INDITEX

annual report 1999

Financial Highlights

	1999	1999	1998	1997	1996	1995	G.R. 1999/1998	C.A.G.R. 1995/1999
	Million Euros	Million pesetas						
Revenues								
Net revenues	2,035	338,607	268,665	202,565	167,795	143,617	26%	24%
Net sales in owned stores and franchises (VAT excl.)	2,000	332,843	253,818	191,020	155,882	133,969	31%	26%
Percentage of net sales abroad		48%	46%	42%	36%	30%		
Profits and cash flow								
EBITDA	410	68,298	54,184	42,194	33,628	29,028	26%	24%
EBIT	296	49,194	40,183	31,858	21,299	19,485	22%	26%
Consolidated income before taxes	292	48,652	38,100	29,583	18,657	15,388	28%	33%
Consolidated net income for the year	206	34,314	25,440	19,564	12,131	9,155	35%	39%
Income attributable to the controlling company	205	34,070	25,480	19,532	12,102	9,093	34%	39%
Cash-Flow	319	53,031	40,578	31,430	25,311	18,679	31%	30%
Financial Structure								
Shareholders' funds	893	148,613	112,040	88,169	69,031	51,241	33%	30%
Net financial debt	150	24,949	15,477	6,382	17,601	19,374	61%	7%
Other Information								
Capital expenditure	422	70,213	46,091	21,400	19,200	25,802	52%	28%
Number of stores		922	748	622	541	508	23%	16%
In Spain		603	489	433	399	391	23%	11%
Abroad		319	259	189	142	117	23%	28%
Average number of employees (Full Time equivalents)		13,984	11,968	8,368	6,463	5,627	17%	26%
In Spain		8,529	7,637	5,857	4,573	4,158	12%	20%
Abroad		5,455	4,331	2,511	1,891	1,469	26%	39%
Management Ratios								
Inventory turnover (Purchases/Average stock)		5.92	6.45	6.77	7.20	7.61		
EBT on store sales		15%	15%	15%	12%	11%		
Net profit on store sales		10%	10%	10%	8%	7%		
Financial Ratios								
Net debt on equity		17%	14%	7%	25%	38%		
ROE (Income attibutable on avg shareholders' investment)		26%	25%	25%	20%	19%		
ROCE (EBIT over average capital employed)		33%	36%	35%	27%	30%		
Cash-Flow on net financial debt		2.1	2.6	4.9	1.4	1.0		
Cash-Flow on net interest expenses		57.1	42.9	42.2	14.1	4.5		
Net gearing (assets on equity)		2.0	2.0	1.8	2.0	2.3		

Chairman's Statement

Once again I am pleased to present the Inditex Annual Report and to reiterate, in view of the details presented in the same, the commitment of all of us who make up this company to innovation and the meeting of new challenges.

The international expansion of the group in 1999 has continued at an intense rate. Inditex is present in already thirty countries, nine more than the previous year. This growth tests the capacity of our team to adapt itself to the particular characteristics of the different markets where we operate and to work at the same time with the global vision imposed by a complex, dynamic and ever more competitive environment.

This team of 14,000 professionals from different countries and cultures has as its main objective the growth of the Inditex group. Its daily task is marked by self-improvement and the continual search for new opportunities.

The increase in Inditex's turnover, with an compound annual rate of 24% in the last five years, has been accompanied by upward evolution of the company's results. The cashflow has tripled in this period. Business efficiency is also an expression of the quality of the management of our business, the complex network of activities of a vertically integrated fashion distribution group, which designs, produces and sells in three continents.

The future of Inditex is tied to our capacity to respond day by day to the demands of the market and to design and set in motion new projects which are capable of connecting with the desires of our clients around the world. The investment profile of the group permits it to have a solid base for future growth, for which the consolidation of our presence in Europe will be decisive, especially in key markets where we are already well-established, as well as in those where we have initiated our activity in the last two financial years.

This year, the year 2000, we are going to exceed the figure of 1,000 stores and new markets are going to be opened. We cannot limit ourselves to continuing on the path we have already opened and once again we will have to be enthusiastic and exacting in order to convert ideas and projects into reality in a world that is advancing at great speed.

AMANCIO ORTEGA GAONA
Chairman

1999: a solid base for growth

turnover

1999 338,607 m/pta

99/98 26%

sales in stores abroad

99/98 48%

net income

1999 34,070 m/pta

99/98 34%

cash-flow

1999 53,031 m/pta

99/98 31%

average number of employees

1999 13,984

number of stores

1999 922 99/98 23%

net income on sales

1999 10%

the turnover has doubled in four years

In the last year closing 31st January 2000, Inditex achieved a consolidated turnover of 338,607 million pesetas, 26% more than the previous year. The increase in its sales has been accompanied by parallel growth in net income, which rose to 34,070 million pesetas, 34 % more than the previous year.

Sales abroad already make up 48% of the total, against 46% in the previous financial year. In this period 99 new stores have been opened, 18 of these in countries where the Group was not previously present, and the 75 stores of the Stradivarius chain acquired in November have been incorporated into the Group. Net income on total sales in stores has been maintained at 10%.

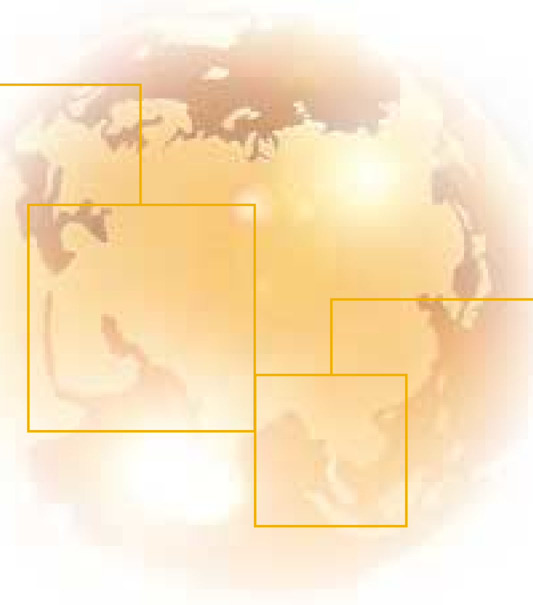
International Presence

North America

	stores
Mexico	29
USA	6
Canada	1

South America

	stores
Argentina	8
Brazil	3
Venezuela	3
Chile	2
Uruguay	2



Middle East

	stores
Israel	22
Saudi Arabia	3
Dubai	3
Lebanon	3
Kuwait	2
Bahrein	1

Asia

	stores
Japan	11
China	1

Number of stores at 31 January 2000

300 new stores in the last three years

Europe

	stores
Spain	603
Portugal	97
France	59
Belgium	20
Greece	17
Sweden	6
Cyprus	5
UK	3
Turkey	3
Germany	2
Holland	2
Malta	2
Poland	2
Norway	1

Zara
395 stores

Pull&Bear
203 stores

Massimo Dutti
180 stores

Stradivarius
75 stores

Bershka
69 stores

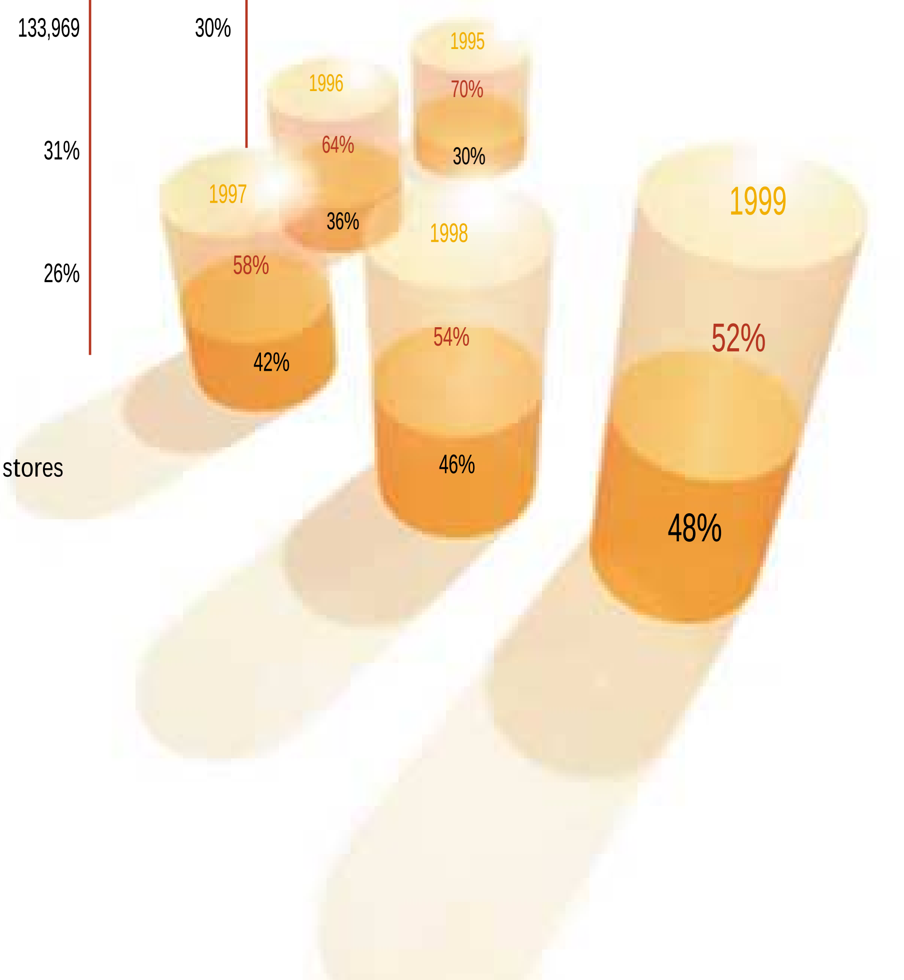
international sales will exceed 50% of total in the year 2000

five fashion chains with nearly one thousand stores in 30 countries

	countries
1991	4
1992	5
1993	6
1994	8
1995	9
1996	10
1997	14
1998	21
1999	30

Business Performance

	Turnover	Sales in owned stores and franchises (VAT Excl.)	Sales in stores abroad (%)
1999	338,607	332,843	48%
1998	268,665	253,818	46%
1997	202,565	191,020	42%
1996	167,795	155,882	36%
1995	143,617	133,969	30%
variation 99/98	26%	31%	
C.A.G.R. 95/99	24%	26%	



evolution of sales in stores in Spain and abroad

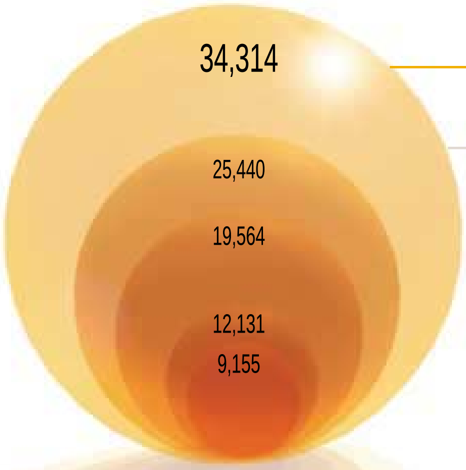
sales in Spain
sales abroad

strong growth in the last 5 years

In the last five years Inditex has maintained an average rate of growth in its sales in stores of 26%, reaching 31% in the last financial year. This growth has been based on strong foreign expansion: in 1999, even with the effect deriving from the acquisition of the Stradivarius chain - with 69 of its 75 stores located in Spain -, foreign sales rose to 48% of the total. Five years earlier it made up 30% of the total.

