RESULTS 9M14

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CONTENTS

1. INTRODUCTION

- The evolution of Indra's business in the first nine months of the year is influenced by:
  - The beginning of the recovery in the Spanish business with a 2% revenue growth in the third quarter yoy.
  - The solid evolution of AMEA, with +13% local currency revenue growth.
  - The unfavorable macro performance in Latam (specially in Brazil) that has resulted in an ongoing slowdown in the rate of growth in the area.
- In this context, **revenues** reached €2,086m, **growing +3% in local currency** (and would have grown by +4% at constant perimeter (1)). In reported terms (in euros) revenues have slightly declined (-2%), impacted mainly by the Latam currencies depreciation.
- **Revenues** performance by **geographic area** was the following:
  - Spain (38% of total): -6% reported
  - Latam (28% of total): +9% in local currency (-5% reported)
  - Europe & North America (21% of total): +7% in local currency (+6% reported)
  - AMEA (13% of total): +13% in local currency (+11% reported)

  The positive trend for revenues in the Spanish market is expected to continue for the next quarter, implying two consecutive quarters of positive growth, on the basis of a gradual macroeconomic improvement in Spain.

  In Latam growth in the quarter has been flat vs 3Q13 in local currency, although it posted a relevant rate in a nine months basis (+9% in local currency). Revenues are expected to grow in the region in the last quarter albeit in an environment of lower macro growth rates, especially in Brazil.

  Good performance in AMEA, sustaining double digit growth rate in local currency (+13%). This growth rate is even more remarkable considering, as mentioned in the previous earnings report, the ending during the first half of the year of some relevant projects, especially in Middle East.
- **Solutions** (63% of total) revenues have increased by **+3% in local currency** (-1% in reported figures), thanks mainly to the positive performance in Europe and AMEA. The ending of some Solutions contracts during the third quarter has been compensated with a relevant growth in order intake of projects to be initiated in the next quarters, mainly in Spain and AMEA.
- **Services** (37% of total) revenues increased by **+3% in local currency** (-3% reported, being affected by the depreciation of the Latam currencies and disposals). During the quarter, not only Latam and Europe & North America have registered positive growth rates, but also Spain.

(1) The advanced management business of digital documentation in Spain and Mexico. Revenues in 2013 of this activity reached €19m. Order Intake totals €19m in 2013

- The **vertical markets** of Public Administration & Healthcare (+12%) and Transport & Traffic (+9%) and Financial Services (+6%) have registered positive growth rates in local currency, being flattish for Energy & Industry and negative for Security & Defence (-3%) and Telecom & Media (-9%) with an improvement in the performance of the latter in the third quarter vs the one registered in the first half of the year.
- **Order intake** is **2% above revenues,** in line with 9M13. In absolute terms, order intake has increased by +3% in local currency, showing a modest decline of -2% in reporter terms (which would have been flat once adjusted by the divestment of the business mentioned above). It is worth mentioning the growth in AMEA (+43% reported). Spain maintains a positive growth rate.
- **Order backlog** amounts to **€3,436m** (+2% in local currency, flat in reported terms) and represents 1.2x LTM revenues.
- **Recurrent EBIT** totals **€156m** (-7%) and **recurrent EBIT margin** reaches **7.5%**, slightly below (-0.4 pp) the first nine months of last year and similar (-0.2 pp) to the one achieved in the first semester. Despite the beginning of the recovery in activity in Spain, a strong price pressure environment remains, a situation that is also starting to be seen in Latam (especially in countries such as Brazil) making the margin evolution being below the expected recovery. Additionally, there have been higher than expected execution costs in some projects. Latam currencies' depreciation has not helped either group profitability. This margin pressure situation will continue in the last quarter of the year.
- The plan to adequate costs and increase the efficiency of Indra's resources has continued in the third quarter, and amounts to **€16m** at the end of the nine months, reflecting most of the expenses expected for 2014.
- **Recurrent net profit** (before extraordinary costs) grew +4%, mainly from lower financial costs.
- **Net profit** increased by +18%, mainly from lower extraordinary expenses.
- **Net working capital** (NWC) at the end of the period stood at **114 days of equivalent sales** (DoS), in line with the performance of the second quarter. As it has been mentioned in the previous earnings report, the improvement in the NWC will concentrate at the end of the year.

  During the third quarter, the delays that regional Spanish Governments started to accumulate again after the regularization of the overdue bills that took place in the first semester have not been recovered.

