

**FY2008 RESULTS**

1 February 2008 to 31 January 2009

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- **Net sales for FY2008 reached €10,407 million. Net sales in local currencies and constant perimeter increased by 12%. INDITEX outperformed the sector in a challenging retailing environment.**
  - **In FY2008 sales growth was positive in all geographical areas.**
  - **Gross profit reached €5,914 million, 11% higher than in FY2007, resulting in a Gross margin of 56.8%.**
  - **EBITDA reached €2,187 million. Excluding non-recurrent elements, EBITDA came to €2,206 million, 4% higher.**
  - **Net Income increased to €1,253 million (€2.02 per share). Excluding non-recurrent elements, Net income increased by 3%.**
  - **The Board of Directors will propose to the General Shareholders Meeting a dividend of €1.05 per share, €0.55 payable on 4 May 2009 as interim dividend and €0.50 payable on 2 November 2009 as final dividend.**
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## Performance in FY2008

The results for FY2008 reflect a year of strong expansion and satisfactory sales growth in a challenging environment for the sector due to the slowdown in economic growth in most markets.

In this context, **Net sales** reached €10,407 million, with sales growth in local currencies and constant perimeter of 12%.

In FY2008 INDITEX **retail space** weighted by the calendar of openings increased by 15%. Total selling area at FYE reached 2,180,889 square meters:

	31 Jan 2009	31 Jan 2008	Var % 08/07
Zara	1,447,313	1,290,035	12%
Pull & Bear	158,927	133,752	19%
Massimo Dutti	130,618	121,176	8%
Bershka	211,436	180,852	17%
Stradivarius	116,835	98,351	19%
Oysho	51,925	39,717	31%
Zara Home	59,655	50,611	18%
Uterqüe	4,180	-	-
<b>Total</b>	<b>2,180,889</b>	<b>1,914,493</b>	<b>14%</b>

At FYE INDITEX operated 4,264 stores in 73 countries:

Concept	Net openings		Total stores	
	FY2008	FY2007	31 Jan 2009	31 Jan 2008
Zara (*)	159	186	1,520	1,361
Pull and Bear	64	52	583	519
Massimo Dutti	44	27	470	426
Bershka	81	77	591	510
Stradivarius	75	77	456	381
Oysho	84	89	374	290
Zara Home	35	52	239	204
Uterqüe	31	-	31	-
<b>Total</b>	<b>573</b>	<b>560</b>	<b>4,264</b>	<b>3,691</b>

(\*) Zara number of stores at FYE includes 228 Zara Kids stores

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

**Like-for-like sales** were maintained in FY2008 (1% in H1 and -0.7% in H2) demonstrating the resilience of the business model. The like-for-like calculation includes 74% of FY2008 store sales (i.e. sales in stores opened for the whole of fiscal years 2008 and 2007).

Net sales by concept in FY2008 and FY2007 are shown in the table below:

Concept	FY2008 Million €	FY2007 Million €	Var. 08/07 %	In local currencies and constant perimeter
Zara	6,824	6,264	9%	11%
Non-Zara	3,583	3,171	13%	14%
Pull & Bear	720	614	17%	20%
Massimo Dutti	722	696	4%	4%
Bershka	1,026	925	11%	12%
Stradivarius	633	521	22%	22%
Oysho	242	213	14%	14%
Zara Home	222	201	10%	12%
Uterqüe	17	n.a.	n.a.	n.a.
<b>Total sales</b>	<b>10,407</b>	<b>9,435</b>	<b>10%</b>	<b>12%</b>

In FY2008 sales growth was positive in all geographical areas. The ongoing International expansion has led to a widely diversified sales platform, with International store sales reaching 66% of the total. The area with the highest proportion of total store sales was Europe ex-Spain, 45% of the total. Asia also increased its proportion of total store sales due to INDITEX successful expansion and strong reception in the area.

