

RESULTS 1Q16

May 9th, 2016

CONFERENCE CALL DETAILS

**The Company will host a conference call for investors and analysts today at 18:30 (CET).
Please find below conference call telephone numbers:**

**Spain: +34 917900860
UK: +44 (0) 2030092454
USA: +1 8663881927**

Access to the live event:

<http://event.onlineseminarsolutions.com/r.htm?e=1161732&s=1&k=4B58D82C2170DA578EFD1DC5D180C8E2>

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

Replay dial number:

**Spain: +34 917896320
UK: +44 (0) 2033679460
US: +1 8776423018**

Access code: 300229#

Conference call Webcast replay over the Internet:

<http://event.onlineseminarsolutions.com/r.htm?e=1161732&s=1&k=4B58D82C2170DA578EFD1DC5D180C8E2>

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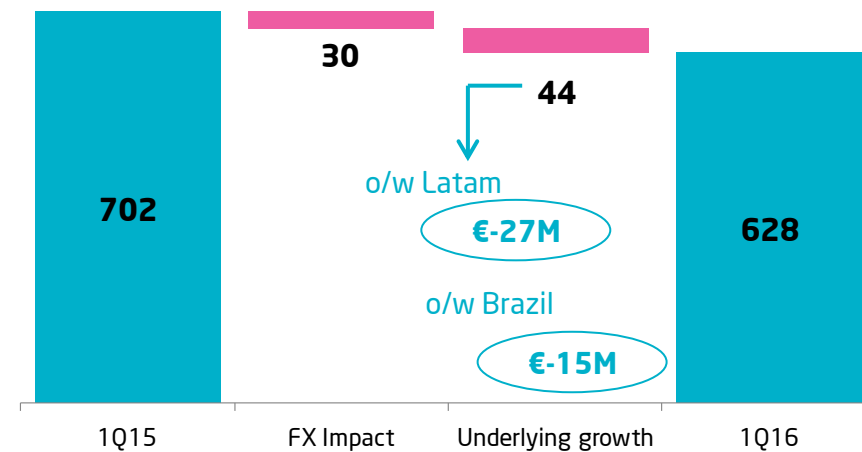
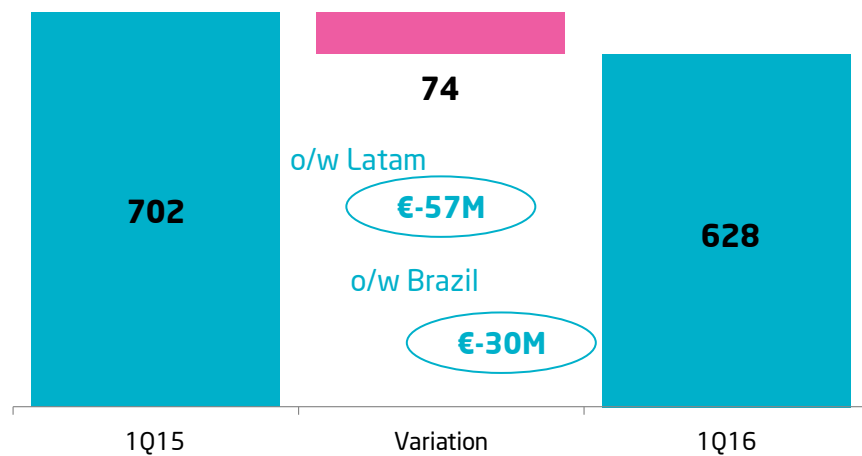
MAIN HEADLINES

- 1 Strong 1Q16 FCF generation of €46.6M (vs €-79.3M in 1Q15). Excluding personnel cost optimization plan and considering same Factoring as of Dec 15, FCF would have been €89M
- 2 Net Debt down -11% to €659.4M (vs €741.3M in March 2015)
- 3 1Q16 Revenues down -6% in local currency (same as of 4Q15) , impacted by Latam (mainly Brazil) and the IT business
- 4 1Q16 Order Intake up +2.1% in local currency, vs -11% in full year 2015
- 5 1Q16 Recurrent EBIT Margin of 4.6% vs 0.5% in 1Q15, driven by better direct margin on current projects and efficiency plans
- 6 Brazil started to turn around: positive EBIT margin and 2 onerous projects (out of 7) already closed
- 7 Net Income posted €11.8M (vs €-19.6M in 1Q15)

