

# 1. INTRODUCTION

- The **performance** of the Company during the first quarter 2013 has been positive and **in line with expectations**.
- The **weakness** of the Spanish market has been more than **compensated** by the positive **evolution** of the **Latin-American** (Latam) and **Asia, Middle East and African** (AS,ME&AF) markets.
- **Sales** (€728m) **increased by 2%** and **order intake** (€1.055m) was **45% above sales figure**.
- The evolution of **sales** in terms of **geographic areas** was the following:
  - Spain (43% of total): -12%.
  - Latam (26% of total): +10%
  - Europe & Northamerica (20% of total): +2%
  - AS,ME&AF (11% of total): +80%
- **Services** revenues (37% as of total) have increased **7%** (-6% in Spain) while Solutions have slightly decreased (-**1%** in total, -16% in Spain).
- By vertical markets, growth rates have been between 6% and 8% in PPAA & Healthcare, Energy & Industry and Financial Services, with Security & Defence down 7% (due to the decrease of the Spanish market).
- **Order intake decreased 14%**, mainly due to the accounting in the first quarter of 2012 of a significant project (high speed train systems in Saudi Arabia, for an amount of €205m). **Excluding this effect**, order intake would have **increased by 4%**.
- **Backlog** reached €3,774m (+2%) and represents 1.28 times last twelve months' (LTM) sales
- **Recurrent EBIT margin** (€57m) stood at **7.9%**, in line with the announced target for the year (around 8%), and was 4% below the figure obtained in the same period of 2012. The measures to adequate costs and increase efficiency in Spain are being implemented as planned (€8m of extraordinary costs).
- **Net working capital** stood at **103 days** of sales (106 in 1Q12) and **investments** are in line with **expectations**, which has allowed the Company to generate **positive free cash flow** during the quarter.
- **Net debt** reached **€634m**, similar level than as December 31<sup>st</sup>, 2012 (€633m), and is equivalent to 2.1 times LTM recurrent Ebitda. The average life of the credit facilities that finance this debt is 2.7 years.
- On March 21<sup>st</sup>, the Company announced that the Board of Directors will propose to the General Assembly, to be held in June, the payment in **2013** of an **ordinary dividend** of **€0.34** per share charged against 2012 results - implying a 42% pay-out and a 3.5% yield - within an adequate shareholders' remuneration policy without increasing the Company's financial leverage, as well as the intention to pay in **2014** (on 2013 results), an ordinary dividend at least **equal or greater** than the one proposed for the current year. The payment of the dividend will be effective at the beginning of July 2013.

## TRADING UPDATE AND 2013 TARGETS

As expected, the performance of Indra's business in those **geographic areas** that are **growing faster (Latam and AS,ME&AF)** continues to drive the company's growth and to compensate the weak macroeconomic environment in Spain, which is still affecting the commercial activity of the Group.

Taking into account the company's performance in 1Q13, its current backlog (with a coverage ratio of targeted sales higher than 75%), and the expected evolution of business in the geographic areas and markets in which Indra operates, **the Company confirms its 2013 targets** announced In February:

- **Revenue** growth slightly positive
  - **Order intake** similar or ahead of revenues
  - **Recurrent EBIT margin** (before extraordinary expenses) around 8%
  - **Net working capital** in the range of 100-110 equivalent days of sales
  - **Net capital expenditures** around €70m
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## 2. MAIN FIGURES

The table below shows Indra's 1Q 2013 main figures:

<b>INDRA</b>	<b>1Q13 (€m)</b>	<b>1Q12 (€m)</b>	<b>Variation (%)</b>
Order Intake	1,054.8	1,221.7	(14)
Revenues	727.7	714.3	2
Backlog	3,773.5	3,710.6	2
Recurrent Operating Profit <sup>(1)</sup>	57.3	59.7	(4)
Recurrent EBIT margin <sup>(1)</sup>	7.9%	8.4%	(0.5) pp
Adjusted Attributable Profit <sup>(1)</sup>	32.7	39.8	(18)
Extraordinary Cost	(7.7)	(9.9)	na
Net Operating Profit (EBIT)	49.6	49.8	(0)
Attributable Profit	26.7	32.0	(16)
Net Debt Position	633.7	549.4	15

<sup>(1)</sup> Before extraordinary costs

<b>Earnings per Share (according to IFRS)</b>	<b>1Q13 (€)</b>	<b>1Q12 (€)</b>	<b>Variation (%)</b>
Basic EPS	0.1629	0.1955	(17)
Diluted EPS	0.1629	0.1955	(17)
Diluted EPS (adjusted)	0.1995	0.2435	(18)

**Basic EPS** is calculated by dividing net profit for the period by the total average number of outstanding shares less the average treasury shares at the close of the period. Treasury shares and total shares are weighted in accordance with the number of days they have been on the company's balance sheet.

**Diluted EPS** is the same as basic EPS given the company has not issued convertible shares or any other similar financial instruments.

	<b>1Q13</b>	<b>1Q12</b>
Total number of shares	164,132,539	164,132,539
Weighted treasury stock	61,497	664,701
<b>Total shares considered</b>	<b>164,071,042</b>	<b>163,467,838</b>

At the close of March 2013, the company held 190,556 treasury shares representing 0.12% of total shares of the company.