RESULTS
1Q13

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CONTENTS

1. INTRODUCTION

- The **performance** of the Company during the first quarter 2013 has been positive and **in line with expectations.**
- The **weakness** of the Spanish market has been more than **compensated** by the positive **evolution** of the **Latin-American** (Latam) and **Asia, Middle East and African** (AS,ME&AF) markets.
- **Sales** (€728m) **increased by 2%** and **order intake** (€1.055m) was **45% above sales figure**.
- The evolution of **sales** in terms of **geographic areas** was the following:
    - Spain (43% of total): -12%.
    - Latam (26% of total): +10%
    - Europe & Northamerica (20% of total): +2%
    - AS,ME&AF (11% of total): +80%
- **Services** revenues (37% as of total) have increased **7%** (-6% in Spain) while Solutions have slightly decreased (**-1%** in total, -16% in Spain).
- By vertical markets, growth rates have been between 6% and 8% in PPAA & Healthcare, Energy & Industry and Financial Services, with Security & Defence down 7% (due to the decrease of the Spanish market).
- **Order intake decreased 14%,** mainly due to the accounting in the first quarter of 2012 of a significant project (high speed train systems in Saudi Arabia, for an amount of €205m). **Excluding this effect**, order intake would have **increased by 4%.**
- **Backlog** reached €3,774m (+2%) and represents 1.28 times last twelve months' (LTM) sales
- **Recurrent EBIT margin** (€57m) stood at **7.9%**, in line with the announced target for the year (around 8%), and was 4% below the figure obtained in the same period of 2012. The measures to adequate costs and increase efficiency in Spain are being implemented as planned (€8m of extraordinary costs).
- **Net working capital** stood at **103 days** of sales (106 in 1Q12) and **investments** are in line with **expectations**, which has allowed the Company to generate **positive free cash flow** during the quarter.
- **Net debt** reached **€634m**, similar level than as December 31st, 2012 (€633m), and is equivalent to 2.1 times LTM recurrent Ebitda. The average life of the credit facilities that finance this debt is 2.7 years.
- On March 21st, the Company announced that the Board of Directors will propose to the General Assembly, to be held in June, the payment in **2013** of an **ordinary dividend** of **€0.34** per share charged against 2012 results – implying a 42% pay-out and a 3.5% yield – within an adequate shareholders' remuneration policy without increasing the Company's financial leverage, as well as the intention to pay in **2014** (on 2013 results), an ordinary dividend at least **equal or greater** than the one proposed for the current year. The payment of the dividend will be effective at the beginning of July 2013.

TRADING UPDATE AND 2013 TARGETS

As expected, the performance of Indra's business in those **geographic areas** that are **growing faster** (**Latam and AS,ME&AF**) continues to drive the company's growth and to compensate the weak macroeconomic environment in Spain, which is still affecting the commercial activity of the Group.

Taking into account the company's performance in 1Q13, its current backlog (with a coverage ratio of targeted sales higher than 75%), and the expected evolution of business in the geographic areas and markets in which Indra operates, **the Company confirms its 2013 targets** announced In February:

- **Revenue** growth slightly positive
- **Order intake** similar or ahead of revenues
- **Recurrent EBIT margin** (before extraordinary expenses) around 8%
- **Net working capital** in the range of 100-110 equivalent days of sales
- **Net capital expenditures** around €70m

2. MAIN FIGURES

The table below shows Indra's 1Q 2013 main figures:

INDRA	1Q13 (€m)	1Q12 (€m)	Variation (%)
Order Intake	1,054.8	1,221.7	(14)
Revenues	727.7	714.3	2
Backlog	3,773.5	3,710.6	2
Recurrent Operating Profit (1)	57.3	59.7	(4)
Recurrent EBIT margin (1)	7.9%	8.4%	(0.5) pp
Adjusted Attributable Profit (1)	32.7	39.8	(18)
Extraordinary Cost	(7.7)	(9.9)	na
Net Operating Profit (EBIT)	49.6	49.8	(0)
Attributable Profit	26.7	32.0	(16)
Net Debt Position	633.7	549.4	15

(1) Before extraordinary costs

Earnings per Share (according to IFRS)	1Q13 (€)	1Q12 (€)	Variation (%)
Basic EPS	0.1629	0.1955	(17)
Diluted EPS	0.1629	0.1955	(17)
Diluted EPS (adjusted)	0.1995	0.2435	(18)

Basic EPS is calculated by dividing net profit for the period by the total average number of outstanding shares less the average 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.

