



RESULTS 2014



indra

February 27th , 2015

CONFERENCE CALL DETAILS

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

Spain: +34 91 789 2387

UK: +44 (0) 207 750 9908

USA: +1 866 305 9104

A recording of the conference call will be available for 15 days on the following telephone number:

Replay dial number: +34 91 787 9670

Access code: 333880#

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KEY MESSAGES

- ❑ Revenues grew +5% in local currency, increasing in all verticals.
- ❑ Spanish revenues flat, after four years declining
- ❑ Backlog totaled €3,473m, with double digit growth rates in order intake in AMEA and Latam
- ❑ Recurrent operating margin reaches 6.9%, despite ongoing pressures
- ❑ Free cash flow generation of 47 €M
- ❑ Net profit of -€92m, as a result of provisions, impairments and non recurring items from changes in estimates for a gross amount of €313m in projects, intangibles, goodwill and tax credits. Recurrent Net Income at €104m
- ❑ At the end of June, the company will organize an Investor's Day to outline its strategic lines, operating plans and medium term financial indications

MAIN HEADLINES

	FY14	Variation Local currency / reported	FY13
Order Intake (€M)	3,013	+4% / -1%	3,029
Revenues (€M)	2,938	+5% / +1%	2,914
EBIT margin Recurrent ⁽¹⁾	6.9%	-0.9 pp	7.8%
Net profit Recurrent (€M)	104	-24%	138
Net profit Reported (€M)	-92	-179%	116
NWC (DoS)	106 / 81 ⁽²⁾	-3	109
Free Cash Flow	47	---	27 ⁽³⁾
Net Debt (€M)	663	+6%	622

(1) Before non recurrent items of 246 €M

(2) After non recurrent items

(3) 52 €M once accounted for the divestment of services business

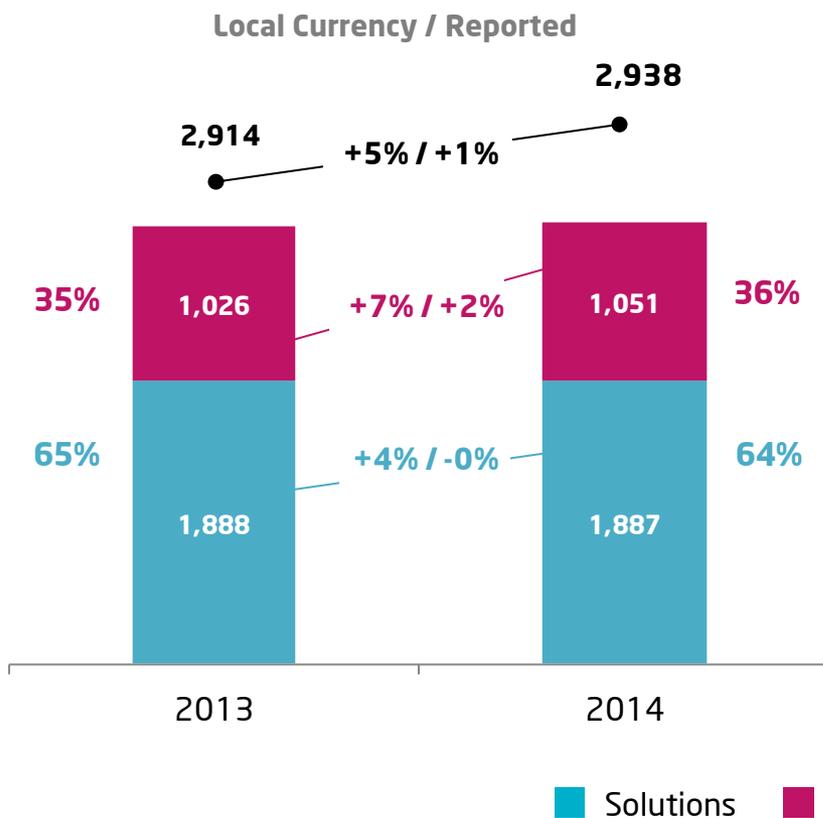
NON RECURRING ITEMS

Concept	(€M)
Provisions, impairments and over-runs	-231
Impairment of Goodwill	-21
Impairment of Tax credit	-19
Impairment of Intangible assets	-19
Efficiency improvement costs	-17
Other	-6
Total before provisions reversal	-313
Provisions reversal	48
Total after provisions reversal	-265

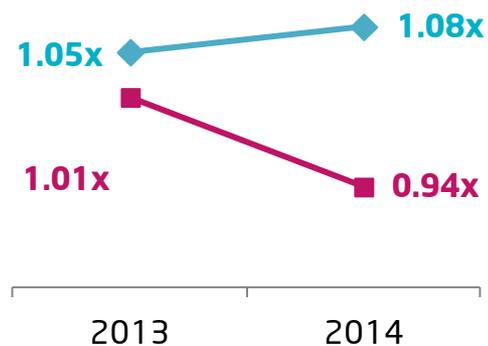
Vertical Market	(€M)
Energy & Industry	-26
Financial Services	-26
Telecom & Media	-3
Public Administrations	-50
Transport & Traffic	-61
Security & Defence	-65
Total provisions, impairments and over-runs	-231

BOTH SERVICES AND SOLUTIONS GREW MID SINGLE DIGIT IN LOCAL CURRENCY

Revenues by Segment (€M)



Book-to-Bill

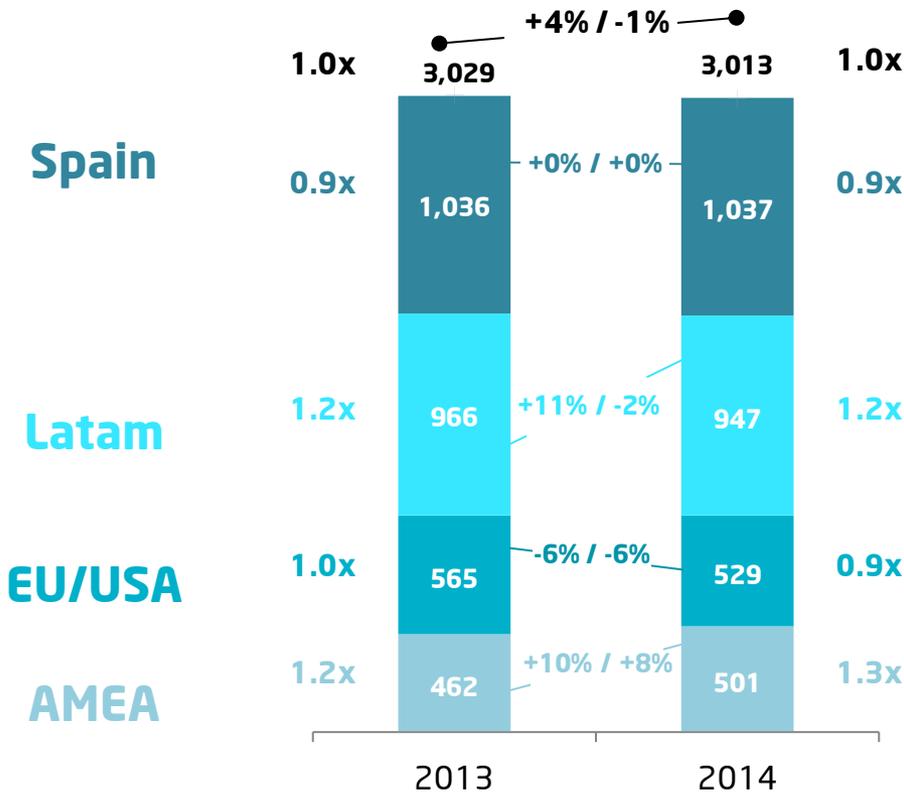


SOLID ORDER INTAKE (+4%); REVENUES UP IN ALL GEOGRAPHIES

Order intake (€M)

