

**Stockholders' Meeting approves the 2000 financial statements  
BENETTON: DIVIDEND OF 90 LIRE. For total pay out of 163 billion  
lire. Earnings up sharply, volumes +10%**

Ponzano, 8<sup>th</sup> May, 2001- The Stockholders' Meeting of Benetton Group S.p.A., which met today under the chairmanship of Luciano Benetton, approved the 2000 financial statements with consolidated net income of 471 billion lire (243 million euros) and consolidated revenues of 3,908 billion lire (2.02 billion euros).

The Meeting approved a dividend of 90 lire per share, confirming the focus on stockholder remuneration that the company adopted in 1999. Of the total pay-out of 163 billion lire (83 million euros), 19 billion (9.8 million euros) will come from the extraordinary reserve. The dividend will be payable as from 24<sup>th</sup> May, 2001.

UNITED COLORS  
OF BENETTON.

The Meeting also deliberated the nomination of the Board, with the entry of Luigi de Pippi, and the conversion of the capital stock into euros, with the contextual grouping of shares in the ratio of one new share for every 10 currently held.

Analysis of the 2000 financial statements shows volume growth of over 10% and revenues of 3,908 billion lire (2.02 billion euros), compared with 3,838 billion lire (1.98 billion euros) in 1999. The 2000 figures include the deconsolidation of the activities of Benetton Formula and SAB (Socks and Accessories Benetton), which contributed a total of around 150 billion lire (77 million euros) to last year's revenues.

In 2000, consolidated net income reached 471 billion lire (243 million euros), compared with 322 billion (166 million euros) in 1999, due also to the extraordinary income deriving principally from the sale of the Formula One team. Net of extraordinary gains and losses, the income amounts to 337 billion lire (174 million euros).

Cash flow rose to 651 billion lire (336 million euros), against 501 billion (259 million euros) in the previous financial year. Working capital increased to 1,495 billion (772 million euros), from 1,434 billion (741 million euros) in 1999. Stockholders' equity was 2,275 billion lire (1.18 billion euros), up from 2,161 billion (1.12 billion euros) the previous year.

The year 2000 closed with net indebtedness of 1,039 billion lire (536 million euros), compared with 576 billion (298 million euros) in 1999, as a result of the sharp acceleration in the investment program for the opening of megastores, which will make a significant contribution to turnover as early as the current financial year.

In 2000, the principal growth markets for clothing - other than Europe - were the United States, Korea and Japan, which enjoyed double-digit expansion rates. In particular, the growth in the Japanese market occurred in the presence of a desired and significant reduction in the number of small stores, closed because they no longer met market needs, in parallel with the opening of large modern sales areas. In the future, this trend will affect all markets in which the Group operates.

Development of the megastore network, some of which are directly managed, accelerated during 2000 and will continue at an even faster pace in 2001. The most prestigious opening was the Tokyo flagship store, on the prominent Omotesando street. Other important openings occurred in Kobe, Japan; Moscow, the largest single-brand store in Russia; and Hamburg, with one of the largest Benetton megastores in Germany; as well as Athens, Milan and Rome. Among the numerous openings for 2001, London, Paris, New York and Vienna stand out.

Fabrica, the communications research and development centre created from the Group's cultural heritage, assumed a central role in Benetton's communication structure in 2000. Inauguration of its headquarters in a prestigious architectural complex near Treviso officially confirmed its function as creative leader of Group communications, as well as multi-cultural centre involved in projects of international esteem.

Again regarding communications, the Playlife brand played a prominent role in the 2000 Sydney Olympics, as official clothing supplier to the Italian Olympic team. Thanks also to the success of the Italian team, the brand achieved extensive international awareness, as confirmed by the double-digit growth in sportswear sales.

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## Group results (in billions of Lire)

### Consolidated income statement

(in billions of Lire)	2000	%	1999	%	Change	%
Revenues	3,907.6	100.0	3,837.8	100.0	69.8	1.8
Cost of sales	(2,204.4)	(56.4)	(2,147.1)	(56.0)	(57.3)	2.7
Gross operating income	1,703.2	43.6	1,690.7	44.0	12.5	0.7
Variable selling costs	(270.9)	(6.9)	(256.7)	(6.7)	(14.2)	5.5
Contribution margin	1,432.3	36.7	1,434.0	37.3	(1.7)	(0.1)
General and administrative expenses	(833.9)	(21.4)	(822.8)	(21.4)	(11.1)	1.3
Income from operations	598.4	15.3	611.2	15.9	(12.8)	(2.1)
Losses on foreign exchange	(28.1)	(0.7)	(50.4)	(1.3)	22.3	(44.2)
Financial charges, net	(45.8)	(1.1)	(25.6)	(0.6)	(20.2)	78.9
Extraordinary income (expenses)	145.9	3.7	(22.4)	(0.6)	168.3	n.s.
Income before taxes	670.4	17.2	512.8	13.4	157.6	30.7
Income taxes	(194.7)	(5.0)	(184.4)	(4.8)	(10.3)	5.6
Income attributable to minority interests	(4.7)	(0.1)	(6.2)	(0.2)	1.5	(24.2)
Net income	471.0	12.1	322.2	8.4	148.8	46.2

