

## **Report of the Board of Directors on the appointment of the Board of Statutory Auditors**

Ordinary Shareholders' Meeting of 28 April 2005

Third item on the agenda

---

Shareholders,

their respective fees.

Following the expiry of the three years term of office of the Board of Statutory Auditors, appointed by shareholders on 29 April 2002 in accordance with the provisions of article 148, first and second paragraphs, of Legislative Decree no. 58 of 24 February 1998, it is necessary to appoint the members of the Board whose term of office expires on the approval of Bulgari S.p.A. financial statement as of 31 December 2004.

Rome, 7 March 2005

For the Board of Directors

The Chairman

Paolo Bulgari

In accordance with article 17 of the Company's bylaws, the Board of Statutory Auditors must consist of three standing members and two substitutes.

The appointment of the Board of Statutory Auditors takes place through the presentation of lists to the shareholders who, either in person or by proxy, singly or in a group, are the owners of shares with overall voting rights representing at least 3% of the total share capital with voting rights in an ordinary shareholders' meeting.

Lists for the election of members to the Board of Statutory Auditors must be deposited at the Company's registered office not later than 10 days prior to the date of the shareholders' meeting, and must include all the documentation required by the above-mentioned provisions.

As a consequence of the Board decision of 7 March of this year, and in conformity with the provisions of article 148 of the consolidated law T.U. 58/1998, you are invited to proceed to the appointment of the members of the Board of Statutory Auditors for the three year period from 2005 to 2007 and to determine