RESULTS 1Q17

MADRID, MAY 11TH 2017

www.indracompany.com

indra

CONTENTS

1. INTRODUCTION & KEY FIGURES

MILESTONES

Revenues in 1Q17 increased by +2% in reported terms to €638m (-1% in local currency).

- By vertical, it is worth noting the positive contribution from Defense & Security (+11% in local currency) and Financial Services (+9% in local currency).
- By region, Europe (+16%) and Spain (+5%) are the geographies with the highest revenue expansion.
- Foreign Exchange contributed positively in 1Q17 (€+14m).

Order Intake declined by -7% in reported terms (-9% in local currency) negatively impacted by, among other things, the cancellation in 2016 of the BPO contract with Vodafone and the seasonality of the Elections business and other relevant contracts.

EBITDA increased by +10% year-on-year to €48m.

- EBITDA margin stands at 7.5% in 1Q17, which compares to 6.9% in 1Q16

EBIT margin reached 5.2% in 1Q17 (versus 4.6% in 1Q16) backed by the positive evolution of the profitability in the IT segment.

- T&D EBIT margin remained unchanged at 12.3% in 1Q17 (vs 12.4% in 1Q16)
- IT EBIT margin increased to 0.2% in 1Q17, which compares to -1.2% in 1Q16

Despite the early collection in 4Q16 of certain payments expected to cash in throughout the first months of 2017 (of around €80m), Free Cash Flow consolidates its positive performance in the quarter reaching €-5m.

- Operating Free Cash Flow prior to changes in Working Capital stands at €48m, which compares to €20m in 1Q16 backed by the improvement in operating activity

Net Debt is slightly up to €532m, versus €523m registered at the end of last year.

- Net Debt/EBITDA LTM remained unchanged to 2.3x, same level as the end of last year
- Average cost of gross debt down to 2.4% vs 2.8% in 1Q16

Net profit of the Group increased by +77% in 1Q17 to €21m (vs €12m in 1Q16).

Indra confirms the previously communicated indications (which not include Tecnocom) surrounding the expected evolution for 2017 of revenues, EBIT margin and Free Cash Flow pre-Working Capital.

Tecnocom's offer reached an acceptance of 97.2%. The transaction was closed on April 27th and Indra executed its forced sale for the remaining capital share. Indra has already started the integration process.

MAIN FIGURES	1Q17 (€M)	1Q16 (€M)	Variation (%) Reported / Local currency
Order Intake	852	918	(7.2) / (8.6)
Revenues	638	628	1.6 / (0.6)
Backlog	3,380	3,362	0.6
Gross Operating Profit (EBITDA)	48	43	10
EBITDA Margin	7.5%	6.9%	0.6 pp
Operating Profit (EBIT)	33	29	16
EBIT margin	5.2%	4.6%	0.6 pp
Net Profit	21	12	77
Net Debt Position	532	659	(19)
Free Cash Flow	(5)	47	NA
Basic EPS (€)	0.127	0.072	76

2. ANALYSIS OF THE CONSOLIDATED FINANCIAL STATEMENTS (IFRS)

INCOME STATEMENT

- 1Q17 Revenues reached €638m, which implied a growth of +2% in reported terms (-1% in local currency). The T&D segment (-1% local currency; +0% reported figures) registered a worse relative performance compared to IT (flat in local currency; +3% in reported terms) negatively affected by the strategic review concerning the Transport division. Vertical wise, it is worth highlighting the growth in Defence & Security (+11% in local currency) and Financial Services (+9% in local currency). By region, it should be noted the positive evolution of Europe (+16% in local currency) and Spain (+5%). Exchange rates had a positive impact of €14m in the quarter.
- Other income totaled €9m in 1Q17, same levels as that registered in 1Q16. This heading is mainly composed of R&D capitalization (€6m) and subsidies (€2m).
- Order Intake declined by -7% in reported terms (-9% in local currency) negatively impacted by, among other things, the cancellation in 2016 of the BPO contract with Vodafone and the seasonality of the Elections business and other relevant contracts.
- OPEX (Operating Expenses) slightly increased by +1% vs 1Q16 in reported terms (-1.3% in local currency), to €600m in 1Q17 from €594m in 1Q16:
    - Materials consumed and other operating expenses went up + 2%.
    - Personnel expenses remained at a similar level to 1Q16 and reached €331m. The lower personnel expenses associated with the decline in the average workforce (-7%), were offset by FX impact, salary inflation impact and certain accrual personnel provisions to be made in 2017
- EBIT margin in 1Q17 reached 5.2% vs 4.6% in 1Q16:
    - T&D EBIT margin (Transport & Traffic and Defence & Security verticals) was 12.3% which implies a similar level to 1Q16 (12.4%). The Defence & Security vertical improved its profitability vs last year, while Transport & Traffic went down, dragged by the Transport division.
    - IT EBIT margin went up +1.4pp to 0.2% (vs -1.2% in 1Q16) backed by the sales positive performance and the optimization plans put in place during the previous quarters.
- D&A reached €14m in 1Q17, same levels as in 1Q16.
- Financial Result reached €-2m in 1Q17 (vs €-11m in 1Q16) as a consequence of the reduction in gross debt and its average borrowing costs (down -0.4pp to 2.4% in 1Q17), and the positive impact of certain FX hedging and other financial results.
- The profit or loss of the equity accounted investees was €-0.1m, similar level to 1Q16.
- Tax expenses reached €10.1m in 1Q17, equivalent to a tax rate of 32.3% as a result of, among other things, certain limits in the application of tax credits (mainly in Brazil), and the higher tax rate in certain international subsidiaries vs in Spain.
- Net profit of the Group went up +77% and totaled €21m in 1Q17 vs €12m registered in 1Q16.

