

Results
Interim Nine Months 2004

14 December 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.

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

- **Interim Nine Months 2004**
 - Overview
 - Financial summary
- **Outlook**

Overview: Interim Nine Months 2004

INDITEX

- **Sales growth +24%**
 - **241 net store openings to 2,163 in 55 countries**
- **Gross Margin expansion to 53.5% of sales (+263 b.p.)**
- **EBIT growth +41%**
- **Net income growth +39%**
- **EPS of 64 cents**
- **Satisfactory performance across the board, except KC, including recovery of Pull & Bear and Stradivarius**

Highlights Interim Nine Months 04

million €	3Q2004	3Q2003	% 04/03
NET SALES	3,961	3,200	24%
GROSS MARGIN <i>% margin</i>	2,118 <i>53.5%</i>	1,627 <i>50.8%</i>	30%
EBITDA <i>EBITDA margin</i>	826 <i>20.8%</i>	601 <i>18.8%</i>	37%
EBIT <i>EBIT margin</i>	604 <i>15.2%</i>	427 <i>13.4%</i>	41%
NET INCOME EPS (€ cents)	397 <i>64</i>	285 <i>46</i>	39%

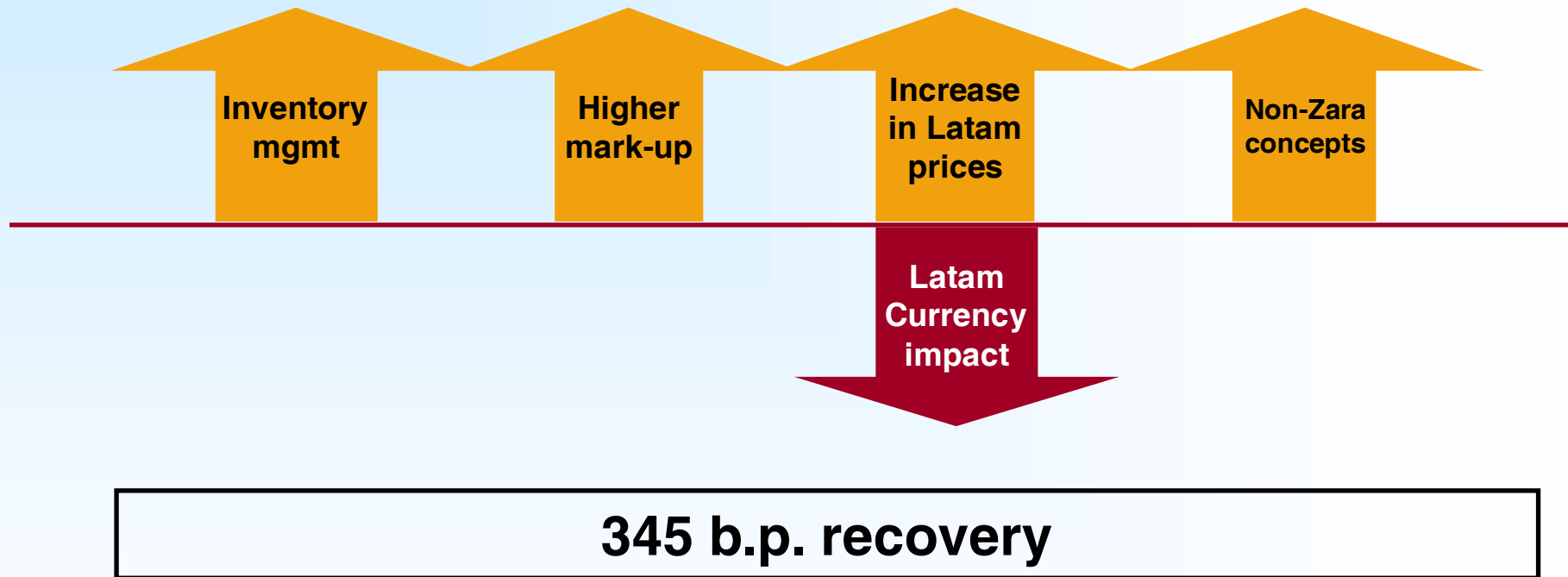
Openings Interim Nine Months 04

INDITEX

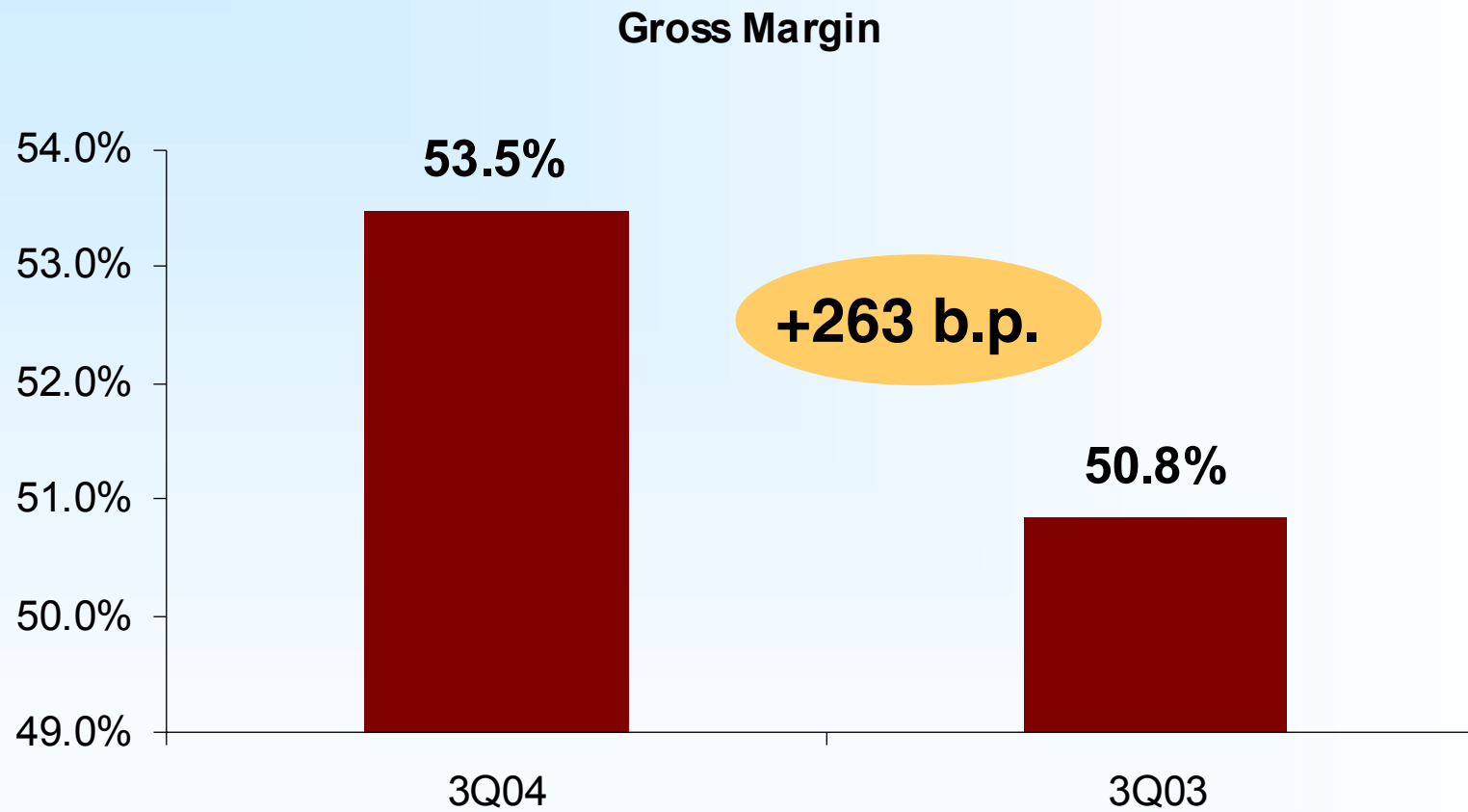
	Net openings		Stores as of 31 Oct. 04	Stores as of 31 Oct. 03
	3Q04	3Q03		
ZARA	69	62	695	593
KIDDY'S CLASS	21	35	124	94
PULL & BEAR	18	44	368	340
MASSIMO DUTTI	26	37	323	287
BERSHKA	34	39	287	236
STRADIVARIUS	25	28	216	181
OYSHO	22	(1)	98	71
ZARA HOME	26	16	52	16
Total net openings	241	260	2,163	1,818
% on FY openings	72%-76%	71%		

