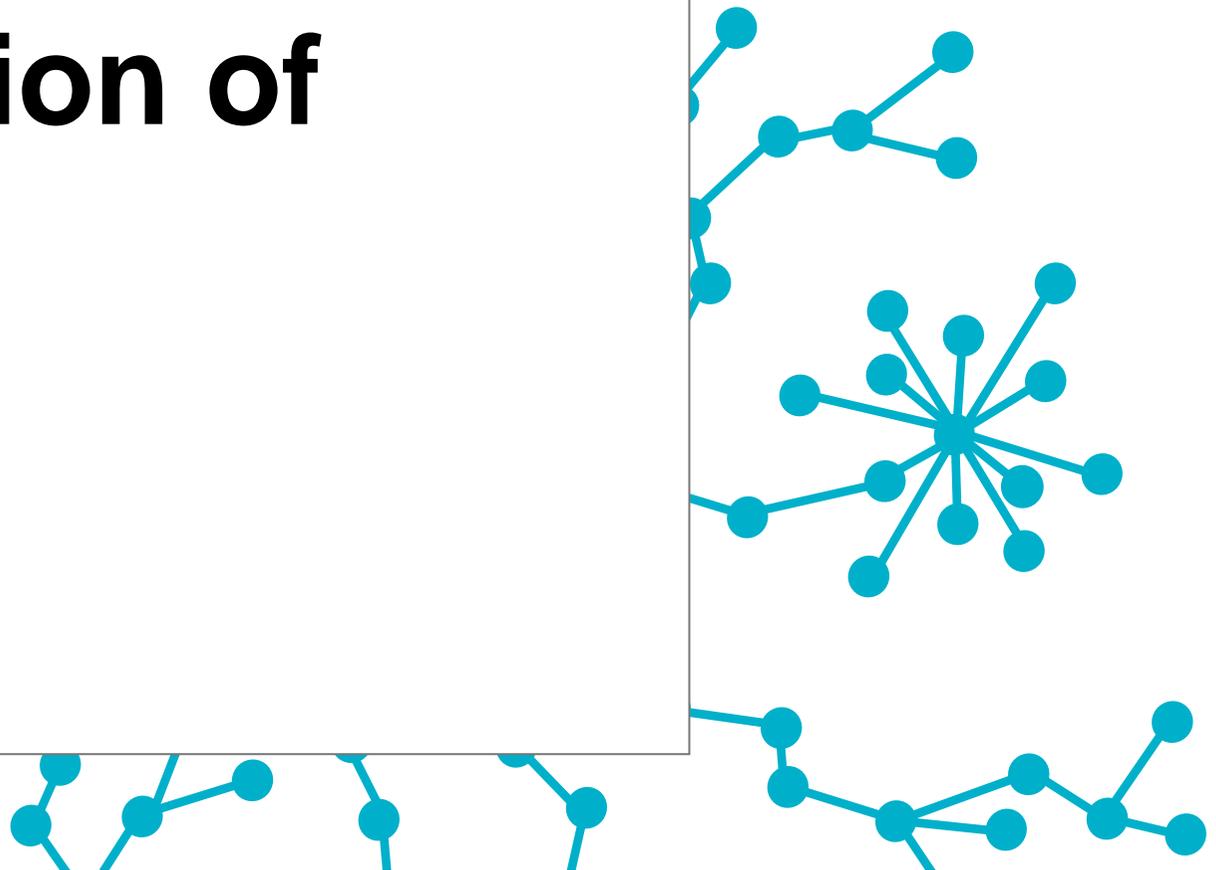


indra

Acquisition of Politec

July 2011



This document contains statements including forward looking statements regarding future performance of the Company. Analyst and investors must be aware that such statements do not constitute any guarantee about the future performance of the Company and involve risks and uncertainties, therefore actual performance may differ materially from that contained in said forward looking statement.

