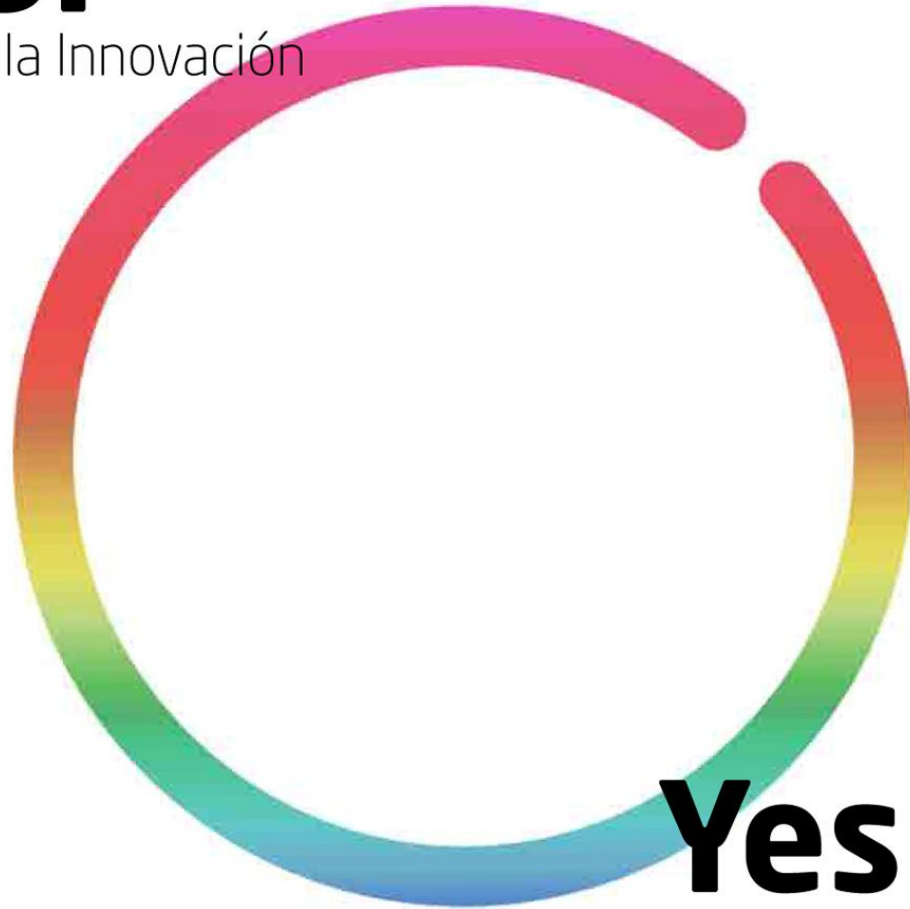




Sí
a la Innovación



Yes
to Innovation

2010
INFORME ANUAL
ANNUAL REPORT

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01. KEY FIGURES

Revenue: **€2,557 M**Professionals: **28,608**

	2006	2007	2008	2009	2010	2011 target	% chg. 2009-2010
Financial performance (€M)							
Revenue	1,406.8	2,167.6	2,379.6	2,513.2	2,557.0	2% higher vs.2010 ¹	2%
<i>Spain</i>	69%	68%	66%	64%	61%		
<i>Europe:</i>	17%	16%	17%	18%	17%		
<i>Latin America</i>	8%	9%	10%	11%	15%		
<i>USA and Canada</i>	2%	3%	2%	1%	1%		
<i>Africa/Asia/Australia</i>	3%	4%	5%	6%	6%		
Order backlog	1,885.0	2,241.8	2,428.3	2,578.9	2,899.2		12%
Net assets	431.0	889.1	972.7	1,111.7	1,291.4		16%
Net cash/(debt) position	(58.9)	(150.3)	(148.7)	(134.6)	(274.9)		104%
Net operating profit (EBIT)	163.6	223.5	270.5	285.4	251.9	At least 10.5% of sales ¹	(12%)
Attributable profit	114.1	147.8	182.4	195.6	188.5		(4%)
Operating cash flow	193.8	248.9	308.8	337.9	308.1		(9%)
Social performance							
R&D+i investment (€M)	99	136	152	175 ²	184		5%
Average workforce (number of employees)	10,611	22,055	24,415	25,256	27,325		8%
% of highly qualified personnel	80	77	76	83	85		2 p.p.
% of men/women	69/31	64/36	64/36	64/36	65/35		
Environmental performance							
Direct CO ₂ emissions (tonnes)	1,278	1,263	1,443	1,381	2,012	-3%	45%

¹ Target announced at release of 2010 year-end results

² Scope: Indra Sistemas, Indra Espacio, Indra Software Labs, Indra Sistemas de Comunicaciones Seguras, Inmize, IP Sistemas, I3 Televisión, Indra BMB and Indra Sistemas de Seguridad

02. CHAIRMAN'S LETTER

In 2010 we again met all our targets despite operating in an extremely difficult and complex environment. Indra fulfilled these objectives in the face of increasingly difficult market conditions which required the adoption of decisive measures to maintain the company's high levels of efficiency in the medium term.

International markets were the key driver of our growth in 2010, with outstanding successes achieved in securing an increasingly global presence that mitigated the impact of the deterioration of the domestic market. Despite its current difficulties, Spain remains a key market for Indra. We are convinced that Spain will offer further opportunities for growth and development, not just because we have prestigious domestic customers with a strong international projection but also because this crisis will yield new segments of innovative demand and suitable environments for a supremely innovative company with a high-intensity technological offering like Indra.

Indra has always been a business project underpinned by a long-term vision and a conviction that by nurturing our profile as an innovation-focused company with a strong technological base, offering leading-edge solutions to blue-chip customers, we can generate high levels of growth and profitability and attract the very best talent. It is this approach that has enabled us not only to meet our targets in a year as

challenging as 2010 but also to have done so while continuing to generate employment, including in the Spanish market, and maintaining competitive compensation for our professionals and attractive remuneration for our shareholders.

We follow an open innovation model, which seeks to take advantage of both our internal talent (our professional team) and the external expertise accessible via our relationships with discerning customers, with partners that are leaders in their respective fields, with suppliers, with universities and knowledge institutions and with society in general. To manage these relationships, Indra has a Corporate Social Responsibility Master Plan, the objective of which is to improve the company's sustainability and growth by constantly improving its relationships with its various stakeholders. Each year we launch new policies and initiatives aimed at improving the integration of various stakeholders into Indra's decision-making, and at establishing robust and enduring relationships based on transparency and mutual benefit, as set forth in detail in the chapter titled "Our stakeholders" in this Annual Report. In recognition of these management practices, Indra was once again rated leader in its subsector (computer services and internet) in 2010 by the Dow Jones Sustainability Indexes.

But our commitment to sustainability extends well beyond improving internal management and we firmly believe that our technologies can make a key contribution to achieving a more sustainable society.

Many of our solutions and services are focused on areas of major economic, social and environmental significance. In fact, we believe that technology must play a critical role in the economic recovery, and that it should be a cornerstone of a more sustainable growth model based on increased productivity. Innovation and technology are key factors in ensuring sustainable economic growth and are also essential tools for enhancing life quality in a number of fields: more efficient transport, renewable energy, integration of the socially excluded.....

We are convinced that this open relationship with our stakeholders (shareholders, employees, customers, suppliers and partners, knowledge institutions and society) enables us to better identify the challenges and opportunities we face, to increase our capacity for innovation, and, in short, to make more sustainable our progress towards the strategic objectives we have set for the coming years: to become a more global player while safeguarding our reputation as an innovative company with a strong technological focus, thereby helping to consolidate the future production model in all the countries in which we are present.

We remain supremely confident in our potential and in our ability to satisfy the expectations of all our stakeholders. We continue to look to the future with the same ambition as on day one, and to strive to generate hope and value for all our stakeholders on solid and sustainable foundations.

The following report has been prepared in accordance with the Global Reporting Initiative's G3 Guidelines, to application level A+, and in accordance with the provisions of the AA1000 Accountability standard, including our conduct in respect of the principles of the Global Compact, to which we are wholeheartedly committed. The result is a balanced and fair presentation of our economic, environmental and social performance, which has been externally verified.

03. MANAGING DIRECTOR'S LETTER

Dear shareholder,

In 2010, we once again met all of our announced objectives at the beginning of the year.

Revenue rose 2% to €2.56bn, within the target range announced at the beginning of the year. Order intake climbed to €2.88bn, posting year-on-year growth of 7% and surpassing the initial guidance of 5% growth. The backlog increased 12% to €2.90bn, guaranteeing the sustained growth of the company.

EBIT was €285mn, in line with the 2009 figure, while ordinary EBIT margin was 11.2%, only 0.2 percentage points less than in 2009, despite the difficult market conditions that put pressure on prices and decreased investment levels. Attributable profit fell 4%, to €189mn, due to the company's rollout of a series of initiatives aimed at safeguarding for the future our high efficiency levels.

Operating cash flow totalled €308mn, less than the previous year due to the aforementioned extraordinary costs incurred during 2010.

As regards Indra's financial position, at 2010 year-end, net debt stood at €275mn (0.8 times EBITDA), after an ordinary dividend payout totalling €107mn, higher than the €99mn paid in 2009.

Year-end net working capital was equivalent to 93 days' revenues which, although higher than last year, was under our projections.

Operations outside Spain continued to be the main growth driver, registering a 10% increase in revenues for full-year 2010 and already representing 39% of total revenue. Furthermore, order intake in these markets made a strong showing, with growth of 23%, and bringing their share of the company's total order intake to 44%. Latin America registered growth of 41%, a performance which reflects Indra's advances with large customers in the region, both corporate and government, and gives the company an excellent growth outlook going forward. In the Asia Pacific region, one of the company's strategic focuses, we registered notable growth, and expect to continue growing at a healthy rate in this area in 2011.

The trend towards increased outsourcing of application management and other services throughout most of Indra's target sectors was reflected by the 6% growth in revenues in the Services segment, with especially significant increases in Telecommunications & Media and Financial Services. Furthermore, greater supplier concentration is allowing Indra to increase its market share in Spain, while the company won significant contracts for providing services in Latin America and Asia.

Solutions registered flat growth, although the company carried out a number of important projects

that were significant due to their financial aspects or strategic value.

By vertical market, it is worth highlighting the strong growth in Telecommunications & Media (+19%), Transport & Traffic (+11%) and Financial Services (+10%), as well as the good performance in Public Administrations & Healthcare (+3%). The markets most affected by the current environment were Energy & Industry (-5%) and Security & Defence (-13%).

In 2010, Indra carried out a series of measures that will allow us to maintain our profitability going forward. It carried out cost reduction measures in all areas of the company and transformed Indra's structures and processes with the aim of adapting its business to the current market conditions, both on the geographical and corporate level. The efforts of this year will allow us to continue generating value and profitability at high levels of efficiency, as we have done since our company's founding.

We are constantly developing innovative new solutions and services to help our customers meet the challenges that they face in increasingly competitive markets, and in pursuit of two main goals: to create intelligent infrastructure and enhance efficiency.

In 2011, we expect a difficult and complex environment, similar to what was seen the previous year. We expect the company to continue posting positive results thanks to the different actions it has carried out in recent years to strengthen its global

presence of its offering. Furthermore, these actions deal with new geographic markets, global customers, and in high-potential markets with strong demand for our services. As a result, Indra will maintain its profile as a growth company with high profitability and an attractive medium term outlook.

The company is fully confident that it will meet the targets it has established for 2011. We expect an increase in revenues of over 2%, driven by operations outside Spain, and a total order intake that is somewhat higher than last year, and much stronger than revenue growth, further bolstering the order backlog. In addition, we expect an ordinary EBIT margin of at least 10.5%, and do not anticipate any actions entailing additional extraordinary costs.

Once again, the company's globalisation process will be a key factor in our future growth. To this end, we have reinforced our commercial areas, improved our execution and delivery capacity for projects in more demanding environments and more important and complex regions, and assembled an excellent team of professionals to achieve these goals. As a result, Indra is one of the most prestigious and recognised companies in the sector.

The increasing competition facing our customers spurs us to constantly innovate and create solutions to help them meet their main challenges, which we would divide into two major categories: creating intelligent infrastructure and achieving greater efficiency. In 2010, this meant developing business lines in areas

with high growth potential, such as transport management, health services "2.0", security, Cloud Computing and technology-based BPO solutions.

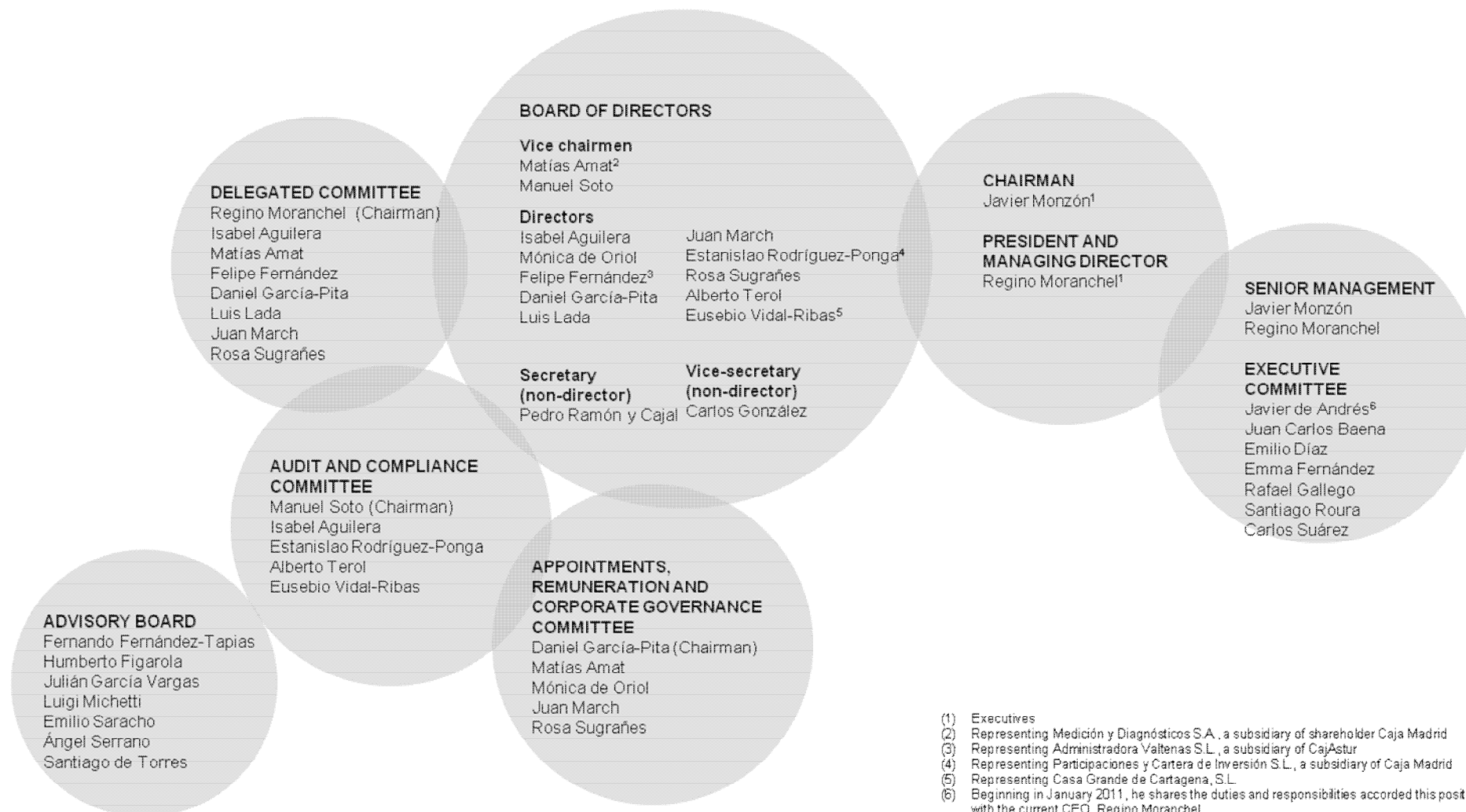
But the challenges of our customers are also our own challenges. Our primary goal is to continue improving how we do things, working in a more intelligent and efficient manner.

In addition, we cannot overemphasise the importance of hiring, retaining and managing our talent, bearing in mind the diversity of our employees, in order to ensure that our team remains motivated so that the company can move in unison in the same direction and share the same goal: to create value.

A differentiated offering that meets the needs of our customers, combined with investment in innovation and talent management, financial soundness, and a growing global footprint are the critical factors that allow us to take advantage of opportunities presented by the market and to continue on our vector of sustainable growth.

In closing, I would like to thank our professionals for their dedication and effort over the course of 2010.

04. GOVERNING BODIES



Corporate Governance structure as of 31 December 2010

05. MARKET ENVIRONMENT AND TRENDS

An asymmetric economic crisis

Global economic performance is currently lopsided. In other words, each country and region has a distinct pattern of recovery, leaving global economic growth concentrated primarily in emerging economies in the Asia Pacific region, Latin America and the Middle East.

Meanwhile, recovery from the crisis is proceeding slowly and haltingly in more advanced economies, trailing even the forecasts issued in early 2010.

Consequently, this asymmetric recovery is generating "pockets of opportunity," not only in geographic terms, but also within industries and businesses. For example, while the IT services industry is still plagued by a scarcity of funding, with companies continuing to seek greater cost efficiencies, a few niches of opportunity have appeared which offer enormous growth potential. These niches, which may be of considerable size, are largely associated with two fields, as anticipated in our 2009 Annual Report: equipping infrastructure and systems with intelligence ("intelligence") and making the provision of technological services more efficient ("efficiency"). Technology highlights in these areas include Business Intelligence, Smart Grids, Virtualisation and Cloud Computing, among others.

Technology as a vector for sustainable growth

Recovery from the economic crisis leaves us with a challenge: to ensure that our future growth trend is more sustainable. It seems clear that we must accept that the current economic growth model, based on overexploiting resources -- that is, on increasing productivity by using the cheapest resources and capitalising on economies of scale--, has been exhausted. We live in a world in which resources (of all kinds) are limited, and we are becoming increasingly aware of this. We cannot aspire to continue to grow by exerting ever-increasing pressure on resources, especially if we bear in mind the rising living standards and consumption patterns guaranteed to filter through to Latin America and Asia in coming years.

Therefore, we must learn to manage our resources in a more rational manner and lay the groundwork for a more sustainable growth model. History has taught us that economic progress is always tied to technological development and to how technology is applied to energy, transport and telecommunications.

As indicated earlier, we have an opportunity to tap into the potential offered by information and communication technologies (ICTs) to radically enhance infrastructure's usefulness by rendering it intelligent. This means that by deploying sensors, communications and distributed data processing capacity, we can help our customers to achieve real-time monitoring and automatic reconfiguration of their systems, enabling

them to safely and efficiently adapt to changes in the environment.

Some of the major changes technology is likely to spur are already on the horizon: clean energy based on renewable sources; more efficient transport systems that shorten distances and lessen environmental impacts; safer cities; at-home healthcare; new ways of interacting with government agencies, etc.

06. OUR STRATEGY

The lopsided economic recovery and the advent of "pockets of opportunity," in which growth in demand for IT services is concentrated, are forcing companies to become more selective in their strategy, in order to identify and secure our presence in said "pockets of opportunity."

A strong and growing foothold in high-growth markets across the globe

Indra does business in the world's most promising markets for growth in demand for IT services: Latin America and the Asia Pacific region.

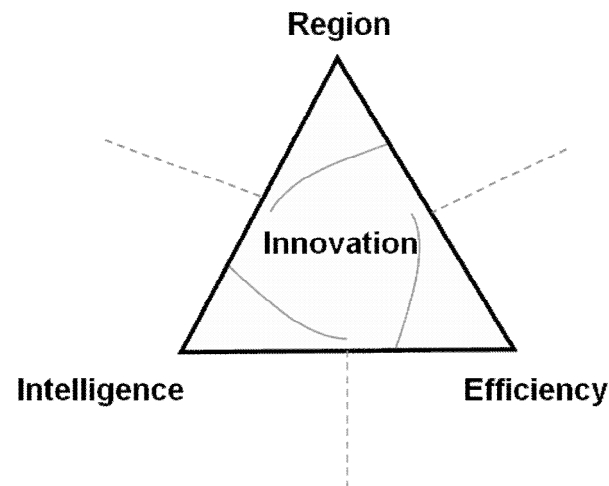
Latin America now accounts for 15% of Indra's revenues and 23% of its workforce, while in 2010 our business in the region increased by more than 30%. In sum, the region is one of our leading geographic markets and one of the major cornerstones of our growth. Our goal is to significantly boost our local presence, which, combined with our excellent range of products and services, should enable us to maintain very substantial rates of growth in the region.

Meanwhile, we have been present in the Asia Pacific region for more than 12 years, enjoying a successful track record with important accounts in state-of-the-art tech sectors such as air traffic management and simulation. We intend to continue bolstering our capabilities in the region in coming years, laying the groundwork to guarantee that we can deliver rapid and sustained growth.

Developing a range of products and services to meet the challenges ahead

Separately, Indra is very well placed in markets for what we have termed "intelligence" and "efficiency," with outstanding solutions and services such as Cybersecurity, Education, Intelligent Cities and Cloud Computing, which are destined to become the drivers of growth in demand for IT services.

This market positioning is complemented by Indra's ongoing commitment to innovation, which translates into the development of capabilities in fields as diverse and technologically advanced as domotics (home automation), 3D projection, augmented reality, remote energy management, etc.



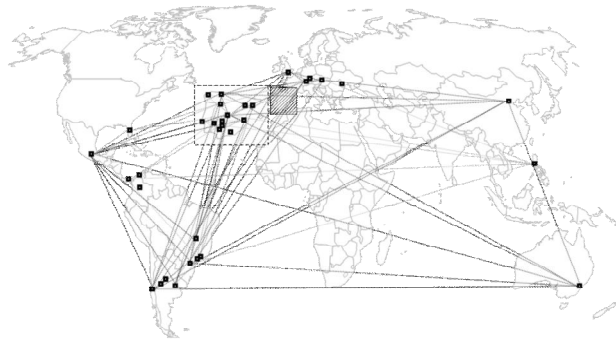
07. NETWORKS OF EXCELLENCE: THE CORNERSTONE OF OUR MANUFACTURING AND INNOVATION

Indra consolidates and concentrates its operations at different workplaces, each of which becomes specialised in a particular technology or area of know-how, enabling them to capitalise on potential economies of scale and enhance production efficiency.

It doesn't stop there. As each workplace specialises in a particular aspect of manufacturing, employees develop a wide-ranging understanding of technology and our customers. Our employees become genuine tech gurus, and each workplace features innovation units which are highly focused on developing a range of products and services aimed at addressing our customers' real, concrete needs. In sum, these workplaces operate as advanced laboratories, using the latest technological breakthroughs to develop bespoke solutions for our customers.

These hubs are known as centres of excellence.

Our Centres of Excellence do not work in isolation. Centres of Excellence function like neural connections, linking areas of specialisation and know-how and creating Networks of Excellence which generate substantial synergies in production efficiency and knowledge generation.



In 2010 Indra continued to expand its Networks of Excellence through the creation of new workplaces in , such as a centre in [Toledo](#) (Spain), specialising in medical imaging; the [Bembibre](#) site in León (Spain), specialising in e-learning, the [Gijón](#) site (Spain), specialising in air traffic management systems, and the [Seville](#) site, specialising in digital health systems.

Our Centres of Excellence have a permanent commitment to constantly improve software development processes, aimed at reducing production and delivery times, lowering costs and increasing quality. This strategy involves a range of initiatives for

industrialising manufacturing, re-using code, automatic code generation, the use of offshore resources, etc.

SOFTWARE LABS: AT THE CUTTING-EDGE OF MANUFACTURING

At the heart of our Networks of Excellence is our subsidiary, Indra Software Labs, which specialises in software manufacturing and runs 20 labs across the network. Indra Software Labs facilities use the most advanced manufacturing models on the market and are a key driver of R&D activity. The following examples illustrate its success in certification terms:

- 11 ISO 9001-certified centres
- 11 CMMi L3-accredited facilities
- 1 CMMi L4-accredited product (IGEA)
- UNE 166002 certification for innovation management

As of late 2010, the [IGEA](#) product successfully passed the CMMi level 5 formal maturity appraisal, and therefore is expected to receive official accreditation in 2011. This indicates that IGEA 100-percent meets all practices stipulated by the CMMi Model for maturity levels 2, 3, 4 and 5, a milestone achieved by only 172 companies worldwide by the end of 2010 and by only one company in Spain.

Moreover, we expect five new centres to be awarded a CMMi 3 rating in 2011.

Indra Software Labs helps to develop models for distributed software development and future productivity

In 2009 and 2010 Indra Software Labs worked with the [Fraunhofer Institute for Applied Information Technology \(FIT\)](#) to conduct research into global delivery models. University of Kaiserslautern

The purpose of this research is to identify issues influencing overhead costs for distributed projects, in order to develop a Effort and Risk Estimation Model for Global Software Development, and to outline best practices, mechanisms for decision-making, comprehensive project management, real-world experiences, etc.

Along the same lines, Indra Software Labs leads an R&D project known as ORIGIN -- Intelligent Globally InNovative Organisations, which is geared towards optimising software development at global companies by enabling companies' software factories across the world to operate as a single virtual facility, from both a development and corporate culture standpoint. The project, conducted within the framework of the Spanish Industrial Technological Development Centre's (CDTI) tech resources, is slated to last three years.

R&D&I MANAGEMENT: OPEN TO KNOWLEDGE

The most innovative companies are built by capitalising on all available talent, both within and outside of the corporation, which requires creating a multidisciplinary, global cooperation network. Indra works with companies, universities and research centres worldwide and has R&D tools which, along with the offering-generating mechanism provided by our Networks of Excellence, enable us to remain highly attuned to our customers' real current needs. At the same time, they allow us to anticipate customers' future needs and ensure that our technology is always cutting edge.

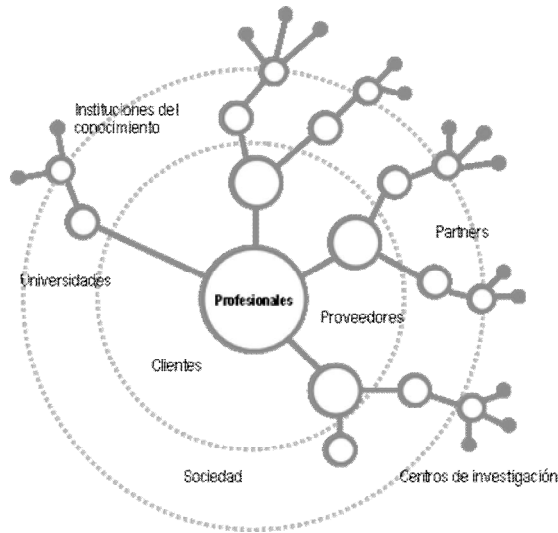
Consequently, Indra diverges from traditional innovation management models by using an open innovation model in which cooperation on knowledge generation is not limited to the company's borders, but instead welcomes feedback from customers, tech allies, universities, research centres and even society at large, with the following defining characteristics:

- Decentralised, in which all individuals within the company participate.
- Open and online.
- Aligned with business strategy.

The following are essential elements of this model:

- Search for funding and generation of outside interests.
- Fluid communication that facilitates institutional relationships of project teams.

- Permanent observatory to channel information from the surrounding environment as an "early warning" of opportunities arising in new technologies and adjacent markets.
- Constant improvement in the methods used to manage innovation projects.



Indra in the leading technological platforms

Technological Platforms are scientific-technological cooperation networks comprising a diverse array of organisations, primarily companies (from corporations to small businesses) and research bodies (tech centres, universities, government research entities), focused on a specific industry. They are industry led and have three main goals:

- Draw up a Strategic Research Agenda
- Mobilise the required critical mass to tackle projects
- Raise awareness of the platform's purpose

Indra participates in a number of Spanish and European platforms, in which it has a decision-making role and interacts with the array of players involved in RDI programmes.

Key platforms	Description and Indra's role
ARTEMIS	Indra is a member of the Steering Board at ARTEMIS-IA (European Industry Association for Advanced Research and Technology for Embedded Intelligence and Systems), and is charged with drawing up the strategic agenda. It also participates in a range of initiatives and projects (SOFIA, SMARCOS, Internet of Energy)
es.Internet	Indra is the Vice President of Spanish platform es.Internet, charged with outlining the Future Internet (FI) and is responsible for establishing a strategic agenda.
PROMETEO	Indra is a member of the Management Board of Spain's PROMETEO Embedded Systems platform, a scientific-technological cooperation network comprising companies, universities and tech centres, among other partners.

In this manner, Indra offers customers a unique strategic vision of innovative services, while at the same time paving the way for the forging of strategic alliances with leading European manufacturers of mobile and sensor technologies, and with major research centres, universities and small- and medium-sized businesses.

The following R&D&I projects were obtained in 2010:

- Prometeo: Forest preservation.
 - Social Media: Methods and technologies for social media.
 - IMPONET: Intelligent Monitoring of POver NETworks. Remote energy management platform.
 - Microsenab: Application of amorphous ferromagnetic microwires for load sensorisation and absorption of radar emissions in wind turbine blades.
 - OPEES: Open Platform for Engineering of Embedded Systems. Engineering tools for embedded systems based on intensive use of software.
 - Internet of Energy (IoE): Infrastructure for comprehensive support of electric vehicles.
 - PI-3D: Innovation in Radar Programme. Digital Solid State
 - RACOTA: Radiogoniometer for air and maritime traffic control. Sensors for detection and direction finding for air and maritime communications.
 - SEM_MFP: Application of Services for Embedded Sensors.
 - SIMUCOBA: Multiband system for broadband cable communications.
 - SINGCAPSA: Next-generation Integrated Systems for the Automotive Supply Chain and Sustainable Manufacturing.
 - VESTA: Technologies for User-centred Home Automation
 - CloudMU: Creation of a cloud for deployment and use in corporate environments.
 - ORIGIN: Innovative Global Intelligent Organisations.
 - TRADIONP: Expert System for Personalised Oncology Diagnostics and Treatment.
 - Helicopter Environments: Flight Simulator.Mission
 - New Developments in Civil Aviation Simulation.
 - Virtualisation and standardisation of real elements in civil aviation simulators.
 - Estrateco: Strategic natural asset management.
 - Senior Channel: Interactive channel for the elderly.
 - PERSEUS: Protection of European bordeRs and Seas through the intelligEnt Use of Surveillance.
 - FOTSIS: European Field Operational Test on Safe, Intelligent and Sustainable Road Operation.
 - SMARCOS (Smart Composite Human-Computer Interfaces).
- Additionally, the company continued to make progress on numerous projects secured in previous years:**
- ATLANTIDA: Application of leading technologies to unmanned aircraft for R&D in ATM.
 - BUSCAMEDIA: Aims to adapt multi-network/multi-terminal digital media for users who speak different languages.
 - ENERGOS: Technologies for Automated and Intelligent Management of the Energy Grids of the Future.
 - FASYS: Absolutely Safe and Healthy Factory.
 - Virtual : Architecture, protocols and standards for 3D virtualisation applied to processing and storage of geographic data. Spain
 - ÍCARO: Innovation in advanced composites and optimised rear-end. New composite materials for the development of the aeroplanes of the future.
 - OASIS: Operation of safe, intelligent and sustainable motorways.
 - SEDUCE: Systems for the detection of explosives in public spaces and infrastructures.
 - SINTONÍA: Unmanned systems Geared Towards Zero Environmental Impact.
 - evMIC: Multimodal Immersive and Collaborative Virtual Environments.
 - Advanced Standard Toll Phase 2 ().Spain
 - 2.0 Treatment: Generic middleware platform for increasing medical diagnostic and treatment efficacy.
 - Web N+1: New Components for the Development of a New Web for the Intranet of the Future

- TACTIC: Tactile Interface for the hearing and vision impaired.
- ATLANTE: Spanish tactical long-range unmanned aircraft.
- CATECA: Technology to prevent collisions between aircraft (Sense and Avoid – UAVs).
- HORUS: Development of a family of onboard radar systems.
- SAME: Addition of new technologies to the Standard Automatic Maintenance System.
- SVAAP: Aircraft surveillance system at airports.
- NEWIND: Advanced technologies for the Generation of Wind Energy.
- EULER: European Software Defined Radio for Wireless in Joint Security Applications.
- INTEGRIS: INTelligent Electrical Grid Sensor communications.
- OPTIX: Standoff detection of explosives (LIBS+Raman+IR).
- SAFETRIP: Satellite application for emergency handling, traffic alerts, road safety and incident prevention.
- SCIIMS: Strategic crime and immigration information management system.
- SOFIA: Smart objects for intelligent applications.

Indra Software Labs's R+D+I management system (SGDi) in 2010 awarded UNE 166002:2006 certification.

Indra Software Labs has been engaged in R+D+I activities for more than 10 years, with staff certified as Innovation Managers by 's Quality Association (AEC). The new certification represents the systematisation of innovation activities through the implementation of a methodology.

Indra Software Labs' SGIDi certification encompasses the following technologies:

- Research, development and innovation in computer technology in real-time systems applied to communication middleware in the fields of physical security, energy and crisis management.
- Development and innovation in computer sciences (artificial intelligence, environmental control systems, databases, information systems and human/machine interaction) for ambient intelligence, semantic web, geographic information systems, Cloud Computing, mobile devices and software development methodologies.
- As part of the SGIDi, the company has undertaken activities in technological surveillance, technological chats, creativity, and has launched an ideas contest, known as +IDEAS. +IDEAS' objective is to encourage the generation of innovative ideas at Indra Software Labs and to engage all personnel in the corporation's R&D activities. During the first edition of this

competition, 42 ideas were submitted from a number of software labs.

LEADERS IN INNOVATION

The aforementioned projects enabled us to continue to boost R&D investment, with said spending accounting for 7.2% of revenues in 2010 (vs. 7.0% in 2009).

It may be more helpful to compare R&D investment (€184M) with the company's net attributable profit (€189M), which illustrates that Indra's investment in R&D nearly matches its net profit.

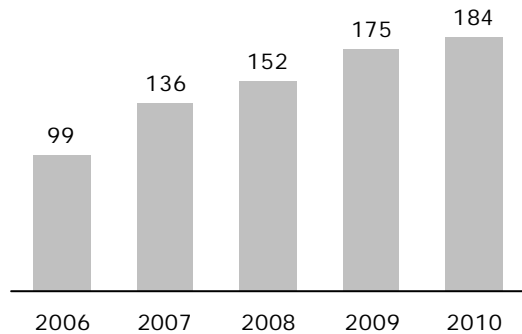


Chart: 2006-2010³ investment in R+D+I

³ Indra Sistemas, Indra Espacio, Indra Software labs, Inmize, Indra Sistemas de Comunicaciones Seguras, IP Sistemas, Indra BMB, I3TV and Indra Sistemas de Seguridad.

Economic sustainability

CloudMU: Creation of an expandable cloud for companies

Cloud computing is one of the main IT strategies with the greatest potential for businesses. The company is at the cutting edge of these services thanks to its constant research into product alternatives. In this line of strategy CloudMu has been born, whose goal is to create an expandable cloud that can be used by businesses, that is compatible with existing clouds and that meets the needs of partners regarding the generation of sector-wide products:

- As regards infrastructure, the cloud will combine both virtualization and grid computing, including the concept of abstraction, in an Infrastructure as a Service (IaaS) layer.
- It will support application development platforms, facilitating at the same time the migration of existing applications.
- It will provide service quality warranties that guarantee the fulfilment of the Service Level Agreements (SLAs), fault tolerance and security mechanisms that meet business standards, at all service levels.
- It will follow an energy efficiency programme (green computing) with the use, as far as possible, of materials that minimize environmental impact and favour the sustainability of the environment.

CloudMu offers some significant competitive advantages compared to existing clouds: the immediate provision of virtual environments to

develop business applications; the possibility of using virtualization and grid computing in combination to execute intensive computation processes or algorithms; the combination of private and public clouds; the development of specific Application Programming Interfaces (APIs) according to business sector, instead of general APIs; and the implementation of security and service quality levels according to business requirements.

Social sustainability**TradionP: Expert personalised cancer diagnosis and treatment system**

Indra leads a consortium whose aim is to develop an expert system that – using IT, artificial intelligence techniques and computational biology – can facilitate the modelling of oncology-related illnesses and the selection of specific therapies for each patient. Its main contribution will be its ability to aggregate different types of information about individual patients and recognize common patterns to offer a precise and efficient prediction about the response and development of the tumour. In this manner, the expert system will also provide information about the biological characteristics of aggressiveness and possible resistance to certain medication and therapies. This will improve the quality of life of patients by avoiding the use of aggressive treatments that will not be effective for a certain patient and choosing the most suitable treatment.

The final goal being pursued is to create a new standard for the overall management of cancer patients to guide multimodal therapy (surgery, radiotherapy and chemotherapy) in a personalized and efficient manner. The project's intention is to improve through the use of new technologies the development of new, more precise, objective, predictive diagnostic methods that are aimed at determining which therapies are the most effective for each patient and, consequently, also the development of new modes of treatment.

Once the TradionP prototype has been finalised at the facilities of Indra's Centre of Excellence in Advanced Digital Health in Seville, Indra will study the possibility of integrating healthcare applications and artificial intelligence through a private Cloud Computing platform for the healthcare sector. In addition, it will analyze the exportation of the system from Andalusia to other autonomous communities and countries as well as its application to other disorders.

Environmental sustainability**Internet Of Energy for Electric Mobility (IoE): Infrastructure for the full support of electric vehicles**

The aim of Internet of Energy (IoE) is to develop technology that allows secure connectivity and interoperability through the connection of Internet to energy networks, giving rise to an infrastructure that allows mobility to be applied on electricity networks. IoE will implement the interface in real time between what is known as Smart Energy Grids and Internet. This will allow nodes of a distributed electricity network to be defined that are easy to manage and integrate with other networks that, together with generators and storage systems based on plug-and-play principles, will provide greater versatility and control over the architecture of electricity networks. This will achieve more efficient management and integration of the network with electrical vehicles, buildings, and electrical and household appliances, that can be charged by or connected to any source of energy (including sources of renewable energy).

The project allows value added services to be created using devices that can be connected by cables or wireless connections and allowing access to Internet, which will offer key management services: response to demand.

08. OUR APPROACH TO SUSTAINABILITY: SUSTAINABILITY COMBINED WITH THE CAPACITY TO INNOVATE

Indra's innovation capacity is the cornerstone of our corporate responsibility and our sustainability. Our approach to sustainability is based on the company's Corporate Responsibility vision, which after a process of consultation and participation of the company's professionals was defined in 2004 as follows:

"To be an innovative, knowledge-based company in all relations with our internal and external stakeholders (shareholders, employees, customers, etc.) and with the institutions that cultivate and develop those values, and the communities where we operate."

INTEGRATED AND DECENTRALISED MANAGEMENT

For us, corporate responsibility, as a means to guarantee our sustainability, must be integrated throughout the entire organisation and in line with our activity and objectives. Consequently, at Indra we have established a decentralised and integrated corporate responsibility management system in the various management areas for the entire organisation.

Isabel Aguilera is the Director of the Board of Directors to whom the company's CR management is reported and who, in turn, reports to the Board in this connection. The Corporate Responsibility function is headed by Emma Fernández, Innovation, Talent and Strategy General Director.

Based on the Global Reporting Initiative's Sustainability Reporting Guidelines (version G3), at Indra we explicitly state our management approach in terms of our financial results, environmental policies, labour practices and decent work, human rights and impact on communities and on society as a whole.

MANAGEMENT APPROACHES

Financial performance

Environmental Management

Labour Practices and Work Ethic

Human Rights

Community and Society

<p>Economic sustainability and profitability. Creation of wealth for society. Financial management and transparency. Creation of local, knowledge-intensive employment. Knowledge providers and institutions as partners in value creation.</p>	<p>Commitment to innovation for environmental sustainability. Minimising impact of processes and systems. Eventual certification for all workplaces. Reducing use of energy and raw materials.</p>	<p>Individuals as the drivers of innovation. Attracting, developing and retaining talent. Diversity as a springboard to innovation. Code of Ethics and Professional Conduct.</p>	<p>Signatory to the Global Compact since 2004. Commitment to the Universal Declaration of Human Rights, the ILO Declaration and OECD Guidelines. Free market principles. Respect for each country's legal system.</p>	<p>Innovation in technological solutions and services to achieve improved living conditions. Knowledge institutions as a strategic audience.</p>
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Table: Overview of management approaches. For more information: <http://www.indracompany.com/en/sostenibilidad-e-innovacion/responsability-integrated-in-our-strategy>

Since 2007, we periodically redefine these areas following a process of consultation and participation with all in-house staff responsible for relations with each stakeholder group. This process prompted us to update our Corporate Responsibility Master Plan.

SUSTAINABLE COMPANY AWARD

Indra was honoured in the Management for Sustainable Development category at the European Business Awards for the Environment. These prizes, which are awarded every two years by the Spanish affiliate, the *Fundación Entorno-BCSD España*, with the support of the Environment and Rural and Marine Affairs Ministry and the *Fundación Biodiversidad*, acknowledge companies that have a strong commitment to sustainable development.

Indra's focus on sustainability, its approach to corporate responsibility as a means of ensuring said sustainability and the development of technological solutions and services that help to enhance corporate environmental management and improve society, were among the attributes cited by the panel awarding this honour to Indra.

Moreover, organisers noted that the company has an up-to-date Code of Ethics, an Equality Plan, a Diversity Policy, work-life balance measures, a Career Management System and is certified as a Family-Responsible Company.

In terms of social programmes, Indra made significant efforts to minimize the digital divide in society.

IMPLEMENTATION OF NEW CODE OF ETHICS AND PROFESSIONAL CONDUCT

Indra in 2010 implemented a new [Code of Ethics and Professional Conduct](#), approved at the end of 2009 by the companies making up Indra.

By the end of the year, the Code had been enacted at companies representing more than 70% of Indra in terms of employees. Indra plans to continue making progress in this area by extending the Code to other subsidiary companies over the course of 2011.

In parallel with the introduction of this Code, the company undertook several training initiatives, including a module on the Code of Ethics and Professional Conduct provided as part of a welcome orientation for new staff. It is also set to launch an online training module in 2011, titled, "*Indra. Who we are, values, brand and workplace culture*," which includes a chapter devoted to the Code. Furthermore, we plan to design and introduce new, complementary training activities in 2011 to ensure that all of our employees are familiar with and apply the Code of Ethics and Professional Conduct while doing their jobs.