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

	1Q13	1Q12
Total number of shares	164,132,539	164,132,539
Weighted treasury stock	61,497	664,701
Total shares considered	164,071,042	163,467,838

At the close of March 2013, the company held 190,556 treasury shares representing 0.12% of total shares of the company.

3. ANALYSIS BY SEGMENT

SOLUTIONS

	1Q13 €m	1Q12 €m	Variation €m	%
Order Intake	575	742	(167)	(22)
Revenues	456	461	(5)	(1)
Book-to-bill	1.26	1.61		(22)
Backlog / Revs LTM	1.35	1.39		(3)

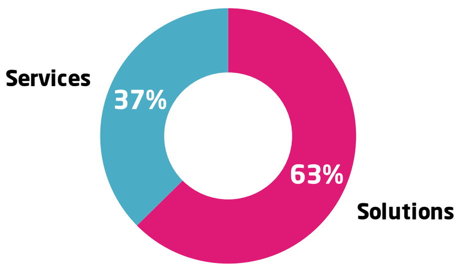
- **Order Intake** during the period was **26% ahead** of **sales,** although it decreases 22% due to the signing, in 1Q12, of the first phase of the high speed train contract in Saudi Arabia (€205m). Excluding this effect, order intake would have increased by 7%.
- **Revenues** have experienced a slight decrease **(-1%)** primarily due to the weakness of the Spanish market (-16%), mainly in the Security & Defence and Transport & Traffic verticals. The performance outside Spain has been positive, registering double digit growth.
- **Order backlog** reached €2,536m representing **1.35x** LTM sales.

SERVICES

	1Q 13 €m	1Q 12 €m	Variación €m	%
Order Intake	480	480	(0)	(0)
Revenues	272	253	19	7
Book-to-bill	1.77	1.90		(7)
Backlog / Revs LTM	1.15	1.28		(10)

- **Sales** increased by **7%**, with a **strong growth** in **Latam** and a **moderate decrease in Spain**.
- **Order intake** stood at the same level than in the first quarter of 2012, being **77% above sales.** This ratio will gradually decrease throughout the year due to the fact that a large number of services contracts are renewed in the first quarter of the year.
- **Order backlog (€1,238m)** shows an increase of **4%,** 15% above LTM sales.

Revenues by Segment 1Q13

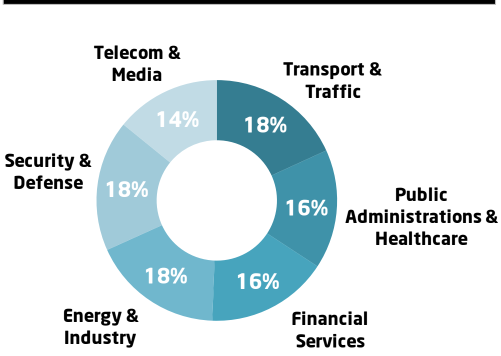


4. ANALYSIS BY VERTICAL

REVENUES	1Q13 (€m)	1Q12 (€m)	Variation (€m)	Variation %
Energy & Industry	127.8	120.0	7.8	7
Financial Services	122.2	115.0	7.2	6
Telecom & Media	102.4	101.1	1.3	1
PPAA & Healthcare	116.2	107.4	8.8	8
Transport & Traffic	131.6	133.4	(1.8)	(1)
Security & Defence	127.5	137.4	(9.9)	(7)
TOTAL	**727.7**	**714.3**	**13.4**	**2**

