

**INDITEX**

**FY2009 Results Presentation**

**17 March 2010**

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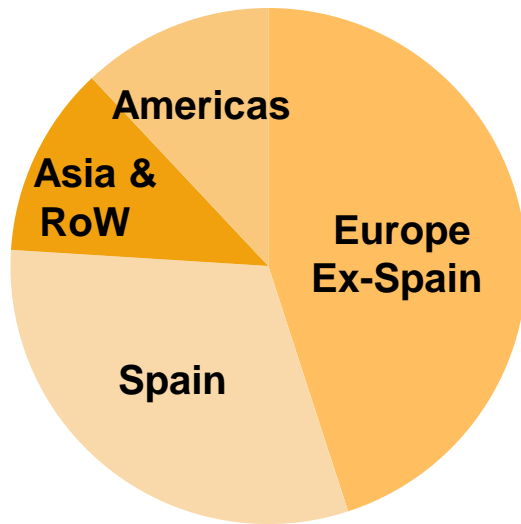
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The contents of this disclaimer should be taken into account by all persons or entities.

- ▶ Satisfactory sales growth of 9% in local currencies
- ▶ Ongoing international expansion
- ▶ High operational efficiency and cost control
- ▶ Strong cash flow and reinvestment in the business
- ▶ Increased shareholder remuneration

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million €	FY2009	% 09/08
Net sales	11,084	7%
Gross profit	6,328	7%
EBITDA	2,374	9%
Net income	1,314	5%
Funds from operations	2,060	11%



