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INDITEX

September 4, 2007

Arteixo, Spain

RE: Statement from Inditex on the Manuscript "Inventory Management of a Fast-Fashion Retail Network" by Caro and Gallien

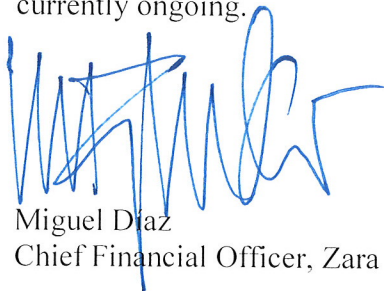
To Whom It May Concern:

The Inditex Group hereby states that the work described in the paper referenced above has indeed been conducted in collaboration with Zara, and that the statements relative to Zara's practice contained in the manuscript are accurate.

In particular, the new optimization-based system for replenishing store merchandise inventory described in the paper has been tested as part of a live pilot experiment within Zara's Women Section from July to November 2006, for fifteen references and all stores receiving inventory from our warehouse located in Arteixo, Spain (approximately half of our worldwide store network). Following that test, Zara decided to deploy the new process to all of its references and stores worldwide. That deployment started in January of 2007 and was completed during the summer of 2007. As of the time of writing, that process is thus used to compute all replenishment quantities for all references shipped to our entire network of more than 1000 stores. The Inditex Group is also planning to start using this process in the near future for some of its other brands beyond Zara, including Massimo Dutti (approximately 400 stores worldwide).

Our estimate of the financial benefits specifically attributable to the use of that new process when distributing inventory to all our stores worldwide is consistent with that reported in the paper for the live pilot. From an operational perspective, this new tool has considerably eased the work of our warehouse allocation team, enabling that team to dedicate more time to critical issues. This new process thus significantly contributes to Zara's strategic goal of improving the scalability of its operations in order to support its continued growth.

Another telling fact about our appreciation of the work described in the referenced paper is that Zara has decided to start another major collaborative research project with its authors Felipe Caro and Jérémie Gallien in the area of clearance pricing, which is currently ongoing.



Miguel Díaz
Chief Financial Officer, Zara