Gross Margin drivers Q3 04

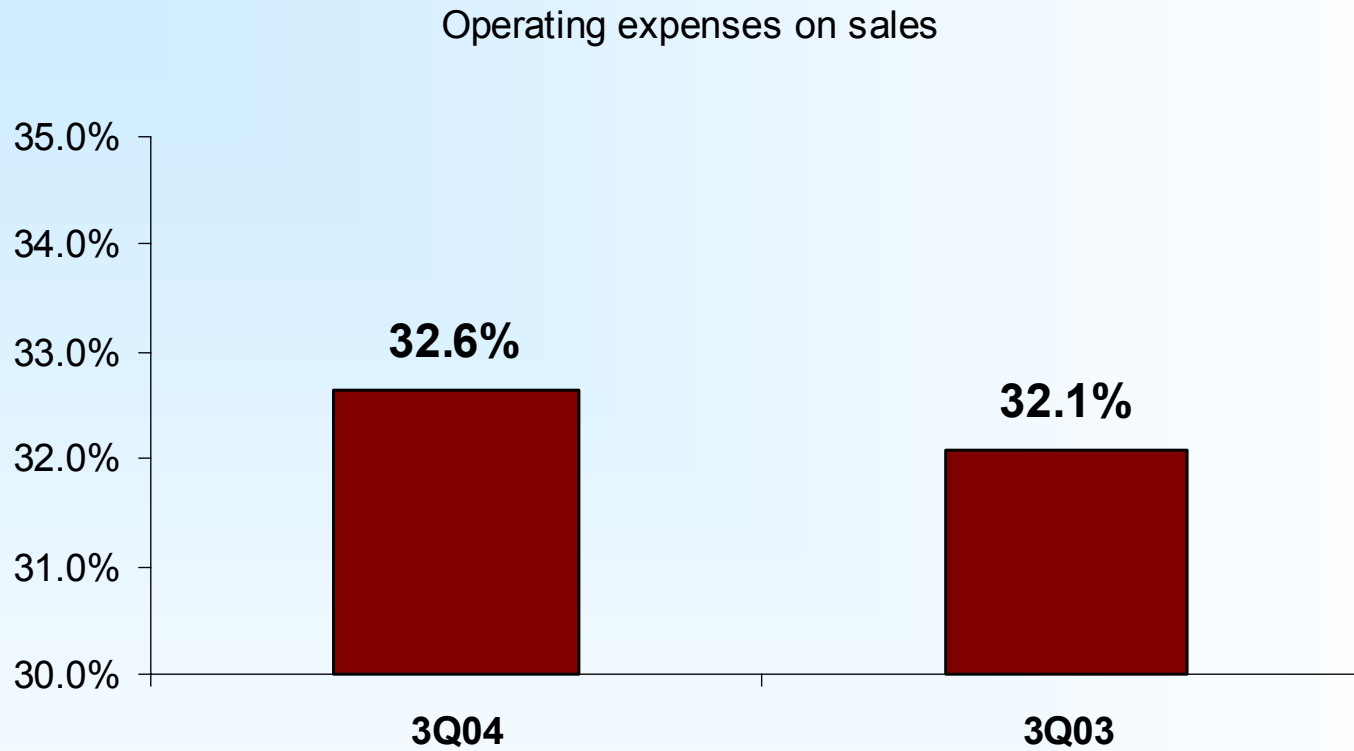
INDITEX



Gross Margin Interim Nine months 04



Operating expenses Interim Nine months 04 **INDITEX**



Cost of expansion

Financial expenses

(€ million)	Q1 04	Q2 04	Q3 04
Financial expenses	(1.0)	(2.0)	(0.7)
FX losses	(7.6)	0.3	(5.5)
	(8.6)	(1.7)	(6.2)

- Financial expenses according to financial position
- FX losses related to USD weakness vs. Euro in Q3

Extraordinary Results

(€ million)	Q1 04	Q2 04	Q3 04
Extraordinary losses	(1.5)	(0.4)	(11.6)

Includes a €12 million charge in Q3 04 for the write off of assets

Working capital

INDITEX

(€ million)	3Q04	3Q03	yoy
Inventory	550	590	(7%)
Receivables	309	272	14%
Payables	(1,133)	(956)	18%
Accruals	11	9	
Operating working capital	(263)	(86)	

Outlook

FY2004: CAPEX

- **Store opening plan:**

	Range		% Int'nal openings
ZARA	96	98	80%
KIDDY'S CLASS	24	26	10%
PULL & BEAR	24	26	25%
MASSIMO DUTTI	33	36	50%
BERSHKA	46	49	50%
STRADIVARIUS	35	37	10%
OYSHO	26	30	25%
ZARA HOME	33	35	5%
total net openings	317	337	

