

FY 2011 Preliminary Highlights



Revenues & Business Analysis



Revenues



€M

| | 2010 | 2011 Prel. | Ch. % | Ch. % C.N. |
|-----------------|-------|---------------|-------|---------------|
| Revenues | 2,053 | 2,031 | -1.1% | -0.4% |

Performance reported: -1.1%.

Performance currency neutral: -0.4%.

Negative impact from currency: -14€ mio.

**Developing and Fast Growth Countries:
double digit growth.**

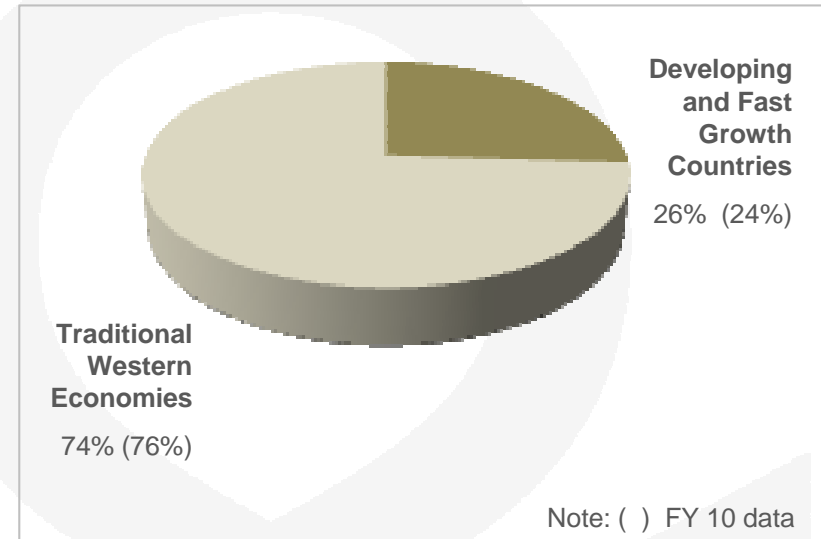


Geographical Revenues

UNITED COLORS
OF BENETTON.

€M

| | 2010 | 2011 Prel. |
|---|-----------------|-------------|
| Total Revenues | 2,053 | 2,031 |
| | Reported | C.N. |
| Overall Performance | -1.1% | -0.4% |
| Developing and Fast Growth Countries | +7% | +10% |
| Traditional Western Economies | -4% | -4% |



Bruxelles, Rue Neuve



Santiago, Av. Goyenechea

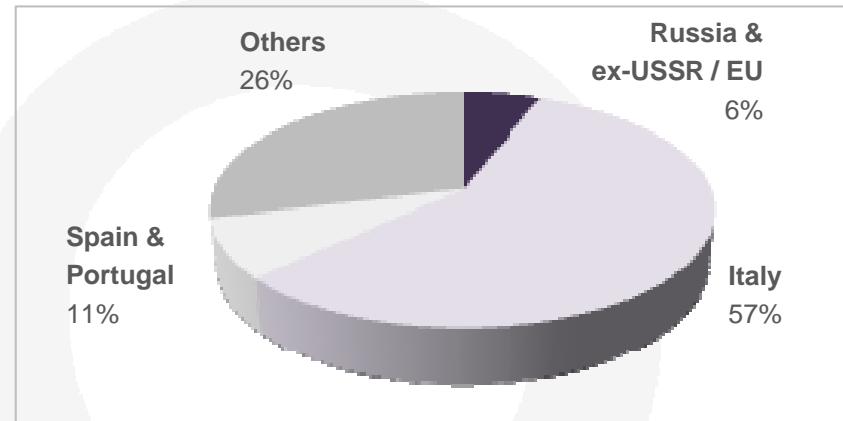


Slovenia, Ljubljana

Revenues - Europe

€M

| | Revenues | % on total Revenues |
|-------------|----------|---------------------|
| Europe | 1,606 | 79% |
| | Reported | C.N. |
| Performance | -2% | -2% |



The Mediterranean

Italy: narrow decrease, in line with European performance. Trend improvement in the last quarter.

