INDITEX

FY2003 Results Presentation

24 March 2004

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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.

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José María Castellano

Deputy Chairman & CEO

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FY2003: Overview

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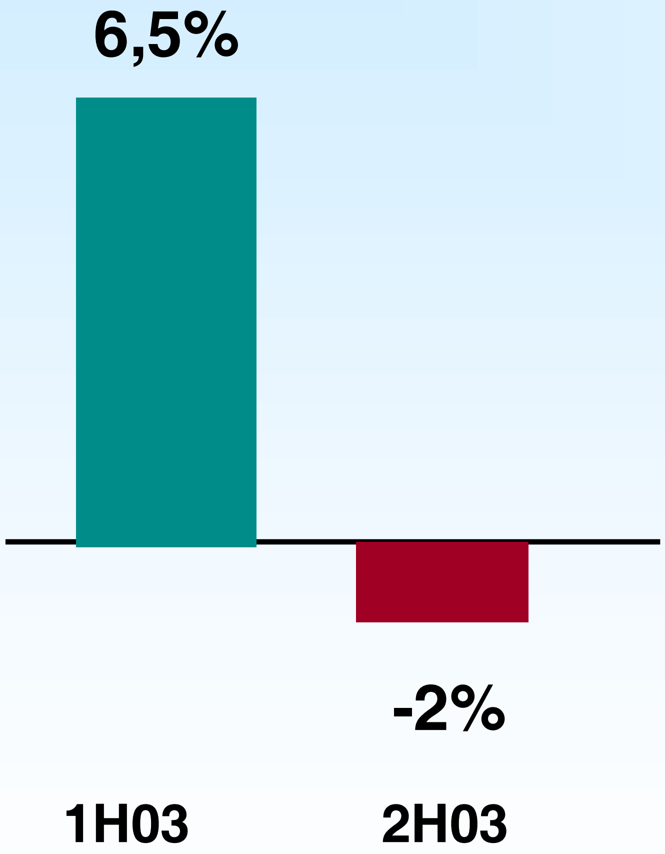
Like-for-like growth



2nd Half 2003:

- Unseasonable warm weather in Q3
- Strong discounting activity in Q4
- Underperformance in some concepts
- Higher weight of end-of-season sales period

Performance per concepts

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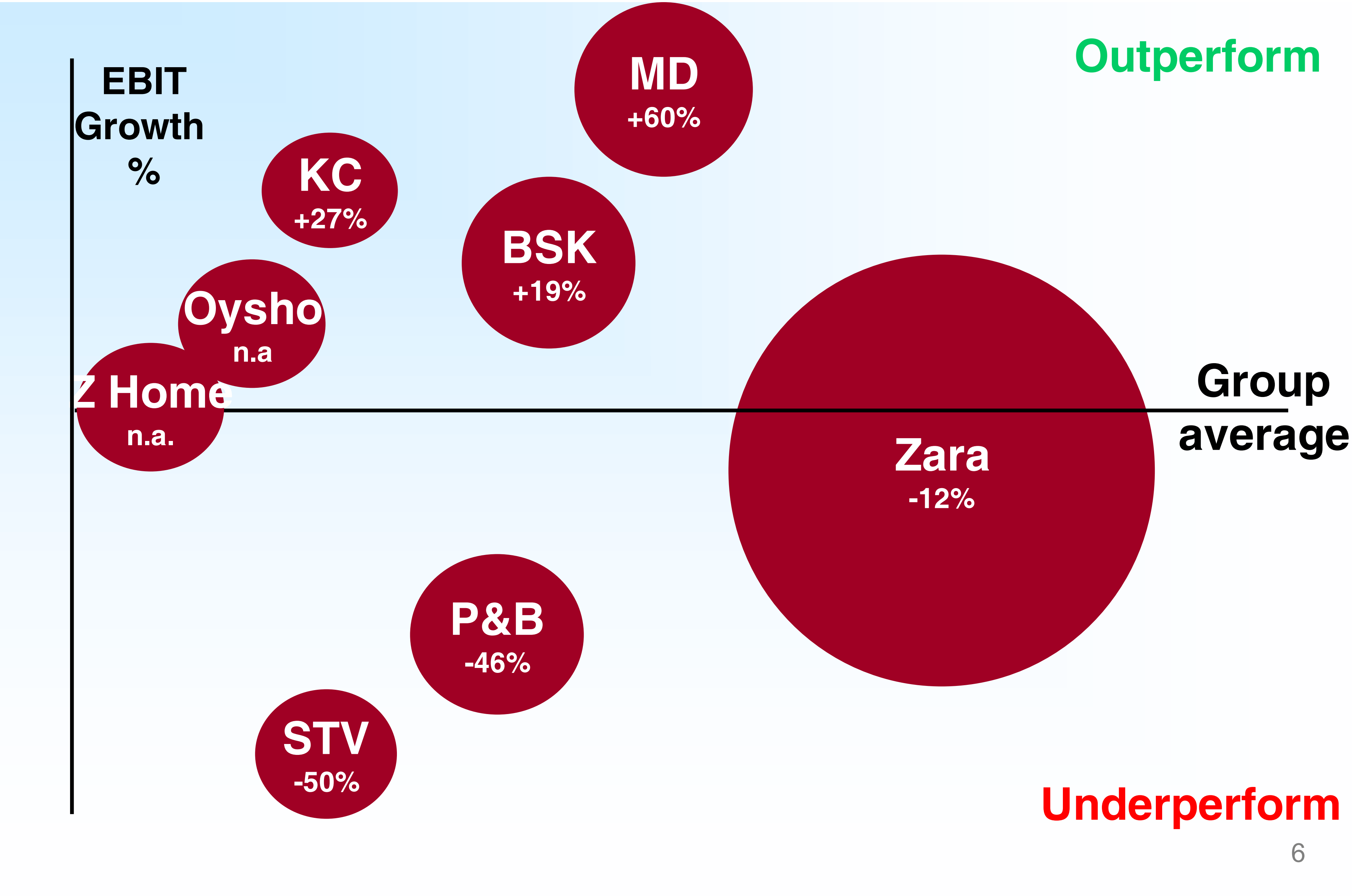
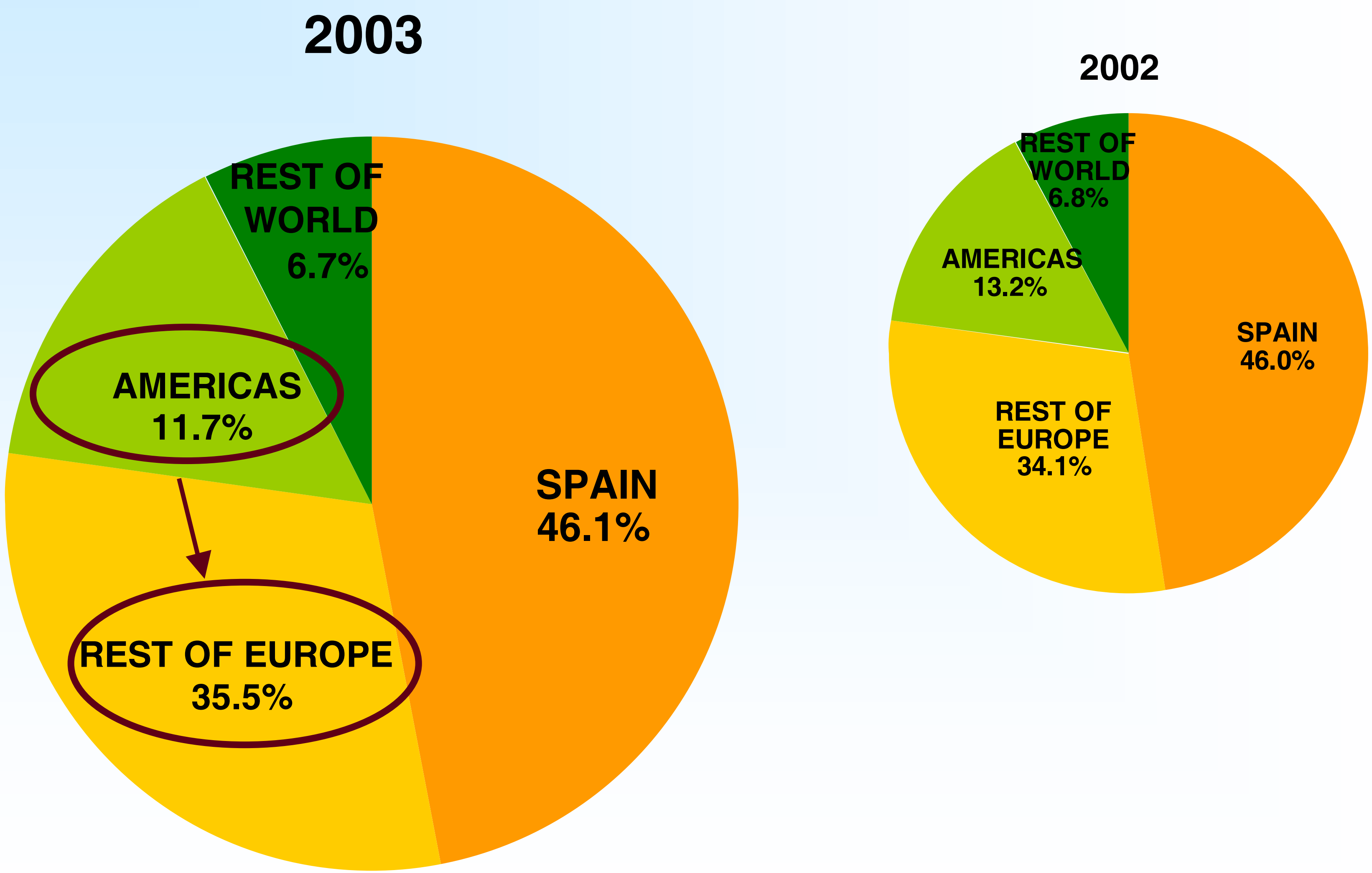


