

Joint Benetton-Sears press release
SEARS TO SELL BENETTON USA BRAND
New Fashion Basics Line Arrives in Stores in Summer 1999

Ponzano - Italy, 5 October 1998 - Sears will become the exclusive retailer of the new "Benetton Usa" brand of fashion basics next summer as part of Sears ongoing plan to selectively add internationally recognized brands to its merchandise mix. The retailer will offer four clothing lines: young men's, boys, girls and juniors, in distinct "shops within shops" on its sale floors.

UNITED COLORS
OF BENETTON.

"Benetton USA is an outstanding addition to our collection of national brands", said Robert L. Mettler, president merchandising Sears full-line stores. "The Benetton Group has long been recognized for its trend-setting design capabilities, marketing savvy and merchandising expertise. By adding the Benetton USA brand we speak directly to the fashion and value requirements of our target customer and her family", Mettler added.

"Through our alliance with Sears, the Benetton Group will strengthen its presence in the American market with a specific brand that marries Benetton's international brand image with the price/value American customers have asked to provide", said Carlo Gilardi, CEO of Benetton Group.

The new Benetton USA collections, designed in the Benetton style, will be produced by New York-based Euro-America Holdings, Inc. The Benetton licensee will be sole supplier to Sears department stores.

Benetton has been present in the American market since 1980. It currently has approximately 200 stores in the major North American cities and recently restructured the famous Scribner Building on 5th Avenue in New York, formerly the head office of Charles Scribner's & Sons, the publishing house of Hemingway and Scott Fitzgerald, in which it has opened one of the most prestigious Benetton Megastores in the world.

With its network of more than 830 full-line department stores and 2,500 off-the-mall stores, Sears is leading retailer of apparel, home and automotive products and services for families throughout North America, serving more than 60 million households.