In terms of the Code's progress during the first year of implementation, it is worth noting that the company received 17 questions/incident reports via the Direct Channel, the majority of which were questions about how the Code works, requests for additional information or comments and suggestions for the Code. Only five of these messages required a solution:

- Three incidents involving the principle of respect: these were delivered to HR for definitive resolution.
- One incident report alleging corruption and bribery: following an investigation by the company, no evidence was found to confirm the allegations.
- One incident involving a conflict of interest: by the end of 2010, the company had nearly completed its investigation, which was awaiting a decision by the Committee.

The Direct Channel was established alongside the Code of Ethics and Professional Conduct for the purpose of complementing the company's pre-existing communication channels for sending incident reports, which include reporting to the employee's supervisor and the use of a range of channels for communicating with HR.

Additionally, Indra carried out an exhaustive analysis of the company's risks and monitoring needs, which led the Audit and Compliance Committee to create a new legal compliance unit in 2011. This unit is led by a Chief Compliance Officer who will report periodically to the Committee itself, and whose mission will be to

establish a set of measures and procedures to prevent, monitor and detect criminal conduct and other legal risks within all the enterprises of the company.

AMONG THE MOST ETHICAL COMPANIES IN THE WORLD

In March 2011, Indra was selected by the Ethisphere Institute to be part of the fifth edition of its ranking of the World's Most Ethical Companies. The list is made up of just 110 companies and Indra is the only Spanish company among them.

The methodology of the ranking consists of studying companies' codes of ethics and their legal and regulatory track record, their investment in innovation and sustainable business practices, company initiatives to improve business ethics, the study of top management appointments, and their relations with other companies in the sector, suppliers and customers. The list of companies is published in Ethisphere Magazine's Q1 edition.

The Ethisphere Institute is an organisation that acts as a think tank focusing on the creation, promotion and implementation of the best practices in business ethics, corporate social responsibility, anticorruption and sustainability.

In addition, Indra was ranked 27th out of the 1,000 most sustainable companies in the world according to the 'Global 1000 Sustainable Performance Leader' compiled annually by the US firm CRD Analytics. The

ranking is calculated after analysing over 5,000 publicly traded companies with a minimum market cap of \$1bn that issue social responsibility and sustainability reports. To produce the ranking, CRD Analytics used their own methodology, which uses 200 individual performance metrics composed of traditional financial data and environmental and social data, as well as the methodology of the Global Reporting Initiative, the leading standard for compiling CR reports.

OUR EFFORTS TO ENGAGE STAKEHOLDERS

In late 2010, we finalised the design and development of new surveys on the perception of Indra and its sustainability efforts. This information was geared towards stakeholders with whom the company had not yet established structured channels for dialogue. These new stakeholder groups include the media, investment analysts, market analysts, bloggers and the online audience, non-profit organisations, local communities and university teaching staff.

These new surveys are intended to complement the company's pre-existing questionnaires for customers, suppliers, tech partners and knowledge institutions.

The survey, conducted in January and March of 2011, gave the company an overall valuation of 6.7 points out of 10.

For the next survey, Indra intends both to widen the sample of stakeholders consulted and to include new

groups, such as non-profit entities or members of relevant associations and foundations from communities where we have significant operations.

IMPROVED RESPONSIVENESS TO STAKEHOLDERS

Indra in 2010 conducted a review of its financial, social and environmental performance for the purpose of achieving better responsiveness (in accordance with AA1000 standards) to its stakeholders' concerns. To this end, it carried out an analysis of indicators generated by a range of sustainability gauges and assessments to which the company submits itself for examination (Merco, Aspi-Vigeo, OEKOM, SAM-Dow Jones Sustainability Indexes, Eiris-Ftse4Good, Carbon Disclosure Project, etc.), and selected the indicators which it views as the most relevant to the company's management.

These indicators were added to the sustainability scorecard developed by the company in 2009 and published on the current Annual Report's website as an exercise in informational transparency for stakeholders.

While the sustainability scorecard has been published, it has not been completed, as development is ongoing and we plan to add tools to allow automatic data capture and continuous improvement in the reporting system.

IMPROVING THE QUALITY OF OUR SUSTAINABILITY REPORTING

When the company emailed its 2009 Annual Report to its main stakeholder contacts, it included a brief questionnaire meant to assess user perceptions of the quality of the report. Readers assigned an overall score of 4.4 points out of 5, giving a particularly high score to the report's clarity (4.6 points).

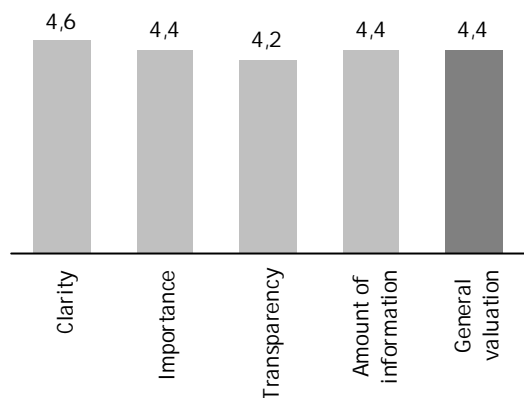


Chart: results of opinion survey of Indra's 2009 Annual Report. 0-5 scale.

The 2010 Annual Report includes several improved features designed to improve the element which scored the lowest in the questionnaire: transparency (4.2 points). These additions include the aforementioned sustainability scorecard and overview tables meant to make the report's information more accessible.

The 2010 Annual Report's home page includes a direct link to the perception questionnaire, enabling all readers to offer their opinions of the quality of the report. The questionnaire's findings will be periodically updated on the 2010 Report's website, with definitive data to be published in the Indra 2011 Annual Report.

RECOGNITION FOR OUR ANNUAL REPORT

Indra's 2009 Annual Report was chosen in 2011 as one of five annual report finalists for the [Globe Award](#) in the sustainability report category. These prizes are awarded by a prestigious jury of experts in reporting, sustainability and management from all over the world, who assess criteria such as content materiality and relevance, descriptions of sustainability's effects on the business, descriptions of financial and non-financial performance information, target setting, data on value chain impacts, how well the report fits with the company's main annual report, risk and opportunity management to integrate social and environmental issues into the business, third-party verification of the report, and the existence of comparable information. Globe Award, a non-profit organisation, is a Globe Forum initiative aimed at encouraging sustainable development throughout society.

Separately, the [Corporate Register Reporting Awards 2011](#) ranked Indra's 2009 Annual Report ninth in the world in the Best Corporate Social Responsibility Integrated Report category. Corporate Register specialises in collating and publishing CR reports and resources online. The reports and resources are

available to over 31,000 registered stakeholders which include CSR experts and consultants, professionals, students, academics, investors, analysts, journalists, NGOs and public administrations.

In Spain, the [Corporate Social Responsibility Observatory](#), an association made up of organisations representing civil society, including NGOs, trade unions and consumer groups, ranked Indra's 2009 CSR report ninth among IBEX-35 companies. Indra's report received a score of 1.66 points out of 4, vs. the 1.61 points it received in the Observatory's previous report. The Observatory praised Indra's efforts in 2008 to integrate its financial, social and environmental performance in a single report. Among its criticisms, the group noted that the 2009 CSR Report relegated some information to the website. Furthermore, the Observatory noted that the CSR Report placed a positive emphasis on impacts while leaving out important aspects of the company's performance on financial, social and human rights issues. The current 2010 Annual Report includes content intended to address some of these concerns, such as an overview of management approaches or a description of Indra's presence in tax havens, amongst others.

Meanwhile, the [Corporate Social Responsibility Observatory](#), a unit of the Trade Union Secretariat of the Confederative Executive Committee of the General Union of Workers (UGT), ranked Indra's 2009 Annual Report third among IBEX-35 company reports, with a score of 61 out of 100.

Indra obtained the highest score out of all the companies included in the analysis of the indicators of "overall investment effort in R&D and the promotion of the sustainable use of natural resources", "labour conditions; balance between personal life and professional demands; health and safety at work and job security" and "products and services that address social needs and efforts for change that favour responsible production and consumption". However, Indra received its worst scores for the indicators "equal opportunities and elimination of any form of discrimination", "contribution of the company to job creation and quality efforts" and "salaries and benefits, economic participation and equality". With the objective of improving in these aspects, in this Annual Report, Indra has reinforced its commitment to transparency in these areas and has included quantitative indicators such as the percentage of people with disabilities in the workforce, the percentage of permanent contracts or breakdowns of the information about the proportion of men and women by labour category (up until now, the report had only given the total figure for the whole of the company).

SUMMARY OF EXTERNAL VALUATIONS OF CORPORATE RESPONSIBILITY AT INDRA

	Indexes	Comments
DOW JONES SUSTAINABILITY INDEXES Miembro 2010/2011	Dow Jones Sustainability World Index Dow Jones Sustainability Index STOXX	Members since 2006 Leaders in the sub-sector "Computer services and Internet" in 2007, 2008 and 2010
ASPI	Aspi Vigeo	Members since 2008
OEKOM	Global Challenges Index OEKOM	Members since 2010 B Prime rating

SUMMARY OF REPUTATION MONITORS

	Monitor	Comments
MERCO	MERCO: Monitor Empresarial de Reputación Corporativa (Corporate reputation monitor)	24 position in 2010 in the companies' ranking, MercoEMPRESAS 28 position in 2010 in the leaders' ranking, MercoLÍDERES 47 position in 2010 in the people ranking, MercoPERSONAS

SUMMARY OF PRIZES AND AWARDS

	Prizes and awards	Comments
WORLD'S MOST ETHICAL COMPANIES RANKING	Among the world's 110 most ethical companies	Awarded by the Ethisphere Institute
SAM	Bronze class Sector leader Sector mover	Awarded by the SAM Sustainability Yearbook
EUROPEAN BUSINESS AWARDS FOR THE ENVIRONMENT	Management for Sustainable Development of the European Business Awards for the Environment	Awarded by the Fundación Entorno-BCSD España

Commitments undertaken in the 2009 Annual Report	Progress in 2010	2010-2011 Assessment	Goals for 2011
<ul style="list-style-type: none"> • Ensure the company conducts its business in an ethical manner 	<ul style="list-style-type: none"> • Implementation of the Code of Ethics and Professional Conduct. 		<ul style="list-style-type: none"> • Continue to ensure the company conducts its business in an ethical manner <ul style="list-style-type: none"> ○ Creation of the Legal Compliance Unit, led by the Chief Compliance Officer
	<ul style="list-style-type: none"> • Consultation of new stakeholder groups about their perception of Indra. 		<ul style="list-style-type: none"> • Continue to improve communication channels with stakeholders <ul style="list-style-type: none"> ○ Widening of the sample consulted and extension of survey to new stakeholders
			<ul style="list-style-type: none"> • Ensure the transparency of the company <ul style="list-style-type: none"> ○ Constant improvement of the scorecard ○ Constant review of the indicators offered in the Annual Report

09. SOLUTIONS AND SERVICES

SOLUTIONS
+THINK + BUILD
Intelligence

SERVICES
+OPERATE
Efficiency

71%

29%

Sales (M€)	1,827.2	729.8
Growth (%)	0%	6%
Offering	<ul style="list-style-type: none"> • Consultancy • Technological solutions 	<ul style="list-style-type: none"> • IT Outsourcing • BPO
Trends	<ul style="list-style-type: none"> • Reduction in investment budgets in developed economies • Trend towards intensive Smart Computing Solutions in order to automate processes and decisions, speed up responses to various business events and reduce operating and opportunity costs. • Development and modernisation of infrastructure in emerging countries • Solutions for Small to Mid-Size Businesses (Software as a Service) 	<ul style="list-style-type: none"> • Growth in outsourcing in order to reduce costs • Service provision models based on Cloud Computing
Strategy	<ul style="list-style-type: none"> • Technological alliances with key partners: SAP, Oracle, IBM, Microsoft, SAS, Microstrategy, Kodak, EMC. • Development of offering to small to mid-size businesses under Cloud Computing models. Alliances with cloud utilities: Telefónica, Google, Amazon, Microsoft Azure. • Development of market products with differentiated vertical solutions: fiscal management, taxation management, educational management... • Development of proprietary solutions on high productivity SOA architectures(iBuilder) • Smart Computing value design incorporating expertise in areas in which we are leaders such as Business Analytics, Geospatial, Digitalisation or eBusiness. • Integration of Technological Solutions into BPO models 	<ul style="list-style-type: none"> • Development of new solutions under Cloud Computing models and creation of Indra's Data Center Flexible "DCF" • Development of global delivery capabilities • Industry specialization of the offering and functional specialisation • Future creation of shared multi-client service centre in BPO
Achievements 2010	<ul style="list-style-type: none"> • 2nd. technological partner of SAP • Associations with cloud utilities • Largest education project on SAP in the world • Award in Oracle's SOA Challenge 	<ul style="list-style-type: none"> • Cloud computing solutions • Acquisition of COM, S.A. in Peru • Creation of IFOS • BPO entry into telephone banking

More information about our solutions and services at: <http://www.indracompany.com/en/soluciones-y-servicios>

COMPETITIVENESS AND EFFICIENCY

Businesses are facing a tougher, more competitive environment in which the efficiency of their processes is key to gaining an advantage over traditional players and new competitors in emerging nations. Differentiation of the solutions, delivery model and even the business model are fundamental to ensuring continuous competitive advantage. At the same time, reduction in costs, focus on the truly differentiating tasks and the consequent improvement in the use of available resources are the most relevant elements in this transformation of processes.

INTELLIGENCE - SOLUTIONS OUR FOCUS

In the medium term, although it can already be noticed in 2011, we believe that the potential of ICTs to endow infrastructures with intelligence and bring about radical changes in the movement of people and goods (including water, energy or information) and to reduce transaction costs, will provide significant opportunities involving sensorisation of infrastructures, the roll-out of communications and distributed data processing capacity, as well as information and intelligence systems which enable control in real time of infrastructures and the automatic reconfiguration of networks safely and efficiently to respond to variations in the environment.

More and more, businesses realise that investment in technology and innovation is necessary for the continuity of the business, in that it leads to improved productivity and greater differentiation.

Diversifying geographical markets in order to minimise risks and take advantage of new opportunities

The world's economic situation is asymmetrical. The economy is growing at a faster rate than in previous years, but growth is concentrated in the emerging countries of Latin America and Asia-Pacific.

Therefore it is fundamentally important to possess a geographical market structure which is sufficiently diverse to take advantage of the opportunities arising from heavy investment in development and modernisation of infrastructure in the countries with greatest growth.

Indra employs a mixed globalisation strategy, which combines establishing a local presence with an export model. In the first case, during 2010, we have continued to grow our presence in Latin America, which has resulted in the award of significant contracts, such as the implementation of SAP GRC for Telefónica in the whole of Latin America, the extension of the corporate model based on SAP for the Gas Natural Group for the new companies in Colombia, or the implementation of the corporate model based on SAP for Grupo Santillana in its subsidiaries in Argentina and Chile.

As part of our export model, we believe it is key to establish solid technological alliances with top-level technological suppliers, which enables us to

strengthen the marketing strategy. It is this which has led, during 2010, to our being recognised by SAP as second biggest technological partner thanks to, amongst other things, the joint development of major projects during the last few years in Algeria, Bangladesh, Cambodia, Indonesia, Zambia and other countries which, in short, offer great opportunities for IT projects on a grand scale.

To carry out these major projects under an export model requires a very high level of excellence in their delivery, and this is what Indra has been able to demonstrate in recent years, and what has made us a reliable supplier of technology for projects undertaken by the principal international finance institutions such as the World Bank or the International Development Bank.

This strategic alliance has also led to us acquiring an educational project for the Autonomous Community of Madrid which is considered to be the most important project in the world to be implemented on SAP technology. The project covers 3,300 centres and two million users. The scale of this project, in terms of the number of centres and learners, makes it a model of best practice for replication in any other country.

Entry into the small to mid-size business segment thanks to Cloud Computing

Cloud Computing is becoming one of the most important IT delivery models for the future, thanks to the significant advantages it offers in terms of access on demand and in semi-real time to resources which can be shared, scaled, delocalised and assembled virtually, under a flexible price model (pay per use).

Indra now has a significant portfolio of solutions offered in Cloud Computing mode in sectors such as transport, public administration or financial services.

Our Cloud Computing strategy for solutions has two objectives:

- To offer proprietary solutions, as far as is practical, in a Cloud Computing model to offer our customers the most effective delivery models. Indra now possesses technological solutions which are offered under Cloud Computing models, such as [ARACS](#), [AGREGA](#), [EDITRAN](#), or [iOne](#); as well as solutions adapted to this model in all the markets in which we operate.
- To develop solutions which use all the potential offered to us by Cloud Computing. In this respect, technological solutions for small to mid-size businesses are especially relevant because, as they are offered under a Cloud Computing model, there is a benefit from

economies of scale which was not present with traditional delivery models. To this end we are exploring agreements for marketing models with technological partners, in the cloud utilities sphere, which will enable us to define and incorporate solutions specifically for small to mid-size businesses.

We are committed to the convergence of technology and BPO

From the solutions viewpoint, we interpret the outsourcing of business processes as the complete automation of a stage in the customer's operating process, which translates into a set of solutions which includes, for example, systems for digitalisation, intelligent capture of information, intelligent document routing, or intelligent management of processes. This range of solutions complements what we offer from the BPO area of services, and is intended to improve efficiency in the supply of these services by the incorporation of technology into the processes, instead of using cheaper resources.

A key contract we were awarded in 2010 in Banco Santander involves the implementation of a pilot digitalisation project incorporating an improved data capture and recognition system to handle all source information in processes such as opening a current account. This enables the whole process to be completed automatically with practically no human intervention and, accordingly, creates a

saving in time which can be reinvested in more strategic activities such as business generation and improved responsiveness to the customer.

Development of social networking solutions

2010 is being defined as the year of the emergence of Social Networks and especially, the application of the 2.0 phenomenon in the context of institutions. Major customers such as BBVA or Red Eléctrica de España (REE) have set up social networking pilot schemes with Indra, inside their own organisations, in order to foster collaboration and the sharing of knowledge. The GENERA project, which consists of a real pilot to set up a social network in BBVA's management team on a global scale, is a prime example. This network will become a flexible tool for communication and sharing of initiatives and concerns within a large, dynamic organisation.

SOLUTIONS FOR SUSTAINABILITY

Indra has a range of technology-based [solutions](#) aimed at improving the sustainability of organisations in terms of efficiency and adherence to regulations.

In 2010, this portfolio of solutions was enhanced by: the development of an integrated package for smart buildings; the development of technological solutions related to the utilisation of information generated in the drawing up of sustainability plans and reports; and the preliminary development phase of a tool for the management of relations with stakeholders, relating to compliance with the AA1000 standard.

Furthermore significant contracts have been won with top-level customers which prove the quality of our offering. So, for example, we have continued to provide [LEED consultancy services to BBVA](#) and the final evaluation phase has been reached for the USGBC in its headquarters in Paraguay and Madrid-La Moraleja; we began to implement and audit systems for quality control, the environment and workplace health and safety, and to roll out the EFQM excellence model in companies in the Fundosa Group (ONCE); and a global system called PRM (Professional Relationship Management) has been designed and will be piloted in our own company.

For the future, we predict enormous growth potential in sustainable growth models, for two main reasons: the increasingly widespread conviction that responsible management of businesses produces tangible benefits; and widespread compliance, both in the public sector and in other international institutions with certain standards such as diversity, energy-saving, measuring the carbon footprint, corporate social responsibility, stakeholder satisfaction, etc.

Oracle's SOA challenge award

Oracle Ibérica has awarded Indra a prize in the SOA Challenge 2010, in Edition IV of Awards to the Community of Partners called "Tú y Oracle" [You and Oracle].

THE FUTURE

The development and modernisation of infrastructure in emerging countries continues to be our main opportunity for growth, particularly in Latin America and the Asia-Pacific region.

Our predictions for 2011 for our range of solutions include important opportunities in payment portals and bridges offered under Cloud Computing models, especially in the context of small to mid-size businesses, local corporations and trade associations.

The application of technology to BPO processes, especially in the financial services, public administration and health sectors, should also offer important opportunities in the coming years.

Efficiency - Services

OUR FOCUS

In the current climate of reduced economic growth and low consumption in practically every sector, businesses are looking to the outsourcing of services as a means of reducing costs. Faced with this situation, our focus in Indra is not only on reducing our customers' costs, but also giving greater added value to our services, through new models for the supply of services (Cloud Computing), the industry specialization of our range of solutions (using our in-depth knowledge of sectors), improvement in our delivery models, offering complementary services and enhancing our range with social and environmental values.

Innovation in our range of services

During 2010, Indra's position as a leading provider of services in the Cloud Computing model has become particularly evident. Indra now has more than 6 years of experience as a provider of services with "virtual" delivery models, such as SaaS, and with flexible pricing models. This, together with our expertise in the field of [security](#) (including ISO 27001 certification) and better practices in terms of methodologies and certifications (ISO 20001, ITIL, CMMi-4 applications management), demonstrate proven experience in our Cloud Computing range, plus a high level of maturity and great added value.

It is predicted that the Cloud Computing market will undergo significant growth in the next few years until it becomes the predominant form of technological delivery due, above all, to the fact that it can satisfy, in a joined-up manner, our customers' requirements for optimisation of costs and flexibility. In fact the distinguishing element is that the provision of infrastructures is aligned with the real demand for business processes, and significant savings on costs can be made thanks to an income collection method called "pay-per-use".

During 2010, Indra has developed its own service delivery methodology, which we are calling "Data Center Flexible", and which offers a different approach to Cloud Computing models for the supply of outsourcing services. Data Center Flexible derives from the premise that management of IT cannot depend upon a service model based solely and exclusively on a public "cloud", but requires a combination of models based on the traditional dedicated approach, a private cloud and a public cloud, depending upon how critical the services are, the need for control or personalisation, legal requirements or the possibility of standardisation, amongst other aspects.

Our Cloud Computing is based on expertise in virtualisation of workstations (VDI) and "infrastructure management as a service" (IMaaS) and "software as a service" (SaaS) models. We are also forming strategic alliances with the main manufacturers in the sector such as BMC or Cisco,

which can strengthen our offering based on proprietary solutions.

Industry specialization of the offering

Back office processes are the most strategic and those on which companies place most importance. However, the supply of services for outsourcing these processes requires a high degree of knowledge of the sector and an understanding of the specific problem areas in the business.

At Indra we are fully committed to the industry specialization of our back office BPO, especially in the financial services, telecommunications and utilities sectors, in order to be capable of responding to our customers' needs. These sectors are the biggest in volume of sales, and also those which are growing the most.

Indra already has significant contracts in these markets (La Caixa, Bankinter, CAN, ONO, Orange, Euskaltel, Gas Natural...) and a varied offering in the processes of greatest value (supply and technical support for telecommunications companies; customer service, invoicing and supply in utilities).

Of particular note is the contract awarded by [Caja Navarra](#), in Spain, for the outsourcing of its back-office processes and more significantly, the management of its telephone banking, since this was a new service of Indra.

Development of expertise of global delivery of service provision

Indra has acquired the Peruvian company [COM S.A.](#), an IT company heavily specialised in IT outsourcing services and, above all, BPO. This acquisition is important, not only because it enables Indra to increase its presence in the Peruvian market by operating in a new field with an enormous potential for growth (outsourcing and BPO), but also because it is of great value in terms of developing our capacities for delivery on a global scale, since Indra will export its BPO services from Peru to the rest of the world.

Additionally, Indra has signed a contract with Banco Sabadell for the outsourcing of its back office processes which has led to the creation of the joint enterprise IFOS, which will be responsible for supplying services from Argentina and will subsequently supply other customers.

This development of capacity for delivery on a global scale is a key factor in the outsourcing and BPO markets since our customers are embarking on the globalisation of service provision models as a means of increasing efficiency. Consequently, customers are increasingly seeking suppliers of technology which are able to offer global management of outsourcing services. The capacity for global delivery has become a prerequisite for competitors in our sector.

Our capacity for global delivery has enabled us, during 2010, to accompany our Spanish customers on the road to globalisation of the management of services. Customers supported include [Grupo Prisa in Spain, Portugal and Latin America](#), BBVA in Spain, Colombia and Mexico; Mapfre in Spain, Colombia, Brazil and the U.S.A.; Telefónica in Europe and Latin America ; or Gas Natural-Fenosa.

Furthermore, the capacity for global delivery provides us with a greater capacity to deal with competition in the market and be more efficient in our production model.

Efficient efficiency: how we improve efficiency in the supply of services

Within our model for the supply of outsourcing services we have continued working on an ongoing improvement to our efficiency. We strive for maximum efficiency in terms of cost and quality in order to continue being highly competitive in the market.

In this context, one of our main approaches has been to concentrate production capacity by the creation of reference centres. For example, we have concentrated our capacity in ERP (SAP) at our centre in Argentina; our capacity in open technologies (J2EE and .Net) at our centre in Colombia; and our capacity for user support at our centre in Lérida, Spain. These production centres are specialised and support the company's

operations throughout the world. This policy is enabling us to create synergies, economies of scale and, in short, to be more efficient and improve our quality yet more, if possible.

The concentration of production capacity is part of Indra's strategy for development of its global delivery network, consisting of more than 75 centres of excellence, 7 data centres and 3 user support centres. A project which clearly demonstrates our capacity for global delivery involves our customer Enel in Italy, which has been supplied with services from our production centres in Slovakia and Moldavia.

Furthermore we are enhancing this process with the implementation of tools for the improvement of the production model. For example, we have designed and implemented a suite of applications for service measurement, and to increase the capacity for the automation of the production processes.

Reducing the impact of our documentation services

In 2010 Indra was awarded FSC Chain of Custody accreditation at three of its centres. This certification covers paper management and assesses the forestry supply chain, starting with the trees and finishing with the end product, through all stages of processing, transformation,

manufacturing and distribution, to verify that the wood comes from well-managed sources.

THE FUTURE

We predict major opportunities for growth in the main markets in which we have presence.

In Spain, for example, the trend towards reduced costs and improved efficiency, as well as the reduced number of suppliers (especially in the telecommunications and financial services sectors), continues to offer opportunities for growth for those companies who, with their added-value service offering, possess increasingly advanced and efficient production and delivery centres which enable them to cope with the already strong pressure on prices.

In this context, Indra intends to continue the trend towards verticalisation of its BPO offering through the creation of multiclient shared service centres specialising in banking, telecommunications and energy, on technological platforms with a high potential for growth which can be used on an international scale.

At the same time we intend to strengthen our Cloud Computing capacity, and our priority in this area is to develop an appropriate strategy of technological alliances and base the service supply model on an offering of differentiated proprietary solutions with high added-value.

On the other hand the IT market in Latin America is less mature compared to Europe or U.S.A. and the extent of penetration in outsourcing and BPO services is still relatively low. This means that this market is due to experience a very high level of growth in the coming years, and Indra aims to gain leverage from its strong presence in the region and its varied offering of services to exploit this growth. Furthermore this region is a focal point for our global delivery strategy, since it allows us to provide more effective support to customers throughout the world.

10. GEOGRAPHICAL MARKETS

Indra has a diversified and well-balanced offering, which allows to develop the company in each region through the different solutions and services of its offering.



	USA and Canada	Latam	Europe	Africa, Asia and Oceania
% Sales	1%	15%	78%	6%
Growth	-10%	41%	-3%	6%
% Suppliers	3%	5%	88%	4%
% Workforce	0.3%	23%	75%	2%

11. VERTICAL MARKETS

	Transport and Traffic	Energy & Industry	Government & Healthcare	Financial Services	Security & Defence	Telecomms & Media
% of Revenue	22%	14%	14%	14%	23%	13%
Growth	+11%	-5%	+3%	+10%	-13%	+19%
Offering	Air, rail, port and urban traffic management Intelligent systems for traffic infrastructure (tunnels, tolling systems, ticketing)	Information systems for power generation, distribution, and marketing systems for utility companies Business applications	Electronic management and information systems Health 2.0 Electoral processes	Solutions for customer-related and internal processes	Radar, electronic defence, military communications, command and control, simulation, security, space	Solutions for customer-related and internal processes Solutions for audiovisual service companies
Trends	Urban growth Intelligent infrastructure Infrastructure development Safety and sustainable mobility	Growing pressure on natural resources Stronger influence of sustainability policies Intelligent infrastructure (grid) Energy efficiency Renewable energy	Modernisation and efficiency Public involvement Ageing population (health) Telemedicine	Corporate merger activity Risk management and control Rationalisation and optimisation e-commerce Mobile banking	Investment in private security Unmanned systems, cybersecurity, infrastructure protection, border control	Convergence of services Mobile and broadband terminals Sophisticated customer management Consumption and generation of web content
Strategy	Benefit from rail operators' modernisation programmes Focus on Latin America, Middle East, Europe, North Africa and South-East Asia (Malaysia, Viet Nam, Indonesia)	Extend services available in outsourcing and ERP solutions for industrial and consumer sectors Create Smart Grid solutions for energy companies	Strengthen geographical coverage to exploit opportunities in taxation, justice, local land registries and e-government systems	Expand in USA and Latin America Technology provider in restructuring of Spanish financial services industry	Strengthen position in infrastructure protection and cybersecurity Expand UAV product range	Grow our business in Latin America and Eastern Europe, especially by liaising with customers
Achievements in 2010	Comprehensive solutions for rail transport management Launch of Tower Air Traffic Services as provider of airport transit services Major air traffic contracts for China and India; successful entry into Middle East markets	Penetration of Asian and Latin American water markets. Projects undertaken for electricity industry modernisation in Latin America and Africa. Industrial and consumer markets developed in Latin America	Increased capabilities in educational field: academic record management, single pupil files and AGREGA system. Europe's largest wifi network installed in Valencia. Two Centres of Excellence opened, specialising in healthcare	Successful entry into financial services industries in USA, Brazil, Colombia and Mexico. Acquisition of Inforsistem, a company specialising in large-scale document management iOne platform launched in insurance banking channel	R&D projects undertaken in infrastructure protection. Phase 1 of third tranche of Eurofighter production. Growth of company's most promising business lines in simulation Expanded range of UAVs	Part of Telefónica Spanish R&D operation acquired along with Brazilian subsidiary Entry into Irish and UK markets International integration of all Prisa group operations in 22 countries
Economic impact	+ Technology is helping to increase efficiency in transport routes and reduce management costs	+ We are providing solutions and services to enable energy producers and industrial companies to be more efficient	+ We are providing solutions and services to enable government to be more efficient	+ We are providing solutions and services to enable financial services companies to be more efficient	+ Our range of simulation products is leading to significant cost reductions and improved security	+ We are providing solutions and services to enable telecommunications and media companies to be more efficient
Social impact	+ Mobility for people is key	+ Our range of technology	+ We are providing	+ We are contributing to	+ We provide technology	+ The company's digital TV

	<p>to sustainability + Our "accessible" ticketing solutions are facilitating mobility for disabled people</p>	<p>platform maintenance and support outsourcing solutions for industrial and consumer-oriented companies is reducing response times for incidents and user requests.</p>	<p>solutions in areas of high social impact such as electoral processes, health, employment, education and dependence + We are helping government bodies to reach out to the public</p>	<p>socially useful projects such as support for rural employment and microcredits in Latin America</p>	<p>that keeps people and infrastructure safe + Indra fully complies with Spanish legislation on exports of defence equipment</p>	<p>products are giving the public better access to government services and interactive audiovisual content</p>
Environmental impact	<p>+ More efficient transport routes are helping to reduce environmental impacts through reductions in fuel consumption and lower CO2 emissions</p>	<p>+ The improvements in energy efficiency delivered by our solutions are helping to conserve natural resources + Our solutions for environmentally sensitive areas are helping to protect ecosystems</p>	<p>+ Our "electronic administration" solutions are reducing paper usage and the need for travel thanks to on-line access to government services</p>		<p>+ The Space area of our business provides a wide variety of solutions and R&D projects which are helping to improve the environment</p>	

12. TRANSPORT & TRAFFIC

Solutions and services

- Air Traffic Management (ATM)
- Communication, navigation and surveillance (CNS)
- Airports
- Rail traffic management
- Road and maritime traffic
- Ticketing and tolls

Market trends

- Intelligent infrastructure based on digital solutions: logistics, transport, traffic...
- Intensive urban planning process worldwide and increase in number of 'megacities'.
- Major need for transport infrastructure development in emerging countries.
- Increasing importance of security and sustainable mobility.
- Sustained increase in demand for transport.
- Growing user interest in transport information (GPS navigation, traffic and weather conditions, parking/petrol station locations...).
- Generation of public-private partnership models.

Indra and customers' real expectations

The company has introduced an end-to-end solution for transport and rail traffic management, a new suite encompassing everything from real-time control systems – for buses, trams, underground systems or railways – to automatic payment methods, operator management, control and operational systems and rollout of communication networks for transport infrastructure.

Meanwhile, the company has created an end-to-end large-scale construction project management system to serve companies contracted to widen the Panama Canal. This system, Indra's debut in a new business line, consists of developing an information system to enable the winning venture, comprising four corporations, to jointly manage the project from groundbreaking to maintenance.

In the air traffic market, the company has created a subsidiary, Tower Air Traffic Services, to provide airport air traffic services and alert, advisory and flight information services. Indra's foray into this new area of business reflects the Public Works Ministry's revised regulatory regime, which allows a range of suppliers to provide air navigation services, an activity previously conducted exclusively by the government-owned Airports and Air Navigation authority, or AENA.

Bolstering confidence among our large customers

In 2010 Indra assisted ADIF (Spain's Administrator of Railway Infrastructures) in managing railway control centres and corporate IT applications (inventory management, telephone instructions and the "Spatial Data Infrastructure" project). In addition, ADIF has hired Indra to develop the technology required to create an Information and Communications Technology Laboratory for high-speed rail, which will be a platform for all of the railway operator's R&D information systems.

Thanks to its relationships with customers such as ADIF, Indra now does business worldwide: implementing the Da Vinci system in the UK, Morocco, Colombia and, more recently, Lithuania, and submitting bids at several international tenders in countries such as China and Saudi Arabia, to name only a few. Specifically, the Lithuanian project calls for the modernisation of all rail traffic management and control systems across the country's 1,700-kilometre rail network.

Meanwhile, Metro Saint Louis (US) hired Indra again, this time to install a contactless smartcard ticketing system for its light rail and bus networks in Missouri and Illinois. New features include a back-office system and state-of-the-art pricing solution known as the Account Based System, which

automatically determines the best available fare to charge for each passenger's journey.

Cutting-edge technology for traffic management and control, tunnel control and toll systems.

In 2010 the company installed high-tech systems which notably improved traffic circulation efficiency, thereby reducing management costs.

Indra achieved one of its business objectives, boosting its presence in emerging markets, by signing a contract to introduce its access control and ticketing technology on two rail lines in Kuala Lumpur (Malaysia). It also won its first road traffic deal in Morocco, where it will develop a management and control system for the first tunnel on the country's major road network.

In Latin America, Indra introduced one of the region's most high-tech free-flow electronic toll systems, installing intelligent traffic control systems on Mexico's Bicentennial Overpass, a smartcard payment system on the Metro Valparaiso underground (Chile) and a toll collection system on Peru's Sol motorway.

Leadership in the global air traffic management market

Indra has further cemented its position to become one of the world's leading providers of air traffic management (ATM) systems, with air traffic authorities in more than 90 countries relying on our technology. In 2010 the company continued to build on this expansion process, disembarking in new markets in accordance with its previously-announced strategy:

In the Middle East, Indra has become Oman's technology supplier and is set to update the technology used by the country's air traffic management infrastructure. In Kuwait, Indra will modernise air traffic management, helping us to secure our market position in the Gulf, a strategic area of the world thanks to its rapid economic growth.

In Asia, the company ventured into the Thai air traffic market, winning a contract to install surveillance and control systems at four international airports. Separately, Indra's first contract in Indonesia opens the door to a market with huge growth potential, with air traffic control systems in the process of being upgraded at the country's 200 airports. The company also increased its presence in India and China. The Civil Aviation Administration of China awarded the company the deployment of a surveillance network consisted of more than 20 radars. Meanwhile, in India, Indra won

its biggest contract in recent years in terms of number of air traffic control systems. The deal calls for Indra to install nine radar stations and equip 38 airports with its air traffic management systems.

In Europe, the company continues to make progress on the future flight data processing system iTEC (interoperability Through European Collaboration) as a tech partner for aviation industry authorities in Spain (AENA), Germany (DFS) and the UK (NATS). The system, which must be compliant with the SESAR (Single European Sky ATM Research) Programme within the framework of the future European Single Sky agreement, was also chosen by Portugal to address its future air traffic control needs.

FUTURE

The outlook is very promising.

In overland traffic, our growing range of successful products and rail operators' clear commitment to modernisation to enhance the efficiency, sustainability and quality of their services, ensure a propitious future for this business. The company will continue to devote resources to markets it considers to be significant, including Latin America, the Middle East, Europe, North Africa and Southeast Asia (Malaysia, Vietnam, Indonesia).

In air traffic, Indra is applying the same strategic approach: on the one hand, adding European countries to the iTEC system and, on the other, developing and cementing our technology in Asian markets. We are the leading company in ATM systems in Latin America, and our next challenge in the region is to break into the Brazilian and Mexican markets. At the same time, Indra is disembarking in new regions of the world, such as the Solomon Islands, Papua New Guinea, via the company's Australian subsidiary.

Environmental sustainability

Reducing consumption of fuel per flight and lowering CO2 emissions

In Karlsruhe, site of Germany's largest air traffic control hub, Indra introduced a pioneering technology adapted for the Single European Sky initiative, a major revolution in the future system for managing civil aviation as established by the EU. The project marks the first time that a European country has adopted 4D technology for "trajectory management" of aircraft, in contrast to the current system based on "fixed or semi-fixed routes." The new system offers more efficient, dynamic and precise air traffic management using calculations of aeroplane trajectories in real time. This system not only triples air traffic capacity, it allows authorities to reduce flight distances by finding the most direct routes available, thereby helping to reduce fuel consumption per flight by between 300 kg and 500 kg and to cut CO2 greenhouse gas emissions by between 945 kg and 1,575 kg.

Social sustainability

104 next-generation mobile traffic radar devices for Argentina

In Argentina Indra will deliver 104 mobile radar devices, technically known as "speed traps," equipped with next-generation technology for traffic speed prevention and control activities. These mobile radar speed detectors will monitor vehicle speeds on motorways and roads in Argentina, allowing authorities to better detect and manage traffic infractions across the country. Through this contract Indra will support Argentina's National Traffic Safety Agency (ANSV) in its efforts to raise awareness among all drivers of the importance of complying with traffic laws to improve the country's road safety.

Awards and honours

Indra's ticketing technology received an "Honourable Mention" at the Austin Access Awards, which praised the company's project for the Texas capital's Light Rail network. The Austin City Council noted that ticket vending machines are fully accessible, provide visual, audible and Braille information and are accessible by people in wheelchairs. In addition to MetroRail's complete automatic ticket vending system, Indra's 2008 project includes ticket cancellation and validation systems and a control centre.

13. ENERGY & INDUSTRY

Solutions and services

- Plant management
- Plant information
- Status monitoring
- Control systems
- Facilities management
- Distribution grids management
- Commercial cycle management for regulated and deregulated markets
- Trading and risk management
- Lotteries
- RFID solutions
- Revenue Accounting for airlines
- iFleets: planning, location and tracking of moving vehicles
- Construction and infrastructure management
- TMSforHotels. SAP vertical hotel Solutions

Market trends

- Pressure on natural resources.
- Major impact on environmental and sustainability policies.
- Intelligent infrastructure based on digital solutions: smart power grid, water infrastructure, buildings, electric vehicle, etc.
- ICT as an energy efficiency vector, both at sector level (green IT) and to help other industries reduce consumption and emissions.
- Cybersecurity and protection of critical infrastructure.
- Major need for water and energy infrastructure development in emerging countries.
- Transition towards renewable and nuclear energies.

Powerful impetus for hydroelectric plants

The management and control of hydroelectric plants offers strong growth within the energy market thanks to Indra's various services which range from the automation of plants to products such as OCEN (global management), PI (plant information) and Smartsignal, an early warning system for equipment failure at power plants.

In 2010, Indra was awarded a contract to manage the commercial processes of [Maynilad, Philippines' largest water company](#) in terms of customer base. This project will help Maynilad optimise its meter reading and billing cycle (with the company using portable devices to generate water bills onsite). It will also reduce collection time and make disconnection and reconnection services easier, as well as improving the quality of the readings taken.

Indra was also awarded a [contract by Sedapal](#), Lima's sanitation company, to supply, install and maintain the company's water meters and IT infrastructure as well as providing meter reading services and billing distribution and alerts and inspections in Peru's capital city, the company's main market. The city's population tops 3,300,000 inhabitants and is the most important of the three where Sedapal operates in terms of size, number of users and turnover. The company will also work to detect illegal connections and take measures to ensure that bills are paid and stamp out fraud.

The company also carries out maintenance work at Madrid's regional water utility, Canal de Isabel II (CYII). Indra maintains CYII's water operating management software, leveraging on its broad knowledge of this sector and the most modern technologies to guarantee sustainable management of this scarce natural resource. This allows CYII to plan, over the medium and long term, the correct use of its reservoirs, its underground water supplies, water treatment facilities and sediment removal. It also guarantees correct performance of reservoir outflows, network sectoring, positioning of large water pipes and water deposits.

Indra bolsters its leadership position in Utilities and Energy in Latin America

Indra was also awarded the contract to manage the basic technical services and IT systems of Ecopetrol, Colombia's largest and Latin America's fourth largest oil company. The project involves operating, supporting and maintaining the company's software infrastructure and its more than 500 financial, administrative and business applications as well as managing its hardware infrastructure and data processing centres.

