64	6.64	6.50	4.65
Number of men/women directors: > 60 years of age	-	3 0	4 0	4 0	3 0
Number of men/women directors: between the ages of 50 and 59	-	7 2	7 3	7 3	7 3
Number of men/women directors: between the ages of 40 and 49	-	0 1	0 0	3 0	1 0
Number of men/women directors: between the ages of 30 and 39	-	1 0	1 0	0 0	0 0

Indicators	2009	2010	2011	2012	2013
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GOVERNANCE MODEL**Performance of Board of Directors**

Average attendance to Board meetings	91.5%	91.8%	91.0%	89.0%	89.0%
Average directors' remuneration	139,383	144,872	152,414	151,957	152,899

Indicators	2009	2010	2011	2012	2013
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GOVERNANCE MODEL**Investor relations**

Institutional investors seen during the year	380	433	423	393	356
Number of telephone enquiries addressed by the Shareholders Office	1,410	1,715	1,388	1,439	1,151
One-on-one meetings	285	364	290	156	184
Number of analysts' reports	241	322	360	255	286
Institutions tracking Indra in the year	29	31	31	28	28
Research institutions that closed the year with a positive buy recommendation.	9	9	8	9	9
Visits to shareholder's magazine	-	-	2,663	2,109	2,827

Indicators	2009	2010	2011	2012	2012
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GOVERNANCE MODEL**Code of ethics and professional conduct**

Number of messages through Direct Channel	-	17	0	7	40
% of professionals trained in the Code of Ethics	-	-	-	-	65%
% of professionals from the senior management and middle management teams	-	-	-	61%	54%
% of professionals from the technical team	-	-	-	80%	68%

Indicators	2009	2010	2011	2012	2013
CLIENTS					
Financial performance					
Sales (millions of €)	2,513.2	2,557.0	2,688.5	2,941.0	-
Sales in Europe (millions of euros)	2,061.5	1,960.4	1,935.6	1,680.8	-
Sales in Spain (millions of euros)	1,613	1,566	1,526	1,258	-
Sales in rest of EU (millions of euros)	449	394	410	423	-
Sales in Latin America (millions of euros)	264	372	485	745	-
Sales in Asia, rest of Europe and rest of world (millions of euros)	156	197	232	481	-
Sales in US and Canada (millions of euros)	32	28	36	34	-
Sales in Spain (millions of euros)	-	-	-	1,258	1,124.93
Sales in Latin America (millions of euros)	-	-	-	745	830.69
Sales in Europe and North América (millions of euros)	-	-	-	67	577.34
Sales in Asia, Middle East and Africa (millions of euros)	-	-	-	414	381.11
EBIT (millions of €)	285.4	251.9	267.8	217.0	198.3
Recurrent Operating Profit (millions of €)	-	-	-	248.8	226.2
Order backlog (millions of €)	2,578.9	2,899.2	3,230.9	3,470.3	3,493.3
Cash position (millions of €)	-134.5	-274.9	-513.6	-633.3	-622.5
Attributable profit (millions of €)	195.6	188.5	181.0	127.6	116.7
Operating cash flow (millions of €)	337.9	308.1	324.4	258.1	249.7
Dividend (euros/share)	0.66	0.68	0.68	0.34	0.34

Indicators	2009	2010	2011	2012	2013
CLIENTS					
Customer profile					
Number of customers per year	1,569	1,586	2,269	2,422	2,289
Number of public-sector customers	493	493	612	629	638
Number of private-sector customers	1,076	1,093	1,657	1,793	1,651
Number of new customers	379	357	631	628	459
Revenue from the top 35 customers (millions of euros)	1,026	982	991	1,122	985
Number of countries where Indra has references	106	114	118	128	138

Indicators	2009	2010	2011	2012	2013
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CLIENTS**Customer satisfaction**

Customer satisfaction and loyalty (1-5)	3.8	3.7	3.9	3.9	3.9
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Indicators	2009	2010	2011	2012	2013
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CLIENTS**IT security**

Number of hacker intrusions	0	0	0	4	0
Customer information revealed accidentally	0	0	0	0	1
Number of complaints related with lost client information and client data breaches	-	-	-	0	1

Indicators	2009	2010	2011	2012	2013
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TALENT**General profiles**

Workforce	26,175	28,608	35,730	38,577	38,548
Breakdown of employees by geographical area (%): Europe	74	74	63	60.08%	57.72%
Breakdown of employees by geographical area (%): Spain	70	71	59	55.86%	53.70%
Breakdown of employees by geographical area (%): rest of EU	4	4	4	4.22%	4.02%
Breakdown of employees by geographical area (%): Latin America	20	23	34	36.81%	38.63%
Breakdown of employees by geographical area (%): Africa, Asia and Pacific	3	2	2	2.83%	3.35%
Breakdown of employees by geographical area (%): North America	-	-	0.3	0.28%	0.30%

Indicators	2009	2010	2011	2012	2013
TALENT					
General profiles					
Breakdown of employees by geographical area (%): Spain	70	71	59	55.86%	353.70%
Breakdown of employees by geographical area (%): Europe and North America	4	4	4	4.50%	4.31%
Breakdown of employees by geographical area (%): Latin America	20	23	34	36.81%	38.63%
Breakdown of employees by geographical area (%): Africa, Asia and Middle East	3	2	2	2.83%	3.35%
% of graduates and highly qualified personnel	83	85	82	87.99%	89.16%
Management	508	502	523	527	500

Indicators	2009	2010	2011	2012	2013
TALENT					
Diversity					
Percentages of men/women employees by employment category: Total	64 36	65 35	64 36	63.86%	63.86%
Percentages of men/women employees by employment category: directors	-	87 13	88 12	86.19%	84.91%
Percentages of men/women employees by employment category: managers	-	77 23	78 22	77.25%	76.76%
Percentages of men/women employees by employment category: Level 3 technical employees	-	69 31	69 31	63.98%	69.63%
Percentages of men/women employees by employment category: Level 2 technical employees	-	66 34	67 33	60.78%	66.25%
Percentages of men/women employees by employment category: Level 1 technical employees	-	62 38	64 36	61.29%	59.99%
Average age of employees	36	36	36	36	36
Average age of executives	48	46	47	49	48

Indicators	2009	2010	2011	2012	2013
TALENT					
Age Pyramid					
Men Women: > 60 years of age	199 52	187 47	239 62	281 60	221 46
Men Women: between the ages of 55 and 60	483 161	533 192	661 248	779 263	718 256
Men Women: between the ages of 50 and 55	826 353	945 416	1 195 533	1 355 636	1 282 635
Men Women: between the ages of 45 and 50	1 325 700	1 517 785	1 898 1 029	2 136 1 111	2 058 1 083
Men Women: between the ages of 40 and 45	1 891 1 041	2 214 1 157	2 820 1 466	3 216 1 772	3 120 1 728
Men Women: between the ages of 35 and 40	3 254 1 933	3 737 2 263	4 495 2 741	4 744 2 940	4 645 2 906
Men Women: between the ages of 30 and 35	3 955 2 353	4 288 2 361	5 060 2 815	5 409 3 182	5 418 3 046
Men Women: between the ages of 25 and 30	3 838 2 208	3 882 2 226	4 893 2 702	4 949 2 745	4 983 2 736
Men Women: between the ages of 20 and 25	903 613	1 108 638	1 652 1 039	1 676 1 128	2 040 1 342
Men Women: < 20 years of age	58 29	78 34	97 85	89 106	131 154
Number of nationalities	-	80	90	96	94
Average of local employees (%)	-	93	95	96.58%	96.56%
Proportion of executives from local community (%)	-	93	95	93.00%	92.60%
% of disabled employees in workforce	-	0.71%	0.97%	0.45%	0.90%

