

**B V L G A R I**

**Bulgari S.p.A. and Subsidiaries**

**Interim management statements  
at 31 March 2008**

## **CONTENTS**

**page**

### **INTERIM MANAGEMENT STATEMENTS AT 31 MARCH 2008**

**Report of the Directors on the Group's operations  
at 31 March 2008**

**1**

**Consolidated financial statements at 31 March 2008, 31 December 2007  
and 31 March 2007**

**9**

**Notes to the interim management statements at 31 March 2008**

**15**

**B V L G A R I**

**Bulgari S.p.A. and Subsidiaries**

**Report of the Directors  
on the Group's operations  
at 31 March 2008**

# Bulgari S.p.A. and Subsidiaries

## Report of the Directors on the Group's operations at 31 March 2008

### Introduction

The Bulgari Group has prepared its interim management statements at 31 March 2008 in accordance with International Accounting Standard (IAS) 34 *Interim Financial Reporting*.

Comparative figures for the consolidated financial statements at 31 March 2008, prepared in accordance with those standards, are provided as of 31 December 2007 and 31 March 2007.

### Performance of the Group

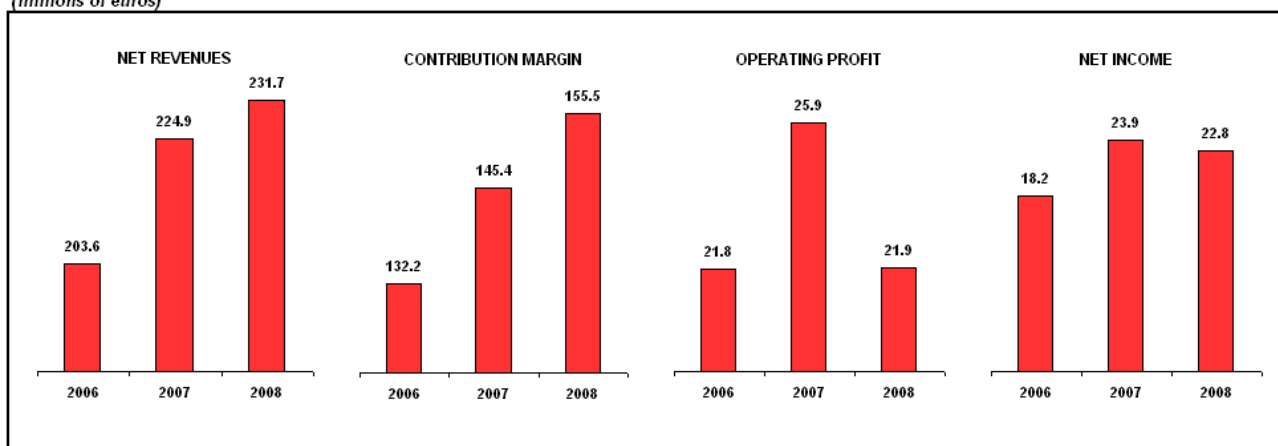
The Bulgari Group ended the first quarter of 2008 with sales of 232 million euros, an increase of 3.0% at current exchange rates and 7.1% at comparable exchange rates.

In earnings terms the first three months of the year confirm the positive effects of the steps taken by the Group to maintain contribution margin (up by 7.0%) at 67% of net sales (65% in the first quarter of 2007). This result has been realised due to an improved mix of sales channels (favouring the directly managed stores), the positive effect of the price rises put through in 2007 and the measures taken to achieve production efficiencies. It is also noted that the effect of hedging gold prices has been included in arriving at contribution margin (this reclassification has also been used in presenting figures for the prior year for consistency).

Operating costs, excluding those incurred for advertising and promotion, passed from 94.6 million euros to 107.7 million euros in the quarter representing a rise of 13.8% over the corresponding period in 2007; this increase is mainly connected with the plan for developing commercial activities (in particular as regards flagship stores and emerging markets) and industrial capacity (a verticalisation of the watches segment) and reflects the Group's expectations for sales growth in the coming months.

Advertising and promotion costs incurred in the quarter to support the BVLGARI brand amounted to 26.0 million euros, a rise of 4.3%. The proportion that these costs bear to net sales remained unchanged compared to the corresponding quarter of the prior year (11.2% in the first quarter of 2008 compared to 11.1% in the first quarter of 2007).

(millions of euros)



Operating profit was equal to 21.9 million euros, (down 15.5% compared to the 25.9 million euros for the corresponding period in 2007), passing from 13.5% of net sales in 2007 to 9.4% in 2008.

In conclusion, the net income for the quarter, which also benefited from the effects of hedging foreign currency risks, amounted to 22.8 million euros, compared to the figure of 23.9 million euros for the first quarter of 2007 (down 4.6%), representing 9.9% of turnover (10.6% in 2007).

## INCOME STATEMENT

<i>Millions of euros</i>	I Q 2008	I Q 2007	change	change %
<b>NET REVENUES</b>	231.7	224.8	6.8	3.0%
<b>NET CONTRIBUTION MARGIN</b>	155.5 67.1%	145.4 64.7%	10.1	7.0%
Variable selling expenses	(10.3)	(9.3)	(1.0)	11.3%
Personnel costs	(46.3)	(40.6)	(5.7)	14.0%
Other incomes and expenses	(38.5)	(35.1)	(3.4)	9.7%
Advertising and promotion expenses	(26.0)	(24.9)	(1.1)	4.3%
Depreciation, amortisation and impairment	(12.5)	(9.6)	(2.9)	30.2%
<b>TOTAL OPERATING EXPENSES</b>	<b>(133.7)</b>	<b>(119.6)</b>	<b>(14.1)</b>	<b>11.8%</b>
<b>OPERATING PROFIT</b>	<b>21.9</b> 9.4%	<b>25.9</b> 11.5%	<b>(4.0)</b>	<b>-15.5%</b>
Other non-operating incomes (expenses)	1.7	0.3	1.4	437.2%
<b>INCOME BEFORE TAXATION AND MINORITY INTERESTS</b>	<b>23.6</b>	<b>26.2</b>	<b>(2.6)</b>	<b>-9.9%</b>
Current and deferred taxation	(1.0)	(2.3)	1.3	-57.2%
<b>INCOME BEFORE MINORITY INTERESTS</b>	<b>22.6</b> 9.8%	<b>23.9</b> 10.6%	<b>(1.3)</b>	<b>-5.3%</b>
Income attributable to minority interests	0.2	0.0	0.2	475.9%
<b>NET INCOME ATTRIBUTABLE TO THE GROUP</b>	<b>22.8</b> 9.9%	<b>23.9</b> 10.6%	<b>(1.1)</b>	<b>-4.6%</b>

## REVENUE ANALYSIS

### REVENUES BY PRODUCT TYPE

Despite the presence of a particularly volatile and turbulent market all of the Group's product types turned in particularly appreciable levels of growth, even when considered in the light of the extraordinary performances achieved in the first quarter of the prior year.

The recent Basel Fair gave an excellent welcome to the Group's new products in both the jewellery sector, with the restyling of the *Bulgari Bulgari* line, and the watch sector, with the restyling of the Diacono collection, a result which can lead us to be full of hope for the rest of the year.

Sales of jewellery in the first quarter of 2008 - the Group's core business - made further progress yet again by rising by 5% at comparable exchange rates compared to the first quarter of 2007 (+0.4% at current exchange rates), due to the good performance of the exclusive brand stores. The strategy of enhancing the *B.zero1* line extension was continued into 2008 with the introduction of new products strengthening a line which is already a great success.

The watches segment, whose increase in the quarter of 7% at comparable exchange rates (+3% at current

exchange rates) should be considered in view of what was a high starting point in the corresponding quarter of the prior year (+9% at comparable exchange rates in the first quarter of 2007 compared to 2006), once again bore testimony to its potential, emphasised by the good growth recorded at the exclusive brand stores.

Sales of perfumes - which rose by 16% at comparable exchange rates (+10% at current exchange rates) - confirmed the success of the category further. The launch of the new *Aqua Pour Homme Marine* line began in March and will be completed during the second half of this year.

In conclusion, the accessories category achieved an overall increase of 5% at comparable exchange rates (+2% at current exchange rates), registering a brilliant performance in directly managed stores and in particular in the sale of bags in the medium-high range, consistent with the Group's business strategy. The spring-summer collection was given an enthusiastic welcome.

In terms of turnover the Hotel&Resorts division made a contribution of 4.9 million euros in the first quarter of 2008, a rise of 60.8% over the first quarter of 2007.

Table 1 below sets out revenues by product type for the first quarter of 2008, the proportion of each type as a percentage of total revenues and the changes at current and comparable exchange rates over the corresponding period of the previous year, together with the figures for full year 2007.

TABLE 1  
BULGARI GROUP  
REVENUES BY PRODUCT TYPE – FIRST QUARTER

Product line  (Millioni di euro)	I Quarter 2008				I Quarter 2007				Total 2007			
	Absolute value	%	Δ % vs PVY		Absolute value	%	Δ % vs PVY		Absolute value	%	Δ % vs PVY	
			curr. exch. rate	comp. exch. rate			curr. exch. rate	comp. exch. rate			curr. exch. rate	comp. exch. rate
<i>Jewellery</i>	94.4	41%	+0	+5	94.0	42%	+18	+24	459.9	42%	+14	+20
<i>Watches</i>	60.2	26%	+3	+7	58.5	26%	+0	+9	294.8	27%	+2	+8
<i>Accessories</i>	21.4	9%	+2	+5	21.1	9%	-17	-11	84.4	8%	-5	+1
<i>Other (royalties from FR incl.)</i>	1.7	1%	+3	-	1.7	1%	+10	-	7.5	1%	+2	-
JWA Division	177.7	77%	+1	+5	175.3	78%	+6	+13	846.6	78%	+8	+13
Perfume Division	47.0	20%	+10	+16	42.8	19%	+27	+32	221.9	20%	+11	+15
Hotel Division	4.9	2%	+61	-	3.0	1%	+18	-	13.6	1%	+21	-
Royalties from TP and other (IC elim. incl.)	2.1	1%	-45	-	3.8	2%	+44	-	8.9	1%	-13	-
<b>TOTAL NET REVENUES</b>	<b>231.7</b>	<b>100%</b>	<b>+3</b>	<b>+7</b>	<b>224.9</b>	<b>100%</b>	<b>+10</b>	<b>+16</b>	<b>1,091.0</b>	<b>100%</b>	<b>+8</b>	<b>+14</b>

Operating profitability by sector is reported in the notes.

