

**Results**  
**Interim Three Months 2004**

10 June 2004

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# Highlights

INDITEX

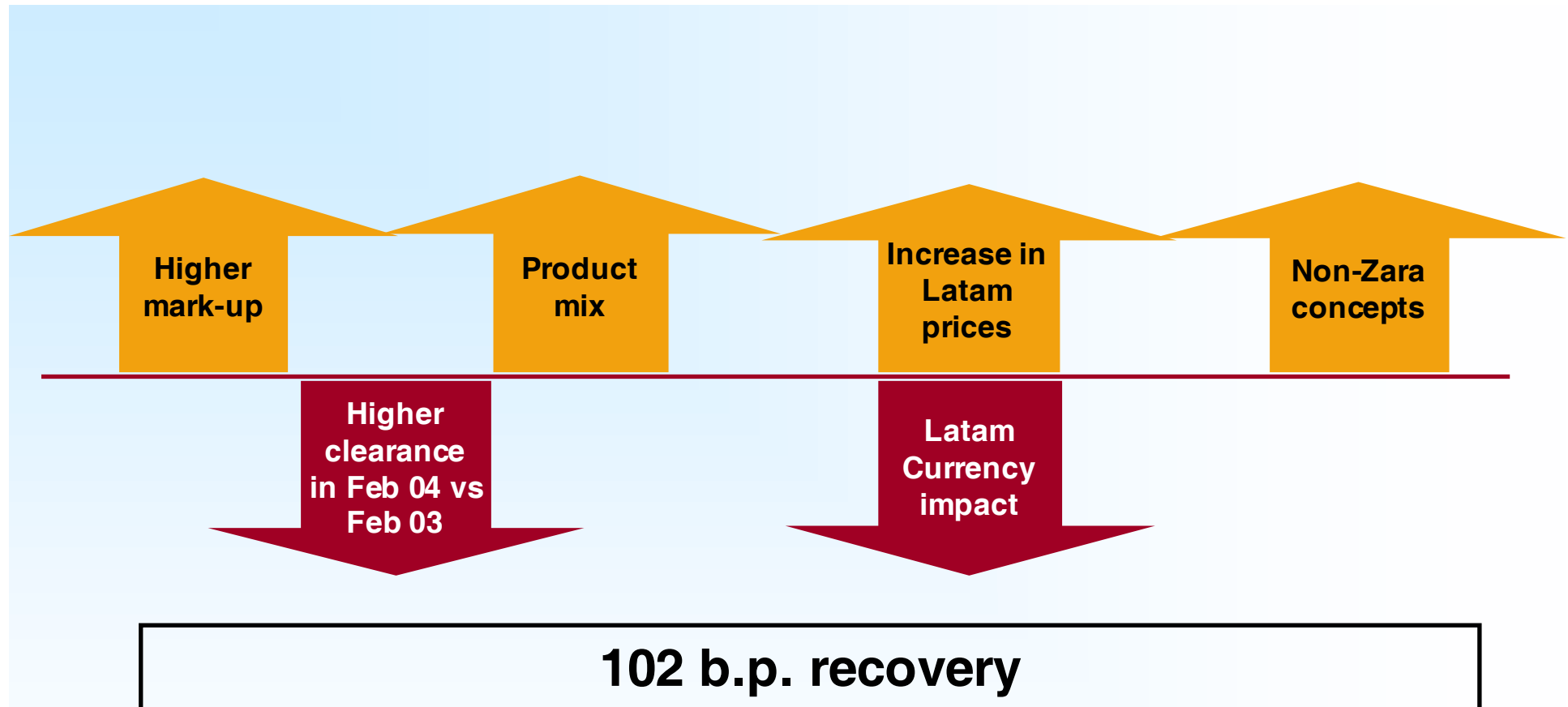
million €	1Q2004	1Q2003	% 04/03
<b>NET SALES</b>	<b>1,203</b>	<b>979</b>	<b>23%</b>
<b>GROSS MARGIN</b> <i>% margin</i>	<b>626</b> <i>52.0%</i>	<b>499</b> <i>51.0%</i>	<b>25%</b>
<b>EBITDA</b> <i>EBITDA margin</i>	<b>224</b> <i>18.6%</i>	<b>179</b> <i>18.3%</i>	<b>25%</b>
<b>EBIT</b> <i>EBIT margin</i>	<b>155</b> <i>12.9%</i>	<b>124</b> <i>12.7%</i>	<b>25%</b>
<b>NET INCOME</b> EPS (€ cents)	<b>99</b> <i>15.8</i>	<b>82</b> <i>13.2</i>	<b>20%</b>

