



RESULTS FY15

February 29th, 2016

CONFERENCE CALL DETAILS

**The Company will host a conference call for investors and analysts today at 18:30 (CET).
Please find below conference call telephone numbers:**

**Spain: +34 917900863
UK: +44 (0) 2031474607
USA: +1 8663881927**

A recording of the conference call will be available for 30 days on the following telephone numbers:

**Replay dial number:
Spain: +34 917896320
UK: +44 (0)2033679460
USA: +1 8776423018**

Access code: 299367#

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MAIN HEADLINES

- 1 Recurrent EBIT margin in 4Q15 of 6.0%, above 3Q15 (3.5%) and 4Q14 (5.7%), partly due to efficiency plans
- 2 Strong 4Q15 FCF generation (€+137M) because of margin expansion and pro active NWC management
- 3 NWC reduced to 30 DoS vs 81 DoS as a results of write offs (35 DoS) and new management measures (16 DoS)
- 4 Material deleverage in the quarter, leaving Net Debt in Dec 15 at €700M (vs €837M Sept 15) despite personnel reduction cash costs of €78M in the year
- 5 2015 revenues almost flat (ex-elections), although 4Q15 revenues down -6% in local currency
- 6 Decline in Order Intake (-11% in local currency) due to a more selective commercial policy, specially in Brazil, and project delays in oil exporting countries
- 7 Non-recurrent effects of €718M in 2015, of which €160 M for headcount reduction in Spain and €321M for Brazil

2015 REVENUES FLAT (EX-ELECTIONS); 4Q15 DOWN -6% IN LOCAL CURRENCY

FY15

Sales in Local Currency

-2%

Sales Reported Growth

-3%

Sales Growth (ex. elections)

-1%

4Q15

Sales in Local Currency

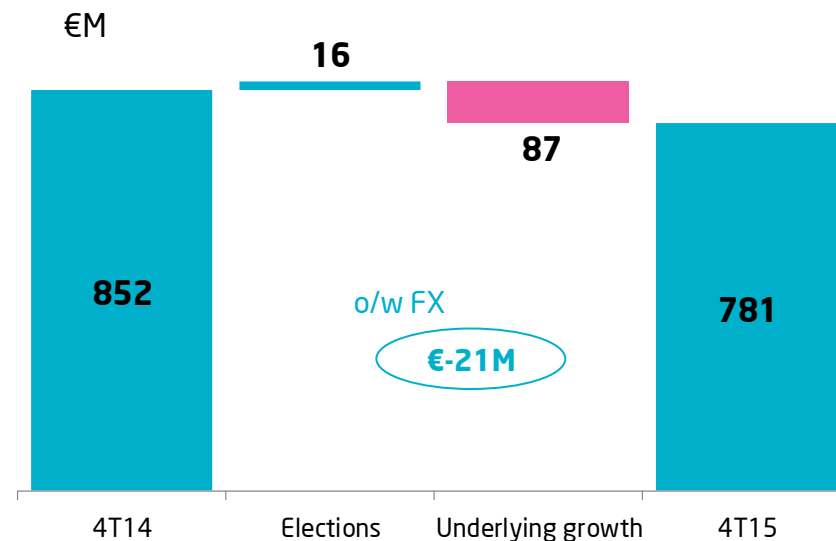
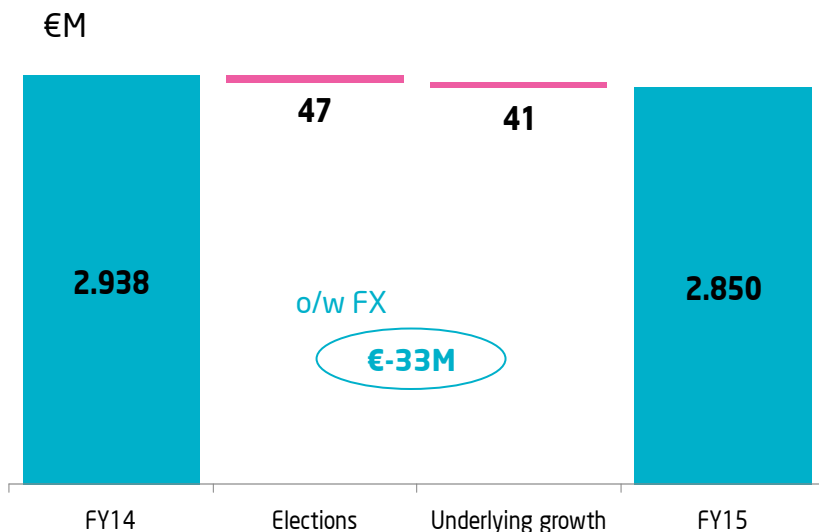
-6%

Sales Reported Growth

-8%

Sales Growth (ex. elections)

