

Economic and Financial Report
'07



Economic and Financial Report

Inditex Group consolidated annual accounts 31 January 2008*

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(*) Free translation from the original in Spanish. In the event of discrepancy, the Spanish-language version prevails)

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Auditors' Report on the Consolidated Annual Accounts

(Free translation from the original in Spanish.
In the event of discrepancy, the Spanish-language version prevails)

To the Shareholders of
Industria de Diseño Textil, S.A.

We have audited the consolidated annual accounts of Industria de Diseño Textil, S.A. (the Parent Company) and subsidiary companies (the Group), which comprise the consolidated balance sheet at 31 January 2008, the consolidated statements of income, cash flows and changes in equity for the year then ended and the notes thereto, the preparation of which is the responsibility of the Parent Company's board of directors. Our responsibility is to express an opinion on the consolidated annual accounts taken as a whole, based on our examination which was conducted in accordance with generally accepted auditing standards in Spain, which require examining, on a test basis, evidence supporting the amounts in the consolidated annual accounts and assessing the appropriateness of their presentation, of the accounting principles applied and of the estimates employed.

In accordance with prevailing legislation, these consolidated annual accounts for the year ended 31 January 2008 also include, for each individual caption in the consolidated balance sheet, the consolidated statements of income, cash flows and changes in equity for the year then ended and the notes thereto, comparative figures for the year ended 31 January 2007. We express our opinion solely on the consolidated annual accounts for the year ended 31 January 2008. On 23 March 2007 we issued our unqualified audit report on the consolidated annual accounts for the year ended 31 January 2007.

In our opinion, these consolidated annual accounts for the year ended 31 January 2008 present fairly, in all material respects, the consolidated shareholders' equity and consolidated financial position of Industria de Diseño Textil, S.A. and subsidiary companies at 31 January 2008 and the consolidated results of their operations, consolidated cash flows and changes in consolidated equity for the year then ended, and contain sufficient information necessary for their adequate interpretation and understanding, in accordance with EU-endorsed International Financial Reporting Standards, which have been applied on a basis consistent with that of the year ended 31 January 2007.

The accompanying consolidated directors' report for the year ended 31 January 2008 contains such explanations as the directors consider relevant to the situation of the Group, the evolution of its business and other matters, but is not an integral part of the consolidated annual accounts. We have verified that the accounting information contained therein is consistent with that disclosed in the consolidated annual accounts for the year ended 31 January 2008. Our work as auditors is limited to the verification of the consolidated directors' report within the scope described in this paragraph and does not include a review of information other than that obtained from the accounting records of Industria de Diseño Textil, S.A. and subsidiary companies.

KPMG Auditores, S.L.

Signed:

Enrique Asla García

2 April 2008

1 Consolidated income statement

Industria de Diseño Textil, S.A. and subsidiary companies

(in thousands of euros)	(Notes)	31-01-08	31-01-07
Net sales	(2)	9,434,670	8,196,265
Cost of merchandise	(3)	(4,085,959)	(3,589,276)
Gross profit		5,348,711	4,606,989
		56.7%	56.2%
Operating expenses			
Other net operating expenses and income	(4)	(3,226,369)	(2,800,243)
Operating profit (EBITDA)	(5)	26,501	(17,060)
		2,148,843	1,789,686
Amortization and depreciation			
Operating profit (EBIT)	(11,12,13)	(496,663)	(433,427)
		1,652,180	1,356,259
Financial results			
Equity accounting losses	(6)	964	(14,035)
Income before taxes	(16)	(7,508)	(2,786)
		1,645,636	1,339,438
Income tax			
Net income	(23)	(387,872)	(329,502)
		1,257,764	1,009,936
Minorities			
Net income attributable to minority interest		7,495	8,396
		1,250,269	1,001,540
Earnings per share, cents	(7)	201.4	161.3

2 Consolidated balance sheets

Industria de Diseño Textil, S.A. and subsidiary companies

(in thousands of euros)	(notes)	31-01-08	31-01-07
Assets			
Current assets		2,981,595	2,148,332
Cash and cash equivalents	(19)	1,465,835	906,148
Receivables	(9)	463,716	363,635
Inventories	(10)	1,007,213	823,903
Income tax receivable	(23)	1,719	20,870
Other current assets		43,112	33,776
Non-current assets		4,124,007	3,593,830
Property, plant and equipment	(11)	3,182,112	2,788,816
Investment property	(12)	9,475	11,851
Rights over leased assets	(13)	504,604	454,196
Other intangible assets	(13)	13,344	15,220
Goodwill	(14)	125,583	98,992
Financial investments	(15)	36,174	33,375
Investments in associates	(16)	-	4,446
Deferred tax assets	(23)	133,020	88,851
Other	(17)	119,695	98,083
Total assets		7,105,602	5,742,162
Liabilities			
Current liabilities		2,458,067	1,884,741
Trade and other payables	(18)	1,975,251	1,618,825
Financial debt	(19)	371,276	145,077
Income tax payable	(23)	111,540	120,839
Non-current liabilities		430,484	386,817
Financial debt	(19)	42,358	47,314
Deferred tax liabilities	(23)	110,957	104,319
Provisions	(20)	47,681	45,114
Other non-current liabilities	(21)	229,488	190,070
Equity		4,217,051	3,470,604
Net equity attributable to the parent		4,193,129	3,448,377
Net equity attributable to minority interest		23,922	22,227
Total equity and liabilities		7,105,602	5,742,162

3 Consolidated statement of cash flows

Industria de Diseño Textil, S.A. and subsidiary companies

(in thousands of euros)	2007	2006
Income before taxes and minority interest	1,645,636	1,339,438
Adjustments to income		
Amortization and depreciation	496,663	433,427
Income tax	(387,872)	(329,502)
Deferred tax assets and liabilities	(38,465)	(13,285)
Foreign exchange translation differences	1,837	271
Other	39,338	61,335
Cash flows generated	1,757,137	1,491,684
Variación en activos y pasivos		
Inventories	(197,485)	(135,457)
Receivables and other current assets	(87,608)	(51,312)
Current payables	345,408	92,426
Operating working capital	60,315	(94,344)
Cash flows from operations	1,817,452	1,397,340
Acquisition of intangible assets	(87,967)	(79,101)
Acquisition of property, plant and equipment	(850,109)	(783,598)
Acquisition of subsidiaries	(7,147)	(28,688)
Acquisition of other financial investments	(10,307)	(6,114)
Other investments	(26,572)	(16,094)
Proceeds from sales of assets and collections of other non-current assets	9,536	26,560
Disposals of entities	30,712	-
Cash flows from investing activities	(941,854)	(887,035)
Variation in non-current financial debt	(16,513)	(28,226)
Variation in non-current non-financial debt	15,763	(67,143)
Variation in current financial debt	214,514	(64,115)
Dividends	(521,591)	(417,632)
Other financing activities	518	-
Cash flows used in financing activities	(307,308)	(577,116)
Net (decrease) increase in cash and cash equivalents	568,290	(66,810)
Effect of exchange rate fluctuations on cash and cash equivalents	(8,603)	(15,446)
Cash and cash equivalents at opening date	906,148	988,405
Cash and cash equivalents at closing date	1,465,835	906,148

4 Consolidated statement of changes in equity

Industria de Diseño Textil, S.A. and subsidiary companies

Equity attributable to the parent

(in thousands of euros)	Capital	Share premium	Retained earnings	Translation differences	Treasury shares	Other reserves	Equity attributable to the parent	Minority interest	Equity
Balance at 01/02/2006	93,500	20,379	2,717,706	19,774	(6,970)	54,489	2,898,878	21,995	2,920,873
Transfers	-	-	3,092	(3,092)	-	-	-	-	-
Other	-	-	17,929	-	-	-	17,929	-	17,929
Effect of movement in foreign exchange	-	-	-	(52,338)	-	-	(52,338)	-	(52,338)
Restatement due to inflation	-	-	-	-	-	-	-	117	117
Net income recognized directly in equity	-	-	21,021	(55,430)	-	-	(34,409)	117	(34,292)
Profit for the year	-	-	1,001,540	-	-	-	1,001,540	8,396	1,009,936
Total net income recognized directly in equity	-	-	1,022,561	(55,430)	-	-	967,131	8,513	975,644
Dividends	-	-	(417,632)	-	-	-	(417,632)	(8,281)	(425,913)
Balance at 31/01/2007	93,500	20,379	3,322,635	(35,656)	(6,970)	54,489	3,448,377	22,227	3,470,604
Balance at 01/02/2007	93,500	20,379	3,322,635	(35,656)	(6,970)	54,489	3,448,377	22,227	3,470,604
Transfers	-	-	35,347	(35,347)	-	-	-	-	-
Other	-	-	40,401	-	43	-	40,444	(3,268)	37,176
Effect of movement in foreign exchange	-	-	-	(24,366)	-	-	(24,366)	-	(24,366)
Restatement due to inflation	-	-	-	-	-	-	-	-	0
Net income recognized directly in equity	-	-	75,748	(59,713)	0	-	16,078	(3,268)	12,810
Profit for the year	-	-	1,250,269	-	-	-	1,250,269	7,495	1,257,764
Total net income recognized directly in equity	-	-	1,326,017	(59,713)	0	-	1,266,347	4,227	1,270,574
Dividends	-	-	(521,591)	-	-	-	(521,591)	(2,532)	(524,123)
Balance at 31/01/2008	93,500	20,379	4,127,061	(95,369)	(6,927)	54,489	4,193,133	23,922	4,217,055

5 Consolidated annual accounts of the Inditex group as at 31 January 2008*

The consolidated annual accounts of the Inditex Group for 2007 have been prepared by the board of directors of the Company and will be submitted for approval at the corresponding annual general shareholders' meeting. The directors consider that the consolidated annual accounts will be approved without changes. These annual accounts have been prepared in accordance with International Financial Reporting Standards adopted by the European Union (hereinafter EU-IFRS), in compliance with Regulation (EC) No. 1606/2002 of the European Parliament.

Inditex's financial year and that of most of its subsidiaries starts on 1 February of each year and ends on 31 January of the following year. The twelve-month period ended 31 January 2007 will hereinafter be referred to as the 2006 period or year, the period ended 31 January 2008 as 2007, and so on.

Unless otherwise stated, the amounts shown in the consolidated annual accounts are expressed in thousands of euro. The euro is the functional and presentation currency of the Company.

The individual annual accounts of the parent company (Inditex) for 2007 have been prepared by the board of directors in a separate document.

It is estimated that the consolidated annual accounts for 2007 will be approved by the shareholders at their ordinary annual general meeting without significant changes. The consolidated annual accounts for 2006 were approved by the shareholders at their ordinary general meeting held on 17 July 2007.

These consolidated annual accounts present fairly the consolidated shareholders' equity, financial position and changes in equity of the Inditex Group as at 31 January 2008, as well as the results of its operations and cash flows for the year then ended.

The consolidated annual accounts for 2007 have been prepared on the basis of the accounting records of Inditex and the remaining group companies

These consolidated annual accounts have been prepared on a historical cost basis, except for derivative financial instruments, which were not accounted for using hedge accounting and are stated at fair value.

The basis of consolidation and accounting principles applied are explained in note 32.

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5.1 Activity and description of the Group

Industria de Diseño Textil, S.A. (hereinafter Inditex), which has its registered offices at Avenida de la Diputación s/n Edificio Inditex, Arteixo (A Coruña, Spain), is the parent of a group of companies, the principal activity of which consists of the distribution of fashion items, mainly clothing, footwear, accessories and household textile products. Inditex carries out its activity through various commercial formats such as Zara, Pull & Bear, Massimo Dutti, Bershka, Stradivarius, Oysho and Zara Home, which are managed separately but which share certain corporate functions. Inditex is domiciled in Spain, is listed on all four Spanish stock exchanges and, together with its subsidiary companies, comprises the Inditex Group (the Group).

Each concept's commercial activity is carried out through chains of stores managed directly by companies in which Inditex holds all or the majority of the share capital, with the exception of certain countries where, for various reasons, the retail selling activity is performed through franchises.

Inditex business model is characterized by the search for flexibility in adapting production to market demand by controlling the supply chain throughout the different stages of design, manufacture and distribution. This enables it to focus both its own and suppliers' production on changes in market trends during each commercial campaign.

The Group's logistics system is based on constant deliveries from the distribution centers of the various commercial formats to stores throughout each season. This system essentially operates through centralized logistics centers for each concept in which inventory is stored and distributed to stores worldwide.

At 31 January 2008 the different group formats have stores in 68 countries, as follows:

	Number of stores		Total
	Company-managed	Franchises	
Spain	1,715	32	1,747
Rest of Europ	1,221	141	1,362
America	257	37	294
Rest of the world	43	245	288
Totales	3,236	455	3,691

The majority of own stores are held under operating leases. Information on the main characteristics of lease contracts is provided in note 24.

5.2 Net sales

Revenue in the consolidated income statement includes amounts received from the sale of goods and income from rentals, royalties and other services rendered in the ordinary course of the Group's business, net of VAT and other sales-related taxes.

Details of this caption for 2007 and 2006 are as follows:

	2007	2006
Net sales in Company-managed stores	8,666,110	7,587,355
Net sales to franchisees	667,947	523,295
Other sales and services rendered	100,613	85,615
Total	9,434,670	8,196,265

5.3 Cost of merchandise

Details of this caption for 2007 and 2006 are as follows:

	2007	2006
Raw materials and consumables	4,269,269	3,728,787
Change in inventories	(183,310)	(139,511)
Total	4,085,959	3,589,276

Raw materials and consumables mainly include amounts relating to the acquisition or production by third parties of products held for sale or transformation and other direct expenses related to the acquisition of goods.

5.4 Operating expenses

Details of "Operating expenses" are as follows:

	2007	2006
Gastos de personal	1,472,900	1,250,845
Arrendamientos operativos (nota 24)	855,378	717,915
Otros gastos operativos	898,091	831,483
Totales	3,226,369	2,800,243

At 31 January 2008 Group had a total of 79,517 employees (69,240 at 31 January 2007). Note 27 (employee benefits) provides additional information on personnel expenses.

Lease expenses mainly relate to the rental, through operating leases, of the commercial premises from which the Group carries out its activity. Note 24 provides more detailed information on the main characteristics of these leases, together with the related minimum future payment commitments.

“Other operating expenses” mainly include expenses relating to store operations, logistics and general overheads, such as electricity, commissions on credit and debit card payments, travel, transportation of merchandise from logistic centers to stores, decoration expenses, communications and all kinds of professional services.

5.5 Other net operating income/expenses

This caption includes all operating expenses and income other than those associated with the Group’s commercial and logistics activity, which are included under “Operating expenses” in the consolidated income statement, as described in the prior note.

This caption mainly include gains on the sale of the companies mentioned in note 32 and variations in the debt related to reciprocal sales and purchase options between the Group and shareholders with a partial stake in certain subsidiaries, as these options are considered a deferred acquisition of the shares which constitute the underlying asset (see notes 21 and 32). These variations are mainly due to the relationship between the price of the options and the number of stores operated, shareholders’ equity and the results of these subsidiary companies.

A continuación se describen las principales opciones de compraventa cruzadas sobre dichas participaciones:

a) Subsidiary companies domiciled in Germany

At 31 January 2008 the Group has a call option on 22% of the share capital of Zara Deutschland, GmbH. This shareholding belongs to Otto GmbH and Co. KG, which in turn has a put option to sell this shareholding to Industria de Diseño Textil, S.A..

These options may be exercised by the holders at any time. However, the exercised call option effectiveness is delayed to certain dates determined in the related agreement, which vary depending on the exact date on which the option is exercised. These options have no premium or compensation of any kind attached and the strike price will depend mainly on the contributions made by Otto GmbH and Co. KG to the shareholders’ equity of the subsidiary and on the number of ZARA stores opened in Germany after 1 February 2006.

b) Subsidiary companies domiciled in Mexico

The Group has call options on 5% of the share capital of Zara México, S.A. de C.V., 3% of the share capital of Bershka México, S.A. de C.V., and 1.5% each of Oysho México, S.A. de C.V.

and Pull & Bear México, S.A. de C.V., which are held by the minority shareholder. The exercise period of these options extends over the term of the agreements between the parties. The options have no premium attached and the strike price will depend on the shareholders' equity of the subsidiaries.

5.6 Financial results

Details of "Net financing revenue/costs" in the consolidated income statements for 2007 and 2006 are as follows:

	2007	2006
Interest income	20,603	16,425
Foreign exchange gains	15,280	3,515
Dividends	144	223
Changes in fair value of financial instruments	-	-
Total income	36,026	20,163
Interest expense	(4,659)	(10,993)
Foreign exchange losses	(28,836)	(21,067)
Changes in fair value of financial instruments	(1,568)	(2,137)
Total expenses	(35,063)	(34,198)
Total	964	(14,035)

Financial income and expenses mainly comprise interest accrued on the Group's financial assets and liabilities during the year (see note 19). Net foreign exchange translation differences are principally due to fluctuations in the currencies with which the Group operates (see note 26) between when income, expenses, acquisitions or disposals of assets are recognized and when the corresponding assets or liabilities are realized or settled under applicable accounting principles.

Details of financial income and expenses recognized in equity during the period are as follows

	2007	2006
Variation in fair value derived from hedging	(5,827)	1,123
Foreign exchange conversion differences	(6,516)	(14,845)
Total	(12,343)	(13,722)

5.7.7) Earnings per share

Basic earnings per share were calculated based on the net profit for the year divided by the weighted average number of ordinary shares in circulation during the year, excluding the average number of treasury shares held by the Group (see note 22), which in 2007 and 2006 totaled 620,942,175 and 620,941,017, respectively.

Diluted earnings per share are calculated based on profit attributable to shareholders of the Company and a weighted average number of ordinary shares outstanding after adjustment for the effect of all dilutive potential ordinary shares. The share-based payment plan referred to in note 27 has not had a significant impact on the calculation of diluted earnings per share.

5.8 Segment reporting

Business segments

The principal activity of the Inditex Group comprises the retail distribution of clothing, footwear, accessories and household textile products through various commercial format stores aimed at different targeted sectors of the public. These commercial formats are managed independently in such a way that each constitutes a business segment which is subject to risks and rewards different to those experienced by the rest of the Group, although each carries out its activity in the same sector.

The seven business formats of Inditex are: Zara, Pull & Bear, Massimo Dutti, Bershka, Stradivarius, Oysho and Zara Home. Each format manages its own supply chain, corporate policy and network of stores, while taking advantage of the synergies of belonging to the Inditex Group, mainly in the areas of support, market knowledge, economic solvency before third parties and in all corporate activities. As a result of strategic modifications to the Group, the business segment which, until the previous year, comprised the operations of the Kiddy's Class format is no longer subject to different risks and rewards which would require it to be presented separately from the Zara segment, with which it has been grouped, and therefore, comparative information has been duly modified following the requirements of international financial reporting standards.

Geographical segments

All Inditex Group commercial formats operate in different markets with varying economic, commercial and legal environments, and are therefore subject to different risks and rewards. The four geographical segments of the Group's activities – Spain, Rest of Europe, Asia and the Rest of the World, and America – are determined based on the similarity of commercial, economic and political conditions and the proximity of operations. In the presentation of information by geographical segment, ordinary income is based on the geographical location of customers and segment assets are based on the geographical location of assets.

Primary and secondary segments

The origin and predominant nature of the risks and rewards of the Inditex Group's business units are attributable to business segments, as these risks and rewards are mainly influenced by the fact that each cash generating unit belongs to a particular commercial format and geographical location. The internal organization of the Inditex Group, the decision-making process and the system for communicating information to the board of directors and group management is organized primarily by commercial format, followed by geographical areas.

Details of the Inditex Group by segments are as follows.

Primary segments				
2006				
	Zara	Rest of formats	Eliminations on consolidation	Total
Total revenue	5,827,011	2,663,156	-	8,490,167
Inter-segment revenue	292,931	970	(293,901)	-
Revenue from third parties	5,534,080	2,662,185	-	8,196,265
Segment result	910,700	445,559	-	1,356,259
Segment assets	3,085,349	1,884,530	-	4,969,878
Segment liabilities	1,422,240	536,089	-	1,958,329
Segment investments	662,916	305,562	-	968,478
Amortization and depreciation	302,645	130,783	-	433,427
Expenses without cash outflow	50,540	4,449	-	54,989
ROCE	40%	50%	-	43%
Number of stores	1,175	1,956	-	3,131
<hr/>				
2007				
	Zara	Rest of formats	Eliminations on consolidation	Total
Total revenue	6,661,184	3,172,269	-	9,833,453
Inter-segment revenue	399,134	1,649	(398,782)	-
Revenue from third parties	6,264,050	3,170,620	-	9,434,670
Segment result	1,117,316	534,864	-	1,652,180
Segment assets	3,668,278	2,343,621	-	6,011,899
Segment liabilities	1,766,793	588,342	-	2,355,135
Segment investments	641,062	376,793	-	1,018,395
Amortization and depreciation	338,879	157,785	-	496,663
Expenses without cash outflow	45,607	4,735	-	50,342
ROCE	41%	50%	-	43%
Number of stores	1,361	2,330	-	3,691

2006									
	Zara	Pull & Bear	Massimo Dutti	Bershka	Stradivarius	Oysho	Zara Home	Eliminations on consolidation	Total
Total revenue	5,827,011	519,082	614,490	798,210	427,648	164,604	139,121	-	8,490,167
Inter-segment revenue	292,931	278	312	376	-	-	5	(293,901)	-
Revenue from third parties	5,534,080	518,804	614,178	797,835	427,648	164,604	139,116	-	8,196,265
Segment result	910,700	78,030	80,683	131,294	98,205	39,021	18,326	-	1,356,259
Segment assets	3,085,349	329,879	550,537	541,537	234,605	126,653	101,319	-	4,969,878
Segment liabilities	1,422,240	99,417	112,606	171,318	83,463	29,237	40,047	-	1,958,329
Segment investments	662,916	55,642	67,202	76,645	46,099	32,169	27,805	-	968,478
Amortization and depreciation	302,645	25,819	37,041	35,820	17,780	9,362	4,961	-	433,427
Expenses without cash outflow	50,540	1,284	1,029	1,188	73	547	328	-	54,989
ROCE	40%	43%	33%	55%	86%	55%	33%	-	43%
Number of stores	1,175	467	399	433	304	201	152	-	3,131

2007									
	Zara	Pull & Bear	Massimo Dutti	Bershka	Stradivarius	Oysho	Zara Home	Eliminations on consolidation	Total
Total revenue	6,661,184	615,091	696,092	925,637	520,864	213,201	201,384	-	9,833,453
Inter-segment revenue	399,134	742	479	427	-	-	1	(398,782)	-
Revenue from third parties	6,264,050	614,348	695,613	925,211	520,864	213,201	201,383	-	9,434,670
Segment result	1,117,316	99,193	105,674	153,650	119,433	40,045	16,868	-	1,652,180
Segment assets	3,668,278	405,693	616,411	641,814	327,392	197,191	155,121	-	6,011,899
Segment liabilities	1,766,793	111,829	149,732	161,060	81,191	42,317	42,212	-	2,355,135
Segment investments	641,602	76,595	35,171	74,026	81,104	59,622	50,276	-	1,018,395
Amortization and depreciation	338,879	29,139	37,021	45,862	20,412	14,817	10,534	-	496,663
Expenses without cash outflow	45,607	1,337	1,117	1,023	231	411	615	-	50,342
ROCE	41%	47%	44%	59%	74%	39%	18%	-	43%
Number of stores	1,361	519	426	510	381	290	204	-	3,691

The segment result refers to the operating result (EBIT) of the segment. In accordance with IAS 14, and with a view to maintaining the coherence between the figures in the balance sheet and income statement, segment assets and liabilities indicated in the table above exclusively refer to those used in or derived directly from activity, and do not include assets or liabilities relating to income tax, accounts receivable or payable, loans, investments or any other item that generates financial results, as these are not included in the segment result. Income, expenses, assets and liabilities which are considered corporate in nature or as belonging to the Group of segments as a whole have been assigned to each segment in accordance with criteria considered reasonable by Group management.