The acquisition of Stradivarius, with a good positioning in the market and with excellent prospects for growth, has contributed to Inditex achieving a figure of more than 90 million garments sold in 1999. 87% of the products sold were manufactured in Europe, largely in the Group’s own factories. Last December Inditex carried out the global launch of an exclusive cosmetic line for its Zara chain, which strengthens its commercial position and its product offer.



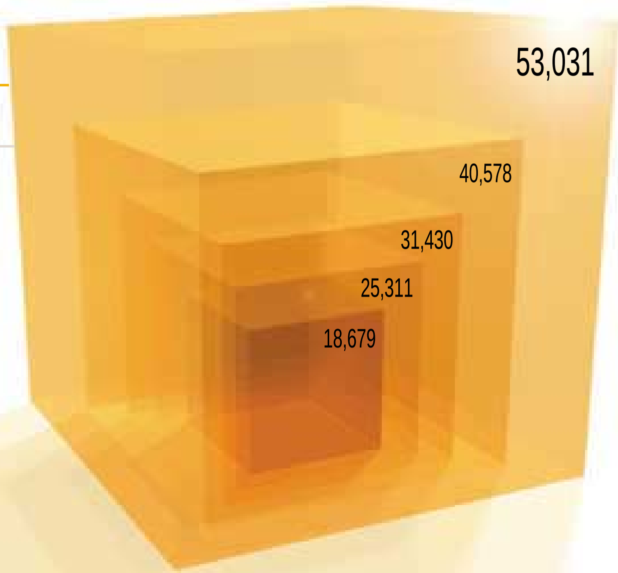


Consolidated net income

1999	34,314
1998	25,440
1997	19,564
1996	12,131
1995	9,155
variation 99/98	35%
C.A.G.R. 95/99	39%

cash-flow

1999	53,031
1998	40,578
1997	31,430
1996	25,311
1995	18,679
variation 99/98	31%
C.A.G.R. 95/99	30%

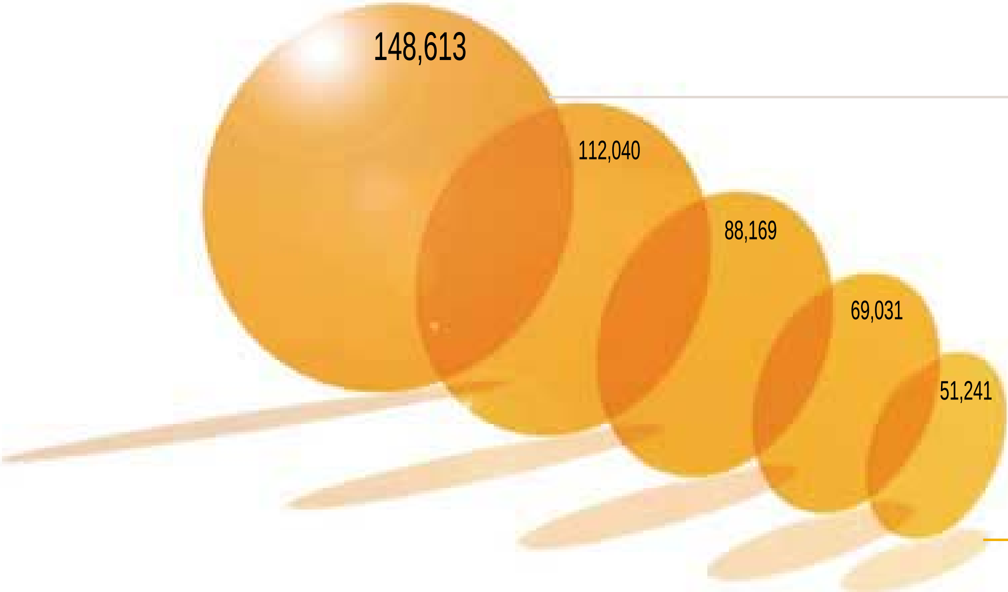


33.7% increase

in net income in 1999

Net income - 34,070 million pesetas - and cash flow - 53,031 million pesetas - have increased by 34% and 31% respectively against the previous year. The activities of Inditex in 1999 have generated an operative cashflow (EBITDA) of 68,298 million pesetas. The compound annual growth rate in net income in the last five years has reached 39%.

	EBITDA	EBIT	Consolidated income before taxes	Net income for the year attributed to the controlling company
1999	68,298	49,194	48,652	34,070
1998	54,184	40,183	38,100	25,480
1997	42,194	31,858	29,583	19,532
1996	33,628	21,299	18,657	12,102
1995	29,028	19,485	15,388	9,093
variation 99/98	26%	22%	28%	34%
C.A.G.R. 95/99	24%	26%	33%	39%

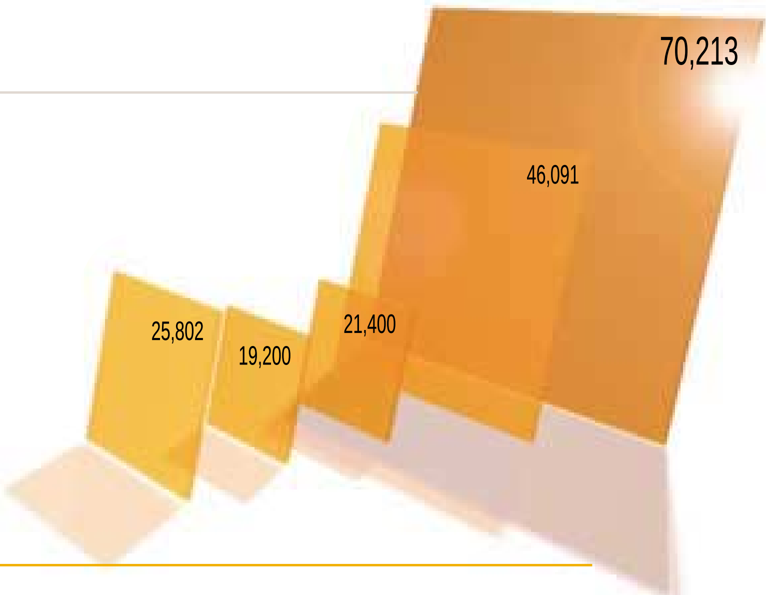


consolidated shareholders equity

1999	148,613
1998	112,040
1997	88,169
1996	69,031
1995	51,241
variation 99/98	33%
C.A.G.R. 95/99	30%

total investment in the financial year

1999	70,213
1998	46,091
1997	21,400
1996	19,200
1995	25,802
variation 99/98	52%
C.A.G.R. 95/99	28%

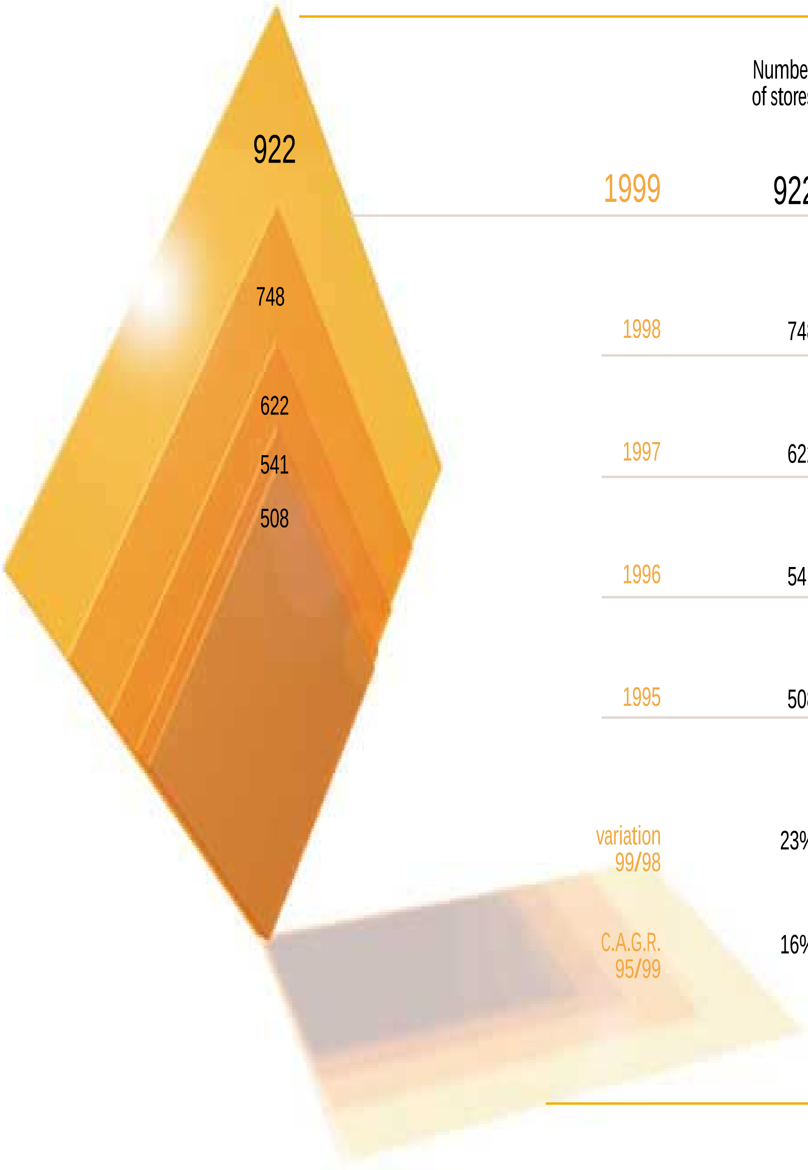


capital expenditure increased by 52% reaching 70,213 millon pesetas

The continuous growth of the company's results have permitted it to achieve shareholders equity of 148,613 million pesetas in 1999. This figure represents a 33% increase against 1998.

The financial year 1999 stands out for its investment profile, with an increase of 52% with respect to 1998. Capital expenditure reached 70,213 million pesetas which, in addition to the opening of 99 new stores and the acquisition of Stradivarius, has permitted the moving of the headquarters of Inditex to a new 55,000 m^2 building located in Sabón (Arteixo, A Coruña).

In 1999 significant investments have also been made at Tordera (Barcelona), where the central services and logistic facilities of Massimo Dutti and Bershka are located. With these investments, Inditex has a solid base from which to continue developing strong growth in the future.



