

Benetton Group Srl Shareholders' Meeting

- **Benetton Group Srl 2015 financial statements approved**
- **The Board of Directors for the financial years 2016-2017-2018 appointed**
- **Francesco Gori appointed as non-executive Chairman of the Board of Directors and Marco Airoidi confirmed as Chief Executive Officer and Managing Director of the company**
- **The members of the Human Resources and Remuneration Committee, Internal Control Committee and Investment Committee all appointed**

UNITED COLORS
OF BENETTON.

Milan, 9 May 2016 - Under the chairmanship of Gianni Mion, Benetton Group Srl today held its Shareholders' Meeting.

Approval of the 2015 financial statements

The shareholders reviewed and approved the financial statements for the year ending 31 December 2015, the first year of operation of only the commercial activity, which was separated at the end of 2014 from the industrial and real estate activities.

In financial year 2015, Benetton Group began operating under the new perimeter. This was established in 2014 following the in-depth refocusing and rationalization of brands, markets and distribution network that leverages the distinctive elements of "*United Colors of Benetton*" and "*Sisley*" brands, the company's two main assets, which represent unique value in the world panorama of textiles and clothing.

2015 consolidated revenues amount to Euro 1,529 million, down 1.2% from the previous year. Both sales channels - direct and indirect showed positive signs, albeit of a different nature. The indirect sales channel, which suffered from years of sharp contraction, recorded a gradual stabilization in terms of both volumes and margins. The direct sales channel experienced significant improvements, following the adoption of the new *retail* model (6% growth in sales on a comparable basis). Shops renewed with the "On Canvas" concept format performed even better, obtaining results on average 20% higher compared to previous formats.

Consolidated EBITDA from ordinary activities amounted to Euro 54 million, an increase of 34.5% compared to Euro 40 million in 2014.

The Operating Profit from ordinary activities amounted to Euro 2 million, compared to an operating loss of Euro 17 million in 2014, mainly due to the direct channel's improvement in profitability.

The net loss pertaining to the Group in 2015 amounted to 46 million, following non-recurring charges of Euro 21 million and taxes of Euro 18 million.

In the year 2015, cash flow from operating activities before changes in working capital amounted to Euro 57 million, mainly allocated to investments for the expansion of the retail network (Euro 44 million), the renovation and expansion of existing stores - in particular in Italy, Russia, France and Mexico - as well as the implementation of the Group's IT systems.

Consolidated shareholders' equity at 31 December 2015 amounted to Euro 716 million and the Group's net financial position was positive by Euro 85 million, a significant improvement compared to Euro 33 million at 1 January 2015. The increase was attributable to the positive trend of the working capital and EBITDA.

Renewal of Company Positions

The Benetton Group Srl Shareholders' Meeting appointed the Board of Directors for 2016-2018. The following persons were elected as Directors: Marco Airoldi, Tommaso Barraco, Alessandro Benetton, Christian Benetton, Franca Bertagnin Benetton, Sabrina Benetton, Fabio Buttignon, Christian Coco, Francesco Gori, Alfredo Malguzzi and Francesco Panfilo.

The Meeting also appointed Francesco Gori non-executive Chairman of the Board of Directors.

Francesco Gori (born 1952), who has a degree in Economics and Commerce from the University of Florence, joined Pirelli in 1978. After gaining a wide range of experiences in Italy and abroad, Gori was appointed Managing Director of Pirelli & C. in 2001 and CEO of Pirelli Tyre in 2006. In 2012, he left the Pirelli group of his own accord. Today Gori is an industrial advisor to Idea Capital Funds SGR (De Agostini Group) and non-executive director of Snam Spa, Messaggerie Italiane Spa and Apollo Tyres Ltd.

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The Benetton Group Board of Directors, which met immediately after the Shareholders' Meeting, confirmed Marco Airoldi as Chief Executive Officer and Managing Director of the company.

The Directors Tommaso Barraco, Fabio Buttignon, Alfredo Malguzzi and Francesco Panfilo declared they were in possession of the requirements to qualify as independent directors.

The Board of Directors also appointed members of the Human Resources and Remuneration Committee, Internal Control Committee and Investment Committee.

Human Resources and Remuneration Committee

The Board appointed Alfredo Malguzzi, Tommaso Barraco, Fabio Buttignon and Christian Coco members of the Committee, assigning the office of Chairman to Alfredo Malguzzi.

Internal Control Committee

The Board appointed Alfredo Malguzzi, Fabio Buttignon, Francesco Panfilo and Christian Coco members of the Committee, assigning the office of Chairman to Alfredo Malguzzi.

Investments Committee

The Board appointed Tommaso Barracco, Francesco Panfilo and Christian Coco members of the Committee, assigning the office of Chairman to Tommaso Barracco.

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