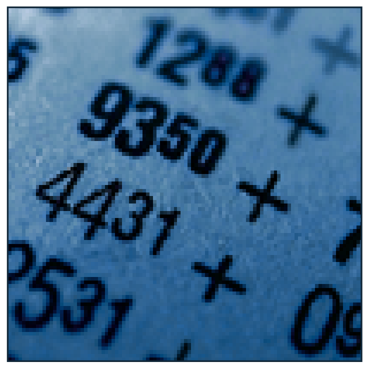
INDITEX

ANNUAL REPORT 2001

index



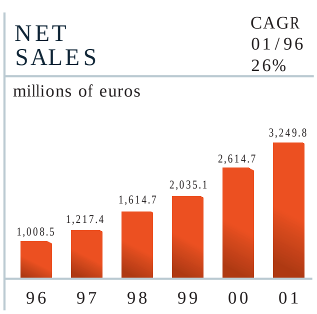
Financial Highlights

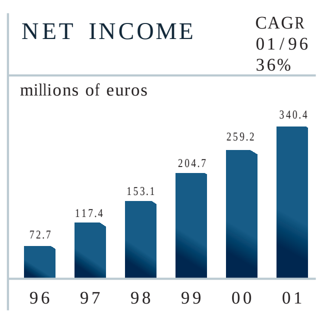
Increases in all margin lines

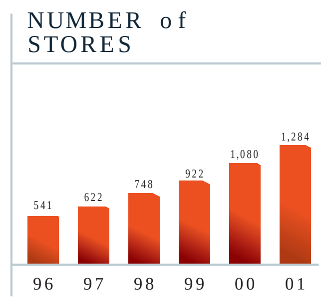
Net income of the Inditex Group in Fiscal 2001 came to 340.4 million euros, 31% above the previous year. Consolidated net sales reached 3,249.8 million euros, an increase of 24% compared with Fiscal 2000, despite an unfavourable economic environment brought about by the events of September 11th.

All the margin lines show increases compared with 2000, as a consequence of the growth strategy of the Group's concepts, the continuity of international expansion and its ability to adapt to market demands. Sales performance – which increased by 9% in like-for-like stores – and the improvement in management of costs and inventories have led to greater profitability, increasing the operating cash flow (EBITDA), the operating income (EBIT) and net income more than net sales. In particular, EBITDA grew by 35% with respect to 2000, to 704.5 million euros, and EBIT by 36%, reaching 517.5 million euros.

At the end of Fiscal 2001, the Inditex Group had 1,284 stores open around the world, 204 more than in 2000, with a selling area of 659,400 m^2, 22% more than the previous year. Of the total number of stores, 515 were located outside Spain and generated 54% of total sales. During the course of 2001, seven new markets were opened: Luxembourg, Iceland, Ireland, Italy, the Czech Republic, Jordan and Puerto Rico.







Main indicators

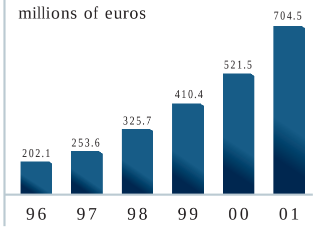
millions of euros

Description	2001	2000	1999	1998	1997	1996	CAGR 01/96
Net sales	3,249.8	2,614.7	2,035.1	1,614.7	1,217.4	1,008.5	26%
Yo Y %	24%	28%	26%	33%	21%		
EBITDA	704.5	521.5	410.4	325.7	253.6	202.1	28%
Yo Y %	35%	27%	26%	28%	25%		
EBIT	517.5	379.9	296.2	241.5	192.6	150.3	28%
Yo Y %	36%	28%	23%	25%	28%		
Net income	340.4	259.2	204.7	153.1	117.4	72.7	36%
Yo Y %	31%	27%	34%	30%	61%		
Shareholders equity	1,486.2	1,170.9	893.2	673.4	529.9	414.9	29%
Yo Y %	27%	31%	33%	27%	28%		
Number of stores at FY end	1,284	1,080	922	748	622	541	
% International sales	54%	52%	49%	46%	42%	36%	
LFL	9%	9%	5%	11%	7%	4%	
ROE	26%	25%	26%	25%	25%	20%	
ROCE	39%	34%	33%	36%	35%	29%	
Number of employees	26,724	24,004	18,200	15,576	10,891	8,412	

EBITDA

CAGR
01/96
28%

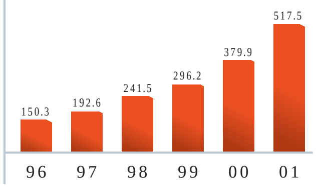
millions of euros



EBIT

CAGR
01/96
28%

millions of euros



return on sales

2001	10.5%

Market capitalization at FYE

millions of euros

31 - JAN- 02	13,794.3

EPS

euro cents

2001	54.6
01/00	31%

Stock performance

euros

22-05-01	14.70
31-01-02	21.41
% Var.	45.6

return on equity (ROE)

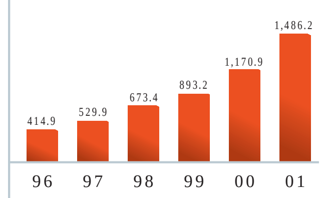
2001	25.6%

return on capital employed (ROCE)

2001	39%

Shareholders equity

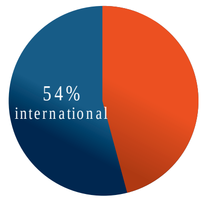
millions of euros



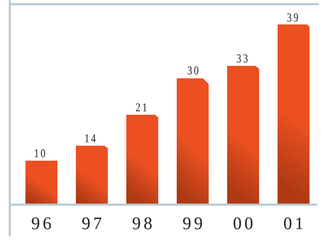
GROWTH in
like-for-like
SALES (LFL)

01/00	9%

% International
sales in 2001



number of
countries



No. of stores per chain at 31-Jan-02		Net openings 2001
ZARA	507	58
PULL AND BEAR	249	20
MASSIMO DUTTI	223	25
BERSHKA	151	47
STRADIVARIUS	120	20
OYSHO	34	34
Total	1,284	204

Letter to Shareholders

Dear shareholders,

It is a pleasure for me to address you in this year in which Inditex Group has experienced extremely significant events, both from the point of view of commercial activity and as regards its shareholding structure.

2001 was the year of Inditex's flotation on the stock market. Some 26.09 percent of the shares of Inditex were put on sale through an Initial Public Offering aimed at both individual and institutional investors. The reception of the Offering by investors both in Spain and internationally was very positive. The financial world and specialized media certified the success of an operation carried out in a difficult environment, which also contributed to show even more the confidence in our business model. From our point of view, this was another opportunity to see that the planning, effort and enthusiasm for "a job well done" are the pillars on which each of its achievements is based.

The Employee Stock Participation Plan was executed four months after Inditex was listed. Today, in addition to the thousands of investors who participated in the Public Offering, Inditex has amongst its shareholders a large number of employees who received their shares for free as a deserved reward for their contribution to the Group.

We must highlight the launch in September 2001 of Oysho, the sixth format of Inditex. Its international focus, in line with the general vocation of the Group, has already been confirmed with the opening of stores in several countries.

All the concepts have continued their expansion in a similar manner to that of the last few years.There are already more than forty countries with stores of any one of Inditex's formats. The goal of the group is to consolidate its presence in the largest European markets and expand in some selected international markets.

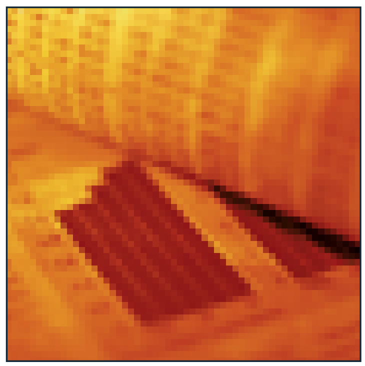
Throughout the past year we have made significant investments in new facilities to keep growing beyond the 1,300 stores open as at 31 January 2002. During the course of the year, the new headquarters of Pull and Bear opened in Narón (A Coruña, Spain) and that of Stradivarius in Sallent (Barcelona, Spain), and improvements have been made in the Massimo Dutti and Bershka logistics centres in Tordera (Barcelona, Spain). The head office of Oysho has been set up at this same location.

A significant investment has also been made in the construction of the Tempe footwear logistics centre in Elche (Alicante, Spain). This construction will end during the course of the current year. An important step has been taken through the choice of Zaragoza (Spain) as the location for the second logistics centre of Zara, which will complement that in Arteixo (A Coruña, Spain) and will allow the chain to maintain its pace of growth.

Investment has developed in parallel to that of store openings, more than two hundred over the year. As a result, consolidated net sales have grown by 24 percent, reaching the figure of 3,250 million euros, while net income has reached 340 million euros, 31 percent more than in 2000.

We have, therefore, closed an important year for Inditex, the first in which the management and achievements of the Group have been the object of external evaluation, due to its flotation in the stock market. The recently established relationship with our shareholders is a new ground for encouragement for all the organisation: more than 26,000 people in more than forty countries who I would like to thank for their enthusiasm and dedication and who make it possible for this group to continue to grow with strength worldwide.

Amancio Ortega Gaona
Chairman



Business Performance

Fiscal 2001 was marked by a very relevant event in the evolution of Inditex when it was listed on the stock exchange on 23 May. Through this process, thousands of new shareholders have come to hold shares in its capital.

As a result of the general strategy of the business, which continues to be based on the international growth of its concepts, the group opened 204 stores over the fiscal year and expanded its operations to reach a total of 39 countries. In line with this growth, investments were made during the course of the year in several of its distribution centres, the number of employees increased and the planned opening of new countries during Fiscal 2002 was agreed.

CONCEPTS

ZARA

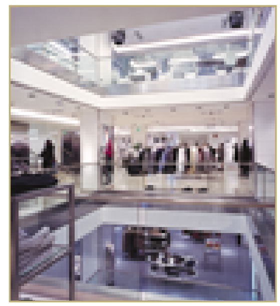
Net openings of stores of the Zara concept in Fiscal 2001 rose to 58. These openings took place in more than 20 different countries, four of them new (Holland, Luxembourg, Iceland and the Czech Republic). Of the total number of openings, 42 took place in Europe and 16 in the Americas – including the first store in Miami (United States) – and in the Middle East.

As at 31 January 2002, Zara had 507 stores, 282 of these outside Spain, with a selling area of 488,400 square metres. The turnover of the format rose to 2,477.4 million euros, 76.2% of the Inditex Group total.

In Fiscal 2001, agreements were signed for the entry of Zara in three new European markets during 2002. First of all, a joint venture agreement was signed with the Italian Percassi Group which has already born fruit with the opening of the first Zara store in Milan (Italy) in April 2002. Secondly, contracts were signed for the setting-up of two Zara stores in Geneva (Switzerland), in which country the company operates through a direct subsidiary. Last of all, an agreement was closed with the Finnish company, Stockman, which will act as a franchisee in that country.

Inditex has started the construction of a second logistics centre for the Zara chain in Zaragoza (Spain). This new centre will complement the one located in Arteixo (A Coruña, Spain), increasing the flexibility of Zara's logistics system and providing it with the necessary distribution capacity to face the expected rate of growth of the business worldwide. The location chosen offers excellent infrastructures, integrated into an intermodal transport system. This logistics platform will have direct access to the railway and road network, in addition to being located next to Zaragoza airport, which increases the options in the handling of international cargo. The construction will begin in the course of 2002 and will enter into service in 2003.



PULL AND BEAR

The format focused on casual and sports fashion increased the number of its stores by 20 in 2001, reaching a total of 249 in twelve countries, three of them new. Its total selling area was 38,500 square metres. Turnover increased to 225.7 million euros, 6.9% of Inditex´s total.

The company has moved its headquarters and logistics centre to a new site in order to face the growth expected in the coming years. The facilities have been set up in Narón (A Coruña, Spain).

MASSIMO DUTTI

Massimo Dutti has carried out investments in 2001 to increase its logistics capacity in its headquarters in Tordera (Barcelona, Spain), a consequence of the format's international expansion plans.

During that fiscal year, the figure for net store openings was 25, both in European countries (18 stores) and in other geographical areas (7 stores).

The 223 stores at 31 January 2002 made up a total selling area of 43,000 square metres. Its turnover in the fiscal year, 241.4 million euros, represented 7.4% of the total of the Inditex Group.

BERSHKA

This format, aimed at the younger female customer, increased the number of its stores by 47 in 2001, to 151. Over the fiscal year stores were opened in six countries, three of them new markets.

The selling area of the Bershka format reached 49,800 square metres at the close of Fiscal 2001 and its turnover increased to 202 million euros, 6.2% of the total of the Inditex Group. The logistics facilities of Bershka in Tordera (Barcelona, Spain) also received investments in 2001, with the objective of increasing its distribution capacity.

STRADIVARIUS

Stradivarius opened 20 new stores in 2001. At 31 January 2002 the format had 120 stores in eight countries in Europe and the Middle East, with a selling area of 33,800 square metres and turnover of 93.5 million euros, which represented 2.9% of the total of the Inditex Group.

The investments carried out during 2000 and 2001 culminated in the establishment of the headquarters and logistics centre of the concept in Sallent de Llobregat (Barcelona, Spain)

OYSHO

Oysho, the sixth concept of the Inditex Group, opened its first stores in September 2001, and at FYE had 34 stores in seven European countries. Its headquarters are located in Tordera (Barcelona, Spain), where its team of professionals specializing in the design, production and marketing of lingerie is based. Its distribution logistics centre is in the same location.

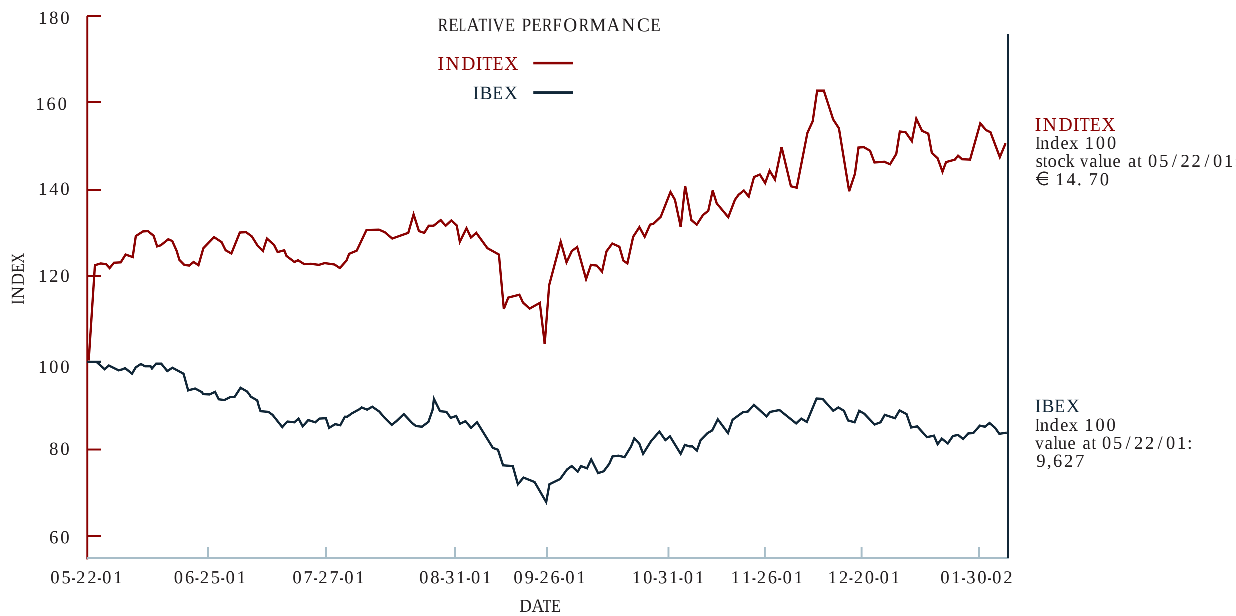
Oysho brings to the lingerie sector the philosophy of the Inditex Group, offering to a wide range of customers the latest fashion trends in underwear, with quality products at attractive prices. Oysho offers new products every week and renews a large part of its collection each season. Oysho markets underwear, sleepwear and clothing for sports, hosiery, swimwear and homewear, accessories and cosmetics.

The target Oysho store has a greater selling area than the average of the sector. The dimensions of the store are due to the great diversity of the Oysho offer and to its desire to create a comfortable atmosphere for customers.

The location of the stores, both in the high street and in shopping centres, follows criteria that are similar to those of Zara. In fact, it is not unusual to find stores of the two concepts located close to each other, and even sharing the same building, although always with clearly differentiated spaces and each with its own identity, Oysho being characterised by a very modern atmosphere, very carefully designed in all aspects, from the distribution of space to materials, furniture, lighting, etc.

IPO AND STOCK PERFORMANCE

The intensive preparation undergone by Inditex and which culminated in its IPO was rewarded by the great response given by the national and international investing community when it oversubscribed the offer more than 25-fold. This response was subsequently endorsed by the inclusion of Inditex's shares in some of the main stock market indexes, amongst others the Ibex 35 (exceptionally, one month after the flotation), DJ Eurostoxx 600 and MSCI.

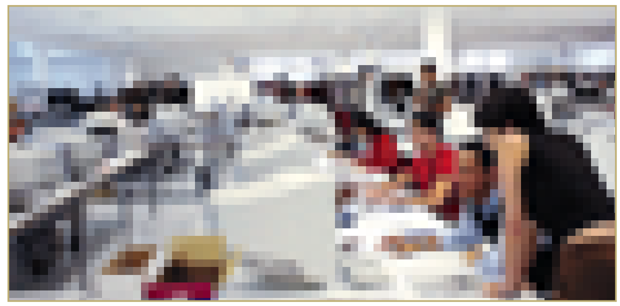


Since its IPO, Inditex's shares have become one of the most outstanding securities of the Spanish market, appreciating by 45.65% by the close of Fiscal 2001. The Group's market capitalization at year-end closing was 13,000 million euros, making Inditex the seventh highest market capitalization of the Ibex 35, and the second largest among the European fashion retail companies.

Over the last quarter of the fiscal year, the Employee Stock Participation Plan was executed. The employees of any of the companies of the Group who were employed before 31 December 2000 and who were still employees at the date of the execution of the Plan, received 50 shares per year worked, totally independently of their professional category. In the countries in which the execution of the plan faced administrative difficulties, the employees received the equivalent amount in cash. As a result, the equivalent of 3,699,756 shares (0.6% of the share capital) were awarded to 17,864 employees, of which 15,308 received shares and the rest the equivalent sum in cash.