# Openings

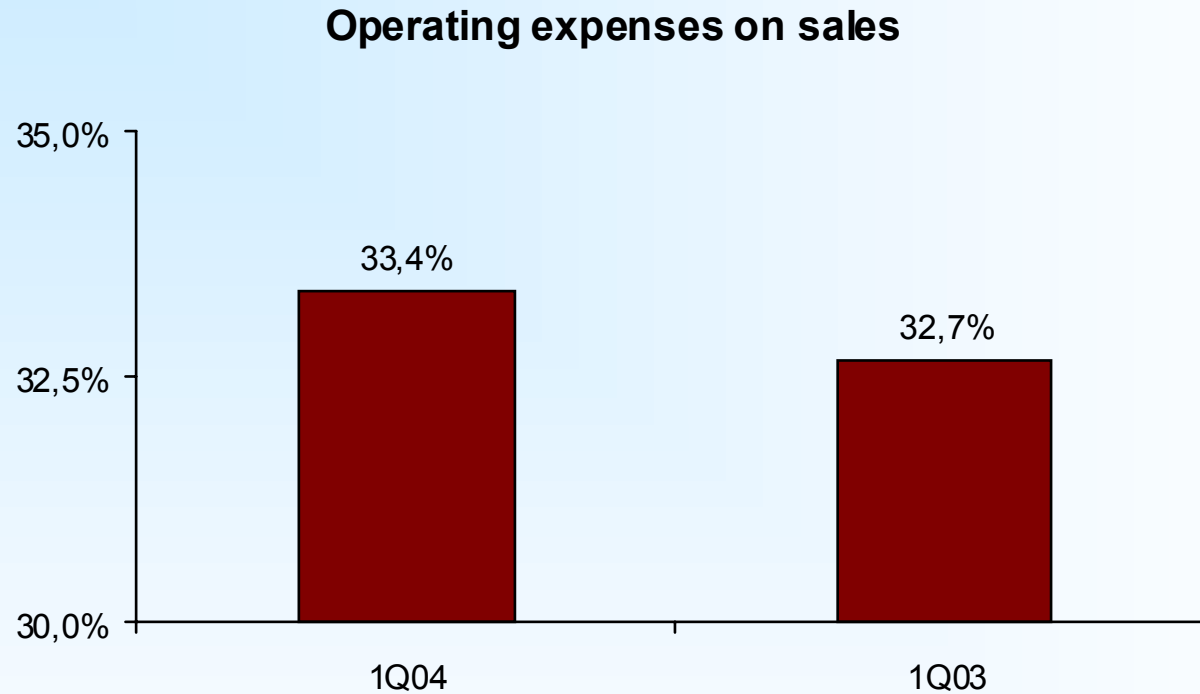
	Net openings		Stores as of 30 April 04	Stores as of 30 April 03
	1Q04	1Q03		
ZARA	15	19	641	550
KIDDY'S CLASS	7	11	110	70
PULL & BEAR	6	18	355	314
MASSIMO DUTTI	8	9	304	259
BERSHKA	7	15	260	212
STRADIVARIUS	8	8	199	161
OYSHO	4	(4)	80	68
ZARA HOME	8	0	34	0
<b>Total net openings</b>	<b>61</b>	<b>76</b>	<b>1,983</b>	<b>1,634</b>
<b>% on FY openings</b>	<b>17%-19%</b>	<b>21%</b>		