Indicators	2009	2010	2011	2012	2013
TALENT					
% of disabled employees in workforce per category					
% of disabled employees in workforce: director	-	-	-	0.02%	0.03%
% of disabled employees in workforce: managers	-	-	-	0.06%	0.06%
% of disabled employees in workforce: technical employee	-	-	-	0.37%	0.81%

Indicators	2009	2010	2011	2012	2013
TALENT					
Remuneration					
% of employees in variable remuneration system	21	19	16	15,69%	14,78%
Minimum wage at Indra/Minimum wage at country ratio (%)					
At Spain	-	-	251.09%	219.01%	-
At EU	-	-	328.02%	207.34%	-
At USA and Canadá	-	-	199.21%	278.86%	-
At Latinamerica	-	-	216.71%	249.41%	-
Africa, Asia and Pacific	-	-	380.62%	197.57%	-
Spain	-	-	-	-	198.08%
Europe and North América	-	-	-	-	276.75%
Latinamérica	-	-	-	-	173.55%
Asia, Middle East and Africa	-	-	-	-	196.25%
Ratio of the annual total compensation for the organization's highest-paid individual in each country of significant operations to the median annual total compensation for all employees (excluding the highest-paid individual) in:					
- Brazil	-	-	-	-	19.2
- Colombia	-	-	-	-	12.1
- Mexico	-	-	-	-	10.1
- Argentina	-	-	-	-	8.6
- Peru	-	-	-	-	18.7
- Philippines	-	-	-	-	9.7
- Chile	-	-	-	-	8.1
- Italy	-	-	-	-	8.4
- Venezuela	-	-	-	-	5.3
- Portugal	-	-	-	-	6.5
- El Salvador	-	-	-	-	18.9
- Norway	-	-	-	-	3.2
- Panama	-	-	-	-	6.4
- Czech Republic	-	-	-	-	4.8

Indicators	2009	2010	2011	2012	2013
TALENT					
Remuneration					
Ratio of the annual total compensation for the organization's highest-paid individual in each country of significant operations to the median annual total compensation for all employees (excluding the highest-paid individual) in:					
- Uruguay	-	-	-	-	10.6
- United States	-	-	-	-	3.7
- India	-	-	-	-	6.6
- Australia	-	-	-	-	3.8
- Kenya	-	-	-	-	6.2
- Bahrain	-	-	-	-	2.3
- China	-	-	-	-	5.9
- Moldavy	-	-	-	-	2.7
- Slovakia	-	-	-	-	4.8
- United kingdom	-	-	-	-	4.2
- Repu	-	-	-	-	7.4
- Romania	-	-	-	-	2.7
- Marroco	-	-	-	-	6.3
- Turkey	-	-	-	-	3.8
- Malaisy	-	-	-	-	4.7
- Oman	-	-	-	-	2.8
- Indonesia	-	-	-	-	4.1
- Germany	-	-	-	-	2.6
- Kazakhstan	-	-	-	-	2.3
- Costa Rica	-	-	-	-	4.6
- Poland	-	-	-	-	3.5
- Bulgary	-	-	-	-	2.3
- France	-	-	-	-	1.4
- Letony	-	-	-	-	2.0
- Hungary	-	-	-	-	6.1

Indicators	2009	2010	2011	2012	2013
TALENT					
Remuneration					
Ratio of the annual total compensation for the organization's highest-paid individual in each country of significant operations to the median annual total compensation for all employees (excluding the highest-paid individual) in:					
- Canadá	-	-	-	-	1.6
- Spain	-	-	-	-	11.6
ratio of percentage increase in annual total compensation for the organization's highest-paid individual in each country of significant operations to the median percentage increase in annual total compensation for all employees (excluding the highest-paid individual) in:					
- India	-	-	-	-	0.9
- Panama	-	-	-	-	1.0
- Marroco	-	-	-	-	0.9
- Algeria	-	-	-	-	1.0
- Romania	-	-	-	-	0.0
- Argentina	-	-	-	-	0.5
- Kenya	-	-	-	-	0.4
- Australia	-	-	-	-	1.1
- Bahrain	-	-	-	-	0.6
- Portugal	-	-	-	-	0.0
- Uruguay	-	-	-	-	0.7
- Italy	-	-	-	-	9.8
- Chile	-	-	-	-	1.1
- Colombia	-	-	-	-	5.2
- Mexico	-	-	-	-	0.0
- Costa Rica	-	-	-	-	1.9
- Oman	-	-	-	-	0.0
- El Salvador	-	-	-	-	0.0
- Peru	-	-	-	-	0.0

Indicators	2009	2010	2011	2012	2013
TALENT					
Remuneration					
ratio of percentage increase in annual total compensation for the organization's highest-paid individual in each country of significant operations to the median percentage increase in annual total compensation for all employees (excluding the highest-paid individual) in:					
- United States	-	-	-	-	0.6
- Dominican Republic	-	-	-	-	1.6
- Philippines	-	-	-	-	0.7
- Turkey	-	-	-	-	1.5
- France	-	-	-	-	1.6
- Germany	-	-	-	-	0.6
- Spain	-	-	-	-	0.0

Indicators	2009	2010	2011	2012	2013
TALENT					
Ratio salarial hombre/mujer por categoria laboral					
Men/women director wage ratio (%)	113%	123%	124%	119.22%	105.16%
Men/women manager wage ratio (%)	109%	112%	109%	105.19%	104.52%
Men/women manager wage ratio (%)	-	-	-	104.91%	102.96%
Men/women level 3 technical employee wage ratio (%)	104%	107%	105%	105.16%	102.08%
Men/women level 2 technical employee wage ratio (%)	102%	105%	103%	103.56%	102.65%
Men/women level 1 technical employee wage ratio (%)	102%	111%	111%	108.15%	103.94%
Workforce expenditure: wages	-	-	-	-	1,046,060,586.30
Workforce expenditure: social security contributions	-	-	-	-	242,997,552.40
Workforce expenditure: pensions	-	-	-	-	3,246,683.00

Indicators	2009	2010	2011	2012	2013
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TALENT**Commitment and motivation**

Average seniority	6.2	6.14	5.38	5.90	6.29
Unwanted external rotation (%)	5	7.2	8.9	9.69%	10.03%

Indicators	2009	2010	2011	2012	2013
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TALENT**Unwanted external rotation by age range and gender (%)**

Men Women: > 60 years of age		1.6 0.0	0.9 1.8	4.26 1.41	12.82 6.25
Men Women: between the ages of 55 and 60		1.9 1.8	0.8 1.9	1.96 2.25	4.78 4.69
Men Women: between the ages of 50 and 55		0.7 1.7	1.4 0.9	3.98 2.48	7.3 4
Men Women: between the ages of 45 and 50		2.1 2.0	2.2 1.8	3.84 3.53	7.72 7.47
Men Women: between the ages of 40 and 45		3.4 2.7	3.6 3.0	4.8 2.67	10.61 7.14
Men Women: between the ages of 35 and 40		4.9 3.8	6.3 3.5	6.72 5.21	15 10.44
Women: between the ages of 30 and 35		9.9 6.5	11.3 7.6	12.26 7.81	25.08 18.23
Women: between the ages of 25 and 30		15.2 11.6	16.2 14.4	16.54 15.57	33.54 28.97
Men Women: between the ages of 20 and 25		18.9 17.6	19.0 17.0	21.83 17.24	34.11 27.46
Men Women: < 20 years of age		2.7 0.0	8.2 9.8	30.02 12.63	28.84 11.68