ROCE is defined as the ratio between the segment's result for the year (EBIT) and the total net average assets of the segment, which include those derived from activity as well as financial and tax-related assets.

Segmentos secundarios

	Ventas a terceros	
	2007	2006
Spain	3,746,817	3,417,631
Rest of Europe	4,093,086	3,349,580
América	974,089	940,701
Rest	620,678	488,352
Total	9,434,670	8,196,265

Net assets

	31/01/08	31/01/07
Spain	1,980,293	1,935,091
Rest of Europe	3,487,227	2,542,954
América	411,362	378,175
Rest	133,017	113,657
Total	6,011,899	4,969,878

Investments

	2007	2006
Spain	433,770	427,735
Rest of Europe	477,636	433,457
América	80,024	80,091
Rest	26,965	27,195
Total	1,018,395	968,478

5.9 Trade and other receivables

Details of this caption at 31 January 2008 and 2007 are as follows:

	31/01/08	31/01/07
Trade receivables	88,502	62,047
Sales to franchises	112,094	90,859
Public entities	188,554	144,319
Other current receivables	74,566	66,410
Total	463,716	363,635

Trade receivables mainly correspond to debit/credit card payments pending collection.

Part of the Group's activity is carried out through franchised stores (see note 2). Sales to franchises are made under agreed collection terms and generate the receivables shown in the table above, which are secured as described in note 26.

Balances receivable from public entities comprise VAT and other taxes and duties incurred by group companies in the countries in which they operate.

Other current receivables include items such as rental incentives due from shopping center developers (see note 24) and outstanding balances on sundry operations.

5.10 Inventories

Details at 31 January 2008 and 2007 are as follows:

	31/01/08	31/01/07
Raw materials and consumables	46,395	38,661
Work in progress	23,826	18,058
Finished goods for sale	936,992	767,184
Total	1,007,213	823,903

The Group contracts insurance policies to cover potential inventory-related risks.

5.11 Property, plant and equipment

Details of and movement in the "Property, plant and equipment" caption of the consolidated balance sheet are as follows:

	Land and buildings	Leasehold improvements, machinery and furniture	Other property, plant and equipment	Advances and work in progress	Total
Cost					
Balance at 01/02/2006	606,932	2,842,691	111,390	106,091	3,667,104
Acquisitions	37,827	580,093	29,703	184,616	832,239
Acquisition of subsidiaries	-	16,068	-	-	16,068
Disposals	(13,974)	(129,454)	(1,678)	(13,367)	(158,473)
Transfers	13,909	47,887	1,327	(73,024)	(9,901)
Effect of movements in foreign exchange	(1,238)	(24,088)	(815)	(6,365)	(32,506)
Balance at 31/01/2007	643,456	3,333,197	139,927	197,951	4,314,531
Balance at 01/02/2007	643,456	3,333,197	139,927	197,951	4,314,531
Acquisitions	138,156	605,524	34,251	122,484	900,415
Acquisition of subsidiaries	-	-	-	-	-
Disposals	(16,741)	(94,034)	(3,811)	(14,477)	(129,063)
Transfers	78,594	(4,889)	4,034	(80,947)	(3,208)
Effect of movements in foreign exchange	(1,348)	(26,963)	(618)	(587)	(29,516)
Balance at 31/01/2008	842,117	3,812,835	173,783	224,424	5,053,159
Accumulated depreciation					
Balance at 01/02/2006	121,617	1,047,407	62,092	-	1,231,117
Depreciation charge for the year	16,710	347,777	15,513	-	380,000
Acquisition of subsidiaries	-	-	-	-	-
Disposals	(1,638)	(90,635)	(1,337)	-	(93,610)
Transfers	(773)	1,742	(3,875)	-	(2,906)
Effect of movements in foreign exchange	(153)	(13,972)	(259)	-	(14,384)
Restatement due to inflation	-	-	-	-	-
Balance at 31/01/2007	135,763	1,292,319	72,134	-	1,500,216
Balance at 01/02/2007	135,763	1,292,319	72,134	-	1,500,217
Depreciation charge for the year	21,014	412,062	20,911	-	453,987
Disposals	(3,551)	(89,342)	(1,711)	-	(94,604)
Transfers	(3,644)	(3,841)	366	-	(7,119)
Effect of movements in foreign exchange	(55)	(2,308)	95	-	(2,268)
Balance at 31/01/2008	149,527	1,608,890	91,795	-	1,850,212
Impairment losses (note 32.2-g)					
Balance at 01/02/2006	-	25,956	-	-	25,956
Impairment charge	-	8,596	-	-	8,596
Applications	-	(9,053)	-	-	(9,053)
Balance at 31/01/2007	-	25,499	-	-	25,499
Balance at 01/02/2007	-	25,499	-	-	25,499
Impairment charge	-	4,861	-	-	4,861
Applications	-	(3,113)	-	-	(3,113)
Disposals	-	(6,024)	-	-	(6,024)
Effect of movements in foreign exchange	-	(388)	-	-	(388)
Balance at 31/01/2008	-	20,835	-	-	20,835
Net carrying amount					
Balance at 31/01/2007	507,693	2,015,379	67,793	197,951	2,788,816
Balance at 31/01/2008	692,590	2,183,110	81,988	224,424	3,182,112

“Other property, plant and equipment” includes, inter alia, information technology equipment and motor vehicles.

Fully depreciated items of property, plant and equipment include certain items, mainly machinery, installations and furniture, whose gross cost value amounted to euros 330,713 thousand and euros 284,344 thousand at 31 January 2008 and 2007, respectively.

The Group contracts insurance policies to cover potential risks affecting items under property, plant and equipment.

Through its corporate management risk policy, the Group identifies, assesses and controls damage and responsibility-related risks to which its subsidiaries are exposed. It does this by compiling and measuring the main risks of damage, loss of profits and responsibilities affecting the Group and implements prevention and protection policies aimed at reducing the frequency and intensity of these risks.

Likewise, standard measurement criteria are established at corporate level which enable the different exposure risks to be quantified and measured.

The Group contracts insurance policies through corporate insurance programs to protect its equity from risk and establishes limits, policy excesses and conditions according to the nature thereof and the financial relevance of the subsidiary. This structure mainly comprises worldwide insurance programs through which the main risks insured by the Group are organized.

5.12 Investment property

Investment property mainly corresponds to premises and other properties leased to third parties. Movement in this caption during 2007 and 2006 is as follows:

Cost	31/01/08	31/01/07
Opening balance	19,678	19,644
Acquisitions	-	34
Closing balance	19,678	19,678
Amortization and depreciation		
Opening balance	7,827	5,417
Acquisitions	2,376	2,410
Closing balance	10,203	7,827
Net carrying amount	9,475	11,851

The total market value of investment property at 31 January 2008 is approximately euros 23,450 thousand.

During 2007, euros 1,678 thousand (euros 1,747 thousand in 2006) of rental income on these properties has been included under Net sales – Other sales and services rendered (see note 2) in the consolidated income statement.

5.13 Rights over leased premises and other intangible assets

Rights over leased premises include amounts paid to both proprietors and third parties in respect of transfer rights, access premiums or tenancy right waivers in order to lease commercial premises.

Other intangible assets include amounts paid for the registration and use of Group brand names and the external cost of software applications. Details of and movement in other intangible assets during 2007 and 2006 are as follows:

	Rights over leased property	Industrial property	Software	Advances and other intangible assets	Total
Cost					
Balance at 01/02/2006	571,687	18,570	7,221	2,721	600,199
Acquisitions	80,444	1,991	1,157	4,891	88,483
Disposals	(10,577)	(4)	(3,406)	(321)	(14,308)
Transfers	19,667	(797)	797	989	20,656
Effect of movements in foreign exchange	(4,306)	-	2,135	-	(2,171)
Balance at 31/01/2007	656,915	19,760	7,904	8,280	692,859
Balance at 01/02/2007	656,915	19,760	7,904	8,280	692,859
Acquisitions	94,291	3,510	1,964	1,269	101,034
Disposals	(8,964)	(222)	-	-	(9,186)
Transfers	5,476	-	-	(5,476)	-
Effect of movements in foreign exchange	(5,681)	-	(238)	(249)	(6,168)
Balance at 31/01/2008	742,037	23,048	9,630	3,824	778,539
Amortization					
Balance at 01/02/2006	160,604	11,853	4,685	2,705	179,847
Amortization for the year	45,931	1,042	797	170	47,940
Disposals	(645)	(1)	(354)	-	(1,000)
Transfers	754	(280)	280	-	754
Effect of movements in foreign exchange	(4,295)	-	(173)	-	(4,468)
Balance at 31/01/2007	202,349	12,614	5,235	2,875	223,073
Balance at 01/02/2007	202,349	12,614	5,235	2,875	223,073
Amortization for the year	35,398	1,396	848	69	37,711
Disposals	(2,432)	(22)	-	-	(2,454)
Transfers	840	-	-	-	840
Effect of movements in foreign exchange	851	-	145	(2)	994
Balance at 31/01/2008	237,006	13,988	6,228	2,942	260,164
Impairment losses (note 32.2-g)					
Balance at 01/02/2005	393	-	-	-	393
Impairment charge	(23)	-	-	-	(23)
Balance at 31/01/2006	370	-	-	-	370
Balance at 01/02/2006	370	-	-	-	370
Applications	57	-	-	-	57
Balance at 31/01/2007	427	-	-	-	427
Net carrying amount					
Balance at 31/01/2007	454,196	7,146	2,669	5,405	469,416
Balance at 31/01/2008	504,604	9,060	3,402	882	517,948

5.14 Goodwill

Details of and movement in goodwill during 2007 and 2006 are as follows:

	2007	2006
Opening balance	98,992	79,094
Acquisitions	39,002	19,822
Disposals	(13,000)	-
Other	589	76
Closing balance	125,583	98,992

Subsidiary	2007	2006
Stradivarius Espa_a, S.A.	53,253	53,253
BCN Dise_os, S.A. de C.V.	15,523	14,934
Zara Polska, S.p. Zo.o.	29,838	10,983
Zao Zara CIS	19,822	19,822
Pull&Bear CIS	428	-
Stradivarius CIS	6,719	-
Closing balance	125,583	98,992

Goodwill corresponding to Stradivarius España, S.A. was generated upon acquisition of this company in 1998 and is stated at its net carrying amount at 1 February 2004, the date of transition to EU-IFRS.

The goodwill corresponding to BCN Diseños, S.A. de C.V. was generated upon acquisition of the holder of the franchise rights to Massimo Dutti franchise in Mexico in 2004.

In 2005 Inditex acquired a 51% share in the Polish company previously known as Young Fashion Sp. Z.o.o. (currently Zara Polska, S.p. Zo.o.), which until then held the franchise rights to Zara in that country, and reserved the right to acquire an additional 29% as of 1 February 2008. The voting rights of 80% of share capital had already been acquired by Inditex, being paid in August 2005, although legal ownership of the aforementioned 29% of shares will remain with the partner until Inditex exercises the acquisition right.

Inditex granted the seller a put option on 20% of the remaining share capital, which is exercisable between April and May 2008 for a price conditional upon the company's results, but with a set minimum of euros 8 million (€8,000,000). In the event this option is not exercised, the minority interest has a further put option on the 20% share which may be exercised as of June 2008 and which will depend exclusively on results for the year prior to that in which the option is exercised, with no set minimum. Inditex has a call option on the remaining 20% of the company, exercisable as of May 2011 for a strike price which depends exclusively on the results of the company during the year prior to that in which

the option is exercised. At 31 January 2008 a current liability has been recorded with a balancing entry under "Goodwill" in order to recognize these put options granted to the minority shareholder.

In 2006 Inditex acquired 100% of the share capital of the Russian company previously known as Zao Stockmann-Kranoselskaya, (currently Zao Zara CIS) which until then held the franchise rights to Zara in that country.

In 2007, Inditex also rescinded the franchise contracts of the companies which operated the franchise rights to the Pull&Bear and Stradivarius formats in Russia, thus generating goodwill of euros 428 thousand and 6,719 thousand, respectively. As indicated in note 16, in 2007 the company Fibracolor was fully consolidated. The resulting goodwill has been completely written off during the year through Amortization and depreciation in the consolidated income statement.

The acquisitions referred to above had the following effect on the Group's assets and liabilities in the corresponding years:

	2007	2006
	Fibracolor	Zao Zara CIS
Tangible assets	20,692	16,068
Other non-current assets	-	7
Cash and cash equivalents	-	478
Inventories	2,239	4,054
Other current assets	19,074	4,120
Current liabilities	(41,603)	(6,521)
Non-current liabilities	(11,348)	(8,862)
Minority interest	(2,054)	
Net identified assets and liabilities	(13,000)	9,344
Goodwill	-	19,822
Cost of acquisition	-	29,166
Amount disbursed	-	29,166
Cash acquired	(2,733)	(478)
Net cash outflow	-	28,688

El fondo de comercio resultante de la adquisición o rescisión de los contratos con las franquicias corresponde al importe de los intangibles que no cumplen con los requisitos establecidos por la NIIF 3 para su reconocimiento separado. El Grupo determina el valor en uso de las mencionadas unidades generadoras de efectivo a partir de los presupuestos aprobados por la Dirección y las expectativas de flujos de efectivo futuros, sin que hasta la fecha se haya considerado necesario registrar importe alguno en concepto de provisión por deterioro de valor (nota 32.2-g).

5.15 Financial investments

Details of and movement in financial investments during 2007 and 2006 are as follows:

	Investment securities	Investments in EIGs	Bank deposits	Loans and other credit facilities	Total
Balance at 01/02/2006	5,491	22,178	11,001	22,351	61,021
Acquisitions	-	-	2,782	1,242	4,024
Reductions	-	(11,535)	-	(20,135)	(31,670)
Transfer to current assets	-	-	-	-	-
Other	-	-	-	-	-
Balance at 31/01/2007	5,491	10,643	13,783	3,458	33,375
Balance at 01/02/2007	5,491	10,643	13,783	3,458	33,375
Acquisitions	-	24,464	-	13,136	37,600
Disposals	-	(20,476)	-	-	(20,476)
Transfer to current assets	-	-	(13,783)	-	(13,783)
Other	-	-	-	(542)	(542)
Balance at 31/01/2008	5,491	14,631	-	16,052	36,174

Non-current investment securities mainly correspond to a euros 4,955 thousand stake in Banco Gallego, S.A.

The investment in Economic Interest Groupings (EIGs) comprises Inditex's shareholding in fourteen economic interest groupings, the activity of which is the leasing of assets managed by a separate, non-group entity which retains most of the profits and is exposed to the risks associated with this activity. These groupings have applied the fiscal incentives established in prevailing Spanish legislation (see note 23), the effect of which is shown under "Income tax" in the consolidated income statement.

5.16 Investments in associate companies

In 2006, Inditex's 39.9% stake in Fibracolor, S.A. was classified under this caption. This company renders services to several Inditex Group companies and its activity is the dyeing and printing of all types of fabrics, as well as other related finishing processes

As of 31 January 2007 the rest of shareholders of this company were EPLICSA (Empresa de Promoció i Localització Industrial de Catalunya, S.A.), with a 25.2% stake, and other shareholders which held not more than 7% of share capital.

As agreed among the shareholders, EPLICSA had the right to sell its 25.2% shareholding to the other shareholders based on their percentage ownership. This sale agreement was exercised by EPLICSA with effect from 31 December 2007, the final deadline agreed by the interested parties. As a result, Inditex now holds the majority of voting rights.

The investment in Fibracolor, S.A. has been treated as a subsidiary, as Inditex is understood to exercise control over this company. The impact on the Group's net assets, liabilities and results has not been significant.

Movement in this caption in 2007 and 2006 has been as follows:

	2007	2006
Opening balance	4,446	7,040
Loss of the year	(7,508)	(2,786)
Disposals	3,062	-
Other	-	192
Closing balance	-	4,446

5.17 Other non-current assets

Details of and movement in this caption of the consolidated balance sheet during 2007 and 2006 are as follows:

	Guarantees	Other	Total
Balance at 01/02/2006	72,969	14,193	87,162
Acquisitions	11,978	4,968	16,946
Disposals	(926)	-	(926)
Loss for the year	-	(841)	(841)
Transfers	(37)	-	(37)
Effect of movements in foreign exchange	(2,807)	(1,414)	(4,221)
Balance at 31/01/2007	81,177	16,906	98,083
Balance at 01/02/2007	81,177	16,906	98,083
Acquisitions	23,713	5,886	29,599
Disposals	(1,586)	(1,880)	(3,466)
Loss for the year	-	-	-
Transfers	-	300	300
Effect of movements in foreign exchange	(795)	(4,026)	(4,821)
Balance at 31/01/2008	102,509	17,186	119,695

Guarantees mainly correspond to amounts extended to proprietors of leased commercial premises to ensure compliance with the conditions stipulated in lease contracts (see note 24).

5.18 Trade and other payables

Details of this caption of the 2007 and 2006 consolidated balance sheets are as follows:

	31/01/08	31/01/07
Trade payables	1,455,784	1,183,009
Trade payables due to associates	-	91
Personnel	122,151	97,038
Public entities	296,179	242,209
Other current payables	101,137	96,479
Total	1,975,251	1,618,825

5.19 Net financial position

Details of “Cash and cash equivalents” in the consolidated balance sheets are as follows:

	31/01/08	31/01/07
Cash in hand and at banks	538,660	403,770
Short-term deposits	134,393	66,839
Fixed-income securities	792,782	435,539
Total cash and cash equivalents	1,465,835	906,148

Details of Group debt with banks are as follows:

	31/01/2008			31/01/2007		
	Current	Non-current	Total	Current	Non-current	Total
Loans	31,775	33,663	65,439	42,938	1,342	44,280
Credit facilities	333,494	-	333,494	97,394	34,129	131,523
Finance leases	6,006	8,695	14,701	3,654	11,843	15,497
Other financial debt	-	-	-	-	-	-
Otras deudas financieras	-	-	-	1,091	-	1,091
	371,276	42,358	413,634	145,077	47,314	192,391

At 31 January 2008 the Group has a drawdown limit of euros 824,982 thousand on its credit facilities (euros 691,692 thousand at 31 January 2007).

Financial debt interest is negotiated by the Group on the respective financial markets and usually consists of a monetary market index plus a spread in line with the solvency of the company (parent or subsidiary) contracting the debt.

Financial debt is stated in the following currencies:

	31/01/08	31/01/07
Euro	290,913	51,519
American Dollar	10,102	27,143
Other European currencies	49,600	41,515
Other American currencies	44,942	42,765
Other currencies	18,076	29,449
	413,634	192,391

The maturity of group debt with banks at 31 January 2008 and 2007 is as follows:

	31/01/08	31/01/07
Less than one year	371,276	145,077
Between one and five years	42,358	47,314
More than five years	-	-
	413,634	192,391

5.20 Provisions

Details of and movement in this caption of the consolidated balance sheet during 2007 is as follows:

	Pensions and similar obligations with personnel	Liabilities	Total
Balance at 01/02/2007	5,934	39,180	45,114
Provisions made during the year	1,187	11,757	12,944
Provisions used during the year	(2,306)	(8,153)	(10,459)
Transfers	(18)	-	(18)
Effect of movements in foreign exchange	100	-	100
Balance at 31/01/2008	4,897	42,784	47,681

Provision for pensions and similar obligations with personnel

In accordance with prevailing collective labor agreements, certain group companies are obliged to pay retirement bonuses. The Group created a provision to cover the liability corresponding to the estimated accrued portion at the closing date (see note 27). This liability has been externalized and therefore no amount is recorded for this item under "Provisions" on the balance sheet.

Provision for liabilities

Given the Group's international presence, it has certain legal, customs, tax and other contingencies. The amounts shown here correspond to current obligations from legal claims or constructive obligations deriving from past actions which include a probable outflow of resources that has been reliably estimated. At the date of preparation of these consolidated accounts, there are no litigation proceedings the final outcome of which could significantly affect the Company's equity situation. The directors of Inditex consider that the provisions recorded in the consolidated balance sheet adequately cover risks deriving from litigation proceedings, arbitration hearings and other contingencies, and do not expect any additional liabilities to arise therefrom. Given the nature of the risks, it is not possible to estimate when any eventual liabilities may have to be settled.