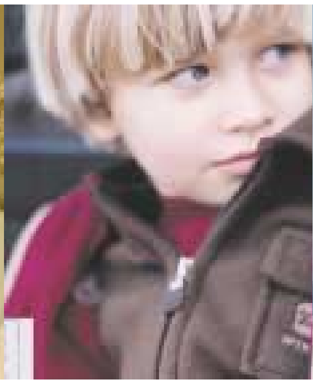
number of stores

	Number of stores	Stores in Spain	Stores abroad
1999	922	603	319
1998	748	489	259
1997	622	433	189
1996	541	399	142
1995	508	391	117
variation 99/98	23%	23%	23%
C.A.G.R. 95/99	16%	11%	28%

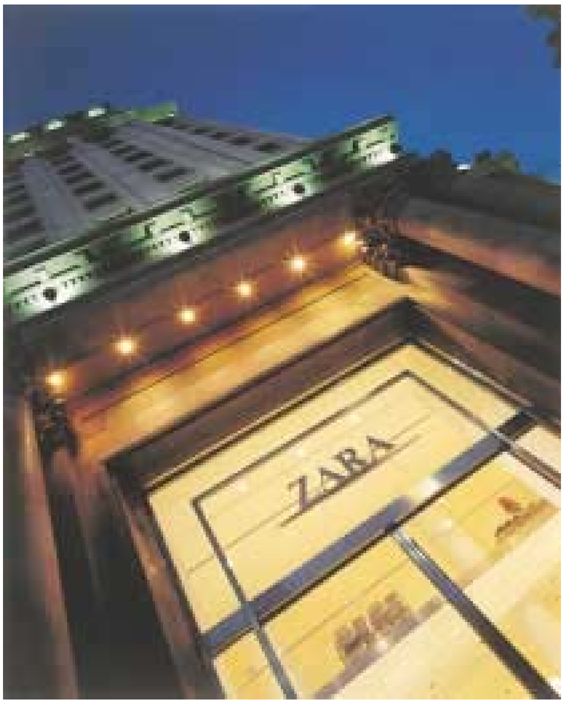
around 150 new stores will be opened in the financial year 2000

On 31 January 2000 Inditex had 922 stores - 23% more than one year before - in 30 countries. In the course of 1999 nine new markets have been opened: Germany, Holland, Poland, Canada, Chile, Uruguay, Brazil, Saudi Arabia and Bahrein. Among them Germany stands out, where, after the opening of two stores in 1999, the opening of four more is envisaged for 2000.

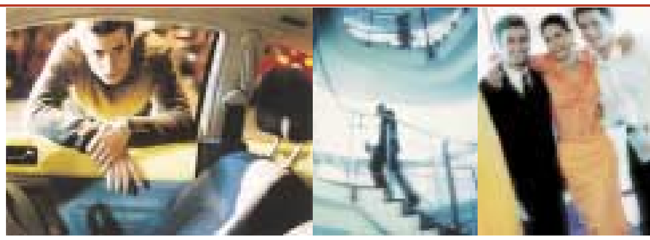
Some 150 stores will be opened in 2000, strengthening the emphasis on the European market with the entry of the Zara chain in Austria, Holland, Luxembourg and Denmark, amongst other countries, and increasing its presence in the countries in which it has recently begun operating.

more than 400,000 m²
of retail space

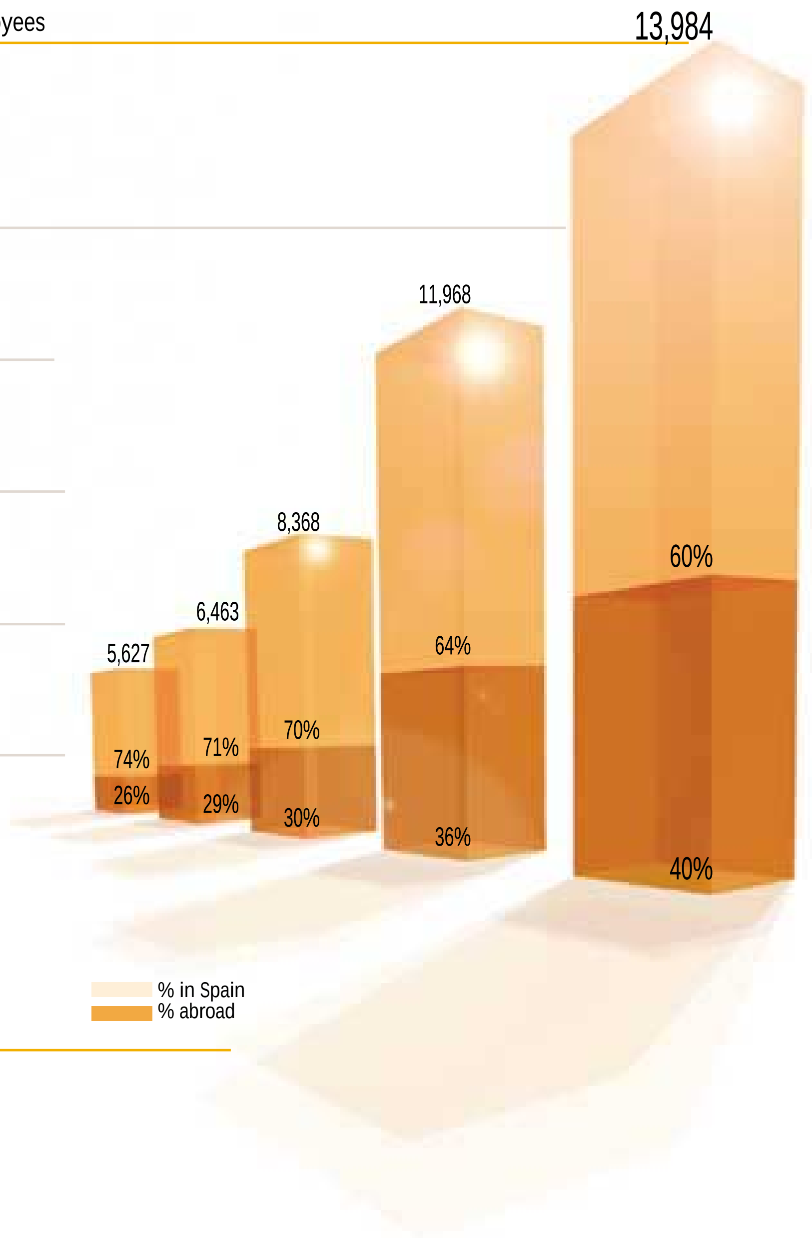


	Net debt over shareholders equity	ROE	ROCE	Gearing (assets/ shareholders equity)	Rotation (supply/average stock)	EBT on sales in stores	Net income on sales in stores
1999	17%	26%	33%	2.0	5.92	15%	10%
1998	14%	25%	36%	2.0	6.45	15%	10%
1997	7%	25%	35%	1.8	6.77	15%	10%
1996	25%	20%	27%	2.0	7.20	12%	8%
1995	38%	19%	30%	2.3	7.61	11%	7%



average number of employees

1999		13,984
	in Spain	8,529
	abroad	5,455
1998		11,968
	in Spain	7,637
	abroad	4,331
1997		8,368
	in Spain	5,897
	abroad	2,511
1996		6,463
	in Spain	4,573
	abroad	1,891
1995		5,627
	in Spain	4,158
	abroad	1,469
variation 98/99		17%
	in Spain	12%
	abroad	26%
variation 99/98		26%
	in Spain	20%
	abroad	39%



more than 14,000 professionals around the world

In 1999 the Group created 2, 016 new direct permanent jobs, and as such the average number of employees has increased by 16.8%, to a total of 13, 984. Of these, 5, 455 - almost 40% - work outside Spain.

The professionals who make up the Inditex Group play a central role in the growth and the international expansion of the group. Our commitment to this challenge and our capacity to rapidly adapt to an environment in continuous change permits the Group to face the opening of new markets with a guarantee of success.

Inditex is composed of professionals from a wide variety of cultures. One of its fundamental efforts involves the training of the high number of people who join the group each year. The integration of new technologies in all the areas of activity of the group - design, manufacturing, logistics, customer service...- also requires a considerable effort in training. As a whole, this educational task is directed towards raising quality and professionalism in all tasks and fostering autonomy and responsibility in its management.

Board of Directors and Management Team

Board of Directors

Chairman

Amancio Ortega Gaona

Deputy Chairman and CEO

Jose María Castellano Ríos

Members of the board

Fernando Aguiar Maragoto
José Arnau Sierra
Carlos Espinosa de los Monteros
Jose María González Quintián
Francisco Luzón López
Fernando Martínez López
Rosalía Mera Goyenechea
Josefa Ortega Gaona
Sandra Ortega Mera
Juan Carlos Rodríguez Cebrián
Juan Manuel Urgoiti López de Ocaña

Secretary and Member of the Board

Antonio Abril Abadín

Management Team

Deputy Chairman and CEO
Jose María Castellano Ríos

Managing Director and Member of the Board
Juan Carlos Rodriguez Cebrián

General Counsel and Secretary of the Board
Antonio Abril Abadín

Administration and Systems Director
Fernando Aguiar Maragoto

Tax Advisory Director
José Arnau Sierra

Director of Finance and Management Control
Borja de la Cierva A. Sotomayor

Capital Markets Director
Marcos López García

Human Resourses Director
Jesús Vega de la Falla

Expansion Director
Ramón Reñón Túñez

Real Estate Director
Fernando Martínez López

Corporate Communications Director
Diego Copado Fernández

Logistics Director
Lorena Alba Castro

E-commerce Director
Luis Blanc Juárez

International Director ZARA
Bernardo Sánchez Incera

Commercial Director ZARA
José Toledo de la Calle

PULL&BEAR Director
Pablo del Bado Rivas

MASSIMO DUTTI Director
Jorge Pérez Marcote

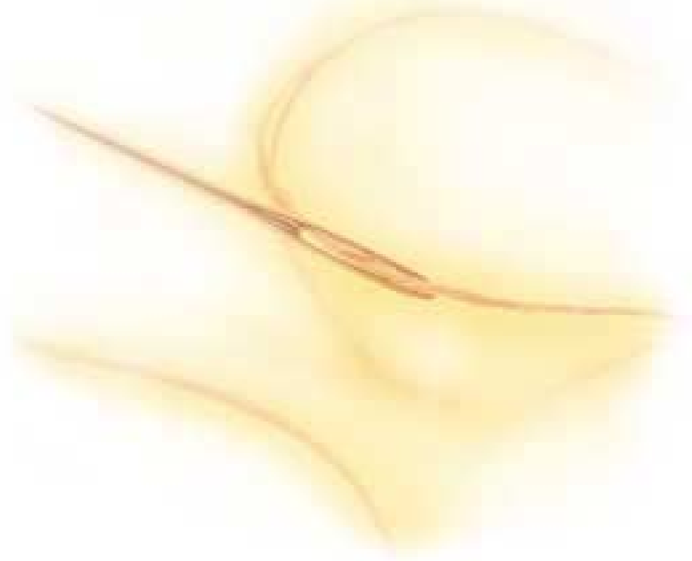
BERSHKA Director
Carlos Mato López

STRADIVARIUS Director
Jordi Triquell Valls

INDITEX

annual accounts 1999

Annual accounts



ARTHUR ANDERSEN

Costa Rica, 5, 1.º, planta centr.
15004 La 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 24). 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, 2000, and the related consolidated statement of income and notes to consolidated financial statements for the year then ended (hereinafter 1999). 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. As required by Spanish corporate law, for comparison purposes the Controlling Company's directors present, in addition to the 1999 figures for each item in the consolidated balance sheet and the consolidated statement of income, the figures for 1998. Our opinion refers only to the 1999 consolidated financial statements. Our auditors' report dated May 3, 1999, on the 1998 consolidated financial statements contained an unqualified opinion.

