

BENETTON TO ABSORB INCREASE IN ITALY'S VAT TO 21 PERCENT, AS WELL AS THE IMPACT OF THE RISE IN THE PRICE OF RAW MATERIALS

Ponzano, Italy, September 16, 2011, at 09.00 p.m. CET – Benetton Group today announced that it will absorb the 100 bps increase in Italy's Value Added Tax (VAT) in connection with the austerity package passed by the government, to 21%, so that it would not weight on consumers, as well as the impact of the rise in the price of raw materials. Consequently, in Italy prices to the end consumer of products sold under the United Colors of Benetton, Sisley, Playlife and Undercolors brands will remain unchanged.

This decision, which will initially impact all company-owned stores in Italy, reflects the attention of the Group to the needs of consumers.

UNITED COLORS
OF BENETTON.

Alessandro Benetton, Executive Deputy Chairman of Benetton Group, commented: *"This initiative reflects the focus of the Group on fighting with flexibility and innovation the decline in consumer spending in Italy. It also contributes in a concrete way to help those same Italian families with which over the past nearly 50 years we have built a strong and deep relationship. At the same time, it reflects our trust and optimism in the economy of our country."*

At the same time, the Group is working in cooperation with all its partners in the Italian market to extend this meaningful initiative to all over 2500 Benetton stores in Italy.

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