#### REVENUES BY GEOGRAPHICAL AREA

As regards geographical areas there was an overall increase in sales in European countries (+3% at current exchange rates) starting from the high base of the first quarter of 2007 (+16% over the first quarter of 2006) and despite a slowdown in the Italian market (-15% at current exchange rates compared to a +22% in the corresponding quarter of the prior year).

The results in the United States show a slight increase (+2% at comparable exchange rates, -9% at current exchange rates) while aggressive growth in Asia continued (+11.4% at comparable exchange rates, +6% at

current exchange rates) starting from the high base of the first quarter of 2007 (+22.3% at comparable exchange rates).

The positive contribution made by Japan in this respect is highlighted (+2% at comparable exchange rates, +1% at current exchange rates), despite the presence of what is still a difficult local market.

The rest of Asia acted as a counterweight to Japan, with the Group confirming its extraordinary growth in sales (+23% at comparable exchange rates starting from the +86% of the corresponding quarter of the prior year). This growth trend is common to all of the countries in which Bulgari has a presence, although the brilliant performance of the Chinese market should be singled out for mention.

The Middle East recorded growth of 11% at current exchange rates again, in line with the results for the first quarter of 2007.

Table 2 below sets out revenues for the first quarter of 2008 by geographical area, determined on the basis of outlet market, their amount as a percentage of total revenues and the change at current and comparable exchange rates over the same period of the previous year, together with the figures for full year 2007.

**TABLE 2**  
**BULGARI GROUP**  
**REVENUES BY GEOGRAPHICAL AREA - FIRST QUARTER**

Geographical area <i>(Milioni di euro)</i>	I Quarter 2008				I Quarter 2007				Total 2007			
	Absolute value	%	Δ % vs PVY		Absolute value	%	Δ % vs PVY		Absolute value	%	Δ % vs PVY	
			curr. exch. rate	comp. exch. rate			curr. exch. rate	comp. exch. rate			curr. exch. rate	comp. exch. rate
Europe	86.7	37%	+3	-	84.4	37%	+16	-	427.3	39%	+10	-
<i>of which Italy</i>	25.6	11%	-15	-	30.0	13%	+22	-	141.4	13%	+8	-
America	30.4	13%	-9	+2	33.4	15%	-4	+3	176.4	16%	+12	+21
Asia	99.5	43%	+6	+11	93.6	42%	+12	+22	429.3	39%	+6	+15
<i>of which Japan</i>	49.0	21%	+1	+2	48.7	22%	-16	-7	231.7	21%	-10	-1
<i>of which rest of Asia</i>	50.5	22%	+12	+23	44.9	20%	+76	+86	197.6	18%	+32	+41
Middle East	10.9	5%	+11	-	9.8	4%	+11	-	40.4	4%	-0	-
Other	4.2	2%	+11	-	3.7	2%	+0	-	17.6	2%	+6	-
<b>TOTAL NET REVENUES</b>	<b>231.7</b>	<b>100%</b>	<b>+3</b>	<b>+7</b>	<b>224.9</b>	<b>100%</b>	<b>+10</b>	<b>+16</b>	<b>1,091.0</b>	<b>100%</b>	<b>+8</b>	<b>+14</b>

#### **FINANCIAL AND BALANCE SHEET SITUATIONS OF THE GROUP**

Net financial debt at 31 March 2008 of 184.8 million euros compares with the balances of 140.9 million euros at 31 December 2007 and 80.6 million euros at 31 March 2007.

The increase in debt over the three months compared to the balance at 31 December 2007 is partly due to normal business seasonality increases in which stocks are built up during the first part of the year and partly to the purchase of precious stones to support the forecast for growth in the jewellery sector and to enhance the range on offer.

Shareholders' equity at 31 March 2008 inclusive of minority interests amounted to 829.9 million euros, compared to 778.5 million euros at 31 December 2007 and 755.8 million euros at 31 March 2007.

The gearing ratio, being the ratio between net debt and shareholders' equity including minority interests, was 22% at the end of the quarter.

The Group's reclassified balance sheet is as follows:

<b>RECLASSIFIED CONSOLIDATED BALANCE SHEET</b>
--

<i>(Millions of euros)</i>	31 Mar 08	31 Dec 07
Net trade receivables	151.6	202.2
Other receivables	68.9	59.3
Inventory	695.2	596.1
Trade payables	(159.2)	(188.0)
Other payables	(55.7)	(55.9)
<b>Total net working capital</b>	<b>700.8</b>	<b>613.7</b>
<b>Property, plant and equipments and intangible assets</b>	<b>281.6</b>	<b>279.1</b>
<b>Investments and other financial assets</b>	<b>44.0</b>	<b>40.2</b>
<b>Other long-term assets (liabilities)</b>	<b>(11.7)</b>	<b>(13.6)</b>
<b>INVESTED CAPITAL</b>	<b>1,014.7</b>	<b>919.4</b>
<b>Shareholders' equity</b>	<b>829.9</b>	<b>778.5</b>
Short-term indebtedness	124.9	83.9
Long-term indebtedness	59.9	57.0
<b>Total indebtedness</b>	<b>184.8</b>	<b>140.9</b>
<b>COVER</b>	<b>1,014.7</b>	<b>919.4</b>

The balance sheet above has been reclassified by using a format that highlights the Group's Invested Capital and how this is funded by equity and debt.

Different from the official format attached to the interim management statements at 31 March 2008, which follows a more conventional presentation by separating net assets, liabilities and shareholders' equity, all the liability items other than financial items are classified as a reduction in Invested Capital in the above structure, while liquid funds are classified in Funding as a reduction of debt.

#### INVESTMENTS

Investments of 12.2 million euros were made in plant, property and equipment in the first quarter of 2008, relating to work carried out, part of which is still in progress, to open or renovate stores, amongst which Paris

Georges V (France), which is the largest, Pacific Place (Hong Kong), Valencia (Spain), Kuala Lumpur Pavilion KLCC (Malaysia), and Barcelona Paseo de Gracia (Spain), and to displays being prepared for the distribution of BVLGARI products.

Investments in intangible assets amounted to 3.3 million euros and relate principally to the purchase and implementation of software for managing the Group's main operating activities.

## **RELATED PARTY TRANSACTIONS**

Bulgari S.p.A., which has its registered office at via Lungotevere Marzio 11, Rome, is the Parent Company of the Group and has share capital of Euro 21.0 million (excluding 800,000 treasury shares each of par value of 0.07 euros for a total amount of 56 thousand euros).

No purchases or disposals of treasury shares were made during the first quarter of 2008.

Bulgari S.p.A. is the owner of the BVLGARI trademark and its main activities are as follows:

- the purchase of equity stakes in and the granting of loans to Group companies;
- the commercial exploitation of the BVLGARI name and trademark;
- the technical, financial and administrative coordination of the companies in which investments are held;
- the invention, design and creation of articles of jewellery, gold jewellery, watches, perfumes, silk and leather accessories and porcelain, silver and crystal items.

Bulgari S.p.A. carries out commercial transactions governed by specific agreements relating to the concession of the BVLGARI trademark with the various subsidiaries which produce and distribute BVLGARI brand products.

The Parent Company also carries out commercial transactions, similarly governed by specific agreements between the parties, for the provision of services to its subsidiaries of a technical, legal, fiscal, administrative, commercial, financial and IT nature.

In addition the Parent Company performs activities of a financial nature for Group companies which regard the centralised treasury function.

Transactions between Group companies relating to the sale of goods, the provision of services and funding are carried out under market conditions that take into account the specific features of the transactions being performed. The Group level procedure governing related party transactions was approved by the Board of Directors on 7 March 2007.

There were no abnormal or unusual transactions or significant non-recurring transactions in the period as these are defined by Consob in Communication DEM/6064203 of 28 July 2006.

As required by Consob Communication no. DEM/6064203 of 28 July 2006, details of transactions of a commercial and financial nature between Bulgari S.p.A. and Group companies, and their respective proportions, are provided in the notes to the interim consolidated financial statements.

## **SIGNIFICANT EVENTS IN THE QUARTER**

A commissionaire agreement was signed by Bulgari International Corporation N.V. and Intercosmo Netherland on 25 February 2008 for the distribution of perfumes in Holland.

Bulgari Ireland Ltd. was incorporated on 28 February 2008. This company, having its registered office in Dublin and authorised share capital of 1,000,000 euros, is fully owned by Bulgari S.p.A.. It will work alongside the currently existing distribution structures with the aim of planning the production and sales cycles and optimising logistical processes.

No other significant events took place in the first quarter of 2008.

#### **EVENTS SUBSEQUENT TO 31 MARCH 2008**

Crova S.p.A. changed its name to Bulgari Manifattura S.p.A. on 15 April 2008.

Bulgari Qatar LLC was incorporated on 30 April 2008. This company will be responsible for distribution in Qatar and managing stores in the country. Bulgari Qatar LLC is held as to 49% by Bulgari International Corporation N.V..