HUMAN RESOURCES

The sustained growth of the Inditex Group has also been reflected in the size of its staff, which has gone from 24,004 people at FYE 2000 to 26,724 at FYE 2002. Growth has been based fundamentally on internal promotion: 80% of the store managers for the new shops in countries in which the Group is already present come from within the organisation itself. In the case of the new format, Oysho, 75% of its human resources come from the Inditex Group itself.



The priority of training has been to guarantee the transmission of our business model to new employees. A network of internal trainers has been created and programs for multimedia training and interactive technology have been installed. One programme that stands out is the training plan linked to the introduction of the euro, which reached more than 5,000 employees.

Just over 80% of employees are engaged in retail sales in stores, while 8.5% are employed in the manufacturing centres. The rest are engaged in design, logistics and distribution activities and the activities of the headquarters both of Inditex and of its six fashion retail formats. The employees of the Group are young (the average age of the workforce is 26 years) and the majority are women (78%).

CORPORATE RESPONSIBILITY

This year, the Inditex Group started to build the new model of corporate responsibility which will govern the company's actions in the future as a responsible and socially committed company that, therefore, has the opportunity, and feels that it has the responsibility, to develop a business model that allows it to transmit its values through its production, distribution and retail concepts.

The Inditex Group has decided to orient its social strategy towards wide and sustainable approaches that combine its principles with formulas of dialogue with all the areas of its activity: employees, suppliers and external workshops, customers, non-governmental organisations (NGOs) and local communities.

The main activities carried out in this sphere have been:

- Approval of the Internal Code of Conduct of the Inditex Group and the creation of the Corporate Responsibility Department.
- Social audits in Spain and Morocco and the design of corrective plans of actions for suppliers and external workshops.
- Pilot projects of collaboration for development in countries such as Venezuela and Guatemala and for the increase of public awareness in Spain.
- Joining The Global Compact and promotion of this platform in Spain.

CODE OF CONDUCT AND THE CORPORATE RESPONSIBILITY DEPARTMENT

Approved by the Board of Directors on 23 February 2001, the Code of Conduct is defined as an ethical commitment that includes basic principles and standards for the appropriate development of the relations between the Inditex Group and its main stakeholders (shareholders, employees, customers, suppliers, external workshops and society in general) wherever the companies of the Group operate.

Amongst such principles and basic standards, the following stand out:

1. All the operations of the Inditex Group are developed under an ethical and responsible perspective.
2. All the people who maintain, directly or indirectly, any kind of labour, economic, social or industrial relationship with the Inditex Group are treated in a fair and honourable manner.
3. The development of the Inditex Group's activities is undertaken in the manner that most respects the environment.

In order to introduce and monitor the Code of Conduct, the Corporate Responsibility Department has been created, the department's staff working exclusively in areas such as social and environmental responsibility and the internal and external communication of the Code of Conduct, paying special attention to the monitoring of compliance with the Code in the chain of suppliers and external workshops through inspections and periodic visits. These social audits are carried out by mixed teams made up of our professionals and of external consultants (PricewaterhouseCoopers in Spain and Morocco). In the short term, the Inditex Group intends for this task to be carried out by players of the civil society where we carry out our commercialisation and/or production activities.

PROCESS OF INTRODUCING THE CODE OF CONDUCT

Since May 2001, the introduction of the Corporate Responsibility model of the Inditex Group has been organised through the management of five rings of influence:

1. That which is directly linked to the actual development of the business.
2. The dialogue with the players of the local communities where our manufacturing, marketing, distribution and retail activities are carried out.
3. The creation of a Social Board made up of institutions from the Third Sector.
4. Communication and transparency.
5. The fostering of, and active participation in, international platforms for dialogue such as The Global Compact (United Nations).

The first ring of influence is defined in the conventions and principles considered in the Human Rights Declarations in the International Labour Organisation (ILO) Conventions (29, 87, 98,100, 105, 111 and 138). This ring is divided into three categories:

- Hiring: The labour legislation in force with respect to hiring in any country where the Inditex Group develops its business model shall be complied with.

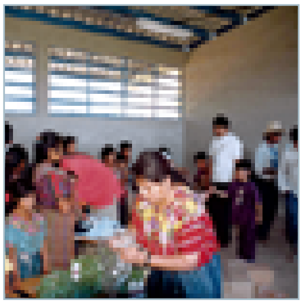
- Health and safety: The health and safety working conditions in the chain of suppliers and external workshops will have to comply with the principles included in the ILO Conventions.

- Compliance programmes and transparency: The model includes developing lines of collaboration and association with the most representative NGOs so that these, from their particular perspective, can validate our social responsibility strategy.

The second ring includes the supervision of the introduction of the Code of Conduct by local NGOs based wherever we operate (manufacturing, distribution and retail). This ring includes, amongst other activities, consultation with interested parties and the search for gradual processes of association with local counterparts, based on transparent and mutually beneficial relations. At the present time, this ring is being implemented in geographical areas as far away as Morocco, Venezuela and Cambodia.

The third ring is based on a type of development project management that is different to traditional social marketing management. This process will be supervised and backed up by the Social Board, an independent team of prestigious specialists from the Third Sector, who are capable of understanding and dealing with the needs of Spanish and international civil society and, at the same time, of being our interlocutors in their areas of influence, both geographic and institutional.

The fourth ring focuses its influence on all those aspects related to the communication and transparency of the social responsibility model of the Inditex Group. The Inditex Group is aware that it must develop, in the medium-term, ways to measure in terms of the "triple report" (financial, social and environmental).



The fifth and final ring is based on the need to participate in and foster dialogue with other interlocutors from the perspective of international civil society. Thus, in August 2001, the Inditex Group joined The Global Compact, an initiative headed by Kofi Annan, Secretary General of the United Nations, and aimed at incentivating the conduct of companies as regards responsibility.

Auditors´ report and annual accounts

ANDERSEN

Ferrol, 1
15004 A Coruña

Translation of a report and consolidated financial statements originally issued in Spanish and prepared in accordance with generally accepted accounting principles in Spain (see Note 23). In the event of a discrepancy, the Spanish-language version prevails.

Auditors' report on consolidated financial statements

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

1. We have audited the consolidated financial statements of Industria de Diseño Textil, S.A. and Dependent Companies composing the Inditex Group, which consist of the consolidated balance sheet as of January 31, 2002, and the related consolidated statement of income and notes to consolidated financial statements for the year then ended (hereinafter 2001). The preparation of these consolidated financial statements is the responsibility of the directors of the Controlling Company. Our responsibility is to express an opinion on the consolidated financial statements taken as a whole based on our audit work performed in accordance with generally accepted auditing standards, which require examination, by means of selective tests, of the documentation supporting the consolidated financial statements and evaluation of their presentation, of the accounting principles applied and of the estimates made.

2. For comparison purposes the Controlling Company's directors present, in addition to the 2001 figures for each item in the consolidated balance sheet and the consolidated statement of income, the figures for 2000 and 1999. Our opinion refers only to the 2001 consolidated financial statements. Our auditors' reports dated March 14, 2001 and May 2, 2000, on the 2000 and 1999 consolidated financial statements contained unqualified opinions.

3. In our opinion, the 2001 consolidated financial statements referred to above present, in all material respects, a true and fair view of the net worth and financial position of the Inditex Group as of January 31, 2002, and of the results of its operations in the year then ended, and contain the required information, sufficient for their proper interpretation and comprehension, in conformity with generally accepted accounting principles and standards applied on a basis consistent with that of the preceding year.

4. The accompanying consolidated management report for 2001 contains the explanations which the directors consider appropriate about the Group's situation, the evolution of its business and other matters, but is not an integral part of the consolidated financial statements. We have checked that the accounting information in the consolidated management report is consistent with that contained in the consolidated financial statements for 2001. Our work as auditors was confined to checking the consolidated management report with the aforementioned scope, and did not include a review of any information other than that drawn from the consolidated Companies' accounting records.

ARTHUR ANDERSEN

Rafael Abella

March 22, 2002

Traslation of a report and financial statements originally issued in Spanish and prepared in accordance with generally accepted accounting principles in Spain (see Note 23). In the event of a discrepancy, the Spanish-language version prevails

industria de diseño textil, s.a. and dependent companies
CONSOLIDATED BALANCE SHEETS AS OF JANUARY 31, 2002, 2001 AND 2000
(Thousands of euros)

ASSETS	01-31-02	01-31-01 (*)	01-31-00 (*)
B) FIXED AND OTHER NONCURRENT ASSETS			
I. Start-up expenses (note 5)	607	2,013	475
II. Intangible assets (note 6)	352,015	303,307	262,137
Intangible assets and rights	472,549	398,856	342,847
Accumulated amortization	(119,677)	(95,500)	(80,662)
Provisions	(857)	(49)	(48)
III. Tangible fixed assets (note 7)	1,228,267	1,045,929	870,824
Land and structures	442,770	429,070	348,352
Technical installations and machinery	1,042,924	800,145	642,296
Other tangible fixed assets	174,542	100,016	102,376
Advances and construction in progress	47,328	83,336	89,352
Accumulated depreciation	(479,297)	(366,638)	(311,348)
Provisions	0	0	(204)
IV. Long-Term financial investments (note 8)	81,324	41,312	34,258
Holdings in companies carried by the equity method	23,793	9,065	8,095
Long-term investment securities	8,489	12,363	5,145
Other loans	49,162	20,894	21,144
Provisions	(120)	(1,010)	(126)
V. Shares of the Controlling Company	447	3,151	1,082
Total fixed and other noncurrent assets	1,662,660	1,395,712	1,168,776
C) GOODWILL IN CONSOLIDATION (note 9)	72,136	89,112	98,115
D) DEFERRED CHARGES (note 10)	16,469	22,480	24,077
E) CURRENT ASSETS			
II. Inventories (note 11)	353,802	245,049	188,459
III. Accounts receivable	184,228	145,182	121,619
Customer receivables for sales and services	95,989	71,038	58,838
Other accounts receivable	89,487	75,035	63,658
Provisions	(1,248)	(891)	(877)
IV. Short-term financial investments (note 12)	52,310	84,911	50,009
Short-term investment securities	46,300	62,764	33,409
Other loans	6,010	22,147	16,600
VI. Cash	256,768	118,960	114,457
VII. Accrual accounts	6,563	6,213	7,362
Total current assets	853,671	600,315	481,906
TOTAL ASSETS	2,604,936	2,107,619	1,772,874

The accompanying Notes 1 to 23 and Exhibit I are an integral part of the consolidated balance sheet as of January 31, 2002.
(*) Presented for comparison purposes only.

industria de diseño textil, s.a. and dependent companies
CONSOLIDATED BALANCE SHEETS AS OF JANUARY 31, 2002, 2001 AND 2000
(Thousands of euros)

SHAREHOLDER´S EQUITY AND LIABILIES	01-31-02	01-31-01 (*)	01-31-00 (*)
A) SHAREHOLDER´S EQUITY (note 14)			
I. Capital stock	93,500	93,500	92,556
II. Additional paid-in capital	20,379	20,379	0
III. Revaluation Reserve	1,692	1,692	1,695
IV. Other reserves of the Controlling Company	586,866	480,029	289,928
Unrestricted reserves	567,563	458,211	270,335
Restricted reserves	19,303	21,818	19,593
V. Reserves at cos. cons. by the global or prop. integ. method	434,242	281,630	272,131
VI. Reserves at companies carried by the equity method	989	730	155
VII. Translation differences	8,112	34,908	31,949
Companies consolidated by the global integration method	8,112	34,908	31,949
VIII. Income attributable to the Controlling Company	340,412	259,241	204,771
Consolidated income for the year	345,244	261,921	206,246
Income attributed to minority interests	(4,832)	(2,680)	(1,475)
IX. Interim dividend paid during the year	0	(1,202)	0
Total shareholder´s equity	1,486,192	1,170,907	893,185
B) MINORITY INTERESTS (note 15)	21,053	11,271	14,088
D) DEFERRED REVENUES (note 16)	4,921	2,044	1,869
E) PROVISIONS FOR CONTINGENCIES AND EXPENSES (note 17)	55,350	21,261	21,053
F) LONG-TERM DEBT			
II. Payable to credit entities (note 18)	138,209	165,538	207,800
III. Other accounts payable (note 19)	64,995	66,258	83,144
Total long-term debt	203,204	231,796	290,944
G) CURRENT LIABILITIES			
II. Payable to credit entities (note 18)			
III. Payable to companies carried by the equity method (note 13)	118,488	96,871	116,338
IV. Trade accounts payable	1,064	1,827	1,448
V. Other nontrade payables (note 19)	426,342	322,973	276,111
VII. Accrual accounts	288,288	248,571	157,778
	34	98	60
Total current liabilities	834,216	670,340	551,735
TOTAL SHAREHOLDER´S EQUITY AND LIABILITIES	2,604,936	2,107,619	1,772,874

The accompanying Notes 1 to 23 and Exhibit I are an integral part of the consolidated balance sheet as of January 31, 2002.
(*) Presented for comparison purposes only.

Traslation of a report and financial statements originally issued in Spanish and prepared in accordance with generally accepted accounting principles in Spain (see Note 23). In the event of a discrepancy, the Spanish-language version prevails

industria de diseño textil, s.a. and dependent companies
CONSOLIDATED STATEMENTS OF INCOME FOR THE YEARS ENDED JANUARY 31, 2002, 2001 AND 2000
(Thousands of euros)

DEBIT	01-31-02	01-31-01 (*)	01-31-00 (*)
A) EXPENSES			
Purchases	1,658,474	1,293,570	991,123
Personnel expenses	489,836	411,393	318,603
a) Wages, salaries, etc.	385,550	326,507	248,747
b) Employe welfare expenses (note 21)	104,286	84,886	69,856
Period depreciation and amortizacion	158,163	124,463	96,489
Variation in provisions (note 2.e)	11,642	5,924	14,959
Other operating expenses	492,644	407,552	318,476
I. OPERATING INCOME	534,672	390,345	299,572
Financial and similar expenses	23,106	21,994	16,314
Variation in financial investment provisions	71	0	0
Exchange losses	41,671	24,638	6,160
II. FINANCIAL INCOME	0	0	0
Share in losses of companies carried by the equity method	1,845	0	0
Amortization of goodwill in consolidation (note 9)	17,147	10,458	3,402
III. INCOME FROM ORDINARY ACTIVITIES	496,183	366,166	290,590
Variation in intangible asset and tangible fixed asset provisions	(202)	825	(67)
Losses on fixed assets	9,059	8,491	3,872
Extraordinary expenses (notes 2.e and 21)	22,871	30,433	4,066
Prior year´s expenses and losses	5,847	3,580	551
IV. EXTRAORDINARY INCOME (note 21)	0	2,674	1,825
V. CONSOLIDATED INCOME BEFORE TAXES	495,094	368,840	292,415
Corporate expenses tax (note 20)	139,670	101,499	81,651
Other taxes (note 20)	10,180	5,420	4,518
VI. CONSOLIDATED INCOME FOR THE YEAR	345,244	261,921	206,246
Income attributed to minority interests	4,832	2,680	1,475
VII. INCOME FOR THE YEAR ATTRIBUTED TO THE CONTROLLING COMPANY	340,412	259,241	204,771

The accompanying Notes 1 to 23 and Exhibit I are an integral part of the consolidated statement of income for the year ended January 31, 2002.
(*) Presented for comparison purposes only.

industria de diseño textil, s.a. and dependent companies
CONSOLIDATED STATEMENTS OF INCOME FOR THE YEARS ENDED JANUARY 31, 2002, 2001 AND 2000
(Thousands of euros)

CREDIT	01-31-02	01-31-01 (*)	01-31-00 (*)
B) REVENUES			
Net revenues (note 21)	3,249,807	2,614,706	2,035,069
Increase in finisehd product and work-in-process inventories	95,407	16,531	2,717
Other operating revenues	217	2,010	1,436
I. OPERATING LOSS	0	0	0
Revenues from shareholdings	35	161	252
Other financial revenues	10,975	9,616	6,689
Exchange gains	34,341	22,875	9,376
II. FINANCIAL LOSS	19,497	13,980	6,157
Share in the income of companies carried by the equity method (note 8)	0	259	577
III. LOSS ON ORDINARY ACTIVITIES	0	0	0
Gains on fixed asset disposals	8,533	40,132	3,798
Capital subsides transferrred to income for the year	224	42	36
Extraordinary revenues and income	24,373	4,555	5,890
Prior year´s revenues and income	3,356	1,274	523
IV. EXTRAORDINARY LOSS	1,089	0	0

The accompanying Notes 1 to 23 and Exhibit I are an integral part of the consolidated statement of income for the year ended January 31, 2002.
(*) Presented for comparison purposes only.

Translation of a report and consolidated financial statements originally issued in Spanish and prepared in accordance with generally accepted accounting principles in Spain (see Note 23). In the event of a discrepancy, the Spanish-language version prevails.

1. Group description

Industria de Diseño Textil, S.A. (“Inditex”) and its investees form a group comprising mainly companies engaging in the manufacturing and marketing of textiles and footwear, which Inditex manages on a centralized basis by applying policies and strategies at Group level.

The Group operates chains of stores. The names of the stores and the number of points of sale as of January 31, 2002, were as follows:

STORE	NUMBER OF POINTS OF SALE		
CHAIN	Own	Franchises	Total
ZARA	476	31	507
PULL & BEAR	220	29	249
MASSIMO DUTTI	135	88	223
BERSHKA	146	5	151
STRADIVARIUS	86	34	120
OYSHO	34	0	34
Totals	1,097	187	1,284

The distribution, by country, of these points of sale as of January 31, 2002, was as follows:

	NUMBER OF STORES		
Country	Own	Franchises	Total
Spain	730	39	769
Portugal	109	31	140
France	68	0	68
Belgium	16	12	28
Netherlands	4	2	6
U.K.	11	0	11
Germany	17	0	17
Sweden	0	3	3
Norway	0	1	1
Andorra	0	2	2
Austria	3	0	3
Denmark	2	0	2
Luxembourg	1	1	2
Iceland	0	1	1
Ireland	0	2	2
Italy	3	0	3
Poland	0	2	2
Czech Republic	1	0	1
Greece	29	0	29
Malta	0	2	2
Cyprus	0	9	9
Israel	0	24	24
Lebanon	0	4	4
Turkey	5	0	5
Kuwait	0	4	4
United Arab Emirates	0	15	15
Saudi Arabia	0	14	14
Bahrain	0	2	2
Qatar	0	2	2
Jordan	0	1	1
Canada	4	0	4
U.S.	8	0	8
Mexico	41	14	55
Venezuela	20	0	20
Brazil	7	0	7
Argentina	8	0	8
Chile	3	0	3
Uruguay	2	0	2
Japan	5	0	5
Total	1,097	187	1,284

The Group offers its customers, at the points of sale of all its chains of stores located in Spain, the “Affinity” charge card, managed by a third-party finance entity, which assumes the risk of payment default.