Indra helps modernise the electricity sector in Africa and Brazil

The Municipal Electricity Department of Poços de Caldas (DME) decided to centralise the company's information and processes into a single tool, divided into four areas: project management, maintenance, planning and voltage measurement management. DME currently uses Indra's energy distribution management system (OPEN SGD) which is installed at over 40 power distribution companies in Brazil and a further 130 companies worldwide. By adopting this system DME now complies with a ruling from 's electricity regulatory agency (ANEEL), which contemplates, among other issues, the use of modern technologies by companies in the electricity industry. Brazil

CPFL Paulista Brazil's electricity distribution company and subsidiary of the CPFL Energia group, awarded Indra a contract to develop and roll out a solution to physically compile a list of the company's electricity assets and carry out an onsite visual inspection of its power lines: this involved locating and identifying the assets, collating data from the owners, recording and calculating any irregularities and verifying the information. This project will help update the company's database to include geographical coordinates and integrate this with the SAP business model

Cameroon's power company [AES SONEL](#) contracted Indra to modernise its management system by

supplying and implementing commercial management and energy balance module systems. The project involves redesigning the company's commercial processes and reviewing its organisational model as well as drawing up a field survey to update its customers' details and information on supply points and metering equipment. This project cements Indra's presence in the African energy market where it has participated in some of the continent's most important modernisation projects in: Kenya, Zimbabwe, Zambia, Ethiopia, Uganda and Libya. It is also currently renovating, modernising and automating practically all of Morocco's hydro plants.

Ceicom consolidates its international leadership position in solutions and services for the airline industry.

Ceicom, Indra's specialist airline industry division, continues to grow its customer portfolio with more and more companies choosing its Aracs products, including Aracs Fx TM (a comprehensive revenue accounting solution) and Aracs Fly (a frequent flyer/loyalty programme solution). Spanair, a Star Alliance member, is one of its clients. The Aracs solution is integrated into the main reservation, inventory and DCS systems (Amadeus, Sabre, Navitaire) and ERPs (SAP, ORACLE) and offers complete control of a company's revenue cycle, enabling significant improvements in efficiency as it reduces processing times, improves the information provided to take decisions and reduces

operating costs. Spanair also uses Indra's BPO service, guaranteeing it access to the industry's best practices through highly-specialised professionals who help the airline adapt easily and efficiently to new processes in this highly dynamic and global industry.

Over 100 million passengers at 25 clients located across four continents are now managed using Aracs solutions. Clients have a choice between in-house solutions which can be pay-per-use models using Indra's Cloud Computing facilities, and comprehensive management of their processes using BPO solutions.

The services model continues its rise, becoming one of the highest growth business areas.

Companies' efforts to reduce costs and increased competition continue to drive the outsourcing and application maintenance services model. The company also offers a global services model via its extensive network of software factories (on-shore/off-shore) and its Services Production Centres which guarantee high levels of efficiency, quality and productivity.

The outsourcing of business processes is currently the best alternative for those companies seeking to save on technology costs and which also demand greater flexibility in their businesses for their production resources and constant specialisation and innovation.

The roll out of technological solutions continues to grow apace

Indra is a key ERP player.

In 2010, Duro Felguera hired Indra to upgrade its Oracle corporate systems to ensure efficient management with the ultimate aim of optimising and improving control over its business. The project covers 62 companies in 13 countries and 2,000 employees.

We continue to build on our SAP offering with important roll out and maintenance services contracts, strengthening our position in those sectors which we consider strategic to future growth (tourism, services, retail and consumer goods). Along these lines, in 2010 we rolled out a major project in the legal services sector for Cuatrecasas Gonçalves Pereira SRLP. This project has become a benchmark in vertical solutions for the legal sector given its swift implementation, scope and the use of a large portfolio of integrated SAP solutions (CRM, portals, human resources, legal services management, etc.) as well as covering specific legal processes both on a local and international level.

Making headway in Latin America

In Colombia, the company has been awarded a project by Súper Tiendas and Droguerías Olímpica, one of the country's largest supermarket and chemist chains, to outsource the maintenance and support systems of its entire technological platform for work stations and points of sale (POS). The contract involves providing service guarantee (GPS -Garantía de Prestación de Servicio) and IT equipment inventory services, preventative and corrective maintenance, incident response and requests from users, and the installation and configuration of software and equipment as well as post-roll-out support.

Indra has also rolled out an advanced real-time tracking system at Blue Express of Chile, which specialises in outsourcing services for physical distribution, storage, inventory administration and international courier services. This tracking system allows Blue Express to efficiently and optimally manage all package and cargo deliveries by managing its ground fleet and its customers' products throughout Chile. Indra has integrated over 200 PDAs which, using wi-fi or a mobile network, provide details of the state, location and status of a consignment when receiving or delivering it. Thanks to this new technological platform, Blue Express has managed to attain international quality standards for cargo shipment and distribution.

FUTURE

In 2010 we saw confirmation of the trend begun a few years ago in industry and consumption with industrial companies moving towards a services-based business model. Thanks to its technological offering and BPO services, Indra is extremely well-positioned to leverage these opportunities. We also anticipate significant growth in ERP rollouts, particularly at medium-sized companies.

We expect strong growth in the number of international transactions in the countries where Indra is present, as well as further advances in those products already in the market.

In energy, increased demand and higher generation costs have given greater impetus to more efficient management of the energy value chain, ranging from distribution to more energy-efficient devices as well as the roll out of Smart Grids in the sector's transport and distribution networks. Thanks to its knowledge of the sector and international experience, Indra and its clients are fully committed to developing Smart Grid solutions which predict and help transform the generation, distribution and sales processes.

Environmental Sustainability

Environmental protection for the Ebro Delta

Indra will roll out a network of environmental sensors to measure real time conditions of the Ebro Delta in order to assess the environmental progress of this natural area, its state of conservation, its aquatic ecosystems and the quality of the surface water and aquifers, and also producing a log file where all the data will be recorded. The system gathers and transmits the measurements collected from a data processing centre which will help the relevant authorities take decisions and monitor the environmental initiatives carried out.

This network of sensors will offer real time information on the area's hydrological situation (e.g. water levels and flows, the state of the salt wedge and pumping stations), as well as the state of the sea (water levels, currents and swells). The system will also provide information on the state of both river and maritime sediments based on the evolution of the coastline and banks. The quality of surface water and the aquifers will also be analysed and documented, as will the surface and riverbed subsistence rate and the compaction rate of the riverbed.

The information will be published on a website for internal and public use. Indra will also supply the GIS system to publish and consult this geographical information, which will be used to study predictive environmental progress models. The data

processing centre will be linked up to the Ebro Hydrographical Federation and the Catalan water authority so that information can be exchanged easily.

Under the terms of the project, Indra will also supply and start up a research laboratory to control the waters.

Economic Sustainability

Household energy efficiency

Indra is taking part in the EU's 3-E Houses initiative aimed at improving household energy efficiency. By installing domotics systems and using ICTs, the scheme plans to cut energy consumption. These savings will also help reduce CO2 emissions and water consumption at the social housing units included in the project, which are located in Sant Cugat (Spain), Bristol (UK), Leipzig (Germany) and Sofia (Bulgaria).

Gas Natural Fenosa and Indra will design and install the technological system to improve energy efficiency at the homes in Sant Cugat. The power company will first carry out an energy audit at the two buildings and will then install next generation devices designed by Indra which will facilitate energy savings. Among the devices to be installed are thermostats and presence detectors for lighting systems and climate devices.

Once these devices have been installed, the tenants will be able to check their real energy consumption online with specialised personnel, who will be on hand to advise them on the best strategies to help flatten their energy consumption curve. The aim is to transfer part of the consumption to cheaper and less polluting time slots. As an incentive, the tenants will be offered ecopoints which they can exchange for gifts or public transport vouchers.

The EU will assess the results of the 3-E Houses project in these four cities to determine whether to roll it out to more buildings.

14. PUBLIC ADMINISTRATION & HEALTHCARE

Solutions and services

- Electronic administration
- Land registry management systems
- Citizens' services
- Integrated tax management
- Judicial management systems
- Electoral ballot counting systems
- iParticipa
- Unique Healthcare Record
- Clinical Stations
- Digital medical imaging
- Multichannel citizens' services portal
- Electronic prescriptions
- Telemedicine and monitoring

Market trends

- Budget containment by the Public Administration sector.
- Increasing need for modernisation and greater efficiency (digitalisation, automation, shared service centres etc.) in the Public Administration sector.
- More citizen involvement in public decision-making.
- Growing demand for health services as the population grows and life expectancy increases.
- Digital healthcare: development from current hospital model (based on cure), towards a more preventive and automated model (telemedicine).

eAdministration: Firm commitment to improving the relationship between institutions and citizens in a comfortable, safe and transparent environment

Indra has always demonstrated its commitment to the adoption of Information Technology by the public administration sector. The company's participation in the [STORK project](#), being developed under the i2010 initiative promoted by the European Commission to achieve interoperability between European electronic institutions, is a prime example of its commitment. As a result, it will be possible to manage the electronic identity of 400 million European citizens. The electronic National Identity Document will be accepted by the public administration organisations in all other European countries.

Consolidating and growing with our businesses

Throughout 2010 we extended our presence in Latin America, thanks to important contracts such as the ballot counting system for the presidential elections in Columbia, the implementation of electronic voting in the municipal elections in Marcos Juárez (in Córdoba province) using eco-ballot boxes, or the consolidation of taxation, land registry, and legal projects in El Salvador and Costa Rica.

In Spain we have extended our presence in the Autonomous Regional Communities, such as the

Canary Islands, where we have implemented the Canary General Indirect Tax (IGIC). We have started to operate in the Principality of Asturias where Indra has been awarded the contract for developing security and management applications for the Principality's Information Services Management Centre. We have also implemented sustainable solutions such as Electronic Polling Stations (CAE) in the [Parliamentary elections in Catalonia](#), which have facilitated a more ecological process through printing ballot papers on demand.

Elsewhere, most notably, there is the ambitious project to create the biggest wireless network in Europe for the Regional Government of Valencia. It will provide free access to the Internet and to an Intranet that will connect all the municipalities in the province of Valencia with the Regional Government's Data Processing Centre, allow interconnectivity between all the public establishments within each municipality, or provide wi-fi connectivity outside public offices so that citizens have access to electronic administration services and local government staff have access to their systems.

Commitments in the education sector

Education is one of the markets experiencing major growth. The company is contributing to building a new education model that relies on digital content serving as the foundation for rolling out teaching and learning methods matched to its learners – those born in the digital age – and which creates a collaborative environment for the education community. Indra has wide experience in the design, development and implementation of comprehensive management systems in the field of education and is solidifying itself as a leader in this niche market with great expectations.

Against this backdrop, the company has established, through its academic management platform in the Community of Madrid, a global benchmark for the implementation of SAP in the field of education for a geographic region with more than a million students. It is a system which is fully integrated into the various layers in education. Its objective is to improve the quality of management in education, encourage active participation and facilitate an enduring relationship among all those involved in the education model: teaching staff, managers, learners and families. The initiative will engage around 2,500 establishments and almost two million users. Uploading all this information into the current "Unique Learner File" will enable the various agencies in the educational system to see, in digital format, a unique and comprehensive view

of a student's history, from enrolment through the end of secondary education.

At the same time we remain committed to cutting-edge projects such as *Agrega* (a joint project with various public administration organisations financed under the *Avanza* plan), whose objective is to provide the education community with a useable tool for integrating information and communication technologies. We are currently in a new phase which consists of producing a more interactive page from this portal where those involved can communicate as well as add their own content. Furthermore, the success of this platform has crossed borders: Spanish administration bodies have provided the Education and Research Network "Janet" in the United Kingdom with the source code and documentation for the *Agrega* platform for digital educational content.

In addition, the company is developing the project for technological innovation in administration for the comprehensive academic management of members of the education system in Valencia (Itaca) and is in charge of maintaining the education systems for the Department of Education for the Regional Government of Galicia.

Development of expertise in the field of dependency

The way we deal with dependent members of society is becoming one of the main challenges for

governments and society in general, as the population gets older and life-expectancy increases, amongst other factors, the number of people in this situation is on the rise.

Over the course of 2010, Indra has been awarded a contract for implementing a computer system which enables the processes of intervention and management to be unified to record and process data, which will pave the way for the future creation of a unique social record for every person living in one of these centres, as well as the development of individual care plans in all the old people's homes in Castilla La Mancha.

Partners in the improvement of the quality of care and modernisation of health services

Indra has continued driving the quest for new knowledge to facilitate improving the quality of care and modernisation of the health services, thereby upholding its position as an undisputed technological ally for public institutions on a national scale.

In 2010 we reached an agreement with the [Department of Health for Cantabria](#) in order to drive forward R+D projects related to support systems for drug-dependency procedures, integrated management of the operating room, clinical navigation and simulation platform, and support systems for care procedures. Furthermore we have established a presence in the Principality of

Asturias with the development and implementation of electronic prescriptions and the digitalisation of the Central University Hospital of Asturias. In the Community of Madrid, the Personalised Care Centre has been launched, the first time Spain has had choice in healthcare by providing citizens with a comprehensive personalised care service. We have also been awarded the contract for maintaining, evolving and developing healthcare applications in order to establish a Centre for Maintenance, Evolution and Development of Healthcare Applications (Medas).

For its part, the Spanish Ministry of Industry, through red.es, has awarded Indra the contract for the installation and maintenance of [170 high resolution stations in operating theatres](#) in the various regional healthcare services in order to improve the quality of surgical care via direct access to the patient's clinical history during surgical operations.

Finally, there is an outstanding innovative project underway for the [Valencian Health Agency](#), which will make this Autonomous Community the first in Spain to benefit from a fully standardised information system to provide support for managing all its laboratory services.

Accordingly, Indra aims to continue playing an important role as a partner in technology for Public Health through our commitment to innovation and by defining more sustainable and competitive

health models thanks in part to the experience and knowledge acquired in the Centres of Excellence such as those launched in 2010 in Toledo, for the study of Digital Medical Imaging, or the Centre of Excellence for Digital Health in Seville.

FUTURE

To seek new opportunities in those areas of anticipated growth (taxation, justice, land registry, e-Administration) in parts of the world where it is our policy to operate and export our products.

Building a structure which enables international projects to be undertaken, using two methods to strengthen the organisation: on the one hand, subsidiaries and stronger hubs in public administration organisations and, on the other, guaranteed export capability from Spain with guarantee possibilities (one for subsidiaries and another to export to countries where we do not have any presence). Accordingly, the necessary links are being made with the network of branches located around the world (Philippines, Argentina, Colombia, Mexico, etc.) which will enable us with certain guarantees to export and make our name known on the continent.

In Healthcare the constant increase in demand and healthcare costs is creating a need to make changes to the healthcare model which will contribute to the system's sustainability. Furthermore, new diagnostic techniques are

evolving into progressively more personalised treatment. In this area the company is opting for systems suited to this new reality such as solutions focused on the best means of managing interaction with the patient, telemedicine, integrated management of the clinical history, electronic prescribing, etc., which facilitate improving the quality of service to the citizen, the success of treatment and the effectiveness of healthcare procedures. Indra is also making its range of great solutions in hospital management available to those emerging countries where there is a strong drive for building new hospitals and modernising those that already exist.

Economic/Environmental/Social Sustainability**Indra and Abertis Telecom are to develop "smart cities" in Lleida and Sant Cugat**

Indra and Abertis Telecom are to turn Lleida and Sant Cugat del Vallès into "Smart Cities" under a collaboration framework agreed between the companies to develop this concept. This involves, amongst other activities, a study on the creation in Catalonia of a Benchmark Centre for the roll-out and operation of solutions, technologies and services relating to Smart Cities. "Smart Cities" embody the concept of the cities of the future, based on intensive use of front-line technologies to achieve efficient management of economic resources in the planning, management and operation of the various municipal services provided to citizens. The objective is to improve quality of life, increase the efficiency of public services, increase participation by citizens in the services, improve the conditions for environmental sustainability and enhance the opportunities that the city offers people and businesses. Furthermore, "Smart Cities" involve more proactive, flexible and adaptable Public Administration, better suited to respond to the more complex needs of the citizen.

Social sustainability**Intelligent Teletreatment for diabetics**

Indra has developed a prototype for the intelligent teletreatment for diabetics for the General University Hospital in Valencia. This project, under the R+D programme "Tratamiento 2.0", is aimed at creating a generic technological platform which encompasses applications designed for managing and applying medical treatment remotely. This system enables professionals to access from their surgery information about their patients' variable readings and monitor that they are following the course of treatment prescribed. Patients will also be able to do their rehabilitation exercises, receive messages reminding them to measure their glucose levels or blood pressure, and send information without leaving their homes. The platform includes educational games and intelligent tools capable of evaluating the data received and sending warnings to doctors and patients if data outside the normal range is recorded. The technology developed in this prototype may also be extrapolated and applied to the treatment of a wide range of illnesses, including high blood pressure or obstructive lung diseases.

Awards and recognitions

The Electronic Medical History (lanus), presented by the Regional Government of Galicia under the European programme 'INTERREG IV Digital Local Agenda', was judged to be the best example of good practice amongst the 37 initiatives presented. lanus is the platform for integration of systems and recording clinical information developed by Indra which feeds into all the hospitals and approved centres in the Galician Health Service (Sergas) and to 442 health centres, which cover 98% of the population of Galicia.

15. FINANCIAL SERVICES

Solutions and services

- Core Banking
- Risk management: credit, market, operational
- Payment methods and financing
- Payment systems and clearing
- Cash
- Private banking
- Core Insurance
- Development of applications and integration of systems
- Claims Framework
- Workplace accident insurers and pension providers
- Business operations outsourcing

Market trends

- Severe financial market crisis.
- Merger process among financial institutions.
- Increasing need for risk management and control systems, as well as regulatory compliance.
- Growing pressure on commercial margins.
- Rationalisation of resources to achieve greater efficiency and lower costs.
- Optimisation of commercial capacity.
- Sharp growth in e-commerce.
- Banking services over mobile devices (m-banking),
- Global management for our customers.

Internationalise. Merge.

Our customers in the financial services market are engaged in two parallel processes that significantly influenced our strategy and activities in 2010. First, financial services firms are steadily internationalising their businesses, venturing into markets that offer high growth potential, namely Latin America. This process coincides with a merger and acquisition (M&A) trend among technology providers as companies seek to generate economies of scale, synergies, efficiency and, in short, attempt to cut costs.

Our competitive range of value-added services, proven capacity to deliver and extensive and substantial local presence in Latin America have left us well positioned as one of our customers' leading technology providers, underscoring our role as a key tech partner for large global corporations.

The following are examples of customers for whom Indra globally manages technology services: BBVA, for which we now manage all Latin American subsidiaries in the countries in which the bank does business, along with its US unit; Santander, for which we manage the US, UK, Mexico, Brazil, Chile and Argentina; and Mapfre, with which we signed a global maintenance deal for the insurer's core business, supporting its operations in the US, Portugal, Brazil, Mexico, Chile and Argentina from our centres in Madrid and Bogota.

Consequently, these contracts have allowed us to develop stable businesses in financial industries in the US, Brazil, Colombia and Mexico.

Strategic expansion in markets with promising growth potential

Along with our strategy for accompanying large customers in their expansion, we are building our own presence in both the commercial and manufacturing businesses in countries we consider to be key due to the growth opportunities they offer.

This strategy paid off in 2010 as the company landed an important [BPO contract with Banamex in Mexico](#), in addition to a deal to outsource payment method management for Brazil's Caixa Econômica Federal.

Key provider in financial restructuring and merger processes

Indra plays a crucial role in the technological aspects of mergers and restructuring processes among banks in Spain.

While the Spanish financial industry is one of the most competitive in the world, it is plagued by a lack of competitiveness in the savings bank sector. This issue is often the result of the meagre scope and size of savings banks' business and their massive exposure to real estate risk from past

property market lending. Sector restructuring is therefore expected to continue in coming years, driven both by competitive and legal pressures, and our experience with mergers ensures that we will be a leading technology provider throughout this process.

While the pace of banking system restructuring in 2010 proceeded more slowly than anticipated, we were involved in several significant mergers, including the Institutional Protection System (SIP)⁴ to merge Caja Madrid, Bancaja, Caja Ávila, Caja Segovia, Caja Insular de Canarias, Caja Rioja, and Caixa Laietana, and La Caixa's takeover of Caja Gerona

Fostering the integration of technology services and BPO

Indra signed a [strategic deal with La Caixa](#) to provide technology services for the entire financial institution, including handling the full document management chain. In addition, this alliance is accompanied by another agreement for Indra to take over the company Inforsistem (in which La Caixa owns a 30-percent stake), which specialises in large-scale document management.

⁴ A mechanism for merging lenders which is designed to protect them by creating holding companies that will allow them to continue to operate under their own trade names and maintain a degree of independence while merging and circumventing savings banks' unique political entanglements.

Further highlights in this area include document management services outsourcing contracts secured from Vetri (Mapfre Group), Banesto and Santander.

Success with our new insurance solutions

Indra's efforts in recent years to develop a proprietary core insurance solution, known as [iOne](#), have left us well placed in the market vis-à-vis competing solutions which are based on more obsolete technologies. We received significant feedback in 2010 on the high degree of competitiveness of this solution, which should help to bolster iOne in the commercial space.

iOne's state-of-the-art technology also allows us to offer it under Software as a Service (SaaS) and Cloud Computing models. This fosters customers' cost efficiency and represents a clear competitive advantage compared with other solutions available on the market.

Developing new products and services

In addition to iOne, we are working to develop an array of services specifically for Cloud Computing models. Specifically, we have reached an agreement with Ahorro Corporación to sell a cash management solution for a Cloud Computing model.

Meanwhile, we have developed a new geomarketing and micromarketing solution,

Prospect, which combines financial industry client information with social-demographic data for purposes of research and deploying marketing campaigns. This innovative solution is now in use at several insurance firms and lending institutions.

FUTURE

We have targeted two major opportunities going forward: internationalisation and banking industry restructuring in Spain.

We expect significant growth in Latin America and the US in 2011 as a result of marketing efforts and projects developed in 2010. Moreover, growth in these regions may be complemented by stronger showings in some European countries, such as the UK, Germany, France and Poland, driven by several major customers in those countries.

The restructuring of the Spanish banking industry will not only generate opportunities for us in projects to combine merging banks' technology operations, in the medium and long term it will also produce sizeable financial institutions that better resemble our ideal customer profile.

Economic sustainability

Payment method management for Brazil's Caixa Econômica Federal

We signed an agreement with Brazil's Caixa Econômica Federal in 2010 to provide an end-to-end solution for credit card processing.

The deal allows Caixa Econômica Federal to fully update its payment method platform with applications for management, administration, authorisation and card loyalty schemes, plus services associated with payment method operations.

These services include call centres, business support, back office support, recovery, fraud prevention, monitoring, technical support for on-us partners, credit risk analysis and knowledge transfer in information and business technology.

Economic sustainability

Global maintenance for Mapfre's core business

Indra in March 2010 began performing global maintenance service for Mapfre's core business.

The agreement calls for Indra to run the hub used by non-life-insurance units in all of the countries in which Mapfre does business.

The service will be deployed on an on-site/offshore basis, with a functional office in Madrid, close to the client, and a development team at Indra's office in Bogota.

The system has generated significant benefits for Mapfre, including allowing it to shift its own employees to more business-oriented activities, consolidating a working pattern aligned with its standards, cutting costs (management, employment, etc.), and boosting quality and productivity thanks to Indra's commitment to Service Level Agreements (SLA).

16. SECURITY & DEFENCE

Solutions and services

- Radar
- Electronic defence
- Military communications
- Command and control
- Simulation
- Security
- Space

Market trends

- Cost containment in defence in developed countries, where cost-cutting and efficiency-boosting schemes (public-private partnerships, outsourcing, etc.) are sought, in contrast to the sharp growth in spending on defence seen in emerging nations.
- Increase in private security investment.
- Fields showing great potential: unmanned systems, protection for forces and military air transport, information, intelligence and communications systems, cybersecurity, protection of critical infrastructure, border control and simulation.

Development of the security market

Over the past decade, the world's increased awareness of potential threats to human safety and infrastructure security has seen the concept of "national security" take centre-stage and gain ground over what the public traditionally thinks of as "defence".

In the security market, information and communication technologies (ICTs) play a key role insofar as they allow for innovative solutions to be developed so that risks can be anticipated and prevented and so that the population can protect itself against them and respond more effectively in case of an emergency.

The growth of the security market worldwide therefore represents a great opportunity for Indra, which has products to offer in every area of security, including threats to physical safety and cybersecurity, and projects underway. The company is also positioning itself as a benchmark provider in a still emerging sector. In recognition of its global offering, convergent with a range of security technologies, Indra received an award from SIC magazine at the 2010 Securmática Fair.

The most salient projects of 2010 were in:

- Border surveillance, with the implementation of the first [coastal surveillance system in Galicia](#), Spain. In addition, we spearheaded an important integrated maritime and border security project for the European Union known as Perseus, the objective of which was to unify and coordinate real-time devices that target clandestine immigration and illegal trafficking through the intelligent use of the media and the exchange of information among the European countries and bodies involved.
- Access control, with the implementation of a pioneering rapid-access system at border crossing points known as the [Automatic Border Control \(ABC\) System](#), the pilot system for which is already in place at Barajas Airport in Madrid and El Prat Airport in Barcelona.
- Emergency management, with the implementation of an [integrated security and emergency system for the fire service of the regional government of Catalonia](#), the Generalitat de Catalunya.
- Secure communications, with the [broadening of the secure communication channel between Spain, Portugal and North Africa](#) in order to improve collaboration on illegal immigration and drug trafficking

Innovation for improved human safety and infrastructure security

Our innovation efforts are of particular importance in the security market given the social and technological challenges posed by the sector itself. Consequently, Indra strives to participate in R&D projects and create new products.

For example, in 2010, we carried out a number of R&D projects, particularly in the area of infrastructure protection. The most salient of these projects include the [Hesperia project](#), which focused on integrating surveillance technology, access control, biometric identification, crisis management, 3D representation and augmented reality; the [European OPTIX project](#), which focused on the remote detection of explosives; and the [SEDUCE project](#), which focused on developing knowledge and technology to ensure the detection of improvised explosive devices (IEDs) at workplaces and public facilities.

Development of new defence markets

Despite the drastic budgetary cutbacks suffered by the Ministry of Defence in Spain, our main geographical market, which even increased unexpectedly during the course of the year and clearly affected orders for projects, we feel that 2010 has been a positive year for Indra since the company has been able to penetrate new

geographical markets and create and consolidate new products.

Highlights for the year specifically showcasing our penetration of new markets include a major electronic defence contract won in India, a satellite communications terminal installation contract awarded in Brazil, which made us a leading supplier of this type of technology in the country; a mass storage system that was implemented and a geoportal for managing and disseminating geospatial information that was developed and implemented for the Earth Observation Satellite System (SSOT) in Chile; a C312 System for the geopositioning of Colombian Air Force aircraft provided and brought online; and a 3D surveillance and airspace control system provided to the Uruguayan Air Force.

In Europe, we implemented [electronic defence systems in submarines for the Italian Navy](#) and communications systems for German F-122 class frigates.

State-of-the-art technology for the European combat plane

In 2010 the countries that are part of the Eurofighter consortium approved the purchase of 88 aircraft as part of the first phase of the program's third tranche of production. The impact of this approval on Indra is highly positive since, as the flagship provider of avionics equipment, it will

ensure production orders are received over the next few years.

In addition, as part of the project, the Euroradar consortium, in which Indra has a 19% interest, launched the design phase of its new electronic scanning radar known as ESCAN.

Consolidation of simulation products

2010 has been a year marked by significant progress in our simulation activities.

We have positioned ourselves [as the top preferred supplier to Eurocopter](#), a client to which we have also provided an AS-350 simulator for its training centre in Dallas. The importance of the order lies in the fact that the Eurocopter centre has been certified by the United States Federal Aviation Administration (FAA), which makes it available for use by clients such as the [Los Angeles police and the Utah highway patrol](#). Above all, however, 2010 was the year in which the company consolidated its most promising new lines of business in the area of simulation. This was the case for the simulators used for peacekeeping missions, with which a [project with the Spanish Army](#) was won and the simulation systems used to train security forces, with which a project for the Municipal Police of Valladolid was won.

Our increased offering of simulation products should provide a clear opportunity for growth since

we foresee a sharp rise in investment in these systems, driven by the cost and security advantages they make possible and the restrictions placed on defence budgets in leading economies.

Development of new unmanned aerial vehicles (UAVs)

We continued to develop our capabilities in the field of unmanned vehicles by participating in [an R&D project that aimed to develop a rotating wing and dual application unmanned aerial system \(UAS\)](#) for both civilian and defence use.

In addition, the European Space Agency (ESA) put its trust in Indra as the prime contractor in the development of projects that will facilitate the integration and use of UAS's in civilian and security-related applications with the support of satellite technologies.

Important projects in Spain

2010 marked the first anniversary of the commissioning of the [integrated emergency management system used by the Emergency Military Unit \(UME\)](#) in Spain. The project continues to evolve with the [integration of new capabilities that support the important work performed by the UME in situations of crisis](#).

Also in 2010, the Spanish Navy took delivery of two ships equipped with Indra's "sensor suite". This suite includes all the on-board sensor components needed by a ship: basic configuration navigation radar, air and ground exploration, auxiliary radar for flight deck aircraft operations, communications and band radar electronic defence, and the navigation data distribution system for all on-board systems. The suite therefore constitutes a major milestone in the Spanish defence technology industry.

THE FUTURE

The growing demand for critical infrastructure protection and the company's position in pioneering technologies in the security arena make the prospects in this field some of the best.

In addition, awareness of information security on the part of companies, public administrations and armed forces worldwide has increased notably. Cybersecurity is thus another top investment priority for the next few years.

We will continue to invest in the creation of new products in segments that we feel have a high potential for growth, such as unmanned systems and information, intelligence and communications systems.

Social sustainability**Protection against nuclear, radiological, biological and chemical (NRBC) threats**

The Turkish Ministry of Defence awarded Indra a contract to provide a deployable mobile laboratory equipped to perform a confirmed analytical identification of nuclear, radiological, biological and chemical (NRBC) threats. In addition to the development of the system, Indra will be in charge of providing the laboratory with comprehensive logistical support, which will include designing and defining work protocols. The mobile laboratory will be housed in a module that will allow it to be easily moved by helicopter, cargo plane or truck to the area of operations. The solution allows operators to work in a clean space without putting their health at risk. They can then study the samples collected and announce the results once they are obtained. The system includes a decontamination shower for personnel to prevent the transfer of any contaminants between the outside and inside.

Also in the area of NRBC security, the European Defence Agency (EDA) entrusted Indra with the development of technical and operational requirements and architecture for the future European Command and Control System that will respond to nuclear, radiological, biological, chemical and explosive (NRBCE) threats. The solution must provide a general overview of NRBCE information available throughout the European Union. To this end, it will process information provided by

detection and alert devices deployed in the territories of the various member countries. The future system will be capable of graphically displaying the scene of operations and all the NRBCE information relating to it, as well as disseminating the information collected, within a useful timeframe, to the various agencies operating in the area (police, firemen, health authorities, etc.) and coordinating their actions if required.

The EDA also awarded Indra a contract to design, develop and provide a deployable laboratory to counteract IEDs. More casualties during peacekeeping missions are caused by IEDs than by any other means. Counteracting the threat of IEDs has become the top priority of European Union member states.

Environmental sustainability**Space solutions that help improve the environment**

The solutions that we develop as part of our space activities often hold special meaning in environmental terms.

For example, as part of the European Union's Global Monitoring for Environment and Security (GMES) R&D programme, Indra developed a [system that will provide 38 European countries with accurate geospatial information](#) that will help in taking environmental decisions and improve responses to catastrophes like fire and flood. In addition, Indra launched an R&D project aimed at developing an application that will allow citizens [to check the air quality in their city online and in a 3D environment](#). This technology will particularly benefit individuals who have cardiovascular or respiratory problems, and will enable more effective environmental policies to be established.

Lastly, Indra was awarded a set of three contracts by the European Space Agency (ESA) to develop [a radar system that will be used to detect objects in space](#), the primary objective of which is to ensure the safety of space missions; As a side benefit it will also detect space "waste".

17. TELECOMS & MEDIA

Solutions and services

- Outsourcing
- Business support systems (BSS), customer care, sales, loyalty, invoicing, payment collection, portals
- Operations support systems (OSS), networking, planning, network inventory, network O&M, interconnection, mediation
- Management and support of audiovisual producers
- DTT services
- Satellite communications stations
- IT infrastructure

Market trends

- Robust growth in mobile devices and broadband.
- Development of mobility services (converging with social applications).
- Network rollout in emerging markets.
- Convergence of services (fixed – mobile – xDSL).
- Infrastructure transformation (migration to fibre optics, wireless and convergence of IP platforms).
- Sophisticated customer management.
- Cost rationalisation.
- Consolidation of operators and centralisation of decision-making.
- Sharp increase in consumption and generation of web-based content.

Acquisition of part of Telefónica España's R&D business and its Brazilian subsidiary, Telefónica Pesquisas e Desenvolvimento (TPD)

This transaction cements Indra's position as a leading integrator of Telefónica's network management systems and enhances its market position in one of the top strategic markets, Brazil. This agreement gives the company skilled resources backed by extensive experience in commercial systems and telecommunications operator networks.

At the same time, the company bolsters its global reach in this market: in Spain, with more solutions and services to enhance network capability and expand end-client services; in Europe, with access to new customers in Germany thanks to Telefónica O2 Germany's broadband system, as well as in the Czech Republic and United Kingdom; in Latin America, with businesses in Argentina, Chile, Brazil, Peru, Colombia, Ecuador, Mexico and Central America. Specifically, in Brazil TPD maintains and develops operational support systems for Telefónica's Brazilian fixed-line carrier, TeleSP, in addition to providing consulting services for commercial systems. In this manner, Indra has secured a platform for future growth in the telecoms market.

Telecoms business' international reach

In line with the company's rapid growth at the international level, Latin America remains one of our fastest-growing areas of expansion. Further highlights include the company's debuts in new European markets such as Ireland and the UK, with competitive solutions that enable us to improve customer service.

The Chilean telecoms market underwent significant change in 2010 as a consequence of regulatory authorities' efforts to improve services for end users. Against this backdrop, Indra adopted a strategic focus on penetrating the portability business in Chile, resulting in the launch of a solid portability application offering all of the user-friendly features and capabilities customers required. These efforts paid off as Indra was awarded portability for Carso Group companies: Claro (mobile carrier), Telmex (fixed telephony), and Telmex's long-distance carrier.

In Ireland, Indra joined O2 in the first phase of its regionalisation and standardisation strategy for HR processes and systems, developing and rolling out a SAP CRM-based system and a SAP BCM-based computer telephony integration (CTI) solution. This system allows employees of the five countries in which O2 operates (UK, Germany, Ireland, Czech Republic and Slovakia) to submit questions or open requests to be processed by the Dublin shared services centre, the EPSC (European People

Services Centre), via telephone, email or the Internet.

Meanwhile, O2 UK awarded Indra a contract to maintain and operate its network monitoring systems in the UK. The service, which includes both progressive maintenance of the suite of O2 network monitoring applications and corrective maintenance and operational support for these same applications, leaves us well placed in operational support systems (OSS) to capitalise on this customer's future processes.

Implementation of the Santillana group's global publishing project

Indra implemented the Santillana Group's publishing system in the United States, Brazil, Argentina, Chile and Portugal. The objective is to institute a shared publishing system for all group companies in order to streamline publishing efforts at each of its 22 head offices (in Europe and the Americas) and facilitate the exchange of products and their re-use across markets. As a consequence, publishing times are shortened, productivity and material re-use increases and repetitive tasks are avoided.

Ongoing innovation in digital television

Indra conducted a "Viability Study of Creating a Technology Park in Uruguay," geared towards the audiovisual and interactive services industries. This research found that the creation of a Technology

Park is viable from market, technology and financial standpoints. Furthermore, the study highlighted the country's potential for addressing current demand for interactive AV content, and underscored the benefits such a park would generate for Uruguay. The project further confirms Indra's position as an industry leader with a successful track record in exporting its DTT experience from Spain to Latin America, where the company has launched DTT pilot projects in major Latin American capital cities.

As previously mentioned, the AV industry is a business in which the company continues to bolster its presence by developing significant projects. Along these lines, Indra has helped to improve Telemadrid's proprietary and third-party production management by introducing proprietary systems to support management and automation of internal production processes (budgeting, one-stop-shop, management of technical and human resources, cost management, incident management and financial management control) and third-party production (budgeting, contracts, rights, etc.).

Moreover, we have added VEO TV to the single advertising platform for Antena 3 channels (Antena 3, Neox and Nova), thereby encompassing the different workflows and enabling the company to establish business processes for the advertising activities, management processes for advertising programming, subsequent control for simultaneous airing, plus control of advertising material flows,

self-advertising and content, among source systems and broadcasting systems.

FUTURE

The rising demand for services among carriers ensures that we can continue our European expansion in tandem with our top clients as they grow their businesses.

Latin America remains a highly appealing region. Thanks to the capabilities and scale the company has achieved following its acquisition of TDP and through the subsidiary network we have developed to meet the Prisa Group's needs internationally, the company is expected to post significant growth, particularly in Mexico, Brazil, Argentina and Colombia.

Economic sustainability

Integration of all Prisa group operational areas in 22 countries

Indra's management of all Prisa Group areas globally (publishing, press, radio and audiovisual media) has enabled Indra to bolster its leadership position in the media business at the international level and cement its position as a strategic IT services provider for large multinationals.

In 2010 Indra merged all of Prisa Group's IT areas, generating a more efficient, standardised management model allowing the company to optimise resources and lower costs. Indra has steadily added business units to the group that previously operated independently, driving a transformation towards a single global management model. This was the case at the Santillana Group's IT divisions in 22 countries, TVI, Portugal's ratings leader among free television channels, Radio Caracol (Colombia's No. 1 station and one of Latin America's most prestigious networks) and Radiópolis in Mexico (117 stations).

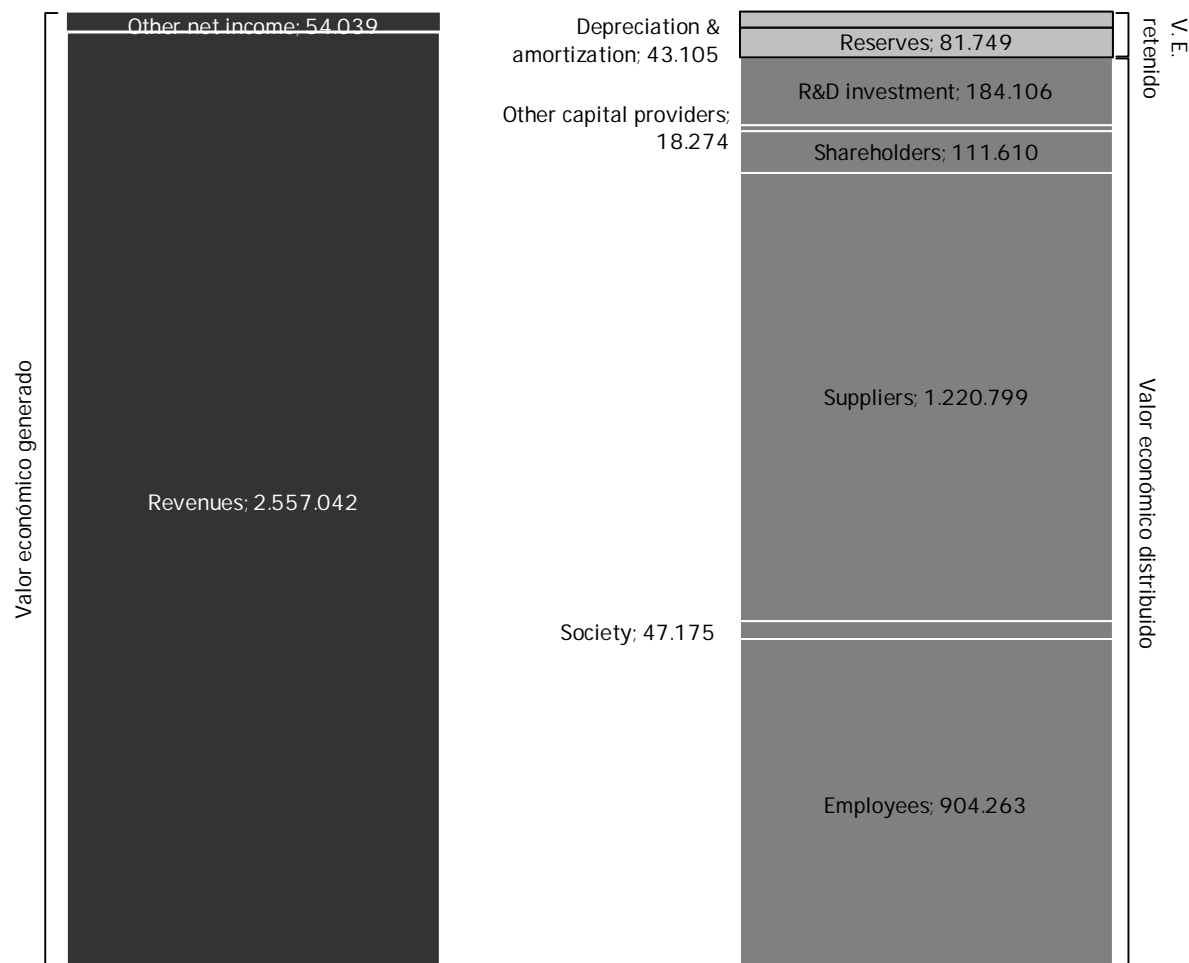
Social sustainability

T-Administration Platform for the Segovia Town Council

Indra developed an advanced digital terrestrial television platform (DTT), which allows the public to access local government services through an electronic ID. This pioneering project, the first of its kind in Spain to facilitate e-Government, also includes the most comprehensive range of services: job search, e-learning and classified ads, plus a full range of information on the province of Segovia (telephone numbers, all-night chemists, medical appointments, schools, tourism, sports facilities and opening hours, restaurant reservations, transport, events calendar, traffic delays, etc.). Thanks to this service, any member of the public with an interactive DTT decoder may access the system's complete range of applications from home and interact with the Town Hall using only an electronic ID.

Furthermore, the system offers several region-wide applications whereby other town councils in Castile León may join the project in the future if they opt to do so.

18. OUR STAKEHOLDERS



Amounts are in thousands of euros.

Calculation method:

- Revenues: Ordinary revenue
- Employees: Personnel expenses - R&D expenses attributable to employees
- Society: Corporate taxes + Investment in social action
- Suppliers: Consumption and other suppliers + other operating expenses - investment in social action - R&D investment attributable to suppliers
- Shareholders: Dividend charged against full-year earnings (subject to approval at the General Shareholders' Meeting)
- Other capital providers: Financial results
- Reserves: Voluntary reserves + goodwill reserves
- Depreciation & amortisation: Amortisation and other losses/gains from assets.

