

CONSOLIDATED RESULTS **FOR FISCAL 2006**

1 February 2006 to 31 January 2007

- **Net Sales for FY2006 reached €8,196 million, 22% higher than in FY2005.**
- **Like-for-like sales for FY2006 grew by 5.5% compared to the previous year. In the second half 2006 LFL sales rose 6%.**
- **Gross profit reached €4,607 million, 22% higher. Gross margin is 56.2%.**
- **EBIT reached €1,356 million, 24% higher.**
- **Net Income increased to €1,002 million (€161 cents per share), 25% higher.**
- **Dividend proposal of €84 cents per share, 25% higher.**
- **Net opening of 439 stores in FY2006. The Group estimates between 440 and 520 net store openings in FY2007.**

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. Consolidated financial statements

Grupo Inditex			
FY2006 profit & loss statement			
<i>Millions of euros</i>			
	FY2006	FY2005	Var % 06/05
Net sales	8,196	6,741	22%
Cost of sales	(3,589)	(2,953)	
Gross profit	4,607	3,788	22%
<i>Gross margin</i>	<i>56.2%</i>	<i>56.2%</i>	
Operating expenses	(2,800)	(2,297)	22%
Other net operating income (losses)	(17)	(32)	
Operating cash flow (EBITDA)	1,790	1,459	23%
<i>EBITDA margin</i>	<i>21.8%</i>	<i>21.6%</i>	
Amortisation and depreciation	(433)	(366)	19%
Operating income (EBIT)	1,356	1,094	24%
<i>EBIT margin</i>	<i>16.5%</i>	<i>16.2%</i>	
Financial results	(14)	8	
Results from companies consolidated by equity method	(3)	(0)	
Income before taxes	1,339	1,101	22%
<i>EBT margin</i>	<i>16.3%</i>	<i>16.3%</i>	
Taxes	(330)	(291)	
Net income	1,010	811	25%
<i>Net income margin</i>	<i>12.3%</i>	<i>12.0%</i>	
Minorities	8	8	
Net income attributable to the controlling company	1,002	803	25%
<i>Net income margin</i>	<i>12.2%</i>	<i>11.9%</i>	
Earnings per share, cents of euro (*)	161	129	25%

(*) Shares for EPS calculation 620.9 million for 2006 and 2005.

Grupo Inditex		
Consolidated Balance Sheet as of 31 January 2007		
<i>Millions of euros</i>		
	31 Jan 2007	31 Jan 2006
<u>ASSETS</u>		
CURRENT ASSETS	2,148	2,047
Cash & cash equivalents	906	988
Receivables	364	358
Inventories	824	684
Other	55	16
NON CURRENT ASSETS	3,594	3,156
Tangible assets	2,801	2,424
Intangible assets	568	499
Financial investments	38	68
Other	187	165
TOTAL ASSETS	5,742	5,203
<u>TOTAL LIABILITIES & SHAREHOLDERS' EQUITY</u>		
CURRENT LIABILITIES	1,885	1,851
Payables	1,740	1,642
Financial debt	145	209
NON CURRENT LIABILITIES	387	431
Financial debt	47	76
Deferred taxes	104	107
Other	235	248
SHAREHOLDERS' EQUITY	3,471	2,921
Equity attributable to the Group	3,448	2,899
Minority interests	22	22
TOTAL LIABILITIES & SHAREHOLDERS' EQUITY	5,742	5,203

Inditex Group
Consolidated Statement of Cash Flows
Millions of euros

	FY 2006	FY 2005	Var % 06/05
Income before taxes	1,339	1,101	22%
Adjustments to income			
Depreciation and amortization	433	367	
Corporate income tax	(330)	(291)	
Deferred and prepaid tax	(13)	0	
Foreign exchange impact	0	3	
Other	61	59	
Funds from operations	1,492	1,240	20%
Changes in assets and liabilities			
Increase in inventories	(135)	(164)	
Increase in accounts receivable	(51)	(70)	
Decrease in current liabilities	92	414	
Changes in working capital	(94)	180	
Cash from operations	1,397	1,421	-2%
Intangible assets investments	(79)	(82)	
Tangible assets investments	(784)	(702)	
Acquisitions of businesses	(29)	(14)	
Addition to other long-term financial investments	(6)	(4)	
Other assets investments	(16)	(28)	
Fixed assets sales and retirements	27	17	
Capital expenditure	(887)	(812)	9%
Net decrease in long-term financial debt	(28)	(26)	
Net decrease in other long-term debt	(67)	(98)	
Net increase in current debt	(64)	26	
Dividends	(418)	(302)	
Other financing activities	(0)	0	
Cash used in financing activities	(577)	(399)	45%
Net increase in cash and cash equivalents	(67)	210	
Foreign exchange impact on cash & cash equivalents	(15)	7	
Cash and cash equivalents at beginning of the year	988	772	
Cash and cash equivalents at end of the year	906	988	-8%