Indicators	2009	2010	2011	2012	2013
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TALENT**Unwanted external rotation by geographical area**

Spain		4.5	5.4	4.15%	3.87%
Latin America		17.2	16.6	18.61%	18.69%
Europe and North América		17.2	16.4	18.0%	14.90%
Asia,, Middle East and Asia		17.9	13.9	11.89%	11.37%
Total rotation		-	24.6	28.8%	33.39%
% of employees with permanent contract		83.7	85.5	85.02%	86.87%
Spain		-	-	83.74%	86.87%
Rest of EU		-	-	92.07%	87.21%

Indicators	2009	2010	2011	2012	2013
TALENT					
Unwanted external rotation by geographical area (%)					
Latin America	-	-	-	86.69%	90.18%
North America	-	-	-	92.66%	86.76%
Asia,, Middle East and Asia	-	-	-	77.16%	96.52%
Spain	-	-	-	83.74%	86.87%
Latin America	-	-	-	86.69%	90.18%
Europe and North América	-	-	-	92.11%	90.62%
Asia,, Middle East and Asia	-	-	-	77.16%	96.52%
% of people promoted	13	19.8	15.9	23.90%	20.20%
% of women promoted (over total number promoted in company)	-	6.6	9.2	29.25%	30.40%
Number of employees in performance-based evaluation system	19,566	18,668	21,386	26,219	27,070
% women % men in skill-based evaluation system	-	-	44.4	31.23%	31.33%

Indicators	2009	2010	2011	2012	2013
TALENT					
Training and knowledge					
Total training hours received (including online)	535,186	501,797	657,540	870,982	856,181
Training hours received online	137,045	90,750	122,727	271,395	262,718
Training actions	2,224	4,666	5,521	4,964	18,284
Number of persons attending training	25,215	38,279	89,738	75,087	87,376
% of training expense over total pay	2.5	1.6	2.0%	2.59%	1.86%
Evaluation of training: student satisfaction (1-4)	4	3.8	4.0	3.30	3.74
Professionals in talent development programs (%)	-	5	2	2.98%	1.98%

Indicators	2009	2010	2011	2012	2013
TALENT					
Recruitment appeal					
Number of spontaneous employment applications received	22,660	57,201	137,025	69,640	97,471
Average number of applications received per vacancy	112	61	45	109	96
Net job creation	1,369	2,433	7,122	2,847	-29
Indicators	2009	2010	2011	2012	2013
TALENT					
Conciliation					
Number of employees in Teleworking programme	110	132	225	226	226
Professionals with "My desktop" services	-	6,011	6,102	6,521	7,019
% of employees satisfied with teleworking	96	99	100	99.6%	99.6%
Number of employees taking maternity leave	465	594	1,018	579	966
Number of persons with reduction in working hours	-	532	1,132	1,552	1,457
Retention rate following paternal/maternal leave	-	96.8%	98.5%	92.49%	86.79%
Indicators	2009	2010	2011	2012	2013
TALENT					
Social benefits					
% employees accessing social security supplement in case of illness	99.4	76.73	64.42	63.47%	50.46%
% employees accessing social security supplement in case of accident	100	71	64.45	61.38%	47.97%
% employees provided with food vouchers	36	32	35.34	46.00%	41.86%

Indicators	2009	2010	2011	2012	2013
TALENT					
Work-related accidents with and without sick leave (excluding accidents occurring on the way to or from work)					
Number of accidents	-	250	246	188	164
Spain	-	-	208	131	112
Rest of EU	-	-	0	0	1
Latin America	-	-	38	56	51
North America	-	-	0	0	0
Africa, Asia and Pacific	-	-	0	1	0
Frequency	7.4	6.24	5.26	3.09	3.02
Spain	-	-	6.13	3.81	3.184393105
Rest of EU	-	-	0	0	0.484154293
Latin America	-	-	3.67	2.49	3.462021209
North America	-	-	0	0	0
Africa, Asia and Pacific	-	-	0	0.57	0
Incidence	13.20	11.3	8.96	5.30	4.98
Spain	-	-	10.16	6.39	5.345998258
Rest of EU	-	-	0	0	0.827203529
Latin America	-	-	6.62	6.25	7.250268136
North America	-	-	0	0	0
Africa, Asia and Pacific	-	-	0	1.04	0
Seriousness	0.04	0.05	0.03	0.12	0.02
Spain	-	-	0.02	0.2	0.012434732
Rest of EU	-	-	0	0	0
Latin America	-	-	0.05	0.02	0.036830075
North America	-	-	0	0	0
Africa, Asia and Pacific	-	-	0	0	0
Average duration	4.85	7.36	5.42	39.52	6.63

Indicators	2009	2010	2011	2012	2013
TALENT					
Work-related accidents with and without sick leave (excluding accidents occurring on the way to or from work)					
Spain	-	-	3.69	52.39	3.904898483
Rest of EU	-	-	0	0	9.493150685
Latin America	-	-	14.63	9.33	10.63831587
North America	-	-	0	0	0
Africa, Asia and Pacific	-	-	0	4.22	0
Fatal accidents	0	0	0	1	0
Training hours in workplace risk	23,100	36,588	47,900.16	67,896.40	21,538

Indicators	2009	2010	2011	2012	2013
TALENT					
Collective bargaining					
% of employees covered by collective bargaining agreements	90	93	95	79%	76%
Spain	-	-	-	100%	100%
Rest of EU	-	-	-	32%	32%
Latin America	-	-	-	60%	60%
North America	-	-	-	0%	0%
Africa, Asia and Pacific	-	-	-	0%	0%
Spain	-	-	-	100%	100%
Latin America	-	-	-	60%	52%
Europe and North América	-	-	-	-	54%
Asia, Middle East and África	-	-	-	0%	0%

Indicators	2009	2010	2011	2012	2013
SOLUTIONS AND ADDED VALUE SERVICES					
Innovation and collaboration with knowledge centres					
RDI investment (€M)	175	184	189	193	195
% RDI investment of sales	7.0%	7.2%	7.0%	6.6%	6.7%
Number of agreements with universities and business schools	147	155	200	210	268

Indicators	2009	2010	2011	2012	2013
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SOLUTIONS AND ADDED VALUE SERVICES

Partner profile

Number of partnerships in place	126	146	174	200	220
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Indicators	2009	2010	2011	2012	2013
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SOLUTIONS AND ADDED VALUE SERVICES

Partner satisfaction and loyalty (1-5)

Rating (partner satisfaction)	3.4	3.5	3.6	3.8	ND
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Indicators	2009	2010	2011	2012	2013
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SOLUTIONS AND ADDED VALUE SERVICES

Supplier profile

Distribution of suppliers

Europe	87.5	86.7	77.3	65.7	-
Spain	75.7	73.8	66.6	54.9	-
Rest of Europe	11.8	12.9	10.7	10.8	-
Latin America	2.6	5.3	16.4	18.5	-
Distribution of suppliers in Africa, Asia and Pacific	4.4	4.4	3.7	2.6	-
Distribution of suppliers in North America	5.5	3.6	2.8	1.8	-
Spain	-	-	-	54%	62%
Latin América	-	-	-	18%	20%
Europe and North América	-	-	-	13%	15%
Asia, Middle East and África	-	-	-	3%	2%
Expense of local suppliers	-	78%	79%	69%	77%