  Some of the projects in Brazil and Mexico mentioned in the previous earnings report have started to be collected in the third quarter. The company expects to start collecting the rest in the last part of the year according to the corresponding delivery milestones.
- **Net capex** (tangible and intangible) amounts to €42m, in line with expectations for the full year and **net financial investments** amount to €16m.

- **Free cash flow** [(2)] during the period has reached -€5m vs -€24m in 9M13 (once adjusted for the impact of the divestment mentioned before [(1)]). As it has been mentioned in previous earnings statements, the improvement in the FCF will concentrate in the last quarter of the year**.**
- **Net debt** at the end of the period reached **€726m** (€707m at the end of 9M13), a leverage level of 2.6x recurrent LTM EBITDA and includes the the payment in July of an **ordinary dividend of €0.34 per share** against 2013 results –equivalent to a 48% pay-out ratio and a dividend yield of 2.8% on the shares closing price for 2013 (€12.155)-. The dividend was paid early July.

EXPECTED PERFORMANCE FOR 2014

In the Spanish market, the positive revenue performance during the third quarter allows to anticipate a positive development in the last part of the year. The beginning of the recovery will not impede that revenues will show a moderate reduction for the full year, although at a significantly lower rate than in previous years. Despite some early signs of demand dynamism, which are not general in any case, the competitive landscape, and thus margins are not seen to be improving.

In Latam, the performance of the activity in the next months will be conditioned by the slowdown in the macro growth rates. However, the pace of order backlog execution and the order intake achieved by the company points to a significant growth in revenues in local currency in the fourth quarter.

It is not expected that the margin pressure in both geographies, higher in Spain but growing in Latam, will revert in the last part of the year.

In AMEA the relevant ongoing commercial opportunities lead to foresee a positive revenue performance in the last quarter.

Regarding free cash flow, as it has been mentioned in previous occasions, the expected improvement will concentrate in the last quarter, as it has been the case in previous years. The achievement of the established full year target of generating a free cash flow of €100m contemplates the billing and collection of the projects in Mexico and Brazil previously mentioned, as well as collections associated to other relevant contracts awarded in the last part of the year in formalization process.

(2) Free cash flow is defined as cash generated before dividend payment, net financial investments and similar payments, and investment in treasury stock

2. MAIN FIGURES

INDRA	9M14 (€M)	9M13 (€M)	Variation % Reported/Local Currency
Order Intake	2,126	2,177	(2) / 3
Revenues	2,086	2,123	(2) / 3
Backlog	3,436	3,448	(0)
Recurrent Operating Profit (EBIT) (1)	156	167	(7)
Recurrent EBIT margin (1)	7.5%	7.9%	(0.4) pp
Extraordinary Cost	(16)	(27)	(41)
Net Operating Profit (EBIT)	140	140	0
EBIT margin	6.7%	6.6%	0.1 pp
Recurrent Net Profit (1)	91	87	4
Net Profit	78	67	18
Net Debt Position	726	707	3
Free Cash Flow	-5	0 (2)	--

Earnings per Share (according to IFRS)	9M14 (€)	9M13 (€)	Variation %
Basic EPS	0.479	0.406	18
Diluted EPS	0.455	0.406	12
Recurrent diluted EPS (1)	0.523	0.533	(2)

(1) Before extraordinary costs
(2) FCF adjusted for the impact of the disposal of the business of advanced management of digital documentation in Spain and Mexico were -24 M€

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 last October 2013 with a conversion price of €14.29), 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 bond.

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 bond, are calculated using daily balances.

At the close of the period, the company held 454,006 treasury shares representing 0.28% of total shares of the company.

	9M14	9M13
Total number of shares	164,132,539	164,132,539
Weighted treasury stock	231,670	107,305
Total shares considered	163,900,869	164,025,234
Total diluted shares considered	181,395,621	164,025,234

3. ANALYSIS BY SEGMENT

SOLUTIONS

	9M14 €M	9M13 €M	Variation % Reported	Variation % Local Currency
Order Intake	1,354	1,311	3	9
Revenues	1,319	1,333	(1)	3
Book-to-bill	1.03	0.98	4	
Backlog / Revs LTM	1.33	1.27	5	

- **Revenues** have increased by +3% in local currency (-1% in reported figures), which represents 63% of company's total sales. All the geographies have experienced a positive growth in sales with the exception of Spain, which has improved its trend and has showed a flat performance for the third quarter.

