

**Benetton Board of Directors approves the results for the first quarter of the year 2000.**

**THE CLOTHING SECTOR SHOWS MARKED GROWTH:**

**AN INCREASE OF 8.5% IN VOLUMES AND 5% IN TURNOVER.**

**THE CONSOLIDATED NET INCOME RISES TO 44 BILLION LIRE (US\$ 21.7 million) (+16%).**

**Extraordinary income of 185 billion lire (US\$ 91.4 million)**

Ponzano, 15<sup>th</sup> May 2000. A notable increase in business for the clothing segment, a sector that grew by 8.5% in volume and by 5% in turnover, together with a 16% increase in net income: these are the most significant results achieved by the Benetton Group during the first quarter of the year 2000, results approved today by the Board of Directors.

The positive results in the clothing sector have been homogeneously obtained throughout all the principal markets, and have also been influenced by the good performance of the directly managed megastores, which will continue to be opened in historical and commercial centres in the coming months, in particular in Paris and London. The order situation suggests an increase of around 8% in the annual turnover, a figure obtained partly by ever greater full-price sales in stores thanks to a timely re-supplying of updated products that limits reduced price sales periods to a minimum.

Revenues from the first quarter of 2000, which take into account a reduction of 37 billion lire (US\$18.3 million) following the de-consolidation, principally, of Benetton Formula, amount to 829 billion lire (US\$410 million), compared with 851 billion (US\$421 million) recorded in the first quarter of 1999. Revenues also reflect the situation in the sport sector with a decrease of 25 billion lire (US\$12.4 million), due in part to the markedly seasonal nature of sales in sports equipment, and therefore recoverable during the course of the year.

Consolidated net income for the first quarter of 2000 rose to 44 billion lire (US\$ 21.7 million) compared to 38 billion lire (US\$18.6 million) for the same period in 1999. To this figure 185 billion lire (US\$91.4 million) of extraordinary net income, realised primarily from sale of the Formula One Team to the Renault Group, are added. During the first three months of the year, the gross operating income, the contribution margin and the income from operations present parallel and significant gains with respect to the same period in 1999.

In addition, the first three months of the year saw the completion of the restructuring and expansion of Fabbrica, the Group's communication research Centre, designed and supervised by the renown Japanese architect Tadao Ando. The Centre, ever more the creative and technological protagonist of Benetton's communication strategy, located thirty minutes from Venice, will be officially inaugurated by July this year.

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