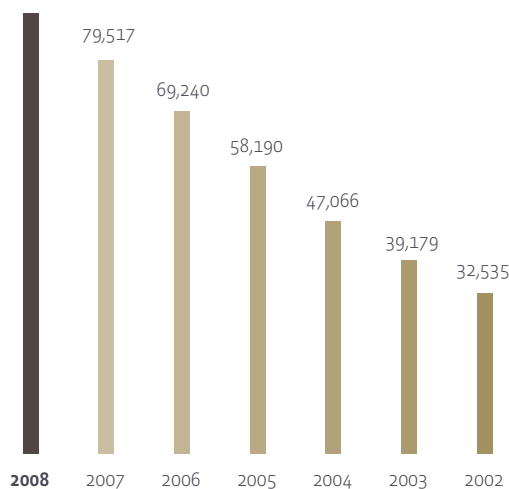


Human Resources

During the 2008 financial year Inditex has continued to generate employment. On 31st January 2009, the Group had a staff of 89,112 employees, which means the creation of 9,595 new jobs in the year.

Evolution of the total number of employees

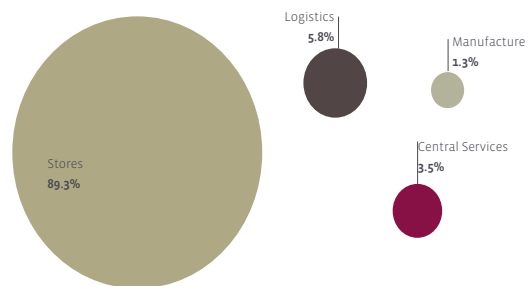
89,112



During 2008, 573 establishments were opened around the world, including five new markets (Ukraine, South Korea, Montenegro, Honduras and Egypt) and a new commercial format, Uterqüe, was created which represents a great challenge in the selection, training and internal promotion of employees to occupy new management responsibilities.

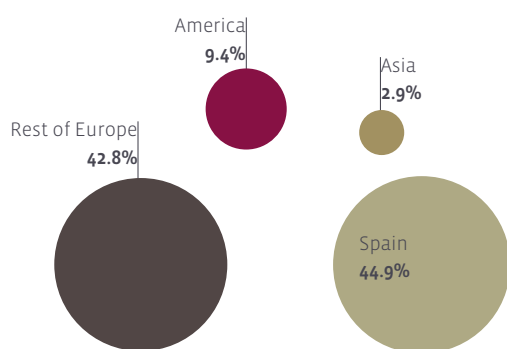
The stores continue to be the main motor of employment in the company, representing 89% of the total number of employees in the Group.

Employees by activity

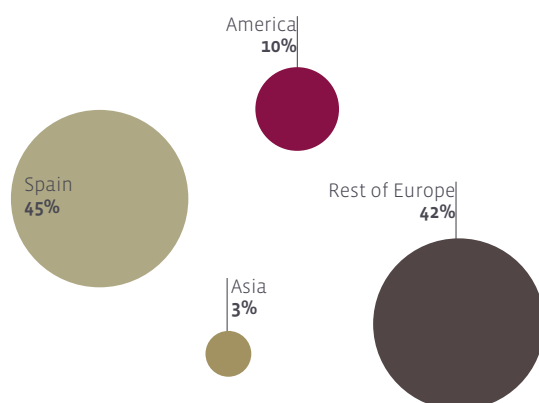


By geographical areas, the tendency towards the internationalisation of the Group continues. Its presence outside Spain involves over 55% of the total number of employees. The distribution of the staff, with 87% in Europe, is a result of the commercial implantation of the Group, which concentrates over 83% of its stores in the European market.