2. Comments on the consolidated results

The results for FY2006 reflect significant growth in sales and a strong operating performance, resulting in the Group improving its financial returns.

At FYE INDITEX operated 3,131 stores in 64 countries through eight different concepts: Zara, Kiddy's Class, Pull & Bear, Massimo Dutti, Bershka, Stradivarius, Oysho and Zara Home.

2.1. Sales

Net sales reached €8,196 million, an increase of 21.6% over the previous year. Sales growth in constant currency has been 22.2%.

Number of stores and openings

The list of openings and existing stores at FYE is as follows:

Concept	Net openings		Total stores	
	FY2006	FY2005	31 Jan 2007	31 Jan 2006
Zara	138	129	990	852
Kiddy's Class	36	20	185	149
Pull and Bear	40	56	467	427
Massimo Dutti	30	43	399	369
Bershka	65	66	433	368
Stradivarius	41	36	304	263
Oysho	47	50	201	154
Zara Home	42	48	152	110
Total	439	448	3,131	2,692

A list of quarterly openings and stores opened as at FYE by concept and by country is included in Annexes II and III.

Company-managed stores and franchises

The breakdown of company-managed stores and franchised stores at FYE is the following:

COMPANY-MANAGED AND FRANCHISED STORES						
Concept	FY2006			FY2005		
	Co. Mag.	Fran-chises	Total	Co. Mag.	Fran-chises	Total
Zara	892	98	990	770	82	852
Kiddy's Class	185	--	185	149	--	149
Pull and Bear	420	47	467	380	47	427
Massimo Dutti	301	98	399	275	94	369
Bershka	405	28	433	351	17	368
Stradivarius	240	64	304	208	55	263
Oysho	194	7	201	149	5	154
Zara Home	140	12	152	100	10	110
Total	2,777	354	3,131	2,382	310	2,692

Selling area

The selling area of company-managed stores and franchised stores at FYE is as follows:

SELLING AREA (SqM) IN COMPANY-MANAGED AND FRANCHISED STORES			
	TOTAL SELLING AREA		
	31 Jan 2007	31 Jan 2006	Chg % 06/05
Zara	1,102,410	961,791	15%
Kiddy's Class	35,877	28,999	24%
Pull & Bear	111,429	95,179	17%
Massimo Dutti	113,604	103,816	9%
Bershka	152,327	130,495	17%
Stradivarius	77,580	67,297	15%
Oysho	27,540	21,197	30%
Zara Home	36,533	25,978	41%
Total	1,657,299	1,434,752	16%

Like-for-like sales (LFL)

Store sales are those that occur in company-managed stores and franchised stores of any of the Group's concepts, net of any consumption tax and converted to euros at the average exchange rates for the fiscal year.

The Group's **like-for-like sales** grew by 5.5% in FY2006. Like-for-like represents the annual change in store sales of any concept of the Group that were opened for the whole of fiscal years 2006 and 2005, converted to a fixed exchange rate.

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

	LFL sales growth	
	FY2006	FY2005
First Half	5%	4.5%
Second Half	6%	5%
Full Year	5.5%	5%

The like-for-like calculation includes 67% of FY2006 store sales (i.e. sales in stores opened for the whole of fiscal years 2006 and 2005).