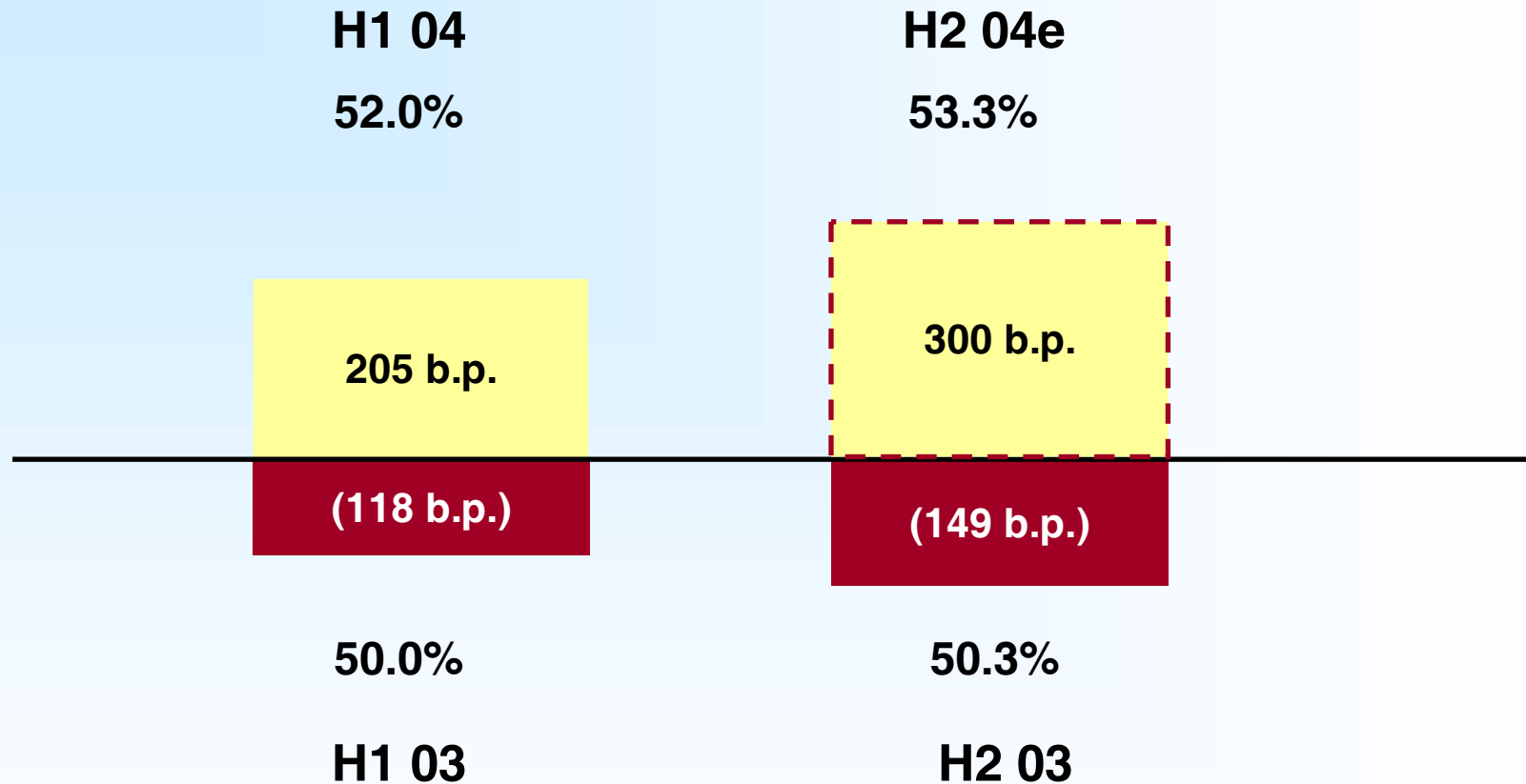
- **+20%/+25% space growth**
- **Expected CAPEX 700 - 750 MM €**

H2 2004: Outlook

- During first 6 weeks of fourth quarter 2004 sales performance in line with expectations
- 2nd Half performance can't be fully assessed until Christmas sales and after-Christmas clearance is through
- Expected sales growth in the 23% to 25% range for the Fiscal year

	Q3	Q4
Sales growth 2003	11%	15%
Sales growth 2004	27%	

H2 2004 : Outlook for Gross Margin



Expected 300 b.p. recovery in H2 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	✓	✓

**Expected 250 b.p. recovery in FY04 Gross Margin
under current circumstances**

- **This would result in an extraordinary growth rate in 2004, as performance is impacted in some degree by the weakness of 2H03.**
- **Inditex on track to meet long term targets**
- **FY 2005:**
 - **300-350 net store openings**
 - **Demanding sales comparables**
 - **2004 Gross Margin target sustainable**

- **FY2004 Results to be released on the 31st of March 2005**

Q & A

14 December 2004