Local Currency / Reported

Book-to-Bill Book-to-Bill

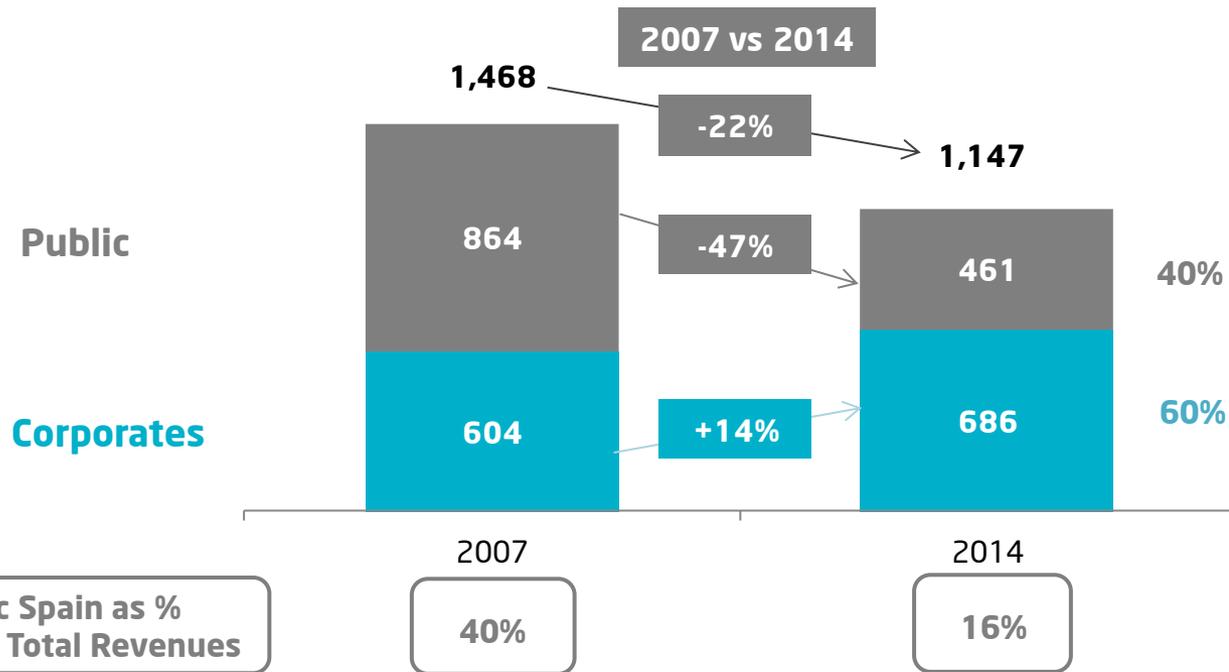
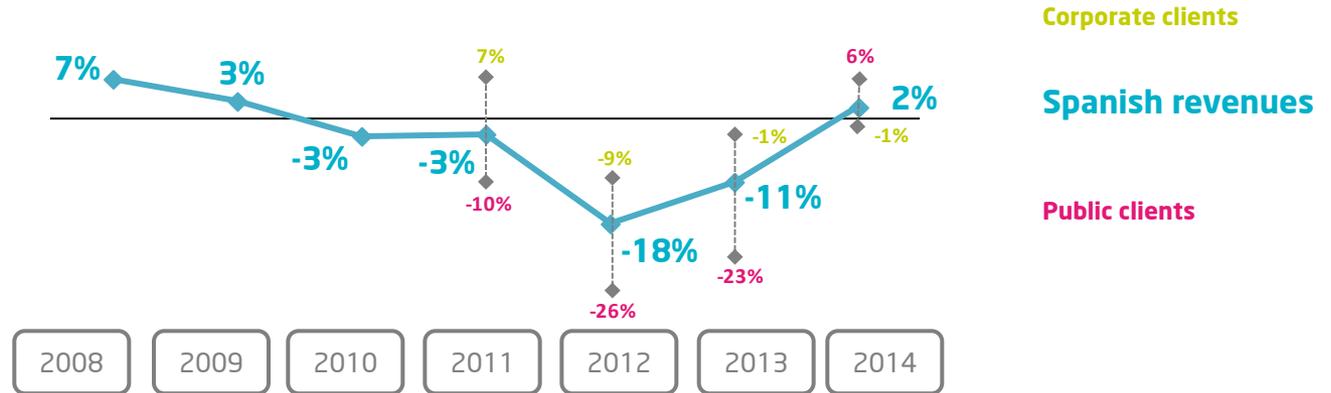


Revenues (€M)