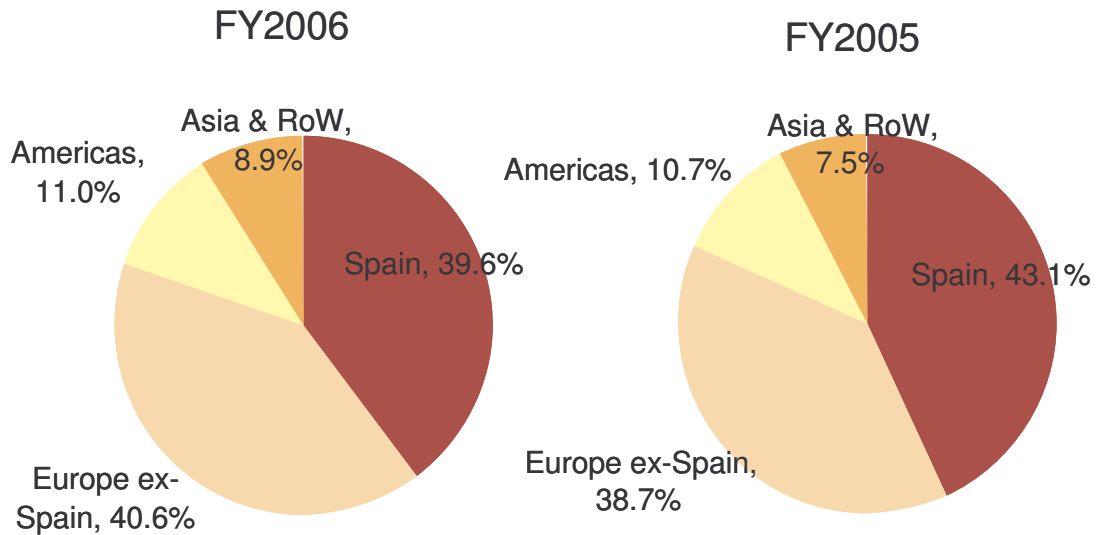
Sales by concept

Net sales by concept in FY2006 and FY2005 are shown in the table below:

Concept	Net Sales (Million €)			% on total	
	FY2006	FY2005	% Chng. 06/05	FY2006	FY2005
Zara	5,352	4,441	21%	65.3%	65.9%
Non-Zara	2,844	2,300	24%	34.7%	34.1%
Kiddy's Class	182	155	17%	2.2%	2.3%
Pull & Bear	519	445	17%	6.3%	6.6%
Massimo Dutti	614	534	15%	7.5%	7.9%
Bershka	798	639	25%	9.7%	9.5%
Stradivarius	428	341	25%	5.2%	5.1%
Oysho	165	107	54%	2.0%	1.6%
Zara Home	139	78	78%	1.7%	1.2%
Total sales	8,196	6,741	22%	100.0%	100.0%

Store sales by geographic area

The following graph shows store sales by geographic areas:



Due to the International expansion strategy of the Group, Europe ex-Spain is now the area with the highest weight on store sales.

The percentage of international store sales by concept is the following:

Concept	% INTERNATIONAL STORE SALES	
	FY2006	FY2005
Zara	72.3%	68.9%
Non-Zara	38.4%	34.5%
Kiddy's Class	14.5%	14.0%
Pull & Bear	40.2%	33.2%
Massimo Dutti	49.4%	45.6%
Bershka	45.0%	41.5%
Stradivarius	19.7%	17.4%
Oysho	35.1%	31.8%
Zara Home	35.4%	23.0%
Total	60.4%	56.9%

Sales in company-managed and franchised stores

The table below shows the breakdown of sales in company-managed and franchised stores for each of the concepts of the Group:

Concept	STORE SALES IN COMPANY-MANAGED AND FRANCHISED STORES			
	2006		2005	
	Company Managed	Franchised	Company Managed	Franchised
Zara	90%	10%	90%	10%
Non-Zara	87%	13%	87%	13%
Kiddy's Class	100%	0%	100%	0%
Pull & Bear	90%	10%	91%	9%
Massimo Dutti	72%	28%	72%	28%
Bershka	95%	5%	97%	3%
Stradivarius	81%	19%	82%	18%
Oysho	97%	3%	98%	2%
Zara Home	93%	7%	96%	4%
Total	89%	11%	89%	11%

2.2. Gross profit

The gross profit rose to €4,607 million, 22% higher than the previous year. The Gross margin remained stable at 56.2% of sales, as the currency impact experienced in the first half has been fully reversed in the full year.

Should currencies remain at current level, INDITEX considers a stable level as its best estimate for the FY2007 gross margin based on that of FY2006.

