

INDITEX, S.A.
INTERIM HALF YEAR 2007 RESULTS

1 February to 31 July 2007

- **Net sales reach €4,124 million, 19% higher than 1H06. Sales in constant currency grow by 20%.**
- **Like-for-like sales for 1H07 grow by 7%**
- **Gross profit reaches €2,298 million, 20% higher. Gross margin is 55.7%.**
- **EBITDA rises 29% to €782 million.**
- **Operating income (EBIT) comes to €542 million, 34% higher.**
- **Net income reaches €393 million (63 cents of € per share), 33% higher.**

This document is of a purely informative nature and does not constitute an offer to sell, exchange or buy, or the solicitation of an offer to buy, securities issued by any of the companies mentioned herein.

This document contains forward-looking statements. All statements other than statements of historical fact included herein, including, without limitation, those regarding our financial position, business strategy, management plans and objectives for future operations are forward-looking statements. Any such forward-looking statements are subject to risk and uncertainty and thus could differ materially from actual results.

Some of these risks include, amongst others, ongoing competitive pressure in the sector, consumer tastes and spending trends, economic, political, regulatory and trade conditions in the markets where the INDITEX Group is present or in the countries where the Group's products are manufactured or distributed.

The risks and uncertainties that could affect the forward-looking statements are difficult to predict. The company assumes no obligation to publicly revise or update its forward-looking statements in the case of unexpected changes, events or circumstances that could affect them. Given the uncertainties of forward-looking statements, we caution readers not to place undue reliance on these statements.

For a discussion of these and other factors that may affect forward looking statements and the INDITEX Group's business, financial conditions and results of operations, see the documents and information communicated by the company to the Comisión Nacional del Mercado de Valores (*the Spanish Securities Commission*).

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

1. Profit & loss statement

Grupo Inditex			
Interim Half Year 2007 profit & loss statement			
<i>Million euros</i>			
	1H 2007 (*)	1H 2006 (*)	Var % 07/06
Net sales	4,124	3,476	19%
Cost of sales	(1,826)	(1,566)	
	Gross profit	1,910	20%
	<i>Gross margin</i>	<i>55.7%</i>	<i>54.9%</i>
Operating expenses	(1,527)	(1,296)	18%
Other net operating income (losses)	11	(9)	
	Operating cash flow (EBITDA)	605	29%
	<i>EBITDA margin</i>	<i>19.0%</i>	<i>17.4%</i>
Amortisation and depreciation	(239)	(201)	19%
	Operating income (EBIT)	404	34%
	<i>EBIT margin</i>	<i>13.2%</i>	<i>11.6%</i>
Financial results	(2)	0.2	
Results from companies consolidated by equity method	(2)	(0.1)	
	Income before taxes	404	33%
	<i>EBT margin</i>	<i>13.1%</i>	<i>11.6%</i>
Taxes	(144)	(108)	
	Net income	296	33%
	<i>9.6%</i>	<i>8.5%</i>	
	Minorities	1	
	Net income attributable to the controlling company	295	33%
	<i>Net income margin</i>	<i>9.5%</i>	<i>8.5%</i>
	Earnings per share, cents of euro (**)	47	33%
	63		

(*) Unaudited data
(**) Shares for EPS calculation 620.9 million for 2007 and 2006.

2. Consolidated Balance sheet

Grupo Inditex		
Consolidated Balance Sheet as of 31 July 2007		
<i>Million euros</i>		
	31 July 2007 (*)	31 July 2006 (*)
<u>ASSETS</u>		
CURRENT ASSETS	2,458	1,637
Cash & cash equivalents	1,091	451
Receivables	346	300
Inventories	955	853
Other	67	33
NON CURRENT ASSETS	3,784	3,388
Tangible assets	2,958	2,586
Intangible assets	588	536
Financial investments	27	84
Other	212	181
TOTAL ASSETS	6,242	5,024
<u>TOTAL LIABILITIES & SHAREHOLDERS' EQUITY</u>		
CURRENT LIABILITIES	2,476	1,880
Payables	2,294	1,604
Financial debt	181	276
NON CURRENT LIABILITIES	403	373
Financial debt	46	67
Deferred taxes	96	108
Other	262	198
SHAREHOLDERS' EQUITY	3,363	2,771
Equity attributable to the Group	3,346	2,752
Minority interests	18	19
TOTAL LIABILITIES & SHAREHOLDERS' EQUITY	6,242	5,024
(*) Unaudited data		

3. Comments:

3.1 P&L account

- Net sales

Net sales reach €4,124 million, 19% higher than in 1H06, due to the like-for-like sales growth (+7%), to the new space contribution to sales (+13%) and despite the currency translation effect (-1%).

