

BENETTON BOARD OF DIRECTORS PROPOSES A BOND ISSUE UP TO 200 MILLION EURO

Ponzano, 27th January 1999. The Benetton Group Board of Directors, which met today under the chairmanship of Luciano Benetton, will ask to the shareholders' meeting to resolve on the modifications to the Memorandum and Articles of Association required by the new Italian corporate governance law. The Board of Directors will also submit to the extraordinary meeting of stockholders to issue a bond up to 200 million Euro. The extraordinary meeting of shareholders will be held during the first two weeks of March.

UNITED COLORS
OF BENETTON.

The bond aims to reduce the company's short-term debt and to finance investments also in the commercial area. On June 30th, 1998, the net financial position of the Benetton Group amounted to 695 billion lire, equivalent to around 34% of the Group's stockholders' equity.