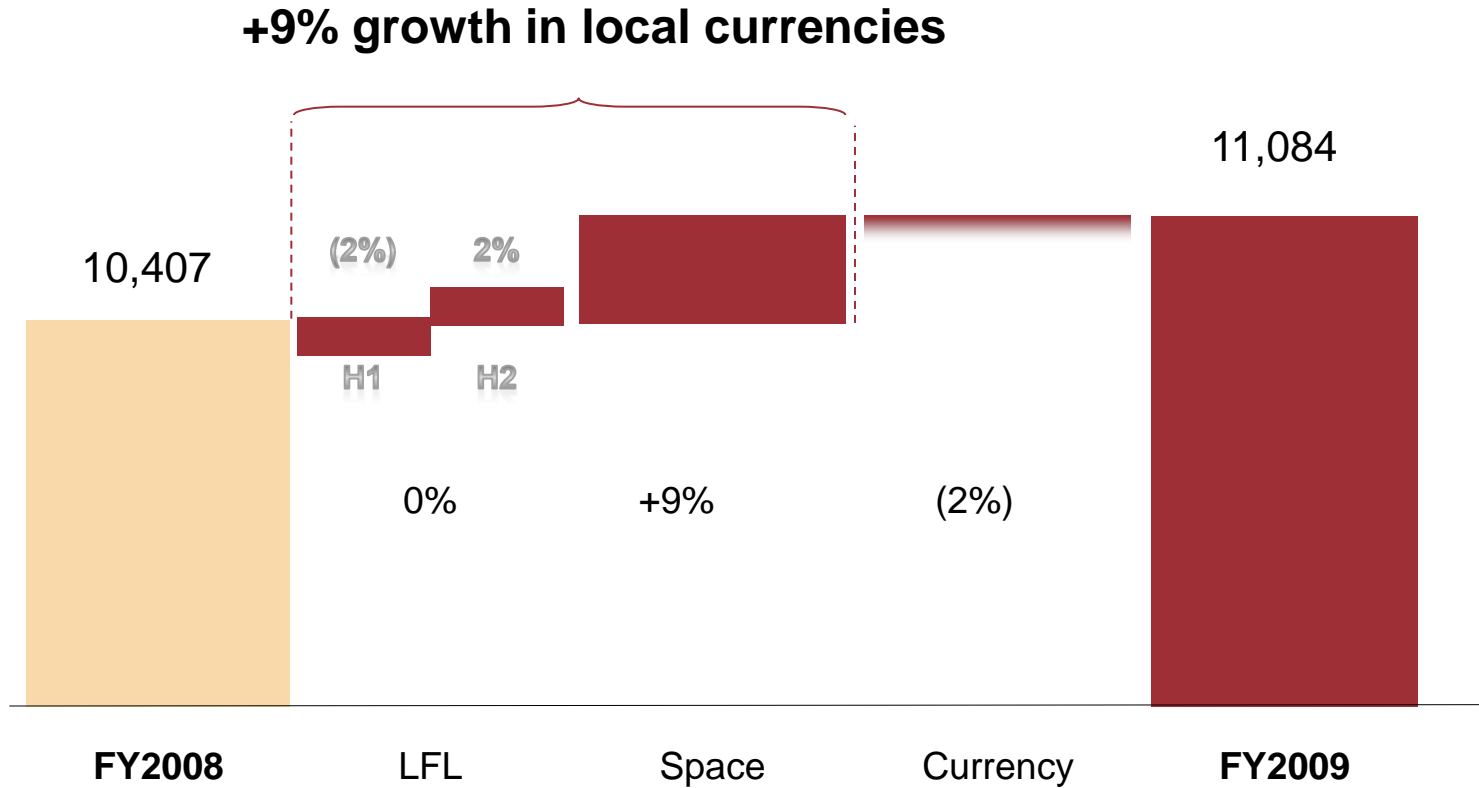
## Store sales (%) FY2009 FY2008

Europe ex-Spain	46%	45%
Spain	32%	34%
Asia	12%	10%
Americas	10%	11%

Store sales: Includes sales in OMS and franchises

# Sales growth breakdown in 2009

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# Satisfactory gross margin evolution

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<b>% on sales</b>	<b>FY2009</b>	<b>FY2008</b>	<b>% 09/08</b>
Gross margin	57.1%	56.8%	27 b.p.

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- ▶ Flexible business model
- ▶ Sustained commercial policies

# Tight control of operating expenses

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million €	FY2009	% 09/08
Personnel expenses	1,792	5%
Rental expenses	1,134	10%
Other operating expenses	1,027	5%
<b>Total</b>	<b>3,953</b>	<b>7%</b>

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- ▶ FY2009 efficiencies plan fully achieved



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million €	FY2009	FY2008
Inventory	993	1,055
Receivables	422	585
Payables	(2,270)	(2,157)
Operating working capital	(856)	(517)

# Strong cash flow

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million €

**FY2009**

Funds from operations

2,060

CAPEX

510

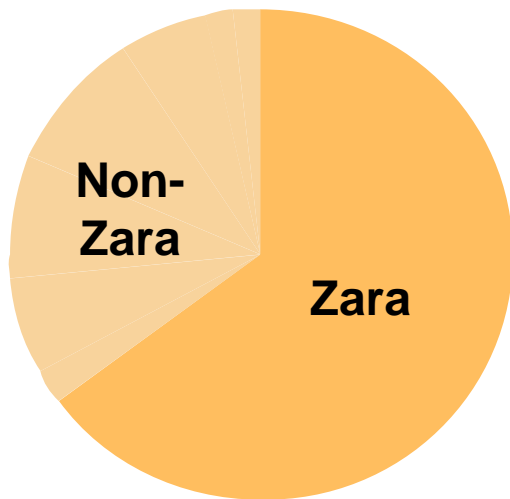
Dividends

662

# **Inditex concepts**

# Sales by concept

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Concept	FY2009	FY2008
Zara	63.8%	65.6%
Non Zara	36.2%	34.4%
Pull and Bear	7.0%	6.9%
Massimo Dutti	7.1%	6.9%
Bershka	10.6%	9.9%
Stradivarius	6.3%	6.1%
Oysho	2.5%	2.3%
Zara Home	2.2%	2.1%
Uterqüe	0.4%	n.a.

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million €	FY2009	% 09/08
Net Sales	7,077	4%
EBIT	1,105	5%
<i>EBIT margin</i>	<i>15.6%</i>	

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- ▶ Sales growth in local currency +6%

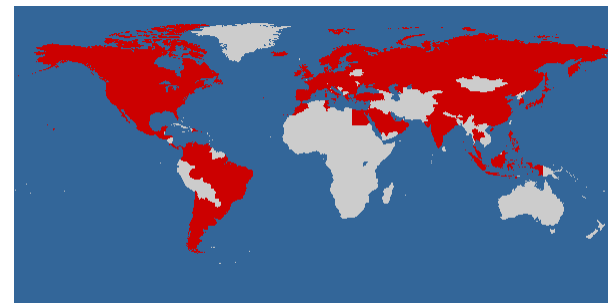
- ▶ Continued growth for the concepts
- ▶ Strong performance of Bershka
- ▶ Solid recovery of Zara Home and Oysho
- ▶ Successful expansion of Uterqüe: 60 stores in 13 countries

# **Outlook**

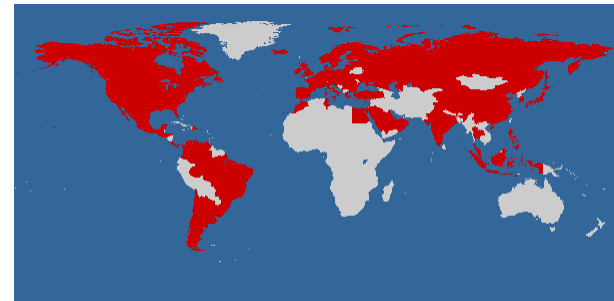
- ▶ Global growth opportunities
- ▶ Growth profile 2010-2012
- ▶ Outlook FY2010