5.21 Other non-current liabilities

Details of and movement in this caption of the consolidated balance sheet during 2007 and 2006 are as follows:

	Shareholder share options	Lease incentives	Non-current payables	Other	Total
Balance at 01/02/2006	77,806	114,035	-	14,522	206,363
Acquisitions	7,700	44,589	-	-	52,289
Changes through profit or loss	38,786	(8,027)	-	-	30,759
Transfers of assets	-	-	-	-	-
Disposals	(94,910)	-	-	(5,312)	(100,222)
Effect of movements in foreign exchange	881	-	-	-	881
Balance at 31/01/2007	30,263	150,597	-	9,210	190,070
Balance at 01/02/2007	30,263	150,597	-	9,210	190,070
Acquisitions	4,043	49,119	-	1,145	54,307
Changes through profit or loss	-	(12,734)	-	-	(12,734)
Transfers of assets	-	(781)	-	-	(781)
Disposals	-	-	-	-	-
Effect of movements in foreign exchange	(726)	(648)	-	-	(1,374)
Balance at 31/01/2008	33,580	185,553	-	10,355	229,488

Additions through profit and loss have been recognized under "Other net operating income/expenses" and "Operating expenses" (euros 2,475 thousand in 2007 and euros 39,560 thousand in 2006) (see note 5) and "Financial results" (euros 1,568 thousand in 2007 and euros 1,043 thousand in 2006) (see note 6) of the consolidated income statement.

5.22 Capital and reserves

Share capital

At 31 January 2008 and 2007, parent company share capital amounted to euros 93,499,560 and is represented by 623,330,400 registered shares of euros 0.15 par value each, subscribed and fully paid. All shares belong to a single class and series, have the same voting and profit sharing rights and are represented by book entries.

Inditex shares are listed on the four Spanish stock exchanges and, consequently, the Company is unaware of how exactly its share capital is held. According to public information registered with the Spanish Stock Exchange Commission, at 31 January 2008 the members of the board of directors or related companies controlled approximately 59.327% of parent company share capital, compared to 59.325% as at 31 January 2007 (see note 30).

Treasury shares

Treasury shares held by the Inditex Group comprise the following:

- 41,000 treasury shares at 31 January 2008 (41,000 as at 31 January 2007) with an average acquisition cost of euros 2.18 per share.
- 2,333,809 shares with an acquisition cost of euros 2.93 per share, corresponding to the following operation:

At the meetings held on 20 July 2000, 19 January and 20 April 2001 the shareholders of Inditex agreed to launch a share option plan which awarded board members and management of Inditex and its group of subsidiaries option rights over a maximum of 3,018,400 ordinary Inditex shares of euros 0.15 par value each.

In order to hedge the share option plan, Banco Bilbao Vizcaya Argentaria, S.A. subscribed to 3,018,400 shares of a capital increase carried out in January 2001 and signed a call option agreement in favor of Inditex whereby the latter could acquire the shares for sale to beneficiaries in the event they exercised their option rights. This financial entity also subscribed a swap contract with Inditex in order to set the return on the investment in the Company's shares and regulate the associated cash flows. Upon expiry of this plan, 2,348,383 residual shares remained, which Inditex acquired in 2007 and recorded as treasury shares. As described in note 27, the shareholders at an annual general meeting agreed to incorporate these remaining shares into a new share-based remuneration plan.

5.23 Income tax

With the exception of Inditex, S.A. and Indipunt, S.L., companies whose information is incorporated in these consolidated annual accounts file individual tax returns.

Inditex, S.A. is the parent of a group of companies which files consolidated tax returns in Spain. The consolidated fiscal group is composed of Inditex, S.A., the parent, and Spanish subsidiaries which comply with prevailing tax legislation for filing consolidated tax returns. The subsidiaries that comprise the aforementioned tax group are the following:

Bershka Logística, S.A.	Lefties España, S.A.	Stear, S.A.
Bershka BSK España, S.A.	Massimo Dutti Logística, S.A.	Stradivarius España, S.A.
Choolet, S.A.	Massimo Dutti, S.A.	Stradivarius Logística, S.A.
Comditel, S.A.	Nikole, S.A.	Trisko, S.A.
Confecciones Fios, S.A.	Oysho España, S.A.	Uterqüe España, S.A.
Confecciones Goa, S.A.	Oysho Logística, S.A.	Uterqüe Logística, S.A.
Denllo, S.A.	Plataforma Europa, S.A.	Uterqüe, S.A.

Glencare, S.A.	Plataforma Logística León, S.A.	Zara España, S.A.
Goa-Invest, S.A.	Plataforma Logística Meco, S.A.	Zara Home España, S.A.
Grupo Massimo Dutti, S.A.	Pull & Bear España, S.A.	Zara Home Logística, S.A.
Hampton, S.A.	Pull & Bear Logística, S.A.	Zara Logística, S.A.
Inditex, S.A.	Samlor, S.A.	Zara, S.A.
Kiddy's Class España, S.A.	Skhuaban, S.A.	Zintura, S.A.

Indipunt, S.L. is also the parent company of a separate fiscal group whose sole subsidiary is Jema Creaciones Infantiles, S.A.

“Income tax payable” in the consolidated balance sheet corresponds to the 2007 income tax provision, net of withholdings and payments on account made during the period. “Trade and other payables” include the liability deriving from the remaining applicable taxes.

“Trade and other receivables” in the consolidated balance sheet mainly include the difference between VAT recoverable and VAT receivable.

Inditex, S.A. holds a 49% stake in nine economic interest groupings (EIG), and during the year acquired a 46% interest in a new EIG. The principal activity of EIG's is the leasing of assets. These groupings requested from the tax authorities, and were granted, tax incentives provided for in income tax legislation (see note 15).

This year, these economic interest groupings generated tax loss carryforwards which reduced the income tax expense and which Inditex, S.A. has opted to apply to the taxable period in which the annual accounts are approved. These investments are considered as a financing operation, the estimated net result of which will be recognized over their expected lives. Forecast future years' taxable and accounting income have raised accrued income tax by euros 17,875 thousand.

The 2007 income tax calculation is based on profit reported for accounting purposes, obtained in conformity with EU-IFRS, which may differ from the profit for fiscal purposes. The income tax expense includes both current and deferred income tax as follows:

	2007	2006
Current taxes	407,519	260,108
Deferred taxes	(19,647)	69,394

A reconciliation of the income tax expense under the prevailing Spanish general income tax rate to “Profit before tax” and the expense recorded in the consolidated income statement, and a reconciliation thereof with the net income tax payable for 2007 and 2006, is as follows:

	2007	2006
Consolidated accounting income	1,250,269	1,001,540
Accrued income tax	387,872	329,502
Net permanent differences:		
Individual companies	(233,153)	(30,882)
Consolidation adjustments	54,473	80,340
Offset of prior years' loss carryforwards	(15,146)	(11,285)
Taxable accounting income	1,444,315	1,369,215
Tax rate	33%	35%
Total income tax	469,402	479,225
Effect of tax rates in foreign jurisdictions	(4,982)	(78,664)
Tax credits and deductions	(65,673)	(161,618)
Foreign withholding taxes	15,750	14,578
Other adjustments	(26,625)	75,981
Income tax expense	387,872	329,502
Temporary differences	19,647	(69,394)
Net income tax	407,519	260,108

Positive permanent differences mainly correspond to non-deductible expenses, charges to non-deductible provisions and the portion of the contribution of rights to use certain assets to a subsidiary attributable to taxable income.

Negative permanent differences basically correspond to tax loss carryforwards generated by the economic interest groupings.

Temporary differences have given rise to the corresponding deferred tax assets and liabilities, details of which for 2007 and 2006 are as follows:

	2007	2006
Deferred tax liabilities:		
Lease operations	3,924	4,297
Intragroup operations	50,577	40,792
Amortization	13,910	17,456
Reinvestment of profits	4,304	4,719
Other	38,242	37,055
Total	110,957	104,319
Deferred tax assets:		
Provisions	17,881	15,791

Amortization	1,505	6,327
Tax losses	24,895	31,250
Other	37,875	35,483
Total	82,156	88,851

These balances have been determined based on tax rates which, according to enacted fiscal legislation, will be in force during the year in which the balances are expected to reverse and which, in certain cases, differ from the tax rates prevailing this year.

The difference between balances calculated at the prevailing and new tax rates has impacted accrued income tax.

As permitted by the prevailing tax legislation in each country, group companies have applied tax credits amounting to euros 65,673 thousand. Although these companies have, in general, not yet filed their income tax returns for 2007, deductions and credits of euros 116,538 thousand have been included in the income tax provision, which is shown in the accompanying annual accounts. The surplus included in the calculation of the provision for the current year corresponds to credits which were unable to be applied in the previous year due to a shortfall in income tax. The deferred tax asset recognized in the previous year has been cancelled with a charge to accrued income tax.

At 31 January 2008, the Group has tax losses of euros 138,053 (euros 109,154 thousand at 31 January 2007) which may be offset against future profits, the majority of which may be utilized indefinitely. Deferred tax assets in respect of tax losses are only recognized when there is evidence that future taxable profits will be available against which the asset can be utilized.

Years open to inspection by the tax authorities for all main applicable taxes vary depending on the tax legislation in each country. The directors do not expect that any significant additional liabilities affecting Group equity or results would arise in the event of inspection.

5.24 Operating leases

Most of the commercial premises from which the Group carries out its retail distribution activities are leased from third parties. These rental contracts are classified as operating leases since, irrespective of the lease term and the amounts paid or due to the owners of the leased premises, there is no transfer of risks and rewards inherent to ownership.

Due to the presence of the Group in different countries, the variety of legislation governing lease contracts, the diverse nature and economic status of the owners and other factors, there is a broad range of clauses regulating lease contracts.

In many cases the lease contracts simply establish a fixed rental payment, normally monthly, adjusted for inflation based on a price index. In other cases the amounts payable to the lessor are a percentage of the sales obtained by the Group in the leased premises. These variable lease payments or contingent rent may have minimum guaranteed amounts or certain rules of calculation attached. In some countries lease contracts are periodically indexed to market rates, which on occasion entails an increase in rent, but not when market rates are lower. Occasionally, staggered rental payments are agreed, which means cash outflows can be reduced during the initial years of commercial premises use, even if the expense is recognized on a straight-line basis (see note 32.2-p). Free rental periods are also frequently established in order to avoid having to pay rent when premises are being refurbished and prepared for opening.

Rental contracts also sometimes require lessees to pay certain amounts to the lessor, which, from an economic perspective, could be considered advance rental payments, or to the previous tenants so that they waive certain rights or transfer them to the Group (transfer rights or different types of indemnities). These amounts are recognized as non-current assets (see note 13) and are generally amortized over the term of the lease contract.

On certain occasions, shopping center developers or the proprietors of leased premises make contributions towards the establishment of the Group's business in their premises. These contributions are treated as lease incentives (see note 21) and are taken to income over the lease term.

A wide variety of situations also apply to the duration of lease contracts, which generally have an initial term of between 15 and 25 years. However, legislation in certain countries or the situations in which lease contracts are typically used means the duration of contacts is sometimes shorter. In some countries, legislation or the lease contracts themselves protect the right of the lessee to terminate the contract providing sufficient advance notice (e.g. three months) is given. In other cases, however, the Group is obliged to comply with the full term of the contract, or at least a significant part thereof. Some contracts combine these undertakings with termination clauses that may only be exercised at certain times over the term of the contract (e.g. every five years or at the end of the tenth year).

Details of operating lease expenses are as follows:

	2007	2006
Minimum installments	701,410	587,304
Contingent installments	153,968	130,611
	855,378	717,915
Sub-leasing collections	2,046	4,269

Future minimum payments and receipts under non-cancelable operating leases are as follows:

	2007			2006		
	Less than 1 year	Between 1 and 5 years	More than 5 years	Less than 1 year	Between 1 and 5 years	More than 5 years
Lease payments	533,457	1,099,425	799,299	466,687	957,015	701,686

5.25 Finance leases

The Group has contracted finance leases mainly for commercial premises and logistics centers. The corresponding leased assets are recorded under tangible assets in the consolidated balance sheet (see note 11), while the related debt is recognized as a financial liability (see note 19). The net carrying amount of items acquired under lease financing and the future amounts payable until the leases expire are as follows:

	31/01/08	31/01/07
Cost of the asset	54,386	62,600
Accumulated depreciation	(12,310)	(13,836)
	42,076	48,764

	Minimum payments	
	31/01/08	31/01/07
Less than one year	6,006	5,588
Between one and five years	8,695	17,682
More than five years	-	492
	14,701	23,762

5.26 Risk management and financial instruments

Financial risk management policies

The Group's activities are exposed to certain types of financial risk: market risk (including exchange rate risk), credit risk, liquidity risk and interest rate risk on cash flows. The Group's risk management policy centers on the uncertainty of financial markets and attempts to minimize the potential adverse effects on the Group's profitability through the use of certain financial instruments as described below.

This note provides information on the Group's exposure to each of the aforementioned risks, the Group's objectives, policies and processes for managing risk, the methods used to measure these risks and any changes from the previous year

Exchange rate risk

The Group operates in an international environment and, accordingly, is exposed to exchange rate risk, particularly from the US Dollar, and to a lesser extent, the Mexican Peso, the Japanese Yen and the Pound Sterling. Exchange rate risk arises on future commercial transactions, assets and liabilities recorded in foreign currencies and net investments in foreign businesses.

In order to control the exchange rate risk on future commercial transactions and assets and liabilities recorded in currencies other than the Company's functional currency, group companies use forward exchange contracts. The Group manages each currency's net position through external forward foreign currency contracts or other financial instruments.

The Group has various investments in foreign businesses, the net assets of which are exposed to exchange rate risk which is managed in line with Group management policies.

During 2007, had the value of the euro increased by 10% compared to the US Dollar and, as a result, compared to the rest of the foreign currencies linked to the US Dollar, all other things being equal, consolidated profit after income tax would have been approximately euros 48,524 thousand higher (euros 47,213 thousand in 2006), primarily because of the conversion of subsidiaries' financial statements expressed in currencies other than the euro, and the impact on the portion of merchandise purchases in US Dollars not covered by exchange-rate hedges.

Credit risk

The Group is not exposed to significant concentrations of credit risk, as policies are in place to cover sales to franchises and retail sales comprise the vast majority of revenue. Collections are primarily made in cash or through credit card payments.

The Group also limits its exposure to credit risk by investing solely in products that have high liquidity and credit ratings.

Provision is made for the impairment of trade receivables when objective evidence exists that the Group will be unable to recover all the outstanding amounts in accordance with the original contractual conditions of the receivables. The provision amounts to the difference between the asset's carrying amount and the present value of estimated cash flows, discounted at the effective interest rate, and is recognized in the income statement. Charges to the provision during the year as a result of value adjustments to the balances recorded under this caption have not been significant.

At 31 January 2008 and 2007 no significant outstanding balances exist. Furthermore, based on available historical data, the Group does not consider it necessary to make value adjustments to receivables which are not past due. The fair value of receivables is equal to their carrying amount.

The Group's policy is to only extend financial guarantees to subsidiaries.

Liquidity risk

The Group is not exposed to significant liquidity risk, as it maintains sufficient cash and cash equivalents to meet the outflows of normal operations. In the event the Group requires financing, either in euros or in other currencies, it reverts to loans, credit facilities or other types of financial instruments (see note 19).

Details of financial liabilities are disclosed in note 19, along with their expected maturities. The fair value of these financial liabilities does not differ substantially from their carrying amount.

Interest-rate risk

Interest rate fluctuations affect the fair value of assets and liabilities which accrue a fixed rate of interest, as well as future cash flows from assets and liabilities indexed to a variable interest rate. Group exposure to this risk is not significant for the reasons mentioned above.

The Group does not have any financial assets or liabilities at fair value through profit or loss or interest-rate financial derivatives. Consequently, any changes in interest rates at year end will not significantly affect consolidated profits.

Capital management

The Group's capital management objectives are to safeguard the Group's ability to continue operating as a going concern so that it can continue to generate returns for shareholders, benefit other interested parties, and maintain an optimal capital structure to reduce the cost of capital.

The Group manages its capital structure and makes adjustments thereto in response to changes in economic conditions. No significant changes to capital management have been made during the year.

Neither the Company or Inditex group subsidiaries are subject to strict capital management criteria.

Financial instruments

Merchandise and goods for resale are partly acquired from foreign suppliers in US Dollars. In accordance with prevailing exchange rate risk policies, group Management contracts derivatives, mainly forward contracts, to hedge cash flow fluctuations related with exchange rates.

Moreover, and as described in note 32.2.n), the Group applies hedge accounting to mitigate the volatile effect that contracting hedge instruments prior to recording the associated transactions would have on the consolidated income statement.

Consequently, the fair value of hedging derivatives has been recognized in equity during the year. A total of euros 1,626 thousand (euros 1,130 thousand in 2006) was reclassified to the income statement, the hedged portion of which was recognized under cost of sales and the speculative portion under net financing revenue/(costs). The ineffective portion of hedging derivatives has not been significant and has also been taken to net financing revenue/(costs).

At 31 January 2008 the Group held derivatives, mainly forward purchases and options, in US Dollars and Pounds Sterling for a par value of approximately US Dollars 529,950 thousand and Pounds Sterling 9,100 thousand, respectively (US Dollars 387,800 thousand and Pounds Sterling 33,000 thousand at 31 January 2007), and Mexican Pesos 895,000 thousand.

The fair value of forward exchange-rate contracts has been calculated based on market value, where available, and has otherwise been estimated by discounting the difference between the amount contracted and the value of the contract at year end at a risk-free rate, taking into account its residual maturity.

Approximately 60% of cash flows associated with hedges in US Dollars are expected to be generated during the seven months subsequent to year end, while the remaining 40% is expected to be generated within six months to a year. It is also likely that the impact on consolidated profit and loss will arise during these periods.

Details of the various financial asset and liability categories are disclosed in notes 15 and 19. No amount has been recognized for the impairment of financial assets during 2007.

5.27 Employee benefits

Defined benefit or contribution plan obligations

In general, the Group has no defined benefit or contribution plan obligations with its employees. However, in line with prevailing labor legislation or customary practice in certain countries, the Group assumes certain commitments related with the payment of specific amounts for accidents, illness, retirement, etc., to which employees sometimes contribute. The associated risk is partially or fully externalized through insurance policies. Furthermore, in some countries employees receive a share of company profits. The liabilities associated with these items are recognized under "Trade and other receivables" and "Other non-current liabilities" in the consolidated balance sheet. The impact of these obligations on the consolidated income statement and the consolidated balance sheet is not significant.

Share-based payments

At their respective meetings held on 18 July 2006, the directors and shareholders of Inditex agreed to a share-based payment plan (hereinafter the Plan) whereby certain group employees would receive free on 1 October 2008 ordinary Inditex shares of euros 0.15 par value each belonging to the same class and series as the remaining shares of the Company.

Through this Plan, beneficiaries are assigned an initial number of “units” (not shares) in order to determine the number of shares they will receive, which is based on the number of units that can be converted into shares in line with the conditions attached. These units are not transferable to third parties, inter vivos or causa mortis, who may only be entitled to compensation in the event of early settlement deriving from the death of a beneficiary.

The Plan is aimed at members of the management team, including two executive board members and seven general managers, and other key employees of the Inditex Group.

The Plan is limited to a maximum of 2,348,383 shares, equivalent to 0.37% of share capital, which is the surplus amount of a previous share option plan. These shares were issued through a capital increase subscribed by a financial entity in order for the Company to fulfill its commitments with the beneficiaries of the plan. The Company acquired these shares by exercising its call option with the financial entity.

The Plan came into effect on 18 July 2006, the date on which the shareholders approved the Plan, and vests on 1 October 2008, when the beneficiaries’ right to receive the shares materializes, without prejudice to any early settlement.

One of the conditions for receiving shares is that the beneficiary must be employed by Inditex or any Inditex group company on the Plan’s vesting date, 1 October 2008, except in the case of early settlement (e.g. death, retirement, unfair dismissal or maternity leave), in which case the number of convertible units would be calculated in proportion to the time elapsed since the grant date (18 July 2006) and the Plan’s vesting date (1 October 2008).

The final number of shares to be received upon vesting of the Plan will depend on the share’s revaluation in accordance with the conditions established by the board of directors: beneficiaries will be entitled to receive 100% of the shares corresponding to the units initially assigned when the average quotation price during 2006 and 2007 exceeds the weighted average quotation price during the last quarter of 2005 by a certain percentage established by the board of directors, based on the different forecast revaluation scenarios.

Fair value at the plan concession date was estimated at euros 48,046 thousand using commonly accepted valuation techniques, taking into account assumptions corresponding to the value of the share at

the grant date, the average quotation, interest rates, the dividend payable or “dividend yield” and volatility. Personnel expenses recorded in the consolidated income statement for the year amount to euros 22,139 thousand (euros 11,100 thousand in 2006), with a balancing entry in equity.

5.28 Interest in joint ventures

Inditex has a 50% stake in the group formed by the parent Tempe, S.A. and its subsidiaries Tempe México, S.A. de C.V., Tempe Brasil, S.A. and Tempe Logística, S.A. The principal activity of these companies is the design, supply and distribution of footwear to Inditex Group companies, their main customer. The assets, liabilities, income and expenses of this joint venture which have been consolidated are as follows:

	2007	2006
Non-current assets	24,238	12,127
Current assets	80,231	91,547
Non-current liabilities	(832)	(752)
Current liabilities	(50,839)	(47,652)
Net assets	52,798	55,270
Revenues (*)	253,123	229,094
Expenses	(215,930)	(201,920)

(*) Revenues to third parties: 31,988 and 24,835 thousand euros in 2007 and 2006, respectively.

5.29 Proposed distribution of parent company profit

The directors will propose that the 2007 net profit of the parent company, which amounts to euros 699,699 thousand, be distributed as follows: euros 652,000 thousand as dividends (euros 1.05 per share) and euros 47,699 thousand to voluntary reserves.

Remuneration of the board of directors

Remuneration received by the board of directors and senior management during 2007 is shown in the section on transactions with related parties.

As in 2006, the Group has no commitments in respect of pension plans or life insurance schemes.