The consolidated dependent, associated and multigroup companies in which the Controlling Company has direct and indirect holdings are disclosed in Exhibit I.

2. BASIS OF PRESENTATION OF THE CONSOLIDATED FINANCIAL STATEMENTS AND CONSOLIDATION PRINCIPLES

a) True and fair view

The consolidated financial statements as of January 31, 2002, which were prepared from the accounting records of Industria de Diseño Textil, S.A. and of the dependent companies composing the Inditex Group, are presented in accordance with the Spanish National Chart of Accounts and, accordingly, give a true and fair view of the Group's net worth, financial position and results of operations.

The individual and consolidated financial statements as of January 31, 2001, of Industria de Diseño Textil, S.A. and of the Inditex Group, respectively, and the individual financial statements as of January 31, 2001, of each of the consolidated dependent and associated companies were approved by their respective Shareholders' Meetings within the legally stipulated periods; the financial statements as of January 31, 2002, of each of the consolidated companies will be officially prepared by the directors of the respective Companies and will be submitted for approval by their respective Shareholders' Meetings. It is considered that they will be approved without any changes.

The consolidated financial statements of the Inditex Group will be submitted for approval by the Shareholders' Meeting of Inditex, and are also expected to be approved without any changes.

The individual financial statements of Inditex as of January 31, 2002, were prepared by its directors in a document separate from these consolidated financial statements, which will also be deposited with the Mercantile Register of La Coruña (Spain) once they have been approved by the Company's Shareholders' Meeting.

b) Accounting policies

The consolidated financial statements as of January 31, 2002, were prepared by applying the accounting principles and methods summarized in Note 4. All obligatory accounting principles with an effect on the Group's net worth, financial position and results of operations were applied in preparing them.

c) Consolidation principles

The consolidated financial statements were prepared from the accounting records of Inditex and its investees in accordance with the Spanish National Chart of Accounts and consolidation regulations.
The consolidation was carried out as follows:

- The companies over which effective control is exercised were consolidated by the global integration method.

- The multigroup companies which are managed jointly with third parties were consolidated by the proportional integration method.

The Group companies at which there is significant influence but not ownership of a majority of the voting rights or joint management with third parties are carried by the equity method.

The equity of minority interests in the net worth and results of operations of the consolidated dependent companies is presented under the "Minority Interests" and "Income Attributed to Minority Interests" captions in the consolidated balance sheet and consolidated statement of income, respectively.

All material accounts receivable and payable, transactions and profits between the companies consolidated by the global integration method were eliminated in consolidation.

The accounts receivable and payable, revenues, expenses and income of the companies consolidated by the proportional integration method arising from transactions with other Group companies were eliminated in consolidation in proportion to the ownership interest of Inditex in them.

In the case of investees whose accounting and valuation methods differed from those of the Controlling Company, where the effect thereof was material, adjustments were made so as to present the consolidated financial statements on a uniform basis.

In accordance with standard practice in Spain, these consolidated financial statements do not include the tax effect of including, where applicable, the reserves of dependent companies abroad in the accounting records of the Controlling Company since it is considered that reserves not taxed at source will not be transferred and because the consolidation process does not involve the distribution of reserves, since they are going to continue to be used as a self-financing source by each of the consolidated companies.

d) Currency

Pursuant to Royal Decree 2814/1998 December, 23 enacting the regulations on accounting aspects of the introduction of the euro, the figures in these financial statements are expressed in thousands of euros, and, accordingly, for comparison purposes, the amounts for 2000 were translated to euros at the fixed exchange rate of Ptas. 166.386/€1.

The year ended January 31, 2001, will henceforth be referred to as “2000”, the year ended January 31, 2002, will be referred to as “2001”, and so on.

e) Comparative information

Scope of consolidation.

The following companies were included in the consolidated Group in 2001:

Oysho Portugal, Confecções Unipessoal, Lda.
Oysho Mexico, S.A. de CV
Oysho Venezuela, S.A.
Oysho Hellas, S.A.
Oysho Italia, S.R.L.
Oysho Nederland, B.V.
Oysho Österreich, GmbH
Oysho Logística, S.A.
Pull & Bear Giyim Ithalat Ihracat Ve Ticaret, Ltd. Sirketi
Pull & Bear Venezuela
Pull & Bear Mexico, S.A. de C.V.
Massimo Dutti Giyim Ithalat Ihracat Ve Ticaret, Ltd. Sirket
Massimo Dutti Venezuela, S.A.
Massimo Dutti France, S.A.R.L.
Bershka Giyim Ithalat Ihracat Ve Ticaret, Ltd. Sirketi
Bershka Belgique, S.A
Stradivarius Giyim Ithalat Ihracat Ve Ticaret, Ltd. Sirketi
Zara Puerto Rico, Inc.
Zara Ceská Republika, S.R.O.
UAB Rofestas
JSC Verpstas
Tempe Logística, S.A.
Naviera Elealva, AIE
Naviera Celeste, AIE
Naviera del Miño, AIE
Naviera del Sil, AIE

All these companies were formed by the Group with the exception JSC Verpstas, which was acquired from third parties, and Oysho Logística, S.A. (called Motorgal, S.A., as of January 31, 2001), which had been excluded from the scope of consolidation in 2000.

These changes did not have a material net worth effect on the consolidated financial statements.

3. Distribution of the income of the Controlling Company

The Company's directors propose that of the 2001 net income of the Controlling Company, € 68,566,000 be allocated to dividends and € 119,456,000 to voluntary reserves.

4. Valuation standards

The main valuation methods applied in preparing the Group's consolidated financial statements as of January 31, 2002, in accordance with the Spanish National Chart of Accounts, were as follows:

a) Start-up expenses

Start-up expenses are valued at cost and are presented net of amortization, which is generally taken on a straight-line basis over ten years.

b) Intangible assets

This balance of this asset caption in the accompanying consolidated balance sheet includes the following items:

- Intellectual property: this account is charged for the amounts paid to acquire title to, or the right to use, such items, or for the expenses incurred in registering the items developed by the Company. The account balance is amortized on a straight-line basis over a maximum period of ten years.

- Computer software: these items are valued at cost and are amortized on a straight-line basis over five years.

- Rights on leased assets: the financial lease contracts of all the consolidated companies are recorded as intangible assets at the cost of the related asset, and the total debt for lease payments plus the amount of the purchase option are recorded as a liability. The difference between the two amounts, which represents the interest expenses on the transaction, is recorded as a deferred expense and is allocated to income each year by the interest method.

Exceptionally, certain consolidated companies revalued their leased assets pursuant to Royal Decree-Law 7/1996 June, 7 (see Notes 6 and 14).

The rights recorded as intangible assets are amortized over the useful life of the related asset, as explained in section c) below. The value of the recorded rights and the related accumulated amortization are retired from these accounts and included in tangible fixed assets when the purchase option is exercised.

- Leasehold assignment rights: these rights are recorded at the amounts paid for their acquisition and are generally amortized on a straight-line basis over ten years, unless the contract term is shorter. This caption also includes leasehold assignment rights acquired in France which are protected under French legislation and which, therefore, are of a perpetual nature. Consequently, no period amortization of these rights was recorded in the accompanying consolidated statement of income for 2001.

This caption also includes commercial premises access fees: These amounts are generally allocated to income on a straight-line basis over the term of the related contracts.

c) Tangible fixed assets

The tangible fixed assets of certain consolidated companies are carried at cost revalued pursuant to the applicable enabling legislation, including Royal Decree-Law 7/1996 June, 7 (see Notes 7 and 14). The tangible fixed assets of the other companies are stated at cost, which includes the additional expenses incurred until the assets come into operating condition. In exceptional circumstances, provided the requirements stipulated by accounting legislation currently in force are complied with, financial expenses incurred prior to the entry into service of the asset are capitalized.

The costs of expansion, modernization or improvements leading to an increase in productivity, capacity or efficiency or to a lengthening of the useful life of the assets are capitalized.

Period upkeep and maintenance expenses are expensed currently.

Tangible fixed assets are depreciated by the straight-line method at annual rates based on the following years of estimated useful life:

	Years of Estimated Useful Life
Structures	25 to 50
Technical installations	8 to 13
Machinery	8 to 10
Tools	4 to 8
Furniture	7 to 10
Computer hardware	4 to 8
Transport equipment	3 to 15
Other tangible fixed assets	4 to 10

The surpluses or increases in value resulting from the revaluations are being depreciated over the tax periods in the remaining years of useful life of the revalued assets.

d) Marketable securities and other similar financial investments

Marketable securities representing the capital of companies not consolidated by the global or proportional integration method (see Exhibit I) but which represent holdings of more than 20% are carried by the equity method, i.e. at the underlying book value of the holding per the latest available balance sheet of the investee concerned.

Marketable securities representing holdings of less than 20% or not included in consolidation are valued at the lower of cost or underlying book value per the latest available balance sheet of the investee concerned through the recording of the related provisions.

The unrealized gains disclosed at the time of the acquisition and still existing at the date of subsequent valuation are taken into account in calculating the underlying book value.

Short- and long-term nontrade loans are recorded at the amount delivered. The difference between this amount and the loan principal is recorded in the "Deferred Interest Revenues" account, with a balancing entry under the related fixed or current asset caption on the asset side of the consolidated balance sheet. Interest revenues are calculated by the interest method in the year in which they accrue.

e) Shares of the Controlling Company

These relate in full to shares acquired by the Controlling Company (Inditex) and are stated at the lower of cost, represented by the total amount paid for acquisition, or market. In accordance with the accounting legislation currently in force, the market value is taken to be the lower of average market price in the last quarter, market price at year-end of the related underlying book value.

f) Goodwill in consolidation

This caption in the accompanying consolidated balance sheet reflects the unamortized differences in consolidation arising from the acquisition of dependent companies consolidated or carried by the equity method, as appropriate, which are expected to be recovered through the income reported by these investees in the future.

These differences are generally amortized on a straight-line basis over ten years, which is the period during which Group management considers that the goodwill will contribute to the obtainment of income (see Note 9).

g) Translation of the financial statements of foreign consolidated companies

The assets and liabilities in the financial statements of the foreign consolidated companies were translated to euros at the exchange rates ruling at year-end. The equity accounts were translated at historical exchange rates, and income statement items at the average exchange rates for the year.

The exchange gains or losses arising from application of the aforementioned methods are reflected under the "Shareholders' Equity - Translation Differences" caption in the accompanying consolidated balance sheet (see Note 14).

The balance sheet and income statement items of companies located in high-inflation countries (mainly Mexico, Turkey and Venezuela) were adjusted, before being translated to euros, for the effect of changes in prices, in accordance with the regulations established for this purpose in the countries concerned. The effect of inflation in the year on the monetary assets and liabilities is included under the “Extraordinary Expenses” or “Extraordinary Revenues and Income” captions in the 2001 statement of income.

h) Deferred charges

The balance of this caption in the accompanying consolidated balance sheet comprises the following items:

- Differences between the face value of debts and the amounts received, which are charged to income by the interest method.

- Fixed asset acquisition expenses, which are recorded at the amounts incurred and allocated to income on a straight-line basis over ten years.

i) Inventories

Inventories are valued at acquisition price or production cost (materials, labor and manufacturing expenses). If the market value is lower than the acquisition price or production cost and the diminution in value is considered to be reversible, the carrying value is adjusted by recording the related allowance. The market value is determined as follows:

- Commercial inventories, raw materials and supplies: lower of replacement cost or net realizable value.

- Finished products: realizable value, net of the related marketing expenses.

- Work-in-process and semifinished products: realizable value of the related finished products, net of the total manufacturing costs not yet incurred and marketing expenses.

The method for calculating the acquisition price varies depending on the type of asset. Basically, the FIFO method is used for fabrics and other textile supplies.

Obsolete, defective and slow-moving inventories have been reduced to realizable value.

j) Provisions for contingencies and expenses

The Inditex Group records provisions for the estimated amount required for probable or certain third-party liability arising from litigation in progress or from outstanding indemnity payments or obligations of undetermined amount, for collateral and other similar guarantees provided by the Group, and for other contingencies of any other kind that might arise as a result of the Group's activities. These provisions are recorded when the contingency or obligation giving rise to the indemnity or payment arises (see Note 17).

Under the applicable collective labor agreements, certain Group companies are required to make retirement bonus payments. This obligation is generally recorded as an expense when the related payments are made, since it is considered that the possible liability in this connection is not material with respect to the consolidated financial statements taken as a whole.

k) Debts

Debts are recorded at face value and the difference between the face value and the amount received is recorded on the asset side of the balance sheet as deferred charges and is charged to period income on an accrual basis by the interest method.

In accordance with the Spanish National Chart of Accounts, in the accompanying consolidated balance sheet debts maturing in under 12 months are classified as current liabilities and those maturing at over 12 months as long-term debt.

l) Capital subsidies

Nonrefundable capital subsidies are recorded under the “Deferred Revenues” caption on the liability side of the accompanying consolidated balance sheet at the amount granted and are allocated to income on a straight-line basis over the years of estimated useful life of the subsidized assets.

m) Foreign currency transactions

Foreign currency on hand and receivables and payables denominated in foreign currencies are translated to euros at the exchange rates ruling at the transaction date, and are adjusted at year-end to the exchange rates then prevailing.

Exchange differences on the foreign currency held by the Companies are charged or credited, as appropriate, to income for the year.

Exchange differences arising on adjustment of foreign currency payables and receivables to year-end exchange rates are classified by due date and currency. For this purpose, the currencies which, although different, are officially convertible and perform similarly in the market are grouped together.

The positive net differences in each group are recorded under the "Deferred Revenues" caption on the liability side of the consolidated balance sheet, unless exchange losses in a given group have been charged to income in prior years, in which case the positive differences are credited to period income up to the limit of the net negative differences charged to income in prior years.

The negative differences in each group are charged to income.

The positive differences deferred in prior years are credited to income in the year in which the related accounts receivable and payable fall due, or as negative exchange differences for the same or a higher amount are recognized in each homogeneous group.

n) Recognition of revenues and expenses

Revenues and expenses are recognized on an accrual basis, i.e. when the actual flow of the related goods and services occurs, regardless of when the resulting monetary or financial flow arises.

However, in accordance with the accounting principle of prudence, the companies only record realized income at year-end, whereas foreseeable contingencies and losses, including possible losses, are recorded as soon as they become known.

ñ) Corporate income tax

The expense for corporate income tax of each year is calculated on the basis of the book income before taxes of each Inditex Group company, increased or decreased, as appropriate, by the permanent differences from taxable income.

Tax relief and tax credits taken in the year are treated as a reduction of the corporate income tax expense for that year.

o) Hedges

The Group arranges financial transactions (basically foreign currency exchange rate hedges and options and forward contracts) to hedge a portion of its foreign currency imports and exports. Since these hedging transactions are not of a speculative nature, the gains or losses thereon are recorded on settlement of the transactions.

The theoretical close of these transactions as of January 31, 2002, did not disclose any losses that had to be recorded in the Group's accounting records.

5. START-UP EXPENSES

The variations in 2001 in the accounts composing this caption in the accompanying consolidated balance sheet were as follows:

	Balance at 02/01/01	Additions	Transfers and other	Amortization	Balance at 01/31/02
Incorporation expenses	72	63	4	35	104
Preopening expenses	1,899	287	(171)	1,726	289
Capital increase expenses	42	236	0	64	214
Total	2,013	586	(167)	1,825	607

6. INTANGIBLE ASSETS

The detail of the balance of the "Intangible Assets" caption in the accompanying consolidated balance sheet and of the variations therein in 2001 is as follows:

Intangible assets	Balance at 02/01/01	Additions	Reductions	Transfers and other	Balance at 01/31/02
Intellectual property	11,899	1,414	18	0	13,295
Goodwill	0	0	0	1,879	1,879
Leasehold assignment rights	236,036	59,958	2,280	21,404	315,118
Computer software	3,445	1,245	709	(680)	3,301
Rights on leased assets	144,450	1,521	0	(9,070)	136,901
Advances and other intangible assets	3,026	501	0	(1,472)	2,055
Total	398,856	64,639	3,007	12,061	472,549

Accumulated Amortization	Balance at 02/01/01	Additions	Reductions	Transfers and other	Balance at 01/31/02
Intellectual property	6,275	1,105	22	1	7,359
Goodwill	0	376	0	0	376
Leasehold assignment rights	60,551	17,592	643	4,385	81,885
Computer software	2,296	578	700	(537)	1,637
Rights on leased assets	26,378	5,803	0	(3,834)	28,347
Other intangible assets	0	46	0	27	73
Total	95,500	25,500	1,365	42	119,677

The additions relate to the investments made in the year.

The "Transfers and Other" column relates mainly to lease contracts which expired in the year and which were transferred to tangible fixed assets, to the effect of adjustments in countries with high inflation rates, and to the effect of translation differences at foreign dependent companies.

The details of the Inditex Group's lease contracts in force at 2001 year-end, relating mainly to commercial premises, are as follows:

Leased Assets	
Total cost of the assets	136,901
Prior years' lease payments	87,243
2001 lease payments	19,379
Outstanding lease payments	56,619
Purchase option	9,913

7. TANGIBLE FIXED ASSETS

The detail of the balance of the "Tangible Fixed Assets" caption in the accompanying consolidated balance sheet and of the variations therein in 2001 is as follows:

Tangible Fixed Assets	Balance at 02/01/01	Additions	Reductions	Transfers and others	Balance at 01/31/02
Land and structures	429,070	43,259	3,307	(26,252)	442,770
Machinery and installations	800,145	224,959	30,290	48,110	1,042,924
Furniture	69,874	27,758	3,167	(383)	94,082
Computer hardware	23,306	11,745	1,578	781	34,254
Other tangible fixed assets	6,836	11,479	0	27,891	46,206
Advances and construction in progress	83,336	38,164	844	(73,328)	47,328
Total	1,412,567	357,364	39,186	(23,181)	1,707,564

Accumulated Depreciation	Balance at 02/01/01	Additions	Reductions	Transfers and others	Balance at 01/31/02
Structures	56,183	12,902	628	(4,003)	64,454
Machinery and installations	268,451	99,041	18,114	9,655	359,033
Furniture	23,794	11,022	1,765	(896)	32,155
Computer hardware	14,947	5,257	1,387	113	18,930
Other tangible fixed assets	3,263	1,615	44	(109)	4,725
Total	366,638	129,837	21,938	4,760	479,297

The additions relate to the investments made in the year.

The "Transfers and Other" column relates to the cost of lease contracts which expired during each year, to transfers from construction in progress and advances, to the effect of adjustment in the countries with high inflation rates and to the effect of translation differences at foreign dependent companies.