	Economic	Social	Environmental
Shareholders	+ We generate value for our shareholders.	€ We constitute a socially responsible and environmentally friendly investment.	
Employees	+ We offer a competitive remuneration policy. ! Talent is the key to innovation and is a cornerstone of our sustainable business. Our policies for attracting and retaining employees and for developing their talent are vital.	! We have workers in countries where workers' rights are not enshrined by law. The highly-qualified nature of our professionals means that the risk of violation of their human rights is low; moreover the company has in place policies for minimising this possibility.	- Worker commutes and business travel generate CO2 emissions. Indra has put in place a Mobility Policy aimed at mitigating emissions.
Customers	+ Our technology helps our customers become more competitive and productive. ! IT security is key to the sustainability of our business which is why we go to great lengths to continually apply best practices in this field.	! Some of our business activities are targeted at public authorities in countries where there is a risk of corruption/bribery. Specifically, 1/4 of our revenue originates in countries with a transparency level that is lower than 6, according to Transparency International. Indra has ethics and professional conduct codes in place to address this risk factor.	+ We create IT solutions in several fields which benefit the environment: green building, energy efficiency, traffic management, electric cars, etc.
Suppliers	+ Purchasing from local suppliers boosts economic development in our operating markets.	+ We generate indirect jobs. ! We monitor our suppliers for compliance with human rights.	! Indra's process for pre-qualifying and assessing suppliers takes into account environmental criteria.
Partners	€ Collaboration with our partners helps us to innovate and create new solutions and services.		
Environment	€ Environmental management is a business opportunity for the company which has the scope to increase sales of IT solutions and services that reduce the environmental consequences of its' customers' and society's actions.		- Our business consumes a large amount of electricity due to the extensive use of IT equipment which translates into high indirect CO2 emission levels.
Knowledge institutions	+ We support knowledge institutions by means of university research chairs and collaboration agreements. € Collaboration with knowledge institutions helps us to innovate and create new solutions and services.	+ Some of our university chairs are designed to create IT solutions with a significant social impact, such as the Healthcare Research Chair in the Universidad Politécnica de Valencia. € We hire highly-qualified professionals.	
Society	+ Technology and innovation contribute to nations' economic growth.	+ We generate jobs for highly qualified professionals in remote places. + Our Accessible Technology Chairs are designed to help narrow the digital divide affecting the disabled. ! Indra operates in countries that are considered to be tax havens, but our operations in these countries are in no way tax-driven, reflecting rather the development of our international business.	

+ Positive impact – Negative impact € Opportunity ! Risk

19. SHAREHOLDERS

Retail shareholders

Institutional investors

Main policies and initiatives

- [Shareholder's Office](#): The Shareholder's office provides detailed information on key indicators, financial and stock market data; corporate governance information; quarterly financial reports; information on dividends; the latest presentations to investors and analysts; the investors' agenda, including an annual calendar of scheduled events with analysts and investors and tentative dates for the release of quarterly financial reports; analysts' recommendations on Indra, including the latest published research reports; information on the upcoming and past General Shareholders Meeting, and details on how to attend the meetings online; and the Annual Report.
- [Internal Regulations](#): the Regulations for the Board of Directors and its Committees, the General Shareholders Meeting Regulation and the Internal Code of Conduct in Matters Relating to the Securities Markets make up Indra's core governing rules. These internal rules are rounded out by other codes (e.g. Code of Ethics) and internal procedures, which are subject to ongoing revision in order to adapt to prevailing legislation and corporate governance recommendations.
- [Shareholder's magazine](#): Publication containing information on Indra targeted at retail shareholders.

More information at

<http://www.indracompany.com/en/sostenibilidad-e-innovacion/shareholders>

Indra is fully aware that responsibly managing its relationships with shareholders and investors is a pillar of its economic sustainability since, without shareholders, Indra would lack the capital resources necessary to conduct its business. Accordingly, the company aims to cement long-term relationships with shareholders and investors and understands that this inevitably involves offering: trust to investors, especially through a solid and sustainable business strategy that ensures the company's growth; a competitive remuneration policy that rewards the trust placed in it; a transparent, truthful and rigorous disclosure policy; and corporate governance regulation that ensures good governance.

INDRA ON THE STOCK MARKET

Key data

At 31 December 2010, Indra's share capital totalled €32,826,507.80, fully subscribed and paid up, and represented by 164,132,539 ordinary shares of the same class, each with a par value of €0.20. All the shares are admitted to trading on the four Spanish stock exchanges.

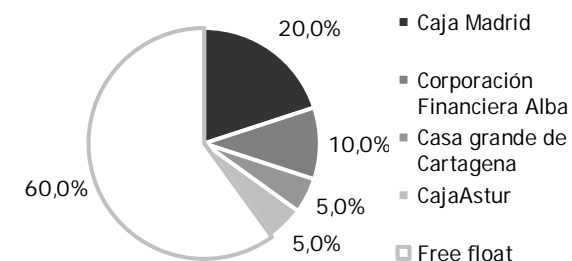
The ordinary shares have been trading on the Continuous Market since 23 March 1999, in the Electronics and Software segment of the Information and Communication Services sector. Similarly, since 1 July 1999, Indra has been listed on the Spanish blue chip index, the Ibx 35, which

includes the top thirty-five listed Spanish companies by market capitalisation and liquidity. Indra's weighting at 31 December 2010 was 0.60%.

On 14 April 2000, Spain's official equity trading platform, MEFF Renta Variable, began trading call and put options on the company's ordinary shares.

Indra is also listed on major international indices, such as the MSCI IT (since July 2003), a benchmark for institutional investors in the sector, the FTSE eTX, which includes the main European technology securities, and the Dow Jones STOXX Broad Market Indices, which features the top European listed companies. Since 18 September 2006, Indra's shares have been trading on the Dow Jones Sustainability World Index (DJSWI) and the Dow Jones STOXX Sustainability Index (DJSI STOXX) which track the financial performance of leading sustainability-driven companies from among the largest companies in the world and in Europe, respectively.

Ownership structure (at 31 December 2010)



Shareholder	No. shares	% Shareholding
Caja Madrid	32,831,856	20.0%
Corporación Financiera Alba	16,413,254	10.0%
Casa Grande de Cartagena	8,206,647	5.0%
CajaAstur	8,212,805	5.0%
Free-Float	98,467,977	60.0%
Total shares	164,132,539	100.0%

The company does not keep a nominal record of its shareholders, so it only knows the composition of its ownership structure through the information they submit to it directly or publish in accordance with legislation concerning the disclosure of significant shareholdings generally speaking, shareholders must report shareholdings in excess of 3% of total share capital- and through the information provided by the Spanish central securities depository, clearing and settlement company, Iberclear, which the company compiles ahead of its General Shareholders' Meetings.

Accordingly, based on the information available to Indra, its main shareholder at 31 December 2010 was Caja Madrid, with a 20% stake, followed by Corporación Financiera Alba with 10%, Casa Grande de Cartagena with 5% and CajAstur with 5%. Furthermore, according to the records held by the Securities Market Commission (Comisión Nacional del Mercado de Valores - CNMV), Fidelity Management & Research, Barclays Bank and Fidelity International Ltd reported that as at 17 December 2010, 21 November 2005 and 12 December 2010, they held stakes of 10.02%, 5.15% and 0.97%, respectively.

Distribution of capital

The distribution of share capital by tranche, in accordance with data from the June 2010 General Shareholders' Meeting is as follows:

Number of ordinary shares held by shareholders	Shareholders	Total shares	Shareholding
Up to 500	56,340	7,984,529	4.86%
From 501 to 2,000	6,874	6,920,592	4.22%
From 2,001 to 5,000	1,422	4,486,438	2.73%
From 5,001 to 10,000	469	3,340,454	2.04%
From 10,001 to 20,000	205	2,932,071	1.79%
From 20,001 to 30,000	64	1,547,041	0.94%
From 30,001 to 50,000	75	2,888,703	1.76%
From 50,001 to 100,000	65	4,565,776	2.78%
From 100,001 to 500,000	72	14,759,723	8.99%
From 500,001 to 2,000,000	22	20,963,988	12.77%
More than 2,000,000	11	93,743,224	57.11%
Total	65,619	164,132,539	100.00%

At 31 December, treasury shares totalled 1,368,400, representing 1.03% of the company's total shares.

Stock market indicators

The main stock market indicators in the year were as follows:

Total number of shares (31-12-10)	164,132,539
No. of ordinary shares outstanding -free-float- (31/12/10)	98,467,977
Par value per share	0.20 €

Average daily trading volumen (no. of shares)	1,203,316
Average daily trading volumen (thousands of euros)	17,002
Trading days	256
Trading frequency	100%
Minimum daily trading (in shares) (28 December)	261,399
Maximum daily trading (in shares) (15 April)	11,983,054
Total effective trading (million euros)	4,353
Total trading in the year (in shares)	308,049,029
Total trading vs. total ordinary shares	188%
Total shares traded vs. outstanding ordinary shares	313%

Minimum price in the year (29 November)	12.315
Maximum price in the year (8 January)	16.885
Year-end price (31 December)	12.785
Average price	14.140
Market capitalisation at 31 December	2,098.4

Earnings per share (EPS) (in euros)	1.161
Cash flow per share (CFPS) (in euros) (1)	1.877
Book value per share (in euros)(1)	6.151

Price / EPS (P/E) (2)	11.01
Price / CFPS (P/CF) (2)	6.81
Price / Book value per share (P/BV) (2)	2.08
EV/sales (3)	0.93
EV/EBITDA (3)	7.25

(1) Based on the total number of shares in the company: 164,132,539 shares

(2) Based on the share price at 31 December 2010

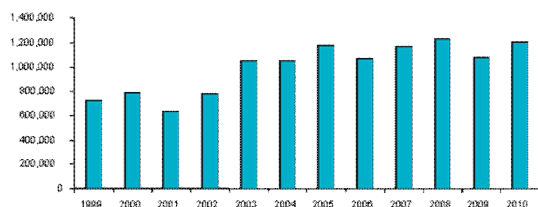
(3) Based on enterprise value (EV) at year-end: market capitalisation at 31 December 2010 + the company's net debt on that date (€274.9M).

Trading volume

Trading frequency was 100% throughout the year (256 days).

Average daily trading was 1,203,316 shares, 12% higher than in 2009.

Average daily trading volumen (shares)

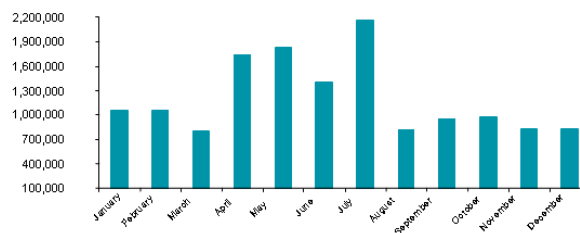


The figure for 1999 is for the period April-December, and excludes the extraordinarily high trading volume in the week following the IPO (23-30 March 1999), which distorts ordinary volume.

In 2010, 308 million Indra shares changed hands in the market, equivalent to 1.88 times the total number of ordinary shares and 3.13 times the number of ordinary shares outstanding (i.e. free float). The cash volume trading totalled €4,353M, 1.5% lower than the year before. Average daily volume and the monthly performance in 2010 are shown in the following chart:

Regarding the volume of options traded on Indra shares on the MEFF Rent Variable market, there

were 51,988 contracts in 2010, of 100 options



each, of which 27,580 were call options and 24,408 put options.

Indra's share performance

The following table shows Indra's high, low, average and final monthly share prices for each month of the year, and the chart below depicts overall share performance during the year:

	Low	High	Avg.	Month/End
January	15.620	16.885	16.442	15.710
February	14.325	15.800	14.860	15.030
March	14.805	15.640	15.284	15.180
1st Q	14.325	16.885	15.517	
April	15.055	16.090	15.518	15.110
May	13.420	15.045	14.222	14,170
June	13.180	14.355	13.959	13.180
2nd Q	13.180	16.090	14.572	
July	12.380	13.530	12.746	12.540
August	12.690	13.205	12.928	13.200
September	13.390	14.400	13.930	13.990
3rd Q	12.380	14.400	13.201	
October	13.415	14.535	14.045	14.060
November	12.315	14.120	13.325	12.330
December	12.530	13.605	13.004	12.785
4th Q	12.315	14.535	13.440	



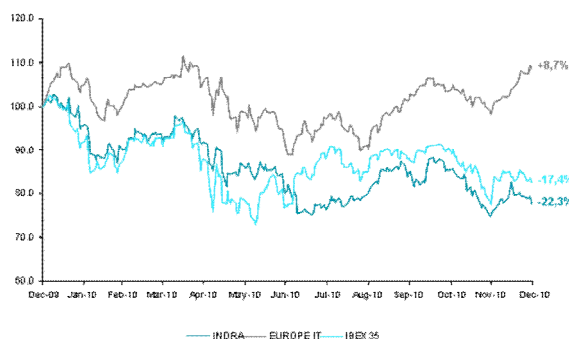
Source: Bloomberg

Information for net wealth tax return: The average share price for the final quarter of 2010 was €13.4 (as published in the Official State Gazette no. 50, dated 28 February 2011).

Indra and the sector

Europe's stock markets showed mixed performances in 2010, with peripherals (including Spain) hurt by events in sovereign debt markets. These countries' flagging economies and budget imbalances, not to mention the impact of the bailouts in Greece and Ireland, caused their country risk premiums to soar, prompting investors to unwind positions in equities of these countries throughout the year. To illustrate, France's CAC, Germany's DAX and the UK's FTSE indices rose an average of 7% in 2010, while Spain's IBEX and Italy's MIB slumped 17% and 13%, respectively. The information technology sector performed in line with the broader European indices. The FTSEeTX, one of the main sector indices, notched up a 9% gain.

Indra's share price closed down 22%, in line with the performance of the overall Spanish market, with the IBEX 35 sustaining a 17% fall. The chart below shows Indra's performance compared to the IBEX 35 and the European IT services companies' average (base 100).



Source : Bloomberg

Between the date of its IPO (22 March 1999) and year-end 2010, Indra's share price rose 186%, while the IBEX 35 shed 1% and the Europe IT sector down 10%.

Dividend in the year

The dividend proposed by the Board of Directors for approval at the General Shareholders Meeting is 3% higher than the ordinary dividend charged to profit in the previous year. Accordingly:

Dividend per share charged to 2010 profit

Gross dividend per share	0.68
Increase vs. gross dividend per ordinary share in 2009	3%
% net profit or EPS (payout)	59%
Dividend yield	5.3%

TRANSPARENCY AND COMPREHENSIVE INFORMATION

As it has done since the 2008 Annual Report, Indra included content on its social and environmental performances in the Shareholder Magazine in 2010, to provide shareholders with a complete view of its performance.

The company also has a variety of communication channels available to its shareholders and investors, specially designed to meet the information needs of different investor types, from retail shareholders to institutional investors:

- Website: an award-winner in previous years for the quality of the financial information it contains, this is our main window of communication with shareholders and investors.
- Shareholder's Office: the contact channel for all shareholders and investors which deals with all kinds of enquiry.
- Shareholder's Magazine: specially designed for retail shareholders.
- One-on-one meetings
- Visits with institutional investors

Furthermore, Indra belongs to the Spanish Association for Investor Relations (Asociación Española para las Relaciones con Inversores - AERI) and the Spanish Association of Issuers (Asociación de Emisores Españoles - EE), in line with its policy

to ensure best practices in communications with shareholders and with the financial community as a whole.

The number of visits to institutional investors increased by 14% in 2010, as part of Indra's active communication policy to ensure utmost transparency and disclosure to financial markets.

In accordance with the new section 528.2 of the Spanish Corporate Enterprises Act (Ley de Sociedades de Capital), prior to the General Shareholders Meeting in 2011 Indra will enable an electronic forum for shareholders on its website to facilitate communication with shareholders.

Apart from this legal obligation, Indra has traditionally facilitated communication between the company and its shareholders and promoted shareholder participation in drawing up the agenda for the meeting. Specifically, prior to convening the General Shareholders' Meeting, Indra publicly informs shareholders of the tentative date of the meeting and invites them to propose to the Board of Directors, via the website or the shareholder's office, any items they wish to have dealt with or included in the meeting agenda. These same means are available to shareholders to ask for clarification or request additional information regarding any item on the agenda.

Indra also provides detailed information on the procedures for granting proxies and exercising voting rights by remote attendance to the meeting.

GOOD GOVERNANCE: THE BASIS OF SUSTAINABLE DEVELOPMENT

Indra has certain governing bodies and governance rules in place to ensure the good governance of the company and contribute to its growth. It reviews the composition of the Board of Directors and its governance rules to verify compliance with best practice in this field.

Review of the composition of the Board of Directors

After Gas Natural sold its stake in Indra in April 2010, the proprietary director representing this company, Salvador Gabarró Serra, tendered his resignation from the board. The Board decided not to fill the vacancy and submitted a proposal to the General Shareholders' Meeting, which was passed, to reduce the number of directors from 15 to 14. As a result, the Board's composition was adapted to the capital represented on the board by significant shareholders, with an adequate proportion between propriety and independent directors.

Article 22 of the Regulations for the Board of Directors establishes the criteria for the periodic renewal of directors. In early 2005, based on recommendations put forward by the

Appointments, Remunerations and Corporate Governance Committee, the Board of Directors adopted the following criteria: that independent directors' continuing presence on the board, unless justified, should be limited to four terms (established at three years) and that the procedure for replacement should be gradual and phased.

Accordingly, the Board submitted a proposal to the 2010 General Shareholders' Meeting, which was passed, to remove independent director Joaquín Moya-Angeler and appoint as his replacement independent director Alberto Terol.

The Board of Directors has also established criteria regarding the orderly succession of the chairmen of board committees. As a result, in 2010 Daniel García-Pita was appointed Chairman of the Appointments, Remunerations and Corporate Governance Committee, in place of Mr. Moya-Angeler.

Reinforcement of top management

In a bid to continue moving towards Indra's full globalisation and taking better advantage of opportunities for growth, the Board of Directors has decided to reinforce its management team by appointing as President the current COO, Regino Moranchel. It has also resolved to submit a proposal at the upcoming General Shareholders' Meeting, tentatively an ordinary meeting to be held in the first half of 2011, to appoint Javier de Andrés as

director and subsequently as COO. The Board also agreed to appoint Carlos Suárez, the current Deputy Executive Vice President, as Executive Vice President in charge of Defence. He will therefore join the Executive Committee as member of the Top Management team, assuming responsibility for Defence and Space.

Constant adaptation and ongoing improvements in our governance standards

In April 2010, the Board of Directors agreed to amend the Regulations of the Board so as to establish rules regarding the number of directors comprising its committees, thereby expressly regulating a practice already existing the company in compliance with recommendation 26 of the Unified Good Governance Code.

Within the scope of the review of the company's internal rules, the Board agreed to implement a series of minor amendments to section VII (transactions with treasury shares) of the Internal Code of Conduct in Matters Relating to the Securities Markets, as it did not explain clearly enough that the obligations contained in this sector referred exclusively to transactions carried out by the company itself involving its shares.

Leading CR initiatives in the Board of Directors:

- Approval of the Annual Report entitled "Indra: Yes to innovation".

- The Board is informed of the renewal for the fifth consecutive year of Indra's membership of the Dow Jones Sustainability Indexes.
- The Board is notified in regard to the various awards and prizes received by Indra in 2010 relating to corporate reputation.
- Assessment of the internal corporate governance standards.
- Reform of the Internal Code of Conduct in Matters Relating to the Securities Market.

Indra, a socially responsible investment

Throughout the year, Indra received various awards for being a socially responsible company.

Analysts at OEKOM, the leading German rating agency for socially responsible investment, assigned Indra a "Prime" rating, making the Spanish company one of the world leaders in its sector in the field of sustainability. It also makes the company's shares suitable for social and environmentally responsible investments for the firm's clients.

In addition, for the fifth year in a row Indra was included in the Dow Jones Sustainability World Index (DJSWI) and Dow Jones STOXX Sustainability Index (DJSI STOXX), and was once again the leading company in the IT and Internet Services subsector. Indra is the only European company in this subsector and its top ranking, which it also attained

in 2007 and 2008, is based on a combination of various economic, environmental and social criteria.

Indicators	2006	2007	2008	2009	2010
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Board composition					
Total directors	14	15	15	15	14
External directors	11	13	13	13	12
Independent directors	7	7	7	7	7
Proprietary directors	4	6	6	6	5
Executive directors	3	2	2	2	2

Profile of directors					
Women directors	1	2	3	3	3
No. of nationalities represented	1	1	2	2	2
Average length in post (years)	6.29	4.73	5	5.25	5.64

Performance of the Board					
Average attendance at board meetings	>90%	88.90%	85.45%	91.52%	91.77%
Average directors' remuneration	102,857	119,500	139,733	139,383	144,872

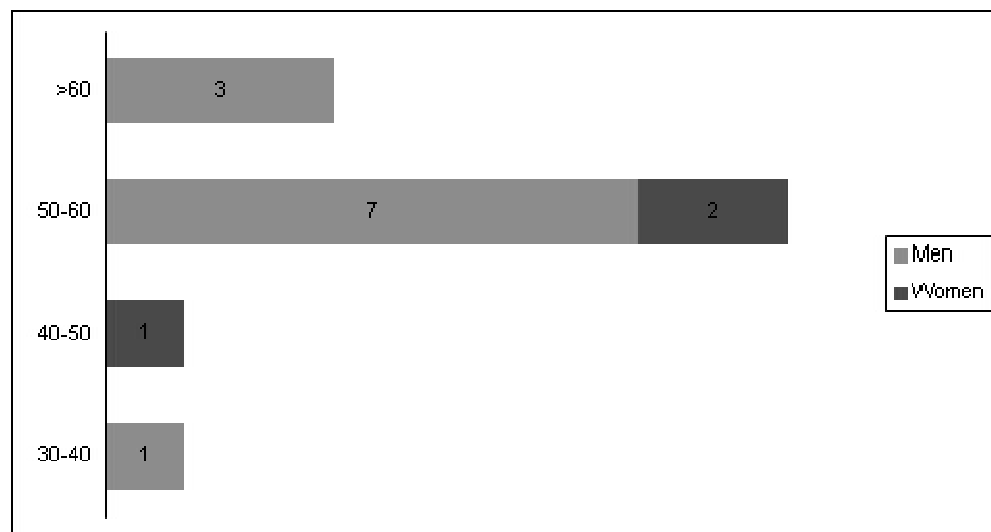


Chart: Directors by age and gender

Commitments outlined in 2009 annual report	Progress in 2010	2010-2011 assessment	Goals for 2011
Implement actions to improve the exchange of knowledge and innovation Continue to promote transparency	Inclusion of content on social and environmental performance in the Shareholder Magazine		
Continue to introduce best corporate governance practices	Amendments to internal corporate governance rules: Regulations of the Board of Directors and Internal Code of Conduct in Matters Relating to the Securities Markets	Amendments envisaged in corporate governance rules and recommendations in respect of shareholder participation in general meetings or internal reporting control systems	Continue to introduce best corporate governance practices Enable the electronic form for shareholders to facilitate communication with shareholders prior to General Shareholders' Meetings
		Lack of tools to evaluate our relations with retail shareholders	Develop an investor satisfaction survey

20. EMPLOYEES

Consultancy

Projects/Solutions

Factory

Business Process Outsourcing (BPO)

Corporate Support

Main policies and initiatives

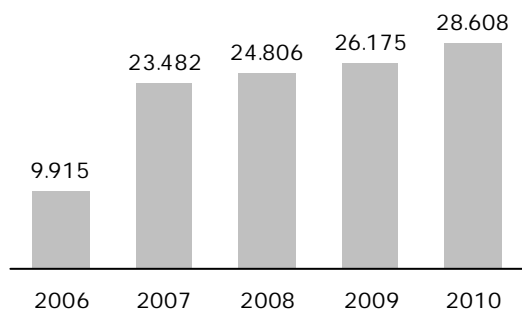
- [Code of ethics and professional conduct](#): The organisation's ground rules on professional conduct. It includes the fundamental rights and responsibilities of our professionals.
 - Career management process: It defines aspects related to the professional development of Indra's employees.
 - Reassignment management policy: It sets out the procedure according to which professionals are reassigned to other positions so that they can further develop their skills and competencies.
 - General development plan: a training plan based on the career path of each employee and the technical knowledge required for their position.
 - Special training and development programmes: Programmes aimed at specific groups with certain training needs.
 - General talent development programme: a skill development programme for all professionals.
 - Selective talent development programme: a development programme aimed particularly at professionals identified as having the greatest potential.
 - Management team transformation programme: a programme aimed at equipping the management team with the competencies they need in the different fields in which they work.
 - Knowledge management:
 - Sharing Knowledge: a collaborative platform for knowledge management.
 - Develop your talent: loans and book discussion groups.
 - Diversity management: a series of policies aimed at meeting each employee's unique needs.
 - Equal opportunities plan: initiatives to ensure equal opportunities in areas such as job access, selection and promotion, training, work-life balance, pay, specific measures to prevent sexual harassment/gender discrimination and communication.
- Programme for balancing work and home/family life.
 - Unacceptable behaviour protocol: It establishes the methods for preventing, detecting and resolving any situation involving sexual harassment or gender discrimination.
 - Equality help line: Launched in conjunction with the unacceptable behaviour protocol, this help line resolves and channels enquiries and cases of sexual harassment or gender discrimination.
- Communication with employees:
 - Professional Relationship Management: Internal communications watch to align corporate culture with business targets.
 - Orientation portal: a website with practical information for the company's new hires.
 - Mis Consultas (My Queries): one-stop-shop for the queries of employees concerning human resources.
 - Reflex plan: a flexible compensation policy under which employees can tailor their pay to best meet their needs.
 - Flexible office: flexible workplaces adapted to the needs of our professionals.
 - Travel guide: travel management policies and recommendations to increase efficiency.
 - Health and safety: Indra has a workplace risk prevention management system in place to promote and ensure the health, safety and well-being of its professionals.

More information at

<http://www.indracompany.com/en/sostenibilidad-e-innovacion/professionals>

Talent is the main factor that sets Indra apart and creates its competitive advantages. Personnel management is therefore critical to us and to recruiting, developing and retaining talent is a strategic priority.

Recruitment: Indra's objective is to hire the best professionals on the market. To this end, the company maintains a strong relationship with universities and business schools and attends the most important job fairs. Indra currently has agreements with more than 150 universities, research centres and business schools. The importance that Indra attaches to talent is clearly demonstrated by the increase in its number of professionals seen in 2010 (9.3%).



Graphic: Total Workforce evolution 2006-2010

Development: The career options available at Indra are myriad and varied. They are designed to meet the requirements of the various lines of business in which we operate, in addition to the preferences, capacities and needs of each professional, from those who want

to have a fast-paced career with international reach to those who want to focus on specific technologies and be experts on them.

Career options at Indra are associated with different training tracks, which provide cross-cutting knowledge, skills and capacities and techniques specific to the field in which they work.

In addition, the reassignment policy complements skill acquisition by exposing professionals to challenging situations.

In 2010, 20% of Indra's professionals were promoted.

Retention: Talent management at Indra is based on an individual, personalised treatment of the capacities, motivations and interests of its professionals. In addition to our development policies, which boost motivation and commitment, we promote flexibility in the workplace at Indra through policies that are adapted to each of the countries where we operate so that the company can meet the needs of each of our professionals. As a result of these policies, Indra's unwanted external turnover rate is one of the lowest in its sector and stood at 7.2% in 2010.

Our professionals are the people who are fuelling the company's current growth and will lead its growth in the future. They will create the solutions and services that will meet market challenges and take us to new geographical markets.

At Indra we are proud of being able to rely on highly-committed and motivated professionals who are open to change and have the capacity to learn.

One of the best companies at which to start your career in Brazil

In 2011, Indra was included on the list of the best companies in which to start your career ("Melhores Empresas para Começar a Carreira") by Brazilian magazine Guia VOCÊ S/A.

IMPROVEMENTS IN ASSIGNING POSITIONS, PROCEEDINGS AND SHARING KNOWLEDGE

In 2010, our main activities in human resource management were aimed at achieving four fundamental goals:

- Learn more about the skills of our professionals in order to more effectively assign positions and further develop the organisation: updated curricula vitae were requested and changes were made to the career management process so that both prior experience and an employee's current position could be taken into account.
- Consolidate human resource procedures in every country where we have major operations: The strong growth Indra is seeing in regions like and Asia-Pacific is being accompanied by a gradual implementation of corporate human resource procedures. As a result, procedures are being standardised and systematised worldwide, thereby laying the foundation for increasingly mobile

professionals and more knowledge exchange, which can be leveraged to fuel company growth. Latin America

- Consolidate the new training model implemented in 2010: Indra has revised its training model with the aim of further aligning it with the professional careers of our employees. This way, it can better contribute to the development of the capacities that are most needed in the performance of their duties and equip them with the skills that will enable them to progress professionally. More specifically, the new training model is underpinned by a new methodology and two types of school: technical schools and functional schools.
- Take full advantage of the company's knowledge: as an information technology services company, our professionals gain a vast amount of technical and industry-specific knowledge that, when shared, creates enormous possibilities in terms of sales, efficiencies leveraged, ideation, etc.

Sharing knowledge

Sharing Knowledge is our collaborative knowledge management platform, which connects all the company's professionals to one another with a view to promoting internal collaboration, favouring knowledge of Indra's capabilities and generating new ideas. In short, coming together to innovate.

The platform is structured into communities and groups defined by subject matter, which are managed and kept active by community managers. Community

managers are renowned company experts on the topics addressed by the community or group. Their role is vital to the success of the initiative since they are responsible for promoting participation and collaboration, ensuring compliance with rules and regulations and coming up with new initiatives and suggestions on how to improve the platform.

The Indra management team transformation programme receives the Cegos human resources best practices award

The human resources best practices awards given by Cegos in collaboration with Equipos&Talento recognise organisations for creating innovations in management, implementing best practices, adding value to their activities and setting themselves apart in the market.

Indra was also recognised in the training and development category for the management team transformation programme held during the first half of 2010 in which 350 managers participated.

The aim of the transformation programme is to help the management team acquire the skills and competencies needed to be successful in their various areas of work: the team, clients and projects.

To this end, an innovative methodology was developed, which has fostered the exchange of internal knowledge, a true application of all the topics covered in the programme and the creation of synergies across the various business units.

The main driving force behind the programme was the practical work involved, which was based on actual cases and made it possible for participants to identify the keys to success when managing the different variables of a project and the management styles used at the company, by drawing on experience and group discussion.

One of the most important keys to success was the participation of the senior management team, which served as speakers and leaders of the different working groups. They made company cases available for analysis and worked with participants during the course of the programme as mentors.

One of the programme's most innovative aspects was the use of a virtual community, which offers participants a venue where they can discuss and exchange opinions, knowledge, etc.

The panel stressed the idea of using transformation to achieve goals and share best practices that will lead to progress and go beyond the training received to prompt change in the workplace.

Improved internal communications

Indra has different instruments available to monitor how its professionals perceive the company. These instruments gather information both from internal studies conducted by the company itself and from external sources. The various methodologies used

(focus groups, surveys, interviews, discussion groups and benchmarkings) essentially have two objectives: to get an accurate idea about how satisfied the professionals are and to detect main areas of improvement.

Specifically, these instruments include: culture and internal communications watches, discussion groups on different topics, interviews with the management team, surveys on the quality of the career management process and its communications, the conclusions of management development workshops, transformation programme discussion groups, etc.

In 2010, Indra designed and developed a new "Professional Relationship Management" (PRM) portal to consult its employees and foster the participation. Its objective is to continue to increase the company's knowledge of how it is perceived by its professionals and further the involvement of its professionals in the company's human resource decisions. This initiative will be put into place over the course of 2011.

DIVERSITY MANAGEMENT

Indra has a long history in the management of its workforce's diversity. Since 2004, the company has launched numerous initiatives aimed at promoting equal opportunities for all regardless of race, sex, language, religion, creed, origin, financial standing, birth or any other characteristic; respecting the uniqueness of each individual and different cultures; meeting the individual needs of the personnel who

work at Indra; and promoting these values throughout the company. These initiatives include, for example, a diversity policy, the work-life balance programme, the equality plan, the company's certification as a family-responsible company, and the creation of a diversity scorecard, etc.

In 2011, Indra expects to launch new initiatives to try to further increase the diversity of its workforce. One of these initiatives is for the company to continue to perform specific actions aimed at hiring individuals with disabilities (so far a protocol for hiring individuals with disabilities has been put into place, as well as scholarships for the disabled, etc.). One such action will be to launch a company-wide awareness campaign on disabilities.

The scoreboard attached to this annual report contains a large number of indicators on diversity that show the company's performance in this area.

Responsible mobility among our professionals

In 2010, Indra continued to foster responsible mobility among its employees, fundamentally through two initiatives: "my desktop" and the videoconference service. Both measures are technological tools. They contribute to the greater efficiency and productivity of the company and allow our professionals to achieve a better work-life balance.

"My desktop" is a service that allows Indra employees to connect remotely – from any computer, anywhere –

to net resources and the corporate systems. In this way, "my desktop" provides the company's employees with total flexibility to work where and when they want. In 2010, there were more than 6,000 Indra employees registered to use this service, which complements the company's Teleworking Programme.

The company also made a special effort during 2010 to promote videoconferencing. Indra increased its videoconferencing equipment by 34%, which allowed the use of this service to quadruplicate compared to 2009. Specifically, in 2010, more than 22,200 videoconferences took place. This allowed global communication for the company and minimized travelling, with the consequent cost savings, time savings and savings in CO2 emissions from transport.

The result of the two initiatives was conclusive: the harmonizing of professional and personal life, and more efficient, rational and responsible business management.

LABOUR RELATIONS

Union and legal representation of workers in Spain is structured around the trade unions and employee committees. Indra's employees in Spain are legally represented by more than 350 individuals from different trade unions.

- Indra provides unions with information related to the situation and performance of the company, as well as significant aspects or initiatives at the company. This year, workers were legally

represented in the working conditions negotiation of industry agreements applicable at Indra Sistemas.

- At meetings at which workers were notified of and participated in company processes that affect or are binding on employees.

There is a difference of opinion between the trade union representation of CC.OO (COMFIA) in the IT area, already pointed out in the 2008 Annual Report, with regard to the model of representation (by workplace or company) and regarding the system of accumulation and use of trade union time, no agreement having been reached in these areas.

WORKPLACE RISK PREVENTION

Indra is committed to complying with workplace risk prevention regulations in all countries where it operates, not only because this is a legal requirement, but because it aims to foster a culture of risk prevention in all its activities.

Furthermore, it has undertaken a commitment to its employees to seek the utmost standards of health, safety and well-being, and to strive to ensure that in all activities all persons working for us and all those potentially affected by our actions are adequately protected.

To achieve this goal, Indra have set up a risk prevention organisation that comprehensively meets

all the demands of compliance with legal obligations in health and safety in an integrated manner.

Indra's approach to risk prevention is based on a process of continuous improvement through the identification of dangers and the assessment of risks, and verifying the efficiency of the preventive measures in place. Its position is clearly to incorporate health and safety into every aspect of the company, to which end:

- It identifies and evaluates the workplace risks arising from the activities it performs through annual action programmes;
- It plans preventive actions based on technical studies;
- It verifies compliance with the preventive measures adopted and their effectiveness;
- It offers to monitor and ensures it monitors the health of workers in relation to any workplace risks to which they are exposed;
- It sets up emergency and urgent health measures at workplaces;
- It establishes the means and channels for coordinating company activities between its clients and suppliers in the area of health and safety;
- It investigates occupational accidents to verify and, if applicable, identify and evaluate risks and adopt preventive measures;
- It analyses workplace and group health epidemiological studies so that, if applicable, risks can be identified and evaluated and preventive measures taken; and

- It periodically audits the risk prevention management system.

Indra continues to work on extending its workplace risk prevention policy to other countries

With a view to putting the effectiveness of the workplace risk prevention management system to the test and detecting areas of improvement, a statutory audit was conducted in December at the following companies:

- Europraxis Atlante
- Indra BMB
- Indra BMB Canarias
- Indra BMB Servicios Digitales
- Indra Emac
- Indra Espacio
- Indra Sistemas
- Indra Sistemas de Seguridad
- Indra Software Labs
- I3 Televisión
- IP Sistemas
- Tourism & Leisure

In recognition of compliance with regulations and the effectiveness of the system, the "Audited Company Certificate" was renewed for each company at the end of the audit process and in the absence of any major infringements.

In addition, a major milestone reached this year was having our workplaces in Colombia certified under the OHSAS 18001 occupational health and safety standard

Enquiries and company involvement

Indra "considers and recognises" the importance of the active and collaborative involvement of the company using health and safety representatives since it helps give matters related to workplace health and safety the level of attention that all of us at Indra want them to have.

The company has set up health and safety committees at its workplaces with more than 50 workers. These committees are joint, decision-making, participatory bodies set up for regular and periodic enquiries about activities in the area of health and safety. Periodic meetings are held and the topics discussed are recorded in the meeting minutes.

HUMANS' RIGHTS AT INDRA

Indra actively manages the various aspects of work-related human rights that affect its operations and the relationship it has with its employees.

- Child labour and forced labour: Despite the fact that, due to the nature of its operations, which require highly skilled professionals, Indra has a low risk of being party to a situation involving child labour or forced labour as a signatory of the [Global Compact](#), it openly states its opposition to any form of these exploitative situations. Still, Indra takes measures to ensure this is indeed the case: it verifies the age of each worker at the time of hire, keeps information systems up-to-date with the

particulars of each employee and monitors the work days of each employee, etc. For illustrative purposes, this annual report contains a diagram showing the age pyramid of Indra's professionals.

In addition, Indra holds its suppliers to this commitment under the [Framework Principles for Relations with Suppliers and the forthcoming Supplier Code of Ethics](#)

- Freedom of association and collective bargaining: As part of its commitments under the Global, Indra respects the right of its workers to join trade unions and to bargain collectively. In addition, Indra's [Code of Ethics and Professional Conduct](#) establishes equal opportunities, respect for others and freedom from all forms of discrimination, specifically due to union membership, as basic principles of conduct at the company.

The "Labour Relations" section of the "Employees" chapter of this annual report describes the model used for relations with trade unions in Spain.

The working conditions for Indra's professionals are based on existing industry-based or collective bargaining agreements in the respective countries where we have significant operations. As such, in 2010, 93% of Indra's staff was protected under a collective bargaining agreement.

Indra is present in countries where freedom of association is limited or persecuted. Nevertheless,

our actions in these countries are governed by the same general principles of respect for the right to join trade unions and to bargain collectively.

- Equality and freedom from discrimination: in addition to our accession to the Global Compact, Indra has put into practice various policies and initiatives to ensure equality among its professionals and freedom from discrimination. The Code of Ethics and Professional Conduct states Indra's respect for diversity, people and a discrimination-free environment and fosters these principles among its professionals. This code is supported by other policies, such as the Equality Plan, the Diversity Policy, the Unacceptable Behaviour Protocol, etc.
- Promotion and job security: Indra represents a source of job creation in the communities where it operates and its commitment to creating and keeping positions is demonstrated by the constant growth of its workforce over the past few years. In the 2006-2010 period, for example, Indra's workforce has grown at a (compound) annual rate of 30%.
- Occupational health and safety of Indra's professionals, as well as those who work for us.

In addition, under the "Workplace risk prevention" section of the "Employees" chapter of this annual report, a full description of Indra's activities in the

area of occupational health and safety in 2010 is provided.

- Salaries, benefits and working hours: Since 2005, we have had equality and work-life balance policies in place, which take on different forms in each of the countries where we operate.

The "Employees" chapter of this annual report contains information on the activities of the equality and work-life balance programmes in 2010.

- Training: Talent development is a fundamental element of a company like ours, which is staffed by knowledge professionals. As such, in this context, we attach great importance to the training of our professionals, as demonstrated by the fact that the training hours received by our professionals increased at a (compound) annual rate of 33% between 2006 and 2010.

The chapter "Employees" of this annual report contains information and indicators on Indra's performance in this area in 2010.

Commitments Undertaken in the 2009 Annual Report	Progress in 2010	2010-2011 Assessment	Goals for 2011
Promote actions to improve the exchange of knowledge and innovation with employees. Encourage the creativity and innovation of our professionals.	Hold technology meetings. Loans and book discussion groups ("Develop Your Talent" initiative). Sharing Knowledge platform Innovation management system (ISO 166.002) certification at Indra Software Labs. Launch of portal: www.ideas4health.indra.es		Continue to promote actions that will improve the exchange of knowledge and innovation with employees. Continue to encourage the creativity and innovation of our professionals.
Provide training on the Code of Ethics and Professional Conduct. Increase the culture and commitment of our professionals.	Inclusion of a module on the Code at orientation sessions. Development of an online training module entitled "Indra. Who we are, our values, brand and workplace culture," which includes training on the Code of Ethics and Professional Conduct and the company's values. Breakfasts held with senior management.	Various external monitors identify internal communications and the flow of information as the main areas of improvement.	Improve internal communications and the flow of information as one way to strengthen company culture.
Promote the development of talent.	Revision of the training model to align it with each career.		Continue to promote the development of talent.
Foster diversity.	Establishment of grants with the Fundación Adecco to recruit people with disabilities. Promotion of the concept of diversity.		Continue to increase diversity.
Promote new ways of working.	No major progress was made in this area.		Continue to promote new ways of working.
Encourage corporate volunteer initiatives.	Launch of the corporate volunteer portal and its first initiatives.		Promote corporate volunteer programmes via the portal.
Complete the identification and standardisation of risk prevention criteria and/or standards in the various countries where Indra operates.	No major progress was made in this area.		Complete the identification and standardisation of risk prevention criteria and/or standards in the various countries where Indra operates.
Renew certificates of conformity for workplace risk prevention management systems at Indra companies, which are due to expire in 2010.	Audit certificates for the management systems for the companies specified in the "Workplace Risk Prevention" section of the "Employees" chapter were obtained.		The certificates are valid for two or four years. No certificate renewals are expected to be performed in 2011.
Be a company that stands out for measures and processes that efficiently and verifiably help reduce accident rates by receiving recognition and awards from public administrations in this arena.	One of the key indicators of the level of preventive action taken by Indra is the rate of accidents in the workplace, which has been decreasing over the past few years.		Continue to take preventive action that reduces the rate of accidents in the workplace.
Fully mainstream prevention into all processes and decisions adopted and into the accountability of the organisational structure.	The management system statutory audit certificate was obtained for the companies specified in the "Workplace risk prevention" section of the "Employees" chapter, which means that our system is incorporated into our processes and organisation.		Continue to promote awareness initiatives geared toward mainstreaming aspects of prevention into our operations and processes.