EXECUTIVE SUMMARY – KEY HIGHLIGHTS (i)

- **Indra to acquire 100% of Politec:**
 - One of the relevant local players in the Brazilian IT Services sector
 - With very strong position in Energy, Financial Services and Public Administrations verticals; highly complementary with Indra
 - Revenues of R\$400M (c.€180M) in 2010 with slightly negative operating margin; 5,000 professionals; extensive presence across the domestic geography

- **Strong strategic and industrial logic of the transaction:**
 - Together with Indra Brasil⁽¹⁾ (revenues of R\$157M -c.€70M- in 2010; 1,000 professionals), it becomes a prominent and one of the largest IT Services player in Brazil, a market expected to grow 11% p.a. for the next three years
 - Revenue synergies from cross-selling Indra's solutions
 - Latam becomes largest international geography (c.22% of total sales) for Indra and Brazil largest single international country (>R\$600M pro-forma revenues estimated for 2011)
 - International revenues reach c.47% of Indra's total pro-forma
 - Indra's human resources increase 6x in Brazil to 6,000 people; by 70% in Latam to 12,200, creating a hub for further expansion in the region

(1) Indra Brasil does not include the activities of national security and defence, air traffic management, intelligent traffic systems and traffic, balloting, and strategic consulting

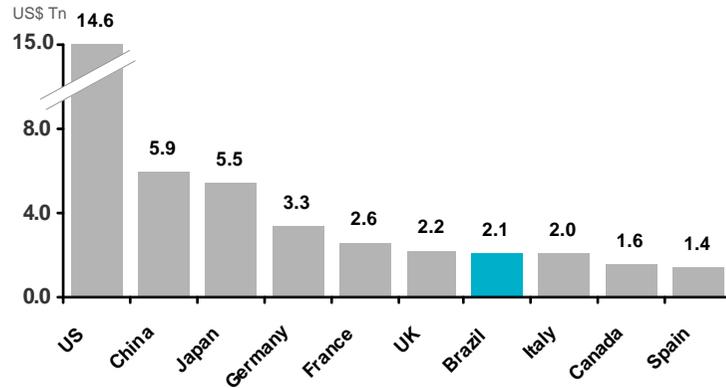
EXECUTIVE SUMMARY – KEY HIGHLIGHTS (ii)

- **The agreement reached implies the following transactions:**
 - Indra will contribute 100 R\$M in capital to its subsidiary Indra Brasil
 - Acquisition of the 6.57% minority shareholder stake for 4.5 R\$M in cash, payable at the closing; this implies an EV/2010 Sales multiple of 0.6x
 - Acquisition of the remaining 93.43% stake:
 - Payment in 2014, for 219.5 R\$
 - On the assumption that the aggregate of Politec and Indra Brasil reach 22% revenue CAGR 2010-13 and an EBIT margin of 9%.
 - This price could be adjusted upwards or downwards depending on the evolution of both revenues and EBIT margin.
 - The acquisition is expected to close before September 30th, 2011.
- **Positive financial impact on Indra:**
 - ROCE above Indra's WACC already in 2012
 - EPS neutral in 2012 and accretive from 2013 onwards

