

INDITEX, S.A.
INTERIM THREE MONTHS 2005
CONSOLIDATED RESULTS

1 February to 30 April 2005

- **Net sales reach €1,406 million, 19% higher than 1Q04.**
- **Gross margin rises to €784 million, 23% higher.**
- **Operating cash flow (EBITDA) stands at €261 million, 18% higher.**
- **Operating income (EBIT) comes to €180 million, 16% higher.**
- **Net income reaches €125 million (€20.1 cents per share), 21% higher.**
- **Net opening of 90 stores in the first quarter of 2005 (vs. 61 in 1Q04). The Group foresees the opening of between 335 and 395 new stores in fiscal year 2005 (322 in FY2004).**
- **Exercise of the option to acquire 9.95% of Stradivarius.**
- **Appointment of Mr. Pablo Isla as Chief Executive Officer and Board member.**

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 three months 2005 profit & loss statement				
<i>Millions of euros</i>				
	1Q 2005 (*)	1Q 2004 (*)	Var % 05/04	FY2004
Net sales	1,405.9	1,183.0	19%	5,568.6
Cost of sales	(622.2)	(544.7)		(2,483.4)
	783.7	638.2	23%	3,085.2
	<i>Gross margin</i> 55.7%	<i>Gross margin</i> 54.0%		<i>Gross margin</i> 55.4%
Operating expenses	(522.8)	(416.8)	25%	(1,864.9)
	260.9	221.5	18%	1,220.3
	<i>EBITDA margin</i> 18.6%	<i>EBITDA margin</i> 18.7%		<i>EBITDA margin</i> 21.9%
Amortisation and depreciation	(80.9)	(66.7)	21%	(305.4)
	180.0	154.8	16%	914.9
	<i>EBIT margin</i> 12.8%	<i>EBIT margin</i> 13.1%		<i>EBIT margin</i> 16.4%
Net financial results	(0.8)	(5.2)		(24.8)
Other net income and losses	0.0	0.0		6.7
	179.2	149.5	20%	896.8
	<i>EBT margin</i> 12.7%	<i>EBT margin</i> 12.6%		<i>EBT margin</i> 16.1%
Taxes	(52.9)	(44.0)		(251.0)
	126.3	105.6	20%	645.8
	<i>9.0%</i>	<i>8.9%</i>		<i>11.6%</i>
Minorities	(1.5)	(2.0)		(7.3)
	124.8	103.5	21%	638.5
	<i>Net income margin</i> 8.9%	<i>Net income margin</i> 8.8%		<i>Net income margin</i> 11.5%
	20.1	16.7	21%	102.8

(*) Unaudited data
(**) Shares for EPS calculation 620.9 million for 1Q05 and 620.7 million for 1Q04

2. Consolidated Balance sheet

Grupo Inditex			
Consolidated Balance Sheet as of 30 April 2005			
<i>Millions of euros</i>			
	30 April 2005 (*)	30 April 2004 (*)	31 Jan 2005
<u>ASSETS</u>			
CURRENT ASSETS	1,444.5	1,069.3	1,561.7
Cash & cash equivalents	711.6	385.1	771.8
Receivables	263.4	218.4	254.1
Inventories	459.8	449.7	517.9
Other	9.7	16.1	17.9
NON CURRENT ASSETS	2,744.0	2,347.1	2,651.2
Tangible assets	2,079.9	1,786.2	2,012.7
Intangible assets	444.0	391.5	444.5
Financial investments	25.4	25.3	25.1
Other	194.6	144.2	168.8
TOTAL ASSETS	4,188.5	3,416.4	4,212.9
<u>TOTAL LIABILITIES & SHAREHOLDERS' EQUITY</u>			
CURRENT LIABILITIES	1,223.7	835.9	1,372.4
Payables	997.3	742.0	1,208.6
Financial debt	226.4	93.9	163.7
NON CURRENT LIABILITIES	447.2	502.8	447.2
Financial debt	109.0	184.4	119.2
Deferred taxes	88.2	71.4	89.2
Other	250.0	247.0	238.8
SHAREHOLDERS' EQUITY	2,517.6	2,077.7	2,393.3
Equity attributable to the Group	2,498.8	2,064.6	2,376.1
Minority interests	18.7	13.1	17.2
TOTAL LIABILITIES & SHAREHOLDERS' EQUITY	4,188.5	3,416.4	4,212.9

3. Comments:

The Interim Three Months 2005 Results is the first INDITEX report under IFRS and includes the Interim Three Months 2004 Results on a fully comparable basis. A presentation regarding the INDITEX Transition to IFRS can be found at http://www.inditex.com/en/shareholders_and_investors/investor_relations/presentations.

