

**INDITEX, S.A.**  
**INTERIM HALF YEAR 2008 RESULTS**

1 February to 31 July 2008

- Net sales for 1H08 reach €4,561 million, 11% higher than 1H07. Net sales in local currencies and constant perimeter increase by 14%.
- Like-for-like sales for 1H08 grow by 1% (4% in a 2 year CAGR).
- Gross profit reaches €2,574 million, 12% higher. Gross margin is 56.4%, a 71 basis points improvement.
- EBITDA comes to €822 million, 5% higher. Excluding a 1H07 pre-tax gain related to change in perimeter EBITDA grows by 7%.
- Operating income (EBIT) comes to €547 million, 1% higher. Excluding a 1H07 pre-tax gain related to change in perimeter EBIT grows by 3%.
- Net income reaches €406 million (65 cents of € pershare), 3% higher. Excluding a 1H07 pre-tax gain related to change in perimeter Net income grows by 7%.
- Strong cash flow: Funds from operations grow by 8% to €632 million.
- Efficient capital allocation: CAPEX +2% vs. space +15%.

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

<b>Grupo Inditex</b>				
Interim six months 2008 profit & loss statement				
<i>Million euros</i>				
		1H 2008	1H 2007 (*)	Var % 08/07
Net sales		4,561	4,124	11%
Cost of sales		(1,987)	(1,826)	
	<b>Gross profit</b>	<b>2,574</b>	<b>2,298</b>	<b>12%</b>
	<i>Gross margin</i>	<i>56.4%</i>	<i>55.7%</i>	
Operating expenses		(1,752)	(1,527)	15%
Other net operating income (losses)		(0)	11	
	<b>Operating cash flow (EBITDA)</b>	<b>822</b>	<b>782</b>	<b>5%</b>
	<i>EBITDA margin</i>	<i>18.0%</i>	<i>19.0%</i>	
Amortisation and depreciation		(275)	(239)	15%
	<b>Operating income (EBIT)</b>	<b>547</b>	<b>542</b>	<b>1%</b>
	<i>EBIT margin</i>	<i>12.0%</i>	<i>13.2%</i>	
Financial results		(7)	(2)	
Results from companies consolidated by equity method		0	(2)	
	<b>Income before taxes</b>	<b>540</b>	<b>539</b>	<b>0%</b>
	<i>EBT margin</i>	<i>11.8%</i>	<i>13.1%</i>	
Taxes		(130)	(144)	
	<b>Net income</b>	<b>410</b>	<b>395</b>	<b>4%</b>
		<i>9.0%</i>	<i>9.6%</i>	
	Minorities	4	2	
	<b>Net income attributable to the controlling company</b>	<b>406</b>	<b>393</b>	<b>3%</b>
	<i>Net income margin</i>	<i>8.9%</i>	<i>9.5%</i>	
	<b>Earnings per share, cents of euro (**)</b>	<b>65</b>	<b>63</b>	<b>3%</b>

(\*) Unaudited data  
(\*\*) Shares for EPS calculation 621 million for 2008 and 2007.

## 2. Consolidated Balance sheet

<b>Grupo Inditex</b>		
Consolidated balance sheet as of 31 July 2008		
<i>Million euros</i>		
	31 July 2008	31 July 2007 (*)
<b><u>ASSETS</u></b>		
<b>CURRENT ASSETS</b>	<b>2,850</b>	<b>2,458</b>
Cash & cash equivalents	1,228	1,091
Receivables	405	346
Inventories	1,141	955
Other	76	67
<b>NON CURRENT ASSETS</b>	<b>4,323</b>	<b>3,784</b>
Tangible assets	3,351	2,958
Intangible assets	669	588
Financial investments	25	27
Other	278	212
<b>TOTAL ASSETS</b>	<b>7,173</b>	<b>6,242</b>
<b><u>TOTAL LIABILITIES &amp; SHAREHOLDERS' EQUITY</u></b>		
<b>CURRENT LIABILITIES</b>	<b>2,899</b>	<b>2,476</b>
Payables	2,619	2,294
Financial debt	280	181
<b>NON CURRENT LIABILITIES</b>	<b>411</b>	<b>403</b>
Financial debt	18	46
Deferred taxes	110	96
Other	284	262
<b>SHAREHOLDERS' EQUITY</b>	<b>3,863</b>	<b>3,363</b>
Equity attributable to the Group	3,840	3,346
Minority interests	23	18
<b>TOTAL LIABILITIES &amp; SHAREHOLDERS' EQUITY</b>	<b>7,173</b>	<b>6,242</b>
(*) Unaudited data		

## 3. Comments:

### 3.1 P&L account

#### - Net sales

Net sales reach €4,561 million, 11% higher than in 1H07. Sales growth in local currencies and constant perimeter has been 14%.