  By verticals, it is worth to spotlight the double digit increase in sales in the Public Administrations vertical (driven by the project to support the election census and voting systems in Iraq), followed by Financial Services and Transport & Traffic.
- **Order Intake** has been 3% higher than sales, posting a growth of +9% in local currency (+3% in reported figures). It is worth mentioning the good performance in almost all the verticals (with the exception of Energy & Industry and Telecom & Media). By geographies, both Spain and AMEA have posted double digit growth.
- **Order Backlog** amounted to €2,491m, representing an increase of +3% in reported terms and 1.33x LTM sales, +5% higher than the one registered in 9M13 (1.27x).

SERVICES

	9M14 €M	9M13 €M	Variation % Reported	Variation % Local Currency
Order Intake	771	866	(11)	(5)
Revenues	768	790	(3)	3
Book-to-bill	1.00	1.10	(8)	
Backlog / Revs LTM	0.94	0.99	(5)	

- **Revenues** have increased by +3% in local currency (+5% once adjusted by the disposal of the activity previously mentioned). Foreign exchange headwinds have negatively impacted the sales growth in reported basis (-3%).

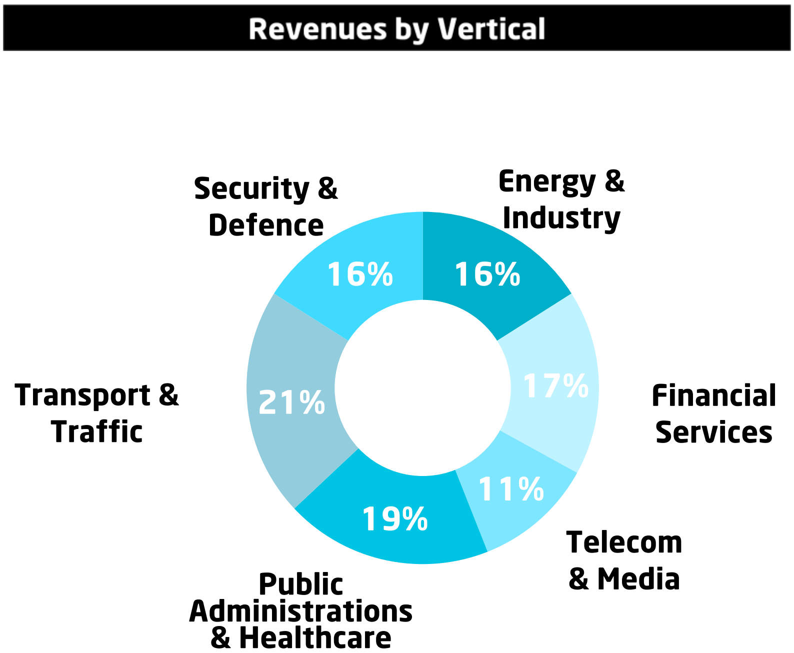
  Sales from both AMEA and Latam maintained positive growth rates in local currency. In addition, Spain and Europe & North America showed a gradual improvement posting in both cases positive growth rates for the third quarter in both cases.
- **Order Intake** dropped by -5% in local currency (-11% in reported terms), reaching a similar level than sales (Book to bill ratio amounted to 1.0x in 9M14). This figure was affected by the weaknesses of both Telecom & Media and Financial Services verticals, in spite of the double digit growth registered during the quarter in Latam.
- **Order Backlog** (€944m) has been slightly below LTM sales (0.94x).

4. ANALYSIS BY VERTICAL

REVENUES	9M14 €M	9M13 €M	Variation %	
			Reported	Local Currency
Energy & Industry	335	356	(6)	(0)
Financial Services	363	363	0	6
Telecom & Media	232	288	(19)	(9)
PPAA & Healthcare	385	352	9	12
Transport & Traffic	431	411	5	9
Security & Defence	339	352	(4)	(3)
TOTAL	**2,086**	**2,123**	**(2)**	**3**