On 6 May 2008 Bulgari International Corporation N.V. acquired the remaining 50% of the capital of LB Diamonds Sarl (equal to CHF 1,250,000).

The joint venture agreement between BIC and L.L.D. Diamonds Ltd. was terminated on the same date.

#### **OUTLOOK FOR 2008**

The year 2008 will be characterised by the considerable commitment to be made by the business in carrying out further development of all of its product sectors, by a more contained growth in investment than was seen in 2007, although this will remain aggressive through the strengthening of distribution and industrial projects which will hinge upon the opening of the new flagship store in Avenue George V in Paris and the integration of recent acquisitions, by the further reinforcement of the Group's presence in the rest of Asia, by the consolidation of growth in the accessories sector and by the gradual launch of feminine skincare at an international level.

We therefore believe that in the light of these important initiatives and despite forecasts that the market will remain weak and uncertain in 2008 Bulgari will be able to increase its sales and profits further, at the same time consolidating the position of absolute prestige it holds in the world luxury goods market.

**B V L G A R I**

**Interim management statements  
at 31 March 2008, 31 December 2007  
and 31 March 2007**

**Bulgari Group**  
**Consolidated income statement for the three months ended 31 March 2008**

€/000

	Note	I Q 2008 <i>of which versus related parties:</i>	I Q 2007 <i>of which versus related parties:</i>	Variation %
<b>Total net revenues</b>	<b>2</b>	<b>231.657</b>	<b>224.850</b>	<b>3,0%</b>
Cost of sales		(76.121)	(79.432)	-4,2%
<b>Total contribution margin</b>		<b>155.536</b>	<b>145.418</b>	<b>7,0%</b>
		<b>67,1%</b>	<b>64,7%</b>	
- Personnel costs		(46.275)	(40.608)	
- Variable selling expenses		(10.339)	(9.289)	
- General expenses		(38.517)	(35.105)	
- Advertising and promotional expenses		(25.997)	(24.916)	
- Amortization and depreciation		(12.546)	(9.639)	
Net operating expenses	<b>3</b>	(133.674)	(32) (119.557)	(15) 11,8%
<b>Operating profit</b>		<b>21.862</b>	<b>25.861</b>	<b>-15,5%</b>
		<b>9,4%</b>	<b>11,5%</b>	
- Financial gains (losses)		(3.783)	(48) (1.811)	(51)
- Foreign exchange gain (losses)	<b>4</b>	5.511	2.132	
Total financial gains (losses)		1.728	321	438,9%
		-	0	
<b>Net result before taxes</b>		<b>23.590</b>	<b>26.182</b>	<b>-9,9%</b>
Current and deferred taxes	<b>5</b>	(986)	(2.304)	-57,2%
<b>Net result</b>		<b>22.604</b>	<b>23.878</b>	<b>-5,3%</b>
of which:				
Minority interest profit		(219)	(38)	475,9%
<b>Group Share of Net result</b>		<b>22.823</b>	<b>23.916</b>	<b>-4,6%</b>
		<b>9,9%</b>	<b>10,6%</b>	

<b>Earning per share (in Euros)</b>	<b>0,08</b>	<b>0,08</b>
Number of shares on which the calculation is based	299.493.560	299.574.060
<b>Diluted earning per share (in Euros)</b>	<b>0,08</b>	<b>0,08</b>
Number of shares on which the calculation is based	303.039.930	304.901.776

**Bulgari Group**  
**Consolidated balance sheet at 31 March 2008**

€/000

	Note	31 march 2008		31 december 2007	
		<i>of which versus related parties:</i>		<i>of which versus related parties:</i>	
Property, plant and equipment	6	164.084		160.983	
Intangible assets	7	117.480		118.049	
Investments and other non current financial activities	8	44.013		40.236	
Other non current assets	9	36.728	1.428	34.118	1.368
<b>NON CURRENT ASSETS</b>		<b>362.305</b>		<b>353.386</b>	
<hr/>					
<b>NON CURRENT ASSETS HELD FOR SALES</b>		-		-	
<hr/>					
Inventories		695.177		596.116	
Receivables		151.626	84	202.186	57
Other current assets	10	87.050	1.777	72.068	1.908
Cash and cash equivalent	11	572		21.681	
<b>CURRENT ASSETS</b>		<b>934.425</b>		<b>892.051</b>	
<hr/>					
<b>TOTAL ASSETS</b>		<b>1.296.730</b>		<b>1.245.437</b>	
<hr/>					
Shareholders' equity for the Group		825.433		773.857	
Net equity of minority Shareholders		4.433		4.605	
<b>Total Shareholders' equity</b>	12	<b>829.866</b>		<b>778.462</b>	
<hr/>					
Plants for employees benefits	18	16.957		16.515	
Provisions for risk and charges	19	5.693		6.063	
Other non current liabilities	9,14	27.613		26.686	
Non current financial bank debts	16	58.095		55.444	
<b>NON CURRENT LIABILITIES</b>		<b>108.358</b>		<b>104.708</b>	
<hr/>					
<b>NON CURRENT LIABILITIES HELD FOR SALES</b>		-		-	
<hr/>					
Trade payables		159.189	439	187.941	1.306
Other current liabilities	15	57.477	7	57.827	2
Current bank financial debts	16	141.840		116.499	
<b>CURRENT LIABILITIES</b>		<b>358.506</b>		<b>362.267</b>	
<hr/>					
<b>TOTAL SHAREHOLDERS' EQUITY AND LIABILITIES</b>		<b>1.296.730</b>		<b>1.245.437</b>	

## Bulgari Group

### Consolidated cash flow statement for the quarter ended 31 March 2008

€/000

	31 March 2008	31 March 2007
<b>Cash flows from operating activities</b>		
Net income for the year	22.823	23.916
Depreciation, amortization and impairment of fixed assets	12.647	9.654
Interest and income taxes	6.195	3.718
<i>Cash flows from operating activities</i>	<i>41.665</i>	<i>37.288</i>
(Increase) Decrease in receivables in working capital	42.021	28.685
(Increase) Decrease in inventory	(82.636)	(70.099)
Increase (Decrease) in payables	(32.032)	(12.243)
Exchange differences	(16.424)	5.237
Income taxes paid	(2.128)	(5.563)
Interest paid	(2.226)	(1.210)
Other changes, net	756	230
<i>Cash flows from changes in net working capital</i>	<i>(92.669)</i>	<i>(54.963)</i>
Other medium/long-term assets (including other non-current financial assets)	(4.785)	963
Other medium/long-term liabilities	(27)	(143)
<b>(a) Cash flows from operating activities</b>	<b>(55.816)</b>	<b>(16.855)</b>
<b>Cash flows from investing activities</b>		
Purchase of companies (excluding cash/debt acquired)	-	(2.807)
Purchases of property, plant and equipment (net of disposals)	(12.200)	(8.489)
Purchase of intangible assets	(3.255)	(3.593)
Reimbursement of investments in other company (excluding other non-current financial assets)	(1.543)	5.819
Other changes	276	3.302
Interest received	81	14
<b>(b) Cash flows from investing activities</b>	<b>(16.641)</b>	<b>(5.754)</b>
<b>Cash flows from financing activities</b>		
Changes in shareholders' equity relating to minority interests	(172)	(3.555)
Other changes	28.753	(7.561)
<i>(c) Total changes in shareholders' equity</i>	<i>28.581</i>	<i>(11.116)</i>
Changes in medium/long-term financial payables	2.987	(63)
Changes in medium/long-term financial receivables	(60)	132
<i>(d) Total changes in medium/long-term financial assets</i>	<i>2.927</i>	<i>69</i>
<b>(e) Cash flows from financing activities</b>	<b>31.508</b>	<b>(11.047)</b>
<b>(f) Difference in short-term net cash (short-term debt) (a)+(b)+(e)</b>	<b>(40.949)</b>	<b>(33.656)</b>
<i>Net cash (short-term debt) at the beginning of the year</i>	<i>(140.931)</i>	<i>(46.854)</i>
Changes in short-term debt (f)	(40.949)	(33.656)
Changes in long-term debt (e)	(2.927)	(69)
<b><i>Net cash (short-term debt) at the end of the year</i></b>	<b><i>(184.807)</i></b>	<b><i>(80.579)</i></b>
of which: - cash and bank	572	22.835
- current financial payables	(143.588)	(72.200)
- current financial assets	18.118	5.619
- non-current financial payables	(61.337)	(37.124)
- non current financial receivables	1.428	797

Statement of changes in consolidated shareholders' equity from 31 December 2007 to 31 March 2008

	Share capital	Share premium reserve	Legal reserve	Reserve for translation difference	Other reserves	Stock Option reserve	Hedging reserve	Retained earnings	Net income period	Shareholders' equity attrib. to Group	Shareholders' equity attrib. to minority int.	Total Shareholders' equity
<b>Balance as at 31 December 2007</b>	<b>20.965</b>	<b>120.614</b>	<b>5.762</b>	<b>(49.091)</b>	<b>4.490</b>	<b>9.142</b>	<b>5.213</b>	<b>505.844</b>	<b>150.918</b>	<b>773.857</b>	<b>4.605</b>	<b>778.462</b>
Fluctuations in foreign exchange rates	-	-	-	32.470	-	-	-	-	-	32.470	48	32.518
Reclassifications	-	-	-	-	-	-	-	(475)	-	475,00	-	(475)
Fair value of derivatives	-	-	-	-	-	-	(3.819)	-	-	(3.819)	-	(3.819)
<b>Total gains and losses directly recognized to shareholders' equity</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>(32.470)</b>	<b>-</b>	<b>-</b>	<b>(3.819)</b>	<b>(475)</b>	<b>-</b>	<b>28.176</b>	<b>48</b>	<b>28.224</b>
Net income of the year	-	-	-	-	-	-	-	-	150.918	22.823	(219)	22.604
<b>Total gains and losses</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>150.918</b>	<b>22.823</b>	<b>(219)</b>	<b>22.604</b>
Dividends paid	-	-	-	-	-	-	-	-	(86.876)	-	-	-
Allocation of 2006 net income	-	-	-	-	-	-	-	150.918	(47.395)	-	-	-
Stock Options	-	-	-	-	-	576	-	-	-	576	-	576
<b>Balance as at 31 March 2008</b>	<b>20.965</b>	<b>120.614</b>	<b>5.762</b>	<b>(16.621)</b>	<b>4.490</b>	<b>9.718</b>	<b>1.394</b>	<b>656.287</b>	<b>150.918</b>	<b>825.432</b>	<b>4.434</b>	<b>829.866</b>