Other information concerning the board of directors

According to the public registers of the Spanish Stock Exchange Commission (CNMV), at 31 January 2008 the members of the board of directors held the following direct and indirect investments in the share capital of Inditex:

Name or company name of director	Number of direct shares	Number of indirect shares	Percentage of capital
Mr. Amancio Ortega Gaona	-	369,600,063 (1)	59.294%
Mr. Pablo Isla Álvarez de Tejera	39,800	-	0.006%
Mr. Carlos Espinosa de los Monteros Bernaldo de Quirós	37,000	-	0.006%
GARTLER, S.L.	311,727,598	-	50.010%
Mr. Francisco Luzón López	-	-	0%
Ms. Irene R. Miller	30,239	-	0.005%
Mr. Juan Manuel Urgoiti López de Ocaña	27,739	-	0.004%
Mr. José Luis Vázquez Mariño	5,000	-	0.000%
Mr. Antonio Abril Abadín	76,015	-	0.012%
Total			59.327%

(1) Through Gartler, S.L. and Partler 2006, S.L.

Transactions with related parties

Related parties are subsidiaries, joint ventures and associates, details of which are shown in Appendix I to the consolidated annual accounts, as well as significant or controlling shareholders, members of the board of directors of Inditex and key management.

Inditex Group companies

Operations between Inditex and its subsidiaries form part of regular activities and have been fully eliminated in the consolidation process and are therefore not shown in this note.

Details of operations between Inditex and its joint ventures or associates, which have not been completely eliminated in the consolidation process as they are proportionately consolidated or accounted for using the equity method, are as follows:

Company	Thousands of euros	
	2007	2006
Associates	--	(7,515)
Joint ventures	(221,135)	(193,749)

Details of operations with significant shareholders, the members of the board of directors and management are as follows.

Significant shareholders

According to the information in the public registers of the Spanish Stock Exchange Commission, Gartler, S.L. holds 50.010% of Industria de Diseño Textil, S.A. and is, therefore, the controlling shareholder of the Inditex Group. During 2007 and 2006, operations carried out by the Inditex Group with the controlling shareholder, or with related persons or companies, are as follows:

2007:

Nature of the relationship	Type of operation	Amount (thousands €)
Contractual	Asset leasing	(6,104)
Contractual	Asset leasing	279
Contractual	Works	4,544

2006:

Nature of the relationship	Type of operation	Amount (thousands €)
Contractual	Asset leasing	(5,460)
Contractual	Asset leasing	138
Contractual	Works	4,598

According to the table above, the Inditex Group has earned income on transactions with persons or companies related to the controlling shareholder amounting to euros 5,054 thousand. These transactions correspond mainly to construction works performed by the group company Goa-Invest, S.A., which were carried out under market conditions.

Various group companies have leased commercial premises belonging to companies related to the controlling shareholder. The majority of these lease contracts were signed prior to 1994 and mature between 2014 and 2016. According to the table above, lease payments made by the Group on the aforementioned premises in 2007 amounted to euros 6,104 thousand.

Members of the board of directors and management

Total remunerations and indemnities received by Inditex board members and management during 2007 are as follows:

	Board members	Management
Remunerations	4,518	10,179
Indemnities	-	560
Share-based payments	-	-

Total remunerations and indemnities received by Inditex board members and management during 2006 are as follows:

	Board members	Management
Remunerations	3,950	9,395
Indemnities	-	-
Share-based payments	-	-

During 2006, Inditex approved a share-based payment plan aimed at the management team, including two executive board members, and other key employees of the Inditex Group, the features of which are described in note 27.

As regards transactions with related parties, details of the maximum number of shares receivable by key management personnel, board members and senior management upon vesting of the Plan (1 October 2008), providing all terms and conditions are met, are as follows:

	Minimum no. of shares	Maximum no. of shares	% of capital
Board members		121,500	0.019
Management	-	441,426	0.073

In 2007, a part of this plan was partially liquidated, being provided one manager with 14,574 shares.

Finally and as part of the operations with directors or individuals related to the directors, the Inditex Group has received income of euros 231 thousand during 2007. This income is from the construction work performed by the Group's construction company Goa-Invest, S.A., which was performed at arm's length.

5.31 External auditors

Details of fees and expenses accrued by KPMG Auditores, S.L. (main auditor) and associated firms in relation to services rendered to consolidated companies are as follows:

	2007	2006
Audit services	3,433	3,232
Other services	360	309
Total	3,793	3,541

In addition to the audit of the Inditex Group annual accounts, audit services rendered by KPMG Auditores, S.L. also include certain audit work related with the external audit.

Non-audit services, mainly relating to corporate social responsibility, include inspection of suppliers' workshops and factories and other services rendered to certain foreign group subsidiaries

According to information received from the auditors, fees received from the Inditex Group by KPMG International or associated firms do not exceed 0.027% of total revenue.

5.32 Selected accounting policies

5.32.1 Basis of consolidation

a) Subsidiaries

Subsidiaries are those entities controlled by the parent company. Control exists when the parent company has the power, directly or indirectly, to govern financial and operating policies. Subsidiaries are consolidated by aggregating the total amount of assets, liabilities, income, expenses and cash flows, after carrying out the adjustments and eliminations relating to intragroup operations. The results of subsidiaries acquired during the year are included in the consolidated annual accounts from the date that control commences.

Net identifiable assets acquired, liabilities and contingent liabilities assumed as part of a business combination are stated at fair value at the date of acquisition, providing this has taken place after 1 January 2004, the date of transition to EU-IFRS. Any excess over the fair value of identifiable assets acquired, liabilities and contingent liabilities assumed at that date is recognized as goodwill, and otherwise is recorded as income for the year. Acquisitions of entities prior to this date were recognized in accordance with generally accepted accounting principles in Spain once all necessary corrections and adjustments at the transition date were taken into account. In accordance with EU-IFRS, goodwill is not amortized but is systematically tested for impairment. Minority interest shown in the consolidated statement of changes in equity corresponds to investments held in group companies prior to the date of transition to EU-IFRS. Consequently, these investments are measured at an amount equivalent to the percentage of the net carrying amount of the assets and liabilities of the companies of which they are shareholders.

Any loss attributable to minority interest exceeding their interest is assumed by the Group when preparing its annual accounts. Minority interest in the equity and results of subsidiaries is presented under "Net equity attributable to minority interest" and "Profit attributable to minority interest", respectively. Details of subsidiaries, joint ventures and associates are provided in Appendix I.

b) Joint ventures

Joint ventures are those entities over whose activities the Group has joint control, established by contractual agreement. The consolidated annual accounts include, in each individual caption of the balance sheet and income statement, the Group's proportionate share in these entities' assets, liabilities, revenue, expenses and cash flows from the date that joint control commences until the date that joint control ceases.

c) Associates

Associates are those entities in which the Group has significant influence, but not control or joint control, over the financial and operating policies. The consolidated annual accounts include the Group's share of the total recognized gains, losses, assets and liabilities of associates on an equity accounted basis, from the date that significant influence commences until the date that significant influence ceases. When the Group's share of losses exceeds its interest in an associate, the Group's carrying amount is reduced to nil and recognition of further losses is discontinued except to the extent that the Group has incurred legal obligations or made payments on behalf of an associate.

d) Harmonization of criteria

Each of the entities included in the consolidated group prepares its annual accounts and other accounting records in accordance with accounting policies and legislation applicable in the country of origin. When these accounting criteria and policies are different to those adopted by Inditex in the preparation of its consolidated annual accounts, they have been adjusted in order to present the consolidated annual accounts using homogenous accounting principles.

e) Intragroup eliminations

Intragroup balances and transactions, and any unrealized gains or losses arising from transactions with third parties, are eliminated in the consolidation process. In the case of jointly controlled entities, balances, revenues and expenses between intragroup companies, and any unrealized gains or losses arising from transactions with third parties, are eliminated in the consolidation process to the extent of the Group's interest in the entity. Unrealized gains or losses arising from transactions with associates are eliminated from the consolidated annual accounts to the extent of the Group's interest in the entity.

f) Translation of foreign currency operations

The Group has applied the exemption relating to accumulated translation differences from IFRS 1 First-time Adoption of International Financial Reporting Standards and therefore, any trans-

lation differences recognized in the consolidated annual accounts generated prior to 1 January 2004 are recorded under reserves. Since that date, the financial statements of entities with a functional currency other than the euro are translated as follows:

- Assets and liabilities are translated to euro at foreign exchange rates ruling at the balance sheet date.
- Items that comprise the net equity of these entities are translated to euro at historical exchange rates (or, for accumulated results, at the average exchange rate for the year in which they were generated).
- Revenues and expenses are translated to euro at the average exchange rate for the year.

Differences arising from the application of these exchange rates are included in consolidated equity under "Translation differences".

Foreign exchange differences of consolidated companies deriving from monetary operations with other consolidated entities which, in substance, form part of the net investment made by the Group in foreign entities, and whose collection or payment is not foreseeable or is not likely to occur, are classified as consolidated equity until disinvestment in the subsidiary takes place, at which time the differences are recognized as income or expense for the year.

Exchange differences deriving from trade balances payable and receivable and financing operations between group companies, with foreseeable settlement, are recognized in the income statement for the year.

f) Financial statements in hyperinflationary countries

The financial statements of foreign operations in countries considered to have hyperinflationary economies have been adjusted prior to translation to euro to account for the effect of changes in prices.

g) Entities with a closing date different to that of the Group

Entities with a closing date different to that of the consolidated accounts have been consolidated with the financial statements at their closing date (31 December 2007; see Appendix I). Significant operations carried out between the closing date of these subsidiaries and that of the consolidated accounts are harmonized accordingly.

h) Changes to the consolidated group

The following entities were incorporated and consolidated for the first time during the year:

Zara Macau, Ltd.	Pull & Bear Magyaroszg	Massimo Dutti Hong Kong	Bershka Ukraine, LTD
Zara Croatia, Ltd.	Pull & Bear Ro, Srl	Massimo Dutti Polonia	Stradivarius Magyaroszg
Zara Bucuresti, Srl	Pull and Bear Ukraine, LTD	Massimo Dutti Ro, Srl	Stradivarius Croacia, LTD.
Zara Ukraine LLC	Pull & Bear Slovakia, S.R.O.	Massimo Dutti Macau Ltd.	Stradivarius Slovakia, S.R.O.
Zara Slovakia, S.R.O.	Pull & Bear Croacia, LTD	Massimo Dutti Ukraine, LTD	Stradivarius Ro, Srl
Zara Retail Corea, Ltd.	Oysho Ukraine, LTD	Bershka Croatia, Ltd.	Stradivarius Ukraine, LTD
Inditex Vastgoed Corea, Ltd.	Oysho Hungria	Bershka Magyaroszg	Zara Home Ro, Srl
Uterqüe España, S.A.	Oysho Ro, Srl	Bershka Slovakia, S.R.O.	Zara Home CIS
Uterqüe Logística, S.A.	Oysho France, S.A.R.L.	Bershka Carpati, Srl	Zara Home Ukraine, LTD

Furthermore, as explained in note 16, Fibracolor, S.A. is now considered as a subsidiary.

The companies named Sircio, S.A. and Kettering, S.A. at 31 January 2007 have changed their name during the year to Plataforma Logística Meco, S.A. and Skhuaban, S.A. respectively. The company named Often España, S.A. at 31 January 2007 has also changed its name to Uterqüe, S.A.

The following companies are no longer consolidated: Zara Venezuela, S.A., Pull&Bear Venezuela, S.A. and Bershka Venezuela, S.A.

The changes in the consolidated Group referred to in the previous paragraphs have not had a material impact on the consolidated annual accounts for 2007.

5.32.2 Accounting principles

In 2007, the Group applied IFRS 7 “Financial Instruments: disclosures” for the first time and disclosed new information on the capital management objectives, criteria and principles referred to in IAS 1.124A and subsequent paragraphs. The changes contained in the new standard, which became effective for accounting periods ended on or after 1 January 2007, affect the disclosure requirements to be included in the primary financial statements and are summarized in notes 6, 15, 19 and 26 to these consolidated accounts.

The International Accounting Standards Board (IASB) has published the following standards which are pending adoption by the European Union and which will become effective for accounting periods ended on or after the dates indicated for each case:

- Amendments to the presentation of financial statements (1 January 2009);
- Amendments to IAS 23: Borrowing Costs (1 January 2009);

- Amendments to IAS 27: Consolidated and Separate Financial Statements (1 January 2009);
- Amendments to IFRS 2: Vesting Conditions and Cancellations (1 January 2009);
- IFRS 3 (revised) Business Combinations (1 January 2009);
- IFRIC 13 Customer Loyalty Programmes (1 July 2008);
- IFRIC 14 and IAS 19 – The Limit on a Defined Benefit Asset, Minimum Funding, Requirements and their Interaction (1 January 2008);

The European Union has adopted IFRS 8 Operating Segments, which will become effective for accounting periods ending on or after 1 January 2009. The directors of the Company have not implemented early application of the standards and interpretations listed above. Moreover, the adoption of new standards is not expected to have a material effect on the Group's consolidated annual accounts.

The preparation of the consolidated annual accounts requires Inditex Group management to make judgments and estimates that affect the application of policies and reported amounts of certain assets, liabilities, income and expenses. The estimates are reviewed on an ongoing basis and are based on historical experience and various other factors, including expectations of future events that are believed to be reasonable under the circumstances. These estimates mainly refer to the valuation of assets to determine the existence of impairment losses, the useful lives of property, plant and equipment and intangible assets, as well as the likelihood of occurrence of undetermined or contingent liabilities.

Although these estimates have been made on the basis of the best information available on the matters analyzed at the time of preparing these consolidated annual accounts, it is possible that events may take place in the future which could make it necessary to amend, increase or decrease these estimates in future accounting periods, which would be carried out prospectively, recognizing the effects of the change in estimation in the corresponding future consolidated annual accounts.

a) Foreign currency transactions

Foreign currency transactions are translated to euro using the exchange rate ruling at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies at the balance sheet date are translated to euro at the foreign exchange rate ruling at that date. Foreign exchange differences arising on translation are recognized in the income statement as financial results.

Differences arising from the application of these exchange rates are included in consolidated equity under "Translation differences".

Cash flows from transactions in foreign currency are translated into euro in the consolidated cash flow statement at the exchange rate prevailing at the transaction date. The effect of variations in exchange rates on cash and cash equivalents expressed in foreign currencies is presented separately in the consolidated cash flow statement under "Effect of exchange rate fluctuations on cash and cash equivalents".

b) Tangible assets

Items of property, plant and equipment are stated at cost, including any additional costs incurred until the asset enters into operation, less accumulated depreciation and any impairment losses or depreciation.

Depreciation is provided on a straight-line basis over the estimated useful lives of the assets.

The estimated useful lives are as follows:

Description	Years of useful life
Buildings	25 to 50
Leasehold improvements, machinery and furniture	7 to 13
Other property, plant and equipment	4 to 13

The Group reassesses residual values, useful lives and depreciation methods at the end of each financial year. Changes to the initially established criteria are recognized as a change in estimates.

After initial recognition of an asset, only costs which generate future economic benefits and which can be classified as probable and be reliably estimated are capitalized.

Repair and maintenance costs are expensed as they are incurred.

c) Rights over leased premises

Rights over leased assets include the cost of transfer rights, access premiums or tenancy right waivers paid to the proprietors and former tenants of commercial premises.

Rights over leased assets are recognized at cost of acquisition. After initial recognition, they are stated at cost less accumulated amortization and any impairment losses and are amortized over the term of the lease contract, except when, for legal reasons, the rights do not lose value, in which case they are determined to be intangible assets with indefinite useful lives and are therefore systematically tested for impairment.

d) Other intangible assets

- Industrial property is stated at cost of acquisition or usufruct, or at the cost of registering the items developed by the Group, and is amortized on a straight-line basis over a maximum period of ten years.

- Software is stated at cost and amortized on a straight-line basis over the five-year period.

e) Financial investments

Financial instruments which represent less than 20% of share capital are stated at fair value.

f) Propiedades de inversión**f) Investment property**

Investment properties are assets held to generate rental income, capital appreciation or both, and are stated at cost of acquisition less accumulated depreciation and any impairment losses or depreciation. Depreciation is calculated on a straight-line basis over the useful lives of the corresponding assets.

Details of the market value of investment properties are shown in note 12.

g) Impairment

The Group systematically tests for impairment of consolidated assets which are not considered biological assets, financial assets, inventories, deferred tax assets and non-current assets classified as held for sale, in order to determine whether the carrying amount exceeds the recoverable value (impairment). In order to do this, the Group has developed a general, systematic procedure for carrying out these impairment tests based on the monitoring of certain events or circumstances such as the performance of commercial premises, operating decisions regarding the continuity of a particular location, or other circumstances which indicate that the value of an asset may not be recovered in full.

The recoverable amount of goodwill or assets with indefinite useful lives is estimated at the closing date, and thereafter at least once a year.

Calculation of recoverable amount

The recoverable amount of assets is the higher of fair value less selling costs and value in use. Value in use takes into account expected future cash flows deriving from the use of the asset, forecast variations in the amount or distribution of the cash flows, the time value of money, the risks specific to the asset and other current market assessments.

The recoverable amount is calculated for individual assets unless they do not generate largely independent cash flows, in which case the recoverable amount is determined for the cash-generating unit (CGU) to which the asset belongs.

Based on actual management of operations, the Group has defined each of the commercial premises in which it carries out its activities (stores) as basic cash generating units, although these basic units can be aggregated to chain-country level, or even to all the companies located in the same country. Group assets which are not clearly assignable under this scheme (for example industrial or logistical assets) are treated separately within the context of this general policy according to their specific nature.

Impairment losses recognized for cash-generating units are initially allocated to reduce goodwill attributed to the CGU and then to the other assets of the CGU pro rata on the basis of the carrying amount of each of the assets.

Reversals of impairment

Impairment losses in respect of goodwill are not reversed in subsequent years. For assets other than goodwill, impairment losses are reversed if there has been a change in the estimates used to determine the recoverable amount.

An impairment loss is reversed only to the extent that an asset's carrying amount does not exceed the carrying amount that would have been determined, net of depreciation or amortization, if no impairment loss had been recognized.

The reversal of an impairment loss in a cash generating unit is distributed among its assets, except for goodwill, which is distributed in accordance with its carrying amount and taking into account the limitation set out in the previous paragraph.

Impairment losses are debited to amortization and depreciation in the consolidated income statement. Reversals of impairment losses on assets other than goodwill are credited to this account once internal or external sources of information have been analyzed and it can be concluded that the impairment indicators which determined the recognition of value adjustments no longer exist or have been partially mitigated.

h) Receivables

Trade and other receivables are recognized at fair value. After initial recognition, they are stated at amortized cost in accordance with the effective interest rate method, less any provision for impairment.

Provision is made for impairment of trade receivables when there is objective evidence that the Group will not be able to collect all the amount owed by the debtor in accordance with the condition of the debt. This provision is calculated as the difference between the carrying

amount and the present value of future estimated cash flows discounted at the effective interest rate and is recognized in the income statement.

i) Inventories

Inventories are measured at the lower of cost and net realizable value.

Cost comprises all costs of acquisition, transformation and other costs incurred in bringing the inventories to their present location and condition.

Transformation costs comprise the costs directly related to the units produced and a systematically calculated portion of indirect, variable and fixed costs incurred during the transformation process.

Cost is calculated on a FIFO basis and includes the cost of materials consumed, labor and manufacturing expenses.

The cost of inventories is adjusted when cost exceeds net realizable value. Net realizable value is considered as the following:

- Raw materials and other supplies: replacement cost. However, materials are not written down below cost if the finished products in which they will be incorporated are expected to be sold at or above cost;
- Goods for resale: estimated selling price, less selling costs;
- Work in progress: the estimated selling price for the corresponding finished products, less estimated costs of completion and selling costs.

j) Cash and cash equivalents

Cash and cash equivalents include cash in hand, call deposits with banks and other short-term highly-liquid investments, providing they are easily convertible into cash, which are exposed to insignificant risk of changes in value. Investments which mature in less than three months from the acquisition date are also included.

Bank overdrafts on demand which form part of the Group's cash management are included in the statement of cash flows as a component of cash and cash equivalents and are recognized as financial liabilities in the consolidated balance sheet.

The Group recognizes cash flows relating to interest and dividends paid and received as financing activities.

k) Employee benefits

In line with prevailing collective labor agreements, certain group companies are obliged to pay retirement bonuses. The Group has created a provision to cover the actuarial liability of the estimated portion accrued at 31 January 2008.

Equity instruments granted to group employees are measured at the grant date. Personnel expenses accrued during the year are determined on the basis of the fair value of equity instruments at the grant date, the period over which services will be rendered and the number of instruments estimated to be definitively consolidated at the end of the period.

Transactions relating to share-based payments entered into prior to 7 November 2002 were recognized using accounting principles prevailing in Spain at the date of transition to EU-IFRS.

Personnel expenses accrued by the beneficiaries of the plan referred to in note 27 to the consolidated annual accounts are recognized with a credit to equity accounts during the period in which services are rendered.

l) Provisions

Provisions are recognized in the balance sheet when:

- the Group has a present legal or constructive obligation as result of a past event;
- it is probable that an outflow of economic benefits will be required to settle the obligation;
and
- the amount can be reliably estimated.

Provisions are based on the best information available at the date of preparation of the annual accounts and are revised at each balance sheet date.

If it is no longer probable that an outflow of resources embodying economic benefits will be required to settle the obligation, the provision is reversed against the consolidated income statement caption where the corresponding expense was recorded.

m) Financial liabilities

Financial liabilities, including trade and other payables, are initially recognized at fair value less any transaction costs directly attributable to issuance of the liabilities, and are subsequently carried at amortized cost using the effective interest method.

n) Derivatives and hedging operations

Financial instruments acquired to hedge transactions in foreign currencies are initially recognized at fair value plus any transaction costs directly attributable to acquiring the instrument

Foreign exchange rate hedges relating to firm purchase commitments are treated as cash flow hedges and are recognized in the consolidated statement of recognized income and expense, net of gains or losses derived from measuring the instrument at fair value which correspond to the effective portion of the hedge. The ineffective portion is taken to financial income or expense as appropriate.