Local Currency / Reported



AFTER FOUR YEARS OF DECLINING REVENUES, SPAIN WAS FLAT IN 2014

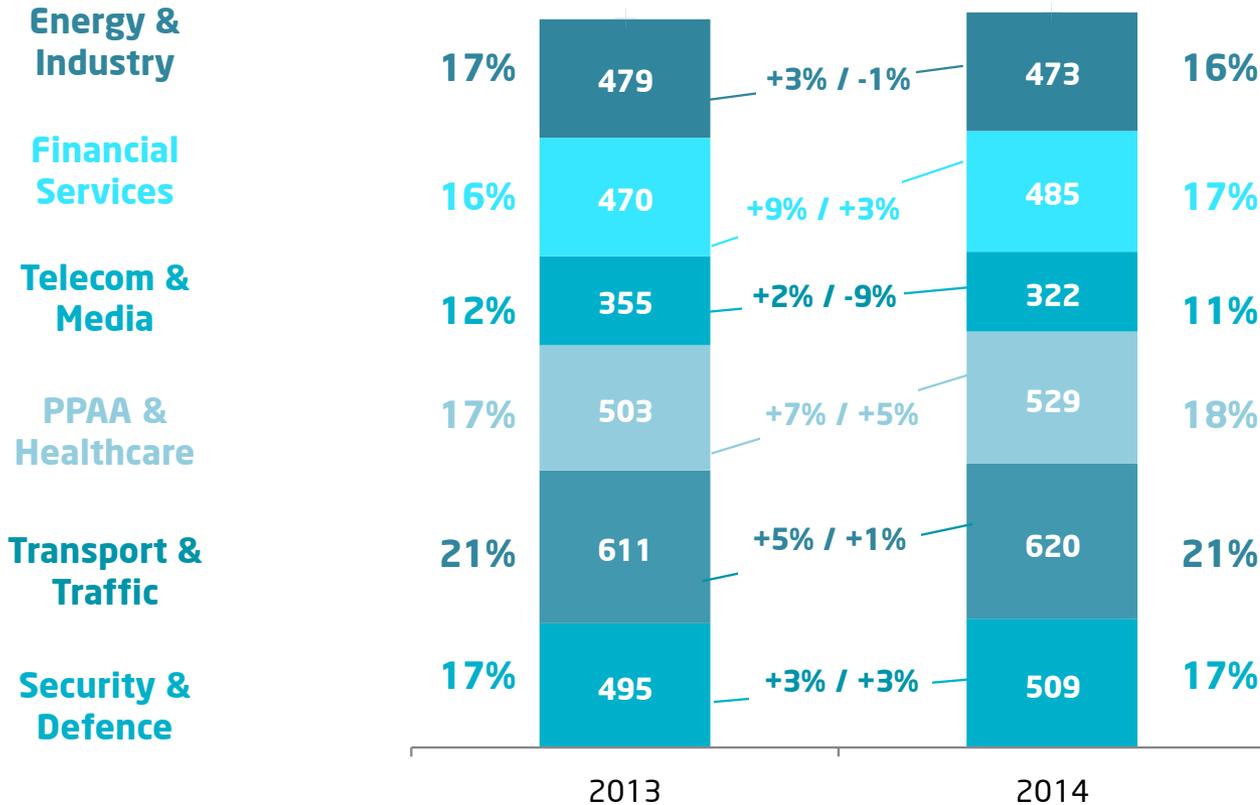


FOUR VERTICALS NOW UP IN SPAIN; ALL UP INTERNATIONALLY (IN LOCAL CURRENCY)

Revenues by Vertical (€M)

