

Stock option plan. On September 9, 2004, following authorization by the extraordinary shareholders' meeting held on the same date, the Board of Directors voted to increase share capital, for cash, from 236,026,454.30 euro to 240,230,104.40 euro to service the share incentive plan, by issuing 3,233,577 options to purchase the same number of company shares at a price of 8.984 euro. If the approved increase is not fully subscribed within the various deadlines established for this purpose, share capital will be increased by an amount equivalent to the subscriptions actually received as of the given deadline. These stock options are intended to be a means of medium and long-term motivation and retention of employees and directors, selected from among the top executives of the company and its subsidiaries and who hold offices which are considered to be of the greatest strategic importance. The options assignment cycle, which involves five of the Group's executives, includes a four-year vesting period from the date of assignment plus a further five-year period until the actual exercise date of the options themselves. However, under certain conditions, it is also possible to exercise up to 50% of the options assigned after just two years from the assignment date. The portion of options assigned that actually become exercisable will depend on the degree to which certain objectives are reached during the vesting period. These targets use economic value added (EVA) as the performance indicator for the period 2004-2007. Further details on the rules of this stock options plan can be found under "Codes" in the Corporate Governance/Investor Relations section of the company's website (www.benettongroup.com/investors).

2004 stock options plan

(euro)	Options outstanding as of 01.01.2005	New options granted in the period	Options exercised in the period	Options expired and not exercised or lost in the period	Options cancelled in the period due to termination of employment	Options outstanding as of 12.31.2005	of which exercisable as of 12.31.2005
No. of options	3,233,577	-	-	-	-	3,233,577	-
Allocation ratio	1.781	-	-	-	-	1.781	-
Weighted average exercise price	8.98	-	-	-	-	8.98	-
Market price	9.74	-	-	-	-	9.62	-