Iberian Peninsula: sales decrease (-4%), driven by limited decline in Spain (-3%) and notable shrink in Portugal (-10%).

Greece: significant fall in revenues (-16%); less negative trend in the last few months.

Continental Europe

Sales up in Germany (+6%) and Austria, highlighting increasing trend performance. Positive results in UK.

Russia & ex-USSR / EU

Amazing growth in Russia (+25%) and ex-USSR / EU countries (+20%).

Extensive presence, supported from initial development in Tier II Cities. Total store network accounting more than 170 stores.

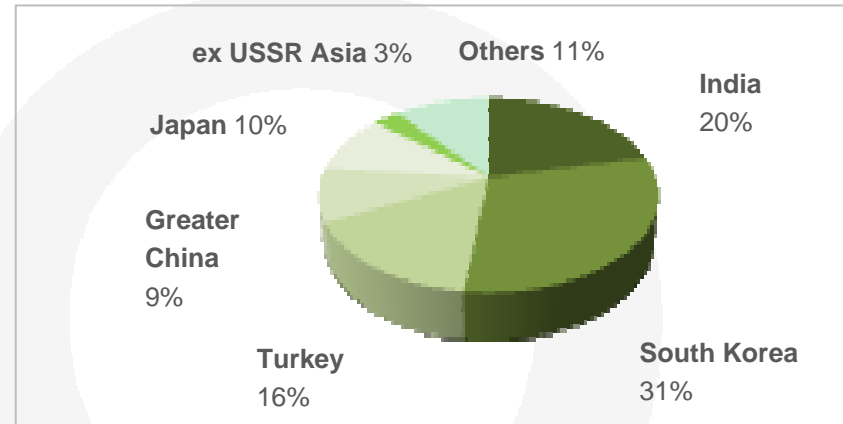
Commercial proposals development, targeting high potential segments: initiatives dedicated to kids and man.

Door-to-door Project: delivery improvement, thanks to new merchandise shipments organization.

Revenues - Asia

€M

| | Revenues | % on total Revenues |
|-------------|----------|---------------------|
| Asia | 333 | 16% |
| | Reported | C.N. |
| Performance | +2% | +5% |



Outstanding double digit revenues' increase in India (+11%), South Korea (+11%), ex-USSR Asian Countries (+20%) and Middle East.

LFL growth in Greater China, driven by double digit increase in China and positive results in Hong Kong and Taiwan.

Negative performance in Japan and on-going decreasing results in South East Asia.

Turkey

LFL increase, showing double digit growth in the 2nd half 2011.

Dedicated collection approach introduced in A/W 11 and local sourcing raise, to offset increasing duties.

India

Network: extensive presence with ~480 stores in over 100 towns across the nation, both in Tier I, II and III cities. More than 90 openings in 2011, mainly in secondary cities and South-East Area.

Largely completed DOS transfer to third parties' management: ~ 150 stores from Q1 10.

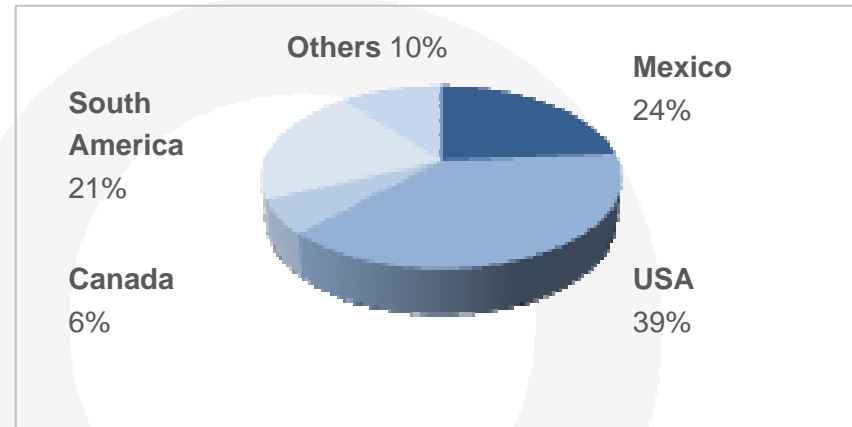
Store traffic and average ticket increase, driven by total look offer and dedicated collections.