2.3. Operating income (EBIT)

FY2006 EBITDA came to €1,790 million, an increase of 23% compared to the previous year, standing at 21.8% of sales (21.6% in FY2005)

Below is a breakdown of Operating expenses over the last two years:

Million euros	FY2006	FY2005	% 06/05
Personnel expenses	1,251	1,037	21%
Rental expenses	718	577	24%
Other operating expenses	831	683	22%
Total operating expenses	2,800	2,297	22%

At FYE 2006 the number of employees reached 69,240 (58,190 at FYE2005).

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

The future lease commitments as a result of the minimum non cancellable lease payments amounted to €2,125 million at FYE2006.

The Reduce 3 plan to improve the operational efficiency of the Group is on track to meet the target set by INDITEX.

EBIT came to €1,356 million, 24% higher, standing at 16.5% of sales (16.2% in FY2005).

EBIT by concept

The breakdown of EBIT by concept is the following:

Concept	EBIT by concept (Million €)			% EBIT on sales		EBIT by concept on total (%)	
	FY2006	FY2005	% Chng. 06/05	FY2006	FY2005	FY2006	FY2005
Zara	880	712	24%	16.4%	16.0%	64.9%	65.1%
Non-Zara	477	381	25%	16.8%	16.6%	35.1%	34.9%
Kiddy's Class	31	29	8%	17.0%	18.5%	2.3%	2.6%
Pull & Bear	78	75	4%	15.0%	16.9%	5.8%	6.9%
Massimo Dutti	81	69	17%	13.1%	12.9%	5.9%	6.3%
Bershka	131	99	33%	16.5%	15.5%	9.7%	9.0%
Stradivarius	98	84	17%	23.0%	24.5%	7.2%	7.6%
Oysho	39	25	59%	23.7%	22.9%	2.9%	2.2%
Zara Home	18	1	1194%	13.2%	1.8%	1.4%	0.1%
Total EBIT	1,356	1,094	24%	16.5%	16.2%	100.0%	100.0%

2.4. Net income and net income attributable to the company

Income before taxes stands at €1,339 million, 22% higher than in FY2005.

Financial results break down as follows:

Million euros	FY2006	FY2005
Net financial income (losses)	4	4
Foreign exchange gains (losses)	(18)	4
Total	(14)	8

Net income reached €1,010 million, an increase of 25%.

Net income attributable to the controlling company came to €1,002 million, an increase of 25% over FY2005.

Dividend proposal

INDITEX's Board of Directors will propose to the General Shareholders Meeting a dividend of €524 million (€84 cents per share), 25% higher than the previous FY.

Return on Equity (ROE)

The table below shows INDITEX Return on Equity, defined as net income on average Shareholder's equity.

RETURN ON EQUITY		
Description	2006	2005
Net income	1,002	803
Shareholders equity - previous year	2,899	2,376
Shareholders equity - current year	3,448	2,899
Average equity	3,174	2,637
RETURN ON EQUITY	32%	30%

Return on Capital Employed (ROCE)

The table below shows INDITEX Return on Capital Employed, defined as EBIT on average capital employed (Shareholder's equity plus net financial debt).

RETURN ON CAPITAL EMPLOYED		
Description	2006	2005
EBIT	1,356	1,094
Average capital employed		
Average shareholders' equity	3,174	2,637
Average net financial debt (*)	0	0
Total average capital employed	3,174	2,637
RETURN ON CAPITAL EMPLOYED	43%	41%

(*) Zero when net cash

ROCE by concept

The table below shows the Return on Capital Employed by concept:

ROCE BY CONCEPT		
Concept	FY2006 ROCE	FY2005 ROCE
Zara	40%	41%
Non Zara	50%	41%
Kiddy's Class	56%	67%
Pull & Bear	43%	47%
Massimo Dutti	33%	27%
Bershka	55%	42%
Stradivarius	86%	82%
Oysho	55%	50%
Zara Home	33%	3%
Total	43%	41%

3. Comments on the balance sheet

INDITEX Consolidated Balance Sheet maintains a similar structure to that it showed at FYE2005, without net financial debt and with a negative operating working capital position, a consequence of the business model.

