



Press Release

Order intake stood at €1,647mn, 12% higher than revenue

INDRA POSTS NET PROFIT OF €60 MILLION IN THE FIRST HALF OF 2014

- **Revenue stood at €1,476mn, representing 5% growth in the local currency**
- **Spain showed slight improvements in the second quarter compared to the first. The remaining regions, particularly the Middle East, Asia and Latin America, continue to post significant growth**

In the second quarter 2014 Indra's business performed in line with the forecasts offered at the start of the year. Business activity was slightly more buoyant in Spain during the second quarter compared to the first. This trend is likely to continue into the second half based on recently macroeconomic indicators. In general terms, the remaining regions continue to record strong activity levels, although affected by significant currency depreciation. This forex performance, particular from Latin American currencies, has undermined growth in the region by 18 points in comparative terms.

Total revenue stood at €1,476mn, representing a slight 1% decline for the reported numbers (in euro) against the same period in 2013, while at constant exchange rates (in the local currency) there would have been growth of 5%.

The company continues to perform well in the regions where it operates, with the exception of the Spanish market (representing 39% of the total), where revenue was down 9%. While full-year revenue in Spain is still expected to decline, improvements are anticipated over the second half. The AMEA region recorded a good performance, with growth of 22% in the local currency (18% reported); growth in Europe and North America stood at 11% in the local currency (10% reported), while Latin America posted growth of 14% in the local currency (decline of 4% reported).

Looking at vertical markets and in the local currency, Public Administrations & Healthcare posted growth of 25%, Transport & Traffic registered 10% growth and Financial Services 6%. There was a flat performance from Security & Defense, while the numbers from the Energy & Industry business,



with a decline of 3%, and Telecoms & Media, dipping 13%, reflect the challenging situation faced by these markets, particularly Spain, although improvements are expected over the second half of the year.

Net Profit stood at €60 million, representing a 27% increment on the same period in 2013, largely thanks to lower extraordinary expenses.

Order intake stood at €1,647mn, 12% higher than revenue, which was in line with the first half 2013. There was a noteworthy uptick from order intake in Spain (3% in the first half 2014 compared to a decline of 15% in the same period 2013). Order intake remains significant in the remaining regions (particularly AMEA and Latin America, with double-digit rates).

The recurrent EBIT margin stood at 7.7%. Indra made further progress in its efficiency adjustment and resource optimization plan during the second quarter, with a total of €12mn in one-off costs incurred by the end of the first half, which included the bulk of investments programmed for 2014. Net profit stood at €60mn, up 27% against the first half 2013.

Dividend of €0.34 per share and payout of 48%

In line with the Board of Directors' proposal, an ordinary dividend of €0.34€ per share against 2013 earnings was approved at the June AGM. This dividend is equivalent to a payout of 48% and a dividend yield of 2.8% based on the 2013 year-end price (€12.155). The dividend was paid out in early July.

2014 performance forecast

The expected evolution of the net working capital and the rest of the factors that determine the cash generation allows the company to believe it can reach the target to generate free cash flow above €100m in 2014, laying down the base for progressive growth in the following years.



KEY FINANCIAL FIGURES

The table below shows the key financial figures for the period:

	1H 14	1H 13	Variation (%)
	(€M)	(€M)	Reported / Local Currency
Order Intake	1,647	1,671	(1) / 6
Revenues	1,476	1,490	(1) / 5
Backlog	3,560	3,608	(1)
Recurrent Operating Profit (EBIT) ⁽¹⁾	113	118	(4)
Recurrent EBIT margin ⁽¹⁾	7.7%	7.9%	(0.2) pp
Extraordinary Cost	(12)	(21)	(43)
Net Operating Profit (EBIT)	101	97	5
EBIT margin	6.9%	6.5%	0.4 pp
Recurrent Net Profit ⁽¹⁾	69	64	9
Net Profit	60	48	27
Net Debt Position	652	649	1
Free Cash Flow	-3	11	--

⁽¹⁾ Before extraordinary costs