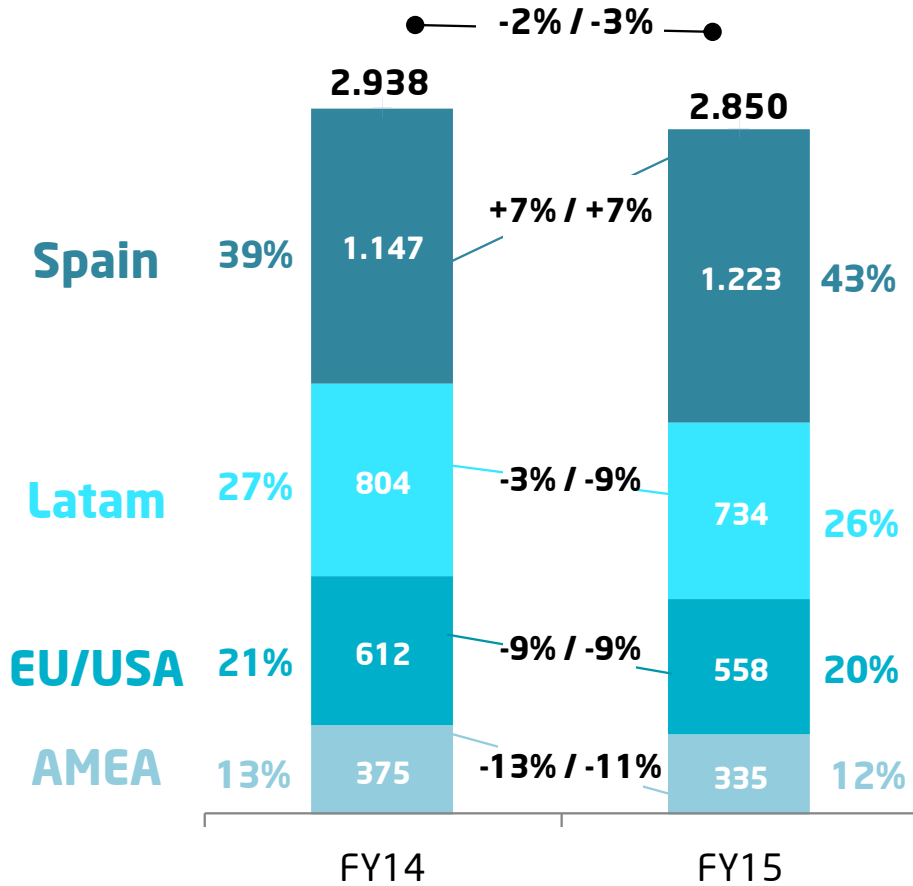
-10%



REVENUES BY REGION

Revenues (€M)

Local Currency / Reported



- +7% annual growth, while 4Q15 -2%
- +23% growth in Public Sector Spain and -4% in Private Sector in FY15

-
- 4Q15 (-19% in local currency)

-
- 4Q15 (-10%) in line with full year

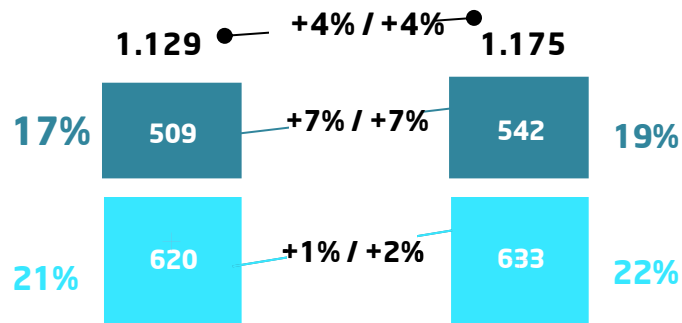
-
- Growth speeding up, 4Q15 (+16% in local currency)