**Statement of changes in consolidated shareholders' equity from 31 December 2006 to 31 March 2007**

	Share capital	Share premium reserve	Legal reserve	Reserve for translation difference	Other reserves	Stock Option reserve	Hedging reserve	Retained earnings	Net income period	Shareholders' equity attrib. to Group	Shareholders' equity attrib. to minority int.	Total Shareholders' equity
<b>Balance as at 31 December 2006</b>	<b>20.970</b>	<b>123.648</b>	<b>5.762</b>	<b>(21.350)</b>	<b>3.914</b>	<b>6.796</b>	<b>2.381</b>	<b>458.482</b>	<b>134.271</b>	<b>734.874</b>	<b>8.080</b>	<b>742.954</b>
Fluctuations in foreign exchange rates	-	-	-	(8.460)	-	-	-	-	-	(8.460)	(938)	(9.398)
Reclassifications	-	-	-	-	-	-	-	-	-	-	-	-
Fair value of derivatives	-	-	-	-	-	-	303	-	-	303	-	303
<b>Total gains and losses directly recognized to shareholders' equity</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>(8.460)</b>	<b>-</b>	<b>-</b>	<b>303</b>	<b>(12.173)</b>	<b>-</b>	<b>(8.157)</b>	<b>(938)</b>	<b>(21.223)</b>
Net income of the year	-	-	-	-	-	-	-	-	23.916	26.916	38	23.954
<b>Total gains and losses</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>23.916</b>	<b>23.916</b>	<b>38</b>	<b>23.954</b>
Allocation of 2006 net income	-	-	-	-	-	-	-	134.271	(134.271)	-	-	-
Stock Options	-	-	-	-	-	597	-	-	-	597	-	597
Acquisition of 49% Bulgari Korea	-	-	-	-	-	-	-	-	-	-	(2.655)	(2.655)
<b>Balance as at 31 March 2007</b>	<b>20.970</b>	<b>123.648</b>	<b>5.762</b>	<b>(29.810)</b>	<b>3.914</b>	<b>6.796</b>	<b>2.684</b>	<b>458.482</b>	<b>134.271</b>	<b>751.230</b>	<b>8.080</b>	<b>742.955</b>

**B V L G A R I**

**Bulgari S.p.A. and Subsidiaries**

**Notes to the interim  
management statements  
at 31 March 2008**

## **Bulgari S.p.A. and Subsidiaries**

### **Interim management statements at 31 March 2008**

#### **SIGNIFICANT ACCOUNTING PRINCIPLES AND POLICIES**

Bulgari S.p.A. (referred to in the following as the “Parent Company”) is a company having its registered office in Italy and its domicile in Via Lungotevere Marzio 11, Rome. The interim consolidated financial statements at 31 March 2008 include the financial statements of the Parent Company and its subsidiaries and joint ventures (together referred to as the “Group”). The financial statements used in preparing these consolidated financial statements are those prepared by the Directors of the individual Group companies. These interim management statements were authorised for publication by the Board of Directors on 15 May 2008.

#### **(a) Statement of compliance**

As a result of the introduction of European Community Regulation no. 1606 of July 2002 and on the basis of the requirements of paragraph 5 of article 154-ter of the Consolidated Finance Law (T.U.F.) the Bulgari Group has prepared its interim management statements in accordance with International Accounting Standard 34 *Interim Financial Reporting*. These interim consolidated financial statements, which are unaudited, may not include all the disclosures required in the preparation of annual financial statements and should be read together with the consolidated financial statements for the year ended 31 December 2007.

### 1. Acquisition/formation of companies

Bulgari Ireland Ltd. was incorporated on 28 February 2008. This company, having its registered office in Dublin and authorised share capital of 1,000,000 euros, is fully owned by Bulgari S.p.A.. It will work alongside the currently existing distribution structures with the aim of planning the production and sales cycles and optimising logistical processes.

### 2. Revenues

<i>Thousands of euros</i>	<b>31/03/2008</b>	<b>31/03/2007</b>
Net sales	227,549	219,344
Royalties	3,713	3,806
Other revenues	395	1,700
	<u>231,657</u>	<u>224,850</u>

It makes reference to note 20 “Segment information” and the Report of the Board of Directors on the Group’s operations for an analysis of revenues by product type and by geographical area.

### 3. Operating expenses, net

<i>Thousands of euros</i>	<b>Note</b>	<b>31/03/2008</b>	<b>31/03/2007</b>
Personnel costs	<b>18</b>	46,275	40,608
Variable selling expenses		10,339	9,289
Other selling, general and administrative expenses		51,063	44,744
Advertising and promotion expenses		25,997	24,916
		<u>133,674</u>	<u>119,557</u>

Personnel costs relate to both selling and administrative functions.

#### *Variable selling expenses*

<i>Thousands of euros</i>	<b>Note</b>	<b>31/03/2008</b>	<b>31/03/2007</b>
Credit card commissions		1,294	1,174
Intermediaries’ commissions		1,792	1,542
Transport expenses		3,201	2,883
Sales commissions	<b>18</b>	1,541	1,379
Other		2,511	2,311
		<u>10,339</u>	<u>9,289</u>

#### *Other selling, general and administrative expenses*

<i>Thousands of euros</i>	<b>31/03/2008</b>	<b>31/03/2007</b>
Rentals	18,105	14,789
Other operating expenses	8,624	7,464
Other general expenses, net	24,334	22,491
	<u>51,063</u>	<u>44,744</u>

#### **4. Financial income (expense)**

*Interest income – 1,211 thousand euros*

<i>Thousands of euros</i>	<b>31/03/2008</b>	<b>31/03/2007</b>
Dividends from third parties	-	507
Bank interest income	84	127
Interest income from public authorities	60	34
Premium income on hedging activities	1,015	498
Other	52	63
	<u>1,211</u>	<u>1,229</u>

*Interest expense – (4,573) thousand euros*

<i>Thousands of euros</i>	<b>31/03/2008</b>	<b>31/03/2007</b>
Bank interest expense	(17)	(66)
Loan interest expense	(1,823)	(682)
Premium expense on hedging activities	(2,722)	(1,824)
Other	(11)	(32)
	<u>(4,573)</u>	<u>(2,604)</u>

*Other financial income (expense) – (421) thousand euros*

<i>Thousands of euros</i>	<b>Note</b>	<b>31/03/2008</b>	<b>31/03/2007</b>
Financial discount and allowance income		85	51
Financial discount and allowance expense		(164)	(160)
Bank commissions and charges		(173)	(165)
Actuarial losses on employees' leaving entitlement (TFR)	<b>18</b>	(123)	(124)
Other		(46)	(38)
		<u>(421)</u>	<u>(436)</u>

## 5. Taxation

<i>Thousands of euros</i>	Note	31/03/2008	31/03/2007
Current taxation		2,833	2,343
Prior year taxation		57	77
Deferred taxation	9	(1,904)	(116)
		986	2,304

The Group's average tax rate was 4.2 %.

## 6. Property, plant and equipment – 164,084 thousand euros

Description	Opening cost 31/12/07	Opening accumulated depreciation	Opening net book value 31/12/07	Purchases	Depreciation	Other changes, net	Closing cost 31/03/08	Closing accum. deprec.	Closing net book value 31/03/08
Land and buildings	23,668	(7,609)	<b>16,059</b>	289	(428)	460	24,409	(8,029)	<b>16,380</b>
Plant and machinery	28,751	(19,216)	<b>9,535</b>	834	(993)	7,042	37,343	(20,925)	<b>16,418</b>
Industrial and commercial equipment	19,650	(13,321)	<b>6,329</b>	298	(457)	275	20,711	(14,266)	<b>6,445</b>
Furniture, office equip. and fittings	116,583	(74,017)	<b>42,566</b>	3,911	(3,523)	779	122,214	(78,481)	<b>43,733</b>
Motor vehicles	249	(245)	<b>4</b>	-	(1)	-	252	(249)	<b>3</b>
Leasehold improvements	141,700	(65,970)	<b>75,730</b>	2,086	(4,068)	133	142,591	(68,710)	<b>73,881</b>
Construction in progress and advance payments	10,760	-	<b>10,760</b>	4,782	-	(8,318)	7,224	-	<b>7,224</b>
<b>TOTAL</b>	<b>341,361</b>	<b>(180,378)</b>	<b>160,983</b>	<b>12,200</b>	<b>(9,470)</b>	<b>371</b>	<b>354,744</b>	<b>(190,660)</b>	<b>164,084</b>

Property, plant and equipment balances and changes consist of the following.

The increases for the period regarding “Furniture, office machines and fittings” and “Leasehold improvements” relate mainly to investments for the renovation or opening of new stores, amongst which are Paris Georges V (France), which is the largest, Pacific Place (Hong Kong), Valencia (Spain), Kuala Lumpur Pavilion KLCC (Malaysia) and Barcelona Paseo de Gracia (Spain).

