02

CONSOLIDATED ANNUAL ACCOUNTS 2015

indra

Consolidated Statements of Financial Position at 31 December 2015 and 2014

(Expressed in thousands of Euros)

Assets	Note	2015	2014
Property, plant and equipment	6	136.927	127.348
Goodwill	8	470.408	583.285
Other intangible assets	9	289.213	289.833
Equity-accounted investees	11	8.943	5.664
Non-current financial assets	12	41.185	83.883
Deferred tax assets	36	200.017	116.040
Total non-current assets		**1.146.693**	**1.206.053**
Non-current assets held for sale	10 Y 17	1.655	7.656
Inventories	13	70.167	231.149
Other financial assets	14	72.806	76.237
Derivatives	14	1.701	777
Current tax assets	36	28.341	50.057
Trade and other receivables	15	1.401.382	1.615.490
Cash and cash equivalents	16	341.554	293.850
Total current assets		**1.917.606**	**2.275.216**
Total assets		**3.064.299**	**3.481.269**

Equity and Liabilities	Note	2015	2014
Subscribed capital	18	32.826	32.826
Share premium	18	375.955	375.955
Reserves	18	(1.464)	1.949
Other own equity instruments	18	17.259	17.046
Cash flow hedges	18	(30.409)	(19.866)
Own shares	18	(3.081)	(1.642)
Translation differences	18	(42.224)	(48.263)
Prior years' profit and loss	18	(54.823)	582.894
Equity attributable to owners of the Parent		**294.039**	**940.899**
Non-controlling interests	18	13.607	12.675
Total equity		**307.646**	**953.574**
Financial liabilities from issuing bonds and other marketable securities	20	237.543	229.686
Loans and borrowings	20	724.372	596.044
Other non-current financial liabilities	21	32.383	30.984
Government grants	22	5.994	12.958
Provisions for liabilities and charges	23	103.371	40.394
Deferred tax liabilities	36	3.330	1.821
Total non-current liabilities		**1.106.993**	**911.887**
Liabilities held for sale	10 y 17	1.302	
Financial liabilities from issuing bonds and other marketable securities	24	729	38.891
Current loans and borrowings	24	78.648	91.971
Trade and other payables	25	1.173.181	1.175.343
Current tax liabilities	36	11.678	17.340
Other liabilities	26	353.186	273.770
Derivatives	26	30.936	18.493
Total current liabilities		**1.649.660**	**1.615.808**
Total equity and liabilities		**3.064.299**	**3.481.269**

The accompanying notes form an integral part of the consolidated annual accounts.

Consolidated Income Statements for the years ended 31 December 2015 and 2014

(Expressed in thousands of Euros)

	Note	2015	2014
Revenue	27	2.850.404	2.937.885
Self-constructed assets	9	34.288	59.518
Other income	28	52.131	33.258
Changes in inventories of finished goods and work in progress		(100.080)	(188.106)
Materials and other supplies used	29	(840.615)	(757.219)
Personnel expenses	30	(1.632.291)	(1.399.510)
Other operating expenses	31	(799.029)	(620.238)
Impairment and gains/losses on disposal of fixed assets	32	(120.790)	(43.830)
Depreciation and amortisation	6 y 9	(85.480)	(64.232)
Results from operating activities		**(641.462)**	**(42.474)**
Finance income	10	857	11.804
Finance costs	10	(59.444)	(61.253)
Share in losses of other investees	33	(5.477)	(1.748)
Net finance cost		**(64.064)**	**(51.197)**
Loss of equity-accounted investees	11	(377)	(3.345)
Loss before tax		**(705.903)**	**(97.016)**
Income tax	36	64.051	6.616
Loss for the year		**(641.852)**	**(90.400)**
Loss for the year attributable to the Parent		**(641.189)**	**(91.908)**
Profit/(Loss) for the year attributable to non-controlling interests	18	(663)	1.508
Basic loss per share (in Euros)	19	(3,9127)	(0,5609)
Diluted loss per share (in Euros)	19	(3,5045)	(0,4773)

	Note	2015	2014
Loss for the year		(641.852)	(90.400)
Other comprehensive income:			
Items to be reclassified in profit or loss:			
Income and expense recognised directly in equity		**(6.333)**	**(33.127)**
Translation differences		6.569	(7.846)
Cash flow hedges	18	(17.919)	(36.116)
Tax effect	18	5.017	10.835
Amounts transferred to the income statement		**2.359**	**1.638**
Cash flow hedges	18	3.276	2.129
Tax effect	18	(917)	(491)
Other comprehensive loss for the year, net of tax		**(3.974)**	**(31.489)**
Total comprehensive loss for the year		(645.826)	(121.889)
Total comprehensive loss attributable to the Parent company		**(645.693)**	**(123.790)**
Total comprehensive income/(loss) attributable to non-controlling interests		(133)	1.901

The accompanying notes form an integral part of the consolidated annual accounts.

Consolidated Statements of Changes in Equity for the years ended 31 December 2015 and 2014

(Expressed in thousands of Euros)

	Capital	Share Premium	Reserves	Retained earnings	Own shares	Other own equity instruments	Other comprehensive loss		Total	Non-controlling interests	Total
							Exchange Differences	Cash flow hedges			
Balance at 01.01.2014	**32.826**	**375.955**	**4.465**	**731.242**	**(1.258)**	**16.999**	**(40.024)**	**3.777**	**1.123.982**	**10.680**	**1.134.662**
Distribution of 2013 profit:											
- Dividends			-	(55.636)	-	-	-	-	**(55.636)**	(230)	**(55.866)**
Transactions with own shares (note 18)			(2.516)	-	(384)	-	-	-	**(2.900)**	-	**(2.900)**
Acquisition from non-controlling interests (note 18)			-	(291)	-	-	-	-	**(291)**	46	**(245)**
Other increases and decreases				(513)	-	47	-	-	**(466)**	278	**(188)**
Other comprehensive income/(loss) for the year			-	-	-	-	(8.239)	(23.643)	**(31.882)**	393	**(31.489)**
Profit/(Loss) for the year			-	(91.908)	-	-	-	-	**(91.908)**	1.508	**(90.400)**
Balance at 31.12.2014	**32.826**	**375.955**	**1.949**	**582.894**	**(1.642)**	**17.046**	**(48.263)**	**(19.866)**	**940.899**	**12.675**	**953.574**
Distribution of 2014 loss:											
- Dividends			-		-	-	-	-	**-**	(270)	**(270)**
Transactions with own shares (note 18)			221		(1.439)	-	-	-	**(1.218)**	-	**(1.218)**
Acquisition from non-controlling interests (note 18)			-	(48)	-	-	-	-	**(48)**	1.380	**1.332**
Other increases and decreases			(3.634)	3.520	-	213	-	-	**99**	(45)	**54**
Comprehensive loss for the year			-	-	-	-	6.039	(10.543)	**(4.504)**	530	**(3.974)**
Loss for the year			-	(641.189)	-	-	-	-	**(641.189)**	(663)	**(641.852)**
Balance at 31.12.2015	**32.826**	**375.955**	**(1.464)**	**(54.823)**	**(3.081)**	**17.259**	**(42.224)**	**(30.409)**	**294.039**	**13.607**	**307.646**

The accompanying notes form an integral part of the consolidated annual accounts.

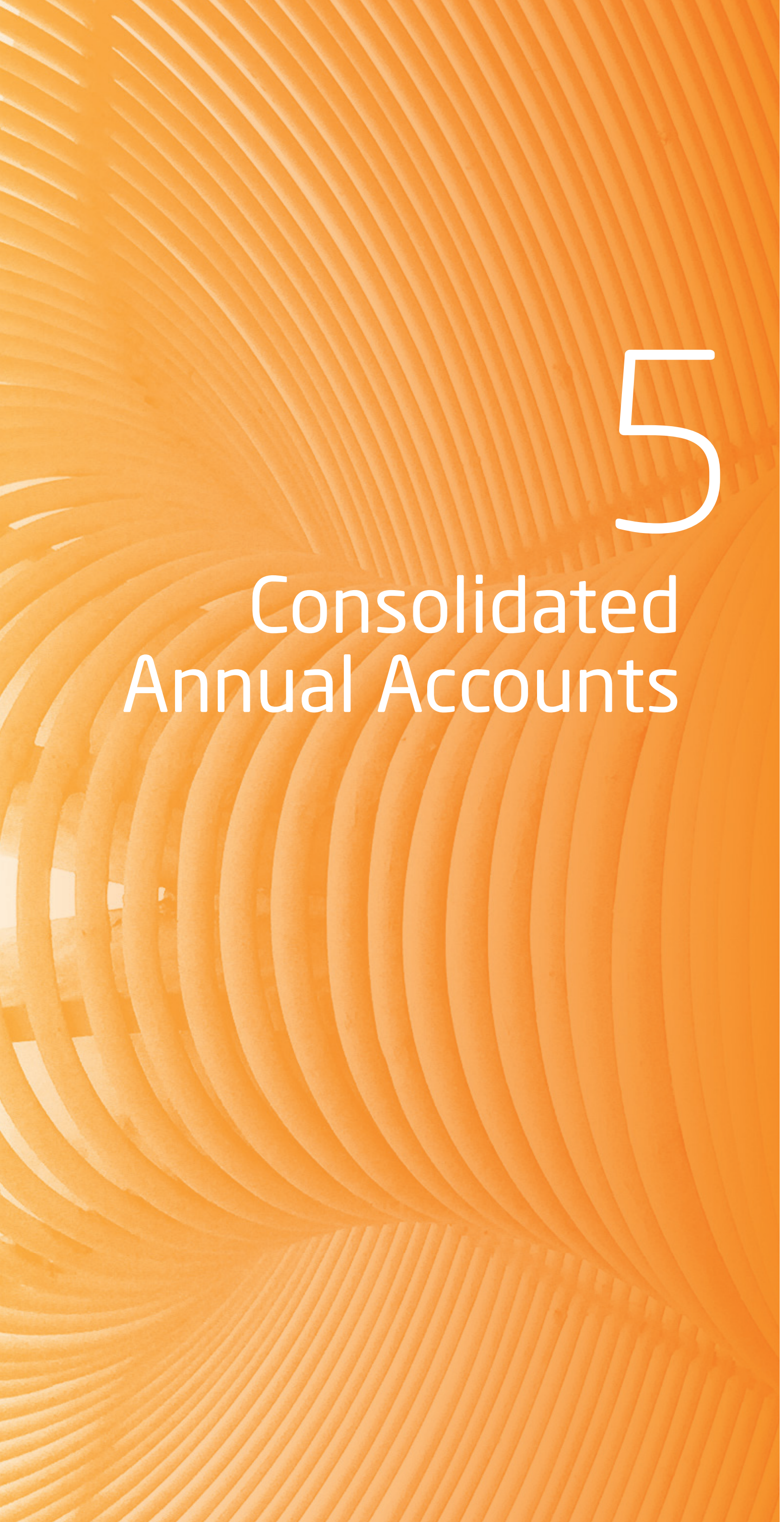
Consolidated Statements of Cash Flow for the years ended 31 December 2015 and 2014

(Expressed in thousands of Euros)

	2015	2014
Loss for the year	(641.852)	(90.400)
Income tax (Note 36)	(64.051)	(6.616)
Loss before tax	(705.903)	(97.016)
Adjustments for:		
-Provisions, grants and other		
Grants (note 28)	(42.120)	(23.649)
Provisions for trade and other receivables (note 15)	127.413	59.764
Changes in trade provisions (note 26)	87.518	(30.906)
Current provision for personnel restructuring (note 26)	51.300	-
Non-current provision for personnel restructuring (note 23)	40.860	-
Losses on disposal of fixed assets (note 32)	120.790	43.830
Other	22.892	(2.315)
	408.653	46.724
-Amortisation and depreciation (notes 6 and 9)	85.480	64.232
- Loss of associates (note 11)	377	3.345
- Finance costs (note 11)	58.587	49.449
+ Dividends received	1.446	434
Operating profit/(loss) before changes in working capital	**(151.360)**	**67.168**
Changes in trade and other receivables	50.491	(52.495)
Change in inventories	153.393	179.846
Changes in trade and other payables	(21.700)	(2.117)
Cash flows from operating activities	**182.184**	**125.234**
Income tax paid	(6.712)	(52.615)
Net cash flows from operating activities	**24.112**	**139.787**

	2015	2014
Payments for the acquisition of:		
Property, plant and equipment	(11.081)	(19.855)
Intangible assets	(32.907)	(55.295)
Financial assets	(5.719)	(13.653)
Proceeds from the sale of:		
Property, plant and equipment	1.010	4.963
Financial assets	565	791
Interest received	2.986	4.857
Other cash flows from investing activities	6.251	13.517
Cash flows used in investing activities	**(38.895)**	**(64.675)**
Changes in own shares	(2.034)	(6.928)
Dividends paid to non-controlling interests	(520)	(174)
Ordinary dividend of the Parent	-	(55.636)
Increase in grants	4.004	5.340
Increase/(decrease) in loans and borrowings	104.367	(42.130)
Interest paid	(44.219)	(46.207)
Changes in other investments	2.750	-
Net cash flows from (used in) financing activities	**64.348**	**(145.735)**
Net increase/(decrease) in cash and cash equivalents	**49.565**	**(70.623)**
Cash and cash equivalents at beginning of the year	293.850	363.071
Effect of exchange rate fluctuations on cash and cash equivalents	(1.861)	1.402
Net increase/(decrease) in cash and cash equivalents	49.565	(70.623)
Cash and cash equivalents at year end	**341.554**	**293.850**

The accompanying notes form an integral part of the consolidated annual accounts.



5 Consolidated Annual Accounts

1. NATURE, COMPOSITION AND ACTIVITIES OF THE GROUP

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

The Parent is listed on the Madrid, Barcelona, Valencia and Bilbao stock exchanges in Spain (note 18) and included in the selective IBEX 35 Index.

The statutory activity of the Parent consists of the design, development, production, integration, operation, maintenance, repair and marketing of systems, solutions and products that make use of information technology, as well as any part or component thereof and any type of related services, including the civil engineering works required for their installation, applicable to any field or sector; the provision of business and management consultancy, technological consultancy and training services for any field or sector and outsourcing services of activities and processes in any field or sector.

The consolidated companies, their registered offices, activities and the percentage interest held in these companies are shown in Appendix I, which forms an integral part of the notes to the consolidated annual accounts for the year ended 31 December 2015.

The Group incorporated the following subsidiaries during the year ended 31 December 2015:

- On 9 February 2015 the Parent and the Spanish subsidiary Indra Business Consulting, S.L.U. incorporated the Saudi company Indra Technology Solutions, Co. Ltd, subscribing and paying up 100% of the share capital of SAR 5 million (Euros 1,225 thousand).

- On 10 February 2015 the subsidiary Indra Slovakia a.s. incorporated the Slovakian company Indra Slovensko, s.r.o., subscribing and paying up 100% of the Euros 5 thousand share capital.

- On 15 July 2015 the Parent incorporated the Omani company, Indra L.L.C. and subscribed and paid up 99% of its share capital for an amount of Euros 46 thousand (OMR 20 thousand). The Spanish subsidiary, Indra Business Consulting S.L.U., subscribed the other 1%.

During the year ended 31 December 2015 the Group derecognised the following subsidiaries:

- On 20 November 2015 the Parent sold its interest in the subsidiary Soluziona, S.P. CA for Euros 93 thousand. The Parent will have the right to receive a maximum variable price for this transaction depending on the achievement of certain conditions and financial variables that guarantee the viability of the business sold.

- On 28 December 2015 the subsidiary Indra Sistemas Chile, S.A. dissolved and liquidated its investee Soluziona C y S Holding, S.A.

- On 31 December 2015 the subsidiary Indra USA, Inc. was merged by absorption with the subsidiary Indra Systems, Inc.

During the year ended 31 December 2015 the Group increased its percentage ownership of the following subsidiaries, which it already controlled:

- On 14 October 2015 the Parent company acquired an additional 0.1% interest in Indra Philippines, Inc. for Euros 63 thousand (PHP 3,306 thousand), taking its ownership interest to 50.10%.

During the year ended 31 December 2014 the Group did not incorporate any subsidiaries and derecognised the following subsidiaries:

- On 31 January 2014 the subsidiary Prointec, S.A., dissolved and wound up its Irish investee Prointec Civil Engineering Consultancy Limited.

Also during the year ended 31 December 2014 the Group increased its percentage ownership of the following subsidiaries, which it already controlled:

- On 9 January 2014, the subsidiary, Indra Business Consulting S.L., acquired the remaining shares in its subsidiary Tourisme & Leisure Advisory Services, S.L. After this acquisition it owned 100% of the company and subsequently absorbed it.

- On 26 January 2014, the Parent acquired the remaining shares of its subsidiary Prointec S.A. for Euros 127 thousand. As a result of this acquisition, this company is now wholly-owned by the Group.

- On 5 June 2014 the subsidiary Advanced Logistics Group, S.A. acquired 10% of the shares of its subsidiary Europraxis-ALG Consulting Andina S.A.C for Euros 27 thousand. As a result of this acquisition, this company is now wholly-owned by the Group.

- On 6 October 2014 the Parent acquired the other 20% of the shares of its subsidiary International Financial Operational Services, S.A. (IFOS) for Euros 0.3 thousand. As a result of this acquisition, this company is now wholly-owned by the Group.

- On 27 October 2014 the subsidiary Indra Sistemas Magreb, S.R.L. acquired the other 34% of the shares in the Moroccan affiliate, Europraxis ALG Maroc, S.R.L., for Euros 78 thousand. As a result of this acquisition, this company is now wholly-owned by the Group.

2. BASIS OF PRESENTATION AND COMPARATIVE INFORMATION

The accompanying consolidated annual accounts have been prepared by the directors of the Parent on the basis of the accounting records of Indra Sistemas, S.A. and the subsidiaries forming the Indra Group. The consolidated annual accounts for 2015 have been prepared in accordance with International Financial Reporting Standards as adopted by the European Union (IFRS-EU), and other applicable provisions in accordance with article 48 of the Spanish Code of Commerce, to present a true and fair view of the consolidated equity and consolidated financial position of Indra Sistemas, S.A. and subsidiaries at 31 December 2015 and consolidated results of operations and changes in consolidated equity and cash flows of the Group for the year then ended.

The Group adopted IFRS-EU on 1 January 2004.
The directors of the Parent consider that the consolidated annual accounts for 2015, authorised for issue on 17 March 2016, will be approved with no changes by the shareholders at their annual general meeting.

The consolidated annual accounts for 2014 were approved by the shareholders at their annual general meeting held on 25 June 2015.

Presentation and format

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

Relevant accounting estimates and assumptions

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

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

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

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

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

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

- The Group recognises deferred tax assets for all deductible temporary differences, deductions and tax loss carryforwards available for offset provided that it is likely that the Group will have sufficient taxable income against which these assets can be utilised. To determine the amount of the deferred tax assets to be recognised, the Group estimates the amounts and dates on which future taxable profits will be obtained and the reversal period of temporary differences.

- The Group is subject to regulatory and legal processes and inspections by government bodies in various jurisdictions. The Group recognises a provision if it is probable that an obligation will exist at year end which will give rise to an outflow of resources embodying economic benefits and the outflow can be reliably measured. Legal processes usually involve complex legal issues and are subject to substantial uncertainties. As a result, management uses significant judgement when determining whether it is probable that the process will result in an outflow of resources embodying economic benefits and estimating the amount.

- Valuation allowances for bad debts require management to exercise considerable judgement and to review individual balances based on customers' credit ratings, current market trends, and historical analysis of bad debts at an aggregated level.

- The calculation of provisions for onerous contracts is subject to a high degree of uncertainty. The Group recognises provisions for onerous contracts when estimated total costs exceed the economic benefits expected to be received under the contract. These estimates are subject to change based on new information received due to the stage of completion.

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

Standards and interpretations approved by the European Union applied for the first time in the consolidated annual accounts for the year ended 31 December 2015

The standards applied for the first time in the consolidated annual accounts for the year ended 31 December 2015 are as follows:

- IFRIC 21 Levies. This interpretation of IAS 37 Provisions, Contingent Liabilities and Contingent Assets provides guidance on when to recognise a liability in the financial statements for a government levy, other than income tax or fines or penalties imposed for breaches of legislation. The interpretation indicates that the liability should be recognised when the obligating event that gives rise to the liability occurs, which is normally the activity and the date identified by the legislation as the trigger of the levy, in other words, the taxable event and the tax obligation.

- Annual Improvements to IFRSs, 2011-2013 Cycle. The improvements in this cycle include amendments to four standards. Apart from a change to IFRS 1 First-Time Adoption of International Financial Reporting Standards, the following standards have been amended: IFRS 3 Business Combinations (clarifies that IFRS 3 is not applicable to the formation of a joint arrangement in the financial statements of the joint arrangement itself); IFRS 13 Fair Value (amends the scope exception for measuring the fair value of a group of financial assets and financial liabilities on a net basis; the portfolio exception); IAS 40 Investment Property (clarifies that IAS 40 and IFRS 3 Investments are not mutually exclusive and that both standards might have to be applied).

The adoption of these amendments has not had a significant impact on the consolidated annual accounts.

1. Indra expects to adopt the following EU-approved standards and interpretations – not effective from 1 January 2015 – as of 1 January 2016 or at a later date (none have been adopted early)

- Amendments to IAS 19: Employee Benefits. These simplify the accounting of employee contributions to defined benefit plans that are independent of the number of years of employee service. As a result, these contributions may be recognised as a reduction in the service cost in the year in which the service is rendered, rather than attributing contributions to all years of employee service. Effective for annual periods beginning on or after 1 February 2015.

- The 2010-2012 annual amendments to IFRS. Changes are made to the following standards: IAS 16: Property, Plant and Equipment, IAS 38: Intangible Assets, IAS 24: Related Party Disclosures, IFRS 2: Share-based Payment, IFRS 3: Business Combinations and IFRS 8: Operating Segments. Effective for annual periods beginning on or after 1 February 2015.

- Amendment to IAS 16 and IAS 38: Acceptable depreciation and amortisation methods. The amendment clarifies acceptable methods of depreciation and amortisation of property, plant and equipment and intangible assets, which do not include revenue-based methods. Effective for annual periods beginning on or after 1 January 2016.

- Amendment to IFRS 11 Accounting for Acquisitions of Interests in Joint Operations. The amendment specifies how to account for the acquisition of an interest in a joint operation in which the activity of the joint operation constitutes a business. Effective for annual periods beginning on or after 1 January 2016.

- The 2012-2014 annual amendments to IFRS. The following standards are amended: IFRS 5 Non-current Assets Held for Sale and Discontinued Operations, IFRS 7 Financial Instruments: Disclosures, IAS 19 Employee Benefits, IAS 34 Interim Financial Reporting. Effective for annual periods beginning on or after 1 January 2016.

- Amendment of IAS 1: Disclosure Initiative. This amendment includes various clarifications with regard to disclosures (materiality, aggregation, order of notes, etc.). Effective for annual periods beginning on or after 1 January 2016.

From the analysis of the new standards and amendments to be applied in years beginning on or after 1 January 2016 the Group does not expect their application to have any significant impact on the consolidated annual accounts.

2. Standards and interpretations issued by the International Accounting Standards Board (IASB), pending EU approval:

- IFRS 15: Revenue from Contracts with Customers. New revenue recognition standard (replaces IAS 11, IAS 18, IFRIC 13, IFRIC 15, IFRIC 18 and SIC 31). Mandatory application for annual periods beginning on or after 1 January 2018.

- IFRS 9 Financial instruments. Replaces the requirements in IAS 39 for classification, measurement, recognition and derecognition of financial assets and financial liabilities, hedge accounting and impairment. Mandatory application for annual periods beginning on or after 1 January 2018.

- IFRS 16 Leases. A new standard on leases that supersedes IAS 17. Lessees shall include all leases in the statement of financial position treating them as purchases on a financed basis. Mandatory application for annual periods beginning on or after 1 January 2019.

- Amendments to IFRS 10 and IAS 28 Sale or Contribution of Assets between an Investor and its Associate or Joint Venture. Clarification on recognising gains and losses on sales or contributions of a business or an asset. No date of application has been defined in the European Union.

- Amendments to IFRS 10, IFRS 12 and IAS 28: Investment Entities. Clarifications on the exception to consolidation for investment entities. Mandatory application for annual periods beginning on or after 1 January 2016.

- Amendments to IAS 12: Recognition of deferred tax assets for unrealised losses. It clarifies that unrealised losses on debt instruments measured at fair value (available-for-sale financial instruments) for which the tax base is the cost of acquisition give rise to deductible temporary differences irrespective of whether the asset holder expects to recover the asset's value through its sale or use. Mandatory application for annual periods beginning on or after 1 January 2017.

- Amendments to IAS 7: Disclosure Initiative. This amendment incorporates disclosure requirements relating to financing activities in the statement of cash flows. Mandatory application for annual periods beginning on or after 1 January 2017.

At the date of authorisation of these consolidated annual accounts, the Indra Group's management is assessing the impact that application of these standards would have on the consolidated financial statements if they are finally approved by the European Union. However, their impact is not expected to be significant except in the cases of IFRS 9 Financial Instruments, IFRS 15 Revenue from Contracts with Customers and IFRS 16 Leases, the analyses of which have not yet been completed.

a. Comparative information

As required by IFRS-EU, these consolidated annual accounts for 2015 present comparative figures for the prior year.

The consolidated annual accounts for the year ended 31 December 2015 are the first that the Group has prepared applying the Spanish Institute of Accountants and Auditors' Resolution of 29 January 2016 on disclosures of average supplier payment periods in the notes to the consolidated annual accounts. Accordingly, the consolidated annual accounts for the year ended 31 December 2015 are considered to be the first consolidated annual accounts solely for the purposes of the comparison requirements and the principal of consistency in connection with this new obligation, and do not therefore contain comparative figures (see note 25).

3. APPLICATION OF LOSSES/ DISTRIBUTION OF PROFIT

The Parent's board of directors will propose at the shareholders' general meeting that the loss of Euros 466,181,909.77 be applied to prior years losses and that an amount of Euros 14,012,547.70 be transferred from voluntary reserves to the goodwill reserve.

The directors of the different Group companies have proposed the distribution/application of these companies' profits/losses for 2015. These proposals are pending approval by the shareholders at their respective annual general meetings.

4. SIGNIFICANT ACCOUNTING PRINCIPLES

The consolidated annual accounts have been prepared in accordance with European Union-endorsed International Financial Reporting Standards (IFRS-EU).

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

The most significant principles are as follows:

Subsidiaries and business combinations

Subsidiaries are entities, including structured entities, over which the Parent, either directly or indirectly through subsidiaries, exercises control. The Parent controls a subsidiary when it is exposed, or has rights, to variable returns from its involvement with the subsidiary and has the ability to affect those returns through its power over the subsidiary. The Parent has power over a subsidiary when it has existing substantive rights that give it the ability to direct the relevant activities. The Parent is exposed, or has rights, to variable returns from its involvement with the subsidiary when its returns from its involvement have the potential to vary as a result of the subsidiary's performance.

A structured entity is an entity that has been designed so that voting or similar rights are not the dominant factor in deciding who controls the entity, such as when any voting rights relate to administrative tasks only and the relevant activities are directed by means of contractual arrangements.

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

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

As permitted by IFRS 1 First-time Adoption of International Financial Reporting Standards, the Group has recognised only business combinations that occurred on or after 1 January 2004, the date of transition to IFRS-EU, using the acquisition method. Entities acquired prior to that date were recognised in accordance with accounting principles prevailing at that time, taking into account the necessary corrections and adjustments at the transition date.
The Group applied IFRS 3 Business Combinations, revised in 2008, to transactions carried out since 1 January 2010.
For business combinations carried out prior to 1 January 2010, the cost of the business combination includes contingent consideration, if this is probable at the acquisition date and can be reliably estimated. Subsequent recognition of or changes to contingent consideration are recognised as a prospective adjustment to the cost of the business combination.

The Group applies the acquisition method for business combinations.

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

The consideration transferred in a business combination is calculated as the sum of the acquisition-date fair values of the assets transferred, the liabilities incurred or assumed, the equity instruments issued and any consideration contingent on future events or compliance with certain conditions in exchange for control of the acquiree.
The consideration transferred excludes any payment that does not form part of the exchange for the acquired business. Since 1 January 2010, acquisition costs have been recognised as an expense when incurred.

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

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

With the exception of lease and insurance contracts, the assets acquired and liabilities assumed are classified and designated for subsequent measurement based on contractual agreements, economic terms, accounting and operating policies and any other conditions existing at the acquisition date.

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

1. Non-controlling interests

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

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

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

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

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

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

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

Puttable financial instruments and obligations arising on liquidation, which qualify for classification as equity instruments in the separate financial statements of the subsidiaries, are classified as financial liabilities in the consolidated annual accounts and not as non-controlling interests.

2. Other aspects relating to the consolidation of subsidiaries

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

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

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

Joint arrangements

Joint arrangements are those in which there is a contractual agreement to share the control over an economic activity, in such a way that decisions about the relevant activities require the unanimous consent of the Group and the remaining venturers or operators. The existence of joint control is assessed considering the definition of control over subsidiaries.

1. Joint ventures

Investments in joint ventures are accounted for using the equity method described in c) below.

2. Joint operations

For joint operations, the Group recognises the assets, including its share of any assets held jointly, the liabilities, including its share of any liabilities incurred jointly with the other operators, the revenue from the sale of its share of the output from the joint operation and the expenses, including its share of any expenses incurred jointly, in the consolidated annual accounts.

In sales or contributions by the Group to the joint operation, it recognises the resulting gains and losses only to the extent of the other parties' interests in the joint operation. When such transactions provide evidence of a reduction in net realisable value or an impairment loss of the assets transferred, such losses are recognised in full.

In purchases by the Group from a joint operation, it only recognises the resulting gains and losses when it resells the acquired assets to a third party. However, when such transactions provide evidence of a reduction in net realisable value or an impairment loss of the assets, the Group recognises its entire share of such losses.

The Group's acquisition of an initial and subsequent share in a joint operation is recognised following the same criteria used for business combinations, at the percentage of ownership of each individual asset and liability. However, in subsequent acquisitions of additional shares in a joint operation, the previous share in each asset and liability is not subject to revaluation.

Equity-accounted investees

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

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

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

Intangible assets

1. Goodwill

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

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

Impairment losses on goodwill are not reversed in subsequent years.

2. Other intangible assets

Intangible assets are stated at cost of acquisition or production, less any impairment losses resulting from annual testing, as described in section g) of this note. Intangible assets include the following:

- Development expenses: which represent direct costs incurred in developments specifically attributable to individual projects.

  Expenditure on research, development and innovation projects (R&D and innovation) are recognised directly in the consolidated income statement for the corresponding period, except for costs incurred on development projects, which are capitalised under development costs when the following conditions exist:
  - The expenditure to carry out the project can be measured reliably.
  - The allocation, assignment and timing of costs for each project are clearly defined.
  - There is evidence of the project's technical success, in terms of direct operation or sale to a third party of the results thereof once completed and if a market exists.
  - The economic and commercial feasibility of the project is reasonably assured.
  - Financing to develop the project, the availability of adequate technical and other resources to complete the development and to use or sell the resulting intangible asset are reasonably assured.

    There is an intention to complete the intangible asset for its use or sale.

  Development expenses are only capitalised when there is certainty that a project will generate future income to offset the costs capitalised for the project.

  The Company performs the corresponding impairment testing on development projects in case any impairment has to be recognised. The development costs are capitalised under development costs as soon as they meet the criteria for capitalisation. Once the development is completed, the Group reclassifies these costs to computer software and begins to amortise them.

  Development costs (which are transferred to computer software) are amortised once the asset is available for use after the development process and the applicable quality tests and controls have been completed.

- Computer software: expenses incurred on the acquisition of computer software or licences, as well as costs related to programs developed by the Group, are capitalised when these assets contribute to the generation of income.

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

Computer software acquired in business combinations is recognised at the transaction-date fair value of the identifiable asset.

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

- Industrial property: is stated at cost and amortised over the period of use stipulated therein.

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

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

Intangible assets with finite useful lives are amortised by allocating the depreciable amount of an asset on a systematic basis over its useful life, by applying the following criteria:

	Amortisation method	Estimated years of useful life
Patents, licences, and trademarks	lineal	10 years
Computer software	lineal	1 to 10 years

The depreciable amount of intangible assets is measured as the cost of the asset, less any residual value.
The Company considers that the residual value of the assets is zero unless:

a) There is a commitment by a third party to purchase the asset at the end of its useful life.

b) There is an active market for the intangible asset and:

I. residual value can be determined by reference to that market; and

II. it is probable that such a market will exist at the end of the asset's useful life.

The Company reviews the residual value, useful life and amortisation method for intangible assets at each financial year end. Changes to initially established criteria are accounted for as a change in accounting estimates.

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

Property, plant and equipment

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

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

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

The Group reviews residual values, useful lives and depreciation methods at each financial year end. Changes to initially established criteria are accounted for as a change in accounting estimates.

Investment property

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

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

Lease income is recognised using the criteria described in section h).

Impairment of non-financial assets subject to amortisation or depreciation

The Group evaluates whether there are indications of possible impairment losses on non-financial assets subject to amortisation or depreciation to verify whether the carrying amount of these assets exceeds the recoverable amount.

The Group tests goodwill, intangible assets with indefinite useful lives and intangible assets that are not yet ready to enter service for potential impairment at least annually, irrespective of whether there is any indication that the assets may be impaired.

The recoverable amount of the assets is the higher of their fair value less costs of disposal and their value in use.

An asset's value in use is measured based on the future cash flows the Group expects to derive from use of the asset, expectations about possible variations in the amount or timing of those future cash flows, the time value of money, the price for bearing the uncertainty inherent in the asset and other factors that market participants would reflect in pricing the future cash flows the Group expects to derive from the asset.

Negative differences resulting from comparison of the carrying amounts of the assets with their recoverable amount are recognised in profit or loss.

Recoverable amount is determined for each individual asset, unless the asset does not generate cash inflows that are largely independent of those from other assets or groups of assets. If this is the case, recoverable amount is determined for the cash-generating unit (CGU) to which the asset belongs.

This year the Group uses detailed calculations made in a preceding year of the recoverable amount of a CGU to which an intangible asset of indefinite life or goodwill has been included, provided the following requirements are met:
a) The assets making up that unit have not changed significantly since the most recent recoverable amount calculation;

b) the most recent recoverable amount calculation resulted in an amount that exceeded the carrying amount of the unit by a substantial margin; and

c) based on an analysis of events that have occurred and circumstances that have changed since the most recent recoverable amount calculation, the likelihood that a current recoverable amount determination would be less than the asset's carrying amount is remote.

If there is an indication of impairment of a CGU to which goodwill has been unable to be allocated, the Group tests the CGU for impairment first, excluding any goodwill and recognises, where applicable, any impairment loss at CGU level. The Group then tests the group of CGUs to which goodwill has been allocated for impairment and recognises, where applicable, any impairment loss at CGU group level.

In testing a CGU for impairment, the Group identifies all the corporate assets that relate to the CGU. If a portion of the corporate assets can be allocated on a reasonable and consistent basis to the CGU, the Group compares the carrying amount of the CGU, including the corporate asset, with its recoverable amount and, where applicable, recognises any impairment loss at CGU level. If the Group cannot allocate a portion of the corporate assets on a reasonable and consistent basis to the CGU, it compares the carrying amount of the unit, excluding the corporate asset, with its recoverable amount and recognises, where applicable, any impairment loss at CGU level. The Group identifies the smallest group of CGUs to which the carrying amount of the corporate asset can be allocated on a reasonable and consistent basis and compares the carrying amount of the group of CGUs, including the corporate assets, with the recoverable amount and recognises, where applicable, the impairment loss at CGU group level.

Impairment losses for cash-generating units are allocated first to reduce the carrying amount of goodwill allocated to the unit and then to the other assets of the unit pro rata with their carrying amounts. The carrying amount of each asset may not be reduced below the highest of its fair value less costs of disposal, its value in use and zero.

At the end of each reporting period the Group assesses whether there is any indication that an impairment loss recognised in prior periods may no longer exist or may have decreased. Impairment losses on goodwill are not reversible. Impairment losses on other assets are only reversed if there has been a change in the estimates used to calculate the recoverable amount of the asset.

A reversal of an impairment loss is recognised as a credit to profit or loss. The increased carrying amount of an asset attributable to a reversal of an impairment loss may not exceed the carrying amount that would have been determined, net of depreciation or amortisation, had no impairment loss been recognised.

A reversal of an impairment loss for a CGU is allocated to the assets of each unit, except goodwill, pro rata with the carrying amounts of those assets. The carrying amount of an asset may not be increased above the lower of its recoverable amount and the carrying amount that would have been disclosed, net of amortisation or depreciation, had no impairment loss been recognised.

