



RESULTS 1Q15



indra

May 11th, 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 5131

UK: +44 (0) 207 750 9908

USA: +1 866 388 1927

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

Replay dial number: +34 91 787 9670

Access code: 339538#

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UPDATE AND KEY MESSAGES

- A set of relevant management decisions taken since we met in late February
 - Appointments of a new independent Board member and new Secretary non Director and Counsel of the Board.
 - A new organization launched to improve control, simplify and accelerate decision making
 - New compensation policy to be submitted to the General Shareholder Meeting, adapted to International Standards of Corporate Governance and more aligned with shareholders
 - 75% of variable and more weight in shares
 - 70% of variable linked to FCF, EBIT margin and order intake
 - Moving forward with our Strategic Plan, to be presented in the Investor Day (July the 8th)

- 1Q15 results are impacted in EBIT margin and FCF by seasonality and overruns in specific projects (Brazil & Lithuania)

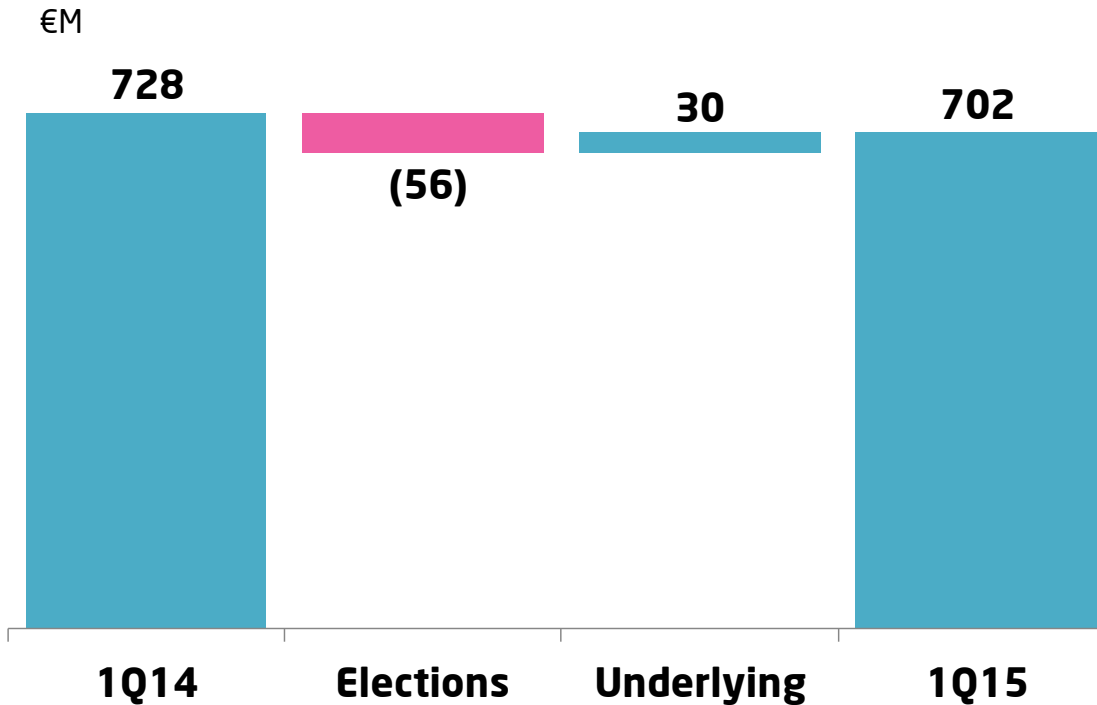
MAIN HEADLINES

	1Q15	Variation Local currency / reported	1Q14	
1 Revenues (€M)	702	(5%) / (4%)	728	<ul style="list-style-type: none"> Strong underlying growth (+5%) ex-seasonality
2 EBIT margin Recurrent ⁽¹⁾	0.5%	(7.2 pp)	7.7%	<ul style="list-style-type: none"> Seasonality and overruns in two projects (Brazil & Lithuania) accounting for 6.6 pp vs 1Q14
3 Free Cash Flow	(79)	---	21	<ul style="list-style-type: none"> Worse operating evolution, overruns in Brazil & Lithuania and extraordinary collection (Suppliers' payment Plan in Spain and elections) in 1Q14
	1Q15	Variation	2014	
4 NWC (DoS)	86	+5	81	<ul style="list-style-type: none"> Expected reduction in DoS in 4Q15
5 Net Debt (€M)	741	+12%	663	<ul style="list-style-type: none"> Improvement of 0.2pp in debt cost