Distribution of employees by geographical areas in 2008



Distribution of employees by geographical areas in 2007



Distribution of employees by country

Europe	2008
Austria	572
Belgium	1,038
Croatia	169
Czech Republic	382
Denmark	122
Europe	2008
France	5,107
Germany	2,684
Greece	2,829
Holland	692

Europe	2008
Austria	572
Hungary	369
Ireland	707
Italy	4,856
Luxembourg	68
Monaco	29
Norway	169
Poland	1,56
Portugal	5,041
Romania	628
Russia	4,465
Slovakia	114
Spain	39,993
Sweden	464
Switzerland	495
Turkey	1,829
UK	3,693
Ukraine	98
Total	78,173

America	2008
Argentina	459
Brazil	1,328
Canada	755
Chile	479
Mexico	3,322
Puerto Rico	86
Uruguay	182
USA	1,744
Total	8,355

Asia-Pacific	2008
China	1,008
Japan	1,364
South Korea	212
Total	2,584

Increase of employees by geographical areas

	2008	2007	% Increase
Europe	78,173	69,466	12.5
America	8,355	8,022	4.2
Asia-Pacific	2,584	2,033	27.1



TRAINING

Inditex's particular business model, designed to give form to customers' wishes and based on constant innovation and teamwork, means that the Group considers training and internal promotion of its professionals as key elements of its activity.

Throughout the 2008 financial year, Inditex has started up different initiatives in accordance with the Group's personnel management policy, which promotes:

- Internal promotion
- Training and development
- Evaluation of performance
- Constant adaptation to the business

In 2008, Inditex invested 44 million euros in training plans for its employees, 10% more than in the previous financial year. Over 80% of this investment is devoted to in-store training, where such training actions as entry plans, ongoing training through the Store Management Terminal (TGT) and courses for prevention of Workplace Risk, stand out. Furthermore, Inditex devoted 9 million euros to classroom training plans, mainly in languages and computing. In total, about a million hours were devoted to classroom training, with the objective of improving the professional abilities of our students.

The internal training plans are adapted to the needs of the Group professionals according to their activity and are of a diverse nature:

- Entry training for new employees
- Management and administration of teams
- Languages
- Information systems
- New technologies
- Individual training plans
- Store management systems (TGT, tills, PDA)
- Training in products, raw materials and presentation of collections.

In the linguistic sphere, Spanish and English are the languages which were the priorities. The materials taught on each course varied according to the nature of the activity of each professional and the specific vocabulary required.

Apart from specific training according to the professional activity performed by each employee, Inditex offers general courses in corporate social responsibility, the environment and workplace accident prevention policies either online or through personally-attended courses.

In the 2008 financial year, it is relevant to point out the creation of a new chain of accessories of the Inditex Group, Uterqüe, which has involved a significant investment in training for all the staff, which is almost entirely made up of employees of other chains in the Group.

Store

In the Inditex training plans, most of the effort is expended on the store with an eminently practical approach. With the objective of laying down a pattern for, and guaranteeing the quality and homogeneity of, training in the job instructional materials have been developed with guides, advice, periodic evaluations, among other contents, which help both the trainers and the learners. Among these materials, the organisation manuals of the stores of the chain, which are constantly updated, are particularly important. The manuals include detailed information on any aspect of the in-store work, such as human resources, activity at the till, the environment, or detailed information on the chain and the Group. All the store managers have the manuals available for use by the employees in any concrete situation.

Apart from the permanent updating of the organisation manuals of the store, the generalised implantation of the TGT and the reception training plans for new employees in all chains during 2008, Inditex has started up specific initiatives such as the customer services plan or the international training plans.



1. Customer service plan

Among the materials available in-store to the managers and the remainder of the staff in order to facilitate their work, during 2008, a specific guidebook for attention to the customer, drawn up by the customer services team of Inditex based on the suggestions, questions and comments from the stores, has been included. This document, which is available from the end of the financial year in the Zara stores through TGT, makes it possible for store employees to clear up any questions from customers on such matters as products, commercial policies or any incident that may have arisen. The objective is that the store employees should be trained to give the best possible attention to the customer at the point of sale. In 2009, the rest of the chains are adapting their customer services manual, taking into account the unique characteristics of their customer services policy, and this will be available in their stores before the close of the financial year.