Indicators	2009	2010	2011	2012	2013
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SOLUTIONS AND ADDED VALUE SERVICES

Supplier satisfaction and loyalty (1-5)

Rating (supplier satisfaction)	4.0	3.9	4.1	4.2	N.D
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Indicators	2009	2010	2011	2012	2013
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CONTRIBUTION TO THE COMMUNITY

Resource consumption, waste generation and emissions

Electricity (Kwh)	94,055,774	86,579,584	85,472,592	98,324,024	95,567,851
Electricity (Gj)	338,601	311,687	307,701	353,966	344,044
Gas oil C (l)	269,839	484,077	258,394	280,297	338,496
Gas oil C (Gj)	10,686	19,169	10,232	11,100	13,404
Natural gas (m ³)	352,018	377,425	270,352	390,152	513,278
Natural gas (Gj)	13,729	14,720	10,544	15,216	20,018
Total energy consumed (Gj)	363,015	345,576	328,477	380,282	377,467
Utilities water (m ³)	308,530	249,042	180,594	206,990	225,271
Ground water (m ³)	44,887	20,864	13,344	19,205	14,841
Hazardous waste (Kg)	40,979	51,669	34,847	46,407	34,148
Non-hazardous waste (Kg)	712,214	781,039	748,961	1,108,446	775,842
% of employees in environmentally certified workplaces	49.4%	52.1%	48.6%	51.5%	49.6%
Proportion of ecological paper used (%)	-	25.6	19.2	100.0	100.0
Direct CO ₂ emissions (T CO ₂ e)	1,389	2,012	1,204	1,489	1,880
Indirect CO ₂ emissions through electricity consumed (T CO ₂ e)	32,321	30,227	27,033	28,818	25,891
Direct CO ₂ emissions from transport (own vehicles) (t)	536	1,416	5,767	4,948	4,547
Indirect CO ₂ emissions from transport (third-party vehicles) (t)	10,808	10,476	12,892	17,058	19,433
Emissions of Persistent Organic Pollutants (POPs) (T)	-	< 0.151	< 0.151	< 0.151	< 0.151
Environmental expenditures and investments	511,078	398,216	755,059	184,731	473,262

Indicators	2009	2010	2011	2012	2013
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CONTRIBUTION TO THE COMMUNITY

Mobility and efficiency

Number of conversations in the instant messaging service	4,69	103	13,6	14,5	21,7
Videoconferences made	5,619	2,200	29,325	28,900	28,829

Indicators	2009	2010	2011	2012	2013
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CONTRIBUTION TO THE COMMUNITY

Sanctions and fines

Monetary value of significant fines and total number of non-monetary sanctions for non-compliance with laws and regulations (€)	559,774	545,853	630,815	859,713	4,340,824
Monetary value of significant fines and total number of non-monetary sanctions for non-compliance with environmental laws and regulations (€)	0	0	300	333	0
Monetary value of significant fines and number of non-monetary sanctions for non-compliance with regulations concerning health and safety of clients	-	-	-	0	0
Monetary value of significant fines and number of non-monetary sanctions for non-compliance with of regulations concerning consumer law violations	-	-	-	4,000	0
Number of non-monetary sanctions	-	0	1	0	0
Cases settled through dispute resolution mechanisms	-	3	1	4	5
Legal actions for anti-competitive behavior or monopolistic practices	-	0	0	0	0
Number of grievances about environmental impacts filed, addressed, and resolved through formal grievance mechanisms	-	-	-	-	0

Indicators	2009	2010	2011	2012	2013
CONTRIBUTION TO THE COMMUNITY					
Economic contribution to the community					
Capital Grants (€)	-	-	101,216	2,819,241	2,111,076
Tax reliefs or credits (€)	-	-	31,992,557	26,697,872	19,221,411.34
Financial value for investment grants (€)	-	-	27,536,795	15,402,625	16,966,353.66
Financial value for financial assistance form ECAs	-	-	0	0	0
Financial value for financial incentives	-	-	0	0	0
Investment in Social Action	1,319,065	1,472,987	1,482,458	1,318,192	1,459,007
% purchases from special employment centers in relation to the total purchases	-	-	-	-	2,271,993

Indicators	2009	2010	2011	2012	2013
CONTRIBUTION TO THE COMMUNITY					
Sustainability in the value chain					
Active suppliers that have accepted the Code of Ethics of Indra Providers	-	-	-	34%	34%
Percentage of new suppliers that were screened using environmental criteria	-	-	-	-	66.4
Percentage of new suppliers that were screened using labor practices criteria	-	-	-	-	66.4
Percentage of new suppliers that were screened using human rights criteria	-	-	-	-	66.4
Number of grievances about human rights impacts filed, addressed, and resolved through formal grievance mechanisms	-	-	-	-	0
Percentage of new suppliers that were screened using criteria for impacts on society	-	-	-	-	66.4
Number of grievances about impacts on society filed, addressed, and resolved through formal grievance mechanisms	-	-	-	-	0

SCOPE

Indicators	2009	2010	2011	2012	2013
GOVERNANCE MODEL					
Composition of Board of Directors					
Number of Indra directors	100%	100%	100%	100%	100%
External directors	100%	100%	100%	100%	100%
Independent directors	100%	100%	100%	100%	100%
Proprietary directors	100%	100%	100%	100%	100%
Number of Indra executive directors	100%	100%	100%	100%	100%
Number of women on Indra Board of Directors	100%	100%	100%	100%	100%

Indicators	2009	2010	2011	2012	2013
GOVERNANCE MODEL					
Board Profile					
Proportion of women on Board of Directors	100%	100%	100%	100%	100%
Nationalities represented on Board of Directors	100%	100%	100%	100%	100%
Average length in post (years)	100%	100%	100%	100%	100%
Number of men/women directors: > 60 years of age	-	100%	100%	100%	100%
Number of men/women directors: between the ages of 50 and 59	-	100%	100%	100%	100%
Number of men/women directors: between the ages of 40 and 49	-	100%	100%	100%	100%
Number of men/women directors: between the ages of 30 and 39	-	100%	100%	100%	100%

Indicators	2009	2010	2011	2012	2013
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GOVERNANCE MODEL**Performance of Board of Directors**

Average attendance to Board meetings	100%	100%	100%	100%	100%
Average directors' remuneration	100%	100%	100%	100%	100%

Indicators	2009	2010	2011	2012	2013
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GOVERNANCE MODEL**Investor relations**

Institutional investors seen during the year	100%	100%	100%	100%	100%
Number of telephone enquiries addressed by the Shareholders Office	100%	100%	100%	100%	100%
One-on-one meetings	100%	100%	100%	100%	100%
Number of analysts' reports	100%	100%	100%	100%	100%
Institutions tracking Indra in the year	100%	100%	100%	100%	100%
Research institutions that closed the year with a positive buy recommendation.	100%	100%	100%	100%	100%
Visits to shareholder's magazine	-	-	100%	100%	100%

Indicators	2009	2010	2011	2012	2013
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GOVERNANCE MODEL**Code of ethics and professional conduct**

Number of messages through Direct Channel	-	76%	100%	100%	100%
% of professionals trained in the Code of Ethics					
% of professionals from the senior management and middle management teams	-	-	-	56%	100%
% of professionals from the technical team	-	-	-	56%	100%