The reductions relate mainly to retirements of technical facilities arising from the refurbishment of the premises in which the Group carries on its business activities.

The net book value of the tangible fixed assets located outside Spain at year-end, which consisted mainly of commercial premises, furniture and installations relating to the open stores, amounted to approximately € 517 million.

The gross cost of the Group’s tangible fixed assets which had been fully depreciated as of January 31, 2002, is as follows:

	Cost
Structures	257
Machinery and installations	38,300
Furniture	1,219
Computer hardware	6,626
Other tangible fixed assets	2,063
Total	48,465

The Group does not have any firm purchase commitments in relation to its total volume of assets.

The Group takes out insurance policies to cover the possible risks to which its tangible fixed assets are subject.

8. Long-term financial investments

The detail of the "Holdings in Companies Carried by the Equity Method" caption in the consolidated balance sheet and of the variations therein in 2001 is as follows:

Holdings in Companies Carried by the Equity Method	Balance at 02/01/01	Additions	Income for the year	Balance at 01/31/02
Fibracolor, S.A. and dependent companies	9,065	2	(1,839)	7,228
JSC Verpstas	0	295	(6)	289
Other (Note 20)	0	23,469	(7,193)	16,276
Total	9,065	23,766	(9,038)	23,793

The “Other” caption includes the investment in four Economic Interest Groupings made in 2001. The income or losses of these EIGs were recorded under the “Corporate Income Tax” caption in the accompanying consolidated statement of income.

The detail of the balances of the “Long-Term Investment Securities” and “Other Loans” captions and of the variations therein in 2001 is as follows:

	Balance at 02/01/01	Additions	Reductions	Transfers	Balance at 01/31/02
Long-term investment securities	12,363	0	1,995	(1,879)	8,489
Other loans	0	481	0	0	481
Tax receivables	0	15,404	0	0	15,404
Loans to multigroup companies	0	7,540	0	0	7,540
Long-term guarantees and deposits	20,894	6,092	1,249	0	25,737
Total	33,257	29,517	3,244	(1,879)	57,651

The detail of the balance of the Group's long-term investment securities portfolio is as follows:

Long-Term Investment Securities Portfolio	Balance at 01/31/02
Banco Gallego,S.A.	4,955
Arrojo, S.A.	2,518
Other	1,016
Total	8,489

9. GOODWILL IN CONSOLIDATION

The variations in 2001 in the balance of this caption on the asset side of the accompanying consolidated balance sheet were as follows:

Subsidiary	Balance at 02/01/01	Additions	Period Amortization	Balance at 01/31/02
Nosopunto, S.L	495	0	335	160
Stradivarius España, S.A.	81,334	0	9,358	71,976
Za Giyim Ithalat Ihracat Ve Tic. Ltd.	7,283	0	7,283	0
JSC Verpstas	0	171	171	0
Total	89,112	171	17,147	72,136

In 2001 the Group amortized in full the goodwill as of January 31, 2001, which arose on the acquisition of Za Giyim Ithalat Ihracat Ve Tic. Ltd.

10. DEFERRED CHARGES

The detail of the balance of this caption in the accompanying consolidated balance sheet and of the variations therein in 2001 is as follows:

	Balance at 02/01/01	Additions	Transfers and others	Reductions	Writedowns	Balance at 01/31/02
Deferred interest	13,315	484	(441)	953	4,683	7,722
Fixed asset acquisition and other expenses	9,165	2,917	(382)	1,102	1,851	8,747
Total	22,480	3,401	(823)	2,055	6,534	16,469

The "Deferred Interest" caption includes implicit interest on the deferred payments relating to the acquisition of Stradivarius España, S.A., amounting to € 2.6 million as of January 31, 2002. In addition, the "Transfers and Other" column includes deferred financial expenses on lease transactions maturing at short term which were reclassified, at certain Group companies, to the "Accrual Accounts" caption on the asset side of the accompanying consolidated balance sheet.

The decrease in the "Deferred Interest" caption relates to interest rate revisions made by several leasing companies.

The writedowns of deferred interest on lease transactions were recorded as financial expenses in the accompanying consolidated statement of income. The writedowns of fixed asset acquisition expenses were recorded as "Period Depreciation and Amortization".

11. INVENTORIES

The breakdown of inventories at consolidated level as of January 31, 2002, is as follows:

Description	Balance at 01/31/02
Commercial inventories	1,538
Raw materials	45,213
Other supplies	3,878
Work-in-process	19,532
Finished products	282,647
Real estate development	3,470
Provisions	(2,519)
Advances to suppliers	43
Total	353,802

The Inditex Group takes out insurance policies to cover the potential risks to which its inventories are subject.

12. SHORT-TERM FINANCIAL INVESTMENTS

The detail of the "Other Loans" caption as of January 31, 2002, is as follows:

Other Short-Term Loans	Balance at 01/31/02
Loans and credits to related companies	2,888
Foreign currency time deposits	1,269
Long-term guarantees and deposits	1,135
Other	718
Total	6,010

The balance of the “Short-Term Investment Securities” caption in the accompanying consolidated balance sheet relates to placements of cash surpluses in mutual funds, short-term deposits and others.

13. Balances with multigroup, associated and related companies

The detail of the accounts receivable from and payable to companies carried by the equity method, multigroup companies and other related companies is as follows:

	Receivable	Payable
Multigroup companies	12,549	6,122
Associated companies	0	1,064
Other related companies	0	99
Total	12,549	7,285

The accounts receivable from multigroup companies are recorded under the "Long-Term Financial Investments - Other Loans" and “Customer Receivables for Sales and Services” captions, while the accounts payable to multigroup and related companies are recorded under the "Trade Accounts Payable" and "Other Nontrade Payables" captions and accounts payable to the associated companies are recorded under the “Payable to Companies Carried by the Equity Method” caption in the accompanying consolidated balance sheet.

14. Shareholders' equity

The variations in 2001 in the equity accounts in the consolidated balance sheet were as follows:

	Balance at 02/01/01	Additions	Reductions	Transfers	Dividends	Balance at 01/31/02
Capital stock	93,500	0	0	0	0	93,500
Additional paid-in capital	20,379	0	0	0	0	20,379
Unrestricted reserves of the Controlling Company	458,211	0	0	109,352	0	567,563
Restricted reserves of the Controlling Company	21,818	0	0	(2,515)	0	19,303
Revaluation reserves	1,692	0	0	0	0	1,692
Reserves at comp. consolidated by the global or proportional integration method	281,630	1,799	0	150,813	0	434,242
Reserves at companies carried by the equity method	730	0	0	259	0	989
Translation differences	34,908	11,849	32,765	(5,880)	0	8,112
Interim dividend	(1,202)	0	0	0	1,202	0
2000 income	259,241	0	0	(252,029)	(7,212)	(0)
2001 income	0	340,412	0	0	0	340,412
Total	1,170,907	354,060	32,765	0	(6,010)	1,486,192

The reductions in the “Translation Differences” caption relate mainly to Zara Argentina, S.A. due to the devaluation of the Argentine peso in 2001.

The detail of the "Reserves at Companies Consolidated by the Global or Proportional Integration Method" and the “Translation Differences” captions as of January 31, 2002, is as follows:

Company	Reserves at Companies Consolidated by the Global or Proportional Integration Method	Translation Differences
Comditel, S.A.	5,684	
Confecciones Fíos, S.A.	3,318	
Confecciones Goa, S.A.	1,858	
Denllo	5,334	
Hampton, S.A.	2,431	
Kenner, S.A.	1,696	
Kettering, S.A.	10,137	
Samlor, S.A.	2,111	
Trisko, S.A.	4,300	
Zintura, S.A.	3,929	
Tempe, S.A.	7,315	
Zara España, S.A.	880	
Pull & Bear España, S.A.	36,551	
Kiddy´s Class España, S.A.	16,211	
Grupo Massimo Dutti, S.A.	19,315	
Goa-Invest, S.A.	14,172	
Stradivarius España, S.A.	8,723	
Zara France, S.A.R.L.	10,031	
Zara Hellas, S.A.	10,480	
Zara Mexico, S.A. de CV	7,681	21,179
Pull & Bear Portugal Confecçoes, Lda.	13,948	
Zara Portugal Confecçoes Lda.	29,802	
Zara Venezuela	4,047	1,037
Zara Belgique, S.A.	6,468	
Zara Holding, B.V.	218,816	
Zara Financien, B.V.	16,628	8,377
Zara Vastgoed, B.V.	(8,698)	
Zara UK, Ltd	2,887	604
Zara Mexico, B.V.	7,325	
Zara Merken, B.V.	(7,501)	
Zara Argentina, S.A.	(35,577)	(27,529)
Other	49,329	4,444
Consolidation adjustment	(35,389)	
Total	434,242	8,112

Capital stock and additional paid-in capital

As of January 31, 2002, the Controlling Company's capital stock amounted to € 93,499,560, represented by 623,330,400 fully subscribed and paid shares o € 0.15 par value each. All these shares are of the same class and series, carry identical voting and dividend rights, and are represented by book entries.

Since May 23, 2001, Inditex's shares have been listed on the four Spanish stock exchanges. Accordingly, the Company does not know its exact shareholder structure. However, per the information available to the public registered with the Spanish National Securities Market Commission, Gartler, S.L. owns over 50% of the capital stock of Inditex.

Treasury stock

As of January 31, 2001, Inditex held 1,446,600 shares of treasury stock representing 0.23% of its capital stock, for an acquisition cost of € 3.2 million, of which 1,405,600 were held to cover the 1998 Stock Option Plan described below. In 2001 the beneficiaries of this Plan exercised a significant portion of their options and 1,241,400 shares were sold. This sale gave rise to a gain of € 933,084, which was recorded under the "Extraordinary Revenues and Income" caption in the accompanying 2001 consolidated statement of income.

As of January 31, 2002, Inditex held 205,200 shares of treasury stock acquired for an average cost of € 2.18 per share, for which the related restricted reserve was recorded. 164,200 of these shares are held to cover the options under the 1998 Stock Option Plan which had not yet been exercised, as explained below.

Plan for the delivery of free shares to Group employees

On July 20, 2000, and January 19, 2001, the Shareholders' Meeting of Industria de Diseño Textil, S.A. resolved to introduce a Plan for the delivery of free shares to Group employees worldwide. Pursuant to this resolution, all serving Group employees as of December 31, 2000, who were still serving employees four months after the admission to listing of the Company's shares on the Spanish stock exchanges received 50 shares per year (or fraction of a year) of service at the Group. The employees of companies with registered offices in countries in which the delivery of shares was not possible due to legal or administrative difficulties received a cash amount equal to the value of the shares at the close of trading on the securities markets on September 21, 2001, the date on the basis of which the amount to be delivered was calculated.

To cover this, Santander Central Hispano Investment, S.A. subscribed to 4,312,000 shares in the capital increase carried out in January 2001, and signed a purchase option under which Inditex can acquire the shares to be delivered to the Group employees. In addition, Inditex arranged a swap with the aforementioned finance entity to determine the return on the investment in the Company's shares and regulate the monetary flows relating to this investment. In 2001 Inditex exercised the purchase option on 3,500,000 to implement this Plan. Subsequent to year-end, on February 28, 2002, the purchase option was exercised on 2,210 shares, which were used to resolve various incidents which arose during the implementation of the Plan.

The remaining 809,790 shares, which were subscribed by Santander Central Hispano Investment, S.A. and on which Inditex holds a purchase option maturing in January 2004, can be awarded under new stock option plans for directors and/or employees of the Group companies, pursuant to such resolutions as might be adopted in this connection by the Shareholders' Meeting. Should Santander Central Hispano Investment, S.A. still hold any shares as of January 30, 2004, Inditex undertakes to submit to the first annual or special Shareholders' Meeting held subsequent to that date a resolution to reduce capital through the retirement of the subscribed shares held by Santander Central Hispano Investment, S.A. not repurchased by Inditex, at a reimbursement price of € 2.93 per share.

The cost for the Group as a whole of the delivery of free shares amounts to approximately € 16.3 million. In 2000 a provision of € 22.5 million was recorded with a charge to extraordinary expenses and, accordingly, an extraordinary revenue of € 3.2 million was recorded in the accompanying consolidated statement of income for 2001, and a liability of € 3 million was recorded as a provision for the estimated future cost of the delivery of the remaining shares to the employees.

1998 Stock Option Plan

In 1998 the Company signed agreements with a group of executives under which it would grant them option rights if certain economic targets were met. As a result of this Plan, options were granted giving the group of executives as a whole the right to purchase a maximum of 1,405,600 shares from the Company at a price of € 2.93 per share. The period for the exercise of the options is from September 15, 2001, to September 15, 2003, and all the rights relating to the unexercised options expire on the latter date.

Inditex received € 205,920 (€ 0.15 per share) as the option premium. The 1998 Option Plan was ratified by Inditex's Shareholders' Meeting on July 20, 2000.

In 2001 options were exercised on 1,241,400 shares which were sold by the Company under the stipulated conditions, of which 225,800 relate to directors of the Controlling Company. As of January 31, 2002, options on 164,200 shares of Inditex were still outstanding. Inditex has a sufficient number of shares of treasury stock to provide for exercise of all the options granted, at an acquisition cost which is lower than the option exercise price.

Stock Option Plan

On July 20, 2000, January 19, 2001 and April 20, 2001, the Shareholders' Meeting of Inditex resolved to implement a new Stock Action Plan under which option rights will be granted on a maximum of 3,018,400 common shares of Inditex of € 0.15 par value each. This Plan relates to the members of Inditex's Board of Directors and to senior executives and other key employees of its corporate Group. Each option, when exercised, will give entitlement to one Inditex share.

The number of options to be granted will depend on the appreciation of Inditex's shares in the Continuous Market in the calendar year in which its shares are admitted to listing on the stock exchanges and in the following two calendar years.

It is planned to grant a maximum of 494,875 options to members of Inditex's Board of Directors and a maximum of 2,523,525 options to executives and key employees of the Group. A maximum of 69,000 options can be granted to any one director and a maximum of 57,575 options to any one executive or employee. Unless certain minimum appreciation levels are reached in any one of the above-mentioned years, no rights will vest for any of the Plan's beneficiaries in that year. The option exercise price will be € 2.93, and the periods for exercise will commence two years after each of the periods for calculating the above-mentioned appreciation.

The Shareholders' Meeting delegated to the Board of Directors the power to determine how the directors, executives and other key employees will be chosen as beneficiaries of the Plan, and the number of options to be granted to each, within the aforementioned limits. In 2001 option contracts were entered into with a group of directors and executives under which up to 1,382,913 stock options could be awarded. Also, in January 2002, once the objectives mentioned above had been reached, the beneficiaries vested rights on 523,700 options, which can be exercised in January 2004, of which 143,612 relate to directors of the Controlling Company.

To cover the Stock Option Plan, Banco Bilbao Vizcaya Argentaria, S.A. subscribed to 3,018,400 shares in the capital increase referred to above, and signed a purchase option contract under which Inditex can acquire the shares to be sold to the beneficiaries who exercise their options should these options vest. In addition, Inditex arranged a swap with the aforementioned finance entity to determine the return on the investment in the Company's shares and regulate the monetary flows relating to this investment.

Should any shares remain once the stock option plan has been implemented, Inditex's Shareholders' Meeting can resolve to allocate these shares to new plans for the directors of Inditex and/or Group employees prior to the deadline indicated in the following paragraph.

If on January 30, 2007, there are any remaining shares held by Banco Bilbao Vizcaya Argentaria, S.A., Inditex undertakes to submit to the first annual or special Shareholders' Meeting subsequent to that date a resolution for a capital reduction through the retirement of the subscribed shares held by Banco Bilbao Vizcaya Argentaria, S.A. which Inditex has not repurchased, at a price of € 2.93 per share.

Legal reserve

Under the revised Corporations Law, 10% of the income for each year must be transferred to the legal reserve until the balance of this reserve reaches at least 20% of capital stock.

The legal reserve can be used to increase capital provided that the remaining reserve balance does not fall below 10% of the increased capital stock amount.

Except as mentioned above, until the legal reserve exceeds 20% of capital stock, it can only be used to offset losses, provided that sufficient other reserves are not available for this purpose.

The consolidated companies' legal reserves have generally reached the legally stipulated level.

Revaluation reserves Royal Decree-Law 7/1996 June, 7

From the date on which the tax authorities have reviewed and approved the balance of the "Revaluation Reserve Royal Decree-Law 7/1996 June, 7 account (or the three-year period for review has expired), the aforementioned balance can be used, free of tax, to offset recorded losses (both prior years' accumulated losses and current year losses or losses which might arise in the future), and to increase capital stock. From February 1, 2007 (ten years from the date of the balance sheet which reflected the revaluation transactions), the balance of this account can be taken to unrestricted reserves, provided that the monetary surplus has been realized. The surplus will be deemed to have been realized in respect of the portion on which depreciation has been taken for accounting purposes or when the revalued assets have been transferred or retired from the accounting records.

Also, if leased assets are revalued, the aforementioned use of the "Revaluation Reserve" balance may not take place before the purchase option has been exercised.

If this balance were used in a manner other than that provided for in Royal Decree-Law 7/1996, it would be subject to tax.

15. MINORITY INTERESTS

The variations in 2001 in this caption in the accompanying consolidated balance sheet were as follows:

	Amount
Beginning balance	11,271
Allocation of 2001 income	4,832
Additions	6,678
retirements	(1,728)
Ending Balance	21,053

The detail, by company, as of January 31, 2002, is as follows:

Company	Capital Stock	Reserves	Income (Loss)	Total
Zara Mexico, S.A. de C.V.	492	1,521	748	2,761
Nosopunto, S.L.	505	5,307	3,762	9,574
Zara Canada Inc.	685	46	35	766
Stradivarius España, S.A.	60	736	310	1,106
Jema Creaciones Infantiles, S.L.	84	123	163	370
Zara Italia, S.R.L.	5,887	(71)	(54)	5,762
Oysho Italia, S.R.L.	845	(1)	(133)	711
Bershka Mexico, S.A. de C.V.	1	1	1	3
Total	8,559	7,662	4,832	21,053

Inditex has a purchase option on 9.95% of the capital stock of Stradivarius España, S.A. owned by a minority shareholder. In turn, this shareholder has an option to sell this holding to Inditex. The period for exercising these options, which were granted when Inditex acquired a controlling interest, is from 2005 to 2010. The options were granted without any premium and can be exercised for € 11,960,000, plus 9.95% of the undistributed income of Stradivarius España, S.A. from the date of acquisition of the holding by Inditex through the date on which either of the options are exercised. The Group's holding in Stradivarius España, S.A. was acquired in 1999 for € 108,242,000, which will be paid between 1999 and 2005 (see Notes 10 and 19).