3. In our opinion, the 1999 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, 2000, 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 1999 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 1999. 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

May 2, 2000

CONSOLIDATED BALANCE SHEETS AS OF JANUARY 31, 2000 AND 1999
(Currency - Millions of Spanish Pesetas and Thousands of Euros)

ASSETS	Millions of Spanish Pesetas 31-ener-00	31-ener-99	Thousands of Euros 31-ener-00	31-ener-99
B) FIXED AND OTHER NONCURRENT ASSETS				
I. Start-up expenses (Note 5)	79	88	475	529
II. Intangible assets (Note 6)	43.616	35.751	262.137	214.868
Intangible assets and rights	57.045	46.949	342.847	282.169
Accumulated amortization	(13.421)	(11.190)	(80.662)	(67.253)
Provisions	(8)	(8)	(48)	(48)
III. Tangible fixed assets (Note 7)	144.893	111.587	870.824	670.651
Land and structures	57.961	50.333	348.352	302.507
Technical installations and machinery	106.869	77.264	642.296	464.366
Other tangible fixed assets	17.034	12.527	102.376	75.289
Advances and construction in progress	14.867	12.446	89.352	74.802
Accumulated depreciation	(51.804)	(40.589)	(311.348)	(243.945)
Provisions	(34)	(394)	(204)	(2.368)
IV. Long-term financial investments (Note 8)	5.700	4.658	34.258	27.995
Holdings in companies carried by the equity method	1.347	1.509	8.095	9.069
Long-term investment securities	856	563	5.145	3.384
Other loans	3.518	2.586	21.144	15.542
Provisions	(21)		(126)	
V. Shares of the Controlling Company	180	180	1.082	1.082
Total B)	194.468	152.264	1.168.776	915.125
C) GOODWILL IN CONSOLIDATION (Note 9)				
Companies consolidated by the global integration method	16.325	194	98.115	1.166
Total C)	16.325	194	98.115	1.166
D) DEFERRED CHARGES (Note 10)	4.006	3.089	24.077	18.565
E) CURRENT ASSETS				
II. Inventories (Note 11)	31.357	26.230	188.459	157.645
III. Accounts receivable	20.235	12.484	121.621	75.031
Customer receivables for sales and services	9.790	7.001	58.840	42.077
Other accounts receivable	10.591	5.795	63.658	34.829
Provisions	(146)	(312)	(877)	(1.875)
IV. Short-term financial investments (Note 12)	8.321	14.310	50.009	86.004
Short-term investment securities	5.559	12.494	33.409	75.090
Other loans	2.762	1.816	16.600	10.914
VI. Cash	19.044	10.923	114.457	65.649
VII. Accrual accounts	1.225	1.186	7.362	7.128
Total E)	80.182	65.133	481.908	391.457
TOTAL ASSETS	294.981	220.680	1.772.876	1.326.313

SHAREHOLDER'S EQUITY AND LIABILITIES	Millions of Spanish Pesetas 31-ener-00	31-ener-99	Thousands of Euros 31-ener-00	31-ener-99
A) SHAREHOLDERS' EQUITY (Note 14)				
I. Capital stock	15.400	15.400	92.556	92.556
III. Revaluation reserve	282	282	1.695	1.695
IV. Other reserves of the Controlling Company	48.240	35.633	289.928	214.159
Unrestricted reserves	44.980	32.373	270.335	194.566
Restricted reserves	3.260	3.260	19.593	19.593
V. Reserves at com. cons. by the global or prop. integ. method	45.279	33.815	272.131	203.232
VI. Reserves at companies carried by the equity method	26	108	155	649
VII. Translation differences	5.316	1.322	31.949	7.945
Companies consolidated by the global integration method	5.316	1.322	31.949	7.945
VIII. Income attributable to the Controlling Company	34.070	25.480	204.771	153.137
Consolidated income for the year	34.314	25.440	206.246	152.897
(Income) loss attributed to minority interests	(244)	40	(1.475)	240
Total shareholders´ equity	148.613	112.040	893.186	673.373
B) MINORITY INTERESTS (Note 15)	2.344	1.247	14.088	7.495
D) DEFERRED REVENUES (Note 16)				
Capital subsidies	37	17	222	102
Other deferred revenues	274	315	1.647	1.893
Total deferred revenues	311	332	1.869	1.995
E) PROVISIONS FOR CONTINGENCIES AND EXPENSES	3.503	2.088	21.053	12.549
F) LONG-TERM DEBT				
Payable to credit entities (Note 18)	34.575	28.050	207.800	168.584
Other accounts payable (Note 19)	13.834	2.939	83.144	17.664
Total long-term debt	48.409	30.989	290.944	186.248
G) CURRENT LIABILITIES				
Payable to credit entities (Note 18)	19.357	14.698	116.338	88.337
Payable to companies carried by the equity method (Note 13)	241	226	1.448	1.358
Trade accounts payable	45.941	35.870	276.111	215.583
Other nontrade payables (Note 19)	26.252	23.177	157.778	139.297
Accrual accounts	10	13	60	78
Total current liabilities	91.801	73.984	551.735	444.653
TOTAL SHAREHOLDERS´ EQUITY AND LIABILITIES	294.981	220.680	1.772.876	1.326.313

The accompanying Notes 1 to 24 and Exhibits I and II are an integral part of the consolidated balance sheet as of January 31, 2000.

CONSOLIDATED STATEMENTS OF INCOME FOR THE YEARS ENDED JANUARY 31, 2000 AND 1999
(Currency - Millions of Spanish Pesetas and Thousands of Euros)

DEBIT	Millions of Spanish Pesetas 31-ener-00	31-ener-99	Thousands of Euros 31-ener-00	31-ener-99
A) EXPENSES				
Purchases	166.065	142.678	998.064	857.512
Personnel expenses	53.615	42.268	322.234	254.036
a) Wages, salaries, etc.	41.867	33.193	251.628	199.494
b) Employee welfare expenses (Note 21)	11.748	9.075	70.606	54.542
Period depreciation and amortization	16.054	13.295	96.489	79.905
Variation in operating provisions	95	125	570	751
Other operating expenses	68.100	47.338	409.289	284.507
I. OPERATING INCOME	52.238	40.889	313.961	245.747
Financial and similar expenses	2.715	2.152	16.314	12.934
Exchange losses	1.025	895	6.160	5.379
II. FINANCIAL INCOME				
Share in losses of companies carried by the equity method		7		42
Amortization of goodwill in consolidation	566	92	3.402	553
III. INCOME FROM ORDINARY ACTIVITIES	50.743	39.851	304.978	239.509
Variation in intangible asset and tangible fixed asset provisions inmaterial y material	(11)	116	(67)	697
Losses on fixed assets	644	1.194	3.872	7.176
Extraordinary expenses (Note 21)	3.071	843	18.455	5.067
Prior years' expenses and losses	92	171	551	1.028
IV. EXTRAORDINARY INCOME				
V. CONSOLIDATED INCOME BEFORE TAXES	48.652	38.100	292.415	228.985
Corporate income tax (Note 20)	13.586	12.179	81.651	73.197
Other taxes (Note 20)	752	481	4.518	2.891
VI. CONSOLIDATED INCOME FOR THE YEAR	34.314	25.440	206.246	152.897
Income attributed to minority interests	244		1.475	
VII. INCOME FOR THE YEAR ATTRIBUTED TO THE CONTROLLING COMPANY	34.070	25.480	204.771	153.137

CREDIT	Millions of Spanish Pesetas 31-ener-00	31-ener-99	Thousands of Euros 31-ener-00	31-ener-99
B) REVENUES				
Net revenues (Note 21)	338.607	268.665	2.035.069	1.614.709
Increase in finished product and work-in-process inventories	452	8.343	2.717	50.142
Capitalized expenses of Group work on fixed assets	16.869	9.456	101.385	56.832
Other operating revenues	239	129	1.436	775
I. OPERATING LOSS				
Income from shareholdings	42	13	252	78
Other financial revenues	1.113	1.038	6.689	6.239
Exchange gains	1.560	998	9.376	5.998
II. FINANCIAL LOSS	1.025	998	6.158	5.998
Share in income of companies carried by the equity method	96	59	577	355
III. LOSS ON ORDINARY ACTIVITIES				
Gains on fixed asset disposals (Note 7)	632	179	3.798	1.076
Capital subsidies transferred to income for the year	6	21	36	126
Extraordinary revenues and income	980	253	5.890	1.521
Prior years' revenues and income	87	120	523	721
IV. EXTRAORDINARY LOSS	2.091	1.751	12.563	10.524
Loss attributed to minority interests	0	40	0	240

The accompanying Notes 1 to 24 and Exhibits I and II are an integral part of the 1999 consolidated statement of income.

1.- GROUP DESCRIPTION

Industria de Diseño Textil, S.A., (hereinafter Inditex) and its investees form a group comprising mainly companies engaging in textile manufacturing and marketing and footwear, over which Inditex exercises centralized management and applies policies and strategies at Group level.

The Group operates chains of stores, the names and number of operating stores of which as of January 31, 2000, were as follows:

Number of Stores

Store Chain	Own	Franchises	Total
Zara	334	18	352
Pull & Bear	177	26	203
Kiddy's Class	43	0	43
Massimo Dutti	98	82	180
Bershka	68	1	69
Stradivarius	46	29	75
Total	766	156	922

The distribution, by country, of these stores as of January 31, 2000, was as follows:

Number of Stores

Country	Own	Franchises	Total
Spain	553	50	603
Portugal	68	29	97
France	59	0	59
Belgium	14	6	20
Holland	0	2	2
Greece	17	0	17
Great Britain	3	0	3
Germany	2	0	2
Sweden	0	6	6
Norway	0	1	1
Poland	0	2	2
Malta	0	2	2
Cyprus	0	5	5
Israel	0	22	22
Turkey	2	1	3
U.S.	6	0	6
Canada	1	0	1
Mexico	21	8	29
Argentina	8	0	8
Venezuela	3	0	3
Chile	2	0	2
Uruguay	2	0	2
Brazil	3	0	3
Kuwait	0	0	2
Lebanon	0	3	3
Dubai	0	3	3
Saudi Arabia	0	3	3
Bahrain	0	1	1
Japan	2	9	11
China	0	1	1
Total	766	156	922

The Group offers its customers, at the stores 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 Inditex 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 accompanying consolidated financial statements as of January 31, 2000, 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, they 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, 1999, of Industria de Diseño Textil, S.A. and of the INDITEX GROUP, respectively, and the individual financial statements as of January 31, 1999, 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, 2000, of each of the consolidated companies, which were prepared by the directors of the respective Companies, will be submitted for approval by their respective Shareholders' Meetings, and 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, 2000, 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 once they have been approved by the Company's Shareholders' Meeting.

b) Accounting policies

The consolidated financial statements as of January 31, 2000, 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 accompanying 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 companies in 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) Loss 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 from operations with other

Group companies of the companies consolidated by the proportional integration method 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 the reserves of dependent companies abroad in the accounting records of the Parent Company, where applicable, 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 source of self-financing by each of the consolidated companies.

d) Currency

All the amounts in these consolidated financial statements are expressed in millions of Spanish pesetas.

The year ended January 31, 1999, will henceforward be referred to as “1998”, the year ended January 31, 2000, will be referred to as “1999”, and so on.

e) Comparative information

Scope of consolidation

The following companies were included in the consolidated Group in 1999:

Za Denmark A/S	Zara Sverige, AB
Zara Norge, AS	Zara Canada, Inc
Zara Logística, S.A.	Zara Suisse S.A.R.L.
Pígaro 2100, S.A.	Za Giyim Ith. Ihr. ve Tic. Ltd.

Pígaro 2100, S.A. and Za Giyim Ith. Ihr. ve Tic. Ltd. were acquired from third parties, whereas the other companies included in the scope of consolidation in 1999 were formed by the Group.