(1) Before non recurring costs of €4m in 1Q15 and €5m 1Q14

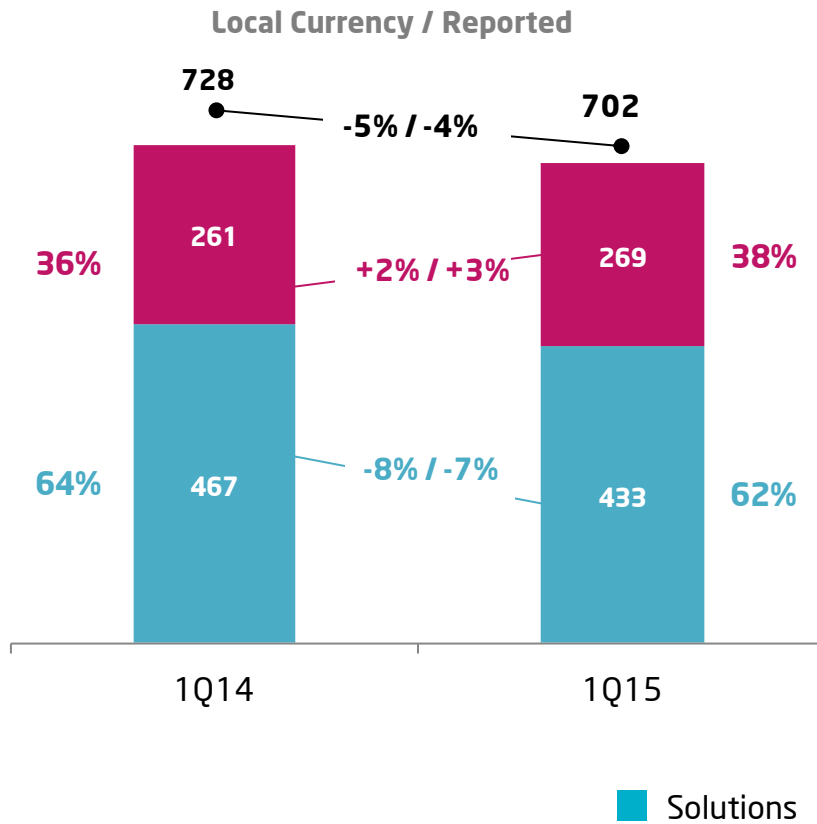
1 SOLID REVENUES GROWTH EX-SEASONALITY (+5%)

Sales Reported Growth	-4%
Sales Growth (ex. elections)	+5%

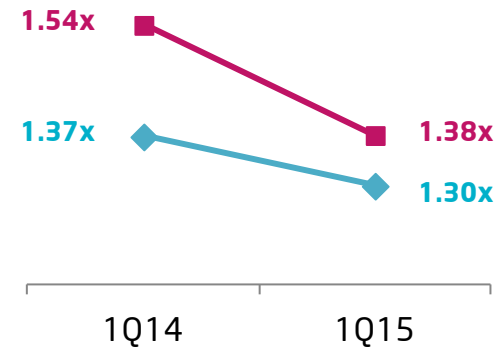


1 SERVICES REVENUES GREW LOW SINGLE DIGIT IN LOCAL CURRENCY

Revenues by Segment (€M)



Book-to-Bill

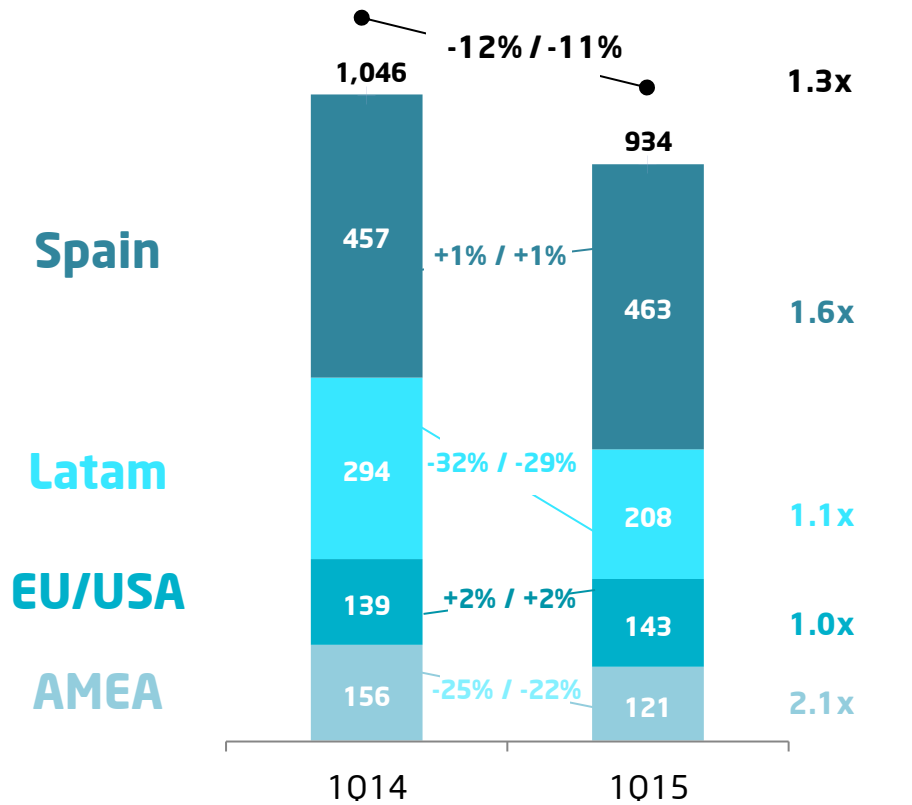


1 REVENUES UP IN SPAIN FOR THREE QUARTERS IN A ROW, AMEA DOWN ON SEASONALITY

Order intake (€M)

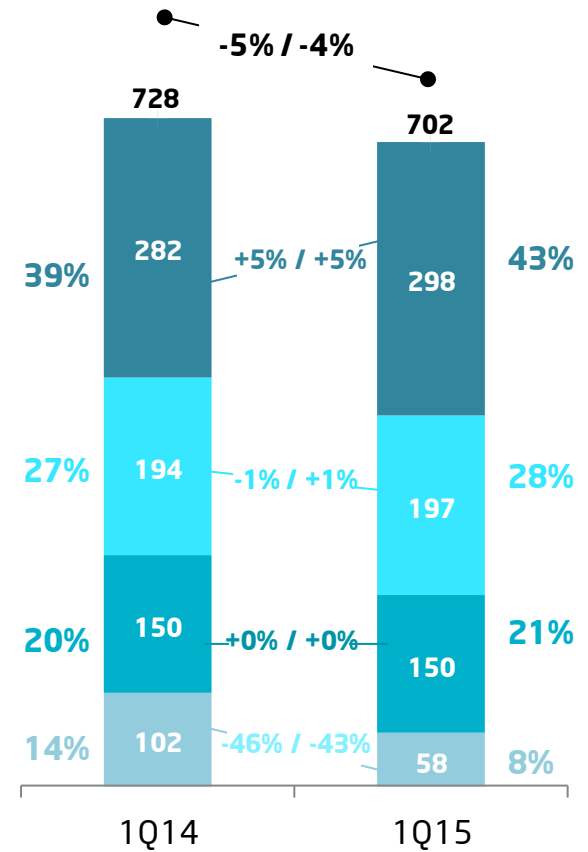
Local Currency / Reported

Book-to-Bill



Revenues (€M)