Also, Inditex has a purchase option on 50% of the capital stock of Zara Deutschland GmbH owned by Otto Versand GmbH & Co., which in turn has an option to sell its holding to Inditex. The period for exercising these options commences in September 2001 and extends over the term of the agreement between the shareholders. The options were granted without any premium and the exercise price will depend on the equity of the investee and on the number of stores operated by this company at the date on which either option is exercised.

Inditex has a purchase option on 50% of the capital stock of Zara Japan Corporation owned by the Bigi Group. The period for exercising this option is the term of the agreement between the shareholders. The option was granted without any premium and the exercise price will depend on the equity of the investee and on the number of stores operated by this company at the date on which either option is exercised.

Inditex has a purchase option on 5% of the capital stock of Zara Canada, Inc. owned by Reitmans Canada Limited, which in turn has an option to sell its holding to Inditex. The period for exercising this option is the term of the agreement between the shareholders. The options were granted without any premium and the exercise price will depend on the equity of the investee.

Inditex has a purchase option on 5% of the capital stock of Zara México, S.A. de C.V. owned by the minority shareholder. The period for exercising this option is the term of the agreement between the shareholders. The options were granted without any premium and the exercise price will depend on the equity of the investee.

Also, Inditex has a purchase option on 49% of the capital stock of Zara Italia, S.R.L. and Oysho Italia, S.R.L. owned by the Percassi Group, which in turn has an option to sell its holding to Inditex. The period for exercising this option is the term of the agreement between the shareholders. The option was granted without any premium and the exercise price will depend on the equity of the investee and on the number of stores operated by this company at the date on which either option is exercised.

Inditex's directors consider that in no event will significant variations arise in the results of operations or financial situation of Inditex or of its consolidated Group as a result of the exercise of any of the options described above.

16. DEFERRED REVENUES

The breakdown of the balance of this caption as of January 31, 2002, is as follows:

	Balance at 01/31/02
Capital subsidies	2,883
Deferred interest	149
Exchange gains	1,231
Other deferred revenues	658
Total	4,921

The consolidated companies allocated subsidies of approximately € 224,000 to income under the "Capital Subsidies Transferred to Income for the Year" caption in the accompanying consolidated statement of income.

17. PROVISIONS FOR CONTINGENCIES AND EXPENSES

The variations in 2001 in the balance of this caption in the accompanying consolidated balance sheet is as follows:

	Balance at 02/01/00	Provisions	Amounts Used	reeductions	Balance at 01/31/01
Provision for employee termination indemnities	601	152	0	7	746
Provision for third-party liability	10,960	29,289	423	1,602	38,224
Provision for major repairs	9,700	11,760	5,080	0	16,380
Total	21,261	41,201	5,503	1,609	55,350

The provision for third-party liability was recorded, in accordance with the accounting principle of prudence traditionally applied by the Group, in order to reduce the Group's exposure to hypothetical non-circumstantial negative trends that are currently not probable or foreseeable in its investments in the various countries in which it operates. The provision for major repairs covers possible future losses due to the refurbishment of the commercial premises in which the Group operates, and the related amount is recorded under the "Operating Income - Variation in Provisions" caption in the accompanying consolidated statement of income.

18. PAYABLE TO CREDIT ENTITIES

The detail of the Inditex Group's debts to credit entities as of January 31, 2002, is as follows:

Type of Debt	Limit	Balance at 01 /31 /02
Loans		121,650
Credit facilities	387,323	66,998
Lease transactions		66,532
Other financial debts		1,517
Total	387,323	256,697

All these financial debts bear interest at the usual rates in the respective financial markets.
The Inditex Group's payables to credit entities as of January 31, 2002, mature as follows:

Maturity	Amount
January 31, 2003	118,488
January 31, 2004	30,499
January 31, 2005	23,538
January 31, 2006	25,705
Subsequent years	58,467
Total	256,697

19. OTHER NONTRADE PAYABLES

The detail of the balances of the "Long-Term Debt - Other Accounts Payable" and "Current Liabilities - Other Nontrade Payables" captions as of January 31, 2002, is as follows:

Long-Term Debt - Other Accounts Payable	Balance at 01/31/02
Guarantees received	56
Payable to fixed asset and other suppliers	29,863
Accrued taxes payable (Note 20)	32,880
Other long-term accounts payable	2,196
Total	64,995

Current Liabilities - Other Nontrade Payables	Balance at 01/31/02
Accrued taxes payable (Note 20)	194,838
Compensation payable	46,066
Payable to fixed asset suppliers	39,372
Other accounts payable	8,012
Total	288,288

The long- and short-term accounts payable to fixed asset suppliers include € 26,505,000 and € 20,434,000, respectively, relating to the deferred payments for the acquisition of the Group's holding in Stradivarius España, S.A. (see Notes 10 and 15).

The accrued taxes payable include deferred taxes, the amounts payable for withholdings made chiefly from personnel, VAT and social security taxes for the last month of the year.

The long-term debt to fixed asset suppliers matures as follows:

Maturity	Amount
January 31, 2004	20,491
January 31, 2005	6,140
January 31, 2006	85
January 31, 2007	102
Subsequent years	3,045
Total	29,863

20. TAX MATTERS

The consolidated companies file individual tax returns except for Inditex, which files consolidated tax returns as the Controlling Company of a subgroup comprising the following companies:

Choolet, S.A.	Pull & Bear España, S.A.
Comditel, S.A.	Kiddy´s Class España, S.A.
Denllo, S.A.	Brettos BRT España, S.A.
Confecciones Fíos, S.A.	Grupo Massimo Dutti, S.A.
Confecciones Goa, S.A.	Goa-Invest, S.A
Hampton, S.A.	Arrojo, S.A
Kenner, S.A	Oysho Logística, S.A.
Nikole, S.A.	Lefties España, S.A.
Oysho España, S.A.	Pull & Bear Logística, S.A.
Trisko, S.A.	Glencare, S.A.
Zintura, S.A.	Sircio, S.A
Yeroli, S.A.	Zara, S.A.
Kettering, S.A.	Tugend, S.A.
Zara España, S.A.	Stear, S.A.
Bershka BSK España, S.A.	Massimo Dutti Logística,S.A.
Bershka Logística, S.A.	Samlor, S.A.
Zara Logística, S.A.	Textil Rase, S.A.
Inditex, S.A.	Stradivarius España, S.A.

The Spanish Group companies generally have the last four years open for review by the tax inspection authorities for all the taxes applicable to them. In 2001 the tax group received notification of the commencement of a general tax review of the years not yet statute-barred.

The balance of the "Other Nontrade Payables" caption in the accompanying consolidated balance sheet includes the liability for the applicable taxes, including the provision for 2001 corporate income tax, net of period withholdings and prepayments.

The balance of the "Accounts Receivable – Other Accounts Receivable" caption in the accompanying consolidated balance sheet includes the amounts recoverable from the tax authorities, including the excess VAT borne with respect to the VAT charged in the year and prepaid taxes.

Inditex has a 49% ownership interest in four economic interest groupings which engage in the lease of assets and which have availed themselves of the tax incentives provided for in Additional Provision Fifteen of the Corporate Income Tax Law, having requested and obtained this tax benefit from the Ministry of Economy and Finance. In 2001 tax losses were incurred which reduced Inditex's corporate income tax expense. The Company opted to allocate the entities' tax bases to the tax period in which the financial statements are approved and, consequently, the first allocation was made this year. This investment is deemed to be a financial transaction and the estimated net return will be allocated over the foreseeable life thereof. The projected tax bases and results per books for future years gave rise to an adjustment of € 9,821,000 to the accrued corporate income tax expense.

The 2001 corporate income tax was calculated on the basis of income per books determined by application of generally accepted accounting principles, which does not necessarily coincide with taxable income.

The corporate income tax expense of the companies composing the Spanish consolidated tax subgroup of which Inditex is the Controlling Company was determined in accordance with Rule Six of the Resolution of October 9, 1997, of ICAC (the Spanish Accounting and Audit Institute), taking into account, in addition to the individual taxation parameters, the timing and permanent differences derived from the consolidation process and the tax credits and tax relief for the amount applicable under the tax regime for corporate groups.

The Group's corporate income tax expense was calculated by aggregating the tax expense of each of the individual companies determined in accordance with the corporate and tax legislation in force in the countries in which the consolidated companies operate, taking into account the adjustments arising from the application of consolidation methods pursuant to Article 60 of Royal Decree 1815/1991, December, 20, 1991 enacting the regulations governing the preparation of consolidated financial statements.

The reconciliation of the Group's 2001 income per books to the taxable income for corporate income tax purposes is as follows:

	Amount
Income for the year per books	340,412
Accrued corporate income tax	149,850
Net permanent differences:	
Individual companies	(25,320)
Consolidation adjustments	(9,426)
Net timing differences:	
Individual companies	19,252
Consolidation adjustments	7,096
Taxable income	481,864

The Group recorded under the "Other Taxes" caption in the accompanying consolidated statement of income € 10,180,000 relating to withholding tax.

The companies have recorded the prepaid and deferred income taxes arising from timing differences relating to the different methods for recognizing certain revenues and expenses for accounting and tax purposes. The related cumulative amounts as of January 31, 2002, were as follows:

	Amount
Deferred income taxes	49,464
Prepaid income taxes	28,477

These amounts include € 9,962,000 of deferred taxes relating to transactions between the companies composing the tax group.

The companies comprising the consolidated Group have generally availed themselves of the tax credits provided by current corporate income tax legislation. Although the companies have not yet filed their corporate income tax returns for 2001, the provision for corporate income tax in the accompanying consolidated financial statements includes tax credits totaling € 25,477,000.

21. REVENUES AND EXPENSES

a) Transactions with multigroup, associated and related companies

The detail of the Inditex Group's transactions in 2001 with companies carried by the equity method, multigroup companies and other nonconsolidated related companies is as follows:

	Purchases and Services Received	Sales and Services Rendered	Financial Expenses	Financial Revenues
Associated companies	7,467	0	0	0
Multigroup companies	60,955	19,154	880	159
Other related companies	4,639	0	0	0
Total	73,061	19,154	880	159

b) Net sales

The breakdown, by activity and geographical market, of the net sales in 2001 is as follows:

	Spanish Companies	Foreign Companies	Total
Net sales at own stores	1,472,252	1,387,398	2,859,650
Net sales to franchises	187,327	3,189	190,516
Other textile sales	161,348	0	161,348
Services rendered	15,085	10,923	26,008
Other sales	6,292	5,993	12,285
Total	1,842,304	1,407,503	3,249,807

c) Employees

The headcount as of January 31, 2002, was as follows:

	Number of Employees
Spain	15,805
Abroad	10,919
Total	26,724

The breakdown of the employee welfare expenses is as follows:

	Amount
Employer social security costs	89,362
Other employee welfare expenses	14,924
Total	104,286

d) Distribution of net income

The detail of the net income contributed by the consolidated companies, grouped together by line of business, is as follows:

Line of Business	Amount
Retail distribution	281,687
Manufacturing	43,101
Others	15,624
Total	340,412

e) Foreign currency transactions

The transactions performed by the Group in the year, by currency, are as follows (in thousands of euros):

Currency	Net Sales	% of Net Sales
Euro	2,640,762	80%
Other European currencies	83,284	3%
U.S. dollar	33,492	1%
Other American currencies	475,582	15%
Other currencies	16,687	1%
Totales	3,249,807	100%

Approximately 15% of the purchases were made in U.S. dollars and the remaining 85% in euros.

f) Extraordinary revenues and expenses

The main extraordinary revenues and expenses in 2001 are summarized as follows:

Extraordinary Items	Amount
Extraordinary revenues	
Gains on fixed asset disposals	8,533
Capital subsidies	224
Extraordinary revenues and income	24,373
Prior years' revenues and income	3,356
Total extraordinary revenues	36,486
Extraordinary expenses	
Variation in fixed asset provisions	(202)
Losses on fixed assets	9,059
Extraordinary expenses	22,871
Prior years' expenses and losses	5,847
Total extraordinary expenses	37,575
Extraordinary loss	1,089

The losses on fixed assets relate mainly to the retirement of facilities due to refurbishing at commercial premises where the Group operates.

The "Extraordinary Revenues" caption includes the overprovision arising as a result of the plan for the delivery of free shares to Group employees (see Note 14) and the effect on income of the adjustment of € 6,764,000 made to the balance sheet and income statement accounts in countries with high inflation rates.

The "Extraordinary Expenses" caption includes € 16,721,000 relating to the period provision for third-party liability described in Note 17.

22. DIRECTORS' COMPENSATION

In 2001 the members of the Controlling Company's Board of Directors earned wages, salaries and other compensation totaling € 3,356,000. Additionally, they vested and exercised certain stock options, as described in Note 14.

The Inditex Group has not granted any advances to the directors of Inditex or of any of the consolidable companies and it does not have any pension or life insurance commitments to them.

23. EXPLANATION ADDED FOR TRANSLATION TO ENGLISH

These consolidated financial statements are presented on the basis of accounting principles generally accepted in Spain. Certain accounting practices applied by the Group that conform with generally accepted accounting principles in Spain may not conform with generally accepted accounting principles in other countries.

EXHIBIT I, page 1
composition of the inditex group

The companies composing the consolidated group as of January 31, 2002, are as follows:

Company	Effective % of Ownership	Country	Consolidation Method	Closing Date	Line of Business
Industria de Diseño Textil, S.A.	Controlling Company	Spain	Global int.	01/31/02	Controlling Company
Comditel, S.A.	100.00%	Spain	Global int.	01/31/02	Textile purchasing center
Inditex Asia, Ltd.	100.00%	Hong-Kong	Global int.	01/31/02	Textile purchasing center
Zara Asia, Ltd.	100.00%	Hong-Kong	Global int.	01/31/02	Textile purchasing center
Choolet, S.A.	100.00%	Spain	Global int.	01/31/02	Textile manufacturing
Confecciones Fíos, S.A.	100.00%	Spain	Global int.	01/31/02	Textile manufacturing
Confecciones Goa, S.A.	100.00%	Spain	Global int.	01/31/02	Textile manufacturing
Denllo, S.A.	100.00%	Spain	Global int.	01/31/02	Textile manufacturing
Hampton, S.A.	100.00%	Spain	Global int.	01/31/02	Textile manufacturing
Jema Creaciones Infantiles, S.L.	45.90%	Spain	Global int.	01/31/02	Textile manufacturing
Kenner, S.A.	100.00%	Spain	Global int.	01/31/02	Textile manufacturing
Kettering, S.A.	100.00%	Spain	Global int.	01/31/02	Textile manufacturing
Nikole, S.A.	100.00%	Spain	Global int.	01/31/02	Textile manufacturing
Nosopunto, S.L.	51.00%	Spain	Global int.	01/31/02	Textile manufacturing
Samlor, S.A.	100.00%	Spain	Global int.	01/31/02	Textile manufacturing
Sircio, S.A.	100.00%	Spain	Global int.	01/31/02	Textile manufacturing
Stear, S.A.	100.00%	Spain	Global int.	01/31/02	Textile manufacturing
Textil Rase, S.A.	100.00%	Spain	Global int.	01/31/02	Textile manufacturing
Trisko, S.A.	100.00%	Spain	Global int.	01/31/02	Textile manufacturing
Tugend, S.A.	100.00%	Spain	Global int.	01/31/02	Textile manufacturing
Yeroli, S.A.	100.00%	Spain	Global int.	01/31/02	Textile manufacturing
Zintura, S.A.	100.00%	Spain	Global int.	01/31/02	Textile manufacturing
Glencare, S.A.	100.00%	Spain	Global int.	01/31/02	Textile manufacturing
Todotinte, S.L.	51.00%	Spain	Global int.	01/31/02	Textile manufacturing
Indipunt, S.A.	51.00%	Spain	Global int.	01/31/02	Textile manufacturing
JSC Verpstas	26.70%	Lithuania	Equity	01/31/02	Textile manufacturing
UAB Rofestas	100.00%	Lithuania	Global int.	01/31/02	Textile machinery rental
Tempe, S.A.	50.00%	Spain	Prop. int.	01/31/02	Marketing of footwear
Zara España, S.A.	100.00%	Spain	Global int.	01/31/02	Retailing
Zara Argentina, S.A.	100.00%	Argentina	Global int.	01/31/02	Retailing
Zara Belgique, S.A.	100.00%	Belgium	Global int.	01/31/02	Retailing
Zara Chile, S.A.	100.00%	Chile	Global int.	12/31/01	Retailing
Zara USA Inc.	100.00%	Usa	Global int.	01/31/02	Retailing
Zara France, S.A.R.L.	100.00%	France	Global int.	01/31/02	Retailing
Zara UK, Ltd.	100.00%	UK	Global int.	01/31/02	Retailing
Zara Hellas, S.A.	100.00%	Greece	Global int.	01/31/02	Retailing
Zara Japan Corp.	50.00%	Japan	Prop. int.	01/31/02	Retailing
Zara México, S.A. de C.V.	95.00%	Mexico	Global int.	12/31/01	Retailing
Zara Portugal Confecçoes Lda.	100.00%	Portugal	Global int.	01/31/02	Retailing
Zara Venezuela, S.A.	100.00%	Venezuela	Global int.	01/31/02	Retailing
Grupo Zara Uruguay, S.A.	100.00%	Uruguay	Global int.	01/31/02	Retailing
Zara Brasil, Lda.	100.00%	Brazil	Global int.	12/31/01	Retailing
Zara Deutschland, GmbH	50.00%	Germany	Prop. int.	01/31/02	Retailing
Zara Nederland, B.V.	100.00%	Netherlands	Global int.	01/31/02	Retailing
Zara Österreich Clothing, GmbH	100.00%	Austria	Global int.	01/31/02	Retailing
Zara Danmark A/S	100.00%	Denmark	Global int.	01/31/02	Retailing
Zara Sverige, AB	100.00%	Sweden	Global int.	01/31/02	Retailing
Zara Norge, AS	100.00%	Norway	Global int.	01/31/02	Retailing
Zara Canada, Inc.	95.00%	Canada	Global int.	01/31/02	Retailing
Zara Suisse S.A.R.L.	100.00%	Switzerland	Global int.	01/31/02	Retailing
Zara Luxembourg, S.A.	100.00%	Luxemburg	Global int.	01/31/02	Retailing
Za Giyim Ithalat Ihracat Ve Ticaret Ltd.	100.00%	Turkey	Global int.	12/31/01	Retailing
Zara Italia, S.R.L.	51.00%	Italy	Global int.	01/31/02	Retailing
Zara Ceská Republika, S.R.O.	100.00%	Czech Republic	Global int.	12/31/01	Retailing
Zara Puerto Rico, Inc.	100.00%	Puerto Rico	Global int.	01/31/02	Retailing
Kiddy´s Class España, S.A.	100.00%	Spain	Global int.	01/31/02	Retailing
Kiddy´s Class Portugal Conf. Lda.	100.00%	Portugal	Global int.	01/31/02	Retailing
Oysho España, S.A.	100.00%	Spain	Global int.	01/31/02	Retailing
Oysho Venezuela, S.A.	100.00%	Venezuela	Global int.	01/31/02	Retailing