Market opportunity and potential of Kids and Sisley: ~ 50 dedicated stores already opened.

Revenues - Americas

€M

| | Revenues | % on total Revenues |
|-------------|----------|---------------------|
| Americas | 80 | 4% |
| | Reported | C.N. |
| Performance | +2% | +6% |



USA & Canada

Revenues decrease: negative impact from refocusing activities and stores closing.

Comparable sales improvement in the last part of 2011.

South America

Performance up +30%, driven by stores network development and new openings in malls and department stores.

Mexico

Network: more than 25 DOS and over 230 corners in Department Stores, including more than 30 openings in 2011.

Healthy growth, showing a performance up over 20%.

Comparable sales: double digit increase.

Local partnership renewed and extended in March 2011.

Revenues by channel

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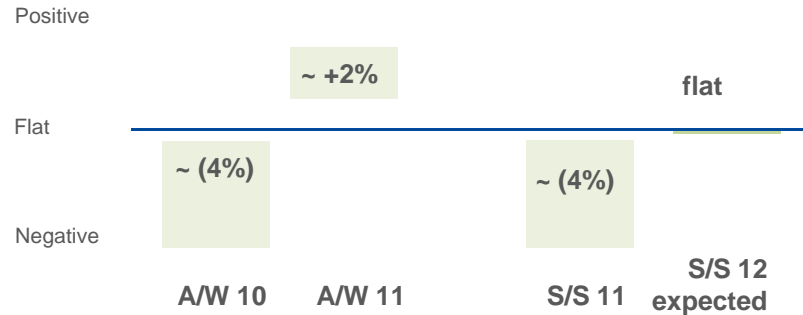
€M

| | 2010 | Prel. 2011 | Ch. % | Ch. % CN |
|--------------------------------|-------|---------------|-------|-------------|
| Total Revenues | 2,053 | 2,031 | -1.1% | -0.4% |
| Apparel | 1,948 | 1,912 | -1.9% | -1.1% |
| <i>Wholesale</i> | 1,475 | 1,458 | -1.1% | -0.6% |
| <i>Directly Operated Sales</i> | 473 | 454 | -4.0% | -2.8% |
| Textile | 105 | 119 | +14% | +14% |

Apparel Revenues

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Collections Trend



Performance

A/W 11: positive collections performance (+2%).

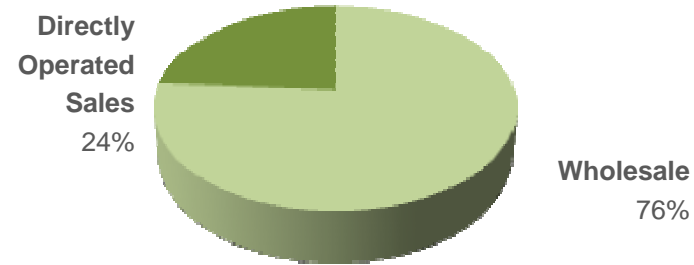
S/S 12: collections performance expected to be flat; improved trend compared with previous S/S 11 (-4%).

New in-season product initiatives: positive impact on 2011 collections, supporting trend expected in next proposals.

Drivers

Slight price/mix improvement and resilient volumes performance: S/S 12 drivers are confirming previous trends.

Apparel Revenues by channel



Wholesale

Revenues in line with previous year, on the back of collections trend; results affected by S/S shipments.

Directly Operated Sales

LFL: flat performance in Q4 11, showing an improvement trend compared with 9M 11 results.

FY 11 comparable results: slight decrease (-2%), supported by positive performance in emerging markets.

