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01. What is Indra?

Indra: A global Consulting and Technology company

- **€3.1Bn** Revenues 2016 \(^{(1)}\)
- 34,000 employees
- Global consulting and technology company
- +140 countries
- Business Model based on our Proprietary Products and R&D

**Technology Partner for core business operations**

**Transport & Defence**
(45% of total sales)
Leading worldwide provider of proprietary solutions in niche areas

**Information Technology**
(55% of total sales)
Leading Digital company in Spain and Latam

1. Pro-forma values including full consolidation from Tecnocom
01. What is Indra?

We deliver core business operations technology in various industries

Transport & Traffic
- Air Traffic Management systems and Communications, Navigation and Surveillance systems
- Transport: Railway management systems, Urban traffic systems, highways, tunnels and traffic control systems

Energy & Industry
- Energy: generation, distribution and commercial management solutions
- Industry management solutions

Defence & Security
- Electronic Defence
- Air surveillance
- Military simulation
- Maritime surveillance
- Satellite Communications

Financial Services
- Insurance and banking core systems
- Operations transformation and process efficiency services

Telecom & Media
- Operations and business support systems
- New media and digital television solutions

Public Admin & Healthcare
- Comprehensive offer on electoral processes
- Educational and justice management systems
- Healthcare management platform
01. What is Indra?

With a strong presence in international markets
01. What is Indra?

Revenues breakdown by regions and verticals 2016

**Spanish revenues breakdown**

<table>
<thead>
<tr>
<th>Vertical</th>
<th>Spain</th>
<th>International</th>
</tr>
</thead>
<tbody>
<tr>
<td>Transport &amp; Traffic</td>
<td>14%</td>
<td>30%</td>
</tr>
<tr>
<td>Financial Services</td>
<td>26%</td>
<td>41%</td>
</tr>
<tr>
<td>Energy &amp; Industry</td>
<td>18%</td>
<td>12%</td>
</tr>
<tr>
<td>Telecom &amp; Media</td>
<td>8%</td>
<td>13%</td>
</tr>
<tr>
<td>Defence &amp; Security</td>
<td>17%</td>
<td>26%</td>
</tr>
</tbody>
</table>

**International revenues breakdown**

<table>
<thead>
<tr>
<th>Vertical</th>
<th>Spain</th>
<th>International</th>
</tr>
</thead>
<tbody>
<tr>
<td>Transport &amp; Traffic</td>
<td>30%</td>
<td>41%</td>
</tr>
<tr>
<td>Financial Services</td>
<td>64%</td>
<td>51%</td>
</tr>
<tr>
<td>Energy &amp; Industry</td>
<td>12%</td>
<td>11%</td>
</tr>
<tr>
<td>Telecom &amp; Media</td>
<td>13%</td>
<td>8%</td>
</tr>
<tr>
<td>Defence &amp; Security</td>
<td>26%</td>
<td>30%</td>
</tr>
</tbody>
</table>

**Total**

<table>
<thead>
<tr>
<th></th>
<th>Spain</th>
<th>International</th>
</tr>
</thead>
<tbody>
<tr>
<td>Total</td>
<td>43%</td>
<td>57%</td>
</tr>
</tbody>
</table>
## 01. What is Indra?

### Main figures 2014-16

<table>
<thead>
<tr>
<th></th>
<th>FY14</th>
<th>FY15</th>
<th>FY16</th>
</tr>
</thead>
<tbody>
<tr>
<td>Order Intake (€M)</td>
<td>3,013</td>
<td>2,651</td>
<td>2,744</td>
</tr>
<tr>
<td>Revenues (€M)</td>
<td>2,938</td>
<td>2,850</td>
<td>2,709</td>
</tr>
<tr>
<td>EBITDA (€M)</td>
<td>268</td>
<td>131</td>
<td>229</td>
</tr>
<tr>
<td>EBIT margin Recurrent</td>
<td>6.9%</td>
<td>1.6%</td>
<td>6.0%</td>
</tr>
<tr>
<td>Net profit Reported (€M)</td>
<td>-92</td>
<td>-641</td>
<td>70</td>
</tr>
<tr>
<td>NWC (DoS)</td>
<td>81</td>
<td>30</td>
<td>5</td>
</tr>
<tr>
<td>FCF (€M)</td>
<td>47</td>
<td>-50</td>
<td>184</td>
</tr>
<tr>
<td>Net Debt (€M)</td>
<td>663</td>
<td>700</td>
<td>523</td>
</tr>
</tbody>
</table>

(1) Before non-recurrent items of €687M  
(2) Before non-recurrent items of €246M  
(3) After non-recurrent items
01. What is Indra?

Main Shareholders

(*) Board of Directors representation
CNMV data. Identified shareholders with a position in excess of 3%
When we started to work on our first Strategic Plan in April 2015, Indra was in a very challenging situation.

**Ongoing deep operational issues**

- Non reliable analytical accounting and lack of control of onerous projects
  - 718€M write-offs in 2015
  - Difficulties to understand root causes and underlying issues
- Profitability de-prioritisation
  - Growth driven by low value added services
  - Cost overruns in some contracts resulting from aggressive growth
  - Expensive delivery model
- Lack of focus on cost efficiency
  - Heavy corporate structure
  - Non optimal production pyramid management
- Cash management decoupled from business activities
  - Excessive working capital requirements
- Excessive risk assumption in commercial bids
  - Some products at too early stage, generating onerous projects
  - Contractual and legal conditions without enough self-protection

**Resulting in high financial stress**

- Cash flow draining
  - -164€M
    - 1H15 accumulated FCF
- High debt generating difficulties on external financing
  - 825€M
    - 1H15 Net Debt
  - 5.9x
    - 1H15 Net Debt / EBITDA
By implementing our 2015 Strategic Plan, we have achieved significant structural improvements in Indra’s financials...