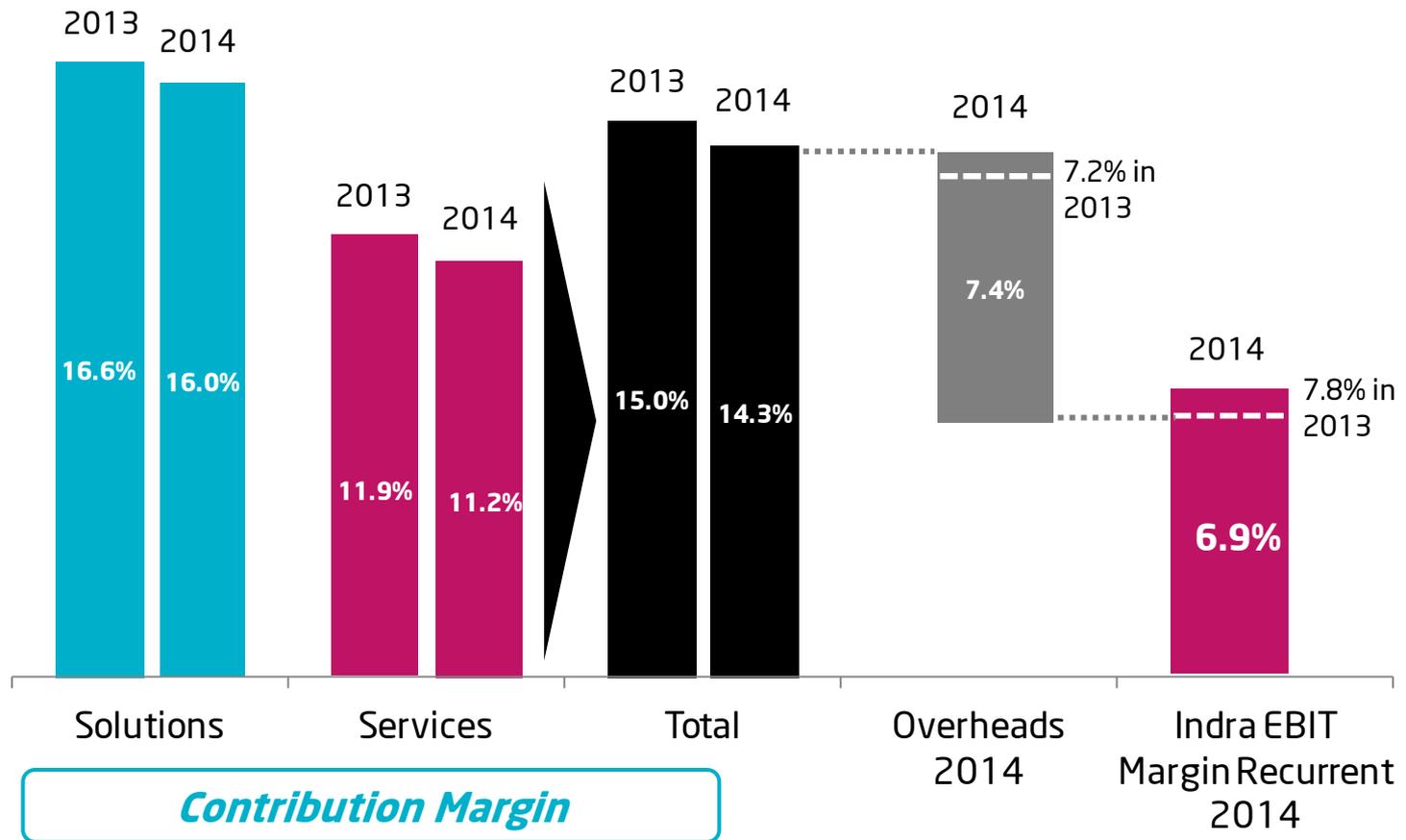
Local Currency / Reported

2,914 2,938
 ● — +5% / +1% — ●

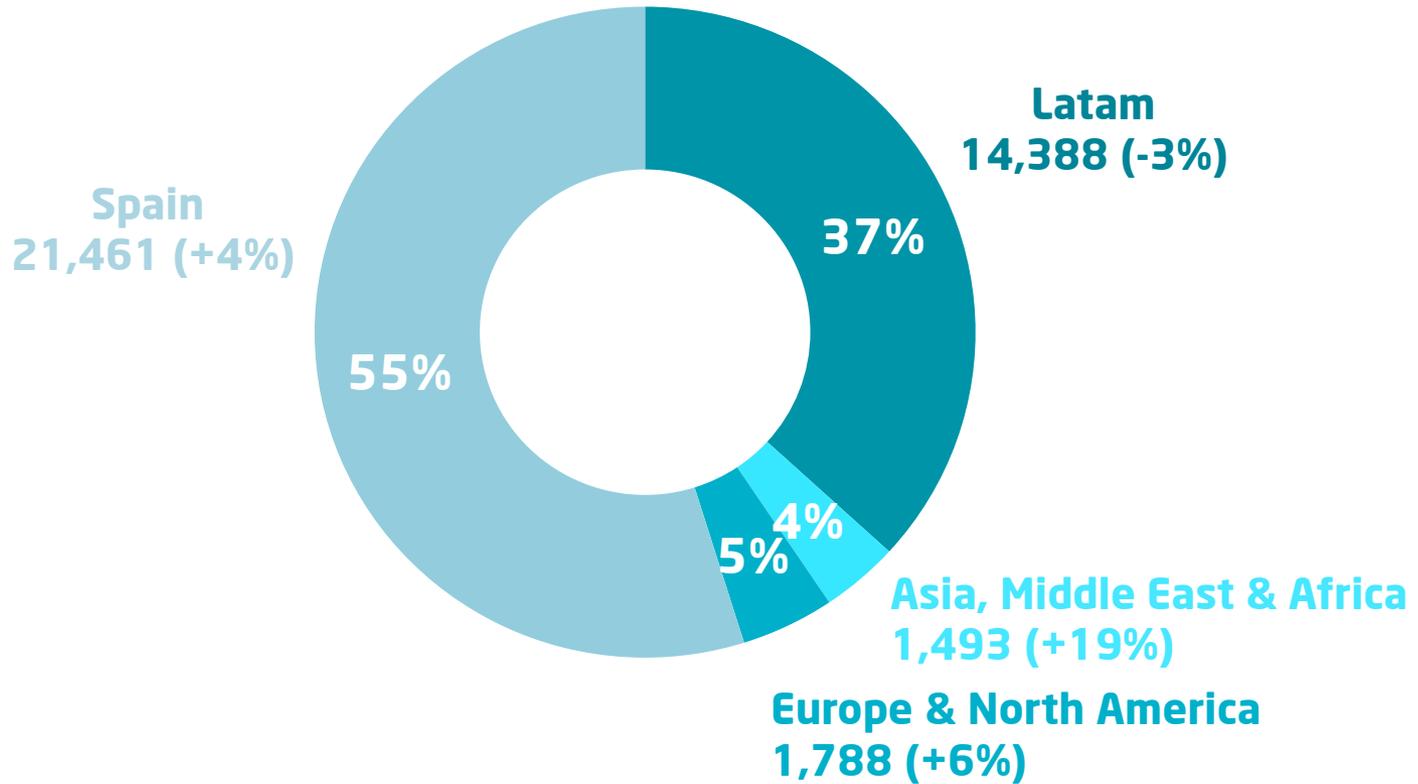


Spain	Int. (LC)
↑	↑
↓	↑
↑	↑
↑	↑
↑	↑
↓	↑

MARGIN PRESSURE REMAINS IN BOTH SERVICES AND SOLUTIONS, DRIVING RECURRENT EBIT MARGIN DOWN



WORKFORCE REMAINS ALMOST FLAT



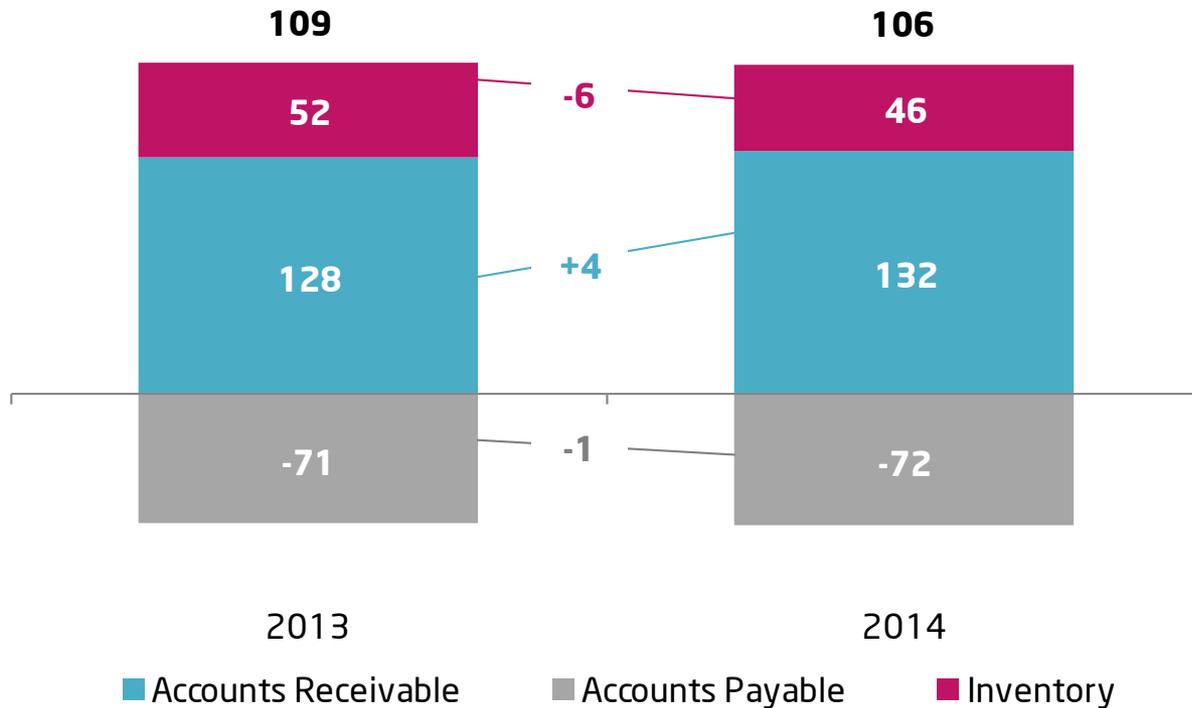
39,130 professionals (+2%)



