

**INDITEX**

**Interim Results Half Year 2011**

**21 September 2011**

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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.

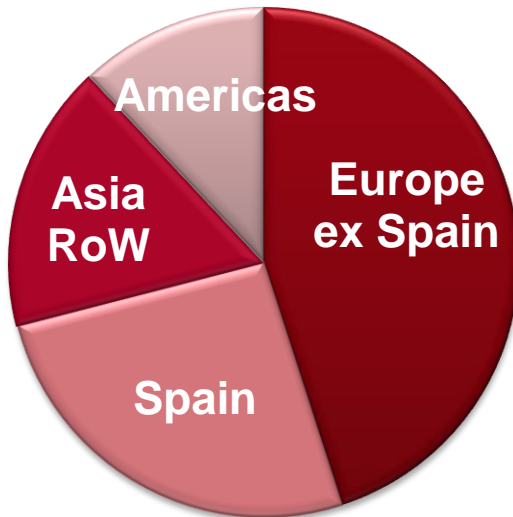
The risks and uncertainties that could affect the forward-looking statements are difficult to predict. The company assumes no obligation to publicly revise or update its forward-looking statements in the case of unexpected changes, events or circumstances that could affect them. Given the uncertainties of forward-looking statements, we caution readers not to place undue reliance on these statements.

For a discussion of these and other factors that may affect forward looking statements and the Inditex Group's business, financial conditions and results of operations, see the documents and information communicated by the company to the Comisión Nacional del Mercado de Valores (*the Spanish Securities Commission*).

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

# Overview

- ▶ Sales growth of 12%
- ▶ High operational efficiency and cost control
- ▶ Strong cash flow and reinvestment in the business
- ▶ Store expansion plan on track
- ▶ Ongoing e-commerce expansion
- ▶ Global growth opportunities



Store sales (%)	1H11	1H10
Europe ex-Spain	45%	45%
Spain	26%	28%
Asia & RoW	17%	15%
Americas	12%	12%

Store sales: Includes sales in OMS and franchises

# **Financial Summary**

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million €	1H11	1H10	% 11/10
Net sales	6,209	5,525	12%
Gross profit	3,625	3,279	11%
EBITDA	1,261	1,157	9%
EBIT	914	830	10%
Net income	717	628	14%

# Sales growth breakdown

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	<b>1H11</b>
Space contribution	7%
LFL	6%
Currency	(1%)
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Sales growth	12%



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% on sales	1H11	1H10	% 11/10
Gross margin	58.4%	59.4%	(97b.p.)

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- ▶ Gross profit growth of 11% to €3.6 bn

# Tight control of operating expenses

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million €	1H11	1H10	% 11/10
Operating expenses	2,362	2,120	11%

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# Current accounts

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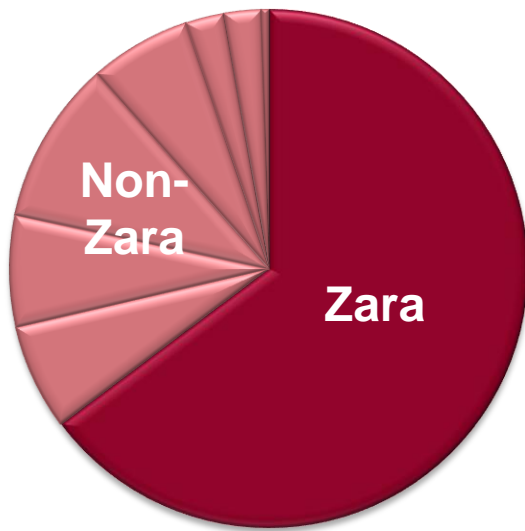
million €	1H11	1H10
Inventory	1,471	1,172
Receivables	640	501
Payables	(3,363)	(2,902)
Operating working capital	(1,252)	(1,229)

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# **Concepts**

Openings	1H11
Zara	36
Pull&Bear	22
Massimo Dutti	15
Bershka	31
Stradivarius	40
Oysho	17
Zara Home	9
Uterqüe	7
Total	177

- ▶ Global reach: Openings in 35 countries in 1H2011
- ▶ Store expansion on track



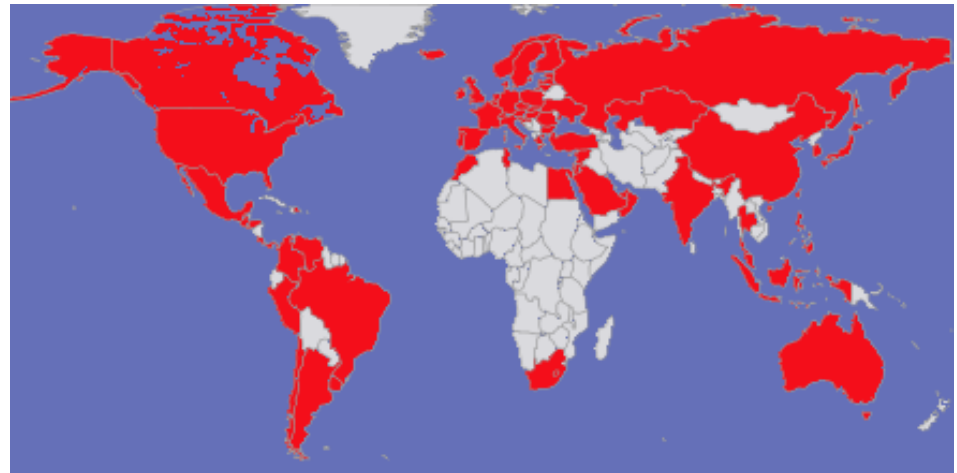
Concept	1H11	% 11/10
Zara	4,043	13%
Pull&Bear	412	13%
Massimo Dutti	456	19%
Bershka	598	6%
Stradivarius	395	13%
Oysho	140	6%
Zara Home	134	4%
Uterqüe	31	23%