- **Energy & Industry** (flat in local currency). The activity in the Energy vertical in Spain remains negatively affected by the delay of certain projects, which has been partially compensated by the good performance of the Industry vertical. The activity in local currency for the rest of geographies has increased at double digit rates (and accelerating in 3Q14), which allows to maintain the expectation of a stronger performance for the rest of the year.
- Sales in **Financial Services** have registered a +6% increase in local currency (double digit growth adjusting the disposal of the activity of advanced management of digital documentation). The activity in Spain has performed well (+3%), accelerating in 3Q14 both in banking and insurance segment, while certain slowdown has been registered in Latam versus previous quarters.
- **Telecom & Media** (-9% in local currency; -19% reported). Despite the fact that pricing pressure and budgetary restrictions among large clients persist, there has been a modest recovery in the activity in Spain in 3Q14. However, the evolution in Latam remains weak. Revenues in the Media segment were flat in the period, showing a better performance than the Telcom vertical. The impact of currency deprecations in several countries in Latam (10 percentage points) is more relevant in this vertical than in others, due to the higher weight of revenues from these geographies in this vertical.
- **Public Administrations & Healthcare** (+12% in local currency; +9% reported). Despite the weakness in Healthcare segment, the activity in Spain registers a positive performance (+3%) as a result of the good evolution of the Voting segment (European Elections in Spain). Latam also shows good performance, with double digit growth rates in local currency, despite the slowdown registered in recent months.
- **Transport & Traffic** (+9% in local currency; +5 in reported terms). Despite the fact that the activity in Spain continues to reflect low levels of Public investments, there has been certain recovery in 3Q14, especially on Railways Traffic, with a significant increase in order intake, allowing to achieve the expectations announced in our previous results review. The activity of Air Traffic Management (ATM) in Europe sustains its growth rates, while there has been further commercial success in Intelligent Traffic Systems & Smart Mobility. Latam maintains a relevant growth rate supported by the development of infrastructure programs in the area (train & road transport traffic), highlighting the strong positioning in Mexico.

- **Security & Defence** (-3% in local currency; -4% in reported terms). Despite that Spain remains weak, and as we anticipated in our 2Q14 results review there has been acceleration in the order intake of the area in 3Q14, which we expect to signal a better evolution of the activity in the last part of the year. Finally, the strong growth in orders in AMEA in 3Q14 anticipates a positive growth evolution of the sales in the region in 4Q14.



5. ANALYSIS BY GEOGRAPHY

REVENUES	9M14		9M13		Variation %	
	€M	%	€M	%	Reported	Local Currency
Spain	797	38	852	40	(6)	(6)
Latam	578	28	611	29	(5)	9
Europe & North America	440	21	415	19	6	7
Asia, Middle East & Africa	272	13	246	12	11	13
TOTAL	**2,086**	**100**	**2,123**	**100**	**(2)**	**3**

- Revenues in the **Spanish market** (-6%) showed a significant improvement versus previous quarters, with positive growth rates in the third quarter. Public Sector has consolidated its recovery, enjoying positive growth in the third quarter (although it still has been from very low levels) and improving the performance versus 1H14 (mainly in the Solutions segment, which has posted a flat behavior in the third quarter). Private sector showed a slightly improvement in the quarter, where relevant pricing pressure still persists and new contracts are more biased to Services than Solutions.

  Despite the volatility of the current phase of the economic cycle it is noted a gradual recovery in the public activity (especially regarding the fields of defence and railway traffic), which together with a mild improvement in the private sector could result in a moderate decline in the Spanish market for full year 2014. If so, the bases for consolidating the growth in Spain will be established for the coming quarters, supported by the improvement of the macroeconomic perspective for the euro zone and breaking the negative trend seen in the last years.

  Order intake in the Spanish market continues with positive rates, with a book to bill ratio of 1.04x (above the one registered in 9M13 of 0.97x).

  By vertical markets, it is worth mentioning the positive performance of Financial Services and Public Administrations in 9M14, as well as the strong pick up in Transport & Traffic and Security & Defence in the third quarter.

- **Latam** continues to grow at relevant rates (close to double digit growth, +9% in local currency terms) in spite of the macroeconomic and political environment (mainly in Brazil), that has negatively impacted the activity in the last months. Foreign exchange headwinds has subtracted 14 p.p. to revenue growth, although such headwind is expected to smooth out in the last quarter of the year.

  Order intake has been above revenues (1.1x book to bill ratio).

  By countries, it is worth mentioning growth achieved in Mexico and Colombia.

- Revenues in **AMEA** (**Asia, Middle East & Africa**) grew +13% in local currency (+11% reported), with relevant growth in Solutions, in both order intake and revenues (double digit). Despite the demanding comps for the last part of the year due to the project to support the census process and voting systems in Iraq (initiated in 4Q13 and finalized in 2Q14), the positive performance by verticals with higher component of Solutions may anticipate a sales growth in this area above double digit in local currency terms for the full year.

