

# **INDITEX**



## **Global Growth Opportunities**

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The contents of this disclaimer should be taken into account by all persons or entities.

## 8 independent concepts

ZARA

Massimo Dutti

Bershka

PULL&BEAR

oysho



ZARA HOME

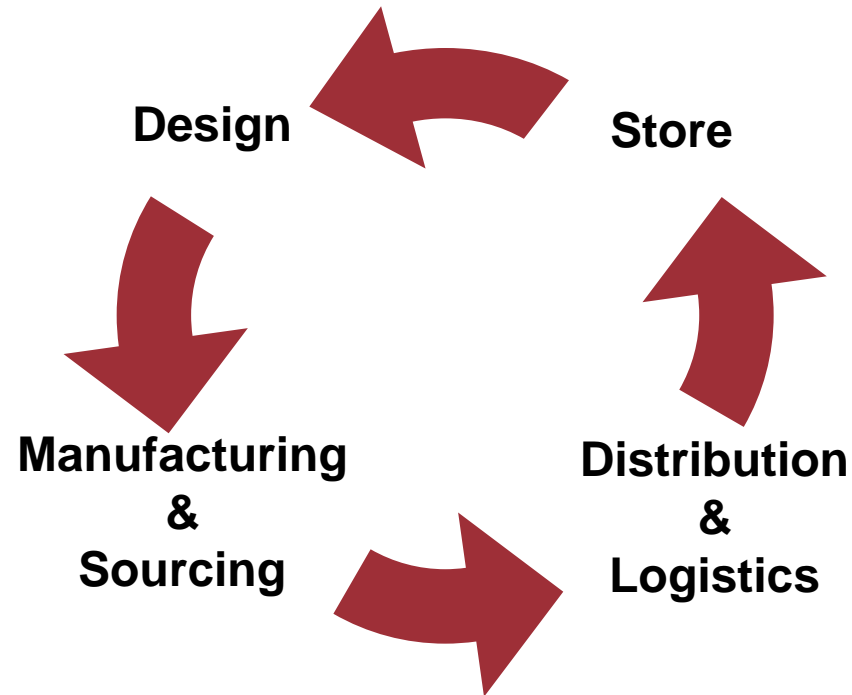
UTERQÛE

## Strong Growth

- ▶ 5,400 stores in 81 markets
- ▶ Multi-channel
- ▶ FY 2010
  - Sales €12.5 Bn
  - Cash flow €2.5 Bn
  - Net Income €1.7 Bn

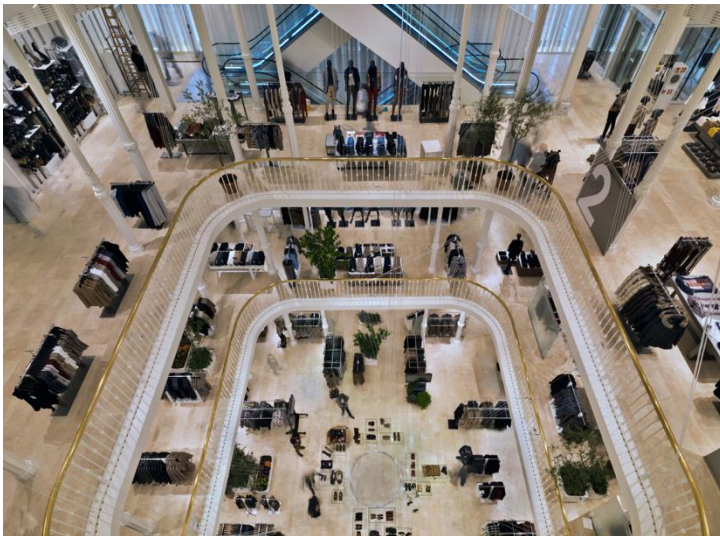
## Unique business model

# **Business Model**





- ▶ Compelling mix of latest fashions and quality at affordable prices
- ▶ Unique product strategy
  - 36,000 new designs per year
  - delivery to stores 2-6 times per week
- ▶ Customer interaction
  - daily in-store feedback allows constant modification of collections
- ▶ Attractive stores in prime locations