3.1 P&L account

- Net sales

Net sales reached €1,406 million, a 19% increase over 1Q04, due both to the increase in selling area and to like-for-like sales.

Sales growth in constant currency has been 20%. The lower growth in accounting terms is mainly due to the depreciation of Latin American currencies due to the weakness of the USD versus the Euro.

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

Concept	Net openings		Total stores	
	1Q 2005	1Q 2004	30 Apr 2005	30 Apr 2004
ZARA	21	15	744	641
KIDDY'S CLASS	6	7	135	110
PULL & BEAR	10	5	381	355
MASSIMO DUTTI	14	7	340	304
BERSHKA	16	7	318	260
STRADIVARIUS	7	8	234	199
OYSHO	9	4	113	80
ZARA HOME	7	8	69	34
Total	90	61	2,334	1,983

- Gross Margin

Gross margin in 1Q05 has reached €784 million, 55.7% on sales (vs. 54.0% in 1Q04). The 180 b.p. improvement in gross margin is due to sourcing benefits of a lower US dollar, higher mark-ups and lower clearance of Autumn-Winter ranges in the first weeks of the period.

Under current circumstances, Inditex estimates a similar gross margin gain for the whole of the First Half 2005 and maintains as its best estimate for the full year the FY2004 gross margin level.

- Operating income (EBIT)

EBIT in 1Q05 reached €180 million, 16% higher than in 1Q04. Operating expenses have grown in accordance with the Group's budget and include all the start-up costs for new openings (essentially leases and salaries paid for stores that are not yet open). The weight of Operating expenses on Sales has increased, reflecting the underlying trend of higher costs involved in new stores, mainly in international markets.

- Net income

Income before taxes has increased by 20% to reach €179 million.

The breakdown of financial results is shown below:

Millions of euros	1 Q 2005	1 Q 2004
Net financial expenses	1.3	4.3
Foreign exchange losses	(2.1)	(9.5)
Total	(0.8)	(5.2)

The tax rate for 1Q05 is the best estimate for FY2005 according with current information.

Net income has increased 21% to €125 million.

3.2 Balance sheet

The consolidated balance sheet of INDITEX maintains basically the same structure as in FYE2004.

The net financial position is shown in the table below:

NET FINANCIAL CASH (DEBT) (Millions of euros)			
	30 April 2005	30 April 2004	31 Jan 2005
Cash & cash equivalents	711.6	385.1	771.8
Current financial debt	(226.4)	(93.9)	(163.7)
Non current financial debt	(109.0)	(184.4)	(119.2)
NET FINANCIAL CASH (DEBT)	376.2	106.8	488.9

The table below shows the breakdown of working capital at 1Q05:

WORKING CAPITAL (Millions of euros)			
	30 April 2005	30 April 2004	31 Jan 2005
Inventories	459.8	449.7	517.9
Receivables	263.4	218.4	254.1
Payables	(997.3)	(742.0)	(1,208.6)
Other	9.7	16.1	17.9
Operating working capital	(264.4)	(57.8)	(418.8)
Cash & cash equivalents	711.6	385.1	771.8
Current financial debt	(226.4)	(93.9)	(163.7)
Financial working capital	485.2	291.2	608.1
Total working capital	220.8	233.3	189.4

The inventory position and commitment levels at the closing of the 1Q05 are according to the expected sales and gross margin generation for the second quarter.

4. Other information

During the six weeks since the beginning of the 2Q05 LFL sales performance is flat.

At the present date, the Group estimates the net opening of between 335 and 395 stores in FY2005, including those opened during the first quarter. A detailed list of the openings is shown below:

Concept	FY 2005 Openings forecast		% International	Total 2004
	Range			
ZARA	110	- 120	85%	97
KIDDY'S CLASS	20	- 25	10%	26
PULL & BEAR	40	- 50	50%	21
MASSIMO DUTTI	30	- 40	65%	29
BERSHKA	45	- 50	65%	49
STRADIVARIUS	25	- 30	30%	36
OYSHO	30	- 40	45%	28
ZARA HOME	35	- 40	35%	36
Total net openings	335	- 395		322

Expected **CAPEX for FY2005** is between €700 million and €800 million.

5. Agreements of the Board of Directors

Mr. Pablo Isla has been appointed Chief Executive Officer and board member of Inditex. The appointment should be ratified at Inditex Annual General Meeting in mid-July.

Mr. Fred Langhammer has announced his departure from our Board of Directors for personal reasons effective today. Inditex would like to thank Mr. Langhammer for his significant contribution during his tenure.

Inditex has agreed to exercise the option to acquire 9.95% of Stradivarius. Following this exercise of the option Stradivarius will be 100%-owned by Inditex.

The Interim Half Year 2005 results (1 February – 31 July) will be published on 21 September 2005

For more information:

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