BRAZIL IS AN STABLE AND RESILIENT ECONOMY WITH ATTRACTIVE PROSPECTS FOR IT PLAYERS

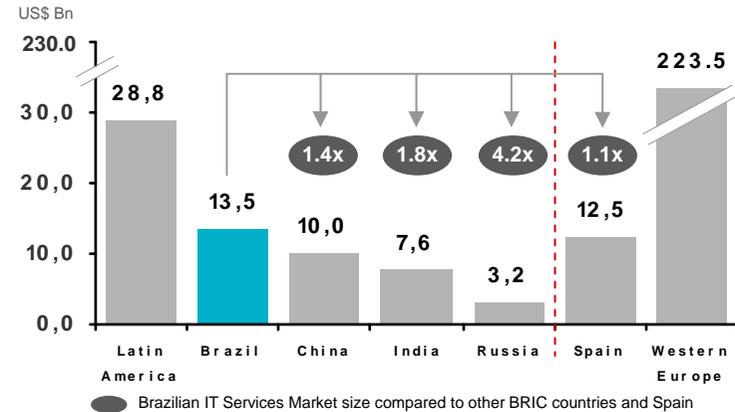
7th Largest Economy Globally

GDP in 2010

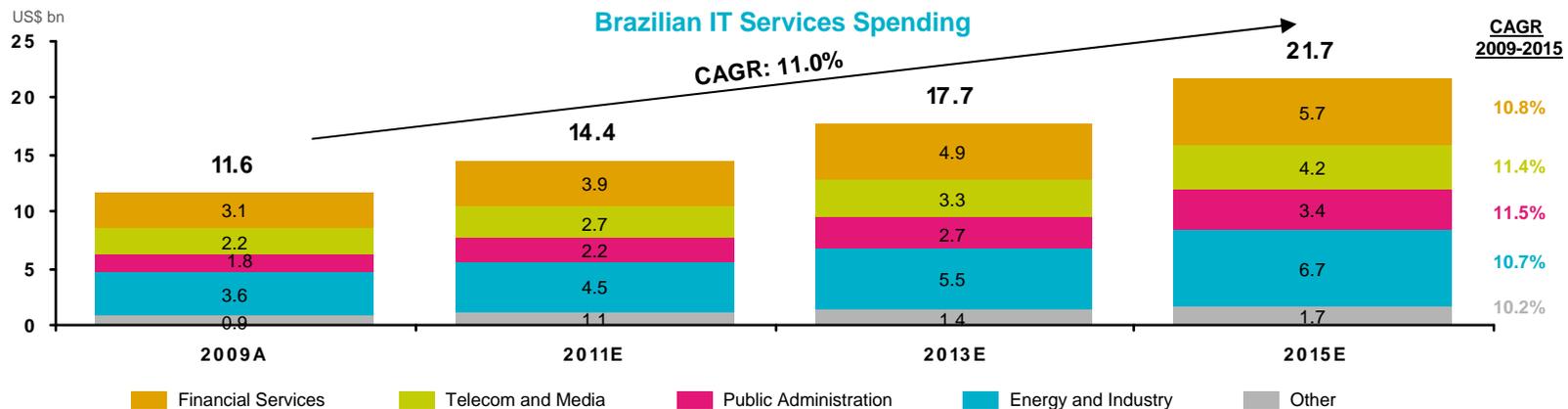


Largest IT services market in Latam and BRIC's

IT Services Market Size 2010



Brazil IT Services Market Growing at Double Digit Rates Since 2009

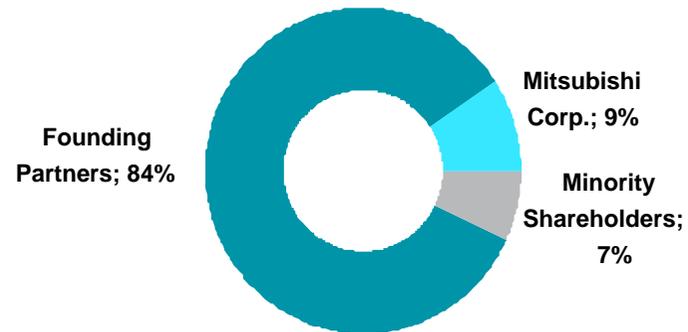


Source Global Insight, Banco Central do Brasil, Gartner, IT Services Worldwide Forecast, 2000-2015

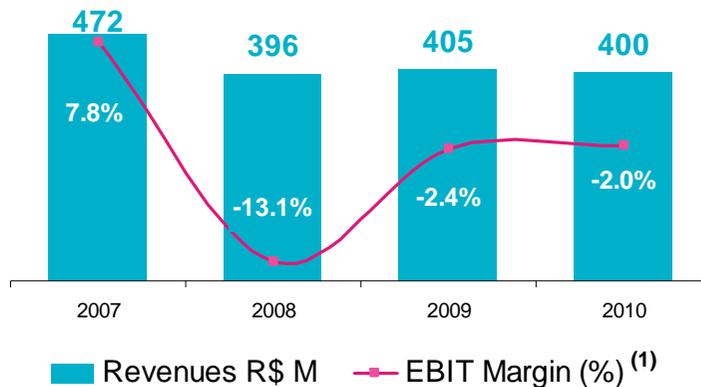
POLITEC: A RELEVANT PLAYER IN THE BRAZILIAN IT SERVICES MARKET

- One of the largest independent local players in the Brazilian IT Services sector, with 40 years of history
- Specialised in Consulting and Outsourcing; One of the main partners of SAP in Latam
- 5,000 employees; 55% of workforce <30 years old; 60% graduated
- Operational restructuring initiated in 2009, to be finished in 2011, will allow margin expansion to industry standards
- Revenues to grow at double digit in near term

