INTRODUCTION

KEY FIGURES

Despite the gloomy macroeconomic and sector-wide outlook for the year as a whole, Indra's business continued to perform well over the second quarter of 2009.

Key figures for the first half of the year compared with the same period of 2008 were as follows:

Order intake increased by 4% to €1,542m, outperforming revenues in the period by 16%, with healthy growth in both the international (+9%) and domestic (+2%) markets. The Services segment experienced growth of 12%, whereas Solutions grew by 1%. We expect this gap to narrow over the second half of the year.

Revenues expanded by 7% yoy to €1,333m on the back of:

- Growth of 6% and 8% in the Solutions and Services businesses respectively.
- The positive performance of the international market, where revenues increased by 13% and of the domestic market, which posted a growth of 4%.
- The good performance of all the company's vertical markets, particularly Transport & Traffic, Telecom & Media and Financial Services, which posted double-digit growth.

The order backlog swelled by 6% to €2,607m, outstripping by more than 1x revenues for the past twelve months.

Given the company's performance over the first six months and the backlog of orders that can be executed over the second half of 2009, **revenue coverage relative to 2009 guidance stands at 92%**, in line with the ratio registered in the same period of 2008.

EBIT jumped 7% to €152m.

The **EBIT margin** (EBIT/revenues) stood at **11.4%**, in line with the figure reported for the same period last year.

Net profit climbed by 7% to €108m and EPS rose 8%.

Net working capital was equivalent to 84 days of annualised revenues, in line with the 85 days forecast for FY2009 and outpacing the level reported at the close of June 2008 by 8 days.

Net debt at the close of June stood at €212m, equivalent to **0.7x EBITDA** for the last twelve months and representing a €63m increase in comparison to year-end 2008 and a €10m increase over the figure reported in the first half of 2008.

GENERAL BUSINESS PERFORMANCE AND OBJECTIVES IN 2009

The first six months of the year have underscored the sluggish performance and weak growth of certain markets in which the company operates, particularly the domestic market, where a significant reduction of budgets can be observed, which, in turn, is dragging prices down.

Yet in spite of the adverse economic and sector-wide outlook, Indra is achieving high rates of growth and profitability. The significant effort made in the process of internationalising operations over recent years, coupled with the improved penetration in large Spanish accounts with strong business growth outside Spain, allows Indra to continue posting impressive growth while outperforming the rest of its sector. Effective cost management is also enabling the company to maintain the high levels of profitability it has been building up over recent years.

The international market will remain the main driver of company growth over the second half of the year and it is precisely these markets that present the best business opportunities. We continue to expect performance in the domestic market to level off over the remaining six months.

If we combine all these factors with the high level of visibility that Indra has for the remaining half year, we can be fully confident of meeting our 2009 objectives as set at the start of the year, and which we narrow now as follows:

- **Revenue growth in the mid-range of our forecast of between 5% and 7%**, with more pronounced growth in the international markets.
- **Order intake between €2,650m and €2,750m**, representing **growth of between 3% and 7%** and thereby meeting our order intake objective by posting orders not only above levels reported in 2008 but also above revenues for 2009, meaning our order backlog is set to increase for a further year.
- **EBIT margin of 11.4%,** similar to the figure reported in 2008 and right in the middle of our forecast range for the year underway (11.3%-11.5%).

DIVIDEND PAYMENT CHARGED TO 2008

Lastly, the company paid an ordinary gross dividend of €0.61 per share charged to 2008 profit on 7 July. This represents a 22% increase on the ordinary dividend paid against profit for the previous year and a pay-out of 55%, in line with the ordinary dividends paid over recent years.

2. MAIN FIGURES

Main figures for the period are as follows:

INDRA	1H09 (€M)	1H08 (€M)	Variation (%)
Order Intake	**1,542.2**	**1,481.7**	***4***
Revenues	**1,333.4**	**1,247.0**	***7***
Backlog	**2,606.8**	**2,460.5**	***6***
Net Operating Profit (EBIT)	**151.6**	**141.8**	***7***
EBIT Margin	**11.4%**	**11.4%**	***-***
Atributable Profit	**107.7**	**100.4**	***7***
Net Cash/ (debt) Position	**(211.6)**	**(201.3)**	***5***

Earnings per Share (according to IFRS)	1H09 (€)	1H08 (€)	Variation (%)
Basic EPS	0.6749	0.6242	*8*
Diluted EPS	0.6749	0.6242	*8*

Basic EPS is calculated by dividing net profit for the period by the total number of outstanding shares less weighted treasury shares at the close of the period. Treasury shares and total shares are weighted in accordance with the number of days they have been on the company's balance sheet during the year.

	1H09	1H08
Total number of shares	164,132,539	164,132,539
Weighted treasury stock	4,610,225	3,328,917
Total shares considered	**159,522,314**	**160,803,622**

At the close of June 2009, the company's weighted treasury shares stood at 4,610,225, of which 2,261,000 come from the hedging of the 2005 Share Option Plan, which matured on 30 June 2009 and has not been renewed. The plan had been hedged through an equity swap agreement, which also expired on the same date.

Diluted EPS is the same as basic EPS since the company has not issued convertible shares or any other similar financial instrument.