Press release

The company confirms it is on track to deliver its 2013 targets

Indra's net profit in the first nine months was €67M

- **Sales in LatAm up 15% and Europe & North America also up 13%. Sales in Spain down 11%**
- **Order intake of €2,177m and backlog of €3,448m**
- **Recurrent EBIT margin remains around 8%, in line with the target for the full year**

Indra's business has performed well and in line with expectations, enabling management to reiterate all of its targets for 2013. Net profit in the first nine months of the year amounted to €66.6m, while sales stood at €2,123m, broadly flat year-on-year. Sales outside Spain, which now account for 60% of the total, continue to climb, specifically by 15% in Latin America and 13% in Europe and North America. The Spanish market contracted by 11%, showing an improvement in the third quarter with respect to the first-half performance.

Order intake stood at €2,177m, continuing to outpace sales. The backlog reached, €3,448m down by 3% year-on-year and representing 1.17 times sales for the last 12 months.

Recurrent EBIT amounted to €167m, implying a margin of 7.9%, in line with the guidance for 2013. Indra concluded its 2013 resource streamlining and rationalisation programme during the third quarter, which meant the recognition of €27m of extraordinary costs.

Net profit for the nine-month period came to €66.6m, down by 29% year-on-year. Recurrent net profit (before extraordinary costs) totalled €87.4m. Net debt amounted to €707m at the close.

The company paid out an ordinary dividend of €0.34 per share against 2012 profit on 9 July, implying a dividend outlay of €56m and a dividend yield of 3.5% based on the closing share price on the day the dividend was announced (21 March 2013). The implied payout in respect of 2012 profits is 42%.

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Madrid, 31 October 2013

€250m bond issue

In October the company issued €250m of convertible 5-year bonds carrying a coupon of 1.75% and a conversion premium of 30% (conversion price: €14.29). This convertible bond issue diversifies the company's financial structure and extents its maturity profile: the average life of its borrowings is currently 3.5 years, while medium and long-term borrowings account for 75% of the debt drawn down.

During the third quarter the company sold its advanced digital documentation management business line (assets and associated liabilities) in Mexico, in the wake of the sale of this same business activity in Spain in 2Q13. These diposals fall under the umbrella of the select asset disposal strategy announced by the company at the start of this year.

Reiteration of guidance for 2013

On the basis of the company's nine-month earnings performance, its current backlog (with a coverage ratio of targeted sales of 97%) and the outlook for the fourth quarter, the company is in a position to reiterate all of its guidance for 2013:

- **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

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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

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