

INDITEX

FY2010 Results Presentation

23 March 2011

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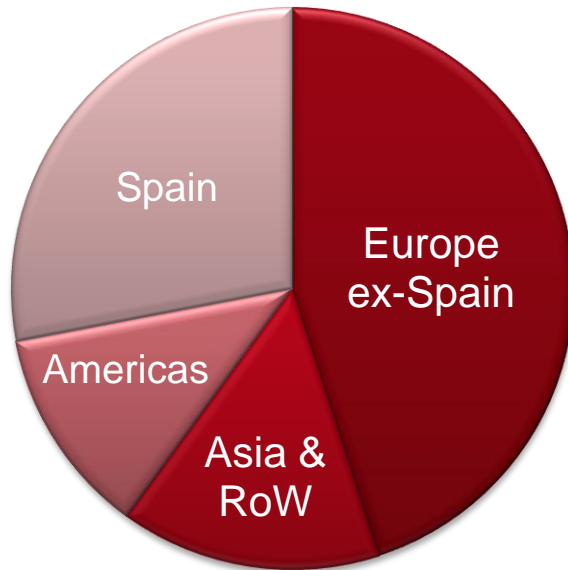
Overview

- ▶ A year of strong expansion for Inditex
- ▶ Satisfactory sales growth and gross margin evolution
- ▶ High operational efficiency and cost control
- ▶ Strong cash flow and reinvestment in the business
- ▶ Increased shareholder remuneration
- ▶ Global growth opportunity

- ▶ Sales growth of 13%
- ▶ LFL sales growth 3%
- ▶ EBITDA growth 25%
- ▶ Net income growth 32%, EPS of 2.78€
- ▶ RoCE 39%
- ▶ 33% increase in dividend proposal

Financial Summary

million €	FY2010	% 10/09
Net sales	12,527	13%
Gross profit	7,422	17%
EBITDA	2,966	25%
Net income	1,732	32%



Store sales (%)	FY2010	FY2009
Europe ex-Spain	45%	46%
Spain	28%	32%
Asia & RoW	15%	12%
Americas	12%	10%

Store sales: Includes sales in OMS and franchises

Sales growth breakdown

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FY2010	
Space contribution	7%
LFL	3%
Currency	3%
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Sales growth	13%

sqm.	FY2010	FY2009	% 10/09
Total space	2,587,648	2,348,709	10%

- ▶ 239,000 m2 added to the retail base

Satisfactory Gross margin

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% on sales	FY2010	FY2009	% 10/09
Gross margin	59.3%	57.1%	216 b.p.

- ▶ Strong gross margin
- ▶ Flexible business model
- ▶ Sustained commercial policies

Tight control of operating expenses

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million €	FY2010	% 10/09
Personnel expenses	2,009	12%
Rental expenses	1,272	12%
Other operating expenses	1,171	14%
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Total*	4,452	13%
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(*) Includes 12m€ for Zara e-commerce launch

million €	FY2010	FY2009
Inventory	1,215	993
Receivables	482	422
Payables	(2,672)	(2,270)
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Operating working capital	(976)	(856)

Strong cash flow

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million €

FY2010

Funds from operations

2,540

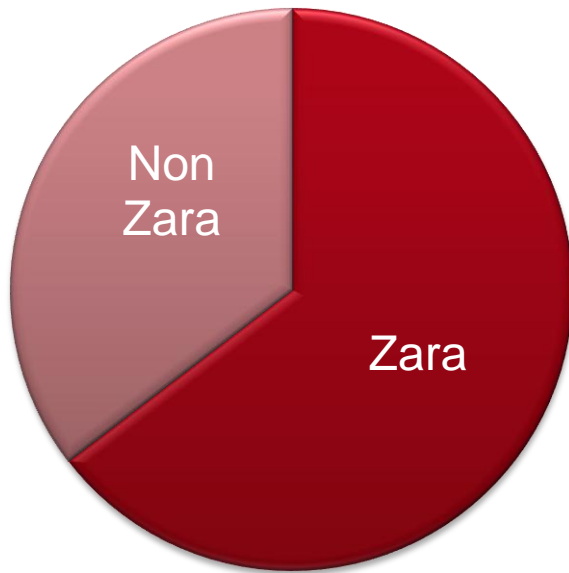
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754

Dividends

751

Inditex concepts



Concept	FY2010	FY2009
Zara	64.6%	63.8%
Non Zara	35.4%	36.2%
Pull and Bear	6.8%	7.0%
Massimo Dutti	7.2%	7.1%
Bershka	10.0%	10.6%
Stradivarius	6.2%	6.3%
Oysho	2.4%	2.5%
Zara Home	2.3%	2.2%
Uterqüe	0.5%	0.4%

Store openings	
Zara	115
Pull and Bear	56
Massimo Dutti	33
Bershka	69
Stradivarius	78
Oysho	40
Zara Home	23
Uterqüe	23
Total net openings	437