Net financial position

The net financial position is shown in the table below:

NET FINANCIAL CASH (DEBT) (Million euros)		
	31 Jan 2007	31 Jan 2006
Cash & cash equivalents	906	988
Current financial debt	(145)	(209)
Non current financial debt	(47)	(76)
NET FINANCIAL CASH (DEBT)	714	703

Working capital

The table below shows a breakdown of working capital of the last two fiscal years:

WORKING CAPITAL (Million euros)		
	31 Jan 2007	31 Jan 2006
Inventories	824	684
Receivables	364	358
Payables	(1,701)	(1,438)
Other	55	16
Trade working capital	(458)	(379)
Fiscal accounts (net)	(39)	(137)
Debt in acquisition of JV		(67)
Operating working capital	(497)	(583)
Cash & cash equivalents	906	988
Current financial debt	(145)	(209)
Financial working capital	761	779
Total working capital	264	196

4. Comments on the cash flow statement

The summary of the cash flow statement is the following:

	FY2006	FY2005	% 06/05
Funds from operations	1,492	1,239	20%
Ordinary CAPEX	858	798	8%
Acq. of JV's and franchises	171	14	
Dividends	418	302	38%
Net cash position	714	703	2%

Funds from Operations grew by 20% in 2006, reaching €1,492 million.

Ordinary Capital Expenditure for the FY amounted to €858 million. Additionally INDITEX invested €171 million in acquisitions of joint-ventures and franchised operations. €418 million dividend was paid to shareholders.

5. Start of FY2007

The Spring-Summer 2007 collections have been well-received by our customers.

The store openings plan for FY2007 is the following:

Concept	FY 2007 Openings forecast		% International	Total 2006
	Range			
Zara	130	- 140	85%	138
Kiddy's Class	35	- 45	35%	36
Pull and Bear	55	- 65	70%	40
Massimo Dutti	25	- 35	65%	30
Bershka	60	- 70	80%	65
Stradivarius	55	- 65	65%	41
Oysho	45	- 55	60%	47
Zara Home	35	- 45	70%	42
Total net openings	440	- 520		439

Approximately 60% of the contracts have been signed but in some cases openings may not take place in FY2007.

Expected CAPEX in FY2007 is between €850 million and €950 million. The opening of new stores and the refurbishment of existing stores will represent the majority of the CAPEX.

6. Release of 2007 results

INDITEX expects to release interim results for FY2007 on the following dates:

Interim Three Months 2007: 13 June 2007

Interim Half Year 2007: 19 September 2007

Interim Nine Months 2007: 12 December 2007

Fiscal year 2007: March 2008 (tbc)

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Annex I Income statement: quarterly results

	FY2006				FY2005			
	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4
Net sales	1,715	1,761	2,190	2,531	1,406	1,414	1,832	2,090
Cost of sales	(759)	(807)	(906)	(1,117)	(622)	(613)	(763)	(955)
Gross profit <i>Gross margin</i>	956 55.7%	954 54.2%	1,284 58.6%	1,413 55.8%	784 55.7%	801 56.6%	1,068 58.3%	1,135 54.3%
Operating expenses	(640)	(656)	(694)	(810)	(520)	(546)	(585)	(646)
Other net operating income (losses)	(3)	(6)	(11)	3	(3)	2	(13)	(17)
Operating cash flow (EBITDA) <i>EBITDA margin</i>	313 18.2%	292 16.6%	579 26.4%	606 24.0%	261 18.6%	257 18.2%	470 25.7%	471 22.6%
Amortisation and depreciation	(99)	(102)	(109)	(124)	(81)	(92)	(95)	(98)
Operating income (EBIT) <i>EBIT margin</i>	214 12.5%	191 10.8%	470 21.5%	482 19.0%	180 12.8%	165 11.7%	375 20.5%	373 17.9%
Financial results	(5)	5	(2)	(12)	(1)	12	(6)	3
Results from companies consolidated by equity method	(0)	0	(1)	(1)	0	0	0	(0)
Income before taxes	209	195	467	469	179	178	369	376
Taxes	(57)	(51)	(124)	(97)	(53)	(54)	(89)	(95)
Net income	151	145	342	372	126	123	280	281
Minorities	1	1	3	4	1	2	6	(1)
Net income attributable to the controlling company <i>Net income margin</i>	150 8.8%	144 8.2%	339 15.5%	368 14.5%	125 8.9%	121 8.6%	274 15.0%	283 13.5%