REVENUES BY VERTICAL

Local Currency / Reported

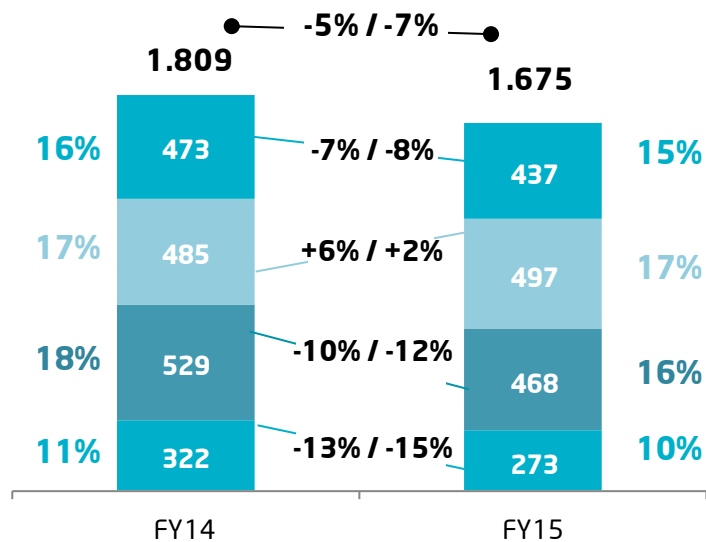
T&D

- Defence & Security
- Transport & Traffic

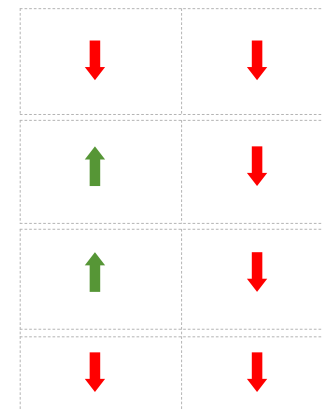
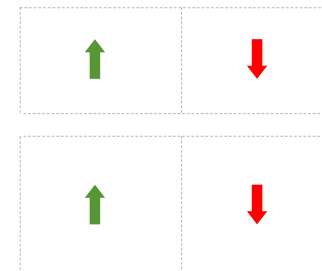


IT

- Energy & Industry
- Financial Services
- PPAA & Healthcare
- Telecom & Media



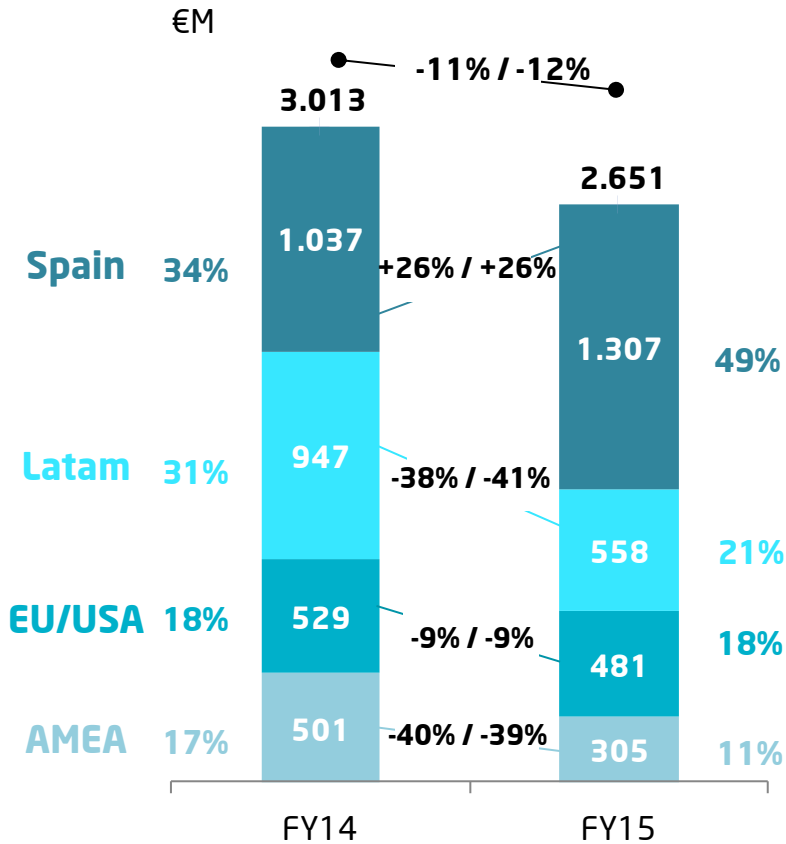
Spain | Int. (LC)