Leases

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

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

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

Financial instruments

1. Classification of financial instruments

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

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

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

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

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

- It is acquired or incurred principally for the purpose of selling or repurchasing it in the near term;

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

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

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

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

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

b. Loans and receivables

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

Subsequent to initial recognition, trade and other receivables are measured at amortised cost using the effective interest method, provided they have a fixed maturity date of more than one year.

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

c. Available-for-sale financial assets

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

Available-for-sale financial assets are initially recognised at fair value plus transaction costs directly attributable to the acquisition.
Following initial recognition, financial assets classified in this category are measured at fair value and any gain or loss is taken to other comprehensive income. On disposal of the financial assets, amounts recognised in other comprehensive income or the impairment loss are reclassified to profit or loss.

d. Financial assets carried at cost

Investments in equity instruments for which the fair value cannot be reliably measured and derivative instruments that are linked to and must be settled by delivery of such unquoted equity instruments, are measured at cost. Nonetheless, if the financial assets can be reliably measured subsequently, they are accounted for at fair value and any subsequent gain or loss is recognised in equity.

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

e. Financial liabilities

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

f. Convertible bonds

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

g. Reverse factoring

The Group has contracted reverse factoring facilities with various finance companies to manage payments to suppliers. Trade payables settled under the management of finance companies are recognised under trade and other payables in the statement of financial position until they are settled, repaid or have expired.

The consideration given by the financial institutions in exchange for the right to finance the customers of the Group is recorded in the consolidated income statement when accrued.

Payables to financial entities as a result of the transfer of trade liabilities are recognised as trade payables advanced by banks under trade and other payables in the statement of financial position.

When the Company requests a deferral of the initial payment term of trade payables, these debts are derecognised and a financial liability is recognised under loans and borrowings in the statement of financial position.

h. Offsetting principles

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

2. Impairment and uncollectibility of financial assets

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

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

a. Impairment of available-for-sale financial assets

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

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

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

b. Derecognition of financial assets

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

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

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

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

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

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

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

- If the Group has not retained control, it derecognises the financial asset and recognises separately as assets or liabilities any rights and obligations created or retained in the transfer.

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

If the Group retains substantially all the risks and rewards of ownership of an asset, the consideration received is recognised as a liability.

c. Derecognition and modifications of financial liabilities

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

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

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

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

3. Fair value hierarchy for financial and non-financial assets and liabilities

Fair value is defined as the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The measurement is based on the assumption that the transaction takes place in the principal market, i.e. the market with the highest volume or asset or liability activity. In the absence of a principal market, the transaction is assumed to take place in the most advantageous market, i.e. the market that maximises the amount received on the sale of an asset or minimises the amount payable for transferring the liability.

The fair value of an asset or a liability shall be measured using the assumptions that market participants would use when pricing the asset or liability, assuming that market participants act in their economic best interest. The market participants are independent of each other, they are knowledgeable, are able to enter into a transaction for the asset or liability and they are willing to enter into a transaction for the asset or liability, i.e. they are motivated but not forced or otherwise compelled to do so.

The assets and liabilities measured at fair value can be classified into the following levels:

- Level 1: Financial instruments for which fair value is calculated considering quoted prices of identical assets or liabilities in active markets.

- Level 2: The fair value is calculated considering directly or indirectly observable market inputs other than the quoted prices in Level 1. The methods and assumptions used to calculate fair value at this level, by class of asset or liability, take into consideration estimated future cash flows, discounted to present value using the zero coupon interest rate curves of each currency at the last working day of each reporting date and this amount is converted to Euros taking into account the exchange rate on the last working day of each reporting period. All the measurements described are made using internal instruments.

- Level 3: The fair value is calculated considering inputs, for assets or liabilities, that are not based on observable market data. To measure assets and liabilities at fair value the Indra Group uses valuation techniques appropriate to the circumstances and for which sufficient information is available to calculate the fair value, maximising the use of relevant observable inputs and minimising the use of unobservable inputs.

The fair value of the different derivative financial instruments is calculated using the following procedures:

- For derivatives quoted on an organised market, their quoted value at year end.

- For derivatives not quoted on organised markets, the Indra Group calculates the fair value of the financial derivatives taking into consideration observable market inputs, estimating future cash flows discounted to present value using the zero coupon interest rate curves of each currency at the last working day of each reporting date, converted to Euros at the exchange rate on the last working day of each reporting period. These measurements are made using internal instruments. Once gross market value has been obtained, a debt valuation adjustment (own credit risk) and a credit valuation adjustment (counterparty credit risk) are made. The credit valuation adjustment and debt valuation adjustment are made based on the possible future exposure from the instrument (creditor or debtor position) and the risk profile of the counterparties and that of the Indra Group. In 2015 and 2014 the value of the credit valuation and debt valuation adjustments was not significant.

In the case of buildings, the fair value of non-financial assets and liabilities is calculated based on independent expert appraisals and for other assets and liabilities fair value is estimated on the basis of available market prices or by discounting expected future cash flows if no market can be identified.

Parent own shares

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

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

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

Cash and cash equivalents

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

Inventories

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

Government grants

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

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

Provisions for liabilities and charges

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

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

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

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

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

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

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

1. Provisions for restructuring costs

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

2. Provisions for onerous contracts

Provisions for onerous contracts are based on the present value of unavoidable costs, determined as the lower of the contract costs, net of any income that could be generated, and any compensation or penalties payable for non-completion.

3. Trade provisions

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

Termination benefits

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

In August 2015 the Parent started a workforce restructuring plan. The main conditions of this plan are provided in note 30.

R&D loans

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

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

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

Classification of assets and liabilities

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

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

Current: assets expected to be realised, sold or consumed within the Group's normal operating cycle and payables falling due within twelve months of the date of the statement of financial position.

Income tax

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

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

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

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

The Group recognises tax credits for investment applying the recognition and valuation criteria for current or deferred tax assets, unless they are grants. Tax credits in the form of grants are recognised, presented and measured applying the corresponding accounting policy. For these purposes the Group considers that tax credits have the nature of a grant if they can be applied irrespective of whether tax is payable and they have substantive operating terms additional to an investment being made or maintained.

1. Recognition of deferred tax liabilities

The Group recognises all deferred tax liabilities except where:

- They arise from the initial recognition of goodwill or an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither accounting profit nor taxable income.
- They are associated with investments in subsidiaries, associates and joint ventures for which the Group is able to control the timing of the reversal of the temporary difference and it is not probable that the difference will reverse in the foreseeable future.

2. Recognition of deferred tax assets

The Group recognises deferred tax assets provided that:

- It is probable that sufficient taxable profit will be available against which they can be utilised or when tax legislation envisages the possibility of converting deferred tax assets into a receivable from public entities in the future. Nonetheless, assets arising from the initial recognition of an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither accounting profit nor taxable income, are not recognised.
- The temporary differences are associated with investments in subsidiaries, associates and joint ventures that will reverse in the foreseeable future and sufficient tax gains are expected to be generated against which the temporary differences can be offset.

The Group recognises the conversion of a deferred tax asset into a receivable from public entities when it becomes enforceable in accordance with prevailing tax legislation. For these purposes, the deferred tax asset is derecognised with a charge to the expense for deferred taxes and a credit to current tax is recognised for the account receivable. Likewise, the Group recognises the exchange of a deferred tax asset for government debt securities when it acquires ownership thereof.

The Group recognises the payment obligation derived from the financial loan as an operating expense with a credit to payables to public entities.

It is considered probable that the Group will generate sufficient taxable profit to recover deferred tax assets when there are sufficient taxable temporary differences relating to the same taxation authority and the same taxable entity, which are expected to reverse in the same tax period as the expected reversal of the deductible temporary differences or in periods into which a tax loss arising from a deductible temporary difference can be carried back or forward. If the only future taxable profit is derived from taxable temporary differences, the recognition of deferred tax assets arising from tax losses carried forward is limited to 70% of the deferred tax liabilities recognised.

In order to determine future taxable profit the Group takes into account tax planning opportunities, provided it intends or is likely to adopt them.

3. Measurement of deferred tax assets and liabilities

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply to the period when the asset is realised or the liability is settled, based on tax rates and tax laws that have been enacted or substantively enacted. The tax consequences that would follow from the manner in which the Group expects to recover or settle the carrying amount of its assets or liabilities are also reflected in the measurement of deferred tax assets and liabilities. For these purposes, the Group has considered the deduction for reversal of the temporary measures provided in transitional provision thirty-seven of Income Tax Law 27/2014 of 27 November 2014 as an adjustment to the tax rate applicable to the deductible temporary difference associated with the non-deductibility of amortisation and depreciation charges in 2013 and 2014, of 27 December.

The Group reviews the carrying amount of deferred tax assets at the reporting date and reduces this amount to the extent that it is not probable that sufficient taxable profit will be available against which to recover them.

Deferred tax assets that do not comply with the above conditions are not recognised in the consolidated statement of financial position. At year end the Group reassesses whether conditions are met for recognising previously unrecognised deferred tax assets.

4. Classification

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

Earnings per share

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

Derivative financial instruments and hedge accounting

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

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

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

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

The Group has arranged forward purchases and sales of foreign currency. These exchange rate insurance contracts are considered financial derivatives and comply with conditions for hedge accounting, as follows: They are recognised as follows:

a) In the case of hedges of the exposure of the fair value of foreign currency monetary financial assets and liabilities to currency risk, changes in both the market value of derivative financial instruments designated as hedging instruments and the market value of the hedged item as a result of the hedged exposure are taken to the consolidated income statement.

b) In the case of cash flow hedges, changes in the market value of hedging derivative financial instruments are recognised, to the extent that these hedges are effective, in other comprehensive income in the consolidated statement of comprehensive income during the year in which the expected transaction or firm commitment impacts on the consolidated income statement.

As currencies are traded on official markets, the fair value of exchange rate insurance is calculated based on the quoted price of each currency at each reporting date (level 1).

The Group has also contracted interest rate hedges to eliminate or significantly reduce these risks. The fair value of interest rate hedges is based on the market values of equivalent derivative financial instruments at the date of the statement of financial position. All interest rate hedges are also effective as cash flow hedges. The Group recognises the portion of the gain or loss on the measurement at fair value of a hedging instrument that is determined to be an effective hedge in recognised income and expense (level 1).

Segment reporting

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

- Solutions: a wide range of systems, applications and components for compiling, processing, transmitting and presenting data, basically aimed at the control and management of complex processes. The Group's solutions business is characterised by its customer-oriented approach and knowledge of the business, and involves a large degree of business consultancy and technology services.

- Services, including the management and operation of systems and solutions, as well as certain business processes where technology is a strategic and differentiating element.

Inter-segment pricing is determined on an arm's length basis. The profit or loss of each segment is measured and fund-allocation decisions are taken using the contribution margin. This margin is the gross margin of projects less the cost of sales in the markets in which the Group offers its solutions and services and costs to support the completion of projects.

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

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

Revenue recognition

The Group recognises income on projects using the stage of completion method, which is based on the estimated portion of the total contract completed at the closing date. Accordingly, the total estimated profit is distributed over the period over which the contract is carried out, based on the percentage of completion at each reporting date.
The Group determines the percentage of completion of transactions, which is used as a basis for revenue recognition, as the proportion that contract costs incurred for work performed to date bear to the estimated total contract works.

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

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

Foreign currency transactions and balances

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

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

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

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

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

1. Translation of foreign operations

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

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

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

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

2. Entities located in hyperinflationary countries

Since the sale of the subsidiary in Venezuela in 2015 the Group does not have any entities located in hyperinflationary countries.

Following the criteria established in IFRS-EU, the Venezuelan economy was considered as hyperinflationary at the 2014 close. The financial statements of Group companies located in Venezuela were therefore adjusted to correct the effects of inflation.

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

The differences arising from this adjustment in 2014 were recognised in the consolidated income statement.

At 31 December 2014 these adjustments had a positive impact of Euros 206 thousand on the equity recognised in the consolidated statement of financial position.

5. BUSINESS COMBINATIONS

The Parent did not acquire any subsidiaries in the years ended 31 December 2015 and 2014 and no business combinations are recognised at a provisional amount.

6. PROPERTY, PLANT AND EQUIPMENT

Details of this item at 31 December 2015 and 2014 are as follows:

	Thousands of Euros						
	Balance at 31.12.14	**Change in consolida-**	**Translation differences**	**Additions**	**Disposals**	**Transfers**	**Balance at 31.12.15**
Investments:							
Land	10.774	-	-	-	(552)	5.566	15.758
Buildings	56.251	-	166	5	(1.139)	19.073	74.356
Tech. installations, mach. and other fixtures	192.403	(635)	(2.561)	5.428	(3.418)	2.665	193.882
Furniture	39.428	(193)	287	1.449	(1.361)	450	40.060
Motor vehicles	2.969	(66)	(146)	476	(673)	202	2.762
Information technology equipment	67.397	(1.340)	(2.346)	4.665	(2.524)	3.979	69.831
Other property, plant and equipment	11.568	(21)	(1.914)	1.953	(444)	(1.265)	9.877
Property, plant and equipment under construction	221	-	-	-	(174)	(47)	-
	380.981	**(2.255)**	**(6.514)**	**13.976**	**(10.285)**	**30.623**	**406.526**
Depreciation:							
Buildings	(20.653)	-	(45)	(1.530)	394	(125)	(21.959)
Tech. installations, mach. and other fixtures	(140.575)	460	2.461	(13.618)	3.272	3.607	(144.393)
Furniture	(26.141)	141	(306)	(2.740)	957	(1.005)	(29.094)
Motor vehicles	(1.493)	38	59	(341)	490	(170)	(1.417)
Information technology equipment	(58.186)	1.266	1.445	(5.383)	2.081	(3.496)	(62.273)
Other property, plant and equipment	(6.585)	20	1.052	(1.165)	275	253	(6.150)
	(253.633)	**1.925**	**4.666**	**(24.777)**	**7.469**	**(936)**	**(265.286)**
Carrying amount:							
Structure				(4.313)		(4.313)	
				(4.313)		**(4.313)**	
Land	10.744	-	-	-	(552)	5.566	15.758
Buildings	35.598	-	121	(5.838)	(745)	18.948	48.084
Tech. installations, mach. and other fixtures	51.828	(175)	(100)	(8.190)	(146)	6.272	49.489
Furniture	13.287	(52)	(19)	(1.291)	(404)	(555)	10.966
Motor vehicles	1.476	(28)	(87)	135	(183)	32	1.345
Information technology equipment	9.211	(74)	(901)	(718)	(443)	483	7.558
Other property, plant and equipment	4.983	(1)	(862)	788	(169)	(1.012)	3.727
Property, plant and equipment under construction	221	-	-	-	(174)	(47)	-
Total	**127.348**	**(330)**	**(1.848)**	**(15.114)**	**(2.816)**	**29.687**	**136.927**

	Balance at 31.12.13	Change in consolidated	Translation differences	Additions	Disposals	Transfers	Balance at 31.12.14
	Thousands of Euros						
Investments:							
Land	10.774	-	-	-	-	-	10.744
Buildings	56.419	-	174	104	(72)	(374)	56.251
Tech. installations, mach. and other fixtures	206.784	(24)	(14.304)	5.296	(4.355)	(994)	192.403
Furniture	37.901	(17)	(1.271)	2.857	(393)	351	39.428
Motor vehicles	3.432	(15)	(58)	372	(593)	(169)	2.969
Information technology equipment	67.774	(41)	(3.563)	4.224	(1.001)	4	67.397
Other property, plant and equipment	9.892	(77)	148	4.199	(2.494)	(100)	11.568
Property, plant and equipment under construction	849	-	45	175	(714)	(134)	221
	393.795	**(174)**	**(18.829)**	**17.227**	**(9.622)**	**(1.416)**	**380.981**
Depreciation:							
Buildings	(19.080)	-	(105)	(1.336)	72	(204)	(20.653)
Tech. installations, mach. and other fixtures	(144.091)	-	12.541	(13.409)	3.404	980	(140.575)
Furniture	(24.227)	1	743	(2.847)	288	(99)	(26.141)
Motor vehicles	(1.825)	-	111	(348)	447	122	(1.493)
Information technology equipment	(56.944)	23	3.561	(6.239)	837	576	(58.186)
Other property, plant and equipment	(6.850)	-	(76)	(1.319)	1.522	138	(6.585)
	(253.017)	**24**	**16.775**	**(25.498)**	**6.570**	**(1.513)**	**(253.633)**
Carrying amount:							
Land	10.744	-	-	-	-	-	10.744
Buildings	37.339	-	69	(1.232)	-	(578)	35.598
Tech. installations, mach. and other fixtures	62.693	(24)	(1.763)	(8.113)	(951)	(14)	51.828
Furniture	13.674	(16)	(528)	10	(105)	252	13.287
Motor vehicles	1.607	(15)	53	24	(146)	(47)	1.476
Information technology equipment	10.830	(18)	(2)	(2.015)	(164)	580	9.211
Other property, plant and equipment	3.042	(77)	72	2880	(972)	38	4.983
Property, plant and equipment under construction	849	-	45	175	(714)	(134)	221

As in 2014, additions to technical installations, machinery and other fixtures in 2015 are mainly due to the ongoing fitting-out of the Parent's new offices.

A loss of Euros 1,160 thousand was generated on disposals in 2015, which is recognised in the consolidated income statement (see note 32).

The transfers recognised in 2015 under land and buildings consist of the buildings received in relation to the rights to compensation included in the agreement concluding the transaction entered into by the Group in 2014 with Politec Participaçoes, Ltda (Polipar) and its shareholders (note 12c). The impairment recognised in the year is due to the difference between the appraisal value of the building and its carrying amount. This valuation was performed by an independent expert calculating the fair value according to hierarchical level 2.

Details of assets acquired through finance leases, by type of asset, at 31 December 2015 and 2014 are as follows:

	Thousands of Euros	
	2015	**2014**
Investments:		
Tech. installations, mach. and other fixtures	8.476	8.420
Furniture	-	98
Information technology equipment	2.046	2.173
Other property, plant and equipment	400	406
	10.922	**11.097**
Depreciation:		
Buildings	-	-
Tech. installations, mach. and other fixtures	(5.508)	(4.172)
Furniture	-	(65)
Information technology equipment	(1.309)	(740)
Other property, plant and equipment	(51)	115
	(6.868)	**(5.092)**
Carrying amount:		
Buildings	-	-
Tech. installations, mach. and other fixtures	2.968	4.248
Furniture	-	33
Information technology equipment	737	1.433
Other property, plant and equipment	349	291
Total	**4.054**	**6.005**

The main finance lease agreement corresponds to the acquisition of a flight simulator in 2011 by the Parent amounting to Euros 8,476 thousand. This agreement expires in September 2018. The interest rate of the agreement is 4.3%. Euros 3,600 thousand is payable at the present date (a current portion of Euros 1,260 thousand and a non-current portion of Euros 2,340 thousand). These amounts include the purchase option of Euros 116 thousand but not the finance costs.

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

	2015		
	Minimum payments	**Interest**	**Purchase option**
Up to 1 year	1.889	231	-
Between 1 and 5 years	2.605	87	116
	4.494	318	116

	2014		
	Minimum payments	**Interest**	**Purchase option**
Up to 1 year	2.079	260	-
Between 1 and 5 years	4.337	229	515
	6.416	489	515

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

At 31 December 2015 fully depreciated property, plant and equipment amount to Euros 160,685 thousand (Euros 143,332 thousand at 31 December 2014).

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

7. INVESTMENT PROPERTY

On 29 April 2014 the subsidiary Prointec, S.A. sold all its investment property for Euros 2,700 thousand, recognising a loss of Euros 485 thousand in the corresponding item in the consolidated income statement. (Note 32)

8. GOODWILL

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

A summary of goodwill is as follows:

	Thousands of Euros					
	2015			2014		
	Cost	Accumulated impairment	Carrying amount	Cost	Accumulated impairment	Carrying amount
Indra EWS	14.462	-	14.462	14.462	-	14.462
Indra ATM	29.447	-	29.447	29.447	-	29.447
Brazil	99.259	(99.259)	-	101.558	(16.656)	84.902
Indra Italy	20.504	-	20.504	20.504	-	20.504
Indra Navia	26.136	-	26.136	26.136	-	26.136
Consulting Group	36.608	(13.139)	23.469	36.608	(4.055)	32.553
BPO Group	58.925	-	58.925	58.925	-	58.925
Azertia Group	66.701	(8.582)	58.119	67.475	(8.582)	58.893
Prointec Group	30.437	(3.576)	26.861	30.479	(2.682)	27.797
Soluziona Group	166.761	(3.000)	163.761	169.455	(2.831)	166.624
Other	61.620	(12.896)	48.724	63.956	(914)	63.042
Total	**610.860**	**(140.452)**	**470.408**	**619.005**	**(35.720)**	**583.285**

	Thousands of Euros				
	31.12.14	Translation differences	Disposals	Impairment	31.12.15
Indra EWS	14.462	-	-	-	14.462
Indra ATM	29.447	-	-	-	29.447
Brazil	84.902	(2.299)	-	(82.603)	-
Indra Italy	20.504	-	-	-	20.504
Indra Navia	26.136	-	-	-	26.136
Consulting Group	32.553	-	-	(9.084)	23.469
BPO Group	58.925	-	-	-	58.925
Azertia Group	58.893	(774)	-	-	58.119
Prointec Group	27.796	(41)	-	(894)	26.861
Soluziona Group	166.624	(1.323)	(1.371)	(169)	163.761
Other	63.043	(2.337)	-	(11.982)	48.724
Total	**583.285**	**(6.774)**	**(1.371)**	**(104.732)**	**470.408**

	Thousands of Euros				
	31.12.13	Translation differences	Disposals	Impairment	31.12.14
Indra EWS	14.462	-	-	-	14.462
Indra ATM	29.447	-	-	-	29.447
Brazil	100.408	1.150	-	(16.656)	84.902
Indra Italy	20.504	-	-	-	20.504
Indra Navia	28.364	(2.228)	-	-	26.136
Consulting Group	36.608	-	-	(4.055)	32.553
BPO Group	58.925	-	-	-	58.925
Azertia Group	59.229	(336)	-	-	58.893
Prointec Group	28.734	(44)	-	(894)	27.796
Soluziona Group	167.099	(475)	-	-	166.624
Other	62.163	880	-	-	63.043
Total	**605.943**	**(1.053)**		**(21.605)**	**583.285**

In the years ended 31 December 2015 and 2014, there were neither additions to this item in the consolidated statement of financial position nor changes to the CGUs to which the goodwill was assigned.

Key assumptions used in projections

The Group periodically measures the recoverability of the goodwill included in the above table by discounting the expected future cash flows of the various cash generating units (CGUs) to which the goodwill is assigned based on the business plans.

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

The assumptions used to calculate the recoverable value of each significant existing CGU are as follows:

	Year-on-year growth rate Income (5 years)		Post tax discount rate		Residual growth rate		Residual EBIT margin		Working capital (days)	
	2015	2014	2015	2014	2015	2014	2015	2014	2015	2014
Indra EWS	(0,5 %)	(0.5 %)	7,91 %	8,36 %	1,00 %	1,00 %	23,68 %	27,23 %	(19)	(155)
Indra ATM	0,0 %	1,8 %	7,91 %	7,80 %	1,91 %	2,00 %	12,02 %	10,36 %	139	127
Brazil	7,7 %	12,4 %	12,30 %	11,93 %	4,93 %	4,96 %	6,96 %	7,55 %	91	93
Indra Italy	7,7 %	9,6,%	7,62 %	8,17 %	1,54 %	1,70 %	10,33 %	9,56 %	100	120
Indra Navia	3,3 %	2,3 %	6,25 %	6,85 %	2,82 %	2,70 %	10,96 %	9,83 %	80	102
Consulting Group	6,9 %	5,8 %	8,02 %	8,22 %	1,50 %	1,50 %	8,74 %	10,69 %	108	158
BPO Group	3,1 %	3,0 %	7,77 %	7,94 %	1,91 %	2,00 %	10,39 %	10,09 %	37	27
Azertia Group	1,9 %	3,1 %	7,77 %	8,07 %	1,91 %	2,00 %	10, 80%	10,35 %	37	55
Prointec Group	10,3 %	6,7 %	8,14 %	8,39 %	1,91 %	2,00 %	13,72 %	10,36 %	142	96
Soluziona Group	6,7 %	7,9 %	8,40 %	8,40 %	2,00 %	2,00 %	8,95 %	9,29 %	82	91

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

The main variations in the assumptions used to calculate the value in use of each impaired CGU are as follows:

- Brazil CGU: after the results obtained in Brazil, in 2015 the Group approved a new company strategy so that it is more selective with regard to the projects carried out, focusing on projects with higher added value. Consequently the expected sales growth in coming years has been adjusted downwards to 7.7% (year-on-year growth rate 2014-2019). This growth is in line with that expected in the Information Technology sector in this period. Estimated EBIT has also been reduced by 1.33 percentage points in the last year of the period (from 8.3% to 7%) to adapt it to the new business circumstances, which is also affected by macro-economic conditions in the country. Also the discount rate has increased from 11.93% to 12.30% due to the interest rate hikes in Brazil.

  Given that the recoverable amount of the Brazil CGU is less than its carrying amount at 31 December 2015 impairment has been recognised for the difference; Euros 82,603 thousand for goodwill, which has been totally written down and Euros 7,396 thousand for other intangible assets of the CGU (note 9).

- Consultancy Group CGU: the main variation is a 2 p.p. reduction in annual EBIT in line with the fall in profitability in 2015.

- Portugal CGU: the main variation is a reduction in the year-on-year revenue growth rate, which declines from 5.4% at 31 December 2014 to 2.2% at 31 December 2015, which furthermore is applied to 22% lower sales based on the approved business plan.

To calculate their present value cash flows are discounted at a post-tax rate that considers the specific risks affecting the assets as well as cash flow risks not contemplated, such as country risk. This rate is calculated using the capital asset pricing model (CAPM). The data used in these calculations come from prestigious and independent external information sources and the results are compared with the rates used by independent financial analysts when valuing comparable businesses. The post-tax rates used in 2015 ranged from 6.25% to 8.40%.

The projections are for a period of five years. From the sixth year onwards the cash flows are those that compose the terminal value and are estimated as income in perpetuity at a constant growth rate (residual growth rate) on a normalised cash flow that reflects the CGU's operations in perpetuity. The residual growth rate is estimated for each CGU taking into account the nature of the business and forecast long-term inflation in the activity area of each CGU, comparing this information with external sources. Growth rates of 1% to 4.93% were used in the projections made in 2015.

The normalised cash flow used as the base to calculate the terminal value is determined by making the following adjustments to the cash flow in the fifth year:

$Sales_{\text{Normalised cash flow}} = Sales_{\text{Year 5}} \times (1+g)$

$Operating\ expenses_{\text{Normalised cash flow}} = Operating\ expenses\ Year\ 5 \times (1+g)$

$Depreciation\ and_{\text{amortisation Normalised cash flow}} = Depreciation\ and\ amortisation_{\text{Year 5}}$

$Investment_{\text{Normalised cash flow}} = Depreciation\ and\ amortisation_{\text{Normalised cash flow}}$

$Investment\ in\ working_{\text{capital Normalised cash flow}} = Days\ working\ capital_{\text{Year 5}} / 365 \times Sales_{\text{Year 5}} \times g^{(1)}$

$Tax\ rate_{\text{Normalised cash flow}} = Tax\ rate_{\text{Year 5}}$

$Normalised\ cash\ flow = (Sales - Operating\ expenses - Investment - Investment\ in\ working\ capital - Taxes)_{\text{Normalised cash flow}}$

"g" is the residual growth rate

(1) The investment in working capital is calculated based on residual growth.

The percentage that the discounted amount of the terminal value represents compared to the recoverable amount of the most significant goodwill in 2015 and 2014 is as follows:

	2015	2014
Indra EWS	76 %	69 %
Indra ATM	75 %	77 %
Brazil	66 %	73 %
Indra Italy	86 %	79 %
Indra Navia	85 %	80 %
Consulting Group	82 %	80 %
BPO Group	75 %	76 %
Azertia Group	69 %	72 %
Prointec Group	76 %	76 %
Soluziona Group	78 %	78 %

Details of the carrying and recoverable amounts of the most significant CGUs, including goodwill, at 31 December 2015 and 2014, are as follows:

2015 Thousands of Euros

	Carrying amount (1)	Recoverable amount (2)	Difference (2)-(1)
Indra EWS	14.462	186.122	171.660
Indra ATM	50.048	75.258	25.210
Brazil	133.893	133.893	-
Indra Italy	37.869	78.236	40.366
Indra Navia	40.871	132.223	91.352
Consulting Group	35.869	45.906	10.037
BPO Group	81.554	158.927	77.374
Azertia Group	75.734	144.484	68.750
Prointec Group	57.672	115.573	57.901
Soluziona Group	267.751	441.697	173.946

2014 Thousands of Euros

	Carrying amount (1)	Recoverable amount (2)	Difference (2)-(1)
Indra EWS	14.462	217.024	202.562
Indra ATM	48.670	66.214	17.544
Brazil	225.589	225.589	-
Indra Italy	47.951	71.871	23.920
Indra Navia	47.803	96.853	49.050
Consulting Group	58.684	58.684	-
BPO Group	71.520	133.111	61.591
Azertia Group	82.548	143.162	60.614
Prointec Group	61.222	110.982	49.760
Soluziona Group	286.960	454.668	167.708

The result of the sensitivity analysis of the impairment tests on the goodwill allocated to the CGUs is as follows:

2015

	WACC variation		Residual growth rate	
Impact on recoverable amount of CGUs:	-1 p.p.	+1 p.p.	-0,5 p.p.	+0,5 p.p.
Indra EWS	34.860	(25.910)	(10.372)	11.990
Indra ATM	15.799	(11.241)	(3.473)	4.104
Brazil	21.182	(16.192)	(3.320)	3.803
Indra Italy	18.309	(13.017)	(4.201)	4.954
Indra Navia	55.901	(30.565)	(13.369)	17.936
Consultancy Group	9.685	(7.060)	(2.036)	2.374
BPO Group	33.702	(23.794)	(9.147)	10.853
Azertia Group	28.595	(20.226)	(7.750)	9.195
Prointec Group	23.732	(17.100)	(5.361)	6.296
Soluziona Group	89.589	(64.946)	(20.978)	24.532

2014

	WACC variation		Residual growth rate	
Impact on recoverable amount of CGUs:	-1 p.p.	+1 p.p.	-0,5 p.p.	+0,5 p.p.
Indra EWS	35.244	(26.683)	(11.625)	13.320
Indra ATM	14.587	(10.252)	(3.185)	3.787
Brazil	39.697	(29.622)	(7.893)	9.113
Indra Italy	14.635	(10.643)	(2.941)	3.434
Indra Navia	31.081	(18.973)	(7.313)	9.315
Consultancy Group	11.245	(8.270)	(2.153)	2.499
BPO Group	28.441	(20.156)	(7.885)	9.335
Azertia Group	28.443	(20.337)	(7.386)	8.711
Prointec Group	22.222	(16.132)	(5.191)	6.073
Soluziona Group	92.224	(66.835)	(21.299)	24.909

2015	Sales variation	EBIT margin	Residual EBIT	Change in days of working capital
Impact on recoverable amount of CGUs:	-5,0 %	-1 p.p.	-1 p.p.	+10 días
Indra EWS	(9.575)	(7.914)	(5.946)	(2.228)
Indra ATM	(2.640)	(6.534)	(5.128)	(1.831)
Brazil	(4.432)	(22.829)	(16.941)	10.919
Indra Italy	(3.120)	(8.705)	(6.926)	(2.577)
Indra Navia	(5.793)	(12.666)	(11.027)	(2.876)
Consulting Group	(1.639)	(5.941)	(4.623)	(1.693)
BPO Group	(6.838)	(14.790)	(11.684)	(4.071)
Azertia Group	(5.855)	(11.993)	(9.480)	(3.301)
Prointec Group	(4.177)	(8.854)	(6.920)	(2.552)
Soluziona Group	(16.957)	(52.350)	(41.086)	(15.556)

2014	Sales variation	EBIT margin	Residual EBIT	Change in days of working capital
Impact on recoverable amount of CGUs:	-8,0 %	-1 p.p.	-1 p.p.	+10 días
Indra EWS	(18.595)	(7.319)	(5.396)	(2.144)
Indra ATM	(3.714)	(6.804)	(5.369)	(1.854)
Brazil	(9.721)	(32.617)	(24.782)	(15.157)
Indra Italy	(3.693)	(8.252)	(6.464)	(2.614)
Indra Navia	(6.170)	(10.369)	(8.750)	(2.512)
Consulting Group	(2.776)	(5.877)	(4.559)	(1.691)
BPO Group	(9.552)	(13.042)	(10.236)	(3.713)
Azertia Group	(8.957)	(13.081)	(10.339)	(3.736)
Prointec Group	(6.389)	(11.151)	(8.709)	(3.262)
Soluziona Group	(26.848)	(52.149)	(40.884)	(15.486)

This sensitivity analysis shows that the most important CGUs present no significant risks associated with reasonably possible variations in financial variables and operational variables, considered on an individual basis.

In 2015, based on the calculations performed, impairment of Euros 89,999 thousand was recognised on the Brazil CGU (as its recoverable amount was lower than its carrying amount at 31 December 2015). Euros 82,603 thousand of this amount was in respect of goodwill, which was written down entirely and Euros 7,396 thousand on other intangible assets of the CGU (note 9). In the Consultancy CGU impairment of Euros 9,084 thousand was recognised and in the Others CGU impairment totalling Euros 11,982 thousand was recognised, of which Euros 8,848 thousand is for Indra Portugal. All this impairment is recognised under other losses on non-current assets in the income statement (see note 32).

In 2014 the Brazil CGU and the Consultancy CGU suffered impairment of Euros 16,656 thousand and Euros 4,055 thousand, respectively.

Details are provided below of the amount by which the value assigned to key assumptions must be changed so that the recoverable amount is equal to the carrying amount of each CGU.