Local Currency / Reported

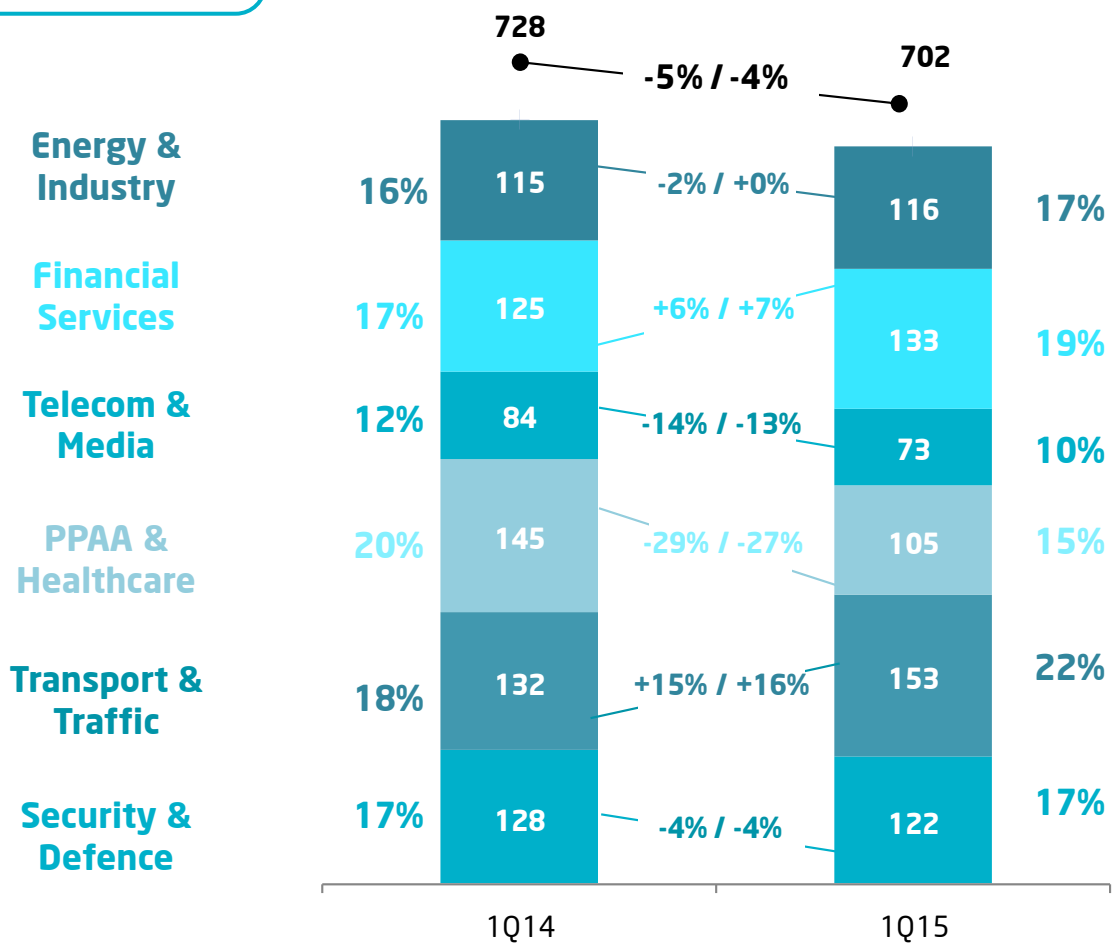


1 TRANSPORT & TRAFFIC AND FINANCIAL SERVICES GROWING

Revenues by Vertical (€M)