# Gross Margin drivers 1Q04

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# Operating expenses



- **Cost of new and immature space**
  - **2<sup>nd</sup> DC for Zara**
  - **M – 11 impact**

# Financial results

**INDITEX**

(€ million)	Q1 2004	Q1 2003
<b>Financial income</b>	(1.0)	0.2
<b>FX losses</b>		
<b>Venezuela (1)</b>	(5.9)	0.3
<b>Other</b>	(1.7)	0.7
	<b>(8.6)</b>	<b>1.2</b>

<b>(1) Venezuela impact</b>		
<b>Devaluation</b>	(3.1)	→ Impact on trade accounts
<b>Bonds</b>	(2.8)	→ Capital repatriation
<b>total</b>	<b>(5.9)</b>	

# Working capital

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	1Q 2004	Var. 1Q 04/1Q03
	€ mill.	%
<b>Inventories</b>	444	+1%
<b>Receivables</b>	244	+3%
<b>Payables</b>	745	(6%)



# **Growth prospects**

# FY2004: CAPEX

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

ZARA  
 KIDDY'S CLASS  
 PULL & BEAR  
 MASSIMO DUTTI  
 BERSHKA  
 STRADIVARIUS  
 OYSHO  
 ZARA HOME  
**total net openings**

Range	
105	115
25	30
20	30
35	40
50	55
30	35
20	25
30	35
<b>315</b>	<b>365</b>

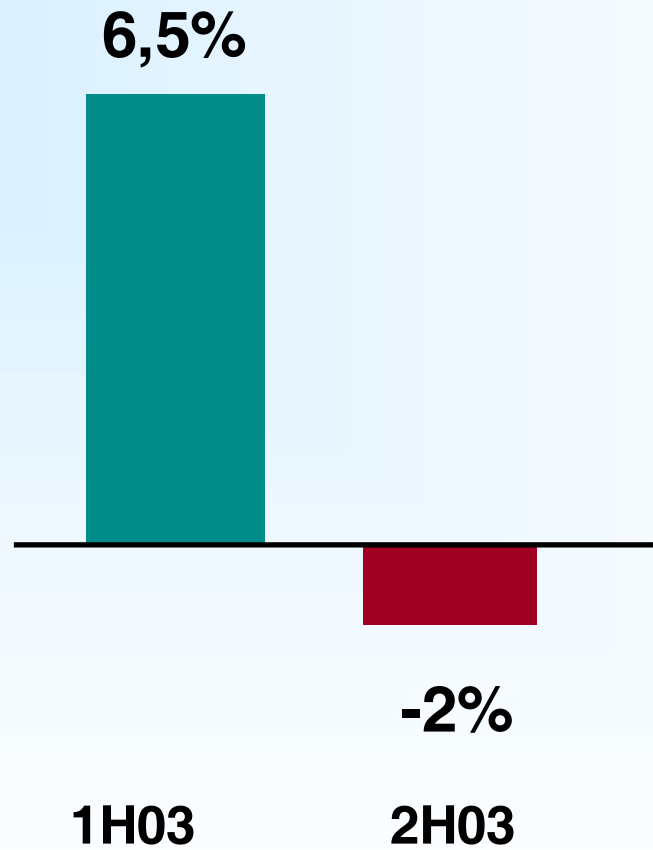
% Int'nal openings
80%
10%
25%
50%
50%
10%
25%
5%