	2015			
	WACC		Residual growth rate	
	Assumption	Value to equal carrying amount	Assumption	Value to equal carrying amount
Indra EWS	7,91 %	58,58 %	1,00 %	-
Indra ATM	7,91 %	10,75 %	1,91 %	(5,68 %)
Brazil	12,30 %	12,30 %	4,93 %	4,93 %
Indra Italy	7,62 %	12,49 %	1,54 %	(14,94 %)
Indra Navia	6,25 %	13,52 %	2,82 %	(20,09 %)
Consulting Group	8,02 %	9,55 %	1,50 %	(2,03 %)
BPO Group	7,77 %	13,11 %	1,91 %	(9,72 %)
Azertia Group	7,77 %	13,58 %	1,91 %	(11,68 %)
Prointec Group	8,14 %	13,71 %	1,91 %	(23,28 %)
Soluziona Group	8,40 %	12,08 %	2,00 %	(7,62 %)

	2015				
	Sales variation	EBIT margin		Working capital (days)	
	Value to equal carrying amount	Assumption	Value to equal carrying amount	Assumption	Value to equal carrying amount
Indra EWS	(89,64 %)	23,68 %	1,99 %	(19)	752
Indra ATM	(47,74 %)	12,02 %	8,16 %	139	276
Brazil	-	6,96 %	6,96 %	91	91
Indra Italy	(64,49 %)	10,33 %	5,69 %	100	257
Indra Navia	(78,85 %)	10,96 %	3,75 %	80	398
Consulting Group	(30,62 %)	8,74 %	7,05 %	108	168
BPO Group	(56,57 %)	10,39 %	5,16 %	37	227
Azertia Group	(58,83 %)	10,80 %	5,06 %	37	246
Prointec Group	(69,31 %)	13,72 %	7,18 %	142	369
Soluziona Group	(51,27 %)	8,95 %	5,63 %	82	194

* *Datum normalised year

	2014			
	WACC		Residual growth rate	
	Assumption	Value to equal carrying amount	Assumption	Value to equal carrying amount
Indra EWS	8,36 %	121,92 %	1,00 %	-
Indra ATM	7,80 %	10,06 %	2,00 %	(3,51 %)
Brazil	11,93 %	11,93 %	4,96 %	4,96 %
Indra Italy	8,17 %	10,98 %	1,70 %	(7,36 %)
Indra Navia	6,85 %	11,06 %	2,70 %	(8,02 %)
Consulting Group	8,22 %	8,22 %	1,50 %	1,50 %
BPO Group	7,94 %	12,67 %	2,00 %	(7,16 %)
Azertia Group	8,07 %	12,53 %	2,00 %	(8,10 %)
Prointec Group	8,39 %	13,02 %	2,00 %	(12,62 %)
Soluziona Group	8,40 %	11,72 %	2,00 %	(6,51 %)

	2014				
	Variación Ventas	Margen EBIT		Días de circulante	
	Value to equal carrying amount	Assumption	Value to equal carrying amount	Assumption	Value to equal carrying amount
Indra EWS	(87,1 %)	27,2 %	(0,4 %)	(155)	857
Indra ATM	(42,1 %)	10,4 %	7,5 %	127	232
Brazil	-	8,3 %	8,3 %	88	88
Indra Italy	(51,8 %)	9,6 %	6,7 %	120	212
Indra Navia	(63,6 %)	9,8 %	5,1 %	102	297
Consulting Group	-	10,7 %	10,7 %	158	158
BPO Group	(51,6 %)	10,1 %	5,4 %	27	193
Azertia Group	(54,1 %)	10,4 %	5,7 %	55	218
Prointec Group	(62,3 %)	10,4 %	5,9 %	96	249
Soluziona Group	(50,0 %)	9,3 %	6,1 %	91	199

*Datum normalised year

9. OTHER INTANGIBLE ASSETS

Details of this item at 31 December 2015 and 2014 are as follows:

	Thousands of Euros						
	Balance at 31.12.14	Change in consolidated Group	Translation differences	Additions	Disposals	Transfers	Balance at 31.12.15
Investments:							
Industrial property	39.306	-	(27)	-	-	-	39.279
Computer software	179.059	(6)	(603)	714	(841)	147.248	325.571
Development expenses	248.447	-	(1.853)	34.288	-	(141.189)	139.693
Other intangible assets	23.858	-	(139)	16	(26)	(2.681)	210.028
	490.670	**(6)**	**(2.622)**	**35.018**	**(867)**	**3.378**	**525.571**
Amortisation							
Industrial property	(11.388)	-	27	(274)	-	1	(11.634)
Computer software	(77.155)	5	604	(56.423)	885	135	(131.949)
Development expenses	(8.914)	-	820	(1.483)	-	(411)	(9.988)
Other intangible assets	(13.746)	1	17	(2.523)	26	3.201	(13.024)
	(111.203)	**6**	**1.468**	**(60.703)**	**911**	**(2.926)**	**(166.595)**
Grants							
Development expenses	(70.491)	-	-	(9.382)	37.265	-	(42.608)
	(70.491)	**-**	**-**	**(9.382)**	**37.265**	**-**	**(42.608)**
Provisions							
Industrial property		-	(593)	(5470)	-	-	(6.063)
Computer software		-	-	-	-	(18.956)	(18.956)
Development expenses	(10.956)	-	-	-	-	18.956	-
Other intangible assets	(187)	-	(210)	(1.926)	-	187	(2.136)
	(19.143)	**-**	**(803)**	**(7.396)**	**-**	**187**	**(27.155)**
Carrying amount:							
Industrial property	27.918	-	(593)	(5.744)	-	1	21.582
Computer software	101.904	(1)	1	(55.709)	44	128.427	174.666
Development expenses	150.086	-	(1.033)	23.423	37.265	(122.644)	87.097
Other intangible assets	9.925	1	(332)	(4.433)	-	707	5.868
Total	**289.833**	**-**	**(1.957)**	**(42.463)**	**37.309**	**6.491**	**289.213**

	Thousands of Euros						
	Balance at 31.12.13	Change in consolidated Group	Translation differences	Additions	Disposals	Transfers	Balance at 31.12.14
Investments:							
Industrial property	39.200	-	106	-	-	-	39.306
Computer software	116.666	(730)	348	192	(3.418)	66.001	179.059
Development expenses	256.417	(21)	(126)	59.518	(595)	(66.746)	248.447
Other intangible assets	24.293	(253)	749	3	(30)	(904)	23.858
	436.576	**(1.004)**	**1.077**	**59.713**	**(4.043)**	**(1.649)**	**49.670**
Amortisation							
Industrial property	(10.035)	-	11	(1.363)	-	(1)	(11.388)
Computer software	(45.101)	357	(46)	(34.145)	458	1.322	(77.155)
Development expenses	(7.645)	21	130	(822)	178	(776)	(8.914)
Other intangible assets	(12.193)	-	(355)	(2.404)	-	1.206	(13.746)
	(74.974)	**378**	**(260)**	**(38.734)**	**636**	**1.751**	**(111.203)**
Grants							
Development expenses	(75.676)	-	-	(13.124)	18.309	-	(70.491)
	(75.676)	**-**	**-**	**(13.124)**	**18.309**	**-**	**(70.491)**
Provisions:							
Development expenses	-	-	-	(18.956)	-	-	(18.956)
Other intangible assets	-	-	-	(187)	-	-	(187)
	-	**-**	**-**	**(19.143)**	**-**	**-**	**(19.143)**
Carrying amount:							
Industrial property	29.165	-	117	(1.363)	-	(1)	27.918
Computer software	71.565	(373)	302	(33.953)	(2.960)	67.323	101.904
Development expenses	173.096	-	4	26.616	17.892	(67.522)	150.086
Other intangible assets	12.100	(253)	394	(2.588)	(30)	302	9.925
Total	**285.926**	**(626)**	**817**	**(11.288)**	**14.902**	**102**	**289.833**

During 2015 and 2014, the Group performed the impairment tests required under accounting standards, which revealed the need to recognise impairment of Euros 18,865 thousand on the energy market Commercial Management project (see note 32). In 2015 this development has been transferred to computer software and amortisation has commenced.

In 2015, as described in note 8, impairment of Euros 7,396 thousand came to light on intangible assets recognised in 2011 as a result of the acquisition of Politec Tecnología da Informacao, S.A. (see note 8) when estimating the recoverable amount of the Brazil CGU.

The most significant groupings of development projects and computer software capitalised, excluding the impact of grants extended, are as follows:

	Thousands of Euros	
	2015	2014
Investments (1):		
Banking core	33.029	33.029
Healthcare market software development	15.172	15.172
Insurance market platform development	30.321	30.321
Development of air surveillance system (Atlante)	21.272	20.631
Internal SAP software	18.151	18.151
Energy market sales management systems	77.720	75.368
Earth observation software and satellite communication systems	6.170	5.513
Railway and interurban traffic control development	17.934	17.439
Self-protection systems and onboard sensors	23.933	14.602
Airline revenue accounting systems	14.095	12.840
Security systems	8.230	7.479
Defence surveillance systems	5.193	3.116
Surveillance and air traffic control systems	7.030	6.985
Simulator systems	1.598	1.598
Remotely piloted aircraft (RPA) systems	13.487	12.155
Smart grid solutions	9.953	9.656
	303.288	**284.055**

	Thousands of Euros		
	2015	2014	Estimated years of amortisation (2)
Accumulated amortisation:			
Banking core	(9.921)	(6.727)	1 to 10 years
Healthcare market software development	(5.036)	(3.795)	1 to 10 years
Insurance market platform development	(6.064)	(3.032)	10
Internal SAP software	(6.171)	(4.284)	10
Energy market sales management systems	(1.469)	-	10
Railway and interurban traffic control development	(3.611)	-	1 to 5 years
Airline revenue accounting systems	(2351)	-	1 to 5 years
Smart grid solutions	(1.848)	-	1 to 5 years
	(45.023)	**(22.055)**	
Accumulated impairment:			
Energy market sales management systems	(18.956)	(18.956)	
	(18.956)	**(18.956)**	

	Thousands of Euros	
	2015	2014
Carrying amount:		
Banking core	23.108	26.302
Healthcare market software development	10.136	11.377
Insurance market platform development	24.257	27.289
Development of air surveillance system (Atlante)	21.272	20.631
Internal SAP software	11.980	13.867
Energy market sales management systems	57.295	56.412
Earth observation software and satellite communication systems	2.317	3.586
Railway and interurban traffic control development	14.323	17.439
Self-protection systems and onboard sensors	23.562	14.231
Airline revenue accounting systems	14.095	12.840
Security systems	4.638	5.560
Defence surveillance systems	5.193	3.116
Surveillance and air traffic control systems	4.679	6.985
Simulator systems	862	1.598
Remotely piloted aircraft (RPA) systems	13.487	12.155
Smart grid solutions	8.105	9.656
Total	**239.309**	**243.044**

(1) The amortisation of all current developments is expected to have started by 2016 year end.

(2) The groupings of projects comprise many projects with different useful lives on an individual basis. Therefore, in one grouping a project could be amortised in the same year it is capitalised while other projects in that grouping could have useful lives of 10 years.

These projects are likely to generate future economic benefits that will offset the cost of the assets recognised.

In 2015, as in 2014, the Parent continued investing in development in all areas of activity, particularly in the area of financial institutions and in the energy market. A total amount of Euros 34,288 thousand was capitalised in 2015 (Euros 59,518 thousand in 2014). The Parent recognised impairment of Euros 18,956 thousand in 2014 as a result of the annual review of the business plans associated with the main intangible assets. This impairment is in respect of energy market investments as new, more conservative, estimates were used for the commercial performance. In 2015 this development has been transferred to computer software and amortisation has commenced.

The most significant transfers recognised under computer software in 2015 and 2014 are related to the following groupings:

	Thousands of Euros	
Project	**2015**	**2014**
Energy market sales management systems	77.720	-
Railway and interurban traffic control development	15.012	-
Smart grid solutions	8.167	-
Surveillance and air traffic control systems	5.597	-
Healthcare market software development	-	15.172
Insurance market platform development	-	30.321
Security systems	-	1.244

Certain capitalised development costs have been financed or subsidised by various public authorities through the relevant public entities. Details are provided below of the projects that received the most significant grants in 2015 and 2014 (Euros 42,608 thousand and Euros 70,491 thousand, respectively):

Project	2015	2014
	Thousands of Euros	
Banking core	6.859	7.815
Security systems	4.911	2.478
Smart grid solutions	3.471	4.682
Railway and interurban traffic control development	2.599	4.557
Self-protection systems and onboard sensors	2.552	2.418
Development of air surveillance system (Atlante)	1.833	1.833
Earth observation software and satellite communication systems	1.831	5.485
Remotely piloted aircraft (RPA) systems	1.601	1.507
Healthcare market software development	-	3.187
Surveillance and air traffic control systems	-	2.122
Simulator systems	-	1.145

In 2015 and 2014, industrial property includes the following assets acquired from third parties for a total amount of Euros 39,279 thousand (Euros 39,306 thousand in 2014):

- Software maintenance rights acquired by the Parent for Euros 23,170 thousand in 2010.
- Industrial property of Euros 13,711 thousand recognised on the acquisition of Politec Tecnología da InformaÇao, S.A. in 2011.

Details of the amortisation rates of intangible assets are as follows:

	Thousands of Euros					
		Costs incurred internally		Acquisitions from third parties		
	Balance at 31.12.15	Finite useful life	Amortisation rate	Indefinite useful life	Finite useful life	Amortisation rate
Carrying amount						
Industrial property	21.582	-	-	19.949	1.633	10 %
Computer software	174.666	173.200	10-100%	-	1.466	25 %
Development expenses	87.097	87.087	20%	-	10	10-25 %
Other intangible assets	5.868	199	-	-	5.669	10 %
	289.213	**260.486**		**19.949**	**8.778**	

	Thousands of Euros					
		Costs incurred internally		Acquisitions from third parties		
	Balance at 31.12.14	Finite useful life	Amortisation rate	Indefinite useful life	Finite useful life	Amortisation rate
Carrying amount						
Industrial property	27.918	-	-	19.948	7.970	10 %
Computer software	101.904	100.125	10-100%	-	1.779	25 %
Development expenses	150.086	149.444	20%	-	642	10-25 %
Other intangible assets	9.925	-	-	-	9.925	10 %
	289.833	**249.569**		**19.948**	**20.316**	

At 31 December 2015 fully amortised intangible assets amount to Euros 105,816 thousand (Euros 61,240 thousand at 31 December 2014).

In 2015 a loss of Euros 99 thousand (Euros 1,063 thousand in 2014) was generated on disposals, which was recognised in the consolidated income statement (see note 32).

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

10. FINANCIAL INSTRUMENTS

The classification of financial assets (except investments in associates) by class and maturity date in 2015 and 2014 is as follows:

		2015 Thousands of Euros		
Financial assets: Nature / Category	**Note**	**Available-for-sale financial assets**	**Loans and receivables**	**Hedging derivatives**
Other investments in non-Group companies	12	16.593	-	-
Other assets receivable	12	-	2.867	-
Other financial assets	12	-	21.725	-
Non-current		16.593	24.592	-
Guarantees and deposits	14	-	2.112	-
Derivatives	14	-	-	1.701
Other financial assets	14, 15 y 16	-	1.429.627	-
Current		-	1.431.739	1.701
Total		**16.593**	**1.456.331**	**1.701**

		2014 Thousands of Euros		
Financial assets: Nature / Category	**Note**	**Available-for-sale financial assets**	**Loans and receivables**	**Hedging derivatives**
Other investments in non-Group companies	12	15.872	-	-
Derivatives	12	-	-	14
Other assets receivable	12	-	42.991	-
Other financial assets	12	-	25.006	-
Non-current		15.872	67.997	14
Guarantees and deposits	14	-	4.866	-
Derivatives	14	-	-	777
Other financial assets	14, 15 y 16	-	1.653.015	-
Current		-	1.657.881	777
Total		**15.872**	**1.725.878**	**791**

Available-for-sale financial assets

Available-for-sale financial assets consist of investments in unlisted companies which, because their market value cannot be reliably determined, were measured at acquisition cost or for a lower amount in the event of any impairment.

Loans and receivables

As its principal activity, the Group carries out projects commissioned by customers. The Group recognises income and expenses on contracts using the percentage of completion method. This method is based on estimating the total project costs and income, costs to complete the contract, contractual risk and other parameters.

Following the established procedure, Indra's project managers periodically make estimates to verify whether the main technical and economic assumptions of the projects in their portfolio are being met. In this analysis special attention is paid to the projects that are most likely to deviate from plan and therefore have a negative financial impact (see note 15).

The classification of financial assets by class and maturity date in 2015 and 2014 is as follows:

		2015 Thousands of Euros	
Financial liabilities: Nature / Category		**Debts and payables**	**Hedging derivatives**
Loans and borrowings	20	724.372	-
Bonds and other marketable securities	20	237.543	-
Derivatives	21	-	11.437
Other financial liabilities	21	20.946	-
Non-current payables/financial liabilities		982.861	11.437
Loans and borrowings	24	78.648	-
Bonds and other marketable securities	24	729	-
Derivatives	26	-	30.936
Other financial liabilities	25 y 26	1.402.004	-
Current payables/financial liabilities		1.481.381	30.936
Total		**2.464.242**	**42.373**

		2014 Thousands of Euros	
Financial liabilities: Nature / Category		**Debts and payables**	**Hedging derivatives**
Loans and borrowings	20	472.697	-
Bonds and other marketable securities	20	229.686	-
Derivatives	20 y 21	-	8.785
Other financial liabilities	20 y 21	145.546	-
Non-current payables/financial liabilities		847.929	8.785
Loans and borrowings	24	91.971	-
Bonds and other marketable securities	24	38.891	-
Derivatives	26	-	18.493
Other financial liabilities	25 y 26	1.325.097	-
Current payables/financial liabilities		1.455.959	18.493
Total		**2.303.888**	**27.278**

As currencies are traded on official markets, the fair value of exchange rate insurance is calculated based on the quoted price of each currency at each reporting date (level 1).

The Group has also contracted interest rate hedges to eliminate or significantly reduce these risks. The fair value of interest rate hedges is based on the market values of equivalent derivative financial instruments at the date of the statement of financial position. All interest rate hedges are also effective as cash flow hedges. The Group recognises the portion of the gain or loss on the measurement at fair value of a hedging instrument that is determined to be an effective hedge in recognised income and expense (level 1).

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

A breakdown of the net finance cost recognised in the consolidated income statements for 2015 and 2014 is as follows:

	Thousands of Euros	
	2015	2014
Finance costs for loans and borrowings	30.278	30.626
Other finance costs	13.283	10.114
Financial liabilities at amortised cost	922	6.291
Exchange gains	4.519	967
Total finance costs	**59.444**	**61.253**
Other finance income	857	11.804
Total finance income	**857**	**11.804**

The Euros 922 thousand recognised under financial liabilities at amortised cost in 2015 (Euros 6,291 thousand in 2014) comprises finance costs from debt adjustments, mainly R&D loans with below-market interest rates.

11. EQUITY-ACCOUNTED INVESTEES

Details of this item at 31 December 2015 and 2014 are as follows:

	Thousands of Euros						
	Balance at 31.12.14	Change in consolida-ted Group	Investment	Translation differences	Dividends	Profit/loss	Balance at 31.12.15
SAES Capital	2.272	-	-	-	(407)	116	1.981
Eurofighter Simulation Systems	3.695	-	-	-	(1.040)	(29)	2.626
Euromids	395	-	-	-	-	54	449
Iniciativas Bioenergéticas	1.508	-	-	-	-	(124)	1.384
Idetegolf	15	(15)	-	-	-	-	-
Trias Beltran	8	(8)	-	-	-	-	-
I3 Televisión	173	-	-	-	-	(48)	125
IESSA	(4.396)	4.396	-	-	-	-	-
IRB Riesgo Operacional	425	-	-	-	-	(121)	304
A4 Essor	230	-	-	-	-	(202)	28
Tower Air Traffic System	501	-	-	-	-	-	501
Indra Sistemas de Tesorería	96	(96)	-	-	-	-	-
Logistica Marítima de Tuxpan	150	-	-	-	-	-	150
Natming	3	-	-	-	-	-	3
Indra Isolux México	(4)	-	-	(9)	-	(9)	(22)
Visión Inteligente Aplicada	(69)	-	-	9	-	(40)	(100)
EFI Túneles Necaxa	38	-	-	3	-	24	65
Societat Catalana Per a la Mobilitat	624	-	823	-	-	2	1.449
Total	**5.664**	**4.277**	**823**	**3**	**(1.447)**	**(377)**	**8.943**

	Thousands of Euros							
	Balance at 31.12.13	Change in consolidted Group	Investment	Translation differences	Dividends	Profit/loss	Transfers	Balance at 31.12.14
SAES Capital	2.500	-	-	-	(434)	206	-	2.272
Eurofighter Simulation Systems	3.173	-	-	-		522	-	3.695
Euromids	337	-	-	-	-	58	-	395
Iniciativas Bioenergéticas	1.079	-	650	-	-	(221)	-	1.508
Idetegolf	15	-	-	-	-	-	-	15
Trias Beltran	8	-	-	-	-	-	-	8
I3 Televisión	-	-	425	-	-	(382)	130	173
IESSA	-	-	-	-	-	(3.744)	(652)	(4.396)
IRB Riesgo Operacional	-	-	-	-	-	99	326	425
A4 Essor	158	-	-	-	-	72	-	230
Eólica Maritima y Portuaria	(21)	21	-	-	-	-	-	-
Tower Air Traffic System	501	-	-	-	-	-	-	501
Indra Sistemas de Tesorería	38	-	-	-	-	58	-	96
Logistica Marítima de Tuxpan	150	-	-	-	-	-	-	150
Romskog Utvickling AS	6	-	-	(6)	-	-	-	-
Natming	3	-	-	-	-	-	-	3
Indra Isolux México	5	-	-	-	-	(9)	-	(4)
Visión Inteligente Aplicada	(67)	-	-	-	-	(2)	-	(69)
EFI Túneles Necaxa	40	-	-	-	-	(2)	-	38
Societat Catalana Per a la Mobilitat	-	624	-	-	-	-	-	624
Total	**7.925**	**645**	**1.075**	**(6)**	**(434)**	**(3.345)**	**(196)**	**5.664**

The main figures for the most significant equity-accounted investments are provided in Appendix V.

Movement relating to investments in associates during the year ended 31 December 2015 is as follows:

- On 10 January 2015 the subsidiary Indra BPO, S.L. ratified the winding up of its investee Trias Bertrán 4, S.L., generating a loss of Euros 1 thousand, which has been recognised in the consolidated income statement (note 32).
- On 22 May 2015 the Parent paid an additional Euros 25 thousand for the share capital of Societat Catalana per a la Mobilitat, S.A. On successive dates and during the year it paid a further Euros 798 thousand.
- On 16 October 2015 the Parent sold its interest in the subsidiary Indra Esteio Sistemas S.A.(IESSA), incurring a loss of Euros 145 thousand, which has been recognised in the consolidated income statement (see note 32).
- On 13 November 2015 the Parent sold its interest in the subsidiary Indra Sistemas de Tesorería, S.L., generating a gain of Euros 5 thousand, which has been recognised in the consolidated income statement (note 32).
- On 18 December 2015 the subsidiary Prointec, S.A. ratified the winding up of its investee Idetegolf, S.A.

The following movements took place in investments in associates during the year ended 31 December 2014:

- On 15 January 2014 the subsidiary Prointec, S.A. dissolved its investee Eólica Marítima y Portuaria, in which it held a 20% interest. A loss of Euros 17 thousand was incurred, which was recognised in the consolidated income statement (see note 32).

- On 31 January 2014 the subsidiary Prointec, S.A. subscribed and paid up the share capital increase carried out by Iniciativas Bioenergéticas, S.L. for Euros 650 thousand.

- On 10 October 2014 the Parent, together with three other shareholders, incorporated Societat Catalana per a la Mobilitat, S.A., holding a 25% interest. The amount paid in was Euros 624 thousand.

- On 26 December 2014 the Parent subscribed and paid up the capital increase of Euros 5 thousand, with a share premium of Euros 50 thousand and a contribution of Euros 370 thousand to offset losses, in the investee I3 Televisión, S.L.

12. NON-CURRENT FINANCIAL ASSETS

Movement in other investments during the years ended 31 December 2015 and 2014 is as follows:

	Thousands of Euros						
	Balance at 31.12.14	**Change in conslidted Group**	**Translation differences**	**Additions**	**Disposals**	**Transfers**	**Balance at 31.12.15**
Investments:							
Other non-current investments in non-Group companies	17.533	-	-	884	(68)	-	18.369
Non-current loans	2.932	-	(242)	168	-	-	2.858
Non-current security deposits	25.006	(12)	(4.920)	2.180	(529)	-	21.725
Cash flow hedges	14	-	-	-	-	(14)	-
Other financial assets	40.059	-	(9.205)	-	(3.502)	(27.343)	9
	85.564	**(12)**	**(14.367)**	**3.232**	**(4.099)**	**(27.357)**	**42.961**
Impairment:							
Other non-current investments in non-Group companies	(1681)	-	-	(95)	-	-	(1.776)
	(1681)	**-**	**-**	**(95)**	**-**	**-**	**(1.776)**
Carrying amount:							
Other non-current investments in non-Group companies	15.872	-	-	789	(68)	-	16.593
Non-current loans	2.932	-	(242)	168	-	-	2.858
Non-current security deposits	25.006	(12)	(4.920)	2.180	(529)	-	21.725
Cash flow hedges	14	-	-	-	-	(14)	-
Other financial assets	40.059	-	(9.205)	-	(3.502)	(27.343)	9
Total	**83.883**	**(12)**	**(14.367)**	**3.137**	**(4.099)**	**(27.357)**	**41.185**

	Balance at 31.12.13	Change in consolidated Group	Translation differences	Additions	Disposals	Transfers	Balance at 31.12.14
	Thousands of Euros						
Investments:							
Other non-current investments in non-Group companies	15.583	-	-	1.979	(9)	-	17.553
Non-current loans	2.132	-	(1)	815	(14)	-	2.932
Non-current security deposits	24.727	(300)	188	6.309	(5.758)	(160)	25.006
Cash flow hedges	1.943	-	-	-	(1.929)	-	14
Other financial assets	28.830	(80)	303	10.020	(14)	1.000	40.059
	73.215	**(380)**	**490**	**19.123**	**(7.724)**	**840**	**85.564**
Impairment:							
Other non-current investments in non-Group companies	(1681)	-	-	-	-	-	(1.681)
	(1681)	**-**	**-**	**-**	**-**	**-**	**(1.681)**
Carrying amount:							
Other non-current investments in non-Group companies	13.902	-	-	1.979	(9)	-	15.872
Non-current loans	2.132	-	(1)	815	(14)	-	2.932
Non-current security deposits	24.727	(300)	188	6.309	(5.758)	(160)	25.006
Cash flow hedges	1.943	-	-	-	(1.929)	-	14
Other financial assets	28.830	(80)	303	10.020	(14)	1.000	40.059
Total	**71.534**	**(380)**	**490**	**19.123**	**(7.724)**	**840**	**83.883**

Other non-current investments in non-Group companies

Details are as follows:

	Thousands of Euros				
	Percentage ownership	Balance at 31.12.14	Additions	Disposals	Balance at 31.12.15
Investments:					
Safelayer Secure Comunications	15 %	476	-	-	476
Galileo Sistemas y Servicios	13,45 %	138	-	-	138
Hisdesat Servicios Estratégicos	7 %	7.572	-	-	7.572
Prointec sub-group	-	118	-	-	118
Neotec	4,76 %	5.071	-	-	5.071
Bansabadell Information Systems	19 %	1.184	14	-	1.198
Volcat	4,77 %	1.000	-	-	1.000
Medina Capital Fund GP	-	1.923	870	-	2.793
Other	-	71	-	(68)	3
		17.553	**884**	**(68)**	**18.369**
Impairment:					
Safelayer Secure Comunications		(152)	-	-	(152)
Galileo Sistemas y Servicios		(3)	-	-	(3)
Hisdesat Servicios Estratégicos		(520)	-	-	(520)
Prointec sub-group		(6)	(95)	-	(101)
Volcat		(1.000)	-	-	(1.000)
		(1.681)	**(95)**	**-**	**(1.776)**
Carrying amount:					
Safelayer Secure Comunications		324	-	-	324
Galileo Sistemas y Servicios		135	-	-	135
Hisdesat Servicios Estratégicos		7.052	-	-	7.052
Prointec sub-group		112	(95)	-	17
Neotec		5.071	-	-	5.071
Bansabadell Information Systems		1.184	14	-	1.198
Volcat		-	-	-	-
Medina Capital Fund GP		1.923	870	-	2.793
Other		71	-	(68)	3
Total		**15.872**	**789**	**(68)**	**16.593**

	Percentage ownership	Balance at 31.12.13	Additions	Disposals	Balance at 31.12.14
	Thousands of Euros				
Investments:					
Safelayer Secure Comunications	15 %	476	-	-	476
Galileo Sistemas y Servicios	13,45 %	138	-	-	138
Hisdesat Servicios Estratégicos	7 %	7.572	-	-	7.572
Prointec sub-group	-	118	-	-	118
Neotec	4,76 %	5.071	-	-	5.071
Bansabadell Information Systems	19 %	1.169	15	-	1.184
Volcat	4,77 %	1.000	-	-	1.000
Medina Capital Fund GP	-	-	1.923	-	1.923
Other	-	39	41	(9)	71
		15.583	**1.979**	**(9)**	**17.553**
Impairment:					
Safelayer Secure Comunications		(152)	-	-	(152)
Galileo Sistemas y Servicios		(3)	-	-	(3)
Hisdesat Servicios Estratégicos		(520)	-	-	(520)
Prointec sub-group		(6)	-	-	(6)
Volcat		(1.000)	-	-	(1.000)
		(1.681)	**-**	**-**	**(1.681)**
Carrying amount:					
Safelayer Secure Comunications		324	-	-	324
Galileo Sistemas y Servicios		135	-	-	135
Hisdesat Servicios Estratégicos		7.052	-	-	7.052
Prointec sub-group		112	-	-	112
Neotec		5.071	-	-	5.071
Bansabadell Information Systems		1.169	15	-	1.184
Volcat		-	-	-	-
Medina Capital Fund GP		-	1.923	-	1.923
Other		39	41	(9)	71
Total		**13.902**	**1.979**	**(9)**	**15.872**

- On 16 March 2015 and 11 December 2015 the Parent paid Euros 441 thousand and Euros 425 thousand respectively, for the investment in Medina Capital Fund GP, LLC, complying with the investment commitment acquired of up to USD 5,000 thousand in a period of five years. Medina Capital is an investment fund that specialises in investments in companies that are specialists in the fields of cyber security, IT infrastructures, cloud solutions and software solutions as a service.

The main transactions involving non-current investments in non-Group companies in 2014 were as follows:

- On 1 December 2014 the Parent invested Euros 1,923 thousand in Medina Capital Fund GP, LLC. The Company has a commitment to invest up to USD 5,000 thousand over 5 years.

Non-current security deposits

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

Additions include Euros 2,180 thousand (Euros 6,309 thousand in 2014) of arrangement costs relating to deposits for leased property, due to office relocation. Also security deposits totalling Euros 529 thousand were derecognised (Euros 5,758 thousand in 2014).

Other financial assets

At 31 December 2013 the cancellation of the liability for the variable component arising from the acquisition of Politec Tecnología da Informaçao, S.A. (now Indra Brasil Soluçoes e Servicos Tecnológicos, S.A.) in 2011, together with the recognition and materialisation in 2014 and 2013 of new contingent employment liabilities at the Brazilian subsidiary led to the execution in 2013 of contractual guarantees related to certain buildings on the part of the seller. As a result of this circumstance, Euros 36,605 thousand (Euros 27,205 thousand in 2013) was recognised in other non-current financial assets for the estimated receivables from the difference between the contingent liabilities paid by Indra up to that date less the amount of the franchise established in the stock purchase agreement (SPA).

On 14 November 2014 Indra Sistemas, S.A., Indra Company Brasil, Ltda. and Indra Brasil Soluções e Serviços Tecnológicos, S.A. entered into a mutual consent agreement with Politec Participaçoes, Ltda (Polipar) and its shareholders. The main aspects of this agreement are as follows:

- Polipar and its shareholders recognise that no additional amount or price is payable by the Indra Group as a result of the aforementioned SPA.
- Polipar and its shareholders recognise by virtue of the SPA, that they are jointly and severally obliged to compensate the buyers as a result of the contingent liabilities incurred by the acquirees.
- To settle this compensation obligation set forth in the SPA and described above, Polipar and its shareholders agreed to transfer two buildings free of any liens to Indra Brasil Soluções e Serviços Tecnológicos, S.A
- The parties expressly agree to waive any right or additional compensation deriving from the SPA signed in 2011 other than that mentioned in the above point.

The aforementioned buildings will be registered in the name of the Indra Group once the formal requirements to release the judicial attachments affecting the buildings and reverse their inalienable status are completed, which is when the Group will acquire legal title to these buildings.

The estimated receivables at 31 December 2014 (Euros 36,605 thousand) corresponded to the value of both buildings taken from an assessment made by an independent expert in Brazil of both buildings less the estimated costs that will be incurred in any subsequent sale. As a result of the release from the judicial attachments and inalienable status, in 2015 the Euros 18,229 thousand corresponding to one building was transferred from other non-current financial assets to property, plant and equipment (note 6). The Euros 6,024 thousand corresponding to the second building was transferred to other financial assets and other current assets (note 14). This latter amount is net of the Euros 3,090 thousand of impairment recognised (note 32).

Euros 3,502 thousand (Euros 3,502 thousand in 2014) was derecognised from this item as a result of the nine-year marketing agreement arranged as part of the sale of Gibb Portugal Consultores de Engenharia, Gestado e Ambiente, S.A. and the loss was recognised in the consolidated income statement (note 33).

13. INVENTORIES

Details of inventories at 31 December 2015 and 2014 are as follows:

	Thousands of Euros	
	2015	**2014**
Merchandise	204	341
Raw materials	11.939	14.495
Work in progress	58.024	216.313
Total carrying amount	**70.167**	**213.149**

Work in progress under inventories includes materials, direct labour costs, and other services acquired for projects.

During 2015 the Group has derecognised projects underway totalling Euros 103,199 thousand (Euros 138,543 thousand in 2014) due to reprogramming and program cancellations as well as changes to estimates as a result of various factors and events that occurred in 2015 and 2014 that have made their future recovery very unlikely.

Euros 71,690 thousand of this amount corresponds to projects derecognised by the Parent (Euros 131,349 thousand in 2014).

14. OTHER FINANCIAL ASSETS, INCLUDING DERIVATIVES, AND OTHER CURRENT ASSETS

Details of other assets at 31 December 2015 and 2014 are as follows:

	Thousands of Euros	
	2015	**2014**
Other receivables	14.979	11.699
Advances and loans to personnel	4.096	7.427
Public entities (note 36)	44.037	40.633
Prepayments	5.452	8.743
Current deposits	2.130	2.869
Current security deposits	2.112	4.866
Derivatives (note 37 a)	1.701	777
Total carrying amount	**74.507**	**77.014**

In 2015 Euros 6,024 thousand recognised under other receivables is due to the transfer of the receivable derived from the acquisition of Politec Tecnología da Informaçao, S.A. (now Indra Brasil Soluçoes e Servicos Tecnológicos, S.A.) (note 12c).

15. TRADE AND OTHER RECEIVABLES

Details of trade and other receivables at 31 December 2015 and 2014 are as follows:

	Thousands of Euros	
	2015	2014
Trade receivables, non-Group	700.597	710.202
Receivables, billable production	838.148	961.298
Advances to suppliers	28.168	19.658
Other receivables	8.409	5.476
Total	**1.575.322**	**1.696.634**
Impairment	(173.940)	(81.144)
Total carrying amount	**1.401.382**	**1.615.490**

Provisions recognised in 2015 totalling Euros 137,340 thousand (Euros 69,646 thousand in 2014) are for receivables considered of doubtful collection by the Group due to several new events in 2015 such as lawsuits with certain clients, the worsening macro-economic conditions in some countries and more exacting milestone acceptance terms on some projects, mainly in Brazil.

At 2015 and 2014 year ends the Group derecognised receivables under non-recourse factoring agreements totalling Euros 186,763 thousand and Euros 187,129 thousand, respectively.

The transfer of risks and rewards was analysed to conclude on whether these amounts could effectively be derecognised. According to the agreements signed, the factors (various financial institutions) assume the risk of insolvency and payment in arrears. Therefore, Indra does not retain the risks derived from non-payment. The nature of these financial assets written off under non-recourse factoring is invoices issued for services rendered and projects carried out by the Group.

At 31 December 2015 and 2014 the Group had past due receivables totalling Euros 392,706 thousand and Euros 363,223 thousand, respectively (see note 37b). The Group expects these amounts to be paid in under 12 months. Movement in the provision for impairment in both years was as follows:

	Thousands of Euros					
	Balance at 31.12.14	Provisions	Applications	Translation differences	Reversals	Balance at 31.12.15
Impairment	81.144	137.340	(28.662)	(5.955)	(9.927)	173.940

	Thousands of Euros					
	Balance at 31.12.13	Provisions	Applications	Translation differences	Reversals	Balance at 31.12.14
Impairment	30.361	69.646	(9.882)	(234)	(8.747)	81.144

16. CASH AND CASH EQUIVALENTS

Details are as follows:

	Thousands of Euros	
	2015	2014
Current deposits and fixed-income securities	62.202	5.225
Other current investments	1.588	6.787
Subtotal	**63.790**	**12.012**
Cash	277.764	281.838
Total	**341.554**	**293.850**

Cash in 2015 includes Euros 164,351 thousand in current accounts that accrue interest at an average rate of 0.27% in 2015 (Euros 145,455 thousand in 2014 earning interest at an average rate of 1.06%), which belong to the Parent. This item also comprises Euros 809 thousand (Euros 3,479 thousand in 2014) in relation to a liquidity agreement with BEKA FINANCE (note 18).

At 31 December 2015 and 2014 all the cash is unrestricted and can be used in transactions related to the Group's activities.

17. NON-CURRENT ASSETS AND LIABILITIES HELD FOR SALE

In 2015 the land valued at Euros 5,566 thousand (Euros 7,451 thousand in 2014) included in the acquisition of Indra Brasil, S.A. and which was being sold has been transferred to property, plant and equipment (note 6) as the sale process did not go ahead.

In 2015 the Parent has reclassified the investments in the subsidiaries Indra France Sas, Azertia Gestión de Centros Venezuela, S.A. and Indra Hungary LLC, totalling Euros 6,600 thousand, to this item as they were fully written off because they are being wound up. Fully written off loans granted to these subsidiaries totalling Euros 1,164 thousand have also been reclassified to this item.

The balance of Euros 1,655 thousand reflects the Parent's interests in the subsidiaries Azertia Brasil and Azertia Puerto Rico, which are currently being liquidated and Search Informática Ltda. and Ultracom-Consultoría em Tecnología da InformaÇao Ltda that are being sold.

Liabilities held for sale comprises payables to third parties of Search Informática Ltda. and Ultracom-Consultoría em Tecnología da InformaÇao Ltda.

18. EQUITY

Subscribed capital

At 31 December 2015 subscribed and paid-in share capital amounts to Euros 32,826,507.80, represented by 164,132,539 ordinary shares of Euros 0.20 par value each, represented by book entries.

The share capital has been subscribed and fully paid. All the shares are listed on the Madrid, Barcelona, Valencia and Bilbao stock exchanges. They are traded on the Organised Stock Market and listed in the selective IBEX-35 index, with a year-end share price of Euros 8.67 (Euros 8.07 at the 2014 reporting date). The average share price for the last quarter of the year was Euros 9.59 in 2015 and Euros 8.86 in 2014.