	Training sessions were held for the management team and human resources department on risk prevention awareness.	
Actions to enhance established processes to keep them optimised on a permanent basis.	An international security policy was created to take into account certain matters when projects are executed in different countries.	Implement the international security policy, in addition to processes that will detect areas of improvement to ensure health and safety measures are fully implemented.
Risk prevention and health information campaigns.	<p>The following campaigns have been discussed:</p> <ul style="list-style-type: none"> • Information campaign on women's health • Gynaecological health campaign • Flu-shot campaign • Biological controls and prostate-specific antigen (PSA) tests for the early detection of prostate pathology. 	<p>The same campaigns as in 2010, plus the following:</p> <ul style="list-style-type: none"> • Information campaign on road safety • Information campaign on postural health • Information campaign on excess weight and obesity
	In line with our compliance with the AA1000 standard, a new standard needs to be developed to monitor employee satisfaction and include it further in the design of initiatives.	Develop an employee relationship management system.

21. CUSTOMERS

Main policies and initiatives

- The Strategic Quality Plan 2008-2012: details the main lines of action for 2009-2012 based around three priorities: corporate quality, operational quality and CE Marking.
- Indra Project Management Methodology (MIGP): Indra has proprietary project management methodology to guarantee project predictability, quality and productivity.
- Indra MIDAS Development Methodology: Indra has proprietary software development quality management methodology which is deployed in conjunction with the Indra Project Management Methodology (MIGP) and complements it.
- Quality certifications: UNE-EN ISO 9001, PECAL 2110, PECAL 160, UNE-EN 9100, CMMi, ITIL, PMP: Indra's quality management system has been developed in accordance with the UNE-EN ISO 9001 benchmark and other quality standards.
- Customer satisfaction surveys: tracking the level of customer satisfaction with Indra.
- Operating risk management system: Indra has a corporate system for monitoring its operating risk factors.
- Information Security Management System: Information security controls are set to international standard ISO/IEC 27002, the best practice guide, and UNE ISO/IEC 27001

- "Madrid Excelente" Accreditation, awarded to Indra by the Autonomous Community of Madrid, for excellence in management.

More information at

<http://www.indracompany.com/en/sostenibilidad-e-innovacion/clients>

GLOBAL QUALITY MANAGEMENT

In 2010, Indra has continued to further the effective integration of quality management across the organisation, through specific initiatives based around two key elements:

- Extending corporate quality management system in new countries where we have significant operations: In addition to the renewal of Indra's Quality System Certifications (ISO 9001, PECAL 2110 and EN9100), during the course of 2010, our company Indra Radar Technology has obtained ISO9001:2008 accreditation. Furthermore, activities are now underway for the implementation of the Quality Management System in centres in China, Argentina, Chile and the Czech Republic.
- Ensuring commitment to quality management from all professionals working for Indra: For this purpose separate initiatives relating to document management, training and communication have been launched.

Document management, training and communication

In 2009, Indra developed a document manager which was successfully introduced in 2010, allowing for the electronic management of Indra's quality regulations (manuals, procedures and instructions) and for documents to be signed

electronically. Indra is currently extending this tool to other countries with significant operations. Spain In 2010, Indra also strengthened technical training for its Quality Engineers and corporate technical staff with specialized technical courses and specific monographic courses on environmental issues and EC marking.

Finally, within the sphere of communication, the content relating to quality and the environment on the corporate intranet has been improved, with Quality Bulletins being distributed to Indra quality and operational staff, with key indicators for improving management.

200 professionals certified as PMPs

In 2010 Indra launched five courses providing PMP certification to 150 professionals within the company who hold direct responsibility for projects. This has enabled us to reach the target of 200 accredited staff by the beginning of 2011. This strength of training forms part of an ambitious plan which aims to have 500 certified staff in 2012. PMP certification is one of the most internationally recognised professional accreditations, which provides those holding the certification with public recognition of their competency in the area of project management.

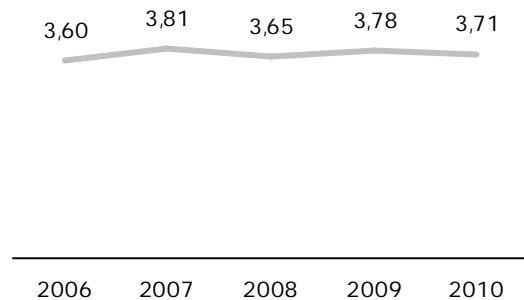
CUSTOMER SATISFACTION

Customer satisfaction is a management area that is focusing major efforts and is manifestly demonstrated by the following tools:

- An annual external corporate survey of a significant sample of our customer portfolio, by sales volumes, to compile information about customers' perception of the quality of the services rendered.
- A systematic, in-house survey polling the project managers upon project completion.
- The creation of quarterly and annual monitoring and results analysis reports
- The ongoing improvement of processes directly relating to customers.

Annual Corporate Survey

In 2010, work has been carried out to increase the sample size for the customer satisfaction survey, and, specifically through the launch of the survey in some of the countries where our presence is more significant. As a result, the new edition of the survey has been extended to Chile and Argentina.



Graph: Customer satisfaction 2006 - 2010. 1-5 scale.

Again, as in previous years, the main areas of improvement detected relate to "compliance with project deadlines", the "efficiency of administrative processes" and "Indra methodology", although always with assessments above 3.0 points

Since 2008, Indra has introduced significant improvements to project management methodology specifically designed to improve performance in these areas.

ENSURING PROJECT QUALITY

The design of the Indra Project Management Methodology as well as the Indra corporate systems, since its creation in the 1990s, have contributed to and supported methodological excellence and compliance with deadlines, using the basis defined by the standards for earned value management (Practice Standard for Earned Value Management, PMI Project Management Institute), allowing for periodic monitoring of the progress of projects. Through evaluating the compliance indicators for cost and schedule, applying this standard allows knowledge to be gained on the status and general health of the project with a high degree of precision, from 20% completion onwards, and to anticipate possible problems during the course of the project.

However, in 2008, given the areas of improvement identified in the customer satisfaction survey, and in response to the performance of the markets and the needs of clients, a methodology update was implemented (MIGP 2.0), with the first modifications to the corporate project management systems being carried out to provide wider coverage to operational risk management process, as well as project milestones, scope and issues. Correct application of these processes facilitates early detection of any deviations from plans, and, in turn, facilitates the implementation of any action plans designed to return the project to the desired

situation. At the same time, significant training was undertaken to disseminate these processes and management practices to the team in charge of projects, resulting in the training of around 1.800 people in these processes.

In 2010, a standardisation process was launched for the use of milestone management, adapted to the different operational management teams to ensure that the process provides better monitoring of project deadlines. This improvement in monitoring of milestones will facilitate the implementation of preventative or corrective action for situations which could negatively impact on compliance with Project objectives.

Project Audits

To complement the quality assurance mechanisms established by MIGP, Indra carries out annual internal audits of its projects to verify that the corporate quality criteria are complied with and to detect possible areas for improvement. In 2010, 147 internal audits were carried out, of which 136 of them were internal and the other 11 to specific processes of subcontractors.

Full mature software development methodology

During 2010, the Indra Method for Development, Adaptation and Services (MIDAS) has been improved by two key contributions:

- Some customers have proactively made contributions to improving MIDAS, with the aim of eliminating possible barriers in ways of working from both organisations, to facilitate effective communication between both methods and to generate positive synergies.
- In addition, our experience in Air Traffic Management (ATM) has allowed us to incorporate new best practice libraries into our Indra Method for Development, Adaptation and Services (MIDAS), developed under CMMi3 maturity levels and fully adopting high-maturity practices. These new libraries represent a significant contribution to the competitive and innovative “know-how” of Indra. Likewise, we also envisage incorporating those successes into MIDAS dynamic practices.

Furthermore, with the aim of disseminating development best practices internally and further standardising ways of working, in 2010 training on the Indra Method for Development, Adaptation and Services (MIDAS) was included as part of Indra core training (mandatory training). The MIDAS training plan includes different training itineraries with specific methodology content for each role, and is based on the most cutting-edge methodology, both

with in-class and on-line support. The project was launched in 2010 and will continue to be developed over the coming years.

INTEGRATING SUPPLIERS INTO QUALITY MANAGEMENT

At Indra we are aware that achieving the levels of excellence required by our customers inevitably requires involving all agents in the supply chain for our solutions and services. For this reason, Indra includes a quality evaluation in its approval process for all subcontractors, and carries out annual internal audits for non-standard processes. During 2010 this has resulted in the re-evaluation of 76 subcontractors and the approval of 69 new subcontractors, as well as 11 audits on non-standard subcontractor processes.

INFORMATION SECURITY MANAGEMENT AT INDRA

In 2010, the action plan for the Information Security Management System (SGSI) included some new aspects, most notably:

- Widening the Network monitoring platform to countries with significant operations.
- Implementing Access restriction to the Network (NAC), an important proactive measure allowing for assessment of the security of the platforms before granting access. This avoids any risks in advance.

- Integration of critical security alerts detected in the monitoring consoles within the incident management process, which speeds up resolution and management.
- Creation of the Data Protection Office for Projects

Special mention must be made of the achievement of the Management of IT services in relation to regulation UNE-ISO/IEC 20 000 certification. During the certification process, no non-compliance was found. In addition to the benefits of the regulation itself, resulting in the implementation of 13 processes for governing IT services, the certification adds value insofar as it complements our vision for the development of Indra's Information Security Policy.

Indra's Security Policy is available to all Indra professionals through the intranet.

Launching of the Data Protection Projects Office

Indra has established this new internal service to ensure compliance with Spain's Data Protection Act for projects that are developed in Spain, and as such, reduce the operational risks to the company.

This service contains two main areas of activities:

- Data protection advisory services Resolution of queries and enquiries relating to data protection and development regulation, as

applicable to projects dealing with personal data on behalf of customers.

- Audits on data protection risks: Audits of projects based on the risk of non-compliance with the regulation, as well as the financial impact and the impact on security and image.

Spanish data protection legislation is one of the most rigorous in the world.

MANAGING THE RISK OF CORRUPTION AT INDRA

Indra operates in 114 countries across the world, which means that we operate in countries with very different levels of transparency.

During the course of 2010, more than three-quarters of our sales came from countries with a high degree of transparency (6 out of 10 or above, according to the Transparency International Index), while the remaining sales were generated in countries where a relative risk of corruption exists.

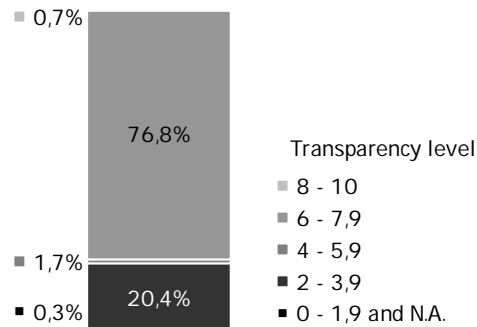


Chart: Distribution of Indra sales by degree of transparency of the countries where the sales were made

Source: Transparency International, Corruption Perception Index 2010,

http://www.transparency.org/policy_research/surveys_indices/cpi/2010/results

Compiled by author.

Furthermore, Indra believes its business operations should be law-abiding and comply with free market and fair competition principles, while being conducted in an ethical and transparent fashion.

Indra extends this commitment to all its professionals through its Code of Ethics and Professional Conduct, which expressly prohibits, under article 3, participating "in any acts of bribery when dealing with authorities and/or government employees or to offer or grant to senior management, employees or external collaborators benefits or advantages of any nature that are outside the realm of lawful market practice or which could be construed as being aimed at inappropriately influencing the normal progress of the business, administrative or professional relationships that Indra takes part in"

With the aim of involving all professionals in the fight against corruption, Indra carries out training activities on a yearly basis, and has made a Direct Channel available to professionals as a tool for communicating any queries arising during the course of their business activities.

In addition, Indra maintains a policy of total transparency in relation to incidents of corruption communicated through the Direct Channel. As indicated in the chapter "Our focus on sustainability", in the section on the implementation of the Code of Ethics and Professional Conduct, in 2010 Indra received only

one incident relating to corruption and bribery through this channel, and after the necessary investigation, the company did not find evidence to support the facts that had been reported.

In addition, Indra has an Internal Audit service which reports to the Audit and Compliance Committee, represented on the Board of Directors, which carries out reviews of the different processes/units within the company to determine if the controls established to mitigate any inherent risks from the company are sufficient and are operating effectively. During 2010, Internal Audit reviewed and evaluated 32 units/processes in the company, both operational and corporate.

Commitments outlined in the 2009 report	Progress in 2010	Assessment 2010-2011	Goals for 2011
Implementing actions to improve the exchange of knowledge and innovation with shareholders. Continuing to improve innovation management.	Certification of Indra Software Labs` innovation management system , in accordance with ISO 166002 standard		Implementing actions to improve the exchange of knowledge and innovation with shareholders. Continuing to improve innovation management.
Continuing to improve our information security policy.	Certification of the IT Services Management System (SGSIT) in reference to UNE-ISO/IEC standard 20 000 Launch of the Data Protection Projects Office		Continuing to improve the information security policy. Creation of a committee to integrate information security into corporate governance. Widen the scope of SGSO to the application of the new ERP Bi-yearly LOPD Audit of the 15 companies to which it is applicable.
Broadening the scope of the customer satisfaction survey. Implementing initiatives to improve customer satisfaction.	Launch of the survey in Chile and Argentina Improvements to MIDAS and MIGP		Continue increasing the scope of the customer survey: Incorporate Portugal and new countries from Latin America Increase the customer satisfaction index by 01 point.
Obtaining new quality standard certifications.	Indra Radar Technology in China obtained ISO9001:2008 certification. The Business Unit at CNS has obtained CMMi level 3 accreditation.		Increase the level of excellence in managing subsidiaries and Indra international companies with new quality and environmental certifications (Globalization), and develop the levels of maturity in relation to current CMMi accreditation, as well as an additional drive for consolidation of CE Marking.

22. SUPPLIERS

Suppliers

Subcontractors

Main policies and initiatives

- Standardisation of suppliers: Indra has a procedure for assessing suppliers on their economic, social and environmental performance for pre-qualification purposes.
- Supplier evaluation: Indra assesses the performance of a sample of suppliers on an annual basis.
- Suppliers guiding principles: establish the desired framework relationship between Indra and its suppliers.
- Suppliers satisfaction surveys: Indicator of suppliers' satisfaction with their relationships with Indra.
- Suppliers code of ethics: Indra's basic ethics principles shall be extended to the entire value chain from 2011 onwards.

For more information:

<http://www.indracompany.com/sostenibilidad-e-innovacion/125-alianzas-tecnol%C3%B3gicas>

Roll out of new ERP to improve relations with suppliers

Throughout 2010, Indra continued to roll out its new corporate ERP at all group businesses. In addition to the direct benefits this initiative may have in terms of efficiency, improvements to IT systems or reducing the time spent on administrative processes, the application is also expected to improve communication and transparency with suppliers through the creation of the new Purchasing Portal.

Better logistics to improve efficiency and reduce the environmental impact

In 2010, Indra carried out a pilot test to improve its logistics processes in the US. The project involved “consolidating the origin” of deliveries by setting up regional logistics centres to minimise air freight and optimise long haul and transcontinental flights. Consolidation at origin will involve using the railways as a priority means of transport, which has environmental benefits in addition to the positive impact on costs. This replaces the previous practice of: direct delivery from the place of origin using long-haul flights. The result is the rationalisation of the use of air freight as a means of transport.

In 2011, this initiative is expected to be expanded to other regions.

Suppliers Code of Ethics

At the end of 2010, Indra finished drafting a Suppliers Code of Ethics. Suppliers will be requested to adhere to this code in 2011. The Suppliers Code of Ethics will be included in suppliers' contracts from 2011 and suppliers already holding a valid agreement with Indra shall be asked to accept it.

The new code is predicated on the company's previous internal Code of Ethics and Professional Conduct and establishes a series of basic commitments in relation to professionalism, integrity and respect towards customers, including the non-profit organisations that Indra collaborates with.

The Suppliers Code of Ethics also stipulates the use of the same Direct Channel currently available to Indra employees, therefore establishing a single channel for receiving all communications and incidences.

The Suppliers Code of Ethics seeks to complete initiatives already underway at Indra, extending to the entire value chain the company's commitment to Corporate Responsibility, summarised in the Supplier Guiding Principles.

Promoting the integration of disabled people through our suppliers

In 2010, Indra designed a framework regulation to encourage the hiring of employees through specialist employment centres, with the twofold objective of improving company productivity and contributing to the social integration of disabled people.

To do this, Indra analysed the problems relating to contracting staff from specialised employment centres and defined solutions aimed at preventing or mitigating these problems. These solutions are included in the Framework Agreement drawn up for specialised employment centres which will be fully operational in 2011.

This initiative is in addition to other projects to integrate disabled people carried out by Indra's HR department.

Commitments outlined in the 2009 report	Progress in 2010	Assessment 2010-2011	Goals for 2011
Implement actions to improve the exchange of knowledge and innovation	Implemented new ERP as a base for future communications improvements		Creation of new Purchasing Portal
New financial risk analysis for suppliers	No analysis has been made in 2010. It has been postponed to 2011.		Continue financial risk analysis at suppliers
Extend the Code of Ethics and Professional Conduct to include our suppliers.	Drafted new Code		Launch of signing process by suppliers

23. PARTNERS

Strategic

Tactical and transactional

Local

Main policies and initiatives

- Alliance management: Indra has a system for managing its alliances.
- Partner satisfaction surveys: Indicator of suppliers' satisfaction with their relationships with Indra.

More information at

<http://www.indracompany.com/en/sostenibilidad-e-innovacion/suppliers-and-partners>

Following a review and assessment conducted in 2010 in conjunction with the Corporate Alliances Department, Indra resolved to separate the report on its performance vis-à-vis technology partners from the chapter on suppliers, since we believe that this report structure better addresses the unique characteristics of each audience (suppliers and partners) and better reflects the differences in our internal management approaches to each group.

Indra's technology partners are an essential part of the company's business, as they act as strategic knowledge partners, enhance our range of products and services and sales capabilities, and, oftentimes, assist in strengthening our presence in certain locations.

Innovation development with partners is based on an Open Innovation model which establishes a maximum level of cooperation with the partner throughout all stages of the process: from initiative selection and proposal, pilot development and concept testing, solution generation, to final joint sales activity.

Improving internal management

Indra's partner ecosystem currently takes the form of formalised relationships with 146 companies of all kinds in terms of size, specialisation and location, etc.

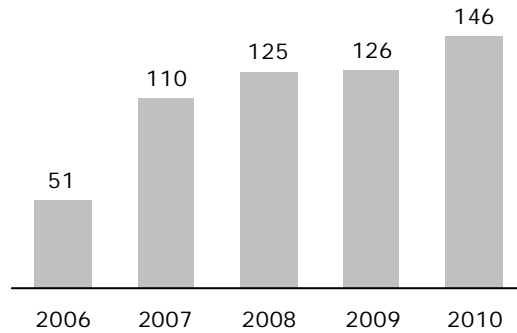


Chart: Number of partnerships in place
Indra Sistemas

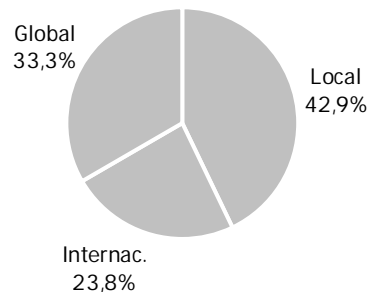


Chart: Breakdown of suppliers by type of alliance (%)

This ecosystem is dynamic and undergoes constant and rapid industry merger and acquisition activity at both the domestic and international levels. Consequently, it is paramount that we implement an active surveillance process that will keep us ahead of the curve on potential movements in the ecosystem, by segmenting and concentrating strategic relationships around partners that offer

the most compelling story on two key elements of relationship development: globalisation and innovation capacity.

In 2010 Indra improved its internal management of alliances. To this end, it created new tools to better gauge the quality of relationships, identify areas of improvement, design initiatives and monitor the progress of said initiatives. Specifically, Indra launched a new in-house website for alliance management worldwide, along with a management scorecard with a series of indicators for monitoring partner relationships.

Furthermore, these tools were complemented by an enhanced in-house communication regime, geared towards engaging the entire corporation in alliance management. The company published several news items on its intranet site in 2010 announcing new contracts, expansion of the scope of agreements, etc.

Finally, Indra placed particular emphasis on the most strategic partners in the iGAN (Indra Global Alliances Network) segment, which consists of agreements with Indra's most important tech partners in terms of innovation capacity and globalisation.

Tech partners, key allies for innovation

In 2010 Indra significantly increased the number of projects it undertook jointly with tech partners. These projects perfectly illustrate that two corporations, heavily based on innovation and talent, are capable of generating highly complex technological solutions and services to address even the most difficult-to-overcome challenges.

This was the case, for instance, with a contract secured to modernise and expand a communications integration and management system for Spain's Military Emergency Unit (UME), undertaken in conjunction with our partners Telefónica and Cisco.

Improving communication with our partners

A company like Indra, which is engaged in multiple, varied and complex activities with a wide array of partners, must have the best possible in-house and external communication tools in order to maintain relationships with the company's varied target audiences and raise awareness of its goals and achievements.

In this regard, initiatives such as a satisfaction survey, global and multilingual alliances website, an active internal and external communication policy and a monitoring and management system implemented in the past year represent substantial progress in our important efforts to leverage and highlight relationships.

In order to strengthen our relationships with technology allies, in 2010 we enhanced our communication efforts, specifically by distributing Indra's e-magazine, Actual. More than 400 partner contacts now receive this publication.

PARTNER SATISFACTION

In the second edition of the Partners survey, there was a slight improvement in the satisfaction index, from 3.4 to 3.5, while some of the areas that showed some progress last year underwent further improvement: the return on investment perceived by the partner and the suitability of the number of

resources contributed by Indra, with scores of over 3.1.

In addition, the Partners highlighted positively the qualifications and quality of Indra employees, as well as their level of knowledge about key ICT technologies, with both attributes scoring above 4.0 points.

The results of the survey will be included in Indra's Corporate Social Responsibility Master Plan for 2012 in order to design initiatives that will improve relations with our Partners.

Commitments outlined in the 2009 report	Progress in 2010	Assessment 2010-2011	Goals for 2011
Implement actions to improve exchange of knowledge and innovation Nurture innovation with our tech partners	Classification of IGAN partners Joint R&D projects Delivery of <i>Actual</i> and Annual Report	Knowledge exchange with partners and return on investment are areas of improvement identified in the 2010 partner survey.	Continue to implement actions to improve exchange of knowledge and innovation Continue to bolster innovation with our tech allies as a means of increasing the value of partner relationships.
Make further headway in our international management of partnerships	18 new international agreements 9 agreements whose scope was expanded	The 2010 partner satisfaction survey identified the following areas of improvement: a proactive attitude, the resources allocated by Indra and the level of cooperation.	Continue to make progress on international alliance management as a means of forging closer ties with our partners in terms of resources and level of cooperation. Improve partner satisfaction (raise the partner satisfaction index by at least 0.1 point in 2011)

24. ENVIRONMENT

Main policies and initiatives

- Environmental management policy and system: Indra's system is designed to minimise use of resources, waste generation and, in general, to reduce the impact of the company's environmental footprint.
- Environmental certifications: Indra's environmental management system is UNE-EN ISO 14001 certified and complies with EU Regulation 1221/2009 establishing the EU Eco-Management and Audit Scheme (EMAS).
- [Stance on climate change](#): company statement regarding its stance on climate change.
- Supplier evaluation on environmental performance: application of Indra's basic environmental standards throughout the value chain.
- Employee awareness: training initiatives to increase environmental awareness among our professionals.

More information at

<http://www.indracompany.com/en/sostenibilidad-e-innovacion/reduce-our-impact-3%25-a-year>

Indra is aware that certain natural resources are being depleted and deteriorated by human activity and understands that reducing its own environmental footprint is part of its responsibility as a company and key to its sustainability, in addition to helping to better the environment through its range of solutions and services.

Specifically, Indra considers that its largest environmental impact derives from the power consumption of the IT equipment used to develop its solutions and services, which in turn generates the most indirect CO₂ and greenhouse gas emissions. Even though this is the most significant impact, there are other negative environmental impacts, such as the use of paper (with high indirect CO₂ emissions), water consumption and waste generation.

Over the last few years, we have worked to reduce the consumption of power and natural resources and reduce waste, while at the same time working to create IT systems that allow us to better understand our environmental impact and help us to become more transparent.

ENVIRONMENTAL STEERING COMMITTEE

We have set up an Environmental Steering Committee comprising the General Services, Corporate Responsibility and Quality and Environment Departments, entrusted with drawing up Corporate Responsibility and Environmental Master Plans, contributing ideas as to the strategies to undertake and studying ways of improving our Environmental Management System.

WORKPLACE CERTIFICATION

The Indra Environmental Management System was rolled out in 2010 with five new workplaces being awarded ISO14001 accreditation: two in Spain (Cerro de la Plata in Madrid and Seville) and three in Colombia (Calle 57 and Carrera 65, both in Bogotá, and another in Barranquilla).

A single audit was carried out in Colombia to certify the company's Quality Management, Environment and Occupational Health and Safety systems (ISO 9001, ISO 14001 and OHSAS 18001).

Indra now boasts 18 ISO 14001 certified workplaces, i.e. 52.1% of the company's employees (compared to 49.4% in 2009). For the full list of certified workplaces, go to <http://www.indracompany.com/en/sostenibilidad-e-innovacion/reduce-our-impact-3%25-a-year>

In 2010, Indra was also awarded FSC Chain of Custody accreditation for its three workplaces in Colombia. This certification covers paper management and assesses the forestry supply chain, starting with the trees and finishing with the end product, through all stages of processing, transformation, manufacturing and distribution, to verify that the wood does not come from undesirable sources.

ENVIRONMENTAL TRAINING AND AWARENESS CAMPAIGNS

In addition to the training courses for environmental management employees involved in the workplace certification processes, in 2010 Indra's Quality Engineers were offered courses on the requirements of our Environmental Management System and on how to manage the requisite environmental obligations in customer contracts (Environmental Impact Plans).

In addition to these training sessions, all employees were offered specific awareness campaigns on the purchase and use of recycled paper and on how to reduce electricity and water consumption. Also, in 2010 the company began a series of awareness campaigns which will run throughout 2011 on managing hazardous and non-hazardous waste, as well as on reducing electricity consumption at workplaces in Spain.

Acción CO₂ project

Indra actively participates in the Fundación Entorno-BCSD España energy and climate change group, with particular emphasis on the Acción CO₂ project.

The Acción CO₂ project was set up in 2008 as a voluntary commitment by companies to reduce CO₂ emissions. Members attend benchmarking sessions to share best practices and training programmes aimed at encouraging actions by their employees. Among its training schemes, in 2010 the Fundación Entorno devised a personal calculator for employees to estimate the money they could save by applying some of the recommended energy efficiency measures, thereby encouraging them to commit to these measures.

Indra signed up to the Acción CO₂ project in 2010 and as the first initiative of awareness, distributed the personal calculator to all its employees.

At year end 2010, a total of 620 employees had used the calculator, resulting in a commitment to reduce CO₂ emission by 422 tonnes, equivalent to a saving of €84,000. This makes us the Fundación Entorno member with the largest commitment.

In 2011, Indra also plans to distribute to employees the new online tutorials designed by the Fundación Entorno.

ENVIRONMENTALLY-RESPONSIBLE SOLUTIONS AND SERVICES

Throughout 2010, Indra continued implementing the measures required under European regulation concerning chemical and hazardous substances (REACH), begun in 2009. The following actions were taken:

- The chemical substances used by Indra were catalogued.
- A preliminary calculation was drawn up of all chemical products acquired within and outside the European Union in 2009

In compliance with Royal Decree 208/2005 on electrical and electronic equipment and management of its waste, Indra reports to the Ministry of Industry on the numbers placed on the market on a quarterly basis.

Also, in compliance with Act 11/1997, Indra prepares an annual statement on packaging and packaging waste. This register is used to create a database to determine the amount of packaging and packaging waste by geographical area, volume, characteristics and packaging and waste flows.

ONGOING SUPPORT FOR REFORESTATION IN THE PHILIPPINES

Following its launch in 2009, this year Indra and its employees once again participated in the "Adopt a Tree" project in the . The project aims to raise awareness among paper companies of the essential

role of forests in maintaining the biodiversity and health of river basins. Philippines

Since its launch, Indra employees have "adopted" over 400 trees.

In the last 50 years, 66% of forest surface area in the has been destroyed, making it one of the regions with the fastest pace of deforestation on Earth. Philippines

Reducing "information pollution"

In November 2008, Indra rolled out a new initiative aimed at improving communication and cooperative work among employees: its instant messaging system.

This service allows users to send messages in real time and hold conversations with two or more colleagues.

In addition to the obvious advantages of encouraging communication, collaboration and teleworking practices, the environmental impact of this initiative is very favourable. The combination of instant messaging and emails reduces the need for data storage infrastructure or "digital pollution". It can also help reduce the amount of paper used by limiting the need to print out emails.

Use of this service rose sharply in 2010, further helping reduce the associated environmental impacts.

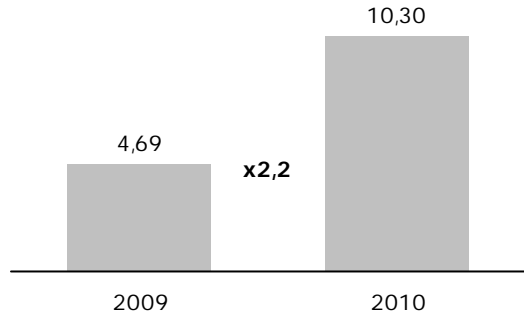


Chart: Number of instant messaging conversations (data in millions).

SUPPLIERS' REQUIREMENTS

In total, 430 Indra subcontractors were assessed on practices involving waste, emissions and spills. Of the 430 companies assessed, 110 passed in 2010 and 66 in previous years, while 50 companies are still pending of valuation. The remaining 204 were not assessed given the scant environmental impact of their work.

Also, based on the waste, spills and emissions management assessment, we have seen that 75% of our subcontractors adequately comply with environmental legal requirements. We are still waiting to receive and analyse certain documentation to conclude our assessment of some subcontractors.

GASTOS E INVERSIONES MEDIOAMBIENTALES

2006	2007	2008	2009	2010
<ul style="list-style-type: none"> ▪ Bringing environmental conditions at workplaces into line with updated legislation ▪ Implementing the Environmental Management System in Aranjuez (in process) and conducting internal audit of the <i>Triángulo</i> building ▪ ISO 14001 certification of the <i>Triángulo</i> building ▪ Measurement of noise levels at the <i>Triángulo</i> building ▪ Waste minimisation study in the DASS clean room ▪ Floor study at San Fernando, Torrejón and Aranjuez 	<ul style="list-style-type: none"> ▪ Bringing environmental conditions at workplaces into line with updated legislation ▪ Implementation and certification of Environmental Management System in Aranjuez and Barcelona ▪ Internal audit at workplaces ▪ Measurement of noise levels at Aranjuez ▪ Waste minimisation study at Aranjuez ▪ Lighting at Aranjuez. ▪ Waste analysis at Aranjuez ▪ Replacement of San Fernando transformation centres 	<ul style="list-style-type: none"> ▪ Extending updating of environmental legislation to new autonomous regions ▪ Internal audit at workplaces ▪ Waste room at Anabel Segura offices ▪ Measurement of noise levels at La Finca offices ▪ Certification audits ▪ UW separation at Anabel Segura workplace ▪ Inertisation of tanks in Torrejón offices ▪ Cooling equipment at Aranjuez offices ▪ Adapting polluting refrigerant gas R-22 to EC regulation 2037/2000 	<ul style="list-style-type: none"> ▪ Extending updating of environmental legislation to new autonomous regions ▪ Internal audit at workplaces ▪ Certification audits ▪ Measurement of noise levels at Coruña offices ▪ Replacement of air conditioning equipment that uses R-22 gas ▪ Amortisation of installation of natural gas boilers at Aranjuez offices ▪ Addition of glass waste to waste separation system in San Fernando de Henares offices (Madrid) 	<ul style="list-style-type: none"> ▪ Extending updating of environmental legislation ▪ Internal audit at workplaces ▪ Certification audits ▪ Removal of equipment in the market after its useful life ▪ Replacement of air conditioning equipment that uses R-22 gas ▪ Maintenance of air conditioning equipment ▪ Maintenance of emergency generator ▪ Self-monitoring of emissions to the environment ▪ Replacement of own gasoil boilers ▪ Management of Hazardous Waste treatment ▪ Analysis of spillages ▪ Waste collection ▪ Removal of equipment ▪ Consultation regarding implementation of integral HSEQ management system in the four work centres in Colombia ▪ Installation of two automatic revolving doors, to keep the temperature constant and reduce electricity consumption at the headquarters in Arroyo de la Vega (Alcobendas, Madrid)
17,782€	557,612 €	42,231 €	511,078 €	398,216 €

ENVIRONMENTAL TARGETS

In 2010, for the first time ever, Indra set CO2 emissions targets.

Our aim is to cut direct and indirect CO2 emissions by 3% a year in 2010 and 2011 compared to 2009.

To achieve this we have designed a programme with four priority action areas:

- Air conditioning and heating affect emissions generated by gasoil and natural gas boilers and electricity consumption.
- Lighting, largely affects electricity consumption.
- Efficient use of computer equipment largely affects electricity consumption.
- Mobility refers to emissions generated by our employees in their day-to-day travels.

The emissions generated by business trips are not included in this objective. However, given the scale of these emissions, we shall include this category in our awareness campaign aimed at cutting emissions by 3% a year in 2010 and 2011.

Goals for reducing consumption and waste generation at the certified workplaces

Goal in 2010	Workplace	Result in 2010
To reduce consumption of raw materials		
Global reduction per person of 3% in white paper used in the year		
	▪ Triángulo (Alcobendas, Madrid)	Paper: -16% ●
	▪ Interface (Barcelona)	Paper: >100% ○
	▪ La Coruña	Paper: -82% ●
	▪ Ciudad Real	White Paper: -70% ●
		White Paper Photocopies: -71%
	▪ Sevilla	Goal for 2011
To reduce generation of urban waste		
Global reduction of 3% in toner cartridge waste per person		
	▪ Anabel Segura (Alcobendas, Madrid)	-26% ●
Global reduction of 3% in generation of paper waste		
	▪ Arroyo de la Vega (Alcobendas, Madrid)	-15% ●
	▪ La Finca (Pozuelo, Madrid)	+41% ○
	▪ Cerro de la Plata (Madrid)	Goal for 2011
Global reduction of 3% in voluminous wood waste		
	▪ Aranjuez (Madrid)	-29% ●
To reduce consumption of natural resources		
Global reduction of 3% in water from the network consumed per person per year		
	▪ San Fernando de Henares (Madrid)	-20% ●
	▪ Torrejón de Ardoz (Madrid)	-47% ●
	▪ Arroyo de la Vega (Alcobendas, Madrid)	0% ○
	▪ Roc Boronat (Barcelona)	-6% ●
	▪ Lisboa	-1% ○
Global reduction of 5% in water consumed per person per year		
	▪ Calle 96 (Bogotá)	-30% ●
	▪ Calle 57 (Bogotá)	-34% ●
	▪ CAI (Bogotá)	-42% ●
	▪ Barranquilla	+3% ○
Global reduction of 3% in electricity usage per person per year		
	▪ Torrejón de Ardoz (Madrid)	-5% ●
	▪ Lisboa	-13% ●
Global reduction of 2% in accumulated energy usage per person per year		
	▪ Barranquilla	-24% ●
Global reduction of 3% in accumulated energy usage per person per year		
	▪ Calle 57 (Bogotá)	-28% ●
Global reduction of 5% in accumulated energy usage per person per year		
	▪ Calle 96 (Bogotá)	-23% ●

- Goal achieved
- ◐ Goal partially achieved
- Goal not yet achieved

Environmental consumption	Electricity	Gas oil C	Natural gas	Drinking water	Non-drinking water	Hazardous waste	Non-hazardous waste	Recyclable toner	Vegetable oils	Direct CO2 emissions	Indirect CO2 emissions
	kWh	l	m3	m3	m3	Kg	Kg	Kg	l	T	T
Germany	266,772	N/Ap	N/Ap	770	N/Ap	N/A	N/A	N/A	N/A	N/Ap	108
Argentina	2,686,671	N/Ap	N/Ap	10,692	N/Ap	N/A	N/A	N/A	N/A	N/Ap	815
Algeria	3,031	N/Ap	N/Ap	9	N/Ap	N/A	N/A	N/A	N/A	N/Ap	2
Australia*	239,600	N/Ap	N/Ap	324	N/Ap	N/A	N/A	N/A	N/A	N/Ap	221
Bolivia	245,551	N/Ap	N/Ap	709	N/Ap	N/A	N/A	N/A	N/A	N/Ap	124
Brazil	766,074	N/Ap	N/Ap	5,941	N/Ap	N/A	N/A	N/A	N/A	N/Ap	62
Bulgaria*	15,157	N/Ap	N/Ap	44	N/Ap	N/A	N/A	N/A	N/A	N/Ap	7
Colombia (ISO 14001)	734,806	N/Ap	N/Ap	5,140	N/Ap	4,201	99,275	3,436	N/Ap	N/Ap	110
Chile	358,394	N/Ap	N/Ap	2,200	N/Ap	N/A	N/A	N/A	N/A	N/Ap	105
China	98,454	N/Ap	N/Ap	218	N/Ap	N/A	N/A	N/A	N/A	N/Ap	78
Dubai	12,126	N/Ap	N/Ap	35	N/Ap	N/A	N/A	N/A	N/A	N/Ap	10
USA	785,432	N/Ap	N/Ap	875	N/Ap	N/A	N/A	N/A	N/A	N/Ap	653
Slovakia	172,795	N/Ap	N/Ap	499	N/Ap	N/A	N/A	N/A	N/A	N/Ap	39
Spain	68,334,402	289,366	352,344	185,711	20,864	47,468	681,602	2,205	948	1,442	23,903
ISO 14001	47,882,424	289,366	352,344	83,137	20,864	47,468	681,602	2,205	948		
Not certified	20,451,977	N/Ap	N/Ap	102,574	N/Ap	N/A	N/A	N/A	N/A		
Philippines	623,781	N/Ap	N/Ap	1,469	N/Ap	N/A	N/A	N/A	N/A	N/Ap	271
France	5,883	N/Ap	N/Ap	79	N/Ap	N/A	N/A	N/A	N/A	N/Ap	1
Hungary	12,126	N/Ap	N/Ap	35	N/Ap	N/A	N/A	N/A	N/A	N/Ap	4
India	7,991	N/Ap	N/Ap	122	N/Ap	N/A	N/A	N/A	N/A	N/Ap	8
Italy	23,037	N/Ap	N/Ap	70	N/Ap	N/A	N/A	N/A	N/A	N/Ap	9
Kazakhstan	6,063	N/Ap	N/Ap	17	N/Ap	N/A	N/A	N/A	N/A	N/Ap	3
Kenya*	157,638	N/Ap	N/Ap	455	N/Ap	N/A	N/A	N/A	N/A	N/Ap	50
Malaysia	3,031	N/Ap	N/Ap	9	N/Ap	N/A	N/A	N/A	N/A	N/Ap	2
Morocco	24,002	N/Ap	N/Ap	44	N/Ap	N/A	N/A	N/A	N/A	N/Ap	17
Mexico	3,044,208	N/Ap	N/Ap	7,894	N/Ap	N/A	N/A	N/A	N/A	N/Ap	1,648
Moldova	184,921	2,000	N/Ap	534	N/Ap	N/A	N/A	N/A	N/A	5	88
Nicaragua	3,031	N/Ap	N/Ap	9	N/Ap	N/A	N/A	N/A	N/A	N/Ap	2
Panama	212,877	N/Ap	N/Ap	1,452	N/Ap	N/A	N/A	N/A	N/A	N/Ap	49
Peru	3,160,610	N/Ap	N/Ap	9,126	N/Ap	N/A	N/A	N/A	N/A	N/Ap	545
Portugal	833,357	181,309	N/Ap	2,716	N/Ap	N/Ap	162	35	N/A	487	347
ISO 14001	286,114	181,309	N/Ap	1,466	N/Ap	N/Ap	162	35	N/Ap		
Not certified	547,243	N/Ap	N/Ap	1,250	N/Ap	N/A	N/A	N/A	N/A		
UK	36,378	N/Ap	N/Ap	105	N/Ap	N/A	N/A	N/A	N/A	N/Ap	18
Czech Republic	130,670	11,402	25,081	940	N/Ap	N/A	N/A	N/A	N/A	78	69
Dominican Rep.	66,213	N/Ap	N/Ap	N/Ap	N/Ap	N/A	N/A	N/A	N/A	N/Ap	41
Romania	439,567	N/Ap	N/Ap	1,269	N/Ap	N/A	N/A	N/A	N/A	N/Ap	188
Ukraine	5,050	N/Ap	N/Ap	17	N/Ap	N/A	N/A	N/A	N/A	N/Ap	2
Uruguay	372,600	N/Ap	N/Ap	1,375	N/Ap	N/A	N/A	N/A	N/A	N/Ap	110
Venezuela	2,489,093	N/Ap	N/Ap	8,086	N/Ap	N/A	N/A	N/A	N/A	N/Ap	519
Zambia	18,189	N/Ap	N/Ap	52	N/Ap	N/A	N/A	N/A	N/A	N/Ap	0
Total 2010	86,579,584	484,077	377,425	249,042	20,864	51,669	781,039	5,676	948	2,012	30,227
Estimated data											

Other CO2 emissions

Direct CO2 emissions derived of company transportation (own-vehicles) (t)	1.416
Indirect CO2 emissions derived of company transportation (third party vehicles) (t)	10.476.242

Commitments outlined in 2009 annual report	Progress in 2010	2010-2011 assessment	Objectives for 2011
3 new workplaces certified	5 workplaces certified: Cerro de la Plata (Madrid), Seville, Bogotá (2 centres), Barranquilla		Continue obtaining certification for Indra workplaces at a rate of 2 or 3 a year. We aim to receive accreditation for our Erandio and Baracaldo workplaces in Spain in 2011 Define an "environmental module" to guarantee compliance with local environmental legislation, as part of the requirements of the Corporate Environmental Management System for those non-certified workplaces. This will be rolled out at two workplaces in Spain (Valencia) and two in LATAM before other workplaces adopt this module over the coming years
Employee awareness in 2010: <ul style="list-style-type: none"> Recycled vs. virgin paper purchases Reduction in paper consumption Extending environmental management training Involving our professionals in meeting our environmental objectives Raising awareness among our professionals about what they can do to minimise the environmental impact in their personal lives.	Training and awareness initiatives Acción CO ₂ project		Continue raising employee awareness. Geared towards cutting CO ₂ emissions and reducing virgin paper consumption
Continuing to measure and reduce CO ₂ emissions	CO ₂ emission reduction targets set for 2010-2011	Various analysts (e.g. Carbon Disclosure Project and Dow Jones sustainability Indexes) demand greater transparency from us regarding measuring and reducing GHG emissions	Continue to measure and reduce CO ₂ emissions
Enhancing our range of solutions and services that contribute to environmental sustainability	Projects noted for positive environmental impact in 2010 (see chapters on our businesses for further details): <ul style="list-style-type: none"> Smart buildings ("Solutions and Services" chapter) 4D air traffic management system ("Transport and Traffic" chapter) Smart cities ("Solutions and Services" chapter) Space solutions ("Security and Defence" chapter) 		Enhance our range of solutions and services that contribute to environmental sustainability

25. KNOWLEDGE INSTITUTIONS

Universities

Business schools

Research centres

Main policies and initiatives

- Head of University Relations: in 2005 Indra appointed a dedicated head of university relations and set up a taskforce to carry out and monitor related initiatives.
- Knowledge centre satisfaction survey: Indicator of knowledge institutions' satisfaction with their relationships with Indra.
- Agreements and research chairs: Formalisation of relationships with knowledge centres.