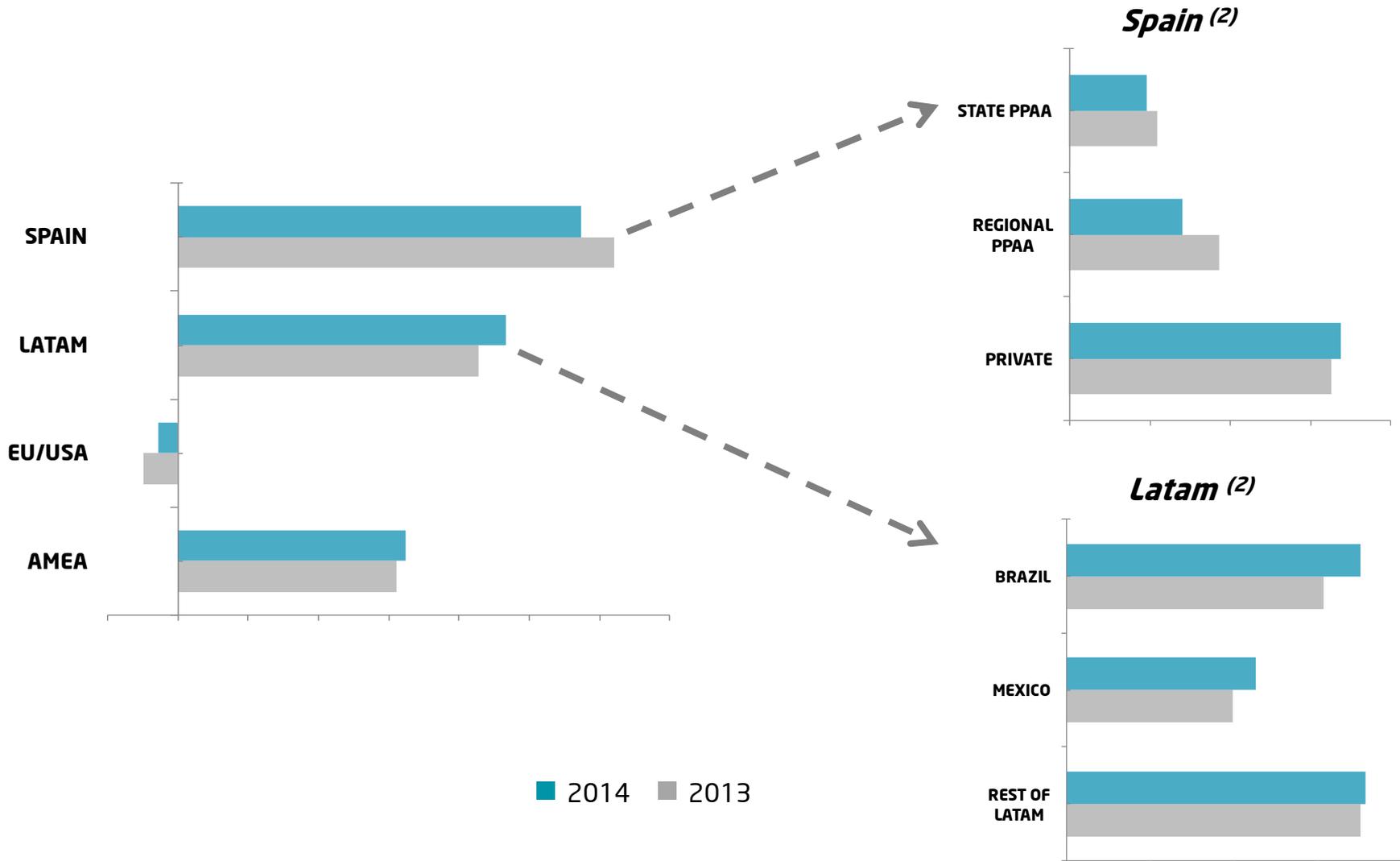
c.3,500 subcontractors

NET WORKING CAPITAL (BEFORE NON RECURRENT ITEMS) COMPRESSED TO 106 DoS

Equivalent Days of Sales (DoS)