**Healthy P&L and balance sheet**

Much more reliable balance sheet after write-offs

**Sustainable cash generation**

Recurring EBIT LTM (€M)

- Indra Excluding Tecnocom
- Indra + Tecnocom

Includes 78€M cash cost from personnel optimisation plan in 2015, and 51€M in 2016

**Net debt on the lowest point since 2015 peak**

Net Debt / EBITDA LTM (Times)

1. Displayed data includes Tecnocom consolidation since April 18th, 2017; 2. Indra + Tecnocom 6.3%; 3. This ratio includes LTM EBITDA Indra & LTM EBITDA Tecnocom (part of this data is considered as if Tecnocom would have been managed by the former Management)
...and we have also improved our competitive positioning for the future

- More relevant weight of high value solutions
  - T&D solutions remained predominantly high value
  - TI high value solutions increased their relative weight

- Minsait, our new transformational vehicle, already launched and is currently up to speed
  - Launched in January 2016 and already growing more than the rest of IT
  - ~300€M sales 100% Minsait, ~2,700 FTEs

- We have a stronger proprietary product portfolio
  - E.g. Cyber Defence and Air Defence solutions
  - E.g. Developed ERTMS technology in Safety in Transport
  - E.g. IT solutions are more standardised and packaged

- We have a strong pipeline in T&D
  - 4.9€Bn in T&D (2.3€Bn in Defence & Security, 0.9€Bn in ATM and 1.7€Bn in Transport)

- We strengthened our commercial position internationally
  - New references in Ecuador in Defence & Security, Middle East in ATM, UK in Transport

- We were able to acquire Tecnocom and are on our way to make a successful integration
  - Gaining scale, positioning and complementing our product portfolio
  - E.g. Payment processing solution of Tecnocom has reinforced Indra’s Financial Services portfolio
  - 30.5€M in cost synergies targeted

Note: ERTMS (European Rail Traffic Management System)
But we found some unexpected issues in our transformation process

We had internal issues...

- Unexpected large restructuring needs in Brazil and Transport (~300€M and ~90€M impact on EBIT respectively in 2015-2017)
- Slower than planned portfolio rotation
  - Exit from onerous projects took longer than expected
- Difficulties to capture the full potential of efficiency and off-shoring opportunities without growing in IT
- Longer than expected cultural transformation challenge
- Management focus on both turnaround and growth at the same time has been difficult

... and the macro environment did not help

Lower than forecasted economic growth in LatAm

Real GDP growth (%)

<table>
<thead>
<tr>
<th>Year</th>
<th>Growth</th>
</tr>
</thead>
<tbody>
<tr>
<td>2015</td>
<td>0.4</td>
</tr>
<tr>
<td>2016</td>
<td>2.0</td>
</tr>
<tr>
<td>2017</td>
<td>0.8</td>
</tr>
</tbody>
</table>

Real World Bank 2015 Forecast

Lower than forecasted oil prices resulting in lower than expected GDP growth and T&D investments

Brent Price ($/barrel)

<table>
<thead>
<tr>
<th>Year</th>
<th>Price</th>
</tr>
</thead>
<tbody>
<tr>
<td>2015</td>
<td>2.8</td>
</tr>
<tr>
<td>2016</td>
<td>1.4</td>
</tr>
<tr>
<td>2017</td>
<td>0.8</td>
</tr>
</tbody>
</table>

Real US Energy Information Administration 2015 forecast

Sources: EIA Annual Energy Outlook 2015; real data from World Bank (for GDP growth 2016 estimate, 2017 projection)
We already accomplished significant changes...

- Improved operations, processes and culture
- Solid financial footing after having deep operational issues and having been on the edge of capital increase
- Relevant additional achievements that improved our competitive positioning for the future

... but we still need to complete the transformation and focus on profitable growth

- Continue specialising our operating model to increase focus, agility and flexibility
- Further evolve our product portfolio to complete migration towards high value
- Boost commercial transformation to capture growth
- Carry on with ongoing productivity improvement to increase competitiveness and margins
Every market where Indra has presence is expected to grow sustainably with strong fundamentals

### CAGR (2016-20)

- **IT**
  - **>10%**
    - Digital IT
  - **+3%**
    - Core IT

- **Defence & Security**
  - **+5%**

- **ATM**
  - **+4%**

- **Transport**
  - **>10%**

### Indra's Strategic Plan

**IT**
- Analytics and Big Data increasing demand
- Accelerated transition into Cloud environments
- New standards and business models (e.g. Co-leading digital initiatives with clients, Open-architectures, AI in ITO)
- BPO progressive migration into BPaaS
- Remaining potential for value creation by systems integration and outsourcing, especially in emerging geographies (e.g. LatAm)

**Defence & Security**
- Long term international programs still in progress (e.g. Eurofighter)
- New investment cycle in Spain (e.g. F110, 8x8)
- New additional international programs expected (e.g. EDAP)
- Need for modernisation of existing legacy systems and development of new digital solutions (e.g. Cyber Defence)

**ATM**
- Sustained growth and air traffic increase worldwide
- Need to manage aerospace congestion in mature markets (e.g. Europe)
- Intrinsic need for technological maintenance and upgrades as they are long life cycle critical systems
- Increased demand on Cybersecurity

**Transport**
- Increased infrastructure spending globally
- Demand of intelligent control systems and safety & signalling, with long delivery and maintenance phases
- Demand of technological updates and operational management systems for existing infrastructures
- Smart Mobility is transforming this market
In order to ensure Indra’s profitable growth under this positive environment we have defined our 2018-2020 Strategic Plan...

01. New Specialised Operating Model

02. Product Portfolio Evolution

03. Segmented Commercial Processes

04. Ongoing Productivity Upgrades

Greater focus, accountability, agility and flexibility

Healthy sales growth

Margin enhancement
By incorporating our IT business into a fully-owned subsidiary we intend to gain focus, accountability, agility and flexibility.

**Operational synergies**
- Corporate services will continue to be shared to leverage the scale effect and without losing synergies
- Economies of scale within the T&D and the IT business (in Offering Development, Cross-Selling and Production) will be totally captured

**Increased management focus and accountability**
- Businesses split facilitates specialisation (e.g. more focused international commercial activity)
- Split allows for clearer accountabilities

**Increased agility and time-to-market**
- Simplified management structure within the new division
- Decision-making and execution processes will be faster and better suited to each single business needs

**Improved strategic flexibility**
- Easier potential alliances, joint-ventures and M&A

**Operational synergies**
- Corporate services will continue to be shared to leverage the scale effect and without losing synergies
- Economies of scale within the T&D and the IT business (in Offering Development, Cross-Selling and Production) will be totally captured
### 02. Our Strategic Plan

Product Portfolio Evolution, Segmented Commercial Processes and Ongoing Productivity Upgrades will produce profitable growth

<table>
<thead>
<tr>
<th>Product Portfolio Evolution</th>
<th>Segmented Commercial Processes</th>
<th>Ongoing Productivity Upgrades</th>
</tr>
</thead>
<tbody>
<tr>
<td>• Invest to reinforce those products where we already have a <strong>leading</strong> position</td>
<td>• Increase commercial intensity with strong incentives and systematic tools</td>
<td>• Deploy <strong>Lean manufacturing</strong>, <strong>Lean IT production</strong> and apply <strong>Automation</strong></td>
</tr>
<tr>
<td>• Apply <strong>digital technologies</strong> to further position our offering in the <strong>smart ecosystem</strong></td>
<td>• Apply a <strong>segmented commercial approach</strong> with new <strong>more specialised profiles</strong></td>
<td>• Extend scope of our <strong>Global Business Services</strong> and rationalise our <strong>indirect costs base</strong></td>
</tr>
<tr>
<td>• Complement selectively our <strong>proprietary products</strong> portfolio to sell complete <strong>end-to-end solutions</strong></td>
<td>• Establish alliances / <strong>JVs</strong> for commercial acceleration in <strong>selected geographies</strong></td>
<td>• Intensify our <strong>Pyramid management</strong> and <strong>Delayering</strong></td>
</tr>
<tr>
<td></td>
<td></td>
<td>• Optimise procurement</td>
</tr>
</tbody>
</table>
### 02. Our Strategic Plan

