

Benetton Group consolidated results

Consolidated income statement

(millions of euro)	2005	%	2004	%	Change	%
Revenues	1,765	100.0	1,704	100.0	61	3.6
Cost of sales	995	56.4	929	54.5	66	7.1
Gross operating income	770	43.6	775	45.5	(5)	(0.6)
Selling costs	127	7.2	121	7.1	6	4.7
Contribution margin	643	36.4	654	38.4	(11)	(1.6)
General and operating expenses	438	24.8	429	25.2	9	2.2
Ordinary operating result	205	11.6	225	13.2	(20)	(8.7)
Non-recurring expenses/(income)	48	2.7	67	3.9	(19)	(28.3)
EBIT	157	8.9	158	9.3	(1)	(0.4)
Financial (expenses)/income	(23)	(1.3)	(22)	(1.3)	(1)	5.3
Income before taxes	134	7.6	136	8.0	(2)	(1.2)
Income taxes	20	1.1	28	1.6	(8)	(26.7)
Net income/(loss) for the year	114	6.5	108	6.4	6	5.3
attributable to:						
- Shareholders of the Parent Company	112	6.3	109	6.4	3	2.8
- minority Shareholders	2	0.2	(1)	-	3	n.s.

Balance sheet and financial position highlights

(millions of euro)	12.31.2005	12.31.2004	Change
Working capital	688	711	(23)
Asset held for sale	8	8	-
Property, plant and equipment and intangible assets	895	910	(15)
Non-current financial assets	25	22	3
Other assets/(liabilities)	10	3	7
Capital employed	1,626	1,654	(28)
Net financial position	351	441	(90)
Total Shareholders' equity	1,275	1,213	62

Consolidated cash flow statement

(millions of euro)	2005	2004
Cash flow provided/(used) by operating activities	285	141 ^(A)
Cash flow provided/(used) by investing activities	(1) ^(A)	(125) ^(C)
Free cash flow	284	16
Cash flow provided/(used) by financing activities:		
- dividends paid	(62)	(69)
- net change in sources of finance	(288)	(11)
- net change in cash and cash equivalents	66	64
Cash flow provided/(used) by financing activities	(284)	(16)

^(A) includes 118 million euro in proceeds from the sale of financial assets

^(B) includes 124.5 million euro in flat-rate tax payments

^(C) includes 49 million euro in amounts relating to the sale of the sports segment and 90 million euro to the purchase of financial assets

Benetton Group S.p.A. results

Statements of income reclassified

(millions of euro)	2005	2004	Change
Financial income and expenses			
- income from equity investments	100	80	20
- net financial income and expenses	(13)	(26)	13
Total financial income and expenses	87	54	33
Changes in value of financial assets	(3)	(13)	9
Other operating income	42	53	(11)
Other operating costs	(78)	(75)	(2)
Extraordinary income and expenses	-	6	(6)
Results before income taxes	48	25	23
Income taxes	10	14	(4)
Net income	58	39	19

Financial situation

(millions of euro)	12.31.2005	12.31.2004
Working capital	85	93
Total capital employed	1,239	1,267
Net financial position	294	319
Shareholders' equity	945	948

Cash flow statement

(millions of euro)	2005
Self-financing	79
Taxes reimbursement	14
Change in working capital	1
Cash flow from net investing activities	(3)
Capitalization of equity investments and changes in other financial assets	(4)
Payment of dividends	(62)
Net financial surplus	25