1Q16 DOWN -6% IN LOCAL CURRENCY, AS IN 4Q15

1Q16**Sales Reported Growth****-11%****Sales in Local Currency****-6%**

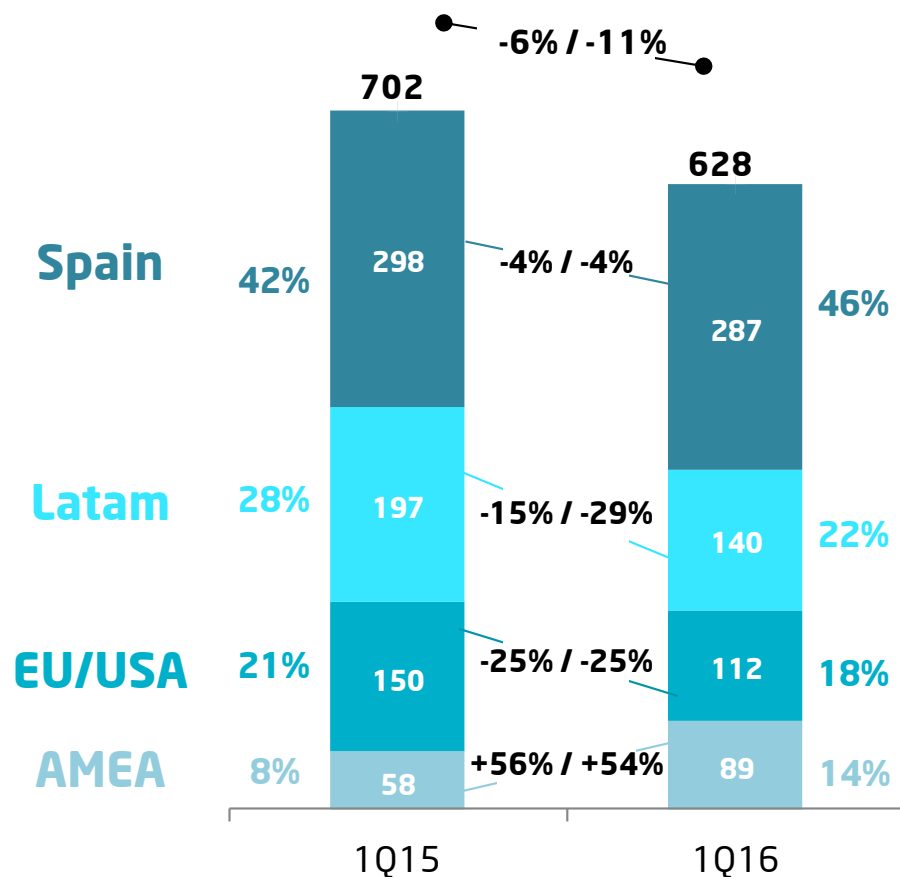
€M



REVENUES BY REGION

Revenues (€M)

Local Currency / Reported



- +1% growth in Public Sector Spain and -7% in Private Sector in 1Q16
 - Growth in Defence & Security and Energy & Industry
-
- 1Q16 (-15% in local currency) due to weaker macro in the region and delays in oil exporting countries
 - Revenue growth in Chile & Peru
-
- 1Q16 (-25% in both reported terms and local currency) partly due to the lower contribution of the EFA Program
-
- Strong growth driven by Transport & Traffic

REVENUES BY VERTICAL

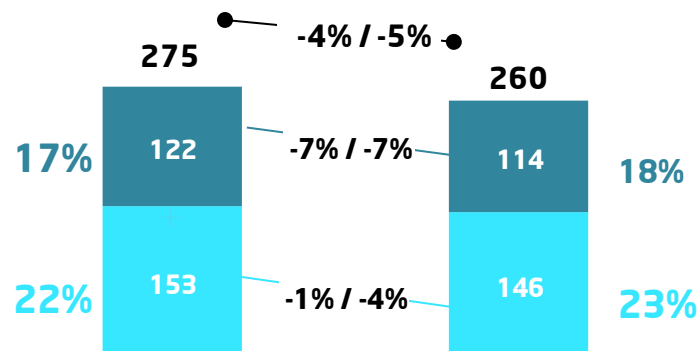
Revenues (€M)