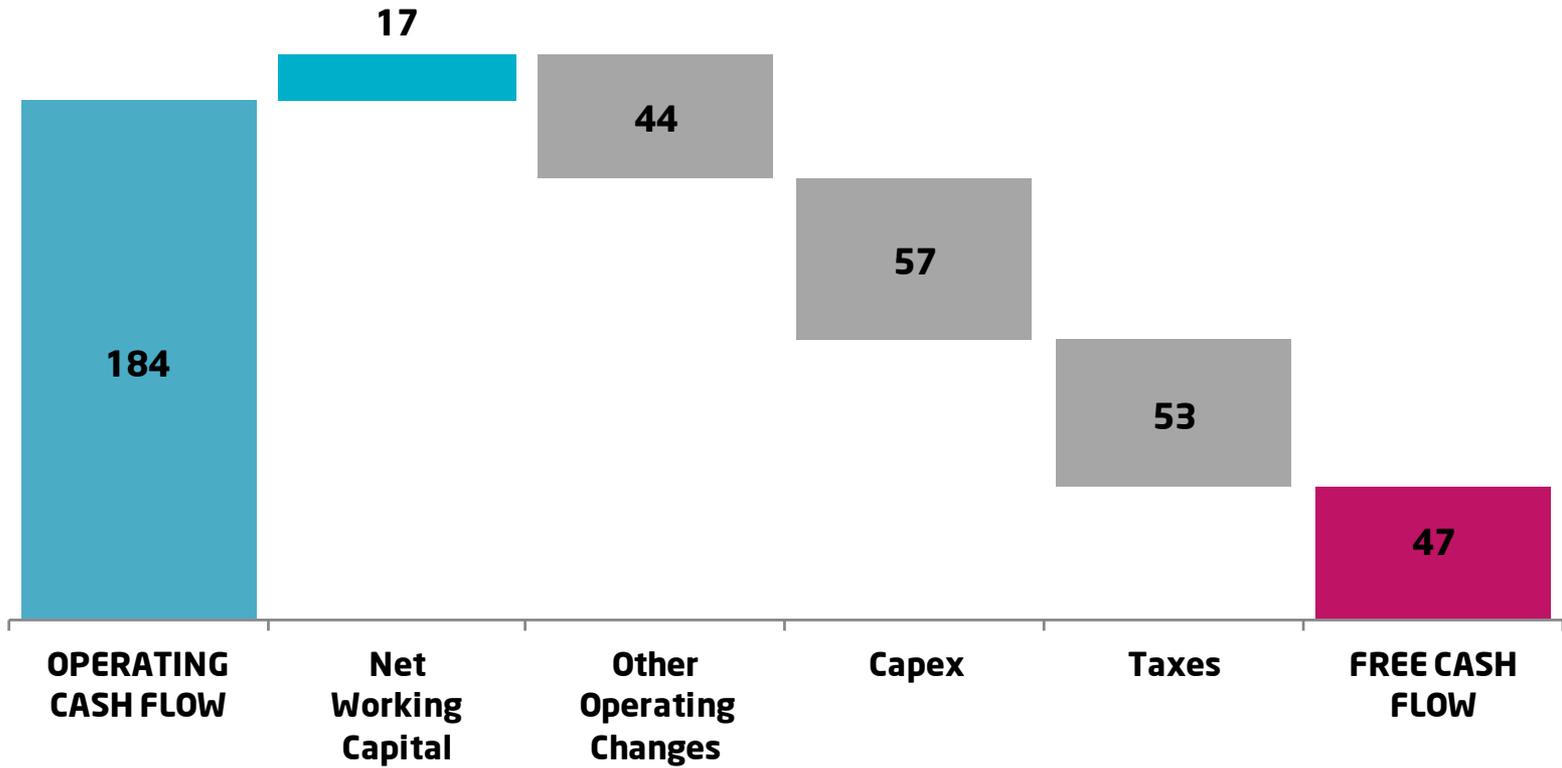
RECEIVABLES⁽¹⁾ DoS REDUCED IN SPAIN, MAINLY ON PUBLIC CLIENTS



(1) Clients + Unearned revenues - Prepayments

(2) DoS calculated according to the revenues of each category

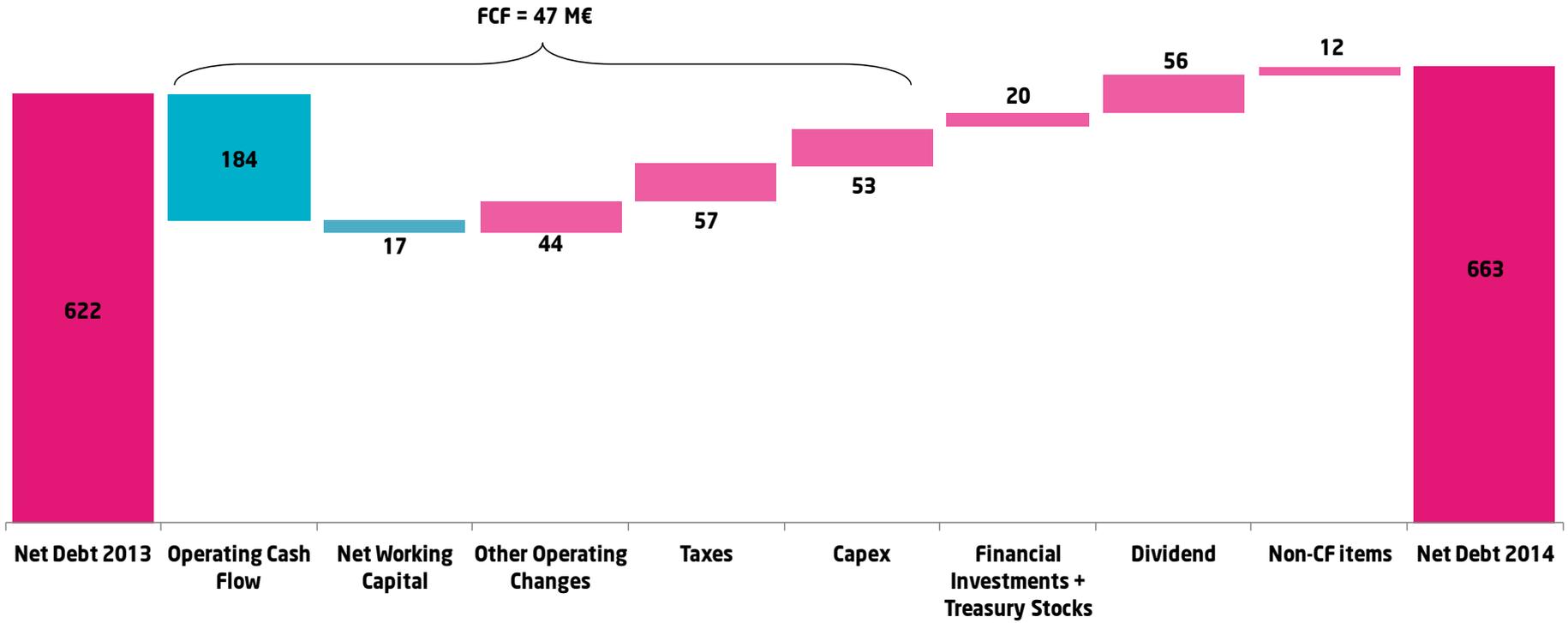
FREE CASH FLOW BRIDGE



FCF GUIDANCE NOT ACHIEVED MAINLY DUE TO NWC AND PROFITABILITY



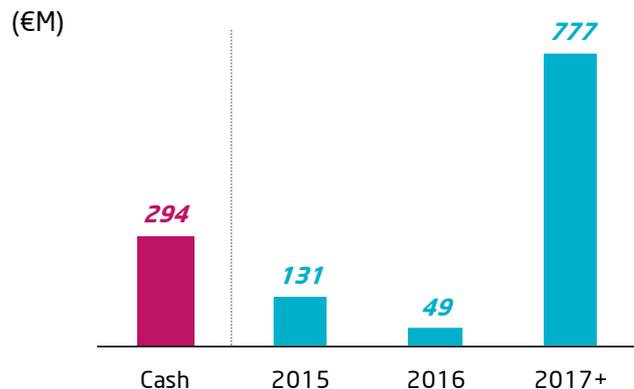
NET DEBT BRIDGE



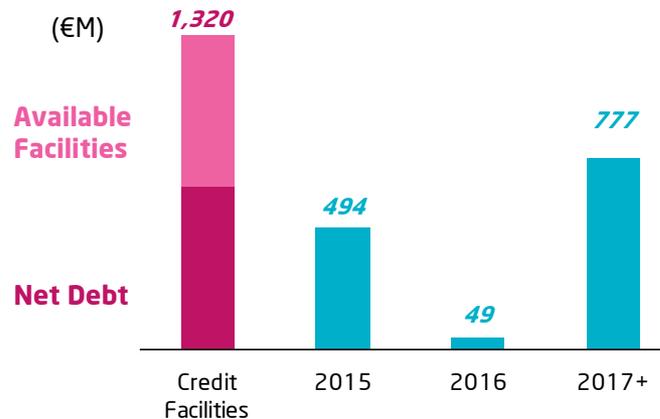
CAPITAL STRUCTURE

(€M)	December 2014		December 2013	
	Total	% of total	Total	% of total
L/T Debt	826	86%	790	80%
S/T Debt	131	14%	196	20%
Gross Debt	957	100%	986	100%
Cash & Others	294	n.m.	363	n.m.
Net Debt	663	n.m.	622	n.m.
Cost of Net Debt	4.5%		4.8%	

Gross Debt Maturity Profile (dec-14)



Available Credit Facilities (dec-14)



ANNEX: P&L

	2014	2013	Variation	
	€M	€M	€M	%
Revenues	2,937.9	2,914.1	23.8	1
Other income	93.3	75.1	18.2	24
Materials consumed and other operating expenses	(1,353.5)	(1,333.0)	(20.4)	2
Personnel expenses	(1,405.5)	(1,453.5)	48.0	(3)
Other results	(4.1)	75.5	(79.6)	NA
Gross Operating Profit (recurrent EBITDA)	268.2	278.1	(9.9)	(4)
Depreciations	(64.2)	(51.9)	(12.3)	24
Recurrent Operating Profit (EBIT before non recurrent items)	203.9	226.2	(22.3)	(10)
<i>Recurrent EBIT margin (before non recurrent items)</i>	<i>6.9%</i>	<i>7.8%</i>	<i>(0.9)</i>	--
Non Recurrent Items	(246.4)	(27.9)	(218.5)	783
Net Operating Profit (EBIT)	(42.5)	198.3	(240.8)	(121)
<i>EBIT Margin</i>	<i>-1.4%</i>	<i>6.8%</i>	<i>(8.3)</i>	--
Financial results	(54.3)	(64.0)	9.7	(15)
Share of profits (losses) of associates and other investees	(0.2)	12.4	(12.6)	NA
Earnings Before Taxes	(97.0)	146.7	(243.7)	(166)
Income tax expenses	6.6	(30.0)	36.6	(122)
Profit for the period	(90.4)	116.7	(207.1)	(177)
Attributable to minority interests	(1.5)	(0.9)	(0.6)	NA
Net Profit	(91.9)	115.8	(207.7)	(179)
Net Profit recurrent	104.3	138.0	(33.8)	(24)

