

**INDITEX**

**FY2008 Results Presentation**

**25 March 2009**

# Disclaimer

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This document is of a purely informative nature and does not constitute an offer to sell, exchange or buy, or the solicitation of an offer to buy, securities issued by any of the companies mentioned herein.

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.

- ▶ Satisfactory sales growth of 12% in local currencies
- ▶ Sales growth in all geographical areas
- ▶ A year of strong expansion: 15% space growth
- ▶ Strong cash flow and reinvestment in the business
- ▶ Increased shareholder remuneration
- ▶ In a challenging year for the sector

# 2008 Highlights

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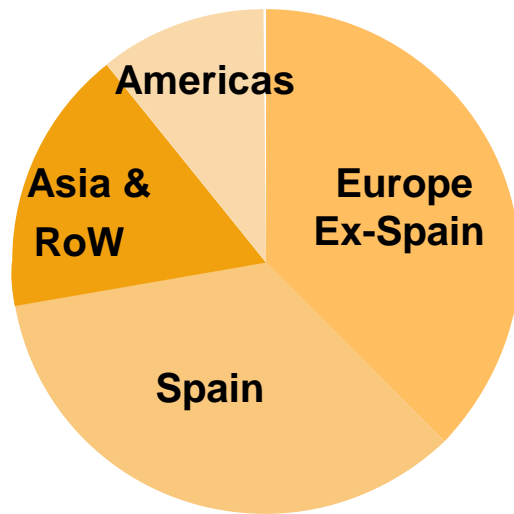
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million €	FY2008	% 08/07 <sup>(1)</sup>
Net sales	10,407	10%
Gross profit	5,914	11%
EBITDA	2,187	4%
Net income	1,253	3%
Funds from operations	1,850	5%

(1) Excluding non-recurrent items

# Sales growth in all geographical areas **INDITEX**

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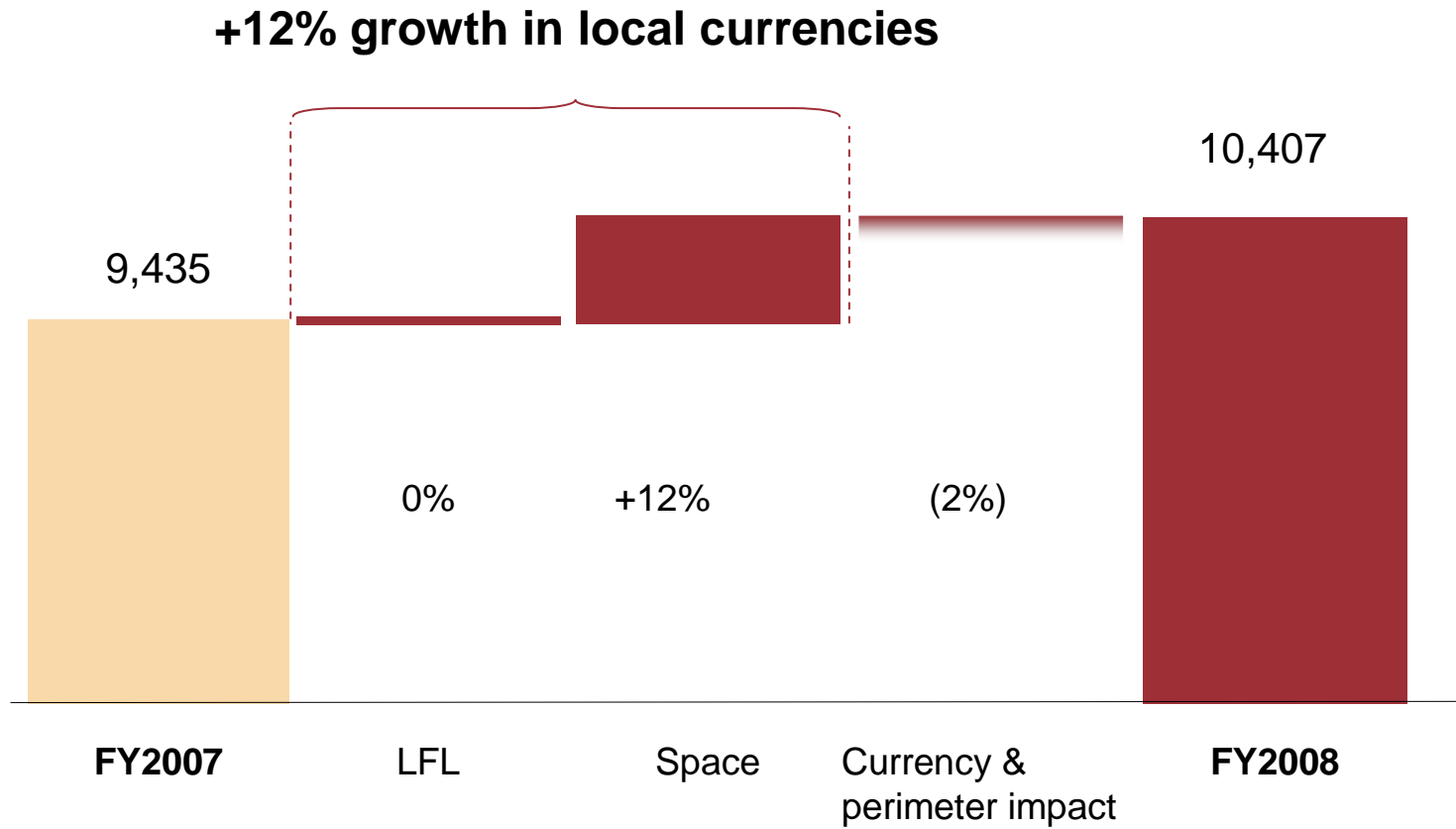
## Store sales (%) FY2008 FY2007

Europe ex-Spain	45%	42%
Spain	34%	37%
Asia	10%	9%
Americas	11%	11%

Store sales: Includes sales in OMS and franchises

# Satisfactory sales growth in 2008

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# Satisfactory gross margin evolution

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% on sales	FY2008	FY2007	% 08/07
Gross margin	56.8%	56.7%	14 b.p.

