

INDITEX

INTERIM THREE MONTHS 2018 RESULTS

1 February 2018 to 30 April 2018

- ♦ Inditex continues to roll out its global, fully integrated store and online platform.
- ♦ In 1Q2018 Inditex achieved a strong operating performance. Net sales reached €5.7 billion, 2% higher than in 1Q2017. Sales in local currencies increased by 7%.
- ♦ Gross profit reached €3.3 billion, 3% higher. Gross margin reached 58.9% (+68 bps).
- ♦ Tight control of operating expenses.
- ♦ EBIT was €851 million, 2% higher.
- ♦ Net income increased 2% to reach €668 million (€0.214 per share).
- ♦ Store and online sales in local currencies increased by 9% from 1 May to 11 June 2018.

Performance in 1Q2018

Inditex continues to roll out its global, fully integrated store and online platform. In 1Q2018 Inditex achieved a strong operating performance.

Net sales reached €5.7 billion, 2% higher than in 1Q2017. Sales in local currencies increased by 7%.

In 1Q2018 Inditex opened stores in 36 markets. At the end of 1Q2018 Inditex operated 7,448 stores in 96 markets. A list of total stores by concept is included in Annex I.

Gross profit rose to €3.3 billion, 3% higher than the previous year. The Gross margin reached 58.9% of sales compared with 58.2% in 1Q2017 (+68 bps).

Operating expenses have been tightly managed over the quarter and have grown by 3%, mainly as a result of the growth in sales and new retail space added.

EBITDA came to €1.1 billion, 1% higher than the comparable prior year period and EBIT to €851 million, 2% higher.

A breakdown of financial results can be found in Annex II.

The tax rate for 1Q2018 is the best estimate for FY2018 according to current information.

Net income came to €668 million, 2% higher than the comparable prior year period.

Inditex maintained its solid financial position at the end of the quarter. The Group paid €1.2 billion (€0.375 per share) as FY2017 interim dividend on 2 May 2018.

Million Euros	30 April 2018	30 April 2017
Cash & cash equivalents	4,915	4,075
Short term investments	1,272	1,824
Current financial debt	(82)	(198)
Non current financial debt	(5)	(2)
Net financial cash (debt)	6,100	5,700

The operating working capital position remains negative as a result of the business model:

Million Euros	30 April 2018	30 April 2017
Inventories	2,900	2,774
Receivables	884	992
Payables	(5,937)	(5,921)
Operating working capital	(2,153)	(2,155)

Start of 2Q2018

Store and online sales in local currencies increased by 9% from 1 May to 11 June 2018.

Global online sales

Zara launched online in Australia and New Zealand on 14 March 2018.

Agreements of the Board of Directors

Inditex's Annual General Meeting (AGM) will take place at the Company's registered office on 17 July 2018.

Inditex's Board of Directors will propose at the AGM a FY2017 dividend of €0.75 per share, a total of €2.3 billion. €0.375 per share was paid on 2 May 2018 as interim dividend, with a further €0.375 per share payable on 2 November 2018 as final ordinary and bonus dividend.

Mr Carlos Espinosa de los Monteros will leave the Board of Directors of Inditex once his tenure expires at the AGM on 17 July 2018. Inditex would like to thank him for his significant contribution to the Board over the years. The Board of Directors of Inditex will present for approval at the AGM the appointment of Ms. Pilar López Álvarez to the Board.

For additional information:

INDITEX

Investor Relations

ir@Inditex.com

Tel: +34 981 18 53 64

www.Inditex.com

Disclaimer

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

This document contains forward-looking statements. All statements other than statements of historical fact included herein, including, without limitation, those regarding our financial position, business strategy, management plans and objectives for future operations are forward-looking statements. Any such forward-looking statements are subject to risk and uncertainty and thus could differ materially from actual results.

Some of these risks include, amongst others, ongoing competitive pressure in the sector, consumer tastes and spending trends, economic, political, regulatory and trade conditions in the markets where the Inditex Group is present or in the countries where the Group's products are manufactured or distributed.

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

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

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

- Tables and appendix to follow -

Consolidated financial statements

Grupo Inditex		
1Q2018 profit & loss statement (€m)		
	1Q2018 (*)	1Q2017 (*)
Net sales	5,654	5,569
Cost of sales	(2,326)	(2,329)
Gross profit	3,328	3,240
<i>Gross margin</i>	<i>58.9%</i>	<i>58.2%</i>
Operating expenses	(2,194)	(2,126)
Other net operating income (losses)	(9)	(1)
Operating cash flow (EBITDA)	1,125	1,113
<i>EBITDA margin</i>	<i>19.9%</i>	<i>20.0%</i>
Amortisation and depreciation	(273)	(279)
Operating income (EBIT)	851	834
<i>EBIT margin</i>	<i>15.1%</i>	<i>15.0%</i>
Financial results	7	(2)
Results from companies consolidated by equity method	8	11
Income before taxes	866	844
<i>EBT margin</i>	<i>15.3%</i>	<i>15.2%</i>
Taxes	(197)	(190)
Net income	669	654
Minorities	2	1
Net income attributable to the controlling company	668	654
<i>Net income margin</i>	<i>11.8%</i>	<i>11.7%</i>
Earnings per share, Euros (**)	0.214	0.210

(*) Unaudited data

(**) Shares for EPS calculation 3,113,701,857 for 2018 and 3,112,653,846 for 2017

Grupo Inditex

Consolidated Balance Sheet as of 30 April 2018 (€m)

	30 April 2018 (*)	30 April 2017 (*)
Assets		
NON CURRENT ASSETS	10,398	9,977
Intangible assets	938	923
Tangible assets	7,854	7,477
Financial investments	247	239
Other	1,358	1,338
CURRENT ASSETS	10,320	9,980
Inventories	2,900	2,774
Receivables	884	992
Short term investments	1,272	1,824
Cash & cash equivalents	4,915	4,075
Other	349	314
TOTAL ASSETS	20,718	19,956
Total Liabilities & Shareholders' Equity		
SHAREHOLDERS' EQUITY	13,063	12,263
Equity attributable to the Group	13,036	12,223
Minority interests	28	40
NON CURRENT LIABILITIES	1,582	1,496
Deferred taxes	284	259
Financial debt	5	2
Other	1,292	1,235
CURRENT LIABILITIES	6,073	6,198
Financial debt	82	198
Payables	5,937	5,921
Other	55	79
TOTAL LIABILITIES & SHAREHOLDERS' EQUITY	20,718	19,956

(*) Unaudited data

Annex I

Number of stores by concept:

Concept	30 April 2018	30 April 2017
Zara	2,112	2,087
Zara Kids	130	145
Pull&Bear	972	982
Massimo Dutti	772	769
Bershka	1,094	1,096
Stradivarius	1,012	1,015
Oysho	671	646
Zara Home	594	563
Uterqüe	91	82
Total	7,448	7,385

Annex II

Breakdown of Financial results:

Million Euros	1Q2018	1Q2017
Net financial income (losses)	5	3
Foreign exchange gains (losses)	2	(4)
Total	7	(2)

The Gross Margin, EBITDA, EBIT, ROE and ROCE are defined in the introduction to the Consolidated Annual Accounts 2017.