ORDER INTAKE DOWN -11% IN 2015

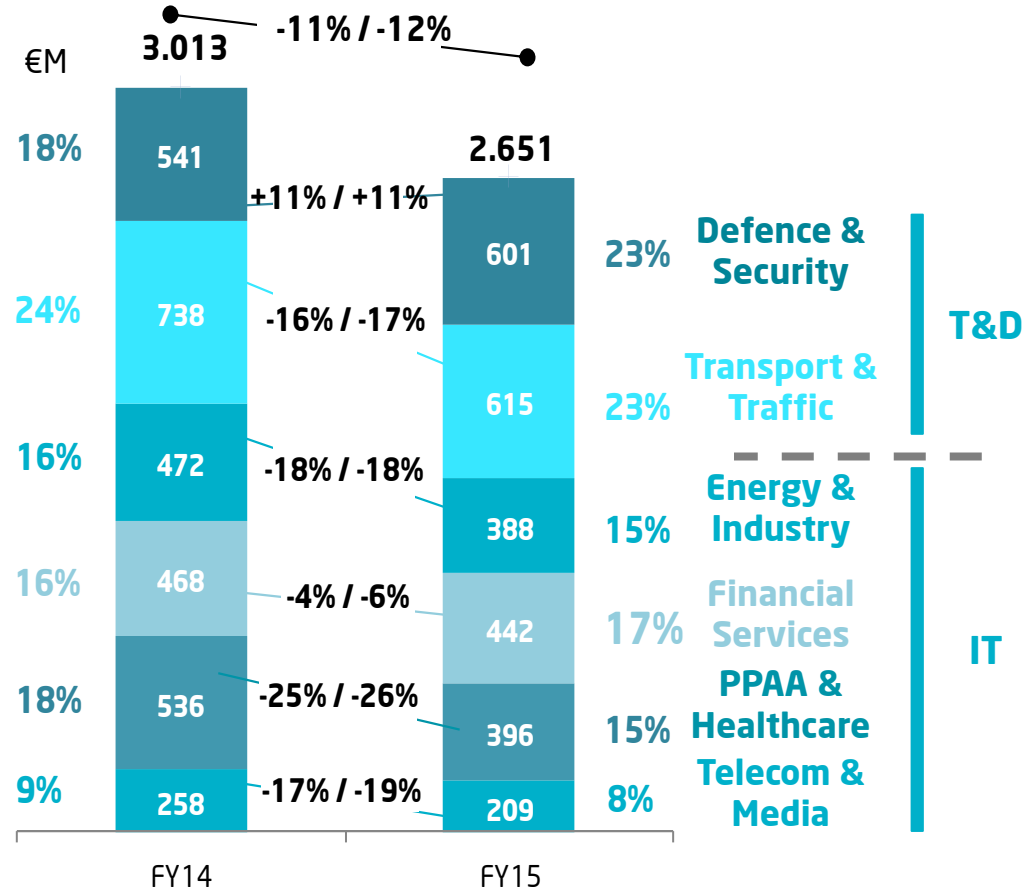
Order Intake by Region

Local Currency / Reported



Order Intake by Vertical

Local Currency / Reported



GOOD PROGRESS ON OUR PERSONNEL COST OPTIMIZATION PLAN

Number of Employees

- **SPAIN - up to 1.750**
 - Sep-Dec 15: ~ 60%
 - 2016: ~ 40%

% Of completion



- **LATAM - 1.700**
1.721 as of 31/12/2015



P&L

- Provision of €160M accounted in 3Q15 as non-recurrent cost for Spain
- Expected annual savings calendar of €120M