Local Currency / Reported

T&D

Defence & Security

Transport & Traffic



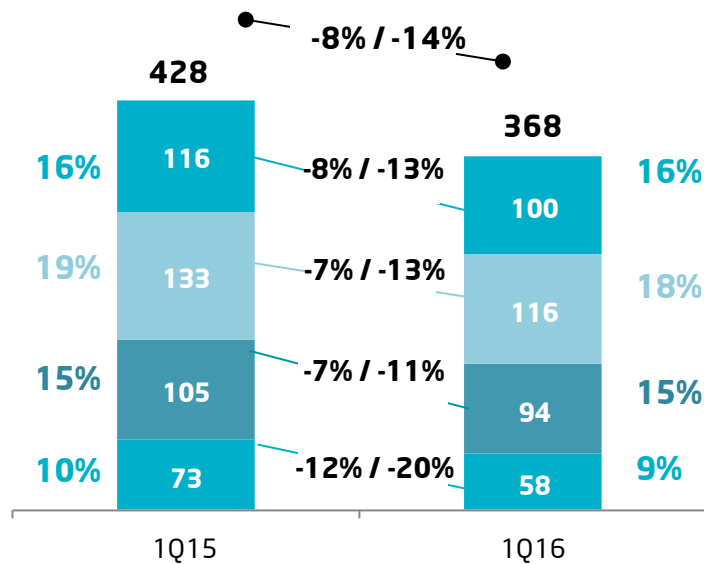
IT

Energy & Industry

Financial Services

PPAA & Healthcare

Telecom & Media



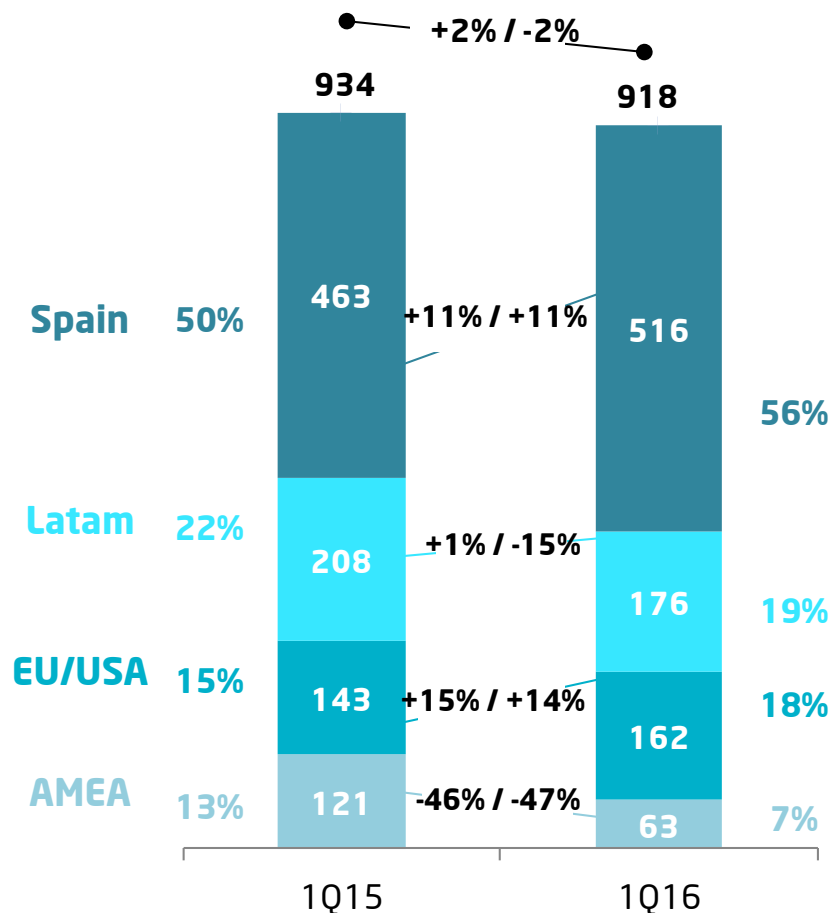
Spain Int. (LC)



ORDER INTAKE UP +2% IN 1Q16 IN LOCAL CURRENCY

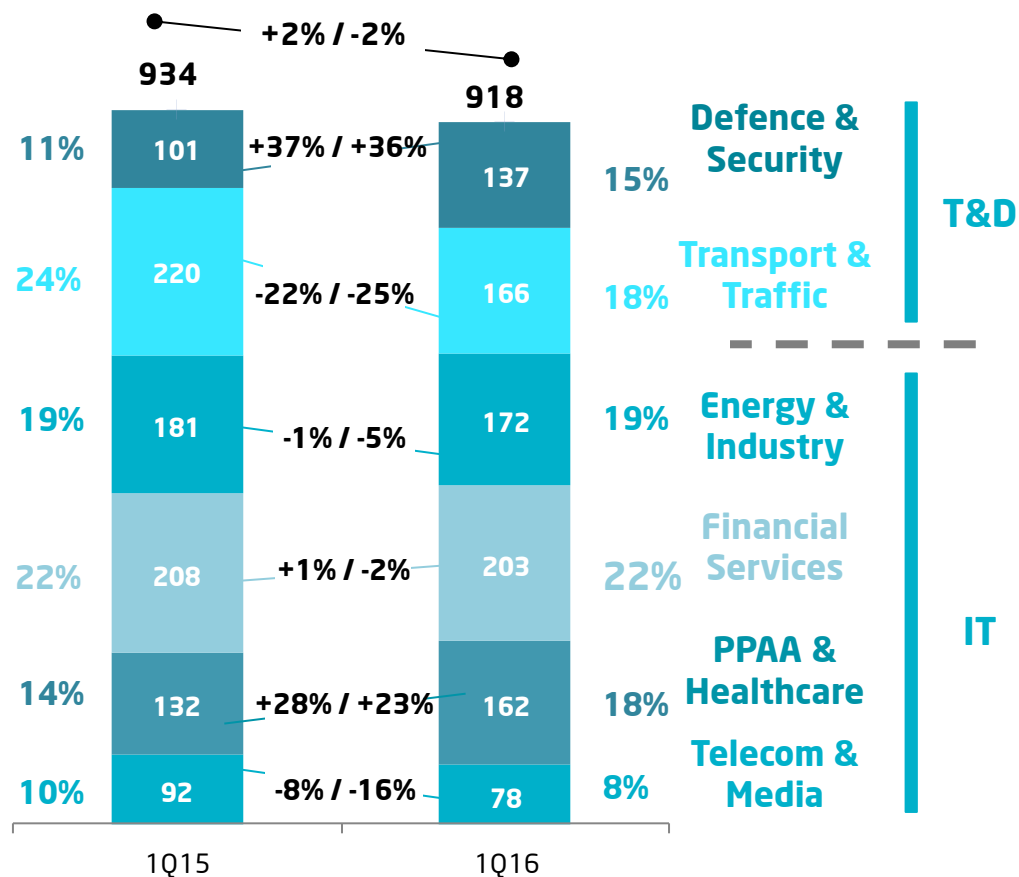
Order Intake by Region (€M)