Order intake keeps showing a very good performance (+45% in local currency), with a significant acceleration in 3Q14, and reaching a book to bill ratio above 1,1x (vs 0,9x in 9M13).

- **Europe & North America** registered +7% growth in local currency (+6% reported), reflecting a slowdown in third quarter, which has attenuated the double digit growth posted in the first half of the year, leading to foresee, in line with the expectations of the company, a flat performance for the whole year.

6. ANALYSIS OF THE CONSOLIDATED FINANCIAL STATEMENTS (IFRS)

Income Statement:

- **Revenues** were €2,086m, **increasing** by **+3% in local currency**. Revenues in reported terms (euros) have decreased slightly (-2%) but have remained almost flat taking into account the impact of the disposal in 2013 of the activity of advanced management of digital documentation.
- **Contribution margin (14.9%)**, decreased -0.5 pp vs. 9M13:
    - Contribution margin in **Solutions (17.3%)** has decreased -0.6 pp vs. same period of the previous year, mainly due to the company's large international expansion (mainly in AMEA and Latam), which has implied some commercial investments in the short term.
    - Contribution margin in **Services** was **10.8%,** -0.3 pp lower vs. 9M13, owing to pricing pressure in some verticals and geographies (mainly in Spain and Latam).
- **D&A** reached €49m vs €37m in 9M13 due to R&D subsidies recognition and amortization, as commented in the previous earnings report. Excluding this impact, D&A is expected to be similar to the one registered in 2013.
- **Recurrent operating profit** (EBIT before extraordinary costs) accounted for €156m, slightly below 9M13 one (€167m).
- **Recurrent EBIT** totals **€156m** (-7%) and **recurrent EBIT margin** reaches **7.5%**, slightly below (-0.4 pp) the first nine months of last year and similar (-0.2 pp) to the one achieved in the first semester. Despite the beginning of the recovery in activity in Spain, the strong price pressure remains, a situation is also starting to be felt in Latam (especially in countries such as Brazil). Thus, the margin performance does not reflect the expected recovery. Additionally, there have been higher than expected execution costs in some projects. Latam currencies' depreciation has also pressed group profitability. This situation of margin pressure will continue in the last quarter of the year.
- Indra has incurred in **€16m of extraordinary costs**, in line with expectations, dedicated to improving the production efficiency of the company.
- After these extraordinary expenses, **Operating profit (EBIT)** reached **€140m**, in line with the one registered in 9M13 (€140m).
- **Net financial expenses** were €42m compared to €49m in 9M13, thanks to the optimization of Indra's financial resources, and other financial costs, with no impact of cash.
- **Share of profits of associates and other investees** reached €4.2m. As it was mentioned in the first quarter earnings statement, this mainly reflects the non-recurring impact of the settlement of the payment to the minority shareholders of Indra Italy, final payment of which will take place in May 2016.
- **Tax rate** stood at 22.3%, slightly lower than the one registered in 9M13 (23.5%).

- **Net Profit** reached €79m (+18%). **Attributable (recurrent) profit** (excluding extraordinary costs) was €91m, increasing by +4% vs. 9M13.

<u>Balance Sheet and Cash Flow Statement</u>:

- In line with comments made in the last earnings statement, **Net working capital** reached **114 days** of equivalent **LTM revenues**.

  As it has been already mentioned in the first half year earnings report, it is foreseen that the NWC improvement will concentrate in the last quarter of the year.

- The level of **intangible assets** (net of subsidies) accounted for €29m, similar to the €30m registered in 9M13.
- Investments in **tangible assets** accounted for €12m, versus the €6m of 9M13.
- **Financial investments** reached €16m (net of disposals).
- **Free cash flow** during the period was **€-5m** (vs flat in 9M13 considering the divestment of the business of advanced management of digital documentation).
- **Net debt** position stood at **€726m** (slightly above to the €707m reached at the end of 9M13), which represents a **leverage** of **2.6x** recurrent EBITDA LTM.

Human Resources

At the end of 9M14, total workforce stood at 40,870 professionals, at a higher level than December 2013 (+6%). It is worth to highlight the workforce increase in AMEA (+13%) and Latam (+12%). The latter due to a short term project but intensive in terms of personnel.