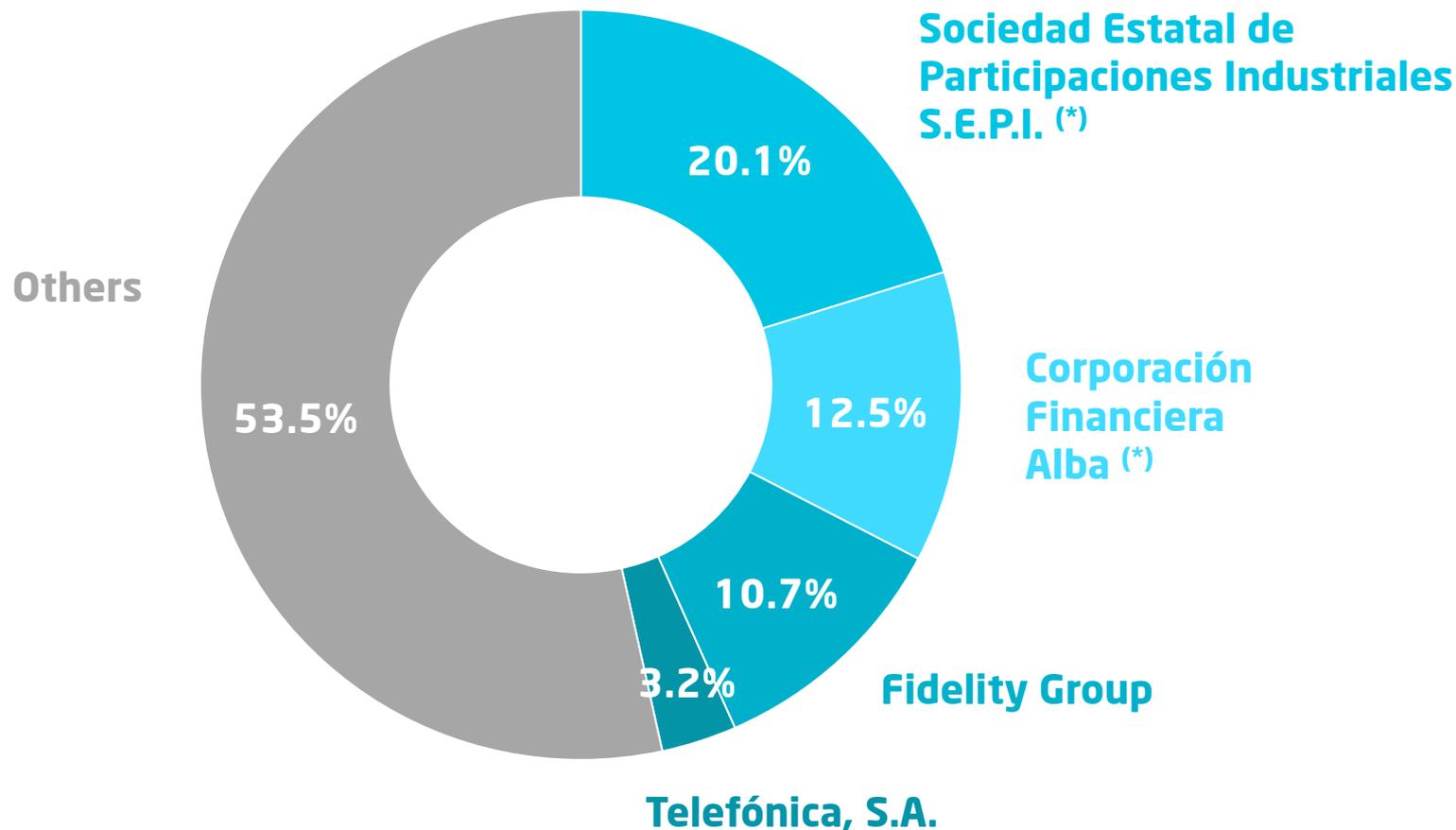
ANNEX: BALANCE SHEET

	2014 €M	2013 €M	Variation €M
Property, plant and equipment	127.3	144.1	(16.8)
Intangible assets	289.8	285.9	3.9
Investments in associates and other investments	89.5	79.5	10.1
Goodwill	583.3	605.9	(22.7)
Deferred tax assets	116.0	87.1	28.9
Non-current assets	1,206.1	1,202.6	3.5
Non-current net assets held for sale	7.7	7.6	0.1
Operating current assets	1,841.2	2,059.8	(218.7)
Other current assets	132.5	143.9	(11.3)
Cash and cash equivalents	293.9	363.1	(69.2)
Current assets	2,275.2	2,574.4	(299.1)
TOTAL ASSETS	3,481.3	3,776.9	(295.7)
Share Capital and Reserves	942.5	1,125.2	(182.7)
Treasury stock	(1.6)	(1.3)	(0.4)
Equity attributable to parent company	940.9	1,124.0	(183.1)
Minority interests	12.7	10.7	2.0
TOTAL EQUITY	953.6	1,134.7	(181.1)
Provisions for liabilities and charges	40.4	99.3	(58.9)
Long term borrowings	825.7	789.9	35.9
Other financial liabilities	8.9	4.0	4.9
Deferred tax liabilities	1.8	16.1	(14.3)
Other non-current liabilities	35.0	40.0	(5.0)
Non-current liabilities	911.9	949.3	(37.4)
Current borrowings	130.9	195.7	(64.8)
Operating current liabilities	1,193.0	1,191.4	1.6
Other current liabilities	292.0	305.8	(13.8)
Current liabilities	1,615.8	1,692.9	(77.1)
TOTAL EQUITY AND LIABILITIES	3,481.3	3,776.9	(295.6)
<i>Net debt</i>	<i>662.7</i>	<i>622.5</i>	<i>40.3</i>

ANNEX: CASH FLOW

	2014	2013	Variation
	€M	€M	€M
Profit before taxes	(97.0)	146.7	(243.7)
Adjusted for:			
- Depreciations	64.2	51.9	12.3
- Provisions, capital grants and others	199.5	(9.6)	209.2
- Share of profit / (losses) of associates and other investees	3.3	(0.7)	4.0
- Net financial result	49.5	60.3	(10.8)
- Dividends received	0.4	1.1	(0.7)
Operating cash-flow prior to changes in working capital	220.0	249.7	(29.7)
Receivables, net	(45.0)	35.0	(80.0)
Inventories, net	46.7	0.7	46.0
Payables, net	14.9	(70.4)	85.3
Change in working capital	16.7	(34.6)	51.3
Other operating changes	(44.3)	(28.0)	(16.3)
Income taxes paid	(52.6)	(34.9)	(17.7)
Cash-flow from operating activities	139.8	152.2	(12.4)
Tangible, net	(14.9)	(9.9)	(5.0)
Intangible, net	(41.8)	(46.3)	4.5
Investments, net	(12.9)	(14.1)	1.2
Interest received	4.9	4.4	0.5
Net cash-flow provided/(used) by investing activities	(64.7)	(65.9)	1.2
Changes in treasury stock	(6.9)	(2.5)	(4.4)
Dividends of subsidiaries paid to minority interests	(0.2)	(0.2)	(0.0)
Dividends of the parent company	(55.6)	(55.8)	0.2
Short term financial investment variation	2.2	(1.5)	3.7
Increases (repayment) in capital grants	5.3	3.4	2.0
Increase (decrease) in borrowings	(44.3)	319.2	(363.5)
Interest paid	(46.2)	(51.6)	5.4
Cash-flow provided/(used) by financing activities	(145.7)	210.9	(356.7)
NET CHANGE IN CASH AND CASH EQUIVALENTS	(70.6)	297.2	(367.8)
Cash & cash equivalents at the beginning of the period	363.1	69.8	293.2
Foreign exchange differences	1.4	(4.0)	5.4
Net change in cash and cash equivalents	(70.6)	297.2	(367.8)
Cash & cash equivalents at the end of the period	293.8	363.1	(69.2)
Long term and current borrowings	(956.6)	(985.5)	28.9
Net debt/ (cash) position	662.7	622.5	40.3
Free Cash Flow ⁽¹⁾	47.1	52.1	-5.0