#### Guidance

<table>
<thead>
<tr>
<th>Year</th>
<th>Revenues (€M)</th>
<th>EBIT (€M)</th>
<th>Total Cash Flow (€M)</th>
<th>CAPEX (€M)</th>
<th>Other uses (€M)</th>
</tr>
</thead>
<tbody>
<tr>
<td>2016</td>
<td>3,121</td>
<td>180</td>
<td><del>610 (3) (</del>€775m since First Investors Day)</td>
<td>100-110</td>
<td>Restructuring Plan: 129</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td>Tecnocom acquisition: 191</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td>Onerous projects: ~145</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td>Deleverage (consensus end FY17): ~40</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>CAGR 2016-2020 (2)</th>
<th>2018-2020E</th>
</tr>
</thead>
<tbody>
<tr>
<td>Low single digit</td>
<td>550-650 (6)</td>
</tr>
<tr>
<td>&gt;10% (p.a. growth)</td>
<td>150-200</td>
</tr>
</tbody>
</table>

1. Pro-forma values including full consolidation from Tecnocom
2. Organic growth. Constant exchange rates as of 2016 (average FX in 2016)
3. Includes the estimated CF generated in 2015-17E, excluding the estimated impact from the cash outflows from Tecnocom acquisition (191€M), headcount plans (129€M), onerous projects (~145€M) and the accumulated CAPEX in the period
5. The uses of the cash flow generated in the 2018-2020E period are contingent upon fulfilment of the Strategic Plan
6. Includes the FCF generated in the period according to Indra's definition, excluding CAPEX and the last part of the pending cash outflows associated with the headcount reduction plan in Spain (~40€M)
## T&D and TI Businesses Growth Expectations

<table>
<thead>
<tr>
<th>Business</th>
<th>Revenues 2016</th>
<th>CAGR(^1) (16-20)</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>T&amp;D</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Defence &amp; Security</td>
<td>599€M</td>
<td>Mid to high single digit</td>
</tr>
<tr>
<td>ATM</td>
<td>270€M</td>
<td>Mid single digit</td>
</tr>
<tr>
<td>Transport</td>
<td>355€M</td>
<td>Mid to high single digit</td>
</tr>
<tr>
<td><strong>IT</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>IT</td>
<td>1,897€M(^2)</td>
<td>Low single digit</td>
</tr>
</tbody>
</table>

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Source: Indra

---

Excluding 2018 Eurofighter revenues fall.
02. Our Strategic Plan

We will increase CapEx to foster growth in selected areas

Increased level of CapEx in 2018-2020...

Total CapEx (€M)

100 - 110 €M

→ 150 - 200 €M

x1.5 - x2 increase

2015 - 2017

2018 - 2020

...to accelerate growth while migrating to high value

- Invest to reinforce those products where we already have a leading position
- Apply digital technologies to further position our offering in the smart ecosystem
- Complement selectively our proprietary products portfolio to sell complete end-to-end solutions

Amortisation will increase due to:

- Finalisation and commercial launch of proprietary products
- Larger CapEx
- Tecnocom Purchase Price Allocation
IFRS 15

The new norm specifies, in a more restrictive way, how and when corporates will recognise revenue.

The standard provides a five-step model to be applied to all contracts with customers:
- Identify the contract
- Identify the performance obligations in the contract
- Determine the transaction price
- Allocate the transaction price to the performance obligations in the contract
- Recognise revenue when the entity satisfies a performance obligation

IFRS 9

The new standard includes requirements for recognition and measurement, impairment, de-recognition and hedge accounting.

The directive implies the recognition of a potential provision under the principle of expected losses versus incurred losses over our existing assets (mainly clients and unbilled clients).

The purpose is to provide a high-level overview of the IFRS requirements on the following areas:
- Classification and measurement of financial assets and liabilities
- Impairment
- Hedge accounting

- Impact on reserves: 1st January to be determined
- Some moderate impact on revenues (from 2018 onwards)
- Limited impact on margins (from 2018 onwards)

Note: New effective date of IFRS 15 and IFRS 9 – 1st January 2018
All our clients are facing the digital transformation of their operations

03. Transport & Defence
Positive market outlook in every business in T&D

### Defence & Security

<table>
<thead>
<tr>
<th>Category</th>
<th>Expected CAGR (%)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Air Defence</td>
<td>3%</td>
</tr>
<tr>
<td>Border Surveillance</td>
<td>6%</td>
</tr>
<tr>
<td>Electronic Warfare</td>
<td>4%</td>
</tr>
<tr>
<td>Simulation</td>
<td>4%</td>
</tr>
<tr>
<td>Satellite Communications</td>
<td>&gt;10%</td>
</tr>
</tbody>
</table>

### Air Traffic Management

<table>
<thead>
<tr>
<th>Category</th>
<th>Expected CAGR (%)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Air Traffic Management</td>
<td>3%</td>
</tr>
<tr>
<td>Communications, Navigation, Surveillance</td>
<td>5%</td>
</tr>
</tbody>
</table>

### Transport

<table>
<thead>
<tr>
<th>Category</th>
<th>Expected CAGR (%)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Revenue Collection</td>
<td>8%</td>
</tr>
<tr>
<td>Control &amp; Enforcement</td>
<td>6%</td>
</tr>
<tr>
<td>Operational Systems</td>
<td>&gt;10%</td>
</tr>
<tr>
<td>Safety &amp; Signalling</td>
<td>&gt;10%</td>
</tr>
</tbody>
</table>

Sources: Markets and markets, Indra Analysis

The smart segment of all these solutions is growing over 20%
03. Transport & Defence

Indra has a portfolio of leading proprietary solutions in T&D

<table>
<thead>
<tr>
<th>Category</th>
<th>Value</th>
<th>Percentage</th>
</tr>
</thead>
<tbody>
<tr>
<td>Transport</td>
<td>1,188</td>
<td></td>
</tr>
<tr>
<td>ATM</td>
<td>302</td>
<td>(25%)</td>
</tr>
<tr>
<td>Defence &amp; Security</td>
<td>606</td>
<td>(51%)</td>
</tr>
</tbody>
</table>