Company	Effective % of Ownership	Country	Consolidation Method	Closing Date	Line of Business
Oysho Portugal, Conf. Lda.	100.00%	Portugal	Global int.	01/31/02	Retailing
Oysho Mexico, S.A. de C.V.	100.00%	Mexico	Global int.	12/31/01	Retailing
Oysho Italia, S.R.L.	51.00%	Italy	Global int.	01/31/02	Retailing
Oysho Nederland, B.V.	100.00%	Netherlands	Global int.	01/31/02	Retailing
Oysho Hellas, S.A.	100.00%	Greece	Global int.	01/31/02	Retailing
Oysho Österreich, GmbH	100.00%	Austria	Global int.	01/31/02	Retailing
Grupo Massimo Dutti, S.A.	100.00%	Spain	Global int.	01/31/02	Retailing
Massimo Dutti Hellas, S.A.	100.00%	Greece	Global int.	01/31/02	Retailing
Massimo Dutti Deutschland, GmbH	50.00%	Germany	Prop. int.	01/31/02	Retailing
Massimo Dutti Giyim Ithalat Ih.Ve Tic. Ltd.	100.00%	Turkey	Global int.	12/31/01	Retailing
Massimo Dutti Venezuela, S.A.	100.00%	Venezuela	Global int.	01/31/02	Retailing
Massimo Dutti France, S.A.R.L.	100.00%	France	Global int.	01/31/02	Retailing
Pull & Bear España, S.A.	100.00%	Spain	Global int.	01/31/02	Retailing
Pull & Bear Hellas, S.A.	100.00%	Greece	Global int.	01/31/02	Retailing
Pull & Bear Portugal Conf. Lda.	100.00%	Portugal	Global int.	01/31/02	Retailing
Pull & Bear Giyim Ith. Ihrac.Ve Tic. Ltd.	100.00%	Turkey	Global int.	12/31/01	Retailing
Pull & Bear Venezuela, S.A.	100.00%	Venezuela	Global int.	01/31/02	Retailing
Pull & Bear Mexico, S.A. de C.V.	100.00%	Mexico	Global int.	12/31/01	Retailing
Vajo, N.V.	100.00%	Belgium	Global int.	01/31/02	Retailing
Bershka BSK España, S.A.	100.00%	Spain	Global int.	01/31/02	Retailing
Bershka Portugal Conf. Soc. Unip. Lda.	100.00%	Portugal	Global int.	01/31/02	Retailing
Bershka Hellas, S.A.	100.00%	Greece	Global int.	01/31/02	Retailing
Bershka Mexico, SA de CV	99.97%	Mexico	Global int.	12/31/01	Retailing
Bershka BSK Venezuela, S.A.	100.00%	Venezuela	Global int.	01/31/02	Retailing
Bershka Giyim Ithalat Ihracat Ve Ticaret Ltd.	100.00%	Turkey	Global int.	12/31/01	Retailing
Bershka Belgique, S.A.	100.00%	Belgium	Global int.	01/31/02	Retailing
Stradivarius España, S.A.	90.05%	Spain	Global int.	01/31/02	Retailing
Stradivarius Hellas, S.A.	90.15%	Greece	Global int.	01/31/02	Retailing
Stradivarius Portugal, Conf. Unip. Lda.	90.05%	Portugal	Global int.	01/31/02	Retailing
Stradivarius Giyim Ithalat Ihrac. Ve Tic. Ltd.	90.15%	Turkey	Global int.	12/31/01	Retailing
Zara Logística, S.A.	100.00%	Spain	Global int.	01/31/02	Logistics
Massimo Dutti Logística, S.A.	100.00%	Spain	Global int.	01/31/02	Logistics
Bershka Logística, S.A.	100.00%	Spain	Global int.	01/31/02	Logistics
Pull & Bear Logística, S.A.	100.00%	Spain	Global int.	01/31/02	Logistics
Oysho Logística, S.A.	100.00%	Spain	Global int.	01/31/02	Logistics
Tempe Logística, S.A.	50.00%	Spain	Prop. int.	01/31/02	Logistics
Zara Financiën B.V.	100.00%	Netherlands	Global int.	01/31/02	Finance
Zara Mexico, B.V.	100.00%	Netherlands	Global int.	01/31/02	Finance
Zara Holding, B.V.	100.00%	Netherlands	Global int.	01/31/02	Portfolio
Massimo Dutti Holding, B.V.	100.00%	Netherlands	Global int.	01/31/02	Portfolio
Zalapa, B.V.	100.00%	Netherlands	Global int.	01/31/02	Portfolio
Zara Merken, B.V.	100.00%	Netherlands	Global int.	01/31/02	Exploitation of trademarks
Goa-Invest, S.A.	100.00%	Spain	Global int.	01/31/02	Construction and real state
SNC Zara France Immobiliere	100.00%	France	Global int.	12/31/01	Real state development
Zara Vastgoed, B.V.	100.00%	Netherlands	Global int.	01/31/02	Real State
Vastgoed Asia, Ltd.	100.00%	Hong-Kong	Global int.	01/31/02	Real State
SCI Vastgoed Ferreol P03302	100.00%	France	Global int.	12/31/01	Real State
SCI Vastgoed France P03301	100.00%	France	Global int.	12/31/01	Real State
SCI Vastgoed General Leclerc P03303	100.00%	France	Global int.	12/31/01	Real State
SCI Vastgoed Nancy P03304	100.00%	France	Global int.	12/31/01	Real State
Zara Vastgoed Hellas, S.A.	100.00%	Greece	Global int.	01/31/02	Real State
Invercarpro, S.A.	100.00%	Spain	Global int.	01/31/02	Real State
Robustae S.G.P.S. Unip. Lda.	100.00%	Portugal	Global int.	01/31/02	Real State
Inditex Cogeneración, AIE	100.00%	Spain	Global int.	01/31/02	Cogeneration plant
Fibracolor Decoración, S.A.	39.97%	Spain	Equity	12/31/01	Decoration
Fibracolor, S.A.	39.97%	Spain	Equity	12/31/01	Purchase and treatment of cloth
Naviera Elealva, AIE	49.00%	Spain	Equity	12/31/01	Asset leasing
Naviera Celeste, AIE	49.00%	Spain	Equity	12/31/01	Asset leasing
Naviera del Miño, AIE	49.00%	Spain	Equity	12/31/01	Asset leasing
Naviera del Sil, AIE	49.00%	Spain	Equity	12/31/01	Asset leasing
Inditex, S.A.	100.00%	Spain	Global int.	01/31/02	Inactive as of 01/31/02
Group Zara Australia Pty. Ltd.	50.00%	Australia	Prop. int.	01/31/02	Inactive as of 01/31/02
Zara Italia, B.V.	100.00%	Netherlands	Global int.	01/31/02	Inactive as of 01/31/02
Fruminga, B.V.	100.00%	Netherlands	Global int.	01/31/02	Inactive as of 01/31/02
Zara, S.A.	100.00%	Spain	Global int.	01/31/02	Inactive as of 01/31/02
Zara, S.A.	100.00%	Argentina	Global int.	01/31/02	Inactive as of 01/31/02
Brettos BRT España, S.A.	100.00%	Spain	Global int.	01/31/02	Inactive as of 01/31/02
Lefties España, S,A,	100.00%	Spain	Global int.	01/31/02	Inactive as of 01/31/02

CONSOLIDATED MANAGEMENT REPORT

2001 CONSOLIDATED MANAGEMENT REPORT

This document contains the explanations deemed appropriate by the Board of Directors about the evolution of the INDITEX Group during Fiscal 2001, ended on 31 January 2002. This information supplements that included in the annual accounts.

The financial statements contained in this document are presented in accordance with industry standards. All the information contained herein has been obtained from the consolidated annual accounts and from other management data of the Group.

1. Consolidated financial statements

Inditex Group 2001 profit & loss account Millions of euros	FY 01	FY 00	Var % 01/00
Net Sales	3,249.8	2,614.7	24%
Cost of sales	(1,563.1)	(1,277.0)	
Gross Profit	1,686.7	1,337.7	26%
Gross Margin	51.9%	51.2%	
Operating expenses			
	(982.3)	(816.2)	20%
Operating Cash flow (EBITDA)	704.5	521.5	35%
EBITDA margin	21.7%	19.9%	
Fixed assets depreciation	(158.2)	(124.5)	27%
Goodwill amortisation	(17.1)	(10.5)	
Provisions	(11.6)	(6.7)	
Operating income (EBIT)	517.5	379.9	36%
EBIT margin	15.9%	14.5%	
Net financial expenses	(21.3)	(13.7)	
Ordinary income	496.2	366.2	36%
Ordinary margin	15.3%	14.0%	
Extraordinary income (loss)	(1.1)	2.7	
Income before taxes	495.1	368.8	34%
EBT margin	15.2%	14.1%	
Taxes	(149.9)	(106.9)	
Net income before minorities	345.2	261.9	32%
	10.6%	10.0%	
Minorities	(4.8)	(2.7)	80%
Net Income	340.4	259.2	31%
Net income margin	10.5%	9.9%	
Earnings per share, euro cents (*)	54.6	41.6	31%

(*) On 623,330,400 shares

Inditex Group Consolidated Balance Sheet as of january 31, 2002 Millions of euros	January 31 2002	January 31 2001
ASSETS		
Net fixed assets (*)	1,662.1	1,395.7
Goodwill	72.1	89.1
Deferred charges	16.5	22.5
Total fixed assets	1,751.3	1,507.3
Inventories	353.8	245.0
Receivables	184.2	145.2
Cash & cash equivalents	309.1	203.9
Accruals	6.6	6.2
Total currrent assets	853.7	600.3
TOTAL ASSETS	2,604.9	2,107.6
SHAREHOLDERS´ EQUITY & LIABILITIES		
Shareholders´equity	1,486.2	1,170.9
Minority interest, deferred revenues & provisions	81.3	34.6
Long term financial debt	138.2	165.5
Other long term payables	65.0	66.3
Long term liabilities	284.5	266.4
Short term financial debt	118.5	96.9
Trade and other non-trade payables	715.7	573.5
Current liabilities	834.2	670.3
TOTAL LIABILITIES	2,604.9	2,107.6

(*) Includes own shares for € 0.45 million in Jan 2002 and € 3.15 million in Jan 2001

Inditex Group Consolidated statements of cash flows Millions of euros	FY 2001	FY 2000	Var % 01/00
Net income	340.4	259.2	31%
Adjustment to income			
Depreciation and amortization	175.3	134.9	
Net provisions	34.0	8.2	
Gains on fixed assets disposals	(8.6)	(40.1)	
Losses on fixed assets disposals	14.1	9.6	
Income (loss) atribuited to minority interest	4.8	2.7	
Deferred and prepaid tax	(9.5)	7.0	
Other	7.5	5.5	
Funds from operations	558.1	387.0	44%
Decrease (increase) in inventories	(108.8)	(60.5)	
Decrease (increase) in accounts receivable	(34.3)	(18.5)	
Decrease (increase) in accrual accounts	0.1	0.8	
Decrease (increase) in current liabilities	150.5	118.9	
Changes in working capital	7.5	40.7	
Cash from operations	565.6	427.7	32%
Intangible assets investments	(64.6)	(68.6)	
Tangible assets investments	(348.7)	(283.5)	
Acquisitions of bussines	(17.3)	(21.8)	
Addition to other long-term financial investments	(14.1)	(13.2)	
Other assets investments	(4.0)	(12.0)	
Fixed assets sales and retirements	17.3	58.3	
Capital expenditure	(431.4)	(340.7)	27%
Increase in long-term financial debt	9.5	2.7	
Decrease in long-term financial debt	(54.7)	(44.6)	
Net increase (decrease) in other long-term debt	(1.3)	1.8	
Net increase (decrease) in current debt	21.6	(17.0)	
Dividends	(6.0)	(9.2)	
Other financing activities	1.8	(2.1)	
Capital increase	0.0	21.3	
Cash from (used in) financing activities	(29.0)	(47.0)	
Net increase in cash and cash equivalents	105.2	39.9	
Cash and cash equivalents at beginning of the year	203.9	163.9	
Cash and cash equivalents at end of the year	309.1	203.9	

2. Comments on the consolidated results

F2001 results show an increase at every margin level, fruit of the growth strategy of the Group's concepts, of the continuity of international expansion and of the capacity to react to the demands of our customers. At FYE, there were 1,284 stores open in 39 countries, with six different concepts: Zara, Pull & Bear, Massimo Dutti, Bershka, Stradivarius and Oysho. Annex III includes a list of the stores open as at FYE by concept and by country.

The performance of sales and the improvement in management of inventory and operating costs have favoured the leveraging of the Group's results, so that EBITDA, EBIT and net income are growing more than net sales.

2.1. Sales

Net sales reached € 3,249.8 million, an increase of 24%, due both to the greater number of existing stores and to like-for-like sales growth.

Number of stores and openings

The list of the openings and existing stores at the end of the period is as follows:

	Net Openings		Current stores	
Concept	2001	2000	31 Jan 2002	31 Jan 2001
ZARA	58	53	507	449
PULL & BEAR	20	26	249	229
MASSIMO DUTTI	25	19	223	198
BERSHKA	47	35	151	104
STRADIVARIUS	20	25	120	100
OYSHO	34	-	34	-
Total	204	158	1.284	1.080

Company-managed stores and franchises

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

	Company-managed and franchised stores					
	2001			2000		
	Co. Mag.	Franchises	Total	Co. Mag.	Franchises	Total
ZARA	476	31	507	422	27	449
PULL & BEAR	220	29	249	199	30	229
MASSIMO DUTTI	135	88	223	120	78	198
BERSHKA	146	5	151	102	2	104
STRADIVARIUS	86	34	120	65	35	100
OYSHO	34	-	34	-	-	-
Total	1.097	187	1.284	908	172	1.080

Selling area

The selling area of company-managed stores and franchised stores at FYE, as well as the average selling area of each concept, is as follows:

	Total selling area			Average size (sqm)		
	31 Jan. 02	31 Jan. 01	Var% 01/00	2001 openings	Existing stores	Dif. %
ZARA	488.400	408.600	20%	1.376	910	51%
PULL & BEAR	38.500	33.000	17%	275	144	91%
MASSIMO DUTTI	43.000	36.000	19%	280	182	54%
BERSHKA	49.800	35.000	42%	315	337	-6%
STRADIVARIUS	33.800	27.000	25%	340	270	26%
OYSHO	5.900	0	n/a	174	n/a	n/a
Total	659.400	539.600	22%	587	500	18%

The selling area at F2001 has grown by almost 120,000 new metres (+22%). However, due to the seasonal nature of the openings and the greater size of the new openings, the weighted average growth in selling area in F2001 is approximately 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 9% in F2001. Like-for-like represents the annual change in store sales of any concept of the Group that were open for the whole of fiscal years 2001 and 2000, converted to a fixed exchange rate.

The increase in like-for-like sales is positive and consistent in all the geographic areas (Spain, the rest of Europe, the Americas and the rest of the World). Below is a table showing the increase in like-for-like sales bi-annually for the last few fiscal years:

	LFL sales			
	2001	2000	1999	1998
First Half	9%	13%	6%	13%
Second half	9%	9%	5%	12%
Full year	9%	9%	5%	11%

The like-for-like calculation includes 64% of the selling area as at FYE.

Sales by concept

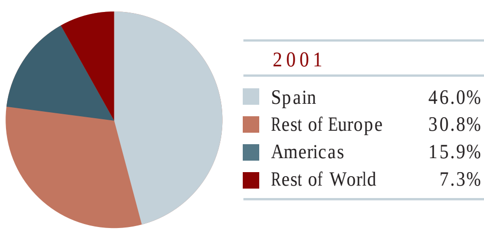
Below is a table showing the net sales by concept in F2001 and F2000:

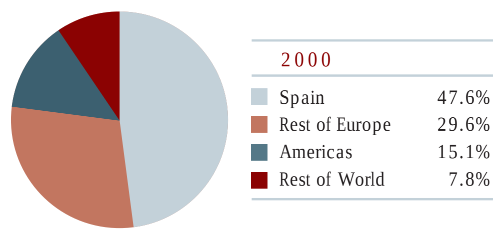
	Net Sales (Million €)			% sales on total	
Concept	2001	2000	Var% 01/00	F 2001	F 2000
ZARA	2,477.4	2,044.6	21%	76.2%	78.2%
PULL & BEAR	225.7	172.6	31%	6.9%	6.6%
MASSIMO DUTTI	241.4	184.1	31%	7.4%	7.0%
BERSHKA	202.0	134.9	50%	6.2%	5.2%
STRADIVARIUS	93.5	72.5	29%	2.9%	2.8%
OYSHO	4.5	0.0	n/a	0.1%	0.0%
Other sales	5.3	6.0	-12%	0.2%	0.2%
Total Sales	3,249.8	2,614.7	24%	100.0%	100.0%

Stronger sales growth of the younger concepts has increased their weight in the Group’s total.

Store sales by geographic area

The following graph shows store sales by geographic areas:





European markets ex-Spain are absorbing the greatest part of the international growth (120 basis points), compared to the reduction of weight of Spain and the Rest of the World.

The percentage of store sales of each concept outside Spain versus its total store sales is the following:

Concept	% International Sales	
	2001	2000
ZARA	60.8%	59.2%
PULL & BEAR	31.3%	35.1%
MASSIMO DUTTI	38.8%	32.0%
BERSHKA	32.3%	21.7%
STRADIVARIUS	20.5%	17.7%
OYSHO	33.3%	n/a
Total	54.0%	52.3%

In general, the Group's concepts have increased the weight of international sales. Oysho opened its first stores in September 2001, and already makes a third of its sales in stores located outside Spain.

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				
	2001		2000	
	Company Managed	Franchised	Company Managed	Franchised
ZARA	92%	8%	92%	8%
PULL & BEAR	91%	9%	90%	10%
MASSIMO DUTTI	58%	42%	58%	42%
BERSHKA	99%	1%	98%	2%
STRADIVARIUS	74%	26%	69%	31%
OYSHO	100%	0%	n/a	n/a
Total	89%	11%	89%	11%

2.2. Gross margin

The gross margin has risen to € 1,686.7 million, 26% higher than the previous year. It has improved by 74 basis points to reach 51.9% of sales (51.2% in F2000). This improvement is mainly due to collections being adapted to demand, improved inventory management and the lower impact of markdowns during the sales periods.