BALANCE SHEET AND CASH FLOW STATEMENT

- 1Q17 Free Cash Flow was €-5m, showing a very positive performance taking into account the high level of collections expected throughout the first months of 2017 that were anticipated to 4Q16 (c.€80m).
- Operating Cash Flow before net working capital variation reached €48m in 1Q17 vs €20m in 1Q16 2015 as a result of the improvement in operating activity and a lower impact of the problematic projects on the company's cash generation.
- Net working capital variation (€-11m) was negative, mainly as a consequence of the collections expected throughout the first months of 2017 that were anticipated to 4Q16. Despite this fact, the cash consumption from net working capital was limited, thanks to the positive performance of clients and suppliers management.
- Despite the cash consumption from net working capital, Days of LTM Sales (DoS) slightly improved due to accounting effects with no impact on cash, mainly related to FX hedging contracts. Net working capital decreased to €21m vs €33m in December 2016, which is equivalent to 3 DoS vs 5 DoS in FY16.
- Other Operating Changes were €-33m in 1Q17 vs €-20m in 1Q16. The vast majority of the cash outflow came due to the settlement of payments linked to the Public Administrations (Value Added Taxes, Social Security, Personal Income Tax withholding). In 1Q16 this item was partially offset by the collection from the multiannual projects of the Defence & Security field signed with Spain's MoD (as they are long term, they were included in this line).
- 1Q17 Taxes totaled €-3m compared to €-9m in 1Q16 due to higher tax refunds from the Spanish tax authorities in 1Q17 vs 1Q16, as well as less withholdings and tax payments related to international subsidiaries.
- 1Q17 CAPEX reached €5m vs €4m in 1Q16. Intangible investments (net of subsidies) reached €4m vs €3m in 1Q16. Tangible investments reached €1m, same level as in 1Q16.
- Net debt increased slightly to €532m vs €523m in December 2016, equivalent to 2.3x LTM EBITDA (similar level to December 2016).
- Gross debt borrowing costs were 2.4%, improving +0.4pp vs 1Q16 (2.8%).
- Non-recourse factoring lines amounted to €187m, the same figure as in 2016 and higher than in 1Q16 (€162m).

HUMAN RESOURCES

Final Workforce	1Q17	%	1Q16	%	Variation (%) vs 1Q16
Spain	19,004	57	19,748	55	(4)
America	10,713	32	13,029	36	(18)
Europe	1,637	5	1,550	4	6
Asia, Middle East & Africa	1,704	5	1,645	5	4
TOTAL	**33,058**	**100**	**35,972**	**100**	**(8)**

Average Workforce	1Q17	%	1Q16	%	Variation (%) vs 1Q16
Spain	19,052	56	20,076	55	(5)
America	11,641	34	13,318	36	(13)
Europe	1,635	5	1,575	4	4
Asia, Middle East & Africa	1,652	5	1,652	5	0
TOTAL	**33,980**	**100**	**36,622**	**100**	**(7)**

At the end of the first quarter of 2017, total workforce amounted to 33,058 professionals, which implies a fall of -8% compared to 1Q16 (2,914 fewer employees):

- Final workforce in Spain decreased by -4% (744 fewer employees) mainly due to the redundancy plan.
- In America, headcount decreased by -18% (equivalent to 2,316 employees) as a consequence of the declining in certain labor-intensive projects in Latin American subsidiaries (mainly Brazil).
- In Europe, workforce increased by +6% (87 more employees) vs 1Q16 as a result of higher needs in ATM and in Italy (projects related to the IT segment).
- In Asia, Middle East & Africa (AMEA) slightly increased by +4% (59 more employees) vs 1Q16.

Average workforce in 1Q17 decreased by -7% vs 1Q16, largely due to the fall in America and the efficiency plans executed in Spain, where average workforce decreased by -13% and -5%, respectively.