Included in addition are investments in computer hardware and in window displays to be used in the third party distribution network for presenting BVLGARI products.

The increase in “Construction in progress and advance payments” consists of investments for opening new stores, including the already mentioned Georges V (France) which is the largest, Pavilion KLCC (Malaysia) and Macao, investments for the renovation of stores, amongst which Paseo de Gracia (Spain) is mentioned, and displays under construction in connection with the distribution of BVLGARI products.

## 7. Other intangible assets – 73,491 thousand euros

The composition of “Other intangible assets” and changes for the period are as follows:

Description	Opening cost 31/12/07	Opening accum. amort.	Opening net book value 31/12/07	Increases	Amortis- ation	Other changes, net	Closing cost 31/03/08	Closing accum. amort.	Closing net book value 31/03/08
Development costs	11,177	(8,263)	<b>2,914</b>	649	(408)	1,684	13,873	(9,034)	<b>4,839</b>
Industrial patents and intellectual property rights	73,101	(43,379)	<b>29,722</b>	2,412	(2,343)	1,055	76,343	(45,497)	<b>30,846</b>
Concessions, trade marks and licences	3,460	(2,468)	<b>992</b>	2	(6)	(904)	131	(47)	<b>84</b>
Assets under formation	13,124	-	<b>13,124</b>	192	-	(1,271)	12,045	-	<b>12,045</b>
Expend. for taking over premises and other	32,265	(5,800)	<b>26,465</b>	-	(408)	(380)	31,769	(6,092)	<b>25,677</b>
<b>TOTAL</b>	<b>133,127</b>	<b>(59,910)</b>	<b>73,217</b>	<b>3,255</b>	<b>(3,165)</b>	<b>184</b>	<b>134,161</b>	<b>(60,670)</b>	<b>73,491</b>

The increase in “Industrial patents and intellectual property rights” consists mainly of purchases of software.

## 8. Investments and other non-current financial assets

<i>Thousands of euros</i>	31/03/2008	31/12/2007
Investments in other companies	12,633	11,090
Other non-current financial assets	31,380	29,146
	<b>44,013</b>	<b>40,236</b>

### *Investments in other companies*

<i>Thousands of euros</i>	Opera Participations S.c.a.	Opera Participations 2 S.c.a.	Opera Sgr	Opera Management	<b>Total</b>
<b>At 31/12/2007</b>	<b>10,736</b>	<b>202</b>	<b>138</b>	<b>14</b>	<b>11,090</b>
Increases	-	1,543	-	-	<b>1,543</b>
Decreases	-	-	-	-	-
<b>At 31/03/2008</b>	<b>10,736</b>	<b>1,745</b>	<b>138</b>	<b>14</b>	<b>12,633</b>

*Other non-current financial assets*

<i>Thousands of euros</i>	<b>31/03/2008</b>	<b>31/12/2007</b>
<b><i>Other non-current financial assets</i></b>		
Guarantee deposits	31,320	29,103
Insurance funds	54	37
Other	6	6
	<u><b>31,380</b></u>	<u><b>29,146</b></u>

The main balance in guarantee deposits is an amount of 19,484 thousand euros (18,587 thousand euros at 31 December 2007) paid by the subsidiary Bulgari Japan Ltd. as a deposit for the rental of premises in Tokyo.

**9. Other non-current assets**

<i>Thousands of euros</i>	<b>31/03/2008</b>	<b>31/12/2007</b>
Non-current financial assets	1,428	1,368
Other non-current assets	10,054	10,000
Deferred taxation	<u>25,246</u>	<u>22,750</u>
	<u><b>36,728</b></u>	<u><b>34,118</b></u>

*Non-current financial receivables*

Non-current financial receivables refer solely to related parties and consist of the portion (equal to 35%) not eliminated on consolidation of long-term subordinated loans granted to Bulgari Hotels and Resorts B.V., amounting to 304 thousand euros, and to Bulgari Hotels & Resorts Milano S.r.l., amounting to 552 thousand euros, both consolidated using the proportionate method. These loans are repayable in April 2027 and interest is charged on a quarterly basis at a rate of EURIBOR +3%.

The item also includes an amount of 900 thousand Swiss francs representing the portion (equal to 50%) not eliminated on consolidation of a long-term loan granted to Cadrans Design S.A. by Bulgari Global Operations S.A.. This loan is repayable in March 2017 and interest is charged at 3.5%.

*Other non-current assets*

<i>Thousands of euros</i>	<b>31/03/2008</b>	<b>31/12/2007</b>
<b>Other non-current assets:</b>		
Other non-current tax receivables	9,794	9,735
Other	<u>260</u>	<u>265</u>
	<u><b>10,054</b></u>	<u><b>10,000</b></u>

### Deferred taxation

Details of “Deferred taxation” are set out in the following table, with a description of the items which generate the main temporary differences:

<i>(Thousands of euros)</i>	At 31/12/2007	Increases	Decreases	Other changes	At 31/03/2008
Elimination of interco. profits	14,311	370	(25)	223	14,879
Fixed assets	1,993	14	-	21	2,028
Other accruals	6,446	1,852	(114)	155	8,339
<b>Deferred tax assets</b>	<b>22,750</b>	<b>2,236</b>	<b>(139)</b>	<b>399</b>	<b>25,246</b>
Accelerated depreciation	(5,692)	(81)	-	(7)	(5,780)
Undistributed profits	(6,333)	-	-	-	(6,333)
Tax prov. for obsolete inventory	(6,566)	(323)	-	(364)	(7,253)
Tax clean-up	(509)	-	-	-	(509)
Employee benefit obligations	(1,003)	-	-	-	(1,003)
Tax provision for bad debts	(945)	-	236	(33)	(742)
Other accruals	(437)	(35)	10	(87)	(549)
<b>Deferred tax liabilities</b>	<b>(21,485)</b>	<b>(439)</b>	<b>246</b>	<b>(491)</b>	<b>(22,169)</b>
<b>Total deferred taxation</b>	<b>1,265</b>	<b>1,797</b>	<b>107</b>	<b>(92)</b>	<b>3,077</b>

### 10. Other current assets

<i>Thousands of euros</i>	31/03/2008	31/12/2007
Current financial assets	18,118	12,804
Other current assets	68,932	59,264
	<u>87,050</u>	<u>72,068</u>

### Current financial assets

Financial receivables include the portion not eliminated on consolidation of loans granted by Bulgari International Corporation N.V. to LB Diamonds & Jewelry Sarl for 1,605 thousand euros and Cadrans Design S.A. for 159 thousand euros; both of these companies are held as to 50% and consolidated using the proportionate method. The loan to LB Diamonds & Jewelry Sarl amounts to 2,500 thousand U.S. dollars, is repayable in April 2008 and bears interest at a floating rate of LIBOR + 1.125%, while the loan to Cadrans Design S.A. amounts to 250 thousand Swiss francs and is repayable in June 2008.

### 11. Cash and cash equivalents

Cash and cash equivalents, which have no restrictions on use, are made up as follows:

<i>Thousands of euros</i>	31/03/2008	31/12/2007
Bank deposits	36,145	28,524

Cash and cheques	1,085	1,661
Overdrafts	(36,658)	(8,504)
	<u>572</u>	<u>21,681</u>

Interest was payable by banks on short-term deposits and current accounts, in which the Group holds cash in the various different currencies, at an average of approximately 1.5% at 31 March 2008. The book balances of “Cash and cash equivalents” are in line with their fair value at the balance sheet date.

## 12. Shareholders' equity

No significant changes took place in the equity accounts during the quarter.

## 13. Earnings per share

### *Basic earnings per share*

The computation of basic earnings per share has been made by considering earnings of 22,823 thousand euros (23,916 thousand euros for the quarter ended 31 March 2007) attributable to holders of ordinary shares and a weighted average number of 299,494 thousand shares outstanding during the period, and was calculated in the following manner:

<i>Thousands of shares</i>	<b>31/03/2008</b>	<b>31/03/2007</b>
Ordinary shares at 1 January	299,494	299,574
Treasury shares at end of period	-	-
New share issues	-	-
Ordinary shares at 31 March excluding treasury shares	299,494	299,574
Weighted average ordinary shares	<u><b>299,494</b></u>	<u><b>299,574</b></u>

### *Diluted earnings per share*

The computation of diluted earnings per share has been made by considering earnings of 22,823 thousand euros (23,916 thousand euros for the quarter ended 31 March 2007) attributable to holders of ordinary shares and a weighted average number of 303,040 thousand shares outstanding during the period.

<i>Thousands of shares</i>	<b>31/03/2008</b>	<b>31/03/2007</b>
Weighted average ordinary shares	299,494	299,574
Dilutive effect of option rights	3,546	4,802
Weighted average of ordinary shares (diluted)	<u><b>303,040</b></u>	<u><b>304,376</b></u>

## 14. Other non-current liabilities

Information on the contractual terms of loans and funding made to the Group is as follows:

<i>Thousands of euros</i>	<b>Note</b>	<b>31/03/2008</b>	<b>31/12/2007</b>
Other non-current liabilities		2,202	2,295
Other non-current financial payables		3,242	2,906
Deferred taxation	<b>9</b>	22,169	21,485
		<u>27,613</u>	<u>26,686</u>

*Other non-current liabilities*

<i>Thousands of euros</i>	<b>31/03/2008</b>	<b>31/12/2007</b>
<b>Non-current liabilities:</b>		
Other non-current payables	2,188	2,216
Deposits	14	79
	<u>2,202</u>	<u>2,295</u>

*Other non-current financial payables*

*Thousands of euros*

<b>Balance at 31/03/2008</b>	<b>Repayment date</b>	<b>Interest rate</b>	<b>Amount in currency</b>
1,934	2027	Euribor + 3%	1,934,150 euros
1,048	2027	Euribor + 3%	1,047,682 euros
260	2011	9.28%	409,022 Chf
<u>3,242</u>			

The loans in euros refer to Bulgari Hotels and Resorts Milano S.r.l. (1,934 thousand euros) and Bulgari Hotels and Resorts B.V. (1,048 thousand euros). The loan in Chf, instead, refers to H. Finger AG.