Amounts recognized in equity are taken to income when the transaction takes place with a debit or credit to the account in which it was recognized. Losses recognized in equity which are not expected to be recovered in the future are reclassified to financial income or expense.

o) Revenue recognition

The sale of goods is recognized when the significant risks and rewards of ownership of the goods are transferred.

Sales to franchises are recognized when the aforementioned conditions are met and when the revenue can be reliably determined and collection is considered probable.

Rental income is recognized on a straight-line basis over the term of the lease.

Revenue from royalties is recognized using the accrual principle based on the substance of the contracts, providing collection is considered probable and the amount can be reliably estimated.

p) Leases

Lease contracts in which the significant risks and rewards inherent to ownership of the asset are substantially transferred to third parties are classified as finance leases, and are otherwise recorded as operating leases.

Assets acquired through a finance lease are recognized as non-current assets at the lower of the present value of the future lease minimum payment and the fair value of the leased asset, while the corresponding debt with the lessor is recognized as a liability. Lease payments are apportioned between the reduction of the outstanding liability and the finance charge, which is recorded as a financial expense during the year.

In the case of operating leases, non-contingent or fixed rent payments are charged to the income statement on a straight-line basis over the term of the lease. Contingent rent is recognized in the period in which payment is probable, as are variable rent increases linked to the consumer price index.

Incentives received from shopping center developers or owners of commercial premises are recognized as non-current liabilities and booked as a reduction in rental expense under "Other operating expenses" on a straight-line basis over the term of the respective lease contracts.

q) Financial income and expenses

Financial income and expenses are recognized on an accrual basis using the effective interest method. Dividend income is recognized when the right to receive payment is established.

r) Income tax

Income tax comprises current and deferred tax and is recognized in the income statement and included in the determination of net profit or loss for the year, except to the extent that it relates to a transaction which has been recognized in the same or different years, in which case it is recognized in equity, or to a business combination.

Current tax is the expected tax payable on the taxable income for the year, using tax rates enacted or substantially enacted at the balance sheet date, and any adjustment to tax payable in respect of previous years.

Deferred tax is calculated using the balance sheet method, which provides for temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for tax purposes. Deferred tax liabilities comprise income tax amounts payable in the future on account of taxable temporary differences while deferred tax assets are amounts recoverable due to the existence of deductible temporary differences, tax loss carryforwards or deductions pending application.

The Group recognizes deferred tax assets and liabilities derived from timing differences, except those relating to the initial recognition of goodwill and to the initial recognition of assets or liabilities of a transaction which is not a business combination and which did not affect either

accounting or taxable profit (losses). Deferred tax assets and liabilities are also recognized for timing differences relating to investments in subsidiaries, except when the parent company can control their reversal and the timing differences will probably not reverse in the foreseeable future.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply to the years when the asset is realized or the liability is settled, based on tax rates and tax laws that have been enacted or substantially enacted by the balance sheet date and reflecting the tax consequences that would follow from the manner in which the Group expects to recover or settle the carrying amount of its assets or liabilities.

Deferred tax assets are recognized to the extent that it is probable that future taxable profits will be available against which the asset can be utilized. Deferred tax assets, whether recognized or not, are reviewed at each balance sheet date.

The Group only offsets current tax assets and liabilities if it has a legally enforceable right to set off the recognized amounts and intends either to settle on a net basis, or to realize the asset and settle the liability simultaneously.

Deferred tax assets and liabilities are recognized on the consolidated balance sheet under non-current assets or liabilities, irrespective of the date of realization or settlement.

s) Current and non-current assets and liabilities

The Group classifies assets and liabilities as current and non-current. Assets and liabilities are classified as current when they are expected to be realized or settled within twelve months of the balance sheet date, and are otherwise classified as non-current.

Assets and liabilities are not netted unless there are specific requirements to the contrary or a standard or interpretation so permits.

t) Treasury shares

Treasury shares acquired by the Group have been presented separately at cost as a reduction in equity in the consolidated balance sheet, and no gains or losses have been recorded as a result of transactions carried out with treasury shares.

Costs incurred in treasury share transactions are recorded as a reduction in equity, after consideration of any tax effect.

5.33 Environment

Costs incurred in environmental activities are recognized under other operating expenses in the year in which they are incurred.

Appendix I- Structure of the Inditex Group

Company	Effective % of ownership	Location	Consolidation method	Year end	Format	Activity
Subsidiaries:						
Industria de Diseño Textil, S.A.	Parent Company	La Coruña - Spain	Global I.	01/31/2008	-	Parent company
Comditel, S.A.	100,00%	Barcelona - Spain	Global I.	01/31/2008	Zara	Centralized textile manufacturing
Inditex Asia, Ltd.	100,00%	Hong Kong - China	Global I.	01/31/2008	Zara	Centralized textile manufacturing
Zara Asia, Ltd.	100,00%	Hong Kong - China	Global I.	01/31/2008	Zara	Centralized textile manufacturing
Choolet, S.A.	100,00%	La Coruña - Spain	Global I.	01/31/2008	Zara	Textile manufacturing
Confecciones Fíos, S.A.	100,00%	La Coruña - Spain	Global I.	01/31/2008	Zara	Textile manufacturing
Confecciones Goa, S.A.	100,00%	La Coruña - Spain	Global I.	01/31/2008	Zara	Textile manufacturing
Denllo, S.A.	100,00%	La Coruña - Spain	Global I.	01/31/2008	Zara	Textile manufacturing
Hampton, S.A.	100,00%	La Coruña - Spain	Global I.	01/31/2008	Zara	Textile manufacturing
Jema Creaciones Infantiles, S.L.	45,90%	La Coruña - Spain	Global I.	01/31/2008	Zara	Textile manufacturing
Nikole, S.A.	100,00%	La Coruña - Spain	Global I.	01/31/2008	Zara	Textile manufacturing
Samlor, S.A.	100,00%	La Coruña - Spain	Global I.	01/31/2008	Zara	Textile manufacturing
Stear, S.A.	100,00%	La Coruña - Spain	Global I.	01/31/2008	Zara	Textile manufacturing
Trisko, S.A.	100,00%	La Coruña - Spain	Global I.	01/31/2008	Zara	Textile manufacturing
Zintura, S.A.	100,00%	La Coruña - Spain	Global I.	01/31/2008	Zara	Textile manufacturing
Glencare, S.A.	100,00%	La Coruña - Spain	Global I.	01/31/2008	Zara	Textile manufacturing
Indipunt, S.L.	51,00%	La Coruña - Spain	Global I.	01/31/2008	Zara	Textile manufacturing
UAB Rofestas	100,00%	Vilnius - Lithuania	Global I.	01/31/2008	Zara	Textile manufacturing
Zara España, S.A.	100,00%	La Coruña - Spain	Global I.	01/31/2008	Zara	Retailing
Zara Argentina, S.A.	100,00%	Buenos Aires - Argentina	Global I.	01/31/2008	Zara	Retailing
Zara Belgique, S.A.	100,00%	Brussels - Belgium	Global I.	01/31/2008	Zara	Retailing
Zara Chile, S.A.	100,00%	Santiago de Chile - Chile	Global I.	12/31/2007	Zara	Retailing
Zara USA, Inc.	100,00%	New York - USA	Global I.	01/31/2008	Zara	Retailing
Zara France, S.A.R.L.	100,00%	Paris - France	Global I.	01/31/2008	Zara	Retailing
Zara UK, Ltd.	100,00%	London - United Kingdom	Global I.	01/31/2008	Zara	Retailing
Zara Hellas, S.A.	100,00%	Athens - Greece	Global I.	01/31/2008	Zara	Retailing
Zara México, S.A. de C.V.	95,00%	Mexico DF - Mexico	Global I.	12/31/2007	Zara	Retailing
Zara Portugal Confeccoes Lda.	100,00%	Lisbon - Portugal	Global I.	01/31/2008	Zara	Retailing
G.Zara Uruguay, S.A.	100,00%	Montevideo-Uruguay	Global I.	01/31/2008	Zara	Retailing
Zara Brasil, Lda.	100,00%	Sao Paulo -Brasil	Global I.	12/31/2007	Zara	Retailing

Company	Effective % of ownership	Location	Consolidation method	Year end	Format	Activity
Zara Nederland, B.V.	100,00%	Amsterdam - The Netherlands	Global I.	01/31/2008	Zara	Retailing
Zara Österreich Clothing, GmbH	100,00%	Vienna - Austria	Global I.	01/31/2008	Zara	Retailing
Zara Denmark A/S	100,00%	Stockholm - Sweden	Global I.	01/31/2008	Zara	Retailing
Zara Sverige, AB	100,00%	Stockholm - Sweden	Global I.	01/31/2008	Zara	Retailing
Zara Norge, AS	100,00%	Oslo - Norway	Global I.	01/31/2008	Zara	Retailing
Zara Canada, Inc.	100,00%	Montreal - Canada	Global I.	01/31/2008	Zara	Retailing
Zara Suisse S.A.R.L.	100,00%	Friburgo - Switzerland	Global I.	01/31/2008	Zara	Retailing
Zara Luxembourg, S.A.	100,00%	Luxembourg - Luxembourg	Global I.	01/31/2008	Zara	Retailing
Za Giyim Ithalat Ihracat Ve Ticaret Ltd.	100,00%	Istanbul - Turkey	Global I.	01/31/2008	Zara	Retailing
Zara Italia, S.R.L.	100,00%	Milan - Italy	Global I.	01/31/2008	Zara	Retailing
Zara Japan Corp.	100,00%	Tokyo - Japan	Global I.	01/31/2008	Zara	Retailing
Zara Česká Republika, S.R.O.	100,00%	Prague - Czech Republic	Global I.	01/31/2008	Zara	Retailing
Zara Puerto Rico, Inc.	100,00%	San Juan - Puerto Rico	Global I.	01/31/2008	Zara	Retailing
Za Clothing Ireland, Ltd.	100,00%	Dublin - Ireland	Global I.	01/31/2008	Zara	Retailing
Zara Magyarorszag, KFT.	100,00%	Budapest - Hungary	Global I.	01/31/2008	Zara	Retailing
Zara Monaco, SAM	100,00%	Montecarlo-Monaco	Global I.	01/31/2008	Zara	Retailing
Zara Commercial (Shanghai), Co Ltd.	100,00%	Shangai- China	Global I.	01/31/2008	Zara	Retailing
Zara Commercial (Beijing), Co Ltd.	100,00%	Beijing- China	Global I.	01/31/2008	Zara	Retailing
Zara Macau, Ltd.	100,00%	Macau-China	Global I.	12/31/2007	Zara	Retailing
Zara Polska, Sp. Zo.o.	51,00%	Warsaw - Poland	Global I.	01/31/2008	Zara	Retailing
ZAO Zara CIS, Ltd.	100,00%	Moscow-Russia	Global I.	12/31/2007	Zara	Retailing
Zara Deutschland, GmbH	78,00%	Hamburg - Germany	Global I.	01/31/2008	Zara	Retailing
Zara Bucuresti, Srl	100,00%	Bucarest-Romania	Global I.	01/31/2008	Zara	Retailing
Zara Ukraine LLC	100,00%	Kiev-Ukraine	Global I.	01/31/2008	Zara	Retailing
Zara Slovakia, S.R.O.	100,00%	Bratislava-Slovakia	Global I.	01/31/2008	Zara	Retailing
Zara Croatia, Ltd.	100,00%	Zagreb-Croatia	Global I.	01/31/2008	Zara	Retailing
Zara Retail Korea, Ltd.	100,00%	Seoul-Corea	Global I.	01/31/2008	Zara	Retailing
Inditex Vastgoed Korea, Ltd.	100,00%	Seoul-Corea	Global I.	01/31/2008	Zara	Retailing
Kiddy's Class España, S.A.	100,00%	La Coruña - Spain	Global I.	01/31/2008	Zara	Retailing
Kiddy's Class Portugal Conf. Lda.	100,00%	Lisbon - Portugal	Global I.	01/31/2008	Zara	Retailing
Skhuaban, S.A.	100,00%	La Coruña - Spain	Global I.	01/31/2008	Zara	Retailing
Skhuaban Hellas, S.A.	100,00%	Athens - Greece	Global I.	01/31/2008	Zara	Retailing
Skhuaban France, S.A.R.L.	100,00%	Paris - France	Global I.	01/31/2008	Zara	Retailing
Skhuaban Italia, S.R.L.	100,00%	Milan - Italy	Global I.	01/31/2008	Zara	Retailing

Company	Effective % of ownership	Location	Consolidation method	Year end	Format	Activity
Fibracolor Decoración, S.A.	39,97%	Barcelona - Spain	Global I.	12/31/2007	Zara	Decoration
Fibracolor, S.A.	39,97%	Barcelona - Spain	Global I.	12/31/2007	Zara	Purchase and treatment of textile
Oysho España, S.A.	100,00%	Barcelona - Spain	Global I.	01/31/2008	Oysho	Retailing
Oysho Venezuela, S.A.	100,00%	Caracas - Venezuela	Global I.	01/31/2008	Oysho	Retailing
Oysho Portugal, Conf. Lda.	100,00%	Lisbon - Portugal	Global I.	01/31/2008	Oysho	Retailing
Oysho Mexico, S.A. de C.V.	98,50%	Mexico DF - Mexico	Global I.	12/31/2007	Oysho	Retailing
Oysho Italia, S.R.L.	100,00%	Milan - Italy	Global I.	01/31/2008	Oysho	Retailing
Oysho Hellas, S.A.	100,00%	Athens - Greece	Global I.	01/31/2008	Oysho	Retailing
Oysho Österreich, GmbH	100,00%	Vienna - Austria	Global I.	01/31/2008	Oysho	Retailing
Oysho Giyim Ithalat Ihracat Ve Ticaret Ltd.	100,00%	Istanbul - Turkey	Global I.	01/31/2008	Oysho	Retailing
Oysho Polska, Sp zo.o	100,00%	Warsaw - Poland	Global I.	01/31/2008	Oysho	Retailing
Oysho CIS, Ltd.	100,00%	Moscow-Russia	Global I.	12/31/2007	Oysho	Retailing
Oysho France, S.A.R.L.	100,00%	Paris - France	Global I.	01/31/2008	Oysho	Retailing
Oysho MAGYARORSZAG, KFT	100,00%	Budapest - Hungary	Global I.	01/31/2008	Oysho	Retailing
Oysho Ro, Srl	100,00%	Bucarest-Romania	Global I.	01/31/2008	Oysho	Retailing
Oysho Ukraine, Llc	100,00%	Kiev-Ukraine	I.Global	01/31/2008	Oysho	Retailing
Oysho Deutschland, GmbH	100,00%	Hamburg - Germany	Global I.	01/31/2008	Oysho	Retailing
Oyfen Portugal Conf. Lda.	50,00%	Lisbon - Portugal	Global I.	01/31/2008	-	Retailing
Grupo Massimo Dutti, S.A.	100,00%	Barcelona - Spain	Global I.	01/31/2008	Massimo Dutti	Retailing
Massimo Dutti Hellas, S.A.	100,00%	Athens - Greece	Global I.	01/31/2008	Massimo Dutti	Retailing
Massimo Dutti Giyim Ithalat Ih.Ve Tic. Ltd.	100,00%	Istanbul - Turkey	Global I.	01/31/2008	Massimo Dutti	Retailing
Massimo Dutti Venezuela, S.A.	100,00%	Caracas - Venezuela	Global I.	01/31/2008	Massimo Dutti	Retailing
Massimo Dutti France, S.A.R.L.	100,00%	Paris - France	Global I.	01/31/2008	Massimo Dutti	Retailing
Massimo Dutti UK, Ltd.	100,00%	London - United Kingdom	Global I.	01/31/2008	Massimo Dutti	Retailing
Massimo Dutti Suisse, S.A.R.L.	100,00%	Friburgo - Switzerland	Global I.	01/31/2008	Massimo Dutti	Retailing
Massimo Dutti Sverige, AB	100,00%	Stockholm - Sweden	Global I.	01/31/2008	Massimo Dutti	Retailing
Massimo Dutti Norge, AS.	100,00%	Oslo - Norway	Global I.	01/31/2008	Massimo Dutti	Retailing
Massimo Dutti Italia, S.R.L.	100,00%	Milan - Italy	Global I.	01/31/2008	Massimo Dutti	Retailing
Massimo Dutti Ireland., Ltd.	100,00%	London - United Kingdom	Global I.	01/31/2008	Massimo Dutti	Retailing
Massimo Dutti USA, Ltd.	100,00%	New York - USA	Global I.	01/31/2008	Massimo Dutti	Retailing
Massimo Dutti Danmark A/S	100,00%	Copenhagen - Denmark	Global I.	01/31/2008	Massimo Dutti	Retailing
Massimo Dutti CIS, Ltd.	100,00%	Moscow-Russia	Global I.	12/31/2007	Massimo Dutti	Retailing
Massimo Dutti Deutschland, GmbH	100,00%	Hamburg - Germany	Global I.	01/31/2008	Massimo Dutti	Retailing

What is it?
 What did it do in 2007?
 How did it do it?
 Where is it?
 How is it governed?
 Who forms the teams?
 How does it ensure sustainability?
Economic and Financial Report
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Company	Effective % of ownership	Location	Consolidation method	Year end	Format	Activity
Massimo Dutti Mexico, S.A. de C.V.	98,00%	Mexico DF - Mexico	Global I.	12/31/2007	Massimo Dutti	Retailing
BCN Diseños, S.A. de C.V.	98,00%	Mexico DF - Mexico	Global I.	12/31/2007	Massimo Dutti	Retailing
Zara Home Belgique, S.A.	100,00%	Brussels - Belgium	Global I.	01/31/2008	Massimo Dutti	Retailing
Massimo Dutti, S.A.	100,00%	La Coruña - Spain	Global I.	01/31/2008	Massimo Dutti	Dormand as of 01/31/08
Massimo Dutti Hong Kong, Ltd.	100,00%	Hong Kong - China	Global I.	01/31/2008	Massimo Dutti	Retailing
Massimo Dutti Polska, Sp z.o.o.	100,00%	Warsaw - Poland	Global I.	01/31/2008	Massimo Dutti	Retailing
Massimo Dutti Ro, Srl	100,00%	Bucarest-Romania	Global I.	01/31/2008	Massimo Dutti	Retailing
Massimo Dutti Macau Ltd.	100,00%	Macau-China	I.Global	01/31/2008	Massimo Dutti	Retailing
Massimo Dutti Ukraine, Llc	100,00%	Kiev-Ukraine	I.Global	01/31/2008	Massimo Dutti	Retailing
Pull & Bear España, S.A.	100,00%	La Coruña - Spain	Global I.	01/31/2008	Pull & Bear	Retailing
Pull & Bear Hellas, S.A.	100,00%	Athens - Greece	Global I.	01/31/2008	Pull & Bear	Retailing
Pull & Bear Portugal Conf. Lda.	100,00%	Lisbon - Portugal	Global I.	01/31/2008	Pull & Bear	Retailing
Pull & Bear Giyim Ith. Ihrac.Ve Tic. Ltd.	100,00%	Istanbul - Turkey	Global I.	01/31/2008	Pull & Bear	Retailing
Pull & Bear Mexico, S.A. de C.V.	98,50%	Mexico DF - Mexico	Global I.	12/31/2007	Pull & Bear	Retailing
Pull & Bear Belgique, S.A.	100,00%	Brussels - Belgium	Global I.	01/31/2008	Pull & Bear	Retailing
Pull & Bear France, S.A.R.L.	100,00%	Paris - France	Global I.	01/31/2008	Pull & Bear	Retailing
Pull & Bear Italia, S.R.L.	100,00%	Milan - Italy	Global I.	01/31/2008	Pull & Bear	Retailing
Pull&Bear Ceska Republika, S.R.O.	100,00%	Prague - Czech Republic	Global I.	01/31/2008	Pull & Bear	Retailing
Pull&Bear Ireland, Ltd.	100,00%	Dublin - Ireland	Global I.	01/31/2008	Pull & Bear	Retailing
Pull & Bear Magyarország Kft.	100,00%	Budapest - Hungary	Global I.	01/31/2008	Pull & Bear	Retailing
Pull & Bear Polska, Sp zo.o	100,00%	Warsaw - Poland	Global I.	01/31/2008	Pull & Bear	Retailing
Pull & Bear CIS, Ltd.	100,00%	Moscow-Russia	Global I.	12/31/2007	Pull & Bear	Retailing
Pull & Bear Uk Limited	100,00%	London - United Kingdom	I.Global	01/31/2008	Pull & Bear	Retailing
Pull & Bear Ro, Srl	100,00%	Bucarest-Romania	I.Global	01/31/2008	Pull & Bear	Retailing
Pull and Bear Ukraine, Llc	100,00%	Kiev-Ukraine	I.Global	01/31/2008	Pull & Bear	Retailing
Pull & Bear Slovakia, S.R.O.	100,00%	Bratislava-Slovakia	I.Global	01/31/2008	Pull & Bear	Retailing
Pull & Bear Croatia, LTD	100,00%	Zagreb-Croatia	I.Global	01/31/2008	Pull & Bear	Retailing
Uterqüe, S.A.	100,00%	La Coruña - Spain	I.Global	01/31/2008	-	Centralized purchasing
Uterqüe España, S.A.	100,00%	La Coruña - Spain	Global I.	01/31/2008	-	Retailing
Bershka BSK España, S.A.	100,00%	Barcelona - Spain	Global I.	01/31/2008	Bershka	Retailing
Bershka Portugal Conf. Soc. Unip. Lda.	100,00%	Lisbon - Portugal	Global I.	01/31/2008	Bershka	Retailing
Bershka Hellas, S.A.	100,00%	Athens - Greece	Global I.	01/31/2008	Bershka	Retailing
Bershka Mexico, S.A. de CV	97,00%	Mexico DF - Mexico	Global I.	12/31/2007	Bershka	Retailing