Apart from Inditex' general actions, the commercial formats of the Group also carry out concrete actions to encourage the maximum quality of attention to customers in their stores. This is the case, for example, of Zara with the "Customer Services Day". During that day and with the support of the area commercial teams, work has been done on improving customer services, reinforcing messages, correcting areas and motivating teams with the aim of improving the final service.

2.- International training plans

During 2008, training plans have been started up for the international Group stores based on the experience of the plans carried out in Spain in previous years and on the satisfactory results from the initial selection and training centres in Madrid and Barcelona, opened up the previous year with the aim of imparting basic knowledge of Inditex and the in-store activity to new Group employees.

These programmes include training plans both for new employees of the shops and for new managers. In both cases, the educational programmes include a manual

of responsibilities and the permanent tutorship of a veteran store professional. For new employees in the stores, store employees have been designated and trained to act as tutors of the new employee in his first steps in the Group.

The manager is one of the professionals with most responsibility at Inditex due to his key role of being in contact with the client and his demands. This is the reason for which Inditex is making a commitment to employing people with the greatest possible level of training about the business and Inditex. For this purpose, during 2008, Inditex has selected 500 veteran managers of its European stores and has given them specific courses so that they can act as trainers of future store managers.

Thanks to the implantation of these two training plans (new employees and new managers), Inditex has detected a descent in rotation and an increase in the rate of learning of store tasks. As general indicators for the purposes of management it is worth pointing out the following:

- Reduction in the rate of absenteeism in stores by 4.4% in Spain.
- Reduction in temporary employment by 3.6%
- Reduction in the rate of rotation by 34.5% in Spain.

Logistics

All of Inditex's logistical areas have since 2007 had an internal magazine, *Login*, with specific information on the working environment. This project, which was drawn up jointly by the Group Communications Department and the Human Resources Department of Logistics, with the participation of all the departments which make up Inditex logistics, was consolidated during 2008. In this financial year, four issues have been published ensuring that the 5,000 employees of the logistical section of Inditex are informed about the projects, objectives and challenges of the Group in its sphere.



Design, commercial and corporate areas

In the corporate areas, apart from the general training courses, Inditex develops personalised training plans for the professionals who join the company. These programmes, designed jointly by the Human Resources Department and the direct superior of the new employee, include a period of in-store training, the nucleus of Inditex's activity and the leading figure in its business culture and model.

TEAM MANAGEMENT AND INTERNAL PROMOTION

For a company such as Inditex, with over 4,000 shops and 89,000 employees, the management of talent is a strategic value at all corporate levels. From its beginnings, the Group has encouraged the creation of suitable working environments so that employees can develop their professional abilities and grow within the company. Indeed, the vast majority of store managers began as store assistants in Inditex.

The management of in-store teams has received a qualitative boost during 2008 with the implantation in stores of the modules of management of Human Resources in the TGT, the computer terminal which acts as a channel of communication between the shops and the corporate sectors. These modules offer the heads of the stores the most suitable tools for

the daily management of the shop, including the organisation of the staff, their performance and their training needs. Currently, TGT is operative in over 80% of Inditex stores.

On the other hand, in 2008 the process of evaluation of the performance of the different profiles of shop was formalised, aligning it with the Group culture. That involves evaluating the level of performance of each one of the responsibilities of the position as well as the proper attitudes for obtaining the best results. As a consequence, during the financial year, 1,391 assistants were promoted to different positions of responsibility within the stores. On the other hand, 37 store professionals took on responsibilities within the structure of Zara Spain, while another 38 persons, also from stores, took on positions of responsibility in the headquarters of other chains or in the central services of Inditex.