2015	2016	2017	2018
€20M ✓	€90M	€120M	€120M

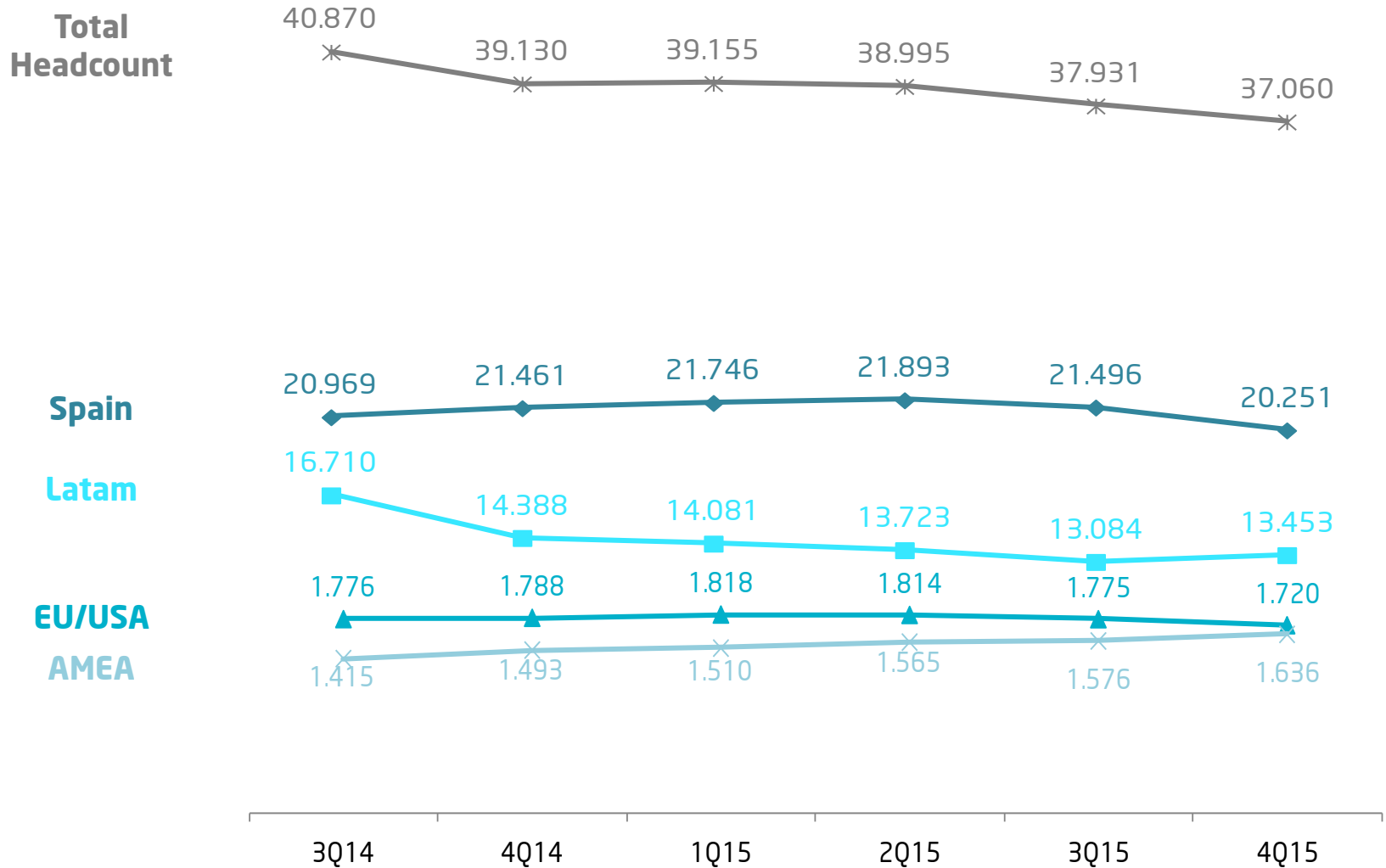
Cash Flow

- Expected cash cost of €150-160M between 2015-2018

2015	2016	2017	2018
€70-80M ✓	€45-55M	0	Remaining