Store sales by geographic areas are shown in the table below:

	1H 2008	1H 2007
W. Europe	37.5%	36.8%
Spain	34.8%	37.9%
Asia & E. Europe	16.9%	14.3%
Americas & RoW	10.8%	11.1%

The ongoing International expansion has driven International store sales up to 65% of total. The area with the highest weight on total store sales is Western Europe, 38% of total. Asia and Eastern Europe show the largest gain in total store sales due to the successful expansion and strong reception in the area.

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

Concept	Net openings		Total stores	
	1H 2008	1H 2007	31 July 2008	31 July 2007
Zara	72	70	1,433	1,245
Pull & Bear	32	25	551	492
Massimo Dutti	18	5	444	404
Bershka	37	23	547	456
Stradivarius	27	27	408	331
Oysho	41	35	331	236
Zara Home	16	20	220	172
Uterqüe	6	--	6	--
<b>Total</b>	<b>249</b>	<b>205</b>	<b>3,940</b>	<b>3,336</b>

## - Like-for-like sales (LFL)

The Group's like-for-like sales grow by 1% in 1H08 against a highly demanding comparable of 7% in 1H07, reaching a 4% in a 2 year CAGR. Like-for-like represents the annual change in store sales of any concept of the Group that were opened for the whole of 1H08 and 1H07, converted to a fixed exchange rate. The like-for-like calculation includes 79% of total stores sales.

## - Sales by concept

Net sales by concept in 1H08 and 1H07 are shown in the table below:

Concept	Net Sales (Million €)			In local currencies and constant perimeter
	1H 2008	1H 2007	% Chng. 08/07	
Zara	3,026	2,748	10%	14%
Non-Zara	1,535	1,376	12%	14%
Pull & Bear	310	263	18%	21%
Massimo Dutti	318	310	3%	3%
Bershka	446	415	7%	11%
Stradivarius	257	213	21%	21%
Oysho	104	89	17%	18%
Zara Home	100	86	17%	18%
Uterqüe	n.s.	--	--	--
<b>Total sales</b>	<b>4,561</b>	<b>4,124</b>	<b>11%</b>	<b>14%</b>

## - Gross profit

Gross profit rises to €2,574 million, 12% higher. Gross margin has shown a positive evolution, with a 71 basis points improvement to reach 56.4% on Sales vs. 55.7% in 1H07.

## - Operating income (EBIT)

EBIT in 1H08 reaches €547 million, 1% higher. Excluding a pre-tax gain in 1H07 related to change in perimeter EBIT grows by 3%.

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

**- Net income**

The breakdown of financial results is shown below:

Million euros	1H 2008	1H 2007
Net financial income (losses)	11	7
Foreign exchange gains (losses)	(19)	(9)
<b>Total</b>	<b>(7)</b>	<b>(2)</b>

The tax rate for 1H08 is the best estimate for FY2008 according with current information.

Net income increases to €406 million, 3% higher. Excluding a pre-tax gain in 1H07 related to change in perimeter Net income grows by 7%.

## 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 15 July the General Shareholders Meeting approved a dividend of €652 million to be paid as of 1 August 2008.

The net financial position is shown in the table below:

<b>NET FINANCIAL CASH (DEBT) (Million euros)</b>		
	<b>31 Jul 2008</b>	<b>31 Jul 2007</b>
Cash & cash equivalents	1,228	1,091
Current financial debt	(280)	(181)
Non current financial debt	(18)	(46)
<b>NET FINANCIAL CASH (DEBT)</b>	<b>930</b>	<b>864</b>

The table below shows the breakdown of the working capital at 1H08:

<b>WORKING CAPITAL (Million euros)</b>		
	<b>31 July 2008</b>	<b>31 July 2007</b>
Inventories	1,141	955
Receivables	405	346
Payables	(2,619)	(2,294)
Other	76	67
<b>Operating working capital</b>	<b>(997)</b>	<b>(927)</b>

## 4. Other information

### - Expected number of openings and CAPEX

At the present date, the Group estimates to increase its retail space in c290,000 sqm. in FY2008, including the space added over the first half.

Capital expenditure for FY2008 is expected to be in line with the FY2007 level with a space growth target of 15% due to a more efficient capital allocation. The Group has incurred in significant investments in logistics over 2006-08, which are scalable to meet 2012 growth targets.

As part of the expected CAPEX for the FY2008, approximately €475 million have been incurred in 1H08.

### - Beginning of 2H08

Good reception of our Autumn-Winter collections. The six weeks since the beginning of the 2H08 show similar growth patterns to those of the 1H08.

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The Interim Nine Months 2008 results will be published on 11 December 2008

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