Geographic breakdown of store sales



(1) Store sales: Includes sales in OMS and franchises

FY2003:

- Sales growth +16%
- LFL sales growth +1%
- 364 net store openings
- Net income growth +2%
- RoCE 32%

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Borja De La Cierva

CFO

Financial summary

Highlights

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million €	2003	2002	% 03/02
NET SALES	**4,599**	**3,974**	**16%**
GROSS MARGIN	**2,306**	**2,048**	**13%**
% margin	*50.1%*	*51.5%*	
EBITDA	**874**	**868**	**1%**
EBITDA margin	*19.0%*	*21.8%*	
EBIT	**627**	**660**	**(5%)**
EBIT margin	*13.6%*	*16.6%*	
NET INCOME	**447**	**438**	**2%**
EPS	71.6	70.3	

Sales growth

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Space contribution	+19%
LFL	+1%
Currency impact	(4%)
Top line growth	**16%**

LFL vs. Space contribution

44% of space

Space contribution:

2002 & 2003 openings

2001	2002	2003

LFL:

Stores opened from 31 Jan. 02, that haven´t been refurbished

56% of space

Selling area

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	FYE2003	Change
Total space (m^2)	988,357	+25%
Average new store size (Zara) (m^2)	1,300	+24%
Space contribution	+19%	

Space growth vs. Space contribution

Space growth	+25%
Space contribution	+19%

•Bigger size of new stores

•Ramp-up of new openings

Initial lower sales density, as expected

Currency impact on sales growth

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	MXP			EUROS		
	2003	**2002**	**VAR**	**2003**	**2002**	**VAR**
Sales in Mexico	2,800	2,500	12%	226.2	266.0	(15%)

Translation effect

AVERAGE MXP/€		
2003	**2002**	**VAR**
12.38	**9.40**	**(32%)**

Currency impact on Gross margin

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	MXP			EUROS		
	2003	**2002**	**VAR**	**2003**	**2002**	**VAR**
Sales in Mexico	2,800	2,500	12%	226.2	266.0	(15%)
COST OF GOODS SOLD	(1,456)	(1,000)		(118)	(106)	
GROSS PROFIT	**1,344**	**1,500**		**109**	**160**	
GROSS MARGIN	48%	60%	1200 b.p.	48%	60%	1200 b.p.

Gross Margin effect

AVERAGE MXP/€		
2003	2002	VAR
12.38	**9.40**	**(32%)**

Currency impact on Financial Results

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	MXP			EUROS		
	2003	**2002**	**VAR**	**2003**	**2002**	**VAR**
SALES IN MÉXICO	2,800	2,500	12%	226.2	266.0	(15%)
COST OF GOODS SOLD	(1,456)	(1,000)		(118)	(106)	
GROSS PROFIT	**1,344**	**1,500**		**109**	**160**	
GROSS MARGIN	48%	60%	1200 b.p.	48%	60%	1200 b.p.
TRADING LIABILITIES (10 M€)	123.8	94				
EXHANGE LOSS	30			2.4		

Financial effect

AVERAGE MXP/€		
2003	**2002**	**VAR**
12.38	**9.40**	**(32%)**

Currency impact: summary

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	1Q03	1H03	3Q03	FY03
Translation effect	(7%)	(6%)	(4%)	(4%)

→ Lower growth in Sales & EBIT

	1H03	2H03	FY03
Gross margin impact	(100 bp)	(70 bp)	(84 bp)

→ Lower Gross Margin

	FY03
Financial impact	
→ Financial charge	€4.6 m

EBIT growth on constant currency

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	1H2003	2H2003	FY2003
EBIT growth	10%	(12%)	(5%)
Translation effect	6%	3%	4%
Gross margin effect	9%	6%	7%
TOTAL	25%	(3%)	6%

Like-for-like growth

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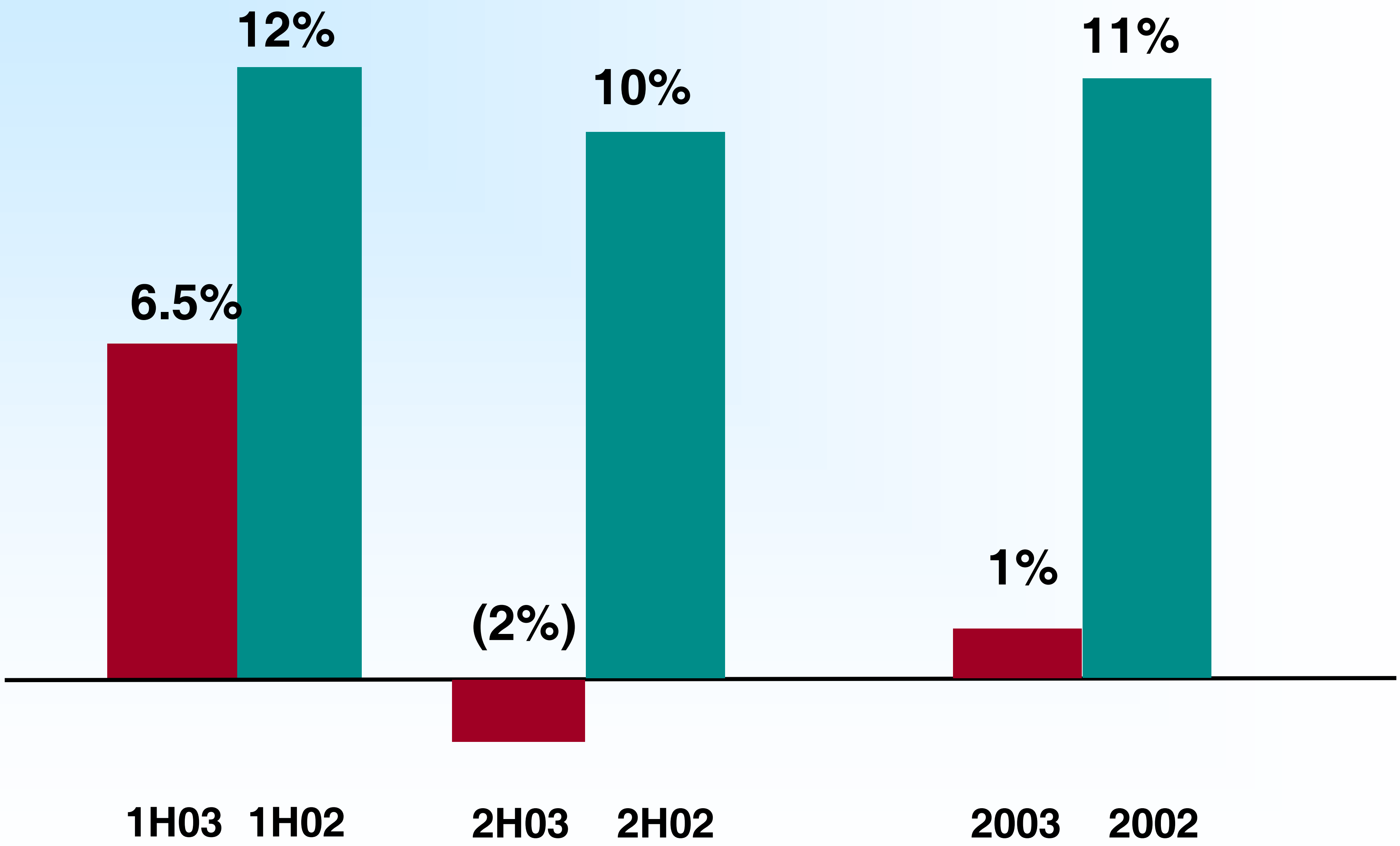