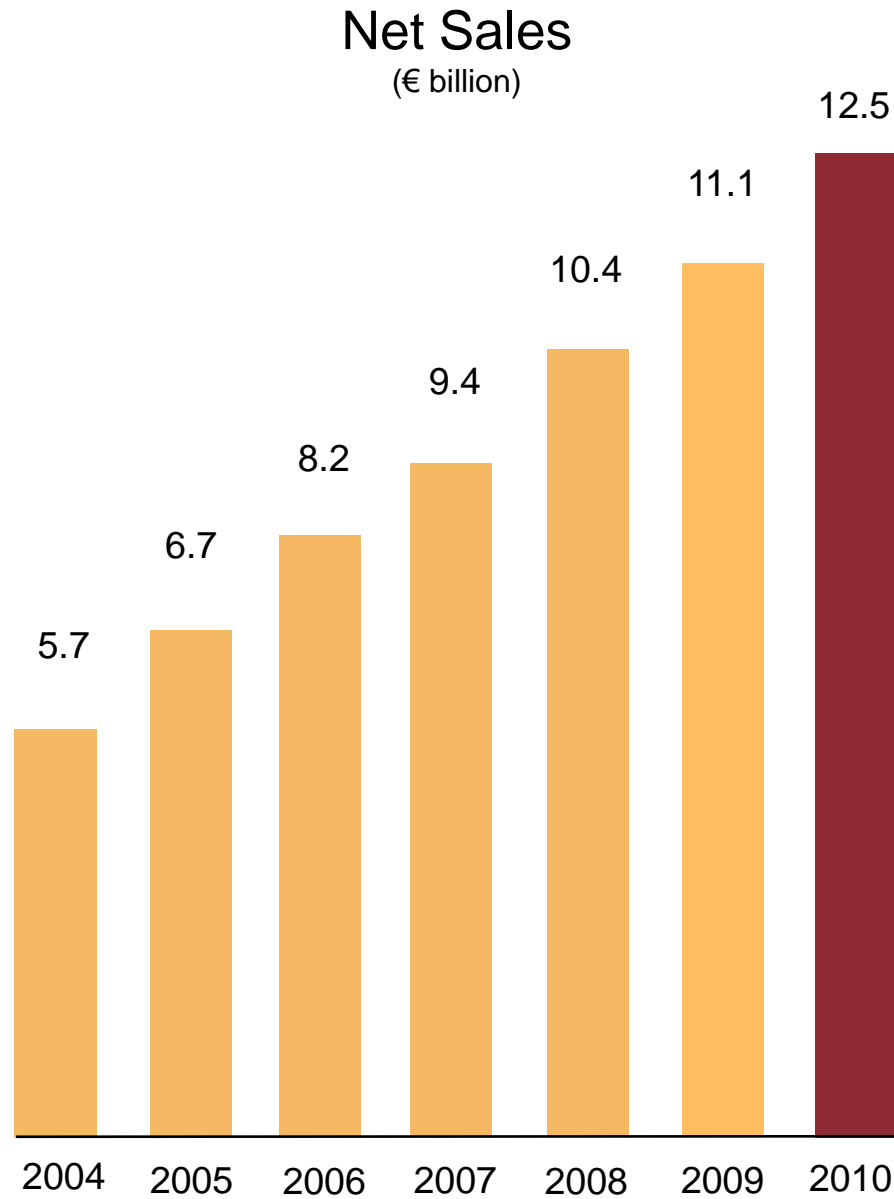


- ▶ Central distribution
- ▶ Shipment to all stores worldwide twice a week
- ▶ Orders to stores in 24-48 hours

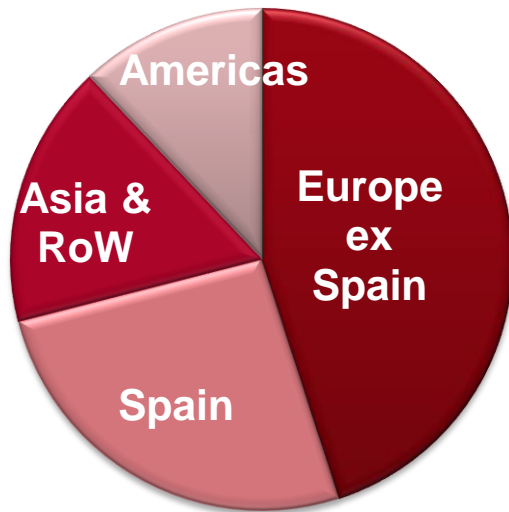


- ▶ Latest fashion trends
- ▶ Prime locations
- ▶ Fresh items twice a week
- ▶ No traditional advertising