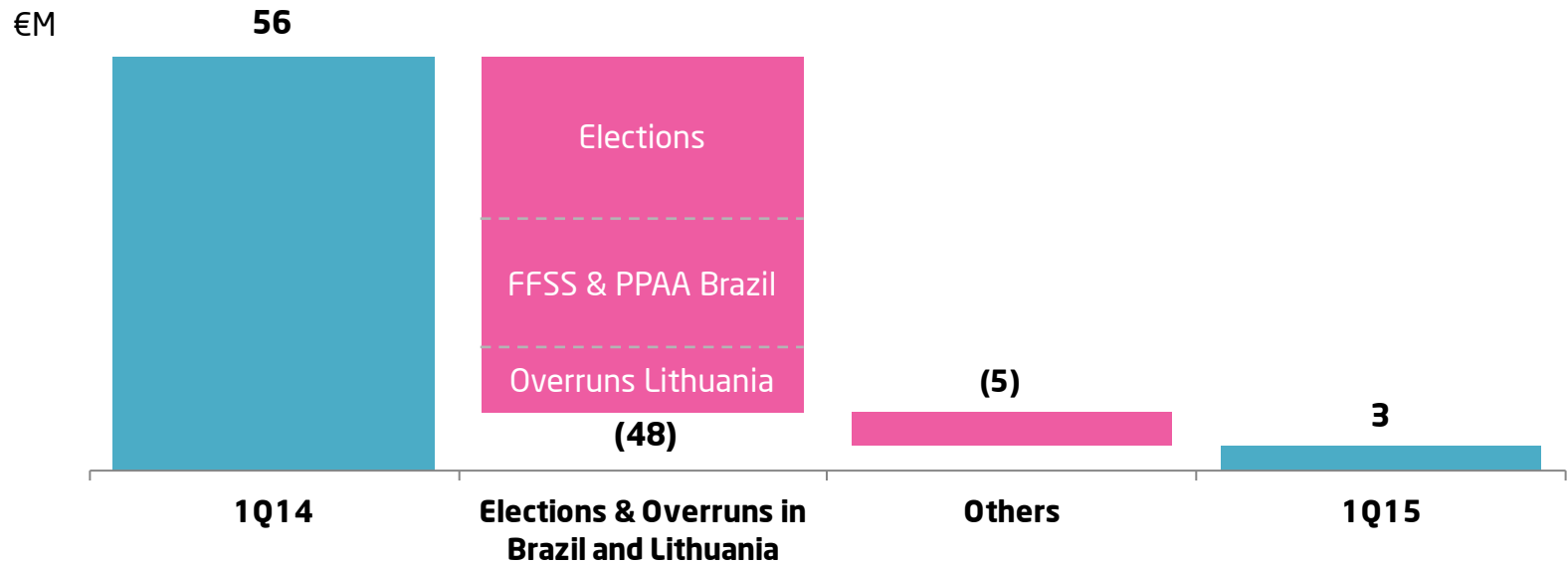
Local Currency / Reported

Spain	Int. (LC)
-------	-----------



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

2 RECURRENT EBIT MARGIN IMPACTED BY SEASONALITY AND OVERRUNS IN BRAZIL AND LITHUANIA



Contribution to the EBIT Margin (%)

7.7%

-6.6pp

-0.6pp

0.5%

2 MANAGEMENT ACTIONS ON UNDERPERFORMING BUSINESSES

Lithuania

- Flagship project which combines for the first time both signaling & intelligent control system. It is opening new opportunities in the region
- Overruns are due to changes in the original terms of the contract

Brazil

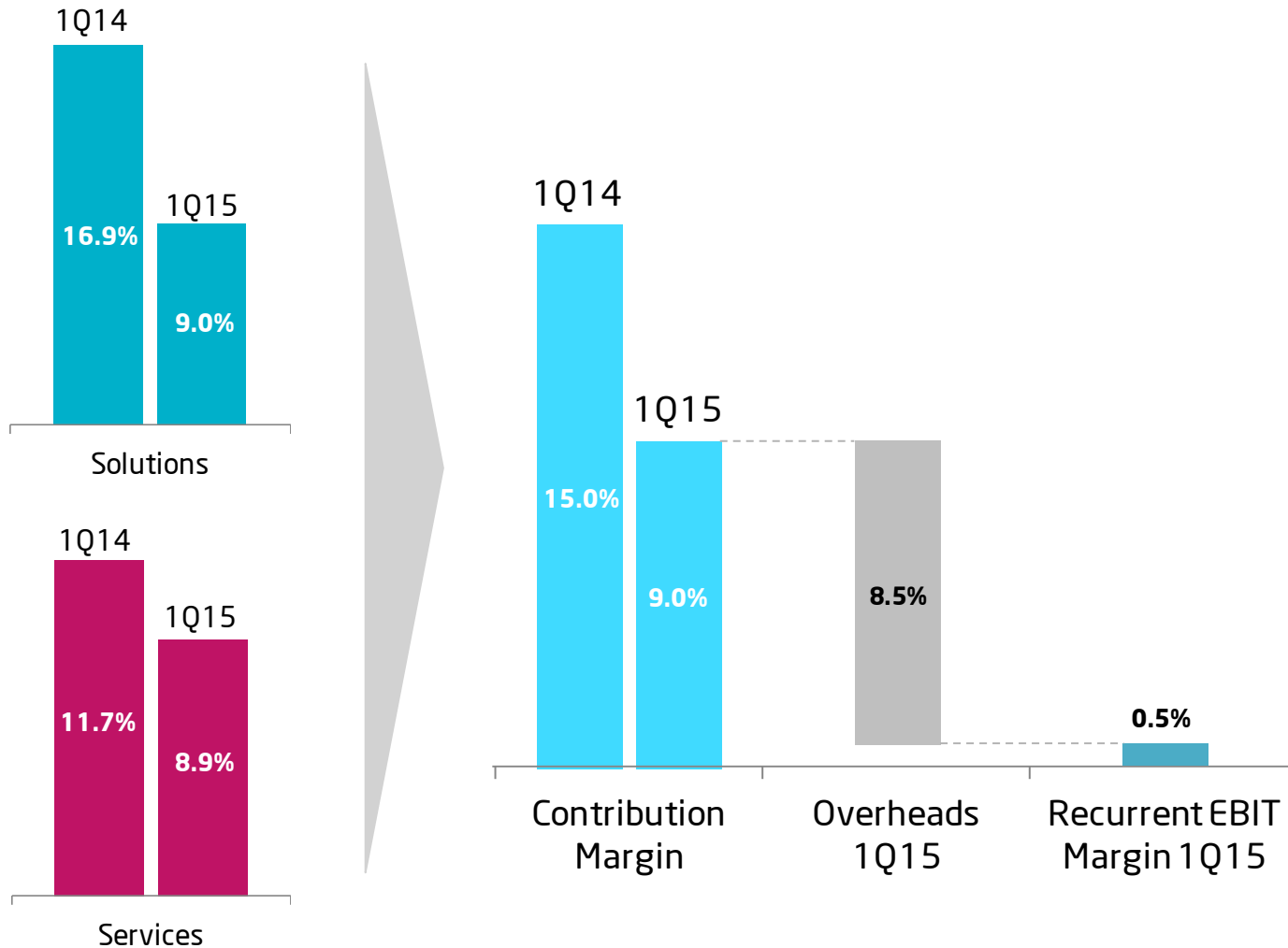
Current situation

- Execution problems in a set of specific projects related to financial entities and PPAA (SAP Implementation)
- Multiyear contracts impacting profitability and Working Capital