- ▶ Global growth opportunities
- ▶ Openings in 45 countries in FY 2010
- ▶ 5,044 stores worldwide

million €	FY2010	% 10/09
Net Sales	8,088	14%
EBIT	1,534	39%
<i>EBIT margin</i>	<i>19.0%</i>	

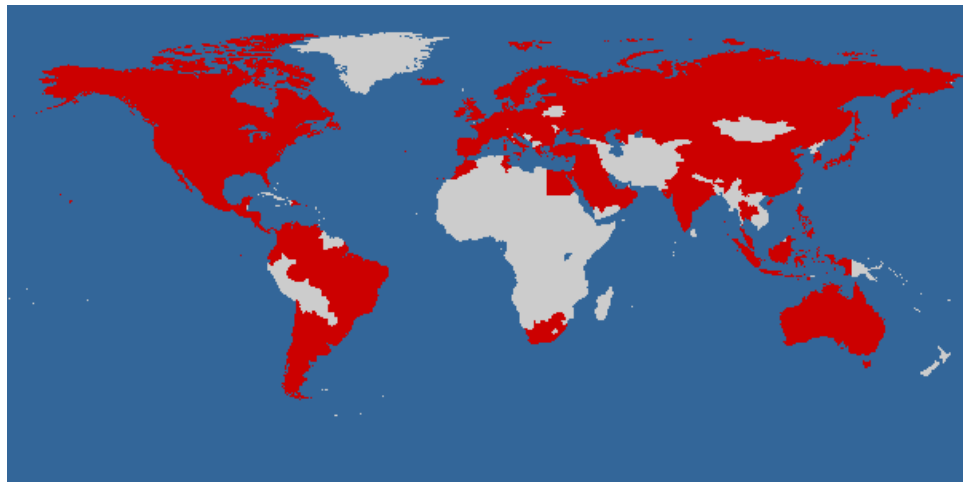
- ▶ Strong performance of Zara

- ▶ Continued growth for the concepts
- ▶ Strong performance of Massimo Dutti and Zara Home
- ▶ High comparable for Bershka
- ▶ Solid recovery of Oysho
- ▶ Uterqüe: 80 stores in 16 countries

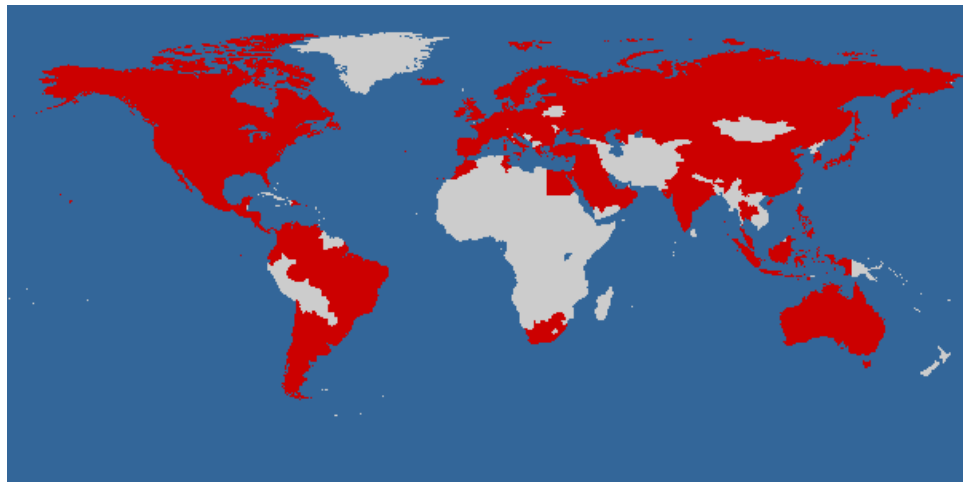
Outlook

- ▶ Global growth opportunities
- ▶ Outlook FY2011

- ▶ Inditex: strong growth potential
 - flexible business model
 - latest fashions 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

- Significant growth opportunities
- Balanced expansion between Western and Eastern Europe
- Multiconcept growth



- ▶ Growth in Asia: Leveraging on a strategic presence
 - Markets in transformation
 - Multiconcept expansion
 - Strong growth opportunity





