

FY2013 RESULTS

1 February 2013 to 31 January 2014

- **INDITEX continues its global, multi-concept, multi-channel growth.**
 - **In FY2013 INDITEX achieved strong like-for-like sales and space growth. INDITEX strengthened its highly differentiated retail proposition through the optimisation of its retail base.**
 - **INDITEX continued the global rollout of its online sales platform which now covers most of the Northern Hemisphere.**
 - **Net sales for FY2013 reached €16.7 billion, 5% higher. Net sales in local currencies rose 8%.**
 - **Like-for-like sales increased 3% in FY2013 (on 6% in FY2012).**
 - **Space growth was 9% in FY2013. At the end of FY2013 INDITEX operated 6,340 stores in 87 markets. Openings have taken place in 61 markets.**
 - **Gross profit reached €9.9 billion, 4% higher than in FY2012, resulting in a Gross margin of 59.3%.**
 - **Tight control of operating expenses.**
 - **EBITDA was €3.9 billion versus €3.9 billion a year earlier. EBIT was €3.1 billion versus €3.1 billion a year earlier.**
 - **Net income reached €2.4 billion (€3.81 per share), 1% higher.**
 - **The Board of Directors will propose at the General Shareholders Meeting a dividend increase of 10% to €2.42 per share.**
 - **INDITEX expects FY2014 space growth and conversion rates to be in line with its long-term targets.**
 - **Global online sales: Zara plans to launch online sales in South Korea and Mexico in Autumn/Winter 2014, taking the total for INDITEX to 27 markets.**
 - **Store sales in local currencies have increased by 12% from 1 February to 15 March 2014.**
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Performance in FY2013

In FY2013 INDITEX continued its global, multi-concept, multi-channel growth.

In FY2013 INDITEX achieved strong like-for-like sales and space growth. Additionally, INDITEX strengthened its highly differentiated retail proposition through the optimisation of its retail base.

Throughout the year, INDITEX continued the global rollout of its online sales platform which now covers most of the Northern Hemisphere.

Net sales reached €16.7 billion in FY2013, with sales growth of 5% (8% in local currencies).

Like-for-like sales increased 3% in FY2013 (2% first half and 3% second half) on 6% in FY2012. The like-for-like calculation includes 74% of FY2013 store sales (i.e. sales in stores opened for the whole of fiscal years 2013 and 2012).

In FY2013 INDITEX **retail space** increased 9%. Total selling area at FYE reached 3,441,969 square metres:

Square metres	31 Jan 2014	31 Jan 2013	Chg % 13/12
Zara	2,150,517	2,009,717	7%
Pull&Bear	284,429	254,413	12%
Massimo Dutti	193,614	172,095	13%
Bershka	384,911	338,450	14%
Stradivarius	232,034	206,584	12%
Oysho	78,742	74,669	5%
Zara Home	107,263	93,166	15%
Uterqüe	10,459	12,354	-15%
Total	3,441,969	3,161,448	9%

Net store openings in FY2013 amounted to 331 reaching a total of 6,340 stores in 87 markets. In FY2013 INDITEX has opened stores in 61 markets.

INDITEX continued the optimisation of its retail base. In FY2013 INDITEX opened larger new stores, enlarged 100 global flagships, introduced the new image in key stores around the world and absorbed small units into neighbouring stores.

A list of quarterly openings and stores opened as at FYE by concept and by market is included in Annexes IV and V. Annex VI includes information regarding the markets and concepts with online sales.

Net sales by concept are shown in the table below:

Million Euros	2013	2012	Chg % 13/ 12	2yr CAGR
Zara	10,804	10,541	2%	10%
Pull&Bear	1,191	1,086	10%	12%
Massimo Dutti	1,293	1,134	14%	13%
Bershka	1,556	1,485	5%	9%
Stradivarius	1,006	961	5%	7%
Oysho	353	314	12%	6%
Zara Home	451	350	29%	19%
Uterqüe	71	74	-4%	2%
Total	16,724	15,946	5%	10%

The Group operates a global sales platform. **Store sales by geographical area** are shown in the table below:

	2013	2012
Europe ex-Spain	45.9%	45.4%
Asia&RoW	20.4%	19.7%
Spain	19.7%	20.7%
Americas	14.0%	14.2%
Total	100.0%	100.0%

Online sales were launched for Zara in Canada in March 2013 and Zara, Berhska, Massimo Dutti, Stradivarius and Oysho in the Russian Federation over the second half 2013.

