

**Results**  
**Interim Three Months 2006**

14 June 2006

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

- **Interim Three Months 2006**
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- **Outlook**

# Interim 3-Months 2006: Overview

**INDITEX**

- Sales growth +22% (+20% in constant currency)
- Gross Margin at 55.7%
- EBIT growth +19%
- Net income growth +20%
- EPS of 24.2 cents
- 114 net store openings to 2,806

# Highlights

**INDITEX**

million €

**Net Sales**

**Gross Margin**  
*% margin*

**EBITDA**  
*EBITDA margin*

**EBIT**  
*EBIT margin*

**Net Income**  
EPS (€ cents)

**1Q 2006**

**1,715**

**956**  
55.7%

**313**  
18.2%

**214**  
12.5%

**150**  
24.2

**1Q 2005**

**1,406**

**784**  
55.7%

**261**  
18.6%

**180**  
12.8%

**125**  
20.1

**% 06/05**

**22%**

**22%**

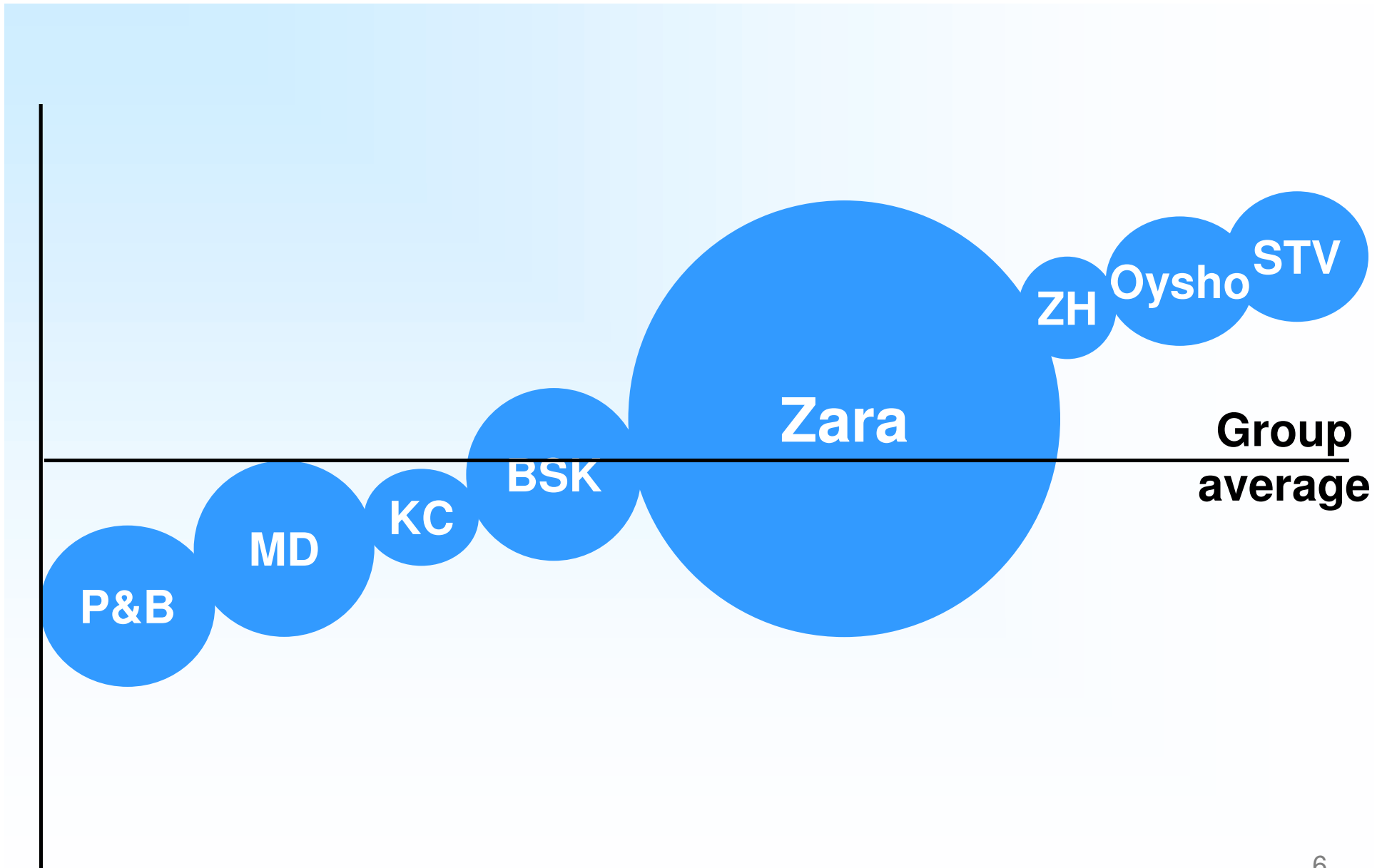
**20%**

**19%**

**20%**

# Sales performance per concept

**INDITEX**



# Gross Margin Interim 3-Months 2006

% on Sales	1Q06	1Q05	% 06/05
<b>Gross margin</b>	<b>55.7%</b>	<b>55.7%</b>	<b>(1 b.p.)</b>

**Sourcing efficiencies resulting in better mark-ups**

**Stability of pricing policy**

**Increasing weight of international sales**

**Negative impact from a higher USD/Euro exchange rate**

# Operating expenses Interim 3-Months 2006

(€ million)

