

**Report on nominations to the Board of Directors for the period 2007 – 2009,
subject to the establishment of the number of directors and appointment of the
Chairman; directors' compensation**

Ordinary meeting – 2nd item on the Agenda

Shareholders' Meeting of 24 April, 2007

Dear Shareholders,

With reference to the expiry of the Board of Directors' three-years mandate, as resolved during the Shareholders' Meeting of 29 April 2004, and which is due to expire when the financial statements for financial year ending 31 December 2006 are approved, you are called upon to nominate the new members of the Board of Directors.

Appointment of the directors shall not take place by way of "voting lists" as recently introduced on art. 147 ter TU 58/1998 by the so called Law on Savings ("Legge sul Risparmio"), as amended by Italian corrective decree n. 303 of December 29th, 2006, since the company has not yet amended its Articles of Association thereto.

Given the foregoing, you are called upon to resolve on the following:

- **to decide** on the number of members of the Board of Members for the following three years starting from the date of the Shareholders' Meeting of 24 April 2007; to this aim we remind you that art. 12.1 of the Articles of Association specify that the Board of Directors shall be composed of at least three directors and a maximum of nine directors;
- **to nominate** the members of the Board of Directors for the next three years;
- **to decide** on the directors' compensation.

In compliance with the provisions of art. 7.1 of the Corporate Governance Code pertaining to listed companies, which the company has adopted, all the information regarding the personal and professional traits of the nominees shall be filed with the company's registered office together with the other requirements of the law.

Rome, 7 March 2007

For the Board of Directors
The Chairman
Paolo Bulgari