- ▶ Business model avoids the main fixed costs associated with international expansion
  - No local distribution centers per market
  - No advertisement when entering a new market
  - Lean head office per market servicing all formats
  - Online sales



Store sales (%)	1H2011	1H2010
Europe ex-Spain	45%	45%
Spain	26%	28%
Asia & RoW	17%	15%
Americas	12%	12%

Store sales: Includes sales in OMS and franchises

- ▶ Market segmentation through distinctive concepts
- ▶ Independent management teams
- ▶ All share same business model
- ▶ A global presence



# Online sales roll-out

**INDITEX**

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29 October 2007	Zara Home	Europe: Austria, Belgium, Denmark, France, Germany, Greece, Ireland, Italy, Luxembourg, Monaco, Netherlands, Portugal, Spain, Sweden and UK.
2 September 2010	Zara	Spain, Portugal, France, Germany, Italy, UK
4 November 2010	Zara	Netherlands, Belgium, Luxembourg, Austria, Ireland
3 March 2011	Zara	Switzerland, Monaco, Sweden, Denmark, Norway
6 September 2011	Massimo Dutti, Bershka, Pull&Bear, Stradivarius, Oysho and Uterqüe	Europe
7 September 2011	Zara	US
20 October 2011	Zara	Japan
Progressive roll-out	All Concepts	Globally

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# **Inditex Concepts**

ZARA

Massimo Dutti

Bershka

ZARA HOME

UTERQÜE

PULL&BEAR



oysho

# Operating autonomy, central support **INDITEX**

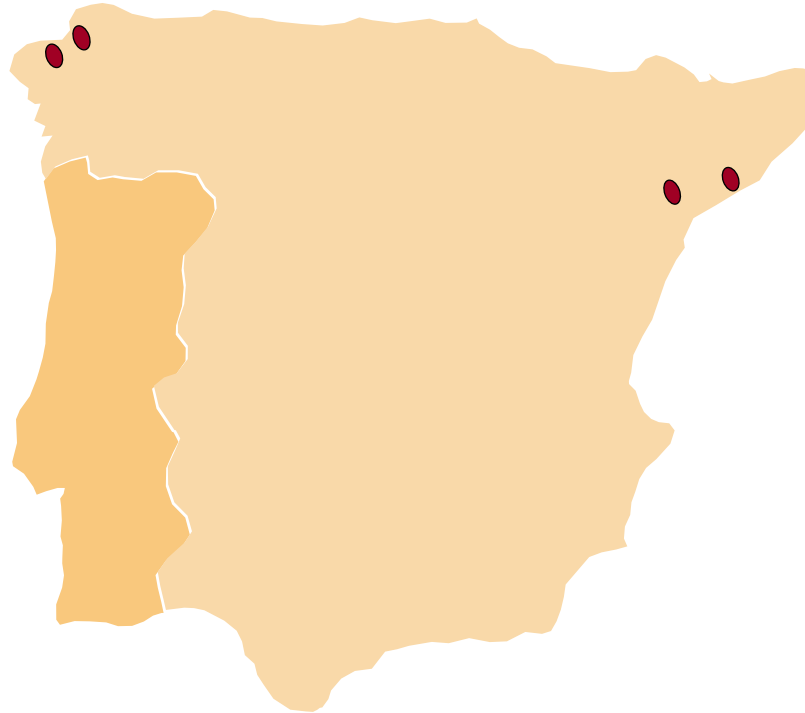
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## Arteixo (La Coruña)