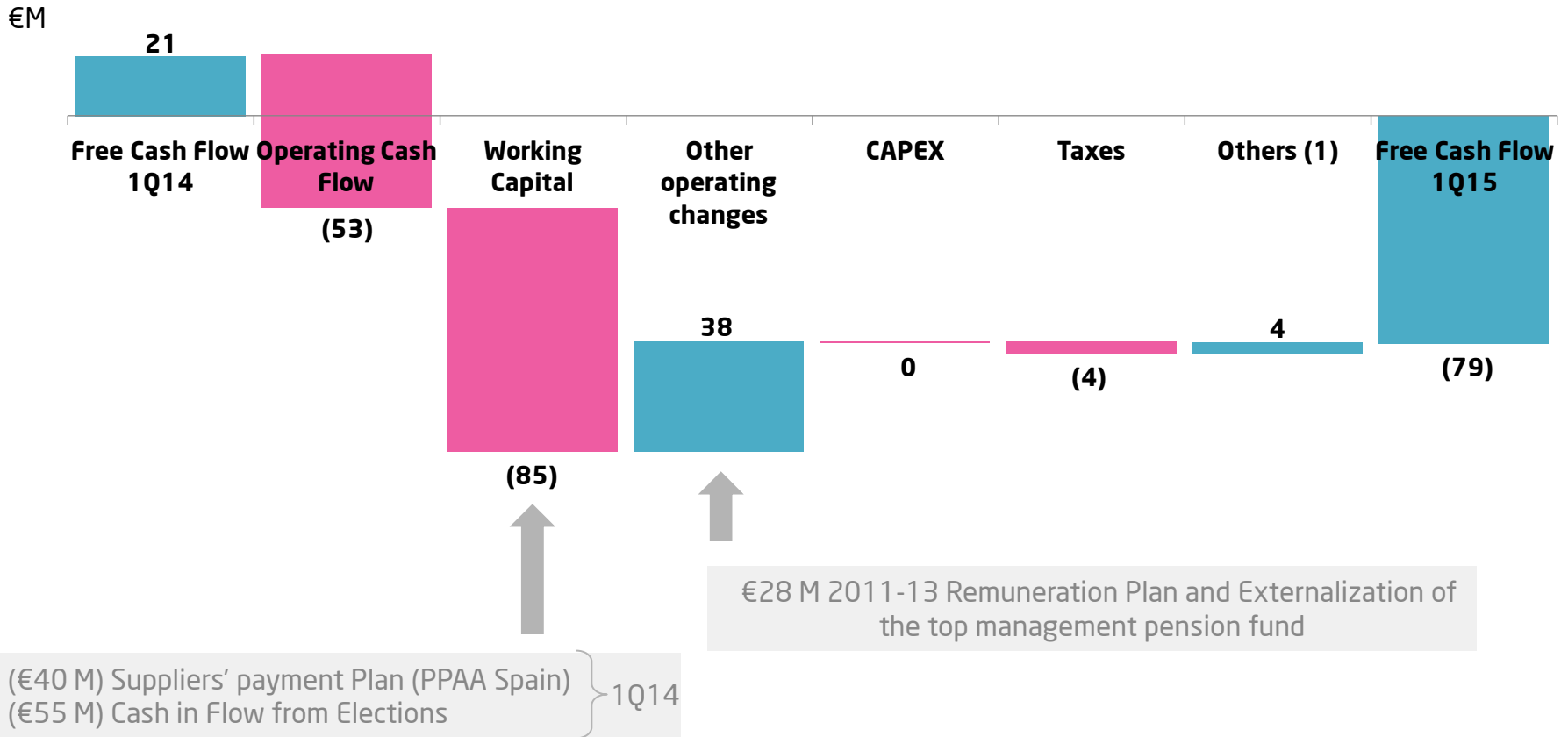
Management actions

- New CEO of Brazil appointed
- New project management team sent from Madrid
- Negotiations opened with suppliers and customers
- Local cost cutting program already in place