Indra is a global reference in many of these technological niche markets
03. Transport & Defence

We will continue taking advantage of synergies and economies of scale within T&D

Clear offering development and operational synergies within T&D

**Shared technologies**

<table>
<thead>
<tr>
<th>Defence &amp; Security</th>
<th>Radars</th>
<th>Control</th>
<th>Navigation aids</th>
<th>Communications</th>
<th>Cyber &amp; analytics</th>
</tr>
</thead>
<tbody>
<tr>
<td>✓</td>
<td>✓</td>
<td>✓</td>
<td>✓</td>
<td>✓</td>
<td>✓</td>
</tr>
</tbody>
</table>

| ATM                | ✓      | ✓       | ✓               | ✓              | ✓                |

| Transport          | ✓      | ✓       | ✓               | ✓              | ✓                |

**Shared engineering and manufacturing capabilities**

<table>
<thead>
<tr>
<th>Delivery</th>
<th>Life cycle management</th>
</tr>
</thead>
<tbody>
<tr>
<td>Production management</td>
<td>Post sales support and maintenance</td>
</tr>
<tr>
<td>Procurement</td>
<td></td>
</tr>
</tbody>
</table>

We will continue improving our operations as part of our strategic guidelines

End-to-end process review

- Building blocks standardisation
- Lean manufacturing
- Make vs buy optimisation
- Delayering
- Increased interaction between commercial, manufacturing and delivery

**Increased efficiency**

(10-15% in 2020 vs 2017)

**Improved agility, improved time to market**
Geopolitical uncertainty is increasing amidst growing security threats

“The events that shaped 2016 added a new sense of urgency and determination to see Europe delivering on its potential in defence”
European Defence Agency 2016 Annual Report

“Cyber threats are becoming more common, sophisticated and damaging (...) in 2016 NATO experienced an average of 500 incidents per month – an increase of roughly 60% over 2015”
NATO Cyber Defence Factsheet, May 2017

“Effective border security is key to the effective implementation of counter-terrorism measures”
UN, 2017

Indra’s home market in Spain is launching a new investment cycle

• Strong R&D programs launched by 2015 will be progressing into production phase
• Additionally, new R&D programs starting

Indra’s accessible geographies will grow

• Revitalised NATO push for 2% GDP defence expenditure
• European Defence Fund investing up to 5.5€Bn/year

Global Defence procurement (ex North America), $Bn

And Security market gaining relevance linked to an increase in border control and surveillance

Source: IHS Jane’s Defence Budgets 2017
Defence & Security is a long maturity market, with still ongoing high volume programs and local programs entering into production.

Existing long-term high volume programs are still in progress + There have been significant developments linked with the new Spanish investment cycle

- Eurofighter 1986– ...
- A400M 2003–2024
- NH90 1992–2024
- Tiger 1988– ...

Integrated frigate mast
- 90€M in R&D phase
- ~350€M in production phase

Electronic warfare system
- ~350€M project, not including associated platforms

Vehicle systems
- 28€M in R&D phase
- ~500€M in production phase

Space surveillance radar
- 15€M R&D
- ~340€M production project, with EU funding

Sustainment, sales and export opportunities
Future upgrades of main subsystems (e.g. radar, DASS)

Vehicle systems
- 28€M in R&D phase
- ~500€M in production phase

Space surveillance radar
- 15€M R&D
- ~340€M production project, with EU funding

Note: DASS (Defensive Aids Sub-System), DIRCM (Directional Infrared Counter Measures), CAS (Close Air Support), SST (Space Surveillance & Tracking)
Indra is a significant European player with a proven track record, and with an already relevant international business.
We are evolving our offering and applying disruptive digital technology

**Stronger Solutions...**
- Further standardise our solutions applying a **product-based approach**, instead of a tailor-made approach
- Enhance existing offering applying **disruptive digital technologies**, with analytics, IoT... (e.g. Big Data in Border Control)
- Complete current offering to sell **end-to-end solutions** and **integrated suites** leveraging proprietary products (e.g. SIMBA Suite)
- Further develop our **Cyber Defence solution** strengthening its positioning (e.g. reinforcing our Cyber Range)

**...with extended applications...**
- Adopt a **sustainment approach** positioning our offering along the whole life cycle and leveraging existing installed assets base
- Leverage our advanced existing offering, adapting it to modernise 3rd party legacy systems (e.g. T54 Optronics)

**...while positioning in new products and service models**
- Prospect new **emerging segments** (e.g. anti-UAV systems or UAV/USV platforms)
- Extend our **as-a-service offering** adopting more flexible per-use pricing models (e.g. flying hours training in Simulation) and offering alternative financing structures

---

**Tier 1 position in attractive segments**

**Increased value added to the client**

**Accelerated growth**

---

**Note:** USV (Unmanned Surface Vehicle)

We will gradually grow our CapEx in our product portfolio in 3 years
We will grow our international sales selectively

Specific commercial action plans per solution and strengthened alliances with platform integrators

- Specific action plans (e.g. Borders, Simulation)
- Strengthen existing + new alliances with platform integrators

Strengthened commercial action in target geographies

- Special focus on markets with high potential
  - Europe, as extended home market
  - Specific LatAm countries (e.g. Colombia, Ecuador)
  - Asia, Middle East and Oceania

- Develop strategic alliances with local partners
  - Offering our full portfolio
  - Gaining recurrence

- Approach Aftermarket where local installed base and recurrence have enough scale for a sustainable business

We already identified a solid pipeline (~2.3€Bn) to sustain future growth
Additionally, Indra is very well positioned to capture other potential relevant upsides which are not included in our Guidance.

- New Eurofighter modernisations and sales (e.g. Spain, Germany, Belgium)
- Exports related to F110 technology
- 8x8 future exports
- New European fighter (FCAS)
- Euro MALE UAV
- New European programs (under the European Defence Action Plan)

Note: FCAS (Future Combat Air System), OCCAR (Organisation Conjointe de Coopération en matière d'Armement)
ATM is a growing market with very strong fundamentals

Increase of air passenger traffic worldwide

<table>
<thead>
<tr>
<th>Year</th>
<th>Passenger traffic (RPKs Bn)</th>
</tr>
</thead>
<tbody>
<tr>
<td>2016</td>
<td>7</td>
</tr>
<tr>
<td>2036</td>
<td>17</td>
</tr>
</tbody>
</table>

Increase of flying aircrafts worldwide

<table>
<thead>
<tr>
<th>Year</th>
<th>Aircrafts in service worldwide (k)</th>
</tr>
</thead>
<tbody>
<tr>
<td>2016</td>
<td>23</td>
</tr>
<tr>
<td>2036</td>
<td>47</td>
</tr>
</tbody>
</table>

3 drivers of sustained demand for ATM systems

- Maintenance and replacement of legacy systems
  - Very long development cycles, high client loyalty

- Innovative technology to solve aerospace congestion (e.g. Europe)

- Potential new ATM systems operators
  - Already ~400 airports under construction or planned for

Note: RPKs (Revenue per kilometre). Source: Boeing Market Outlook 2017-2036; Markets and markets; Global airport construction review, CAPA

Expected stable ~4% growth in the ATM market
Indra provides reliable end-to-end solutions to operators in the ATM market.