Company	Effective % of ownership	Location	Consolidation method	Year end	Format	Activity
Bershka Giyim Ithalat Ihracat Ve Tic.Ltd.	100,00%	Istanbul - Turkey	Global I.	12/31/2007	Bershka	Retailing
Bershka Belgique, S.A.	100,00%	Brussels - Belgium	Global I.	01/31/2008	Bershka	Retailing
Bershka France, S.A.R.L.	100,00%	Paris - France	Global I.	01/31/2008	Bershka	Retailing
Bershka Suisse, S.A.R.L.	100,00%	Friburgo - Switzerland	Global I.	01/31/2008	Bershka	Retailing
Bershka Nederland, B.V.	100,00%	Amsterdam - The Netherlands	Global I.	01/31/2008	Bershka	Retailing
Bershka Italia, S.R.L.	100,00%	Milan - Italy	Global I.	01/31/2008	Bershka	Retailing
Bershka U.K., Ltd.	100,00%	London - United Kingdom	Global I.	01/31/2008	Bershka	Retailing
Bershka Ireland., Ltd.	100,00%	London - United Kingdom	Global I.	01/31/2008	Bershka	Retailing
Bershka Ceska Republica, S.R.O.	100,00%	Prague - Czech Republic	Global I.	01/31/2008	Bershka	Retailing
Bershka Croatia, Ltd.	100,00%	Zagreb-Croatia	I.Global	01/31/2008	Bershka	Retailing
Bershka Polska Sp Z O.O.	100,00%	Warsaw - Poland	I.Global	01/31/2008	Bershka	Retailing
Bershka Slovakia, S.R.O.	100,00%	Bratislava-Slovakia	I.Global	01/31/2008	Bershka	Retailing
Bershka Carpati, Srl	100,00%	Bucarest-Romania	I.Global	01/31/2008	Bershka	Retailing
Bershka Ukraine, Llc	100,00%	Kiev-Ukraine	I.Global	01/31/2008	Bershka	Retailing
Bershka Magyaroszag Kft.	100,00%	Budapest - Hungary	I.Global	01/31/2008	Bershka	Retailing
Bershka Cis, Ltd	100,00%	Moscow-Russia	Global I.	12/31/2007	Bershka	Retailing
Stradivarius España, S.A.	100,00%	Barcelona - Spain	Global I.	01/31/2008	Stradivarius	Retailing
Stradivarius Hellas, S.A.	100,00%	Athens - Greece	Global I.	01/31/2008	Stradivarius	Retailing
Stradivarius Portugal, Conf. Unip. Lda.	100,00%	Lisbon - Portugal	Global I.	01/31/2008	Stradivarius	Retailing
Stradivarius Giyim Ithalat Ih. Ve Tic. Ltd.	100,00%	Istanbul - Turkey	Global I.	01/31/2008	Stradivarius	Retailing
Stradivarius Polska, Sp zo.o	100,00%	Warsaw - Poland	Global I.	01/31/2008	Stradivarius	Retailing
Stradivarius Ireland Limited	100,00%	Dublin - Ireland	Global I.	01/31/2008	Stradivarius	Retailing
Stradivarius Italia SRL	100,00%	Milan - Italy	Global I.	01/31/2008	Stradivarius	Retailing
Stradivarius CIS, Ltd.	100,00%	Moscow-Russia	Global I.	12/31/2007	Stradivarius	Retailing
Stradivarius France, S.A.R.L.	100,00%	Paris - France	Global I.	01/31/2008	Stradivarius	Retailing
Stradivarius Magyaroszag Kft.	100,00%	Budapest - Hungary	Global I.	01/31/2008	Stradivarius	Retailing
Stradivarius Croatia, LTD.	100,00%	Zagreb-Croatia	Global I.	01/31/2008	Stradivarius	Retailing
Stradivarius Slovakia, S.R.O.	100,00%	Bratislava-Slovakia	Global I.	01/31/2008	Stradivarius	Retailing
Stradivarius Ro, Srl	100,00%	Bucarest-Romania	Global I.	01/31/2008	Stradivarius	Retailing
Stradivarius Ukraine, Llc	100,00%	Kiev-Ukraine	Global I.	01/31/2008	Stradivarius	Retailing
Zara Home España, S.A.	100,00%	La Coruña - Spain	Global I.	01/31/2008	Zara Home	Retailing
Zara Home Portugal, Conf. Soc. Unip. Lda.	100,00%	Lisbon - Portugal	Global I.	01/31/2008	Zara Home	Retailing

Company	Effective % of ownership	Location	Consolidation method	Year end	Format	Activity
Zara Home U.K., Ltd.	100,00%	London - United Kingdom	Global I.	01/31/2008	Zara Home	Retailing
Zara Home Hellas, S.A.	100,00%	Athens - Greece	Global I.	01/31/2008	Zara Home	Retailing
Zara Home Nederland, B.V.	100,00%	Amsterdam - The Netherlands	Global I.	01/31/2008	Zara Home	Retailing
Zara Home Mexico, S.A. de C.V.	98,50%	Mexico DF - Mexico	Global I.	12/31/2007	Zara Home	Retailing
Zara Home Italia, S.R.L.	100,00%	Milan - Italy	Global I.	01/31/2008	Zara Home	Retailing
Zara Home Giyim Ithalat Ihracat Ve Ticaret Ltd.	100,00%	Istanbul - Turkey	Global I.	01/31/2008	Zara Home	Retailing
Zara Home Francia, S.A.R.L.	100,00%	Paris - France	Global I.	01/31/2008	Zara Home	Retailing
Zara Home Ro, Srl	100,00%	Bucarest-Romania	Global I.	01/31/2008	Zara Home	Retailing
Zara Home CIS, Ltd.	100,00%	Moscow-Russia	Global I.	12/31/2007	Zara Home	Retailing
Zara Home Ukraine, LLC	100,00%	Kiev-Ukraine	Global I.	01/31/2008	Zara Home	Retailing
Zara Logística, S.A.	100,00%	La Coruña - Spain	Global I.	01/31/2008	Zara	Logistics
Plataforma Europa, S.A.	100,00%	Zaragoza - Spain	Global I.	01/31/2008	Zara	Logistics
Plataforma Logística León, S.A.	100,00%	La Coruña - Spain	Global I.	01/31/2008	Zara	Logistics
Plataforma Logística Meco, S.A.	100,00%	Madrid - Spain	Global I.	01/31/2008	Zara	Logistics
Pull & Bear Logística, S.A.	100,00%	La Coruña - Spain	Global I.	01/31/2008	Pull & Bear	Logistics
Massimo Dutti Logística, S.A.	100,00%	Barcelona - Spain	Global I.	01/31/2008	Massimo Dutti	Logistics
Bershka Logística, S.A.	100,00%	Barcelona - Spain	Global I.	01/31/2008	Bershka	Logistics
Oysho Logística, S.A.	100,00%	Barcelona - Spain	Global I.	01/31/2008	Oysho	Logistics
Stradivarius Logística, S.A.	100,00%	Barcelona - Spain	Global I.	01/31/2008	Stradivarius	Logistics
Zara Home Logística, S.A.	100,00%	La Coruña - Spain	Global I.	01/31/2008	Zara Home	Logistics
Uterqüe Logística, S.A.	100,00%	La Coruña - Spain	I.Global	01/31/2008	-	Logistics
Corporación de Servicios XX1, S.A. de C.V.	100,00%	Mexico DF - Mexico	Global I.	12/31/2007	Zara	Services
Zara Financiën B.V.	100,00%	Breda - The Netherlands	Global I.	01/31/2008	Zara	Finance
Zara Mexico, B.V.	100,00%	Breda - The Netherlands	Global I.	01/31/2008	Zara	Finance
Zara Holding, B.V.	100,00%	Breda - The Netherlands	Global I.	01/31/2008	Zara	Holding company
Zalapa, B.V.	100,00%	Breda - The Netherlands	Global I.	01/31/2008	Zara	Holding company
Massimo Dutti Holding, B.V.	100,00%	Breda - The Netherlands	Global I.	01/31/2008	Massimo Dutti	Holding company
Liprasa Cartera, S.L.	98,00%	Madrid - Spain	Global I.	12/31/2007	Massimo Dutti	Holding company
ITX Merken, B.V.	100,00%	Breda - The Netherlands	Global I.	01/31/2008	Zara	Trademarks
ITX RE	100,00%	Ireland	Global I.	01/31/2008	Zara	Insurance
ITX Trading, S.A.	100,00%	Friburgo - Switzerland	Global I.	01/31/2008	Zara	Centralized purchasing

Company	Effective % of ownership	Location	Consolidation method	Year end	Format	Activity
ITX E-commerce	100,00%	Dublin - Ireland	I.Global	01/31/2008	Zara	E-Commerce
Goa-Invest, S.A.	100,00%	La Coruña - Spain	Global I.	01/31/2008	Zara	Construction and real estate
Zara Vastgoed, B.V.	100,00%	Breda - The Netherlands	Global I.	01/31/2008	Zara	Real estate
Vastgoed Asia, Ltd.	100,00%	Hong Kong - China	Global I.	01/31/2008	Zara	Real estate
SNC Zara France Immobiliere	100,00%	Paris - France	Global I.	12/31/2007	Zara	Real estate
SCI Vastgoed Ferreol P03302	100,00%	Paris - France	Global I.	12/31/2007	Zara	Real estate
SCI Vastgoed France P03301	100,00%	Paris - France	Global I.	12/31/2007	Zara	Real estate
SCI Vastgoed General Leclerc P03303	100,00%	Paris - France	Global I.	12/31/2007	Zara	Real estate
SCI Vastgoed Nancy P03304	100,00%	Paris - France	Global I.	12/31/2007	Zara	Real estate
Invercarpro, S.A.	100,00%	Madrid - Spain	Global I.	01/31/2008	Zara	Real estate
Robustae S.G.P.S. Unip. Lda.	100,00%	Lisbon - Portugal	Global I.	01/31/2008	Zara	Real estate
Lefties España, S,A,	100,00%	La Coruña - Spain	Global I.	01/31/2008	Zara	Real estate
Inditex Cogeneración, A.I.E.	100,00%	La Coruña - Spain	Global I.	01/31/2008	Zara	Cogeneration plant
Inditex, S.A.	100,00%	La Coruña - Spain	Global I.	01/31/2008	Zara	Dormand as of 01/31/08
Zara Italia, B.V.	100,00%	Breda - The Netherlands	Global I.	01/31/2008	Zara	Dormand as of 01/31/08
Fruminga, B.V.	100,00%	Breda - The Netherlands	Global I.	01/31/2008	Zara	Dormand as of 01/31/08
Zara, S.A.	100,00%	La Coruña - Spain	Global I.	01/31/2008	Zara	Dormand as of 01/31/08
Zara, S.A.	100,00%	La Coruña - Spain	Global I.	01/31/2008	Zara	Dormand as of 01/31/08
Multigroup companies:						
Tempe, S.A.	50,00%	Alicante - Spain	Prop. I.	01/31/2008	Zara	Commercialization of shoes
Tempe México, S.A. de C.V.	50,00%	Mexico DF - Mexico	Prop. I.	12/31/2007	Zara	Commercialization of shoes
Tempe Logística, S.A.	50,00%	Alicante - Spain	Prop. I.	01/31/2008	Zara	Logistics
Tempe Brasil, Ltda.	50,00%	Sao Paulo -Brazil	Prop. I.	12/31/2007	Zara	Commercialization of shoes
Group Zara Australia Pty. Ltd.	50,00%	Sydney - Australia	Prop. I.	01/31/2008	Zara	Dormand as of 01/31/08
Associated companies:						
Naviera Elealva, A.I.E.	49,00%	Las Palmas - Spain	Equity Acc.	12/31/2007		Asset leasing
Naviera Celeste, A.I.E.	49,00%	Las Palmas - Spain	Equity Acc.	12/31/2007		Asset leasing
Naviera del Miño, A.I.E.	49,00%	Las Palmas - Spain	Equity Acc.	12/31/2007		Asset leasing
Naviera del Sil, A.I.E.	49,00%	Las Palmas - Spain	Equity Acc.	12/31/2007		Asset leasing
Naviera Venus, A.I.E.	49,00%	Las Palmas - Spain	Equity Acc.	12/31/2007		Asset leasing
Naviera Berlín , A.I.E.	49,00%	Las Palmas - Spain	Equity Acc.	12/31/2007		Asset leasing
Naviera Covadonga , A.I.E.	49,00%	Las Palmas - Spain	Equity Acc.	12/31/2007		Asset leasing
Naviera Gran Sol , A.I.E.	49,00%	Las Palmas - Spain	Equity Acc.	12/31/2007		Asset leasing

Company	Effective % of ownership	Location	Consolidation method	Year end	Format	Activity
Naviera Guadiana , A.I.E.	49,00%	Las Palmas - Spain	Equity Acc.	12/31/2007		Asset leasing
Naviera Manchuria , A.I.E.	46,00%	Las Palmas - Spain	Equity Acc.	12/31/2007		Asset leasing
Naviera Llera , A.I.E.	50,00%	Las Palmas - Spain	Equity Acc.	12/31/2007		Asset leasing
Nebulosa de Omega, A.I.E.	50,00%	Las Palmas - Spain	Equity Acc.	12/31/2007		Asset leasing
Naviera Cabo Vilaboa C-1658, A.I.E.	49,50%	Las Palmas - Spain	Equity Acc.	12/31/2007		Asset leasing
Naviera Cabo Domaio C-1659, A.I.E.	49,50%	Las Palmas - Spain	Equity Acc.	12/31/2007		Asset leasing

Appendix II- Art. 127 ter of the Spanish Companies Act

As required by article 127 ter of the Spanish Companies Act, introduced by Law 26 of 17 July 2003, which amends Stock Market Law 24 of 28 July 1988, and the Revised Text of the Spanish Companies Act to underpin the transparency of publicly listed companies, a list of companies with a statutory activity which is identical, similar or complementary to that of Inditex and in which members of its board of directors hold investments or management positions is as follows:

Board member	Company tax number	Company name	% ownership	Post
Mr. Pablo Isla Álvarez de Tejera	A78276854	Bershka España, S.A.	0%	Board member
Mr. Pablo Isla Álvarez de Tejera	A15052160	Choolet, S.A.	0%	Chairman of the board
Mr. Pablo Isla Álvarez de Tejera	A15311368	Denllo, S.A	0%	Chairman of the board
Mr. Pablo Isla Álvarez de Tejera	A15037393	Confecciones Fíos, S.A	0%	Chairman of the board
Mr. Pablo Isla Álvarez de Tejera	A15018476	Confecciones Goa, S.A	0%	Chairman of the board
Mr. Pablo Isla Álvarez de Tejera	A15643620	Glencare, S.A	0%	Chairman of the board
Mr. Pablo Isla Álvarez de Tejera	A78115201	Grupo Massimo Dutti, S.A.	0%	Board member
Mr. Pablo Isla Álvarez de Tejera	A15155625	Hampton, S.A	0%	Chairman of the board
Mr. Pablo Isla Álvarez de Tejera	A15137318	Kenner, S.A	0%	Chairman of the board
Mr. Pablo Isla Álvarez de Tejera	A15049299	Nikole, S.A	0%	Chairman of the board
Mr. Pablo Isla Álvarez de Tejera	A15026347	Oysho España, S.A.	0%	Board member
Mr. Pablo Isla Álvarez de Tejera	A15108673	Pull&Bear España, S.A.	0%	Board member
Mr. Pablo Isla Álvarez de Tejera	A70126164	Uterqüe España, S.A.	0%	Board member
Mr. Pablo Isla Álvarez de Tejera	A15022585	Samlor, S.A	0%	Chairman of the board
Mr. Pablo Isla Álvarez de Tejera	A15568165	Stear, S.A	0%	Chairman of the board
Mr. Pablo Isla Álvarez de Tejera	A60348240	Stradivarius España, S.A.	0%	Board member
Mr. Pablo Isla Álvarez de Tejera	A15234065	Tempe, S.A.	0%	Vice chairman of the board
Mr. Pablo Isla Álvarez de Tejera	A15058324	Trisko, S.A	0%	Chairman of the board
Mr. Pablo Isla Álvarez de Tejera	A15022510	Zara España, S.A.	0%	Board member
Mr. Pablo Isla Álvarez de Tejera	A15121049	Zintura, S.A.	0%	Chairman of the board
Mr. Pablo Isla Álvarez de Tejera	A70086350	Massimo Dutti, S.A.	0%	Board member

Board member	Company tax number	Company name	% ownership	Post
Mr. Pablo Isla Álvarez de Tejera	ZME920824KM3	Zara México, S.A. de C.V.	0%	Board member
Mr. Antonio Abril Abadín	A78276854	Bershka BSK España, S.A.	0%	Secretary, non-board member
Mr. Antonio Abril Abadín	A78111671	Bershka Logística, S.A.	0%	Secretary, non-board member
Mr. Antonio Abril Abadín	A15114424	Comditel, S.A.	0%	Secretary, non-board member
Mr. Antonio Abril Abadín	A15052160	Choolet, S.A.	0%	Secretary, non-board member
Mr. Antonio Abril Abadín	A15311368	Denllo, S.A	0%	Secretary, non-board member
Mr. Antonio Abril Abadín	A15037393	Confecciones Fíos, S.A	0%	Secretary, non-board member
Mr. Antonio Abril Abadín	A15018476	Confecciones Goa, S.A	0%	Secretary, non-board member
Mr. Antonio Abril Abadín	A15643620	Glencare, S.A	0%	Secretary, non-board member
Mr. Antonio Abril Abadín	A15121031	Goa Invest, S.A.	0%	Secretary, non-board member
Mr. Antonio Abril Abadín	A78115201	Grupo Massimo Dutti, S.A.	0%	Secretary, non-board member
Mr. Antonio Abril Abadín	A15155625	Hampton, S.A	0%	Secretary, non-board member
Mr. Antonio Abril Abadín	G15632003	Inditex Cogeneración, A.I.E.	0%	Joint director
Mr. Antonio Abril Abadín	A80317043	Invercarpro, S.A.	0%	Secretary, non-board member
Mr. Antonio Abril Abadín	A15137318	Kenner, S.A	0%	Secretary, non-board member
Mr. Antonio Abril Abadín	A08478448	Kettering, S.A.	0%	Secretary, non-board member
Mr. Antonio Abril Abadín	A15388366	Kiddys Class España, S.A.	0%	Secretary, non-board member
Mr. Antonio Abril Abadín	A15334725	Lefties España, S.A.	0%	Secretary, non-board member
Mr. Antonio Abril Abadín	B83077594	Liprasa Cartera, S.A.	0%	Secretary, non-board member
Mr. Antonio Abril Abadín	A70086350	Massimo Dutti, S.A.	0%	Secretary, non-board member
Mr. Antonio Abril Abadín	A15569890	Massimo Dutti Logística, S.A.	0%	Secretary, non-board member
Mr. Antonio Abril Abadín	A15049299	Nikole, S.A	0%	Secretary, non-board member
Mr. Antonio Abril Abadín	A15346166	Often Textil, S.A.	0%	Secretary, non-board member
Mr. Antonio Abril Abadín	A15026347	Oysho España, S.A.	0%	Secretary, non-board member
Mr. Antonio Abril Abadín	A15327612	Oysho Logística, S.A.	0%	Secretary, non-board member
Mr. Antonio Abril Abadín	A15497225	Plataforma Europa, S.A.	0%	Secretary, non-board member
Mr. Antonio Abril Abadín	A70020714	Plataforma Logística de León, S.A.	0%	Secretary, non-board member
Mr. Antonio Abril Abadín	A15355290	Plataforma Logística Meco, S.A.	0%	Secretary, non-board member
Mr. Antonio Abril Abadín	A15108673	Pull&Bear España, S.A.	0%	Secretary, board member
Mr. Antonio Abril Abadín	A15458128	Pull&Bear Logística, S.A.	0%	Secretary, non-board member
Mr. Antonio Abril Abadín	A15022585	Samlor, S.A	0%	Secretary, non-board member
Mr. Antonio Abril Abadín	A08478448	Skhuaban, S.A.	0%	Secretary, non-board member
Mr. Antonio Abril Abadín	A15568165	Stear, S.A	0%	Secretary, non-board member
Mr. Antonio Abril Abadín	A60348240	Stradivarius España, S.A.	0%	Secretary, non-board member
Mr. Antonio Abril Abadín	A15137318	Stradivarius Logística, S.A.	0%	Secretary, non-board member
Mr. Antonio Abril Abadín	A15234065	Tempe, S.A.	0%	Vice secretary, board member
Mr. Antonio Abril Abadín	A15058324	Trisko, S.A	0%	Secretary, non-board member
Mr. Antonio Abril Abadín	A15346166	Uterqüe, S.A.	0%	Secretary, non-board member

Board member	Company tax number	Company name	% ownership	Post
Mr. Antonio Abril Abadín	A70126164	Uterqüe España, S.A.	0%	Secretary, non-board member
Mr. Antonio Abril Abadín	A70126149	Uterqüe Logística, S.A.	0%	Secretary, non-board member
Mr. Antonio Abril Abadín	A08447427	Zara, S.A.	0%	Secretary, non-board member
Mr. Antonio Abril Abadín	A15022510	Zara España, S.A.	0%	Secretary, board member
Mr. Antonio Abril Abadín	A15710965	Zara Logística, S.A.	0%	Secretary, non-board member
Mr. Antonio Abril Abadín	A15121049	Zintura, S.A.	0%	Secretary, non-board member
Mr. Antonio Abril Abadín	450661802	Zara Belgique, S.A.	0%	Board member
Mr. Antonio Abril Abadín	895218121	Zara Canada, S.A.	0%	Board member

Board member	Company tax number	Company name	% ownership	Post
Mr. Antonio Abril Abadín	-	Zara Chile, S.A.	0%	Board member
Mr. Antonio Abril Abadín	24209717	Zara Danmark, S.A.	0%	Board member
Mr. Antonio Abril Abadín	94352564	Zara Hellas, S.A.	0%	Board member
Mr. Antonio Abril Abadín	803910010B01	Zara Vastgoed, B.V.	0%	Board member
Mr. Antonio Abril Abadín	8753489B01	Zara Holding, B.V.	0%	Supervisory Director
Mr. Antonio Abril Abadín	-	Zara Norge, S.A..	0%	Board member
Mr. Antonio Abril Abadín	556569857701	Zara Sverige, Ab	0%	Board member
Mr. Antonio Abril Abadín	548644	Zara Suisse, S.A.R.L.	0%	Board member
Mr. Antonio Abril Abadín	213950900014	G.Zara Uruguay, S.A.	0%	Board member
Mr. Antonio Abril Abadín	30536946-1	Zara Venezuela, S.A.	0%	Board member

Consolidated Management Report

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ANNEX I – INCOME STATEMENT QUARTERLY RESULTS

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1. Consolidated financial statements

1.1. FY2007 profit & loss statement

(Million euros)	Year 2007	Year 2006	Var %07/06
Net sales	9,435	8,196	15%
Cost of sales	(4,086)	(3,589)	
Gross profit	5,349	4,607	16%
Gross margin	56.7%	56.2%	
Operating expenses	(3,226)	(2,800)	15%
Other net operating income (losses)	27	(17)	
Operating cash flow (EBITDA)	2,149	1,790	20%
EBITDA margin	22.8%	21.8%	
Amortisation and depreciation	(497)	(433)	15%
Operating income (EBIT)	1,652	1,356	22%
EBIT margin	17.5%	16.5%	
Financial results	1	(14)	
Results from companies consolidated by equity method	(8)	(3)	
Income before taxes	1,646	1,339	23%
EBT margin	17.4%	16.3%	
Taxes	(388)	(330)	
Net income	1,258	1,010	25%
Net margin	13.3%	12.3%	
Minorities	7	8	
Net income attributable to the controlling company	1,250	1,002	25%
Net income margin	13.3%	12.2%	
Earnings per share, cents of euro (*)	201	161	25%

(*) Shares for EPS calculation 620.9 million for 2007 and 2006.