Inditex  
Zara  
Zara Home

## Narón (La Coruña)

Pull&Bear



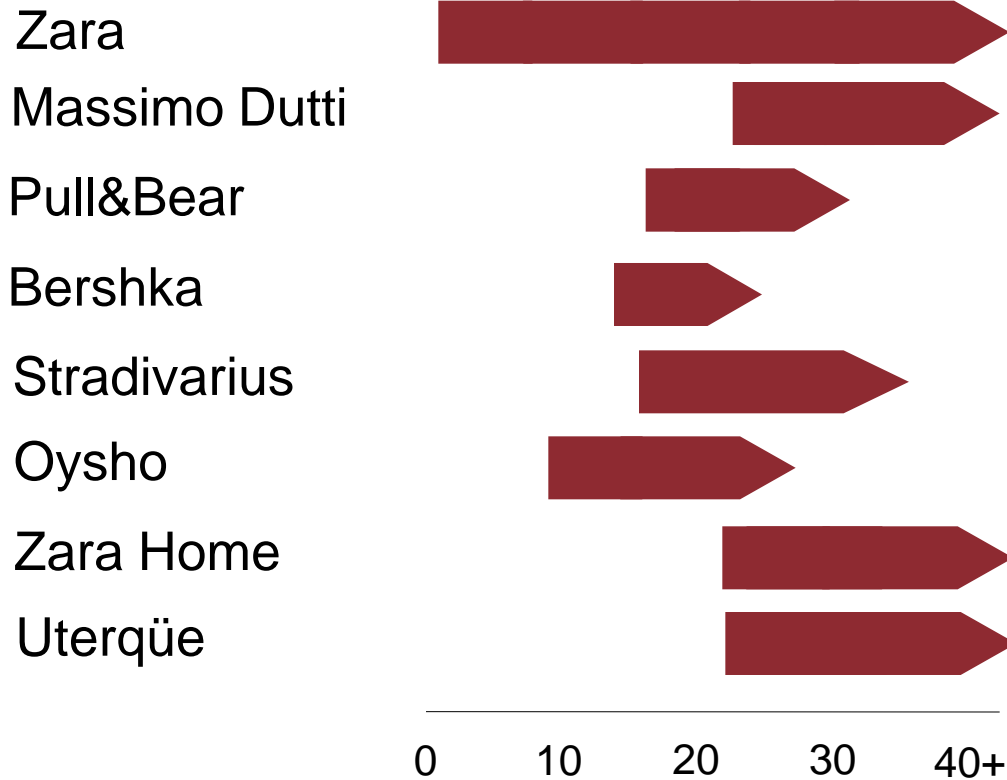
## Tordera (Barcelona)

Massimo Dutti  
Bershka  
Oysho  
Uterqüe

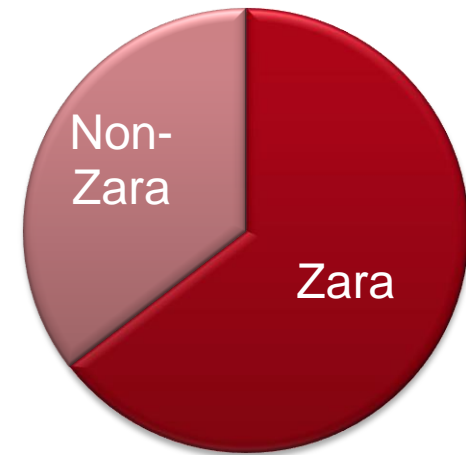
## Sallent (Barcelona)

Stradivarius

## Age Target



## Sales Breakdown





- ▶ Latest fashions for women, men and children
- ▶ Headquarters in Arteixo (A Coruña)
- ▶ FY10 Sales: €8.1bn
- ▶ FY10 EBIT: €1.5 bn
- ▶ 1H11 Stores: 1,759





- ▶ Elegant design with excellent quality for men, women and children
- ▶ Headquarters and distribution centre in Tordera (Barcelona)
- ▶ FY10 Sales: €897m
- ▶ FY10 EBIT: €172m
- ▶ 1H11 Stores: 545





- ▶ Casual fashion and sport styles for young men and women (14 to 28)
- ▶ Headquarters and distribution centre in Narón (A Coruña)
- ▶ FY10 Sales: €771m
- ▶ FY10 EBIT: €139m
- ▶ 1H11 Stores: 704





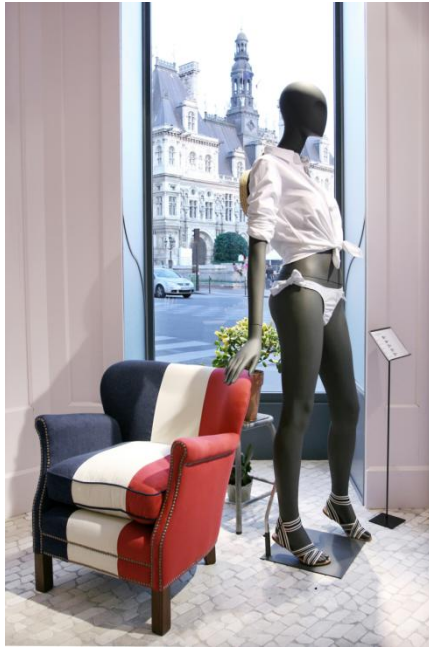
- ▶ Latest fashions for young women and men (13 to 23)
- ▶ Headquarters and distribution centre in Tordera (Barcelona)
- ▶ FY10 Sales: €1,247m
- ▶ FY10 EBIT: €197m
- ▶ 1H11 Stores: 751