3. ANALYSIS BY VERTICAL MARKETS

3.1 TRANSPORT & DEFENCE

T&D	1Q17 (€M)	1Q16 (€M)	Variation (%) Reported	Variation (%) Local currency
Order Intake	269	314	(14)	(15)
Revenues	267	268	(0)	(1)
- Defence & Security	128	115	11	11
- Transport & Traffic	139	153	(9)	(11)
Book-to-bill	1.01	1.17	(14)	
Backlog / Revs LTM	1.90	1.93	(2)	

Revenues in T&D down by -1% in local currency (flat in reported terms), affected by the current demanding dynamics in the Transport area, which offset the double digit growth registered in the Defence & Security vertical.

The strength of the current Backlog, joint with the expectations that some opportunities in the Transport & Traffic vertical could finally materialized, would likely anticipate a better relative performance in the coming quarters.

Order Intake fell -15% in local currency (-14% in reported terms), with a Book-to-Bill ratio of 1.01x (1.17x in 1Q16). Order Intake was affected, among other issues, by the seasonality of some relevant contracts.

Backlog/Revenues LTM reported a slight decrease compared to 1Q16 (1.90x vs 1.93x).

Defence & Security

- 1Q17 revenues in Defence & Security grew +11% both in local currency and reported terms.
- It is worth highlighting the positive performance in Airborne Surveillance Systems (Europe), Space (participation in Galileo, the European Union´s Global Satellite Navigation System which provides accurate positioning and timing information), and Logistics (Spain).
- The rest of the areas evolves with no relevant changes vs 1Q16, in line with the company's expectations for the whole year.
- By region, Europe and Spain posted double digit growth, which offset the decline in America and AMEA.
- The strength of current Indra's Backlog (ratio Backlog/Sales LTM: 2.0x), together with the accumulated pipeline (new Spanish and European programs) would likely lead to a positive growth for the coming quarters, although it may be at a lower pace than the one reported in 1Q17.

Transport & Traffic

- Revenues in Transport & Traffic dropped by -11% in local currency (-9% in reported terms).
- By segments, of note is the positive performance in ATM (44% of the vertical's revenues), while the Transport division was affected by the current repositioning of the company in certain critical projects/regions (mainly in the Railway, Urban Traffic and Ticketing field in Spain and AMEA).
- By region, Spain and Europe were the top performers, while revenues in AMEA declined as a consequence of the reduction in the level of activity in the region.
- Despite the favorable performance in the ATM segment, Order Intake for the whole vertical fell by -22% in local currency as a result of, among other aspects, the seasonality of certain relevant contracts.
- In the ATM segment, the current pipeline together with the favorable Order Intake performance, would likely lead to a better performance throughout the year. Regarding the Transport division, the current in-deep review of the business (strategy and products portfolio) will constrains its performance in the coming quarters.

3.2 IT

IT	1Q17 (M€)	1Q16 (M€)	Variation (%) Reported	Local currency
Order Intake	583	604	(4)	(5)
Revenues	371	360	3	(0)
- Energy & Industry	102	98	4	1
- Financial Services	128	115	12	9
- Telecom & Media	50	55	(10)	(14)
- PPAA & Healthcare	91	92	(1)	(4)
Book-to-bill	1.57	1.68	(7)	
Backlog / Revs LTM	0.71	0.66	7	

1Q17 IT sales were similar to 1Q16 in local currency (+3% in reported terms).

Sales performance were affected by the seasonality of the Elections business and the cancellation of the BPO contract with Vodafone (Telecom & Media vertical). Excluding both impacts, sales would have increased +7% in reported terms as a consequence of the positive evolution in Spain and America, laying the foundations for a better relative performance in the coming quarters.

Revenues in Digital solutions (Minsait) reached €74m (-3% in local currency), which accounts for 20% of the total IT revenues.

Order Intake in the IT business went down -5% in local currency (-4% in reported terms), resulting in a Book-to-Bill ratio of 1.57x vs 1.68x in 1Q16. However, excluding the impacts mentioned before Order Intake would have increased +2% in reported terms.

Backlog / Revenues LTM improved to 0.71x vs 0.66x in 1Q16.

Energy & Industry

- Sales in the Energy & Industry vertical went up by +1% in local currency (+4% in reported figures).
- Sales in Energy (c. 70% of the vertical's sales) grew +6% in local currency due to, among other aspects, the positive performance in Outsourcing and Utilities solutions (both in Spain and overseas).
- Revenues in the Industry segment down by -4% in local currency, associated with a decline in the level of activity in the Hotels and Consumer Goods field.
- By region, it is worth highlighting the positive performance in America (+10%), Europe (+44%) and AMEA (+19%) both in Energy and Industry segmets. In Spain (-8%), the level of activity was affected by, among other aspects, the sector's consolidation in recent years, where the decision making process of certain relevant clients was partially delocalized outside Spain to its own core countries.
- Order Intake grew +5% in local currency (+6% in reported terms) vs 1Q16, mainly fuelled by Proprietary Solutions and BPO.