Gross profit rose to €9.9 billion, 4% higher than the previous year. The Gross margin has reached 59.3% of sales (59.8% in FY2012).

Operating expenses have been tightly managed over the year and have grown by 7%, mainly as a result of the growth in sales and the new retail space added. They include all the start-up costs for new space addition.

Million Euros	2013	2012
Personnel expenses	2,698	2,548
Rental expenses	1,656	1,530
Other operating expenses	1,644	1,527
Total	5,998	5,605

At FYE 2013 the number of employees was 128,313 (120,314 at FYE 2012).

FY2013 **EBITDA** came to €3.9 billion versus €3.9 billion a year earlier and **EBIT** to €3.1 billion, versus €3.1 billion a year earlier.

The breakdown of EBIT by concept is shown below:

Concept	EBIT by concept (Million Euros)				% sales	% total
	2013	2012	Chg% 13/12	2 yr CAGR	2013	2013
Zara	2,089	2,233	-6%	10%	19.3%	68%
Pull&Bear	196	182	8%	18%	16.4%	6%
Massimo Dutti	247	197	25%	2%	19.1%	8%
Bershka	241	239	1%	23%	15.5%	8%
Stradivarius	212	208	2%	5%	21.1%	7%
Oysho	40	26	56%	5%	11.4%	1%
Zara Home	55	41	35%	19%	12.3%	2%
Uterqüe	-8	-9	-	2%	-	-
Total EBIT	3,071	3,117	-1%	10%	18.4%	100%

The following chart shows the breakdown of Financial results.

Million Euros	FY2013	FY2012
Net financial income (losses)	11	13
Foreign exchange gains (losses)	(30)	1
Total	(18)	14

Net income came to €2.4 billion, 1% higher than the previous year.

INDITEX's Board of Directors will propose at the General Shareholders Meeting a dividend increase of 10%, composed of an ordinary dividend of €1.92 per share and a bonus dividend of €0.50 per share, equating to a **total dividend** of €2.42 per share. €1.21 will be payable on 2 May 2014 as an interim ordinary dividend and €1.21 would be payable on 3 November 2014 as the final ordinary and bonus dividend.

INDITEX continued to show a strong financial position in FY2013.

Million Euros	31 January 2014	31 January 2013
Cash & cash equivalents	3,847	3,843
Short term investments	213	261
Current financial debt	(3)	(2)
Non current financial debt	(2)	(4)
Net financial cash (debt)	4,055	4,097

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

Million Euros	31 January 2014	31 January 2013
Inventories	1,677	1,581
Receivables	815	848
Payables	(3,421)	(3,409)
Operating working capital	(929)	(980)

Funds from Operations reached €2.9 billion in FY2013.

Ordinary Capital Expenditure for FY2013 amounted to €1.24 billion driven by retail space growth in the year.

Dividends paid to shareholders in 2013 reached €1.4 billion.

Start of FY2014

Store sales in local currencies have increased by 12% from 1 February to 15 March 2014. The Spring/Summer season is influenced by the performance over the Easter period due to its significant sales volumes.

Capital Expenditure in FY2014 is expected to be approximately €1.35 billion driven mainly by the addition of new retail space during the year.

FY2014 space growth and conversion rates are expected to be in line with long-term targets. In FY2014 Inditex expects 450-500 gross openings and the selective absorption of 80-100 small units (mainly non-Zara concepts) into neighbouring stores. Approximately 70% of the new contracts have been signed but in some cases openings may not take place in FY2014.

Online sales

Zara began online sales in Greece in March and will launch in Romania in April 2014. Additionally, Zara plans to launch online sales in South Korea and Mexico in Autumn/Winter 2014, taking the total for INDITEX to 27 markets.