In 1999 the following companies were excluded from the scope of consolidation: the dependent companies Comdipunt, S.A. and Viella, S.A., which were sold to a third party and dissolved, respectively; the associated companies Superficies Comerciales, S.A., Superco Coruña, S.A., Superco Vigo, S.A., Franquicias Camelias, S.A. and Gestión Camelias, S.A., due to a reduction in the holdings therein; and the associated company Alvarez Conchado, S.A., which was in the process of dissolution.

The following Group companies changed their corporate names:

Corporate Name as of January 31, 1999	Corporate Name as of January 31, 2000
Global Wand, S.A.	Pull & Bear Logística, S.A.
Lotisa, S.A.	Bershka Logística, S.A.
Contadino, S.A.	Massimo Dutti Logística, S.A.

The net worth effect of these changes on the accompanying consolidated financial statements was not material.

3.- DISTRIBUTION OF THE INCOME OF THE CONTROLLING COMPANY

The Company's directors propose that Ptas. 1,000 million of the 1999 net income of Inditex be allocated to dividends and the remainder to legal and voluntary reserves.

4.- VALUATION STANDARDS

The main valuation methods applied in preparing the financial statements of the consolidated Group as of January 31, 2000, 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 five years.

b) Intangible assets

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

- Administrative concessions: this account reflects the cost of obtaining the concession. Owing to the long duration of these concessions, the Group does not amortize any amount in this connection.

- 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 proprietary rights developed by the Company, which are amortized on a straight-line basis over five years.

- Computer software: this is valued at cost and 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 cash value of the 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 (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 their related accumulated amortization are retired from these accounts and included in tangible fixed assets when the purchase option is exercised.

- Leasehold assignment rights: these are recorded at the amounts paid for their acquisition and are amortized on a straight-line basis over ten years, unless the contract term is shorter.

Also included under this caption are the access fees: These amounts are generally allocated to income on a straight-line basis over the term of the related contracts.

Also included under this caption are the amounts paid by the Group companies located in France as consideration for the acquisition of the right to operate stores in leased premises, which as of January 31, 2000, amounted to Ptas. 6,766 million. Since this right is legally protected under French legislation and is, in principle, of a perpetual nature, the Group decided not to record any depreciation in 1999. However, in accordance with the accounting principle of prudence, the Group has maintained the accumulated amortization of these amounts arising from the provisions made in previous years, the amount of which as of January 31, 2000, totaled Ptas. 1,748 million.

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 7/1997 (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, excluding financial expenses. 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.

In-house work on fixed assets is recorded at the accumulated cost (external costs plus in-house costs, determined on the basis of in-house materials consumption, and manufacturing costs allocated using the related hourly absorption rates.

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 8
Other tangible fixed assets	4 to 10

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

d) Marketable securities and other similar financial investments

Marketable security investments 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.

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 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 Parent Company (Inditex) and are stated at the lower of cost, represented by the total amount paid for acquisition plus the expenses inherent to the transaction, or the related underlying book value adjusted by the amount of the unrealized gains disclosed at the time of the acquisition and still existing at the date of subsequent valuation.

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 five years.

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 pesetas at the exchange rates ruling at year-end. The equity accounts were translated at historical exchange rates, and income statement items at the average 1999 exchange rates.

The balance sheet and income statement items of companies located in high-inflation countries (mainly, Mexico and Venezuela) were adjusted, before being translated to pesetas, by the effect of changes in prices, in accordance with the regulations established for this purpose in the countries concerned.

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

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 amount received, which are charged to income by the interest method.
- Fixed asset acquisition expenses, which are recorded by 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 total unincurred manufacturing costs and marketing expenses.

The method for calculating the acquisition price varies depending on the type of goods. Basically, FIFO is used for fabrics and other textile supplies, average price for replacement parts, and the specific identification method for new and used vehicles.

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 would not be material with respect to the 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 charged to period income on an accrual basis by the interest method.

In the accompanying consolidated balance sheet and in accordance with the Spanish National Chart of Accounts, 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 pesetas 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 company in the Inditex Group, 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 in the corporate income tax expense for that year.

o) Off-balance sheet transactions

The Group arranges financial transactions (basically exchange rate hedges and foreign currency 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, 2000, did not disclose any losses that had to be recorded in the Group's accounting records.

5.- START-UP EXPENSES

The variations in 1999 in the accounts composing this caption in the accompanying consolidated balance sheet were as follows:

Concept	Balance at 02/01/99	Additions	Reductions	Transfers	Writedowns	Balance at 01/31/00
Incorporation expenses	53	18	4	(16)	35	16
Pre-opening expenses	33	35	9	9	7	61
Capital increase expenses	2	2	0	(1)	1	2
Total	88	55	13	(8)	43	79

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 1999 is as follows:

Intangible Assets	Balance at 02/01/99	Additions	Reductions	Transfers	Balance at 01/31/00
Administrative concessions	4	0	0	(1)	3
Intellectual property	1,194	243	3	0	1,434
Computer software	253	93	0	25	371
Leasehold assignment rights	23,474	6,004	217	1,514	30,775
Rights on leased assets	21,859	3,627	637	(535)	24,314
Advances and other intangible assets	165	121	46	(92)	148
Total	46,949	10,088	903	911	57,045

Accumulated Amortization	Balance at 02/01/99	Additions	Decreases	Transfers (Note 4-b)	Balance at 01/31/00
Intellectual property	545	254	1	(1)	797
Computer software	198	41	4	(2)	233
Leasehold assignment rights	7,408	1,345	156	170	8,767
Rights on leased assets	3,036	875	200	(87)	3,624
Advances and other intangible assets	3	0	3	0	0
Total	11,190	2,515	364	80	13,421

The “Transfers” column includes additions relating mainly to translation differences at foreign dependent companies, and reductions relating mainly to lease contracts which expired during the year and were transferred to tangible fixed assets.

Certain Group companies revalued their leased assets pursuant to Royal Decree-Law 7/1996. The revaluation surplus amounted to Ptas. 843 million and increased the 1999 intangible asset amortization charge by Ptas. 15 million. The revaluation is expected to increase the 2000 intangible asset amortization charge by Ptas. 14 million. The net accumulated surpluses as of January 31, 2000, arising from the revaluations made pursuant to Royal Decree-Law 7/1996, taking into account the retirements and transfers made in 1999 and prior years, amounted to Ptas. 724 million.

As of January 31, 2000, there were intangible assets not directly assigned to operations for a net amount of Ptas. 528 million.

The lease contracts in force as of January 31, 2000, are detailed in EXHIBIT II.

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 2000 is as follows:

Tangible Fixed Assets	Balance at 02/01/99	Additions	Additions Due to Transfer	Reductions	Balance at 01/31/00
Land and structures	50,333	3,316	5,926	1,614	57,961
Technical installations	71,198	17,224	15,079	4,543	98,958
Machinery	6,066	1,614	434	203	7,911
Tools	92	5	0	19	78
Furniture	6,737	3,329	229	267	10,028
Computer hardware	2,248	841	77	43	3,123
Transport equipment	3,094	151	(8)	104	3,133
Other tangible fixed assets	356	186	158	28	672
Advances and construction in progress	12,446	23,433	(19,675)	1,337	14,867
Total	152,570	50,099	2,220	8,158	196,731

Accumulated Depreciation	Balance at 02/01/99	Additions	Additions Due to Transfer	Reductions	Balance at 01/31/00
Structures	6,999	1,558	(969)	235	7,353
Installations	23,800	8,572	1,466	2,230	31,608
Machinery	3,496	822	411	269	4,460
Tools	61	14	0	17	58
Furniture	2,265	1,093	41	150	3,249
Computer hardware	1,420	482	66	29	1,939
Transport equipment	2,420	438	6	14	2,850
Other tangible fixed assets	128	74	104	19	287
Total	40,589	13,053	1,125	2,963	51,804

The “Additions” column in the tangible fixed asset cost table includes the effect of including Pígaro 2100, S.A. and Za Giyim Ith. Ihr. ve Tic. Ltd. in consolidation, amounting to Ptas. 5,058 million. The table also includes interest of Ptas. 172 million, which was capitalized in 1999.
The “Additions Due to Transfer” relate to the cost of lease contracts which expired during each year and to transfers from construction in progress and advances. Also include the effect of translation differences at foreign dependent companies.

The reductions relate mainly to retirements of technical facilities arising from refurbishment of the premises where the Group performs its business and to the disposal of land and structures at one of the dependent companies. Income of approximately Ptas. 509 million arose on the aforementioned transaction and is recorded in the “Gains on Fixed Asset Disposals” caption in the accompanying consolidated statement of income.

The Group has firm purchase commitments for Ptas. 1,653 million which will be financed by equity and long-term debt.

On January 31, 1997, certain Group companies revalued their tangible fixed assets pursuant to Royal Decree-Law 7/1996. The revaluation surpluses were as follows:

Concept	Surplus
Land and structures	2,650
Technical installations	1,973
Machinery	41
Tools	2
Furniture	26
Transport equipment	230
Computer hardware	19
Other tangible fixed assets	2
Total	4,943

The effects of the revaluation on the annual depreciation charge and on the income for 2000 amount to approximately Ptas. 373 million and Ptas. 343 million, respectively.

The net accumulated surpluses as of January 31, 2000, arising from the revaluation made pursuant to Royal Decree-Law 7/1996, taking into account the retirements made both in 1999 and in prior years, and the transfers from intangible assets, amounted to Ptas. 2,217 million.

As of January 31, 2000, the net book value of the tangible fixed assets outside Spain, which consisted mainly of the commercial premises, furniture and installations relating to the open stores, amounted to Ptas. 58,522 million.

The gross cost of the Group's tangible fixed assets which had been fully depreciated as of January 31, 2000, is as follows:

Elements	Cost
Structures	126
Technical installations	2,100
Machinery	1,439
Tools	27
Furniture	117
Computer hardware	676
Transport equipment	61
Other tangible fixed assets	19
Total	4,565

As of January 31, 2000, the Group's tangible fixed assets, mainly relating to "Land and Structures", on which there were liens and encumbrances amounted to approximately Ptas. 3,016 million (net).