	FY2008	FY2007
Europe ex-Spain	44.8%	42.4%
Spain	33.9%	37.5%
Asia	10.5%	9.4%
Americas	10.7%	10.8%
<b>Total</b>	<b>100.0%</b>	<b>100.0%</b>

All the concepts have increased the percentage of international store sales:

Concept	FY2008	FY2007
Zara	75%	72%
Non-Zara	49%	44%
Pull & Bear	50%	45%
Massimo Dutti	53%	51%
Bershka	55%	50%
Stradivarius	33%	25%
Oysho	48%	40%
Zara Home	54%	45%
Uterqüe	10%	-
<b>Total sales</b>	<b>66%</b>	<b>63%</b>

The **Gross profit** rose to €5,914 million, 11% higher than the previous year. The Gross margin has reached 56.8% of sales (56.7% in FY2007).

**Operating expenses** have been tightly managed over the year growing by 15%, mainly as a result of the new retail space added in FY2008.

Million euros	FY2008	FY2007	% Var. 08/07
Personnel expenses	1,703	1,473	16%
Rental expenses	1,028	855	20%
Other operating expenses	976	898	9%
<b>Total operating expenses</b>	<b>3,708</b>	<b>3,226</b>	<b>15%</b>

At FYE 2008 the number of employees reached 89,112 (79,517 at FYE2007).

Regarding rental expenses, the future lease commitments as a result of the minimum non cancellable lease payments amounted to €2,252 million at FYE2008.

**Other net income operating (losses)** includes in FY2008 the costs involved in the launch of Uterqüe. This compares to the income registered in FY2007 related to the franchise operations in Venezuela. FY2008 **EBITDA** came to €2,187 million and **EBIT** to €1,609 million. Excluding non-recurrent items, FY2008 EBITDA came to €2,206 million and EBIT to €1,628 million.

The breakdown by concept of EBIT excluding non-recurrent items is shown below:

Concept	(Million €)			% EBIT on sales		% on total	
	FY2008	FY2007	% Chng. 08/07	FY2008	FY2007	FY2008	FY2007
Zara	1,067	1,091	(2%)	15.6%	17.4%	65.6%	67.1%
Non-Zara	561	534	5%	15.7%	16.9%	34.4%	32.9%
Pull & Bear	119	99	20%	16.6%	16.2%	7.3%	6.1%
Massimo Dutti	108	106	2%	14.9%	15.2%	6.6%	6.5%
Bershka	155	154	-	15.1%	16.6%	9.5%	9.5%
Stradivarius	144	119	21%	22.7%	22.9%	8.8%	7.3%
Oysho	21	40	(46%)	8.9%	18.8%	1.3%	2.5%
Zara Home	14	16	(13%)	6.3%	7.9%	0.9%	1.0%
Uterqüe	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.
<b>Total EBIT</b>	<b>1,628</b>	<b>1,626</b>	<b>-</b>	<b>15.6%</b>	<b>17.2%</b>	<b>100.0%</b>	<b>100.0%</b>

Financial results include the non-cash expenses as a result of the foreign exchange losses due to the conversion at closing exchange rates of accounts receivable and payable:

Million euros	FY2008	FY2007
Net financial income (losses)	17	15
Foreign exchange gains (losses)	(38)	(14)
<b>Total</b>	<b>(22)</b>	<b>1</b>

**Net income** came to €1,253 million. Excluding the non-recurrent items, FY2008 Net income increased by 3%.

INDITEX's Board of Directors will propose to the General Shareholders Meeting a **dividend** of €1.05 per share, €654 million according to current number of shares. €0.55 will be payable on 4 May 2009 as interim dividend and €0.50 would be payable on 2 November 2009 as final dividend.