- +20%/+25% space growth

# FY2004: Outlook

**INDITEX**

## Like-for-like growth



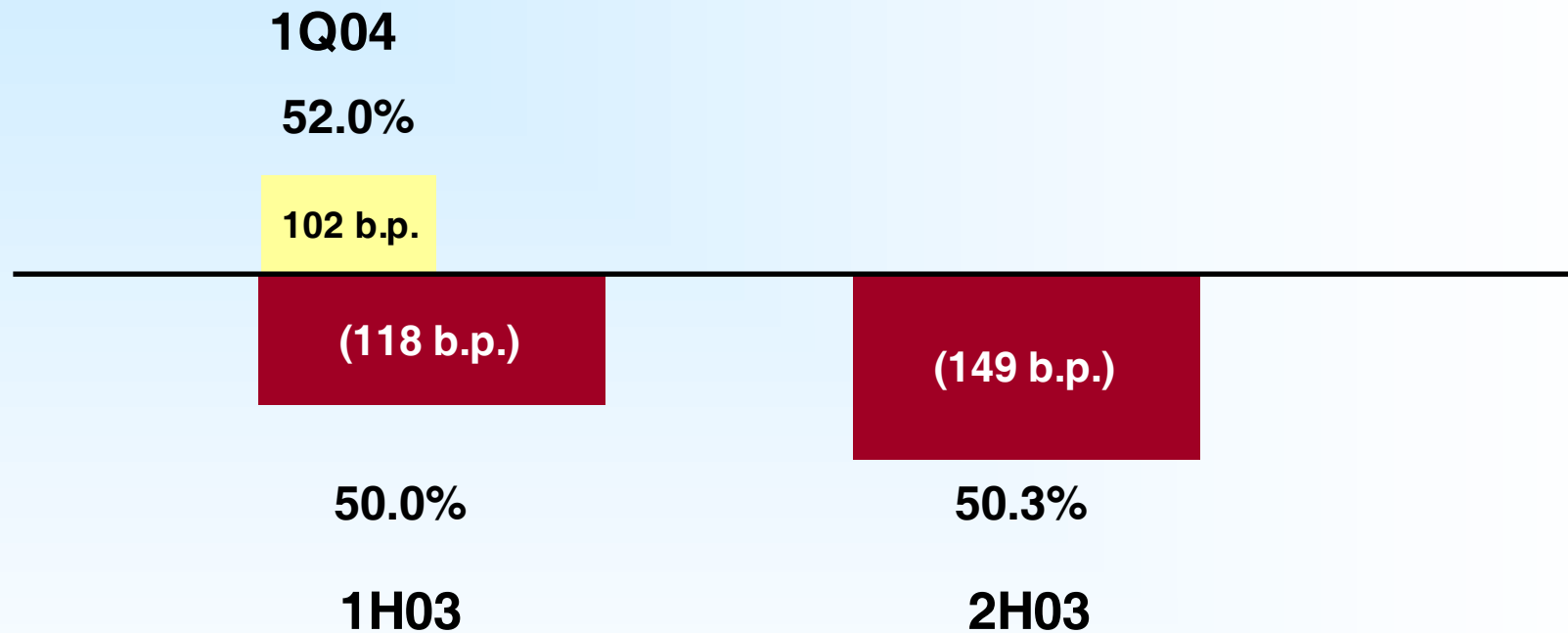
**Easier comp for 2H04**

## Q2 2004: Outlook

- **During 6 first weeks of second quarter 2004, Group sales remain in line with Management's expectations:**
  - **Calendar effect in May**
  - **Sales performance in 1H03**

	<b>Q1 03</b>	<b>Q2 03</b>
Sales growth in constant currency	22%	28%

# Q2 2004 : Outlook for Gross Margin



**Sustained recovery in Gross Margin under current circumstances**

# FY2004: Outlook for Gross Margin

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	<u>1H2004</u>	<u>2H2004</u>
● Acceptance of Collection	✓	
● Mark-ups	✓	✓
● Inventory Management		
— Weight of sales period	✓	
— Mark-downs	✓	
● Currency impact	✓	

**Gradual recovery in 2004 Gross Margin to 2002 levels**

- **AGM to be held on 16 July**
- **Interim Half Year 2004 Results to be released on 22 September**

# Q&A

10 June 2004