Local Currency / Reported



Order Intake by Vertical (€M)

Local Currency / Reported



GOOD PROGRESS ON OUR PERSONNEL COST OPTIMIZATION PLAN

Number of Employees

- **SPAIN - up to 1.750**
- Sep 15-March 16: ~ 70%

% Of completion

1,261*



- **LATAM - 1.700**
1.721 as of 31/12/2015

1,721*



P&L

- Provision of €160M accounted in 3Q15 as non-recurrent cost for Spain
- Expected annual savings calendar of €120M

2015

2016

2017

2018

€20M



€90M

€120M

€120M

Cash Flow

- Expected cash cost of €150-160M between 2015-2018

2015

2016

2017

2018

€70-80M



€45-55M

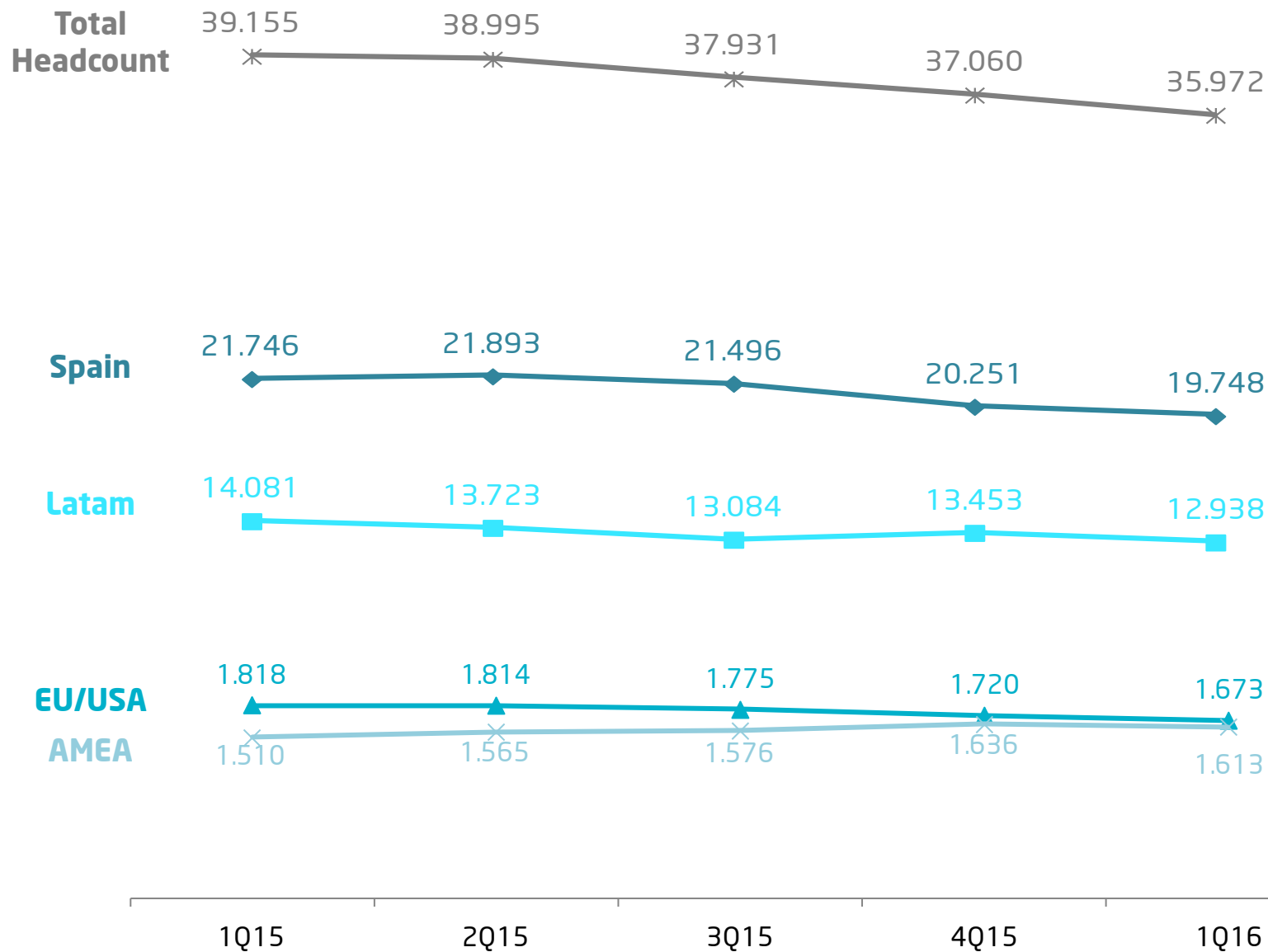
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Remaining