Indicators	2009	2010	2011	2012	2013
CLIENTS					
Financial performance					
Sales (millions of €)	100%	100%	100%	100%	100%
Sales in Europe (millions of euros)	100%	100%	100%	100%	100%
Sales in Spain (millions of euros)	100%	100%	100%	100%	100%
Sales in rest of EU (millions of euros)	100%	100%	100%	100%	100%
Sales in Latin America (millions of euros)	100%	100%	100%	100%	100%
Sales in Asia, rest of Europe and rest of world (millions of euros)	100%	100%	100%	100%	100%
Sales in US and Canada (millions of euros)	100%	100%	100%	100%	100%
Sales in Spain (millions of euros)	-	-	-	100%	100%
Sales in Latin America (millions of euros)	-	-	-	100%	100%
Sales in Europe and North América (millions of euros)	-	-	-	100%	100%
Sales in AMEA	-	-	-	100%	100%
EBIT (millions of €)	100%	100%	100%	100%	100%
Recurrent Operating Profit (millions of €)	-	-	-	100%	100%
Order backlog (millions of €)	100%	100%	100%	100%	100%
Cash position (millions of €)	100%	100%	100%	100%	100%
Attributable profit (millions of €)	100%	100%	100%	100%	100%
Operating cash flow (millions of €)	100%	100%	100%	100%	100%
Dividend (euros/share)	100%	100%	100%	100%	100%
Indicators	2009	2010	2011	2012	2013
CLIENTS					
Customer profile					
Number of customers per year	97%	99%	99%	100%	100%
Number of public-sector customers	97%	99%	99%	100%	100%
Number of private-sector customers	97%	99%	99%	100%	100%
Number of new customers	97%	99%	99%	100%	100%
Revenue from the top 35 customers (millions of euros)	100%	100%	100%	100%	100%
Number of countries where Indra has references	100%	100%	100%	100%	100%

Indicators	2009	2010	2011	2012	2013
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CLIENTS**Customer satisfaction**

Customer satisfaction and loyalty (1-5)	100%	100%	100%	100%	100%
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Indicators	2009	2010	2011	2012	2013
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CLIENTS**IT security**

Number of hacker intrusions	100%	100%	100%	100%	100%
Customer information revealed accidentally	100%	100%	100%	100%	100%
Number of claims related to lost clients and information gaps customer privacy	-	-	-	0%	100%

Indicators	2009	2010	2011	2012	2013
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TALENT**General profiles**

Workforce	100%	100%	100%	100%	100%
Breakdown of employees by geographical area (%): Europe	100%	100%	100%	100%	100%
Breakdown of employees by geographical area (%): Spain	100%	100%	100%	100%	100%
Breakdown of employees by geographical area (%): rest of EU	100%	100%	100%	100%	100%
Breakdown of employees by geographical area (%): Latin America	100%	100%	100%	100%	100%
Breakdown of employees by geographical area (%): Africa, Asia and Pacific	100%	100%	100%	100%	100%
Breakdown of employees by geographical area (%): North America	100%	100%	100%	100%	100%

Indicators	2009	2010	2011	2012	2013
TALENT					
General profiles					
Breakdown of employees by geographical area (%): Spain	-	-	-	100%	100%
Breakdown of employees by geographical area (%): Europe and North America	-	-	-	100%	100%
Breakdown of employees by geographical area (%): Latin America	-	-	-	100%	100%
Breakdown of employees by geographical area (%): Africa, Asia and Pacific	-	-	-	100%	100%
% of graduates and highly qualified personnel	89%	88%	89%	81%	76%
Management	100%	100%	100%	98%	99%
Indicators	2009	2010	2011	2012	2013
TALENT					
Diversity					
Percentages of men/women employees by employment category: Total	100%	100%	100%	100%	100%
Percentages of men/women employees by employment category: directors	-	100%	100%	100%	99%
Percentages of men/women employees by employment category: managers	-	100%	100%	100%	100%
Percentages of men/women employees by employment category: Level 3 technical employees	-	100%	100%	100%	100%
Percentages of men/women employees by employment category: Level 2 technical employees	-	100%	100%	100%	100%
Percentages of men/women employees by employment category: Level 1 technical employees	-	100%	100%	100%	100%
Average age of employees	100%	100%	93%	99%	99%
Average age of executives	100%	100%	93%	99%	100%
Age Pyramid					
Men Women: > 60 years of age	100%	100%	100%	99%	100%
Men Women: between the ages of 55 and 60	100%	100%	100%	99%	100%
Men Women: between the ages of 50 and 55	100%	100%	100%	99%	100%
Men Women: between the ages of 45 and 50	100%	100%	100%	99%	100%

Indicators	2009	2010	2011	2012	2013
TALENT					
Diversity					
Men Women: between the ages of 40 and 45	100%	100%	100%	99%	100%
Men Women: between the ages of 35 and 40	100%	100%	100%	99%	100%
Men Women: between the ages of 30 and 35	100%	100%	100%	99%	100%
Men Women: between the ages of 25 and 30	100%	100%	100%	99%	100%
Men Women: between the ages of 20 and 25	100%	100%	100%	99%	100%
Men Women: < 20 years of age	100%	100%	100%	99%	100%
Number of nationalities	-	100%	100%	99%	100%
Average of local employees (%)	-	93%	100%	99%	99%
Proportion of executives from local community (%)	-	78%	100%	100%	98%
% of disabled employees in workforce	-	55%	100%	98%	97%
% of disabled employees in workforce per category	-	-	-	98%	98%
% of disabled employees in workforce: director	-	-	-	98%	98%
% of disabled employees in workforce: managers	-	-	-	98%	98%
% of disabled employees in workforce: technical employee	-	-	-	98%	98%

Indicators	2009	2010	2011	2012	2013
TALENT					
Remuneration					
% of employees in variable remuneration system	100%	100%	100%	99%	99%
Minimum wage at Indra/Minimum wage at country ratio (%)					
At Spain	-	-	93%	99%	-
At EU	-	-	93%	99%	-
At USA and Canadá	-	-	93%	99%	-
At Latinamerica	-	-	93%	99%	-

Indicators	2009	2010	2011	2012	2013
TALENT					
Remuneration					
Africa, Asia and Pacific	-	-	93%	99%	-
Spain	-	-	-	-	99%
Europe and North América	-	-	-	-	99%
Latinamérica	-	-	-	-	99%
Asia, Middle East and Africa	-	-	-	-	99%
Ratio of the annual total compensation for the organization's highest-paid individual in each country of significant operations to the median annual total compensation for all employees (excluding the highest-paid individual) in:					
- Brazil					98%
- Colombia					98%
- Mexico					98%
- Argentina					98%
- Peru					98%
- Philippines					98%
- Chile					98%
- Italy					98%
- Venezuela					98%
- Portugal					98%
- Salvador					98%
- Norway					98%
- Panama					98%
- Czech Republic					98%
- Uruguay					98%
- United States					98%
- India					98%
- Australia					98%
- Kenya					98%

Indicators	2009	2010	2011	2012	2013
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TALENT

Remuneration

Ratio of the annual total compensation for the organization's highest-paid individual in each country of significant operations to the median annual total compensation for all employees (excluding the highest-paid individual) in:

- Bahrain	-	-	-	-	98%
- China	-	-	-	-	98%
- Moldavy	-	-	-	-	98%
- Slovakia	-	-	-	-	98%
- United Kingdom	-	-	-	-	98%
- Repu	-	-	-	-	98%
- Romania	-	-	-	-	98%
- Marroco	-	-	-	-	98%
- Turkey	-	-	-	-	98%
- Malaysia	-	-	-	-	98%
- Oman	-	-	-	-	98%
- Indonesia	-	-	-	-	98%
- Germany	-	-	-	-	98%
- Kazakhstan	-	-	-	-	98%
- Costa Rica	-	-	-	-	98%
- Poland	-	-	-	-	98%
- Bulgaria	-	-	-	-	98%
- France	-	-	-	-	98%
- Letony	-	-	-	-	98%
- Hungary	-	-	-	-	98%
- Canada	-	-	-	-	98%
- Spain	-	-	-	-	98%

Indicators	2009	2010	2011	2012	2013
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TALENT**Remuneration**

Ratio of percentage increase in annual total compensation for the organization's highest-paid individual in each country of significant operations to the median percentage increase in annual total compensation for all employees (excluding the highest-paid individual) in:

- India	-	-	-	-	98%
- Panama	-	-	-	-	98%
- Marroco	-	-	-	-	98%
- Algeria	-	-	-	-	98%
- Romania	-	-	-	-	98%
- Argentina	-	-	-	-	98%
- Kenya	-	-	-	-	98%
- Australia	-	-	-	-	98%
- Bahrain	-	-	-	-	98%
- Portugal	-	-	-	-	98%
- Uruguay	-	-	-	-	98%
- Italy	-	-	-	-	98%
- Chile	-	-	-	-	98%
- Colombia	-	-	-	-	98%
- Mexico	-	-	-	-	98%
- Costa Rica	-	-	-	-	98%
- Oman	-	-	-	-	98%
- El Salvador	-	-	-	-	98%
- Peru	-	-	-	-	98%
- United States	-	-	-	-	98%
- Dominicana Republic	-	-	-	-	98%
- Philippines	-	-	-	-	98%
- Turkey	-	-	-	-	98%
- France	-	-	-	-	98%

Indicators	2009	2010	2011	2012	2013
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TALENT**Remuneration**

Ratio of percentage increase in annual total compensation for the organization's highest-paid individual in each country of significant operations to the median percentage increase in annual total compensation for all employees (excluding the highest-paid individual) in:

- Germany	-	-	-	-	98%
- Spain	-	-	-	-	98%

Indicators	2009	2010	2011	2012	2013
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TALENT**Men/women wage ratio per category**

Men/women director wage ratio (%)	89%	99%	93%	99%	97%
Men/women manager wage ratio (%)	89%	99%	93%	99%	97%
Men/women manager wage ratio (%)	89%	99%	93%	99%	97%
Men/women level 3 technical employee wage ratio (%)	89%	99%	93%	99%	97%
Men/women level 2 technical employee wage ratio (%)	89%	99%	93%	99%	97%
Men/women level 1 technical employee wage ratio (%)	89%	99%	93%	99%	97%
Gastos de personal: sueldos y salarios	-	-	-	-	97%
Gastos de personal: cargas sociales	-	-	-	-	97%
Gastos de personal: Pensiones	-	-	-	-	97%

Indicators	2009	2010	2011	2012	2013
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TALENT**Commitment and motivation**

Average seniority	100%	100%	99%	99%	98%
Unwanted external rotation (%)	100%	100%	100%	99%	100%

Indicators	2009	2010	2011	2012	2013
TALENT					
Unwanted external rotation by age range and gender (%)					
Men Women: > 60 years of age	-	85%	100%	100%	100%
Men Women: between the ages of 55 and 60	-	85%	100%	100%	100%
Men Women: between the ages of 50 and 55	-	85%	100%	100%	100%
Men Women: between the ages of 45 and 50	-	85%	100%	100%	100%
Men Women: between the ages of 40 and 45	-	85%	100%	100%	100%
Men Women: between the ages of 35 and 40	-	85%	100%	100%	100%
Men Women: between the ages of 30 and 35	-	85%	100%	100%	100%
Men Women: between the ages of 25 and 30	-	85%	100%	100%	100%
Men Women: between the ages of 20 and 25	-	85%	100%	100%	100%
Men Women: < 20 years of age	-	85%	100%	100%	100%

Indicators	2009	2010	2011	2012	2013
TALENT					
Unwanted external rotation by geographical area (%)					
Spain	-	85%	100%	100%	100%
Rest of EU	-	85%	100%	100%	100%
Latin America	-	85%	100%	100%	100%
North America	-	85%	100%	100%	100%
Africa, Asia and Pacific	-	85%	100%	100%	100%
Spain	-	-	-	100%	100%
Latin America	-	-	-	100%	100%
Europe and North América	-	-	-	100%	100%
Asia, Middle East and Africa	-	-	-	100%	100%
Total rotation	-	-	87%	100%	100%
% of employees with permanent contract	-	100%	100%	100%	100%
Spain	-	-	-	100%	-
Rest of EU	-	-	-	100%	-
Latin America	-	-	-	100%	-
North America	-	-	-	100%	-

Indicators	2009	2010	2011	2012	2013
TALENT					
Unwanted external rotation by geographical area					
Africa, Asia and Pacific	-	-	-	100%	-
Spain	-	-	-	100%	100%
Latin America	-	-	-	100%	100%
Europe and North América	-	-	-	100%	100%
Asia, Middle East and Africa	-	-	-	100%	100%
% of people promoted	100%	83%	86%	87%	98%
% of women promoted (over total number promoted in company)	-	80%	86%	87%	98%
Number of employees in performance-based evaluation system	100%	83%	80%	87%	98%
% women % men in skill-based evaluation system	-	-	80%	87%	70%

Indicators	2009	2010	2011	2012	2013
TALENT					
Formación y conocimiento					
Total training hours received (including online)	66%	89%	94%	81%	98%
Training hours received online	66%	89%	94%	81%	98%
Training actions	66%	89%	94%	81%	98%
Number of persons attending training	66%	89%	94%	81%	98%
% of training expense over total pay	66%	89%	94%	81%	97%
Evaluation of training: student satisfaction (1-5)	66%	89%	94%	81%	100%
Professionals in talent development programs (%)	-	59%	94%	73%	98%

Indicators	2009	2010	2011	2012	2013
TALENT					
Recruitment appeal					
Number of spontaneous employment applications received	64%	94%	85%	99%	79%
Average number of applications received per vacancy	64%	94%	85%	99%	96%
Net job creation	100%	100%	100%	100%	100%

Indicators	2009	2010	2011	2012	2013
TALENT					
Conciliation					
Number of employees in Teleworking programme	100%	89%	91%	100%	79%
Professionals with "My desktop" services	-	89%	91%	100%	100%
% of employees satisfied with teleworking	100%	89%	91%	100%	97%
Number of employees taking maternity leave	69%	89%	85%	50%	97%
Number of persons with reduction in working hours	-	89%	85%	50%	97%
Retention rate following paternal/maternal leave	-	89%	85%	50%	97%
Indicators	2009	2010	2011	2012	2013
TALENT					
Social benefits					
% employees accessing social security supplement in case of illness	58%	90%	98%	95%	97%
% employees accessing social security supplement in case of accident	58%	90%	98%	95%	97%
% employees provided with food vouchers	58%	90%	98%	95%	97%
Indicators	2009	2010	2011	2012	2013
TALENT					
Work-related accidents with and without sick leave (excluding accidents occurring on the way to or from work)					
Number of accidents	-	95%	98%	98%	85%
Spain	-	-	98%	98%	85%
Rest of EU	-	-	98%	98%	85%
Latin America	-	-	98%	98%	85%
North America	-	-	98%	98%	85%
Africa, Asia and Pacific	-	-	98%	98%	85%
Frequency	73%	95%	98%	98%	85%
Spain	-	-	98%	98%	85%
Rest of EU	-	-	98%	98%	85%