- ▶ Inditex: strong growth potential
  - flexible business model
  - latest fashion trends at the right time at affordable prices
  - multiconcept approach
  - business model avoids the main fixed costs associated with international expansion



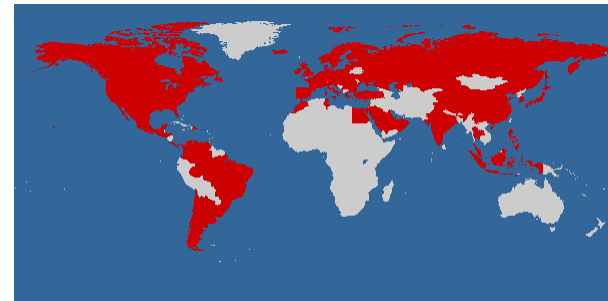
- ▶ Profitable expansion of the business remains a key priority
- ▶ Focus in Europe and Asia



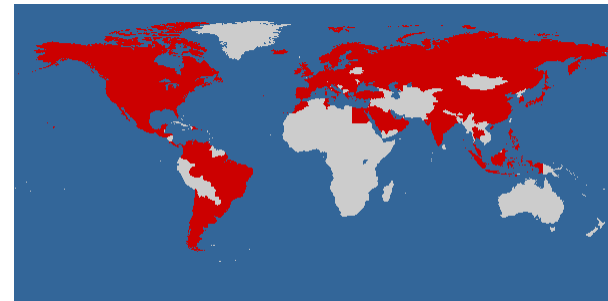
- ▶ Growth in Europe: Inditex domestic market
  - Expansion area for all the concepts
  - Market share below 1% in most countries
  - Strong growth markets
    - Italy, France, Germany, UK
    - Eastern Europe and Russian Federation



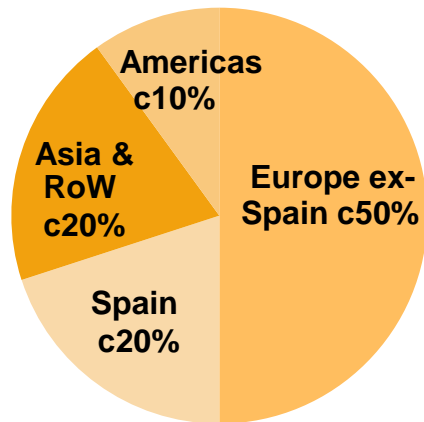
- ▶ Growth in Asia: Leveraging on a strategic presence
  - Markets in transformation
  - Multiconcept expansion
  - Main growth markets: China, Japan, Korea
  - India: first Zara openings in May 2010



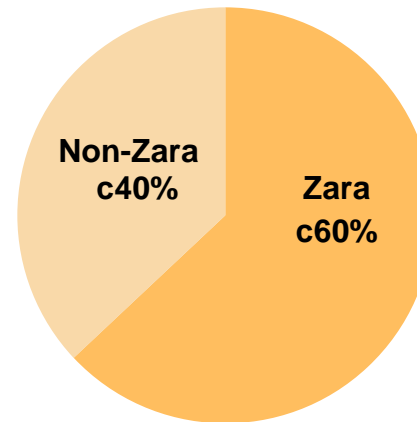
- ▶ Growth in the Americas:
  - Build on current platform through selective expansion



## International



## Multiconcept



- ▶ Profitable investment in the expansion of our business in markets with attractive long term returns
- ▶ Highly diversified sales platform: stores in more than 80 countries through 8 concepts
- ▶ Space to grow annually by 8% to 10%

- ▶ Zara online sales:
  - On track for launch in Autumn-Winter 2010
  - Initially in France, Germany, Italy, Portugal, Spain and UK
  - Progressive rollout in all Zara markets



Store opening programme	Range		% Int'l
Zara	110	120	98%
Pull and Bear	40	50	95%
Massimo Dutti	25	35	98%
Bershka	45	50	98%
Stradivarius	65	75	95%
Oysho	30	35	80%
Zara Home	25	30	65%
Uterqüe	25	30	65%
Total net openings	365	425	

- ▶ c95% new space in International markets
- ▶ Capital Expenditure: c570 million €



## ▶ Shareholder remuneration

- FY2009 dividend proposal 1.20 € per share payable:
  - 3 May: 0.60 € ordinary
  - 2 November: 0.50 € ordinary + 0.10 € bonus
- 748 million € to be distributed to shareholders
- 14% increase over FY2008

- ▶ Store sales in local currencies have increased by 14% from 1 February to 14 March 2010
- ▶ The Spring-Summer season is influenced by the performance over the Easter period due to its significant sales volumes

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Q&A**

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