- **Energy & industry** registers a 7% increase. The Energy segment shows a positive performance during the quarter, posting double digit growth, while Industry remains flat in the period.
- **Financial Services** has posted a 6% growth in sales. The double digit growth rate in Latam should be highlighted (positive performance of insurance segment), as well as the moderate increase registered in Spain, favoured by the process of concentration of financial institutions which offer growth opportunities
- **Telecom & Media** has shown a slight increase in revenues, of 1%, and is expected to sign, troughout the year, projects in the telecommunications field in Latam.
- **PPAA & Healthcare** grew 8% on the back of the positive performance of emerging markets, mainly AS,ME&AF, which have compensated the double digit decrease in the Spanish market. The growth rate of this vertical will progressively moderate throughout the year due to the strong increase registered from 3Q12 onwards.
- **Transport & Traffic** has maintained the same level of sales as in 1Q12 (-1%). The high rates of growth registered in Europe, Latam and AS,ME&AF have compensated the significant decrease of revenues in Spain
- **Security & Defence** decreases its sales by 7%, on the back of the weakness of the Spanish market and despite the positive performance of the European market and to a higher extent, to the Latam one.

Revenues by Vertical 1Q13



5. ANALYSIS BY GEOGRAPHY

REVENUES	1Q13		1Q12		Variation	
	€M	%	€M	%	€M	%
Spain	312.8	43	355.6	50	(42.7)	(12)
Latam	186.3	26	169.1	24	17.2	10
Europe & USA	148.7	20	145.2	20	3.5	2
Asia, Middle East & Africa	79.9	11	44.4	6	35.5	80
TOTAL	**727.7**	**100**	**714.3**	**100**	**13.4**	**2**

- **Sales** in **Spain** decreased by 12%, in line with the expectations of the company, at a lower rate versus the second half of 2012. **Order intake** (book-to-bill ratio of 1.52x), decreased by 16%, also a lower rate versus the end of the year 2012. Order backlog / LTM sales ratio reached 1.12x in Spain, above the level seen during the first quarter of 2012 (1.05x).
- **Latam** registered **double digit growth in revenues**, growing both Solutions and, mainly Services. The activity in Transport & Traffic as well as in Security & Defence showed a positive performance (above the average). The growth rate in this geography area is expected to increase throughout the year as new contracts signed enter into force.
- **Europe & North America** market increased by 2% on the back of the positive performance in the Italian and German market.
- Revenues in **AS,ME&AF** increased by 80% driven by the positive performance in the Solutions segment, mainly in PPAA & Healthcare, Transport & Traffic and Security & Defence verticals. In contrast to Latam, the growth rate in this geography area is expected to decrease during the whole year due to the high level of growth reached in 2012 (+111%).
- **Order intake** increased by 12% in Latam, being 70% higher than revenues (book to bill ratio at 1.7x). Order intake in AS,ME&AF increased three times above sales, excluding the effect of the Saudi Arabia high speed train contract signed last year. Book to bill ratio in AS,ME&AF also reaches 1.7x.
- **Order backlog** increased by **15% in AS,OM&AF, 13% in Latam and 10% in Europe & Northamerica**, representing 1.38x LTM revenues of the aforementioned geographies.

6. ANALYSIS OF THE CONSOLIDATED FINANCIAL STATEMENTS (IFRS)

Income Statement:

- **Contribution margin** reached **15.4%**, similar level as in the first quarter of the previous year (15.5%):
    - Contribution margin in **Solutions** decreased 0.3 pp versus the first quarter of 2012, to **17.4%**
    - Contribution margin in **Services** grew 0.6 pp, up to **12.1%**.
- **Overheads** accounted for 7.5% of revenues, similar level than the 7.4% registered in December 2012 and 0.4 pp above 1Q12.
- **Recurrent operating profit** (EBIT before extraordinary costs) reached €57m, being 4% below the figure reported in the first quarter of 2012.
- **Recurrent operating margin** (EBIT before extraordinary costs / Sales) stood at **7.9%** in line with the target for the full year of around 8%.
- Indra has incurred in **€8m of extraordinary costs**, aimed at improving the productive efficiency of the company, mainly in Spain. After these extraordinary expenses, **Operating profit (EBIT)** reached **€50m**.
- **Net financial expenses** reached €14m compared to €11m in the first quarter of 2012. This increase is due to a higher average debt position, foreign exchange differences, and mainly to the interests expenses from the acquisitions made in Brazil and Italy, accounted from 2Q12 onwards, but with no cash out.
- **Tax rate** stood at 22%, slightly higher than the one registered during the same period of the previous year (21%).
- **Attributable profit** reached €27m (€33m excluding extraordinary costs) decreasing by16% versus the same period of the previous year.

Balance Sheet and **Cash Flow Statement**:

- **Net working capital** reached €820m, equivalent to 103 days of revenues, in the middle point of the targeted range of 100-110 days of revenues. This level is below the 106 days of revenues registered in the first quarter of the previous year and the 104 days at the end of 2012.
- Despite the economic environment, Indra maintains its commitment in developing Solutions through its R+D activity. Indra invested €10m in **intangible assets** (net of subsidies), figure lower than the one registered in the first quarter of 2012 (€17m). Payments for **tangible assets** reached €4m versus €11m reported in the same period of the previous year.

- **Financial investments** implied a cash payment of €7m (net of divestments), and mainly include the payment, to be deducted of the price to be paid in 2014 for the shares of Politec in Brazil (company acquired at the end of the second quarter of 2011), of expected contingencies materialised during the first quarter.
- Investment in Treasury Stock totalled €3m.
- **Net debt** position stood at €634m, same level than the one registered at the end of 2012 (€633m), and equivalent to 2.1x LTM recurrent EBITDA.

Human Resources

At the end of first quarter 2013, **total workforce** stood at 38,934 employees, remaining almost flat (+1%) compared to the end of 2012, and 8% higher than the first quarter of the previous year.

Final Workforce	1Q13	%	2012	%	Variación (%)
Spain	21,341	55	21,550	56	(1.0)
Latam	14,745	38	14,201	37	3.8
Europe & North America	1,702	4	1,720	4	(1.0)
Asia, Middle East & Africa	1,146	3	1,106	3	3.6
	38,934	**100**	**38,577**	**100**	**0.9**

7. EVENTS FOLLOWING THE CLOSE OF THE PERIOD

As announced on March 21st to the CNMV, the Board of Directors will propose to the next Shareholders' General Meeting the payment of a gross ordinary dividend of €0.34 per share, which will be made effective at the beginning of July.

This Board of Directors' decision has been taken in accordance with the statement of the Company to make a priority that the level of net debt (around 2x Net Debt / Ebitda, level that the Board of Directors considers reasonable) should not be increased while maintaining an adequate shareholders' remuneration policy.

This proposal implies a dividend yield of 3.5% considering the closing share price of the day of the announcement (March 21st, 2013) and a pay-out of 42%.

The current perspectives for business and cash flow improvement in the next years would allow foreseeing a dividend level in 2014, against 2013 profits, similar or greater than the one proposed for the current year.