# **Outlook**

- ▶ Store openings on track
- ▶ Ordinary capital expenditure c.800 MM €
- ▶ Extraordinary capital expenditure of 333 MM € for the acquisition of unique retail premises at 666 Fifth Avenue NY and 11 Corso Vittorio Emanuele Milan in 1H11
  
- ▶ Store sales in local currencies have increased by 9% from 1 August to 17 September 2011



- ▶ Launch of Zara in coming months in:
  - ▶ South Africa
  - ▶ Taiwan
  - ▶ Georgia
  - ▶ Azerbaijan
  - ▶ Peru



- ▶ US launch 7 September





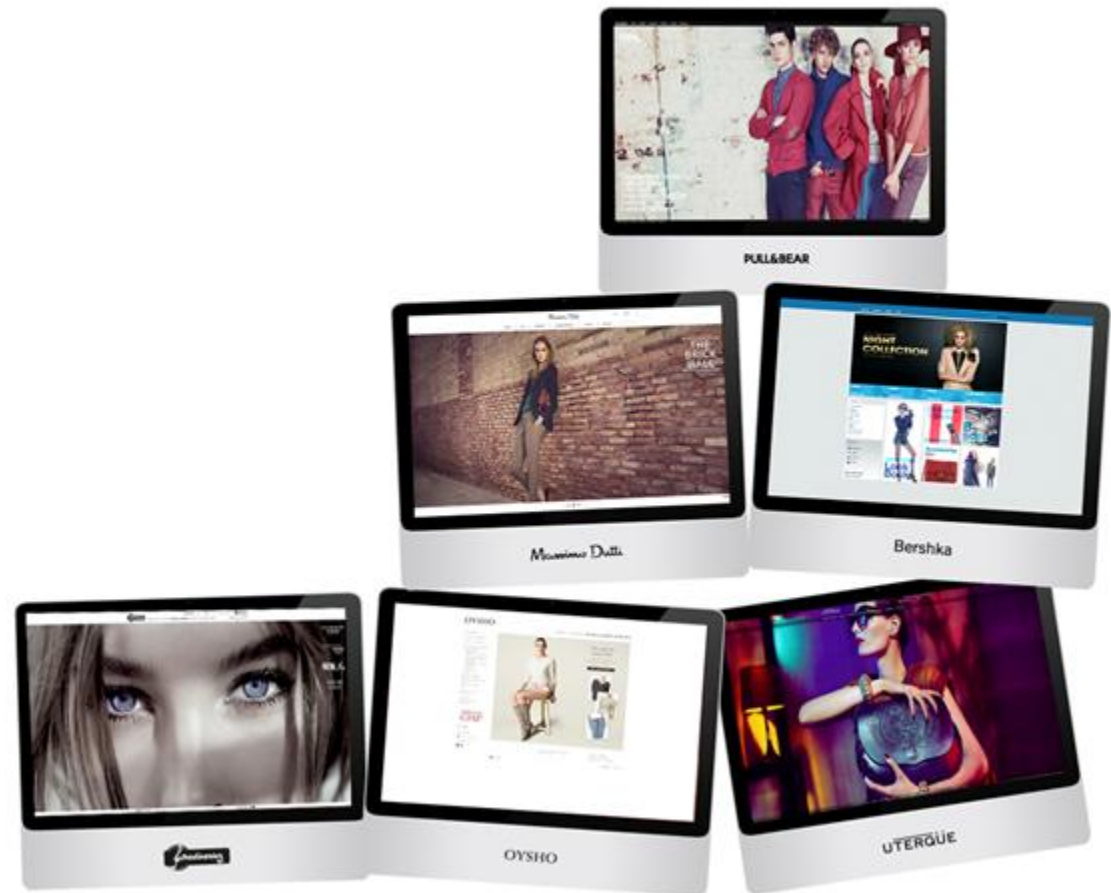
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<http://dearamerica.zara.com/>

- ▶ Japan launch 20 October
- ▶ Progressive rollout in all Zara markets



- ▶ Europe launch 6 September
  - ▶ Massimo Dutti
  - ▶ Pull&Bear
  - ▶ Bershka
  - ▶ Stradivarius
  - ▶ Oysho
  - ▶ Uterqüe



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