

Financial year 2005 worked out at two different speeds, which reflects the unique nature of the Benetton business model and the potential of a system in which an entrepreneurial spirit can be harnessed to face complex market challenges.

Consolidated revenues, which have grown 3.6%, were driven by the strong performance of the Fall/Winter season, thanks to reorders that were substantially higher than originally expected. Also contributing to this performance was the particularly good product mix and the significant development of business in Mediterranean countries, including Turkey, as well as in eastern Europe and Korea.

**+3.6%**  
consolidated  
revenues

The heightened competitiveness and greater flexibility of our product offerings have enabled us to provide consumers throughout the world with quality and style, designed by an unparalleled team able to integrate design, marketing, and manufacturing skills more quickly than our competitors.

Good cost control and the increase in sales volumes have made it possible to offset the pressure on margins coming from focused sales initiatives, centered around the sales network and the final consumer.

Discipline in employing invested capital has enabled us to contain working capital while increasing revenues, as well as to generate additional resources that are available to be used to accelerate the company's internal growth.

In 2006, 40 years after the start of operations and 20 years after the first public listing in Italy, the challenges that lie ahead for Benetton continue to be a vital source of motivation to constantly rethink and renovate all areas of the company's business. In this way profitable growth can be sustained while long-term value for our shareholders, sales partners, and all our other stakeholders is created.

**40**  
years  
of history

**20**  
years of SE  
listing

Silvano Cassano  
Chief Executive Officer (CEO)