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

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

	31.12.15	31.12.14
Sociedad Estatal de Participaciones Industriales (SEPI)	20,141 %	20,141 %
Corporación Financiera Alba	11,325 %	12,529 %
Fidelity Management & Research LLC	6,499 %	9,962 %
THS	3,378 %	-
Telefónica	3,162 %	-
Schroeder IM	3,109 %	-
Bestinver	3,011 %	-

Additionally Fidelity Management & Research LLC has financial instruments that confer it voting rights on 6,557,439 shares, equivalent to a 3.995% interest in the share capital.

Details of the shareholdings held directly or indirectly by members of the board of directors at 31 December 2015 are as follows:

		Number of shares			
Board members	**Class**	**Direct**	**Indirect.**	**Total**	**% of share capital**
Isabel Aguilera Navarro	Independent	37.102	-	37.102	0,023
Javier de Andrés González	Executive	149.254	-	149.254	0,091
Juan Carlos Aparicio Pérez (1)	Propietaryl	8.226	-	8.226	0,005
Daniel García-Pita	Independent	61.443	12.600	74.043	0,045
Luis Lada Díaz	Independent	32.703	-	32.703	0,020
Juan March de la Lastra (2)	Proprietary	27.608	-	27.608	0,017
Santos Martínez-Conde Gutiérrez-Barquín (2)	Proprietary	15.677	-	15.677	0,010
Adolfo Menéndez Menéndez (1)	Proprietary	9.230	-	9.230	0,006
Fernando Abril-Martorell	Executive	53.838	-	53.838	0,033
Enrique de Leyva	Independent	2.148	-	2.148	0,001
Ignacio Santillan del Barrio	Independent	21.302	-	21.302	0,013
Rosa Sugrañes Arimany	Independent	31.209	-	31.209	0,019
Alberto Terol Estabean	Independent	28.159	-	28.159	0,017
Total		**477.899**	**12.600**	**490.499**	**0,309**

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

Shares owned either directly or indirectly by members of the board of directors at 31 December 2014 were as follows:

		Number of shares			
Board members	**Class**	**Direct**	**Indirect**	**Total**	**% of share capital**
Isabel Aguilera Navarro	Indepedent	32.579	-	32.579	0,020
Javier de Andrés González	Executive	146.317	-	146.317	0,089
Juan Carlos Aparicio Pérez (1)	Proprietary	4.184	-	4.184	0,003
Daniel García-Pita	Indepedent	57.536	12.600	70.136	0,043
Luis Lada Díaz	Indepedent	28.931	-	28.931	0,018
Juan March de la Lastra (2)	Proprietary	23.543	-	23.543	0,014
Santos Martínez-Conde Gutiérrez-Barquín (2)	Proprietary	11.389	-	11.389	0,007
Adolfo Menéndez Menéndez (1)	Proprietary	4.919	-	4.919	0,003
Javier Monzón de Cáceres	Executive	403.322	-	403.322	0,246
Mónica de Oriol Icaza	Indepedent	25.416	-	25.416	0,015
Ignacio Santillana del Barrio	Indepedent	16.355	-	16.355	0,010
Rosa Sugrañes Arimany	Indepedent	27.707	-	27.707	0,017
Alberto Terol Estabean	Indepedent	22.841	-	22.841	0,014
Total		**805.039**	**12.600**	**817.639**	**0,498**

(1) Representing the shareholder Sociedad Estatal de Participaciones Industriales (SEPI)

(2) Representing the shareholder Corporación Financiera Alba.

At 31 December 2015 the board of directors represented 52,135,433 shares or 31.76% of total shares. At 31 December 2014 the board of directors represented 54,440,120 shares or 33.17% of total shares.

At the annual general meetings of the Parent company held on 25 June 2015 and 26 June 2014, the shareholders agreed to the application of the consolidated loss for 2014 and distribution of consolidated profit for 2013, respectively, as shown in the accompanying consolidated statements of changes in equity.

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

Capital management is aimed at maintaining a solid financial structure that optimises the cost of capital and the availability of financial resources, ensuring long-term business continuity. This conservative financial policy enables the Parent to create adequate shareholder value while ensuring liquidity and its solvency.

The Company uses the consolidated leverage ratio (the resultant ratio from dividing net financial debt by total capital, obtained by adding net debt to equity) as an indicator to monitor the financial position. Movement in 2015 and 2014 was as follows:

	Millions of Euros	
	2015	2014
Net debt	699,7	662,7
Equity	307,60	953,60
Total capital	1.007,30	1.616,30
Debt ratio	69,46 %	41,00 %

Net debt is calculated by adding the amounts of current and non-current loans and borrowings on the consolidated statement of financial position and then subtracting the balance of cash and cash equivalents from this sum.

Share premium

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

The share premium and voluntary reserves include a non-distributable portion equivalent to the amount of the statement of financial position revaluation permitted by Law 9/1983 of 13 July 1983, totalling Euros 9,464 thousand at 31 December 2015 and 9,624 thousand at 31 December 2014, as well as the amount of research and development costs of the Parent not yet amortised, totalling Euros 122,684 thousand at 31 December 2015 (Euros 202,092 thousand at 31 December 2014) and any prior years' losses.

Other reserves

Details of other reserves are as follows:

	Thousands of Euros	
	2015	2014
Merger reserves	1.846	1.846
Other changes in equity	(3.310)	103
Total	**(1.464)**	**1.949**

Other own equity instruments

The change in equity due to the difference between the funds obtained in the Parent's October 2013 bond issue (see note 20) and the fair value of the corresponding financial liability, Euros 16,999 thousand in total (Euros 16,999 thousand in 2014), was recognised in this item. This amount includes the Euros 1,125 thousand embedded derivative arising from the early redemption clause.

Also Euros 260 thousand (Euros 47 thousand in 2014) were recognised in this item in respect of share-based payments resulting from the share plan for employees.

The remuneration policy established in 2014 contemplates remuneration deferred over the medium term through the delivery of Parent shares accrued from July 2014 until the end of 2016. In 2015, a total of 20,350 shares (220,536 shares in 2014) were conveyed in respect of this plan, valued at Euros 199 thousand at the conveyance date (Euros 2,310 thousand in 2014).

Exchange rate and interest rate cash flow hedging reserves

This item comprises the hedging reserve generated by the following:

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

Details are as follows:

	Thousands of Euros	
	2015	2014
Exchange rate insurance cash flow hedges	(31.501)	(18.599)
Interest rate cash flow hedges	1.092	(1.267)
Total	**(30.409)**	**(19.866)**

Own shares

As authorised by the shareholders at their annual general meeting, at 31 December 2015 the Parent company directly holds 347,011 treasury shares amounting to Euros 3,081 thousand (202,199 shares amounting to Euros 1,642 thousand at 31 December 2014).

Details of own shares and movement during 2015 and 2014 are as follows:

	Thousands of Euros			
	Balance at 31.12.14	Additions	Disposals	Balance at 31.12.15
Ordinary transactions	1.642	271.715	(270.276)	3.081

	Thousands of Euros			
	Balance at 31.12.13	Additions	Disposals	Balance at 31.12.14
Ordinary transactions	1.258	188.258	(187.874)	1.642

Details of movement in shares in 2015 and 2014 are as follows:

		Number of shares						
	% ownership	31.12.13	Additions	% annual volume	Disposals	% annual volume	31.12.14	% ownership
Used in: -Ordinary transactions	0,06	103.358	17.051.236	5,14	(16.952.395)	5,11	202.199	0,12
	0,06	**103.358**	**17.051.236**		**(16.952.395)**		**202.199**	**0,12**

		Number of shares						
	% ownership	31.12.14	Additions	% annual volume	Disposals	% annual volume	31.12.15	% ownership
Used in: -Ordinary transactions	0,12	202.199	28.045.163	7,84	(27.900.351)	7,80	347.011	0,21
	0,12	**202.199**	**28.045.163**		**(27.900.351)**		**347.011**	**0,21**

On 31 July 2014 the Parent entered into a liquidity agreement with BEKA FINANCE, S.V., S.A. with the aim of boosting liquidity from transactions and stabilising the share price.

The main characteristics of this agreement are as follows:

- Contract term: 12 months
- Number of shares earmarked for the securities account associated with the agreement: 200,000
- Amount earmarked for the cash account associated with the agreement: Euros 2.3 million

Retained earnings

Details of retained earnings are as follows:

	Thousands of Euros	
	2015	2014
Legal reserve	6.955	6.955
Reserves in fully consolidated companies	84.925	(16.147)
Merger reserve	15.212	15.212
Reserves in equity-accounted investees	5.177	3.925
Voluntary reserves	559.172	573.341
Undistributed reserves	(85.075)	91.516
Loss for the year attributable to the Parent	(641.189)	(91.908)
Total	**(54.823)**	**582.894**

1. Legal reserve

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

At 31 December 2015 and 2014, the Parent has appropriated to this reserve the minimum amount required by law.

2. Reserves in fully-consolidated companies

Details by company of reserves in consolidated companies at 31 December 2015 and 2014 are as follows:

	Thousands of Euros	
	2015	2014
Indra Sistemas	-	(9.038)
BPO Group (formerly BMB Group)	(11.073)	(15.321)
Indra Emac	(10.41)	(1.168)
Indra Sistemas de Seguridad	7.724	6.620
Indra SI	(1.980)	(3.769)
Indra Sistemas Chile	(11.383)	(7.976)
Indra Sistemas Portugal	4.180	3.702
Consulting Group	7.169	12.073
Inmize Capital	(226)	(214)
Inmize Sistemas	2.368	2.384
Indra Beijing	1.607	1.310
Indra Company (Brazil)	(11.628)	(80.004)
Indra Software Labs	25.263	21.489
Indra Mexico	17.832	15.983
Indra Sistemas Comunicaciones Seguras	2.872	3.348
Indra Magreb	(36)	(354)
Indra France	-	(1.405)
Indra Poland	(919)	(338)
Indra Australia	4.248	3.820
Azertia TI Mexico	7.238	7.051
Indra Colombia	3.297	3.419
Azertia GC Venezuela	-	(5.058)
Azertia TI Argentina	(4.201)	(12.175)
Indra USA	(17.714)	(16.469)
Prointec	(26.777)	(19.528)
Soluziona C&S Holding (Chile)	-	193
Indra Czech Republic	1.336	928
Indra Slovakia	175	113
Soluziona Guatemala	260	262
Indra Hungary	-	106
Indra Kenya	1.465	1.382
Soluziona Mexico	(5.869)	(6.425)
Soluziona Uruguay	11	(104)
Indra Sisteme SRL	(166)	(290)
Indra Panama	612	1.491
Indra Philippines	4.294	3.472
Electrica Soluziona (Romania)	1.217	941
Indra Ucrania	-	(263)
Soluziona SP CA (Venezuela)	-	1.484
Computación Ceicom	4.886	4.786
Indra Company (Peru)	1.269	1.354
Indra Peru	2.707	1.977
AC-B	1.419	1.207
Indra Radar Technology	(221)	(1.535)
Indra India	(5.949)	(4.234)
Avitech Technology	1.040	153
Indra Malaysia	(817)	(344)
Indra Bahrain	1.817	3.634
Indra Indonesia	(2.971)	(1.936)
Indra Italy	6.215	5.922
Indra Brasil SA	52.314	51.636
Indra Navia	15.587	12.173
Indra Turkey	(1.910)	(1.565)
Indra Kazakhstan	(241)	(131)
Politec Argentina	(287)	(340)
Teknatrans	(556)	(435)
Indra Technology South Africa	(918)	(141)
IFOS	(381)	-
Indra Technology (Brazil)	(1.031)	-
Europraxis ALG Maroc	(357)	-
Indra Arabia	13.155	-
Total	**84.925**	**(16.147)**

3. Reserves in equity-accounted investees

Details by company of reserves in consolidated companies at 31 December 2015 and 2014 are as follows:

	Thousands of Euros	
	2015	2014
Eurofighter Simulation System	3.627	3.105
Euromids	384	326
Trias Beltrán	-	7
Saes Capital	932	1.160
A4 Essor SAS	211	138
Indra Sistemas de Tesorería	-	30
IRB Riesgo Operacional	425	326
I3 TV	(402)	(20)
IESSA Brazil	-	(1.147)
Total	**5.177**	**3.925**

4. Voluntary reserves and merger reserves

These reserves are freely distributable except for a portion equivalent to the amount of the statement of financial position revaluation permitted by Law 9/1983 of 13 July 1983, totalling Euros 9,464 thousand at 31 December 2015 and Euros 9,624 thousand at 31 December 2014, as well as the amount of research and development costs not yet amortised recognised in the Parent's statement of financial position, totalling Euros 122,684 thousand at 31 December 2015 (Euros 202,092 thousand at 31 December 2014) and any prior years' losses.

5. Profit/loss for the year attributable to the Parent

Details of the consolidated companies' profits/losses for 2015 and 2014 are disclosed in Appendix I.

Non-controlling interests

Movement in non-controlling interests in fully consolidated companies during 2015 and 2014 is as follows:

	Thousands of Euros						
	Balance at 31.12.14	Profit/loss 2015 to NCI	Exchange differences	Dividends	Change in % ownership	Other variations	Balance at 31.12.15
Inmize Capital	526	(1)	-	-	-	-	525
Inmize Sistemas	3.865	2	-	-	-	-	3.867
ALG Venezuela	32	(10)	(22)	-	-	-	-
Elektrica Soluziona	1.047	161	(12)	(270)	-	-	926
Indra Filipinas	6.400	1.462	417	-	(17)	(45)	8.217
Indra Radar Technology (Tian-	(49)	(18)	(2)	-	-	-	(69)
Indra Kazakhstan	338	(674)	87	-	-	-	(249)
Indra Malaysia	75	(92)	11	-	-	-	(6)
Normeka	1.042	110	(54)	-	-	-	1.098
Search	(87)	(1.288)	(22)	-	1.397	-	-
Prointec Panama	(28)	-	(3)	-	-	-	(31)
Indra Technology South Africa	(486)	(315)	130	-	-	-	(671)
Total	**12.675**	**(663)**	**530**	**(270)**	**1.380**	**(45)**	**13.607**

	Thousands of Euros							
	Balance at 31.12.13	Profit/loss 2014 to NCI	Exchange differences	Dividends	Change in % ownership	Profit/loss in Equity	Other variations	Balance at 31.12.14
Inmize Capital	685	(159)	-	-	-	-	-	526
Inmize Sistemas	3.950	32	-	-	-	-	(117)	3.865
Tourism & Leisure	58	-	-	-	(79)	21	-	-
ALG Peru	54	(13)	2	-	(43)	-	-	-
ALG Venezuela	193	4	(165)	-	-	-	-	32
ALG Maroc	(137)	-	-	-	137	-	-	-
Prointec	(77)	(7)	-	-	(33)	-	117	-
Elektrica Soluziona	780	268	(1)	-	-	-	-	1.047
Indra Philippines	5.089	1.137	675	(230)		-	(271)	6.400
Uatec	(316)	7	-	-	-	-	309	-
Indra Radar Technology (Tianjin) Co., Ltd.	(30)	(16)	(3)	-	-	-	-	(49)
IFOS	(49)	(24)	8	-	65	-	-	-
Indra Kazakhstan	468	(104)	(26)	-	-	-	-	338
Indra Malaysia	1	(176)	10	-	-	-	240	75
Normeka	1.051	81	(90)	-	-	-	-	1.042
Search	(940)	875	(22)	-	-	-	-	(87)
Prointec Panama	(14)	(10)	(4)	-	-	-	-	(28)
Indra Technology South Africa	(86)	(387)	(13)	-	-	-	-	(486)
Total	**10.680**	**1.508**	**371**	**(230)**	**47**	**21**	**278**	**12.675**

A breakdown of non-controlling interests at 31 December 2015 and 2014 is as follows:

	Thousands of Euros							
	31.12.15				31.12.14			
	Capital NCI	Reserves NCI	Profit/(Loss) NCI	Total	Capital NCI	Reserves NCI	Profit/(Loss) NCI	Total
Inmize Capital	32	494	(1)	525	32	653	(159)	526
Inmize Sistemas	750	3.115	2	3.867	750	3.083	32	3.865
ALG Perú	-	-	-	-	-	13	(13)	-
ALG Venezuela	-	10	(10)	-	-	28	4	32
Prointec	-	-	-	-	-	7	(7)	-
Elektrica Soluziona	15	750	161	926	15	764	268	1.047
Indra Philippines	264	6.491	1.462	8.217	264	4.999	1.137	6.400
Uatec	-	-	-	-	18	(25)	7	-
Indra Radar Technology	579	(630)	(18)	(69)	579	(612)	(16)	(49)
Indra Kazakhstan	600	(175)	(674)	(249)	600	(158)	(104)	338
Indra Malaysia	282	(196)	(92)	(6)	282	(31)	(176)	75
Normeka	-	988	110	1.098	-	961	81	1.042
Search	1.201	87	(1.288)	-	1.201	(2.163)	875	(87)
Prointec Panama	-	(31)	-	(31)	-	(18)	(10)	(28)
Indra Technology South Africa	-	(356)	(315)	(671)	-	(99)	(387)	(486)
Total	**3.723**	**10.547**	**(663)**	**13.607**	**3.741**	**7.402**	**1.532**	**12.675**

Information on assets, liabilities and consolidated profit/loss for 2015 and 2014 of the most significant non-controlling interests, assigned to the Parent, is provided in Appendix IV.

The main transactions with non-controlling interests in 2015 are as follows:

- On 14 October 2015 the Parent company acquired an additional 0.1% interest in Indra Philippines, INC for Euros 63 thousand (PHP 3,306 thousand).

The main transactions with non-controlling interests in 2014 were as follows:

- On 9 January 2014, the subsidiary, Indra Business Consulting S.L., acquired the remaining shares in its subsidiary Tourisme & Leisure Advisory Services, S.L. After this acquisition it owned 100% of the company and subsequently absorbed it.
- On 26 January 2014, the Parent acquired the remaining shares of its subsidiary Prointec S.A. for Euros 127 thousand. As a result of this acquisition, this company is now wholly-owned by the Group.
- On 5 June 2014 the subsidiary Advanced Logistics Group, S.A. acquired 10% of the shares of its subsidiary Europraxis-ALG Consulting Andina S.A.C for Euros 27 thousand. As a result of this acquisition, this company is now wholly-owned by the Group.
- On 6 October 2014 the Parent acquired the other 20% of the shares of its subsidiary International Financial Operational Services, S.A. (IFOS) for Euros 0.3 thousand. As a result of this acquisition, this company is now wholly-owned by the Group.
- On 27 October 2014 the subsidiary Indra Sistemas Magreb, S.R.L. acquired the other 34% of the shares in the Moroccan affiliate, Europraxis ALG Maroc, S.R.L., for Euros 78 thousand. As a result of this acquisition, this company is now wholly-owned by the Group.

19. LOSS/EARNINGS PER SHARE

The calculation of the weighted average number of ordinary shares outstanding and diluted shares at 31 December 2015 and 2014 is as follows:

	Weighted average number of ordinary shares at 31.12.15	Ordinary shares at 31.12.15	Weighted average number of ordinary shares at 31.12.14	Ordinary shares at 31.12.14
Total shares issued	164.132.539	164.132.539	164.132.539	164.132.539
Own shares	(257.550)	(347.011)	(282.131)	(202.199)
Total shares outstanding	**163.874.989**	163.785.528	**163.850.408**	163.930.340

	Weighted average number of ordinary shares at 31.12.15	Weighted average number of ordinary shares at 31.12.14
Total shares issued	164.132.539	164.132.539
Own shares and financial instruments linked to shares	17.237.202	17.212.621
Total diluted shares	**181.369.741**	**181.345.160**

The calculation of basic earnings per share (rounded to four decimal places) for 2015 and 2014 is as follows:

	2015	2014
Loss attributable to the Parent (in thousands of Euros)	(641.189)	(91.908)
Weighted average number of ordinary shares outstanding	163.874.989	163.850.408
Basic earnings/(loss) per ordinary share (in Euros)	**(3,9127)**	**(0,5609)**

The calculation of diluted earnings per share (rounded to four decimal places) for 2015 and 2014 is as follows:

	2015	2014
Loss attributable to the Parent (in thousands of Euros) (*)	(635.606)	(86.555)
Weighted average number of ordinary shares outstanding	181.369.741	181.345.160
Diluted earnings/(loss) per ordinary share (in Euros)	**(3,5045)**	**(0,4773)**

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

The calculation of earnings per ordinary share (rounded to four decimal places) for 2015 and 2014 is as follows:

	2015	2014
Loss attributable to the Parent (in thousands of Euros)	(641.189)	(91.908)
Shares issued	164.132.539	164.132.539
Earnings/(loss) per ordinary share (in Euros)	**(3,9065)**	**(0,5600)**

20. FINANCIAL LIABILITIES FROM ISSUING BONDS AND OTHER MARKETABLE SECURITIES AND NON-CURRENT LOANS AND BORROWINGS

Financial liabilities from issuing bonds and other marketable securities

This line item includes the financial liability of Euros 237,543 thousand (Euros 229,686 thousand in 2014) for the issue by the Parent of convertible and/or redeemable bonds relating to shares listed on Freiverkehr, the open market of the Frankfurt Stock Exchange. The terms and conditions of the bonds are as follows:

- The bonds were issued for a nominal amount of Euros 250,000 thousand, to be redeemed after five years (17 October 2018).
- The issue expenses totalled Euros 4,702 thousand.

- The bonds accrue annual fixed interest at a nominal rate of 1.75%, payable every six months in arrears, specifically on 17 April and 17 October each year, with the first interest payment on 17 April 2014. Euros 4,375 thousand were paid in this respect in 2015 (Euros 4,375 thousand in 2014).
- The effective interest rate of the bond was 3.70% (a nominal rate of 3.29%).

- The initial conversion price of the bonds was Euros 14.290 per share.

- The shares underlying the bonds initially represented around 10.7% of the Parent's share capital prior to the issue.

- Bondholders may exercise their conversion rights from the last day of the offer, i.e. 17 October 2013, until 9 October 2018, the seventh trading day prior to the expiry date.
- Indra Sistemas can redeem in cash all (not a portion) of the bonds issued for an amount equivalent to the principal plus the accrued interest payable until redemption in two situations:

  1. At any time from 7 November 2016 if the value of the bond over a certain period of time exceeds Euros 130,000 per bond.
  2. At any time if 90% of the amount of the bond issue has been converted, redeemed or acquired by the Company.

- Bondholders may demand early redemption of the bonds in two situations:

  1. In the event of a change of control at the Parent, for the principal of the bond issue plus the accrued interest receivable.
  2. In the event of a public takeover bid of the issuer's shares for the higher of: (i) the nominal value of the bond or (ii) the equivalent value of the bond that includes the appreciation in the issuer's share price.

- The conversion rate may be reduced if the Company pays an annual dividend of more than Euros 0.34 per share and should any of the following situations, among others, arise:

  1. The distribution of reserves or other amounts equivalent to dividends of more than Euros 0.34 per share.
  2. A share split.
  3. A capital increase with pre-emptive subscription rights.
  4. The issue of new shares as payments in kind.

5. Spin-offs of assets or dividend payments in kind.
6. In general any shareholder remuneration that could have an impact on the equivalent value of the convertible bonds.

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

- The fair value of the bond at the 2015 reporting date was Euros 228,853 thousand (Euros 223,918 thousand in 2014), based on the quoted price on the Frankfurt Stock Exchange.

- The interest expected to be generated is as follows:

Years	Thousands of Euros
2016	8.742
2017	8.903
2018	7.207
	24.852

Non-current loans and borrowings

Details by maturity of all other non-current loans and borrowings at 31 December 2015 are as follows:

Years	Finance lease payables	Credit institutions	R&D loans	Total
2017	2.605	61.656	17.637	81.898
2018	-	89.381	18.345	107.726
2019	-	137.242	17.784	155.026
Subsequent years	-	318.932	60.790	379.722
Total al 31.12.15	**2.605**	**607.211**	**114.556**	**724.372**

Accrued interest payable in 2015 and 2014 totalled Euros 3,149 thousand and Euros 3,114 thousand, respectively.

The interest expected to be generated on loans and borrowings is as follows:

Years	Thousands of Euros
2016	14.894
2017	9.592
2018	6.651
2019	4.874
2020	3.310
2021	2.505
	41.826

Details by maturity of all other non-current loans and borrowings at 31 December 2014 were as follows:

Years	Finance lease payables	Credit institutions	R&D loans	Total
2016	1.736	33.577	11.937	47.250
2017	1.577	128.271	17.568	147.416
2018	1.024	15.000	17.773	33.797
Siguientes	-	291.512	76.069	367.581
Total al 31.12.14	**4.337**	**468.360**	**123.347**	**596.044**

In 2015 the most significant loans arranged by the Group for an amount of Euros 158,000 thousand (Euros 345,000 thousand in 2014) consisted of non-current financing in Euros, originally arranged with terms of between four and five years, maturing between 2019 and 2020, with floating interest rates. No covenants are in place in respect of this financing.

21. OTHER NON-CURRENT FINANCIAL LIABILITIES

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

	Thousands of Euros	
	2015	**2014**
Guarantees and deposits received	597	111
Suppliers of fixed assets	4.746	7.428
Other long-term debts	27.040	23.445
Total	**32.383**	**30.984**

Non-current loans and borrowings also include interest rate swaps used by the Parent to manage its exposure to interest rate fluctuations, mainly on non-current bank loans arranged at floating rates. The fair value of these swaps, Euros 668 thousand (Euros 1,761 thousand in 2014) has been determined based on the market values of equivalent financial derivatives at the reporting date (see note 37 a).

At 31 December 2015 suppliers of non-current assets include the estimated balances payable due to the acquisition of G-Nubila Technology and the other 22.5 % interest in Indra Italia, Spa. These amounts are due in May 2016 and therefore the Parent has transferred the entire amount payable, totalling Euros 2,685 thousand, to current liabilities (note 26). The amounts due to the remeasurement of these two items recognised under finance costs in the consolidated income statement in 2015 total Euros 213 thousand (Euros 225 thousand in 2014).

The estimated liabilities arising from the acquisition of 22.5% of Indra Italia Spa by exercising the call option at the reporting dates from the date of the agreement is as follows:

- 2011: Euros 6,987 thousand
- 2012: Euros 7,176 thousand
- 2013: Euros 7,369 thousand
- 2014: Euros 2,615 thousand
- 2015: Euros 2,685 thousand

In 2011, 2012 and 2013 a calculation criterion was applied that fixed the price according to expected EBIT at 2015 year end, multiplied by a multiple based on a rising scale subject to fulfilment.

However, the signing of an agreement to acquire the 22.5% non-controlling interest in Indra Italia, Spa for Euros 3.3 million, plus a variable amount of 0.325 million subject to the renewal of a major contract, was brought forward (planned for 2016) to February 2014. The price will be paid in May 2016. The criterion for calculating this price is based on a bilateral negotiation.

The agreement was signed early because it was advisable to assign additional resources and capacity to the activity in Italy to carry out more solutions work, especially in the Defence and Security and Transport and Traffic markets.

As a result of the earlier agreement, in 2014 the Parent recognised income of Euros 4,844 thousand under finance income in the consolidated income statement.

The amount presented at 2015 year end is the net present value of the price expected to be paid, i.e. Euros 2,715 thousand, in 2016.

Also the amount payable in respect of the acquisition of the subsidiary G-Nubila Technology was Euros 3,029 thousand (Euros 2,886 thousand in 2014).

Other non-current payables mainly include an amount of Euros 10,593 thousand for the differences between the insured value and the realisable value at the date of preparing these consolidated annual accounts of items hedged with a hedging contract arranged by the Parent.

22. GOVERNMENT GRANTS

Details of government grants and movement in 2015 and 2014 are as follows::

	Balance at 31.12.14	Addi-tions	Trans-fers	Taken to profit and loss	Balance at 31.12.15
Grants	12.958	7.505	14.387	(28.856)	5.994

	Balance at 31.12.13	Addi-tions	Trans-fers	Taken to profit and loss	Balance at 31.12.14
Grants	15.969	13.124	3.590	(19.725)	12.958

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

23. PROVISIONS FOR LIABILITIES AND CHARGES S

Details of provisions for liabilities and charges and movement during 2015 and 2014 are as follows:

Thousands of Euros

	Balance at 31.12.14	Variations consolida-ted Group	Translation differences.	Provisions	Reversals	Payments	Transfers	Balance at 31.12.15
Provisions for taxes	4.551	(410)	(84)	434	(994)	-	6.054	9.551
Other provisions	35.843	-	(8.595)	58.088	(2.459)	(5.356)	16.299	93.820
Total	**40.394**	**(410)**	**(8.679)**	**58.522**	**(3.453)**	**(5.356)**	**22.353**	**103.371**

Thousands of Euros

	Balance at 31.12.13	Translation differences.	Provisions	Reversals	Payments	Transfers	Balance at 31.12.14
Provisions for taxes	9.667	(341)	66	-	-	(4.841)	4.551
Other provisions	89.671	5.941	12.012	(48.723)	(22.282)	(776)	35.843
Total	**99.338**	**5.600**	**12.078**	**(48.723)**	**(22.282)**	**(5.617)**	**40.394**

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

Thousands of Euros

Provisions for taxes	Balance at 31.12.14		Balance at 31.12.15							
Concept	Balance	Temporary difference	Variation in consolidated Group	Translation differences	Provisions	Reversals	Transfers	Balance t	Temporary difference	Expected date of reversal/use
Appeals filed	4.551	34	(410)	(84)	434	(994)	6.054	9.551	150	2016-2018
Total provision for taxes"	**4.551**	**34**	**(410)**	**(84)**	**434**	**(994)**	**6.054**	**9.551**	**150**	

Thousands of Euros

Provision for taxes	Balance at 31.12.13		Saldo al 31.12.14					
Concept	Balance	Temporary difference	Translation differences	Provisions	Transfers	Balance	Temporary difference	Expected date of reversal/use
Appeals filed	9.667	33	(341)	66	(4.841)	4.551	34	2015-2017
Total provision for taxes"	**9.667**	**33**	**(341)**	**66**	**(4.841)**	**4.551**	**34**	

	Thousands of Euros									
Other provisions	**Balance at 31.12.14**		**Balance at 31.12.15**							
Concept	**Balance**	**Temporary difference**	**Translation differences**	**Provisions**	**Reversals**	**Payments**	**Transfers**	**Balance**	**Temporary difference**	**Expected date reversal/use**
Trade claims	909	909	-	650	(647)	-	-	912	912	2016
HR claims	26.725	-	(8.508)	52.722	(107)	(5.027)	(9.536)	56.269	40.860	2016-2018
Salaries	972	22.742	3	1.893	(288)	(329)	2.779	5.030	22.742	2018
Contingencies	7.237	1.185	(90)	2.823	(1.417)	-	(121)	8.432	1.185	2016-2019
Project guarantees	-	-	-	-	-	-	23.177	23.177	23.177	2016-2019
Total other provisions	**35.843**	**24.836**	**(8.595)**	**58.088**	**(2.459)**	**(5.356)**	**16.299**	**93.820**	**88.876**	

	Thousands of Euros									
Other provisions	**Balance at 31.12.13**		**Balance at 31.12.14**							
Concept	**Balance**	**Temporary difference**	**Translation differences**	**Provisions**	**Reversals**	**Payments**	**Transfers**	**Balance**	**Temporary difference**	**Expected date reversal/use**
Trade claims	362	362	-	703	(156)	-	-	909	909	2016
HR claims	45.069	3.537	3.394	7.596	(25.461)	(1.172)	(2.701)	26.725	-	2016-2018
Salaries	23.510	22.742	(20)	439	(129)	(21.110)	(1.718)	972	22.742	2018
Contingencies	20.730	4.907	2.567	3.274	(22.977)	-	3.643	7.237	1.185	2016-2019
Total other provisions	**89.671**	**31.548**	**5.941**	**12.012**	**(48.723)**	**(22.282)**	**(776)**	**35.843**	**24.836**	

The largest amount corresponding to appeals made is the contested assessment A0271821943 of the Parent dated 9 December 2010. This assessment contains a proposed income tax settlement for 2004 to 2007 which involves paying Euros 4,493 thousand (principal of Euros 3,806 thousand and interest of Euros 687 thousand). In January 2011 the Parent submitted allegations against this assessment, requesting it be annulled.

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

The provision for HR claims is basically to cover various claims from former suppliers of the Brazilian subsidiaries- the nature of which was similar to self-employed personnel - who after completing the service agreements for which they were contracted made claims against the company (or there is a risk that they will), questioning the status of self-employed supplier and claiming compensation as if they had had an employment relationship.

The provision for employee benefits is mainly for the medium term variable remuneration and incentives of directors and senior management.

In 2015 this balance also includes the amount provisioned by the Parent as a result of the workforce restructuring plan started, which was announced to employees in August 2015 and is expected to be completed in December 2018. At 31 December 2015 Euros 40,860 thousand of the provision recognised is pending application.

Various amounts for legal proceedings are included under contingent liabilities in 2015. These proceedings are not expected to be resolved until 2016. At 2015 year end the main contingent liabilities included in this provision are as follows:

- Tax contingencies totalling Euros 6.6 million (Euros 4.2 million in 2013): A provision derived from legal proceedings questioning a CIDE (Contribuição de Intervenção no Domínio Econômico) tax incident in respect of the subsidiary, Indra Brasil, S.A.

- Contingent liabilities arising from possible risks in the subsidiary Indra Chile, for which the Parent has made a provision of Euros 1.7 million.

At 31 December 2015 and 2014 the Parent has legal proceedings underway totalling Euros 26,412 thousand, which it considers will probably occur. The most significant are the judicial review proceedings filed by the General State Comptroller's Office of Ecuador in the suit against Indra Sistemas, S.A.

This is a lawsuit derived from the Euros 23,760 thousand contract for the implementation of a judicial information system for the Judiciary Council of Ecuador that was awarded to Indra Sistemas, S.A.

Although the contract was correctly performed and accepted, in August 2013, the General State Comptroller's Office determined, in an administrative decision, that Indra Sistemas, S.A. had incurred fault-based civil liability jointly with the contract managers at the Judiciary Council, for failure to comply with the purpose of the contract.

Both parties have filed appeals for a judicial review of the decision determining the fault-based civil liability. Leave has been granted to proceed with the appeal for judicial review filed by Indra Sistemas, S.A. and proceedings are currently at the evidentiary stage.

24. FINANCIAL LIABILITIES FROM ISSUING BONDS AND OTHER MARKETABLE SECURITIES AND CURRENT LOANS AND BORROWINGS

Details of this consolidated income statement item at 31 December 2015 and 2014 are as follows:

	Thousands of Euros	
	2015	**2014**
Bonds and debentures (note 20)	729	38.891
Loans	61.580	78.405
Interest payable	3.150	2.678
Finance leases (note 6)	1.889	2.079
Total	**67.348**	**122.053**
Official loans for research programmes	12.029	8.809
Total	**79.377**	**130.862**

Bonds and debentures comprise the Euros 729 thousand (Euros 4,375 thousand in 2014) for bonds issued with current maturities by the Parent (these bonds accrue interest at a fixed nominal annual rate of 1.75%, payable every six months in arrears, on 17 April and 17 October each year). The decrease in the balance is because the debentures issued in Brazil were not renewed as this funding has been replaced by bank financing for a two year term. In 2014 the balance included Euros 34,516 thousand in this respect.

Loans comprise the current credit facilities drawn down as well as the current portion of non-current bank loans. The Euros 16,825 thousand variation between the 2015 and 2014 figures is mainly because a lower amount has been

drawn on credit facilities for working capital
The entire Euros 12,029 thousand (Euros 8,809 thousand in 2014) of official loans for research programmes consist of the current portion of loans received from public entities to carry out research programmes (see note 22).

The information on amounts drawn down and available on credit facilities is as follows:

	Thousands of Euros	
	2015	**2014**
Amount available	332.141	363.099
Amount drawn down	61.580	78.405
Total credit facilities	**393.721**	**441.504**

25. TRADE AND OTHER PAYABLES

Details of trade and other payables at 31 December 2015 and 2014 are as follows:

	Thousands of Euros	
	2015	**2014**
Purchases and services received	559.826	581.310
Advances from customers	613.355	594.033
Total	**1.173.181**	**1.175.343**

Final provision two of Law 31/2014 amends the Spanish Companies Act to improve corporate governance and additional provision three of Law 15/2010, on measures to combat late payment in commercial transactions, requiring all commercial companies to expressly disclose average payment terms to suppliers in the notes to the annual accounts. Also the Spanish Accounting and Auditing Institute (ICAC) is empowered to set the standards and calculation methods.
This resolution will be mandatory for all Spanish companies that prepare consolidated financial statements, although exclusively for companies based in Spain that are fully or proportionally consolidated.

As a result, the Spanish Accounting and Auditing Institute (ICAC) issued its resolution of 29 January 2016 establishing the methodology for calculating the average supplier payment period for 2015. The resolution indicates that comparative information for this new obligation does not have to be presented as the annual accounts are classified as the first annual accounts solely in this respect, with regards to the application of the principle of consistency and the requirement of comparability.