INDITEX maintained its financial strength to reach a higher **net cash position** at FYE:

	31 January 2009	31 January 2008
Cash & cash equivalents	1,466	1,466
Current financial debt	(234)	(371)
Non current financial debt	(13)	(42)
<b>Net financial cash (debt)</b>	<b>1,219</b>	<b>1,052</b>

The **operating working capital** position remains negative, a consequence of the business model:

	31 January 2009	31 January 2008
Inventories	1,055	1,007
Receivables	585	464
Payables	(2,157)	(2,087)
<b>Operating working capital</b>	<b>(517)</b>	<b>(616)</b>

**Funds from operations** reached €1,850 million in FY2008, 5% higher than the previous year.

**Capital Expenditure** for the FY amounted to €937 million.

Dividends paid to shareholders increased to €662 million, 27% higher than in FY2007.

## Start of FY2009

In FY2009, another challenging year for the sector, INDITEX expects to continue outperforming the industry, while the profitable expansion of the business remains a key priority. INDITEX will capitalize on the opportunities arising from the current environment and will strengthen its focus on capital efficiency.

INDITEX expects to add approximately 230,000 square meters to its retail space in FY2009. Approximately 95% of this new space will be added in International markets.

Expected Capital Expenditure in FY2009 is approximately €600 million as a result of greater efficiency in the opening of new stores and the refurbishment of existing stores.

INDITEX will continue to flexibly manage Operating expenses in order to achieve €75 million of efficiencies in FY2009.

In FY2009, the focus will be on maximizing free cash flow while at the same time sustaining the profitable international expansion and the commitment with shareholder remuneration.

The store opening plan for FY2009 will be biased to the second half (25%/75%) vs. FY2008 (43%/57%). Approximately 70% of the contracts have been signed but in some cases openings may not take place in FY2009:

Concept	Range	% International
Zara	125 - 135	98%
Pull and Bear	45 - 55	95%
Massimo Dutti	30 - 40	98%
Bershka	55 - 65	90%
Stradivarius	65 - 75	80%
Oysho	20 - 30	70%
Zara Home	15 - 25	75%
Uterqüe	15 - 25	50%
<b>Total net openings</b>	<b>370 - 450</b>	

February monthly store sales in local currencies excluding calendar effects have increased by 9%. The Spring-Summer season is influenced by the performance over the Easter period due to its significant sales volumes.

## FY2009 corporate calendar

INDITEX expects to release interim results for FY2009 on the following dates:

Interim Three Months 2009: 10 June 2009

Interim Half Year 2009: 16 September 2009

Interim Nine Months 2009: 10 December 2009

Fiscal year 2009: March 2010 (tbc)

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## **Disclaimer**

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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.

**- TABLES AND APPENDIX TO FOLLOW -**

## Consolidated financial statements

### Grupo Inditex FY2008 profit & loss statement Million euros

	FY2008	FY2007
Net sales	10,407	9,435
Cost of sales	(4,493)	(4,086)
<b>Gross profit</b>	<b>5,914</b>	<b>5,349</b>
<i>Gross margin</i>	<i>56.8%</i>	<i>56.7%</i>
Operating expenses	(3,708)	(3,226)
Other net operating income (losses)	(19)	27
<b>Operating cash flow (EBITDA)</b>	<b>2,187</b>	<b>2,149</b>
<i>EBITDA margin</i>	<i>21.0%</i>	<i>22.8%</i>
Amortisation and depreciation	(578)	(497)
<b>Operating income (EBIT)</b>	<b>1,609</b>	<b>1,652</b>
<i>EBIT margin</i>	<i>15.5%</i>	<i>17.5%</i>
Financial results	(22)	1
Results from companies consolidated by equity method	0	(8)
<b>Income before taxes</b>	<b>1,587</b>	<b>1,646</b>
<i>EBT margin</i>	<i>15.2%</i>	<i>17.4%</i>
Taxes	(325)	(388)
<b>Net income</b>	<b>1,262</b>	<b>1,258</b>
	<i>12.1%</i>	<i>13.3%</i>
Minorities	8	7
<b>Net income attributable to the controlling company</b>	<b>1,253</b>	<b>1,250</b>
<i>Net income margin</i>	<i>12.0%</i>	<i>13.3%</i>
<b>Earnings per share, cents of euro (*)</b>	<b>202</b>	<b>201</b>