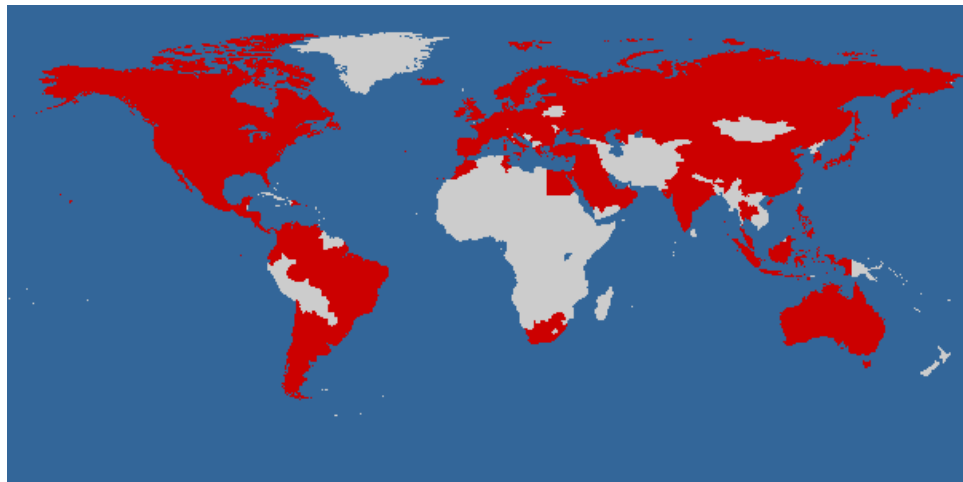
■ FYE 2010: 30 cities ■ FYE11: 42 cities

- ▶ 2006: Main capitals (HK, Shanghai, Beijing, Macau)
- ▶ 2007: Tier II cities (+5M)
- ▶ 2009: Tier III cities (+2.5M)
- ▶ 2010:
 - ▶ Multi-concept launch
 - ▶ Tier IV cities (+1.5M)
 - ▶ 143 stores at FYE
- ▶ 2011: 120 openings/8 concepts

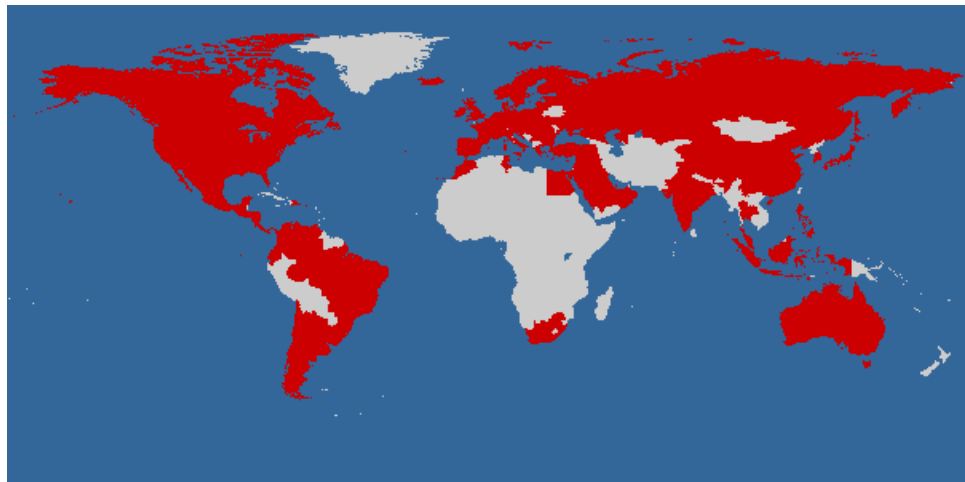


- ▶ Launch of Zara in 2010
- ▶ 2011: Additional Zara openings in Delhi, Mumbai Bangalore and Pune

- ▶ Growth in the Americas:
 - Build on current platform through selective expansion
 - Brazil: attractive growth market



- ▶ Launch in Australia in April: Sidney and Melbourne
- ▶ South Africa: Second half 2011



- ▶ Launched in 16 countries in Europe
 - ▶ 2 Sept.10: France, Germany, Italy, Portugal, Spain and UK
 - ▶ 4 Nov. 10: The Netherlands, Belgium, Luxembourg, Austria and Ireland
 - ▶ 3 March 11: Switzerland, Monaco, Sweden, Denmark and Norway.
- ▶ Satisfactory customer reception



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- ▶ Launch of Zara online sales in second half 2011
 - ▶ US
 - ▶ Japan
 - ▶ Progressive rollout in all Zara markets

- ▶ Second half 2011
- ▶ Online sales launch in selected European markets for:
 - Massimo Dutti
 - Bershka
 - Pull&Bear
 - Stradivarius
 - Oysho
 - Uterqüe

Store opening programme	Range	
Zara	125	130
Pull and Bear	45	50
Massimo Dutti	40	45
Bershka	70	75
Stradivarius	80	85
Oysho	40	45
Zara Home	35	40
Uterqüe	25	30
Total net openings	460	500

- ▶ Capital Expenditure c.800 million €
- ▶ Extraordinary investment of 230 million € for acquisition of Zara at 666 Fifth Avenue New York

- ▶ Shareholder remuneration
 - 33% increase over FY2009
 - FY2010 dividend proposal 1.60 € per share payable:
 - 2 May: 0.80 € ordinary
 - 2 November: 0.60 € ordinary + 0.20 € bonus
 - 997 million € to be distributed to shareholders

- ▶ Store sales in local currencies have increased 10% from 1 February to 14 March 2011
- ▶ 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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