The average supplier payment period is calculated by applying the following formula:

$$\textbf{Periodo medio de pagos a proveedores} = \frac{\text{Ratio de operaciones pagadas } \mathbf{x} \text{ importe de pagos realizados } \mathbf{+} \text{ Ratio de operaciones pendientes de pago } \mathbf{x} \text{ importe total pagos pendientes}}{\text{Importe total de pagos realizados } \mathbf{+} \text{ Importe total de pagos pendientes}}$$

The data of the Spanish companies for 2015 are as follows:

	2015 Days
Average supplier payment period	46
Transactions paid ratio	47
Transactions payable ratio	41

	Amount (Thousands of Euros
Total payments made	**700.861**
Total payments outstanding	**140.174**

26. OTHER LIABILITIES

Details of other liabilities at 31 December 2015 and 2014 are as follows::

	Thousands of Euros	
	2015	**2014**
Public entities (note 36)	124.363	124.016
Salaries payable	68.390	71.372
Cash flow hedges	30.936	18.493
Guarantees and deposits received	65	212
Trade provisions	148.405	40.083
Accruals	2.734	2.554
Suppliers of fixed assets	3.937	1.512
Other payables	5.292	34.021
Total	**384.122**	**292.263**

Trade provisions include Euros 51,300 thousand for the workforce restructuring plan started by the Parent. Suppliers of fixed assets include Euros 2,685 thousand as a result of the acquisition of the remaining 22.5% interest in Indra Italia, Spa (note 21).

27. SEGMENT REPORTING

The following tables present information on the Group's business segments, based on the individual financial statements of the different Group companies. General management review this information and take any related decisions.

The Group's segments are Services and Solutions

	2015 (Thousands of Euros)							
Segment reporting at 31 December 2015:	**Solutions**	**%**	**Services**	**%**	**Unallocated-corporate**	**Eliminations**	**Total**	**%**
External sales	1.833.953	99,9%	1.016.451	98%	-	-	2.850.404	100%
Inter-segment sales	2.168	0,1%	16.257	2%	-	(18.425)	-	-
Net sales	**1.836.121**	**100%**	**1.032.708**	**100%**	**-**	**(18.425)**	**2.850.404**	**100%**
Contribution margin	**188.102**	**10,2%**	**75.774**	**7,3%**	**-**	**(1.015)**	**262.861**	**9%**
Impairment and provisions	(304.900)	-	(185.644)	-	(196.090)	-	(686.634)	-24%
Other income and expenses (corporate and unallocated)	-	-	-	-	(218.704)	1.015	(217.689)	-8%
Results from operating activities	**(116.798)**	-	**(109.870)**	**-**	**(414.794)**	**-**	**(641.462)**	**-23%**
Other gains/(losses)	(20.625)	-	(34.456)	-	(8.983)	-	(64.064)	-2%
Share in profit/(loss) of associates	(185)	-	(169)	-	(23)	-	(377)	0,0%
Income tax	15.457	-	(54.639)	-	103.233	-	64.051	2,2%
Segment profit/(loss)	**(122.151)**	**-7%**	**(199.134)**	**-19%**	**(320.567)**	**-**	**(641.852)**	**-23%**
Other information								
Investments	31.757	-	4.267	-	12.969	-	48.993	-
Depreciation and amortisation	37.707	-	13.607	-	34.166	-	85.480	-
Balance sheet								
Assets								
Segment assets	1.523.444	-	576.132	-	955.780	-	3.055.356	-
Assets in associates	8.013	-	930	-	-	-	8.943	-
Total consolidated assets		-	**-**	**-**	**-**	**-**	**3.064.299**	**-**
Liabilities								
Segment liabilities	1.482.102	-	759.935	-	528.222	-	2.770.259	-
Total consolidated liabilities	-	-	**-**	**-**	**-**	**-**	**2.770.259**	**-**

	2015 (Thousands of Euros)				
Geographical segment reporting at 31 December 2015:	**Spain**	**Latin America**	**Europe and North America**	**Asia, Middle East and Africa**	**Total**
External sales	1.222.834	733.823	558.492	335.255	2.850.404
Investments	40.492	4.744	1.385	2.371	48.992
Assets employed	2.042.799	492.491	261.097	267.912	3.064.299

	2014 (Thousands of Euros)							
Segment reporting at 31 December 2014:	**Solutions**	**%**	**Services**	**%**	**Unallocated-corporate**	**Eliminations**	**Total**	**%**
External sales	1.886.972	99,9%	1.050.913	98%	-	-	2.937.885	100%
Inter-segment sales	2.168	0,1%	16.257	2%	-	(18.425)	-	-
Net sales	**1.889.140**	**100%**	**1.067.170**	**100%**	**-**	**(18.425)**	**2.937.885**	**100%**
Contribution margin	**289.219**	**15,3%**	**132.213**	**12,4%**	**-**	**(910)**	**420.522**	**14%**
Impairment and provisions	(224.474)	-	(4.566)	-	(16.940)	-	(245.980)	-8%
Other income and expenses (corporate and unallocated)	-	-	-	-	(217.926)	910	(217.016)	-7%
Results from operating activities	**64.745**	-	**127.647**	**-**	**(234.866)**	**-**	**(42.474)**	**-1%**
Other gains/(losses)	(33.763)	-	(23.206)	-	5.772	-	(51.197)	-2%
Share in profit/(loss) of associates	398	-	(3.743)	-	-	-	(3.345)	-0,1%
Income tax	(84.095)	-	(27.317)	-	118.028	-	6.616	0,2%
Segment profit/(loss)	**(52.715)**	**-3%**	**73.381**	**7%**	**(111.066)**	**-**	**(90.400)**	**-3%**
Other information								
Investments	52.497	-	8.963	-	11.103	-	72.563	-
Depreciation and amortisation	28.705	-	11.381	-	24.146	-	64.232	-
Balance sheet								
Assets								
Segment assets	1.646.373	-	718.082	-	1.111.150	-	3.475.605	-
Assets in associates	8.860	-	(3.196)	-	-	-	5.664	-
Total consolidated assets	**-**	-	**-**	**-**	**-**	**-**	**3.481.269**	**-**
Liabilities								
Segment liabilities	1.241.753	-	584.742	-	713.874	-	2.540.369	-
Total consolidated liabilities	-	-	**-**	**-**	**-**	**-**	**2.540.369**	**-**

Geographical segment reporting at 31 December 2014:	2014 (Thousands of Euros) Spain	Latin America	Europe and North America	Asia, Middle East and Africa	Total
External sales	1.146.541	803.963	612.497	374.884	2.937.885
Investments	60.024	8.315	2.684	1.540	72.563
Assets employed	2.230.685	754.877	264.709	230.998	3.481.269

Impairment and non-distributable corporate provisions mainly consist of the termination benefits due to the workforce restructuring plan started by the Parent in 2015 and those corresponding to 2014 (note 30).

Other income and expenses mainly comprise fixed costs for corporate functions and overheads of the subsidiaries and other activities that, due to their nature, cannot be assigned to segments, as no separate financial information is available.

28. OTHER INCOME

In 2015 this item mainly includes income from grants amounting to Euros 42,120 thousand (Euros 23,649 thousand in 2014).).

29. MATERIALS AND OTHER SUPPLIES USED

The total cost of materials and other supplies used by the Group during the years ended 31 December 2015 and 2014 is as follows::

	Thousands of Euros	
	2015	2014
Subcontracted work and materials consumed	843.308	755.992
Change in inventories	(2.693)	1.227
Total	**840.615**	**757.219**

30. PERSONNEL EXPENSESL

Details of personnel expenses during the years ended 31 December 2015 and 2014 are as follows:

	Thousands of Euros	
	2015	2014
Salaries and wages	1.104.252	1.057.764
Termination benefits	156.232	27.045
Social Security and other employee benefits expenses	371.807	314.701
Total	**1.632.291**	**1.399.510**

- In August the Parent's management informed its employees of the workforce restructuring plan, which will be completed in December 2016 (payment in 2018). The most significant conditions of this plan are as follows:
- Employees affected: 1,750 (350 may possibly be relocated to other Group subsidiaries).
- Termination benefit: 40 days per year worked, up to a maximum amount of 24 monthly salaries.
- A long-service bonus of Euros 10,000 for employees with more than 20 years of service to the company and Euros 5,000 for employees with 15-20 years of service.
- Early retirements:
  - » Employees who are 63 years old or older: the legally established benefits;
  - » Employees between 59 and 62 years of age: may leave voluntarily and receive 90% of their net salary if their gross salary is below Euros 40,000 or 80% of their net salary if their gross salary is more than Euros 40,000 until they are 63 years old;

- » Employees between 57 and 58 years of age: may leave voluntarily and receive 85% of their net salary if their gross salary is below Euros 40,000 or 80% of their net salary if their gross salary is more than Euros 40,000 until they are 62 years old. Additionally they will receive a bonus of Euros 5,000.

- » In these last two cases the base for social security contributions will be increased each year by 1%.

- Employees that are 55 and 56 years old: the company will pay the special agreement with Social Security until the first retirement age (from 61 onwards).
- Exclusion criteria for those affected:

  - » Disabled employees or those with disabled dependents;
  - » No more than one member of all these family units can be made redundant;
  - » Employees with children suffering a serious illness as legally defined;
  - » Employees suffering gender-based violence

As a result of this plan the Parent has recognised provisions totalling Euros 40,860 thousand and Euros 51,300 thousand, respectively, (notes 23 and 26) for the workforce restructuring plan still to be enforced and has paid Euros 63,158 thousand.

Euros 109,318 thousand for termination benefits and Euros 46,000 thousand for Social Security charges were recognised in the consolidated income statement in respect of this plan.

In December 2015 the management of the subsidiary Central de Apoyos y Medios Auxiliares, S.A. informed its employees of a workforce restructuring plan that will end in February 2016. The most significant conditions of this plan are as follows:

- Employees affected: 132.

- Termination benefit: 35 days per year worked, up to a maximum amount of 24 monthly salaries.

- A bonus for accepting voluntary redundancy of Euros 2,000.

- A bonus of Euros 750 to Euros 1,500 depending on length of service

As a result of this plan the subsidiary has recognised provisions for termination benefits of Euros 2,757 thousand in the consolidated income statement, which is the cost of the workforce restructuring plan.

The average number of Group employees and directors of the Parent in 2015 and 2014, distributed by category, is as follows:

Number of employees

	2015			2014		
	Male	**Female**	**Total**	**Male**	**Female**	**Total**
Board members	11	2	13	11	3	14
Senior management	12	3	15	8	1	9
Management	429	69	498	412	72	484
Graduates and other qualified staff	21.590	9.816	31.406	21.317	9.724	31.041
Administrative staff	1.382	2.310	3.692	1.301	2.190	3.491
Factory employees	1.341	1.668	3.009	1.818	1.669	3.487
Other	30	8	38	22	13	35
Total	**24.795**	**13.876**	**38.671**	**24.889**	**13.672**	**38.561**

During 2015 and 2014 the average number of employees of the Group's Spanish companies with a percentage of disability equal to or higher than 33%, distributed by category, is as follows:

Number of employees

	2015			2014		
	Male	**Female**	**Total**	**Male**	**Female**	**Total**
Management	2	1	3	2	-	2
Graduates and other qualified staff	117	39	156	98	34	132
Administrative staff	25	31	56	25	32	57
Factory employees	4	-	4	2	-	2
Other	1	-	1	1	-	1
Total	**149**	**71**	**220**	**128**	**66**	**194**

At the 2015 and 2014 reporting dates the distribution by gender and category is as follows:

	Number of employees					
	2015			2014		
	Male	Female	Total	Male	Female	Total
Board members	11	2	13	10	3	13
Senior management	11	2	13	8	1	9
Management	396	62	458	406	70	476
Graduates and other qualified staff	20.163	9.188	29.351	21.671	9.798	31.469
Administrative staff	1.383	2.292	3.675	1.403	2.335	3.738
Factory employees	1.330	2.199	3.529	1.568	1.829	3.397
Other	26	8	34	24	12	36
Total	**23.320**	**13.753**	**37.073**	**25.090**	**14.048**	**39.138**

31. OTHER OPERATING EXPENSES

Details at 31 December 2015 and 2014 are as follows:

	Thousands of Euros	
	2015	2014
Leases and royalties	135.460	139.094
Repairs and maintenance	24.358	23.950
Professional services	151.443	131.128
Carriage and shipping costs	8.485	8.363
Insurance	6.804	7.584
Bank services	9.309	8.966
Donations, trade fairs, advertising and representation	16.845	14.815
Utilities	11.840	15.467
Travel costs	173.105	175.193
Taxes	40.111	47.981
Other operating expenses	221.269	47.697
Total	**799.029**	**620.238**

The increase in other operating expenses is mainly due to the provision of Euros 134,142 thousand made for receivables and the Euros 87,127 thousand provision for onerous projects.

The provisions totalling Euros 57,590 thousand recognised in Brazil for onerous contracts are mainly due to a small number of problematic projects, in a context of a notable worsening of the macro economic conditions in the country, longer payment periods from public entities, budget restrictions for public clients and tightening of the exacting local conditions for accepting project milestones.

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32. IMPAIRMENT AND GAINS/ LOSSES ON DISPOSAL OF FIXED ASSETS

Details at 31 December 2015 and 2014 are as follows:

	Thousands of Euros	
	2015	**2014**
Disposals/impairment of goodwill (note 8)	(104.732)	(22.145)
Impairment and gains/(losses) on disposal of intangible assets (note 9)	(7.495)	(19.928)
Impairment and gains/(losses) on disposal of property, plant and equipment (note 6)	(5.473)	(1.272)
Impairment and gains/(losses) on disposal of investment property (note 7)	-	(485)
Impairment of other non-current financial assets (note 12 c)	(3.090)	-
Total	**(120.790)**	**(43.830)**

In 2015, impairment and gains/losses on disposal of fixed assets comprises impairment of Euros 7,396 thousand on intangible assets recognised in 2011 as a result of the acquisition of Politec Tecnología da Informacao, S.A.

In 2014 the Parent recognised an impairment loss of Euros 18,865 thousand on investments made in the energy market commercial management system under impairment and gains/losses on disposal of fixed assets (see note 9).

Impairment of Euros 4,313 thousand is included under impairment and gains/losses on disposal of property, plant and equipment in respect of a building transferred to property, plant and equipment as a result of the agreement to buy Politec Tecnología da Informacao, S.A. (notes 6 and 12c).

This amount also includes disposals of Euros 1,160 thousand (Euros 1,272 thousand in 2014) due to the renewal of equipment, mainly carried out by the subsidiary, Indra Brasil, S.A.

In 2014 impairment and gains/losses on investment property included a loss of Euros 485 thousand incurred on the sale of investment properties by the subsidiary Prointec, S.A. (Note 7)

33. SHARE IN PROFIT/LOSS OF OTHER INVESTEES

Details at 31 December 2015 and 2014 are as follows:

	Thousands of Euros	
	2015	**2014**
Gains on financial assets	4.576	64
Losses and impairment of financial assets (note 12 c)	(10.053)	(1.812)
Total	**(5.477)**	**(1.748)**

Losses and impairment of financial assets comprise Euros 3,502 thousand due to the derecognition of the estimated value of a nine-year marketing agreement related to the sale of Gibb Portugal Consultores de Engenharia, Gestado e Ambiente, S.A (note 12c).

A loss of Euros 2,676 thousand was also recognised as a result of the sale of the subsidiary Soluziona SP CA (note 1).
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34. FOREIGN CURRENCY TRANSACTIONS

The main transactions in non-Euro currencies in 2015 and 2014 are as follows:

	Thousands of Euros	
	2015	**2014**
Sales	1.202.186	1.318.976
Purchases	547.223	534.846

35. DEPOSITS AND GUARANTEES

At 31 December 2015 several different banks and insurance companies had deposited guarantees totalling Euros 1,008,742 thousand with third parties on behalf of the Group, mainly to secure the completion of contracts. At 31 December 2014 these guarantees totalled Euros 999,676 thousand.

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

In 2015 and 2014 guarantees amounting to Euros 6,413 thousand were received from third parties to ensure fulfilment of project-related obligations. They consist of bank guarantees with different maturities, which Indra can execute if the third party fails to meet the obligations guaranteed.

36. TAXATION

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

At 31 December 2015 and 2014, in accordance with IAS 12, the Group has presented its net deferred tax assets and liabilities by jurisdiction, amounting to Euros 59,010 thousand and 89,155 thousand, respectively.

Deferred tax assets

Details of movement in deferred tax assets are as follows::

	Thousands of Euros						
	Balance at 31.12.14	Change in tax rates	Translation differences	Generated	Reversals	Other movements	Balance at 31.12.15
Deferred tax assets	205.195	(20.067)	(8.930)	151.049	(72.719)	4.499	259.027

	Thousands of Euros						
	Balance at 31.12.13	Change in tax rates	Translation differences	Generated	Reversals	Other movements	Balance at 31.12.14
Deferred tax assets	175.045	(16.600)	333	95.642	(44.885)	(4.340)	205.195

The recovery of deferred tax assets depends on the generation of sufficient taxable income in the future. The Parent's directors consider that the projected future profits of the various Group companies amply cover the amounts necessary to recover these assets, above all because the Parent's losses in 2015 and 2014 are due to non-recurring impacts, including the workforce restructuring plan that will result in higher margins in future years.

Details of deferred tax assets at 31 December 2015 and 2014 are as follows:

	Thousands of Euros	
Concept	**2015**	**2014**
Charges to and application of provisions	47.558	52.246
Amortisation of goodwill	2.131	1.974
Excess amortisation/depreciation	4.823	5.708
Tax loss carryforwards and tax deductions	136.962	112.044
Other	67.553	33.223
Deferred tax assets	**259.027**	**205.195**

The period for reversal of the tax losses and deductions recognised in 2015 is as follows:

Años	Thousands of Euros
2017	1.960
2018	408
2019	-
2020	-
Subsequent years	316.345
Total	**318.713**

The Spanish Group companies have deferred tax assets with an estimated reversal period of more than one year amounting to Euros 131,044 thousand (Euros 100,615 thousand at 31 December 2014).

Approximately 75% of the deferred tax assets recognised are expected to be recovered within three years.

Current tax assets

Details of income tax assets at 31 December 2015 and 2014 are as follows:

	Thousands of Euros	
	2015	2014
Prior years' income tax recoverable	3.353	-
Current year's income tax recoverable	24.988	50.057
Total	**28.341**	**50.057**

Deferred tax liabilitiess

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

Details of movement in deferred tax liabilities during 2015 and 2014 are as follows:

	Thousands of Euros						
	Balance at 31.12.14	Change in tax rates	Translation differences	Generated	Reversals	Other movements	Balance at 31.12.15
Deferred tax liabilities	90.976	97	(3.510)	2.352	(30.488)	2.913	62.340

	Thousands of Euros						
	Balance at 31.12.13	Change in tax rates	Translation differences	Generated	Reversals	Other movements	Balance at 31.12.14
Deferred tax liabilities	104.094	(18.675)	352	13.770	(1.333)	(7.232)	90.976

Details of deferred tax liabilities at 31 December 2015 and 2014 are as follows::

	Thousands of Euros	
Concept	2015	2014
Finance leases	567	598
Taxable capital gains	2.382	2.427
Portfolio provisions	30.745	33.665
Amortisation of goodwill R&D loan adjustments	24.445	23.344
Other	4.201	30.942
Deferred tax liabilities	**62.340**	**90.976**

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It is not expected that a material amount of deferred tax liabilities will be reversed in less than one year.

Current tax liabilities

Details of income tax liabilities at 31 December 2015 and 2014 are as follows:

	Thousands of Euros	
	2015	2014
Prior years' income tax	406	2.617
Current years' income tax	3.866	7.597
Income tax (companies located abroad)	7.406	7.126
TOTAL	**11.678**	**17.340**

Income tax expense

Due to the treatment permitted by fiscal legislation of certain transactions, accounting profit differs from taxable income. A reconciliation of accounting profit/loss for the year with the taxable income of the companies forming the Group, including the income tax expense calculation at 31 December 2015 and 2014, is as follows:.

	Thousands of Euros	
Concept	**2015**	**2014**
A. -Accounting profit before tax	**(705.903)**	**(97.016)**
Adjustments to accounting profit:		
Other positive differences	285.521	67.160
Other negative differences	(61.851)	(47.922)
Total adjustments to accounting profit	**223.670**	**19.238**
B. -Adjusted accounting profit	**(482.233)**	**(77.778)**
Temporary differences:		
Positive, generated during the year	262.067	85.264
Positive, generated in prior years	80.230	8.142
Negative, generated during the year	(10.277)	(46.649)
Negative, generated in prior years	(80.081)	(49.095)
Total temporary differences	**251.939**	**(2.338)**
C.-Taxable income	**(230.294)**	**(80.116)**
D.- Tax loss carryforwards for offset	-	(5.523)
E.- Adjusted taxable income	**(230.294)**	**(85.639)**
Income tax payable	**(51.128)**	**(25.533)**
Deductions:		
International double taxation relief	(3.513)	(7.204)
Investments in R&D&i and others	(9.911)	(17.595)
F.- Credit for loss carryforwards	**76.136**	**60.462**
G.- Local taxes abroad	**1.032**	**582**
H.- Total tax payable	**12.616**	**10.712**
Withholdings and payments on account	29.519	38.617
Total recoverable	**(16.903)**	**(27.905)**
I.- Deferred tax assets (current year)	(73.696)	(25.688)
J.- Deferred tax assets recovered	(22.048)	15.523
K.- Deferred tax liabilities (current year)	24.513	13.770
L.- Deferred tax liabilities recovered	(1.174)	(1.333)
Accrued income tax (H+I+J+K+L)	**(59.789)**	**12.984**
Income tax (companies located abroad)	**9.778**	**13.792**
Prior years' income tax	**(145)**	**9.275**
Income tax, differences in tax rates	**12.494**	**(2.075)**
Deductions capitalised	**(26.389)**	**(40.592)**
M.- Income tax for the year	**(64.051)**	**(6.616)**
Loss for the year after tax (A-M)	**(641.852)**	**(90.400)**

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

	2015	
	Thousands of Euros	%
Consolidated loss (before tax)	**(705.903)**	
Income tax at the rate applicable in Spain	(197.653)	28,00%
Effect of permanent differences	62.628	(8,87%)
Effect of deductions	(3.759)	0,53%
Effect of other income tax adjustments from prior years	(145)	0,02%
Effect of tax loss carryforwards	76.136	(10,79)%
Effect of deductions capitalised	(26.389)	3,74%
Income tax on companies located abroad	10.810	(1,53)%
Effect of different tax rates	14.321	(2,03)%
Total	**(64.051)**	**9,07%**

	2014	
	Thousands of Euros	%
Consolidated loss (before tax)	**(97.016)**	
Income tax at the rate applicable in Spain	(29.105)	30,00%
Effect of permanent differences	5.771	(5,95)%
Effect of deductions	(24.799)	25,56%
Effect of other income tax adjustments from prior years	9.275	(9,56)%
Effect of tax loss carryforwards	60.462	(62,32)%
Effect of deductions capitalised	(40.592)	41,84%
Income tax on companies located abroad	13.792	(14,22)%
Effect of different tax rates	(1.421)	1,46%
Total	**(6.616)**	**6,82%**

Details of available deductions for investment, training and export activities at 31 December 2015 and 2014 are as follows:

(Thousands of Euros)			
Deductions for investments and other reasons			
Years	2015	Years	2014
2011 and prior years	3.661	2010 and prior years	4.006
2012	311	2011	455
2013	101	2012	311
2014	44	2013	155
2015	7	2014	44
Total 2015	**4.124**	**Total 2014**	**4.971**

As in 2014, the Group has no reinvestment commitments at 31 December 2015.

Under prevailing Spanish tax legislation, the application period for deductions in respect of investments is 18 years and for other deductions is 15 years.

The reversal periods for available deductions for investments, training and export activity in 2015 are as follows:

Years	Thousands of Euros
2026	-
Subsequent years	4.124
Total	**4.124**

Details of loss carryforwards available for offset at 31 December 2015 and 2014 that have not been recognised because the Group does not foresee their recovery in a period under 10 years are as follows:

(Thousands of Euros)			
Tax loss carryforwards for offset			
Years	2015	Years	2014
2011 and prior years	100.855	2010 and prior years	32.040
2012	28.565	2011	16.926
2013	31.090	2012	31.801
2014	59.507	2013	21.339
2015	174.717	2014	18.244
Total 2015	**394.734**	**Total 2014**	**120.350**

The period for reversal of available tax losses for offset in 2015, which have not been recognised, is as follows:

Years	Thousands of Euros
2016	3.282
2017	1.417
2018	3.369
2019	4.202
2020	3.010
2021	722
2022	1.367
2023	2.891
2024	1.912
Unlimited	372.562

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

As a result of the approval of the Corporate Income Tax Law 27/2014, of 27 November 2014, which came into effect on 1 January 2015 and will generally be applicable to the tax periods starting on or after that date of the Spanish Group companies, the tax rate will gradually decline. The general tax rate is 28% in 2015 and is reduced to 25% in 2016. Consequently, the Spanish Group companies have adapted their deferred tax rates, taking into account the year in which they will revert.

In accordance with prevailing legislation, taxes cannot be considered definitive until they have been inspected by the taxation authorities or before the prescription period pursuant to legislation in force in each of the countries in which the Group operates has elapsed. The Parent has open to inspection all applicable taxes for 2011 and subsequent years.

On 21 December 2015 the Parent received official notice of the commencement of an inspection of the following taxes and years.

Concept	Periods
Income tax	2011 a 2014
Value added tax	2012 a 2014
Withholdings on account. Non-resident tax	2012 a 2014
Annual informative summary of transactions	2011 a 2014

To date only notice of verification of the Parent has been received.

At the date of preparing these consolidated annual accounts, the process is just beginning, therefore the Company has no estimates in this respect. Nevertheless the Parent considers that it has paid the applicable taxes correctly. However, discrepancies could arise because of the Parent's interpretation of prevailing tax legislation, although it considers these would not be significant in relation to the accompanying consolidated annual accounts.

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

Balances with public entitiess

The balances receivable from public entities are as follows:

	Thousands of Euros	
	2015	**2014**
Taxation authorities (receivable):		
Value added tax	32.712	26.231
Other taxes	8.505	7.578
Subtotal	**41.217**	**33.809**
Grants receivable	42	2.251
Social Security receivable	2.778	4.573
Total (note 14)	**44.037**	**40.633**

Details of balances payable to public entities are as follows:

	Thousands of Euros	
	2015	2014
Taxation authorities payable:		
Value added tax	65.098	60.070
Personal income tax withholdings	26.124	28.033
Other taxes	5.712	6.547
Subtotal	**96.934**	**94.650**
Repayable grants	2	2
Social Security payable	27.427	29.364
Total (note 26)	**124.363**	**124.016**

37. FINANCIAL RISK MANAGEMENT AND HEDGING POLICIES

Financial risk factors

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

Financial risk management is controlled by the Group's Finance and Control departments. Internal regulations provide written policies for global risk management, as well as policies for specific issues such as currency risk, interest rate risk and liquidity risk.

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

1. Market risk

a. Currency risk

The Group operates internationally and is therefore exposed to currency risk when operating with foreign currencies. Currency risk arises from future commercial transactions and recognised assets and liabilities which are presented in a foreign currency that is not the functional currency of each of the companies.

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

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

The Group's exposure to currency risk at 31 December 2015 and 2014 is presented in Appendix III. This appendix reflects the carrying amount of the Group's financial instruments or classes of financial instruments denominated in foreign currencies (in thousands of Euros).

To compare the gross exposure covered by hedging instruments, based on the Group's policies, the amounts of foreign subsidiaries in local currency are eliminated.

The Group's currency risk management policy generally involves hedging 100% of the net exposure arising from transactions in currencies other than the functional currency of each company. Hedging instruments are not used in transactions that are not material, when there is no active market for the hedging instruments, which is the case of certain non-convertible currencies and when other mechanisms are available to offset currency fluctuations in supplier payments or trade receivables.

The sensitivity analysis of +/-5% variation in the exchange rate for the main functional currencies (other than the Euro) where the Group has exposure due to its foreign subsidiaries is as follows:

Variation in equity 2015

+5%	Thousands of Euros
US Dollar	373
Argentine Peso	(45)
Brazilian Real	(2.096)

Variation in profit/(loss) 2015

+5%	Thousands of Euros
US Dollar	(102)
Argentine Peso	(12)
Brazilian Real	(11.840)

Variation in equity 2014

+5%	Thousands of Euros
US Dollar	440
Argentine Peso	47
Brazilian Real	61

Variation in profit/(loss) 2014	
+5%	Thousands of Euros
US Dollar	(61)
Argentine Peso	(51)
Brazilian Real	222

b. Interest rate risk

Interest rate risk arises due to exposure to movements in the interest rate curves applicable to long-, medium- and short-term bank borrowings. Indra considers arranging financial instruments to manage these risks when circumstances so dictate. At 31 December 2015, Indra holds interest rate hedges for non-current bank borrowings through variable to fixed interest rate swap contracts. In 2013 the Group carried out a fixed-interest bond issue, eliminating this risk for a large part of its non-current borrowings (see note 20).

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

	2015		2014	
	Interest rate fluctuation		Interest rate fluctuation	
	+0,5%	-0,5%	+0,5%	-0,5%
Impact on loss for the year before tax	(1,62)	1,62	(1,13)	1,13

2. Credit risk

Indra is exposed to this risk due to possible default by customers. The credit standing of Indra's customers is very good. Due to the nature of Indra's business, its commercial relationships are mainly with large business groups, governments, public sector bodies and public-private partnerships, which are exposed to a lesser extent to the risk of default. Nevertheless, it uses irrevocable letters of credit and hedges transactions through insurance policies to insure collection, especially in the international sales area.

The Group provides for trade receivables when there is objective evidence of impairment. The established procedure excludes the following; Institutional debt, withholdings for warranties, where the third party is client and supplier and sufficient amounts are involved to offset the debt, where the Group has a document recognising the debt and the client has committed to pay, debt related to customer advances and when there is evidence of negotiations which are expected to end in an agreement with a prompt solution.

These tables present details of the ageing of past-due unimpaired financial assets at 31 December 2015 and 2014.

2015 (Thousands of Euros)	Less than 3 months	3 to 6 months	6 months to 1 year	More than 1 year	Total
Trade and other receivables	271.335	37.693	17.115	66.563	392.706
Total assets	**271.335**	**37.693**	**17.115**	**66.563**	**392.706**

2014 (Thousands of Euros)	Less than 3 months	3 to 6 months	6 months to 1 year	More than 1 year	Total
Trade and other receivables	203.746	32.556	41.896	85.025	363.223
Total assets	**203.746**	**32.556**	**41.896**	**85.025**	**363.223**

3. Liquidity risk

Liquidity risk is that which could generate difficulties in meeting obligations associated with financial liabilities that are settled by delivering cash or other financial assets. The objectives of liquidity risk management are to guarantee a level of liquidity while minimising the opportunity cost and to maintain a financial debt structure based on maturities and sources of financing. In the short term liquidity risk is mitigated by maintaining an adequate level of readily available resources, including cash and short-term deposits, available credit facilities and a portfolio of highly liquid assets.

The Indra Group's liquidity policy consists of arranging committed long-term credit facilities with banks and temporary investments in an amount sufficient to cater for projected needs for a given period based on the status and expectations of the debt and capital markets. The above-mentioned foreseen requirements include maturity of net financial debt. Further details of the characteristics and conditions of borrowings and financial derivatives are provided in notes 20 and 24. The Group makes cash flow forecasts to ensure that it has sufficient cash to meet operating requirements, maintaining suitable levels of availability on undrawn loans

Details of the Indra Group's liquidity at 31 December 2015 and 2014 are as follows:

	2015 (Thousands of Euros)					
	Less than 1 month	1 to 3 months	3 months to 1 year	1 to 5 years	More than 5 years	Total
Loans and borrowings	12.338	8.833	55.587	467.685	254.083	798.526
Financial liabilities from bonds and debentures	-	-	729	237.543	-	238.272
Finance lease payables	158	586	1.145	2.605	-	4.494
Trade and other payables	222.793	373.554	216.337	6.901	-	819.585
Other financial liabilities	-	9.431	-	8.451	3.065	20.947
Total	**235.289**	**392.404**	**273.798**	**723.185**	**257.148**	**1.881.824**
Derivative financial instruments	128	892	29.916	11.436	-	42.372
Total	**235.417**	**393.296**	**303.714**	**734.621**	**257.148**	**1.924.196**

	2014 (Thousands of Euros)					
	Less than 1 month	1 to 3 months	3 months to 1 year	1 to 5 years	More than 5 years	Total
Loans and borrowings	27.361	14.924	47.607	224.126	367.581	681.599
Financial liabilities from bonds and debentures	38.891	-	-	229.686	-	268.577
Finance lease payables	175	600	1.304	4.337	-	6.416
Trade and other payables	45.953	616.707	86.897	-	-	749.557
Other financial liabilities	-	-	-	30.910	-	30.910
Total	**112.380**	**632.231**	**135.808**	**489.059**	**367.581**	**1.737.059**
Derivative financial instruments	-	1.345	17.148	8.785	-	27.278
Total	**112.380**	**633.576**	**152.956**	**497.844**	**367.581**	**1.764.337**

38. COMMITMENTS AND OTHER CONTINGENT LIABILITIES

Foreign currency commitments

The Group has arranged forward currency sale and purchase agreements to cover open foreign currency positions at 31 December 2015 (see note 4 t). These commitments are as follows::

2015	Amount in foreign currency			
	Current		Non-current	
Currency	Purchase	Sale	Purchase	Sale
US Dollar	30.597.934,36	203.871.306,04	2.980.242,94	91.333.997,58
Pound Sterling	5.340.589,87	11.853.429,97	581.764,00	4.102.904,68
Swiss Franc	222.012,63	75.700,00	-	-
Chilean Peso	41.183.798,00	3.710.885.003,00	-	10.444.466,00
Mexican Peso	-	327.063.563,64	-	1.320.095,00
UAE Dirham	-	393.796.002,00	-	152.879.835,00
Australian Dollar	1.847.651,00	5.851.204,80	-	534.376,20
Canadian Dollar	237.426,59	3.239,57	325.000,00	-
Norwegian Krone	202.619,70	-	-	-
Brazilian Real	1.644.073,00	4.624.712,05	-	452.083,00
Colombian Peso	1.122.492.871,00	14.313.016.656,00	-	-
Moroccan Dirham	-	12.906.075,00	-	-
Kuwaiti Dinar	-	104.573,00	-	-
Polish Zloty	220.129,73	758.280,85	-	-
Peruvian Sol	611.021,82	7.560.045,59	-	-
Czech Koruna	640.000,00	-	-	-
Chinese Yuan	10.618.864,00	-	-	-
Indian Rupee	-	5.750.544,00	-	-
Malaysian Ringgit	-	71.500.957,00	-	23.332.714,00
Philippine Peso	-	49.476.015,00	-	-
Turkish Lira	-	18.100.870,77	-	6.349.241,59
Sudafrican Rand	-	8.055.884,00	-	297.303,00
Romanian Leu	6.206.200,00	-	-	-

At 31 December 2014 the Group had arranged the following:

2014	Amount in foreign currency			
	Current		Non-current	
Currency	Purchase	Sale	Purchase	Sale
US Dollar	52.347.430,94	259.216.152,82	2.741.192,00	127.639.198,00
Pound Sterling	3.704.042,62	7.726.328,71	594.274,00	4.379.690,55
Swiss Franc	412.629,71	991.000,00	-	-
Chilean Peso	161.248.988,00	6.314.631.552,00	82.574.845,00	-
Mexican Peso	110.502,00	359.775.872,09	-	9.335.880,55
UAE Dirham	44.560,00	720.000,00	-	-
Australian Dollar	896.048,64	9.556.403,28	-	4.350.131,00
Canadian Dollar	195.969,72	602.487,79	880.000,00	-
Norwegian Krone	14.426.031,12	328.417,00	-	-
Brazilian Real	1.228.593,19	144.963.094,65	-	-
Colombian Peso	2.570.304.975,00	27.595.859.763,00	-	-
Moroccan Dirham	1.202.293,00	15.968.141,00	-	-
Kuwaiti Dinar	-	1.024.705,44	-	-
Polish Zloty	229.307,84	14.397.232,20	-	-
Peruvian Sol	381.579,00	2.739.307,76	-	-
Czech Koruna	5.173.008,50	680.625,00	-	-
Chinese Yuan	-	2.305.329,00	-	-
Indian Rupee	-	30.087.614,00	-	-
Malaysian Ringgit	-	28.889.743,00	-	-
Philippine Peso	-	116.568.027,17	-	-
Russian Rouble	456.515,00	-	-	-
Romanian Leu	-	331.148,00	-	-

At 31 December 2015 and 2014 exchange rate hedges are valued as follows:

	Thousands of Euros							
	2015				2014			
	Current		Non-current		Current		Non-current	
Exchange rate hedges	**Assets**	**Liabilities**	**Assets**	**Liabilities**	**Assets**	**Liabilities**	**Assets**	**Liabilities**
Cash flow hedges	1.767	12.890	-	11.009	4.731	7.722	14	7.458
Fair value hedges	(66)	18.046	-	428	(3.953)	10.771	-	1.327
Total (note 10)	**1.701**	**30.936**	**-**	**11.437**	**778**	**18.493**	**14**	**8.785**

The information on foreign currency cash flow hedges is as follows:

- Income of Euros 2,301 thousand was reclassified from equity to the consolidated income statement (an expense of Euros 459 thousand in 2014).
- Correction costs (recognition of inefficiency) amount to Euros 2, 619 thousand in 2015 (Euros 947 thousand in 2014).
- A gain of Euros 4,121 thousand attributable to the hedging instrument was recognised in 2015 and a gain of Euros 874 thousand in 2014 (same amount of gain/loss as the hedged item).