FY2014 corporate calendar

INDITEX expects to release interim results for FY2014 on the following dates:

Interim Three Months: 11 June 2014
Interim Half Year: 17 September 2014
Interim Nine Months: 11 December 2014
Fiscal Year: March 2015 (tbc)

For additional information:

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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 FY2013 profit & loss statement Million Euros

	FY2013	FY2012
Net sales	16,724	15,946
Cost of sales	(6,802)	(6,417)
Gross profit	9,923	9,529
<i>Gross margin</i>	<i>59.3%</i>	<i>59.8%</i>
Operating expenses	(5,998)	(5,605)
Other net operating income (losses)	1	(12)
Operating cash flow (EBITDA)	3,926	3,913
<i>EBITDA margin</i>	<i>23.5%</i>	<i>24.5%</i>
Amortisation and depreciation	(855)	(796)
Operating income (EBIT)	3,071	3,117
<i>EBIT margin</i>	<i>18.4%</i>	<i>19.5%</i>
Financial results	(18)	14
Income before taxes	3,053	3,131
<i>EBT margin</i>	<i>18.3%</i>	<i>19.6%</i>
Taxes	(671)	(764)
Net income	2,382	2,367
	<i>14.2%</i>	<i>14.8%</i>
Minorities	4	6
Net income attributable to the controlling company	2,377	2,361
<i>Net income margin</i>	<i>14.2%</i>	<i>14.8%</i>
Earnings per share, cents of euro (*)	381	379

(*) Shares for EPS calculation 623.1 million for 2013 and 623.3 million for 2012

Grupo Inditex
Consolidated Balance Sheet as of 31 January 2014
Million Euros

	31 January 2014	31 January 2013
<u>ASSETS</u>		
CURRENT ASSETS	6,765	6,692
Cash & cash equivalents	3,847	3,843
Short term investments	213	261
Receivables	815	848
Inventories	1,677	1,581
Other	213	160
NON CURRENT ASSETS	6,991	6,198
Tangible assets	5,220	4,745
Intangible assets	846	820
Financial investments	21	4
Other	905	629
TOTAL ASSETS	13,756	12,890
<u>TOTAL LIABILITIES & SHAREHOLDERS' EQUITY</u>		
CURRENT LIABILITIES	3,462	3,485
Payables	3,421	3,409
Financial debt	3	2
Other	38	74
NON CURRENT LIABILITIES	1,016	923
Financial debt	2	4
Deferred taxes	217	192
Other	796	727
SHAREHOLDERS' EQUITY	9,278	8,482
Equity attributable to the Group	9,246	8,446
Minority interests	32	36
TOTAL LIABILITIES & SHAREHOLDERS' EQUITY	13,756	12,890

Grupo Inditex
FY13 Consolidated Statement of Cash Flows
Millions of Euros

	FY2013	FY2012
Income before taxes	3,053	3,131
Adjustments to income-		
Depreciation and amortization	855	796
Foreign exchange impact	58	(14)
Other	(121)	161
Corporate income tax-	(896)	(818)
Funds from operations	2,949	3,256
Changes in assets and liabilities		
Increase in inventories	(142)	(376)
Increase in accounts receivable	25	(289)
Decrease in current liabilities	(4)	529
Changes in working capital	(121)	(137)
Cash from operations	2,827	3,119
Intangible assets investments	(133)	(122)
Tangible assets investments	(1,117)	(1,193)
Acquisitions of businesses	11	-
Addition to other long-term financial investments	(17)	-
Other assets investments	(142)	(24)
Variations in short-term financial investments	47	(261)
Capital expenditure	(1,351)	(1,599)
Net decrease in long-term financial debt	-	4
Acquisition of treasury stock	(46)	-
Net increase in current debt	(1)	1
Dividends	(1,378)	(1,130)
Cash used in financing activities	(1,425)	(1,125)
Net increase in cash and cash equivalents	51	394
Cash and cash equivalents at beginning of the year	3,843	3,467
Foreign exchange impact on cash & cash equivalents	(47)	(18)
Cash and cash equivalents at end of the year	3,847	3,843

Annex I

Income statement: FY2013 quarterly results

	Q1	Q2	Q3	Q4
Net sales	3,593	4,062	4,270	4,800
Cost of sales	(1,453)	(1,716)	(1,614)	(2,018)
Gross profit	2,140	2,346	2,656	2,781
	59.6%	57.7%	62.2%	57.9%
Operating expenses	(1,389)	(1,472)	(1,504)	(1,634)
Other net operating income (losses)	(2)	1	(0)	2
Operating cash flow (EBITDA)	749	875	1,152	1,150
	20.9%	21.5%	27.0%	24.0%
Amortisation and depreciation	(190)	(216)	(222)	(227)
Operating income (EBIT)	559	660	930	922
	15.6%	16.2%	21.8%	19.2%
Financial results	12	(14)	(6)	(10)
Income before taxes	571	646	924	913
	15.9%	15.9%	21.6%	19.0%
Taxes	(131)	(133)	(200)	(207)
Net income	440	512	723	706
	12.2%	12.6%	16.9%	14.7%
Minorities	2	(0)	0	3
Net income attributable to the controlling company	438	512	723	703
	12.2%	12.6%	16.9%	14.7%