→ €17M in 1Q16

(*) As of 31/03/2016

HEADCOUNT DECREASING



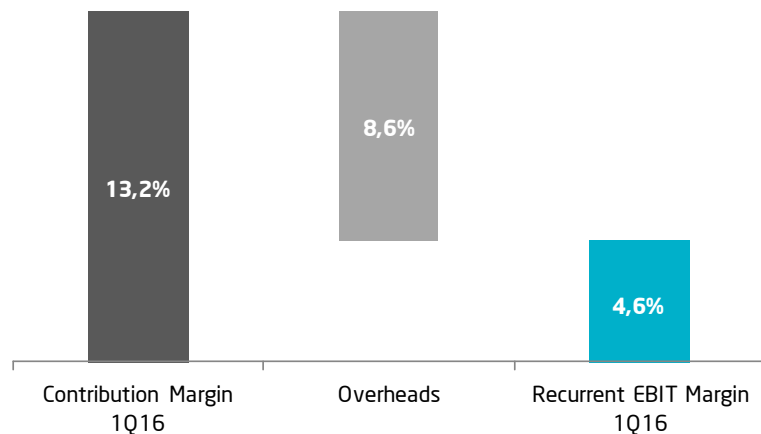
BRAZIL STARTING TO TURN AROUND

(local currency)	1Q15	1Q16	Variation
Order Intake	224M	184M	-18%
Revenues	238M	201M	-16%
EBIT	-52M	5M	NA
EBIT Margin	-22%	2.5%	+24.5pp

- 2 out of the 7 onerous projects already closed/finished
- Remaining onerous projects on track
- New organization, slimmer structure, efficiency plans and new commercial policy starting to pay-off

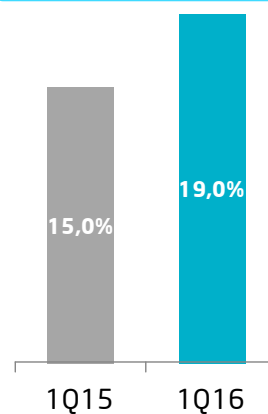
MARGIN IMPROVEMENT BECAUSE OF BETTER DIRECT MARGIN IN CURRENT PROJECTS AND EFFICIENCY PLANS