FY 11 channel results: excluding currency impact and DOS transfer in India to third parties management, the 2011 performance is slightly positive.

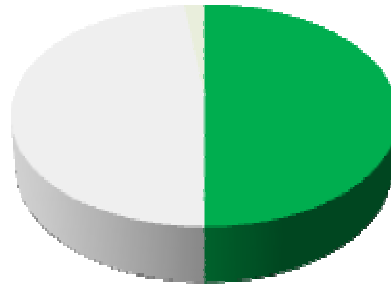
Brands & Collections

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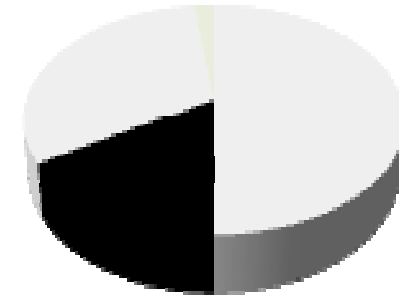
UCB 50%
(52%)



S I S L E Y



Sisley 16%
(16%)



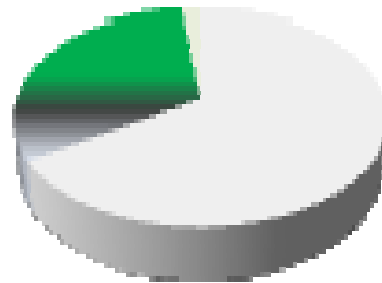
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S I S L E Y



UCB Kids & Sisley Young

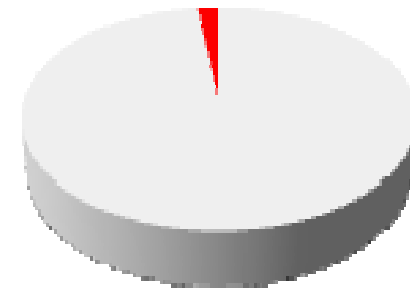
Kids 32%
(30%)



Playlife



Playlife 2%
(2%)



Note: () FY 10 data

Brands: initiatives



Brand & Values



United Colors of Benetton
UNHATE: New worldwide institutional communication campaign in Fall 11.
Lana Sutra: Communication of Benetton Values through the dialogue with the world of art from September 2011.

Sisley
Definition of the new Independent life-style philosophy, supported by a new communication campaign.

Brand & Product



United Colors of Benetton
Special Collections proposals.
Dedicated collection development.
Product innovation and research.

UCB Kids
Updated collection structure.
Product line and offer increase.

Sisley
Fashion content & affordable pieces increase in collection proposals.

Brand & Store



United Colors of Benetton
New openings and refurbishment of existing stores with the new concept "*Lissoni*".

Sisley & Playlife
Introduction of new store concept at the end of 2011.

New communication vehicles, approaching New Media and Digital applications.

Brands & Values

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United Colors of Benetton



UNHATE - The new worldwide communication campaign, with the aim of contrasting the culture of hatred and promote brand values, as tolerance and peace, through ironic and provocative images.

In the first days of the UNHATE campaign, global participation placed it among the top five topic trends worldwide on both Twitter and Google, with Facebook fan numbers increasing by 60%; over 3000 articles published and more than 600 television reports in 60 countries around the world.

UNHATE Foundation: new Benetton Group foundation, strengthening the group's social responsibility strategy, through on-going initiatives.

Lana Sutra - Dialogue with the world of art, proposing targeted communication initiatives.

15 art pieces installation in selected flagship, conceived as a homage to love, covered by coloured wool threads, emphasizing two key elements of the brand DNA.

Brands & Product

UCB



Management strengthening , adding new roles and people in creative and merchandising structure.

Offering Structure: Special Collections adopted starting from S/S 11.
On-going roll-out and new total look deliveries in S/S 12 collections.

Product innovation and research: new exclusive knitwear proposals, representative of Group heritage.

Sisley



Collections offer renewal adopted from S/S 12, segmenting product offer by function and style.

Launch of targeted product initiatives, supporting brand values and improving brand identity.