Financial Services

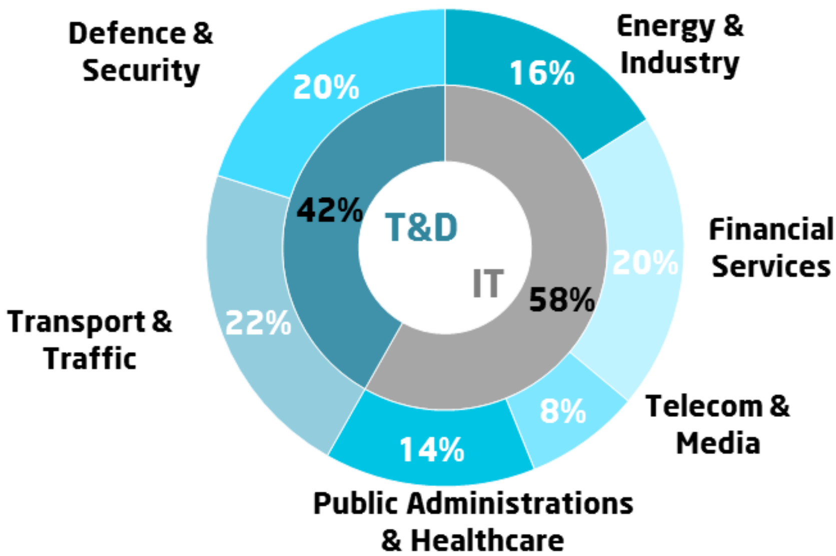
- Financial Services went up by +9% in local currency (or +12% in reported terms), where the main activity is concentrated in the Banking segment (c.90% of the vertical's revenues) vs Insurance segment (c.10% of the vertical's revenues).
- It is worth highlighting the positive performance in America in 1Q17 (>20%), where the company suffered a significant decline last year due to the repositioning in the region. The positive performance in 1Q17 was backed by our proprietary solutions for private institutions and the increasing trend among clients to concentrate their core IT and Maintenance in large suppliers.
- Of note was the positive performance in the Banking sector in Spain vs last year. Cybersecurity, Outsourcing and BPO fields consolidate their dynamism as a consequence of the focus among the Spanish Banking Sector in Digital Technologies and efficiency measures.
- The Insurance segment showed worse relative performance vs Banking.
- Despite the positive sector dynamics in Spain and the business stabilization in America, the Order Intake performance in 1Q17 (+4% in local currency) might implied a moderate slowdown in the pace of growth for the coming quarters.

Telecom & Media

- Telecom & Media fell by -14% in local currency (-10% in reported terms).
- The level of activity in 1Q17 was conditioned by the worse relative performance in Spain as a consequence of, mainly, the cancellation of a BPO contract with Vodafone. Excluding this effect (which will drag revenue growth during the first half of the year), 1Q17 revenues would have posted a slight decrease vs 1Q16.
- Same dynamics remains in the Telco sector, where the companies are focused on efficiency measures and cost controlling. Thus, the environment remains challenging and demanding pricing dynamics persist.
- Revenues in Media (c. 10% of the vertical's revenues) recorded a better relative performance associated with its exposure to the Spanish market.
- Despite the demanding sector dynamics, revenues and Order Intake performance (excluding the cancellation of the BPO contract with Vodafone) would lead to a moderate recovery in the level of activity in the forthcoming quarters.

Public Administrations & Healthcare

- 1Q17 sales in Public Administrations & Healthcare down by -4% in local currency (-1% in reported terms).
- Excluding the impact of the Elections business, 1Q17 revenues would have increased by +9% in reported terms. Despite the Elections business contributed negatively in the quarter (The Dominican Republic elections project in 1Q16), it is expected to have a higher contribution for the whole year vs 2016 due to the inherent seasonality of the business, very dependent on the Elections calendar.
- By region, and excluding the impact of the Elections business, it is worth highlighting the favorable performance in Spain (mainly state public institutions) and America (proving the recovery path initiated at the end of last year thanks to the restructuring in the region and the completion on the problematic projects in Brazil).
- The seasonal effect of the Elections business (concentrated in the second half of the year) will determine the vertical performance, anticipating a better relative performance in the forthcoming quarters.



4. ANALYSIS BY REGION

Revenues by Region	1Q17		1Q16		Variation (%)	
	(€M)	(%)	(€M)	(%)	Reported	Local currency
Spain	300	47	287	46	5	5
America	148	23	148	24	0	(8)
Europe	118	18	102	16	16	16
Asia, Middle East & Africa	72	11	92	15	(21)	(23)
TOTAL	**638**	**100**	**628**	**100**	**2**	**(1)**

By region, it should be noted the growth posted in Spain (+5%), region with the largest revenues share of total sales (47% of total sales), and Europe (+16% in local currency; 18% of total sales), where the main activity is focus on Defence & Security. On the contrary, revenues went down in Asia, Middle East & Africa (-23% in local currency; 11% of total revenues), where the vast majority of the activity is focus on Transport & Traffic, and America (-8% in local currency; 23% of total revenues) where the main activity is IT.