Recurrent EBIT Margin 1Q16

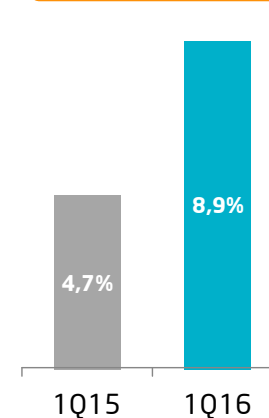


Contribution Margin by Divisions

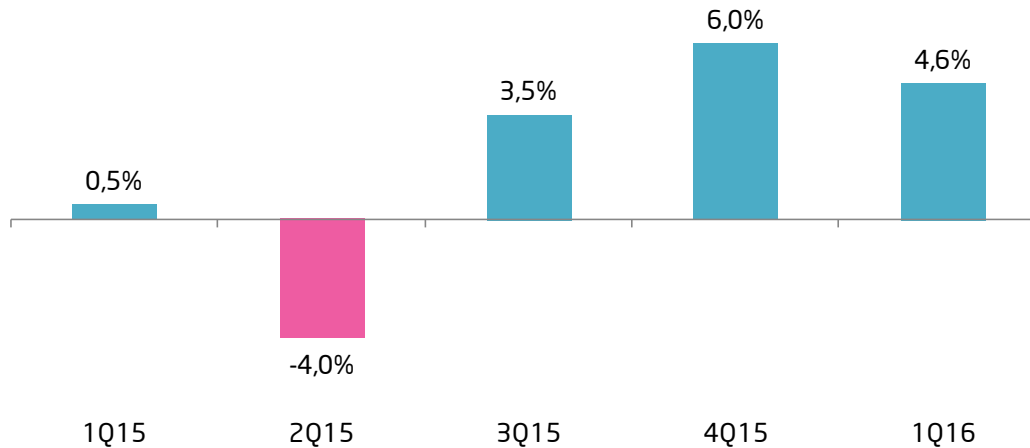
T&D



IT

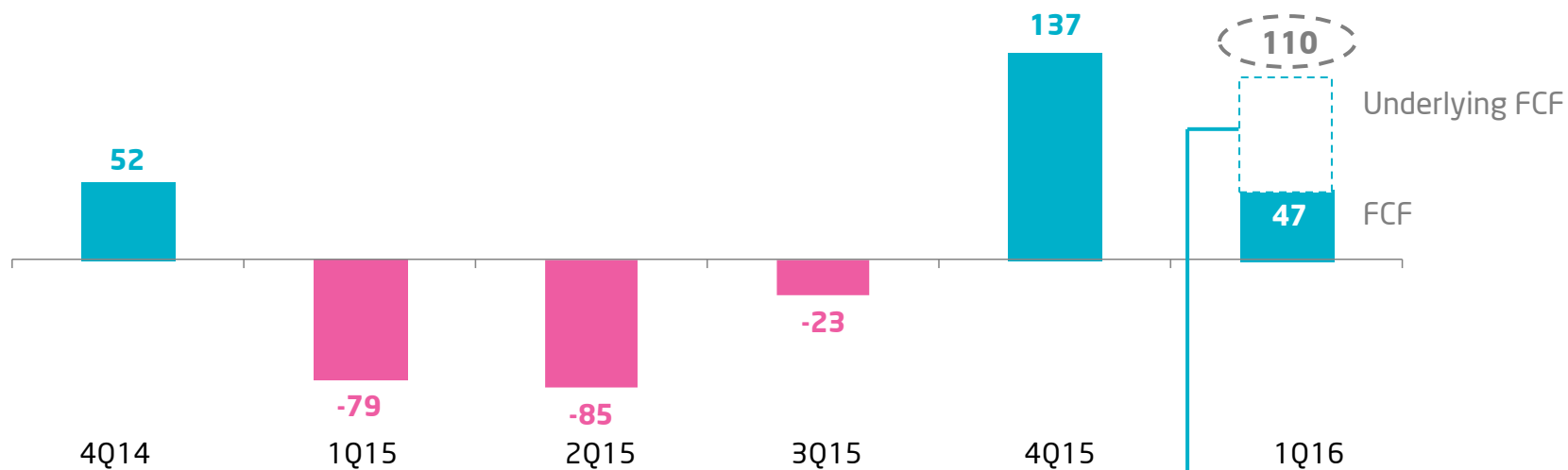


Quarterly Recurrent EBIT margin evolution

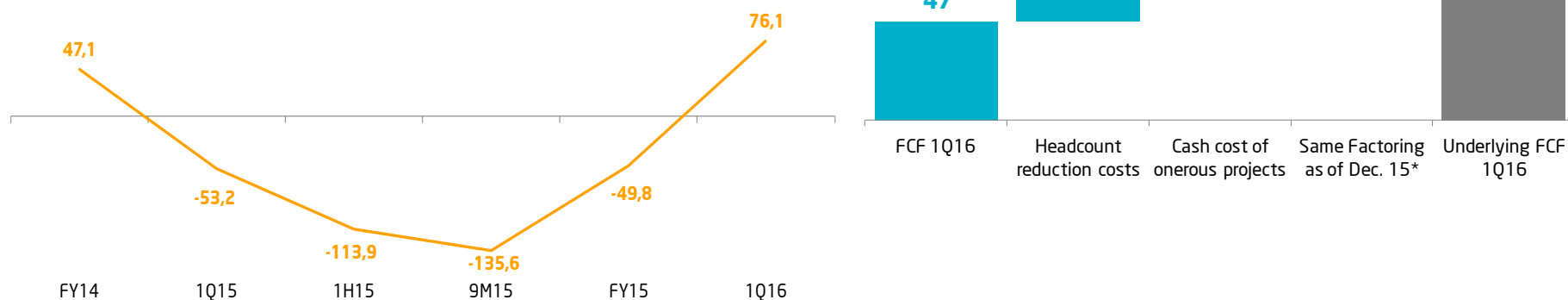


STRONG FCF GENERATION

Quarterly FCF (€M)