- ▶ Urban fashion at attractive prices for young women (18 to 35)
- ▶ Headquarters and distribution centre in Sallent (Barcelona)
- ▶ FY10 Sales: €780m
- ▶ FY10 EBIT: €176m
- ▶ 1H11 Stores: 633





- ▶ Latest trends in women's loungewear, lingerie and undergarments
- ▶ Headquarters and distribution centre in Tordera (Barcelona)
- ▶ FY10 Sales: €304m
- ▶ FY10 EBIT: €45m
- ▶ 1H11 Stores: 449



- ▶ Textiles for bed, bath and table complemented by decorative items
- ▶ Headquarters in Arteixo (A Coruña)
- ▶ FY10 Sales: €294m
- ▶ FY10 EBIT: €39m
- ▶ 1H11 Stores: 293





- ▶ Premium accessories (bags, shoes, costume jewellery)
- ▶ Headquarters and distribution centre in Tordera (Barcelona)
- ▶ FY10 Sales: €59m
- ▶ 1H11 Stores: 87



# **Financial Summary**

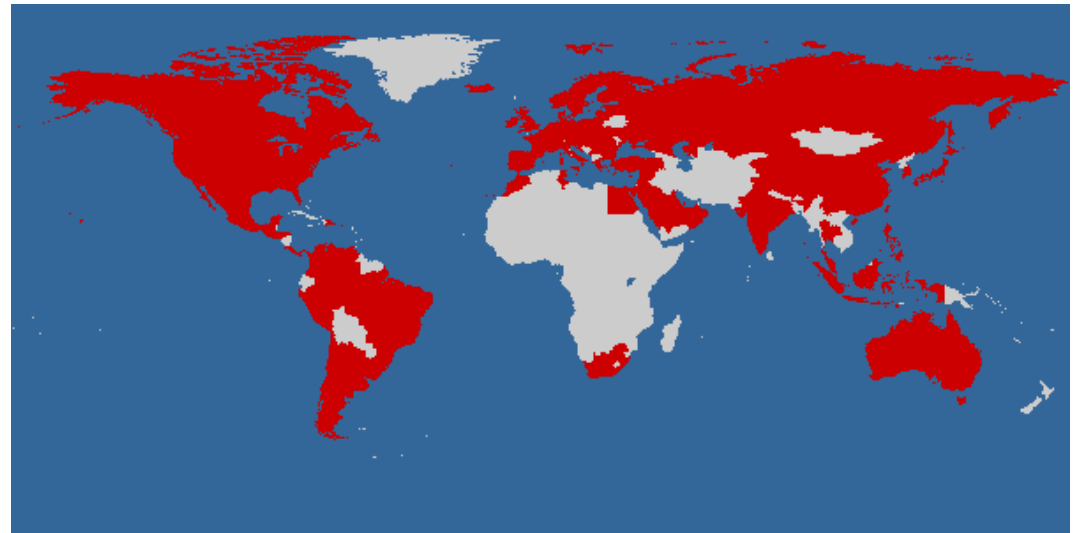
Million €	FY2010	% 10/09
Net sales	12,527	13%
Gross profit	7,422	17%
EBITDA	2,966	25%
Net income	1,741	32%
Funds from operations	2,540	23%

# **Outlook**

- ▶ Global growth opportunities
- ▶ Outlook FY2011

- ▶ Inditex: strong growth potential
  - Flexible business model
  - Latest fashion trends at the right time at affordable prices
  - Multi-concept
  - Online sales
  - Business model avoids the main fixed costs associated with international expansion

- ▶ Profitable expansion of the business remains a key priority
- ▶ Focus in Europe and Asia



## ► Growth in Europe

- Significant growth opportunities
- Balanced expansion between Western and Eastern Europe
- Multiconcept growth



- ▶ Growth in Asia: Leveraging on a strategic presence
  - Markets in transformation
  - Multiconcept expansion
  - Strong growth opportunity