Indicators	2009	2010	2011	2012	2013
TALENT					
Work-related accidents with and without sick leave (excluding accidents occurring on the way to or from work)					
Latin America	-	-	98%	98%	85%
North America	-	-	98%	98%	85%
Africa, Asia and Pacific	-	-	98%	98%	85%
Incidence	73%	95%	98%	98%	85%
Spain	-	-	98%	98%	85%
Rest of EU	-	-	98%	98%	85%
Latin America	-	-	98%	98%	85%
North America	-	-	98%	98%	85%
Africa, Asia and Pacific	-	-	98%	98%	85%
Seriousness	73%	95%	98%	98%	85%
Spain	-	-	98%	98%	85%
Rest of EU	-	-	98%	98%	85%
Latin America	-	-	98%	98%	85%
North America	-	-	98%	98%	85%
Africa, Asia and Pacific	-	-	98%	98%	85%
Average duration	73%	95%	98%	98%	85%
Spain	-	-	98%	98%	85%
Rest of EU	-	-	98%	98%	85%
Latin America	-	-	98%	98%	85%
North America	-	-	98%	98%	85%
Africa, Asia and Pacific	-	-	98%	98%	85%
Fatal accidents	73%	95%	98%	98%	85%
Training hours in workplace risk	73%	95%	98%	98%	85%

Indicators	2009	2010	2011	2012	2013
TALENT					
Collective bargaining					
% of employees covered by collective bargaining agreements	100%	100%	100%	100%	100%
Spain	-	-	-	100%	-
Rest of EU	-	-	-	100%	-
Latin America	-	-	-	100%	-
North America	-	-	-	100%	-
Africa, Asia and Pacific	-	-	-	100%	-
Spain	-	-	-	100%	100%
Latin America	-	-	-	100%	100%
Europe and North América	-	-	-	100%	100%
Asia, Middle East and África	-	-	-	100%	100%

Indicators	2009	2010	2011	2012	2013
SOLUTIONS AND ADDED VALUE SERVICES					
Innovation and collaboration with knowledge centres					
RDI investment (€M)	100%	100%	100%	100%	100%
% RDI investment of sales	100%	100%	100%	100%	100%
Number of agreements with universities and business schools	100%	100%	100%	100%	100%

Indicators	2009	2010	2011	2012	2013
SOLUTIONS AND ADDED VALUE SERVICES					
Partner profile					
Number of partnerships in place	74%	100%	100%	100%	100%

Indicators	2009	2010	2011	2012	2013
SOLUTIONS AND ADDED VALUE SERVICES					
Partner satisfaction and loyalty (1-5)					
Rating (partner satisfaction)	100%	100%	100%	100%	ND

Indicators	2009	2010	2011	2012	2013
SOLUTIONS AND ADDED VALUE SERVICES					
Supplier profile					
Distribution of suppliers	95%	100%	100%	100%	100%
Europe	95%	100%	100%	100%	-
Spain	95%	100%	100%	100%	-
Rest of EU	95%	100%	100%	100%	-
Latin America	95%	100%	100%	100%	-
Distribution of suppliers in Africa, Asia and Pacific	95%	100%	100%	100%	-
Distribution of suppliers in North America	95%	100%	100%	100%	-
Spain	-	-	-	100%	100%
Latin América	-	-	-	100%	100%
Europe and North América	-	-	-	100%	100%
Asia, Middle East and África	-	-	-	100%	100%
Expense of local suppliers	-	84%	100%	100%	100%
SOLUTIONS AND ADDED VALUE SERVICES					
Supplier satisfaction and loyalty (1-5)					
Rating (supplier satisfaction)	100%	100%	100%	100%	ND

Indicators	2009	2010	2011	2012	2013
CONTRIBUTION TO THE COMMUNITY					
Resource consumption, waste generation and emissions					
Electricity (Kwh)	100%	100%	100%	100%	100%
Electricity (GJ)	100%	100%	100%	100%	100%
Gas oil C (l)	49%	52%	49%	51%	79%
Gas oil C (GJ)	49%	52%	49%	51%	79%
Natural gas (m ³)	49%	52%	49%	51%	79%
Natural gas (GJ)	49%	52%	49%	51%	79%
Total energy consumed (GJ)	-	-	97%	97%	87%
Drinking water (m ³)	100%	100%	100%	100%	100%
Non-drinking water (m ³)	100%	100%	100%	100%	100%
Hazardous waste (Kg)	49%	55%	50%	51%	49%
Non-hazardous waste (Kg)	49%	55%	50%	51%	49%
% of employees in environmentally certified workplaces	100%	100%	100%	100%	100%
Proportion of recycled paper used (%)	-	50%	43%	56%	100%
Direct CO ₂ emissions (T CO ₂ e)	100%	100%	100%	100%	100%
Indirect CO ₂ emissions through electricity consumed (T CO ₂ e)	100%	100%	100%	100%	100%
Direct CO ₂ emissions from transport (own vehicles) (t)	100%	100%	100%	100%	100%
Indirect CO ₂ emissions from transport (third-party vehicles) (t)	100%	100%	100%	100%	100%
Emissions of Persistent Organic Pollutants (POPs) (T)	-	100%	100%	100%	100%
Environmental expenditures and investments	82%	84%	50%	51%	100%

Indicators	2009	2010	2011	2012	2013
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CONTRIBUTION TO THE COMMUNITY

Mobility and efficiency

Number of conversations in the instant messaging service	100%	100%	100%	100%	100%
Videoconferences made	100%	100%	100%	100%	100%

Indicators	2009	2010	2011	2012	2013
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CONTRIBUTION TO THE COMMUNITY

Sanctions and fines

Monetary value of significant fines and total number of non-monetary sanctions for non-compliance with laws and regulations (€)	100%	100%	100%	100%	100%
Monetary value of significant fines and total number of non-monetary sanctions for non-compliance with environmental laws and regulations (€)	82%	84%	100%	86%	100%
Monetary value of significant fines and number of non-monetary sanctions for non-compliance with regulations concerning health and safety of clients				86%	100%
Monetary value of significant fines and number of non-monetary sanctions for non-compliance with of regulations concerning consumer law violations				86%	100%
Number of non-monetary sanctions		100%	100%	86%	100%
Cases settled through dispute resolution mechanisms		100%	100%	86%	100%
Legal actions for anti-competitive behavior or monopolistic practices		100%	100%	86%	100%

Indicators	2009	2010	2011	2012	2013
CONTRIBUTION TO THE COMMUNITY					
Economic contribution to the community					
Capital Grants (€)	-	-	100%	100%	100%
Tax reliefs or credits (€)	-	-	100%	100%	100%
Financial value for investment grants (€)	-	-	100%	100%	100%
Financial value for financial assistance form ECAs	-	-	100%	100%	100%
Financial value for financial incentives	-	-	100%	100%	100%
Investment in Social Action	100%	100%	100%	100%	100%
% Purchases from special employment centers in relation to the total purchases	-	-	-	-	100%