**15. Other current liabilities**

<i>Thousands of euros</i>	<b>31/03/2008</b>	<b>31/12/2007</b>
Current financial payables	1,748	1,935
Other current liabilities	55,729	55,892
	<u>57,477</u>	<u>57,827</u>

*Current financial payables*

“Current financial payables” of 1,748 thousand euros consist principally of “financial payables due within 12 months” of 1,581 thousand euros due by LB Diamonds Jewelry Sarl to LL International Holding B.V. (which holds the remaining 50% of the company), on which interest is charged at a variable rate of LIBOR + 1.125%.

## 16. Current and non-current financial payables to banks

Information on the contractual terms of loans and funding made to the Group is as follows:

<i>Thousands of euros</i>	<b>31/03/2008</b>	<b>31/12/2007</b>
Current financial payables to banks	141,840	116,499
Non-current financial payables to banks	58,095	55,444

The following list provides details of “Current financial payables to banks” by individual company:

<i>Thousands of euros</i>	<b>Balance at 31/03/2008</b>	<b>Interest rate</b>
Bulgari S.p.A	76,000	4.72%
Bulgari Japan Ltd	38,127	1.06%
Bulgari Global Operations S.A.	6,354	2.82%
Bulgari (Thailand) Ltd	5,102	3.88%
Bulgari Korea Ltd.	4,276	6.20%
Bulgari (Taiwan) Ltd.	4,088	2.94%
Prestige D’Or S.A.	3,241	3.29%
Bulgari Commercial (Shanghai) Co. Ltd.	2,480	5.83%
Bulgari Malaysia Sdn.	1,305	4.90%
Cadrans Design S.A.	867	3.41%
	141,840	

The following table provides details of “Non-current financial payables due to banks” with a separate indication of the repayment date, the interest rate and the original balance in foreign currency:

*Thousands of euro*

<b>Balance at 31/03/2008</b>	<b>Repayment date</b>	<b>Interest rate</b>	<b>Amount in currency</b>
6,354	2009	1.27%	1,000,000,000 Yen
3,177	2009	1.15%	500,000,000 Yen
12,708	2010	1.33%	2,000,000,000 Yen
1,271	2010	0.79%	200,000,000 Yen
9,532	2011	1.85%	1,500,000,000 Yen
9,532	2011	1.90%	1,500,000,000 Yen
1,589	2011	1.44%	250,000,000 Yen
9,532	2012	1.42%	1,500,000,000 Yen
3,177	2012	1.56%	500,000,000 Yen
636	2010	2.50%	1,000,000 Chf
381	2010	2.75%	600,000 Chf
103	2012	3.05%	162,500 Chf
103	2012	3.05%	162,500 Chf
58,095			

The Group had no outstanding loans at 31 March 2008 containing negative pledges or covenants.

## 17. Derivative financial instruments

The following table sets out the nominal value and fair value of derivatives at 31 March 2008, grouped by type.

<i>Thousands of euros</i>	<b>Nominal value</b>		<b>Fair value</b>		<b>Diff.</b>
	<b>31/03/2008</b>	<b>31/12/2007</b>	<b>31/03/2008</b>	<b>31/12/2007</b>	
<b>Cash flow hedge derivatives</b>					
- Foreign exchange	255,418	196,060	6,180	5,015	1,165
- Commodities	67,869	61,815	1,355	5,213	(3,858)
<b>Fair value hedge derivatives</b>					
- Foreign exchange	282,662	277,220	11,073	2,779	8,294
<b>Trading derivatives (*)</b>					
- Foreign exchange	30,688	29,606	988	722	266
- Commodities	1,786	5,995	127	553	(426)
<b>TOTAL</b>	<b>638,423</b>	<b>570,696</b>	<b>19,723</b>	<b>14,282</b>	<b>5,441</b>

(\*) Although these transactions have been carried out with the objective of hedging they do not always qualify for hedge accounting under the accounting standards described in the section "Significant accounting principles and policies" and accordingly are classified as "trading".

### *Currency and commodity risk hedges*

The Group is exposed to the risk of fluctuations in rates of exchange with its functional currency. Its principal exposure is towards the Japanese yen and the US dollar.

In order to reduce this risk the net foreign currency exposure arising from trade receivables and payables and from estimated net cash flows in foreign currencies from forecast sales and purchases for the following 15 months, as determined from the annual budget and quarterly revisions, is held to an acceptable level by entering derivative contracts (principally forward contracts and residually option contracts). The outstanding derivatives contracts at 31 March 2008 had terms not exceeding 15 months and the relative effects on the income statement will occur in the first half of 2009.

### *Interest rate hedges*

In order to limit its exposure to interest rate risk the Group uses hedging instruments to ensure that a certain percentage of the interest payable on debt is converted from floating rate to fixed rate. This percentage is linked to its borrowing requirements, the average life of the debt and the reference market (country and currency). There were no interest rate derivatives outstanding at 31 March 2008.

### *Determination of fair value*

Derivative contracts are measured at market value (marked to market) by using quoted prices for those listed or by discounting future cash flows and comparing the result to current market prices. The term market prices refers to official fixings (by central banks and associations of banks) or quotations made by brokers published by financial information providers. Fair value models also use these quotations as references.

**(u) Risk management**

**(i) Credit risk**

The Group is not exposed to significant credit risk given the nature of its business, whereby risk of this nature is limited to the sector of sales to distributors. Trade receivables are stated in the financial statements net of a write-down determined on the basis of the risk that a customer will not fulfil his contractual obligations; this write-down is calculated by taking into consideration all the information that is available regarding the solvency of the customer and also by taking into account historical data.

**(ii) Liquidity risk**

The Group is not exposed to liquidity risk. The cash flows, funding requirements and liquidity of Group companies are monitored and managed centrally under the supervision of the Group's Treasury Department with the aim of ensuring that funds are effectively and efficiently managed.

**(iii) Currency risk and interest rate risk**

The Group is exposed to various market risks in carrying out its activities and in particular to the risk of fluctuations in interest rates, foreign exchange rates and the price of gold.

To minimise these risks, the Group acquires derivative financial instruments available on the market to hedge the risk of both specific operations and complex exposures.

More specifically forward and option contracts are the instruments used mostly to reduce the risk of changes in the value of assets and liabilities and in estimated foreign currency cash flows to be generated by expected future operations. These same instruments are used to reduce the risk of changes in the price of gold.

Interest rate swaps and option contracts are used to minimise the risk arising from interest rate fluctuations.

The Group does not enter speculative transactions in managing its finance and treasury and has adopted specific procedures which require prudent criteria to be followed.

Consistent with IAS 39 derivative instruments acquired for hedging purposes qualify for hedge accounting as described in that standard only if:

- a) at the inception of the hedge there is a formal designation and documentation of the hedging relationship;
- b) the hedge is highly effective;
- c) the effectiveness can be reliably demonstrated.

If an instrument is designated to offset the exposure to changes in the fair value of the hedged item (for example to hedge fluctuations in the fair value of floating rate loans or in foreign currency receivables and payables), it is recognised at fair value, with subsequent changes in fair value being recognised in the income statement; in a consistent manner hedged items are adjusted to reflect the changes in fair value associated with the risk being hedged.

If an instrument is designated to offset the exposure to variability in cash flows of a transaction (a cash flow hedge; for example the hedging of the variability in cash flows of forecast transactions due to foreign exchange rate fluctuations), the effective portion of the gain or loss arising from changes in the

fair value of the hedging instrument is recognised directly in equity (the ineffective portion is recognised immediately in the income statement under the item foreign exchange gains (losses)).

The amounts recognised in equity are subsequently reclassified into the income statement in the period in which the forecast contracts and transactions affect profit or loss.

Changes in the fair value of derivatives which do not meet the conditions for recognition as hedging instruments are recognised in the income statement.

Derivates are accounted for on the trade date.

## 18. Employee benefits

### *Personnel costs*

Employee benefits may be analysed as follows:

<i>Thousands of euros</i>	<b>Note</b>	<b>31/03/2008</b>	<b>31/03/2007</b>
Wages and salaries		39,613	33,783
Social charges		8,624	7,841
Salesmen's commissions		1,541	1,379
Charges for employee benefit obligations		1,112	636
Hiring and training		836	877
Other costs		2,967	2,645
		<u>54,693</u>	<u>47,161</u>
Salesmen's commissions		(1,541)	(1,379)
Transfer to cost of sales		(6,877)	(5,174)
	<b>3</b>	<u><u>46,275</u></u>	<u><u>40,608</u></u>

### *Employee benefit plans*

Liabilities for employee benefit plans total 16,957 thousand euros. These include liabilities for pension plans and those for other benefits and post employment plans.

### *Share-based payments*

The Group has stock option plans in place in favour of the Managing Director and certain categories of manager.

The options are granted at the average officially quoted price of the thirty days preceding the grant date. The vesting period is variable, ranging from two to four years. The options may be exercised within a period ranging from six months to five years and six months from the date they have vested.

Considering the fact that all the plans have similar characteristics, the information provided below is presented in an aggregate manner.

“Other costs” include costs of 576 thousand euros relating to all the stock options outstanding at 31 March 2008. This cost has been determined at a fair value ranging between 1.31 and 2.20 euros per share using the method described in the “Significant accounting principles and policies” section of the consolidated financial statements at 31 December 2007.