2.3. Operating cash flow (EBITDA)

The EBITDA of F2001 comes to € 704.5 million, an increase of 35% with respect to the previous year.

Operating expenses and their evolution is the following:

Million euros	2001	2000	Var 01/00
Personnel expenses	489.8	411.4	19%
Other operating expenses	492.5	404.8	22%
Total operating expenses	982.3	816.2	20%

Operating expenses have grown at a lower rate than sales and include all the start-up costs of new openings (essentially rents and salaries paid before the opening of the new stores).

2.4. Operating income (EBIT)

EBIT comes to € 517.5 million, an increase of 36%, standing at 15.9% of sales (14.5% in 2000).

Depreciation of fixed assets has increased by 27%, due to the investments carried out by the Group in recent years for the expansion of its activities.

During F2001 the Group has fully amortised the goodwill generated by the acquisition of Zara Turkey (€ 7.3 million).

Provisions charged in F2001 and F2000 correspond, mainly, to the Group's estimated write-downs of not fully depreciated assets as a result of the refurbishment of existing stores. In F2001, € 11.6 million has been charged to the P&L (€ 6.7 million in 2000). Provisions to cover other risks of the Group have been made and charged to extraordinary expenses (see paragraph 2.6).

EBIT by concept

The breakdown of the operating income (EBIT) of each of the concepts of the Group is the following:

	EBIT by concept (million €)			(%) EBIT on sales		Concept sales on total (%)	
Concept	2001	2000	Var% 01/00	2001	2000	2001	2000
ZARA	441.1	327.9	35%	17.8%	16.0%	85.2%	86.3%
PULL & BEAR	32.8	24.1	36%	14.5%	14.0%	6.3%	6.3%
MASSIMO DUTTI	25.3	20.3	25%	10.5%	11.0%	4.9%	5.3%
BERSHKA	25.2	8.4	200%	12.5%	6.2%	4.9%	2.2%
STRADIVARIUS*	(3.2)	(3.2)	-1%	- 3.4%	-4.4%	- 0.6%	- 0.8%
OYSHO	(6.3)	n/a	n/a	n/a	n/a	-1.2%	n/a
Other activities	2.6	2.4	8%	n/a	n/a	0.5%	0.6%
Total grupo	517.5	379.9	36%	15.9%	14.5%	100.0%	100.0%

(*) The figures for Stradivarius are shown net of the amortization of goodwill. Without taking this charge into account, its contribution to the EBIT of the Group would come to € 6.2 m in both 2001 and 2000.

In the second half of 2001 Stradivarius moved its headquarters and logistics platform to new facilities in Sallent, Barcelona (Spain), which will make it possible to improve its operations and expand its activity.

2.5. Ordinary Income

Ordinary income of F2001 stands at € 496.2 million, an increase of 36%.

Net financial result breaks down as follows:

Millions of euros	2001	2000
Net financial expenses	12.2	12.2
Foreign exchange losses	7.3	1.8
Net losses of equality method companies	1.8	(0.3)
Total	21.3	13.7

Foreign exchange losses of 2001 are principally due to the hedging operations and to the results produced by the variation of exchange rates of Latin-American and Turkish currencies.

2.6. Income before taxes

Income before taxes comes to € 495.1 million, 34% higher than F2000.

A provision of € 22.5 million was charged in F2000, corresponding to the estimation of the cost of the Employee Stock Participation Plan to be carried out in F2001 (see section 5). As the effective cost was lower, in F2001 there has been an extraordinary positive result of € 3.2 million. A provision of € 3.0 million has been maintained in the short-term liabilities of the balance sheet, in order to cover the cost, where appropriate, of the distribution of the remainder of the shares of the Plan.

The rest of extraordinary income is mainly due to the write-off of fixed assets, provisions and other income and expenses of an extraordinary or non-recurring nature.

2.7. Net income before minorities and Net Income

Net income before minorities for F2001 reached € 345.2 million, an increase of 32%. The estimated tax rate for the fiscal year is the following:

Millions of euros	2001	2000
Income before taxes	495.1	368.8
Income tax	149.9	106.9
Tasa fiscal	30.3%	29.0%

Net income comes to € 340.4 million, an increase of 31% with respect to F2000.

The increase of minority interests is mainly due to the greater weight of profits in manufacturing companies which the Group controls with a holding of less than 100%.

Dividend proposal

Inditex's Board of Directors will propose to the General Meeting of Shareholders the payment of a dividend of € 68.6 million (11 Euro cents per share), equivalent to 20.1% of net income.

Return on Equity (ROE)

The table below shows the evolution of the Return On Equity, defined as net income on average Shareholder's Equity.

Return on equity					
Description	2001	2000	1999	1998	1997
Net income	340.4	259.2	204.8	153.1	117.4
Shareholders equity - previous year	1,170.9	893.2	673.4	529.9	414.9
Shareholders equity - current year	1,486.2	1,170.9	893.2	673.4	529.9
Average equity	1,328.5	1,032.0	783.3	601.6	472.4
Return on equity	25.6%	25.1%	26.1%	25.5%	24.8%

Return on Capital Employed (ROCE)

The table below shows the calculations of Return On Capital Employed for the Group, defined as EBIT over average capital employed in the FYE (Average equity plus average net financial debt).

Return on capital employed					
Description	2001	2000	1999	1998	1997
EBIT	517.5	379.9	296.2	241.5	191.5
Average employed capital					
Average equity	1,328.5	1,032.0	783.3	601.6	472.4
Average net financial debt (*)	0.0	100.3	121.5	73.1	72.1
Total average employed capital	1,328.5	1,132.3	904.8	674.7	544.5
Return on capital employed	39%	34%	33%	36%	35%

(*) Zero when net cash

ROCE by concept

The table below shows return on capital employed by concept:

Roce by concept		
Concept	2001	2000
ZARA	42%	35%
PULL & BEAR	51%	49%
MASSIMO DUTTI	46%	49%
BERSHKA	30%	10%
STRADIVARIUS (*)	12%	20%
OYSHO	--	--
Total	39%	34%

(*) before goodwill amortisation

3. COMMENTS ON THE BALANCE SHEET

The Consolidated Balance Sheet of INDITEX maintains a similar structure to that it showed at FYE 2000, with a low level of debt and negative working capital, a consequence of the business model.

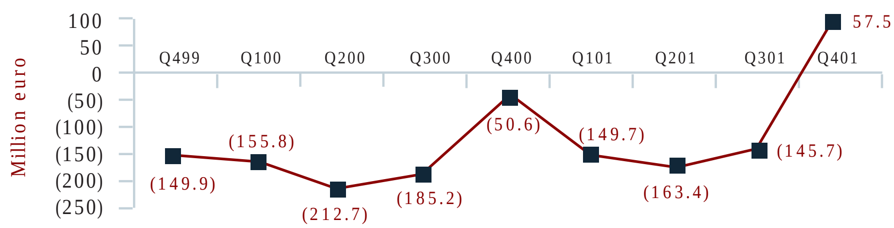
Net financial position

The net financial position is shown in the table below:

Net financial cash (DEBT) (Million €)		
	Jan 31, 2002	Jan 31, 2001
Cash & cash equivalents	309.1	203.9
Long term financial debt	(138.2)	(165.5)
Short term financial debt	(118.5)	(96.9)
Deferred financial expenses	5.1	7.9
Net financial cash (DEBT)	57.5	(50.6)

The date of the FYE coincides with the moment of greatest liquidity. However, the average level of financial debt is higher during the year, due to the seasonal nature of sales and supplies. The evolution of the net financial position during the last nine quarters has been the following:

Net financial Position 2000 & 2001



Working capital

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

Working Capital (Million €)		
Description	Jan. 31, 2002	Jan. 31, 2001
Inventories	353.8	245.0
Receivables	184.2	145.2
Accruals	6.6	6.2
Other short term liabilities	(715.7)	(573.5)
Operating working capital	(171.1)	(177.0)
Cash & cash equivalents	309.1	203.9
Short term financial debt	(118.5)	(96.9)
Financial working capital	190.6	107.0
Total working capital	19.5	(70.0)

The financing obtained through the working capital has reached € 171.1 million (€ 177.0 million in 2000).

The increase in inventory is due to the following:

- The earlier start to the new season, in line with previous seasons, which at 31 January has increased the volume of the inventory in order to supply the stores during the first quarter.

- The selling area at the beginning of F2002 is 22% bigger than at the beginning of F2001.

- Calendar effect : Easter is 16 days earlier in 2002 than in 2001.

- Initial Spring-Summer collection: following the fashion trends prevailing at the beginning of this season, the collection contains garments with a greater number of industrial processes in their manufacture.

At 31 January, inventory in comparable space was 23% higher than in 31 January 2001. At 15 March 2002, inventory in comparable space was 12% higher than at the same date in 2001.

4. COMMENTS ON THE CASH FLOW STATEMENT

The summary of the cash flow statement is the following:

Cash flow summary			
	F2001	F2000	Var% 01/00
Funds from operations	558.1	387.0	44%
Changes in working capital	7.5	40.7	
Cash from operations	565.6	427.7	32%
Capital expenditura	(431.4)	(340.7)	27%
Free cash flow	134.2	87.0	54%
Dividends	(6.0)	(9.2)	
Net debt decrease	(130.0)	(97.0)	
Others	1.8	19.3	

Growth in funds from operations (44%) has been much higher than growth of net sales (24%) and of net income (31%).

Cash from operations (+32%) is also higher, despite the lower relative growth of the financing via working capital.

Investments rose by 27%. Free Cash Flow has grown by 54%, to € 134 million, which has been used principally to reverse the financial net position, as has been explained above.

5. OTHER RELEVANT INFORMATION OF F2001

Listing

On 23 May 2001, Inditex shares were listed on the Spanish stock exchanges. Over F2001, Inditex shares were included in the IBEX 35, Eurostoxx 600 andMSCI indices.

Neither the parent company nor any of its subsidiaries has carried out transactions with its own shares, other than sale to its directors and executives as a consequence of the exercise of previously granted options, and which have been itemized in the 2001 annual accounts.

Staff

At FYE 2001, the Group employed 26,724 people (24,004 in 2000).

Employee Stock Participation Plan

From September 2001 a Employee Stock Participation Plan was executed, in accordance with the resolutions of the General Shareholders' Meeting of January. By virtue of the aforementioned resolutions, the employees of any of the companies of the Group who were employed by it before 31 December 2000 and at the date of the execution of the Plan were still employees received 50 shares per year worked. In those countries in which the distribution could not be carried out, the employees received the equivalent amount in money. More than 17,000 employees benefited from the Plan. Of these, more than 15,000 employees received a total of approximately 3.5 million shares.

Launch of Oysho

In September 2001 Oysho was launched, a new retail concept for lingerie with which the Group intends to take advantage of a business opportunity that is complementary to the other concepts. At 31 January 2002, Oysho had 34 stores in seven countries. The response of customers and the sales achieved up to the present meet the expectations of the Management of the Group.

Joint-Venture agreement in Italy

In October 2001 Inditex signed a Joint-Venture Agreement with Grupo Percassi to open stores of the Group in Italy. In December 2001 the first three Oysho stores opened in that country.
The first Zara store will open its doors in Milan in the next few weeks, and the opening of several more stores is foreseen for throughout the year.

Construction of a second distribution centre for Zara

In October 2001 Inditex announced the construction of a new logistics centre for Zara in Zaragoza (Spain). Construction will begin in 2002 and it will be operative in the second half of 2003. This platform will assure the logistics capacity of Zara in the coming years. The investment of approximately € 100 million will be carried out between 2002 and 2004, and is included in the estimations of CAPEX provided by the Group.

Introduction of the Euro

On 1 January 2002, the Euro coins and notes were introduced in the countries that make up the European Monetary Union, in which Inditex concentrates the majority of its business. No situations worthy of mention have occurred in the Group's activity as a consequence of the introduction of the new currency.

Research and development expenses

Inditex has not performed, is not performing, and has not engaged third parties to perform any research and development projects, deemed to be those in which investments are made over several years for the development of products on which a return is expected, which should be computed over more than one year.

However, since the Group was created, its management has been based on the application of available technology in all its business areas to improve manufacturing and distribution processes, and on the development through its own means or with the assistance of third parties of tools to facilitate business management. Some examples of these tools are point-of-sale terminals, inventory administration and management systems, allocation systems at distribution centres, store communications systems or machines for labelling clothes in stores. However, the Group has not capitalized any amount relating to the costs incurred in these developments.

6. Start of F2002

No significant event has occurred during the seven weeks since FYE 2001.

The Spring-Summer 2002 collections have been well-received by our customers.

Store openings foreseen for fiscal 2002 are the following:

Concept	FY 2002 Openings forecast		
	Range	% Interna.	Total 2001
ZARA	55 - 65	80%	58
PULL & BEAR	35 - 45	50%	20
MASSIMO DUTTI	15 - 25	50%	25
BERSHKA	35 - 40	40%	47
STRADIVARIUS	20 - 25	15%	20
OYSHO	40 - 50	50%	34
Total	200 - 250	53%	204

The Group expects the volume of international sales to grow more than domestic sales, as has been occurring in the last few fiscal years, due to the greater weight of Zara in the total selling area of the Group.

Expected CAPEX in F2002 is between € 500 million and € 550 million. The opening of new stores and the refurbishment of existing stores will represent the majority of the CAPEX.

ANNEX I

Income statement: quarterly results

	2001				2000				% Var. 2001/2000			
	1 Q	2 Q	3 Q	4 Q	1 Q	2 Q	3 Q	4 Q	1 Q	2 Q	3 Q	4 Q
Net sales	664.3	667.5	859.9	1.058.1	502.8	553.0	709.8	849.1	32%	21%	21%	25%
Cost of sales	(323.9)	(329.9)	(391.5)	(517.7)	(247.8)	(279.2)	(330.4)	(419.6)	31%	18%	18%	23%
Gross Profit	340.4	337.6	468.3	540.4	255.0	273.8	379.4	429.5	33%	23%	23%	26%
Gross Margin	51.2%	50.6%	54.5%	51.1%	50.7%	49.5%	53.4%	50.6%				
Operating expenses	(221.1)	(231.3)	(249.6)	(280.3)	(168.0)	(198.3)	(210.3)	(239.6)	32%	17%	19%	17%
	33%	35%	29%	26%	33%	36%	30%	28%				
Operating cash flow (EBITDA)	119.3	106.4	218.7	260.1	87.0	75.5	169.1	189.9	37%	41%	29%	37%
EBITDA margin	18.0%	15.9%	25.4%	24.6%	17.3%	13.6%	23.8%	22.4%				
Fixed assets depreciation	(34.9)	(38.2)	(39.9)	(45.2)	(27.8)	(30.3)	(31.9)	(34.4)	26%	26%	25%	32%
Goodwill amortisation	(2.6)	(2.6)	(2.6)	(9.3)	(2.6)	(2.6)	(2.6)	(2.7)	0%	2%	1%	247%
Provisions	(2.4)	(7.4)	(5.3)	3.4	1.1	(3.4)	(2.4)	(2.0)	-318%	120%	121%	-270%
Operating income (EBIT)	79.4	58.2	171.0	209.0	57.7	39.2	132.2	150.9	38%	49%	29%	39%
EBIT margin	12.0%	8.7%	19.9%	19.7%	11.5%	7.1%	18.6%	17.8%				
Net financial expenses	(4.3)	2.4	(4.8)	(14.7)	(2.0)	1.1	(4.8)	(8.0)				
Ordinary income	75.1	60.6	166.2	194.3	55.7	40.3	127.4	142.8	35%	51%	30%	36%
	11.3%	9.1%	19.3%	18.4%	11.1%	7.3%	17.9%	16.8%				
Extraordinary income	(0.8)	1.4	9.9	(11.6)	0.5	4.9	2.4	(5.2)				
Income before taxes	74.3	62.1	176.1	182.7	56.2	45.2	129.8	137.7	32%	37%	36%	33%
EBIT margin	11.2%	9.3%	20.5%	17.3%	11.2%	8.2%	18.3%	16.2%				
Taxes	(23.8)	(19.8)	(56.4)	(49.9)	(17.4)	(13.0)	(38.9)	(37.6)				
Net income before minorities	50.5	42.2	119.7	132.8	38.8	32.2	90.9	100.1	30%	31%	32%	33%
	32%	31.9%	32%	27.3%	31%	28.8%	30%	27.3%				
Minorities	0.0	(1.1)	(2.6)	(1.1)	0.0	(1.1)	(1.6)	0.0				
Net Income	50.5	41.2	117.1	131.7	38.8	31.0	89.3	100.1	30%	33%	31%	31%

ANNEX II

Summary of net openings and net stores opened by quarter in 2001 and 2000

	Number of net store openings in each quarter									
Concept	1Q 2001	2Q 2001	3Q 2001	4Q 2001	Total 2001	1Q 2000	2Q 2000	3Q 2001	4Q 2000	Total 2000
ZARA	7	6	21	24	58	12	6	16	19	53
PULL & BEAR	5	4	8	3	20	(1)	10	4	13	26
MASSIMO DUTTI	6	3	6	10	25	(2)	10	5	6	19
BERSHKA	9	15	8	15	47	2	12	11	10	35
STRADIVARIUS	8	5	1	6	20	4	8	5	8	25
OYSHO	-	-	14	20	34	-	-	-	-	-
Total stores	35	33	58	78	204	15	46	41	56	158

	Number of stores by the end of each quarter							
Concept	1Q 2001	2Q 2001	3Q 2001	4Q 2001	1Q 2000	2Q 2000	3Q 2001	4Q 2000
ZARA	456	462	483	507	408	414	430	449
PULL & BEAR	234	238	246	249	202	212	216	229
MASSIMO DUTTI	204	207	213	223	177	187	192	198
BERSHKA	113	128	136	151	71	83	94	104
STRADIVARIUS	108	113	114	120	79	87	92	100
OYSHO	-	-	14	34	-	-	-	-
Total stores	1,115	1,148	1,206	1,284	937	983	1,024	1,080

ANNEX III

List of stores by concept and country as of 31 January 2002

Country	Zara	Pull and bear	Masimmo Dutti	Bershka	Stradivarius	Oysho	Total
Spain	225	175	144	105	100	20	769
Portugal	38	35	30	19	11	7	140
France	67				1		68
Belgium	14	1	12			1	28
Netherlands	3		2			1	6
United Kingdom	11						11
Germany	15		1			1	17
Sweden			3				3
Norway			1				1
Andorra	1		1				2
Austria	3						3
Denmark	2						2
Louxembourg	1		1				2
Iceland	1						1
Ireland		2					2
Italy						3	3
Poland	2						2
Czech Rep.	1						1
Greece	20	6		2		1	29
Malta		2					2
Cyprus	2	2	1	2	2		9
Israel	9	15					24
Lebanon	2		2				4
Turkey	5						5
Kuwait	2	1			1		4
U.A.E.	4	3	3	3	2		15
Saudi Arabia	6	3	3		2		14
Bahrain	1		1				2
Qatar	1				1		2
Jordan			1				1
Canada	4						4
USA	8						8
Mexico	27		14	14			55
Venezuela	7	4	3	6			20
Brasil	7						7
Argentina	8						8
Chile	3						3
Uruguay	2						2
Japan	5						5
Total stores	507	249	223	151	120	34	1,284