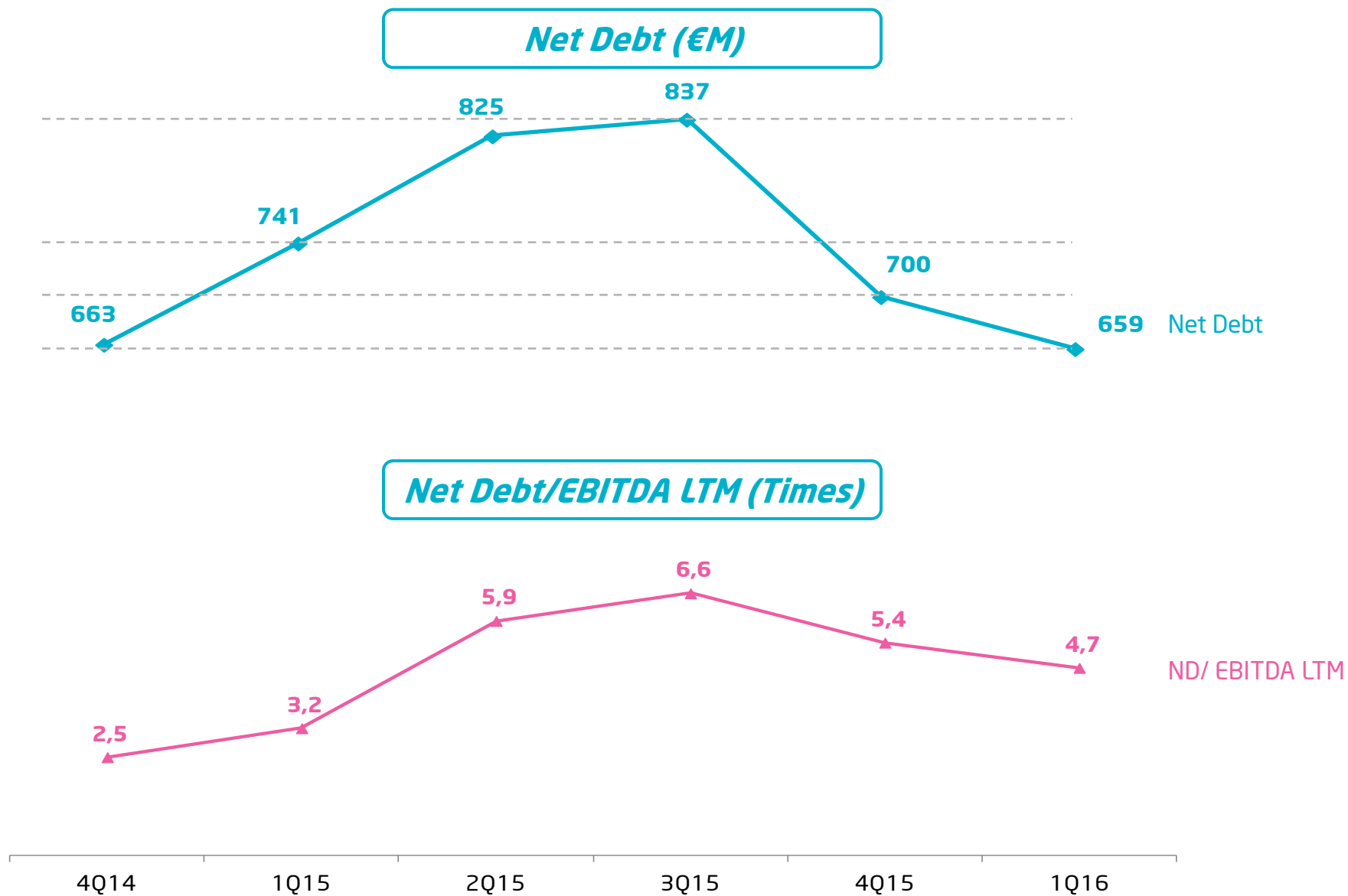


Accumulated FCF LTM (€M)