Spain

- In 1Q17 Revenues went up +5% in Spain, where both divisions T&D (c. 1/3 of total revenues in the region) and IT (c. 2/3 of total revenues in the region) posted growth. It is worth highlighting that T&D posted double digit growth, higher than IT.
- Within T&D, Defence & Security was the lead performer backed by the multiannual projects signed with Spain's MoD (electronic systems forming part of the integrated mast for the F110 frigate, electronic systems of the 8x8 armored vehicle and the simulator for the helicopter NH90, among others). Transport & Traffic grew backed by Air Traffic Management.
- In the IT segment, Revenues grew due to PPAA & Healthcare (double digit growth) and Financial Services (positive dynamics in key clients in the Digital field) which offset the decline in Telecom & Media (double digit fall due to the cancellation of the projects with Vodafone) and in Energy & Industry (basically in the Industry division).
- Order Intake in 1Q17 went down by -10%, with Defence & Security being the only vertical which posted growth.

America

- Revenues in America went down by -8% in local currency (flat in reported terms). Excluding the impact of the Elections business (an election project in The Dominican Republic in 1Q16), revenues would have increased +6% in reported terms.
- The repositioning in the region carried out by the company in previous quarters has contributed to the improvement in profitability and the stabilization of the activity in the region.
- The activity in America is concentrated in the IT segment (c.80% of total sales in the region). The sales drop was more pronounced in T&D (difficult comparison vs last year due to a project in the Defence & Security vertical). Excluding the seasonality of the Election business, revenues in the IT segment would have increased by +6% in reported figures.
- Within the IT segment, the top performer was Financial Services (double digit growth)

followed by Energy & Industry (flat revenues). However, Telecom & Media (demanding dynamics in the sector) and PPAA & Healthcare declined. Excluding the election business, PPAA & Healthcare would have registered growth.

- By country, revenues went up in Mexico (positive performance in Financial Services), Colombia and Argentina, while sales declined in Brazil (the repositioning of the company continues towards private vs public clients), Chile, Peru, Ecuador (due to the aforementioned project in Defence & Security) and The Dominican Republic (election project).
- Order Intake went down by -13% in local currency (-7% in reported terms), where Financial Services was the only vertical that recorded positive growth. Excluding the Election business, Order Intake would have decreased by -2% in reported terms.

Europe

- Revenues in 1Q17 went up +16% both in local and reported terms with growth in almost all verticals. Only PPAA & Healthcare fell, whose sales share in the region are not relevant.
- T&D is the segment with the largest revenues share in the region (c.75% of revenues). Both Defence & Security (largest vertical in the region) and Transport & Traffic (backed by the ATM business) recorded double digit growth.
- The IT segment (c. 25% of total revenues in the region) also posted double digit growth, with all verticals up but PPAA & Healthcare. In Europe, the vast majority of IT is concentrated in Italy, which registered double digit growth.
- Order Intake grew +5% in local currency and reported terms in 1Q17. The positive performance posted in Transport & Traffic (mainly in ATM) offset the decline registered in Defence & Security due to the gradual activity decline in the Eurofighter program. Furthermore, it is worth highlighting the positive performance in the IT segment (c. 25% of total sales in the region), with double digit growth in all verticals.

Asia, Middle East & Africa (AMEA)

- Revenues in Asia, Middle East & Africa (AMEA) posted a decline of -23% in local currency (-21% in reported terms). Revenues in the T&D business (which accounted for c. 80% of total revenues in the region) registered double digit fall, while IT (c. 20% in the region) posted double digit growth.
- Within the T&D segment, both Transport & Traffic (largest vertical in the region) and Defence & Security went down due to delays in certain projects as a consequence of the public spending slowdown in some countries that are dependent on oil and commodity prices.
- In the IT segment, Energy & Industry posted a double digit growth (mainly backed by the implementation of our own property solutions in Africa), vertical with the highest sale share of the IT segment.
- 1Q17 Order Intake in AMEA declined -17% in local currency (-15% in reported terms). However, company's current pipeline allow us to anticipate a relevant change of the trend in Order Intake and Revenues for the coming quarters.

5. OTHER EVENTS OVER THE PERIOD

Regarding the voluntary tender offer over the shares of Tecnocom, Telecomunicaciones y Energía, S.A. ("Tecnocom") that was announced by Indra on November 29th of 2016 (the "Offer"), the events following the close of the period were:

1) On January 13th 2017, Indra informed by a Relevant Fact that the Spanish National Markets and Competition Commission (CNMC) has resolved to authorize the economic concentration consisting in the acquisition of Tecnocom's control by Indra; thus, one of the conditions to which the Offer is subject is fulfilled.