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 is as follows:

Holdings in Companies Carried by the Equity Method	Balance at 02/01/99	Addition	Income 1999	Retirements (Note 2-e)	Balance at 01/31/00
Álvarez Conchado, S.A.	106	0	0	(106)	0
Fibracolor, S.A.	1,111	137	96	0	1,344
Superficies Comerciales, S.A.	21	0	0	(21)	0
Superco Vigo, S.A.	82	0	0	(82)	0
Superco Coruña, S.A.	176	0	0	(176)	0
Others	13	0	0	(10)	3
Total	1,509	137	96	(395)	1,347

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

Long Term Investment Sec. Portfolio	Balance at 01/31/00
Banco Gallego, S.A.	474
Superco Coruña, S.A.	144
Superco Vigo, S.A.	64
Others	174
Total	856

The detail of the balances of, and variations in, the remaining consolidated long-term financial investment accounts is as follows:

Description	Balance at 02/01/99	Additions	Reductions	Transfers to Short Term	Balance at 01/31/00
Other loans	972	64	0	0	1,036
Long-term guarantees and deposits	1,614	929	61	0	2,482
Total	2,586	993	61	0	3,518

The detail of the maturities of the long-term loans as of January 31, 2000, is as follows:

Debt due by:	Amount
January 31, 2002	245
January 31, 2003	502
January 31, 2004	48
January 31, 2005	34
After January 31, 2005	207
Total	1,036

9.- GOODWILL IN CONSOLIDATION

The variations in 1999 in the balance of this caption on the asset side of the accompanying consolidated balance sheet were as follows:

Subsidiary	Balance at 02/01/99	Additions	Amortization	Balance at 01/31/00
Nosopunto, S.L.	194	0	56	138
Pígaro 2100, S.A.	0	15,573	483	15,090
Za Giyim Ith. Ihr. ve Tic. Ltd.	0	1,124	27	1,097
Total	194	16,697	566	16,325

10.- DEFERRED CHARGES

The detail of the balance of this caption in the accompanying consolidated balance sheet and of the variations therein in 1999 is as follows:

Description	Balance at 02/01/99	Additions	Transfers	Reductions	Writedowns	Balance at 01/31/00
Deferred interest on lease transactions	2,038	400	(335)	334	151	1,618
Fixed asset acquisition and other expenses	1,051	1,905	243	271	540	2,388
Total	3,089	2,305	(92)	605	691	4,006

The addition to the “Fixed Asset Acquisition and Other Expenses” caption relates basically to the implicit interest arising on the acquisition by the Controlling Company of shares of one of the dependent companies, since a deferral of the payment of the purchase price, free of interest, was stipulated (see Note 19).

The “Transfers” column includes deferred financial expenses on lease transactions maturing at short term which were reclassified, in certain Group companies, to the “Accrual Accounts” caption on the asset side of the accompanying consolidated balance sheet.

The decrease in the “Deferred Interest on Lease Transactions” 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, 2000, is as follows:

Description	Balance at 01/31/00
Commercial inventories	14,020
Raw materials	5,144
Other supplies	433
Work-in-process and semifinished products	2,249
Finished products	8,895
Housing development	811
Provisions	(394)
Advances to suppliers	199
Total	31,357

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 “Other Loans” and “Short-Term Investment Securities” as of January 31, 2000, is as follows:

Other Short-Term Loans	Balance at 01/31/00
Loans and credits to related companies	15
Foreign currency time deposits	2,289
Others	458
Total	2,762

Short-Term Investment Securities	Balance at 01/31/00
Mutual Funds, Treasury Bills and others	5,559

13.- BALANCES WITH MULTIGROUP, ASSOCIATED AND RELATED COMPANIES

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

Company	Receivable	Payable
Companies consolidated by the proportional integration method	85	147
Companies carried by the equity method	0	241
Other related companies	429	20
Total	514	408

The accounts receivable from other related companies are recorded basically under the "Short-Term Financial Investments - Other Loans" and "Long-Term Financial Investments - Other Loans" captions, while the accounts payable to them are recorded under the "Trade Accounts Payable" and "Other Nontrade Payables" captions in the accompanying consolidated balance sheet.

The "Accounts Receivable - Other Accounts Receivable" caption in the consolidated balance sheet includes Ptas. 150 million relating to accounts receivable from the directors.

14.- SHAREHOLDERS' EQUITY

The variations in 1999 in equity accounts in the consolidated balance sheet were as follows:

Description	Balance at 02/01/99	1999 Income	Other	Transfers	Dividends	Balance at 01/31/00
Other reserves of the Controlling Company	35,633	4,805	0	914	6,888	48,240
Revaluation reserves	282	0	0	0	0	282
Reserves at companies consolidated by the global and proportional integration method	33,815	20,628	(418)	(914)	(7,832)	45,279
Reserves at companies carried by the equity method	108	47	(69)	0	(60)	26
Translation differences	1,322	0	3,994	0	0	5,316
Total	71,160	25,480	3,507	0	(1,004)	99,143

The criteria used to allocate the consolidation adjustments to the consolidated companies were reassessed this year giving rise to transfers between the reserves which these companies contributed to consolidated net worth.

The detail of the "Reserves at Companies Consolidated by the Global or Proportional Integration Method" and the "Translation Differences" captions as of January 31, 2000, is as follows:

Company	Reserves at Companies Consolidated by the Global or Proportional Integration Method	Translation Differences
Comditel, S.A.	943	-
Confecciones Fíos, S.A.	551	-
Confecciones Goa, S.A.	212	-
Denllo, S.A.	887	-
Hampton, S.A.	404	-
Kenner, S.A.	195	-
Kettering, S.A.	1,025	-
Samlor, S.A.	350	-
Trisko, S.A.	450	-
Zintura, S.A.	651	-
Tempe, S.A.	650	-
Brettos BRT España, S.A.	969	-
Zara España, S.A.	15,118	-
Pull & Bear España, S.A.	2,655	-
Kiddy's Class España, S.A.	1,366	-
Arrojo, S.A.	(272)	-
Goa-Invest, S.A.	310	-
Zara USA Inc.	(370)	339
Zara France, S.A.R.L.	479	110
Zara Hellas, S.A.	1,372	(152)
Zara Mexico, S.A. de CV	637	2,053
Pull & Bear Portugal-Confecçoes, Lda.	1,193	0
Zara Portugal-Confecçoes, Lda	8,016	193
Zara Belgique, S.A.	469	75
Zara Holding, B.V.	7,748	622
Zara Financien, B.V.	104	1,319
Zara Mexico, B.V.	739	0
Zara Merken, B.V.	1,848	0
Others	(238)	757
Other consolidation adjustments	(3,182)	-
Total	45,279	5,316

Capital stock

As of January 31, 2000, INDITEX's capital stock consisted of 3,080,000 fully subscribed and paid shares of Ptas. 5,000 par value each.

As of January 31, 2000, the shareholder structure of INDITEX was as follows:

Shareholder	%
Gartler, S.L.	60.00%
Individuals	39.88%
Treasury stock	0.12%
Total	100.00%

Inditex owns 3,700 shares of treasury stock, representing 0.12% of capital stock, with a par value of Ptas. 18,5 million and a cash value of approximately Ptas. 180 million, for which the requisite restricted reserve has been recorded.

The directors of Inditex intend to sell these shares and do not anticipate that such sale will give rise to any loss.

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.

Generally, the consolidated companies' legal reserves have reached legally the stipulated level.

Revaluation reserves Royal Decree-Law 7/1996

From the date on which the tax authorities have reviewed and approved the balance of the "Revaluation Reserve Royal Decree-Law 7/1996" 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 1999 in this caption in the accompanying consolidated balance sheet were as follows:

Description	Amount
Beginning balance	1,247
Allocation of 1999 income	244
Additions	925
Retirements	(72)
Ending Balance	2,344

The additions relate basically to capital increases at dependent companies (Zara Deutschland, G.M.B.H. and Zara Canada Inc.).

The detail, by company, as of January 31, 2000, is as follows:

Company	Capital Stock	Reserves	Income (Loss)	Total
Zara Deutschland, GmbH	1,019	(57)	(240)	722
Zara Mexico, S.A. de C.V.	82	142	52	276
Nosopunto, S.L.	84	637	362	1,083
Zara Venezuela, S.A.	14	9	21	44
Zara Canada Inc.	58	0	(15)	43
Pígaro 2100. S.A.	10	89	48	147
Za Giyim Ith. Ihr. ve Tic. Ltd.	58	(58)	0	0
Others	4	9	16	29
Total	1,329	771	244	2,344

16.- DEFERRED REVENUES

The breakdown of the balance of this caption in the accompanying consolidated balance sheet as of January 31, 2000, is as follows:

Description	Balance at 01/31/00
Capital subsidies	37
Deferred interest	134
Exchange gains	140
Total	311

The consolidated companies recognized approximately Ptas. 6 million of subsidies in income under the "Capital Subsidies Transferred to Income for the Year" caption in the accompanying consolidated statement of income.

The amount reflected as "Deferred Interest" relates to the difference between the face value of the long-term loans granted (see Note 8) and their present value, implicit interest on long-term loans and other revenues accruing after year-end.

17.- PROVISIONS FOR CONTINGENCIES AND EXPENSES

The variations in 1999 in the balance of this caption in the accompanying consolidated balance sheet is as follows:

Description	Balance at 02/01/99	Provisions	Provisions Released	Balance at 01/31/00
Provision for pensions and similar obligations	73	13	0	86
Provision for third-party liability	773	77	0	850
Provision for major repairs	1,200	1,321	1,069	1,452
Other provisions	42	1,073	0	1,115
Total	2,088	2,484	1,069	3,503

The provisions for third-party liability and major repairs relate to amounts recorded at the companies and used to cover risks arising from their usual operations and from future renovations at commercial premises, respectively.

18.- PAYABLE TO CREDIT ENTITIES

The detail of the INDITEX GROUP's debts to credit entities as of January 31, 2000, is as follows:

Type of Debt	Limit	Balance at 01/31/00
Peseta loans		3,956
Foreign currency loans		18,966
Credit facilities in pesetas	25,769	5,055
Credit facilities in foreign currencies	15,286	8,539
Lease transactions		17,144
Other financial debts		272
Total	41,055	53,932

All these debts bear interest at the usual rates in the respective financial markets.

The detail of the maturities of the INDITEX GROUP's debt to credit entities as of January 31, 2000, is as follows:

Debt due by:	Amount
January 31, 2001	19,357
January 31, 2002	9,295
January 31, 2003	9,750
January 31, 2004	4,907
After January 31, 2004	10,623
Total	53,932

Ptas. 150 million of the loans are secured by pledge on units in mutual funds.

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, 2000, is as follows:

Long-Term Debt - Other Accounts Payable	Balance at 01/31/00
Guarantees received	7
Fixed asset suppliers and others	11,771
Accrued taxes payable	2,056
Total	13,834

Current Liabilities - Other Nontrade Payables	Balance at 01/31/00
Payable to public authorities	16,542
Compensation payable	4,429
Fixed asset suppliers	3,989
Other accounts payable	1,292
Total	26,252

The balance of the "Payable to Public Authorities" caption includes deferred taxes, unpaid personal income tax withholdings, mainly relating to employees, VAT, social security taxes for the last month of the fiscal year and interest-free loans from the Ministry of Industry and Energy amounting to Ptas. 70 million (granted on December 31, 1997) maturing in 15 years, with a grace period of 5 years.

The detail of the maturities of the long-term debt to fixed asset suppliers is as follows:

Debt due by:	Amount
January 31, 2002	3,501
January 31, 2003	3,400
January 31, 2004	3,400
January 31, 2005	0
After January 31, 2005	1,470
Total	11,771

In addition, the Controlling Company has firm commitments to purchase shares in certain dependent companies, with the object of acquiring 100% of the capital stock of these companies. The amounts of these commitments will depend on the income obtained by these companies over the next few years and will be financed by equity and long-term loans.

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 Fios, S.A.	Grupo Massimo Dutti, S.A.
Confecciones Goa, S.A.	Goa-Invest, S.A.
Hampton, S.A.	Arrojo, S.A.
Kenner, S.A.	Motorgal, S.A.
Nikole, S.A.	Lefties España, S.A.
Confecciones Noite, 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.	

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, except for the companies which have undergone definitive tax audits, have been formed recently or have closed a fiscal year of less than 12 months.

The balance of the "Other Nontrade Payables - Payable to Public Authorities" caption in the accompanying consolidated balance sheet includes the liability for the applicable taxes, including the provision for 1999 corporate income tax, net of period withholdings and prepayments.