Volume vs. price

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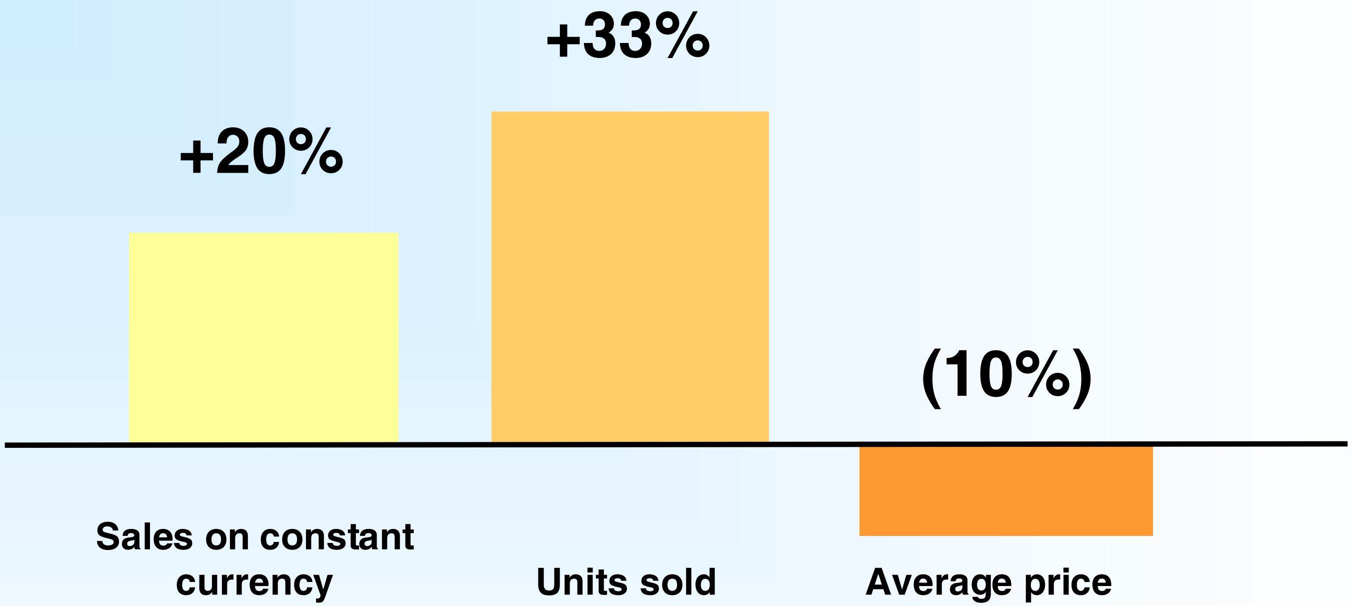

- High temperatures in Europe over 3Q
- Fashion mix: lighter garments
- Increase in market share

Gross margin

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(basis points)	H1	H2	FY03
Currency impact	(100)	(70)	(84)
Pricing in Euro-land	- -	(25)	(14)
Inventory mgmt. & product mix	(18)	(60)	(42)
	(118)	(155)	(140)

- **Higher weight of sales period in both seasons**
- **Lighter product ranges in Autumn-Winter 2003**
- **Strong impact in Q4 previous year (200 bp)**

Quarterly gross profit: consistency

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(Change in basis points)

	Q1	Q2	Q3	Q4
FY 2002	22	27	27	(193)
FY 2003	(48)	(184)	(249)	(61)

- Currency impact spread over the year
- Weight of mark-downs in Q2 & Q4
- Q4 2003 compares with a lower margin in Q4 2002

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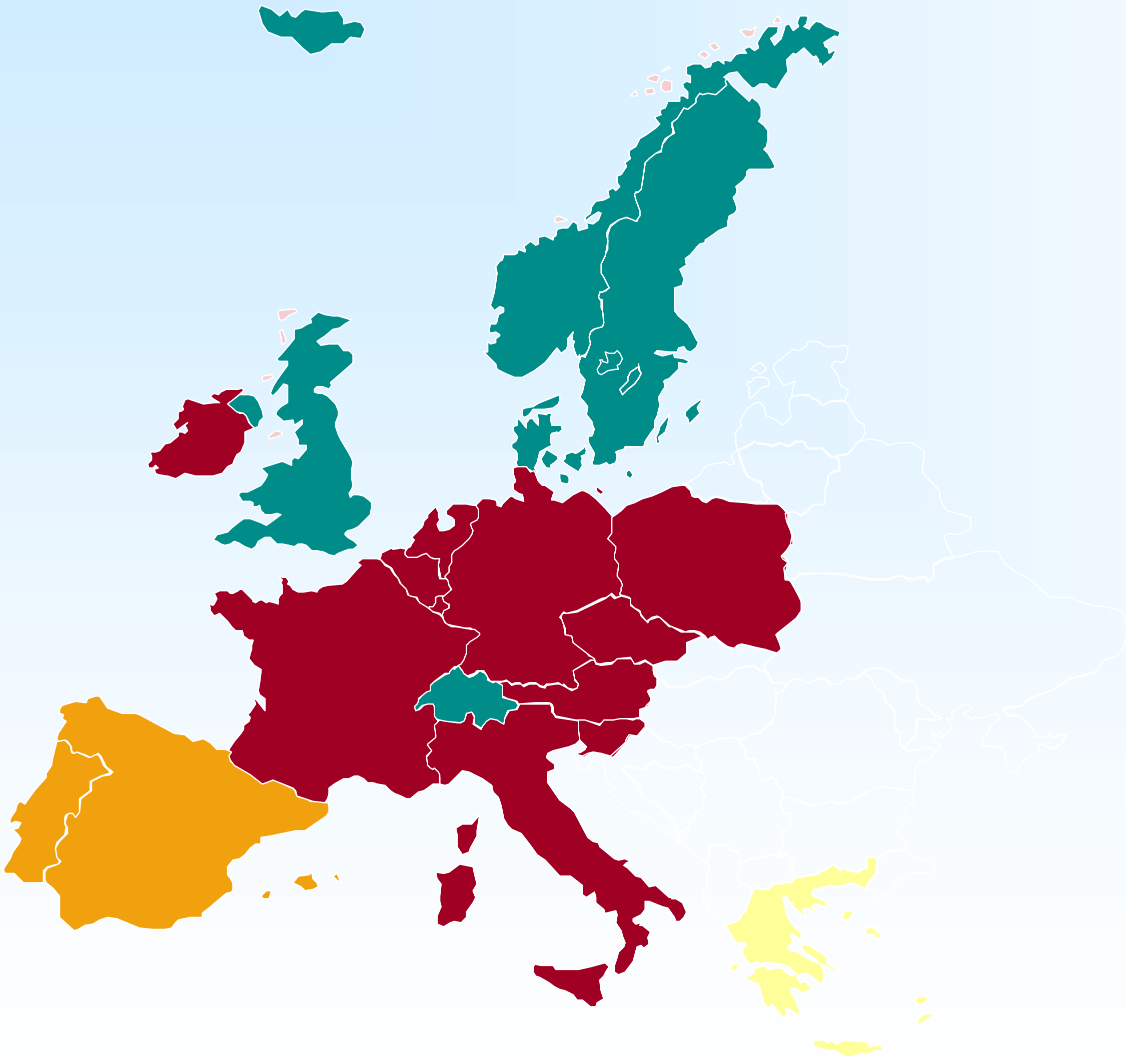
Pricing policy in Europe



- Base price = 100
- Euroland ex Iberia = 125
- Greece = 110
- Other = 135

EBIT Margin

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	(Change in basis points)
Gross margin	(140)
Operating de-leverage	(160)
Change in EBIT	(300)

+1% LFL is below the level required to offset the impact of new stores

Operating de-leverage

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	Audited FY 2003	Var
Sales	4.598,9	16%
Cost of sales	(2.293,0)	
Gross profit	**2.306,0**	13%
Gross margin	*50,1%*	**-139 b.p.**
Cash & Non cash expenses	(1.678,9)	
EBIT	**627,0**	-5%
EBIT margin	*13,6%*	**-296 b.p.**

Adjustments	FY 2003 Adjusted	Var
LFL of 6% instead of 1%	4.826,6	**21%**
2002 gross margin	(2.339,4)	
	2.487,2	21%
	51,5%	
Increase of 10 mill €	(1.688,9)	
	798,2	**21%**
	16,5%	

- **INDITEX requires approx. a 6% LFL to sustain its P&L structure**
- **Higher operating costs of international expansion**
- **Ramp-up of new stores (+25% space)**