- Providing reliable technology for the key critical systems of the ATM business
  - Highly sophisticated and reliable technology
  - Increased demand of cyber-secure technology

- Being a leading reference as a supplier providing end-to-end solutions

- Developing long lasting relationships with international reference clients
  - Enaire in Spain 35 years
  - DFS in Germany 20 years
  - NATS in the UK 10 years

Indra has a leading position globally in Control Centres, Navigation and Surveillance.

**ATM**
- Control Centres with Advanced Automation Systems (iTEC and managAir)

**CNS**
- Navigation with Instrument Landing Systems (ILS)
- Surveillance with Secondary Radars (MSSR)
Europe has a challenge in air traffic management due to air traffic congestion and the fragmentation of aerospace.

In 2004 Eurocontrol, the European Commission and a selection of industrial partners took the lead to solve this issue and increase interoperability.

Indra is one of the key industrial partners of SESAR.

7 European countries have already joined the iTEC Alliance along with Indra to fulfil present and future SESAR requirements, and +20 countries still pending to adopt a decision.

Note: SESAR (Single European Sky ATM Research)
... and one of the leading ATM systems providers in the world, having a large footprint of references globally.

~200 Control Centres

~1,700 Instrument Landing Systems (ILS)

~400 Secondary Radars (MSSR)

Note: Most significant countries with Indra’s presence highlighted

Indra ATM business is present in 176 countries
03. Transport & Defence

We are evolving and expanding our offering into new segments

Keep evolving leading products in current segments with technological updates

- Develop leading Cybersecurity technology, fulfilling latent demand
- Successfully evolve iTEC with the future requirements of the Single European Sky, leading the SESAR interoperability
- Evolve CNS products and service model (e.g. GBAS) to maintain the technological and commercial leading position

Expanding into new segments to complement Indra’s offering

- Grow on aftermarket leveraging our significant asset base of ~200 control centres, ~1700 ILS and ~400 radars installed
- Further develop remote towers to be a reference supplier, leveraging SESAR Indra already has leading technology installed (e.g. Norway)


We will gradually grow our CapEx in our product portfolio in 3 years
03. Transport & Defence

We will continue internationalising our business by leveraging our strong offering

**Leader in LatAm and Europe**

**America**

LatAm is a very strong Indra market, but still with important opportunities to

Multination program (ATM and CNS) for COCESNA countries

**Europe**

Further expand iTec and continue growing with other CNS technologies

Key relationships with Enaire (Spain), NATS (UK) and DFS (Germany)

**Strong positioning**

**Africa**

Potential upside to continue growing, entering new countries

20 years supplying ATM and CNS systems to Morocco

**Middle East**

Indra’s recent successful projects allows us to continue growing

Countrywide Advanced ATM systems in Oman

**Asia Pacific**

Continue capturing opportunities in a fast growing market

Coverage of ~60% of China’s aerospace

Note: COCESNA (Central American Corporation for Air Navigational Services), ATM (Advanced automation systems for Air Traffic Management), CNS (Communications, Navigation and Services), ILS (Instrument Landing System)

Indra
What went wrong in Transport

Externally, drop of the national market in Spain linked to public investment...

Infrastructure investment in Spain (US$ Bn)

...and economic slowdown in countries highly dependent on oil prices

Brent price ($/barrel)

Internally, management issues identified

- Lack of focus and high risk assumed implementing excessively tailor-made solutions in international unfamiliar environments
- Weak control and risk management during projects execution
- Opportunity cost: commercial activity focused on solving existing issues with clients instead of expanding the business

Our Transport business did not evolve as quickly as the market demanded
We have started a clear plan to execute Transport turnaround

**New organisation and team**

New structure and external talent recruited for top management positions
- Reinforced clients and competitors view

**Product Portfolio Evolution**

Portfolio rationalisation and development of more standardised and packaged solutions
Evolve proprietary products, strengthening our position in the Smart Transport market by taking them to the next technological step by gradually growing CapEx

**Segmented Commercial Processes**

New governance model (e.g. new organisation, new profiles, increased specialisation)
Improved commercial processes (e.g. competitors intelligence, KPIs and incentives)
New commercial plans on existing clients and prioritised geographies

**Ongoing Productivity Upgrades**

Restructured organisation and new team already in charge
New operational plan improving control and risk management

**Potential upsides**

Opportunity to become an international reference in rail Safety & Signalling (ERTMS) beyond the local market

Note: ERTMS (European Rail Traffic Management System)
Very attractive technology Transport market, entering into a phase of expansion

Change of cycle in infrastructure investment and therefore increased technology demand

- Changed trend in Spanish infrastructure investment
  - -4% growth 2010-2014
  - +2% growth 2015-2025

- +5% growth in global investment for Transport infrastructure expected until 2025

Transport infrastructure technology demand increased by

- New investment cycle
- Need for maintenance and upgrade of already existing infrastructure

+10% expected growth (+20% for Smart Transport)

Source: Oxford Economics, Assessing the global transport infrastructure market

Change in infrastructure operating models are generating additional opportunities

- Increased demand for intelligent systems adapting to the coming trend of Smart Transport
  - Requiring mobility, interconnectivity and real time steering

- More flexible asset management demand is requiring new systems
  - More efficient and scalable

- New opportunities for private players, as public administrations are externalising their operations and sharing risks (PPPs)

Indra has the perfect mix: transport business know-how, proprietary products and digital capabilities
Indra has a complete portfolio consisting of 4 key solutions with relevant positioning...

