

Alcobendas, 28 September 2016

**SPANISH SECURITIES MARKET COMMISSION**  
(COMISIÓN NACIONAL DEL MERCADO DE VALORES)

Pursuant to the provisions of Article 17 of Regulation (EU) 596/2014 of 16 April 2014 on Market Abuse (Market Abuse Regulation) and Article 228 of the consolidated text of the Securities Market Act, approved by Royal Legislative Decree 4/2015, of 23 October Law 24/1988, Indra hereby notifies and announces the following

**RELEVANT EVENT**

Further to the notification of relevant event no. 243,151 published today in relation to the issue by Indra Sistemas, S.A. ("**Indra**") of bonds convertible into and/or exchangeable for ordinary shares in Indra (the "**Bonds**") for a principal amount of €250 million, subject to an increase option of up to €50 million, excluding the preferred subscription right held by the shareholders (the "**Issue**"); and the repurchase (the "**Repurchase**") [for a consideration](#) of up to €100 million of a portion of Indra's outstanding ~~€250,000,000~~ [250 million](#) 1.75 per cent. coupon Senior Unsecured Convertible Bonds due 17 October 2018 (the "**2018 Bonds**"), Indra, upon the conclusion of the bookbuilding and the institutional reverse bookbuilding process ~~being~~ carried out today by an syndicate of underwriting banks comprising BNP Paribas and Citigroup Global Markets Limited, as *Joint Bookrunners*, and Banco Santander, Berenberg, Caixabank and Natixis, as *Co-Lead Managers* (the "**Managers**"), has finalised the outstanding terms and conditions of the new Issue of the Bonds and of the Repurchase:

**New Issue of Bonds:**

- a) The total nominal amount of the Issue is established at ~~€~~ [250](#) million euros (~~€~~ [250 million](#)).



- b) The Bonds will bear a nominal annual fixed interest of ~~1.25~~1.25% payable every six (6) months in arrear, on 7th April and 7th October each year, with the first payment date being 7th April 2017.
- c) The initial conversion price of the Bonds is ~~14.629~~14.629 euros per share in Indra, which represents a premium of ~~25~~25% over the volume-weighted average price of said shares on the Spanish Stock Exchanges since the announcement of the Issue this morning until the time of pricing.

The shares underlying the Bonds initially represent approximately ~~10.41~~10.41% of Indra's share capital prior to the Issue.

Today, Indra has signed, together with the Placement Entities, the subscription agreement for the Bonds (the "**Subscription Agreement**"), subject to English law.

The subscription and payment for the Bonds is expected to take place on 7th October 2016 (the "**Issue Date**"), provided that the applicable conditions established in the Subscription Agreement are fulfilled.

BNP Paribas, in its capacity as independent advisor designated by Indra for the purposes of condition 6(b)(iii)(D) of the terms and conditions of the 2018 Bonds, has confirmed to Indra that the Issue does not result in the need for an adjustment of the Conversion Price in respect of the issue of the 2018 Bonds, in accordance with the terms and conditions of such issue.

### **Repurchase of the 2018 Bonds**

- a) The total principal amount of the 2018 Bonds to be repurchased will be €~~195~~195 million which represents approximately ~~38~~38% of the 2018 Convertible Bonds.
- b) The repurchase price per Convertible Bond 2018 in the Repurchase will be ~~105~~105% of its principal amount, which represents an aggregate consideration of €~~approximately €100~~approximately €100 for the Repurchase as a whole. In addition, Indra will pay the interest accrued until the settlement date of the Repurchase, which will occur on the Issue Date.

c) The shares underlying the 2018 Convertible Bonds the subject of the Reurchase would (if issued) have represented approximately 4% of the share capital of Indra issued and outstanding.



Yours faithfully,

Javier Lázaro

CFO

**IMPORTANT INFORMATION**

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