Current shareholding structure

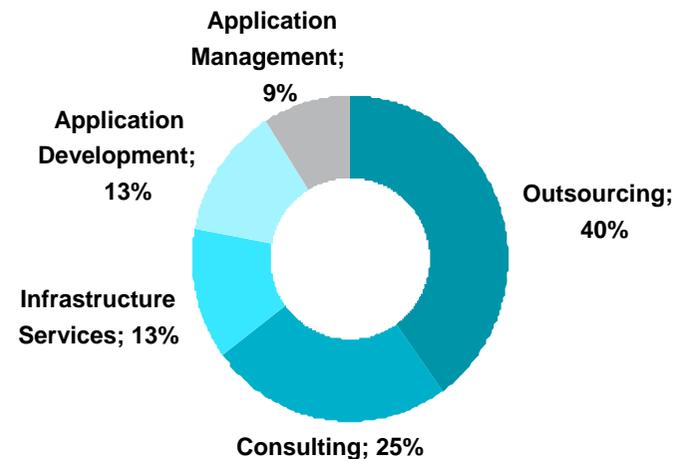


Revenues & EBIT margin performance



Note.
1. Excludes extraordinary items

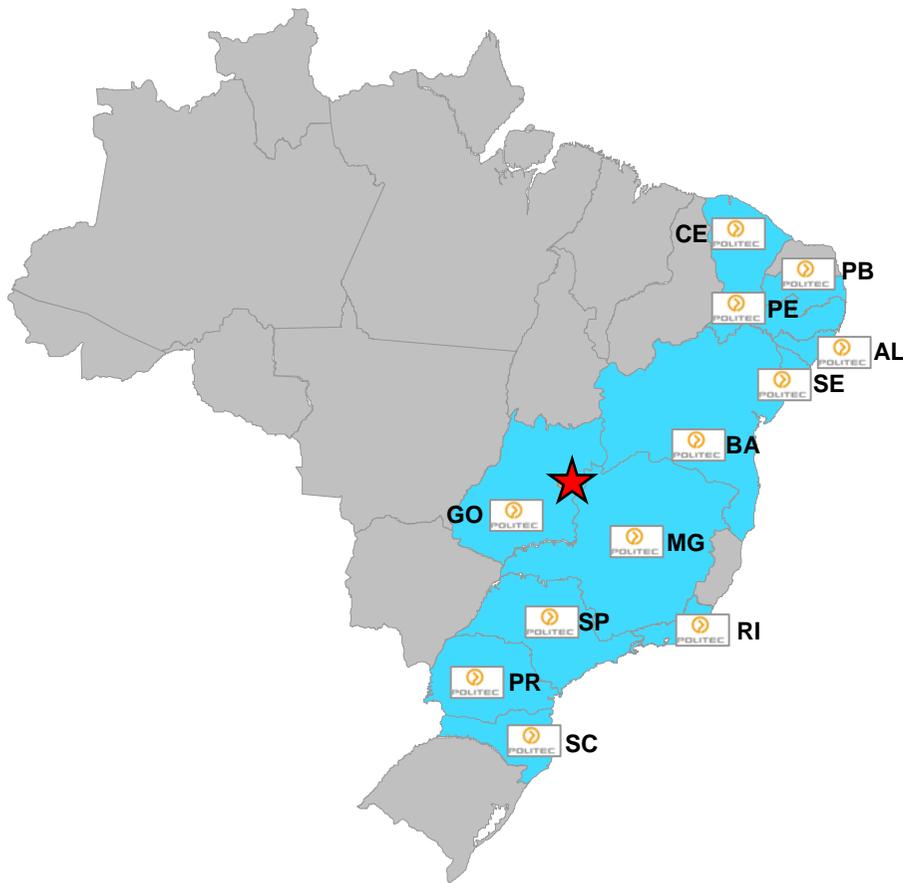
Services based company (2010 revenue breakdown)