Identification of the key product categories, highlighted in new store concept.

UCB Kids



Reviewed offering structure, starting from S/S 12.

Cosmopolitan mood for collection proposals.
Remarkable growth driven by product offer and initiatives adopted in international markets.

Brands & Store

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United Colors of Benetton



On-going roll-out of “*Lissoni*” concept, spread in over 30 Countries. New display approach proposed.



Sisley



Introduction of the new concept store: first opening in September. New format adopted for openings and refurbishments.



Playlife



“*Welcome Home*”: development of the new innovative store concept and shopping experience, based on a multi-brand store approach.



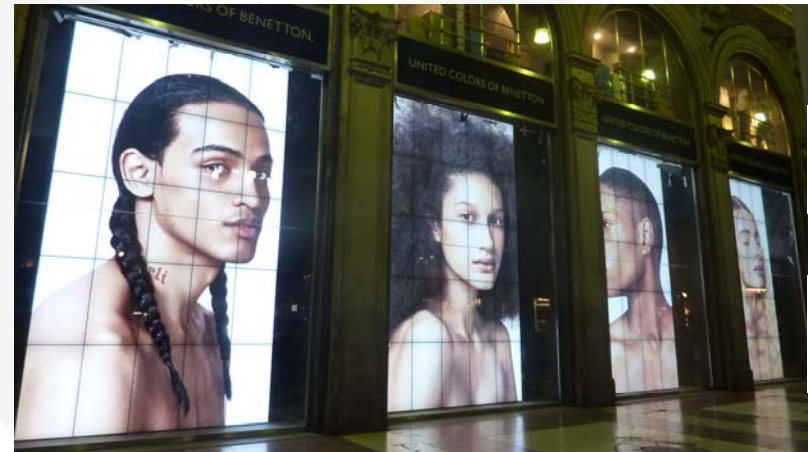
Innovation & Experimentation

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Live Windows

Creation of innovative sales spaces, supported by continuous experimentation with new technologies:
“Benetton Live Windows project.”

Use of the latest technologies, introduced in the main flagship stores, creating an innovative consumer experience.



The “Studios”

New area in the headquarter, dedicated to development activities related to the Store:

New concept development.

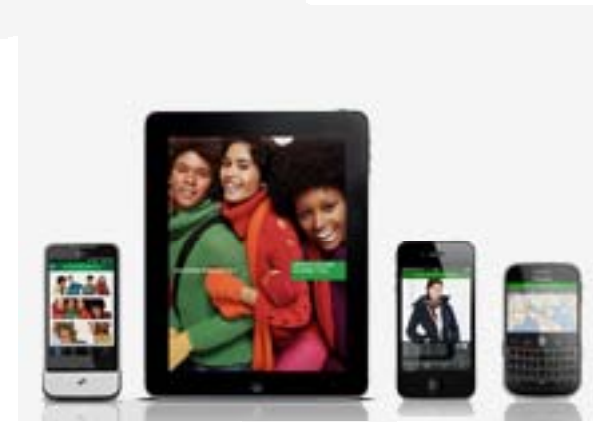
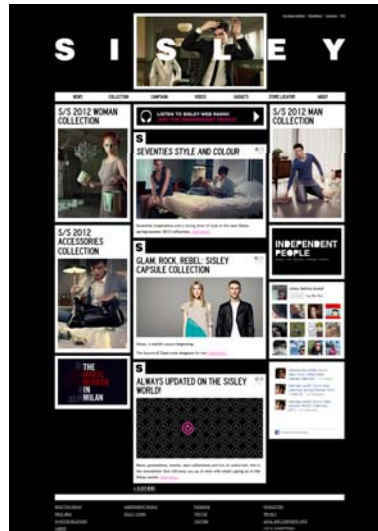
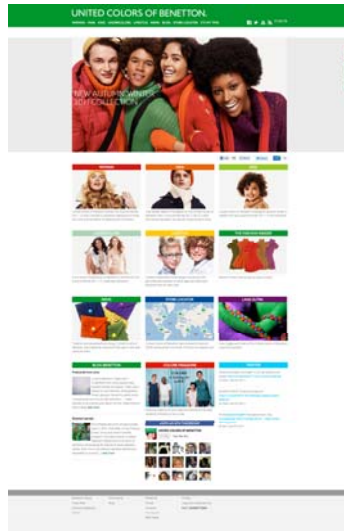
Visual merchandising activities.