The opening of a new chain always involves a reconsideration of all the policies of the company, mixing the experience acquired by the Group in the course of its existence with the continuous adaptation to the setting and the customer. In 2008, the opening of Uterqüe was an important challenge regarding the management of staff, in which Inditex used its policy of internal promotion. The totality of the positions of responsibility of the stores of the new chain have been occupied by company professionals from other chains in the Group or from other areas such as logistics.



UTERQÛE

Inditex fashion complements and accessories chain opened its doors simultaneously in A Coruña, Barcelona and Madrid. At the end of the year, Uterqüe had 31 shops in Spain, Portugal and Greece. In this launch, Inditex followed its usual policy of internal promotion and training. All the positions of responsibility in the chain, both in the shops and in logistics or in the central offices were covered by Group professionals.

The personality of Uterqüe, marked by a quality offer and exquisite attention to the customer, make the selection of staff and their training very demanding. All new employees of the chain have received intensive and specific training on their new responsibilities and the characteristics of the Uterqüe style and its products. Furthermore, the staff of each one of the new stores that the chain has opened have received an opening course with specific contents such as customer services and characteristics of the collection.

In total, for the launch of Uterqüe over 6,800 hours of training have been given for the staff of the new chain.

Motivation

Each business unit in Inditex sets down its own lines of activity in terms of staff motivation and on the basis of the characteristics of their activity or geographical location, with the result that it is very normal to find policies and projects whose sphere of action is local and is conducted wholly by the teams of that business unit. If the result of that policy is satisfactory, it is transferred to the global ambit of the company. In practice, these lines of action constitute a true value within the Group, which grants great autonomy and freedom of action to its different teams.

During 2008, for example, Tempe, Inditex's footwear design and distribution company, started up the following projects within the area of Management of Persons:

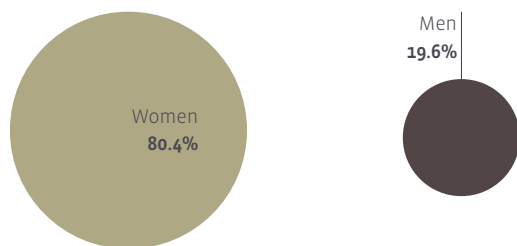
- Valores Tempe
- Plan for professional development: System of Tempe powers
- Training at the Zara point of sale
- Promo Project (professional career 3 years)
- 360° Evaluation of intermediate management
- Evaluation of the performance of the logistics operatives
- Application of the evaluation of performance in Tempe
- "Express School" of design
- "D-Day" (detection of talent)
- 90 integration programmes
- Development of the programme of succession (Management +Managers + Lines)



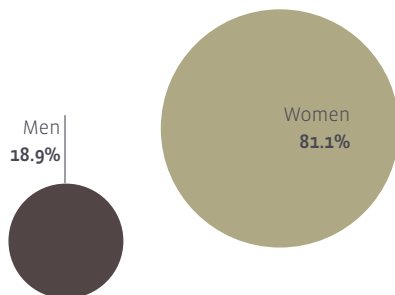
EQUALITY, DIVERSITY AND RECONCILIATION

The Inditex Group staff is made up of 80.4% women and 19.6% men. At Inditex, men and women compete equally for opportunities in the recruitment processes, and apply for internal promotion based on the same criteria of assessment, development, talent and dedication to their work.

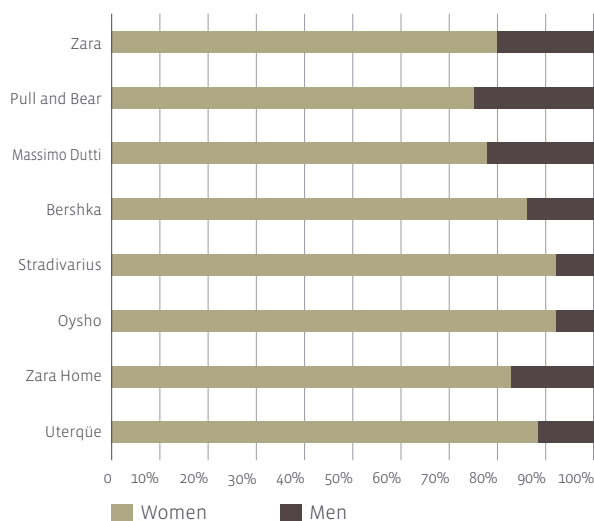
Employees by gender in 2008



Employees by gender in 2007



Employees by sex in each commercial format (%)