More information at

<http://www.indracompany.com/en/sostenibilidad-e-innovacion/knowledge-institutions>

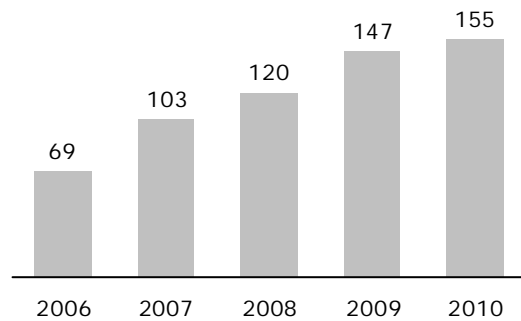


Chart: Main agreements with universities, research centres, foundations and business schools

Permanent innovation and the talent of the employees who drive it are the pillars of Indra's commercial strategy. Universities, research centres and other knowledge institutions are strategic partners in our business activities, as they are the source of highly skilled professionals and act as crucial peers in the development of innovation and R&D projects.

Indeed, the university is the main source of knowledge upon which Indra's Open Innovation regime is based, and we therefore "support the university system, which generates a competitive economy."

Indra's strategy thus consists of forming solid, permanent and mutually beneficial cooperative relationships with these institutions. These partnerships will often be formalised through framework agreements and academic chairs.

Types of cooperation between universities and Indra

- Recruitment of talented people (recruitment plans, awards, scholarships, job search forums).
- Training and dissemination of knowledge (participation in courses and masters degrees, seminars, visits to Indra, institutional participation in conferences, etc.)
- R&D&I activities (direct recruitment, Avanza, Cenit and other projects).
- Strategic activities (access to new markets, strategic alliances).

AGREEMENTS AND ACADEMIC CHAIRS

Academic chairs exemplify this spirit of long-term collaboration between universities and Indra. These chairs' activities involve a range of fields related to Indra's areas of strategic interest.

The new "Indra Outsourcing Chair" at the European University of Madrid

In 2010, Indra and the European University of Madrid established the Indra-Outsourcing Chair to encourage work and research in the field of information and communication technologies solutions and services.

The project encompasses research, training, technology transfer and teaching, among others, as well as the launch of the first Outsourcing Observatory, which will foster the writing, publication and

distribution of periodic research reports on outsourcing services. Additionally, an e-magazine on the outsourcing world will also be founded to create a communication venue for professionals and researchers in this field.

This chair represents a natural evolution following years of cooperation with the European University of Madrid, particularly via its University Masters programme in Comprehensive IT Management.

New Chairs in Accessible Technologies

Moreover, in 2010 Indra endowed three new academic chairs in accessible technologies: two of them at Spain's University of Extremadura which will be devoted to creating a task sequencing system to facilitate the integration of people with cognitive disabilities into the workplace; and the other at Argentina's National University of Córdoba to develop innovative projects and solutions to facilitate disabled individuals' access to technology and jobs. The latter programme includes the launch of an Accessibility Observatory, which will research the current Accessible Technologies environment in Latin America and in Argentina in particular.

Indra sponsors 11 chairs at the following universities:

- General chair: Madrid Polytechnic University.
- Chair in Terrestrial Digital TV for disabled people: Madrid Polytechnic University.
- Space Technology Chair: University of Cantabria

- Security and Accessible Technologies Chair: University of Castilla La Mancha.
- Security Chair: University Autónoma de Madrid.
- Chair in Accessible Technologies: University of Lleida.
- Healthcare Technologies Chair: Valencia Polytechnic University
- University of Extremadura: IT Technologies Applied to Disabled People Chair.
- European University of Madrid Outsourcing Chair (signed in 2010).
- University of Extremadura Accessible Technologies Chair (signed in 2010).
- National University of Córdoba (Argentina) Chair in Accessible Technologies (signed in 2010).
- Cátedra en la Universidad Nacional de Córdoba (Argentina) de Tecnologías Accesibles (firmada en 2010).

Encouraging an entrepreneurial culture among university students

For the second consecutive year, we underwrote the Junior Achievement Foundation's Graduate Programme Awards honouring excellence in entrepreneurship. These prizes are intended to foster an entrepreneurial spirit and promote the education of entrepreneurs in the university environment. Students draw up a business plan, with an option to put it into practice at the end of the programme.

AWARDS

Indra in 2010 received three awards praising its commitment to technology transfer and cooperation with universities.

- Award for R&D cooperation from the University of Valencia's Social Committee (November 2010).
- Award for research cooperation from the Polytechnic University of Madrid (November 2010).
- Award from the University of Castile La Mancha's Social Committee (September 2010).

Commitments outlined in 2009 annual report	Progress in 2010	2010-2011 assessment	Goals Objectives for 2011
Fostering actions to improve the exchange of knowledge and innovation with universities and other knowledge institutions.	Signed two new agreements and three new chairs 100 joint R&D projects with universities		Continue to promote actions to improve the exchange of knowledge and innovation with universities and other knowledge institutions.
Launch new initiatives to improve Indra's brand as an employer	Indra is preparing a programme, set to launch in 2011, for enhancing our brand image among Spanish and Latin American university students.		Continue to launch new initiatives to improve Indra's brand as an employer
Internationalisation of academic chairs	Signing a new chair in Argentina		Signing framework agreements and/or chairs in Latin America

26. SOCIETY

Local communities

Public administration sector

Non-profit making organisations

Social networks

Main policies and initiatives

- Narrowing the digital gap: the cornerstone of Indra's strategy for Social Action
- Professorships for research into Accessible Technologies: collaboration with universities for the development of technology for the disabled (www.tecnologiasaccesibles.com).
- Corporate Volunteering: Social Action initiatives involving our professionals (voluntariado.marcaindra.com).
- Relationship with governments: Indra's statement on its relationship with governments.
- Indra and lobby groups: Indra's statement on its position on lobby groups.
- Indra and tax havens: Indra's statement on its business operations in countries considered tax havens.

More information at

<http://www.indracompany.com/en/sostenibilidad-e-innovacion/society>

Under the concept of "Society", we include all the relationships we have with agencies in the social sphere, from governments and public sector organisations, to local communities, social networks and non-profit making organisations.

Our relationships in this sphere are based on transparency and a contribution to social development through the promotion of knowledge and innovation. We believe that technology is efficient and useful for society and, so, we aim to foster investigation and the development of projects with a two-fold purpose: to make technology accessible to everybody and to make use of it to narrow the so-called digital gap.

This gap is different in scope and significance in the various markets where Indra operates. The aim is to help narrow the gap, using our solutions and services to promote accessibility and extend the use and enjoyment of quality content to improve education and people's quality of life.

INDRA AND ACCESSIBLE TECHNOLOGIES

Accessible technologies represent Indra's most significant project in the sphere of social action, in that they truly reflect our vision: the development of technology to contribute to the improvement of society and narrow the digital gap.

This vision is founded on the firm conviction and belief that our best contribution to society is not

through monetary assistance but through providing what we know best: technology.

Accessible technologies make up 44% of the resources we allocate to social action and have a great impact in both the community and the company itself.

About accessible technologies

Accessibility and inclusion together comprise a fundamental area in which information technologies can offer substantial improvements for people and social groups. Taking account of this need, Indra has firmly established itself as a leader in the development of accessible technologies to assist in the social integration of people with disabilities and make technology accessible to them.

At Indra we have been pursuing a series of collaborations with various universities and knowledge institutions for several years as a means to develop these technologies. Specifically, we have launched the Professorships in Accessible Technology to bring together the projects undertaken in collaboration with the Fundación Adecco (the majority) and various universities to develop solutions and innovative services in the areas of accessibility and inclusion.

The main areas of work for the professorships are aimed at facilitating the integration of people with disabilities into work and society in general:

- Independent living
- Accessible education.
- Accessible employment

At the moment we have five professorships in various universities in Spain and Argentina: the University of Lleida (Spain), the University of Extremadura (Spain), the Madrid Polytechnic University (Spain), the University of Castilla la Mancha (Spain) and the National University of Cordoba (Argentina).

HeadMouse, the virtual mouse

This virtual mouse is designed to allow people with limited mobility to access information technologies. It enables people to control the computer cursor through head movements (for "dragging") and face movements (for "clicking"). Based on artificial vision algorithms developed for the mobile robotics area, it enables users to use the virtual mouse intuitively and naturally.

In 2010 the new version of HeadMouse 3.0 was launched, which enables the application to work more quickly and is more accessible for a greater range of users with severely limited head movement. These improvements mean that, with HeadMouse 3.0, lateral movements are no longer necessary to start up the application.

In addition this new version incorporates a new user detection mechanism, which enables other people to be nearby without interfering with the application and the tool's usability. As regards conditions in the surroundings where it is used, the new version makes it possible to function without any problem in poorly-lit conditions. The new system also extends its compatibility with most types of web-cam, even with built-in cameras in lap-top computers.

VirtualKeyboard, a keyboard for people with limited mobility

Complementing the HeadMouse, VirtualKeyboard enables people with limited motor skills to write texts using a virtual keyboard which appears on the computer screen and which can be used with the HeadMouse, or with a conventional mouse, a joystick or a touchpad, for example. It features five dictionaries and is adaptable to the writing style of each user, optimising word prediction in various contexts.

VirtualKeyboard 2.0 was launched in 2010. The new version offers greater functional approximation to physical keyboards in terms of shortcut keys, numeric keypad and it also has improved capability in predicting the current and following word being written. Tests carried out writing literary texts and reports show that the improvements implemented in the new version

achieve a 40% to 50% saving on keystrokes compared with the previous version.

Furthermore, version 2.0 of the keyboard has an important new feature making it possible to write in different languages through compatibility with the symbol and character sets of more than 20 languages. The keyboard has also been remodelled and generally improved so that the majority of regular options and functions may be used with a single click. In doing so, new applications have been introduced, such as the numeric keyboard, simple ways of performing "cut" and "paste" actions, and the direct button to erase a word in the dictionary, very useful if you write a word you don't want to save in the dictionary.

Both HeadMouse and VirtualKeyboard are completely free solutions available publically at www.tecnologiasaccesibles.com, as a result of collaboration between Indra, the Fundación Adecco and various universities.

POSET task sequencing portal

The purpose of POSET is to develop a task sequencing system for special employment centres and occupational workshops which enables people with learning difficulties such as autism, Asperger's syndrome or Attention Deficit to work with a greater degree of autonomy.

The Portal will make it possible to allocate these persons a set task, with step-by-step explanations on a monitor through a sequence of videos. The solution will enable users to check what stage they are at, how to complete the stage and carry on to the next task, with a reduction in their dependence on others.

This is the second project initiated by the Professorship at the Universidad de Extremadura, created in February 2010, and will run alongside the earlier project, DIUWA 2.0., which is still at the development stage.

First Chair in Latin America

In 2010, we signed an agreement with the the National University of Cordoba (Argentina). to establish the first Professorship in Accessible Technologies in Latin America.

The Professorship, which will be based in UNC's Faculty of Mathematics, Astronomy and Physics (FaMAF), seeks to foster innovation and technological development in the sphere of accessibility and inclusion in Argentina and Latin America by developing innovative solutions and services to assist in giving access to technology to, and the integration of, people with disabilities.

The first project for the Professorship to take on will be the launch of an Accessibility Observatory, which will research the current Accessible

Technologies environment in Latin America and in Argentina in particular. To achieve this, a scholarship will be awarded by Indra to a PhD student, to undertake research with three strands: web-accessibility; accessible digital audiovisual communication and systems; and accessibility to mobile devices and terminals.

"Share accessible technology" campaign

In December 2010, to coincide with international disability day, Indra launched the "Share accessible technology" campaign. With this campaign we intended to raise awareness of the realities of disability and disseminate the Accessible Technology initiative through our Christmas greeting message. This initiative was also publicised through social networks and invited everyone who received the message to share it and contribute to raising awareness of the realities of disability and the need for integration. This dissemination campaign is still ongoing at: <http://www.indracompany.com/en/sostenibilidad-e-innovacion/share-accesible-technologies>

For the last three years Indra has allocated its budget for its Christmas campaign to financing Accessible Technology projects.

Accessible Technologies in Marketplace Enterprise 2020

In 2010, Accessible Technologies were one of the four Spanish business initiatives selected to take

part in "MarketPlace Enterprise 2020", the European Market for Corporate Social Responsibility (CSR). The event, organised by CSR Europe, is the Europe-wide meeting place for the best initiatives and social responsibility projects; Indra's participation has earned it recognition for its policy of Corporate Responsibility combined with Innovation, of which accessible technologies are the best exponent in today's world.

Telecom's XI Premio Ciudadania do Anuario

The Premio Ciudadania del Anuario Telcom, organised by the company Plano Editorial, has been going for 11 years and is aimed at recognising the most significant projects in corporate responsibility of companies in the country's telecommunications sector.

In the last round of awards, Indra's HeadMouse and VirtualKeyboard were selected as among the 5 most important CR projects in Brazil, by a jury composed of important personalities in Brazilian society.

Corporate Citizen of the Americas Award

In 2011, Indra has received the "Corporate Citizen of the Americas Award" in the "Vulnerable Communities" category, in recognition of its Accessible Technologies programme, HeadMouse and VirtualKeyboard. This award is presented annually by the Trust for the Americas, a

foundation affiliated with the OAS (Organization of American States). Some of the criteria considered for award-winners were: impact of the initiative, replicability, sustainability and innovation.

HeadMouse and VirtualKeyboard, Award for the 100 best ideas

The magazine Actualidad Económica gave an award in the "100 best ideas" category to the HeadMouse and VirtualKeyboard solutions, developed under the Indra-Fundación Adecco-sponsored Professorship at the University of Lleida.

WE LAUNCH THE CORPORATE VOLUNTEERING PORTAL FOR OUR EMPLOYEES

Taking account of the concerns of our employees on the one hand, and the demands of society on the other, and in order to consolidate a number of volunteering initiatives already taking place in the company, we have launched the Corporate Volunteering Portal.

Our volunteering programme reflects Indra's commitment to society and is intended to develop activities which help to narrow the digital gap, with particular emphasis on assistance to people with disabilities.

The portal contains, first and foremost, information about the activities that Indra intends to carry out, as well as the campaigns it is launching. In addition,

in view of the number of applications received from non-profit making organisations, we have made a space for them to advertise their needs to Indra's employees so that they can supply information about initiatives and provide our employees with other opportunities for volunteering apart from those offered by the company itself.

The portal also features a blog where employees can relate their experiences of volunteering, both within and outside Indra and, at the same time, encourage others to get involved in such initiatives.

The portal has been launched in Spain initially, with a view to it being extended into other countries where the company has significant activities.

Support for the Gawad Lalinga sustainable self-sufficiency programme in the Philippines

Indra's employees in the Philippines have supported the "Bayan-Anihan" self-sufficiency food programme of the charitable organisation Gawad Kalinga. This is the first farming programme for families in the Philippines. Its objective is to provide sustainable means of food production to poor families in the Philippines.

The initiative involved a charity run to raise funds for the programme and help with the programme itself through voluntary work in which volunteers built fences, painted and helped with the construction of the farms.

The funds raised were used to give each family a plot of land for cultivation measuring 10 square metres for conversion into a family small-holding. The families were also provided with equipment for harvesting crops and given a course on how to grow crops ecologically for their own consumption.

CONNECTING WITH OUR STAKEHOLDERS: ADDING TO OUR PRESENCE ON SOCIAL AND PROFESSIONAL NETWORKS

Throughout 2010 we concentrated on improving channels of communication with our stakeholders, especially by enhancing our presence on social and professional networks.

Currently we are on:

- Twitter: under the name Indracompany. At the end of 2010 Indra had 485 followers.
- Facebook: with a page for Indra . At the end of 2010, Indra had 1,628 followers.
- XING: we have created the Indra group as a meeting place and a space for collaboration by all members of the group. It represents a space where everyone can share their expertise in technology and innovation.
- Youtube: under the name "theindracompany". Gives access to corporate videos and videos of Indra's main solutions and enables the user to see some of our most advanced technological solutions in practice.

Through Twitter and Facebook we can let our stakeholders know about events, news, topics of interest, etc. relating to Indra and technology. These networks also provide spontaneous channels from which to receive enquiries, suggestions or comments from Indra's stakeholders.

INDRA'S PRESENCE IN TAX HAVENS DURING 2010

As we explained in the declaration "Indra and tax havens", published for the first time by the company in the 2008 Annual Report, and available through web corporativa, Indra's operations in countries considered to be tax havens are in no way tax-driven, reflecting rather its international business development, and must always be approved by the Audit and Compliance Committee and by the Board of Directors.

In 2010, Indra had a significant presence or carried out projects in the following countries which are considered to be tax havens, either according to the most recent list published by the OECD , or by the organization, the Tax Justice Network .

- Philippines: Indra has a workplace in the Philippines with more than 500 employees, part of the company's Software Labs network and providing support for Indra operations worldwide. Indra also develops important projects in the country, such as the

management of the commercial service of the water company, Maynilad, or the modernisation of the Justice Administration. Indra's commitment to the local Philippines community is shown through many different social action projects, such as supporting the sustainable self-sufficiency programme of Gawad Lalinga, or its participation in the "Adopt a Tree" project. For more information, see

<http://www.indracompany.com/pais/filipinas>.

- Panama: our presence in Panama consists of a workplace with more than 160 employees who, as part of the Software Labs network, are supporting Indra's worldwide operations. Besides, Indra is engaged in important projects in Panama, such as the modernisation of the information management systems of the Panama Maritime Authority (PMA). In fact, less than 1% of our income derives from this country. For more information see <http://www.indracompany.com/pais/panama>.
- Uruguay: Indra has a workplace with around 80 professionals, who provide support for the projects the company undertakes in the country, especially for clients in the energy and insurance sectors.

Additionally, in 2010, Indra had temporary operations in countries or territories such as Andorra, Bahrain, Belize, Cyprus, Dubai, Gibraltar, Ireland, Luxemburg, Monaco, the Netherlands, Santa Lucia, Singapore or Switzerland, which are also

considered to be tax havens according to the aforementioned institutions.

Altogether, Indra's sales in 2010 in places considered to be tax havens represented 1% of the company's total sales.

MAIN ASSOCIATIONS AND FOUNDATIONS TO WHICH INDRA BELONGS

Business sector associations	
Association	Country
AMETIC	Spain
AEC	Spain
TEDAE	Spain
AMITI	Mexico
ABRID	Brazil
ACTI	Chile
ANDI	Colombia
CESSI	Argentina
CUTI	Uruguay
Cámara de Industrias del Uruguay	Uruguay
Capatec	Panama

Associations related to Corporate Responsibility	
Association	Country
Asociación Española de la Calidad	Spain
Forética	Spain
Fundación Entorno-WBCSD	Spain
ICARE (Instituto Chileno de Administración Racional de Empresas)	Chile
Pacto Mundial	Worldwide

INVESTMENT IN SOCIAL ACTION

Projects to support innovation and implement the Information Society	Activities involved	Partner in the Project (Foundation, Association...)	Beneficiaries
Nurturing cooperation between scientists and producers to respond to Andalusian society's innovation and development needs	Defining, promoting and financing viable R&D projects from two standpoints: economic and social	Corporación Tecnológica de Andalucía	Society
Strengthening and fostering growth and enhancing competitiveness in the information and telecommunication technology industry in Galicia	Financing projects in this sphere	Fundación Centro Tecnológico de Telecomunicaciones de Galicia	Local communities
Helping to develop the country by fostering technological innovation in business and society at large	Publishing books and research; involvement in working committees	Fundación COTEC	Society
Developing an entrepreneurial culture in universities, stimulating their role as a driving force in their region.	Participating in drafting the CYD report, and in seminars, conferences and surveys	Fundación Conocimiento y Desarrollo (CYD)	Society
Promoting research and development in financial studies and their dissemination	Financing activities performed by the Foundation in the sphere of research in finance and equity markets	Fundación de Estudios Financieros	Society
Conducting a comprehensive study of the interests of Spain and Spaniards in international society, to be placed at the service of the community	Organising congresses, presentations, seminars, conferences and bilateral forums. Publishing "barometer" surveys, bulletins and working documents	Real Instituto Elcano	Society
Helping companies to innovate and grow in a world that is increasingly dependent on the major challenges of sustainable development.	Financing of activities performed by the Foundation	Fundación Entorno	Society
Supporting innovation and entrepreneurial spirit	Sponsorship of Graduate Programme	Fundación Junior Achievement and Fundación Universidad-Empresa	Young people
Helping to improve training for young people, acting as a forum for discussion and fostering social projects	Financing of activities performed by the Foundation	Fundación Príncipe de Girona	Young people
Promoting knowledge in the sphere of technology	Financing summer courses	Universidad Politécnica de Madrid	Society
Provision, promotion, support and management of university-level teaching, technological innovation and cultural activities in the sphere of Information and Communication Technology (ICT).	Postgraduate financing	Fundetel	University and Society
Fostering values in society which can influence the recovery of confidence lost in the crisis	Financing of activities performed by the Foundation	Fundación Confianza	Society
Promoting initiatives and policies in the sphere of technology to enable Catalonia to take an advantageous position	Financing of activities performed by the Foundation	Fundación Círculo Tecnológico de Cataluña	Local communities
Promoting the dissemination of aerospace science and technology	Financing of activities performed by the Foundation	Fundación de Aeronáutica y Astronáutica Española	Society
Working with the Real Academia de Ingeniería in promoting and developing all activities which contribute	Financing of activities performed by the Foundation	Fundación Pro Rebus Academiae	Society

to fostering and imparting the technologies and, in particular, to their application in the world of business and society in general

Projects for cultural support	Activities involved	Partner in the Project (Foundation, Association...)	Beneficiaries
Promoting culture, tourism and heritage.	Financing the highly technological and innovative cultural platform with services and content based on Web 3.0	Fundación Puerta 34	Society
Dissemination of musical, lyrical and dance activities	Financing of activities performed by the Foundation	Fundación Teatro Real	Society
Dissemination of musical, lyrical and choreographic activities	Financing of activities performed by the Foundation	Fundación Orfeon Catalán	Society
Promoting the study, investigation and dissemination of military history	Financing of activities performed by the Foundation	Fundación Museo del Ejército	Society
Projects to support technological development for underprivileged groups	Activities involved	Partner in the Project (Foundation, Association...)	Beneficiaries
Sponsoring Accessible Technology Professorships to develop innovative solutions and services in the sphere of accessibility and inclusion	Generating innovation together with the university in accessibility and inclusion, by undertaking research and specific projects	Fundación Adecco, Universidad de Lleida, Universidad de Castilla-La Mancha, Universidad Politécnica de Madrid	Disabled people, University and Society
Developing innovative solutions and services in accessibility and inclusion	TOyRA project	Hospital Parapléjicos de Toledo and Fundación Rafael del Pino	Disabled people and Society
Developing innovative solutions and services in accessibility and inclusion	Donation for the development of a schedule	Talita	Disabled people and Society
Developing innovative solutions and services in accessibility and inclusion	Development of a web site	FEAPS	Disabled people
Supporting technological development in the third sector	Sponsorship of an "access observatory"	Fundación Konecta	Disabled people
Support for the integration of disabled people through technology	Cultural inclusion programme for physically disabled people through accessible technology	Escola de Sao Paolo	Disabled people
Donating equipment	Donation of computer equipment		Underprivileged groups
Support projects for underprivileged groups	Activities involved	Partner in the Project (Foundation, Association...)	Beneficiaries
Insurance Solidarity Awards	Support for disabled people	ADISGUA (Asociación de personas con discapacidad de Guadarrama)	Disabled people
Proyecto Ilusion	Sponsorship of construction of a centre for disabled people.	Apsuria	Disabled people
Assistance for victims of the earthquake in Chile	Donation	Chilean Embassy	Local communities
Assistance for victims of the earthquake in Haiti	Donation	Codespa	Local communities
Assistance for victims of the floods in Pakistan	Donation	Pakistan Air Force	Local communities
Support for fostering employment opportunities for disabled people	Donation	Fundación Integra	Underprivileged groups
Total investment			€1,457,987 + 114 computers

Commitments undertaken in the 2009 Annual Report	Progress in 2010	2010-2011 Assessment	Goals for 2011
Boosting development of R&D projects to improve social sustainability and, specifically, accessible technologies.	Creatio of two new Professorships for Accessible Technologies		Creation of new Professorships in Latin America
Encouraging corporate volunteer initiatives.	Launch of the Corporate Volunteering Portal and its first initiatives.		Promoting corporate volunteer programmes through the Portal. Launch of the Volunteering Programme in new countries.
Fostering actions to improve the exchange of knowledge and innovation with non-profit making organisations, associations and foundations.	Accessibility Observatory, launched under the auspices of the new Professorship for Accessible Technologies with the Universidad Nacional de Córdoba (Argentina)	Analysts, specialised press and our own compliance with standard AA1000 requires us to establish indicators in order to measure the impact of our social action in the community.	Fostering actions to improve the exchange of knowledge and innovation with non-profit making organisations, associations and foundations. Development of a measure to gauge the impact of Social Action on the community and in the company itself.

27. COMMITMENTS AND RESULTS

The following summary shows the most significant objectives (according to criteria of importance to the company) set in the Annual Report for 2009, and the extent to which they have been met in 2010. For more details please consult each section of "Our stakeholders".

	Commitment in 2009	Result in 2010	
Employees	To provide training in the Code of Ethics and Professional Conduct.	Inclusion of a module on the Code in induction sessions. Development of an online training module entitled "Indra. What the company is, its values, brand and working method", which includes training on the Code of Ethics and Professional Conduct and the company's values.	●
	To foster diversity.	Setting up of grants with the Fundación Adecco in order to recruit people with disabilities. Promotion of the concept of diversity	●
	To encourage corporate volunteer initiatives.	Launch of the Corporate Volunteer Portal and its first initiatives.	●
Customers	To continue improving our information security policy.	Certification of the IT Services Management System (SGSIT) in reference to the UNE-ISO/IEC 20000 standard Launch of the LOPD Projects Office	●
Suppliers and partners	To extend the Code of Ethics and Professional Conduct to include our suppliers.	The new Code has been drawn up, but we are awaiting its acceptance by suppliers.	◐
Environment	3 new workplaces to be certified	5 new workplaces have been certified: Cerro de la Plata (Madrid), Seville, Bogotá (2 centres), and Barranquilla.	●
	To continue measuring and reducing CO2 emissions	CO2 emission reduction targets have been set for 2010-2011	●
Knowledge centres	To internationalise Professorships for Accessible Technology	Signing of a new Professorship in Argentina	●

- Objective achieved
- ◐ Objective partially achieved
- Objective not achieved

28. THE PRINCIPLES GOVERNING THIS REPORT

Since 2008, Indra has published an Annual Report which describes the company's activities and its performance both from a financial viewpoint and from the social and environmental aspects. Indra considers that by issuing such a report we can present the company in a more realistic way and offer a global and comprehensive view of the impact of our activities on all the company's stakeholders.

This report aims to give an indication of how the company has evolved during 2010, through a description of the most significant policies and initiatives set in motion during the year, along with the most relevant quantitative indicators. To find out about other policies and initiatives set in motion in previous years we suggest the reader visits Indra's web site, which contains detailed information about how Corporate Responsibility is dealt with by the company. Furthermore, as a guide to the reader, each chapter of "Our stakeholders" contains a summary of the current main

policies and initiatives which apply to each of our target groups.

The annual report is drawn up in accordance with the March 2011 edition of the Global Reporting Initiative (GRI) Guide to Producing Sustainability Reports (known as G3.1), to the highest application level (A+), and in accordance with the provisions of the AA1000 APS Accountability standard (2008 edition).

Economic, social and environmental information contained in this report have been externally verified by independent third parties. The scope, description of the work involved and conclusions of this verification are contained in the section entitled Verification Letter.

In accordance with our commitment to continuous improvement, since compiling its first report on corporate social responsibility and sustainability (in 2003) Indra has been working to extend its reporting to all companies within the group.

The scope of the information presented is described at the beginning of each chapter of the report. The complete list of Indra

companies at 31.12.2010 appears in Annex I of the Consolidated Annual Financial Statements and Management Report. For any information covering areas or time periods other than those mentioned at the start of each chapter, the differences are explained alongside the information in question.

As is the case every year, this report has been produced with the involvement of those internally responsible for relations with each stakeholder with whom the company operates, which involves not only pooling information but also making constant improvements to the systems of communication between Indra and its various stakeholders.

The procedure for preparing this report helps ensure compliance with the principles defining its content (materiality, stakeholder participation, explanation of the context of sustainability and completeness), as well as with the principles pertaining to the report's quality (balance, comparability, accuracy, timeframe, clarity and reliability) required by the G3 Guide and by the three founding principles of the AA1000 APS Standard (2008) (responsiveness, exclusive to the AA1000

principle; and inclusivity and materiality, principles that are shared with GRI but interpreted according to AA1000).

The information supplied in this document is derived from various management and information systems in each of the company's areas. These areas supply information to the Department for Brand Development and Corporate Responsibility, which is responsible for coordinating reports on the company's financial, social and environmental performance, as well as for promoting the Corporate Responsibility Master Plan. All information concerning the characteristics or performance of markets constitutes Indra's own opinions, drawn up by the company's experts.

There are a number of internal mechanisms in place to control information handled by the management and information systems. Indra makes every effort to improve its systems for generating, adding and consolidating data, so as to enhance the quality of the information presented in the Sustainability Report.

The steps taken to produce this report, from November 2009 to March 2010, were as follows:

1. Interviews were held in the final quarter of 2009 with each of the managers in charge of relations with the various stakeholders, with a twofold purpose: firstly, to update the Corporate Responsibility Master Plan by defining new actions to be implemented or promoted; and secondly, to compile information regarding the sustainability status of the company in order to prepare the submission of accounts for the year. To produce the "Activities Report" interviews were also held, as in previous years, with the managers responsible for the company's operations, both in vertical markets and activities, in order to report on the main trends and actions in the business areas where the company operates. However, continuing the initiative implemented in 2008, a particular effort was made to identify the possible social and environmental impact of Indra's businesses, as set forth in the "Our Business" section of this report.
2. Internal managers responsible for relations with each stakeholder were issued with a formal request for information concerning the GRI (G3) indicators. Likewise, information was compiled concerning responsible value policies, programmes, initiatives and actions introduced during the year, such as those included in the company's Corporate Responsibility Master Plan or developed from other strategic lines and having synergies in sustainability and responsibility.
3. After the report was drafted, it was sent to each internal manager in charge of relations with the various stakeholders, and to those responsible for company operations, in order to verify that the information on their management area was faithfully reflected.
4. The draft report was also sent to representatives of the trade unions, CC.OO., UGT, USO, CGT and ATC to take into account their suggestions.

	Explanation of the principle according to GRI G3 or AA1000 APS (2008)	How we adhere to this principle
Principles regarding the definition of contents in the report		
Stakeholder involvement/ Inclusiveness	Identification of the groups and response consistent with their reasonable expectations and interests, and stakeholder participation in the development and achievement of a transparent and strategic response on sustainability.	<p>Indra has several systems for periodic consultation with the following stakeholder groups: shareholders, employees, customers and suppliers. It also maintains communication with knowledge institutions and society as a whole. Indra's main systems for specific consultation with each of its stakeholders are described in the relevant chapters. Departments also have their own tools to identify and prioritise stakeholders.</p> <p>Indra's Communication and Marketing department held meetings with the heads of relations with investors, employees, customers, suppliers and partners, the environment, knowledge institutions and society to identify the topics to be included in the report and the following up of objectives set in previous years. Furthermore, the report was drafted with the participation of managers of relations with each stakeholder, and in addition various operations managers were consulted in order to gauge the sustainability of Indra's range of solutions and services.</p> <p>Indra aims to move forward in the formalisation of these identification and prioritisation processes.</p>
Materiality/ Relevance (GRI and AA1000 APS 2008 principle)	<p>What is significant, important and relevant and impacts upon the responsibility and sustainability of our activity.</p> <p>In accordance with AA1000 APS (2008), materiality must be applied to the business so that</p>	<p>Since 2007, before drafting the report Indra has been conducting a materiality analysis on issues to determine relevant topics for reporting. To do this, it analyses the topics covered in the sustainability reports prepared by IT and Defence sector companies. Then, it researches press reports to identify the topics the media have focused on, looking particularly at any potential damage to its reputation that the company may have suffered. Lastly, the company takes as a benchmark the topics that socially responsible investors (e.g. members of the Dow Jones Sustainability Index) consider material, as well as the views of opinion leaders, not only in the sectors where Indra does business but in society as a whole.</p>

material issues are of strategic importance for the company.

The purpose of the Corporate Responsibility Master Plan is to identify key topics for the company and actions to be taken. The company updates the Plan annually based on external and internal sources. It takes the previous year's Plan and includes the topics considered relevant in the materiality analysis and the recommendations arising during the previous year's verification process. It also considers the results of surveys measuring employee, customer and supplier satisfaction, descriptions of which are included in the respective chapters of the report. As a new element, since 2008, customer and supplier surveys include, for the first time, specific questions aimed at ascertaining the degree of importance they assign to the various aspects of corporate responsibility. In addition, standards such as the GRI and the opinions of socially responsible investors are taken into account. Finally, information can be obtained from other, less formal sources (e.g. watchdogs and focus groups).

The report production process enables the organisation to align the material aspects arising from the Corporate Responsibility Master Plan with the financial information disclosed in the Annual Report.

Indra aims to continue working on improving the process in order to make it more standardised for forthcoming versions and to gradually expand the scope of the report.

**Responsiveness
(exclusive to
Standard
AA1000 APS
2008)**

The different mechanisms by which the organisation responds to its stakeholders' expectations. In accordance with Standard AA1000 APS 2008 this principle, which is worthwhile from a communication and action viewpoint, places

Through consultation processes and periodic surveys of shareholders, employees, customers and suppliers, Indra includes its stakeholders' expectations and values in its sustainability management. Indra discloses its stakeholders' expectations and values in the various chapters of the Annual Report. The process of drawing up the report is described in this Chapter.

In the Corporate Responsibility Master Plan (the compilation process of which has been explained in the section on stakeholder involvement and inclusiveness) Indra aims to include all the main actions which respond to the needs identified by the various stakeholders.

	particular emphasis on understanding the response.	As a result of communication with its stakeholders, Indra has realised that it must improve how it communicates regarding its CSR and sustainability. Furthermore, it will continue striving to improve how it documents the implementation of its responses and how it follows up the viability of each of the actions identified.
Sustainability context	Ways in which the organisation contributes to local, regional and global development.	<p>Indra's vision of responsibility is combined with innovation.</p> <p>Management approaches to economic, social, human rights, environmental and product performance (presented in the section entitled "Our Approach to Sustainability") include observations relating to this context.</p> <p>Since 2008 Indra has identified in this Report the impact (economic, social and environmental) of the activities it carries out.</p>
Completeness	Scope, coverage and time frame of the report. Reasonable and appropriate presentation of data, and relation to quality.	The report production process and internal and external verification process help to ensure that the report is complete.
Principles regarding the quality of the report		
Balance	The report must reflect the positive and negative aspects to enable a reasoned assessment of the company's overall performance.	<p>The 2010 report provides data on positive aspects and areas for improvement, as well as future objectives vis-à-vis each stakeholder, and the degree of compliance with past objectives and commitments.</p> <p>The process of identifying material subjects (see Materiality principle) also contributes to compliance.</p>
Comparability	The report must enable analysis of trends and changes.	The 2010 report includes a record of data since 2006, so that trends can be analysed. The report also notes any changes in calculation methods.
Accuracy	The report must be sufficiently accurate and detailed to enable assessment of the	The aim has been to submit accounts at the very highest level of application, A+, and where appropriate to explain when indicators are not applicable, not available or only refer to parts of the company.

	organisation's performance.	The verification process for this report ensures the accuracy of the quantitative information and confirms the evidence and appropriate context for the qualitative information.
Timeframe	The report will be presented on time and according to a regular schedule.	Indra has published a Corporate Responsibility Report every year since 2003. Since the 2008 Report, the Annual Report has replaced the Corporate Responsibility Report as the report on its economic, social and environmental performance. The Annual Report will also be published annually, at the same time as the other annual reports the company publishes.
Clarity	Information must be presented in a way that is understandable and accessible.	Indra produces a digital version of its report for public access through its website: www.informeanual2010.indra.es Furthermore, it sends this report to shareholders, leading customers, the media, responsible investment institutions and other interested parties who request the report.
Reliability	The information compiled in the report is verified by a third party. The data included is supported by documentation and the relevant internal controls.	In line with its commitment to transparency, Indra has requested that independent third parties verify the economic, social and environmental information contained in this report. The scope, description of the work involved and conclusions of this verification are contained in the section entitled Verification Letter.