The parameters used in the determination of this cost, namely the determination of the fair value of the options at the grant date, are as follows:

- Dividend yield: ..... from 2.5% to 3.02%
- Stock price volatility: ..... from 23% to 44%
- “Risk free” interest rate: ..... from 2.6% to 4.7%
- Average expected option waiting period: ..... 3.23 years

Shareholders meeting in ordinary and extraordinary sessions on 18 April 2008 adopted a resolution to approve a divisible share capital increase against payment by the issue of 1,800,000 ordinary shares each of par value 0.07 euros. The capital increase is reserved for the Managing Director Francesco Trapani as per paragraph 5 of article 2441 of the Italian civil code, with the Board of Directors delegated for the purpose assigning him subscription rights (options) in one or more instalments by the end of 2010. The issue price of the shares will be determined by the Company’s Board of Directors on the assignment of the rights, at a price per share, inclusive of par value and share premium, equal to the average of the official prices quoted for Bulgari shares on the Electronic Share Market during the month previous to the assignment. In accordance with the requirements of paragraph 6 of article 2441 of the Italian civil code the issue price may not in any case be lower than that based on the company’s equity value as stated in the latest financial statements approved prior to the assignment of the subscription rights, taking also into account the changes in the quoted price of the share over the previous six months.

The settlement method used will be the physical delivery of the shares, in common with that used in the case of previously established plans.

No changes took place in stock option plans in the first quarter of 2008

The following table provides an analysis by exercise price band and residual term of the agreement, subdivided between the Managing Director and other employees:

Price band	Residual term of the agreement						
	< 2 years			> 2 years			Total
	M.D.	Others	Total	M.D.	Others	Total	
<=2.0	-	-	-	-	-	-	
> 2.0<5.0	900,000	118,500	1,018,500	300,000	260,000	560,000	1,578,500
> 5.0	200,000	353,600	553,600	2,400,000	3,097,000	5,497,000	6,050,600
<b>Total</b>	<b>1,100,000</b>	<b>472,100</b>	<b>1,572,100</b>	<b>2,700,000</b>	<b>3,357,000</b>	<b>6,057,000</b>	<b>7,629,100</b>

Price band	Of which exercisable at 31/03/08		
	M.D.	Others	Total
<=2.0	-	-	-
> 2.0 < 5.0	1,200,000	378,500	1,578,500
> 5.0	1,700,000	1,434,350	3,314,350
<b>Total</b>	<b>2,900,000</b>	<b>1,812,850</b>	<b>4,712,850</b>

## 19. Provisions for risks and charges

Changes in this item for the quarter ended 31 March 2008 were as follows:

<i>Thousands of euros</i>	<b>Tax provisions</b>	<b>Other provisions</b>	<b>Total</b>
At 31 December 2007	1,774	4,289	6,063
Charge	34	37	71
Utilisation	(15)	(476)	(491)
Other changes	(86)	136	50
At 31 March 2008	<u>1,707</u>	<u>3,986</u>	<u>5,693</u>

“Other provisions” consist principally of accruals made for litigation. The decrease is the result of the utilisation of a provision made against the risk of having to pay certain penalties.

Charges to provisions are classified in the income statement as “selling, general and administrative expenses”.

## 20. Segment information

The Bulgari Group carries out its business principally through two separate divisions, the JWA (Jewellery - Watches - Accessories) Division and the Perfumes Division. This distinction is driven by product, market and differing distribution strategies.

The strategic direction of the Group and its administration and control are managed by a central corporate structure which is for the most part to be found in the Parent Company Bulgari S.p.A..

The results of the Divisions also include royalty charges from the Parent Company for the use of the BVLGARI brand of which it is the owner. These charges are then eliminated in the line “Other activities and eliminations”, as are all other transactions between the Divisions within the Group.

The line “Other activities and eliminations” also includes all the unallocated revenues and costs managed by the central corporate structure, the activities relating to the hotels, still of little significance overall, and all the advertising activities carried out with the media, including production, from which the BVLGARI brand is the overall beneficiary in general and therefore, as a result, the whole of the Group’s business.

### BULGARI GROUP - SEGMENT REPORTING I QUARTER 2008 VS 2007

	I Q 2008	I Q 2007	Change %		I Q 2008	I Q 2007	Change %
<b>Net revenues by sector</b>				<b>Operating profit by sector</b>			
(Millions of euro)				(Millions of euro)			
<i>Jewellery</i>	94.4	94.0	+0.4%				
<i>Watches</i>	60.2	58.5	+2.8%				
<i>Accessories</i>	21.4	21.1	+1.6%				
<i>Other</i>	1.7	1.7	+2.7%				
JWA Division	177.7	175.3	+1.4%	JWA Division	26.0	24.8	+4.6%
Perfume Division	47.0	42.8	+10.0%	Perfume Division	4.1	5.9	-31.5%
Other activities and eliminat:	7.0	6.8	+2.3%	Other activities and eliminat	(8.2)	(4.8)	+66.9%
<b>Total net revenues</b>	<b>231.7</b>	<b>224.9</b>	<b>+3.0%</b>	<b>Total operating profit</b>	<b>21.9</b>	<b>25.9</b>	<b>-15.5%</b>

The operating profit of the JWA (Jewellery - Watches - Accessories) Division fell slightly by 4.6% compared to the first quarter of 2007, despite the important development activities carried out to sustain the business. Depreciation and amortisation for the period amounted to 8.6 million euros (7.0 million euros in the first quarter of 2007).

The operating profit of the Perfumes Division fell by 31.5% compared to the first quarter of 2007, mainly as the result of trends in foreign exchange rates and in particular those involving the US dollar. Depreciation and amortisation for the Perfumes Division amounted to 0.9 million euros (0.8 million euros for the first quarter of 2007).

Revenues by geographical area are presented in the Report of the Directors on the Group's operations, to which reference should be made.

CONSOLIDATED BALANCE SHEET RECLASSIFIED BY DIVISION								
<i>(Millions of euros)</i>	JWA DIVISION		PERFUME DIVISION		Not allocated and elim.		TOTAL GROUP	
	31 Mar 08	31 Dec 07	31 Mar 08	31 Dec 07	31 Mar 08	31 Dec 07	31 Mar 08	31 Dec 07
Net trade receivables	125.3	155.5	53.4	68.8	(27.1)	(22.1)	151.6	202.2
Other receivables	54.8	53.4	3.3	3.2	10.8	2.7	68.9	59.3
Inventory	612.0	522.8	72.4	63.4	10.8	9.9	695.2	596.1
Trade payables	(145.7)	(176.3)	(44.9)	(56.4)	31.4	44.7	(159.2)	(188.0)
Other payables	(41.2)	(51.0)	(5.7)	(10.8)	(8.8)	5.9	(55.7)	(55.9)
<b>Total net working capital</b>	<b>605.2</b>	<b>504.4</b>	<b>78.5</b>	<b>68.2</b>	<b>17.1</b>	<b>41.1</b>	<b>700.8</b>	<b>613.7</b>
Property, plant and equipments and intangible assets	184.8	182.8	12.4	12.4	84.4	83.9	281.6	279.1
Investments and other financial assets					44.0	40.2	44.0	40.2
Other long-term assets (liabilities)	(2.0)	(2.2)	(0.4)	(0.8)	(9.3)	(10.6)	(11.7)	(13.6)
<b>INVESTED CAPITAL</b>	<b>788.0</b>	<b>685.0</b>	<b>90.5</b>	<b>79.8</b>	<b>136.2</b>	<b>154.6</b>	<b>1,014.7</b>	<b>919.4</b>
Shareholders' equity							829.9	778.5
Short-term indebtedness							124.9	83.9
Long-term indebtedness							59.9	57.0
<b>Total indebtedness</b>							<b>184.8</b>	<b>140.9</b>
<b>COVER</b>							<b>1,014.7</b>	<b>919.4</b>

## 21. Significant related party transactions

Disclosures of related party transactions as required by the Consob Communication of 28 July 2006 and the proportion they bear to the total consolidated figures are provided below.

### *Financial and commercial transactions*

Transactions of a financial and commercial nature between Bulgari S.p.A. and other Group companies have been eliminated in the preparation of the consolidated financial statements and are not disclosed in this note.

*Thousands of euros*

	Payables			
	Bulgari S.p.A.	Subsidiaries	Joint ventures	Total
<b>Receivables</b>				
Bulgari S.p.A.	-	131,887	2,664	<b>134,551</b>
Subsidiaries	73,410	1,017,987	4,709	<b>1,096,106</b>

Joint ventures	69	862	-	<b>931</b>
<b>Total</b>	<b>73,479</b>	<b>1,150,736</b>	<b>7,373</b>	<b>1,231,588</b>

Thousands of  
euros

	<b>Costs</b>			
	Bulgari S.p.A.	Subsidiaries	Joint ventures	<b>Total</b>
<b>Revenues</b>				
Bulgari S.p.A.	-	18,626	123	<b>18,749</b>
Subsidiaries	7,422	183,120	173	<b>190,715</b>
Joint ventures	66	829	-	<b>895</b>
<b>Total</b>	<b>7,488</b>	<b>202,575</b>	<b>296</b>	<b>210,359</b>

## 22. Net financial position

Pursuant to Consob Communication no. 6064293 of 28 July 2006 and in accordance with the CESR Recommendation of February 10, 2005, “*Recommendations for the consistent application of the European Commission’s Regulation on Prospectuses*”, the net financial position of the Group at 31 March 2008 is as follows.