Indicators	2009	2010	2011	2012	2013
CONTRIBUTION TO THE COMMUNITY					
Sustainability in the value chain					
Active suppliers that have accepted the Code of Ethics of Indra Providers	-	-	-	88%	100%
Percentage of new suppliers that were screened using environmental criteria	-	-	-	-	100%
Percentage of new suppliers that were screened using labor practices criteria	-	-	-	-	100%
Percentage of new suppliers that were screened using human rights criteria	-	-	-	-	100%
Number of grievances about human rights impacts filed, addressed, and resolved through formal grievance mechanisms	-	-	-	-	100%
Percentage of new suppliers that were screened using criteria for impacts on society	-	-	-	-	100%
Number of grievances about impacts on society filed, addressed, and resolved through formal grievance mechanisms	-	-	-	-	100%

5.2 FINANCIAL INFORMATION

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

	Note	2013	2012		Note	2013	2012
Assets				Equity and liabilities			
Property, plant and equipment	6	140,778	163,139	Suscribed capital	18	32,826	32,826
Investment property	7	3,363	3,250	Share premium	18	375,955	375,955
Goodwill	8	605,943	645,291	Reserves	18	4,465	3,116
Other intangible assets	9	285,926	280,325	Other own equity instruments	18	16,999	-
Equity-accounted investees	11	7,925	10,011	Cash flow hedges	18	3,777	(3,898)
Non-current financial assets	12	71,534	58,525	Own shares	18	(1,258)	(111)
Deferred tax assets	36	175,045	164,118	Translation differences	18	(40,024)	4,671
				Retained earnings	18	731,242	676,322
Total non-current assets		1,290,514	1,324,659	Equity attributable to owners of the Parent		1,123,982	1,088,881
Assets held for sale	10 and 17	7,572	9,082	Non-controlling interests	18	10,680	20,735
Inventories	13	416,460	417,191	Total equity		1,134,662	1,109,616
Other financial assets	14	97,582	97,665	Financial liabilities from issuing bonds and other marketable securities	20	263,913	-
Current tax assets	36	39,930	54,871	Loans and borrowings	20	525,944	398,116
Trade and other receivables	15	1,649,742	1,782,646	Other non-current financial liabilities	21	28,068	100,261
Cash and cash equivalents	16	363,071	69,829	Government grants	22	15,969	29,356
				Provisions for liabilities and charges	23	99,338	74,953
Total current assets		2,574,357	2,431,284	Deferred tax liabilities	36	104,094	97,729
Total assets		3,864,871	3,755,943	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		Note	2013	2012
Revenues	27	2,914,073	2,940,980	Profit for the year		116,688	127,566
Self-conducted assets	-	51,700	70,514	Other comprehensive income:			
Other income	28	115,777	26,020	Items that will be reclassified to the income statement:			
Changes in inventories of finished goods and work in progress	-	10,414	77,502	Translation differences		(46,153)	18
Materials and other supplies used	29	(752,943)	(808,541)	Cash flow hedges	18	10,910	11,430
Personnel expenses	30	(1,481,439)	(1,429,454)	Tax effect	18	(3,273)	(3,429)
Other operating expenses	31	(590,490)	(603,926)	Other comprehensive income for the year, net of tax		(38,516)	8,019
Other losses on non-current assets	32	(16,892)	(4,717)	Total comprehensive income for the year		78,172	135,585
Amortisation and depreciation	6 and 9	(51,914)	(51,169)	Total comprehensive income attributable to the Parent		78,802	139,893
Results from operating activities		198,286	217,209	Total comprehensive income attributable to non-controlling interests		(630)	(4,308)
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				

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

	Capital	Share premium	Other reserves	Retained earnings	Own shares	Other own equity instruments	Other comprehensive income		Total	Non-controlling interests	Total
							Translation differences	Cash flow hedges			
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
<i>Distribution of 2011 profit:</i>											
— 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
<i>Distribution of 2012 profit:</i>											
— 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	Payments for the acquisition of:		
Income tax	29,968	35,726	• Property, plant and equipment	(17,922)	(24,127)
Profit before income tax	146,656	163,292	• Intangible assets	(56,419)	(62,295)
Adjustments for:			• Financial assets	(44,921)	(68,108)
– Amortisation and depreciation	51,914	51,169	Proceeds from the sale of:		
– Provisions, grants and other	(9,602)	(12,219)	• Property, plant and equipment	8,003	481
– (Profit)/loss of associates	(666)	587	• Intangible assets	1,117	344
– Net finance cost	60,294	55,253	• Financial assets	30,837	15,258
+ Dividends received	1,117	-	Interest received	4,369	3,961
Operating profit before changes in working capital	249,713	258,082	Other cash flows from investing activities	9,037	11,153
Changes in trade and other receivables	17,452	67,663	Cash flows used in investing activities	(65,899)	(123,333)
Change in inventories	(3,681)	(85,411)	Changes in own shares	(2,507)	6,465
Changes in trade and other payables	(76,390)	(38,160)	Dividends paid to non-controlling interests	(171)	-
Cash flows used in operating activities	(62,619)	(55,908)	Ordinary dividend of the Parent	(55,805)	(109,255)
Income tax paid	(34,912)	(49,293)	Increase in grants	3,378	3,825
Net cash flows from operating activities	152,182	152,881	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

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List of companies

annexes



DETAILS OF THE COMPANIES COMPRISING THE GROUP AT 31 DECEMBER 2013

Annexe 1.

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 Brazil, S.A.	Sao Paulo (Brazil)	Design, development, production, integration and maintenance of systems, solutions and services based on information technology: computing, electronics and communications.
Search Informatica Ltda	Brazilia (Brazil)	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 Brazil LTDA	Brazilia (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.
Soluzion 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 Systeme 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. (Romania)	Bucharest (Romania)	Design, development, production, integration and maintenance of systems, solutions and services based on information technology: computing, electronics and communications.
Indra Ucraina 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 Malaysia 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 Sistemasi 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 Sistemasi 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 Outsourcing 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 Brazil, 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.
Pointec, 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.
Pointec Extremadura, S.L.	José Luís Cotallo 1, Cáceres	Civil engineering services and consultancy.
Pointec 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
Pointec Panamá, S.A.	Ancon (Panama)	Civil engineering services and consultancy.
Pointec Usa LLC	Sacramento, California, (USA)	Research and development of autopilot systems and advanced solutions in unmanned aircraft systems.
Pointec Civil Engineering Consultancy (Irlanda)	Dublin (Ireland)	Civil engineering services and consultancy.
Consis Proiect SRL	Bucharest (Romania)	Civil engineering services and consultancy.
Pointec Romaríá S.R.L. (Rumanía)	Bucharest (Romania)	Civil engineering services and consultancy.
Pointec 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. (Brazil)	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 Tàpies, 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 Madrid	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		
Consortio Procom	Peru (Lima)	Installation of commercial management meters
Consortio CEI	Peru (Lima)	Number portability
Consortio GMD	Peru (Lima)	Central archive management
Consortio Petróleos	Peru (Lima)	Installation of ERP
Consortio NSC	Peru (Lima)	Development and installation of accounting software
Consortio Mincetur	Peru (Lima)	Development and installation of casino software
Consortio Fábrica	Peru (Lima)	Software factory
Consortio 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 Tesorería, 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.

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Indra Peru		
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Indra Sistemas de Tesorería, 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.