In 2006, Inditex endorsed its commitment to equality both vertically and horizontally with the ratification of a project, *Equal Active Diversity*, co-financed by the European Commission and directed in its social responsibility actions by the Spanish Coordinator of the Women's European Lobby and Carolina Foundation which aims to promote the implantation of measures in companies that endeavour to reduce inequalities between men and women. In the framework of this project, a situational analysis was carried out, which concluded that Inditex has an unequivocal commitment to equality and non-discrimination.

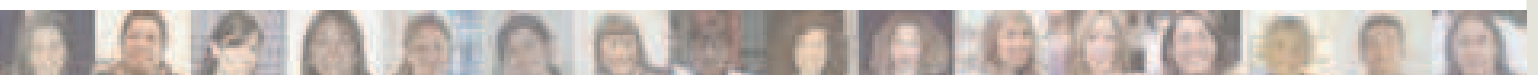
The commitment was completed with the approval by the Group management of a performance protocol against possible gender discrimination and sexual harassment in which if any employee were to complain, an internal investigation would be started with the aim of establishing the facts and possibly dealing with those responsible.

The presence of women at management level corresponds exactly to the percentage of women in the work force (80%), which constitutes a very positive figure in terms of vertical diversity. In fact, the case of Inditex was highlighted last June in one of the lectures at the annual conference of the *International Association For Feminist Economics* (IAFFE) which was held at Simmons College in Boston (United States).

During the 2008 financial year, Inditex took another step in this field with the signing of two equality plans for the logistical centre in Zaragoza and the factories of Arteixo and Narón (A Coruña).

The objectives of the equality plans of the Group are:

- To promote the principle of effective equality between men and women, guaranteeing in the manufacturing companies the same opportunities of access to employment and professional development in all ambits.
- To continue to achieve a balanced representation of women in positions of responsibility.

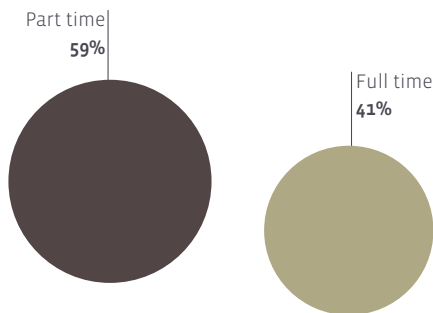


- To prevent discrimination by reason of sex and sexual harassment at work by means of the effective application of the protocols.
- To establish and spread the social and family reconciliation measures in such a manner that professional development is made compatible with attention to family responsibilities, especially regarding young people and dependent older people.

LABOUR POLICY

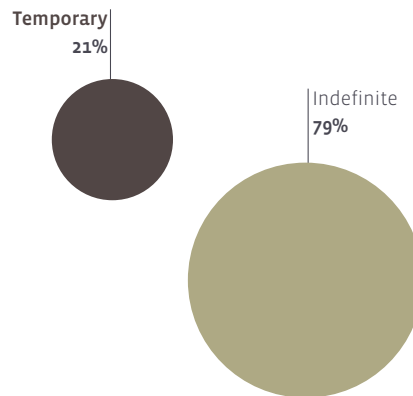
One of the main characteristics of the Inditex business model is flexibility, which is reflected in the human resource policy. The company offers a range of positions with different working hours so as to facilitate, to the extent that this is possible, stable work shifts. In 2008, the evolution by type of working day in the Group showed an increase in hiring part-time, going from 53% in 2007 to 59% in the last financial year, which makes clear that more and more employees are using this formula to make their work compatible with family or studies.

