Benetton Board approves the results to September 30, 2001
GROWTH IN CLOTHING TURNOVER FOR THE NINE MONTHS (+8.1%)

Ponzano, 12th November 2001. Significant growth in clothing sector activity, with turnover up by more than eight per cent; total revenues up five per cent; normalised net income slightly down and self-financing up at 246 million euro: these were the most significant Benetton Group results to September 30, 2001, approved today by the Board of Directors.

Consolidated revenues for the first nine months increased to 1,518 million euro compared with 1,446 million for the same period in 2000 (+5.0%), with a particularly significant increase in the casual area (+8.1%). These results were achieved in an economic situation which has been slowing down since the beginning of the year, worsened by the events of September 11, and the resulting conflict, which have created a widespread feeling of insecurity in the world. The results were adversely affected by the unsatisfactory performance of the sports division, the nine-month turnover of which was down by around 34 million euro, in particular due to the strongly negative trend in the in-line skates sector.

Normalised net income, excluding net extraordinary expense, was 98.6 million euro, against 108.1 million euro for the first nine months of 2000 (normalised, in particular, in respect of extraordinary income from the sale of Benetton Formula). The downturn was mainly due to increased costs incurred as a result of the company's decision to accelerate development of the network of new stores, which will lead to future benefits, in terms of sales and profit.

The number of megastores, including those managed by third parties, opened in the historical and commercial centres of major cities today totals over 90 outlets, well ahead of original forecasts. The new megastore opening program, which is the best international showcase for the Benetton style and image, will be maintained at such a rate as to reach 300 outlets in 2004. The Group is simultaneously proceeding, together with its partners, with the enlargement of smaller stores, to bring them up to a medium size that better meets the requirements for the presentation and co-ordinated display of the collections.

Gross operating income increased to 651.4 million euro against 642 million in the previous year. Self-financing by the Group rose to 246 million euro, compared with 207 million in the last year.

In the first nine months of the year, investments totalling almost 220 million euro were made, more than 150 of which were for the purchase, modernisation and upgrading of buildings destined for sales activities. Around 50 million euro were dedicated to investments in production facilities. In consideration, above all, of the investments made, net debt rose to 845 million euro (673 million at September 30, 2000) while the year-end forecast is for a reduction to approximately 700 million euro. Shareholders' equity at September 30, 2001 was 1,177 million euro against 1,175 million at the end of 2000.

Regarding the third quarter of 2001, revenues increased by 10 million euro compared with the same period in 2000, reaching 474 million. Gross operating income was 43.1 per cent; net income for the quarter was 31.3 million euro.

Group performance to September 30, 2001, makes it possible to forecast a growth in consolidated revenues at year end and a slight reduction in income compared to the normalised income of the previous year.

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Group results (in millions of Euro)

Consolidated income statement

in millions of Euro	Nine months 2001	%	Nine months 2000	%	Change	%
Revenues	1,518.1	100.0	1,446.0	100.0	72.1	5.0
Cost of sales	(866.7)	(57.1)	(804.0)	(55.6)	(62.7)	(7.8)
Gross operating income	651.4	42.9	642.0	44.4	9.4	1.5
Variable selling costs	(102.2)	(6.7)	(100.1)	(6.9)	(2.1)	(2.1)
Contribution margin	549.2	36.2	541.9	37.5	7.3	1.3
General and administrative expenses	(357.4)	(23.6)	(318.0)	(22.0)	(39.4)	(12.4)
Income from operations	191.8	12.6	223.9	15.5	(32.1)	(14.4)
Gain/(Losses) on foreign exchange	2.4	0.2	(24.2)	(1.7)	26.6	n.s.
Financial charges, net	(38.2)	(2.5)	(17.6)	(1.2)	(20.6)	n.s.
Extraordinary income (expenses)	(12.2)	(0.8)	91.3	6.3	(103.5)	n.s.
Income before taxes	143.8	9.5	273.4	18.9	(129.6)	(47.4)
Income taxes	(57.0)	(3.8)	(76.5)	(5.3)	19.5	(25.6)
(Income)/Loss attributable to minority interests	(1.4)	(0.1)	(2.0)	(0.1)	0.6	(29.5)
Net income	85.4	5.6	194.9	13.5	(109.5)	(56.2)
Normalized net income	98.6	6.5	108.1	7.5	(9.5)	(8.8)

in millions of Euro	3rd quarter 2001	%	3rd quarter 2000	%	Change	%
Revenues	474.3	100.0	464.7	100.0	9.6	2.0
Cost of sales	(269.9)	(56.9)	(265.9)	(57.2)	(4.0)	(1.5)
Gross operating income	204.4	43.1	198.8	42.8	5.6	2.8
Variable selling costs	(29.1)	(6.1)	(32.7)	(7.0)	3.6	11.0
Contribution margin	175.3	37.0	166.1	35.8	9.2	5.5
General and administrative expenses	(123.8)	(26.1)	(106.7)	(23.0)	(17.1)	(16.0)
Income from operations	51.5	10.9	59.4	12.8	(7.9)	(13.2)
Gain/(Losses) on foreign exchange	6.6	1.4	(12.6)	(2.7)	19.2	n.s.
Financial charges, net	(16.0)	(3.4)	(7.8)	(1.7)	(8.2)	n.s.
Extraordinary income (expenses)	(0.2)	(0.1)	(4.3)	(0.9)	4.1	95.6
Income before taxes	41.9	8.8	34.7	7.5	7.2	20.8
Income taxes	(10.9)	(2.3)	(12.0)	(2.6)	1.1	8.8
(Income)/Loss attributable to minority interests	0.3	0.1	(0.4)	(0.1)	0.7	n.s.
Net income	31.3	6.6	22.3	4.8	9.0	40.5

Financial position

in millions of Euro	09.30.2001	12.31.2000	Change	09.30.2000
Working capital	999	772	227	994
Total capital employed	2,036	1,723	313	1,827
Net indebtedness	845	536	309	673
Shareholders' equity	1,177	1,175	2	1,142
Minority interests	14	12	2	12

Summary statement of cash flows

in millions of Euro	Nine months 2001	Nine months 2000	Year 2000
Self-financing	246	207	311
Change in working capital	(244)	(246)	(59)
Sale of investments	-	124	124
Net operating and financial investments	(190)	(150)	(269)
Payment of dividends	(85)	(186)	(186)
Payment of taxes	(38)	(109)	(162)
Net financial requirements	(311)	(360)	(241)