	1Q06	1Q05	%06/05
<b>Operating expenses</b>	<b>640</b>	<b>520</b>	<b>+23%</b>

**Operating expenses growth in accordance with the Group's budget**

**Start of Reduce 3 implementation**

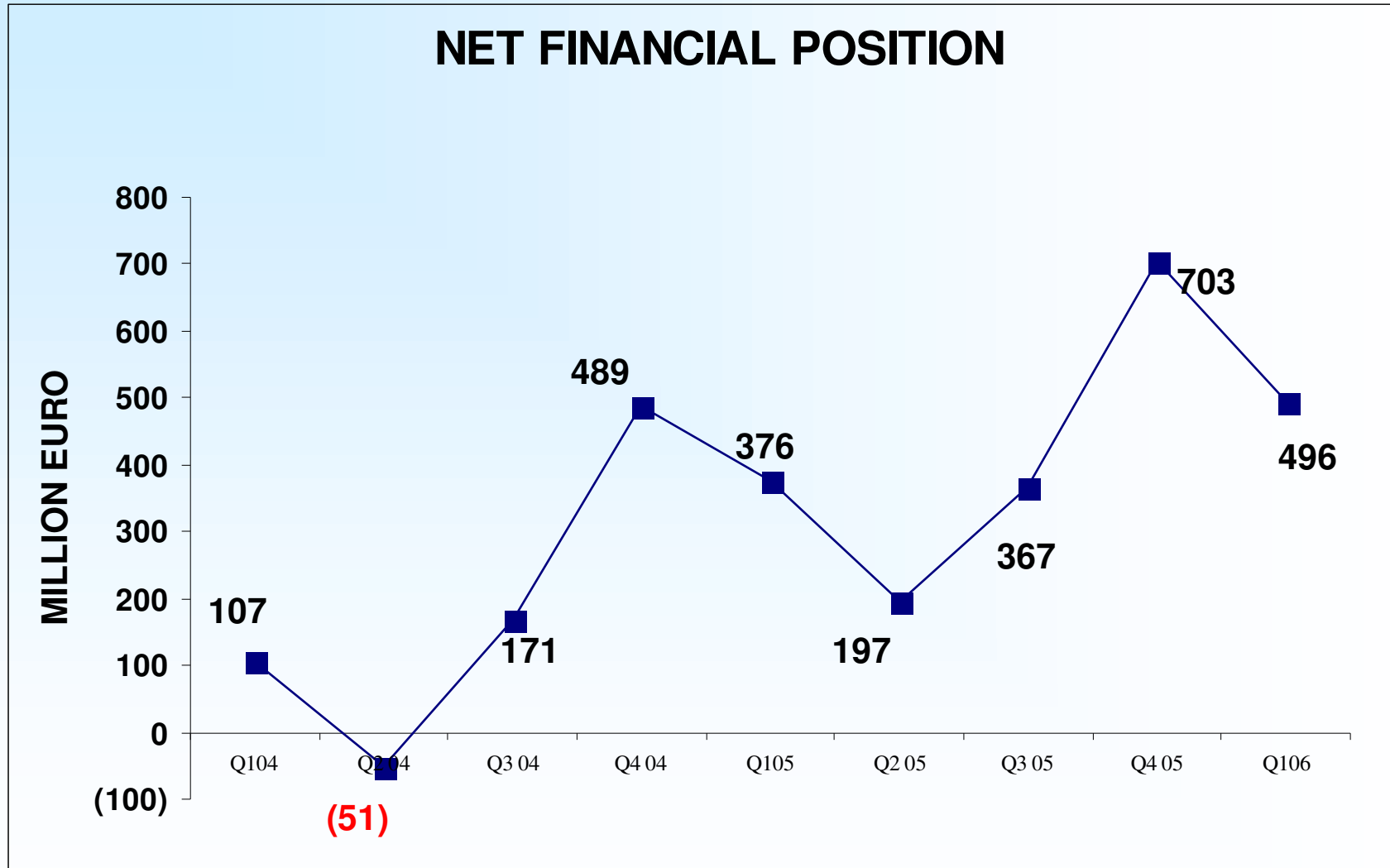


# Working capital

**INDITEX**

(€ million)	<b>1 Q06</b>	<b>1 Q05</b>	<b>FY05</b>
<b>Inventory</b>	<b>609</b>	<b>460</b>	<b>684</b>
<b>Receivables</b>	<b>290</b>	<b>263</b>	<b>358</b>
<b>Payables</b>	<b>(1,324)</b>	<b>(997)</b>	<b>(1,642)</b>
<b>Other</b>	<b>82</b>	<b>10</b>	<b>16</b>
<b>Operating working capital</b>	<b>(343)</b>	<b>(264)</b>	<b>(583)</b>

# Financial position



# **Growth prospects**

# 1H 2006: Outlook

**INDITEX**

- **During the first 6 weeks of the Second Quarter 2006 sales performance is according to Management expectations**

# FY2006: Outlook

- **Expected CAPEX 850 - 950 MM €**
- **+15% / +20% space growth**
- **Store opening plan:**

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

Range		% Int'l openings
130	140	80%
30	40	10%
45	55	65%
30	40	55%
65	75	70%
35	45	45%
40	50	50%
35	45	60%
<b>410</b>	<b>490</b>	

# Shareholder remuneration

INDITEX

FY2005 dividend to be paid from 21 July 2006

- Ordinary € 52 cents per share
- Bonus € 15 cents per share
- Total € 67 cents per share

**40% increase in shareholder remuneration**

# Openings - Salamanca

**INDITEX**



# Openings - Moscow

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# Openings - Fukuoka

INDITEX



# Openings - London

**INDITEX**





# Openings: Zara Home - London

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**Q & A**

14 June 2006