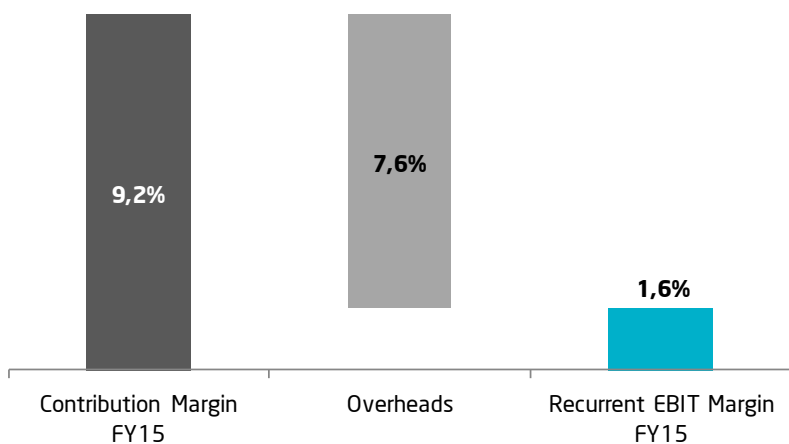
(*) As of 31/12/2015

HEADCOUNT DECREASING

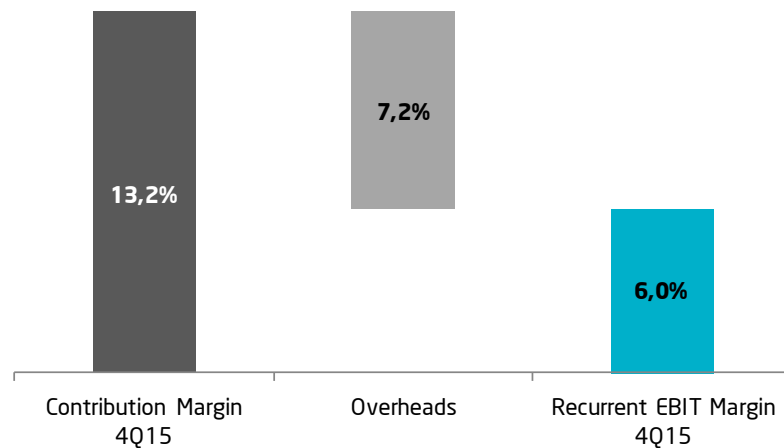


QUARTERLY RECURRENT EBIT MARGIN IMPROVES AGAIN

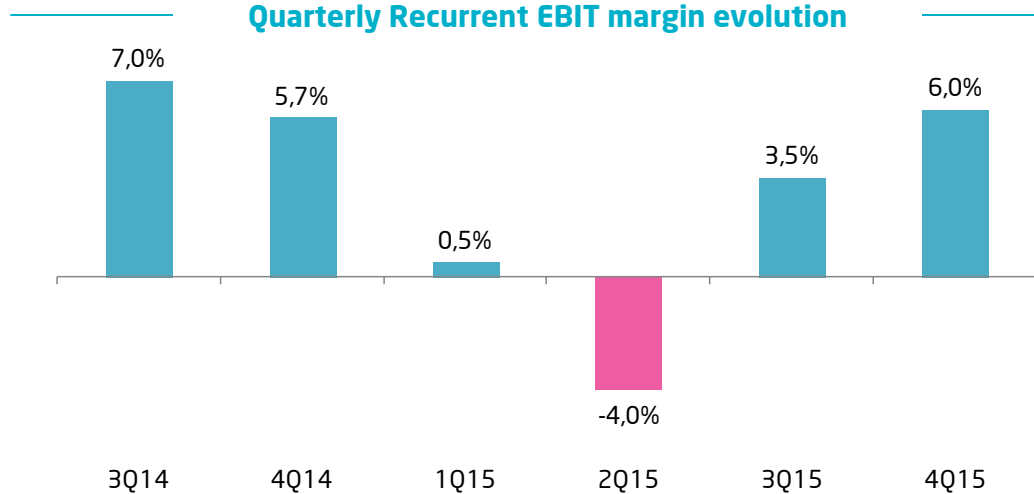
