

New partnership with the Percassi Group
BENETTON STRENGTHENS ITS COMMERCIAL STRUCTURE IN ITALY
With an investment of around 27 million euro

Ponzano, 7th July 2006 – The Board of Directors of Benetton Group has approved an agreement with the Percassi Group for a partnership which will be responsible for the management and development of the commercial activities of the Benetton brands in 48 stores in Northern Italy.



The Benetton Group will invest around 27 million euro to acquire 50 per cent of L'Innominato S.p.A., a company controlled by the Percassi family's Smalg S.p.A., which manages commercial activities for United Colors of Benetton, Sisley and Playlife brands in 48 stores, mostly located in the Lombardy region.

L'Innominato expects revenues from the Benetton brands in 2006 to be around 59 million euro. The Benetton Group will consolidate revenues from the company during the third quarter of 2006; this will therefore have a partial impact on the 2006 financial statements and a full year impact as from 2007.

For Benetton, the agreement represents a significant step forward in its strategy for the strengthening and development of the Benetton store network in Italy and abroad, also by organic growth. It consolidates the profitable thirty-year cooperation with the Percassi Group, the best guarantee for the success of this new initiative in one of the most competitive and high profile areas in Italy.

The operation is part of the global strategy being implemented by Benetton for the strengthening and development of relationships with its commercial partners all over the world, and follows on the heels of recent examples in Germany, India and Turkey.

The operation is subject to approval by the Autorità Garante della Concorrenza e del Mercato (Competition and Market Guarantor Authority).

For further information:

Media
+39 0422519036
www.benettongroup.com/press

Investor Relations
+39 0422519412
www.benettongroup.com/investors