Annex II

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

Million Euros	2013	2012
Net income	2,377	2,361
Shareholders equity - previous year	8,446	7,415
Shareholders equity - current year	9,246	8,446
Average equity	8,846	7,930
Return on Equity	27%	30%

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

Million Euros	2013	2012
EBIT	3,071	3,117
Average capital employed		
Average shareholders' equity	8,846	7,930
Average net financial debt (*)	0	0
Total average capital employed	8,846	7,930
Return on Capital employed	35%	39%

(*) Zero when net cash

Return on Capital Employed by concept:

Concept	2013	2012
Zara	31%	37%
Pull&Bear	50%	57%
Massimo Dutti	45%	42%
Bershka	46%	51%
Stradivarius	53%	57%
Oysho	34%	21%
Zara Home	36%	38%
Uterqüe	-	-
Total	35%	39%

Annex III

Company-managed stores and franchised stores at FYE:

Concept	Co. Mag.	Franchised	Total
Zara	1,628	199	1,827
Zara Kids	164	0	164
Pull & Bear	729	124	853
Massimo Dutti	573	92	665
Bershka	818	136	954
Stradivarius	699	159	858
Oysho	486	63	549
Zara Home	351	43	394
Uterqüe	60	16	76
Total	5,508	832	6,340

Sales in company-managed and franchised stores:

Concept	Company Managed	Franchised
Zara	88%	12%
Pull & Bear	84%	16%
Massimo Dutti	82%	18%
Bershka	84%	16%
Stradivarius	80%	20%
Oysho	87%	13%
Zara Home	86%	14%
Uterqüe	83%	17%
Total	86%	14%

Annex IV

Summary of net openings by quarter:

Concept	1Q 2013	2Q 2013	3Q 2013	4Q 2013	Total 2013
Zara	12	7	38	19	76
Zara Kids	(3)	(5)	(2)	0	(10)
Pull&Bear	1	8	9	19	37
Massimo Dutti	0	4	15	16	35
Bershka	14	11	24	20	69
Stradivarius	14	22	26	16	78
Oysho	5	4	9	7	25
Zara Home	7	(1)	25	6	37
Uterqüe	(1)	(4)	1	(12)	(16)
Total	49	46	145	91	331

Total stores by quarter:

Concept	1Q 2013	2Q 2013	3Q 2013	4Q 2013
Zara	1,763	1,770	1,808	1,827
Zara Kids	171	166	164	164
Pull&Bear	817	825	834	853
Massimo Dutti	630	634	649	665
Bershka	899	910	934	954
Stradivarius	794	816	842	858
Oysho	529	533	542	549
Zara Home	364	363	388	394
Uterqüe	91	87	88	76
Total	6,058	6,104	6,249	6,340

Annex V

Stores by concept and market as at 31 January 2014:

Market	Zara	Zara Kids	Pull & Bear	Massimo Dutti	Bershka	Stradivarius	Oysho	Zara Home	Uterqüe	INDITEX
Algeria	1									1
Andorra	1		1	1	1	1	1	1	1	8
Argentina	10									10
Armenia	1		1	1	1	1	1			6
Australia	8									8
Austria	12		2		6					20
Azerbaijan	2		1	1	2	1	1			8
Bahrein	2		2	2	1	1	1	1		10
Belgium	27		7	23	10			6	4	77
Bosnia	1		1		1	1				4
Brazil	47							5		52
Bulgaria	7		5	4	6	5	5			32
Canada	25			2				2		29
Chile	8									8
China	152		61	53	64	66	42	17	2	457
Colombia	11		3	3	8	9	1	2		37
Costa Rica	2		1	1	1	1		1		7
Croatia	9		5	3	7	5	2	1		32
Cyprus	6		6	4	7	7	4	4	2	40
Czech Republic	7		4	1	4	2				18
Denmark	2									2
Dominican Republic	2		1	2	2	2	2	1		12
Ecuador	2		1	1	2	1	1			8
Egypt	4		5	4	5	4	3	3		28
El Salvador	2		2		1	1				6
Estonia	2		1		1	1				5
Finland	4									4
France	125	1	25	23	41	21	12	19		267
Georgia	2		1	2	1	1	1			8
Germany	72		3	13	6			10		104
Greece	41	6	23	12	28	16	18	8		152
Guatemala	2		2	1	2	2	2	1		12
Honduras	2		1	1	2	1		1		8
Hungary	8		7	1	9	7	1			33
Iceland	2									2
India	14									14
Indonesia	13		9	4	5	10		1		42
Ireland	9		5	2	6	2				24
Israel	22		24	2	7					55
Italy	91	8	39	9	49	49	45	26		316
Japan	90				14			2		106
Jordan	2		2	2	1	4	1	1	1	14
Kazakhstan	3		2	2	2	2	1	1		13
Kuwait	5		4	2	2	1	3	1	2	20
Latvia	4		3	2	3	1				13
Lebanon	6		5	6	6	5	5	5	2	40
Lithuania	4		4	4	4	4				20
Luxembourg	3			1						4
Macedonia	1		1	1	1	1				5
Malaysia	9		2	5	4					20
Malta	1		3	1	2	2	1	1		11
Mexico	59		45	33	54	13	39	19	10	272
Monaco	1									1
Montenegro	1		1		1	1	1			5
Morocco	4		2	2	2	6	3	3	1	23
Netherlands	25		5	4	13			3		50
Norway	3			1						4
Oman	1					1	1	1		4
Panama	2		1		1	1	1	1		7
Peru	1							1		2
Philippines	6			3	2	3				14
Poland	45		32	22	48	71	15	9		242
Portugal	61	18	55	43	49	43	35	26	5	335
Puerto Rico	2			1						3
Qatar	2		2	2	2	1	2	2	2	15
Romania	21		19	9	19	19	7	4		98
Russia	74		66	30	69	67	50	23	7	386
Saudi Arabia	27		12	12	27	37	19	4	2	140
Serbia	4		2	2	2	2	2			14
Singapore	8		4	4	4	3				23
Slovakia	3		2		3	3				11
Slovenia	5		2	1	4	4				16
South Africa	4									4
South Korea	40		5	5	5	4				59
Spain	323	131	262	232	256	294	185	143	32	1,858
Sweden	10			3				1		14
Switzerland	14			6	2					22
Taiwan	6		1	1				1		9
Thailand	9		3	2	2	3		1		20
Tunisia	2				2					4
Turkey	34		26	18	28	26	21	14		167
Uae	10		8	10	8	7	8	6	3	60
Ukraine	9		11	4	11	11	6			52
United Kingdom	66		7	11	5			10		99
United States	45			2						47
Uruguay	2							1		3
Venezuela	10		5		10					25
Total	1,827	164	853	665	954	858	549	394	76	6,340

Annex VI

Markets and concepts with online sales:

From 29 Oct 2007	Zara Home	Europe: Austria, Belgium, Denmark, France, Germany, Greece, Ireland, Italy, Luxembourg, Monaco, Netherlands, Portugal, Spain, Sweden, UK, Switzerland, Norway, Finland, Poland
2 Sept 2010	Zara	Spain, Portugal, France, Germany, Italy, UK
4 Nov 2010	Zara	Netherlands, Belgium, Luxembourg, Austria, Ireland
3 March 2011	Zara	Switzerland, Monaco, Sweden, Denmark, Norway
From 6 Sept 2011	Massimo Dutti, Bershka, Pull&Bear, Stradivarius, Oysho, Uterqüe	Europe
7 Sept 2011	Zara	United States
20 Oct 2011	Zara	Japan
7 March 2012	Zara	Poland
5 Sep 2012	Zara	China
Oct. 2012	Massimo Dutti, Zara Home	United States
6 March 2013	Zara	Canada
28 Aug 2013	Zara	Russian Federation
1 October 2013	Massimo Dutti, Bershka, Stradivarius, Oysho	Russian Federation
March/April 2014	Zara	Greece, Romania
Autumn/Winter 2014	Zara	South Korea, Mexico