Recurrent EBIT Margin FY15



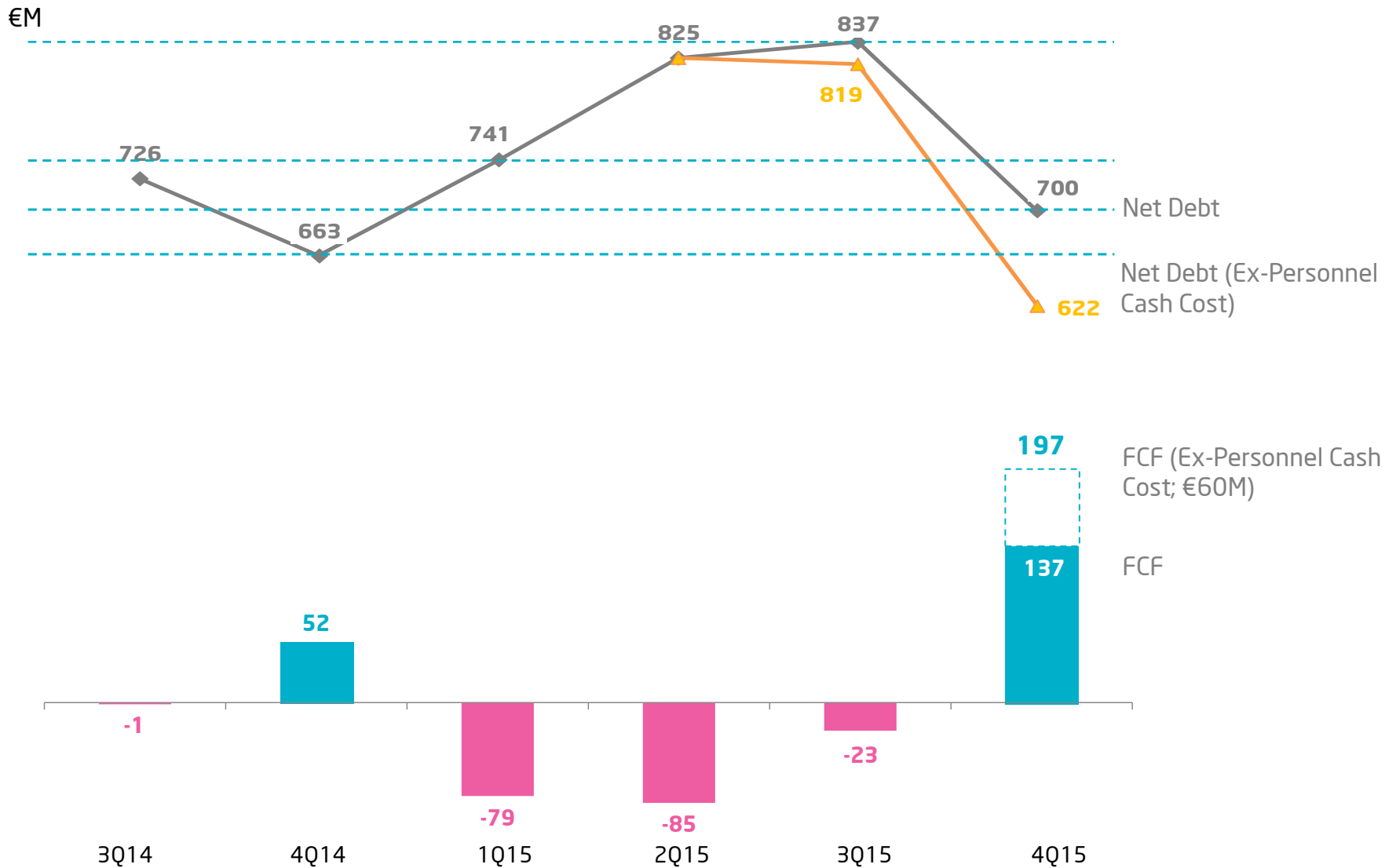
Recurrent EBIT Margin 4Q15



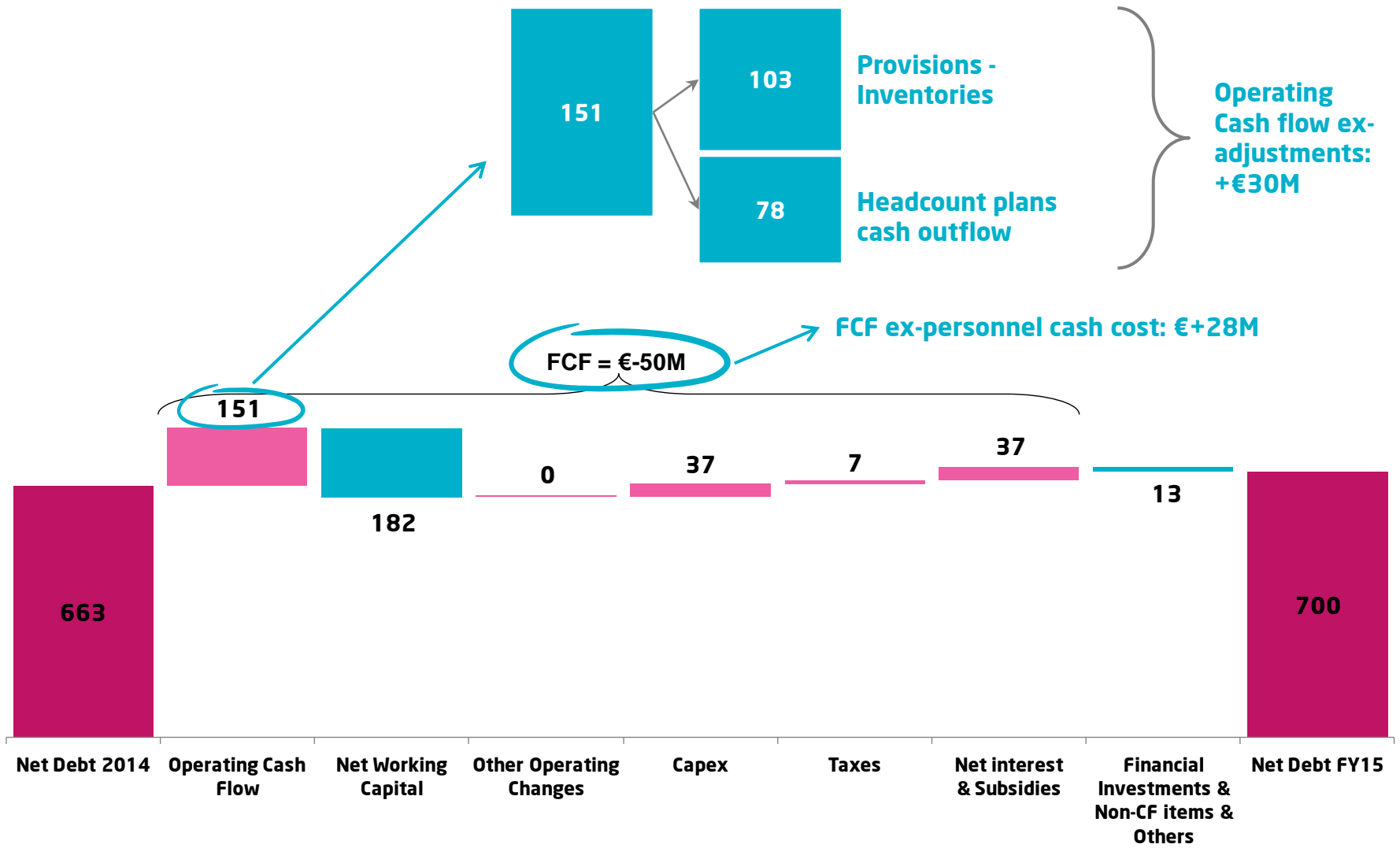
Quarterly Recurrent EBIT margin evolution