The years in which the cash flows from non-current foreign currency hedges are expected are as follows:

	Thousands of Euros			
	2015		2014	
	Assets	**Liabilities**	**Assets**	**Liabilities**
2016	-	-	14	5.707
2017	-	7.301	-	747
2018	-	1.277	-	320
2019	-	1.471	-	250
Total	**-**	**10.049**	**14**	**7.024**

Cash flow hedges also include interest rate swaps used by the Parent to manage its exposure to interest rate fluctuations, mainly on non-current bank loans arranged at floating rates. The fair value of these swaps, Euros 668 thousand (Euros 1,761 thousand in 2014) has been determined based on the market values of equivalent financial derivatives at the reporting date (see note 21).

The interest rate hedges arranged are swaps that ensure a fixed interest rate on three non-current loans bearing a floating interest rate arranged with two financial institutions. The swap and the loan interest have the same quarterly settlement dates.

Details of the swap are as follows:

Thousands of Euros					
2015		2014			
Notional amount hedged	**Fixed rate average swap**	**Notional amount hedged**	**Fixed rate average swap**	**Final maturity**	**Variable rate swapped**
76.668	1,68%	103.462	1,60%	2016-2017	Euribor 3 meses

The impact on the consolidated income statement in 2015 and 2014 was zero as the gain/loss from the financial instrument is offset by the loss/gain (opposite result) of the swap.

39. OPERATING LEASES

The Group has leased certain assets under operating leases from third parties.

The most significant lease contracts are as follows:

Lessor	Leased premise	Contract signature date	Contract expiry date	Review	Review %	Security deposits (Thousands of Euros)
Testa Inmuebles en Renta, S.A.	Avenida de Bruselas, 35 (Alcobendas)	01/01/2002	30/06/2022	July	I.G.P.C.	1.005
Ayuntamiento de Alcobendas	Anabel Segura, 7 (Alcobendas)	01/09/2007	31/05/2017	January	I.G.P.C.	423
Gratan, S.L.	Tanger, 120 (Barcelona)	01/07/2005	01/01/2017	July	I.G.P.C.	660
Grupo Castellvi	Tanger 98-108, Edificio Interface (Barcelona)	01/07/2008	31/10/2027	June	I.G.P.C.	371
OBENQUE, S.A.	Julian Camarillo, nº 16-20. Madrid	26/07/2011	31/12/2021	January	I.G.P.C.	192

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

Owner	Location	Contract expiry date	2015 expense	2014 expense
Testa	Alcobendas (Madrid)	30/06/2022	6.492	6.405
Ayuntamiento de Alcobendas/Sogepima	Alcobendas (Madrid)	31/05/2017	2.746	2.151
Grupo Castellvi	Barcelona	31/10/2017	3.248	3.152
Gratana, S.L:	Barcelona	01/01/2017	1.280	1.278
Obenque	Madrid	31/12/2021	1.318	1.343
Mapfre Vida, S.A.	Madrid	29/02/2016	650	737
Construzioni Civili e Commerciali Spa	Roma (Italia)	30/06/2020	668	-
Selección de Inmuebles, S.A.	Valencia	30/09/2023	737	-
Rentiber Internacional	San Fernando de Henares (Madrid)	31/03/2017	744	746
Grupo Integral de Desarrollo Inmobiliario	México D.F. (México)	31/12/2022	1.239	780
Portocarrio, S.L.	Madrid	07/04/2016	521	692
Auris Andino Inversiones Inmobiliarias	Avda. del Valle (Chile)	31/01/2016	590	639
Mapfre Vida, S.A.	Madrid	30/04/2017	-	516
Colombiana de Televisión, S.A.	Bogotá (Colombia)	30/11/2014	55	503
Edificio de Alcobendas, S.A.	Alcobendas (Madrid)	31/05/2015	430	431
Inmobiliaria Financiera	Bogotá (Colombia)	31/08/2017	33	272
General de Edificios y Solares	La Coruña	31/05/2014	367	401
Red Tenc. Servicio de Asistencia Sanitaria	Málaga	31/08/2021	423	364
Fundación P. Científico Universidad de Salamanca	Salamanca	31/10/2017	243	351
Allenza Toro Spa	Roma (Italia)	30/09/2016	-	360
Inmoan, S.L.	Torrejon de Ardoz - Madrid	31/10/2019	249	255
Veintisiete, S.L.	Barcelona	31/10/2015	421	286
Farrag, S.L.	Cordovilla (Navarra)	30/06/2022	286	286
Gasel, S.A.	Paraná (Brasil)	31/12/2015	-	279
Morera yVallejo Patrimonioal, S.A.	Sevilla	31/12/2019	277	269
Sprilur, S.A.	Erandio (Vizcaya)	31/05/2019	230	267
Fernando González Tovar	México D.F. (México)	31/07/2015	275	258
Fossgal, S.A.	Buenos Aires (Argentina)	31/12/2015	-	258
Telefónica de España, S.A.U.	León	31/03/2016	324	-
Parque Cintífico y Tecnológico de Extremadura	Badajoz	31/01/2022	300	-
Otros			3.870	7.540

(*) Others include all amounts lower than Euros 250 thousand.

40. REMUNERATION OF THE BOARD OF DIRECTORS AND SENIOR MANAGEMENT

Remuneration of board members

1. Remuneration for being a member of governing bodies

The board members receive remuneration for acting as such based on their involvement in the different governing bodies.

This remuneration has been determined following the best practices and recommendations included in the remuneration policy approved by the shareholders at their general meeting on 25 June 2015.

By applying the criteria in this remuneration policy the board of directors considered it necessary to reduce their remuneration by 20% on a straight-line basis with effect from January 2015 following a report from the Appointments, Remuneration and Corporate Governance Committee. They therefore receive the following annual amounts: Euros 80 thousand for members of the board of directors; Euros 40 thousand for Audit and Compliance Committee members; Euros 24 thousand for Appointments, Remuneration and Corporate Governance Committee members and Euros 24 thousand for Strategy Committee members. The chairperson of each body receives 1.5 times these amounts. Based on the composition of each body the average annual income is approximately Euros 125 thousand per board member.

An itemised breakdown of total remuneration received by each member of the board of directors of the Parent in 2015 and 2014 for belonging to the governing bodies is presented in the following four tables:

Remuneration of directors (in euros) 2015

	Fixed Amount				
Board member	**Board of directors**	**Strategy committee**	**Audit and complian-ce committee**	**Appointments,remuneration and corporate governance committee**	**Total**
F. Abril-Martorell (1)	110.000	33.000	-	-	143.000
I. Aguilera	80.000	24.000	20.000	12.000	136.000
J. de Andrés	80.000	-	-	-	80.000
J.C. Aparicio	80.000	-	40.000	-	120.000
D. García-Pita	80.000	-	-	36.000	116.000
L.Lada	80.000	24.000	-	-	104.000
E. de Leyva (2)	53.333	16.000	20.000	4.000	93.333
J. March	80.000	24.000	-	12.000	116.000
S. Martínez-Conde	80.000	-	40.000	12.000	132.000
A. Menéndez	80.000	24.000	-	24.000	128.000
J. Monzón (3)	12.500	3.750	-	-	16.250
M. de Oriol (4)	26.666	-	-	8.000	34.666
I. Santillana	80.000	24.000	50.000	-	154.000
R.Sugrañes	80.000	-	-	24.000	104.000
A.Terol	80.000	24.000	50.000	-	154.000
Total	**1.082.499**	**196.750**	**220.000**	**132.000**	**1.631.249**
Average remuneration per board member (13 members)					**125.481**

(1) Chairman since February 2015
(2) Board member since May 2015
(3) Chairman until January 2015
(4) Board member until April 2015

Remuneration of directors (in euros) 2014

Board member	Fixed amount				
	Board of directors	Delegate committee	Audit and compliance committee	Appointments remuneration and corporate governance committe	Total
I. Aguilera	100.000	-	50.000	-	150.000
J. de Andrés	100.000	45.000	-	-	145.000
J.C. Aparicio	100.000	-	50.000	-	150.000
Casa Grande de Cartagena (1)	58.333	17.500	-	-	75.833
D. García-Pita	100.000	-	-	45.000	145.000
L.Lada	100.000	30.000	50.000	-	180.000
J. March	100.000	30.000	-	30.000	160.000
S. Martínez-Conde	100.000	-	50.000	-	150.000
A. Menéndez	100.000	30.000	-	30.000	160.000
J. Monzón	150.000	-	-	-	150.000
M. Oriol	100.000	-	-	30.000	130.000
I. Santillana	100.000	30.000	-	30.000	160.000
R. Sugrañes	100.000	30.000	-	-	130.000
A. Terol	100.000	30.000	75.000	-	205.000
Total	**1.408.333**	**242.500**	**275.000**	**165.000**	**2.090.833**
Average remuneration per board member (13.6 members)					**153.738**

(1) Board member until July 2014

During 2015 and 2014 no options on Parent shares were granted to the members of the board of directors, nor did they exercise any options on Parent shares. At the 2015 and 2014 year ends the members of the board of directors do not hold any Parent share options.

In 2015 and 2014 the members of the board of directors have not received any benefits or remuneration other than those disclosed above for belonging to governing bodies. Neither the Parent nor any of the consolidated group companies have assumed any pension commitments on behalf of directors for belonging to these bodies or extended any loans or advances to them.

Without prejudice to the fact that, as indicated, the remuneration of the board members for belonging to governing bodies is settled entirely in cash, all of the board members use a significant part of the sum received (currently 50% of the net remuneration) to purchase Indra shares, having announced publicly their commitment to retain ownership of these shares until the end of their mandate. The Spanish National Securities Market Commission was informed of this decision in a price sensitive information report filed on 28 July 2011, and the members of the board have fulfilled these commitments since then.

2. Remuneration of executive directors for duties delegated by the board of directors.

Irrespective of the remuneration indicated in section 1.1. above, executive directors earn additional remuneration as a result of their contractual relationship with the Parent for performing their executive functions. This remuneration is based on the same criteria and includes the same components as that received by the rest of the Parent's senior management personnel, therefore for the sake of clarity it is explained along with that of the other senior management personnel in section 2 below.

Remuneration of senior management

1. Characteristics and components of the remuneration system.

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

Since 2002 the Parent has established the remuneration framework for senior management for three year periods.

In 2015, based on a recommendation of the Appointments, Remuneration and Corporate Governance Committee, the board of directors proposed to the shareholders at their general meeting a review of the remuneration scheme for senior management to adapt it to international standards and the recommendations of the new Good Governance Code for listed companies. At the general meeting held on 25 June 2015 the shareholders approved a remuneration policy that reflects these changes and establishes the remuneration framework for 2015, 2016 and 2017, which includes the following components:

- Fixed remuneration (FR), received entirely in cash and which does not vary, other than in justified exceptional cases, for the three year period. This represents 25-48% of the total annualised remuneration.

- Variable annual remuneration (VAR), which depends on the valuation of the achievement of targets and represents 26-35% of total annualised remuneration when targets are fully met. This remuneration is paid 70% in cash and the other 30% is deferred over three years in three parts. It is paid entirely in Company shares, the number of which is fixed at the date the variable annual remuneration is accrued based on the average listed price in the previous 30 calendar days.

  To determine the extent to which each senior executive has reached his or her goals, the Company weighs up overall targets and the executive's quantitative and qualitative individual targets for his or her area of responsibility, using the corresponding metrics and scales of achievement for each person.

- (Medium-term remuneration (MTR), which depends on the valuation of the achievement of targets and represents 26-40% of total annualised remuneration when targets are fully met. This is paid entirely in Parent shares, the number being set at the outset, based on the fulfilment of the targets set for each period ("Performance Share Plan"). These objectives are strategic and medium term, such as the relative total shareholder return (TSR) compared to the IBEX-35.

  The medium-term remuneration has been set for a three-year period (2015-2017) and is accrued, if applicable, at the end of that period.

- Remuneration in kind, which mainly consists of a life insurance policy, health insurance and use of a car.

The weighting of each of the above remuneration components is as follows:

	Chairman and CEO	General managers
FR	25%	33%-48%
VAR	35%	26%-32%
MTR	40%	26%-35%

Additionally the two executive directors and four general managers are beneficiaries of an early retirement and long-term savings scheme (ERLTSS) externalised to an insurance company as an endowment life insurance. The Parent makes an annual defined contribution for each beneficiary, who has the right to receive the accumulated amount in the early retirement and long-term savings scheme at 62 or earlier if they leave the Parent for reasons not attributable to themselves. The annual contributions are determined as a percentage of the total annualised remuneration of the senior executive and are within the range of 12-17% of the remuneration.

These remuneration components are explained in detail in section A of the Annual Remuneration Report, including information on the targets set for senior management in the case of variable remuneration as well as the procedures and methodology to measure achievement.

2. Remuneration amounts

In 2015 the composition of the senior management team was as follows::

Chairman	Fernando Abril-Martorell (1)
	Javier Monzón (2)
Managing Director	Javier de Andrés
Corporate general Managers	Juan Carlos Baena (3)
	Emma Fernández (3)
	Carlos González
	Javier Lázaro (4)
	Antonio Mora (4)
	Dolores Sarrión
	Juan Tinao
General Managers of Operations	Eduardo Bonet
	José Cabello
	Emilio Díaz (3)
	Rafael Gallego
	Santiago Roura (3)
	José Manuel Pérez-Pujazón
	Cristina Ruiz
	Carlos Suárez

(1) Since February 2015.
(2) Until January 2015.
(3) Resigned during 2015.
(4) Appointed during 2015

Below is a breakdown of the remuneration of each executive director:

(Thousands of Euros)	Fernando Abril-Martorell Chairman		Javier de Andrés Managing Director		Javier Monzón Chairman (until January 2015)	
	2015	2014	2015	2014	2015	2014
FR	711	-	550	550	83	1.000
VAR	448	-	192	-	-	-
MTR	-	-	-	- (1)	-	- (1)
Remuneration in kind	30	-	37	35	22	125
Share-based payments	-	-	-	550	-	1.000
Subtotal	**1.189**	**-**	**779**	**1.135**	**105**	**2.125**
Other	-	-	-	-	3.769 (2)	-
ERLTSS	-	-	-	-	12.067 (3)	-
Total	**1.189**	**-**	**779**	**1.135**	**15.941**	**2.125**

(1) On the recommendation of the Appointments, Remuneration and Corporate Governance Committee, the board of directors agreed to cancel the medium term incentive for 2014-2016 and replace it with the prevailing MTR, which based on the evaluation of the fulfilment of targets by the executive directors, resulted in Euros 0 for both.
(2) This figure includes the amount received at the time their contractual relationship with the Company was terminated (Euros 1,019 thousand) for the following: (i) contractual term of notice and (ii) the proportional part of extraordinary salary payments and untaken statutory leave. It also includes the consideration accrued in the year (Euros 2,750 thousand) in respect of the non-compete agreement signed with the Parent.
(3) The amount received upon termination of the contractual relationship with the Parent as liquidation of the ERLTSS. This amount was paid by the insurer contracted by the Company to externalise this scheme.

The current MTR will be accrued at the end of the three-year period (2015-2017) and, where applicable, will be settled after the 2017 year end.

The amounts corresponding to other senior management that are not executive directors are as follows:

(Thousands of Euros)	2015 (1)	2014 (2)
FR	4.176	2.800
VAR	1.162	722
MTR	-	943
Remuneration in kind	208	294
Share-based payments	-	1.410
Subtotal	**5.546**	**5.226**
Other	9.706 (3)	-
ERLTSS	5.581 (4)	-
Total	**20.883**	**5.226**

(1) Data in respect of the 15 general managers named at the start of this section 2.2.

(2) Data in respect of the seven people who were general managers in 2014.

(3) Amount received by the senior managers Mr Juan Carlos Baena, Mr Emilio Díaz, Ms Emma Fernández and Mr Santiago Roura upon termination of their contractual relationship with the Parent.

(4) The amount received by three senior managers upon termination of the contractual relationship with the Parent as liquidation of the ERLTSS. This amount was paid by the insurer contracted by the Parent to externalise this scheme.

The current MTR will be accrued at the end of the three-year period (2015-2017) and, where applicable, will be settled after the 2017 year end. In 2014, on the recommendation of the Appointments, Remuneration and Corporate Governance Committee, the board of directors agreed to cancel the medium term incentive for 2014-2016 and replace it with the prevailing MTR, which based on the evaluation of the fulfilment of targets by the general managers, resulted in Euros 943 for this management group.

The current remuneration system does not contemplate providing shares as autonomous remuneration, therefore in 2015 neither executive directors nor senior management received any remuneration for this concept. The gross remuneration in shares indicated in the above tables led to 46,535 shares being conveyed to Mr Monzon (the former chairman), 26,355 shares to the CEO and 74,963 shares to the group of seven people who were general managers at that time.

No share options were extended to senior management personnel during 2015 or 2014 and senior management did not take up any options on Parent shares during the period.

The Company's contributions to the ERLTSS on behalf of senior management were as follows:

Fernando Abril-Martorell (Chairman)		Javier de Andrés (Managing Director)		Javier Monzón (Chairman until January 2015)		General managers	
2015	2014	2015	2014	2015	2014	2015	2014
426	-	374	374	50	600	938	1.120

In 2015 and 2014 members of senior management did not receive any benefits, compensation or remuneration other than those indicated in this note. Neither the Parent nor any of the Group companies has assumed any pension commitments on behalf of or extended any loans or advances to senior management.

3. Contractual framework for executive directors and senior management.

The executive directors have service contracts with the Parent that govern the conditions applicable to their professional relationship with the Company.

These contracts are indefinite and the CEO's contract contains no golden parachute clauses or termination benefits.

The current executive chairman has a temporary right to termination benefits equivalent to the positive difference between the balance accumulated in his favour at such a time in the ERLTSS and the equivalent of one year's total salary.

In 2015 three of the present general managers have a transitory right to termination benefits, which decreases over time, of between 0.4 and 1.1 times their total annualised salary. This right will gradually be reduced until extinguished when the sum of: (i) the cumulative amount for each of them in the early retirement and long -term savings scheme and (ii) the corresponding compensation receivable in the event of unfair dismissal for their previous ordinary employment relationship, reaches a gross amount equivalent to 45 days of the annualised salary per year of service calculated from the date of joining the Parent, up to a maximum of 42 monthly payments.

The contracts of another three general managers include a temporary right to termination benefits equivalent to between one and two years of their annualised salary. This right is extinguished either after a transitional period after their joining the Parent or when the compensation they are legally entitled to exceeds the minimum amount guaranteed.

The contracts of seven senior managers establish a three month notice period in the case of termination by the Parent, which if not respected, must be compensated by an amount equivalent to their total annualised salary corresponding to the notice period in question.
The executive directors and two general managers of operations have signed non-compete clauses applicable for two years from the termination of their contractual relationship. In return they are respectively entitled to compensation of 0.75 times and 0.5 times their total annualised remuneration for each year of compliance.
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41. INFORMATION PROVIDED BY THE MEMBERS OF THE BOARD OF DIRECTORS AS REQUIRED BY ARTICLE 229 OF THE SPANISH COMPANIES ACT

After reviewing the information reported by the secretary to the board, the directors of the Parent and their related parties have had no conflicts of interest and are not in a situation of conflict of interest requiring disclosure in accordance with article 229 of the Revised Spanish Companies Act.

42. R&D&INNOVATION ACTIVITIES

R&D and innovation expenditure is incurred on a significant part of the activities carried out by the Indra Group. These expenses are taken to the consolidated income statement when they are accrued (see note 4).
The overall expense for R&D&innovation projects carried out in 2015, including capitalised projects (see note 9), amounts to Euros 152,287 thousand, equivalent to 5.3% of the Group's total sales during this year. R&D&innovation expenses incurred by the Parent account for approximately 98% of Group's total expenses of this nature for the year. In 2014, R&D&innovation expenses amounted to Euros 195,122 thousand, equivalent to 6.6% of total Group sales.

43. ENVIRONMENTAL INFORMATION

The Group's activities have not changed significantly in comparison with prior years, and therefore the environmental impact continues to be low. Consequently, the Parent's directors consider that no significant contingencies exist in relation to the protection or improvement of the environment and therefore have made no related provision for environmental liabilities and charges in 2014 or 2015.

Similarly, no significant assets have been allocated to protect and improve the environment, and no material expenses of this nature have been incurred during the year. Consequently, the Group has neither requested nor received any environmental grants during the years ended 31 December 2015 and 2014.

Notwithstanding the above, one of the foundations of Indra's Corporate Governance is the commitment to protect the environment during the course of its activities. This has been seen in the adoption of an environmental management system based on ISO 14001, implemented in the Group's various work centres. Since the outset the greatest effort has been made in the facilities of the most important centres of the Parent. With regard to Spain, the certification awarded under this standard to the work centres in Arroyo de la Vega (Avda. de Bruselas - Alcobendas), San Fernando de Henares, Torrejón de Ardoz and Triángulo (c/ San Julián - Alcobendas), Aranjuez, Barcelona (c/Roc Boronat), Barcelona - Interface, Avda. de Arteixo (La Coruña), Anabel Segura (Alcobendas-Madrid), Ciudad Real, c/ Aviación (Sevilla), Erandio (Bilbao), Baracaldo (Bilbao), c/ Alcalá (Madrid), c/ Julián Camarillo (Madrid), Bembibre (León), c/ Severo Ochoa (Campanillas – Malaga), c/ Adaja (Villamayor de la Armuña – Salamanca), Cr Prado de la Torre (Bollullos de la Mitación – Sevilla), Fuente Alamo (Cartagena – Murcia) and Puerto de Santa Maria, in 2015 was extended to the work centres in Ferrol, where activity is carried out by Indra Sistemas, S.A. and in c/Badajoz (Barcelona) where activity is carried out by Indra BPO Servicios S.L.U.

In addition to these two companies, the following companies had already been certified to operate in the aforementioned centres; Indra Sistemas de Seguridad, S.A., Indra Software Labs, S.L., Indra BPO, CAYMASA, Indra Emac and Advanced Logistics Group, S.A.

With regard to international subsidiaries, an environmental management system based on ISO 14001 has been implemented in six centres in Colombia where Indra Colombia LTDA and Indra Sistemas S.A. Sucursal Colombia carry out activity, in two centres in Portugal of Indra Sistemas Portugal, S.A. and one centre of Indra Australia Pty Ltd. in Australia. Furthermore certification has been awarded in 2015 to two centres in Colombia of Indra Colombia LTDA and Indra Sistemas S.A. Sucursal Colombia, one centre in Italy of Indra Italia S.p.A., one centre in Mexico of Indra Sistemas México SA de CV, Azertia Tecnologías de la Información México SA de CV and Soluziona México SA de CV and one centre in Brazil of Indra Brasil Soluções e Serviços Tecnológicos S.A. and Indra Tecnologia Brasil Ltda. The environmental initiatives relating to energy efficiency in our facilities were continued in 2015 and ISO 50001 and Leed Gold certifications were obtained for the building in Arroyo de la Vega in Alcobendas (Madrid).

Furthermore, the Group has maintained the objective established for 2014-2020 of reducing the greenhouse gas emissions generated by our activities in the Indra Group's installations.
The Strategic Environmental Plans established for Portugal, Colombia, Brazil, Italy, Mexico, Chile and Peru, in line with Indra's Global Strategic Environmental Plan have been monitored in 2015.

44. AUDIT FEES

KPMG Auditores, S.L., the auditors of the consolidated annual accounts of the Group, and other companies affiliated with KPMG International have invoiced the following net fees for professional services during the years ended 31 December 2015 and 2014:

Thousands of Euros

	2015			2014		
	KPMG Auditores, S.L.	Affiliates of KPMG International	Total	KPMG Auditores, S.L.	Affiliates of KPMG International	Total
Audit services	737	757	1.494	513	739	1.252
Other services	8	196	204	15	225	240
	745	**953**	**1.698**	**528**	**964**	**1.492**

The amount shown in the above table includes the total fees for audit and other services rendered in 2015 and 2014, irrespective of the date of invoice.

Other auditors charged total fees for audit services of Euros 153 thousand in 2015 (Euros 124 thousand in 2014).

45. RELATED PARTY TRANSACTIONS

Related party transactions with significant shareholders and board members do not represent, either individually or collectively, a significant amount of the Parent's revenues or statement of financial position at 31 December 2015 or 2014. All of these transactions took place in the normal course of the Parent's business and in market conditions, and were authorised by the board of directors as required by its regulations. However, it is Parent policy to publish detailed and transparent information on these transactions.

During 2015 and 2014, commercial, financial and professional services transactions were carried out with significant shareholders at that time or with their related parties, as well as with companies linked to the board member Ms. De Oriol.

Details of related party transactions in 2015 and 2014, by type of transaction, are shown in the table below.

2015 (Thousands of Euros)

Type of transaction	With shareholdersr	With board members	Total at 31.12.2015
Sale of goods and services	17.809	-	17.809
Purchase of goods and services	336	211	547
Expenses for financial services	5	-	5
	18.150	**211**	**18.361**

2014 (Thousands of Euros)

Type of transaction	With shareholdersr	With board members	Total at 31.12.2014
Sale of goods and services	11.041	-	11.041
Purchase of goods and services	424	1.434	1.858
Expenses for financial services	6	-	6
	11.471	**1.434**	**12.905**

Transactions with shareholderss

TAll transactions carried out with shareholders in 2015 and 2014 were with SEPI and Banca March or with companies of their respective groups.

Sale of goods and services reflects services provided to these shareholders by the Indra Group in the ordinary course of business.

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

Expenses for financial services reflect expenses and interest on the management of guarantees by Banca March.

In 2015 and 2014 the Indra Group has held a guarantee facility which matures annually of Euros 2,465 thousand and Euros 2,549 thousand, respectively.

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

	Thousands of Euros	
	2015	2014
Grupo S.E.P.I	-	11.240
Corporación Financiera Alba	-	6.320
Casa Grande Cartagena	-	2.233

Transactions with board members

Transactions with companies related to Ms de Oriol account for the entire balance listed under transactions with board members.

Purchases of goods and services reflect security services provided by companies belonging to the Seguriber-Umano Group, in which Ms. de Oriol holds a 95.6% stake (direct and indirect) and the position of chairwoman. The amount shown in 2015 refers solely to the first four months of the year when Ms. de Oriol was a director of Indra. That shown in 2014 refers to the whole year.

The amounts paid in 2015 and 2014 were respectively Euros 211 thousand and Euros 1,434 thousand.

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

Transactions with senior management

No transactions with senior management personnel or their related parties have taken place in 2015 or 2014.

Details of senior management remuneration are provided in note 40.

Transactions with associates and joint ventures

In 2015 and 2014 the transactions performed with joint ventures through associates were as follows:

	2015 (Thousands of Euros)			
	Receivables	Payables	Income	Expenses
Associates	4.943	14.266	22.054	1.756
	4.943	**14.266**	**22.054**	**1.756**

	2014 (Thousands of Euros)			
	Receivables	Payables	Income	Expenses
Associates	5.674	13.218	10.950	2.063
	5.674	**13.218**	**10.950**	**2.063**

Note: Receivables and payables comprise the amounts recognised at 31 December each year.

The assets, liabilities, income and expenses of transactions performed through the temporary joint ventures, which in 2015 and 2014 were consolidated according to the criteria explained in note 2, are as follows:

	Thousands of Euros	
	2015	2014
Non-current assets	**10.848**	**1.690**
Current assets	**43.711**	**33.892**
Non-current liabilities	**(8.174)**	**(6.221)**
Current liabilities	**(47.436)**	**(28.614)**
Revenues	**(73.756)**	**(55.878)**
Subcontracting and other expenses	**74.807**	**55.131**
	-	-

Appendix II provides details of the temporary joint ventures consolidated by the Group.

46. EVENTS AFTER THE REPORTING PERIOD

No significant events have occurred in the Group after the end of the year.

Details of Group companies at 31 December 2015

(Anexo I)

Company	Registered office	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 Sebastián)	Technical architecture and engineering services.
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.
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.
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 Brasil Tecnologia, Ltda.	Sao Paulo (Brasil)	Design, development, production, integration and maintenance of systems, solutions and services based on information technology: computing, electronics and communications.
Indra Brasil Soluciones y Servicios, S.A.	Sao Paulo (Brasil)	Design, development, production, integration and maintenance of systems, solutions and services based on information technology: computing, electronics and communications.
Indra Tecnología Brasil LTDA	Brasilia (Brasil)	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.

This appendix forms an integral part of notes 1 and 5 to the consolidated annual accounts, in conjunction with which it should be read.

Company	Registered office	Activity
Indra Colombia LTDA.	Bogota, Colombia)	Design, development, production, integration and maintenance of systems, solutions and services based on information technology: computing, electronics and communications.
Indra Sistemas Chile, S.A.	Santiago de Chile (Chile)	Design, development, production, integration and maintenance of systems, solutions and services based on information technology: computing, electronics and communications.
Soluziona 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.
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.	Panama (Panama)	Design, development, production, integration and maintenance of systems, solutions and services based on information technology: computing, electronics and communications.
Indra Company Perú S.A.C.	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.	Philadelphia (USA)	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 Italia Spa	Rome (Italy)	Design, development, production, integration and maintenance of systems, solutions and services based on information technology: computing, electronics and communications.
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.

This appendix forms an integral part of notes 1 and 5 to the consolidated annual accounts, in conjunction with which it should be read.

Company	Registered office	Activity
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 Slovensko, s.r.o.	Bratislava (Slovakia)	Design, development, production, integration and maintenance of systems, solutions and services based on information technology: computing, electronics and communications.
Indra Sisteme S.R.L.	Chisinau (Moldova)	Design, development, production, integration and maintenance of systems, solutions and services based on information technology: computing, electronics and communications.
Indra Sistemas Polska S.p.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.
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 Ucrania L.L.C.	Kiev (Ukraine)	Design, development, production, integration and maintenance of systems, solutions and services based on information technology: computing, electronics and communications.
Indra Kazakhstan Engineering Llp	Astana (Kazakhstan)	Design, development, production, integration and maintenance of systems, solutions and services based on information technology: computing, electronics and communications.
Indra Turkey Teknolojileri Çözümleri Anonim Sirketi	Istambul (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 (Philippines)	Design, development, production, integration and maintenance of systems, solutions and services based on information technology: computing, electronics and communications.
Indra Technology Solutions Malasya Sdn Bhd	Kuala Lumpur (Malasya)	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.

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Company	Registered office	Activity
Indra Sistemas India Private Limited	New Delhi (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 (Bahrein)	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 Technology Solutions Co, Ltd.	Riyadh (Saudi Arabia)	Design, development, production, integration and maintenance of systems, solutions and services based on information technology: computing, electronics and communications.
Indra L.L.C.	Muscat (Oman)	Design, development, production, integration and maintenance of systems, solutions and services based on information technology: computing, electronics and communications.
Indra Sistemas Magreb S.A.R.L	Rabat (Morocco)	Design, development, production, integration and maintenance of systems, solutions and services based on information technology: computing, electronics and communications.
Indra Limited (Kenya)	Nairobi (Kenya)	Design, development, production, integration and maintenance of systems, solutions and services based on information technology: computing, electronics and communications.
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 Ltd	Sydney (Australia)	Design, development, production and maintenance of navigation and landing support and air traffic control systems.
Indra BPO, S.L.	Avenida de Bruselas, 35 Alcobendas (Madrid)	Business process outsourcing (BPO), document management services and mortgage management.
Indra BPO Servicios, S.L.	Avenida de Bruselas, 35 Alcobendas (Madrid)	Data capture and digitalisation.
Central de Apoyos y Medios Auxiliares, S.A.U.	Manufacturas, 11. Mairena del Aljarafe (Seville)	Business process outsourcing (BPO).
Indra II Business Process Outsorcing Portugal, unipersonal LTD	Lisbon (Portugal)	Business process outsourcing (BPO).
OUAKHA Services, Saarl AU (Morocco)	Tangier (Morocco)	Back-office process outsourcing (BPO) for financial institutions.

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Company	Registered office	Activity
IFOS (International Financial Operational Services), S.A.	Buenos Aires (Argentina)	Business process outsourcing and management and design, development, production, integration and maintenance of systems for financial institutions.
Indra Business Consulting, S.L.	Calle Tánger, 98 Barcelona	Professional services consisting of business, technological and solutions consultancy.
Advanced Logistics Group, S.A.	Calle Tánger, 98 Barcelona	Preparation of studies, technical projects and reports on transport engineering, consultancy and logistics.
Europraxis ALG Consulting Maroc, S.A.	Casablanca (Morocco)	Professional services consisting of business, technological and solutions consultancy.
Europraxis ALG Consulting Brasil, Ltda.	Sao Paulo (Brazil)	Professional services consisting of business, technological and solutions consultancy..
Indra Business Consulting ALG Mexico S.A. de C.V.	Mexico City (Mexico)	Professional services consisting of business, technological and solutions consultancy.
Europraxis ALG Consulting Andina, S.A.C. (Perú)	Lima (Peru)	Professional services consisting of business, technological and solutions consultancy.
Europraxis ALG Consulting, Ltd (U.K.)	Slough, Berkshire (UK)	Professional services consisting of business, technological and solutions consultancy.
Prointec, S.A.	Avda. de Burgos 12, Madrid	Engineering and consultancy services mainly in relation to the environment, transport, construction, water and industry.
Prointec Engenharia, Ltda.	Sao Paulo (Brazil)	Civil engineering services and consultancy.
Ingeniería de Proyectos e Infraestructuras Mexicana, S.A. de C.V.	Mérida (Mexico)	Technical architecture and engineering services.
Prointec Panamá, S.A.	Ancon (Panama)	Civil engineering services and consultancy.
Prointec Usa LLc	Sacramento, California (USA)	Research and development of autopilot systems and advanced solutions in unmanned aircraft systems.
Consis Proiect SRL	Bucharest (Romania)	Civil engineering services and consultancy.
Prointec Romaría S.R.L. (Romania)	Bucharest (Romania)	Civil engineering services and consultancy.
Prointec India Privated Ltd	Haryana (India)	Civil engineering services and consultancy.

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Company	Registered office	Activity
Indra Advanced Technology, S.L.	Avenida de Bruselas, 35 Alcobendas (Madrid)	Design, development, production, integration, operation, repairs and maintenance and marketing of systems, solutions and products.
AC-B air Traffic Control & Business Systems GmbH (Germany)	Markdorf (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	Friedrichshafen (Germany)	Design, development, production and maintenance of navigation and landing support and air traffic control systems.
Avitech S.R.O.	Bratislava (Slovakia)	Design, development, production and maintenance of navigation and landing support and air traffic control systems.
Indra Navia AS (Park Air, Norway)	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.
3.- Associates		
I3 Televisión, S.L.	Avda. Isla Graciosa 13, San Sebastián 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.
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 installation security.
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 radiocommunications.

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Company	Registered office	Activity
Societat Catalana Per a la Mobilitat, S.A.	Calle Roc Boronat, nº 133, Barcelona	Execution of the T-Mobilitat project to introduce a new technological, tariff and management system for the Metropolitan Transport Authority.
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 in the area of port infrastructures.
Indra México		
Indra Isolux México SA de CV	Mexico City	Supply, installation and start up of equipment for toll management and/or traffic control systems.
Visión Inteligente Aplicada S.A de C.V	Mexico City	Services rendered
EFI Túneles Necaxa SA de CV	Munich (Germany)	Analysis, advisory services, project preparation and construction of public works, as well as any type of civil, water-related, electrical or infrastructure and similar works, in the public and private sectors, the purchase of construction materials and supplies and their transport and in general, anything construction-related.

This appendix forms an integral part of notes 1 and 5 to the consolidated annual accounts, in conjunction with which it should be read.