Depreciation: quarterly performance

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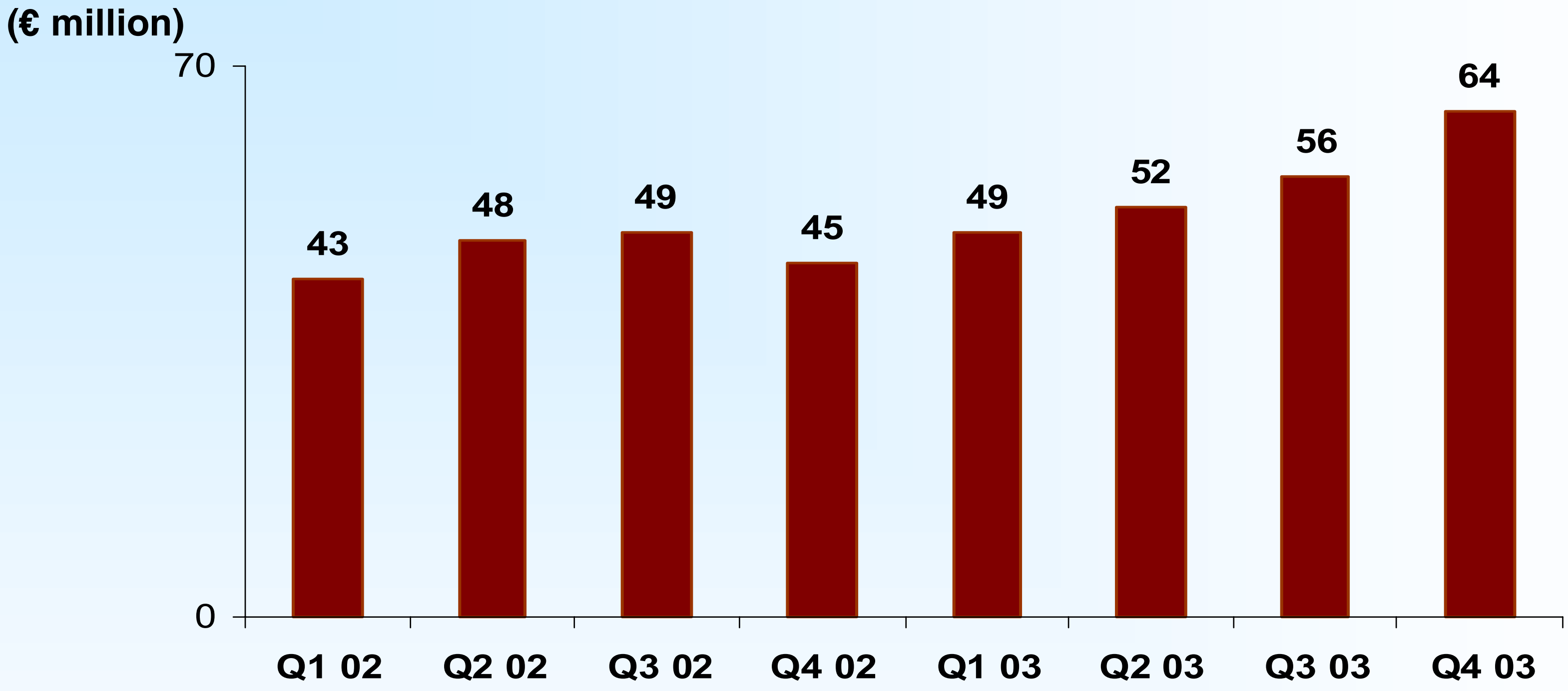

- Calendar of openings (65 Zara openings in 2H 03)
- New DC progressively in operation in 2H 03

Financial expenses

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(€ million)	Q1	Q2	Q3	Q4	FY
Financial expenses	0.2	(2.2)	(3.4)	2.0	(3.4)
FX losses	1.0	(1.1)	(0.4)	(4.1)	(4.6)
Other	0.0	0.1	(0.1)	0.1	0.1
	1.2	(2.0)	(3.9)	(2.0)	(7.9)

- **Financial expenses according to financial position**
- **Q4 03: Impact of Latam currencies driven by USD weakness**

Extraordinary results

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(€ million)	Q1	Q2	Q3	Q4	FY
Risk provisions	5	5	5	(15)	- -
Other	0	3	2	0.8	5.7
	5	8	7	(14.2)	5.7

- Remarkable profit in Venezuela
- Recognition of FX Losses via financial charge
- Better outlook for capital repatriation

Working capital

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	FY03	Var	% Var
Inventories	486	104	27%
Trading receivables	129,5	32	33%
Trading liabilities	(652,4)	-146	29%
WC from trading operations	**(36,5)**	**(10,5)**	**40%**
Tax accounts	(77,2)	43	(36%)
Capex liabilities	(8,3)	24	(74%)
Personnel	(52,1)	4	(7%)
Other	(12,6)	-9	215%
WC from non-trading operations	**(150,2)**	**62,6**	**-29%**
Total operating working capital	**(186,6)**	**52,2**	**-22%**

Consistency:

Space growth +25%

- **€20 m Deferred tax classified as Long Term liability**
- **€10 m lower Tax rate**
- **€6 m lower Sales bonus to personnel**
- **€24 m payment to former STD owner & liabilities from new DC**
- **Cash flow statement includes an increase of WC financing**

Inventory position

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	FYE03	FYE02
Inventory position (€ mill.)	486	382
Increase y-o-y	27%	8%
Commitment for 1H04	60%	60%

Cash Flow

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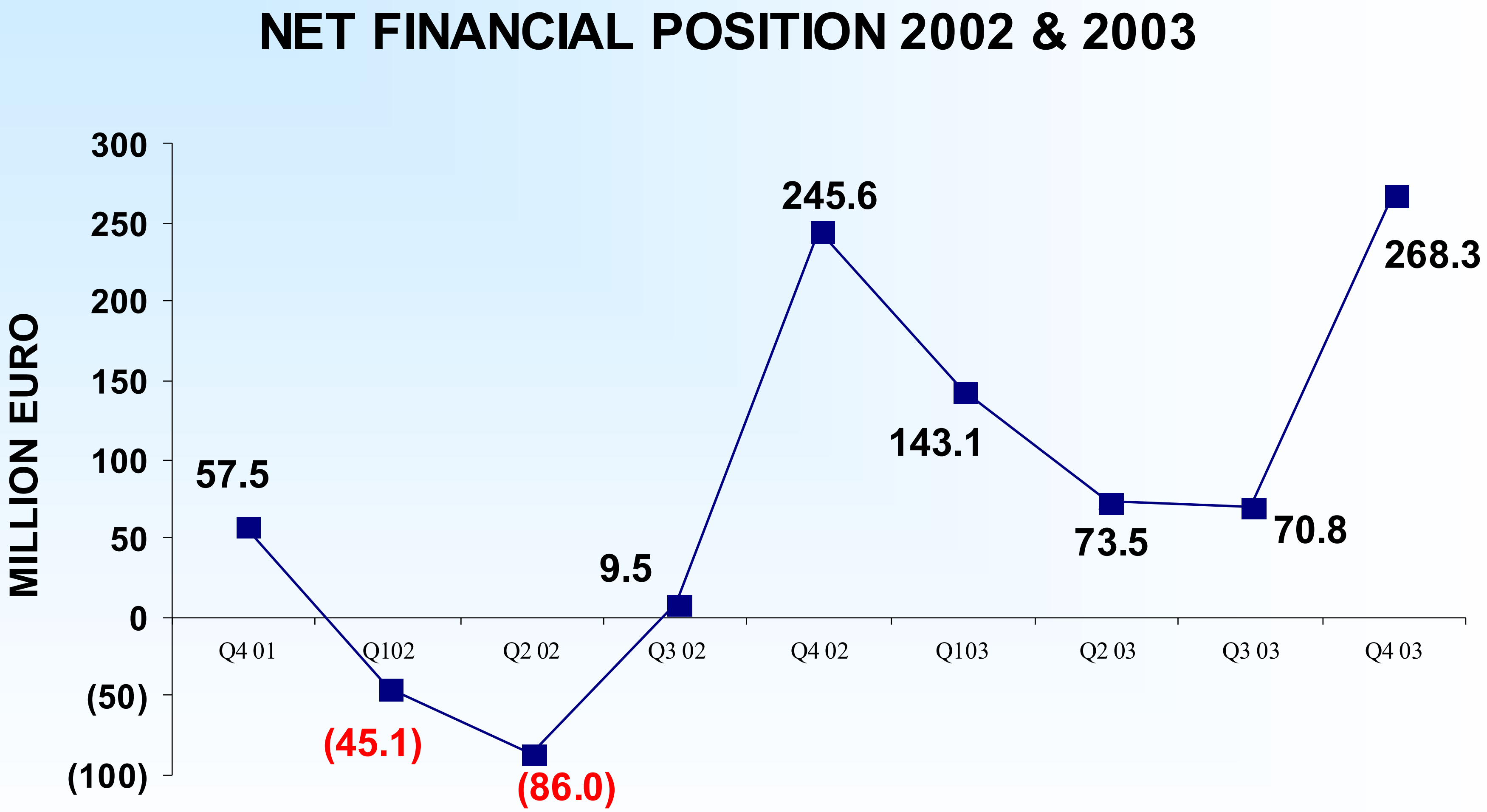
(€ million)	FYE03	FYE02
Cash from operations	725.9	747.0
CAPEX	628.4	467.2
Free Cash Flow	97.5	279.8