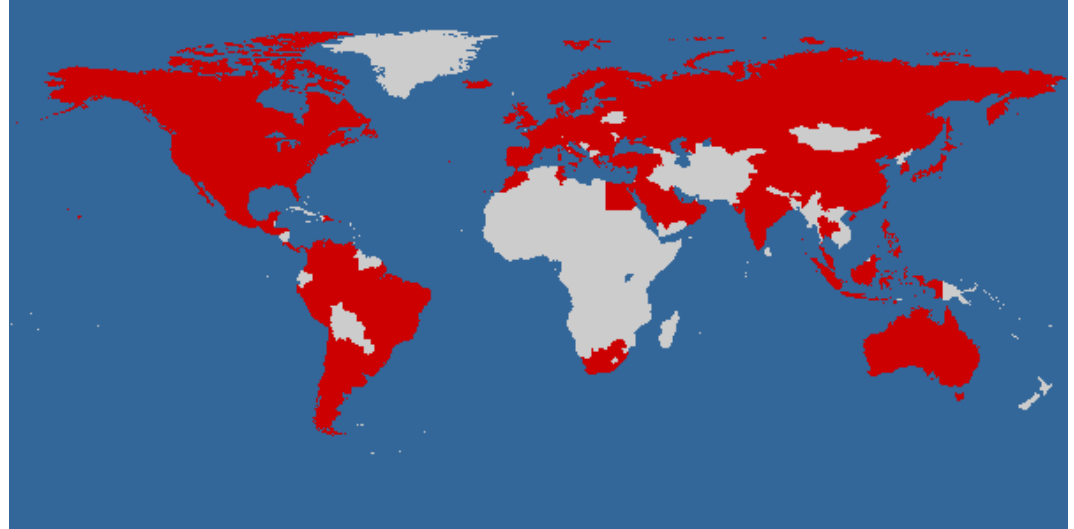




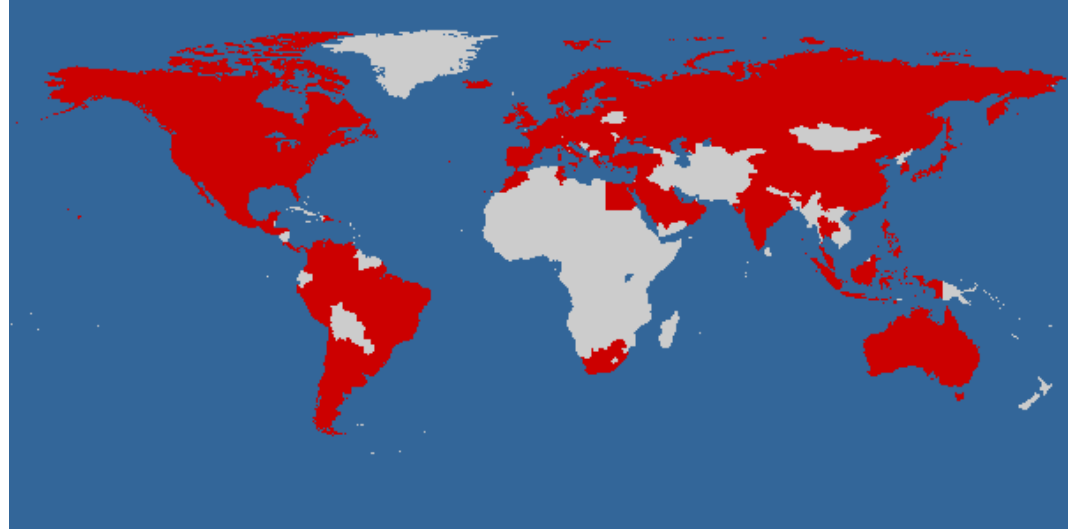
■ FYE 2011: 40 cities      ■ FYE12: 50 cities

- ▶ 2006: Main capitals (HK, Shanghai, Beijing, Macau)
- ▶ 2007: Cities +5m inhabitants
- ▶ 2009: Cities +2.5m inhabitants
- ▶ 2010:
  - ▶ Multi-concept launch
  - ▶ Cities +1.5m inhabitants
  - ▶ 143 stores at FYE
- ▶ 2011: c.130 openings/7 concepts

- ▶ Growth in the Americas
  - Build on current platform through selective expansion