STRONG FCF GENERATION AND DEBT DECREASE IN 4Q15



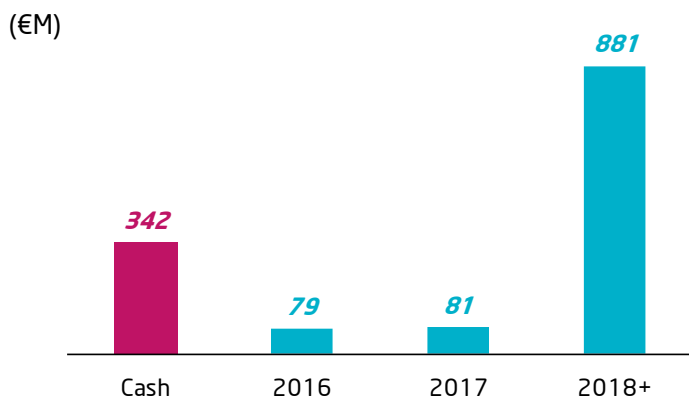
NET DEBT BRIDGE



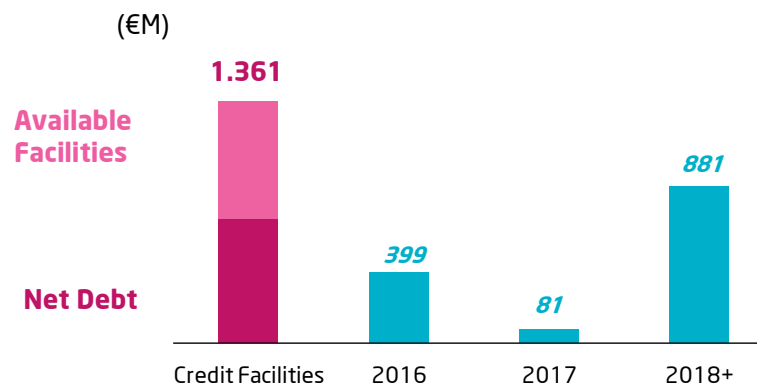
DEBT STRUCTURE

(€M)	2015		2014	
	Total	% of total	Total	% of total
L/T Debt	962	92%	826	86%
S/T Debt	79	8%	131	14%
Gross Debt	1.041	100%	957	100%
Cash & Others	342	n.m.	294	n.m.
Net Debt	700	n.m.	663	n.m.
Cost of Net Debt	4,2%		4,5%	

Gross Debt Maturity Profile



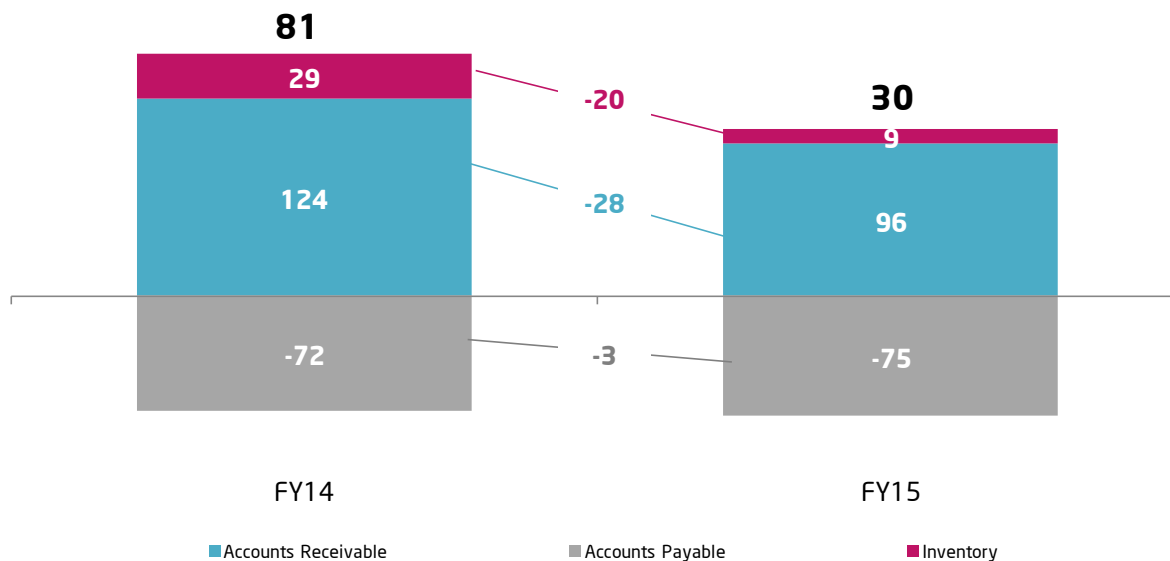
Available Credit Facilities



NWC IMPROVING BECAUSE OF ADJUSTMENTS AND PROACTIVE MANAGEMENT

M€	2014	2015	Variation	o/w Adjustments	o/w Underlying
Inventories	231	70	(161)	(103)	(58)
Accounts Receivable	996	750	(246)	(117)	(129)
Accounts Payable	(579)	(589)	(10)	(67)	57
Working Capital	648	232	(417)	(287)	(130)

Net Working Capital Reported (DoS) - After non-recurring effects



ADJUSTMENTS 2015 & 4Q15

Concept	2015	
	(€M)	o/w Brazil
Provisions, impairments and over-runs	(371)	(183)
Impairment of Goodwill	(104)	(83)
Impairment of Tangible Assets	(9)	(9)
Impairment of Intangible Assets	(7)	(7)
Efficiency improvement costs	(36)	(8)
Redundancy Plan	(160)	0
Non-recurring items to EBIT	(687)	(290)
Impairment of Tax Credit	(31)	(31)
Total non-recurring items	(718)	(321)

Concept	4Q15	
	(€M)	o/w Brazil
Provisions, impairments and over-runs	(107)	(55)
Impairment of Goodwill	(3)	0
Impairment of Tangible Assets	(9)	(9)
Impairment of Intangible Assets	0	0
Efficiency improvement costs	(11)	0
Redundancy Plan	0	0
Non-recurring items to EBIT	(130)	(64)
Impairment of Tax Credit	0	0
Total non-recurring items	(130)	(64)



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