POLITEC HAS A STRONG PRESENCE ACROSS BRAZIL

Wide presence in the most relevant regions

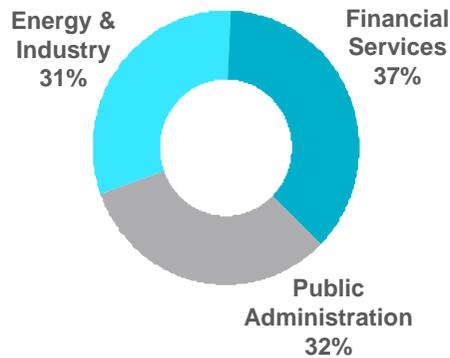
Relevant recurrent clients



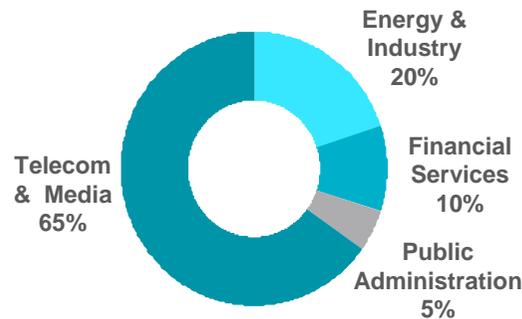
- Petrobras
- Caixa Económica Federal
- Banco do Brasil
- Banco Itaú
- Secretaria de Fazenda
- BR Distribuidora
- Ministerio do Trabalho
- Bayer
- Alstom

Brasilia Global Headquarters Regional Offices

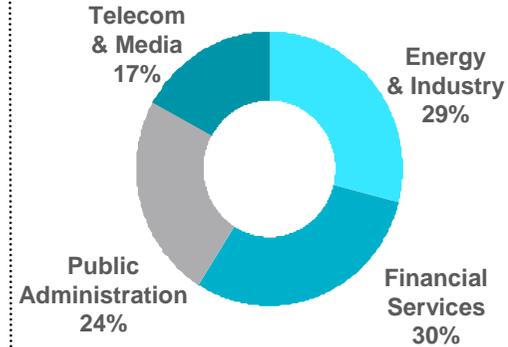
POLITEC AND INDRA BUSINESSES ARE HIGHLY COMPLEMENTARY



Revenues 2010	R\$400M
EBIT Margin 2010	(2%) ⁽¹⁾
Employees (June 2011)	5,000



Revenues 2010	R\$160M
EBIT Margin 2010	7.5%
Employees (June 2011)	1,000



Revenues 2010	R\$560M
EBIT Margin 2010	c.1%
Employees (June 2011)	6,000

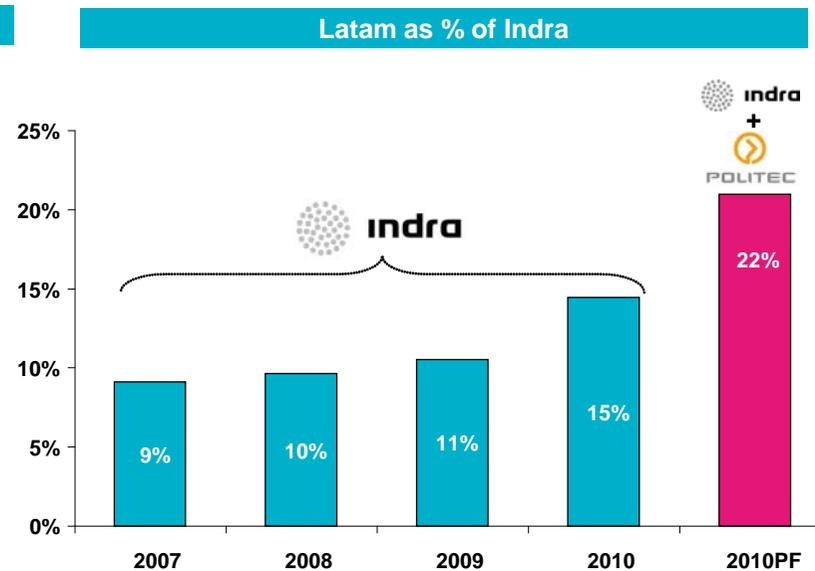
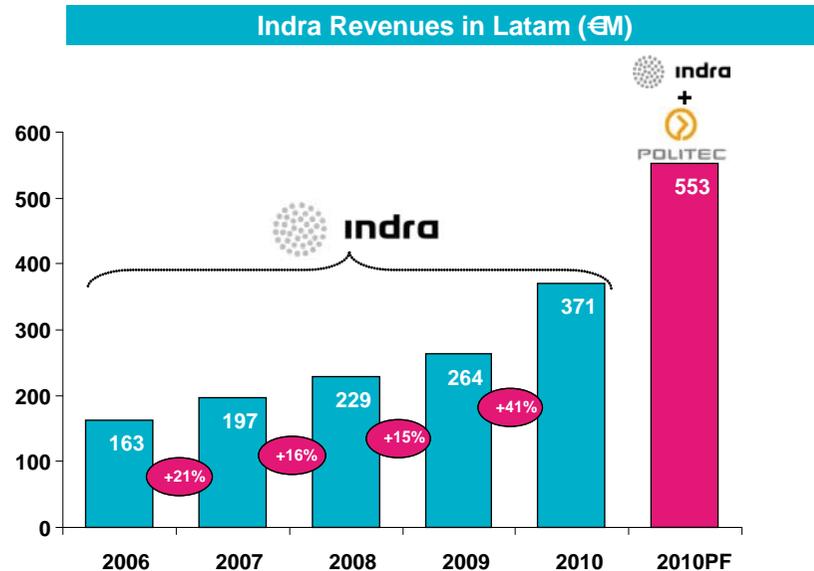
Note: (1) Excludes extraordinary items