Financial position



Marcos López

Capital Markets Director

Inditex concepts

Zara

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million €

	2003	% 03/02	On constant currency
Sales	3,219.6	11%	15%
EBIT	476.1	(12%)	(1%)
EBIT margin	14.8%	-370 pb	15.8%
Stores	626	+95	+95
ROCE	33%	(10%)	37%

- 64% Int'nal sales
- Largest currency impact
- Men & children under-performed
- Ramp-up of new stores
- De-leverage

Kiddy's Class

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million €

	2003	% 03/02
Sales	89.7	49%
EBIT	18.0	27%
EBIT margin	20.0%	-340 bp
Stores	103	+44
ROCE	80%	(51%)

- **Higher expansion rate**
- **De-leverage**

Pull & Bear

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million €

	2003	% 03/02
Sales	287.9	8%
EBIT	18.9	(46%)
EBIT margin	6.6%	-650 pb
Stores	350	+54
ROCE	16%	(23%)

- **Underperformance collection-related**
- **Sourcing changes for 2004: flexibility**
- **Lower expansion rate in 2004**

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Massimo Dutti

million €

	2003	% 03/02
Sales	388.9	35%
EBIT	60.1	60%
EBIT margin	15.5%	+240 pb
Stores	250	+47
ROCE	56%	+7%

- **Outperformed**
- **Strong leverage**
- **Entering in larger European markets**

Bershka

million €

	2003	% 03/02
Sales	395.0	32%
EBIT	57.3	19%
EBIT margin	14.5%	(160 pb)
Stores	253	+56
ROCE	46%	(3%)

- **Currency impact**
- **Outperformed mainly in 1st half**
- **Entering in larger European markets**

Stradivarius

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million €

	2003	% 03/02
Sales	162.0	31%
EBIT [(1)]	4.4	(50%)
EBIT margin	2.7%	(530 pb)
Stores	191	+38
ROCE	5%	(7%)

- **Under-performed**
- **Management issue**
- **New supporting team**
- **Results in 2H04**

(1) Before goodwill amortisation

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Oysho

million €

	2003	% 03/02
Sales	45.1	93%
EBIT	2.1	n.a.
EBIT margin	4.7%	n.a.
Stores	76	+4
ROCE	7%	n.a.

- **Outperformed**
- **Focussed on target market**
- **Break-even one year in advance**
- **Higher expansion rate in 2004**

Zara Home

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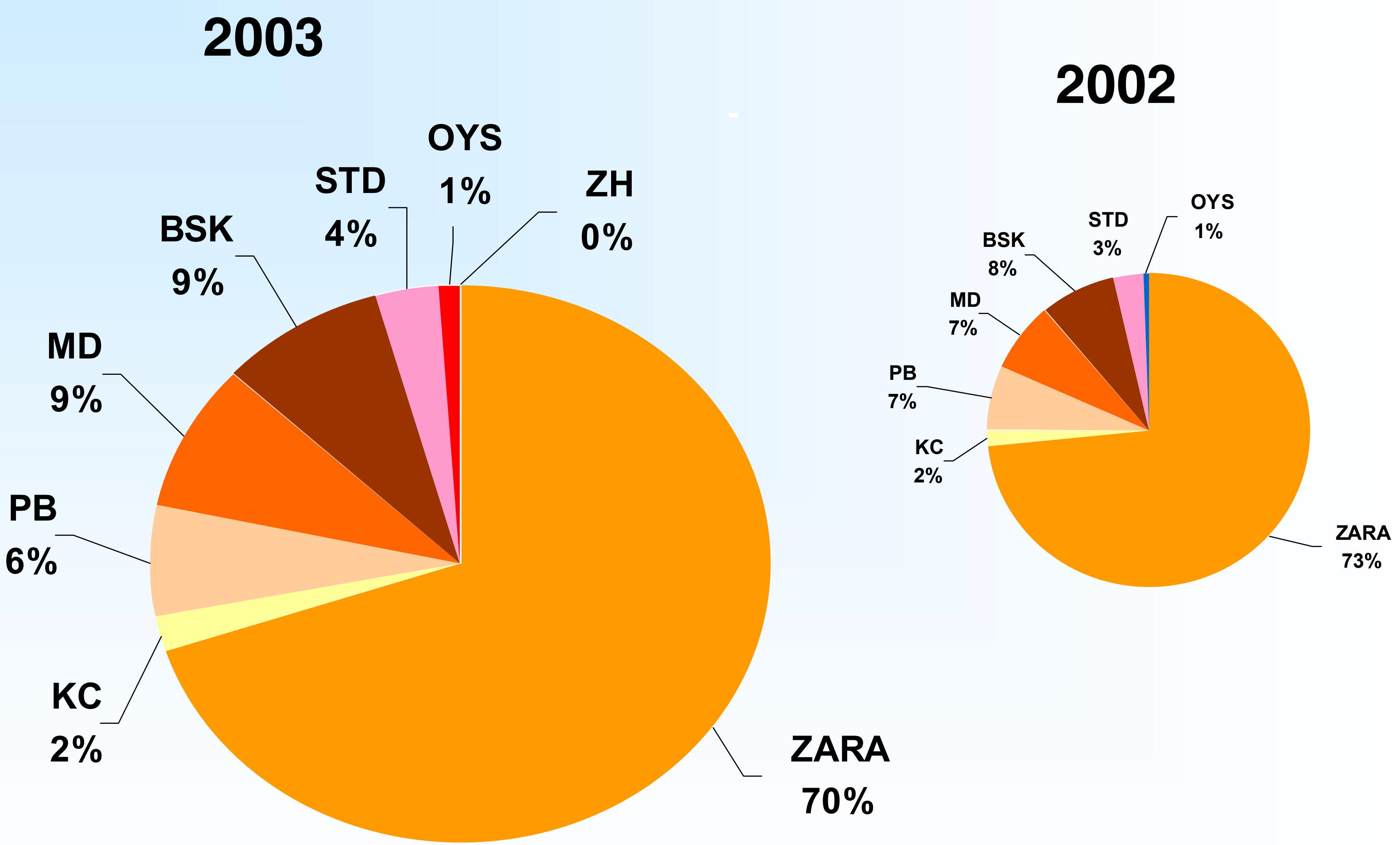
million €