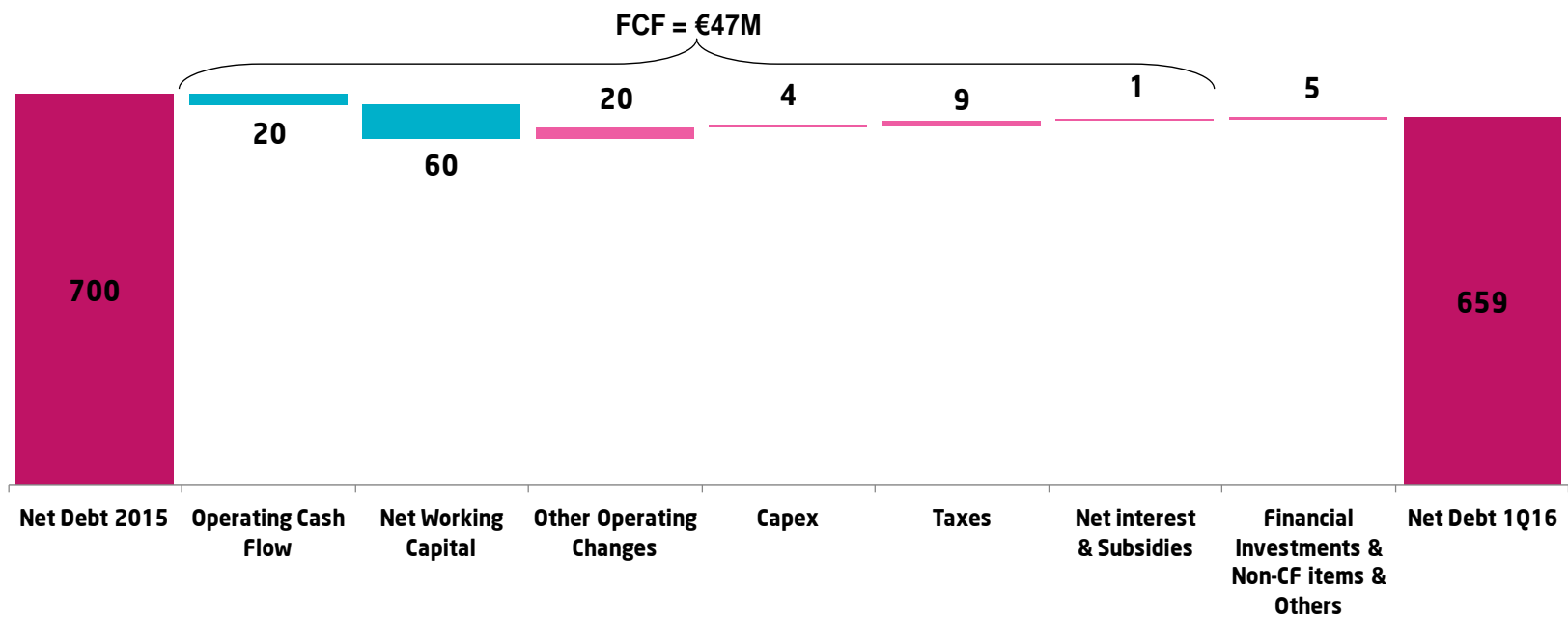


(*) Non recourse factoring

NET DEBT REDUCTION



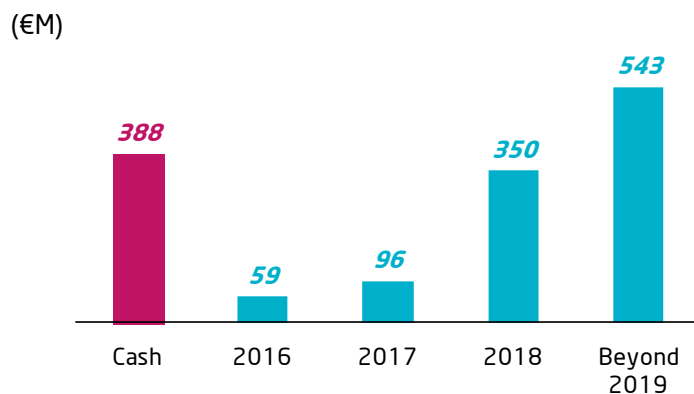
NET DEBT BRIDGE



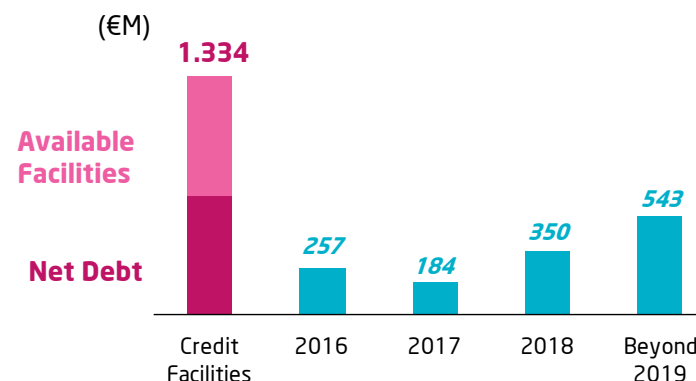
DEBT STRUCTURE

(€M)	1Q16		2015	
	Total	% of total	Total	% of total
L/T Debt	973	93%	962	92%
S/T Debt	75	7%	79	8%
Gross Debt	1,048	100%	1,041	100%
Cash & Others	388	n.m.	342	n.m.
Net Debt	659	n.m.	700	n.m.
Cost of Net Debt	3.1%		4.2%	

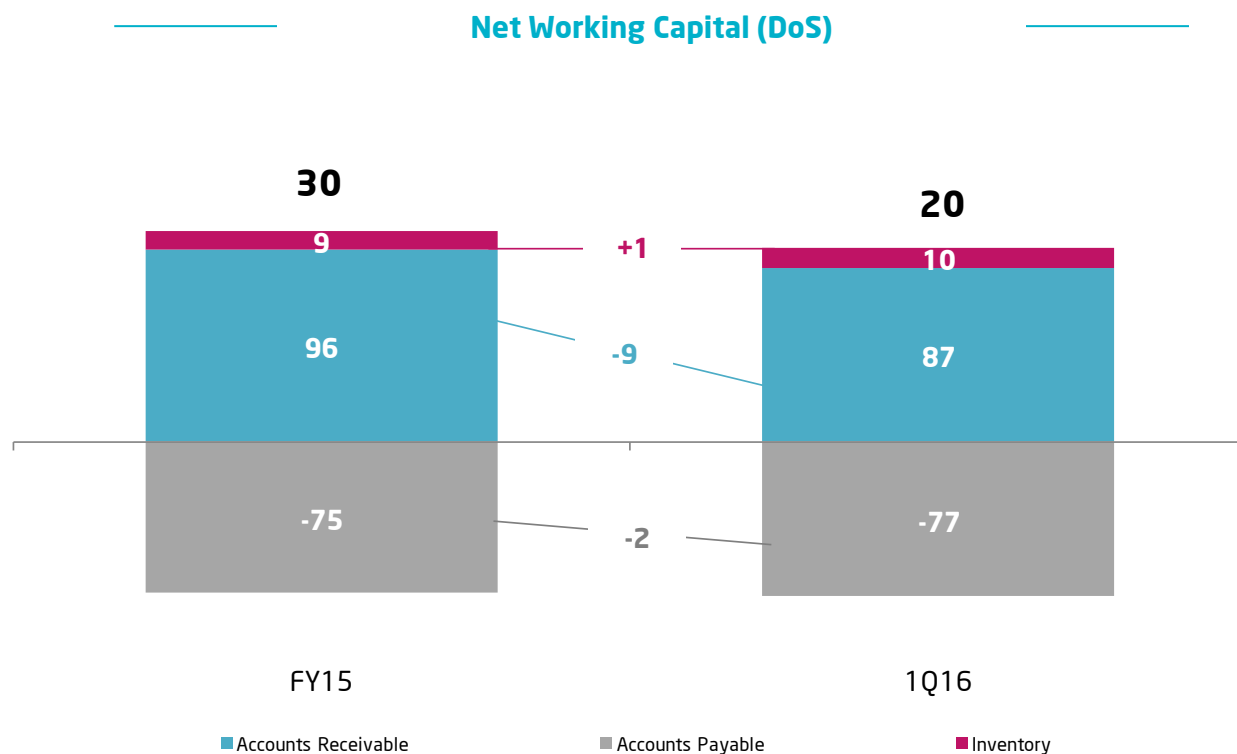
Gross Debt Maturity Profile



Available Credit Facilities



NWC IMPROVING BECAUSE OF CLIENTS' COLLECTIONS





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