Transport segments for Indra’s solutions
- Rail
- Inter-urban
- Urban
- Airports
- Ports

Indra’s solutions
- Revenue Collection
- Control & Enforcement
- Operational Systems
- Safety & Signalling

Indra’s positioning
- Leading position
- Leading position
- Leading position

Solid portfolio leveraging Indra’s digital capabilities
- 1 of 3 incumbents in ASFA-D
- ERTMS

Note: ASFA-Digital (Safety & Signalling System), ERTMS (European Rail Traffic Management System)
... with strong references in the most innovative projects globally

**Revenue Collection**
- **Riyadh Ticketing**
  - Biggest greenfield contactless ticketing worldwide
- **Ticketing, The Netherlands**
  - Innovative AFC machines
- **T-Mobilitat, Spain**
  - Biggest integration fare & contactless project

**Control & Enforcement**
- **Urban Tunnels Control Centre, UK**
  - Iconic and complex due to London constraints
- **Tunnel Control Centre, UK**
  - New smart trends in traffic management
- **Nation-wide Road Traffic Control Centre, Spain**
  - Spanish traffic management

**Operational Systems**
- **High Speed Mecca – Medina, Arabia**
  - Most complex project in Middle East
- **High Speed Rail Control Centre, Spain**
  - Worldwide showroom
- **Port Community System, Portugal**
  - National port network installation

**Safety & Signalling**
- **Sydney Trains, Australia**
  - Advanced security system
- **ASFA-D, Spain**
  - High end solution for traditional rail safety in Spain
- **High Speed, Spain**
  - Rail communications & surveillance

*Note: ASFA-Digital (Safety & Signalling System)*
3 key priorities in our offering enhancement

Consolidate Indra’s positioning in the traditional segment
Increase recurrence and profitability

Evolve existing product portfolio to capture opportunities in the Smart Transport ecosystem
Position in the rapidly growing and fragmented smart transport market

Culmination of our investment in ERTMS
Our goal is to become the Spanish big player in the international safety market

Note: ERTMS (European Rail Traffic Management System)

We will gradually grow our CapEx in our product portfolio in 3 years
For this new stage we will strongly reinforce our commercial activity to generate quality pipeline and higher win-rate

New governance model

- Product managers focused on pre-sales activities
- Key account managers structured according to our 4 solutions, clients and geographies
- Specialised profiles per client and geography with stronger commercial skills

New selective Commercial Plans

- Focused commercial efforts geographically
  - Consolidate existing presence assuring recurrence clients in Europe, LatAm, Middle East and Asia Pacific
  - Gain additional penetration in US, Canada, UK and Nordic Countries
- Product portfolio taxonomy
- Client segmentation and prioritisation

New KPIs and incentives

+Volume

+Profitability

+Recurrence
In the last three years, we have performed a successful turnaround of our IT business.

### 2015

-67€M

- EBIT

- Pending write-offs
- Brazil’s losses
- Heavy cost structure
- Limited standardisation of proprietary products and disperse portfolio
- Lack of control and proliferation of onerous projects

### LTM Sep 2017

+17€M

- EBIT*

- No additional significant write-offs
- Brazil’s business under control with expected positive EBIT at the end of 2017
- Leaner cost structure
- Rationalised portfolio and structured product offering
- Increased control and tracking due to an improved analytical accounting and reduction of onerous projects

(*) Sep 17 displayed data includes Tecnocom consolidation since April 18th, 2017
We have strengthened the fundamentals of our business, setting up a solid starting point for the next growth cycle

- **Minsait launch**
  - High value brand, focused on digital transformation
  - Transformation trigger of our move to high value
  - Source of margin, growth and talent attraction

- **Product and service portfolio enhancement**
  - Rationalisation and standardisation of our product portfolio easing implementation
  - Migration of our products to Cloud
  - New product delivery model with specialised centres of excellence
  - Development of new digital offering (e.g. Analytics, Cloud services, Cybersecurity)

- **Portfolio mix enrichment**
  - Migration of our portfolio towards high value-added services and solutions for digital transformation

- **Reinforced control and delivery model**
  - Increased control in tender offering process
  - Closer monitoring of less profitable projects
  - Sharp reduction in the number of unprofitable projects

- **Successful integration of Tecnocom**
  - Consolidated leadership in Spain and increased client base due to high portfolio complementarity
  - Reinforcement of our product portfolio with Tecnocom’s payment processing solutions
  - Cost synergies on track and identified potential for efficiency in production
However, our focus on building a healthy business had an impact on the overall sales volume

Despite of our progress, we faced challenges...

... in a difficult macro context...

... resulting in lower sales than expected

IT revenues (€M)

- Lower growth in Latin America where Indra has high exposure
- Delayed public contracts due to lack of government during several quarters in Spain
- Low commodity prices and oil crisis limiting GDP growth in key markets

Harder restructuring, needing greater focus and efforts than expected

Longer and more difficult transition to exit from onerous projects
- High impact of non profitable sales lost (Brazil)
- Focus on healthy growth, instead of growth at any cost

Slower mix change towards high value
- Market evolved from generating digital needs for our clients...
- ...to be the highly demanded topic

Cultural change is not immediate

(*) Sep 17 displayed data includes Tecnocom consolidation since April 18th, 2017
Digitalisation is a direct driver for value

In 2015 digital was an emerging business, today it is on the CEO main agenda

“CIOs now have a unique opportunity, but they must "flip" their information, technology, value and people leadership practices to deliver on the digital promise”

Technology is the 2nd most cited priority for CEOs after growth...

...42% of CEOs say "digital first" or "digital to core" is their company digital business posture

Market conditions are expected to be favourable

<table>
<thead>
<tr>
<th>Top 5 most valued companies</th>
<th>2006</th>
<th>2016</th>
</tr>
</thead>
<tbody>
<tr>
<td>ExxonMobil</td>
<td></td>
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<td>GE</td>
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<td></td>
<td></td>
</tr>
<tr>
<td>Microsoft</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Amazon</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

NASDAQ 100 outperformed S&P500 by 17 p.p. since our first IDay in 2015

Expected average annual growth

- Cyber: 11%
- IoT: 20%
- Cloud: 16%
- AI: 55%

04. Information Technology

Although we need to rapidly adapt our offering and operating model to changing market demands...

**New technology buyers**
- Digital transformation as top topic on the CEO agenda
- Greater involvement and IT budgets in business areas
- New roles like Chief Data Officer or Chief Digital Officer & transition from CTO to CIO

**New contracting models**
- Cloud/As-A-Service models becoming mainstream for SW
- Success fee and value based deals gaining relevance
- Strategic topics demand exclusivity and JV models

**New types of competitors**
- Strategic consulting firms moving into digital
- New digital players growing into implementation
- In some cases, clients are becoming real competitors (e.g. telcos)

**New digital capabilities**
- Increasing demand of digital capabilities (e.g. Analytics, Cyber)
- Increasing market competition for digital talent
- Imperative to transform, develop and hold in-house talent

**Need to address the full Board of Directors**

**Need to build new types of deals / pricing / risk models**

**Need to reinforce our position as an E2E specialised player**

**Need to attract, retain and develop top digital talent**
We have identified 4 waves to evolve from “core businesses” to “digital business platforms”

1. Proactively seek opportunities to deliver productivity on Outsourcing & BPO of core legacy systems, leveraging new technologies and a culture of continuous improvement.