2) On January 18th 2017, Indra made public a Relevant Fact to call a General Extraordinary Shareholders Meeting which has been held in first call on February 20th in which the necessary capital increase was approved in order to meet the exchange of shares of Tecnocom shareholders who attend the Offer.

3) On March 13th, the Spanish Stock Exchange Commission (CNMV) made public the authorization of the Offer and confirmed that the Offer Price constitutes an "equitable price".

4) On March 14th, Indra made public the acceptance period of the Offer.

5) As other events over the period, it is worth highlighting that on March 5th the subsidiary Indra Brasil Soluçoes e Serviços Tecnologicos (Indra Brazil) was imposed an administrative sanction that prevents it from entering into new contracts with the Brazilian Public administration (Declaration of Inability) for an undetermined period. Indra appealed this decision to the competent courts and, as announced on March 10th, Indra obtained a favorable ruling from the Superior Justice of the Federal District where all the effects of the administrative sanction were suspended.

6. EVENTS FOLLOWING THE CLOSE OF THE PERIOD

Regarding the Offer, the events following the close of the period were:

1) On April 7th of 2017, Indra made public the reference price for the payment in cash applicable to fractions of Indra shares corresponding to Offer acceptors (11.8972 euros).

2) On April 18th of 2017, Indra made public the positive result of the Offer: an acceptance by shareholders holding 70,491,565 shares, which represent 97.21% of the shares to which the offer was addressed to (excluding 2,508,974 Tecnocom treasury shares); said number of shares is equivalent to 93.96% of the total Tecnocom's share capital.

3) On April 21st of 2017, Indra informed by a Relevant Fact the approval of the Board of Directors the following resolutions: (i) exercise of the squeeze-out rights; (ii) partial execution of the capital increase by the part corresponding to the shareholders who have attended the takeover bid during their acceptance period; and (iii) application for admission to trading of the new shares on the Madrid, Barcelona, Bilbao and Valencia stock exchanges, as well as its incorporation in to the Spanish Automated Quotation System (Continuous market).

ANNEX 1: CONSOLIDATED INCOME STATEMENT

	1Q17	1Q16	Variation	
	€M	€M	€M	%
Revenues	**638.5**	**628.5**	**10.0**	**2**
Other income	9.3	8.9	0.4	4
Materials consumed and other operating expenses	(269.4)	(263.0)	(6.4)	2
Personnel expenses	(330.5)	(330.8)	0.3	(0)
Other results	(0.2)	(0.3)	0.1	NA
Gross Operating Profit (EBITDA)	**47.6**	**43.3**	**4.3**	**10**
Depreciations	(14.3)	(14.5)	0.2	(1)
Net Operating Profit (EBIT)	**33.3**	**28.8**	**4.5**	**16**
EBIT Margin	***5.2%***	***4.6%***	***0.6 pp***	**NA**
Financial Result	**(1.9)**	**(11.2)**	**9.3**	**(83)**
Profit/(loss) of equity-accounted investees	(0.1)	(0.1)	0.0	NA
Earnings Before Taxes	**31.4**	**17.4**	**14.0**	**80**
Income tax expenses	(10.1)	(5.4)	(4.7)	87
Profit for the period	**21.2**	**12.0**	**9.2**	**77**
Attributable to minority interests	(0.4)	(0.2)	(0.2)	100
Net Profit	**20.9**	**11.8**	**9.1**	**77**

Earnings per Share (according to IFRS)	1Q17	1Q16	Variation (%)
Basic EPS (€)	0.127	0.072	76
Diluted EPS (€)	0.119	0.073	62

	1Q17	1Q16
Total number of shares	164,132,539	164,132,539
Weighted treasury stock	307,473	344,238
Total shares considered	163,825,066	163,788,301
Total diluted shares considered	191,761,155	181,283,053
Treasury stock in the end of the period	279,509	359,510

Figures not audited

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

Diluted EPS is calculated by dividing net profit (adjusted by the impact of the €250m convertible bond issued in October 2013 with a conversion price of €14.29 and the €250m convertible bond issued in October 2016 with a conversion price of €14.629, and taking into account the repayment of €95m of the convertible bond issued in 2013), by the average number of outstanding shares during the period less the average treasury shares of the period and adding the theoretical new shares to be issued once assuming full conversion of the bonds.

The average number of shares used in the calculation of the EPS and dilutive EPS for treasury shares, total number of shares and theoretical shares to be issued related to the convertible bonds, are calculated using daily balances.