	Indicators	2005	2006	2007	2008	2009	2010	Comments
Shareholders	Investor relations							
	Institutional investors seen during the year	722	376	337	349	380	433	
	Number of telephone enquiries addressed by the Shareholders Office	2.308	2.183	2.299	2.052	1.410	1.715	
	One-on-one meetings	275	216	256	259	285	364	
	Number of analysts' reports	118	126	225	306	241	322	
	Institutions tracking Indra in the year	41	31	27	29	29	31	
	Research institutions that closed the year with a positive buy recommendation.	12	16	20	15	9	9	
	Composition of Board of Directors							
	Number of Indra directors	12	14	15	15	15	14	
	External directors		11	13	13	13	12	
	Independent directors		7	7	7	7	7	
	Proprietary directors		4	6	6	6	5	
	Number of Indra executive directors	3	3	2	2	2	2	
	Number of women on Indra Board of Directors	1	1	2	3	3	3	
	Board Profile							
	Proportion of women on Board of Directors	8%	7%	13%	20%	20%	21%	
	Nationalities represented on Board of Directors		1	1	2	2	2	
	Average length in post (years)		6,29	4,73	5	5,25	5,64	
	Number of men/women directors: > 60 years of age						3 0	
	Number of men/women directors: between the ages of 50 and 59						7 2	
	Number of men/women directors: between the ages of 40 and 49						0 1	
	Number of men/women directors: between the ages of 30 and 39						1 0	
	Performance of Board of Directors							
	Average attendance to Board meetings		>90%	88,9%	85,5%	91,5%	91,8%	
	Average directors' remuneration		102.857	119.500	139.733	139.383	144.872	
	Financial performance							
	Net assets (millions of €)		248,6	431	888,8	972,7	1.111,7	1.291,4
	Sales (millions of €)		1.202,2	1.406,8	2.167,6	2.379,6	2.513,2	2.557,0
	EBIT (millions of €)		142,4	163,6	223,5	270,5	285,4	251,9
	Order backlog (millions of €)		1.623,1	1.885,0	2.241,8	2.428,3	2.578,9	2.899,2
Cash position (millions of €)		54,1	-58,9	-150,3	-148,7	-134,5	-274,9	
Attributable profit (millions of €)		104,0	114,0	148,0	182,0	195,6	188,5	
Operating cash flow (millions of €)		165,6	193,8	248,9	308,8	337,9	308,1	
Dividend (euros/share)		0,52	0,39	0,78	0,50	0,66	0,68	

General profiles						
Workforce	8.282	9.915	23.482	24.806	26.175	28.608
% of graduates and highly qualified personnel	82	80	77	76	83	85
Management	122	126	320	455	508	502
Diversity						
Percentages of men/women employees by employment category: Total	69 31	69 31	64 36	64 36	64 36	65 35
Percentages of men/women employees by employment category: Department						87 13
Percentages of men/women employees by employment category: Management						77 23
Percentages of men/women employees by employment category: Level 3 technical employees						69 31
Percentages of men/women employees by employment category: Level 2 technical employees						66 34
Percentages of men/women employees by employment category: Level 1 technical employees						62 38
Men/women director wage ratio (%)		103,7	112,9	103,8	113,4	123,2
Men/women managing director wage ratio (%)		105,7	106,9	104,7		
Men/women manager wage ratio (%)		103,6	101,5	103,1	108,7	111,5
Men/women level 3 technical employee wage ratio (%)					104,0	107,4
Men/women level 2 technical employee wage ratio (%)		101,8	103,8	101,1	101,7	105,0
Men/women level 1 technical employee wage ratio (%)					102,1	111,2
Average age of employees	38,1	36,7	35,1	35	36	36
Average age of executives	46,9	48,39	46,4	47	48	46
Men Women: > 60 years of age	69 7	80 11	108 24	164 36	199 52	187 47
Men Women: between the ages of 55 and 60	230 59	244 73	402 134	412 138	483 161	533 192
Men Women: between the ages of 50 and 55	378 123	410 140	691 261	729 282	826 353	945 416
Men Women: between the ages of 45 and 50	650 237	718 260	1162 538	1228 616	1325 700	1517 785
Men Women: between the ages of 40 and 45	865 407	918 425	1699 915	1734 920	1891 1041	2214 1157
Men Women: between the ages of 35 and 40	934 392	1054 409	2565 1430	2923 1591	3254 1933	3737 2263
Men Women: between the ages of 30 and 35	1437 762	1704 758	3756 2412	3875 2364	3955 2353	4288 2361
Men Women: between the ages of 25 and 30	942 491	1367 745	3540 2090	3804 2157	3838 2208	3882 2226
Men Women: between the ages of 20 and 25	177 117	350 235	991 701	1054 691	903 613	1108 638
Men Women: < 20 years of age	2 3	12 2	37 25	43 45	58 29	78 34
Number of nationalities						80
Average of local employees (%)						93
Proportion of executives from local community (%)						93
Breakdown of employees by geographical area (%): Spain	88	89,6	77,9	77,2	70	71
Breakdown of employees by geographical area (%): rest of EU	7	3,4	3,5	3,7	4	4
Breakdown of employees by geographical area (%): Latin America	5	6,3	13,6	15,8	20	23
Breakdown of employees by geographical area (%): North America	4	5	2,1	0,6		
Breakdown of employees by geographical area (%): rest	2	2	2,9	2,7	3	2
% of disabled employees in workforce						0,71%
Retention rate following paternal/maternal leave						96,8%
Commitment and motivation						
Average seniority	8,9	7,6	5,8	5,5	6,2	6,14
% of employees in variable remuneration system	25	25	20	20	21	19
Number of people included in stock option plans	54,5	124	79	148	185	139
Unwanted external rotation (%)	6,5	9,8	18,8	13,3	5	7,2
Unwanted external rotation by age range and gender (%)						
Men Women: > 60 years of age						1,6 0,0
Men Women: between the ages of 55 and 60						1,9 1,8
Men Women: between the ages of 50 and 55						0,7 1,7
Men Women: between the ages of 45 and 50						2,1 2,0
Men Women: between the ages of 40 and 45						3,4 2,7
Men Women: between the ages of 35 and 40						4,9 3,8
Men Women: between the ages of 30 and 35						9,9 6,5
Men Women: between the ages of 25 and 30						15,2 11,6
Men Women: between the ages of 20 and 25						18,9 17,6
Men Women: < 20 years of age						2,7 0,0
Unwanted external rotation by geographical area (%)						
Spain						4,5
Rest of EU						13,9
Latin America						17,2
North America						3,4
Rest						17,9
% of people promoted	6,7	11	16,6	16,5	16,6	16,8

Employees

Training and knowledge						
Total training hours received (including online)	166.588	222.844	394.020	456.749	535.186	501.797
Training hours received online	47.020	58.572	106.971	83.169	137.045	90.750
Training actions	802	853	1.532	1.491	2.224	4.666
Number of persons attending training	7.780	8.428	15.055	20.922	25.215	38.279
% of training expense over total pay	2,38	2,57	2,48	2,63	2,5	1,6
Evaluation of training: student satisfaction (1-5)	4	4	4	4,1	4	3,8
Professionals in talent development programs (%)						5
Recruitment appeal						
Number of spontaneous employment applications received	18.753	19.248	19.312	21.882	22.660	57.201
Average number of applications received per vacancy	176	170	93	74	112	61
Net job creation		1.633	13.567	1.324	1.369	2.433
Conciliation						
Number of employees in Teleworking programme	23	50	82	95	110	132
Professionals with "My desktop" services						6.011
% of employees satisfied with teleworking	85	100	100	99	96	99
Number of employees taking maternity leave	127	160	174	236	465	594
Number of persons with reduction in working hours						532
Social benefits						
% employees accessing social security supplement in case of illness	93,5	100	99,4	99,3	99,4	76,73
% employees accessing social security supplement in case of accident	93,5	100	100	100	100	71
% employees provided with food vouchers	67	64	52	46	36	32
Work-related accidents with and without sick leave (excluding accidents occurring on the way to or from work)						
Number of accidents						250
Frequency	16,1	12,1	6,56	11,4	7,4	6,24
Incidence	27	20,4	10,83	19,1	13,2	11,3
Seriousness	0,05	0,06	0,03	0,07	0,04	0,05
Average duration	4,54	4,63	5,26	6,49	4,85	7,36
Fatal accidents	0	0	0	0	0	0
Training hours in workplace risk	8.300	4.730	15.142	25.230	23.100	36.588
Code of ethics and professional conduct						
Number of messages through Direct Channel						17
Collective bargaining						
% of employees covered by collective bargaining agreements					90	93
Customer profile						
Number of customers per year		845	1.120	1.447	1.569	1.586
Number of public-sector customers		285	366	459	493	493
Number of private-sector customers		560	754	988	1.076	1.093
Number of new customers	239	332	833	632	379	357
Revenue from the top 35 customers (millions of euros)	691	755	937	968	1.026	982
Customer satisfaction and loyalty (1-5)	3,8	3,6	3,8	3,6	3,8	3,7
Customer satisfaction and loyalty (1-5) Spain						3,8
Customer satisfaction and loyalty (1-5) Argentina						3,8
Customer satisfaction and loyalty (1-5) Chile						3,0
Diversity						
Number of countries where Indra has references	53	56	94	100	106	114
Sales in Spain (millions of euros)	775	963	1.470	1.567	1.613	1.566
Sales in rest of EU (millions of euros)	282	289	357	387	449	394
Sales in US and Canada (millions of euros)	37	44	57	53	32	28
Sales in Latin America (millions of euros)	58	46	197	229	264	372
Sales in Asia, rest of Europe and rest of world (millions of euros)	50	65	86	143	156	197
IT security						
Number of hacker intrusions	0	0	0	0	0	0
Customer information revealed accidentally	0	0	0	0	0	0
Supplier profile						
Distribution of suppliers in Spain		73,1	75,3	75,6	75,7	73,8
Distribution of suppliers in rest of EU		19,3	14,6	15,3	11,8	12,9
Distribution of suppliers in Latin America		5,5	5	0,6	2,6	5,3
Distribution of suppliers in North America		2	5	4,5	5,5	3,6
Distribution of suppliers in rest of world		1,9	4,5	4	4,4	4,4
Expense of local suppliers in places with significant operations						78%
Supplier satisfaction and loyalty (1-5)						

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Local suppliers are those located in the same geographi

	Partner profile						
	2020	2021	2022	2023	2024	2025	
Partners	Number of partnerships in place	52	51	110	125	126	146
	Partner satisfaction and loyalty (1-5)						
	Rating (partner satisfaction)					3,4	3,5
Environment	Resource consumption, waste generation and emissions						
	Electricity (Kwh)	22.750.484	40.226.335	85.394.816	75.177.536	94.055.774	86.579.584
	Gas oil C (l)	278.500	240.769	274.402	899.438	269.839	484.077
	Natural gas (m3)	180.659	258.901	243.316	816.481	352.018	377.425
	Total energy consumed (GJ)	99.976	164.446	327.777	338.100	363.015	345.576
	Drinking water (m3)	63.806	86.553	77.956	188.232	308.530	249.042
	Non-drinking water (m3)	1.584	19.984	22.003	17.451	44.887	20.864
	Hazardous waste (Kg)	24.861	34.966	82.314	40.762	40.979	51.669
	Non-hazardous waste (Kg)	348.498	615.387	612.524	722.582	712.214	781.039
	Recyclable toner (un)	963	2.401	2.018	2.574	2.430	
	Recyclable toner (Kg)						5.676
	Vegetable oils (l)	625	680	625	750	790	948
	% of employees in environmentally certified workplaces				47,5%	49,4%	52,1%
	Proportion of recycled paper used (%)						25,6
	Direct CO2 emissions (T CO2e)		1,278	1,263	1,443	1,389	2,012
	Indirect CO2 emissions through electricity consumed (T CO2e)					32,321	30,227
	Direct CO2 emissions from transport (own vehicles) (t)					536	1,416
	Indirect CO2 emissions from transport (third-party vehicles) (t)					10,807,871	10,476,242
	Emissions of Persistent Organic Pollutants (POPs) (T)						< 0,151
	Monetary value of significant fines and total number of non-monetary sanctions for non-compliance with environmental laws and regulations				0	0	0
Knowledge	Innovation and collaboration with knowledge centres						
	Investment in RDI (millions of euros)	86	99	136	152	175	184
	% RDI investment of sales	7,2%	7,0%	6,3%	6,4%	7,0%	7,2%
	Number of agreements with universities and business schools	57	69	103	120	147	155
Society	Social action						
	Investment in Social Action	490.000	568.632	1.073.302	1.382.802	1.319.065	1.472.987
	Number of computers donated	75	99		103	164	114
	Sanctions and fines						
	Monetary value of significant fines and total number of non-monetary sanctions for non-compliance with laws and regulations			26.577	321.025	559.774	545.853
Number of non-monetary sanctions						0	
Cases settled through dispute resolution mechanisms						3	
Legal actions for anti-competitive behavior or monopolistic practices						0	

Legend

100% scope
Scope between 90% and 99%
Scope between 80% and 89%
Scope less than 80%
Information with scope not available



		Indicadores	2007	2008	2009	2010
Shareholders	Investor relations					
	Institutional investors seen during the year		100%	100%	100%	100%
	Number of telephone enquiries addressed by the Shareholders Office		100%	100%	100%	100%
	One-on-one meetings		100%	100%	100%	100%
	Number of analysts' reports		100%	100%	100%	100%
	Institutions tracking Indra in the year		100%	100%	100%	100%
	Research institutions that closed the year with a positive buy recommendation.		100%	100%	100%	100%
	Composition of Board of Directors					
	Number of Indra directors		100%	100%	100%	100%
	External directors		100%	100%	100%	100%
	Independent directors		100%	100%	100%	100%
	Proprietary directors		100%	100%	100%	100%
	Number of Indra executive directors		100%	100%	100%	100%
	Number of women on Indra Board of Directors		100%	100%	100%	100%
	Board Profile					
	Proportion of women on Board of Directors		100%	100%	100%	100%
	Nationalities represented on Board of Directors		100%	100%	100%	100%
	Average length in post (years)		100%	100%	100%	100%
	Number of men/women directors: > 60 years of age					100%
	Number of men/women directors: between the ages of 50 and 59					100%
	Number of men/women directors: between the ages of 40 and 49					100%
	Number of men/women directors: between the ages of 30 and 39					100%
	Performance of Board of Directors					
	Average attendance to Board meetings		100%	100%	100%	100%
	Average directors' remuneration		100%	100%	100%	100%
	Financial performance					
	Net assets (millions of €)		100%	100%	100%	100%
	Sales (millions of €)		100%	100%	100%	100%
	EBIT (millions of €)		100%	100%	100%	100%
	Order backlog (millions of €)		100%	100%	100%	100%
Cash position (millions of €)		100%	100%	100%	100%	
Attributable profit (millions of €)		100%	100%	100%	100%	
Operating cash flow (millions of €)		100%	100%	100%	100%	
Dividend (euros/share)		100%	100%	100%	100%	
General profiles						
Workforce		100%	100%	100%	100%	
% of graduates and highly qualified personnel		87%	99%	89%	88%	
Management		100%	99%	100%	100%	

Diversity

Percentages of men/women employees by employment category: Total	100%	100%	100%	100%
Percentages of men/women employees by employment category: Department				100%
Percentages of men/women employees by employment category: Management				100%
Percentages of men/women employees by employment category: Level 3 technical employees				100%
Percentages of men/women employees by employment category: Level 2 technical employees				100%
Percentages of men/women employees by employment category: Level 1 technical employees				100%
Men/women director wage ratio (%)	57%	61%	89%	99%
Men/women managing director wage ratio (%)	57%	61%	89%	99%
Men/women manager wage ratio (%)	57%	61%	89%	99%
Men/women level 3 technical employee wage ratio (%)	57%	61%	89%	99%
Men/women level 2 technical employee wage ratio (%)	57%	61%	89%	99%
Men/women level 1 technical employee wage ratio (%)	57%	61%	89%	99%
Average age of employees	87%	99%	100%	100%
Average age of executives	87%	99%	100%	100%
Men Women: > 60 years of age	100%	100%	100%	100%
Men Women: between the ages of 55 and 60	100%	100%	100%	100%
Men Women: between the ages of 50 and 55	100%	100%	100%	100%
Men Women: between the ages of 45 and 50	100%	100%	100%	100%
Men Women: between the ages of 40 and 45	100%	100%	100%	100%
Men Women: between the ages of 35 and 40	100%	100%	100%	100%
Men Women: between the ages of 30 and 35	100%	100%	100%	100%
Men Women: between the ages of 25 and 30	100%	100%	100%	100%
Men Women: between the ages of 20 and 25	100%	100%	100%	100%
Men Women: < 20 years of age	100%	100%	100%	100%
Number of nationalities				100%
Average of local employees (%)				93%
Proportion of executives from local community (%)				78%
Breakdown of employees by geographical area (%): Spain	100%	100%	100%	100%
Breakdown of employees by geographical area (%): rest of EU	100%	100%	100%	100%
Breakdown of employees by geographical area (%): Latin America	100%	100%	100%	100%
Breakdown of employees by geographical area (%): North America	100%	100%	100%	100%
Breakdown of employees by geographical area (%): rest	100%	100%	100%	100%
% of disabled employees in workforce				55%
Retention rate following paternal/maternal leave				
Commitment and motivation				
Average seniority	97%	99%	100%	100%
% of employees in variable remuneration system	87%	99%	100%	100%
Number of people included in stock option plans	100%	93%	100%	95%
Unwanted external rotation (%)	96%	99%	100%	100%
Unwanted external rotation by age range and gender (%)				
Men Women: > 60 years of age				85%
Men Women: between the ages of 55 and 60				85%
Men Women: between the ages of 50 and 55				85%
Men Women: between the ages of 45 and 50				85%
Men Women: between the ages of 40 and 45				85%
Men Women: between the ages of 35 and 40				85%
Men Women: between the ages of 30 and 35				85%
Men Women: between the ages of 25 and 30				85%
Men Women: between the ages of 20 and 25				85%
Men Women: < 20 years of age				85%
Unwanted external rotation by geographical area (%)				
Spain				85%
Rest of EU				85%
Latin America				85%
North America				85%
Rest				85%
% of people promoted	53%	93%	100%	83%
% of women promoted (over total number promoted in company)				80%
Number of employees in skill-based evaluation system	59%	99%	100%	83%
% of employees with permanent contract				

Customers	Training and knowledge				
	Total training hours received (including online)	72%	61%	66%	89%
	Training hours received online	72%	61%	66%	89%
	Training actions	72%	61%	66%	89%
	Number of persons attending training	72%	61%	66%	89%
	% of training expense over total pay	72%	61%	66%	89%
	Evaluation of training: student satisfaction (1-5)	72%	61%	66%	89%
	Professionals in talent development programs (%)				59%
	Recruitment appeal				
	Number of spontaneous employment applications received	53%	51%	64%	94%
	Average number of applications received per vacancy	53%	51%	64%	94%
	Net job creation	100%	100%	100%	100%
	Conciliation				
	Number of employees in Teleworking programme	100%	100%	100%	89%
	Professionals with "My desktop" services				89%
	% of employees satisfied with teleworking	100%	100%	100%	89%
	Number of employees taking maternity leave	65%	51%	69%	89%
	Number of persons with reduction in working hours				89%
	Social benefits				
	% employees accessing social security supplement in case of illness	60%	61%	58%	90%
	% employees accessing social security supplement in case of accident	60%	61%	58%	90%
	% employees provided with food vouchers	60%	61%	58%	90%
	Work-related accidents with and without sick leave (excluding accidents occurring on the way to or from work)				
	Number of accidents				95%
	Frequency	70%	74%	73%	95%
	Incidence	70%	74%	73%	95%
	Seriousness	70%	74%	73%	95%
	Average duration	70%	74%	73%	95%
	Fatal accidents	70%	74%	73%	95%
	Training hours in workplace risk	70%	74%	73%	95%
	Code of ethics and professional conduct				
	Number of messages through Direct Channel				76%
	Collective bargaining				
	% of employees covered by collective bargaining agreements			100%	100%
	Customer profile				
	Number of customers per year	92%	93%	97%	99%
	Number of public-sector customers	92%	93%	97%	99%
	Number of private-sector customers	92%	93%	97%	99%
	Number of new customers	92%	93%	97%	99%
	Revenue from the top 35 customers (millions of euros)	100%	100%	100%	100%
	Customer satisfaction and loyalty (1-5)	100%	100%	100%	100%
	Customer satisfaction and loyalty (1-5) Spain				100%
	Customer satisfaction and loyalty (1-5) Argentina				100%
	Customer satisfaction and loyalty (1-5) Chile				100%
	Diversity				
	Number of countries where Indra has references	100%	100%	100%	100%
	Sales in Spain (millions of euros)	100%	100%	100%	100%
Sales in rest of EU (millions of euros)	100%	100%	100%	100%	
Sales in US and Canada (millions of euros)	100%	100%	100%	100%	
Sales in Latin America (millions of euros)	100%	100%	100%	100%	
Sales in Asia, rest of Europe and rest of world (millions of euros)	100%	100%	100%	100%	
IT security					
Number of hacker intrusions	100%	100%	100%	100%	
Customer information revealed accidentally	100%	100%	100%	100%	
Supplier profile					
Distribution of suppliers in Spain	84%	87%	95%	100%	
Distribution of suppliers in rest of EU	84%	87%	95%	100%	
Distribution of suppliers in Latin America	84%	87%	95%	100%	
Distribution of suppliers in North America	84%	87%	95%	100%	
Distribution of suppliers in rest of world	84%	87%	95%	100%	
Expense of local suppliers in places with significant operations				84%	
Supplier satisfaction and loyalty (1-5)					
Rating (supplier satisfaction)	100%	100%	100%	100%	

Customers

Suppliers

Partners	Partner profile				
	Number of partnerships in place	78%	74%	74%	100%
Environment	Partner satisfaction and loyalty (1-5)				
	Rating (partner satisfaction)			100%	100%
	Resource consumption, waste generation and emissions				
	Electricity (Kwh)		100%	100%	100%
	Gas oil C (l)		100%	100%	100%
	Natural gas (m3)		100%	100%	100%
	Total energy consumed (GJ)				
	Drinking water (m3)		100%	100%	100%
	Non-drinking water (m3)		100%	100%	100%
	Hazardous waste (Kg)		48%	49%	55%
	Non-hazardous waste (Kg)		48%	49%	55%
	Recyclable toner (un)		48%	49%	
	Recyclable toner (Kg)				55%
	Vegetable oils (l)		48%	49%	55%
	% of employees in environmentally certified workplaces		100%	100%	100%
	Proportion of recycled paper used (%)				50%
	Direct CO2 emissions (T CO2e)		100%	100%	100%
	Indirect CO2 emissions through electricity consumed (T CO2e)				100%
	Direct CO2 emissions from transport (own vehicles) (t)				100%
	Indirect CO2 emissions from transport (third-party vehicles) (t)				100%
Emissions of Persistent Organic Pollutants (POPs) (T)				100%	
Monetary value of significant fines and total number of non-monetary sanctions for non-compliance with environmental laws and regulations		100%	100%	100%	
Knowledge	Innovation and collaboration with knowledge centres				
	Investment in RDI (millions of euros)	82%	81%	82%	84%
	% RDI investment of sales	82%	81%	82%	84%
Society	Number of agreements with universities and business schools	82%	81%	82%	84%
	Social action				
	Investment in Social Action	100%	100%	100%	100%
	Number of computers donated		100%	100%	100%
	Sanctions and fines				
Monetary value of significant fines and total number of non-monetary sanctions for non-compliance with laws and regulations	100%	100%	100%	100%	
Number of non-monetary sanctions				100%	
Cases settled through dispute resolution mechanisms				100%	
Legal actions for anti-competitive behavior or monopolistic practices				100%	

G3 Content Index

Application Level		STANDARD DISCLOSURES PART I: Profile Disclosures				Assured by	
1. Strategy and Analysis							
Profile Disclosure	Description	Reported	Cross-reference/Direct answer Hard copy reference Web reference	If applicable, indicate the part not reported	Reason for omission	Explanation	Global Compact
1.1	Statement from the most senior decision-maker of the organization.	Fully	Chairman's letter Carta del Presidente (AR), pages 3-4 http://www.informeannual2010.indra.es/informe_anual/presentacion/carta-del-presidente				
1.2	Description of key impacts, risks, and opportunities.	Fully	Management approaches Enfoques de gestión (AR), page 18 http://www.informeannual2010.indra.es/informe_anual/si-a-la-innovacion/nuestro-enfoque-de-sostenibilidad Solutions for sustainability Soluciones para la sostenibilidad (AR), page 28 http://www.informeannual2010.indra.es/informe_anual/nuestros_negocios/soluciones-y-servicios Our stakeholders Nuestros públicos objetivo (AR), pages 59 http://www.informeannual2010.indra.es/informe_anual/nuestros-publicos-objetivos Commitments and results Compromisos y resultados (AR), page 115 http://www.informeannual2010.indra.es/informe_anual/nuestros-publicos-objetivos/compromisos-y-resultados Vertical markets Mercados verticales (AR), page 34-35 http://www.informeannual2010.indra.es/informe_anual/nuestros_negocios/mercados-verticales-ventas				
2. Organizational Profile							
Profile Disclosure	Description	Reported	Cross-reference/Direct answer Hard copy reference Web reference	If applicable, indicate the part not reported	Reason for omission	Explanation	Global Compact
2.1	Name of the organization.	Fully	Cover Portada (AR) http://www.informeannual2010.indra.es/				
2.2	Primary brands, products, and/or services.	Fully	Vertical markets Mercados verticales (AR), page 34-35 http://www.informeannual2010.indra.es/informe_anual/nuestros_negocios/mercados-verticales-ventas Group companies Sociedades que componen el grupo (CAA), pages 98-107 http://www.informeannual2010.indra.es/cuentas_gestion				
2.3	Operational structure of the organization, including main divisions, operating companies, subsidiaries, and joint ventures.	Fully	Group companies Sociedades que componen el grupo (CAA), pages 98-107 http://www.informeannual2010.indra.es/cuentas_gestion				
2.4	Location of organization's headquarters.	Fully	Group companies Sociedades que componen el grupo (CAA), pages 98 http://www.informeannual2010.indra.es/cuentas_gestion				
2.5	Number of countries where the organization operates, and names of countries with either major operations or that are specifically relevant to the sustainability issues covered in the report.	Fully	Geographical markets Mercados geográficos (AR), page 33 http://www.informeannual2010.indra.es/informe_anual/nuestros_negocios/mercados-geograficos				
2.6	Nature of ownership and legal form.	Fully	Nature, composition and activities of the group (CAA), page 8 http://www.informeannual2010.indra.es/cuentas_gestion				
2.7	Markets served (including geographic breakdown, sectors served, and types of customers/beneficiaries).	Fully	Geographical markets Mercados geográficos (AR), page 33 http://www.informeannual2010.indra.es/informe_anual/nuestros_negocios/mercados-geograficos Solutions and services Soluciones y servicios (AR), page 25 http://www.informeannual2010.indra.es/informe_anual/nuestros_negocios/soluciones-y-servicios Vertical markets Mercados verticales (AR), page 34-35 http://www.informeannual2010.indra.es/informe_anual/nuestros_negocios/mercados-verticales-ventas				
2.8	Scale of the reporting organization.	Fully	Main figures Principales magnitudes (AR), page 2 http://www.informeannual2010.indra.es/informe_anual/principales-magnitudes-2009 Geographical markets Mercados geográficos (AR), page 33 http://www.informeannual2010.indra.es/informe_anual/nuestros_negocios/mercados-geograficos				
2.9	Significant changes during the reporting period regarding size, structure, or ownership.	Fully	Managing Director's Letter Carta del Consejero Delegado (AR), pages 5-6 http://www.informeannual2010.indra.es/informe_anual/presentacion/carta-del-consejero-delegado				
2.10	Awards received in the reporting period.	Fully	Our approach to sustainability Nuestro enfoque de sostenibilidad (AR), pages 23 http://www.informeannual2010.indra.es/informe_anual/si-a-la-innovacion/nuestro-enfoque-de-sostenibilidad				

3. Report Parameters								
Profile Disclosure	Description	Reported	Cross-reference/Direct answer	Web reference	If applicable, indicate the part not reported	Reason for omission	Explanation	Global Compact
3.1	Reporting period (e.g., fiscal/calendar year) for information provided.	Fully	Cover Portada (AR) The principles governing this report Principios que rigen este informe (AR), pages 116	http://www.informeannual2010.indra.es/ http://www.informeannual2010.indra.es/informe_anual/principios-que-rigen-este-informe				
3.2	Date of most recent previous report (if any).	Fully	The principles governing this report Principios que rigen este informe (AR), pages 116	http://www.informeannual2010.indra.es/informe_anual/principios-que-rigen-este-informe				
3.3	Reporting cycle (annual, biennial, etc.)	Fully	The principles governing this report Principios que rigen este informe (AR), pages 116	http://www.informeannual2010.indra.es/informe_anual/principios-que-rigen-este-informe				
3.4	Contact point for questions regarding the report or its contents.	Fully	http://www.indracompany.com/sostenibilidad-e-innovacion/contactos					
3.5	Process for defining report content.	Fully	The principles governing this report Principios que rigen este informe (AR), pages 119-122	http://www.informeannual2010.indra.es/informe_anual/principios-que-rigen-este-informe				
3.6	Boundary of the report (e.g., countries, divisions, subsidiaries, leased facilities, joint ventures, suppliers). See GRI Boundary Protocol for further guidance.	Fully	The principles governing this report Principios que rigen este informe (AR), pages 116	http://www.informeannual2010.indra.es/informe_anual/principios-que-rigen-este-informe				
3.7	State any specific limitations on the scope or boundary of the report (see completeness principle for explanation of scope).	Fully	The principles governing this report Principios que rigen este informe (AR), pages 116	http://www.informeannual2010.indra.es/informe_anual/principios-que-rigen-este-informe				
3.8	Basis for reporting on joint ventures, subsidiaries, leased facilities, outsourced operations, and other entities that can significantly affect comparability from period to period and/or between organizations.	Fully	The principles governing this report Principios que rigen este informe (AR), pages 116	http://www.informeannual2010.indra.es/informe_anual/principios-que-rigen-este-informe				
3.9	Data measurement techniques and the bases of calculations, including assumptions and techniques underlying estimations applied to the compilation of the Indicators and other information in the report. Explain any decisions not to apply, or to substantially diverge from, the GRI Indicator Protocols.	Fully	The principles governing this report Principios que rigen este informe (AR), pages 116 Basis of presentation Bases de presentación (CAA), page 9	http://www.informeannual2010.indra.es/informe_anual/principios-que-rigen-este-informe http://www.informeannual2010.indra.es/cuentas_gestion				
3.10	Explanation of the effect of any re-statements of information provided in earlier reports, and the reasons for such re-statement (e.g., mergers/acquisitions, change of base years/periods, nature of business, measurement methods).	Fully	The principles governing this report Principios que rigen este informe (AR), pages 116	http://www.informeannual2010.indra.es/informe_anual/principios-que-rigen-este-informe				
3.11	Significant changes from previous reporting periods in the scope, boundary, or measurement methods applied in the report.	Fully	The principles governing this report Principios que rigen este informe (AR), pages 116	http://www.informeannual2010.indra.es/informe_anual/principios-que-rigen-este-informe				
3.12	Table identifying the location of the Standard Disclosures in the report.	Fully	Contents Índice (AR), page 1 G3 Content Index	http://www.informeannual2010.indra.es/ Índice GRI				
3.13	Policy and current practice with regard to seeking external assurance for the report.	Fully	Verification letter Carta de verificación (AR)	Carta de verificación				

4. Governance, Commitments, and Engagement								Global Compact
Profile Disclosure	Description	Reported	Hard copy reference	Cross-reference/Direct answer Web reference	If applicable, indicate the part not reported	Reason for omission	Explanation	
4.1	Governance structure of the organization, including committees under the highest governance body responsible for specific tasks, such as setting strategy or organizational oversight.	Fully	Capital structure Estructura de la propiedad (CAA), pages 132 Company administration structure Estructura de administración de la sociedad (CAA), page 138 Company administration structure Comisiones del Consejo de Administración (CAA), pages 169-170	http://www.informeannual2010.indra.es/cuentas_gestion http://www.informeannual2010.indra.es/cuentas_gestion http://www.informeannual2010.indra.es/cuentas_gestion				
4.2	Indicate whether the Chair of the highest governance body is also an executive officer.	Fully	Company administration structure Estructura de administración de la sociedad (CAA), page 138	http://www.informeannual2010.indra.es/cuentas_gestion				
4.3	For organizations that have a unitary board structure, state the number of members of the highest governance body that are independent and/or non-executive members.	Fully	Company administration structure Estructura de administración de la sociedad (CAA), page 138-139	http://www.informeannual2010.indra.es/cuentas_gestion				
4.4	Mechanisms for shareholders and employees to provide recommendations or direction to the highest governance body.	Fully	Transparency and comprehensive information Transparencia e información integrada Shareholders Accionistas (AR), page 64 Implementation of new Code of Ethics and Professional Conduct Implantación del nuevo Código Ético y de Conducta Profesional (AR), page 19 Internal Communication improvement Mejora de la comunicación interna (AR), page 72 Employee relations Relaciones laborales (AR), page 73	http://www.informeannual2010.indra.es/informe_anual/nuestros-publicos-objetivos/accionistas http://www.informeannual2010.indra.es/informe_anual/si-a-la-innovacion/nuestro-enfoque-de-sostenibilidad http://www.informeannual2010.indra.es/informe_anual/nuestros-publicos-objetivos/empleados http://www.informeannual2010.indra.es/informe_anual/nuestros-publicos-objetivos/empleados				
4.5	Linkage between compensation for members of the highest governance body, senior managers, and executives (including departure arrangements), and the organization's performance (including social and environmental performance).	Fully	Shareholders Accionistas (AR), page 67 Company administration structure Estructura de administración de la sociedad (CAA), page 138-139	http://www.informeannual2010.indra.es/informe_anual/nuestros-publicos-objetivos/accionistas http://www.informeannual2010.indra.es/cuentas_gestion				
4.6	Processes in place for the highest governance body to ensure conflicts of interest are avoided.	Fully	Board of Directors Regulation, article 33 "Conflicts of interest" Reglamento del Consejo de Administración, artículo 33 "Conflictos de interés", page 22	http://www.indracompany.com/accionistas/reglamentos-internos				
4.7	Process for determining the qualifications and expertise of the members of the highest governance body for guiding the organization's strategy on economic, environmental, and social topics.	Fully	Board of Directors Regulation, section VII "Appointment and removal of directors" Reglamento del Consejo de Administración, capítulo VII "Designación y cese de los consejeros", pages 16-18	http://www.indracompany.com/accionistas/reglamentos-internos				
4.8	Internally developed statements of mission or values, codes of conduct, and principles relevant to economic, environmental, and social performance and the status of their implementation.	Fully	Our approach to sustainability Nuestro enfoque de sostenibilidad (AR), pages 17-18 Implementation of new Code of Ethics and Professional Conduct Implantación del nuevo Código Ético y de Conducta Profesional (AR), page 19 Our strategy Nuestra estrategia (AR), page 9	http://www.informeannual2010.indra.es/informe_anual/si-a-la-innovacion/nuestro-enfoque-de-sostenibilidad http://www.informeannual2010.indra.es/informe_anual/si-a-la-innovacion/nuestro-enfoque-de-sostenibilidad http://www.informeannual2010.indra.es/informe_anual/si-a-la-innovacion/nuestra-estrategia				

4,9	Procedures of the highest governance body for overseeing the organization's identification and management of economic, environmental, and social performance, including relevant risks and opportunities, and adherence or compliance with internationally agreed standards, codes of conduct, and principles.	Fully	Board of Directors Regulation, section II "Mission of the Board" Reglamento del Consejo de Administración, capítulo II "Misión del Consejo", pages 4-5 Introduction Introducción (ACCAR), pages 1-2 Code of Ethics and Professional Conduct Código Ético y de Conducta Profesional (ACCAR), page 13 Leading CR initiatives in the Board of Directors Iniciativas más destacadas de RC en el Consejo de Administración Shareholders Accionistas (AR), page 66	http://www.indracompany.com/acciones/reglamentos-internos Memoria de actividades de la comisión de auditoría y cumplimiento Memoria de actividades de la comisión de auditoría y cumplimiento http://www.informeannual2010.indra.es/informe_anual/nuestros-publicos-objetivos/accionistas				
4,10	Processes for evaluating the highest governance body's own performance, particularly with respect to economic, environmental, and social performance.	Fully	Company administration structure Estructura de administración de la sociedad (CAA), page 138-139 Board of Directors Regulation, article 14 "Meetings of the Board" Reglamento del Consejo de Administración, artículo 14 "Reuniones del Consejo", page 9	http://www.informeannual2010.indra.es/cuentas_gestion http://www.indracompany.com/acciones/reglamentos-internos				
4,11	Explanation of whether and how the precautionary approach or principle is addressed by the organization.	Fully	Our approach to sustainability Nuestro enfoque de sostenibilidad (AR), pages 17-18 Chairman's letter Carta del Presidente (AR), pages 3-4 The principles governing this report Principios que rigen este informe (AR), pages 119-122	http://www.informeannual2010.indra.es/informe_anual/si-a-la-innovacion/nuestro-enfoque-de-sostenibilidad http://www.informeannual2010.indra.es/informe_anual/presentacion/carta- este-informe				Principle 7
4,12	Externally developed economic, environmental, and social charters, principles, or other initiatives to which the organization subscribes or endorses.	Fully	Chairman's letter Carta del Presidente (AR), pages 3-4 Management approaches Enfoques de gestión (AR), page 18	http://www.informeannual2010.indra.es/informe_anual/presentacion/carta- si-a-la-				
4,13	Memberships in associations (such as industry associations) and/or national/international advocacy organizations in which the organization: * Has positions in governance bodies; * Participates in projects or committees; * Provides substantive funding beyond routine membership dues; or * Views membership as strategic.	Fully	Main associations and foundations to which Indra belongs Principales asociaciones y fundaciones a las que pertenece Indra (AR), page 111 Indra in the leading technological platforms Indra en las principales plataformas tecnológicas (AR), pages 12	http://www.informeannual2010.indra.es/informe_anual/nuestros-publicos-objetivos/sociedad http://www.informeannual2010.indra.es/informe_anual/si-a-la-innovacion/innovacion-sostenible				
4,14	List of stakeholder groups engaged by the organization.	Fully	Shareholders, employees, customers, providers, partners, environment, knowledge institutions and society Accionistas, empleados, clientes, proveedores, partners, medio ambiente, instituciones del conocimiento y sociedad Our stakeholders Nuestros públicos objetivo (AR), pages 59	http://www.informeannual2010.indra.es/informe_anual/nuestros-publicos-objetivos				
4,15	Basis for identification and selection of stakeholders with whom to engage.	Fully	The principles governing this report Principios que rigen este informe (AR), pages 119-122	http://www.informeannual2010.indra.es/informe_anual/principios-que-rigen-este-informe				
4,16	Approaches to stakeholder engagement, including frequency of engagement by type and by stakeholder group.	Fully	The principles governing this report Principios que rigen este informe (AR), pages 119-122	http://www.informeannual2010.indra.es/informe_anual/principios-que-rigen-este-informe				
4,17	Key topics and concerns that have been raised through stakeholder engagement, and how the organization has responded to those key topics and concerns, including through its reporting.	Fully	The principles governing this report Principios que rigen este informe (AR), pages 119-122	http://www.informeannual2010.indra.es/informe_anual/principios-que-rigen-este-informe				

STANDARD DISCLOSURES PART II: Disclosures on Management Approach (DMAs)									
G3 DMA	Description	Reported	Cross-reference/Direct answer	Hard copy reference	Web reference	If applicable, indicate the part not reported	Reason for omission	Explanation	Global Compact
DMA EC	Disclosure on Management Approach EC	Fully	Management approaches Enfoques de gestión (AR), page 18		http://www.informeannual2010.indra.es/informe_anual/si-a-la-innovacion/nuestro-enfoque-de-sostenibilidad				
Aspects	Economic performance	Fully	Main figures Principales magnitudes (AR), page 2		http://www.informeannual2010.indra.es/informe_anual/principales-magnitudes-2009				
	Market presence	Fully	Vertical markets Mercados verticales (AR), page 34-35		http://www.informeannual2010.indra.es/informe_anual/nuestros_negocios/mercados-verticales-ventas				
	Indirect economic impacts	Fully	Vertical markets Mercados verticales (AR), page 34-35		http://www.informeannual2010.indra.es/informe_anual/nuestros-publicos-objetivos				
DMA EN	Disclosure on Management Approach EN	Fully	Management approaches Enfoques de gestión (AR), page 18		http://www.informeannual2010.indra.es/informe_anual/si-a-la-innovacion/nuestro-enfoque-de-sostenibilidad				
Aspects	Materials	Fully	Environment Medio ambiente (AR), pages 99		http://www.informeannual2010.indra.es/informe_anual/nuestros-publicos-objetivos/medio-ambiente				
	Energy	Fully	Environment Medio ambiente (AR), pages 99		http://www.informeannual2010.indra.es/informe_anual/nuestros-publicos-objetivos/medio-ambiente				
	Water	Fully	Environment Medio ambiente (AR), pages 99		http://www.informeannual2010.indra.es/informe_anual/nuestros-publicos-objetivos/medio-ambiente				
	Biodiversity	Fully	Indra's offices are located on urban sites, and do not therefore impact on protected natural areas or areas of high biodiversity value Indra tiene sus sedes en terrenos urbanos, por tanto no impacta en espacios naturales protegidos y/o sobre la biodiversidad						
	Emissions, effluents and waste	Fully	Environment Medio ambiente (AR), pages 99		http://www.informeannual2010.indra.es/informe_anual/nuestros-publicos-objetivos/medio-ambiente				
	Products and services	Fully	Environment Medio ambiente (AR), pages 94, 100		http://www.informeannual2010.indra.es/informe_anual/nuestros-publicos-objetivos/medio-ambiente				
	Compliance	Fully	Environment Medio ambiente (AR), pages 94, 100		http://www.informeannual2010.indra.es/informe_anual/nuestros-publicos-objetivos/medio-ambiente				
	Transport	Fully	Environment Medio ambiente (AR), pages 99		http://www.informeannual2010.indra.es/informe_anual/nuestros-publicos-objetivos/medio-ambiente				
				Responsible mobility of our professionals Movilidad responsable de nuestros profesionales Employees Empleados (AR), 72		http://www.informeannual2010.indra.es/informe_anual/nuestros-publicos-objetivos/empleados			
	Overall	Fully	Environment Medio ambiente (AR), pages 92-100		http://www.informeannual2010.indra.es/informe_anual/nuestros-publicos-objetivos/medio-ambiente				
DMA LA	Disclosure on Management Approach LA	Fully	Management approaches Enfoques de gestión (AR), page 18		http://www.informeannual2010.indra.es/informe_anual/si-a-la-innovacion/nuestro-enfoque-de-sostenibilidad				
Aspects	Employment	Fully	Human rights Derechos humanos (AR), pages 74-75		http://www.informeannual2010.indra.es/informe_anual/nuestros-publicos-objetivos/empleados				
	Labor/management relations	Fully	Human rights Derechos humanos (AR), pages 74-75		http://www.informeannual2010.indra.es/informe_anual/nuestros-publicos-objetivos/empleados				
	Occupational health and safety	Fully	Human rights Derechos humanos (AR), pages 74-75		http://www.informeannual2010.indra.es/informe_anual/nuestros-publicos-objetivos/empleados				
	Training and education	Fully	Human rights Derechos humanos (AR), pages 74-75		http://www.informeannual2010.indra.es/informe_anual/nuestros-publicos-objetivos/empleados				
				Sustainability balance scorecard Cuadro de mando de sostenibilidad					
	Diversity and equal opportunity	Fully	Human rights Derechos humanos (AR), pages 74-75		http://www.informeannual2010.indra.es/informe_anual/nuestros-publicos-objetivos/empleados				

DMA HR	Disclosure on Management Approach HR	Fully	Management approaches Enfoques de gestión (AR), page 18	http://www.informeannual2010.indra.es/informe_anual/si-a-la-innovacion/nuestro-enfoque-de-sostenibilidad			
Aspects	Investment and procurement practices	Fully	Human rights Derechos humanos (AR), pages 74-75	http://www.informeannual2010.indra.es/informe_anual/nuestros-publicos-objetivos/empleados			
	Non-discrimination	Fully	Human rights Derechos humanos (AR), pages 74-75	http://www.informeannual2010.indra.es/informe_anual/nuestros-publicos-objetivos/empleados			
	Freedom of association and collective bargaining	Fully	Human rights Derechos humanos (AR), pages 74-75	http://www.informeannual2010.indra.es/informe_anual/nuestros-publicos-objetivos/empleados			
	Child labor	Fully	Human rights Derechos humanos (AR), pages 74-75	http://www.informeannual2010.indra.es/informe_anual/nuestros-publicos-objetivos/empleados			
	Forced and compulsory labor	Fully	Human rights Derechos humanos (AR), pages 74-75	http://www.informeannual2010.indra.es/informe_anual/nuestros-publicos-objetivos/empleados			
	Security practices	Fully	Human rights Derechos humanos (AR), pages 74-75	http://www.informeannual2010.indra.es/informe_anual/nuestros-publicos-objetivos/empleados			
	Indigenous rights	Fully	Human rights Derechos humanos (AR), pages 74-75	http://www.informeannual2010.indra.es/informe_anual/nuestros-publicos-objetivos/empleados			
DMA SO	Disclosure on Management Approach SO	Fully	Management approaches Enfoques de gestión (AR), page 18	http://www.informeannual2010.indra.es/informe_anual/si-a-la-innovacion/nuestro-enfoque-de-sostenibilidad			
Aspects	Community	Fully	Society Sociedad (AR), page 106	http://www.informeannual2010.indra.es/informe_anual/nuestros-publicos-objetivos/sociedad			
	Corruption	Fully	Managing the risk of corruption at Indra La gestión del riesgo de corrupción en Indra Customers Clientes (AR), page 82	http://www.informeannual2010.indra.es/informe_anual/nuestros-publicos-objetivos/clientes			
	Public policy	Fully	Society Sociedad (AR), page 105	http://www.informeannual2010.indra.es/informe_anual/nuestros-publicos-objetivos/sociedad			
	Anti-competitive behavior	Fully	Society Sociedad (AR), page 105	http://www.informeannual2010.indra.es/informe_anual/nuestros-publicos-objetivos/sociedad			
	Compliance	Fully	Society Sociedad (AR), page 105-106	http://www.informeannual2010.indra.es/informe_anual/nuestros-publicos-objetivos/sociedad			
DMA PR	Disclosure on Management Approach PR	Fully	Management approaches Enfoques de gestión (AR), page 18	http://www.informeannual2010.indra.es/informe_anual/si-a-la-innovacion/nuestro-enfoque-de-sostenibilidad			
Aspects	Customer health and safety	Fully	Customers Clientes (AR), page 82	http://www.informeannual2010.indra.es/informe_anual/nuestros-publicos-objetivos/clientes			
	Product and service labelling	Fully	Document management, training and communication Gestión documental, formación y comunicación Customers Clientes (AR), page 79	http://www.informeannual2010.indra.es/informe_anual/nuestros-publicos-objetivos/clientes			
	Marketing communications	Fully	Indra does not make any mention of laws, standards on products or voluntary codes in its marketing communications Indra no realiza mención alguna a leyes, estándares sobre productos o códigos voluntarios en sus comunicaciones de marketing.				
	Customer privacy	Fully	Information security management at Indra Gestión de la seguridad de la información en Indra Customers Clientes (AR), page 81	http://www.informeannual2010.indra.es/informe_anual/nuestros-publicos-objetivos/clientes			
	Compliance	Fully	Customers Clientes (AR), page 78	http://www.informeannual2010.indra.es/informe_anual/nuestros-publicos-objetivos/clientes			