Innovative selling space project.

Catwalk & Products Presentation.

Brands & Multiple Digital Initiatives

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Product websites

Complete restyling of the product websites for all Group brands - United Colors of Benetton, Sisley and Playlife.

Creation of two international blogs : United Blogs of Benetton & IndependentPeople for Sisley.

benettongroup.com

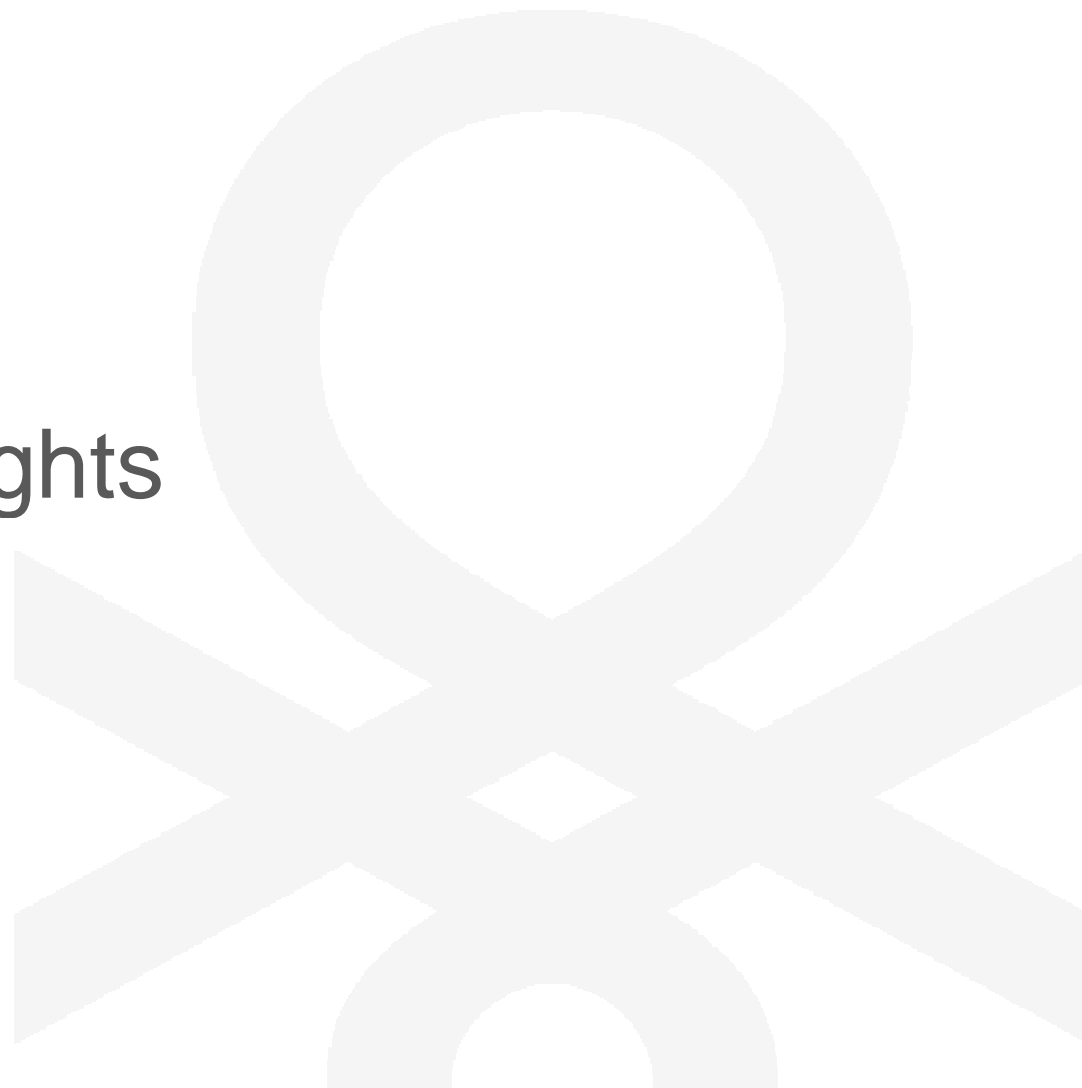
Launch of the new-look *benettongroup.com*, a portal for all institutional areas and innovative Investor Relations section, entirely revised and enhanced with new sections & functions.

