Alcobendas, January 24th, 2011

COMISION NACIONAL DEL MERCADO DE VALORES
Paseo de la Castellana, 19
28046 Madrid

Dear Sirs,

According to article 82 of Law 24/1988 of the Stock Market and article 5 of Orden EHA/1421/2009, we hereby notify you of the following communication containing information on the estimates for 2011, as anticipated on the previous statement dated November 11th, 2010, once completed the preliminary closing of 2010. We also inform of the meeting of 2010 targets.

Indra meets its 2010 targets

Despite market conditions, especially in the domestic market, deteriorating more than expected, Indra has met all of its targets announced at the beginning of 2010. Thus, pending final closing:

- Order Intake will reach 2,880 M€, growing 7% and beating initial 5% target. International order intake will represent 44% of total, growing 23%; domestic order intake will decrease 3%.
- Revenues will grow 2% to 2,557 M€, within the targeted range. International revenues, which account for 39% of total, will grow 10%, and domestic revenues will decrease by 3%.
- Recurrent EBIT margin (before extraordinary expenses) will reach 11.2%, meeting target of ensuring a recurring margin similar to that of 2009 (11.4%)

The fulfilment of these targets has been achieved in the midst of especially difficult market conditions, with large price pressures, clients adjusting solutions' investment and development projects, and a greater preference for externalizing services and processes.

These factors, together with the differential performance of the international markets vs the domestic one, have made necessary, as already anticipated at the beginning of the year, adopting a number of measures to maintain the company's high efficiency levels;

measures which include cost reduction ones as well as adapting the company's structures and processes to both market conditions and different businesses' needs.

The company has considered most efficient to undertake such measures as quickly as possible, and thus, in the fourth quarter, it has materialised several initiatives additional to the ones executed in previous quarters and already communicated. These initiatives have increased total extraordinary expenses for current year to 33 M€. Net Income for the year, including such extraordinary expenses, will reach 189 M€. These extraordinary costs represent the whole of the actions considered necessary by the company, and there are no new initiatives expected for next year.

Targets for 2011

For 2011 Indra foresees an environment of similar difficulty and complexity than the one experienced in 2010, albeit recovery signals in the domestic market could be seen at the end of the year.

In this context, the company expects to reach the following targets for 2011:

- Revenue growth of at least 2%, with international markets posting a significant growth rate and the domestic market registering a slight decrease.
- Order Intake slightly ahead of last year's, and significantly higher than revenues, therefore strengthening again order backlog. The company has several ongoing commercial initiatives in the international markets that could materialise along the year. If that were the case, full year order intake could grow at a material rate.
- EBIT margin of at least 10.5%. As stated before, Indra does not expect to incur in additional extraordinary costs in 2011; should any come up, it will not be of significance nor will affect reaching the targeted EBIT margin. Therefore, the level of operating profitability for 2011 will be less than one percentage point lower than the maximum reached by Indra in 2009.

Indra is fully confident that it will meet its 2011 targets. The different actions undertaken in the previous years are allowing the company to develop new growth drivers in geographical markets, global clients, and high potential demand business segments, which imply attractive medium term perspectives, allowing Indra to maintain its high growth and profitability profile.

Based on all the above the company will maintain in 2011 its redistribution policy via dividends, with ordinary dividend per share to be distributed in 2011 against 2010 profits, equal, at least, to the one distributed in the previous year.

Sincerely,

Juan Carlos Baena