(\*) Shares for EPS calculation 621.7 and 620.9 million for 2008 and 2007

## Grupo Inditex

Consolidated Balance Sheet as of 31 January 2009  
*Million euros*

	31 January 2009	31 January 2008
<b><u>ASSETS</u></b>		
<b>CURRENT ASSETS</b>	<b>3,264</b>	<b>2,982</b>
Cash & cash equivalents	1,466	1,466
Receivables	585	464
Inventories	1,055	1,007
Other	158	45
<b>NON CURRENT ASSETS</b>	<b>4,513</b>	<b>4,124</b>
Tangible assets	3,451	3,192
Intangible assets	680	644
Financial investments	14	36
Other	368	253
<b>TOTAL ASSETS</b>	<b>7,777</b>	<b>7,106</b>
<b><u>TOTAL LIABILITIES &amp; SHAREHOLDERS' EQUITY</u></b>		
<b>CURRENT LIABILITIES</b>	<b>2,391</b>	<b>2,458</b>
Payables	2,157	2,087
Financial debt	234	371
<b>NON CURRENT LIABILITIES</b>	<b>637</b>	<b>430</b>
Financial debt	13	42
Deferred taxes	214	111
Other	410	277
<b>SHAREHOLDERS' EQUITY</b>	<b>4,749</b>	<b>4,217</b>
Equity attributable to the Group	4,722	4,193
Minority interests	27	24
<b>TOTAL LIABILITIES &amp; SHAREHOLDERS' EQUITY</b>	<b>7,777</b>	<b>7,106</b>

**Inditex Group**  
**Consolidated Statement of Cash Flows**  
*Millions of euros*

	FY 2008	FY 2007
<b>Income before taxes</b>	<b>1.587</b>	<b>1.646</b>
<b>Adjustments to income</b>		
Depreciation and amortization	578	497
Corporate income tax	(325)	(388)
Deferred and prepaid tax	35	(33)
Foreign exchange impact	(11)	2
Other	(14)	34
<b>Funds from operations</b>	<b>1.850</b>	<b>1.757</b>
<b>Changes in assets and liabilities</b>		
Increase in inventories	(61)	(197)
Increase in accounts receivable	(157)	(83)
Decrease in current liabilities	143	341
<b>Changes in working capital</b>	<b>(75)</b>	<b>60</b>
<b>Cash from operations</b>	<b>1.775</b>	<b>1.817</b>
Intangible assets investments	(78)	(88)
Tangible assets investments	(852)	(850)
Acquisitions of businesses	(6)	(7)
Addition to other long-term financial investments	22	(10)
Other assets investments	(24)	(27)
Fixed assets sales and retirements	1	10
Sale of long-term financial investments	0	31
<b>Capital expenditure</b>	<b>(937)</b>	<b>(942)</b>
Net decrease in long-term financial debt	(29)	(17)
Net decrease in other long-term debt	11	16
Net increase in current debt	(137)	215
Dividends	(662)	(522)
Other financing activities	(2)	1
<b>Cash used in financing activities</b>	<b>(818)</b>	<b>(307)</b>
Net increase in cash and cash equivalents	20	568
Foreign exchange impact on cash & cash equivalents	(19)	(9)
Cash and cash equivalents at beginning of the year	1.466	906
<b>Cash and cash equivalents at end of the year</b>	<b>1.466</b>	<b>1.466</b>