ANNEX 2: INCOME STATEMENTS BY BUSINESSES

1Q17

M€	T&D	IT	Eliminations	Total
Total Sales	267	371	(0)	638
Inter-segment sales	0	0	(0)	-
External Sales	**267**	**371**	**-**	**638**
Contribution Margin	**55**	**44**	**-**	**99**
Contribution Margin (%)	***20.4%***	***11.9%***	***-***	***15.5%***
EBIT	**33**	**1**	**-**	**33**
EBIT Margin (%)	***12.3%***	***0.2%***	***-***	***5.2%***

1Q16

	T&D	IT	Eliminations	Total
Total Sales	268	363	(3)	628
Inter-segment sales	0	3	(3)	-
External Sales	**268**	**360**	**-**	**628**
Contribution Margin	**51**	**32**	**-**	**83**
Contribution Margin (%)	***19.0%***	***8.9%***	***-***	***13.2%***
EBIT	**33**	**(4)**	**-**	**29**
EBIT Margin (%)	***12.4%***	***-1.2%***	***-***	***4.6%***

Figures not audited

ANNEX 3: CONSOLIDATED BALANCE SHEET

	1Q17 €M	2016 €M	Variation €M
Property, plant and equipment	99.5	103.4	(3.9)
Intangible assets	284.1	284.9	(0.8)
Investments in associates and other investments	196.1	184.9	11.2
Goodwill	472.7	471.9	0.8
Deferred tax assets	171.1	178.4	(7.3)
Non-current assets	**1,223.5**	**1,223.6**	**(0.1)**
Non-current assets held for sale	31.6	31.2	0.4
Operating current assets	1,254.8	1,271.8	(17.0)
Other current assets	134.5	131.5	3.0
Cash and cash equivalents	709.7	673.9	35.8
Current assets	**2,130.6**	**2,108.5**	**22.1**
TOTAL ASSETS	**3,354.1**	**3,332.0**	**22.1**
Share Capital and Reserves	394.2	368.3	25.9
Treasury stock	(3.2)	(3.4)	0.2
Equity attributable to parent company	**390.9**	**364.9**	**26.0**
Minority interests	13.1	13.0	0.1
TOTAL EQUITY	**404.0**	**378.0**	**26.0**
Provisions for liabilities and charges	98.7	99.2	(0.5)
Long term borrowings	1,182.9	1,136.0	46.9
Other financial liabilities	4.4	9.4	(5.0)
Deferred tax liabilities	12.5	12.4	0.1
Other non-current liabilities	89.0	89.4	(0.4)
Non-current liabilities	**1,387.6**	**1,346.4**	**41.2**
Liabilities related to non-current assets held for sale	0.0	0.0	0.0
Current borrowings	58.7	60.7	(2.0)
Operating current liabilities	1,233.5	1,238.4	(4.9)
Other current liabilities	270.4	308.6	(38.2)
Current liabilities	**1,562.6**	**1,607.7**	**(45.1)**
TOTAL EQUITY AND LIABILITIES	**3,354.1**	**3,332.0**	**22.1**

Current borrowings	(58.7)	(60.7)	2.1
Long term borrowings	(1,182.9)	(1,136.0)	(46.9)
Gross financial debt	(1,241.6)	(1,196.7)	(44.9)
Cash and cash equivalents	709.7	673.9	35.8
Net Debt	***(531.9)***	***(522.8)***	***(9.1)***

Figures not audited

ANNEX 4: CONSOLIDATED CASH FLOW STATEMENT

	1Q17 €M	1Q16 €M	Variation €M
Profit Before Taxes	**31.4**	**17.4**	**14.0**
Adjusted for:			
- Depreciations	14.3	14.5	(0.2)
- Provisions, capital grants and others	0.0	(23.2)	23.2
- Share of profit / (losses) of associates and other investments	0.1	0.1	0.0
- Net financial results	1.9	11.1	(9.2)
Dividends received	**0.0**	**0.0**	**0.0**
Operating cash-flow prior to changes in working capital	**47.6**	**19.9**	**27.7**
Recievables, net	(20.1)	78.2	(98.3)
Inventories, net	(6.7)	(7.9)	1.2
Payables, net	15.9	(10.8)	26.7
Change in working capital	**(10.9)**	**59.5**	**(70.4)**
Other operating changes	**(32.8)**	**(19.6)**	**(13.2)**
Tangible, net	(0.9)	(1.3)	0.4
Intangible, net	(4.1)	(2.5)	(1.6)
Capex	**(5.1)**	**(3.8)**	**(1.3)**
Net financial result	**(1.1)**	**(0.9)**	**(0.2)**
Income taxes paid	**(2.8)**	**(8.5)**	**5.7**
Free Cash Flow	**(5.0)**	**46.6**	**(51.6)**
Short term financial investment variation	0.3	(0.3)	0.6
Financial investments/divestments, net	(0.5)	(1.3)	0.8
Dividends of subsidiaries paid to minority interests	0.0	0.0	0.0
Dividends of the parent company	0.0	0.0	0.0
Change in treasury stock	0.6	0.1	0.5
Cash-flow provided/(used) by financing activ	**(4.6)**	**45.0**	**(49.6)**

Initial Net Debt	**(522.8)**
Cash-flow provided/(used) in the period	(4.6)
Foreign exchange differences and variation with no impact in cash	(4.5)
Final Net Debt	***(531.9)***

Figures not audited

ANNEX 5: ALTERNATIVE PERFORMANCE MEASURES (APMS)

Due to the application of the Alternative Performance Measures (APM) published by the European Securities and Markets Authority (EMSA), Management of the Group considers that certain APMs provides useful financial information that should be considered to evaluate the performance of the Group by users. Additionally, Management uses these APMs for making financial, operating and strategic decisions, as well as to evaluate the Group performance. It should be noted that the amounts of the APMs have not been subject to any type of audit or review by the auditors of the Company.