2. Actively pursue transformational projects leveraging our vertical product portfolio and deep knowledge of core systems.

3. Seek for business through digital initiatives (Analytics) of our clients’ business lines (channels, operations, products).

4. Build digital products and capabilities to operate in an Open ecosystem.

We are internally pushing forward the digital transformation we will bring to our clients.
We have already started our digital transformation journey with successful references

**Multi-client ITO**

Improve internal productivity and offering of multiclient ITO maintenance with Lean

- Automation of low complexity tasks
- Implement predictable mechanism to reduce lead times (AI)
- New ways of working
- Process streamlining: reduce bouncing

**Tecnocom’s Payment Processing Solution**

Transform Indra payment platform to create a high performance multi-client service

- Redefinition of the architecture to work on open environments
- Omnichannel client experience
- SaaS models of delivery
- Operating on Cloud environments

**Leading healthcare firm**

Transform patient - doctor interaction offering new digital services following a mobile-only strategy

- Definition of new business model
- Definition of digital customer journey
- Integration with customer’ personal health folder
- Orchestration of an ecosystem of functionality providers

**Leading recycling company**

Co-create, together with our client, a circular economy platform delivered to cities on Cloud

- Business platform approach
- Country-wide intelligence, enabling best practices adoption
- Innovation through geo-analytics, IoT and Artificial Intelligence
We have segmented our commercial approach based on client needs, opportunities and offering.

**E2E value propositions**

- Actively focus on big deals
- Minsait as trigger for transformation projects
- Upgrade sales for legacy systems with new features

**Proprietary products**

- Prioritise product specialisation to internationalise growth
  - Vertical specialised commercial forces
  - Third party specialised channels
  - Alliances reinforcement
Adapting our commercial approach to our client needs in each of our geographies prioritising digital growth

**Spain**

- Prioritise portfolio mix shift towards digital, while maintaining market positioning on traditional services
- Leverage vertical specialised teams to accelerate high value migration
- Use Minsait as trigger of end-to-end projects for digital transformation
- Emphasise co-leading digital initiatives and businesses to accelerate migration to high value and build references
- Actively commercialise (push) more efficient digitalised traditional offering – taking advantage of transformation

**LatAm**

- Grow profitably and sustainably while expanding Minsait and seizing transformation opportunities
- Leverage specialised global teams of our products
- Launch Minsait commercially in key countries
- Take advantage of growth opportunities (*SAP* in I&R, payments solutions)
- Proactively pursue big transformational deals with dedicated teams (e.g. externalisations in Banking)
- Seek for more efficient digitalised traditional projects (e.g. directly implement Outsourcing in Cloud)

**Rest of the world**

- Base growth on our proprietary products and strategic alliances
- Leverage global teams specialised in proprietary products
  - e.g. Energy distribution solution (InGrid), payment processing solutions, Hotel Management solution
- Explore third party channels
- Establish new alliances to expand the reach of our products (e.g. Microsoft’s Azure)

- End-to-end value propositions
- Proprietary products
We have designed an aggressive efficiency plan by applying new technologies

1. **Lean & Automation**
   - Apply full end-to-end Lean approach, fostering a culture of continuous improvement and placing automation at the core of our operations.

2. **Delaying**
   - Reduce management layers to increase **agility and accountability** while maximising efficiency.

3. **Pyramid Optimisation**
   - Reshape our production and delivery pyramid.

4. **Global Production**
   - Increase off-shoring by leveraging our existing capabilities in Latin America.

~1.5-2pp
induced direct margin increase by 2020
IT closing remarks

IT Market outlook and Indra’s positioning
- IT is a highly attractive market, disrupted by digital transformation
- Indra is in a privileged position to capture profitable growth opportunities

Product Portfolio Evolution
- Push forward end-to-end value propositions to accelerate our high value migration
- Consolidate our proprietary products

Segmented Commercial Processes
- Focus on E2E transformational projects accompanied by an innovative pricing scheme
- Prioritise product specialisation to internationalise growth

Ongoing Productivity Upgrades
- Continue applying full end-to-end Lean approach and automations
- Optimize delayering and intensify management of our production and delivery pyramid
- Increase off-shoring by leveraging our existing capabilities in Latin America
04. Information Technology

Additional potential upsides not considered in the guidance

- LatAm accelerated growth
- Seasonal Electoral Processes
- Accelerated digital transformation
Annex I: 
Last quarterly results
Annex I. Last quarterly results

Revenues up +8% in reported terms

### 9M17 Sales Growth

<table>
<thead>
<tr>
<th></th>
<th>Reported</th>
<th>+8%</th>
</tr>
</thead>
<tbody>
<tr>
<td>Local Currency</td>
<td>+8%</td>
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<tr>
<td>Organic Terms (Ex-Tecnocom)</td>
<td>-1%</td>
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</tbody>
</table>

### 3Q17 Sales Growth

<table>
<thead>
<tr>
<th></th>
<th>Reported</th>
<th>+19%</th>
</tr>
</thead>
<tbody>
<tr>
<td>Local Currency</td>
<td>+20%</td>
<td></td>
</tr>
<tr>
<td>Organic Terms (Ex-Tecnocom)</td>
<td>+7%</td>
<td></td>
</tr>
</tbody>
</table>

(1) Sales excluding Tecnocom and in local currency

(*) Displayed data includes Tecnocom consolidation since April 18th, 2017
Annex I. Last quarterly results

Revenues by vertical

**T&D**

- Defence & Security: 847 (811), -4% / -4%
- Transport & Traffic: 446 (403), -10% / -10%

**IT**

- Energy & Industry: 1,104 (1,305), +17% / +18%
- Financial Services: 293 (352), +23% / +24%
- PPAA & Healthcare: 298 (355), +19% / +19%
- Telecom & Media: 161 (171), +5% / +6%

(*) Displayed data includes Tecnocom consolidation since April 18th, 2017
Annex I. Last quarterly results

Revenues by region

Revenues (€M)

Local Currency / Reported

<table>
<thead>
<tr>
<th>Region</th>
<th>9M16</th>
<th>9M17*</th>
</tr>
</thead>
<tbody>
<tr>
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</table>

(*) Displayed data includes Tecnocom consolidation since April 18th, 2017
Order intake up +13% in reported terms

**Order Intake by Region (€M)**

<table>
<thead>
<tr>
<th>Region</th>
<th>Local Currency</th>
<th>9M16</th>
<th>9M17*</th>
<th>Change</th>
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<td>238</td>
<td>304</td>
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(*) Displayed data includes Tecnocom consolidation since April 18th, 2017