Employees per type of working day in 2008



On the other hand, Inditex is making a commitment to the creation of stable employment. In 2008, indefinite contracts represented 79% of the total. Temporary contracts, which amount to 21%, are only used under extraordinary circumstances.

Staff structure per type of contract in 2008



In 2008, there has been greater emphasis on aspects of the reconciliation of work and family life such as the protection of pregnant and nursing women, the prevention of accidents at work during pregnancy, compatibility of part-time work and caring for younger children and older dependent people or extended periods of leave for the same reasons.

Policy of payment

All the areas of Group activity, independently of their direct or indirect relationship with the store, are aimed at giving a response to the demands of the customers. This means that, apart from the variable part of the salary associated with sales for store employees, those who work in logistics and production also have elements of pay linked with productivity and a large number of jobs in the subsidiaries and chains also have a variable percentage to their salary.

Within the variable pay policy of the employees of the central services, new criteria have been set for fixing objectives. All positions will have:

- Part of the variable with common quantitative objectives.
- Part of the variable at the choice of the persons responsible among sector objectives and concrete projects.

In this way, a further step is taken in the alignment of variable pay with the objectives that are common to the whole Group.



Staffing costs (in thousands of euros)	2008	2007	Var. 07/08
Fixed and variable salaries	1,389,177	1,193,677	16.3%
Social security contributions by Inditex	314,010	279,223	12.4%
Total staffing costs	1,703,187	1,472,900	15.6%

Occupational risk prevention

During 2008, different actions have been started up in the matter of prevention of workplace risks. The following are the most significant:

- Drawing up of emergency plans and simulations of evacuation from the warehouses, headquarters and stores for 7,600 workers.
- Extension of the organisational structure with the integration of the different teams of human resources of each one of the chains as collaborators in certain tasks in the matter of risk prevention.
- New system of management of prevention online through forms implanted in the Store Management Terminal (TGT), such as the investigation of accidents or the notification of sick leave, with the result that it is intended to improve both the management and control of absenteeism. A total of 5,258 store workers received training in 2008 through TGT on workplace risks.
- Creation of internal auditing procedures in all the logistical platforms, with the aim of getting to know their levels of adaptation to the basic regulations of prevention.
- Creation of the "Prevention Week" in Uterqüe for 321 employees.
- Training in factories for 669 workers.
- Start up of the project "Physical exercise in the company" at the logistical platform in Zaragoza

(Spain), in collaboration with the University of Zaragoza, with the aim of evaluating the advantages involved in carrying out physical exercise.

- Conduct of ergonomic studies on the logistical platforms and at the headquarters of Bershka and Massimo Dutti in Tordera (Barcelona), with the aim of improving the working conditions, in collaboration with educational institutions. The study carried out by the Biomechanical Institute in Valencia stands out, which had the aim of introducing preventive improvements from the phase of the project of different logistical positions.

During 2008, the work of Inditex in the sphere of prevention of workplace risks has been publicly recognised. To be specific, the General Directorate of Labour Relations of the Galician Regional Government gave Inditex the Premio Prever '07 in the category of Companies and Institutions by virtue of its work in favour of informing about and implanting the prevention of workplace risks in the social and employment fabric of Spain.

Furthermore, the Zara shop in the Gran Casa Shopping Centre in Zaragoza was awarded the First Premio Personae, awarded by the Sonae Sierra company, which recognises the establishment that has best adopted the criteria set in the Personae programme, of introduction of best practices in safety and workplace health.

Social dialogue

Social dialogue and respect for the freedom of labour unions have a preferential position in the Group's social policy. During the 2008 financial year, the fruit of the consensus achieved between the Group management and the social representation of the logistical centres, company agreements were signed in Spain in the logistical centres of Massimo Dutti and Bershka, in Tordera (Barcelona), Zara Home, in Meco (Madrid), and at the logistical platform in Zaragoza.