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



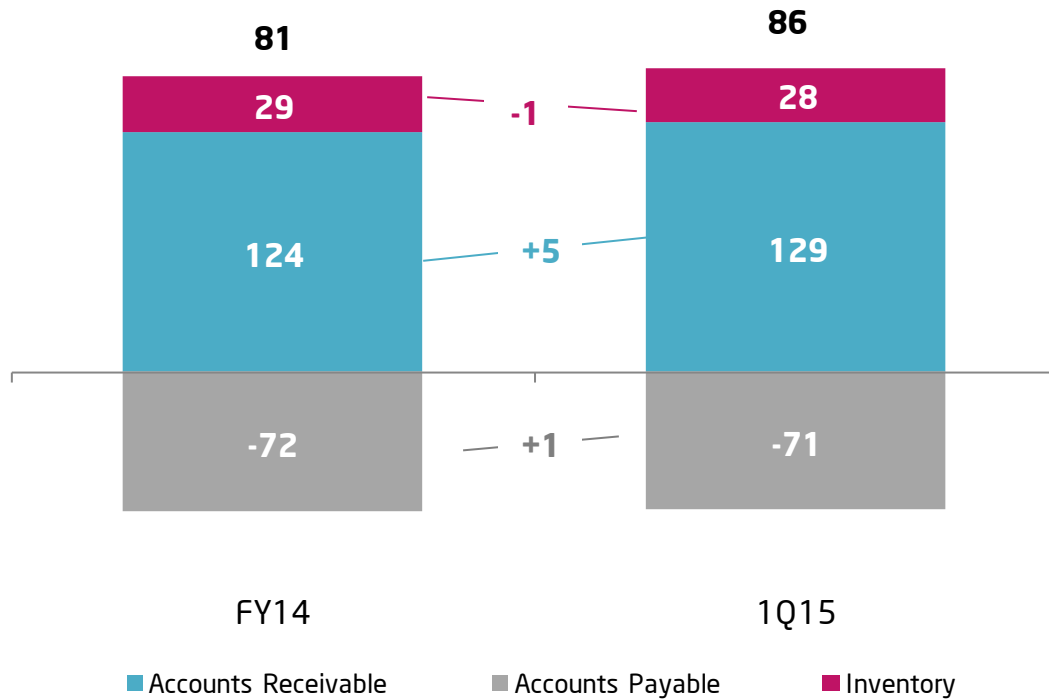
3 FREE CASH FLOW BRIDGE



(1) Others includes: Financial investments & Treasury Stocks, and Dividends

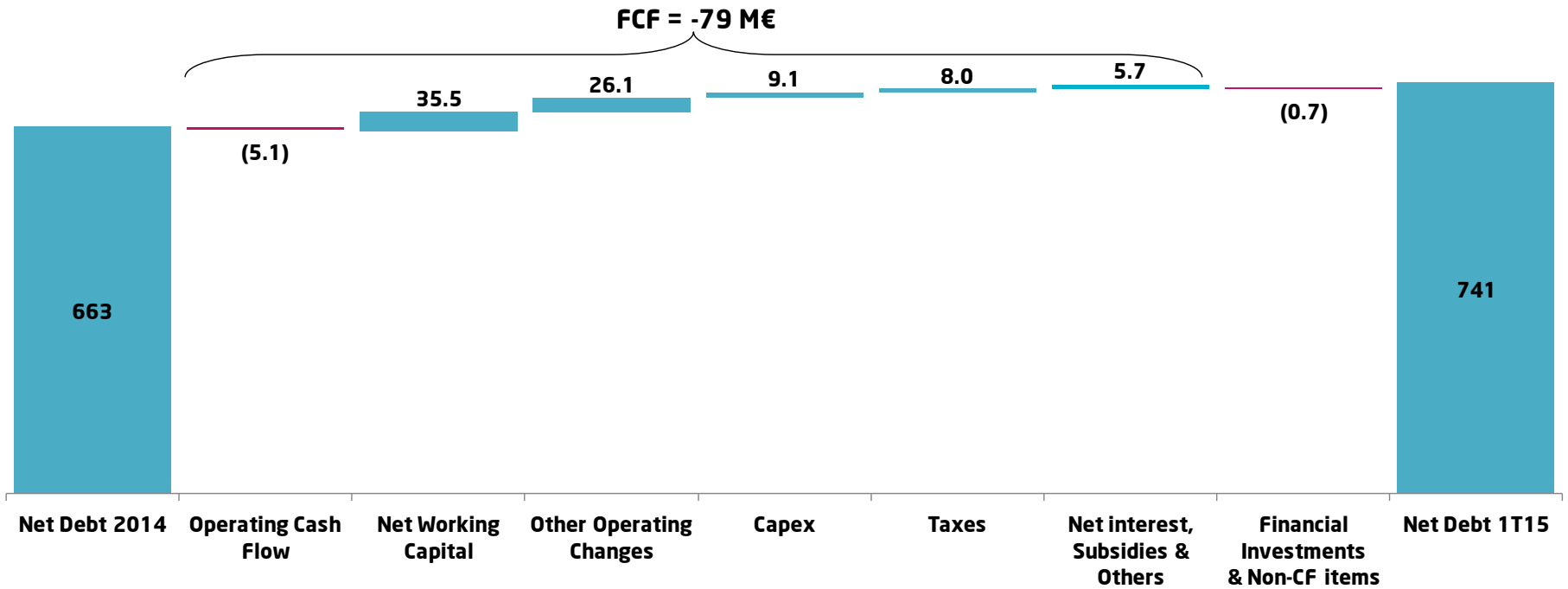
4 NET WORKING CAPITAL INCREASED IN 5 DAYS VS DEC 2014

Equivalent Days of Sales (DoS)



5 NET DEBT BRIDGE

- 1 Revenue (€M)
- 2 EBITDA (€M)
- 3 Free Cash Flow
- 4 EBITDA (€M)
- 5 **Net Debt (€M)**

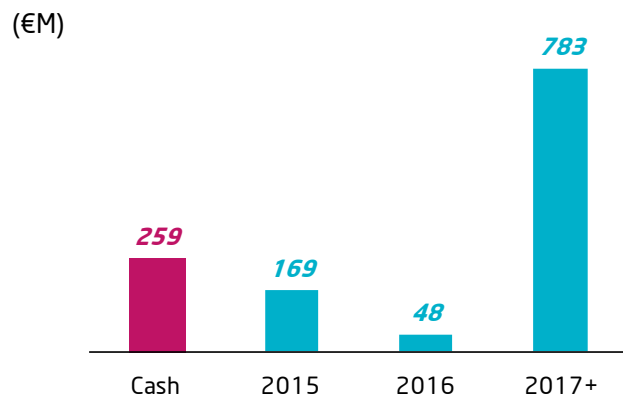


5 DEBT STRUCTURE

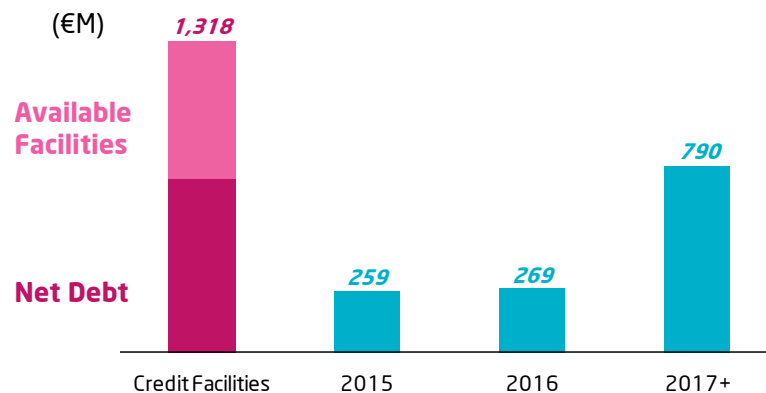
- 1 Revenue (€M)
- 2 EBITDA (€M)
- 3 Free Cash Flow (€M)
- 4 EBIT (€M)
- 5 **Net Debt (€M)**