Annex II

Summary of net openings and net stores opened by quarter

NUMBER OF NET STORE OPENINGS IN EACH QUARTER										
Concept	1Q 2006	2Q 2006	3Q 2006	4Q 2006	total 2006	1Q 2005	2Q 2005	3Q 2005	4Q 2005	total 2004
ZARA	45	21	42	30	138	21	18	54	36	129
KIDDYS CLASS	8	7	10	11	36	6	4	4	6	20
PULL & BEAR	13	8	5	14	40	10	9	24	13	56
MASSIMO DUTTI	7	7	10	6	30	14	5	11	13	43
BERSHKA	16	16	17	16	65	16	6	20	24	66
STRADIVARIUS	5	10	14	12	41	7	8	12	9	36
OYSHO	8	16	12	11	47	9	9	17	15	50
ZARA HOME	12	9	8	13	42	7	11	21	9	48
Total stores	114	94	118	113	439	90	70	163	125	448

NUMBER OF STORES BY THE END OF EACH QUARTER								
Concept	1Q 2006	2Q 2006	3Q 2006	4Q 2006	1Q 2005	2Q 2005	3Q 2005	4Q 2005
Zara	897	918	960	990	744	762	816	852
Kiddy's Class	157	164	174	185	135	139	143	149
Pull and Bear	440	448	453	467	381	390	414	427
Massimo Dutti	376	383	393	399	340	345	356	369
Bershka	384	400	417	433	318	324	344	368
Stradivarius	268	278	292	304	234	242	254	263
Oysho	162	178	190	201	113	122	139	154
Zara Home	122	131	139	152	69	80	101	110
Total stores	2,806	2,900	3,018	3,131	2,334	2,404	2,567	2,692

Annex III

Stores by concept and country as at 31 January 2007

COUNTRY	Zara	Kiddy's Class	Pull and Bear	Massimo Dutti	Bershka	Stradivarius	Oysho	Zara Home	INDITEX
ANDORRA	1		1	2		1		1	6
ARGENTINA	6								6
AUSTRIA	10								10
BAHRAIN	1		1	1					3
BELGIUM	20			19	7			3	49
BRAZIL	19								19
CANADA	14								14
CHILE	5								5
CHINA	7								7
COSTA RICA	1								1
CYPRUS	3		2	1	4	3		1	14
CZECH REPUBLIC	5		2		2				9
DENMARK	4								4
DOMINICAN REPUBLIC	1								1
EL SALVADOR	2		1		1				4
ESTONIA	1								1
FINLAND	4								4
FRANCE	98	2	1	11	29	3		3	147
GERMANY	53			6					59
GREECE	41	3	13	10	17	2	7	3	96
HUNGARY	3								3
ICELAND	2								2
INDONESIA	6			1					7
IRELAND	6		9	1	5	2			23
ISRAEL	15		13						28
ITALY	46	4	14	6	18	4	21	7	120
JAPAN	23								23
JORDAN	1		1	1		2			5
KUWAIT	4		3	1		2	2	1	13
LATVIA	1								1
LEBANON	2		3	3	2	2	1		13
LITHUANIA	3		1		2				6
LUXEMBOURG	2			1					3
MALAYSIA	3								3
MALTA	1		5		1				7
MEXICO	44		24	21	35		21	7	152
MONACO	1								1
MOROCCO	1			1		2			4
NETHERLANDS	9				4			1	14
NORWAY	1			2					3
PANAMA	2								2
PHILIPPINES	3								3
POLAND	13		1		2	1	1		18
PORTUGAL	48	19	62	45	35	27	22	15	273
PUERTO RICO	1								1
QATAR	1		1	1	1	1	1		6
ROMANIA	1		1						2
RUSSIA	12		8	2	2	5			29
SAUDI ARABIA	18			7	13	15	2	5	60
SERBIA	2								2
SINGAPORE	5		2	3					10
SLOVAKIA			2						2
SLOVENIA	4					1			5
SPAIN	286	157	286	227	232	224	120	96	1,628
SWEDEN	6			3					9
SWITZERLAND	8			4	1				13
THAILAND	3			2					5
TUNISIA	1								1
TURKEY	16		3	5	3	3	2	2	34
UAE	5		4	5	4	4	1	4	27
UNITED KINGDOM	50			7	4			3	64
URUGUAY	2								2
USA	24								24
VENEZUELA	9		3		9				21
TOTAL	990	185	467	399	433	304	201	152	3,131