1.2 Consolidated Balance Sheet as of 31 January 2008

Assets (Million euros)	31 January 2008	31 January 2007
CURRENT ASSETS	2,982	2,148
Cash & cash equivalents	1,466	906
Receivables	464	364
Inventories	1,007	824
Other	45	55
NON CURRENT ASSETS	4,124	3,594
Tangible assets	3,192	2,801
Intangible assets	644	568
Financial investments	36	38
Other	253	187
Total assets	7,106	5,742
Liabilities	31 January 2008	31 January 2007
CURRENT LIABILITIES	2,458	1,885
Payables	2,087	1,740
Financial debt	371	145
NON CURRENT LIABILITIES	430	387
Financial debt	42	47
Deferred taxes	111	104
Other	277	235
SHAREHOLDERS' EQUITY	4,217	3,471
Equity attributable to the Group	4,193	3,448
Minority interests	24	22
Total liabilities & shareholders' equity	7,106	5,742

Consolidated Statement of Cash Flows

(Millions of euros)	FY 2007	FY 2006	Var %	07/06
Income before taxes	1,646	1,339		23%
Adjustments to income				
Depreciation and amortization	497	433		
Corporate income tax	(388)	(330)		
Deferred and prepaid tax	(33)	(13)		
Foreign exchange impact	2	0		
Other	34	61		
Funds from operations	1,757	1,492		18%
Changes in assets and liabilities				
Increase in inventories	(197)	(135)		
Increase in accounts receivable	(83)	(51)		
Decrease in current liabilities	341	92		
Changes in working capital	60	(94)		
Cash from operations	1,817	1,397		30%
Intangible assets investments	(88)	(79)		
Tangible assets investments	(850)	(784)		
Acquisitions of businesses	(7)	(29)		
Addition to other long-term financial investments	(10)	(6)		
Other assets investments	(27)	(16)		
Fixed assets sales and retirements	10	27		
Sale of long-term financial investments	31	0		
Capital expenditure	(942)	(887)		6%
Net decrease in long-term financial debt	(17)	(28)		
Net decrease in other long-term debt	16	(67)		
Net increase in current debt	215	(64)		
Dividends	(522)	(418)		
Other financing activities	1	0		
Cash used in financing activities	(307)	(577)		
Net increase in cash and cash equivalents	568	(67)		
Foreign exchange impact on cash & cash equivalents	(9)	(15)		
Cash and cash equivalents at beginning of the year	906	988		
Cash and cash equivalents at end of the year	1,466	906		62%

2 Comments on the consolidated results

The results for FY2007 reflect significant growth in sales and a strong operating performance, resulting in the Group improving its financial returns.

At FYE INDITEX operated 3,691 stores in 68 countries through seven different concepts: Zara, Pull & Bear, Massimo Dutti, Bershka, Stradivarius, Oysho and Zara Home.

INDITEX has made the decision to coordinate in full the product ranges and the retailing operations of Zara Childrenswear and Kiddy's Class. Due to this reason, operating figures from Kiddy's Class are now reported as part of Zara.

2.1. Sales

Net sales reached €9,435 million, an increase of 15% over the previous year. Sales growth in local currencies and constant perimeter has been 17%.

Number of stores and openings

The list of openings and existing stores at FYE is as follows:

Net openings			Total stores	
Concept	2007	2006	31 january 2008	31 january 2007
Zara	186	174	1,361	1,175
Pull and Bear	52	40	519	467
Massimo Dutti	27	30	426	399
Bershka	77	65	510	433
Stradivarius	77	41	381	304
Oysho	89	47	290	201
Zara Home	52	42	204	152
Total	560	439	3,691	3,131

A list of quarterly openings and stores opened as at FYE by concept and by country is included in Annexes II and III.

Company-managed stores and franchises

The breakdown of company-managed stores and franchised stores at FYE is the following:

Company-managed and franchised stores

Concept	2007			2006		
	Co. Mag.	Franchises	Total	Co. Mag.	Franchises	Total
Zara	1,231	130	1,361	1,077	98	1,175
Pull and Bear	457	62	519	420	47	467
Massimo Dutti	320	106	426	301	98	399
Bershka	458	52	510	405	28	433
Stradivarius	309	72	381	240	64	304
Oysho	274	16	290	194	7	201
Zara Home	187	17	204	140	12	152
Total	3,236	455	3,691	2,777	354	3,131

Selling area

The selling area of company-managed stores and franchised stores at FYE is as follows:

squared meters	31 january 2008		31 january 2007		Var % 07/06
Zara	1,290,035		1,138,287		13%
Pull & Bear	133,752		111,429		20%
Massimo Dutti	121,176		113,604		7%
Bershka	180,852		152,327		19%
Stradivarius	98,351		77,580		27%
Oysho	39,717		27,540		44%
Zara Home	50,611		36,533		39%
Total	1,914,493		1,657,299		16%

Like-for-like sales (LFL)

Store sales are those that occur in company-managed stores and franchised stores of any of the Group's concepts, net of any consumption tax and converted to euros at the average exchange rates for the fiscal year.

The Group's like-for-like sales grew by 5% in FY2007. Like-for-like represents the annual change in store sales of any concept of the Group that were opened for the whole of fiscal years 2007 and 2006, converted to a fixed exchange rate.

Below is the increase in like-for-like sales bi-annually for the last two fiscal years:

	2007	2006
First Half	7%	5%
Second Half	3%	6%
Full Year	5%	5,5%

The like-for-like calculation includes 65% of FY2007 store sales (i.e. sales in stores opened for the whole of fiscal years 2007 and 2006).

Sales by concept

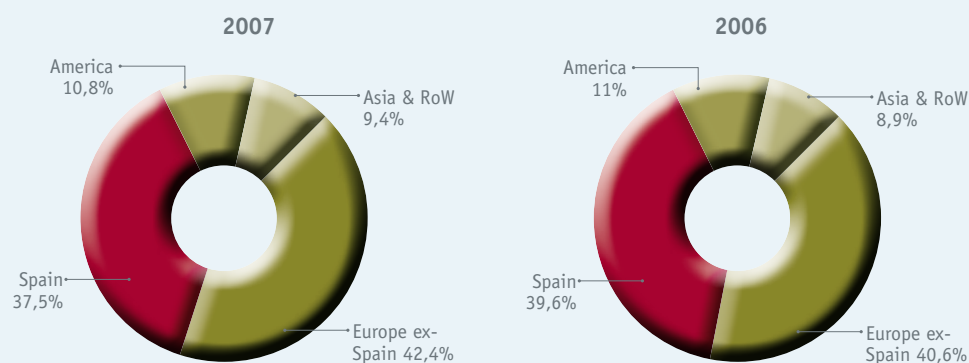
Net sales by concept in FY2007 and FY2006 are shown in the table below:

Concept	"Net Sales (Million €)"			% on total	
	2007	2006	Var % 07/06	2007	2006
Zara	6,264	5,534	13%	66,4%	67,5%
Non-Zara	3,171	2,662	19%	33,6%	32,5%
Pull and Bear	614	519	18%	6,5%	6,3%
Massimo Dutti	696	614	13%	7,4%	7,5%
Bershka	925	798	16%	9,8%	9,7%
Stradivarius	521	428	22%	5,5%	5,2%
Oysho	213	165	30%	2,3%	2,0%
Zara Home	201	139	45%	2,1%	1,7%
Total sales	9,435	8,196	15%	100,0%	100,0%

Zara sales growth in local currencies and constant perimeter has been 16%.

Store sales by geographic area

The following graph shows store sales by geographic areas:



Due to the International expansion strategy of the Group, Europe ex-Spain is the area with the highest growth on store sales.

The percentage of international store sales by concept is the following:

% International store sales		
Concept	2007	2006
Zara	72,0%	70,5%
Non-Zara	44,3%	40,0%
Pull and Bear	45,3%	40,2%
Massimo Dutti	51,3%	49,4%
Bershka	49,6%	45,0%
Stradivarius	24,9%	19,7%
Oysho	40,4%	35,1%
Zara Home	44,9%	35,4%
Total	62,5%	60,4%

Sales in company-managed and franchised stores

The table below shows the breakdown of sales in company-managed and franchised stores for each of the concepts of the Group:

Store sales in company-managed and franchised stores				
Concept	2007		2006	
	Company managed	Franchised	Company managed	Franchised
Zara	88%	12%	91%	9%
Non-Zara	85%	15%	86%	14%
Pull and Bear	88%	12%	90%	10%
Massimo Dutti	72%	28%	72%	28%
Bershka	90%	10%	95%	5%
Stradivarius	84%	16%	81%	19%
Oysho	94%	6%	97%	3%
Zara Home	92%	8%	93%	7%
Total	87%	13%	89%	11%

The change in FY2007 over FY2006 is mainly due to the agreement to operate the Venezuelan subsidiary on a franchised basis with a local partner.

2.2. Gross profit

The gross profit rose to €5,349 million, 16% higher than the previous year. The Gross margin has reached 56.7% of sales (56.2% in FY2006).

Should currencies remain at current level, INDITEX considers a stable level as its best estimate for the FY2008 gross margin based on that of FY2007.

2.3. Operating income (EBIT)

FY2007 EBITDA came to €2,149 million, an increase of 20% compared to the previous year, reaching 22.8% of sales (21.8% in FY2006).

Below is a breakdown of Operating expenses over the last two years:

(Million euros)	2007	2006	Var %
Personnel expenses	1,473	1,251	18%
Rental expenses	855	718	19%
Other operating expenses	898	831	8%
Total operating expenses	3,226	2,800	15%

At FYE 2007 the number of employees reached 79,517 (69,240 at FYE2006).

Operating expenses include all the start-up costs for new openings (essentially leases and salaries paid for stores that are not yet open).

The future lease commitments as a result of the minimum non cancellable lease payments amounted to €2,432 million at FYE2007.

The Reduce 3 plan to improve the operational efficiency of the Group is on track to meet the target set by INDITEX.

EBIT came to €1,652 million, 22% higher, reaching 17.5% of sales (16.5% in FY2006).

EBIT by concept

The breakdown of EBIT by concept is the following:

Concept	EBIT by concept (Million €)			% EBIT on sales		EBIT by concept on total (%)	
	2007	2006	Var % 07/06	2007	2006	2007	2006
Zara	1,116	911	23%	17.8%	16.5%	67.5%	67.1%
Non-Zara	536	446	20%	16.9%	16.7%	32.5%	32.9%
Pull and Bear	99	78	27%	16.1%	15.0%	6.0%	5.8%
Massimo Dutti	106	81	31%	15.2%	13.1%	6.4%	5.9%
Bershka	154	131	17%	16.6%	16.5%	9.3%	9.7%
Stradivarius	119	98	22%	22.9%	23.0%	7.2%	7.2%
Oysho	40	39	3%	18.8%	23.7%	2.4%	2.9%
Zara Home	18	18	1%	9.2%	13.2%	1.1%	1.4%
Total EBIT	1,652	1,356	22%	17.5%	16.5%	100.0%	100.0%

2.4. Net income and net income attributable to the company

Income before taxes stands at €1,646 million, 23% higher than in FY2006.

Financial results break down as follows:

(Million euros)	2007	2006
Net financial income (losses)	15	4
Foreign exchange gains (losses)	(14)	(18)
Total	1	(14)

Net income reached €1,258 million, an increase of 25%.

Net income attributable to the controlling company came to €1,250 million, an increase of 25% over FY2006.

Dividend proposal

Inditex's Board of Directors will propose to the General Shareholders Meeting a dividend of €1.05 cents per share, €652 million according to current number of shares, 25% higher than the previous FY.

Return on Equity (ROE)

The table below shows INDITEX Return on Equity, defined as net income on average Shareholder's equity.

Return on equity		
Description	2007	2006
Net income	1,250	1,002
Shareholders equity - previous year	3,448	2,899
Shareholders equity - current year	4,193	3,448
Average equity	3,821	3,174
Return on equity	33%	32%

Return on Capital Employed (ROCE)

The table below shows INDITEX Return on Capital Employed, defined as EBIT on average capital employed (Shareholder's equity plus net financial debt).

Return on capital employed		
Description	2007	2006
Ebit	1,652	1,356
Average capital employed		
Average shareholders' equity	3,821	3,174
Average net financial debt (*)	0	0
Total average capital employed	3,821	3,174
Return on capital employed	43%	43%

(*) Zero when net cash

ROCE by concept

The table below shows the Return on Capital Employed by concept:

Roce by concept		
Concept	2007	2006
Zara	41%	40%
Non Zara	50%	50%
Pull & Bear	47%	43%
Massimo Dutti	44%	33%
Bershka	59%	55%
Stradivarius	74%	86%
Oysho	39%	55%
Zara Home	20%	33%
Total	43%	43%

3 Comments on the balance sheet

INDITEX Consolidated Balance Sheet maintains a similar structure to that it showed at FYE2006, without net financial debt and with a negative operating working capital position, a consequence of the business model.

Net financial position

The net financial position is shown in the table below:

Net financial cash (DEBT) (Million euros)		
	31 january 2008	31 january 2007
Cash & cash equivalents	1,466	906
Current financial debt	(371)	(145)
Non current financial debt	(42)	(47)
Net financial cash (DEBT)	1,052	714

Working capital

The table below shows a breakdown of working capital of the last two fiscal years:

Working capital (million euros)		
	31 january 2008	31 january 2007
Inventories	1,007	824
Receivables	464	364
Payables	(2,087)	(1,740)
Other	45	55
Operating working capita	(571)	(497)

4 Comments on the cash flow statement

The summary of the cash flow statement is the following:

Cash flow summary			
(millions euros)	FY2007	FY2006	Var % 07/06
Net income	1,646	1,339	23%
Funds from operations	1,757	1,492	18%
Changes in working capital	60	(94)	
Cash from operations	1,817	1,397	30%
Net capital expenditure	(942)	(887)	6%
Free cash flow	876	510	72%
Dividends	(522)	(418)	
Net debt decrease	(355)	(93)	
Others	1	-	

Funds from Operations grew by 18% in 2007, reaching €1,757 million. Working Capital financing has taken Cash from Operations to €1,817 million, 30% higher than in FY2006.

Capital Expenditure for the FY amounted to €942 million, 6% higher.

Free cash flow increased by 72% to €876 million and a €522 million dividend was paid to shareholders.

5 Start of 2008

During the beginning of 1H2008 sales performance is according to Management expectations. Store sales in local currencies have increased by 17% from 1 Feb. to 23 Mar. 2008.

Inditex will launch a new accessories concept in the Second Half 2008 under the name Uterqüe. The new concept expects to open between 20 and 30 stores in 2008.

The store openings plan for FY2008 is the following:

2008 Openings forecast				
Concept	Range		% International	Total 2007
Zara	145	- 155	85%	186
Pull and Bear	65	- 75	80%	52
Massimo Dutti	45	- 55	75%	27
Bershka	85	- 95	85%	77
Stradivarius	75	- 85	70%	77
Oysho	85	- 95	65%	89
Zara Home	40	- 50	80%	52
Uterqüe	20	- 30	20%	-
Total net openings	560	- 640		560

Approximately 70% of the contracts have been signed but in some cases openings may not take place in 2008.

Expected CAPEX in FY2008 is approximately €1 billion. The opening of new stores and the refurbishment of existing stores will represent the majority of the CAPEX.

6 Other information

Research and development expenditure

The Inditex Group has not performed and has not outsourced to third parties any research and development projects, which are considered as projects to which amounts are allocated over several years to develop products that are expected to generate profits over a number of years.

Nonetheless, since its incorporation, management of the Company has been underpinned by available technology in all areas of its activity to improve the manufacturing and distribution processes, and by developing, using its own resources or with the support of third parties, instruments that facilitate business management. Examples of this technology include point-of-sale terminals, inventory management and administration systems, delivery systems in the distribution centers, in-store communication systems, and in-store clothing and footwear labeling systems.

Treasury shares

Inditex holds 2,374,809 treasury shares of fifteen eurocents par value each, while the group companies do not hold any shares in the Parent Company.

a. Capital structure

The share capital of Inditex amounts to Euros 93,499,560, divided into 623,330,400 shares of fifteen eurocents (Euros 0.15) par value each, all of the same class and series, which are subscribed and fully paid up.

Shares confer the holder the condition of partner and the rights established in the Spanish Companies Act, other applicable legislation, and the Company's legal organization documents. Each share confers the right to one vote, while a minimum number of shares does not have to be held to be able to attend general meetings.

b. Restrictions on the transferability of shares

There are no statutory restrictions on the transfer of shares and no shareholder agreements restricting or defining the conditions for the free transfer of shares.

c. Significant share capital holdings

According to the information provided on the website of the Spanish National Securities Market Commission and information provided to Inditex by the shareholder, Rosp Corunna Participaciones Empresariales, S.L., the holders of the most significant share capital holdings in the Company at 31 January 2008, excluding board members, were as follows:

Name or company name of shareholder	Number of direct voting rights	Number of indirect voting rights (*)	Voting rights as percentage of total
Mr. Amancio Ortega Gaona (1)	0	369,600,063	59.294%
Ms. Rosalía Mera Goyenechea (2)	0	36,550,000	5.864%
CAPITAL RESEARCH AND MANAGEMENT COMPANY (3)	0	32,204,298	5.166%

(*) Through:

Name or company name of direct shareholder	Number of direct voting rights	Voting rights as percentage of total
(1) GARTLER, S.L.	311,727,598	50.010%
(1) PARTLER 2006, S.L.	57,872,465	9.284%
(2) ROSP CORUNNA PARTICIPACIONES EMPRESARIALES, S.L.	36,550,000	5.864%
(3) INSTITUCIONES DE INVERSIÓN COLECTIVA GESTIONADAS	32,204,298	5.166%

According to the information provided by the Spanish National Securities Market Commission on its website, at 31 January 2008 Chase Nominees Ltd., as custodian bank/international depository agent, holds a 10% direct share capital holding in the Company.

d. Restrictions on voting rights

No legal or statutory restrictions on exercising voting rights exist, except for the restriction established in Article 44 of the Spanish Companies Act, which stipulates that any shareholders that default on payment of unpaid shareholder contributions cannot exercise their voting rights.

e. Associative agreements

The Company is not aware of the existence of any associative agreements.

f. Regulations applicable to the appointment and replacement of members of the Board of Directors and modifications to the Company's articles of association

Appointment and replacement of members of the Board of Directors

The system for selecting, appointing and re-electing members of Inditex's Board of Directors consists of a formal and transparent procedure, expressly regulated by the Company's articles of association and the Board of Directors Regulations.

Board members will be appointed by the shareholders in a general meeting and will perform their duties during the period established in the articles of association, which is currently five years.

In general meetings, shareholders can re-elect board members an indefinite number of times for equal terms. Shareholders can also agree the dismissal of board members at any time.

The Board of Directors can temporarily appoint replacements for vacant positions on the board by selecting individuals from among the shareholders until the next general meeting is held.

Any proposals to appoint board members presented by the Board of Directors for consideration by the shareholders in general meetings and any appointment decisions made by the shareholders via the cooption powers with which they have been legally vested must be preceded by the corresponding report from the Appointments and Remunerations Committee and, in the case of independent board members, by the relevant proposal from this Committee.

When the Board of Directors does not follow the recommendations of the Appointments and Remunerations Committee, it must present reasons for its action, which must be documented in minutes.

The Board of Directors and the Appointments and Remunerations Committee will, within the scope of their powers, endeavor to ensure that the potential candidates have recognized solvency, ability and experience, and will exercise due rigor when assessing candidates for the position of independent board member.

The Board of Directors may not propose or appoint any candidate for the position of independent board member who simultaneously holds positions as director in more than four listed companies in addition to the Company. Individuals cannot be proposed or appointed for the position of independent board member unless they fulfill the independence criteria established in Section 1.(c) of Article 7 of the Board of Directors Regulations.

Any proposals to re-appoint board members which the Board of Directors decides to present to the shareholders in a general meeting must be formally prepared and must include a report issued by the Appointments and Remunerations Committee evaluating the quality of work and dedication to the post of the board members proposed during the preceding mandate and, in

the case of independent board members, the corresponding proposal from the Committee to re-appoint them.

Furthermore, the Board of Directors must provide a description of the character of each board member to the shareholders in general meetings, and the shareholders must perform or ratify the appointment, which must be confirmed, or where applicable, modified in the Annual Corporate Governance Report subsequent to being verified by the Appointments and Remunerations Committee.

Regarding the replacement of board members, board members must resign from their posts when the term of their appointment expires and when the shareholders so decide in accordance with the legal or statutory powers vested.