(€M)	1Q15		2014	
	Total	% of total	Total	% of total
L/T Debt	831	83%	826	86%
S/T Debt	169	17%	131	14%
Gross Debt	1,000	100%	957	100%
Cash & Others	259	n.m.	294	n.m.
Net Debt	741	n.m.	663	n.m.
Cost of Net Debt	4.3%		4.5%	

Gross Debt Maturity Profile (1Q15)



Available Credit Facilities (1Q15)



CLOSING REMARKS

- ❑ Corporate management decisions already taken:
 - Changes in the Board
 - New Remuneration policy
 - New Organization
- ❑ Executing plan for underperforming projects in Brazil & Lithuania
- ❑ Moving forward with our Strategic Plan, to be presented in our Investor Day on July the 8th
- ❑ No dividend payment to be proposed for fiscal year 2014

ANNEX: P&L

	1Q15	1Q14	Variation	
	€M	€M	€M	%
Revenues	702.5	728.4	(25.9)	(4)
Other income	33.2	15.6	17.6	113
Materials consumed and other operating expenses	(332.0)	(309.0)	(23.0)	7
Personnel expenses	(369.0)	(363.9)	(5.1)	1
Other results	(0.4)	(0.3)	(0.0)	NA
Gross Operating Profit (recurrent EBITDA)	34.2	70.7	(36.5)	(52)
Depreciations	(30.9)	(14.6)	(16.3)	112
Recurrent Operating Profit (EBIT before non recurring costs)	3.3	56.2	(52.8)	(94)
<i>Recurrent EBIT margin (before non recurring costs)</i>	<i>0.5%</i>	<i>7.7%</i>	<i>(7.2)</i>	<i>--</i>
Non recurring costs	(4.3)	(5.3)	1.0	(19)
Net Operating Profit (EBIT)	(0.9)	50.9	(51.8)	(102)
<i>EBIT Margin</i>	<i>(0.1%)</i>	<i>7.0%</i>	<i>(7.1)</i>	<i>--</i>
Financial results	(12.6)	(13.2)	0.7	(5)
Share of profits (losses) of associates and other investees	(2.0)	3.4	(5.4)	NA
Earnings Before Taxes	(15.5)	41.0	(56.5)	(138)
Income tax expenses	(4.1)	(8.6)	4.5	(53)
Profit for the period	(19.6)	32.4	(52.0)	(160)
Attributable to minority interests	0.0	(0.9)	0.9	NA
Net Profit	(19.6)	31.5	(51.1)	(162)
Net Profit recurrent	(16.5)	35.7	(52.1)	(146)