Final Workforce	9M14	%	2013	%	Variation %
Spain	20,969	51	20,702	54	1
Latam	16,710	41	14,893	39	12
Europe & North America	1,739	4	1,663	4	5
Asia, Middle East & Africa	1,452	4	1,290	3	13
TOTAL	**40,870**	**100**	**38,548**	**100**	**6**

7. OTHER EVENTS OVER THE PERIOD

On July 8th, a gross ordinary dividend of 0.34€ per share was paid. This ordinary dividend represents a pay-out of 48% and implies a dividend yield of 2.4% considering the closing share price of the day of the announcement on March 27th (14.13 Euros) and a dividend yield of 2.8% based on Indra's share price at 2013 year-end (12.155 Euros).

8. EVENTS FOLLOWING THE CLOSE OF THE PERIOD

There were no other events following the close of the period to be highlighted.

ANNEX 1: CONSOLIDATED INCOME STATEMENT

	9M14 €M	9M13 €M	Variation €M	%
Revenues	**2,086.3**	**2,122.8**	**(36.5)**	**(2)**
Other income	63.5	47.8	15.6	33
Materials consumed and other operating expenses	(887.3)	(907.6)	20.4	(2)
Personnel expenses	(1,056.2)	(1,058.5)	2.3	(0)
Other results	(1.7)	(0.5)	(1.3)	NA
Gross Operating Profit (recurrent EBITDA)	**204.5**	**204.0**	**0.5**	**0**
Depreciations	(48.7)	(37.1)	(11.7)	31
Recurrent Operating Profit (EBIT before ext. expenses)	**155.7**	**166.9**	**(11.2)**	**(7)**
Recurrent EBIT margin (before extraordinary expenses)	***7.5%***	***7.9%***	***(0.4)***	--
Extraordinary expenses	(15.9)	(27.2)	11.3	(41)
Net Operating Profit (EBIT)	**139.8**	**139.7**	**0.1**	**0**
EBIT Margin	***6.7%***	***6.6%***	***0.1***	--
Financial results	(41.8)	(49.2)	7.4	(15)
Share of profits (losses) of associates and other investees	4.2	(2.4)	6.5	NA
Earnings Before Taxes	**102.2**	**88.1**	**14.0**	**16**
Income tax expenses	(22.8)	(20.7)	(2.1)	10
Profit for the period	**79.4**	**67.4**	**12.0**	**18**
Attributable to minority interests	(0.9)	(0.8)	(0.1)	NA
Net Profit	**78.5**	**66.6**	**11.8**	**18**
Net Profit recurrent	90.8	87.4	3.4	4

Figures not audited

ANNEX 2: INCOME STATEMENTS BY SEGMENTS

1. Solutions

	9M14 €M	9M13 €M	Variation €M	%
Net sales	**1,318.6**	**1,333.1**	**(14.5)**	**-1**
Contribution margin	228.4	239.0	(10.6)	-4
Contribution margin/ Net revenues	***17.3%***	***17.9%***	***(0.6) pp***	
Results from associates	(0.1)	0.5	(0.6)	--
Segment result	**228.3**	**239.5**	**(11.2)**	**-5**

2. Services

	9M14 €M	9M13 €M	Variation €M	%
Net sales	**767.6**	**789.7**	**(22.0)**	**-3**
Contribution margin	83.1	88.0	(4.9)	-6
Contribution margin/ Net revenues	***10.8%***	***11.1%***	***(0.3) pp***	
Results from associates	0.0	0.0	0.0	--
Segment result	**83.1**	**88.0**	**(4.9)**	**-6**

3. Total consolidated

	9M14 €M	9M13 €M	Variation €M	%
Revenues	**2,086.3**	**2,122.8**	**(36.5)**	**-2**
Consolidated contribution margin	311.5	327.0	(15.5)	-5
Contribution margin/ Revenues	***14.9%***	***15.4%***	***(0.5) pp***	
Other non-distributable corporate expenses	(155.7)	(160.1)	4.4	-3
Recurrent operating profit (EBIT before ext. expenses)	**155.7**	**166.9**	**(11.1)**	**-7**
Extraordinary expenses	(15.9)	(27.2)	11.3	-41
Net operating profit (EBIT)	**139.8**	**139.7**	**0.1**	**0**