**Order Intake by Vertical (€M)**

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<th>Local Currency</th>
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<td>Defence &amp; Security</td>
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<td>-17%</td>
<td>-17%</td>
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<td>Transport &amp; Traffic</td>
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<td>-13%</td>
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<td>18%</td>
<td>18%</td>
<td>18%</td>
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<tr>
<td>Energy &amp; Industry</td>
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<td>+60%</td>
<td>+60%</td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
<td>+25%</td>
<td>+26%</td>
<td></td>
</tr>
</tbody>
</table>

Annex I. Last quarterly results

Results 9M17

Order intake up +13% in reported terms
### BRAZIL

<table>
<thead>
<tr>
<th>(local currency)</th>
<th>9M16</th>
<th>9M17</th>
<th>Variation</th>
</tr>
</thead>
<tbody>
<tr>
<td>Order Intake</td>
<td>529,3</td>
<td>586,8</td>
<td>+11%</td>
</tr>
<tr>
<td>Revenues</td>
<td>625,2</td>
<td>569,1</td>
<td>-9%</td>
</tr>
<tr>
<td>EBIT(*)</td>
<td>-15,3</td>
<td>-11,6</td>
<td>-24%</td>
</tr>
<tr>
<td>EBIT Margin(*)</td>
<td>-2,4%</td>
<td>-2,0%</td>
<td>+0,4 pp</td>
</tr>
</tbody>
</table>

6 out of the 7 onerous projects already closed/finished

(*) EBIT includes contingencies
Annex I. Last quarterly results

Ebit margin evolution

9M EBIT Margin Evolution

<table>
<thead>
<tr>
<th>EBIT 9M16</th>
<th>EBIT 9M17*</th>
</tr>
</thead>
<tbody>
<tr>
<td>5.3%</td>
<td>5.8%</td>
</tr>
</tbody>
</table>

9M EBIT margin by Divisions

<table>
<thead>
<tr>
<th></th>
<th>T&amp;D</th>
<th>IT</th>
</tr>
</thead>
<tbody>
<tr>
<td>9M16</td>
<td>12.0%</td>
<td>1.4%</td>
</tr>
<tr>
<td>9M17*</td>
<td>13.0%</td>
<td></td>
</tr>
</tbody>
</table>

3Q EBIT Margin Evolution

<table>
<thead>
<tr>
<th>EBIT 3Q16</th>
<th>EBIT 3Q17*</th>
</tr>
</thead>
<tbody>
<tr>
<td>5.5%</td>
<td>6.3%</td>
</tr>
</tbody>
</table>

EBIT Margin Evolution Ex-Tecnocom

<table>
<thead>
<tr>
<th>EBIT 3Q17</th>
<th>EBIT 9M17</th>
</tr>
</thead>
<tbody>
<tr>
<td>7.0%</td>
<td>6.1%</td>
</tr>
</tbody>
</table>

(*) Displayed data includes Tecnocom consolidation since April 18th, 2017
Annex I. Last quarterly results

Strong Operating FCF generation due to operating improvement and 3Q17 NWC

(*) Displayed data includes Tecnocom consolidation since April 18th, 2017

Quarterly FCF (€M)

Accumulated FCF LTM (€M)

OPERATING FCF BEFORE WC (€M)

1H15 9M15 FY15 1Q16 1H16 9M16 FY16 1Q17 1H17* 9M17*
Annex I. Last quarterly results

Net Debt bridge

Net Debt Bridge - Tecnocom’s split (€M)

Net Debt Bridge - Cash Flow (€M)

(*) Displayed data includes Tecnocom consolidation since April 18th, 2017
Annex I. Last quarterly results

Net Working Capital evolution

Net Working Capital (DoS)

FY16 9M17* 1H17* 9M17*

Account Receivable 77 74 76 74
Account Payable -82 -80 -76 -80
Inventory

Displayed data includes Tecnocom consolidation since April 18th, 2017

(*) Displayed data includes Tecnocom consolidation since April 18th, 2017
Annex I. Last quarterly results

Net Debt evolution

Net Debt (€M)

Net Debt/EBITDA LTM (Times)²

Non-recourse factoring
(2) Q1 2017 and Q3 2017 ratio includes LTM EBITDA Indra & LTM EBITDA Tecnocom (part of this data is considered as if Tecnocom would have been managed by the former Management)
(3) Q2 2017 and Q3 2017 ratio includes Indra Net Debt and LTM EBITDA Indra, both excluding Tecnocom effect

(1) Non-recourse factoring

(2) Net Debt/EBITDA LTM (Times)

(3) Net Debt/EBITDA LTM (Times)
### Debt Structure

<table>
<thead>
<tr>
<th></th>
<th>9M17*</th>
<th></th>
<th></th>
<th>2016</th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Total</td>
<td>% of total</td>
<td>Total</td>
<td>% of total</td>
<td></td>
</tr>
<tr>
<td>L/T Debt</td>
<td>1,192</td>
<td>90%</td>
<td>1,136</td>
<td>95%</td>
<td></td>
</tr>
<tr>
<td>S/T Debt</td>
<td>127</td>
<td>10%</td>
<td>61</td>
<td>5%</td>
<td></td>
</tr>
<tr>
<td>Gross Debt</td>
<td>1,318</td>
<td>100%</td>
<td>1,197</td>
<td>100%</td>
<td></td>
</tr>
<tr>
<td>Cost of Gross Debt</td>
<td>2.2%</td>
<td></td>
<td>2.8%</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Cash &amp; Others</td>
<td>638</td>
<td>n.m.</td>
<td>674</td>
<td>n.m.</td>
<td></td>
</tr>
</tbody>
</table>

### Gross Debt Maturity Profile

<table>
<thead>
<tr>
<th>(€M)</th>
<th>Cash</th>
<th>2017</th>
<th>2018</th>
<th>2019</th>
<th>Beyond 2020</th>
</tr>
</thead>
<tbody>
<tr>
<td>638</td>
<td>18</td>
<td>342</td>
<td>135</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

### Available Credit Facilities

<table>
<thead>
<tr>
<th>(€M)</th>
<th>Available Facilities</th>
<th>Net Debt</th>
</tr>
</thead>
<tbody>
<tr>
<td>1,568</td>
<td>Credit Facilities</td>
<td>Beyond 2020</td>
</tr>
<tr>
<td>171</td>
<td>2017</td>
<td></td>
</tr>
<tr>
<td>439</td>
<td>2018</td>
<td></td>
</tr>
<tr>
<td>135</td>
<td>2019</td>
<td></td>
</tr>
</tbody>
</table>

(*) Displayed data includes Tecnocom consolidation since April 18th, 2017