The 1999 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 reconciliation of the Group's 1999 income per books to the taxable income for corporate income tax purposes is as follows:

	Amount
Income for the year per books	34,070
Corporate income tax due	13,586
Net permanent differences:	
Individual companies	(442)
Consolidation adjustments	(2,590)
Net timing differences:	
Individual companies	
Current year	(971)
Prior years	(791)
Offset of prior years' uncapitalized tax losses	(195)
Offset of prior years' capitalized tax losses	(165)
Taxable income	42,502

With respect to the taxable income generated by the consolidated subgroup of which Inditex is the Controlling Company, the main difference arising from consolidation for tax purposes affecting Inditex is the elimination of the Ptas. 7,628 million of dividends received in 1999 from the subgroup.

The calculation of the corporate income tax expense for 1999 for Inditex and its dependent companies took into account the different tax regulations in force in the countries in which the consolidated companies carry out their business activity.

The Group recorded under the "Other Taxes" caption in the accompanying consolidated statement of income Ptas. 752 million relating to withholding taxes on income obtained abroad. The companies have recorded the prepaid and deferred income taxes arising from timing differences in recognizing certain revenues and expenses for accounting and tax purposes. The cumulative amounts as of January 31, 2000, for the consolidated Group were as follows:

Description	Prepaid Taxes	Deferred Taxes
Lease contracts	0	998
Accelerated depreciation		
Royal Decree-Law 3/1993	0	284
Accelerated depreciation		
Royal Decree-Law 2/1995	0	1,213
Others	196	1,200
Total	196	3,695

The companies comprising the consolidated Group have generally availed themselves of the tax credit benefits provided by current corporate income tax legislation. Although the companies have not yet filed their corporate income tax returns for 1999, the provision for corporate income tax in the accompanying consolidated financial statements includes deductions for Ptas. 3,295 million.

Because of the varying interpretations that can be made of the tax regulations applicable to the companies' operations, the outcome of future reviews by the tax inspection authorities might give rise to liabilities. The directors consider that any such liabilities would not materially affect the net worth of the consolidated Group.

21.- REVENUES AND EXPENSES

The detail of the transactions of the INDITEX GROUP in 1999 with companies carried by the equity method and other nonconsolidated related companies is as follows:

	Purchases and Services Received	Rendered Sales and Services	Financial Expenses	Financial Revenues
Companies carried by the equity method	1,186	829	0	0
Other related companies	7,469	305	20	22
Total	8,655	1,134	20	22

The detail of the Group's foreign currency transactions in 1999 (in millions of pesetas) is as follows:

	Foreign Companies	Spanish Companies	Total
Purchases and services received	30,519	38,785	69,304
Sales and services rendered	152,942	0	152,942

The breakdown, by activity and geographical market, of the net sales in 1999 is as follows:

By Activity	Amount
Net sales at own stores	298,286
Net sales to franchises	15,439
Other textile sales	14,556
Services rendered	4,645
Other sales	5,681
Total	338,607

By Geographical Market	Amount
Spain	185,665
Abroad	152,942
Total	338,607

The headcount as of January 31, 2000, was as follows:

	Number of Employees
Managers	11
Employees at stores	15,173
Plant employees	2,114
Others	902
Total	18,200

In 1999 a group of executives earned option rights to buy 7,233 shares of treasury stock of the Controlling Company, which can be exercised within two years from September 2001. The number of treasury stock shares necessary to comply with this commitment would be acquired from the current shareholders at the price agreed upon for sale of these shares to the executives. These option rights are currently subject to revision in the framework of the employee incentive policy that Group management is currently studying.

The breakdown of employee welfare expenses is as follows:

Description	Amount
Employer social security taxes	9,875
Other employee welfare expenses	1,873
Total	11,748

The detail of income contributed by the consolidated companies, grouped according to line of business, is as follows: 85

Line of Business	Amount
Retail distribution:	
Zara chain	12,195
Pull & Bear chain	2,070
Massimo Dutti chain	1,628
Other chains	2,057
Commercial services	8,422
Manufacturing	3,255
Others	4,443
Total	34,070

The losses on fixed assets relate mainly to the retirement of facilities for refurbishing at companies with commercial premises. The detail of extraordinary expenses is as follows:

Extraordinary Expenses	Amount
Provision for contingencies and expenses (Note 17)	2,484
Others	587
Total	3,071

22.- DIRECTORS' REMUNERATION

In 1999 the Group recorded approximately Ptas. 799 million of wages and salaries earned by the directors.

The INDITEX GROUP has granted no advances and has no pension or life insurance commitments to the directors of Inditex or of any of the consolidable companies.

23.- YEAR 2000 ISSUE

In 1999 the Group took various measures designed to eliminate the risks arising from the "Year 2000 Issue", and to obtain guarantees from its computer and electronic equipment suppliers that their products have been adapted to work correctly in 2000.

As of the date of preparation of these financial statements there have been no significant incidents as a result of the "Year 2000 Issue" and it is not expected that the residual effects arising from it issue will affect the Group's business. In addition, it is not expected that additional material investments will have to be made in this connection.

24.- 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

COMPOSITION OF THE INDITEX GROUP

The detail of the dependent and associated companies included in consolidation is as follows:

Investee	Percentage of Ownership at 01/31/2000	Country	Consolidation Method	Line of Business
Industria de Diseño Textil, S.A.	Parent Co.	Spain	Global Int.	
Choolet, S.A.	100.00%	Spain	Global Int.	Textile manufacturing
Comditel, S.A.	100.00%	Spain	Global Int.	Fabric pchs. & proc.
Confecciones Fíos, S.A.	100.00%	Spain	Global Int.	Textile manufacturing
Confecciones Goa, S.A.	100.00%	Spain	Global Int.	Textile manufacturing
Confecciones Noite, S.A.	100.00%	Spain	Global Int.	Textile manufacturing
Denllo, S.A.	100.00%	Spain	Global Int.	Textile manufacturing
Hampton, S.A.	100.00%	Spain	Global Int.	Textile manufacturing
Jema Creaciones Infantiles, S.L.	45.90%	Spain	Global Int.	Textile manufacturing
Kenner, S.A.	100.00%	Spain	Global Int.	Textile manufacturing
Kettering, S.A.	100.00%	Spain	Global Int.	Textile manufacturing
Nikole, S.A.	100.00%	Spain	Global Int.	Textile manufacturing
Nosopunto, S.L.	51.00%	Spain	Global Int.	Textile manufacturing
Samlor, S.A.	100.00%	Spain	Global Int.	Textile manufacturing
Sircio, S.A.	100.00%	Spain	Global Int.	Textile manufacturing
Stear, S.A.	100.00%	Spain	Global Int.	Textile manufacturing
Textil Rase, S.A.	100.00%	Spain	Global Int	Textile manufacturing

Investee	Percentage of Ownership at 01/31/2000	Country	Consolidation Method	Line of Business
Trisko, S.A.	100.00%	Spain	Global Int.	Textile manufacturing
Tugend, S.A.	100.00%	Spain	Global Int.	Textile manufacturing
Yeroli, S.A.	100.00%	Spain	Global Int.	Textile manufacturing
Zintura, S.A.	100.00%	Spain	Global Int.	Textile manufacturing
Glencare, S.A.	100.00%	Spain	Global Int.	Textile manufacturing
Indipunt, S.A.	51.00%	Spain	Global Int.	Textile manufacturing
Todotinte, S.L.	45.90%	Spain	Global Int.	Dry cleaner
Tempe, S.A.	50.00%	Spain	Proport.Int.	Footwear marketing
Lefties España, S.A.	100.00%	Spain	Global Int.	Textile marketing
Brettos BRT España, S.A.	100.00%	Spain	Global Int.	Textile marketing
Zara España, S.A.	100.00%	Spain	Global Int.	Textile marketing
Grupo Massimo Dutti, S.A.	100.00%	Spain	Global Int.	Textile marketing
Pull & Bear España, S.A.	100.00%	Spain	Global Int.	Textile marketing
Kiddy's Class España, S.A.	100.00%	Spain	Global Int.	Textile marketing
Bershka BSK España, S.A.	100.00%	Spain	Global Int.	Textile marketing
Zara Argentina, S.A.	100.00%	Argentina	Global Int.	Textile marketing
Vajo, N.V.	100.00%	Belgium	Global Int.	Textile marketing
Zara Belgique, S.A.	100.00%	Belgium	Global Int.	Textile marketing
Zara Chile	100.00%	Chile	Global Int.	Textile marketing
Zara USA Inc.	100.00%	USA	Global Int.	Textile marketing
Zara France, S.A.R.L.	100.00%	France	Global Int.	Textile marketing
Zara United Kingdom, Ltd.	100.00%	U.K.	Global Int.	Textile marketing
Pull & Bear Hellas, S.A.	100.00%	Greece	Global Int.	Textile marketing
Zara Hellas, S.A.	100.00%	Greece	Global Int.	Textile marketing
Massimo Dutti Hellas, S.A.	100.00%	Greece	Global Int.	Textile marketing
Zara Japan Corp.	49.00%	Japan	Proport.Int.	Textile marketing
Zara México, S.A. de C.V.	95.00%	Mexico	Global Int.	Textile marketing
Kiddy's Class Portugal-Conf., Lda.	99.99%	Portugal	Global Int.	Textile marketing
Pull & Bear Portugal-Conf. Lda.	99.99%	Portugal	Global Int.	Textile marketing
Zara Portugal-Confecçoes, Lda.	99.00%	Portugal	Global Int.	Textile marketing

Investee	Percentage of Ownership at 01/31/2000	Country	Consolidation Method	Line of Business
Bershka Portugal-Conf., S.V., Ltda.	100.00%	Portugal	Global Int.	Textile marketing
Zara Venezuela, S.A.	95.00%	Venezuela	Global Int.	Textile marketing
G.Zara Uruguay, S.A.	100.00%	Uruguay	Global Int.	Textile marketing
Zara Brasil, Ltda.	100.00%	Brazil	Global Int.	Textile marketing
Zara Deutschland, GmbH	51.00%	Germany	Global Int.	Textile marketing
Zara Nederland, B.V.	100.00%	Holland	Global Int.	Textile marketing
Zara Österreich Clothing, GmbH	100.00%	Austria	Global Int.	Textile marketing
Za Denmark A/S	100.00%	Denmark	Global Int.	Textile marketing
Zara Sverige. AB	100.00%	Sweden	Global Int.	Textile marketing
Zara Norge, AS	100.00%	Norway	Global Int.	Textile marketing
Zara Canada, Inc.	95.00%	Canada	Global Int.	Textile marketing
Zara Suisse, S.A.R.L.	100.00%	Switzerland	Global Int.	Textile marketing
Zara Luxemburgo, S.A.	100.00%	Luxembourg	Global Int.	Textile marketing
Pígaro 2100, S.A.	90.05%	Spain	Global Int.	Textile marketing
Za Giyim Ith. Ihr. ve Tic. Ltd.	91.67%	Turkey	Global Int.	Textile marketing
Zara Logística, S.A.	100.00%	Spain	Global Int.	Logistics
Massimo Dutti Logística, S.A.	100.00%	Spain	Global Int.	Logistics
Pull & Bear Logística, S.A.	100.00%	Spain	Global Int.	Construction and real state
Goa-Invest, S.A.	100.00%	Spain	Global Int.	Construction and real state
Arrojo, S.A.	100.00%	Spain	Global Int.	Vehicle dealership
Motorgal, S.A.	100.00%	Spain	Global Int.	Vehicle dealership
Inditex Asia, Ltd.	100.00%	Hong-Kong	Global Int.	Buying center
Zalapa, B. V.	100.00%	Holland	Global Int.	Finance and portfolio company
Zara Asia, Ltd	100.00%	Hong-Kong	Global Int.	Buying center
Zara Financien B.V.	100.00%	Holland	Global Int.	Finance
Zara Holding, B.V.	100.00%	Holland	Global Int.	Portfolio
Massimo Dutti Holding, B.V.	100.00%	Holland	Global Int.	Portfolio
Zara Italia, B.V.	100.00%	Holland	Global Int.	Finance and portfolio company
Zara Merken, B.V.	100.00%	Holland	Global Int.	Exploitation of brands
Zara Mexico, B.V.	100.00%	Holland	Global Int.	Finance

