1. INTRODUCTION

- The **performance** of the Company during 9M13 has been **positive** and **in line with expectations**. The company **confirms** the **achievement** of all its **targets for 2013**.
- **Revenues** (€2,123m) reaches a level similar to 9M12. Isolating the impact of the Euro appreciation during the period in the geographies where the company operates (appreciation that has accelerated in 3Q13), revenues would have increased by 3%.
- The evolution of **revenues** in terms of **geographic areas** was the following:
    - Spain (40% of total): -11%.
    - Latam (29% of total):   +15%
    - Europe & Northamerica (19% of total): +13%
    - AMEA (12% of total): -9%
- Local currency revenues in Latam have grown more than 20%. Revenues in AMEA decreased, as expected, due to the large activity in the area in 3T12.
- **Solutions** (63% of total) revenues have **grown 1%**. **Services** revenues (37% as of total) have decreased **2%** (this performance is impacted by the sale of the activities for advanced management of digital documentation in Spain and Mexico. Isolating this impact(1) Services revenues would have remained flat).
- By **vertical markets:**
    - **Security & Defence** shows the highest growth rate (+9%)
    - **Energy & Industry** and **Financial Services** maintain positive growth rates (+6%) in line with previous quarters
    - **Transport & Traffic** (-10%) continues impacted by the domestic market weakness
    - **PPAA & Healthcare** declines 7% due to the high level of activity during 3Q12, when it showed high growth
    - Revenues in **Telecom & Media** remain stable

- **Order intake** (€2,177m) is ahead of revenues, and 10% below 9M12 mainly due to the reduction in Solutions given the 1T12 contract for high speed train systems in Saudi Arabia (€205m). Services order intake is positive, and continues posting double digit growth in the international markets.
- **Backlog** reached **€3,448m (-3%)** and represents **1.17 times** last twelve months' (LTM) **sales.**
- **Recurrent EBIT margin** (€167m, -7%) stood at **7.9%**, in line with the announced **target** for the year (around 8%).
- During the third quarter the company has completed the plan to adequate costs and increase efficiency in Spain for 2013, with €27m of total extraordinary costs incurred.

(1) Revenues and order intake in the first nine months of 2103 of this activity reached €19m. For 9M12 revenues and order intake amounted to €37m and €27m respectively

- **Net working capital** stood at **107 days** of sales, in the target range for 2013 (100-110 days). Delays in payment by main Regional Governments in Spain continue negatively impacting NWC performance. In October, the Spanish Government has activated the plan to settle due payments to suppliers. It has already implemented the required procedures for the payment of the amounts due as of May 2013.
- **Capex** (tangible and intangible) amounts to €36m, in line with **expectations**.
- In 3Q13 the Mexican activity (assets and liabilities) for advanced management of digital documentation has been sold, which comes after the sale of the Spanish activities already completed in 2Q13. The business was jointly valued at €29m (of which €2m is delayed), resulting in a positive impact in net debt of €27m (of which €3m are lower gross debt).

  The company expects to complete during 4Q13 the sale of its 12.73% stake in Banco Inversis announced last July 1st.

  These transactions respond to the already announced goal to perform selective divestments.
- **Free cash flow** during the period has been neutral (+€0.3m) after the positive impact (€24m) of the divestment of digital documentation activities mentioned above. Company expects a positive performance of the FCF in the last quarter of the year.
- **Net debt** reached **€707m**, growing €58m in the quarter, after €56m dividend payment (€0.34 per share). The company expects that the net debt level will be reduced at the end of the year.
- In October the company issued €250m of convertible bonds with 5 years maturity, 1.75% coupon and 30% conversion premium (€14.29 conversion price). Such bonds diversify the company's financial structure, extends average debt maturity to around 3.5 years and takes medium and long term debt to 75% of total financing employed.

TRADING UPDATE AND 2013 TARGETS

Taking into account the company's performance in the first semester, its current backlog (with a coverage ratio of targeted sales of 97%, in line with previous years), and 4Q13 expectations, **the Company confirms its 2013 targets**:

- **Revenue** growth slightly positive (adjusted for the impact of divestment of the advanced management of digital documentation activities, with revenues of €49m in 2012 and €19m in 2013)
- **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

TRADING UPDATE AND 2013 TARGETS

- On July 9th, the Company completed the payment of the **ordinary dividend** of **€0.34** per share charged against 2012 results - implying a 42% pay-out and a 3.5% yield (vs share price at the dividend announcement date -March 21st 2913-).
- The current perspectives for business and cash flow improvement in the next years would allow foreseeing a dividend level in 2014, against 2013 profits, similar or greater than the one proposed for the current year

2. MAIN FIGURES

The table below shows Indra's 9M 2013 main figures:

INDRA	9M13 (€m)	9M12 (€m)	Variation (%)
Order Intake	2,176.8	2,429.7	(10)
Revenues	2,122.8	2,120.8	0
Backlog	3,447.9	3,542.5	(3)
Recurrent Operating Profit (EBIT) (1)	166.9	179.3	(7)
Recurrent EBIT margin (1)	7.9%	8.5%	(0.6) pp
Extraordinary Cost	(27.2)	(27.2)	(0)
Net Operating Profit (EBIT)	139.7	152.1	(8)
EBIT margin	6.6%	7.2%	(0.6) pp
Recurrent Net Profit (1)	87.4	114.8	(24)
Net Profit	66.6	93.3	(29)
Net Debt Position	706.6	661.0	7

(1) Before extraordinary costs

Earnings per Share (according to IFRS)	9M13 (€)	9M12 (€)	Variation (%)
Basic EPS	0.4062	0.5751	(29)
Diluted EPS	0.4062	0.5751	(29)
Diluted EPS (adjusted)	0.5328	0.7077	(25)

(1) Before extraordinary costs

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.

At the close of September 2013, the company held 111,069 treasury shares representing 0.07% of total shares of the company.

	9M13	9M12
Total number of shares	164,132,539	164,132,539
Weighted treasury stock	107,305	1,971,495
Total shares considered	164,025,234	162,161,044