EBITDA:

Definition/Conciliation: Represents the Net Operating Profit (EBIT) plus Depreciations and Amortizations

Explanation: Metric that the Group uses to define its operating profitability, and Investors use to the Company's valuation.

Likewise, the Group uses as an indicator the performance of the EBITDA margin that is the result of the ratio between EBITDA and the amount of sales for the same period. This indicator is interpreted as the operating profit of the Group for each euro of sales.

Coherence in the criteria applied: There is no change in the criteria applied compared to last year.

Net Financial Debt:

Definition/Conciliation: Represents Cash and Cash equivalents less Non-current Loans and Borrowings and less Current Loans and Borrowings. Net Financial Debt is obtained by subtracting the balances corresponding to the headings of the Consolidated Balance Sheet, "Long and Current borrowings with Credit Institutions" and "Financial Liabilities for Issuance of Non-current and Other Marketable Securities", the amount of the heading "Cash and cash equivalents".

Explanation: Financial proxy that the Group uses to measure its leverage.

Likewise, the Group uses the ratio Net Financial Debt over EBITDA as an indicator of its leverage and repayment capacity of its financial debt. For that reason, the figure used to calculate the ratio for intermediate periods is made by taking into consideration the equivalent last twelve months EBITDA immediately preceding the calculation date of the ratio.

Coherence in the criteria applied: There is no change in the criteria applied compared to last year.

Free Cash Flow:

Definition/Conciliation: These are the funds generated by the Company excluding dividend payments, net financial investments/divestments and others, and the investment in treasury stock.

Explanation: It is the treasury made by the operations of the Group that is available to providers (shareholders and financial creditors) once the investment needs of the Group are already satisfied, and Investors use to the Company's valuation.

Coherence in the criteria applied: There is no change in the criteria applied compared to last year.

Contribution Margin:

Definition/Conciliation: It is the different between revenues and direct and indirect costs of the segments or businesses of the Group. Direct costs are those directly attributable to the sales recognized in a specific period of time and include the cost of the headcount or subcontractors used in the projects as well as any incurred costs related to the development and completion of the project; such as material costs, travel expenses of the project, among others. Indirect costs are those which, although are linked to a segment or businesses of the Group, are not directly attributable to billable projects or to revenues accounted for a specific period of time; such as, commercial costs, cost of making offers, the cost of Management of a specific segment, among others. Contribution Margin does not include overheads as these costs are not directly attributable to a particular segment or business.

Explanation: Contribution Margin measures the operating profitability of a segment or business of the Group excluding overheads as these costs are not directly attributable to a particular segment or business.

Likewise, in order to ease the comparison between segments with different relative weight in the total revenues of the Group, it is used the contribution margin ratio over revenues of a segment or business. This indicator is interpreted as the contribution margin for each euro of sales of a specific segment.

Coherence in the criteria applied: There is no change in the criteria applied compared to last year.

Order Intake:

Definition/Conciliation: It is the amount of contracts won over a period of time. Order Intake cannot be confused with revenues or the net amount of sales because the amount of a contract won in a specific period of time (and that computes as Order Intake in that period of time) can be executed over several years.

Explanation: As it is the amount of the contracts won over a period of time, Order Intake is an indicator of the future performance of the Group.

Coherence in the criteria applied: There is no change in the criteria applied compared to last year.

Backlog:

Definition/Conciliation: It is the amount of accumulated Order Intake less revenues executed, plus/minus forex adjustments and the renegotiation of the contracts, among others. It is the pending revenues figure until the completion of the project to complete the Order Intake figure.

Explanation: As it is the amount of the contracts won pending to be executed, Order Intake is an indicator of the future performance of the Group.

Coherence in the criteria applied: There is no change in the criteria applied compared to last year.

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.

INVESTOR RELATIONS

Ezequiel Nieto
Phone: 91.480.98.04
enietob@indra.es

Manuel Lorente
Phone: 91.480.98.74
mlorenteo@indra.es

Rubén Gómez
Phone: 91.480.57.66
rgomezm@indra.es

Patricia Vilaplana
Phone: 91.480. 98.00
pbvilaplana@indra.es

SHAREHOLDER OFFICE
91.480.98.00
accionistas@indracompany.com

INDRA
Avda. Bruselas 35
28108 Madrid
www.indracompany.com