STANDARD DISCLOSURES PART III: Performance Indicators							
Economic							
Performance Indicator	Description	Reported	Cross-reference/Direct answer		If applicable, indicate the part not reported	Reason for omission	Explanation
			Hard copy reference	Web reference			
Economic performance							
EC1	Direct economic value generated and distributed, including revenues, operating costs, employee compensation, donations and other community investments, retained earnings, and payments to capital providers and governments.	Fully	Our stakeholders Nuestros públicos objetivo (AR), pages 58	http://www.informeannual2010.indra.es/informe_anual/nuestros-publicos-objetivos			
EC2	Financial implications and other risks and opportunities for the organization's activities due to climate change.	Partially	Our stakeholders Nuestros públicos objetivo (AR), pages 59 Vertical markets Mercados verticales (AR), page 34-35 Environment Medio ambiente (AR), pages 92, 96	http://www.informeannual2010.indra.es/informe_anual/nuestros-publicos-objetivos http://www.informeannual2010.indra.es/informe_anual/nuestros_negocios/mercados-verticales-ventas http://www.informeannual2010.indra.es/informe_anual/nuestros-publicos-objetivos/medio-ambiente	Whether management has quantitatively estimated the financial implications.	Not available	Current information systems does not permit to obtain this data. Indra will study the possibility of implanting such information systems in the mid term. Los sistemas de información actuales de la compañía no permiten obtener esta información. Se valorará la posibilidad de implantar herramientas de cálculo para este indicador a medio plazo.
EC3	Coverage of the organization's defined benefit plan obligations.	Fully	Indra does not have retirement plans Indra no posee planes de jubilación	cuadro de mando			
EC4	Significant financial assistance received from government.	Partially	Taxation Situación fiscal (CAA), pages 61-72 Capital grants Subvenciones de capital (CAA), page 63	http://www.informeannual2010.indra.es/cuentas_gestion http://www.informeannual2010.indra.es/cuentas_gestion	Significant estimated aggregate financial value on an accruals basis for financial assistance from ECAs. Significant estimated aggregate financial value on an accruals basis for financial incentives.	Not available	Current information systems does not permit to obtain this data. Indra will study the possibility of implanting such information systems in the short term. Los sistemas de información actuales de la compañía no permiten obtener esta información. Se valorará la posibilidad de implantar herramientas de cálculo para este indicador a medio plazo.
Market presence							
EC5	Range of ratios of standard entry level wage compared to local minimum wage at significant locations of operation.	Not				Not available	Current information systems does not permit to obtain this data. Indra will study the possibility of implanting such information systems in the mid term. Los sistemas de información actuales de la compañía no permiten obtener esta información. Se valorará la posibilidad de implantar herramientas de cálculo para este indicador a medio plazo.
EC6	Policy, practices, and proportion of spending on locally-based suppliers at significant locations of operation.	Fully	"Local" refers to the same region where Indra has operations "Local" se refiere a la región en la que Indra tiene operaciones Although Indra does not have an explicit policy on preference for local suppliers, the common practice of the company is preferring locally based suppliers, as it is showed by the indicator "Spending in local suppliers" Aunque Indra no posee una política explícita de contratación de proveedores locales, la práctica habitual de la compañía es favorecer las compras a proveedores locales, tal y como ilustra el indicador de "Gasto correspondiente a proveedores locales en lugares donde se desarrollen operaciones significativas"	cuadro de mando http://www.informeannual2010.indra.es/informe_anual/nuestros-publicos-objetivos/proveedores http://www.informeannual2010.indra.es/informe_anual/nuestros-publicos-objetivos/medio-ambiente			
EC7	Procedures for local hiring and proportion of senior management hired from the local community at significant locations of operation.	Fully	"Senior management" are employees at the highest level of organizational management who have the responsibilities of managing the company. "Dirección" son empleados al más alto nivel de gestión de la organización y que tienen responsabilidades sobre la gestión de la compañía. Although Indra does not have an explicit policy on preference for managers from the local community, the common practice of the company is hiring managers from local communities, as it is showed by the "proportion of managers from the local community" indicator Aunque Indra no posee una política explícita de contratación de directores de la comunidad local, la práctica habitual de la compañía es favorecer la contratación de personal indígena, tal y como ilustra el indicador de "proporción de directivos procedentes de la comunidad local"	cuadro de mando			
Indirect economic impacts							
EC8	Development and impact of infrastructure investments and services provided primarily for public benefit through commercial, in-kind, or pro bono engagement.	Fully	Society Sociedad (AR), page 106	http://www.informeannual2010.indra.es/informe_anual/nuestros-publicos-objetivos			
EC9	Understanding and describing significant indirect economic impacts, including the extent of impacts.	Fully	Management approaches Enfoques de gestión (AR), page 18 Vertical markets Mercados verticales (AR), page 34-35 Our stakeholders Nuestros públicos objetivo (AR), pages 59	http://www.informeannual2010.indra.es/informe_anual/si-a-la- http://www.informeannual2010.indra.es/informe_anual/nuestros_negocios/ http://www.informeannual2010.indra.es/informe_anual/nuestros-publicos-objetivos/			

Environmental								Global Compact
Performance Indicator	Description	Reported	Cross-reference/Direct answer		If applicable, indicate the part not reported	Reason for omission	Explanation	
			Hard copy reference	Web reference				
Materials								
EN1	Materials used by weight or volume.	Fully	Sustainability balance scorecard Cuadro de mando de sostenibilidad	cuadro de mando				
EN2	Percentage of materials used that are recycled input materials.	Fully	Sustainability balance scorecard Cuadro de mando de sostenibilidad	cuadro de mando				Principle 8, Principle 9
Energy								
EN3	Direct energy consumption by primary energy source.	Fully	Sustainability balance scorecard Cuadro de mando de sostenibilidad Indra does not have significant renewable primary sources Indra no posee fuentes primarias de energía renovable significativas	cuadro de mando				
EN4	Indirect energy consumption by primary source.	Partially	Sustainability balance scorecard Cuadro de mando de sostenibilidad	cuadro de mando	The corresponding primary energy consumed in its production.	Not available	Current information systems does not permit to obtain this data. Indra will study the possibility of implanting such information systems in the mid term. Los sistemas de información actuales de la compañía no permiten obtener esta información. Se valorará la posibilidad de implantar herramientas de cálculo para este indicador a medio plazo.	2014
EN5	Energy saved due to conservation and efficiency improvements.	Partially	Environment Medio ambiente (AR), pages 96-99	http://www.informeannual2010.indra.es/informe_anual/nuestros-publicos-objetivos/medio-ambiente	Total amount of energy saved in joules or multiples taking into consideration energy saved due to process redesign, conversion and retrofitting of equipment, and changes in personnel behavior.	Not available	Current information systems does not permit to obtain this data. Indra will study the possibility of implanting such information systems in the mid term. Los sistemas de información actuales de la compañía no permiten obtener esta información. Se valorará la posibilidad de implantar herramientas de cálculo para este indicador a medio plazo.	2014
EN6	Initiatives to provide energy-efficient or renewable energy based products and services, and reductions in energy requirements as a result of these initiatives.	Partially	Indra continues applying server consolidation and virtualization initiatives in its data processing centres in order to reduce the energy consumption and the environmental impact of our solutions and services Indra continúa aplicando iniciativas de consolidación y virtualización de servidores en sus centros de proceso de datos como herramienta fundamental para reducir el consumo energético y el impacto medioambiental en la prestación de soluciones y servicios.		Quantified reductions in the energy requirements of products and services achieved during the reporting period If use-oriented figures are employed (e.g. energy requirements of a computer); assumptions about underlying consumption patterns or normalization factors referring to available industry standards	Not available	Current information systems does not permit to obtain this data. Indra will study the possibility of implanting such information systems in the mid term. Los sistemas de información actuales de la compañía no permiten obtener esta información. Se valorará la posibilidad de implantar herramientas de cálculo para este indicador a medio plazo.	2014
EN7	Initiatives to reduce indirect energy consumption and reductions achieved.	Fully	Environmental spending and investment Gastos e inversiones ambientales (AR), page 96 Sustainability balance scorecard Cuadro de mando de sostenibilidad	http://www.informeannual2010.indra.es/informe_anual/nuestros-publicos-objetivos/medio-ambiente cuadro de mando				Principle 8, Principle 9
Water								
EN8	Total water withdrawal by source.	Fully	Sustainability balance scorecard Cuadro de mando de sostenibilidad Indra does not withdraw water directly or indirectly from rainwater or waste water from another organization Indra no extrae agua directa o indirectamente de agua de lluvia o de agua reciclada por otra organización	cuadro de mando				
EN9	Water sources significantly affected by withdrawal of water.	Fully	Sustainability balance scorecard Cuadro de mando de sostenibilidad Indra's offices are located on urban sites, and do not therefore impact on protected natural areas or areas of high biodiversity value Indra tiene sus sedes en terrenos urbanos, por tanto no impacta en espacios naturales protegidos y/o sobre la biodiversidad	cuadro de mando				
EN10	Percentage and total volume of water recycled and reused.	Fully	Indra does not recycle or reuse significant volumes of water Indra no recicla o reutiliza volúmenes significativos de agua					
Biodiversity								
EN11	Location and size of land owned, leased, managed in, or adjacent to, protected areas and areas of high biodiversity value outside protected areas.	Not				Not material	Indra's offices are located on urban sites, and do not therefore impact on protected natural areas or areas of high biodiversity value Indra tiene sus sedes en terrenos urbanos, por tanto no impacta en espacios naturales	
EN12	Description of significant impacts of activities, products, and services on biodiversity in protected areas and areas of high biodiversity value outside protected areas.	Fully	Vertical markets Mercados verticales (AR), page 34-35	http://www.informeannual2010.indra.es/informe_anual/nuestros_negocios/				
EN13	Habitats protected or restored.	Not				Not material	Indra's offices are located on urban sites, and do not therefore impact on protected natural areas or areas of high biodiversity value Indra tiene sus sedes en terrenos urbanos, por tanto no impacta en espacios naturales	
EN14	Strategies, current actions, and future plans for managing impacts on biodiversity.	Not				Not material	Indra's offices are located on urban sites, and do not therefore impact on protected natural areas or areas of high biodiversity value Indra tiene sus sedes en terrenos urbanos, por tanto no impacta en espacios naturales	
EN15	Number of IUCN Red List species and national conservation list species with habitats in areas affected by operations, by level of extinction risk.	Not				Not material	Indra's offices are located on urban sites, and do not therefore impact on protected natural areas or areas of high biodiversity value Indra tiene sus sedes en terrenos urbanos, por tanto no impacta en espacios naturales	

Emissions, effluents and waste									
EN16	Total direct and indirect greenhouse gas emissions by weight.	Fully	Sustainability balance scorecard Cuadro de mando de sostenibilidad	cuadro de mando					
EN17	Other relevant indirect greenhouse gas emissions by weight.	Fully	Sustainability balance scorecard Cuadro de mando de sostenibilidad	cuadro de mando					
EN18	Initiatives to reduce greenhouse gas emissions and reductions achieved.	Partially	Environmental objectives Objetivos ambientales (AR), page 98	http://www.informeannual2010.indra.es/informe_anual/nuestros-publicos-objetivos/medio-ambiente	Report quantitatively the extent of greenhouse gas emissions reductions achieved during the reporting period as a direct result of the initiative(s) in tonnes of CO2 equivalent.	Not available	No quantitative report on reductions achieved as a result of the initiatives has been made since this is the first year that Indra has established reduction targets	2012	Principle 8, Principle 9
EN19	Emissions of ozone-depleting substances by weight.	Fully	Some of the air-conditioning equipments use R-22 gas, which is considered as a ozone-depleting substance. Indra is replacing those equipments, as can be seen in the "Environment" chapter of the Annual Report. Information systems of Indra does not permit to report on the emissions of R-22 gas. Algunos de los equipos de refrigeración de Indra utilizan el gas R-22, que se considera destructor de la capa de ozono. La compañía esta realizando inversiones para la sustitución progresiva de estos equipos, tal y como se puede observar en el capítulo de "Medio ambiente" del Informe Anual. Los sistemas de información de la compañía no permiten reportar sobre la cantidad de gas R-22 emitido.						
EN20	NOx, SOx, and other significant air emissions by type and weight.	Fully	The natural gas and gasoil boilers produce low levels (no significant) of NOx and SOx. The emissions are included in the GHG indicator. Data on CO2e and POPs are included in the Balance Scorecard. No other significant emissions are made. Las calderas de gas natural y gasoil producen niveles bajos (no significativos) de NOx y SOx. Las emisiones se incluyen en el indicador de gases de efecto invernadero. La información sobre emisiones de CO2 equivalente y de COPs se incluyen en el cuadro de mando. No se producen ningún otro tipo de emisiones significativas.	Sustainability balance scorecard Cuadro de mando de sostenibilidad	cuadro de mando				
EN21	Total water discharge by quality and destination.	Fully	Indra's offices are located on urban sites, and discharges are made through the urban network. Water consumption coincides with discharge of water as the only waste water and industrial processes are not in the activities of Indra. Indra tiene sus sedes en terrenos urbanos, los vertidos se hacen a través de la red urbana. El consumo de agua coincide con el vertido de agua, que son sólo aguas residuales urbanas y no hay procesos industriales.						Principle 8
EN22	Total weight of waste by type and disposal method.	Fully	Sustainability balance scorecard Cuadro de mando de sostenibilidad	cuadro de mando	Non-hazardous wastes are treated through recycling or trash processing. Hazardous wastes are recovered by authorised managers. No composting, incineration, deep-well injection or waste storage is done. Los residuos no peligrosos se gestionan mediante reciclaje o tratamiento de basuras. Los residuos peligrosos son recuperados por gestores autorizados. No se realiza compostaje, reutilización, incineración, inyección en pozos profundos o almacenamiento de residuos.				
EN23	Total number and volume of significant spills.	Fully	There have been no significant spills registered						
EN24	Weight of transported, imported, exported, or treated waste deemed hazardous under the terms of the Basel Convention Annex I, II, III, and VIII, and percentage of transported waste shipped internationally.	Fully	No waste is transported, imported, exported or treated directly by the company						
EN25	Identity, size, protected status, and biodiversity value of water bodies and related habitats significantly affected by the reporting organization's discharges of water and runoff.	Fully	Indra's offices are located on urban sites, and discharges are made through the urban network. Water consumption coincides with discharge of water as the only waste water and industrial processes are not in the activities of Indra. Indra tiene sus sedes en terrenos urbanos, los vertidos se hacen a través de la red urbana. El consumo de agua coincide con el vertido de agua, que son sólo aguas residuales urbanas y no hay procesos industriales.						
Products and services									
EN26	Initiatives to mitigate environmental impacts of products and services, and extent of impact mitigation.	Fully	Sustainability balance scorecard Cuadro de mando de sostenibilidad	cuadro de mando	Environmental spending and investment Gastos e inversiones ambientales (AR), page 98	http://www.informeannual2010.indra.es/informe_anual/nuestros-publicos-objetivos/medio-ambiente			Principle 8, Principle 9
EN27	Percentage of products sold and their packaging materials that are reclaimed by category.	Partially	Indra has contracted the company Ecotic to manage the end-of-useful life disposal of equipment, which is placed on the market. Indra tiene contratado con la empresa Ecotic la gestión de las retiradas al final de su vida útil de los equipos que se ponen en el mercado.						Principle 8, Principle 9
Compliance									
EN28	Monetary value of significant fines and total number of non-monetary sanctions for non-compliance with environmental laws and regulations.	Fully	Indra's Administration Department has no record of significant sanctions or fines						

Transport									
EN29	Significant environmental impacts of transporting products and other goods and materials used for the organization's operations, and transporting members of the workforce.	Fully	Sustainability balance scorecard Cuadro de mando de sostenibilidad Environment Medio ambiente (AR), pages 99 Responsible mobility of our professionals Movilidad responsable de nuestros profesionales Employees Empleados (AR), 72 The environmental impacts of transportation used for logistical purposes is not considered significant El impacto ambiental del transporte usado para propósitos logísticos no se considera significativo	cuadro de mando http://www.informeannual2010.indra.es/informe_anual/nuestros-publicos-objetivos/empleados					
Overall									
EN30	Total environmental protection expenditures and investments by type.	Fully	Environmental spending and investment Gastos e inversiones ambientales (AR), page 96 No investments are made or expenses incurred for the processing of wastewaters or emissions. No se realizan inversiones o gastos para tratamiento de aguas residuales o tratamiento de emisiones.	http://www.informeannual2010.indra.es/informe_anual/nuestros-publicos-objetivos/medio-ambiente					Principle 8
Social: Labor Practices and Decent Work									
Performance Indicator	Description	Reported	Hard copy reference	Cross-reference/Direct answer Web reference	If applicable, indicate the part not reported	Reason for omission	Explanation	Global Compact	
Employment									
LA1	Total workforce by employment type, employment contract, and region, broken down by gender.	Fully	Sustainability balance scorecard Cuadro de mando de sostenibilidad	cuadro de mando					
LA2	Total number and rate of employee turnover by age group, gender, and region.	Fully	Sustainability balance scorecard Cuadro de mando de sostenibilidad	cuadro de mando					Principle 6
LA3	Benefits provided to full-time employees that are not provided to temporary or part-time employees, by major operations.	Fully	Sustainability balance scorecard Cuadro de mando de sostenibilidad	cuadro de mando					
LA15	Return to work and retention rates after parental leave, by gender.	Fully	Sustainability balance scorecard Cuadro de mando de sostenibilidad	cuadro de mando					
Labor/management relations									
LA4	Percentage of employees covered by collective bargaining agreements.	Fully	Sustainability balance scorecard Cuadro de mando de sostenibilidad	cuadro de mando					Principle 3
LA5	Minimum notice period(s) regarding significant operational changes, including whether it is specified in collective agreements.	Fully	It depends on the legislation of the countries where the company has operations. In Spain, the main location of the company by workforce, the minimum notice period is 30 days. Depende de la legislación de los países donde la compañía tiene operaciones. En España, la localización principal por volumen de plantilla, el periodo mínimo de preaviso es de 30 días.						Principle 3
Occupational health and safety									
LA6	Percentage of total workforce represented in formal joint management-worker health and safety committees that help monitor and advise on occupational health and safety programs.	Fully		93.00%					
LA7	Rates of injury, occupational diseases, lost days, and absenteeism, and number of work-related fatalities by region and by gender.	Partially	Sustainability balance scorecard Cuadro de mando de sostenibilidad	cuadro de mando	The indicator is not broken down by gender or region El indicador no se desglosa por género o región	Not available	Current information systems does not permit to obtain this data. Indra will study the possibility of implanting such information systems in the short term. Los sistemas de información actuales de la compañía no permiten obtener esta información. Se valorará la posibilidad de implantar herramientas de cálculo para este indicador a corto plazo.	2012	
LA8	Education, training, counseling, prevention, and risk-control programs in place to assist workforce members, their families, or community members regarding serious diseases.	Fully	Workplace risk prevention Prevención de riesgos laborales (AR), pages 73-74	http://www.informeannual2010.indra.es/informe_anual/nuestros-publicos-objetivos/empleados					
LA9	Health and safety topics covered in formal agreements with trade unions.	Fully	No agreements has been made with trade unions in Spain No se han realizado acuerdos con sindicatos en España						
Training and education									
LA10	Average hours of training per year per employee by gender and by employee category.	Partially	Sustainability balance scorecard Cuadro de mando de sostenibilidad	cuadro de mando	The indicator is not broken down by gender or employee category	Not available	Current information systems does not permit to obtain this data. Indra will study the possibility of implanting such information systems in the short term. Los sistemas de información actuales de la compañía no permiten obtener esta información. Se valorará la posibilidad de implantar herramientas de cálculo para este indicador a corto plazo.	2012	Principle 6
LA11	Programs for skills management and lifelong learning that support the continued employability of employees and assist them in managing career endings.	Fully	Employees Empleados (AR), pages 70-72 There are not assistance programs in place to support employees who are retiring. No existen programas de asistencia para trabajadores al final de su vida laboral	http://www.informeannual2010.indra.es/informe_anual/nuestros-publicos-objetivos/empleados					
LA12	Percentage of employees receiving regular performance and career development reviews by gender.	Partially	Sustainability balance scorecard Cuadro de mando de sostenibilidad	cuadro de mando	The indicator is not broken down by gender	Not available	Current information systems does not permit to obtain this data. Indra will study the possibility of implanting such information systems in the short term. Los sistemas de información actuales de la compañía no permiten obtener esta información. Se valorará la posibilidad de implantar herramientas de cálculo para este indicador a corto plazo.	2012	

Diversity and equal opportunity									
Performance Indicator	Description	Reported	Hard copy reference	Web reference	If applicable, indicate the part not reported	Reason for omission	Explanation		Global Compact
LA13	Composition of governance bodies and breakdown of employees per category according to gender, age group, minority group membership, and other indicators of diversity.	Fully	Sustainability balance scorecard Cuadro de mando de sostenibilidad Shareholders Accionistas (AR), page 67	cuadro de mando http://www.informeannual2010.indra.es/informe_anual/nuestros-publicos-objetivos/empleados					Principle 6
LA14	Ratio of basic salary of men to women by employee category, by significant locations of operation.	Partially	Sustainability balance scorecard Cuadro de mando de sostenibilidad	cuadro de mando	The indicator is not broken down by region	Not available	Current information systems does not permit to obtain this data. Indra will study the possibility of implanting such information systems in the short term. Los sistemas de información actuales de la compañía no permiten obtener esta información. Se valorará la posibilidad de implantar herramientas de cálculo para este indicador a corto plazo.	2012	Principle 6
Social: Human Rights									
Performance Indicator	Description	Reported	Hard copy reference	Web reference	If applicable, indicate the part not reported	Reason for omission	Explanation		Global Compact
Diversity and equal opportunity									
HR1	Percentage and total number of significant investment agreements that include human rights clauses or that have undergone human rights screening.	Partially	Code of Ethics for Suppliers Código Ético de Proveedores (AR), page 86 Since the Code of Ethics for Suppliers will be in place since 2011, no screening has been made yet Puesto que el Código Ético de Proveedores entrará en vigor en 2011, todavía no se ha realizado ningún control	http://www.informeannual2010.indra.es/informe_anual/nuestros-publicos-objetivos/empleados					Principle 1, Principle 2
HR2	Percentage of significant suppliers and contractors and other business partners that have undergone screening on human rights and actions taken.	Partially	Code of Ethics for Suppliers Código Ético de Proveedores (AR), page 86 Since the Code of Ethics for Suppliers will be in place since 2011, no screening has been made yet Puesto que el Código Ético de Proveedores entrará en vigor en 2011, todavía no se ha realizado ningún control	http://www.informeannual2010.indra.es/informe_anual/nuestros-publicos-objetivos/empleados					Principle 1, Principle 2
HR3	Total hours of employee training on policies and procedures concerning aspects of human rights that are relevant to operations, including the percentage of employees trained.	Not					The Code of Ethics and Professional Conduct was implanted in 2010, so the is no training indicators yet El Código Ético y de Conducta Profesional fue implantado en 2010 por lo que todavía no se dispone de indicadores de formación	2012	
Non-discrimination									
HR4	Total number of incidents of discrimination and actions taken.	Fully	Implementation of new Code of Ethics and Professional Conduct Implantación del nuevo Código Ético y de Conducta Profesional (AR), page 19	http://www.informeannual2010.indra.es/informe_anual/si-a-la-innovacion/nuestro-enfoque-de-sostenibilidad					Principle 1, Principle 6
Freedom of association and collective bargaining									
HR5	Operations and significant suppliers identified in which the right to exercise freedom of association and collective bargaining may be at significant risk, and actions taken to support these rights.	Partially	Human rights Derechos humanos (AR), pages 74-75	http://www.informeannual2010.indra.es/informe_anual/nuestros-publicos-objetivos/empleados	No identification of significant suppliers at risk have been made No se ha realizado una identificación de proveedores significativos en riesgo	Not available	There is no specific policy. Indra will study the possibility of develop such policy in the mid term No se dispone de una política específica. Se valorará la posibilidad de desarrollar una a medio plazo	2014	Principle 1, Principle 3
Child labor									
HR6	Operations and significant suppliers identified as having significant risk for incidents of child labor, and measures taken to contribute to the elimination of child labor.	Partially	Human rights Derechos humanos (AR), pages 74-75	http://www.informeannual2010.indra.es/informe_anual/nuestros-publicos-objetivos/empleados	No identification of significant suppliers at risk have been made No se ha realizado una identificación de proveedores significativos en riesgo	Not available	There is no specific policy. Indra will study the possibility of develop such policy in the mid term No se dispone de una política específica. Se valorará la posibilidad de desarrollar una a medio plazo	2014	Principle 1, Principle 5
Forced and compulsory labor									
HR7	Operations and significant suppliers identified as having significant risk for incidents of forced or compulsory labor, and measures taken to contribute to the elimination of forced or compulsory labor.	Partially	Human rights Derechos humanos (AR), pages 74-75	http://www.informeannual2010.indra.es/informe_anual/nuestros-publicos-objetivos/empleados	No identification of significant suppliers at risk have been made No se ha realizado una identificación de proveedores significativos en riesgo	Not available	There is no specific policy. Indra will study the possibility of develop such policy in the mid term No se dispone de una política específica. Se valorará la posibilidad de desarrollar una a medio plazo	2014	Principle 1, Principle 4
Security practices									
HR8	Percentage of security personnel trained in the organization's policies or procedures concerning aspects of human rights that are relevant to operations.	Not				Not material	Indra considera que la actividad de su personal de seguridad no supone un riesgo para los derechos humanos		
Indigenous rights									
HR9	Total number of incidents of violations involving rights of indigenous people and actions taken.	Fully	Implementation of new Code of Ethics and Professional Conduct Implantación del nuevo Código Ético y de Conducta Profesional (AR), page 19	http://www.informeannual2010.indra.es/informe_anual/si-a-la-innovacion/nuestro-enfoque-de-sostenibilidad					
ASSESSMENT									
HR10	Percentage and total number of operations that have been subject to human rights reviews and/or impact assessments	Fully	In 2010, Internal Audits reviewed and evaluated 32 units and processes in the company in both operations and at corporate level to ascertain if the controls established to mitigate any of the company's risks are sufficient and work adequately. Durante 2010, Auditoría Interna revisó y evaluó 32 unidades/procesos de la compañía, tanto de operaciones como corporativos, para determinar si los controles establecidos para mitigar cualquiera de los riesgos inherentes de la compañía son suficientes y funcionan adecuadamente.						

REMEDATION									
HR11	Number of grievances related to human rights filed, addressed and resolved through formal grievance mechanisms.	Fully	Implementation of new Code of Ethics and Professional Conduct Implantación del nuevo Código Ético y de Conducta Profesional (AR), page 19	http://www.informeannual2010.indra.es/informe_anual/si-a-la-innovacion/nuestro-enfoque-de-sostenibilidad					
Social- Society									
Performance Indicator	Description	Reported	Hard copy reference	Cross-reference/Direct answer Web reference	If applicable, indicate the part not reported	Reason for omission	Explanation		Global Compact
Local community									
SO1	Percentage of operations with implemented local community engagement, impact assessments, and development programs	Fully	Society Sociedad (AR), page 112-114 Vertical markets Mercados verticales (AR), page 34-35	http://www.informeannual2010.indra.es/informe_anual/nuestros-publicos-objetivos/clientes					
SO9	Operations with significant potential or actual negative impacts on local communities.	Fully	Vertical markets Mercados verticales (AR), page 34-35	http://www.informeannual2010.indra.es/informe_anual/nuestros-negocios/					
SO10	Prevention and mitigation measures implemented in operations with significant potential or actual negative impacts on local communities	Fully	Vertical markets Mercados verticales (AR), page 34-35	http://www.informeannual2010.indra.es/informe_anual/nuestros-negocios/					
Corruption									
SO2	Percentage and total number of business units analyzed for risks related to corruption.	Fully	Managing the risk of corruption at Indra La gestión del riesgo de corrupción en Indra Customers Clientes (AR), page 82	http://www.informeannual2010.indra.es/informe_anual/nuestros-publicos-objetivos/clientes					Principle 10
SO3	Percentage of employees trained in organization's anti-corruption policies and procedures.	Partially	Implementation of new Code of Ethics and Professional Conduct Implantación del nuevo Código Ético y de Conducta Profesional (AR), page 19	http://www.informeannual2010.indra.es/informe_anual/si-a-la-innovacion/nuestro-enfoque-de-sostenibilidad	The percentage of total number of management and non-management employees who have received anti-corruption training during the reporting period.	Not available	The Code of Ethics and Professional Conduct was implanted in 2010, so the is no training indicators yet El Código Ético y de Conducta Profesional fue implantado en 2010 por lo que todavía no se dispone de indicadores de formación	2012	Principle 10
SO4	Actions taken in response to incidents of corruption.	Fully	Managing the risk of corruption at Indra La gestión del riesgo de corrupción en Indra Customers Clientes (AR), page 82	http://www.informeannual2010.indra.es/informe_anual/nuestros-publicos-objetivos/clientes					Principle 10
Public policy									
SO5	Public policy positions and participation in public policy development and lobbying.	Fully	Society Sociedad (AR), page 105	http://www.informeannual2010.indra.es/informe_anual/si-a-la-innovacion/nuestro-enfoque-de-sostenibilidad					
SO6	Total value of financial and in-kind contributions to political parties, politicians, and related institutions by country.	Fully	The Code of Ethics and Professional Conduct prohibits contributions to political parties or related institutions. In 2010, Indra recorded no contributions of this kind. El Código Ético y de Conducta Profesional prohíbe realizar contribuciones a partidos políticos o instituciones relacionadas. Durante 2010, Indra no ha registrado ninguna contribución de este tipo.						
Anti-competitive behavior									
SO7	Total number of legal actions for anti-competitive behavior, anti-trust, and monopoly practices and their outcomes.	Fully	Sustainability balance scorecard Cuadro de mando de sostenibilidad	cuadro de mando					
Compliance									
SO8	Monetary value of significant fines and total number of non-monetary sanctions for non-compliance with laws and regulations.	Fully	Sustainability balance scorecard Cuadro de mando de sostenibilidad	cuadro de mando					
Social- Product Responsibility									
Performance Indicator	Description	Reported	Hard copy reference	Cross-reference/Direct answer Web reference	If applicable, indicate the part not reported	Reason for omission	Explanation		Global Compact
Customer health and safety									
PR1	Life cycle stages in which health and safety impacts of products and services are assessed for improvement, and percentage of significant products and services categories subject to such procedures.	Fully	As Indra's activity is based on the development of personalized solutions and customer services, health and safety requirements are set by the customer and are often determined by the customer's local legislation. More generally, products with hardware components marketed in the European Union are subject to the health and safety requirements established in the CE mark. La actividad de Indra se basa en el desarrollo de soluciones y prestación de servicios personalizados al cliente, por lo que los requisitos en cuanto a seguridad y salud vienen marcados por el propio cliente y a menudo responden a la legislación local del cliente. Con carácter más general, aquellos productos con componentes de hardware comercializados en la Unión Europea se someten a los requisitos de seguridad y salud establecidos en el Marcado CE.						
PR2	Total number of incidents of non-compliance with regulations and voluntary codes concerning health and safety impacts of products and services during their life cycle, by type of outcomes.	Fully	No significant incidents concerning health and safety impacts of products and services have been recorded in 2010, nor in terms of penalties, warnings or non-compliance with voluntary codes. No se han registrado incidentes significativos relacionados con los impactos sobre la seguridad y la salud de los productos y servicios en 2010, en términos de sanciones, advertencias o incumplimiento de códigos voluntarios.						

Product and service labelling						
PR3	Type of product and service information required by procedures, and percentage of significant products and services subject to such information requirements.	Fully	As Indra's activity is based on the development of personalized solutions and customer services, production information requirements are set by the customer. Nevertheless, Indra's methodology generally demands that solutions include a user manual and maintenance manual that, as noted, may be supplemented by other documentation should customer needs require it. La actividad de Indra se basa en el desarrollo de soluciones y prestación de servicios personalizados al cliente, por lo que los requisitos en cuanto a información del producto vienen marcados por el propio cliente. No obstante, con carácter general, la metodología de Indra establece acompañar las soluciones con un Manual de Usuario y con un Manual de Mantenimiento que, como ya se ha explicado, podrá ser complementado por otro tipo de documentación en el caso de que los requisitos del cliente así lo exijan.			
PR4	Total number of incidents of non-compliance with regulations and voluntary codes concerning product and service information and labeling, by type of outcomes.	Fully	No significant incidents concerning product and service information and labeling have been recorded in 2010, nor in terms of penalties, warnings or non-compliance with voluntary codes. No se han registrado incidentes significativos relacionados con información o etiquetado de productos y servicios en 2010, en términos de sanciones, advertencias o incumplimiento de códigos voluntarios.			
PR5	Practices related to customer satisfaction, including results of surveys measuring customer satisfaction.	Fully	Customer satisfaction Satisfacción del cliente (AR), page 79 http://www.informeannual2010.indra.es/informe_anual/nuestros-publicos-objetivos/clientes Sustainability balance scorecard Cuadro de mando de sostenibilidad cuadro de mando			
Marketing communications						
PR6	Programs for adherence to laws, standards, and voluntary codes related to marketing communications, including advertising, promotion, and sponsorship.	Fully	Indra does not make any mention of laws, standards on products or voluntary codes in its marketing communications. Indra no realiza mención alguna a leyes, estándares sobre productos o códigos voluntarios en sus comunicaciones de marketing.			
PR7	Total number of incidents of non-compliance with regulations and voluntary codes concerning marketing communications, including advertising, promotion, and sponsorship by type of outcomes.	Fully	No significant incidents concerning marketing communications have been recorded in 2010, nor in terms of penalties, warnings or non-compliance with voluntary codes. No se han registrado incidentes significativos relacionados con comunicaciones de marketing en 2010, en términos de sanciones, advertencias o incumplimiento de códigos voluntarios.			
Customer privacy						
PR8	Total number of substantiated complaints regarding breaches of customer privacy and losses of customer data.	Not				Current information systems does not permit to obtain this data. Indra will study the possibility of implanting such information systems in the mid term. 2014 Los sistemas de información actuales de la compañía no permiten obtener esta información. Se valorará la posibilidad de implantar herramientas de cálculo para este indicador a medio plazo.
Compliance						
PR9	Monetary value of significant fines for non-compliance with laws and regulations concerning the provision and use of products and services.	Fully	Indra's Administration Department has no record of significant sanctions or fines. El Departamento de Administración de Indra no tiene constancia de sanciones o multas			

Legend | Leyenda
AR Annual Report | Informe Anual
CAA Consolidated Annual Accounts | Cuentas Anuales Consolidadas
ACCAR Audit and Compliance Committee Activities Report | Memoria de actividades de la Comisión de auditoría y Cumplimiento



Statement GRI Application Level Check

GRI hereby states that **Indra** has presented its report "Annual Report 2010" to GRI's Report Services which have concluded that the report fulfills the requirement of Application Level A+.

GRI Application Levels communicate the extent to which the content of the G3 Guidelines has been used in the submitted sustainability reporting. The Check confirms that the required set and number of disclosures for that Application Level have been addressed in the reporting and that the GRI Content Index demonstrates a valid representation of the required disclosures, as described in the GRI G3 Guidelines.

Application Levels do not provide an opinion on the sustainability performance of the reporter nor the quality of the information in the report.

Amsterdam, 11 May 2011

A handwritten signature in blue ink, appearing to read "Nelmara Arbex", is written over a faint, large watermark of the GRI globe logo in the background.

Nelmara Arbex
Deputy Chief Executive
Global Reporting Initiative





KPMG Asesores S.L.
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28046 Madrid

Independent Assurance Report to the Management of Indra Sistemas, S.A.

(Free translation from the original in Spanish.
In case of discrepancy, the Spanish language version prevails.)

We performed a limited assurance review on the non-financial information contained in Indra Sistemas, S.A. (hereinafter Indra) Annual Report for the year ended 31 December 2010 (hereinafter “the Report”).

Indra management is responsible for the preparation and presentation of the Report in accordance with the Sustainability Reporting Guidelines version 3.1. (G3.1.) of the Global Reporting Initiative as described in the chapter entitled The principles governing this report. This section details the self-declared application level, which has been confirmed by Global Reporting Initiative. Management is also responsible for the information and assertions contained within the Report; for the implementation of processes and procedures which adhere to the principles set out in the AA1000 AccountAbility Principles Standard 2008 (AA1000APS); for determining its objectives in respect of the selection and presentation of sustainable development performance; and for establishing and maintaining appropriate performance management and internal control systems from which the reported performance information is derived.

Our responsibility is to carry out a limited assurance engagement and to issue an independent report based on the work performed, which refers exclusively to the information corresponding to the year 2010. Data corresponding to previous years have not been the object of review. We conducted our engagement in accordance with International Standard on Assurance Engagements (ISAE) 3000, “Assurance Engagements other than Audits or Reviews of Historical Financial Information”, issued by the International Auditing and Assurance Standards Board and also in accordance with the guidelines established by the Instituto de Censores Jurados de Cuentas of Spain. This standard requires that we plan and perform the engagement to obtain limited assurance about whether the Report is free from material misstatement and that we comply with the independence requirements included in the International Federation of Accountants Code of Ethics which outlines detailed requirements regarding integrity, objectivity, confidentiality and professional qualifications and conduct. We have also conducted our engagement in accordance with AA1000 Accountability Assurance Standard 2008 (AA1000AS) (Type 2), which covers not only the nature and extent of the organisation’s adherence to the AA1000APS, but also evaluates the reliability of performance information as indicated in the scope.

A limited assurance engagement on a sustainability report consists of making inquiries to Management, primarily to the persons responsible for the preparation of information presented in the Report, and applying analytical and other evidence gathering procedures, as appropriate through the following procedures:

- Inquiries of management to gain an understanding of Indra’s processes for determining the material issues for their key stakeholder groups.
- Interviews with relevant Indra staff concerning the application of sustainability strategy and policies.
- Interviews with relevant Indra staff responsible for providing the information contained in the Report.
- Visit to the Torrejón de Ardoz site selected by a risk analysis, taking into account quantitative and qualitative criteria.
- Analysing the processes of compiling and internal control over quantitative data reflected in the Report, regarding the reliability of the information, by using analytical procedures and review testing based on sampling.
- Reading the information presented in the Report to determine whether it is in line with our overall knowledge of, and experience with, the sustainability performance of Indra.

- Verifying that the financial information reflected in the Report was taken from the annual accounts of Indra, which were audited by independent third parties.

The extent of evidence gathering procedures performed in a limited assurance engagement is less than that for a reasonable assurance engagement, and therefore also the level of assurance provided. Also, this report should not be considered an audit report.

Our multidisciplinary team included specialists in AA1000APS, stakeholder dialogue, social, environmental and economic business performance.

Based on the procedures performed, as described above, nothing has come to our attention that causes us to believe that the data included in the Annual Report of Indra Sistemas, S.A. for the year ended 31 December 2010 have not been reliably obtained, that the information has not been fairly presented, or that significant discrepancies or omissions exist, nor that the Report is not prepared, in all material respects, in accordance with the Sustainability Reporting Guidelines (G3.1.) of the Global Reporting Initiative as described in the chapter entitled The principles governing this report. Additionally, and also based on the procedures performed, as described above, nothing has come to our attention that as a result of Indra implementing the procedures described in the chapter entitled The principles governing this report, any material issues have been omitted as applies to the principles of inclusivity, materiality and responsiveness as included in the AA1000 AccountAbility Principles Standard 2008.

Under separate cover, we will provide Indra management with an internal report outlining our complete findings and areas for improvement. Without prejudice to our conclusions presented above, we present some of the key observations and areas for improvement below:

In relation to the INCLUSIVITY principle

Since 2003, as part of the work done for the definition of its Corporate Responsibility Master Plan, Indra develops an annual corporate level stakeholders update process. In addition to this process, during 2010, work has begun on the identification and determination of the taxonomy of different stakeholders specific to each of the areas of the company. In order to achieve greater precision and effectiveness of the Corporate Responsibility Master Plan, greater integration of these taxonomies in future processes of updating the Plan is recommended to Indra.

In relation to the MATERIALITY principle

Indra continues to systematize its processes for identifying and prioritizing the most relevant issues for inclusion in the Corporate Responsibility Master Plan annual updates. It is recommended that tools be developed to formalize and facilitate a more objective evaluation and prioritization of the issues identified in the different areas of the company and in the future updates for Indra's Master Plan, as well as continue working to integrate the business lines in this process.

In relation to the RESPONSIVENESS principle

Indra regularly carries out consultation and dialogue procedures with its different stakeholders. In addition, during 2010 the company has been working with one of its stakeholders in the development of a pilot system that allows this stakeholder to participate in the design of the response to its needs. It is recommended that the scope of this pilot process is extended to the company's key stakeholders.

KPMG Asesores, S.L.

(Signed)

José Luis Blasco Vázquez

18 May 2011