ANNEX: BALANCE SHEET

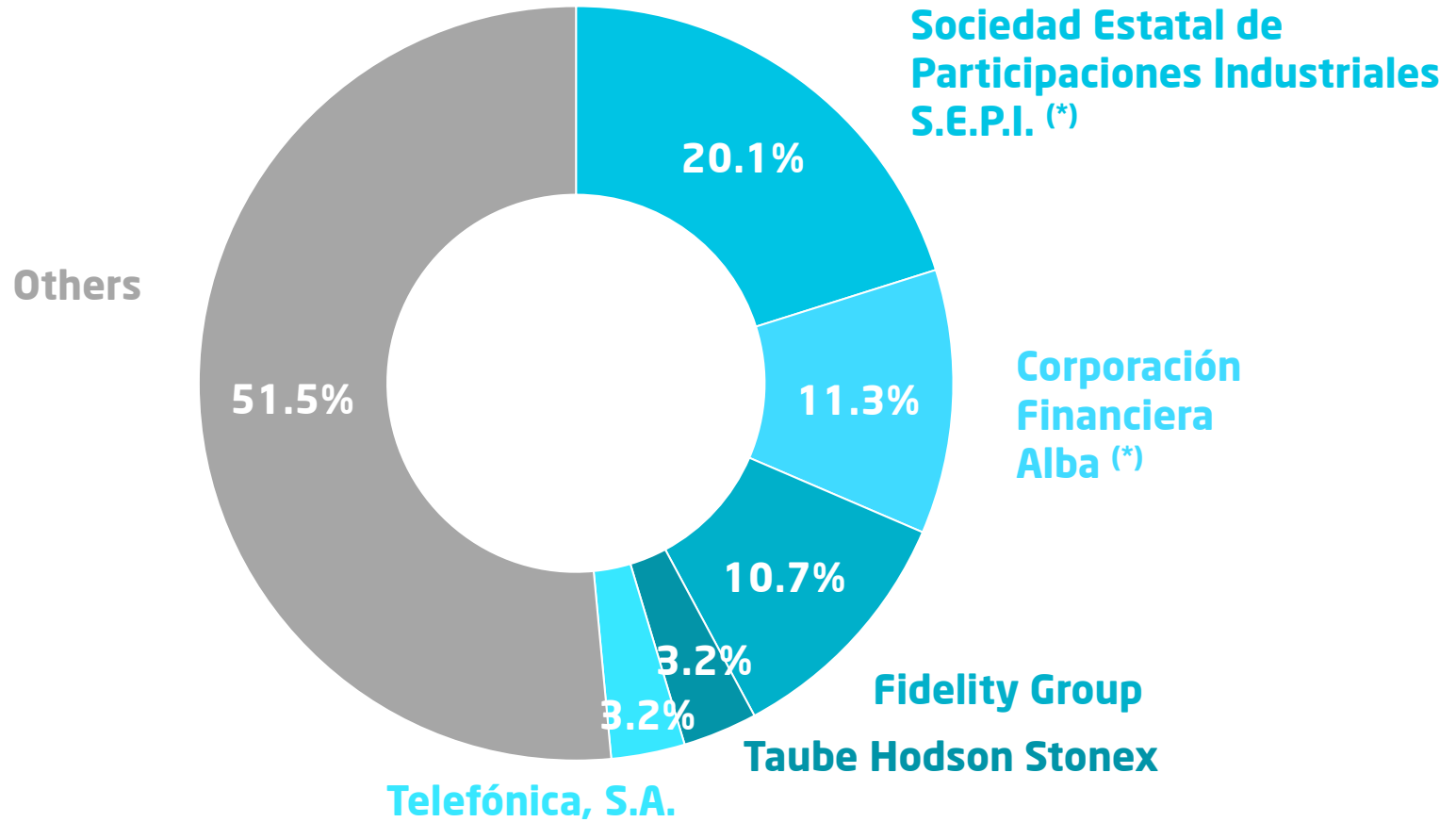
	1Q15 M€	2014 M€	Variation M€
Property, plant and equipment	124.4	127.3	(2.9)
Intangible assets	290.7	289.8	0.9
Investments in associates and other investments	85.3	89.5	(4.2)
Goodwill	581.0	583.3	(2.3)
Deferred tax assets	128.0	116.0	11.9
Non-current assets	1,209.5	1,206.1	3.4
Non-current net assets held for sale	7.1	7.7	(0.6)
Operating current assets	1,829.2	1,841.2	(12.0)
Other current assets	126.8	132.5	(5.7)
Cash and cash equivalents	258.5	293.9	(35.3)
Current assets	2,221.6	2,275.2	(53.6)
TOTAL ASSETS	3,431.1	3,481.3	(50.2)
Share Capital and Reserves	900.5	942.5	(42.0)
Treasury stock	(1.5)	(1.6)	0.1
Equity attributable to parent company	899.0	940.9	(41.9)
Minority interests	13.6	12.7	0.9
TOTAL EQUITY	912.6	953.6	(40.9)
Provisions for liabilities and charges	40.7	40.4	0.3
Long term borrowings	831.1	825.7	5.4
Other financial liabilities	21.0	8.9	12.1
Deferred tax liabilities	0.1	1.8	(1.7)
Other non-current liabilities	32.2	35.0	(2.8)
Non-current liabilities	925.2	911.9	13.3
Current borrowings	168.8	130.9	37.9
Operating current liabilities	1,145.5	1,193.0	(47.5)
Other current liabilities	279.0	292.0	(12.9)
Current liabilities	1,593.3	1,615.8	(22.5)
TOTAL EQUITY AND LIABILITIES	3,431.1	3,481.3	(50.2)
Net debt	741.3	662.7	78.6

ANNEX: CASH FLOW

	1Q15	1Q14	Variation
	M€	M€	M€
Profit Before Taxes	(15.5)	41.0	(56.5)
Adjusted for:			
- Depreciations	30.9	14.6	16.3
- Provisions, capital grants and others	(24.5)	(6.9)	(17.6)
- Share of profit / (losses) of associates and other investments	1.7	0.3	1.4
- Net financial result	12.5	9.2	3.3
- Dividends received	0.0	0.0	0.0
Operating cash-flow prior to changes in working capital	5.1	58.2	(53.1)
Receivables, net	(33.8)	38.6	(72.4)
Inventories, net	9.5	(17.0)	26.5
Payables, net	(11.2)	27.7	(39.0)
Change in working capital	(35.5)	49.4	(84.9)
Other operating changes	(26.1)	(64.5)	38.4
Income taxes paid	(8.0)	(4.0)	(4.1)
Cash-flow from operating activities	(64.5)	39.1	(103.6)
Tangible, net	(2.0)	(5.2)	3.3
Intangible, net	(7.1)	(3.9)	(3.3)
Investments, net	(0.4)	(5.2)	4.7
Interest received	0.9	1.5	(0.5)
Net cash-flow provided/(used) by investing activities	(8.6)	(12.8)	4.2
Changes in treasury stock	(0.1)	(0.9)	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
Short term financial investment variation	0.5	0.3	0.2
Increases (repayment) in capital grants	1.0	0.7	0.3
Increase (decrease) in borrowings	41.7	(21.9)	63.6
Interest paid	(7.7)	(11.2)	3.5
Cash-flow provided/(used) by financing activities	35.4	(33.0)	68.4
NET CHANGE IN CASH AND CASH EQUIVALENTS	(37.7)	(6.7)	(31.1)
Cash & cash equivalents at the beginning of the period	293.8	363.1	(69.2)
Foreign exchange differences	2.4	0.4	2.1
Net change in cash and cash equivalents	(37.7)	(6.7)	(31.1)
Cash & cash equivalents at the end of the period	258.5	356.7	(98.2)
Long term and current borrowings	(999.9)	(964.0)	(35.8)
Net debt/ (cash) position	741.3	607.3	134.0
Free Cash Flow ⁽¹⁾	(79.3)	21.0	(100.3)

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

ANNEX: SHAREHOLDERS (MAY 2015)



(*) Board of Directors representation

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



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