ANNEX 1: CONSOLIDATED INCOME STATEMENT

	1Q13 €M	1Q12 €M	Variation €M	%
Revenues	**727.7**	**714.3**	**13.4**	**2**
Other income	16.2	20.2	(4.0)	(20)
Materials consumed and other operating expenses	(319.5)	(306.7)	(12.8)	4
Personnel expenses	(355.0)	(357.0)	2.0	(1)
Results on non-current assets	(0.1)	(0.0)	(0.1)	NA
Gross Operating Profit (recurrent EBITDA)	**69.3**	**70.8**	**(1.5)**	**(2)**
Depreciations	(12.0)	(11.0)	(0.9)	8
Recurrent Operating Profit (EBIT before ext. expenses)	**57.3**	**59.7**	**(2.4)**	**(4)**
Recurrent EBIT margin (before extraordinary expenses)	***7.9%***	***8.4%***	***(0.5)***	***--***
Extraordinary expenses	(7.7)	(9.9)	NA	NA
Net Operating Profit (EBIT)	**49.6**	**49.8**	**(0.2)**	**(0)**
EBIT Margin	***6.8%***	***7.0%***	***(0.2)***	***--***
Financial results	(13.8)	(10.6)	(3.2)	30
Share of profits (losses) of associates and other investees	(1.5)	0.1	(1.6)	NA
Earnings Before Taxes	**34.3**	**39.3**	**(5.0)**	**(13)**
Income tax expenses	(7.5)	(8.2)	0.6	(8)
Profit for the period	**26.8**	**31.1**	**(4.3)**	**(14)**
Attributable to minority interests	(0.0)	0.9	(0.9)	NA
Net Profit attributable to the parent company	26.7	32.0	(5.2)	(16)
Net Profit attributable to the parent company recurrent	**32.7**	**39.8**	**(7.1)**	**(18)**

Figures not audited.

ANNEX 2: INCOME STATEMENTS BY SEGMENTS

1. Solutions

	1Q13 €M	1Q12 €M	Variation €M	%
Net sales	**456.0**	**461.4**	**(5.4)**	**(1)**
Contribution margin	79.4	81.7	(2.4)	(3)
Contribution margin/ Net revenues	***17.4%***	***17.7%***	***(0.3) pp***	
Results from associates	0.1	0.1	(0.0)	--
Segment result	**79.4**	**81.8**	**(2.4)**	**(3)**

2. Services

	1Q13 €M	1Q12 €M	Variation €M	%
Net sales	**271.6**	**252.9**	**18.8**	**7**
Contribution margin	32.9	29.1	3.7	13
Contribution margin/ Net revenues	***12.1%***	***11.5%***	***0.6***	
Results from associates	0.0	0.0	0.0	--
Segment result	**32.9**	**29.1**	**3.7**	**13**

3. Total consolidated

	1Q13 €M	1Q12 €M	Variation €M	%
Revenues	**727.7**	**714.3**	**13.4**	2
Consolidated contribution margin	112.2	110.8	1.4	1
Contribution margin/ Revenues	***15.4%***	***15.5%***	***(0.1) pp***	
Other non-distributable corporate expenses	(54.9)	(51.1)	(3.8)	7
Consolidated net operating profit (recurrent EBIT)	**57.3**	**59.7**	**(2.4)**	**(4)**
Extraordinary expenses	(7.7)	(9.9)	2.2	-
Consolidated net operating profit (EBIT)	**49.6**	**49.8**	**(0.2)**	**(0)**

Figures not audited

ANNEX 3: CONSOLIDATED BALANCE SHEET

	1Q13 €M	2012 €M	Variation €M
Property, plant and equipment	162.1	166.4	(4.2)
Intangible assets	277.5	280.3	(2.8)
Investments in associates and other investments	75.3	68.5	6.8
Goodwill	652.4	645.3	7.1
Deferred tax assets	173.1	164.1	8.9
Non-current assets	**1,340.4**	**1,324.7**	**15.8**
Non-current assets held for sale	9.5	9.1	0.5
Operating current assets	2,070.5	2,176.3	(105.9)
Other current assets	168.3	176.1	(7.7)
Short term financial investment	0.0	0.0	0.0
Cash and cash equivalents	74.7	69.8	4.8
Current assets	**2,323.0**	**2,431.3**	**(108.3)**
TOTAL ASSETS	**3,663.4**	**3,755.9**	**(92.5)**
Share Capital and Reserves	1,108.9	1,089.0	19.9
Treasury stock	(1.8)	(0.1)	(1.7)
Equity attributable to parent company	**1,107.1**	**1,088.9**	**18.2**
Minority interests	21.3	20.7	0.6
TOTAL EQUITY	**1,128.4**	**1,109.6**	**18.8**
Provisions for liabilities and charges	74.1	75.0	(0.8)
Long term borrowings	393.3	398.1	(4.8)
Other financial liabilities	6.8	6.2	0.6
Deferred tax liabilities	88.8	97.7	(8.9)
Other non-current liabilities	120.8	123.4	(2.6)
Non-current liabilities	**683.9**	**700.4**	**(16.5)**
Current borrowings	315.1	305.0	10.1
Operating current liabilities	1,250.6	1,342.5	(91.9)
Other current liabilities	285.5	298.4	(13.0)
Current liabilities	**1,851.1**	**1,945.9**	**(94.8)**
TOTAL EQUITY AND LIABILITIES	**3,663.4**	**3,755.9**	**(92.5)**
Net debt	***633.7***	***633.3***	***0.4***