Financial information on Group companies at 31 December 2015

(Anexo I)

1.- Parent	Interest Direct	Interest Indirect	Interest Total	Equity	Total operating profit/(loss)	Individual profit/(loss) after tax
1.- Indra Sistemas						
Indra Sistemas				441.710	1.920.020	(466.182)
2.- Subsidiaries						
Indra Emac, S.A.	100 %	-	100 %	2.726	14.938	1.842
Indra Sistemas de Seguridad, S.A.	100 %	-	100 %	3.441	11.045	(4.382)
Indra Sistemas de Comunicaciones Seguras, S.L.	-	100 %	100 %	7.848	2.489	27
Inmize Capital, S.L.	80 %	-	80 %	1.536	-	(7)
Inmize Sistemas, S.L.	-	50 %	50 %	7.739	339	4
Indra Software Labs, S.L.	100 %	-	100 %	38.003	167.155	9.715
Teknatrans Consultores, S.L.	100 %	-	100 %	532	369	54
BMB Group	**100 %**	**-**	**100 %**	**28.103**	**155.382**	**4.545**
Consultancy Group	**100 %**	**-**	**100 %**	**10.958**	**50.321**	**(13.480)**
Grupo Prointec, S.A.	**100 %**	**-**	**100 %**	**15.289**	**39.184**	**(19.896)**
Grupo Indra Advanced Technology, S.L.	**100 %**	**-**	**100 %**	**53.366**	**79.032**	**1.274**
Indra SI, S.A.	83 %	17 %	100 %	3.736	82.887	424
Politec Argentina	100 %	-	100 %	6	-	(12)
Azertia Tecnología de la Información Argentina S.A.	100 %	-	100 %	(911)	2.276	(161)
Computación Ceicom	100 %	-	100 %	1.751	6.269	(468)
Indra Company Brasil LTDA	100 %	-	100 %	(31.367)	3.959	(23.906)
Indra Brasil SA	100 %	-	100 %	(5.266)	220.764	(237.740)
Indra Tecnología Brasil LTDA	100 %	-	100 %	(189)	1.333	(3.803)
Indra Colombia LTDA.	100 %	-	100 %	12.474	57.460	1.894
Indra Sistemas Chile S.A.	100 %	-	100 %	13.382	46.931	(2.451)

This appendix forms an integral part of notes 1 and 5 to the consolidated annual accounts, in conjunction with which it should be read.

Company	Interest Direct	Interest Indirect	Interest Total	Equity	Total operating profit/(loss)	Individual profit/(loss) after tax
Soluziona S.A. Guatemala	100 %	-	100 %	134	-	-
Indra Sistemas México, S.A. de C.V.	100 %	-	100 %	9.804	101.975	(7.343)
Azertia Tecnología de la Información México S.A. de C.V.	100 %	-	100 %	10.549	5.220	(1.261)
Soluziona México S.A. de C.V.	100 %	-	100 %	(2.910)	13.225	988
Indra Panama, S.A.	100 %	-	100 %	2.389	14.150	(2.446)
Indra Company Perú SAC	100 %	-	100 %	579	109	(1.069)
Indra Perú, S.A.	100 %	-	100 %	9.372	32.250	(6.074)
Soluciones y Servicios Indra Company Uruguay S.A.	100 %	-	100 %	1.245	4.453	(52)
Indra Puerto Rico Inc	100 %	-	100 %	139	2.571	138
Indra USA, Inc	100 %	-	100 %	2.387	18.316	(1.757)
Indra USA IT Services	100 %	-	100 %	2.198	122	(441)
Indra Italia Spa (Visiant Galyleo Spa)	100 %	-	100 %	12.009	64.899	650
Indra Czech Republic s.r.o.	100 %	-	100 %	2.785	3.703	(669)
Indra Eslovakia, a.s.	100 %	-	100 %	102	1.650	(557)
Indra Slovensko s.r.o.	-	100%	100 %	5	-	(1)
Indra Sisteme S.R.L. (Moldavia)	100 %	-	100 %	357	827	168
Indra Polska Sp.z.o.o	100 %	-	100 %	249	532	(800)
Indra Sistemas Portugal, S.A.	100 %	-	100 %	4.371	21.112	(2.723)
Electrica Soluziona S.A. (Romania)	51 %	-	51 %	1.890	2.918	326
Indra Kazakhstan Engineering Llp	51 %	-	-	(962)	11.333	(1.375)
Indra Turkey	100 %	-	100 %	(605)	3.855	(33)
Indra Beijing Information Technology Systems Ltd. (China)	100 %	-	100 %	2.367	3.835	196
Indra Radar Technology (Tianjin) Co., Ltd.	70 %	-	70 %	(200)	-	(60)

This appendix forms an integral part of notes 1 and 5 to the consolidated annual accounts, in conjunction with which it should be read.

Company	Interest			Equity	Total operating profit/(loss)	Individual profit/(loss) after tax
	Direct	Indirect	Total			
Indra Philippines INC	50 %	-	50 %	16.577	35.251	2.931
Indra Technology Solutions Malasya Sdn Bhd.	70 %	-	-	(113)	3.550	(305)
Indra Indonesia	100 %	-	-	(197)	228	(1.515)
Indra Sistemas India Private Limited	100 %	-	100 %	2.753	4.249	(1.550)
Indra Bahrain Consultancy SPC	100 %	-	-	(11.453)	3.555	(13.892)
Indra Arabia LLC CO	95 %	5 %	100 %	18.051	41.958	1.853
INDRA L.L.C (Oman)	100 %	-	100 %	-	-	-
Indra Sistemas Magreb S.A.R.L.	100 %	-	100 %	730	2.506	120
Indra Limited (Kenya)	100 %	-	100 %	3.420	5.912	658
Soluziona Professional services (private) Limited (Zimbabwe)	70 %	-	70 %	-	-	-
Indra Technology South Africa	62 %	-	62 %	(1.872)	794	(829)
Indra Australia Pty Limited	100 %	-	100 %	3.284	36.487	(3.202)
Indra Technology Solutions Malaysia Co Ltd	100 %	-	100 %	-	-	-
4.- Associates						
Saes Capital, S.A.	49 %		49 %	-	-	-
Eurofighter Simulation System GmbH	26 %		26 %	-	-	-
Euromids SAS	25 %		25 %	-	-	-
A4 Essor SAS	21 %		21 %	-	-	-
Tower Air traffic	50 %		50 %	-	-	-
Green Border OOD	50 %		50 %	-	-	-
Sociedad Catalana per a la mobilitat	25 %		25 %	-	-	-
I-3 Televisión S.L.	50 %		50 %	-	-	-
IRB Riesgo Operacional S.L.	33 %		33 %	-	-	-

This appendix forms an integral part of notes 1 and 5 to the consolidated annual accounts, in conjunction with which it should be read.

Company	Interest: Direct	Interest: Indirect	Interest: Total	Equity	Total operating profit/(loss)	Individual profit/(loss) after tax
BMB Group composition						
2.- Subsidiaries						
Indra BPO S.L.				21.083	26.890	4.764
OUAKHA Services, Sarl AU (Morocco)	100 %	-	100 %	(293)	-	(17)
Indra BMB Servicios Digitales, S.A.	100 %	-	100 %	50.497	119.572	6.726
Central de Apoyos y Medios Auxiliares, S.A.U. (CAYMASA)	100 %	-	100 %	(1.221)	9.087	(3.039)
IFOS (Argentina)	80 %	20 %	100 %	41	-	(9)
Indra II BPO Portugal	100 %	-	100 %	581	6.301	(85)
Consulting Group composition						
2.- Subsidiaries						
Indra Business Consulting, S.L.	-	-		16.582	37.845	(18.669)
Europraxis ALG Consulting, Ltd. (UK)	100 %	-	100 %	46	-	(29)
Indra Consultoría de Negocios Brasil LTDA	99,99 %	0,01 %	100 %	(5.105)	2.146	(676)
Advanced Logistics Group, S.A.	100 %	-	100 %	(614)	7.780	(1.476)
Indra Business Consulting ALG Mexico	100 %	-	100 %	491	4.400	284
Advanced Logistics Group Andina	-	100 %	100 %	261	(9)	(107)
Europraxis Alg Maroc	66 %	34 %	100 %	68	-	929
Prointec, S.A. Group composition						
2.- Subsidiaries						
Prointec, S.A.				18.327	39.398	(19.367)
Consis Proiect SRL (Romania)	100 %	-	100 %	1.505	1.010	8
Ingenieria de Proyectos de Infraestructuras Mexicanas	100 %		100 %	7.632	2.754	(1.241)
Prointec Romaría S.R.L. (Romania)	100 %	-	100 %	(60)	135	2

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Company	Interest: Direct	Interest: Indirect	Interest: Total	Equity	Total operating profit/(loss)	Individual profit/(loss) after tax
Prointec Engenharia, Ltda.	99,99 %	-	100 %	31	625	(193)
Prointec Panama	75 %	-	75 %	(124)	-	-
Prointec USA	100 %	-	100 %	834	997	173
Composition of Indra Advanced Technology S.L. Group						
2.- Subsidiaries						
Indra Advanced Technology, S.L.				47.170	-	(30)
AC-B air Traffic Control & Business Systems GmbH (Alemania)	100 %	-	100 %	1.499	1.717	21
Avitech AG	100 %	-	100 %	2.939	16.563	(2.379)
Avitech S.R.O.	-	100 %	100 %	-	-	-
Indra Navia AS	100 %	-	100 %	19.842	60.753	3.852
Normeka, AS	-	66 %	66 %	3.219	5.832	324
4.- Associates						
Gestión de Recursos Eólicos Riojanos, S.L.	-	16 %	16 %	-	-	-
Iniciativas Bioenergéticas, S.L.	-	20 %	20 %	-	-	-
Associates						
Indra Mexico						
Indra Isolux México SA de CV	50 %	-	50 %	(54)	156	(9)
Visión Inteligente Aplicada S.A de C.V	50 %	-	50 %	(129)	4.203	(40)
EFI Túneles Necaxa SA de CV	10 %	-	10 %	249	644	24

This appendix forms an integral part of notes 1 and 5 to the consolidated annual accounts, in conjunction with which it should be read..

Financial information on Group companies at 31 December 2014
(Anexo I)

Company	Interest Direct	Interest Indirect	Interest Total	Equity	Total operating profit/(loss)	Individual profit/(loss) after tax
1.- Parent						
Indra Sistemas				928.592	2.080.024	(194.659)
2.- Subsidiaries						
Indra Emac, S.A.	100 %	-	100 %	2.687	14.208	1.765
Indra Sistemas de Seguridad, S.A.	100 %	-	100 %	7.778	13.419	1.072
Indra Sistemas de Comunicaciones Seguras, S.L.	-	100 %	100 %	8.917	3.348	1.095
Inmize Capital, S.L.	80 %	-	80 %	1.542	-	(6)
Inmize Sistemas, S.L.	-	50 %	50 %	7.736	594	70
Indra Software Labs, S.L.	100 %	-	100 %	39.584	166.800	11.368
Teknatrans Consultores, S.L.	100 %	-	100 %	581	496	102
BPO Group	**100 %**	**-**	**100 %**	**23.053**	**143.439**	**3.770**
Consultancy Group	**100 %**	**-**	**100 %**	**21.925**	**44.623**	**(8.946)**
Advanced Printing and Finishing Services Group	**100 %**	**-**	**100 %**	**55.470**	**75.684**	**5.364**
Prointec, S.A. Group	**100 %**	**-**	**100 %**	**25.718**	**50.578**	**(5.954)**
Indra SI, S.A.	83 %	17 %	100 %	4.465	54.936	1.574
Politec Argentina	95 %	5 %	100 %	88	-	52
Azertia Tecnología de la Información Argentina S.A.	100 %	0 %	100 %	(3.989)	3.376	(2.610)
Computación Ceicom	100 %	-	100 %	3.042	6.496	96
Indra Company Brasil, Ltda.	100 %		100 %	(11.822)	20.786	5.960
Indra Brasil SA	92 %	8 %	100 %	117.885	266.997	(52.994)
Search Informática Ltda.	51 %	-	51 %	301	4.164	(701)
Ultracom-Consultoría em Tecnología da InformaÇao Ltda.	100 %	-	100 %	(322)	2.013	(200)
Indra Tecnología Brasil LTDA	100 %	-	100 %	(47)	2.743	(1.029)
Indra Colombia LTDA.	100 %	-	100 %	10.624	46.660	359

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Company	Interest			Equity	Total operating income/(loss)	Individual profit/(loss) after tax
	Direct	Indirect	Total			
Indra Sistemas Chile S.A.	100 %	-	100 %	1.774	41.080	(3.424)
Soluziona C&S Holding S.A.	-	100 %	100 %	1.361	-	77
Soluziona S.A. Guatemala	100 %	-	100 %	121	-	(2)
Indra Sistemas México, S.A. de C.V.	100 %	-	100 %	18.063	119.338	1.736
Azertia Tecnología de la Información México S.A. de C.V.	100 %	-	100 %	12.483	16.198	116
Soluziona México S.A. de C.V.	100 %	-	100 %	(4.127)	14.812	556
Indra Panama, S.A.	100 %	-	100 %	2.775	14.547	(919)
Indra Company Perú SAC	100 %	-	100 %	1.700	3.377	(135)
Indra Perú, S.A.	100 %	-	100 %	15.824	38.734	1.208
Soluciones y Servicios Indra Company Uruguay S.A.	100 %	-	100 %	1.427	4.238	115
Indra USA, Inc	100 %	-	100 %	4.932	15.861	593
Indra Systems, Inc	100 %	-	100 %	(1.104)	1.855	(1.784)
Indra USA IT Services	100 %	-	100 %	2.386	194	(216)
Azertia Tecnología de la Información Venezuela S.A.	100 %	-	100 %	50	229	50
Azertia Gestión de Centros Venezuela, S.A.	100 %	-	100 %	(340)	5	(53)
Soluziona SP, C.A. Venezuela	100 %	-	100 %	2.433	5.557	119
Indra Italia Spa	100 %	-	100 %	11.359	64.121	(167)
Indra Czech Republic s.r.o.	100 %	-	100 %	4.352	6.272	409
Indra Eslovakia, a.s.	100 %	-	100 %	661	1.950	1
Indra France Sas	100 %	-	100 %	(647)	62	(521)
Indra Hungary K.F.T.	100 %	-	100 %	(240)	-	(106)
Indra Sisteme S.R.L. (Moldavia)	100 %	-	100 %	429	894	217
Indra Polska Sp.z.o.o	100 %	-	100 %	73	224	(583)
Indra Sistemas Portugal, S.A.	100 %	-	100 %	7.094	23.987	475

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Company	Interest Direct	Interest Indirect	Interest Total	Equity	Total operating income/(loss)	Individual profit/(loss) after tax
Electrica Soluziona S.A. (Romania)	51 %	-	51 %	2.142	2.695	543
Indra Kazakhstan Engineering Llp	51 %	-	51 %	710	7.057	(212)
Indra Turkey	100 %	-	100 %	724	4.084	(342)
Indra Beijing Information Technology Systems Ltd. (China)	100 %	-	100 %	2.008	3.557	303
Indra Radar Technology (Tianjin) Co., Ltd.	70 %	-	70 %	(127)	-	(52)
Indra Philippines INC	50 %	-	50 %	12.681	31.516	2.281
Indra Technology Solutions Malaysia Sdn Bhd.	70 %	-	70 %	226	2.378	(588)
Indra Indonesia	100 %	-	100 %	(1.513)	132	(1.035)
Indra Sistemas India Private Limited	100 %	-	100 %	4.153	815	(1.721)
Indra Bahrain Consultancy SPC	100 %	-	100 %	2.363	14.177	(1.916)
Indra Arabia LLC CO	95 %	5 %	100 %	13.265	100.334	13.155
Indra Sistemas Magreb S.A.R.L.	100 %	-	100 %	597	1.749	102
Indra Limited (Kenya)	100 %	-	100 %	2.931	4.033	323
Soluziona Professional services (private) Limited (Zimbabwe)	70 %	-	70 %	-	-	-
Indra Technology South Africa	62 %	-	62 %	(1.226)	37	(1018)
Indra Australia Pty Limited	100 %	-	100 %	6.071	31.228	496
3.- Joint ventures						
I-3 Televisión S.L.	50 %	-	50 %	-	-	-
IRB Riesgo Operacional S.L.	33 %	-	33 %	-	-	-
IESSA (Brazil)	50 %	-	50 %	-	-	-

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Company	Interest			Equity	Total operating income/(loss)	Individual profit/(loss) after tax
	Direct	Indirect	Total			
4.- Associates						
Saes Capital, S.A.	49 %	-	49 %	-	-	-
Eurofighter Simulation System GmbH	26 %	-	26 %	-	-	-
Euromids SAS	25 %	-	25 %	-	-	-
A4 Essor SAS	21 %	-	21 %	-	-	-
Tower Air traffic, S.L.	50 %	-	50 %	-	-	-
Indra Sistemas de Tesorería, S.A.	33 %	-	33 %	-	-	-
Green Border OOD	50 %	-	50 %	-	-	-
Sociedad Catalana per a la mobilitat, S.A.	25 %	-	25 %	-	-	-
Indra Mexico						
Indra Isolux México SA de CV	50 %	-	50 %	-	-	-
Visión Inteligente Aplicada S.A de C.V	50 %	-	50 %	-	-	-
EFI Túneles Necaxa SA de CV	10 %	-	10 %	-	-	-
BPO Group composition						
2.- Subsidiaries						
Indra BPO, S.L.				16.318	24.865	3.654
OUAKHA Services, Sarl AU (Morocco)	100 %	-	100 %	(271)	-	(9)
Indra BPO Servicios , S.L.	100 %	-	100 %	48.883	113.954	6.352
Central de Apoyos y Medios Auxiliares, S.A.U. (CAYMASA)	100 %	-	100 %	1.819	10.208	(1.887)
IFOS (Argentina)	80 %	20 %	100 %	(359)	12	(128)
Indra II BPO Portugal	100 %	-	100 %	(384)	4.771	(636)
4.- Associates						
Trias Beltran, S.L.	40 %	-	40 %	-	-	-

This appendix forms an integral part of notes 1 and 5 to the consolidated annual accounts, in conjunction with which it should be read.

Company	Interest – Direct	Interest – Indirect	Interest – Total	Equity	Total operating profit/(loss)	Individual profit/loss after tax
Consultancy Group composition						
2.- Subsidiaries						
Indra Business Consulting	-	-		35.512	35.875	(5.958)
Europraxis ALG Consulting, Ltd. (UK)	100 %	-	100 %	75	(46)	(70)
Europraxis ALG Consulting, Ltda. (Brazil)	99,99 %	0,01 %	100 %	(5.981)	2.026	(1.640)
Advanced Logistics Group, S.A.	100 %	-	100 %	(2.696)	9.016	(2.856)
Indra Business Consulting ALG Mexico	99,99 %	0,01 %	100 %	216	3.155	(247)
Advanced Logistics Group Andina	-	100 %	100 %	384	200	(142)
Advanced Logistics Group Venezuela	-	90 %	90 %	313	-	37
Europraxis Alg Maroc	67 %	33 %	100 %	(838)	49	(430)
Advanced Printing and Finishing Services Group						
2.- Subsidiaries						
Advanced Printing and Finishing Services Group				47.200	-	-
AC-B air Traffic Control & Business Systems GmbH (Alemania)	100 %	-	100 %	1.479	1.732	211
Avitech AG	100 %	-	100 %	5.321	15.646	1.029
Indra Navia AS	100 %	-	100 %	19.323	57.113	4.256

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Company	Interest: Direct	Interest: Indirect	Interest: Total	Equity	Total operating profit/(loss)	Individual profit/loss after tax
Prointec Group composition						
2.- Subsidiaries						
Prointec, S.A. Group				27.948	50.855	(6.567)
Consis Proiect SRL (Romania)	100 %	-	100 %	1.517	902	(155)
Ingenieria de Proyectos de Infraestructuras Mexicanas	98 %	2 %	100 %	5.340	24.360	698
Prointec Romaría S.R.L. (Romania)	100 %	-	100 %	(63)	470	(135)
Prointec Engenharia, Ltda.	100 %	-	100 %	303	304	82
Prointec Panama	75,00 %	-	75 %	(108)	-	(38)
Unmanned Aircraft Technologies, S.A.	51 %	-	51 %	5	-	656
Prointec USA	100 %	-	100 %	575	1.012	185
Prointec India	100 %	-	100 %	-	-	-
4.- Associates						
Idetegolf, S.A.	33 %	-	33 %	-	-	-
Gestión de Recursos Eólicos Riojanos, S.L.	-	16 %	16 %	-	-	-
Iniciativas Bioenergéticas, S.L.	-	20 %	20 %	-	-	-

This appendix forms an integral part of notes 1 and 5 to the consolidated annual accounts, in conjunction with which it should be read.

Details of activities jointly operated with third parties at 31 December 2015.

(Appendix II)

Company	Direct interest
Of Indra SI	
Indra SI SA-Retesar SA UTE	80,00%
Indra SI SA-DCM Solution SA UTE	90,00%
Deloitte & Co.SRL-Indra SI SA UTE	46,38%
Metronec-Siemens-Indra UTE	33,33%
Of Indra Peru	
CONSORCIO PROCOM	49,00%
CONSORCIO INGORMATICA EL CORTE INGLES	50,00%
CONSORCIO GMD	50,00%
CONSORCIO NSC	90,00%
CONSORCIO MINCETUR	98,00%
CONSORCIO FABRICA DE SOFTWARE	50,00%
CONSORCIO REAPRO	85,00%
CONSORCIO SOLUCIONES DIGITALES	25,00%
CONSORCIOO INDRA PETROLEO	95,00%
CONSORCIO PROCOM AGUA	49,00%
CONSORCIO MINEDU	95,00%
CONSORCIO GESTION INFORMACION	44,00%
Of Spanish Group companies	
EBB PUBLICACIONES TECNICAS EXP.20046300	45%
ETRALUX SA SICE INDRA (UTE PUCELA)	20%
FCC INDUSTRIAL E INFRAESTRUCTURAS ENERGÉTICAS, SAU-	30%

Company	Direct interest
INDRA SISTEMAS, S.A. - CONSORCIO REGIONAL DE TRANSPORTE	95%
INDRA SISTEMAS, S.A. - ELEKTRA, S.A., U.T.E.	51%
INDRA SISTEMAS, S.A. - INDRA SIST. DE SEGURIDAD, U.T.E.	50%
INDRA SISTEMAS, SA-AYESA ADVANCED TECHNOLOGIES, SA, U.T.E	65%
INDRA SISTEMAS, SA-INDRA SISTEMAS DE SEGURIDAD, SA, U.T.E.	50%
PEREZ MORENO S.AU. COMSA S.A. INDRA SISTEMAS S.A.	20%
PRICEWATERHOUSECOOPERS ASESORES DE NEGOCIOS, S.L. - INDRA	39%
SELEX ES S.P.A. - INDRA SISTEMAS, S.A.CLOSEYE L.1, U.T.E	40%
SISTEMAS Y MONTAJES INDUSTRIALES, S.A.-INDRA SISTEMAS, S.A., U.T.E.	40%
UTE AEAT 10/2011	27%
UTE COPSA - INDRA	50%
UTE VCR 8X8	38%
UTE 2 INDRA - UNITRONICS	50%
UTE 3 INDRA - UNITRONICS	85%
UTE 3 INDRA - UNITRONICS -"DEIF 2"	85%
UTE ABI CORREDOR NORTE	4%
UTE ABI EXTREMADURA - CORREDOR OESTE	15%
UTE AC-14 ACCESOS A CORUÑA	90%
UTE ACCENTURE - INDRA	35%
UTE ACCENTURE, SL-CORITEL-ACCENTURE O.S., SAU-INDRA	25%

Company	Direct interest
UTE ACCESOS CGT MADRID	50%
UTE ACCESOS CGT MADRID II	50%
UTE ACCESOS LEVANTE	50%
UTE ACCESOS NOROESTE	30%
UTE ADIS	12%
UTE AEAT 03/07	27%
UTE AEAT 42/10	35%
UTE AEAT 68/06	35%
UTE AIMEN	40%
UTE ALTA CAPACIDAD	20%
UTE ALTA CAPACIDAD G.C.	60%
UTE ALTIA - ILUS-INDRA-R. CABLE	25%
UTE AMTEGA 110/2015 L1	71%
UTE ARTXANDA - ETORKISUNA -	30%
UTE AV 2/2015	60%
UTE AV 20/2014	35%
UTE AVIONICA	50%
UTE AVIONICA DE HELICOPTEROS	50%
UTE BILBOMATICA, S.A. - INDRA SISTEMAS, S.A.	45%
UTE CC MOVIMA	80%
UTE CEIDECOM	60%
UTE CETRADA	33%
UTE CGSI ASTURIAS LOTE 3	70%
UTE CGSI ASTURIAS LOTE 4	60%
UTE CIC-TF	50%
UTE CONTROL ACCESOS DONOSTIA	50%

This appendix forms an integral part of notes 1 and 5 to the consolidated annual accounts, in conjunction with which it should be read.

Company	Direct interest
UTE CONTROL MOGAN	33%
UTE CONTROL POLOPOS	50%
UTE DGT NOROESTE 2014	65%
UTE DI CUENCA	50%
UTE EBB-PUBLICACIONES TECNICAS 086300	20%
UTE EBB-PUBLICACIONES TECNICAS-GEL	50%
UTE ELECTRONIC TRAFIC - INDRA SISTEMAS	50%
UTE EMTE-INDRA	50%
UTE ENTELGY-INDRA	14%
UTE ETRA - INDRA	50%
UTE ETRALUX - INDRA	40%
UTE GALILEO - INDRA	21%
UTE GISS 11	35%
UTE GISS 7	30%
UTE GISS 7201/10 LOTE 6	34%
UTE GISS 7201/10 LOTE 8	36%
UTE GISS 7201/10 LOTE 9	49%
UTE GISS 7201/14G L.2	39%
UTE GISS 7201/14G LOTE 1	57%
UTE IBERMATICA-INDRA-BILBOMATICA	22%
UTE IECISA - INDRA	42%
UTE IECISA - INDRA (ALFIL III)	42%
UTE IECISA - INDRA (COMUNYCATE)	45%
UTE IECISA - INDRA (SEFCAN)	33%
UTE IECISA-INDRA SUM. SOP. M. INTERIOR	50%

Company	Direct interest
UTE IECISA-INDRA-ZENSANIA-EMTE	38%
UTE IMD INDRA.TELEF	70%
UTE IMPLAMTBAT	50%
UTE INDICADORES AMBIENTALES DELTA DEL EBRO	33%
UTE INDRA - AGFA	61%
UTE INDRA - ALBATROS	60%
UTE INDRA - ALFATEC	70%
UTE INDRA - ALTIA (IMSERSO)	59%
UTE INDRA - ALVENTO	50%
UTE INDRA - AMBAR	85%
UTE INDRA - ARTE	80%
UTE INDRA - AVANZIT	50%
UTE INDRA - CESSER	80%
UTE INDRA - E y M INSTALACIONES	50%
UTE INDRA - ETRA	51%
UTE INDRA - EVERIS - ISOFT - TELVENT INTERACT.	34%
UTE INDRA - HP	65%
UTE INDRA - ITALTEL	50%
UTE INDRA - ITP (1)	50%
UTE INDRA - ITP (2)	50%
UTE INDRA - LKS	65%
UTE INDRA - NETINEX	50%
UTE INDRA - OTIPE	50%
UTE INDRA - OTIS	50%
UTE INDRA - SAINCO	64%

Company	Direct interest
UTE INDRA - SALLEN	70%
UTE INDRA - TECNOCOM	50%
UTE INDRA - TES	50%
UTE INDRA - TRADIA TELECOM	50%
UTE INDRA AM 26/2011	50%
UTE INDRA SISTEMAS, S.A. - UNISYS, S.L.U.	70%
UTE INDRA SISTEMAS, S.A. - EUROCOPTER ESPAÑA, SA	63%
UTE INDRA SISTEMAS, S.A. - SIA, S.p.A.	50%
UTE INDRA SISTEMAS, S.A. - TELVENT TRAF.Y TRANS.	50%
UTE INDRA SISTEMAS, SA-AVANTIC ESTUDIO DE INGENIEROS, SL, UTE	90%
UTE INDRA -TELEFÓNICA HDA	78%
UTE INDRA-ACISA	50%
UTE INDRA-ALTIA (AMTEGA)	50%
UTE INDRA-ALTIA (XUNTA DE GALICIA)	50%
UTE INDRA-ALTIA-R. CABLE	33%
UTE INDRA-ARANZADI	50%
UTE INDRA-BMB	51%
UTE INDRA-COMPAÑÍA VASCA DE INGENIERIA	60%
UTE INDRA-CONNECTIS	74%
UTE INDRA-EADS CASA	50%
UTE INDRA-ETRA	55%
UTE INDRA-FIBRAL	70%
UTE INDRA-IECISA (ALFIL)	42%
UTE INDRA-IECISA M-14-059	75%

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Company	Direct interest
UTE INDRA-INICIATIVAS AMBIENTALES	50%
UTE INDRA-KONECTA	87%
UTE INDRA-MNEMO	35%
UTE INDRA-MNEMO-SOPRA	66%
UTE INDRA-OESIA	87%
UTE INDRA-PUENTES Y CALZADAS INFRAESTRUCTURAS	80%
UTE INDRA-PWC (ADIF)	60%
UTE INDRA-SADIEL 043/2012	80%
UTE INDRA-SOLUCIONS-TECN. D'AVANTGUARDA	60%
UTE INDRA-TECDOA	50%
UTE INDRA-TELEFONICA	50%
UTE INDRA-TELEFONICA S.I.C.	50%
UTE INDRA-TELVENT	60%
UTE INDRA-UNISYS	60%
UTE INDTEC 137/09	50%
UTE INSS - 392/CP-40/05	15%
UTE INSS 60/VC-28/10	15%
UTE INSTALACIONES MADRID ESTE	8%
UTE INSTALACIONES SEGUNDO CINTURON	25%
UTE INSTALACIONES TUNELES MUROS-DUEÑAS	50%
UTE INSTALACIONES VSM/VSM INSTALAZIOAK	25%
UTE IRST F-110	50%
UTE ISM LOTE 1	60%
UTE ISM LOTE 2	40%
UTE ITGIPUZKOA	80%

Company	Direct interest
UTE ITS MADRID 15	60%
UTE JAÉN	52%
UTE JOCS DEL MEDITERRANI	25%
UTE LINEA 9 MANTENIMIENTO TRAMO IV	64%
UTE LINEA 9 TRAMO I Y II	64%
UTE MANTENIMIENTO DNIe	50%
UTE MANTENIMIENTO LEVANTE	50%
UTE MANTENIMIENTO RENFE LOTE 1	50%
UTE MANTENIMIENTO RENFE LOTE 2	50%
UTE MANTENIMIENTO RONDES 2012	30%
UTE MANTENIMIENTO SEMAFORICO TORREJON DE ARDOZ	50%
UTE MONTEFUERTE	25%
UTE ORION	50%
UTE OSAKIDETZA	34%
UTE OSAKIDETZA AM	34%
UTE OVYCYL INDRA GRUPO NORTE II	66%
UTE PEREZ MORENO SAU - COMSA SA - INDRA SISTEMAS	10%
UTE PIV2011 (PROINTEC-GMV SISTEMAS-EORIAN SYSTEMS-ETRALUX	51%
UTE PROTEC 110	66%
UTE PWC - INDRA (EOI)	70%
UTE RED DE TRANSPORTE	50%
UTE RENFE BARIK	60%
UTE S.A.I. DEL SEGURA	40%

Company	Direct interest
UTE SAIH C.H.J.	25%
UTE SAIH SUR	35%
UTE SAN MAMES FASE II	27%
UTE SEGURIDAD PEAJES	50%
UTE SIEMENS - INDRA	20%
UTE SISTEMAS METRO MALAGA	50%
UTE SIVE II INDRA-AMPER	50%
UTE SIVE INDRA - AMPER	50%
UTE SOFTWARE AG - INDRA (INSS)	25%
UTE SOPORTE LOTE 2	50%
UTE SPEE 2/10	30%
UTE TECNOBIT, S.L.U. - INDRA SISTEMAS, S.A.	42%
UTE TELEBILLETICA	50%
UTE TELECO	70%
UTE TELEFÓNICA SOL.DE INF. Y COM. DE ESPAÑA, SAU -	50%
UTE TELVENT - INDRA - ATOS	33%
UTE TES - INDRA	50%
UTE TGSS 7201/13G	49%
UTE TRANSITIA - PABISA - INDRA	23%
UTE TSOL-INDRA IV SITEL	35%
UTE TUNELES ANTEQUERA	34%
UTE TUNELES DE GUADARRAMA	34%
UTE TUNELES DE PAJARES	35%
UTE ZAINDU HIRU	13%
UTE ZONA NORTE	10%

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Company	Direct interest
UTE PROINTEC-TALHER-GEOCISA-DRAGADOS	7%
PROINTEC-GPY ARQUITECTOS, S.L.U.-CIVILPORT INGENIEROS, S.L.P.-ENRIQUE AMIGÓ, S.L. (INTERCAMBIADOR CANDELARIA)	15,00%
UTE AUDITORIA SEGURIDAD VIARIA AUTOVIA A-22	25,00%
UTE ESMOVILIDAD-INTEF-PROINTEC-LCA	25,00%
UTE METRO QUITO (AYESA-PROINTEC-CAMINOSGA)	30,00%
UTE AUDING-CENSA-INTECSA INARSA-PROINTEC (UTE PORT BARCELONA)	33,00%
PROINTEC, S.A.-INTEMAC, S.A.-PAYMA COTAS, S.A.U., UTE (UTE AEROPUERTO VALENCIA)	33,30%
UTE CEMOSA-TYPSA-PROINTEC	33,00%
UTE CEMOSA-TYPSA-PROINTEC	33,00%
UTE ESMOVILIDAD AYESA-PROINTEC	33,33%
UTE INOCSA-PROSER-PROINTEC	33,34%
UTE CEMOSA-TYPSA-PROINTEC	34,00%
UTE PROINTEC-TYPSA-CEMOSA ALICANTE	34,00%
TRN-GETINSA-PROINTEC (UTE AUDITORÍA FP 11)	34,00%
UTE CPS-PROINTEC-EUROCONSULT (UTE AUDITORIA A-66	34,00%
ALATEC-PROINTEC-TCA. Y CCION. DE CATALUÑA	35,00%
GEOPRIN-ICYFSA	37,00%
UTE PROINTEC-ESTUDIO 7 GUIADOR	40,00%
UTE ZORTNOZA (EUSKONTRO-PROINTEC-INGEPLAN	40,00%
UTE METRO DONOSTI (ACCIONA-PROINTEC-ASMATU)	40,00%

Company	Direct interest
UTE PROINTEC-AQUAGEST-GRS (CENSO TRIBUTARIO BURGOS	40,00%
UTE TRN-MECSA	50,00%
UTE INCOSA-PROINTEC III (AUDITORIO DE BURGOS)	50,00%
PROINTEC-INIMA Mº AMBTE S.EUROPEOS (LINDE NORTE)	50,00%
UTE INDRA B.M.B-PROINTEC	50,00%
UTE EIPSA-PROINTEC-EUSKONTROL (UTE VIADUCTO)	50,00%
PROINTEC-INYSUR (BAJA CENSAL)	50,00%
PROINTEC-ESTUDIO 7 VARIANTE BAÑADEROS	50,00%
EPTISA SERVICIOS DE INGENIERIA, S.L. - PROINTEC, S.A., UTE	50,00%
UTE PROINTEC-G.O.C.	50,00%
PyG ESTRUCTURAS AMBIENTALES, S.L. – PROINTEC, S.A. (U.T.E. LODOS)	50,00%
UTE PROINTEC-ESTUDIO 7 CALDERETA	50,00%
UTE PAYMA COTAS S.A.U-PRO	50,00%
PROINTEC-MECSA (UTE ZAL ALMERIA)	50,00%
INSERCO-PROINTEC, UTE EDAR GUADALHORCE	50,00%
PROINTEC-PROINTEC EXTREMADURA II	50,00%
AGUA Y ESTRUCTURAS, S.A. - PROINTEC (UTE AYEPRO)	50,00%
PROINTEC - PROINTEC EXTREMADURA, S.L. III	50,00%
UTE ARQUING-PROINTEC 577	50,00%
UTE PROINTEC-GROMA INGENIERIA	50,00%
UTE GOC-PROINTEC	50,00%
UTE AGENCIA EFE (INCOSA-PROINTEC)	50,00%
UTE INOCSA-PROINTEC (TUNEL O CAÑIZO)	50,00%