INDRA BECOMES A LEADING IT SERVICES PLAYER IN BRAZIL

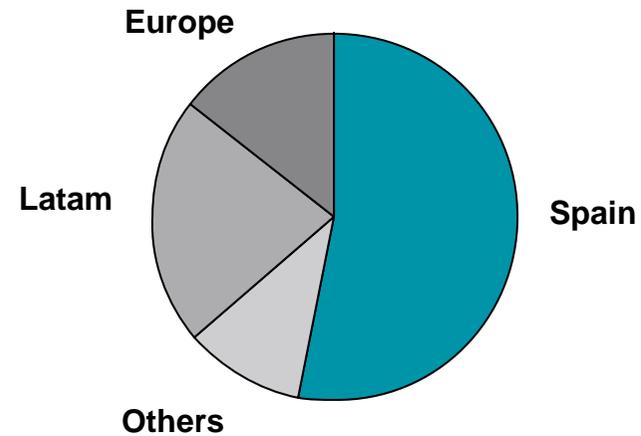
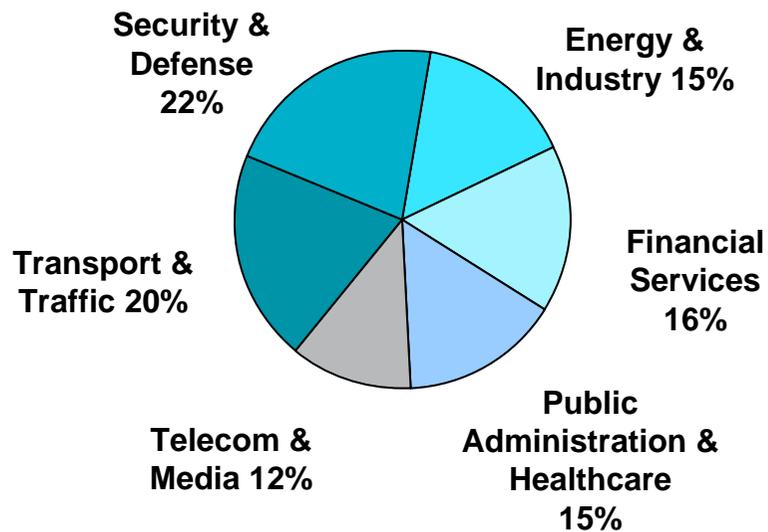
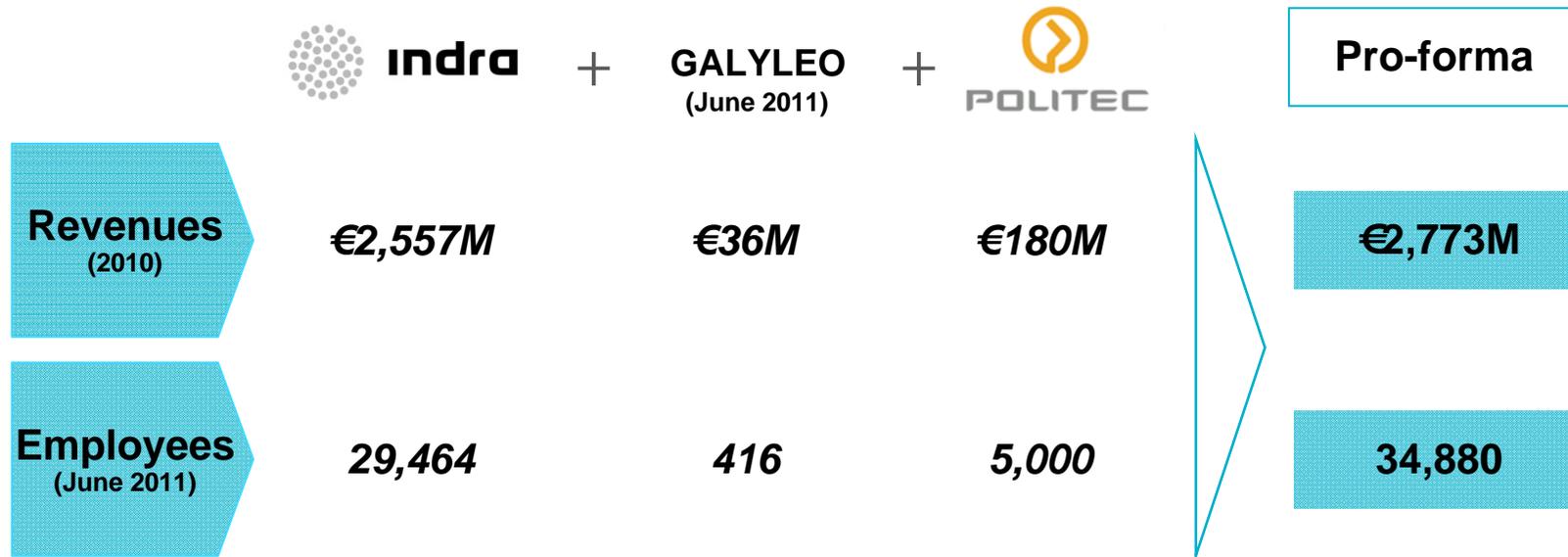
- Brazil is now the largest country in Indra's international front
- Indra becomes a prominent relevant IT Services player in Brazil
- Pro-forma revenues of R\$560M in 2010 in Brazil , expected to grow at double digit mid term, ahead of market's growth
- Human resources multiples by six to 6,000
- Increased size and Indra technological leadership improves perception as an employer of choice, facilitating future growth
- Significant potential from synergies:
 - Indra to leverage its Solutions portfolio with Politec's extensive network and client base
 - Increased ability to better serve Indra's existing clients through an enlarged resource base
 - Cost synergies from implementation of Indra's best practices in control and project management, which might require some extraordinary costs in 2011/12
- Strengthens position in Brazil to support Indra's Security & Defence and Transport & Traffic activities in Brazil

