

**Amongst the proposals at today's Board of Directors' Meeting is the 10 for 1 splitting of Benetton shares to ensure greater trade ability and to increase the volume of transactions**  
**AN EXTRAORDINARY STOCKHOLDERS' MEETING WILL RESOLVE UPON THE MERGER OF BENETTON SPORTSYSTEM INTO BENETTON GROUP S.P.A.**

UNITED COLORS  
OF BENETTON.

Ponzano, 8th April, 1998. The Board of Directors of the Benetton Group, meeting today and chaired by Luciano Benetton, resolved to submit for the approval of an Extraordinary Stockholders' Meeting, to be held 27th May next, proposals for the merger of Benetton Sportssystem S.p.A. and Benetton Fashion S.p.A. into Benetton Group S.p.A., and for the reduction of par value of Benetton Group shares from 500 lire to 50 lire, with the consequent splitting of the same by assignment of 10 company shares for each share owned. The Extraordinary Stockholders' Meeting will also be asked to resolve upon a subsequent increase of par value from 50 lire to 250 lire per share, by transferring a quota of the share premium reserve to capital stock.

The merger of Benetton Sportssystem into the Benetton Group, in particular, represents an advanced stage in the process of ever greater integration and parallel strengthening of the sporting division, initiated in July, 1997 by the acquisition of a majority stake in Benetton Sportssystem (one of the world's major companies in the sports sector, with leading brands such as Nordica, Prince, Rollerblade, Kästle, Killer Loop and Asolo). The acquisition, completed in March 1998 with the purchase of the residual quota, aims at making Benetton one of the largest global groups in the sports clothing and equipment sector. This merger, as that of Benetton Fashion, also falls within the framework of ever greater efficiency and operating functionality, to achieve significant economies of scale and to optimise the company's financial and management planning.

The operation to reduce the par value of the shares, and the consequent splitting, aim to ensure greater liquidity of Benetton shares, thus favouring an increase in the volume of transactions.

The Benetton Group Board of Directors has, in addition, called an Ordinary Stockholders' Meeting, which will also be held on 27th May, 1998, to resolve upon, amongst other issues, the proposal to cancel the authorisation of 29th April, 1997 for the purchase and sale of treasury shares, at the same time giving a new authorisation for a similar operation. The Board of Directors will meet again on 27th April next to submit to the same Ordinary Stockholders' Meeting of 27th May the proposal for approval of the Benetton Group 1997 financial statements.