## Annex I

### Income statement: FY2008 quarterly results

	Q1	Q2	Q3	Q4
Net sales	2,218	2,343	2,792	3,054
Cost of sales	(936)	(1,051)	(1,131)	(1,375)
<b>Gross profit</b>	<b>1,282</b>	<b>1,292</b>	<b>1,661</b>	<b>1,680</b>
	57.8%	55.1%	59.5%	55.0%
Operating expenses	(858)	(894)	(929)	(1,028)
Other net operating income (losses)	(0)	0	(9)	(10)
<b>Operating cash flow (EBITDA)</b>	<b>424</b>	<b>398</b>	<b>723</b>	<b>642</b>
	19.1%	17.0%	25.9%	21.0%
Amortisation and depreciation	(130)	(145)	(139)	(165)
<b>Operating income (EBIT)</b>	<b>294</b>	<b>253</b>	<b>585</b>	<b>477</b>
	13.2%	10.8%	20.9%	15.6%
Financial results	(1)	(6)	(9)	(6)
<b>Income before taxes</b>	<b>293</b>	<b>247</b>	<b>576</b>	<b>471</b>
Taxes	(74)	(55)	(135)	(61)
<b>Net income</b>	<b>218</b>	<b>192</b>	<b>441</b>	<b>410</b>
Minorities	(0)	5	4	0
<b>Net income attributable to the controlling company</b>	<b>219</b>	<b>188</b>	<b>437</b>	<b>410</b>
	9.9%	8.0%	15.7%	13.4%

## Annex II

**Return on Equity**, defined as net income on average Shareholder's equity:

	2008
Net income	1,253
Shareholders equity - previous year	4,193
Shareholders equity - current year	4,722
Average equity	4,457
<b>Return on Equity</b>	<b>28%</b>

**Return on Capital Employed**, defined as EBIT on average capital employed (Shareholder's equity plus net financial debt):

	2008
<b>EBIT</b>	<b>1,609</b>
<b>Average capital employed</b>	
Average shareholders' equity	4,457
Average net financial debt (*)	0
<b>Total average capital employed</b>	<b>4,457</b>
<b>Return on Capital employed</b>	<b>36%</b>

(\*) Zero when net cash

**Return on Capital Employed by concept:**

Concept	FY2008
Zara	32%
Non Zara	47%
	Pull & Bear 51%
	Massimo Dutti 47%
	Bershka 56%
	Stradivarius 75%
	Oysho 16%
	Zara Home 13%
	Uterqüe -
<b>Total</b>	<b>36%</b>

## Annex III

### Company-managed stores and franchised stores at FYE:

Concept	Co. Mag.	Fran-chises	Total
Zara	1,372	148	<b>1,520</b>
Pull and Bear	506	77	<b>583</b>
Massimo Dutti	357	113	<b>470</b>
Bershka	525	66	<b>591</b>
Stradivarius	368	88	<b>456</b>
Oysho	346	28	<b>374</b>
Zara Home	216	23	<b>239</b>
Uterqüe	31	-	<b>31</b>
<b>Total</b>	<b>3,721</b>	<b>543</b>	<b>4,264</b>

### Sales in company-managed and franchised stores:

Concept	2008		2007	
	Company Managed	Franchised	Company Managed	Franchised
Zara	88%	12%	88%	12%
Non-Zara	85%	15%	85%	15%
Kiddy's Class	88%	12%	88%	12%
Pull & Bear	72%	28%	72%	28%
Massimo Dutti	89%	11%	90%	10%
Bershka	84%	16%	84%	16%
Stradivarius	92%	8%	94%	6%
Oysho	89%	11%	92%	8%
Zara Home	100%	0%	n.a.	n.a.
<b>Total</b>	<b>87%</b>	<b>13%</b>	<b>87%</b>	<b>13%</b>

## Annex IV

### Summary of net openings by quarter:

Concept	1Q 2008	2Q 2008	3Q 2008	4Q 2008	total 2008
Zara	51	21	60	27	<b>159</b>
Pull and Bear	16	16	14	18	<b>64</b>
Massimo Dutti	11	7	15	11	<b>44</b>
Bershka	17	20	23	21	<b>81</b>
Stradivarius	13	14	33	15	<b>75</b>
Oysho	26	15	28	15	<b>84</b>
Zara Home	11	5	16	3	<b>35</b>
Uterqüe	0	6	18	7	<b>31</b>
<b>Total stores</b>	<b>145</b>	<b>104</b>	<b>207</b>	<b>117</b>	<b>573</b>