Applications

Launch of product and corporate applications for iPhone, iPad, BlackBerry and Android.

Facebook: more than 1.000.000 fans at year end, compared with 250.000 at the beginning of 2011.

Financial Highlights



2011 Prel. – Highlights

Revenues

| | |
|-------|------------|
| 2,031 | 2011 prel. |
| 2,053 | 2010 |

- ✓ Performance reported: -1.1%.
- ✓ Performance currency neutral: -0.4%.
Negative impact from currency: -14€ mio.
- ✓ Emerging markets: double digit growth.

% Ordinary Ebit on Sales

| | |
|-------|------------|
| ~7.5% | 2011 prel. |
| 8.6% | 2010 |

- ✓ Costs pressure: large negative impact (~100€ mio).
- ✓ Operating expenses actions: remarkable SG&A reduction.
- ✓ Negative one-time costs and positive impact from currency.

Net Income

| | |
|------|------------|
| > 70 | 2011 prel. |
| 102 | 2010 |

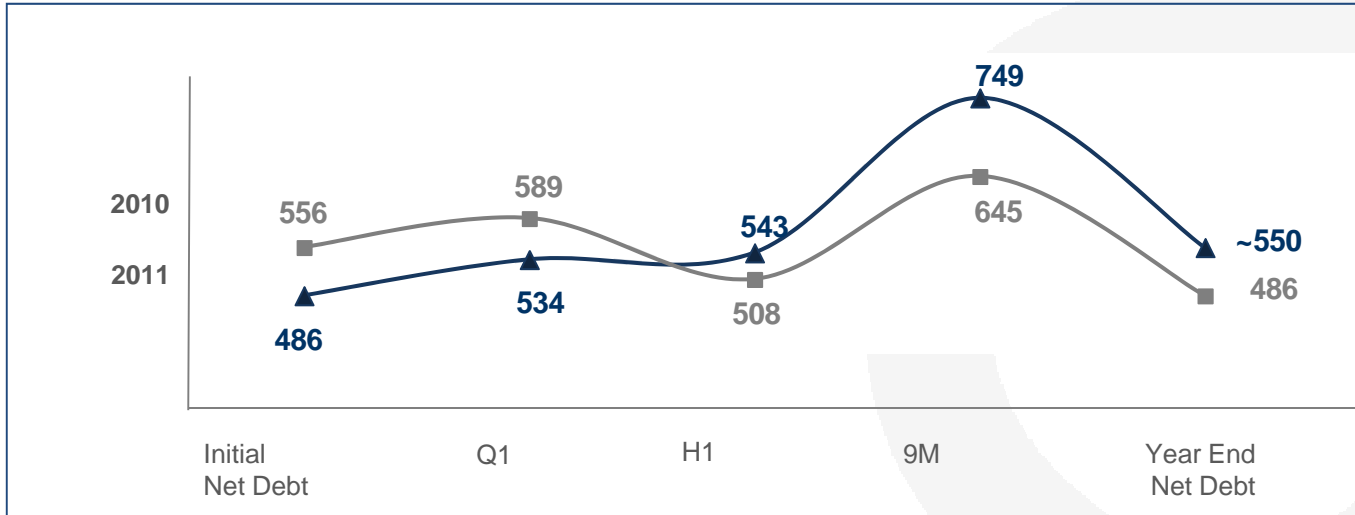
- ✓ Negative impact from currency hedging (in the range of -10€ mio), compared with positive impact last year (+12€ mio)
- ✓ Lower tax rate (~35%) vs. last year (38.6%).

