UNITED COLORS OF BENETTON.

Stockholders approve 1995 Financial Statements
BENETTON DIVIDEND UP 6% TO LIRE 425
GROUP REVENUES RISE BY 5.4%, NET INCOME BY 5%

Ponzano, Italy, April 30, 1996. A dividend of Lire 425 per share, over 6% higher than the Lire 400 declared in 1995, will be payable from May 20, 1996, following a resolution adopted today at the Stockholders' Meeting of Benetton Group S.p.A. chaired by Luciano Benetton. The meeting was attended by 13 stockholders representing, either directly or by proxy, 125,474,541 shares or 71.88% of capital. Edizione Holding is the largest registered stockholder with a 71.28% interest in the Company.

The meeting heard a report on the results achieved in 1995, which reflect a policy of increased emphasis on the relationship between product price and quality, combined with the effective control of manufacturing costs. Consolidated revenues approached three thousand billion Lire (Lire 2,940 billion), 5.4% higher than in 1994 (2,788 billion). In geographical terms, growth came from Europe (where revenues rose by 7.6% overall) and the Far East (also 7.6% up). 012 sales continued to increase, consolidating this label's position of strength in the childrens' wear sector with a rise of over 15%.

Consolidated net income rose by 5% to exceed Lire 220 billion, compared with 210 billion of the previous year. Consolidated gross margin improved further to Lire 1,218 billion, or 41.4% of revenues. Operating income amounted to Lire 444 billion, compared with Lire 389 billion in 1994; the ratio to revenues rising from 13.9% to 15.1%. Despite higher interest rates, the ratio of net interest expense to revenues remained stable (1.6%). The Group's net borrowing fell from Lire 303 billion (1994) to Lire 140 billion. Consolidated stockholders' equity rose approximately Lire 153 billion to Lire 1,657 billion.

1995's highly satisfactory results represent the first fruits of a program of corporate renewal launched three years ago. In addition to price cutting, this program has involved investment in the manufacturing base and distribution network, combined with development of a more flexible and demand - oriented catalog of collections - one of a number of measures to raise efficiency and product quality. This program will continue over the next few years, enabling the Group to consolidate its presence in world markets through increased internationalization and competitiveness.

Programs aimed at updating and upgrading the Group's manufacturing base continued during 1995. The combined investment - over Lire 200 billion during the last three years - is tangible proof of the determination to consolidate Benetton's European manufacturing presence, particularly in Italy. The cotton garments and shirts manufacturing facility at Castrette was completed at the end of July, just 8 months after works began. This represented the final stage of a program which has created one of the most advanced manufacturing complexes of its kind anywhere in the world, with a covered surface area of over 190,000 square meters. The entire complex - which also includes a tailored garment factory, a woollens plant and an automated distribution center - operates under an integrated system which combines the use of cutting-edge automation technology with a high level of operating flexibility.

Continued expansion in international markets has involved steady consolidation of the Group’s presence in China and India, together with accelerating growth of operations in Thailand, Indonesia and elsewhere in South East Asia. Expansion was also boosted by licensing activities and product diversification. In particular, the year saw the restructuring of the cosmetics sector, based on a series of agreements for manufacture and distribution under license. The first of these has been finalized with Oscar, a Korean company belonging to the Pacific Corporation Group, leader in its sector with revenues of US$ 700 million; this move has led to the creation of Beauté Benetton, a new line to be marketed throughout the Far East from the second half of 1996.