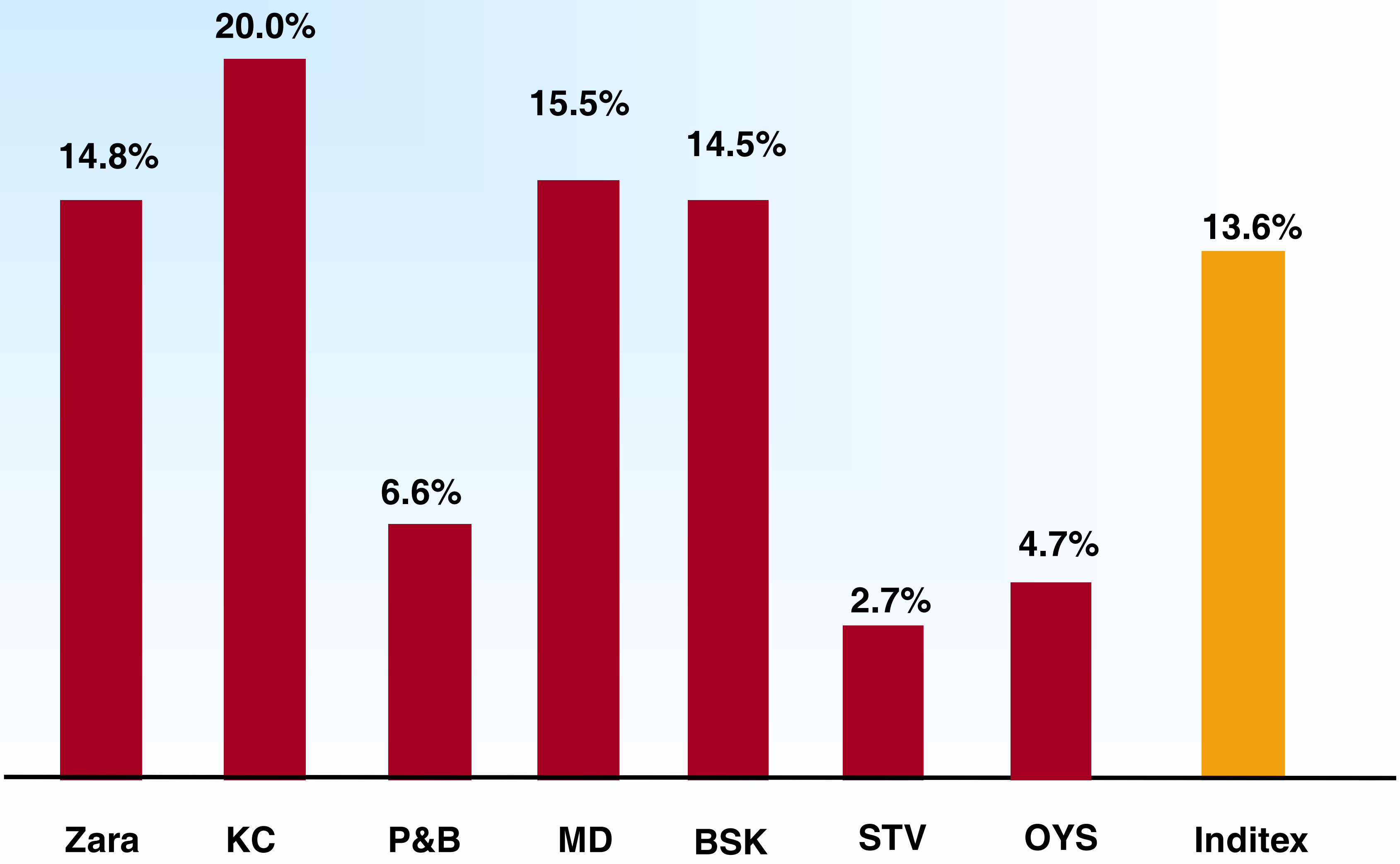
	2003
Sales	10.6
EBIT	(0.5)
EBIT margin	n.a.
Stores	26
ROCE	n.a.

- **In-line with expectations**
- **Still in launch phase**

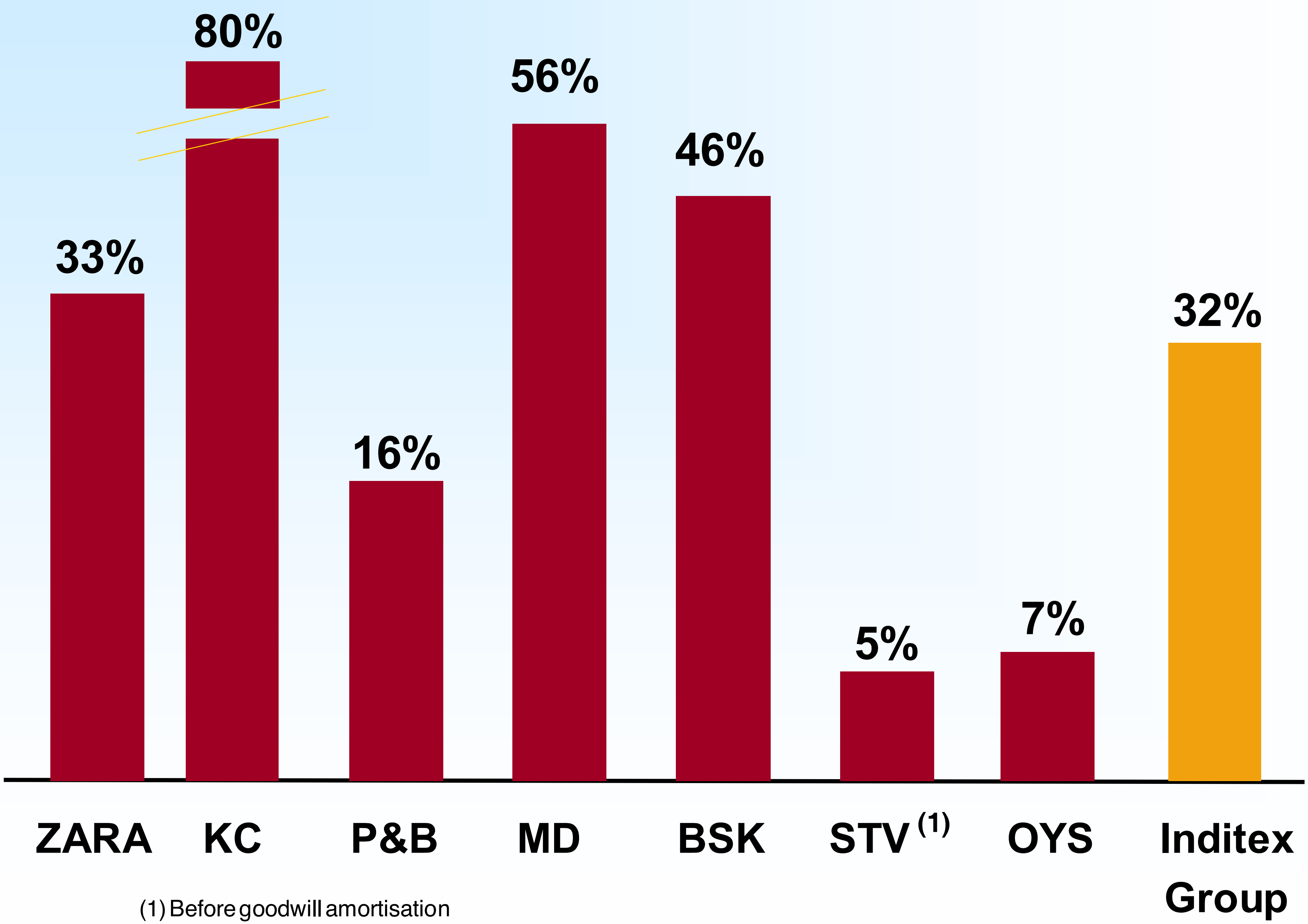
Breakdown of store sales by concept



EBIT margins by concept



ROCE by concept



(1) Before goodwill amortisation

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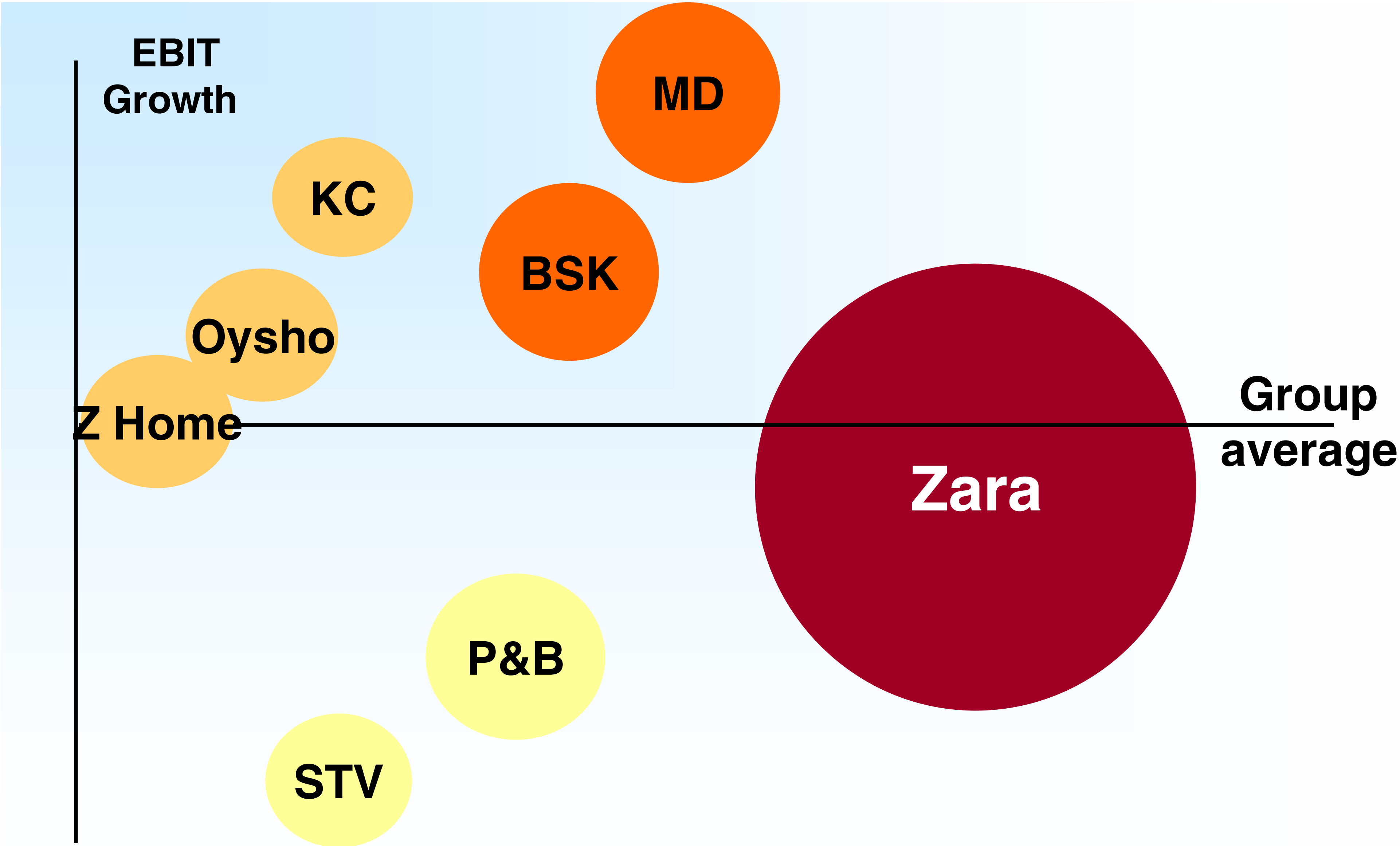
José María Castellano