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- ▶ Flexible business model
- ▶ Sustained commercial policies

# Tight control of operating expenses

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million €	FY2008	% 08/07
Personnel expenses	1,703	16%
Rental expenses	1,028	20%
Other operating expenses	976	9%
<b>Total</b>	<b>3,708</b>	<b>15%</b>
<b>Space growth (w. av.)</b>		<b>15%</b>

# EBIT evolution

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million €	FY2008	FY2007
EBIT	1,609	1,652
Other net operating income (losses)	(19)	27
Recurrent EBIT	1,628	1,626

- ▶ FY2008: launch of Uterqüe
- ▶ FY2007: franchise of Venezuelan operations

## Flexible business model

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million €	FY2008	FY2007	% 08/07
Inventory	1,055	1,007	5%
Receivables	585	464	26%
Payables	(2,157)	(2,087)	3%
Operating working capital	(517)	(616)	(16%)

## Strong cash flow and financial position **INDITEX**

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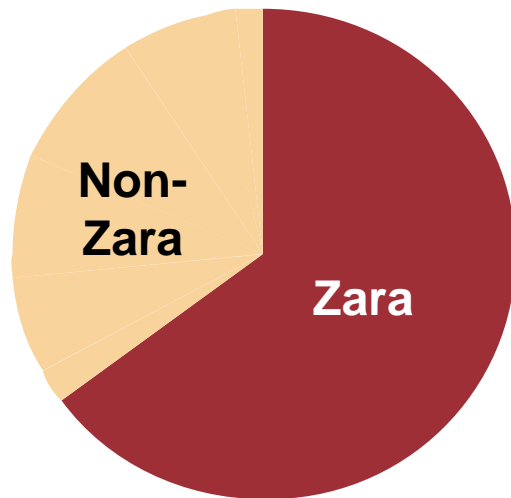
million €	FY2008	FY2007	% 08/07
Funds from operations	1,850	1,757	5%
CAPEX	937	942	-
Dividends	662	522	27%
Net cash position	1,219	1,052	16%

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## **Inditex concepts**

# Sales by concept

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Concept	FY2008	FY2007
Zara	65.6%	66.4%
Non Zara	34.4%	33.6%
Pull and Bear	6.9%	6.5%
Massimo Dutti	6.9%	7.4%
Bershka	9.9%	9.8%
Stradivarius	6.1%	5.5%
Oysho	2.3%	2.3%
Zara Home	2.1%	2.1%
Uterqüe	n.a.	n.a.

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million €	FY2008	% 08/07
Net Sales	6,824	9%
EBIT <sup>(1)</sup>	1,067	(2%)
<i>EBIT margin</i>	15.6%	

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- ▶ Sales growth in local currency and constant perimeter +11%

(1) Excluding non-recurrent items

- ▶ Strong performance of Stradivarius and Pull & Bear
- ▶ Zara Home and Oysho affected by strong expansion and current retailing environment

- ▶ Initial performance above expectations
- ▶ 31 stores in European capitals at FYE
- ▶ New international markets to be opened in FY2009



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**Outlook**

# Maintained long term vision

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- ▶ Maintained long term strategic vision
- ▶ Strong long term potential to expand profitably
- ▶ International multi-concept growth

- ▶ Fashion retailing is a highly fragmented industry (Independents + Dept. Stores c.60% market share)
- ▶ Inditex
  - Flexible business model
  - Strong fashion proposition
  - Attractive pricing: average selling price 15-20 €
  - Presence in 73 markets
  - Market share below 1% in most countries
  - Strong potential to gain market share

- ▶ A challenging year for the sector
- ▶ Inditex to continue outperforming the industry
- ▶ Profitable expansion of the business remains a key priority
- ▶ Capitalise on the opportunities arising from the current environment

- ▶ Stronger focus on capital efficiency:
  - ▶ Strict quality requirements for store openings: addition of c230,000 sqm.
  - ▶ Capital Expenditure: c600 million €
  - ▶ OPEX: 75 million € of efficiencies
  - ▶ Focus on maximizing free cash flow
  - ▶ Commitment to shareholder remuneration

- ▶ Dividend proposal: 1.05 € per share
  - Interim dividend: 0.55 € per share payable on 4 May 2009
  - Final dividend: 0.50 € per share payable on 2 November 2009
- ▶ 654 MM € to be distributed to shareholders

Store opening programme	Range		% Int'l
Zara	125	135	98%
Pull and Bear	45	55	95%
Massimo Dutti	30	40	98%
Bershka	55	65	90%
Stradivarius	65	75	80%
Oysho	20	30	70%
Zara Home	15	25	75%
Uterqüe	15	25	50%
Total net openings	370	450	

- ▶ c95% new space in International markets
- ▶ FY2009 openings biased to H2 (25%/75%) vs. FY2008 (43%/57%)

- ▶ February monthly store sales in local currencies excluding calendar effects have increased by 9%
- ▶ 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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