International store sales reach 62% of total. Europe ex-Spain reaches 41% of total store sales.

The breakdown of net openings and existing stores at the end of the period is the following:

Concept	Net openings		Total stores	
	1H 2007	1H 2006	31 Jul 2007	31 Jul 2006
Zara	51	66	1,041	918
Kiddy's Class	19	15	204	164
Pull & Bear	25	21	492	448
Massimo Dutti	5	14	404	383
Bershka	23	32	456	400
Stradivarius	27	15	331	278
Oysho	35	24	236	178
Zara Home	20	21	172	131
Total	205	208	3,336	2,900

The calendar of openings in FY2007 will be back in line with historical pattern (1/3 H1, 2/3 H2) vs. FY2006 unusually biased to H1 (50/50).

- Like-for-like sales (LFL)

The Group's like-for-like sales grow by 7% in 1H07 (5% in 1H06). Like-for-like represents the annual change in store sales of any concept of the Group that were opened for the whole of 1H07 and 1H06, converted to a fixed exchange rate. The like-for-like calculation includes 77% of total stores sales.

Below is the increase in like-for-like sales bi-annually for the last fiscal years:

	LFL sales growth	
	2007	2006
First Half	7%	5%
Second Half		6%
Full Year		5.5%

- Sales by concept

Net sales by concept in 1H07 and 1H06 are shown in the table below:

Concept	Net Sales (Million €)			% on total	
	1H 2007	1H 2006	% Chng. 07/06	1H 2007	1H 2006
Zara	2,658	2,302	15%	64.4%	66.2%
Non-Zara	1,466	1,174	25%	35.6%	33.8%
Kiddy's Class	91	76	19%	2.2%	2.2%
Pull & Bear	263	210	25%	6.4%	6.0%
Massimo Dutti	310	263	18%	7.5%	7.6%
Bershka	415	327	27%	10.1%	9.4%
Stradivarius	213	175	21%	5.2%	5.0%
Oysho	89	64	38%	2.2%	1.9%
Zara Home	86	57	50%	2.1%	1.7%
Total sales	4,124	3,476	19%	100.0%	100.0%

- Gross profit

Gross profit rises to €2,298 million, 20% higher. Gross margin reaches 55.7% on Sales vs. 54.9% in 1H06.

- Operating income (EBIT)

EBIT in 1H07 reaches €542 million, 34% higher than 1H06.

Operating expenses include all the start-up costs for new openings (essentially leases and salaries paid for stores that are not yet open).

Other net operating income and losses includes the impact of the agreement to operate the Venezuelan subsidiary on a franchised basis with a local partner.

- Net income

The breakdown of financial results is shown below:

Million euros	1H 2007	1H 2006
Net financial income (losses)	7	6
Foreign exchange gains (losses)	(9)	(5)
Total	(2)	0

Income before taxes has increased by 33% to reach €539 million.

The tax rate for 1H07 is the best estimate for FY2007 according with current information.

Net income has increased 33% to €393 million.

3.2 Balance sheet

The consolidated balance sheet of INDITEX maintains the negative operating working capital, a consequence of the business model, and shows a positive net financial position. On 17 July the General Shareholders Meeting approved a dividend of €524 million to be paid as of 1 August 2007.

The net financial position is shown in the table below:

NET FINANCIAL CASH (DEBT) (Million euros)		
	31 July 2007	31 July 2006
Cash & cash equivalents	1,091	451
Current financial debt	(181)	(276)
Non current financial debt	(46)	(67)
NET FINANCIAL CASH (DEBT)	864	108

The table below shows the breakdown of the working capital at 1H07:

WORKING CAPITAL (Million euros)		
	31 July 2007	31 July 2006
Inventories	955	853
Receivables	346	300
Payables	(1,804)	(1,538)
Other	67	33
Trade working capital	(437)	(352)
Debt in acquisition of JV	-	(66)
Operating working capital	(437)	(418)
Cash & cash equivalents	1,091	451
Current financial debt	(181)	(276)
Dividend (net)	(490)	-
Financial working capital	419	174
Total working capital	(17)	(243)

4. Other information**- Expected number of openings and CAPEX**

At the present date, the Group estimates to increase its retail space in c280,000 sqm. in FY2007, including the space added over the first half.

The calendar of openings in FY2007 will be back in line with the historical pattern (1/3 H1, 2/3 H2) vs. FY2006 unusually biased to H1 (50/50).

As part of the expected CAPEX for the FY2007, approximately €430 million have been incurred in 1H07.

- Beginning of 2H07

During the seven weeks since the beginning of the 2H07 LFL sales performance is according to Management expectations.

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The Interim Nine Months 2007 results will be published on 12 December 2007

For more information:

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