Net Debt

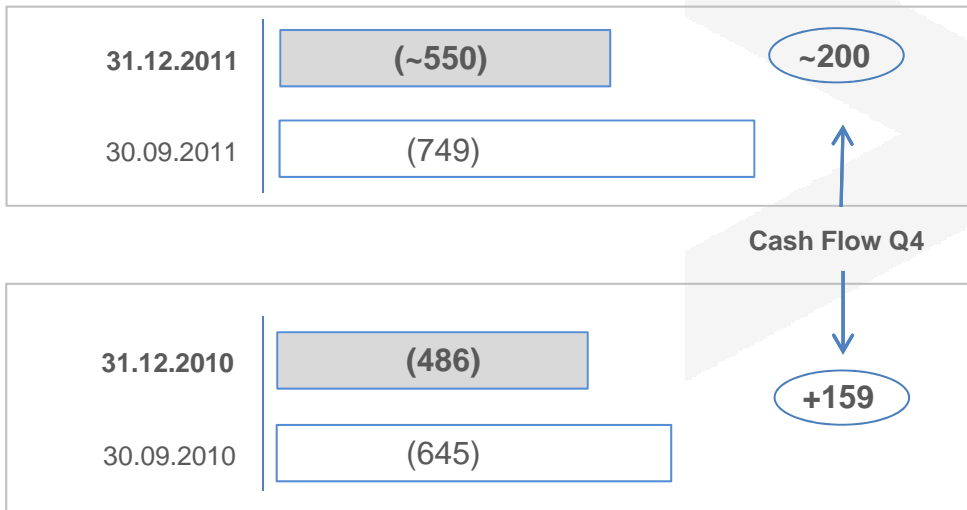
| | |
|-------|------------|
| ~ 550 | 2011 prel. |
| 486 | 2010 |

- ✓ Net Debt increase.
- ✓ Q4 11: NWC improvement.
- ✓ Commercial investments dedicated to the network.

Net Debt



Net Debt Increase.
 - On-going investments.
 - NWC increase.
 - Shares buy-back programme.



Net debt and Cash Flow Generation:
 4th quarter analysis.

Cash flow improvement in the last part of 2011 vs. 2010, including NWC control and reduction

Looking forward



Looking forward

Macroeconomic assumption

↓ Risky environment and challenging scenario; weakening outlook for the euro area and slower trend for the Mediterranean Countries.

Downside household consumption in consolidated countries and tight credit access.

↑ Emerging market outperforming again other markets in 2012.

New Initiatives

Development and introduction of new initiatives, supporting on-going growth stimulation.

Focus on increasing brands' visibility in most important and trendiest cities worldwide.

Set-up of markets priority and leverage on new channel opportunities.

Strategic Focus

Strengthening growth stimulation activities, focusing on three cornerstones:

- ✓ Focus on brand building.
- ✓ Enhancing and improving product.
- ✓ Continuous renewal of store network.

Raise the appeal of the point of sales, creating an innovative consumer experience and focusing on sell-out performance and store's profitability.

Profitability

↓ Cost inflation: raw material pressure, mostly in the first part of 2012, as cotton and wool level at product order placement.
Labour cost pressure in selected Group Sourcing Regions.

↑ Sourcing flexibility, facing cost pressure, and increasing efficiency through product category allocation.
On-going initiatives related to cost control.

This presentation contains forward looking statements which reflect Management's current views and estimates. The forward looking statements involve certain risks and uncertainties that could cause actual results to differ materially from those contained in the forward looking statements. Potential risks and uncertainties include such factors as general economic conditions, foreign exchange fluctuations, competitive product and pricing pressures and regulatory developments.