ANNEX IV

Descripction		2001	2000	1999	1998	1997	1996	CAGR 01/96
P&L								
Net sales		3,249.8	2,614.7	2,035.1	1,614.7	1,217.4	1,008.5	26%
	Yo Y %	24%	28%	26%	33%	21%		
EBITDA		704.5	521.5	410.4	325.7	253.6	202.1	28%
	Yo Y %	35%	27%	26%	28%	25%		
EBIT		517.5	379.9	296.2	241.5	192.6	150.3	28%
	Yo Y %	36%	28%	23%	25%	28%		
Net Income		340.4	259.2	204.7	153.1	117.4	72.7	36%
	Yo Y %	31%	27%	34%	30%	61%		
Balance Sheet:								
Shareholders equity		1,486.2	1,170.9	893.2	673.4	529.9	414.9	29%
	Yo Y %	27%	31%	33%	27%	28%		
Total balance sheet		2,604.9	2,107.6	1,772.9	1,326.3	977.2	820.3	26%
	Yo Y %	24%	19%	34%	36%	19%		
Net finance position		57.5	(50.6)	(149.9)	(93.0)	(38.3)	(105.8)	0%
	Yo Y %	n/a	-66%	61%	143%	-64%		
Stores:								
Number of stores at FY. end		1,284	1,080	992	748	622	541	
Net openings		204	158	174	126	81	33	
Number of countries with stores		39	33	30	21	14	10	
Other informations:								
% International sales		54%	52%	49%	46%	42%	36%	
LFL		9%	9%	5%	11%	7%	4%	
ROE		26%	25%	26%	25%	25%	20%	
ROCE		39%	34%	33%	36%	35%	29%	
Number of employes		26,724	24,004	18,200	15,576	10,891	8,412	

corporate Governance

Board of Directors

● Members of the committees
(●● Chairman of the committee)

	Executive	Audit and Compliance	Nomination and Remuneration	Type of Director
Chairman				
Amancio Ortega Gaona	●●			Domanial-Executive
Deputy Chairman and CEO				
Jose María Castellano Ríos	●	●		Executive
Directors				
Carlos Espinosa de los Monteros	●		●●	Independent
Fred H. Langhammer				Independent
Francisco Luzón López	●	●	●	Independent
Rosalía Mera Goyenechea (*)				Domanial
Josefa Ortega Gaona	●			Domanial-Executive
Irene Miller				Independent
Juan Carlos Rodríguez Cebrián	●		●	Executive
Juan Manuel Urgoiti López de Ocaña	●	●●		Independent
Secretary (non-director)				
Antonio Abril Abadín				

(*) Rosalía Mera Goyenechea is the representative of ROSP CORUNNA S.L., the company which is a member of the Board of Directors of Inditex S.A.

REPORT ON THE ADOPTION OF THE RECOMMENDATIONS OF THE CODE OF GOOD GOVERNANCE

In compliance with the 23rd recommendation of the "Code of Good Governance" drawn up by the Special Commission to Consider a Code of Ethics for Companies' Boards of Directors [Comisión Especial para el Estudio de un Código Ético de los Consejos de Administración de las Sociedades], detailed information is provided below about the adoption by Industria de Diseño Textil, S.A. (Inditex, S.A.) in Fiscal 2001, of the Recommendations of the said Code.

First Recommendation

That the Board of Directors should expressly assume the general supervisory function as its core mission, exercise the corresponding responsibilities exclusively and indelegably and establish a catalogue of the matters which are its exclusive competence.

The policy of the Board of Directors is to delegate the management of the day-to-day business of the Company to the executive bodies and to the management team, except for those matters that legally or institutionally are the exclusive competence of the Board of Directors and those that are necessary for the responsible exercise of its general supervisory function. The Board of Directors performs its duties under the principle of maximising the value of the Company, and determining and examining the business and financial strategies of the Company in the light of the aforementioned criterion.

Second Recommendation

That the Board of Directors should include a reasonable number of independent directors who are prestigious professionals with no links to the management team or the significant shareholders.

Of the ten members that make up the Board of Directors, five are independent directors, one is a domanial director, two are domanial-executive directors and two are executive directors. The present composition of the Board is shown in the "Corporate Governance" section of this 2001annual report.

Third Recommendation

That, in the composition of the Board of Directors, the non-executive directors (both domanial directors and independent directors) should have an ample majority over executive directors, and the proportion between domanial directors and independent directors should take account of the ratio between the significant holdings in capital and the other shareholders.

The non-executive directors form a majority in the Board of Directors of Inditex. The number of independent directors is much greater than that it would proportionally be if the floating capital of the company is taken into account.

Fourth Recommendation

That the Board of Directors should adjust its size to achieve more efficiency and participation. In principle, the size could range from five to fifteen members.

The current number of members of the Board of Directors of Inditex is within the limits recommended by the Code of Good Governance as it is made up of ten members.

Fifth Recommendation

That, if the Board chooses to combine the offices of Chairman and CEO in the same person, it should adopt the necessary safeguards to mitigate the risks of concentrating power in a single person.

Although the Chairman of the Board of Directors is the majority shareholder and is an executive of the company, the Chief Executive Officer, Mr. José María Castellano Ríos, has been an ordinary member of the Board since June 1985 and has been the Deputy Chairman of the Board since February 1997.

Sixth Recommendation

That the figure of Secretary of the Board should be made more important and given more independence and stability, and his function of ensuring the formal and material legality of the Board's actions should be highlighted.

The Secretary (non-director) and Legal Counsel of the Board of Directors of Inditex, Mr. Antonio Abril Abadín, is a Graduate in Law and is part of the executive team of the company, holding the office of General Counsel. As such, he is in charge of ensuring the formal and material legality of the Board's actions.

Furthermore, the Board of Directors, in its meeting on 20 April 2001, proceeded to designate Mr. Javier Monteoliva Díaz as Vicesecretary (non-director) of the Board of Directors of the Company.

Seventh Recommendation

That the composition of the Executive Committee, if there is one, should reflect the same balance as in the Board between the various classes of director, and the relations between the two bodies should be inspired by the principle of transparency so that the Board of Directors has full knowledge of the matters discussed and the decisions made in the Executive Committee.

The Board is fully aware of the meetings and the decisions of the Executive Committee. The current composition of the Executive Committee is shown in the "Corporate Governance" section of this 2001 annual report.

Eighth Recommendation

That the Board of Directors should create sub-committees for control purposes, composed exclusively of non-executive directors, to deal with matters of accounting information and control (Audit Committee), the selection of directors and senior executives (Nomination Committee), the determination and review of remuneration policies (Remuneration Committee) and the evaluation of the governance system (Compliance Committee).

In accordance with the provisions of article 29 of the Bylaws, the Board of Directors has set up two Consultative Committees, mainly composed of non-executive directors and chaired by an independent director, in the areas of Auditing and Compliance and of Nominations and Remuneration.

The composition of the aforementioned Committees is shown in the “Corporate Governance” section of this 2001annual report.

Ninth Recommendation

That the necessary measures should be adopted to ensure that directors have sufficient specifically-prepared and oriented information sufficiently in advance to prepare for Board Meetings, and the importance of confidentiality of the information may not justify breaches of this recommendation except in exceptional circumstances.

In compliance with article 16.2 of the Board of Directors’ Regulations, the convening of the ordinary meetings of the Board of Directors of Inditex is carried out duly in advance, including in the notice both the Agenda of the meeting and the relevant information for the same.

Tenth Recommendation

That to ensure the good working of the Board, it should meet as often as necessary to fulfil its mission; the Chairman should encourage all directors to participate and take positions; particular care should be taken in drafting the minutes; and the quality and efficiency of the Board’s work should be evaluated at least once per year.

Article 16 of the Board’s Regulations establishes that this shall meet on a three-monthly basis and, on the Chairman’s initiative, it may meet whenever the Chairman deems it suitable for the good working of the Company. Over Fiscal 2001, the Board of Directors of Inditex met on 6 occasions. The ordinary power to prepare the agenda of the meetings of the Board and to direct its debates rests with the Chairman.

The minutes of the meetings of the Board of Directors are prepared by the Secretary of that body and are generally approved at the end of each meeting.

Eleventh Recommendation

That the Board's participation in the selection and re-election of its members should conform to a formal, transparent procedure based on reasoned proposals from the Nomination Committee.

The system of selection and re-election of members of the Board of Directors of Inditex constitutes a formal and transparent procedure, which is expressly regulated in the Bylaws of the Company and in the Board's Regulations.

In this sense, the Bylaws of Inditex establish that the directors shall be appointed by the General Meeting or initially by the Board of Directors (in the case of appointment by cooption), in compliance with the provisions of the Ley de Sociedades Anónimas [Spanish Corporations Law]. Likewise, the Bylaws provide that one of the missions of the Nomination and Remuneration Committee consists precisely of ensuring the integrity of the director selection process.

The Nomination and Remuneration Committee draws up and revises the criteria that must be followed for the composition and selection of the members of the Board of Directors. Likewise, it reports on the proposals for director appointments prior to their appointment by the General Meeting of Shareholders or, where appropriate, by the Board of Directors.

Twelfth Recommendation

That companies should establish in their regulations the obligation for directors to resign where they may have a detrimental impact on the working of the Board of Directors or on the Company's prestige and reputation.

The Board Regulations establish a provision with respect thereto in article 22.

The directors must put their offices at the disposal of the Board of Directors and tender, if the latter should consider it advisable, the corresponding resignation, in, amongst others, the following cases:

- When they are involved in any of the cases of incompatibility or prohibition foreseen in the law.

- When they are seriously reprimanded by the Audit and Compliance Committee for having breached their obligations as directors.

- When their remaining on the Board could jeopardize the interests of the company or when the reasons for which they were appointed (for example, when a domanial director parts with his participation in the company) cease to exist.

Thirteenth Recommendation

That an age limit should be established for the position of director, which could be sixty-five to seventy for executive directors and the Chairman and somewhat more flexible for other members.

The Regulations of the Board, in article 22, set an age limit of 68 years for the holding of the office of director.

In this sense, the directors must place their offices at the disposal of the Board of Directors and tender, if the latter should deem it appropriate, their corresponding resignation when they reach the age of 68. Nonetheless, the directors who hold the office of Chief Executive Officer or Managing Director must place their office at the disposal of the Board of Directors upon reaching the age of 65, being able to continue as ordinary members of the Board of Directors until the aforementioned age of 68. As an exception, the foregoing rules shall not apply in the case of the founding Chairman of the Company, Mr. Amancio Ortega Gaona.

Fourteenth Recommendation

To formally recognize the right of every director to request and obtain the necessary information and advice to enable him to fulfil his supervisory functions, and to establish the appropriate channels for exercising this right, including the possibility of engaging external experts in special circumstances.

The Board Regulations establishes in article 24 that the director is vested with the widest powers to inform himself about any aspect of the company, to examine the books, registers, documents and other records of the company's operations and to examine all its facilities. This right to information extends to the subsidiaries.

Likewise, article 25 of the Regulations foresees that, in order to facilitate the work of the directors, the non-executive directors may request that legal, accounting, financial or other experts are engaged at the Company's expense.

Fifteenth Recommendation

That the director remuneration policy, whose proposal, evaluation and review should be assigned to the Remuneration Committee, should conform to criteria of moderation, be commensurate with the company's performance and be disclosed in detail on an individual basis.

The Company's General Shareholders' Meeting is the body responsible for approving the system and the amount of the Directors' remuneration.

The Board of Directors' Regulations establishes in article 26 that the Board shall endeavour for the remuneration of the director to be moderated according to market demands. Likewise, the Board shall ensure that the remuneration of the non-executive directors is such so as to offer incentives to dedication by the directors, while not creating an obstacle to their independence. In particular, the Board shall endeavour for the independent directors not to receive remuneration that links them permanently to the company and that could compromise their independence.

Likewise, the Nomination and Remuneration Committee prepares reports on the systems and amounts of the directors' annual remuneration.

According to the criteria established by the General Shareholders' Meeting held on 20 July 2000, the directors, for their office, have received the following amounts during Fiscal 2001:

a) Each director has received a fixed annual amount of 60,101.21 euros for the performance of his duties;
b) The Chairman of the Executive Committee has also received the additional fixed annual amount of 30,050.60 euros;
c) Those directors also being part of the Executive Committee (including the Chairman of the Executive Committee) have also received an additional fixed annual amount of 30,050.60 euros;
d) The Chairmen of the Audit and Compliance and the Nomination and Remuneration Committees have also received an additional fixed annual amount of 18,030.36 euros; and
e) Those directors also being part of the Audit and Compliance Committee and Nomination and Remuneration Committee (including the Chairmen of the said Committees) have also received an additional fixed annual amount of 12,020.24 euros.

In addition to the foregoing, the company's report shows that the directors of Inditex have received in total, as remuneration, salaries and expenses, 3,356,000 euros during Fiscal 2001.

Likewise, the General Shareholders' Meeting has established systems of remuneration linked to the share value. In Fiscal 2001, the members of the Board of Directors exercised 225,800 company share options and consolidated rights over 143,612 share options which they may exercise in the year 2004 if all conditions of the options plan are fulfilled.

Sixteenth Recommendation

That the company's internal regulations should detail the obligations arising from the directors' general duties of diligence and loyalty, with particular attention being given to conflicts of interest, the duty of confidentiality, and the use of the company's business opportunities and assets.

Chapter IX of the Regulations of the Board of Directors (articles 27 to 36), regulates the different duties and obligations of the directors, and has been drafted according to the terms of section 8 of the Code of Good Governance and fully complies with this recommendation.

Seventeenth Recommendation

That the Board of Directors should foster the adoption of the appropriate measures to extend the duties of loyalty to the significant shareholders, and, in particular, establish safeguards covering transactions between significant shareholders and the company.

According to the provisions of article 36 of the Board Regulations, the Board formally reserves the right to have knowledge of any transaction between the company and a significant shareholder, and must evaluate the operation, before authorizing it, from the standpoint of equal treatment for all shareholders and of market conditions. In no event will it approve such a transaction if previously a report has not been issued by the Nomination and Remuneration Committee.

Eighteenth Recommendation

That measures should be taken to provide greater transparency in the mechanism of proxies and to promote communication between the company and its shareholder, particularly institutional investors.
Articles 37 and 38 of the Board Regulations establish a series of measures which regulate the relations o the Board with the shareholders and with institutional investors. Said measures have as their aim the complete transparency of the mechanism of proxies as well as the exchange of information on a regular basis which fosters the communication of the company with its shareholders, in general, and with its institutional investors, in particular.

In the execution of these measures, over the fiscal year the requests for information by the shareholders were dealt with and there were frequent contacts with institutional investors, both at the headquarters of Inditex, S.A. and its group and at its subsidiaries in Spain and abroad.

Nineteenth Recommendation

That the Board of Directors should go beyond the reporting requirements of the current legislation and undertake to provide the markets with fast, precise and reliable information, particularly with regard to the shareholder structure, substantial modifications in the rules of governance, to related-party transactions of particular importance and transactions with own shares.

Article 39 of the Board Regulations regulates the relations of the Board of Directors of the company with the different markets, having been drafted in the same terms as those stated in this recommendation. In this sense, the Board of Directors of Inditex, during the past fiscal year, informed immediately about relevant facts capable of significantly affecting the formation of prices on the stock market. Changes have not occurred in the company’s ownership structure nor have there been substantial modifications of the company’s rules of governance or in the treasury stock policy, that would have made specific information necessary about these facts.

Twentieth Recommendation

That all periodical financial information, in addition to the annual report, which is released to the markets should be drafted under the same professional principles and practices as the annual accounts and should be verified by the Audit Committee before release.

One of the main functions of the Audit and Compliance Committee, specifically foreseen in the Board of Directors Regulations (art. 14.2.g), is to revise the periodic public information that the Board has to release to the markets and its supervisory bodies. In Fiscal 2001, the Audit and Compliance Committee has completely fulfilled this function.

Twenty-first Recommendation

That the Board of Directors and the Audit Committee should monitor situations which might jeopardis the independence of the company’s external auditors and, specifically, they should verify the percentage of the audit firm’s total revenues represented by the fees paid to it under all headings, and the professional services other than the auditing should be publicly disclosed.

Article 14 of the Board Regulations establishes that the Audit and Compliance Committee has, among other duties, the duty to evaluate of the system of accounting verification of the company and ensure the independence of the external auditor.

Likewise, article 40 of the Board Regulations governs the relations of the Board of Directors of Inditex with the auditors. In this sense, it is established that the General Shareholders’ Meeting (and the Board of Directors, in the exercise of its power to propose the points to be submitted by the same) should abstain from contracting those auditor firms where the fees that it expects to pay them, for all services in all areas, are greater than five percent of the latter’s total revenues over the last fiscal year.

The external auditing company of Inditex for Fiscal 2001 has been “Arthur Andersen y CÍA, S. Com.” Their fees have not exceeded the maximum percentage of its revenues foreseen in the Bylaws.

Twenty-second Recommendation

That the Board of Directors should endeavour to ensure that the accounts drafted by it and submitted to the Shareholders’ Meeting should be free of audit qualifications and, where this is no possible, both the Board and the auditors should explain clearly the content and scope of the discrepancies to the shareholders and the markets.

Article 40.4 of the Board Regulations establishes the obligation of the Board of Directors to endeavour to definitively prepare the accounts in such a manner that they do not give rise to qualifications on the part of the auditor. Nonetheless, when the Board considers that it must maintain its criterion, it shall publicly explain the content and scope of the discrepancy.

In particular and with regard to the audit reports related to the individual and consolidated accounts of the company for Fiscal 2001, it is herein stated that there are no qualifications as to the same of any type.

Twenty-third Recommendation

That the Board of Directors should include information about its rules of governance in the annual report, and justify any departures from the recommendations of this Code.

The Board of Directors of Inditex includes and will include annually a Report on the Adoption of the Recommendations of the Code of Good Governance in its Annual Report, by virtue of which it will show the total or partial adoption of the aforementioned Recommendations as well as those that have not been adopted by the Board of Directors of the company, explaining in such event the reasons motivating the aforementioned decision.

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