Deputy Chairman & CEO

Growth prospects

FY2004:



FY2004: Zara

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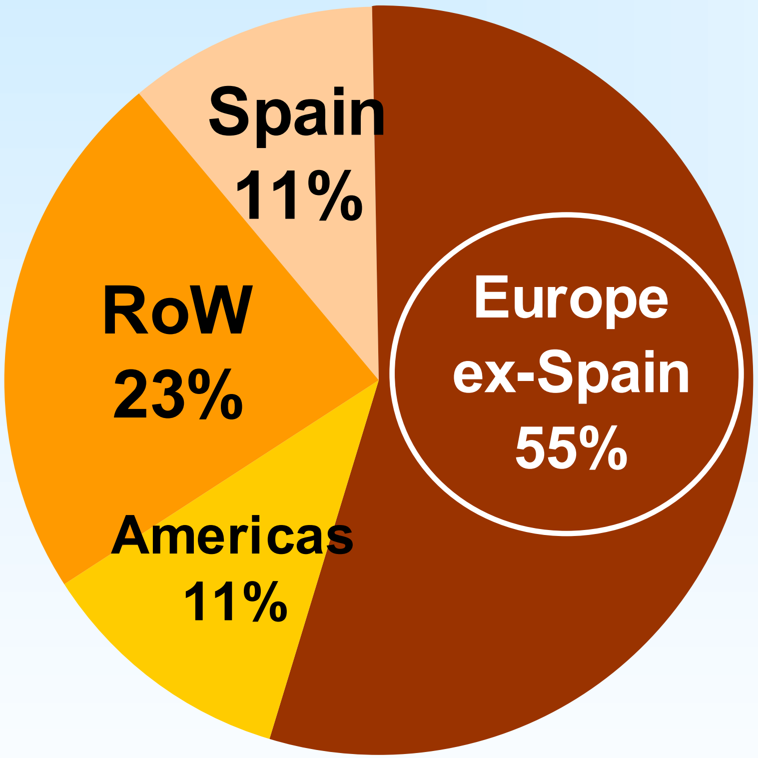
Breakdown of Zara store openings per market



- Deeper expansion in key European markets:
  - Italy, U.K., France, Germany
- Other selected International markets

FY2004: Zara

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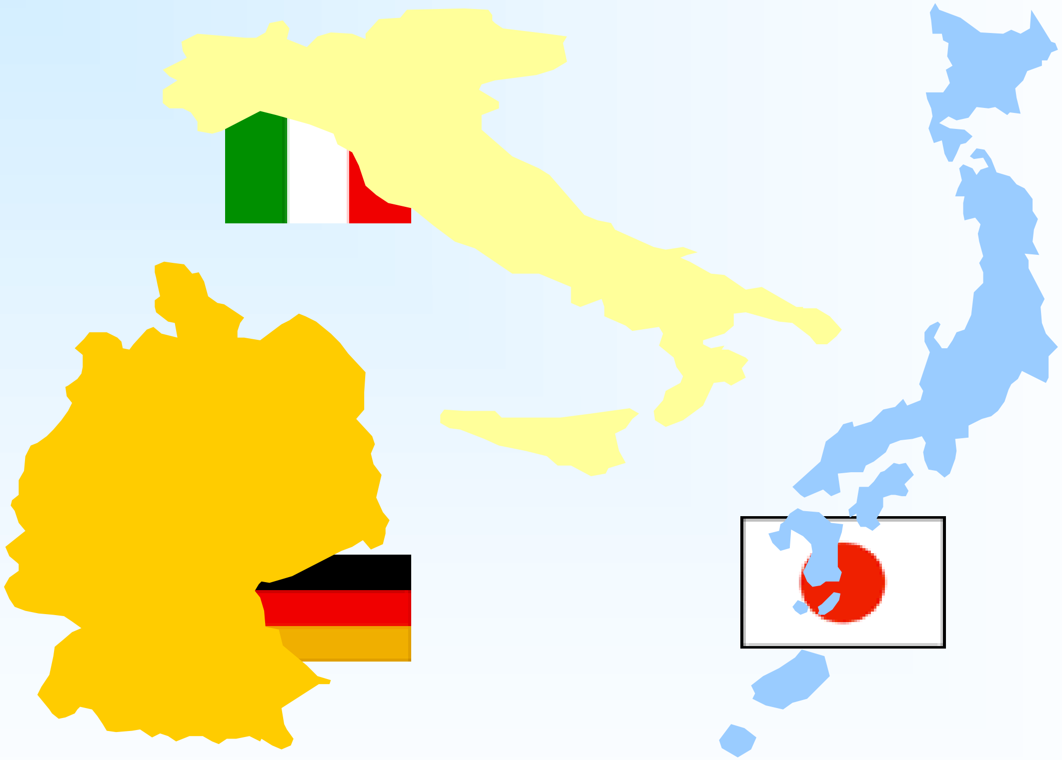
In FY2003 ...

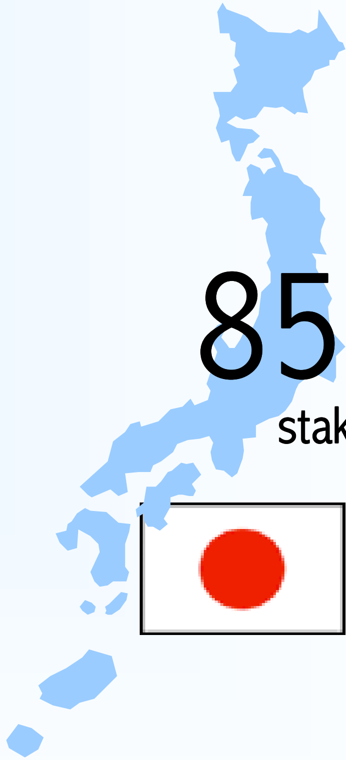


Growing through 50% JV's

FY2004: Zara

To be increased

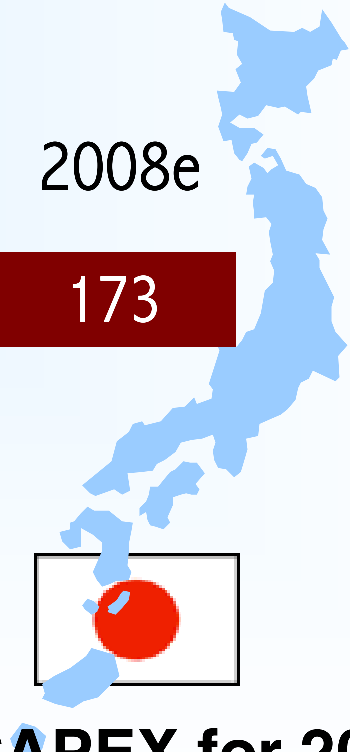
80%
stake



85%
stake

FY2004: Zara Italy, Zara Japan

- **Inditex to increase shareholding to:**
  - **80% of Zara Italy (prev. 51%)**
  - **85% on Zara Japan (prev. 50%)**