Investee	Percentage of Ownership at 01/31/2000	Country	Consolidation Method	Line of Business
Zara Nipón, B.V.	100.00%	Holland	Global Int.	Finance and portfolio company
Zara Vastgoed, B.V.	100.00%	Holland	Global Int.	Real state development
Vastgoed Asia, Ltd.	100.00%	Hong-Kong	Global Int.	Real state development
SNC Zara France Inmobiliere	100.00%	France	Global Int.	Real state development
SCI Vastgoed Ferreol PO3302	100.00%	France	Global Int.	Real state development
SCI Vastgoed France PO3301	100.00%	France	Global Int.	Real state development
SCI Vastgoed General Lecrerc PO3303	100.00%	France	Global Int.	Real state development
Zara Vastgoed Hellas, S.A.	100.00%	Greece	Global Int.	Real state development
Invercarpro, S.A.	100.00%	Spain	Global Int.	Real state development
Robustae-S.G.P.S., Unipessoal, Lda.	100.00%	Portugal	Global Int.	Real state development
Inditex Cogeneración, AIE	100.00%	Spain	Global Int.	Operation cogeneration plant
Bershka Logística, S.A.	100.00%	Spain	Global Int.	Inactive at 01.31.00
DBJ Portugal Conf., Unipessoal, Ltda.	100.00%	Portugal	Global Int.	Inactive at 01.31.00
Zara Italia, S.R.L.	100.00%	Italy	Global Int.	Inactive at 01.31.00
Zara, S.A.	100.00%	Spain	Global Int.	Inactive at 01.31.00
Zara, S.A.	100.00%	Argentina	Global Int.	Inactive at 01.31.00
Fibracolor Decoración, S.A.	37.75%	Spain	Equity method	Decoration
Fibracolor, S.A.	37.75%	Spain	Equity method	Fabric pchs. & proc.
Madrid Inversiones, S.A.	50.00%	Spain	Equity method	Portfolio

EXHIBIT II

DETAIL OF THE FINANCIAL LEASE CONTRACTS IN FORCE AS OF JANUARY 31, 2000

Company	Cost of Asset	Prior Year	Lease Payments 1999	Outstanding	Purchase Option
Bershka España, S.A.	372	0	33	350	8
Bershka España, S.A.	388	0	23	429	4
Bershka España, S.A.	225	12	27	228	2
Bershka España, S.A.	60	5	11	39	14
Bershka España, S.A.	40	0	6	32	8
Denllo, S.A.	49	33	11	13	1
Goainvest, S.A.	309	196	32	72	38
Goainvest, S.A.	455	278	54	166	65
Industria de Diseño Textil, S.A.	80	56	10	42	1
Industria de Diseño Textil, S.A.	11	7	1	6	0
Industria de Diseño Textil, S.A.	132	93	32	35	3
Industria de Diseño Textil, S.A.	94	60	21	26	2
Industria de Diseño Textil, S.A.	105	62	23	33	2
Industria de Diseño Textil, S.A.	120	60	27	49	2
Industria de Diseño Textil, S.A.	93	44	20	39	2
Industria de Diseño Textil, S.A.	524	244	114	218	10
Industria de Diseño Textil, S.A.	490	148	107	286	9
Industria de Diseño Textil, S.A.	556	135	120	354	10
Industria de Diseño Textil, S.A.	120	18	26	86	2

Company	Cost of Asset	Prior Year	Lease Payments 1999	Outstanding	Purchase Option
Industria de Diseño Textil, S.A.	1,677	0	148	1,629	37
Industria de Diseño Textil, S.A.	452	0	10	471	10
Kettering, S.A.	66	0	6	64	1
Kiddys Class España, S.A.	126	59	12	73	24
Kiddys Class España, S.A.	105	54	11	58	15
Kiddys Class España, S.A.	179	23	22	94	37
Kiddys Class España, S.A.	118	15	15	55	18
Kiddys Class España, S.A.	98	13	12	49	15
Kiddys Class España, S.A.	4	0	0	0	0
Grupo Massimo Dutti, S.A.	346	0	30	335	8
Nosopunto, S.L.	50	35	11	21	0
Nosopunto, S.L.	189	157	43	60	0
Nosopunto, S.L.	28	16	6	15	0
Pull & Bear España, S.A.	48	47	6	15	7
Pull & Bear España, S.A.	71	69	9	21	10
Pull & Bear España, S.A.	64	60	8	19	12
Pull & Bear España, S.A.	48	45	5	13	9
Pull & Bear España, S.A.	21	16	3	10	3
Pull & Bear España, S.A.	179	178	21	43	25
Pull & Bear España, S.A.	68	34	7	51	13
Pull & Bear España, S.A.	160	31	20	143	2
Pull & Bear España, S.A.	47	6	6	15	7
Pull & Bear España, S.A.	58	8	8	27	9
Pull & Bear España, S.A.	46	6	6	15	6
Pull & Bear España, S.A.	42	6	6	14	9
Pull & Bear España, S.A.	62	8	8	22	9
Pull & Bear España, S.A.	76	10	9	32	11
Pull & Bear España, S.A.	48	7	6	20	8
Pull & Bear España, S.A.	111	15	14	58	17
Pull & Bear España, S.A.	65	8	8	27	10

Company	Cost of Asset	Prior Year	Lease Payments 1999	Outstanding	Purchase Option
Pull & Bear España, S.A.	93	12	11	48	19
Pull & Bear España, S.A.	12	0	0	0	0
Samlor, S.A.	21	14	5	5	0
Pígaro 2100, S.A.	40	2	5	42	0
Pígaro 2100,S.A.	49	9	13	31	0
Pígaro 2100, S.A.	42	11	14	18	0
Tempe, S.A.	314	89	38	266	4
Tempe, S.A.	125	1	15	130	1
Textil Rase, S.A.	38	32	8	3	1
Tugend, S.A.	91	61	20	23	2
Zara España, S.A.	728	684	84	186	98
Zara España, S.A.	390	358	44	101	70
Zara España, S.A.	284	249	34	89	38
Zara España, S.A.	286	251	33	125	39
Zara España, S.A.	157	137	19	54	21
Zara España, S.A.	228	199	26	101	31
Zara España, S.A.	55	43	6	20	8
Zara España, S.A.	469	356	54	176	64
Zara España, S.A.	124	90	14	48	17
Zara España, S.A.	128	78	14	58	24
Zara España, S.A.	169	100	18	80	31
Zara España, S.A.	218	129	24	103	40
Zara España, S.A.	599	297	64	322	83
Zara España, S.A.	293	162	32	152	40
Zara España, S.A.	305	134	32	235	42
Zara España, S.A.	767	390	79	397	140
Zara España, S.A.	417	157	38	272	79
Zara España, S.A.	95	44	10	54	14
Zara España, S.A.	374	135	37	225	89
Zara España, S.A.	568	160	68	477	6

Company	Cost of Asset	Prior Year	Lease Payments 1999	Outstanding	Purchase Option
Zara España, S.A.	133	35	16	114	1
Zara España, S.A.	350	63	42	321	4
Zara España, S.A.	420	30	49	414	4
Zara España, S.A.	788	32	96	808	8
Zara España, S.A.	825	33	99	882	8
Zara España, S.A.	41	0	0	32	12
Zara España, S.A.	267	0	0	0	0
Zintura, S.A.	26	0	0	14	1
Pull & Bear Portugal-Conf., Ltda.	73	89	12	16	18
Pull & Bear Portugal-Conf., Ltda.	57	70	10	19	12
Pull & Bear Portugal-Conf., Ltda.	46	49	7	18	11
Pull & Bear Portugal-Conf., Ltda.	73	66	10	34	18
Zara Belgique, S.A.	2	3	1	0	0
Zara Belgique, S.A.	1	1	0	0	0
Zara Belgique, S.A.	1	1	0	0	0
Zara Belgique, S.A.	1	1	0	0	0
Zara Belgique, S.A.	1	1	0	0	0
Zara France, S.A.R.L.	583	273	65	385	0
Zara Portugal-Conf., Ltda.	465	669	39	34	104
Zara Portugal-Conf., Ltda.	41	35	4	13	10
Zara Portugal-Conf., Ltda.	114	94	10	35	29
Zara Portugal-Conf., Ltda.	690	65	83	682	14
Sci Vastgoed Ferreol PO3302	1,040	341	135	804	0
Sci Vastgoed France PO3301	1,218	390	157	923	0
Za Giyim Ith. Ihr. ve Tic. Ltd.	170	0	0	17	0
Consolidation adjustments	534	0	0	0	0
	24,314	9,102	2,868	15,378	1,766

1999 MANAGEMENT REPORT

As required by Articles 171 and 202 of Law 19/1989, the Board of Directors of Industria de Diseño Textil, S.A., with its registered office at Polígono Industrial de Sabón, Parcela 79, Arteixo (La Coruña) and employer identification number A - 15075062, submits the following 1999 management report.

1.- BUSINESS PERFORMANCE AND SITUATION OF THE GROUP

Industria de Diseño Textil, S.A. and Dependent Companies (hereinafter “the Group”) engage mainly in the manufacture, tailoring and retail sale of off-the-peg garments.

The products marketed are designed by the Group and manufactured either by the Group or by outside third parties.

The Group’s performance during the year was characterized by strong growth, with heavy investment in Spain and abroad.

These investment efforts led to strong growth, as regards both net sales and consolidated income.

These results were made possible by the outstanding cooperation of all the Group’s employees.

2.- SIGNIFICANT EVENTS SUBSEQUENT TO 1999 FISCAL YEAR-END

There have been no events that may significantly affect the Group’s net worth and financial position and earnings for the year which have not been reflected in the consolidated financial statements.

3.- OUTLOOK FOR THE GROUP

The Group’s foreseeable evolution is positive with respect both to sales and earnings.

Industria de Diseño Textil, S.A. is the Controlling Company of a corporate group consisting of Spanish and foreign investee companies, as detailed in the accompanying notes to consolidated financial statements.

4.- RESEARCH AND DEVELOPMENT ACTIVITIES

The Group did not perform, is not performing, and has not engaged third parties to perform, any research and development projects and, therefore, the balance sheet does not include any amount in this connection.

5.- ACQUISITION OF TREASURY STOCK

The Controlling Company acquired treasury stock representing 0.12% of its capital stock from one of its shareholders. The directors intend to sell these shares in the near future and do not anticipate that such sale will give rise to any loss.

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