Figures not audited

ANNEX 3: CONSOLIDATED BALANCE SHEET

	9M14 €M	2013 €M	Variation €M
Property, plant and equipment	130.3	144.1	(13.8)
Intangible assets	297.0	285.9	11.1
Investments in associates and other investments	90.9	79.5	11.5
Goodwill	613.1	605.9	7.1
Deferred tax assets	208.9	175.0	33.8
Non-current assets	**1,340.2**	**1,290.5**	**49.7**
Non-current net assets held for sale	8.0	7.6	0.4
Operating current assets	1,985.4	2,059.8	(74.5)
Other current assets	128.0	143.9	(15.9)
Cash and cash equivalents	283.6	363.1	(79.4)
Current assets	**2,405.0**	**2,574.4**	**(169.4)**
TOTAL ASSETS	**3,745.2**	**3,864.9**	**(119.7)**
Share Capital and Reserves	1,136.0	1,125.2	10.7
Treasury stock	(5.1)	(1.3)	(3.8)
Equity attributable to parent company	**1,130.9**	**1,124.0**	**6.9**
Minority interests	11.8	10.7	1.2
TOTAL EQUITY	**1,142.7**	**1,134.7**	**8.1**
Provisions for liabilities and charges	77.2	99.3	(22.1)
Long term borrowings	825.2	789.9	35.3
Other financial liabilities	6.7	4.0	2.6
Deferred tax liabilities	122.3	104.1	18.2
Other non-current liabilities	34.6	40.0	(5.4)
Non-current liabilities	**1,065.9**	**1,037.3**	**28.6**
Current borrowings	184.3	195.7	(11.4)
Operating current liabilities	1,083.9	1,191.4	(107.5)
Other current liabilities	268.3	305.8	(37.5)
Current liabilities	**1,536.5**	**1,692.9**	**(156.4)**
TOTAL EQUITY AND LIABILITIES	**3,745.2**	**3,864.9**	**(119.7)**
Net debt	***725.9***	***622.5***	***103.4***

Figures not audited

ANNEX 4: CONSOLIDATED CASH FLOW STATEMENT

	9M14 €M	9M13 €M	Variation €M
Profit before taxes	102.2	88.1	14.0
Adjusted for:			
- Depreciations	48.7	37.1	11.7
- Provisions, capital grants and others	(20.7)	11.2	(32.0)
- Share of profit / (losses) of associates and other investees	(0.2)	(0.5)	0.2
- Net financial result	37.0	49.2	(12.3)
- Dividens received	0.4	0.1	0.3
Operating cash-flow prior to changes in working capital	**167.3**	**185.3**	**(17.9)**
Receivables, net	26.6	78.6	(52.0)
Inventories, net	(11.0)	(29.8)	18.8
Payables, net	(48.7)	(81.5)	32.9
Change in working capital	**(33.1)**	**(32.7)**	**(0.4)**
Other operating changes	(37.5)	(51.4)	13.9
Income taxes paid	(36.8)	(32.2)	(4.6)
Cash-flow from operating activities	**60.1**	**69.0**	**(9.0)**
Tangible, net	(12.1)	(5.9)	(6.2)
Intangible, net	(29.4)	(30.0)	0.6
Investments, net	(16.1)	(26.4)	10.3
Interest received	3.6	3.5	0.2
Net cash-flow provided/(used) by investing activities	**(53.9)**	**(58.8)**	**4.9**
Changes in treasury stock	(9.4)	(3.3)	(6.1)
Dividends of the parent company	(55.6)	(55.8)	0.2
Short term financial investment variation	0.8	0.2	0.5
Increases (repayment) in capital grants	3.1	2.7	0.4
Increase (decrease) in borrowings	4.5	167.5	(163.0)
Interest paid	(29.9)	(39.1)	9.2
Cash-flow provided/(used) by financing activities	**(86.6)**	**72.3**	**(158.8)**
NET CHANGE IN CASH AND CASH EQUIVALENTS	**(80.4)**	**82.5**	**(162.9)**
Cash & cash equivalents at the beginning of the period	**363.1**	**69.8**	**293.2**
Foreign exchange differences	1.0	(3.1)	4.2
Net change in cash and cash equivalents	(80.4)	82.5	(162.9)
Cash & cash equivalents at the end of the period	**283.6**	**149.2**	**134.5**
Long term and current borrowings	(1,009.5)	(855.8)	(153.7)
Net debt/ (cash) position	***725.9***	***706.6***	***19.2***
Free Cash Flow *(1)*	**-4.6**	**0.3**	**-4.9**

*(1) **Free cash flow** is defined as cash generated before dividend payment, net financial investments and similar payments, and investment in treasury stock*

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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