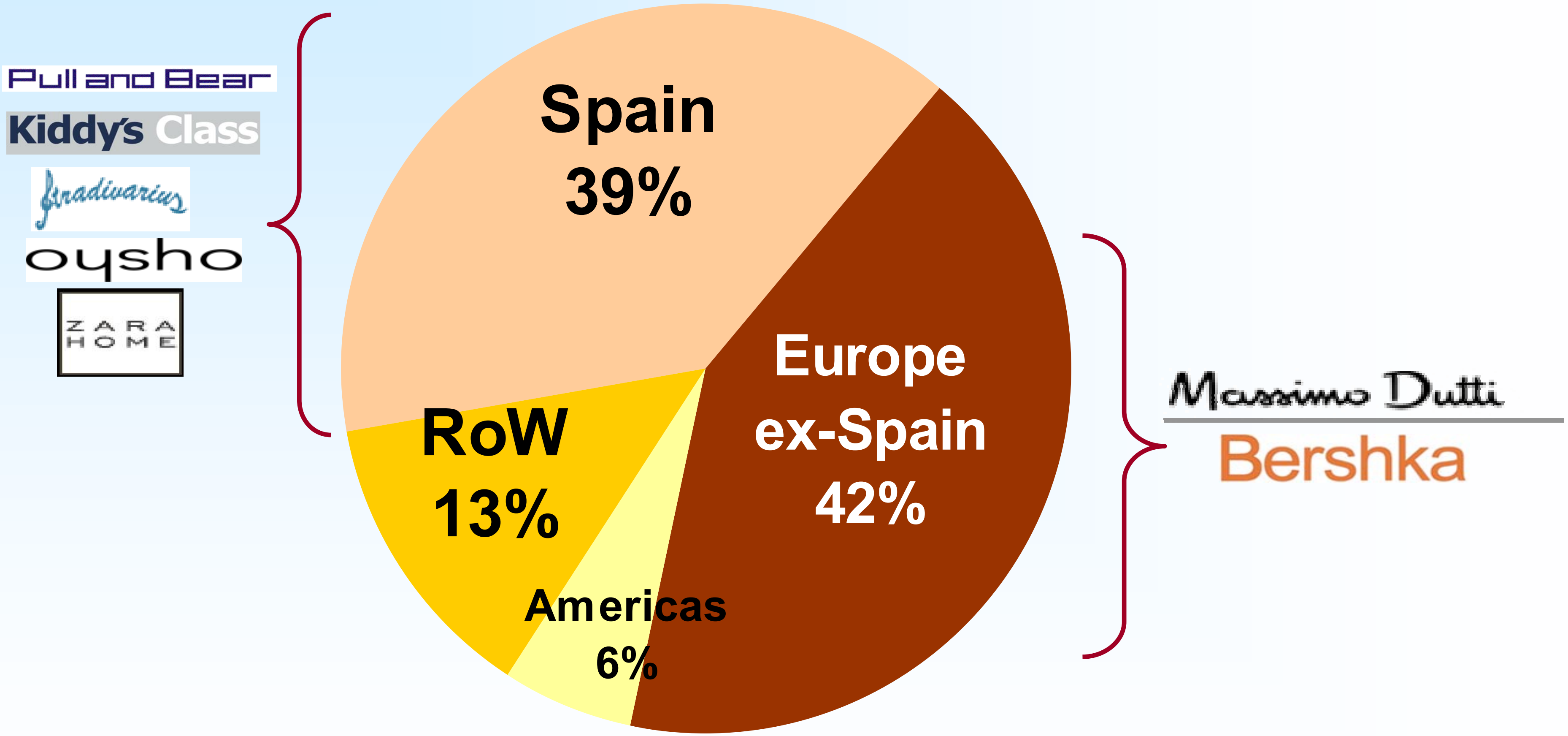


	2003	2008e
Stores	24	173

- **Investment included in CAPEX for 2004**
- **No material impact on P&L in FY2004**

FY2004: Group

Breakdown of Group store openings per market



FY2004: Stradivarius

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- From Dec. 2003: 10-strong team from Inditex overseeing two major functions at Stradivarius:
    - Sourcing management
    - Store management operations
- Temporary slowdown in expansion plan
- Stradivarius sourcing management changed
- Full-replication of Inditex model
- Results in 2nd Half 2004

FY2004: Pull&Bear

- Strong focus on Spring–Summer collection
- Introduce in-season flexibility
- Temporary slowdown in expansion plan
- Results in 1st Half 2004

FY2004: CAPEX

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- **Expected CAPEX 650-700 MM €**
- **Store opening plan:**

	Range		% Int'nal openings
ZARA	100	110	80%
KIDDY'S CLASS	20	30	10%
PULL & BEAR	20	30	25%
MASSIMO DUTTI	30	40	50%
BERSHKA	50	55	50%
STRADIVARIUS	30	35	10%
OYSHO	20	25	20%
ZARA HOME	30	35	5%
total net openings	**300**	**360**	

FY2004: Growth outlook

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- 300 - 360 store openings
- +20%/+25% space growth
- Gradual recovery in Gross Margin to 2002 levels (51.5%) should currencies remain at current levels
- Initial collection Spring-Summer well-received

Sourcing by area (Zara)

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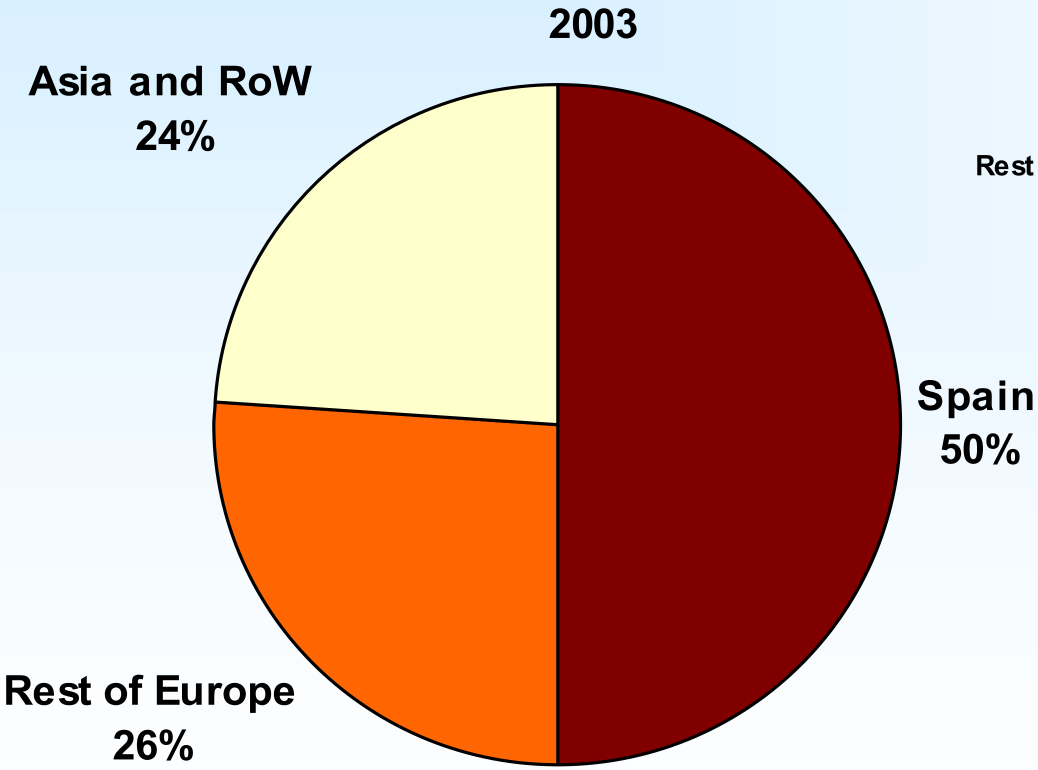

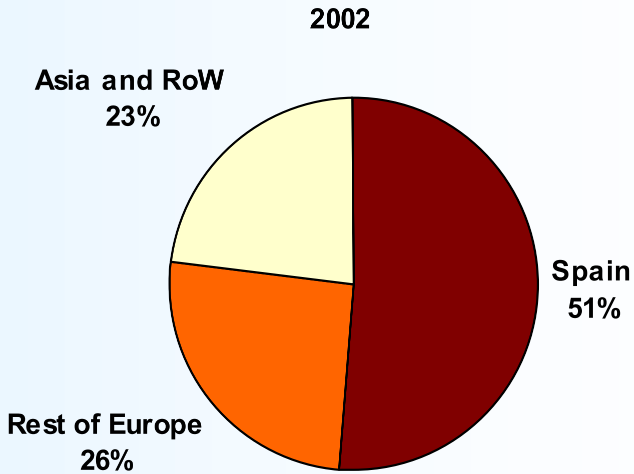

Use of excess capital

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- **FYE Net cash position 246 MM €**
- **Dividend proposal**
  - **Ordinary €14 cents per share**
  - **Bonus €21 cents per share**
  - **Total €35 cents per share**
- **217 MM € back to shareholders**

- **Financial discipline**
- **Annual "Ordinary" dividend pay-out to be doubled through 2008**

Q & A

March 2004