### Financial position

(in billions of Lire)	31.12.2000	31.12.1999	Change
Working capital	1,495	1,434	61
Total capital employed	3,337	2,757	580
Net indebtedness	1,039	576	463
Shareholders' equity	2,275	2,161	114
Minority interests	23	20	3

### Summary statement of cash flows

(in billions of Lire)	2000	1999
Self-financing	602	726
Change in working capital	(114)	(58)
Net operating and financial investments	(522)	(339)
Sale of investments	241	7
Payment of dividends	(361)	(404)
Payment of taxes	(313)	(93)
<b>Net financial requirement</b>	<b>(467)</b>	<b>(161)</b>

## Group results (in millions of Euro)

### Consolidated income statement

(in millions of Euro)	2000	%	1999	%	Change	%
Revenues	2,018.1	100.0	1,982.1	100.0	36.0	1.8
Cost of sales	(1,138.5)	(56.4)	(1,108.9)	(56.0)	(29.6)	2.7
Gross operating income	879.6	43.6	873.2	44.0	6.4	0.7
Variable selling costs	(139.9)	(6.9)	(132.6)	(6.7)	(7.3)	5.5
Contribution margin	739.7	36.7	740.6	37.3	(0.9)	(0.1)
General and administrative expenses	(430.6)	(21.4)	(425.0)	(21.4)	(5.6)	1.3
Income from operations	309.1	15.3	315.6	15.9	(6.5)	(2.1)
Losses on foreign exchange	(14.5)	(0.7)	(26.0)	(1.3)	11.5	(44.2)
Financial charges, net	(23.7)	(1.1)	(13.2)	(0.6)	(10.5)	78.9
Extraordinary income (expenses)	75.3	3.7	(11.6)	(0.6)	86.9	n.s.
Income before taxes	346.2	17.2	264.8	13.4	81.4	30.7
Income taxes	(100.5)	(5.0)	(95.2)	(4.8)	(5.3)	5.6
Income attributable to minority interests	(2.4)	(0.1)	(3.2)	(0.2)	0.8	(24.2)
Net income	243.3	12.1	166.4	8.4	76.9	46.2

### Financial position

(in millions of Euro)	31.12.2000	31.12.1999	Change
Working capital	772	741	31
Total capital employed	1,723	1,424	299
Net indebtedness	536	298	238
Shareholders' equity	1,175	1,116	59
Minority interests	12	10	2

### Summary statement of cash flows

(in millions of Euro)	2000	1999
Self-financing	311	375
Change in working capital	(59)	(30)
Net operating and financial investments	(269)	(175)
Sale of investments	124	4
Payment of dividends	(186)	(209)
Payment of taxes	(162)	(48)
<b>Net financial requirement</b>	<b>(241)</b>	<b>(83)</b>

## Benetton Group S.p.A. results (in billions of Lire)

### Benetton Group S.p.A. results

(in billions of Lire)	2000	%	1999	%	Change	%
Revenues	3,515.7	100.0	3,239.6	100.0	276.1	8.5
Cost of sales	(2,335.8)	(66.4)	(2,138.6)	(66.0)	(197.2)	9.2
Gross operating income	1,179.9	33.6	1,101.0	34.0	78.9	7.2
Variable selling costs & General Expenses	(723.1)	(20.6)	(634.2)	(19.6)	(88.9)	14.0
Income from operations	456.8	13.0	466.8	14.4	(10.0)	(2.1)
Foreign exchange & Financial charges, net	(91.0)	(2.6)	(100.4)	(3.1)	9.4	(9.4)
Extraordinary income (expenses)	(65.3)	(1.9)	272.0	8.4	(337.3)	n.s.
Income taxes	(148.9)	(4.2)	(169.2)	(5.2)	20.3	(12.0)
Net income	151.6	4.3	469.2	14.5	(317.6)	(67.7)

### Financial position

(in billions of Lire)	12.31.2000	12.31.1999
Working capital	972	1,001
Total capital employed	2,419	2,143
Net indebtedness	1,399	1,019
Shareholders' equity	1,020	1,124

## Benetton Group S.p.A. results (in millions of Euro)

### Benetton Group S.p.A. results

(in millions of Euro)	2000	%	1999	%	Change	%
Revenues	1,815.7	100.0	1,673.1	100.0	142.6	8.5
Cost of sales	(1,206.3)	(66.4)	(1,104.5)	(66.0)	(101.8)	9.2
Gross operating income	609.4	33.6	568.6	34.0	40.8	7.2
Variable selling costs & General Expenses	(373.5)	(20.6)	(327.5)	(19.6)	(46.0)	14.0
Income from operations	235.9	13.0	241.1	14.4	(5.2)	(2.1)
Foreign exchange & Financial charges, net	(47.0)	(2.6)	(51.9)	(3.1)	4.9	(9.4)
Extraordinary income (expenses)	(33.7)	(1.9)	140.5	8.4	(174.2)	n.s.
Income taxes	(76.9)	(4.2)	(87.4)	(5.2)	10.5	(12.0)
Net income	78.3	4.3	242.3	14.5	(164.0)	(67.7)

### Financial position

(in millions of Euro)	12.31.2000	12.31.1999
Working capital	502	517
Total capital employed	1,250	1,106
Net indebtedness	723	526
Shareholders' equity	527	580