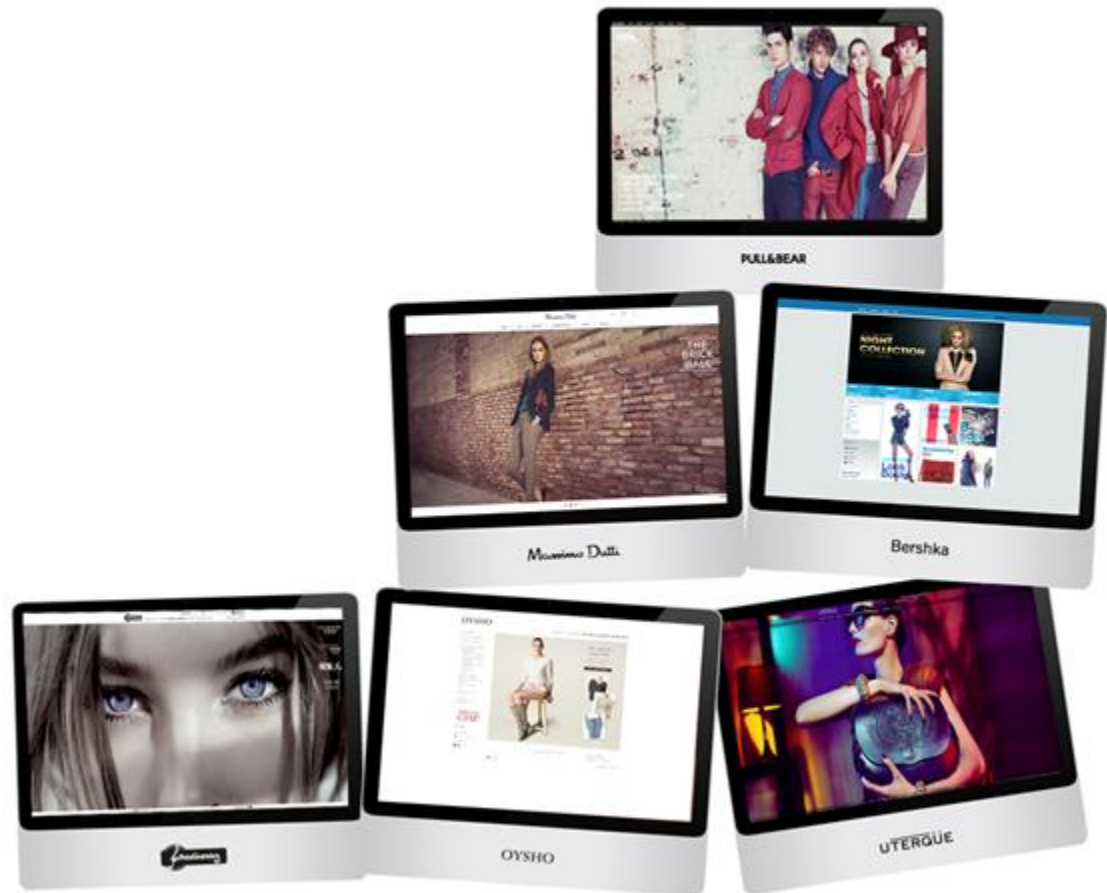
- ▶ Australia April 2011
- ▶ Taiwan November 2011
- ▶ South Africa November 2011



- ▶ Europe, US and Japan
- ▶ Progressive rollout in all markets



- ▶ Europe
  - Massimo Dutti
  - Bershka
  - Pull&Bear
  - Stradivarius
  - Oysho
  - Zara Home
  - Uterqüe
- ▶ Progressive rollout in all markets



Store opening programme	Range	
Zara	125	130
Pull and Bear	45	50
Massimo Dutti	40	45
Bershka	70	75
Stradivarius	80	85
Oysho	40	45
Zara Home	35	40
Uterqüe	25	30
Total net openings	460	500

- ▶ Capital expenditure c.800 million €
- ▶ Extraordinary investment of €333m in unique retail premises: 666 5th Avenue NY, 11 Corso Vittorio Emanuele Milan in 1H11

- ▶ Shareholder remuneration FY2010
  - 33% increase
  - FY2010 dividend proposal 1.60 € per share payable:
    - 2 May: 0.80 € ordinary
    - 2 November: 0.60 € ordinary + 0.20 € bonus
  - 997 million € distributed to shareholders

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