Board members must offer their resignation to the Board of Directors and formalize, where necessary, their resignation in the following circumstances:

- a) When they reach 68 years of age. Nonetheless, the board members occupying the position of Managing Director or General Manager must offer their resignation to the Board of Directors when they reach 65 years of age, being able to continue as board members until they reach the age of 68. Exceptionally, the aforementioned rules will not apply in the case of the founding Chairman of the Company, Mr. Amancio Ortega Gaona..
- b) When they resign from the executive positions with which they were associated on being appointed as board members.
- c) When they are subject to any of the circumstances of incompatibility or prohibition established by law, in the Company's articles of association, or in the Board of Directors Regulations. In particular, independent board members must offer their resignation to the Board of Directors and formalize, where necessary, their resignation when they are subject to any of the circumstances of incompatibility stipulated in Article 7.1.(c) of these Regulations or when they subsequently become directors in more than four listed companies in addition to the Company.
- d) When they receive a serious warning from the Control and Audit Committee for having breached their obligations as board members.

Board members must also inform the Board of Directors and, where necessary, offer the Board of Directors and formalize their resignation if the board considers resignation is necessary because of circumstances which could affect the credit or reputation of the Company or, by whatever means, expose the Company's interests to risk, and when the reasons for the board members being appointed no longer prevail.

Board members representing shareholders must offer their resignation when the shareholders they represent sell their entire share capital holding or reduce it to a level which requires the number of board members representing shareholders to be decreased.

Lastly, when a board member leaves the post before the end of the mandate, as a result of resignation or any other reason, an explanation for the reasons must be given in a letter to all the members of the Board of Directors, and the Company must present these reasons in the Annual Corporate Governance Report. In the case of independent board members, the Appointments and Remunerations Committee must also present a proposal for early dismissal or resignation.

Modification to the articles of association

The procedure for modifying Inditex's articles of association is established in Article 144 of the Spanish Companies Act which requires, among others, that the modification agreement be accepted by the shareholders in a general meeting with the quorum required to constitute and adopt agreements stipulated in Article 103 of the aforementioned Act. Inditex's articles of association have not increased the quorum for modifying the statutory text.

g. Powers of the members of the Board of Directors

The Board of Directors is responsible for managing, administering and representing the Company with full powers and without prejudice to the legal or statutory powers with which the shareholders have been vested.

Within the legally established limits, the chairman of the Board of Directors and the Executive Commission, Mr. Amancio Ortega Gaona and the First Vice Chairman and Managing Director, Mr. Pablo Isla Álvarez de Tejera have been vested with all the powers listed below in order that they be exercised in the following way and under the following conditions: jointly and severally and indistinctively, except for certain powers which involve: a) the use of funds exceeding a certain amount, in which case joint or shared action will be required by the two aforementioned members of the Executive Committee or by one of these individuals and another individual who, by any legal title, has also been vested with the same power; and/or b) the disposal or encumbrance of the Company's real estate assets, in which case prior approval is required from the Executive Committee or, where applicable, the Board of Directors.

The requirement to act jointly stipulated in the previous paragraph will not be applicable in the case of operations, actions or contracts, irrespective of their value, that are performed or signed by INDITEX Group companies. These companies are considered to be any Spanish or foreign companies in which INDITEX, S.A. directly or indirectly through other subsidiaries holds at least a 50% interest. In these circumstances, either of the two members of the Commission

who have been vested with powers can act jointly and severally alone, on behalf of and representing the Company, irrespective of the amount involved.

Details of powers:

- 1.- Appear on behalf of and represent the Company before any authorities, bodies, centers, sections or offices of the Spanish government, whether it be centrally or in outlying areas; of the autonomous regional governments; of the provinces and municipalities; of corporate government; of independent government; and of European government, including public registries of any type; and, in general, any public or private entity. Sign and present all types of applications, petitions, simple or sworn statements, manuscripts and documents. Define and uphold any objectives and, in general, exercise all the powers required in order to manage and defend the rights of the Company.
- 2.- Sign, issue, receive and collect from the post office any postal or telegram correspondence comprising ordinary or registered letters, money transfers, postal orders and telegrams. File with these offices any claims necessary and collect, where applicable, any compensation.
- 3.- Verify shipments of products and goods of any type by land, sea or air, and receive deliveries on behalf of the Company. Make any necessary claims to rail, maritime or transport companies in general for any damage, delay, loss or any other breach of the transport contract, collecting any compensation where applicable agreed with these companies or established by the courts. Sign agreements of any type with transport companies, travel agencies, hotels, restaurants and any other individuals or entities involved in the transport of passengers or in the hotel and catering sector.
- 4.- Claim for and collect any amounts owed to the Company, signing receipts and authorizing any acknowledgements of receipt. Make payments. Disclose accounts and demand disclosure of accounts, and challenge or approve accounts. Set up, cancel and withdraw guarantee deposits of all classes including those placed with/and of the General Bank for Deposits of the Spanish Treasury and its branches.
- 5.- Arrange all types of loan and credit agreements. Open current, credit, savings and any other type of account with public and private credit institutions and/or financial institutions, as well as any other accounts in the name of the Company. Pay in funds, withdraw funds or obtain funds by way of receipts and checks. Make or order payments by bank transfer. Endorse or permit charging of bills of exchange, bank transfers and credit notes, as well as receipts or invoices payable by the Company. Approve or contest the balances of the aforementioned accounts. Act as guarantor for other INDITEX Group companies

and, therefore, sign on their behalf guarantees, deposits and any other similar documents, along with guarantee and counter-guarantee documents. In general, perform any activities permitted by banking legislation and best practice.

6.- Release, endorse, cede or transfer by any means other than endorsement, accept and sign, demand consent for, guarantee, require cession of provision of, collect, discount and pay bills of exchange, promissory notes, checks, money orders, and any other trade notes. Intervene in the approval or payment thereof. Contest such bills or notes or make the necessary declarations and responses in the relevant protests stating the reasons for not accepting or paying bills and notes charged to the Company. Actively or passively act in all types of legal proceedings, actions or negotiations, pre-court and court proceedings resulting from contesting or not paying charges, as well as any other activity established in the Exchange and Check Law or other applicable legislation.

7.- Considering the restriction described above regarding real estate assets, execute all types of deeds and contracts relating to all types of assets, rights, securities, stakes, shares and share capital holdings for and with the prices, amounts paid, amounts received, terms, periods, agreements, clauses and conditions established. In particular, acquire, cede, grant, dispose of or transfer by any means, including awarding in settlement, of all types of assets, rights, brands, other trademarks and industrial property, securities, stakes, shares, and share capital holdings. Contract all types of obligatory and voluntary insurance. Execute works, services and supplies of all types. Act as lessor or lessee in rental, finance lease or sub-let agreements. Set up, modify, recognize and cancel land and building rights, including real estate mortgages and pledges without transfer of ownership and any type of encumbrance over all types of assets and rights held by the Company. Apply for land groupings, aggregations, divisions and segregations, permits for new construction projects, and divisions of buildings under joint ownership regime; establishing the statutes governing such activities. Conduct and collaborate with measurement, demarcation and boundary definition work, approving such work and signing any deeds that are drawn up. Intervene using full powers to execute and fulfill such deeds and contracts; demanding, where applicable, fulfillment of any requirements therein, and modifying, renewing, canceling or withdrawing these deeds and contracts.

8.- Execute all types of deeds and contracts relating to information technology, management, security and telecommunications products, equipment and systems, as well as any assets relating to copyrights deriving from or related with these assets and, in general, any rights relating to all types of buildings. Contract work, services and supplies of all types for or with the prices, amounts paid, amounts received, terms, periods, agreements, clauses and conditions established. In particular, acquire, cede, grant, encumber, dispose of or transfer any ownership, including awarding in settlement, over the aforementioned assets. Obtain or offer such assets as lessor or lessee through rental, finance lease or sub-let agreements. Set up, modify, recognize and cancel land and

building rights and pledges over real estate assets held by the Company. Intervene using full powers to execute and fulfill such deeds and contracts, demanding, where applicable, fulfillment of any requirements therein, and modifying, renewing, canceling or withdrawing these deeds and contracts.

- 9.- Execute any type of collaborative agreement such as franchise agreements, joint ventures, cashpooling, distribution agreements, trade agreements, concessions, agency agreements, and, in general, any agreements that could be intrinsic to the national and international expansion of the Company.
- 10.- Appear in deeds on the incorporation, modification, merger or winding-up of all types of entities and companies, and attend on behalf of the Company assemblies, meetings, or ordinary and extraordinary meetings. Intervene in such meetings, cast votes in the appropriate manner, whatever the issues in question, and accept agreements. Accept positions and appointments and, in general, exercise on behalf of the Company any rights it is granted.
- 11.- Attend on behalf of and in representation of the Company residents' association and joint-owner meetings. Intervene in such meetings, cast votes in the appropriate manner, whatever the issues in question, and accept agreements. Accept positions and appointments and, in general, exercise on behalf of the Company any rights it is granted in jointly-owned buildings. Attend and intervene in any meetings held in accordance with the prevailing Law on Buildings under Joint Ownership and other applicable legislation.
- 12.- Attend on behalf of the Company all types of auctions and tenders organized by the State, autonomous regional governments, provinces, municipalities, and public and private individuals and entities and, to this end, present specifications, declarations, projects and budgets; prepare bids and set up guarantee deposits, making definitive and unlimited use of the powers required to obtain and accept, provisionally or definitively, based on the conditions considered appropriate, the tender in question. Exercise the rights and fulfill the obligations related with these tenders.
- 13.- Set up the offices, centers and branches of the Company and organize the services therein. Hire personnel. Establish the conditions for selecting and appointing personnel. Freely appoint and separate them, including directors and qualified personnel. Establish their rights, obligations, powers and functions, salaries, bonuses and compensation. Agree promotions and transfers. Exercise the powers to sanction and discipline. Act on behalf of the Company in relations with workers' committees and represent the Company when negotiating agreements in any area or of any type.
- 14.- Represent the Company before any government authorities or bodies responsible for labor and Social Security issues; prepare reports and claims; demand the suspension of or

accept contested assessments; appear and intervene on behalf of the Company in proceedings in progress in which the Company has a direct or indirect interest by presenting and defending all types of evidence, requesting and obtaining documents, copies, certificates and notifications; and presenting, preparing and defending all types of declarations, requests and statements. In general, intervene in any proceedings required during the life of the Company such as registering the Company with the labor and Social Security authorities; conducting the procedures required to contract all types of workers, including requesting and collecting grants and bonuses, registering workers, etc.; conducting the procedures required to modify or cancel employment contracts, train staff, present and pay Social Security contributions, and request Social Security payment deferrals and rebates. Conduct the procedures required in relations between the Company and temporary employment and personnel selection agencies. In general, follow procedures for all formalities and incidents, filing appeals, where necessary, until outright rulings are issued and enforced.

15.- Represent the Company before any government authorities or bodies responsible for health and safety at work and occupational risk issues, preparing reports and claims and, in general, any documents the Company considers necessary in relation to any proceedings in which it has a direct or indirect interest. Perform any actions necessary to promote and guarantee worker safety in work centers by complying with legislation on occupational health and safety and other complementary legislation. Plan and execute the risk prevention policy. Act on behalf of the Company in relations with workers and their representatives regarding health and safety measures. Prepare and implement a professional risk plan. Organize the risk prevention service, allocating the human resources and assets required to operate the service. Negotiate and sign agreements with approved entities which render external risk prevention procedures. Negotiate, organize and perform risk assessments, medical examinations, and other health checks and risk prevention systems. Contract external health and safety audits and, in general, audits of any actions related with such risks. Obtain insurance to cover common and professional contingencies to which workers are exposed by signing agreements and associative agreements with Social Security management entities and occupational health and safety insurance companies affiliated with the Social Security system, or other entities that have taken over performing the functions and duties of these entities, renouncing or canceling in the past any contracts signed, and accepting appointment to and participation in the governing and advisory boards of such entities that collaborate with the management of the Social Security system.

16.- As permitted by legislation, take any action which is the responsibility of the principal and renounce any claims lodged against it. Appear before the ordinary and special courts and tribunals of any instance and jurisdiction in all types of legal cases, as well as in relation to any type of voluntary, administrative and economic and administrative legal proceedings. Consequently, participate in conciliation acts with or without agreement; intervene in inquests; prepare necessary court declarations; respond to summons

and writs; sue, dispute or agree, and report or bring action; present and ratify briefs; request and obtain documents; request any type of proceedings be conducted including prosecutions, imprisonments, and releases from prison; hear writs, subpoenas, summons, and notifications; exercise and challenge powers; promote joinders of writs and challenges of judges and court clerks; present and defend evidence and provide court confessions; make court appearances and visits and attend meetings with full voting rights including meetings of creditors of all types of bankruptcy proceedings, being authorized to participate in auctions and request the awarding of assets in part or full payment for the outstanding receivables claimed; settle in or out of court, lodge and, basically, follow lawsuits or legal proceedings during each stage of the process and in relation to possible incidents and appeals until an outright ruling or sentence is reached and enforced; under special circumstances, make any appeals, out-of-court settlements, waivers and statements that could lead to a stay of proceedings either through an out-of-court settlement or due to nullity; exercise any other power not listed above stipulated in Articles 25 and 414.2 of Law 1 of 7 January 2000 governing lawsuits; take charge of any funds or assets involved in the legal proceedings and, in general, exercise on behalf of the Company any rights the Company is entitled to under this law.

17.- Settle and agree through arbitration any issues under the director's jurisdiction and using any means and to the extent and following the requirements stipulated in Spanish arbitration law and international trade arbitration legislation.

18.- Appoint a public notary to file affidavits and prepare and receive writs and summons.

19.- Replace, in whole or in part, the preceding authorities, grant corresponding powers and revoke powers granted, and obtain copies of all types of legal records and deeds.

20.- File by public deed any agreements made by the shareholders, Board of Directors or Executive Committee.

The General Secretary and Secretary to the Board of Directors, Mr. Antonio Abril Abadín, is Inditex's proxy and, subject to the same conditions and limitations applicable to the managing directors stipulated in the second and third paragraph of this section, has the powers described in points 1, 2, 4, 5, 6, 7, 9, 10, 11, 12, 14, 16, 17, 18, 19 and 20 of the above list.

Finally and in relation to the possibility of issuing or re-purchasing shares, in the general meeting held on 17 July 2007, Inditex's shareholders authorized the Board of Directors to acquire treasury shares in the Company or shares in its subsidiaries, within the limits established by prevailing legislation.

h. Significant agreements

Inditex has not signed any significant agreements which enter into force, are modified or expire as a result of a change in control in the Company deriving from a public takeover bid.

i. Agreements between the Company and its directors and management or employees

Except for the agreements with the two executive board members and eight directors described below, the employment contracts of Inditex employees do not contain any specific clauses establishing compensation on termination of employment and, therefore, employees are only entitled to the compensation established under prevailing labor law.

In its meeting held on 9 June 2005 and having obtained a favorable report from the Appointments and Remunerations Committee, Inditex's Board of Directors agreed and approved ten (10) contracts with guarantee or golden parachute clauses in favor of certain members of the Board of Directors including two executive board members (the First Vice Chairman and Managing Director, and the General Secretary and Secretary to the Board of Directors).

The aforementioned agreements establish that if an employment contract is terminated due to, among others, unfair dismissal or resignation as a result of certain causes (including a change in control of the Company, on the condition that a significant number of the Company's governing boards are reappointed, or a change in the content and objectives of its principal activity), the director will be entitled to compensation equivalent to two full years' salary, calculated based on the salary of the last year worked.

Annex I

Income statement: quarterly results

	FY2007				FY2006			
	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4
Net sales	2,039.4	2,084.5	2,508.8	2,802.0	1,714.9	1,760.8	2,190.0	2,530.6
Cost of sales	(889.1)	(937.0)	(1,017.0)	(1,242.8)	(759.2)	(806.7)	(906.0)	(1,117.4)
Gross profit	1,150.3	1,147.5	1,491.8	1,559.2	955.7	954.0	1,284.0	1,413.2
Gross margin	56.40%	55.05%	59.46%	55.64%	55.73%	54.18%	58.63%	55.84%
Operating expenses	(752.4)	(774.4)	(798.3)	(901.3)	(639.6)	(656.3)	(694.5)	(809.9)
Other net operating income (losses)	(0.6)	11.3	(0.2)	16.1	(3.4)	(5.7)	(10.8)	2.8
Operating cash flow (EBITDA)	397.2	384.4	693.3	673.9	312.7	292.1	578.8	606.1
EBITDA margin	19.48%	18.44%	27.63%	24.05%	18.23%	16.59%	26.43%	23.95%
Amortisation and depreciation	(116.6)	(122.8)	(121.1)	(136.3)	(99.1)	(101.5)	(108.7)	(124.1)
Operating income (EBIT)	280.7	261.7	572.2	537.6	213.5	190.6	470.1	482.0
EBIT margin	13.76%	12.55%	22.81%	19.19%	12.45%	10.82%	21.47%	19.05%
Financial results	(3.9)	2.0	4.0	(1.1)	(4.6)	4.8	(2.2)	(12.0)
Results from companies consolidated by equity method	(0.5)	(1.3)	(0.9)	(4.8)	(0.2)	0.1	(1.3)	(1.4)
Income before taxes	276.3	262.4	575.3	531.7	208.7	195.4	466.6	468.7
Taxes	(75.7)	(68.1)	(140.4)	(103.7)	(57.4)	(50.8)	(124.3)	(97.0)
Net income	200.6	194.3	434.9	428.0	151.3	144.6	342.3	371.7
Minorities	1.0	1.2	2.7	2.6	0.8	0.6	3.2	3.7
Net income attributable to the controlling company	199.6	193.1	432.2	425.4	150.5	144.0	339.1	367.9
Net income margin	9.79%	9.26%	17.23%	15.18%	8.78%	8.18%	15.48%	14.54%

Annex II

Summary of net openings and net stores opened by quarter

Number of net store openings in each quarter

Concept	1Q 2007	2Q 2007	3Q 2007	4Q 2007	total 2007	1Q 2006	2Q 2006	3Q 2006	4Q 2006	total 2006
Zara	45	25	70	46	186	53	28	52	41	174
Pull & Bear	8	17	19	8	52	13	8	5	14	40
Massimo Dutti	3	2	15	7	27	7	7	10	6	30
Bershka	12	11	31	23	77	16	16	17	16	65
Stradivarius	20	7	26	24	77	5	10	14	12	41
Oysho	14	21	29	25	89	8	16	12	11	47
Zara Home	12	8	16	16	52	12	9	8	13	42
Total stores	114	91	206	149	560	114	94	118	113	439

Number of stores by the end of each quarter

Concept	1Q 2007	2Q 2007	3Q 2007	4Q 2007	1Q 2006	2Q 2006	3Q 2006	4Q 2006
Zara	1,220	1,245	1,315	1,361	1,054	1,082	1,134	1,175
Pull & Bear	475	492	511	519	440	448	453	467
Massimo Dutti	402	404	419	426	376	383	393	399
Bershka	445	456	487	510	384	400	417	433
Stradivarius	324	331	357	381	268	278	292	304
Oysho	215	236	265	290	162	178	190	201
Zara Home	164	172	188	204	122	131	139	152
Total stores	3,245	3,336	3,542	3,691	2,806	2,900	3,018	3,131

Annex III

Stores by concept and country as at 31 January 2007

	Zara	Pull and Bear	Massimo Dutti	Bershka	Stradivarius	Oysho	Zara Home	Inditex
Andorra	1	1	1		1	1	1	6
Argentina	7							7
Austria	10							10
Bahrein	1	1	1			1		4
Belgium	23	1	19	7			4	54
Brazil	22							22
Canada	14							14
Chile	6							6
China	12		2					14
Colombia	4							4
Costa Rica	2							2
Croatia	1			1				2
Cyprus	4	3	2	5	5	1	2	22
Czech Republic	5	2		2				9
Denmark	4							4
Dominican Republic	1							1
El Salvador	2	1		1				4
Estonia	2			1				3
Finland	4							4
France	109	6	13	36	9	1	10	184
Germany	62		6					68
Greece	48	16	10	19	4	10	5	112
Guatemala	1	1		1				3
Hungary	4	2		1	1	1		9
Iceland	2							2
Indonesia	6		3					9
Ireland	8	7	1	5	2			23
Israel	15	17						32
Italy	74	26	6	29	19	46	18	218
Japan	29							29
Jordan	2	2	2	1	2	1	1	11
Kuwait	5	4	2	2	3	3	2	21
Latvia	3	2		2				7
Lebanon	2	3	3	2	2	2	1	15
Lithuania	4	2		4				10

	Zara	Pull and Bear	Massimo Dutti	Bershka	Stradivarius	Oysho	Zara Home	Inditex
Luxembourg	2		1					3
Malaysia	5	2	4					11
Malta	1	5		1				7
Mexico	47	27	24	39		27	12	176
Monaco	1							1
Morocco	3		2		3			8
Netherlands	12			5			1	18
Norway	2		2					4
Oman	1				1	1	1	4
Panama	2							2
Philippines	5							5
Poland	18	7		8	6	6		45
Portugal	73	57	40	39	32	27	18	286
Puerto Rico	1							1
Qatar	2	2	2	1	1	1	1	10
Romania	2	2		1	1	1		7
Russia	18	9	4	6	9	3	1	50
Saudi Arabia	18	3	7	16	18	3	4	69
Serbia	3	1	1	1	1	1		8
Singapore	5	2	3					10
Slovakia	1	1		1	1			4
Slovenia	4	2		2	3			11
Spain	491	286	235	243	243	143	106	1.747
Sweden	9		3					12
Switzerland	9		4	1				14
Thailand	3		2					5
Tunisia	1							1
Turkey	22	9	9	9	9	8	7	73
UAE	5	4	6	4	5	2	4	30
United Kingdom	56		6	5			5	72
Uruguay	2							2
USA	29							29
Venezuela	9	3		9				21
Total	1.361	519	426	510	381	290	204	3.691

The **Annual Report 2007** provided information under the terms of the triple –economic, social and environmental- dimension.

The Annual Report 2007 is fully available on the corporate web site **www.inditex.com**, where additional useful information may also be accessed.

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