BRAZIL AND LATAM ARE KEY GROWTH AREAS FOR INDRA

- Latam has been a pillar of Indra's international expansion
- Strengthening critical mass in Latam, increasing human resources to 12,200 people
- Indra's revenues in Latam have grown 23.5% CAGR'08-'10. Politec will fuel future growth
- Latam becomes the biggest international region, accounting for 22% of Indra's revenues
- Management to focus on integration => team of experienced top management, including Exec. VP of International, relocates to Brazil



INDRA AFTER RECENT ACQUISITIONS



CONSIDERATION DELAYED TO 2014

- The agreement reached implies the following transactions:
 - Indra will contribute 100 R\$M in capital to its subsidiary Indra Brasil
 - Acquisition of the 6.57% minority shareholder stake for 4.5 R\$M (approximately 2 €M) in cash, payable at the closing of the transaction; this implies an EV/2010 Sales multiple of 0.6x
 - Acquisition of the 93.43% stake owned by the founding partners and Mitsubishi Corporation, to be paid in 2014, for 219.5 R\$M (approximately 98 €M) on the basis that the aggregate of Politec and Indra Brasil reach in 2013 revenues of 1,000 R\$M (22% 2010-13 CAGR) and an EBIT margin of 9%. This price implies, estimating a combined net debt of 90 R\$M at the end of 2013, an EV/2013 Sales multiple of 0.9x.

This price could be adjusted upwards or downwards depending, additionally to the variations in the net debt, on the actual evolution of both revenues and EBIT margin. If the revenues are the ones mentioned in the previous paragraph, and the EBIT margin were 8%, the price would be adjusted downwards implying an EV/2013 Sales multiple of 0.5x; if the EBIT margin were 10%, such multiple would be 1.1x.

- The acquisition is expected to close before September 30th, 2011.



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