	31/03/2008	31/12/2007
<i>Thousands of euros</i>		
Cash	1,085	1,661
Other liquid funds	(513)	20,020
<b>Total liquid funds</b>	<b>572</b>	<b>21,681</b>
<b>Current financial receivables</b>	<b>18,118</b>	<b>12,804</b>
Current bank payables	(140,442)	(115,166)
Current portion of non-current debt	(1,398)	(1,333)
Other current financial payables	(1,748)	(1,935)
<b>Current financial debt</b>	<b>(143,588)</b>	<b>(118,434)</b>
<b>Current financial debt, net</b>	<b>(124,898)</b>	<b>(83,949)</b>
<b>Non-current financial receivables</b>	<b>1,428</b>	<b>1,368</b>
Non-current bank payables	(58,095)	(55,544)
Other non-current payables	(3,242)	(2,906)
<b>Non-current financial debt</b>	<b>(61,337)</b>	<b>(58,350)</b>
<b>Non-current financial debt, net</b>	<b>(59,909)</b>	<b>(56,982)</b>
<b>NET FINANCIAL DEBT</b>	<b>(184,807)</b>	<b>(140,931)</b>

## 23. List of companies included in the scope of consolidation

### Elenco delle società incluse nel consolidamento con il metodo integrale

Società	% partecipazione 31/03/2008	% partecipazione 31/12/2007	Divisa	Capitale sociale	Sede	Attività esercitata
Bulgari Gioielli S.p.A.	100,00	100,00	Euro	2.580.000	Roma	Produzione gioielleria
Bulgari Italia S.p.A.	100,00	100,00	Euro	12.000.000	Roma	Vendita al dettaglio
Bulgari International Corporation (BIC) N.V.	100,00	100,00	Euro	18.301.200	Amsterdam	Sub-holding
Bulgari Corporation of America Inc.	100,00	100,00	Us\$	24.350.000	New York	Vendita ai retailers e distribuzione profumo
Bulgari S.A.	100,00	100,00	Swfr	600.000	Ginevra	Vendita al dettaglio
Bulgari Time (Switzerland) S.A.	100,00	100,00	Swfr	1.000.000	Neuchatel	Produzione orologeria e accessori
Bulgari France S.A.S.	100,00	100,00	Euro	225.000	Parigi	Vendita al dettaglio
Bulgari Montecarlo S.A.M.	100,00	100,00	Euro	800.000	Montecarlo	Vendita al dettaglio
Bulgari (Deutschland) GmbH	100,00	100,00	Euro	2.556.459	Monaco	Vendita al dettaglio
Bulgari Japan Ltd.	80,00	80,00	Yen	400.000.000	Tokyo	Vendita al dettaglio
Bulgari Espana S.A. Unipersonal	100,00	100,00	Euro	5.418.344	Madrid	Vendita al dettaglio
Bulgari Parfums S.A.	100,00	100,00	Swfr	1.000.000	Neuchatel	Produzione profumo
Bulgari Parfums Italia S.p.A.	100,00	100,00	Euro	1.020.000	Roma	Distribuzione profumo
Bulgari Portugal Accesorios de Luxo Lda.	100,00	100,00	Euro	92.873	Madeira	Sub-holding
Bulgari South Asian Operations Pte Ltd.	100,00	100,00	Sg\$	6.000.000	Singapore	Vendita al dettaglio
Bulgari (UK) Ltd.	100,00	100,00	Lgs	28.100.000	Londra	Vendita al dettaglio
Bulgari Belgium S.A.	100,00	100,00	Euro	1.000.000	Bruxelles	Vendita al dettaglio
Bulgari Australia Pty. Ltd.	100,00	100,00	Aud	11.200.000	Sydney	Vendita al dettaglio
Bulgari (Malaysia) Sdn Bhd	100,00	100,00	Rm	3.334.000	Kuala Lumpur	Vendita al dettaglio
Bulgari Global Operations S.A.	100,00	100,00	SwFr	6.000.000	Neuchatel	Supporto Logistico
Bulgari Operational Services ApS (1)	100,00	100,00	DKK	500.000	Copenhagen	Servizi
Daniel Roth et G�erald Genta Haute Horlogerie S.A.	100,00	100,00	SwFr	7.100.000	Ginevra	Produzione orologeria
Bulgari Asia Pacific Ltd.	100,00	100,00	HK\$	1.000.000	Hong Kong	Vendita al dettaglio
Bulgari (Taiwan) Ltd.	100,00	100,00	Twd	310.000.000	Taipei	Vendita al dettaglio
Bulgari Korea Ltd.	100,00	100,00	Kwon	4.500.000.000	Seoul	Vendita al dettaglio
Bulgari Collection Internationale S.A.	100,00	100,00	Swfr	3.000.000	Neuchatel	Produzione alta gioielleria
Bulgari Saint Barth S.a.S.	100,00	100,00	Euro	700.000	Saint Barthelemy	Vendita al dettaglio
Bulgari Retail USA S.r.l.	100,00	100,00	Euro	50.000	Roma	Vendita al dettaglio e all'ingrosso
Crova S.p.A.	100,00	100,00	Euro	2.700.000	Valenza (Alessandria)	Produzione gioielleria
Bulgari Parfums Deutschland GmbH	100,00	100,00	Euro	25.000	Wiesbaden	Distribuzione profumo
Prestige d'Or S.A.	51,00	51,00	Swfr	100.000	Saignel�gier	Produzione componenti orologeria
Bulgari Accessori S.r.l.	100,00	100,00	Euro	50.000	Bagno a Ripoli (Fi)	Produzione accessori in pelle
Bulgari Reinsurance Company Ltd.	100,00	100,00	Euro	635.000	Dublino	Societ� assicuratrice
Bulgari Austria GmbH	100,00	100,00	Euro	17.500	Vienna	Vendita al dettaglio
Bulgari Holdings (Thailand) Ltd. (2)	100,00	100,00	Bat	100.000	Bangkok	Sub-holding
Bulgari (Thailand) Ltd.	99,50	99,50	Bat	4.000.000	Bangkok	Vendita al dettaglio
Bulgari Commercial (Shanghai) Co. Ltd.	100,00	100,00	Us\$	17.000.000	Shanghai	Vendita al dettaglio
Bulgari Holding Europe B.V.	100,00	100,00	Euro	18.000	Amsterdam	Sub-holding
Bulgari Hotels and Resorts Japan Ltd.	100,00	100,00	Yen	487.500.000	Tokyo	Societ� relativa al progetto Bvlgari Hotels and Resorts
Bulgari Parfums Iberia S.L.	100,00	100,00	Euro	10.000	Barcellona	Distribuzione profumo
Bulgari Panama Inc.	100,00	100,00	Us\$	10.000	Panama City	Vendita al dettaglio
Monaco S.A.	100,00	100,00	SwFr	200.000	Ginevra	Sub-holding
H. Finger AG	100,00	100,00	SwFr	400.000	Lengnau dei Biel (Canton of Berna)	Produzione componenti orologeria
Bulgari Ireland Ltd.	100,00	-	Euro	1	Dublino	Supporto Logistico e attivit� distributiva

### Elenco delle societ  incluse nel consolidamento con il metodo proporzionale

Societ�	% partecipazione 31/03/2008	% partecipazione 31/12/2007	Divisa	Capitale sociale	Sede	Attivit� esercitata
LB Diamonds & Jewelry Sarl.	50,00	50,00	Swfr	1.250.000	Neuchatel	Produzione gioielleria
Bulgari Hotels & Resorts B.V. (3)	65,00	65,00	Euro	18.000	Amsterdam	Societ� in joint-venture con il Gruppo Marnot
Bulgari Hotels and Resorts Milano S.r.l. (4)	65,00	65,00	Euro	100.000	Roma	Societ� relativa al progetto Bvlgari Hotels and Resorts
Cadran Design S.A.	50,00	50,00	Swfr	100.000	La Chaux de Fonds	Produzione orologeria

(1) Societ  in corso di liquidazione.

(2) Societ  consolidata integralmente in virt  del possesso del 100% delle azioni di classe A pari a 49.000 Bat.

(3) Societ  posseduta tramite Bulgari S.p.A.

(4) Societ  posseduta indirettamente tramite Bulgari Hotels & Resorts B.V. al 61,75% (95% \* 65%, partecipazione di Bulgari Hotels & Resorts B.V. in Bulgari Hotels and Resorts Milano S.r.l.) e direttamente tramite Bulgari SpA al 3,25%

Prospetto della variazione del campo di consolidamento verificatasi nel periodo chiuso al 31 marzo 2008 rispetto all'esercizio chiuso al 31 dicembre 2007

Società entrate nel campo di consolidamento	Sede	Attività esercitata
Bulgari Ireland Ltd.	Dublino	Supporto Logistico e attività distributiva

#### 24. Information on companies consolidated using the proportionate method

The total amounts of the current assets and liabilities, non-current assets and liabilities, and revenues and costs of companies consolidated using the proportionate method are set out in the following table.

(Millions of euros)*	LB Diamonds & Jewelry Sarl.	Cadrans Design S.A.	Bulgari Hotels & Resorts B.V.	Bulgari Hotels & Resorts Milano S.r.l.
<i>% held</i>	50%	50%	65%	65%
<i>Local currency</i>	chf	chf	euro	euro
Current assets	27.3	4.2	-	7.3
Non-current assets	-	4.4	7.1	2.5
Current liabilities	10.3	4.9	0.2	6.1
Non-current liabilities	-	2.6	2.5	3.2
Revenues	1.7	1.5	-	4.8
Costs	1.2	1.4	-	4.6

(\*) Amounts are stated at 100%.

\*\*\*\*\*

The manager-in-charge of the preparation of the company's accounting records, Alberto Nathansohn, declares pursuant to paragraph 2, article 154-bis of the Consolidated Finance Law (T.U.F.) that the accounting information included in these interim management statements corresponds to the accounting records, books and entries.