### Total stores by quarter:

Concept	1Q 2008	2Q 2008	3Q 2008	4Q 2008
Zara	1,412	1,433	1,493	1,520
Pull and Bear	535	551	565	583
Massimo Dutti	437	444	459	470
Bershka	527	547	570	591
Stradivarius	394	408	441	456
Oysho	316	331	359	374
Zara Home	215	220	236	239
Uterqüe	0	6	24	31
<b>Total stores</b>	<b>3,836</b>	<b>3,940</b>	<b>4,147</b>	<b>4,264</b>

## Annex V

### Stores by concept and country as at 31 January 2009

COUNTRY	Zara	Zara Kids	Pull and Bear	Massimo Dutti	Bershka	Stradivarius	Oysho	Zara Home	Uterqüe	INDITEX
ANDORRA	1		1	1		1	1	1		6
ARGENTINA	7									7
AUSTRIA	11				1					12
BAHREIN	2		2	2	1	1	2	1		11
BELGIUM	25		2	20	7			5		59
BRAZIL	25									25
CANADA	15									15
CHILE	6									6
CHINA	23			4						27
COLOMBIA	7				2	3				12
COSTA RICA	2									2
CROATIA	2				1					3
CYPRUS	4		4	2	5	5	1	2		23
CZECH REPUBLIC	6		3	1	4	1				15
DENMARK	3									3
DOMINICAN REPUBLIC	1									1
EGYPT			1		1					2
EL SALVADOR	2		1		1					4
ESLOVENIA	4		2	1	2	3				12
ESTONIA	2				1					3
FINLAND	4									4
FRANCE	113	2	14	17	41	17	10	17		231
GERMANY	65			6						71
GREECE	44	6	18	11	23	6	13	7	2	130
GUATEMALA	2		2	1	2	1				8
HONDURAS	1									1
HUNGARY	5		3		4	3	1			16
ICELAND	2									2
INDONESIA	8		2	3						13
IRELAND	9		5	1	5	2				22
ISRAEL	17		19	1						37
ITALY	75	12	34	8	36	23	54	22		264
JAPAN	40									40
JORDAN	2		2	2	1	2	1	1		11
KUWAIT	5		4	2	2	3	3	2		21
LATVIA	3		2		2					7
LEBANON	2		3	3	2	2	3	2		17
LITHUANIA	4		3		5	4				16
LUXEMBOURG	2			1						3
MALAYSIA	5		2	4						11
MALTA	1		5			1		1		9
MEXICO	48		30	26	41		28	13		186
MONACO	1									1
MONTENEGRO	1		1		1	1	1			5
MOROCCO	4			1		3		1		9
NETHERLANDS	15				6			1		22
NORWAY	4			2						6
OMAN	1					1	1	1		4
PANAMA	2									2
PHILIPPINES	6									6
POLAND	20		11	1	13	11	8			64
PORTUGAL	55	24	59	40	42	35	30	18	2	305
PUERTO RICO	1									1
QATAR	2		2	2	1	1	1	2		11
ROMANIA	5		5	1	4	4	4	1		24
RUSSIA	30		18	6	16	15	11	2		98
S. KOREA	5									5
SAUDI ARABIA	22		8	10	19	21	9	3		92
SERBIA	3		1	1	1	1	1			8
SINGAPORE	5		2	3						10
SLOVAKIA	2		1		1	1				5
SPAIN	330	184	287	250	262	265	176	115	27	1,896
SWEDEN	10			3						13
SWITZERLAND	10			5	1					16
THAILAND	4			2						6
TUNISIA	1									1
TURKEY	25		13	10	13	13	11	8		93
UAE	5		5	6	4	6	4	6		36
UKRAINE	1									1
UNITED KINGDOM	63		3	10	5			7		88
URUGUAY	2									2
USA	41									41
VENEZUELA	11		3		11					25
<b>INDITEX</b>	<b>1,292</b>	<b>228</b>	<b>583</b>	<b>470</b>	<b>591</b>	<b>456</b>	<b>374</b>	<b>239</b>	<b>31</b>	<b>4,264</b>