Company	Direct interest
UTE PROINTEC-VIGUECONS ESTEVEZ	50,00%
GEOPRIN-EUROCONSULT ANDALUCIA-EUROCONSULT SA	50,00%
GEOPRIN-ICYF, S.A.	50,00%
PROINTEC-MECSA (UTE ZAL ALMERIA)	50,00%
MECSA-OVE ARUP	50,00%
MECSA-SAN ANDRES	50,00%
MECSA-ESTUDIOS Y PROYECTOS NIP (NIPSA)	50,00%
UTE III PLAN CARRETERAS CLM	50,00%
UTE CIPSA CONSULPAL SA - PROINTEC SA	50,00%
TRIBUGEST-PROINTEC III	50,00%
UTE PROINTEC-MEDIO AMBIENTE Y PATRIMONIO SL (MAP)	50,00%
UTE PROINTEC-EYSER	50,00%
UTE PROINTEC-PRORAIL	50,00%
PROINTEC-AGROVIAL CONSULTORES (BALSA-CALDERETA)	50,00%
UTE PROINTEC-BPG	50,00%
UTE GRUPO 5-PROINTEC	50,00%
UTE PROINTEC-EUROESTUDIOS	50,00%
UTE PROINTEC-INTEMAC (AEROP. MURCIA)	50,00%
UTE PROINTEC-BLOM	50,00%
PROINTEC-INFRAESTRUCTURA Y ECOLOGIA, S.L.	50,00%
PROINTEC-AUDITORIAS E INGENIERIAS.A. (MONTAJE VIA)	50,00%
PROINTEC-BB&J CONSULT S.A. (UTE MOVILIDAD BARCELONA)	50,00%
UTE PROINTEC-GIUR LP-2	50,00%

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Company	Direct interest
UTE ABASTECIMIENTO ORENSE (PROINTEC-INSERCO)	50,00%
UTE PUEBLA DE OBANDO (PROINTEC-PROINTEC EXTREMADURA)	50,00%
UTE III PLAN CARRETERAS CLM	50,00%
UTE PROINTEC-BPG UTE PTL2016	50,00%
UTE PROINTEC-AIRIA AEROPUERTO DE BARCELONA 2012	50,00%
UTE PROINTEC-PROINTEC EXTREMADURA SEGURIDAD VIAL 2013-2014	50,00%
UTE PROINTEC-NOLTER INGENIERIA (ABASTECIMIENTO LA RIOJA)	50,00%
UTE E3 SOLINTEG SL Y PROINTEC S.A. (UTE PROTOCOL PROJECTES)	50,00%
UTE INGENIERIA CIVIL INTERNACIONAL S.A.- PROINTEC S.A. (UTE ALMUDEVAR)	50,00%
UTE PUEBLA DE OBANDO (PROINTEC-PROINTEC EXTREMADURA)	50,00%
AMINSA-PROINTEC (UTE TRANVIA A LA MAR)	50,00%
UTE PROINTEC-ACCIONA-ASMATU (UTE ZIZURKIL)	50,00%
UTE PROINTEC-EUSKONTROL II (UTE MANUALES)	60,00%
UTE PROINTEC-PYG MARJAL SUR	60,00%
UTE PROINTEC-UG 21 (ALJARAFE II)	60,00%
PROINTEC-UG 21 (TOCON-ILLORA)	60,00%
UTE PROINTEC-UG 21 (COIN-ALHAURIN)	60,00%
UTE PROINTEC-E3 SOLINTEG (UTE COMITÉ D'OBRES)	60,00%
MECSA-ESTUDIO TORRE ELORDUY	70,00%

Company	Direct interest
PROINTEC-MECSA&ARENAS ASOCIADOS (UTE RED ARTERIAL CARTAGENA	70,00%
PROINTEC-ALAUDA	70,00%
PROINTEC - INGENIA SERVICIOS GLOBALES DE INGENIERIA, S.L. (UTE TRAMO 7 PLAYA DEL INGLES)	70,00%
PROINTEC-INGEPLAN (LINEA 3)	72,50%
PROINTEC-INGEPLAN (BERGARA)	72,50%
UTE PROINTEC-HIDROVIAL INGENIEROS	75,00%
UTE MECSA-ACORDE (UTE PLAN FORMACION)	75,00%
PROINTEC-CIVILPORT-ENRIQUE AMIGO (UTE TRAMO 2 TREN DEL SUR)	80,00%
PROINTEC - AIRTHINK, S.L. - UTE PLANES DIRECTORES	80,00%
TUNELES ANTEQUERA	16,34%
TUNELES GUADARRAMA	16,34%
TUNELES PAJARES	16,34%
UTE CCTV METRO	50,00%
UTE DI BADAJOZ	50,00%
UTE DI CUENCA	50,00%
UTE INDRA - ALSTOM	55,00%
UTE INDRA SISTEMAS DE SEG.-MONT.ELECTRISUR	80,00%
UTE INDRA SISTEMAS-ALSTOM-INDRA SIST.SEGURIDAD	55,00%
UTE PROSELEC-INDRA SISTEMS DE SEGURIDAD	50,00%
UTE SEGURIDAD PEAJES	50,00%
UTE AV 2/2015	40,00%

Company	Direct interest
UTE INDRA BPO - T. SOLUCIONES	69,42%
UTE LANBIDE	1,00%
UTE INDRA PROUR	50,00%
AIE CRISTAL HIPOTECARIO 2009	20,00%
AIE FORMALIZACIÓN ALCALA 265	20,00%
AIE ENRIQUE JARDIEL PONCELA 6	25,00%
UTE ALG - FULCRUM	50,00%
UTE ALG - M & A	70,00%
UTE ALG-CINESI	50,00%
CONSORCIO ALG-ANDINA	90,00%
UTE CAYMASA-MAILING	50,00%
UTE SADIEL-CAYMASA	50,00%
UTE AYESA-CAYMASA II	50,00%

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Details of activities jointly operated with third parties at 31 December 2014.
(Anexo II)

Company	Direct interest
Of Indra SI	
Indra SI SA-Retesar SA UTE	80,00%
Indra SI SA-DCM Solution SA UTE	90,00%
Deloitte & Co.SRL-Indra SI SA UTE	46,38%
Metronec-Siemens-Indra UTE	33,33%
Of Indra Peru	
CONSORCIO PROCOM	49,00%
CONSORCIO CEI	50,00%
CONSORCIO GMD	50,00%
CONSORCIO PETROLEOS	95,00%
CONSORCIO NSC	90,00%
CONSORCIO MINCETUR	98,00%
CONSORCIO FABRICA	50,00%
CONSORCIO REAPRO	85,00%
Of Spanish Group companies	
UTE ABI CORREDOR NORTE	4,00%
UTE PROINTEC-TALHER-GEOCISA-DRAGADOS	7,00%
UTE INSTALACIONES MADRID ESTE	7,50%
UTE ZONA NORTE	10,00%
UTE PEREZ MORENO SAU - COMSA SA - INDRA SISTEMAS	10,00%
UTE ADIS	12,00%
UTE ADIS	12,00%
UTE INDRA SISTEMAS-INDRA SISTEMAS DE SEGURIDAD	15,00%

Company	Direct interest
PROINTEC-GPY ARQUITECTOS, S.L.U.-CIVILPORT INGENIEROS, S.L.P.-ENRIQUE AMIGÓ, S.L. (INTERCAMBIADOR CANDELARIA)	15,00%
UTE INDRA - ALSTOM	18,00%
UTE INDRA SISTEMAS - ALSTOM - INDRA SISTEMAS DE SEGURIDAD	18,50%
PEREZ MORENO S.AU. COMSA S.A. INDRA SISTEMAS S.A.	20,00%
UTE ALTA CAPACIDAD	20,00%
UTE SIEMENS - INDRA	20,00%
AIE FORMALIZACIÓN ALCALA 265	20,00%
AIE CRISTAL HIPOTECARIO 2009	20,00%
UTE TRANSITIA - PABISA - INDRA	22,50%
UTE ACCENTURE, SL-CORITEL-ACCENTURE O.S., SAU-INDRA	25,00%
UTE ALTIA - ILUS-INDRA-R. CABLE	25,00%
UTE INSTALACIONES SEGUNDO CINTURON	25,00%
UTE SAIH C.H.J.	25,00%
UTE INSTALACIONES VSM/VSM INSTALAZIOAK	25,00%
AIE ENRIQUE JARDIEL PONCELA, 6	25,00%
UTE AUDITORIA SEGURIDAD VIARIA AUTOVIA A-22	25,00%
UTE PROINTEC-AEPO-EUROESTUDIOS-INSERCO	25,00%
UTE AEAT 03/07	26,54%
UTE SAN MAMES FASE II	26,66%
UTE GISS 7201/10 G LOTE 10	28,00%
UTE GISS 7	30,00%
UTE SPEE 2/10	30,00%

Company	Direct interest
UTE MANTENIMIENTO RONDES 2012	30,00%
UTE ARTXANDA - ETORKISUNA -	30,00%
UTE METRO QUITO (AYESA-PROINTEC-CAMINOSGA)	30,00%
UTE TELVENT - INDRA - ATOS	33,00%
UTE AUDING-CENSA-INTECSA INARSA-PROINTEC (UTE PORT BARCELONA)	33,00%
UTE CEMOSA-TYPSA-PROINTEC	33,00%
PROINTEC, S.A.-INTEMAC, S.A.-PAYMA COTAS, S.A.U., UTE (UTE AEROPUERTO VALENCIA)	33,30%
UTE INDICADORES AMBIENTALES DELTA DEL EBRO	33,33%
UTE ESMOVILIDAD AYESA-PROINTEC	33,33%
UTE CONTROL MOGAN	33,34%
UTE INOCSA-PROSER-PROINTEC	33,34%
UTE GISS 7201/10 LOTE 6	34,00%
UTE OSAKIDETZA AM	34,00%
UTE INDRA - EVERIS - ISOFT - TELVENT INTERACT.	34,00%
UTE PROINTEC-INTEVIA-GETNISA	34,00%
UTE PROINTEC-TYPSA-CEMOSA ALICANTE	34,00%
UTE CEMOSA-TYPSA-PROINTEC	34,00%
UTE SAIH SUR	35,00%
UTE GISS 11	35,00%
UTE ACCENTURE - INDRA	35,00%
UTE INDRA-MNEMO	35,00%
UTE MANTENIMIENTO SAI-SEGURA	35,00%

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Company	Direct interest
ALATEC-PROINTEC-TCA. Y CCION. DE CATALUÑA	35,00%
UTE AEAT 68/06	35,18%
UTE AEAT 42/10	35,18%
UTE GISS 7201/10 LOTE 8	35,50%
UTE INDRA SISTEMAS - ALSTOM - INDRA SISTEMAS DE SEGURIDAD	37,00%
UTE INDRA - ALSTOM	37,00%
GEOPRIN-ICYFSA	37,00%
UTE IECISA-INDRA-ZENSANIA-EMTE	37,50%
UTE TUNELES DE PAJARES	39,00%
UTE AIMEN	40,00%
UTE ISM LOTE 2	40,00%
UTE TELEFÓNICA - INDRA - FUCODA	40,00%
UTE S.A.I. DEL SEGURA	40,00%
UTE VALLADOLID	40,00%
UTE SELEX ES -INDRA SISTEMAS	40,00%
UTE DBS - INDRA - IASOFT	40,00%
UTE ZORTNOZA (EUSKONTRO-PROINTEC-INGEPLAN	40,00%
UTE PROINTEC-AQUAGEST-GRS (CENSO TRIBUTARIO BURGOS	40,00%
UTE METRO DONOSTI (ACCIONA-PROINTEC-ASMATU)	40,00%
UTE PROINTEC-ESTUDIO 7 GUIADOR	40,00%
UTE FOA-MECSA GIJON	40,00%
UTE IECISA - INDRA	42,00%
UTE IECISA - INDRA .	42,00%

Company	Direct interest
UTE INDRA-ACCENTURE-GESEIN	45,00%
UTE BILBOMATICA, S.A. - INDRA SISTEMAS, S.A.	45,00%
UTE JOCS DEL MEDITERRANI	49,00%
UTE GISS 7201/10 LOTE 9	49,00%
UTE TGSS 7201/13G	49,00%
AP7 AUMAR NORTE	49,00%
UTE CIC-TF	50,00%
UTE 1 INDRA - UNITRONICS	50,00%
UTE 2 INDRA - UNITRONICS	50,00%
"UTE PROSELEC - INDRA SISTEMAS DE SEGURIDAD	50,00%
UTE INDRA - ITALTEL	50,00%
UTE CONTROL ACCESOS DONOSTIA	50,00%
UTE COPSA - INDRA	50,00%
UTE 2 INDRA - UNITRONICS 1	50,00%
UTE INDRA SISTEMAS, S.A. - TELVENT TRAF.Y TRANS.	50,00%
UTE 1 INDRA - UNITRONICS "DGSC1"	50,00%
UTE ORION	50,00%
UTE AVIONICA	50,00%
UTE INDRA - AVANZIT	50,00%
UTE INIB EJE	50,00%
UTE INDRA - AVANZIT	50,00%
UTE INDRA - NETINEX	50,00%
UTE INDTEC 137/09	50,00%
UTE INDRA - ITP (1)	50,00%
UTE INDRA - ITP (2)	50,00%

Company	Direct interest
UTE SISTEMAS METRO MALAGA	50,00%
UTE MANTENIMIENTO DNIe	50,00%
UTE IMPLAMTBAT	50,00%
UTE SOPORTE LOTE 2	50,00%
UTE ALG - CINESI (Plans Mobilitat)	50,00%
UTE EMTE-INDRA	50,00%
UTE INSTALACIONES TUNELES MUROS-DUEÑAS	50,00%
UTE INDRA-INICIATIVAS AMBIENTALES	50,00%
UTE MASTIN	50,00%
UTE AVIONICA DE HELICOPTEROS	50,00%
UTE INDRA SISTEMAS, S.A. - SIA, S.p.A.	50,00%
UTE INDRA-TELEFONICA	50,00%
UTE INDRA-TECDOA	50,00%
UTE INDRA-ALTIA	50,00%
UTE SIVE INDRA - AMPER	50,00%
UTE INDRA-TELEFONICA S.I.C.	50,00%
UTE ACCESOS LEVANTE	50,00%
UTE INDRA-EADS CASA	50,00%
UTE INDRA-ALTIA	50,00%
UTE INDRARANZADI	50,00%
UTE SIVE II INDRA-AMPER	50,00%
UTE ABC MALAGA	50,00%
UTE CONTROL POLOPOS	50,00%
UTE INDRA - TECNOCOM	50,00%

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Company	Direct interest
UTE ALG - FULCRUM	50,00%
UTE INDRA - ALVENTO	50,00%
UTE TELEFÓNICA SOL.DE INF. Y COM. DE ESPAÑA, SAU -	50,00%
UTE INOCSA-PROINTEC (TUNEL O CAÑIZO	50,00%
UTE PROINTEC-ACCIONA-ASMATU (UTE ZIZURKIL)	50,00%
UTE AGENCIA EFE (INCOSA-PROINTEC)	50,00%
UTE PROINTEC-BPG UTE PTL2016	50,00%
UTE PROINTEC-NOLTER INGENIERIA (ABASTECIMIENTO LA RIOJA)	50,00%
UTE III PLAN CARRETERAS CLM	50,00%
UTE III PLAN CARRETERAS CLM	50,00%
UTE PROINTEC-PAYMA COTAS	50,00%
UTE CIPSA CONSULPAL SA - PROINTEC SA	50,00%
UTE PROINTEC-PROINTEC EXTREMADURA SEGURIDAD VIAL 2013-2014	50,00%
UTE PROINTEC-PRORAIL	50,00%
UTE PROINTEC-GIUR LP-2	50,00%
UTE PROINTEC-AIRIA AEROPUERTO DE BARCELONA 2012	50,00%
PROINTEC-AUDITORIAS E INGENIERIAS.A. (MONTAJE VIA)	50,00%
UTE ABASTECIMIENTO ORENSE (PROINTEC-INSERCO)	50,00%
UTE PUEBLA DE OBANDO (PROINTEC-PROINTEC EXTREMADURA)	50,00%
UTE PUEBLA DE OBANDO (PROINTEC-PROINTEC EXTREMADURA)	50,00%

Company	Direct interest
PROINTEC-BB&J CONSULT S.A. (UTE MOVILIDAD BARCELONA)	50,00%
UTE TRN-MECSA	50,00%
EPTISA SERVICIOS DE INGENIERIA, S.L. - PROINTEC, S.A., UTE	50,00%
UTE ARQUING-PROINTEC 577	50,00%
UTE E3 SOLINTEG SL Y PROINTEC S.A. (UTE PROTOCOL PROJECTES)	50,00%
PROINTEC-INFRAESTRUCTURA Y ECOLOGIA, S.L.	50,00%
PROINTEC-INSTITUTO TECNICO DE MATERIALES Y CONSTRUCCIONES, S.A. (INTEMAC), UTE - UTE CE VALENCIA	50,00%
UTE PROINTEC-INTECSA-INARSA	50,00%
MECSA-OVE ARUP	50,00%
UTE EIPSA-PROINTEC-EUSKONTROL (UTE VIADUCTO)	50,00%
UTE PROINTEC-MEDIO AMBIENTE Y PATRIMONIO SL (MAP)	50,00%
PROINTEC-T.T.U.	50,00%
UTE PROINTEC-BLOM	50,00%
UTE INPROESA-MECSA	50,00%
PROINTEC-CASTELLANA DE INGENIERIA	50,00%
UTE INGENIERIA CIVIL INTERNACIONAL S.A.- PROINTEC S.A. (UTE ALMUDEVAR)	50,00%
PROINTEC-T.T.U. II	50,00%
INIMA-PROINTEC UTE	50,00%
PROINTEC-INIMA Mº AMBTE S.EUROPEOS (LINDE NORTE)	50,00%
GEOPRIN-EPSA	50,00%
AMINSA-PROINTEC (UTE TRANVIA A LA MAR)	50,00%

Company	Direct interest
UTE PROINTEC-INSERCO (BOMBEO BREÑA II)	50,00%
UTE PROINTEC-IBERINSA	49,00%
PROINTEC-INSTITUTO TECNICO DE MATERIALES Y CONSTRUCCIONES, S.A. (INTEMAC), UTE - UTE AEROP. PALMA MALLORCA	49,00%
GESTION INTEGRAL DEL SUELO-PROINTEC	50,00%
UTE PROINTEC-EYSER	50,00%
PROINTEC-GALOP III	50,00%
PROINTEC-AGROVIAL CONSULTORES (BALSA-CALDERETA)	50,00%
UTE INCOSA-PROINTEC III (AUDITORIO DE BURGOS)	50,00%
PROINTEC-INYSUR (BAJA CENSAL)	50,00%
PROINTEC-PROINTEC EXTREMADURA-ARQUEVCHECK	50,00%
PROINTEC - PROINTEC EXTREMADURA, S.L. III	50,00%
MECSA-ESTUDIOS Y PROYECTOS NIP (NIPSA)	50,00%
TRIBUGEST-PROINTEC III	50,00%
UTE PROINTEC-BPG	50,00%
GEOPRIN-ICYF, S.A.	50,00%
GEOPRIN-EUROCONSULT ANDALUCIA-EUROCONSULT SA	50,00%
UTE GOC-PROINTEC	50,00%
UTE PROINTEC-G.O.C.	50,00%
PROINTEC-MECSA (UTE ZAL ALMERIA)	50,00%
UTE PROINTEC-ESTUDIO 7 CALDERETA	50,00%
MECSA-SAN ANDRES	50,00%

This appendix forms an integral part of notes 1 and 5 to the consolidated annual accounts, in conjunction with which it should be read.

Company	Direct interest
AGUA Y ESTRUCTURAS, S.A. - PROINTEC (UTE AYEPRO)	50,00%
UTE PROINTEC-INTEMAC (AEROP. MURCIA)	50,00%
UTE PROINTEC-EUSKONTROL	50,00%
UTE PROINTEC-VIGUECONS ESTEVEZ	50,00%
UTE EUSKONTROL-EIPSA	50,00%
INSERCO-PROINTEC, UTE EDAR GUADALHORCE	50,00%
UTE PROINTEC-ALTOARAGONESA INGENIERIA CIVIL (UTE IMPACTO TERRITORIAL)	50,00%
UTE PIV2011 (PROINTEC-GMV SISTEMAS-EORIAN SYSTEMS-ETRALUX	50,58%
UTE INST. DESKARTA	51,00%
UTE INDRA - ETRA	51,00%
UTE JAÉN	52,12%
PROINTEC-EUROESTUDIOS, UTE	55,00%
UTE GISS 7201/14G LOTE 1	57,00%
UTE IMSERSO	59,00%
UTE INDRA EWS/STN ATLAS	60,00%
UTE CEIDECOM	60,00%
UTE TRÁFICO Y SEÑALIZACIÓN VALENCIA	60,00%
UTE ISM LOTE 1	60,00%
UTE INDRA-COMPAÑÍA VASCA DE INGENIERIA	60,00%
UTE CGSI ASTURIAS LOTE 4	60,00%
UTE INDRA - ALBATROS	60,00%
UTE INDRA-UNISYS	60,00%

Company	Direct interest
UTE INDRA-TELVENT	60,00%
UTE INDRA-PWC (ADIF)	60,00%
UTE PROINTEC-PYG MARJAL SUR	60,00%
UTE PROINTEC-E3 SOLINTEG (UTE COMITÉ D'OBRES)	60,00%
PROINTEC-UG 21 (TOCON-ILLORA)	60,00%
UTE PROINTEC-UG 21 (ALJARAFE II)	60,00%
UTE PROINTEC-EUSKONTROL II (UTE MANUALES)	60,00%
UTE ERNST & YOUNG	60,00%
UTE APIA 21	60,00%
UTE PROINTEC-UG 21 (COIN-ALHAURIN)	60,00%
UTE INDRA - AGFA	61,00%
UTE INDRA SISTEMAS, S.A. - EUROCOPTER ESPAÑA, SA	62,50%
UTE INDRA - IECISA	63,48%
UTE LINEA 9 TRAMO I Y II	64,00%
UTE INDRA - SAINCO	64,00%
UTE LINEA 9 MANTENIMIENTO TRAMO IV	64,00%
UTE INDRA - HP	65,00%
UTE DGT NOROESTE 2014	65,00%
UTE INDRA - LKS	65,00%
UTE OVYCYL INDRA GRUPO NORTE II	66,00%
UTE IECISA - INDRA (SEFCAN)	66,82%
UTE INDRA BMB - T.SOLUCIONES	69,42%
UTE IMD INDRA.TELEF	69,76%
UTE TELECO	70,00%

Company	Direct interest
UTE CGSI ASTURIAS LOTE 3	70,00%
UTE ALG - M & A	70,00%
UTE INDRA - ALFATEC	70,00%
UTE INDRA SISTEMAS, S.A. - UNISYS, S.L.U.	70,00%
UTE PWC - INDRA (EOI)	70,00%
UTE COMUNICACIONES EIBAR - AZITAIN	70,00%
PROINTEC-ALAUDA	70,00%
PROINTEC-MECSA&ARENAS ASOCIADOS (UTE RED ARTERIAL CARTAGENA	70,00%
PROINTEC-MECSA&ARENAS ASOCIADOS (UTE RED ARTERIAL CARTAGENA	70,00%
MECSA-ESTUDIO TORRE ELORDUY	70,00%
PROINTEC-CONURMA INGENIEROS CONSULTORES, S.L. II	70,00%
PROINTEC - INGENIA SERVICIOS GLOBALES DE INGENIERIA, S.L. (UTE TRAMO 7 PLAYA DEL INGLES)	70,00%
PROINTEC-AQUATICA INGENIERIA CIVIL, SL	70,00%
PROINTEC-INGEPLAN (LINEA 3)	72,50%
PROINTEC-INGEPLAN (BERGARA)	72,50%
UTE MECSA-ACORDE (UTE PLAN FORMACION)	75,00%
UTE INDRA -TELEFÓNICA HDA	78,38%
UTE ITGIPUZKOA	80,00%
UTE INDRA SISTEMAS DE SEGURIDAD-MONTAJES ELECTRICOS ELECTRISUR	80,00%
UTE INDRA - IBM @ DFA	80,00%
UTE INDRA - CESSER	80,00%

This appendix forms an integral part of notes 1 and 5 to the consolidated annual accounts, in conjunction with which it should be read.

Company	Direct interest
UTE INDRA - ARTE	80,00%
UTE INDRA - FONTANERIA RAMOS	80,00%
UTE INDRA-SADIEL 043/2012	80,00%
UTE INDRA-PUENTES Y CALZADAS INFRAESTRUCTURAS	80,00%
UTE CC MOVIMA	80,00%
PROINTEC-CIVILPORT-ENRIQUE AMIGO (UTE TRAMO 2 TREN DEL SUR)	80,00%
PROINTEC - AIRTHINK, S.L. - UTE PLANES DIRECTORES	80,00%
UTE INDRA - SADIEL	81,00%
UTE INDRA - SADIEL	81,00%
UTE INDRA - AVANZIT	82,00%
UTE 3 INDRA - UNITRONICS	85,00%
UTE 3 INDRA - UNITRONICS 4	85,00%
UTE 3 INDRA - UNITRONICS 5	85,00%
UTE 3 INDRA - UNITRONICS -"DEIF 2"	85,00%
UTE INDRA SISTEMAS, S.A. - SADIEL, S.A. "PROYECTO SADESI"	85,00%
UTE INDRA - AMBAR	85,00%
UTE INDRA-KONECTA	87,00%
UTE INDRA-OESIA	87,00%
UTE INDRA SISTEMAS, SA-AVANTIC ESTUDIO DE INGENIEROS, SL, UTE	89,50%
UTE INDRA - IRON	92,80%
UTE INDRA - SALLEN	70,00%
PROINTEC-PROINTEC EXTREMADURA II	100,00%

This appendix forms an integral part of notes 1 and 5 to the consolidated annual accounts, in conjunction with which it should be read.

Group's exposure to currency risk

(Appendix III)

2015	US Dollar	Pound Sterling	Mexican Peso	Argentine Peso	Chilean Peso	Brazilian Real	Peruvian Sol	Swiss Franc	Canadian Dollar	Norwegian Crone	Colombian Peso	Moroccan Dirham	Polish Zloty	Australian Dollar	Other currencies	TOTAL
Other financial assets	20	-	-	-	-	-	-	-	35	-	-	10	-	-	105	170
Total non-current assets	20	-	-	-	-	-	-	-	35	-	-	10	-	-	105	170
Trade and other receivables, NON GROUP	153.472	7.242	10.469	9.936	4.054	6.480	1.173	-	270	11	38.292	12.112	178	2.136	63.069	308.894
Other financial assets, NON-GROUP	4		403	27	-	-	-	38	-	-	-	-	-	-	65	537
Debt securities, NON-GROUP	579	-	-	-	-	-	-	-	-	-	-	-	-	-	-	579
Total current assets	**154.055**	**7.242**	**10.872**	**9.963**	**4.054**	**6.480**	**1.173**	**38**	**270**	**11**	**38.292**	**12.112**	**178**	**2.136**	**63.134**	**310.010**
Total assets	**154.075**	**7.242**	**10.872**	**9.963**	**4.054**	**6.480**	**1.173**	**38**	**305**	**11**	**38.292**	**12.122**	**178**	**2.136**	**63.239**	**310.180**
Loans and borrowings	21	-	-	-	-	-	-	-	-	-	-	-	-	-	-	21
Finance lease payables	1.538	-	-	-	-	-	-	1.086	-	-	-	-	-	-	-	2.624
Other financial liabilities	2.175	-	-	-	-	-	-		-	-	-	-	-	-	-	2.175
Trade and other payables	9	-	-	-	-	-	-		-	-	-	-	-	-	-	9
Total current liabilities	**3.743**	**-**	**-**	**-**	**-**	**-**	**-**	**1.086**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**4.829**
Total liabilities	**3.743**	**-**	**-**	**-**	**-**	**-**	**-**	**1.086**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**4.829**
Gross balance sheet exposure	**150.332**	**7.242**	**10.872**	**9.963**	**4.054**	**6.480**	**1.173**	**(1.048)**	**305**	**11**	**38.292**	**12.122**	**178**	**2.136**	**63.239**	**305.351**
Hedges of sales	265.972	21.973	18.654	-	5.125	1.375	2.139	71	1	-	4.706	1.193	181	4.322	163.904	-
Hedges of purchases	30.253	8.156	-	-	57	445	173	206	139	23	369	-	53	369	-	-
Derivative financial instruments - net hedges	235.719	13.817	18.654	-	5.068	930	1.966	(135)	(138)	(23)	4.337	1.193	128	3.953	163.904	-
Rate	0,75209	1,17639	0,05896	0,13690	0,00152	0,34876	0,27830			0,12793	0,00040			0,72500		
Sales		7.713	324.649	41.560	6.883.518	41.409	14.305			0	32.714.899			17.662		
Purchases		5.909	1.177	0	14.435	0	973			0	4.763.539			43		
Forecast sales in foreign currency																0
Forecast purchases in foreign currency																0

This appendix forms an integral part of note 37 a) (I) to the consolidated annual accounts, in conjunction with which it should be read.

2014	US Dollar	Pound Sterling	Mexican Peso	Argentine Peso	Chilean Peso	Brazilian Real	Peruvian Sol	Swiss Franc	Canadian Dollar	Norwegian Crone	Colombian Peso	Moroccan Dirham	Polish Zloty	Australian Dollar	Turkish Lira	Tunisian Dinar	Other currencies	TOTAL
Other financial assets	5.724	-	-	-	-	-	-	-	-	-	-	-	-	-	38	-	73	5.835
Total non-current assets	5.724	-	-	-	-	-	-	-	-	-	-	-	-	-	38	-	73	5.835
Trade and Other Receivables, NON-GROUP	154.530	10.002	222			2.274	6	177	88	36	4.579	9.348	3.435	158	7.312	8.133	15.286	215.586
Other financial assets, NON-GROUP	33	42	-	-	-	-	-	-	-	-	445	-	-	-	-	19	189	728
Debt securities, NON-GROUP	1.852	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	1.852
Total current assets	**156.415**	**10.044**	**222**	**-**	**-**	**2.274**	**6**	**177**	**88**	**36**	**5.024**	**9.348**	**3.435**	**158**	**7.312**	**8.152**	**15.475**	**218.166**
Total assets	**162.139**	**10.044**	**222**	**-**	**-**	**2.274**	**6**	**177**	**88**	**36**	**5.024**	**9.348**	**3.435**	**158**	**7.350**	**8.152**	**15.548**	**224.001**
Other financial liabilities	19	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	19
Total non-current financial liabilities	19	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	19
Loans and borrowings	2.581	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	2.581
Trade and other payables	79.772	6.999	-	26	-	68	-	463	107	-	6.943	1.572	218	160	160	373	8.755	105.616
Total current liabilities	**82.353**	**6.999**	**-**	**26**	**-**	**68**	**-**	**463**	**107**	**-**	**6.943**	**1.572**	**218**	**160**	**160**	**373**	**8.755**	**108.197**
Total liabilities	**82.372**	**6.999**	**-**	**26**	**-**	**68**	**-**	**463**	**107**	**-**	**6.943**	**1.572**	**218**	**160**	**160**	**373**	**8.755**	**108.216**
Gross balance sheet exposure	**79.767**	**3.045**	**222**	**(26)**	**-**	**2.206**	**6**	**(286)**	**(19)**	**36**	**(1.919)**	**7.776**	**3.217**	**158**	**7.350**	**8.152**	**6.793**	**115.785**
Hedges of sales	290.950	14.241	21.764	-	9.579	50.557	762	805	440	42	3.317	1.430	3.341	1.816	-	-	32.388	-
Hedges of purchases	41.432	5.057	7	-	370	428	106	335	785	1.846	605	108	55	368	-	-	-	-
Derivative financial instruments - net hedges	249.518	9.184	21.757	-	9.209	50.129	656	470	(345)	(1.804)	2.712	1.322	3.286	1.448	-	-	32.388	-
Rate	0,75209	1,17639	0,05896	0,13690	0,00152	0,34876	0,27830			0,12793	0,00040			0,72500	0,81185	0,72967		
Sales		7.713	324.649	41.560	6.883.518	41.409	14.305			0	32.714.899			17.662	0	3.299		
Purchases		5.909	1.177	0	14.435	0	973			0	4.763.539			43	334	862		
Forecast sales in foreign currency	26.565		192.494	42.731	48.131	306.357	58.622	7.224	32.450	66.125	39.762	32.481	19.794	37.135			116.155	1.098.345
Forecast purchases in foreign currency	12.051		88.675	9.301	16.736	30.576	10.710	20	11.753	33.553	10.006	20.024	6.478	25.313			31.891	344.918

This appendix forms an integral part of note 37 a) (I) to the consolidated annual accounts, in conjunction with which it should be read.

Information on significant non-controlling interests at 31 December 2015 and 2014.

(Anexo IV)

2015

Thousands of Euros	Indra Philippines	Inmize Sistemas	Electrica Soluziona	Other companies of little significance	Total
Percentage of non-controlling interest	50%	50%	49%		
Information on statement of financial position					
Non-current assets	2.283	-	57	-	**2.340**
Non-current liabilities	(1.369)	-	(42)	-	**(1.411)**
Total non-current net assets	914	-	15	-	**929**
Current assets	25.281	8.014	3.174	-	**36.469**
Current liabilities	(9.618)	(275)	(1.289)	-	**(11.182)**
Total non-current net assets	15.663	7.739	1.885	-	**25.287**
Net assets	16.577	7.739	1.900	-	**26.216**
Carrying amount of non-controlling interests (*)	**8.289**	**3.870**	**937**	**(952)**	**12.143**
Income statement information					
Total comprehensive income	2.923	4	326	-	**3.253**
Consolidated profit/(loss) attributable to non-controlling interests	**1.462**	**2**	**161**	**(2.287)**	**(663)**

(*) Excluding translation differences

2014

Thousands of Euros	Indra Philippines	Inmize Sistemas	Electrica Soluziona	Other companies of little significance	Total
Percentage of non-controlling interest	50%	50%	49%		
Information on statement of financial position					
Non-current assets	2.722	1	91	-	**2.814**
Non-current liabilities	(2.172)	-	(51)	-	**(2.223)**
Total non-current net assets	550	1	40	-	**591**
Current assets	23.598	7.997	2.925	-	**34.520**
Current liabilities	(11.467)	(262)	(823)	-	**(12.552)**
Total non-current net assets	12.131	7.735	2.102	-	**21.968**
Net assets	12.681	7.736	2.142	-	**22.559**
Carrying amount of non-controlling interests (*)	**6.341**	**3.868**	**1.056**	**1.877**	**13.142**
Income statement information					
Total comprehensive income	2.274	64	544	-	**2.882**
Consolidated profit attributable to non-controlling interests	**1.137**	**32**	**268**	**71**	**1.508**

(*) Excluding translation differences

This appendix forms an integral part of note 18 to the consolidated annual accounts, in conjunction with which it should be read.

Information on significant interests in associates at 31 December 2015 and 2014.

(Anexo V)

2015	A4 Essor	Saes Capital	I-3 Televisión	IRB Riesgo Operacional	Eurofigter Simulation Systems	Iniciativas Bioenergéticas	Societat Catalana per la Mobilitat	Other companies of little significance	Total
Thousands of Euros									
Percentage of non-controlling interest	21%	49%	50%	20%	26%	20%	25%		
Non-current assets	-	1.970	35	419	294	10.654	5.329	503	19.204
Current assets	1.133	13	880	167	39.177	1.635	873	21.106	64.984
Non-current liabilities	(26)	(1.985)	(228)	(692)	(31.176)	(8.868)	(5.928)	(4.024)	(52.927)
Current liabilities	(1.103)	(1)	(770)	(15)	(8.232)	(3.331)	(272)	(17.614)	(31.338)
Revenues	(1.733)	-	(3.180)	(102)	(2.727)	(12.062)	(2.892)	(2.243)	(24.939)
Subcontracting and other expenses	1.729	3	3.263	223	2.664	11.972	2.890	2.272	25.016
Total	-	-	-	-	-	-	-	-	-

2014	A4 Essor	Saes Capital	Indra Sistemas de Tesorería	I-3 Televisión	IESSA	IRB Riesgo Operacional	Eurofigter Simulation Systems	Other companies of little significance	Total
Thousands of Euros									
Percentage of non-controlling interest	21%	49%	49%	50%	50%	20%	26%		
Non-current assets	-	4.020	68	26	620	1.365	294	55.468	61.861
Current assets	1.820	870	912	2.313	3.032	715	39.177	26.911	75.750
Non-current liabilities	(127)	(4.051)	(22)	(418)	(2.066)	(1.294)	(29.888)	(53.310)	(91.176)
Current liabilities	(717)	(254)	(784)	(2.685)	(9.073)	(489)	(8.232)	(27.854)	(50.088)
Revenues	(2.922)	(835)	(2.459)	(6.426)	(4.864)	(1.068)	(16.240)	(65.040)	(99.854)
Subcontracting and other expenses	1.946	250	2.285	7.190	12.352	771	14.889	63.825	103.508
Total	-	-	-	-	-	-	-	-	-

This appendix forms an integral part of note 11 to the consolidated annual accounts, in conjunction with which it should be read.