

Benetton Group reports Preliminary Consolidated Revenues for 2005 of around 1,765 million euro. Positive signals for 2006.

Ponzano, 3 March 2006 – Benetton Group reports that preliminary consolidated revenues for 2005 (*), subject to approval by the Board of Directors on 30 March, 2006, registered growth of around 3.6% due to the better than expected reorder performance for the fall/winter collections, the particularly positive product mix and the significant contributions by Mediterranean basin countries, including Turkey, and by South Korea.

Preliminary consolidated revenues are in the region of 1,765 million euro against 1,704 million in 2004. Net income is expected around 6.3% of revenues.

Orders collected for 2006 indicate a positive response from partners in the various markets to new product offerings and to new commercial initiatives introduced. In addition, in line with results in the second half of 2005, performance of directly managed stores is expected to further improve.

The significant growth in volumes and a product mix targeting increases in accessories and in collection segments with high unit values, such as tailored garments and men's clothing, lead to expectations of an increase in 2006 consolidated revenues at least equal to that in 2005.

In 2006, significant growth is also forecast for markets in the Mediterranean basin, Eastern Europe, South Korea, China and India.

Again in 2006, the company will continue to focus on the search for specific skills and international manufacturing districts where it can introduce its know how, in order to guarantee the quality of its products and final customer satisfaction. The continued attention to production and commercial efficiency makes it possible to forecast an EBIT of around 9.5-10% of consolidated revenues and net income in the region of 6.5%.

(*) preliminary unaudited data

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