ANNEX: SHAREHOLDERS (February 2015)



(*) Board of Directors representation

CNMV data. Identified shareholders with a position in excess of 3%

ANNEX: REVENUES 2014 BY VERTICAL



Transport & Traffic



Security & Defense



Energy & Industry



Public Administrations & Healthcare



Financial Services



Telecom & Media

as % of Sales

21%

17%

16%

18%

17%

11%

Key Solutions



Air Traffic



Air Defense



Customer Management



Taxes & Justice



Core Banking



Networks & Communications



Railways, Mass Rapid Transit & Buses



Border Control



Network Management (Smart Grid)



Voting



Core insurance



Social Media



Intelligent Traffic Systems & Smart Mobility



Simulation



Plant Management & Energy Markets



Healthcare



ePayments



Digital Platforms

Services



Application Management



BPO



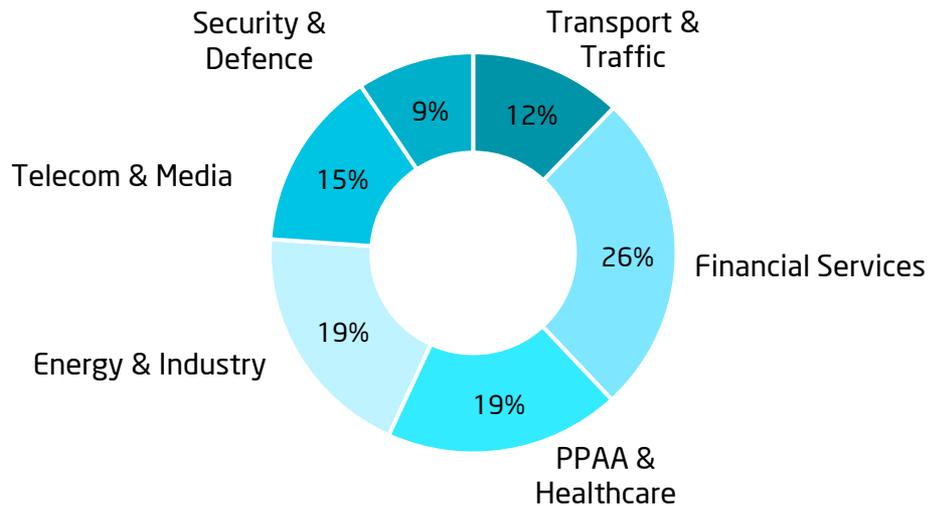
IT Outsourcing

as % of Solutions

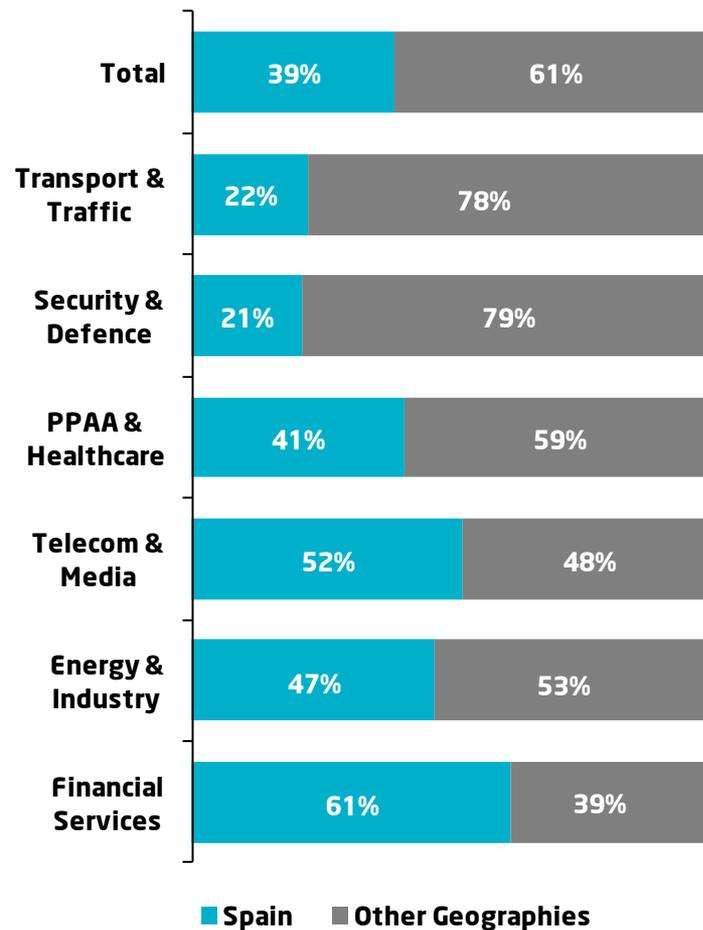
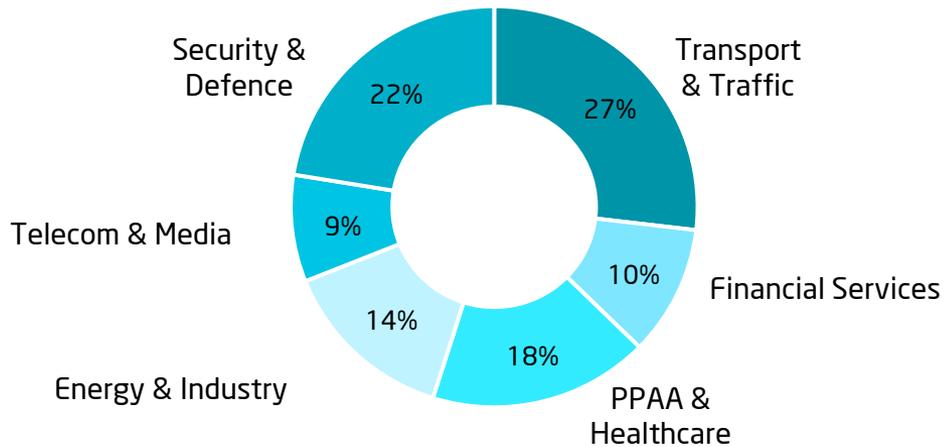


ANNEX: 2014 DIVERSIFICATION BY VERTICAL

Spanish revenues break down by market 2014



Revenues outside of Spain break down by market 2014





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