Figures not audited

ANNEX 4: CONSOLIDATED CASH FLOW STATEMENT

	1Q13 €M	1Q12 €M	Variation €M
Profit before taxes	34.3	39.3	(5.0)
Adjusted for:			
- Depreciations	12.0	11.0	0.9
- Provisions, capital grants and others	(10.4)	4.8	(15.2)
- Results on non-current assets	1.7	(0.1)	1.7
- Share of profit / (losses) of associates and other	(0.1)	0.0	(0.1)
- Share options expenses	0.0	0.8	(0.8)
- Net financial result	13.8	10.6	3.2
- Dividends received	0.0	0.0	0.0
Operating cash-flow prior to changes in working	**51.2**	**66.5**	**(15.2)**
Receivables, net	34.7	(29.4)	64.1
Inventories, net	(9.9)	(10.0)	0.1
Payables, net	(10.9)	(32.9)	22.0
Change in working capital	**14.0**	**(72.3)**	**86.3**
Other operating changes	(17.7)	(6.5)	(11.2)
Income taxes paid	(5.7)	(2.3)	(3.3)
Cash-flow from operating activities	**41.9**	**(14.7)**	**56.6**
Property, plant and equipment, net	(4.5)	(10.9)	6.4
Intangible, net	(9.8)	(16.9)	7.1
Investements, net	(7.3)	13.7	(21.0)
Interest received	0.6	1.0	(0.5)
Net cash-flow provided/(used) by investing activities	**(21.1)**	**(13.1)**	**(7.9)**
Changes in treasury stock	(2.5)	2.7	(5.2)
Dividends of subsidiaries paid to minority interests	0.0	0.0	0.0
Dividends of the parent company	0.0	0.0	0.0
Short term financial investment variation	(0.1)	0.0	(0.1)
Increases (repayment) in capital grants	0.5	(0.1)	0.6
Increase (decrease) in borrowings	(3.5)	50.5	(54.0)
Interest paid	(10.9)	(10.2)	(0.7)
Cash-flow provided/(used) by financing activities	**(16.4)**	**43.0**	**(59.4)**
NET CHANGE IN CASH AND CASH EQUIVALENTS	**4.4**	**15.2**	**(10.8)**
Cash & cash equivalents at the beginning of the	**69.8**	**81.9**	**(12.1)**
Foreign exchange differences	0.4	(0.2)	0.7
Net change in cash and cash equivalents	4.4	15.2	(10.8)
Cash & cash equivalents at the end of the period	**74.7**	**96.9**	**(22.2)**
Long term and current borrowings	(708.4)	(646.3)	(62.1)
Net debt/ (cash) position	***633.7***	***549.4***	***84.3***

Figures not audited

DISCLAIMER

This report may contain certain forward-looking statements, expectations and forecasts about the Company at the time of its elaboration. These expectations and forecasts are not in themselves guarantees of future performance as they are subject to risks, uncertainties and other important factors that could result in final results differing from those contained in these statements.

This should be taken into account by all individuals or institutions to whom this report is addressed and that might have to take decisions or form or transmit opinions relating to securities issued by the Company, and in particular, by the analysts and investors who consult this document.

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