

Information on compensation plans submitted to the relevant board of Bulgari S.p.A. for their implementation prior to 1 September 2007 pursuant to article 84 bis of issuers regulations.

This document contains a series of information, as required by the law cited above, on the stock option plans submitted to the decision of the Board of Directors of Bulgari S.p.A. (hereinafter the “Company”) prior to 1 September 2007 and the corresponding outstanding options assigned and not yet exercised by their recipients (hereafter the “Plans”).

Recipients

The Shareholders’ Meetings of 10 April 1996 and 29 April 2003 approved two capital increases with the issue of up to 16,720,000 ordinary shares (whose nominal value is equal to that of outstanding shares) reserved for the exercise of the right to subscribe options assigned to Company and Group managers. The beneficiaries of such Plans are identified among the Italian and foreign managers who hold positions equivalent to that of manager, including members of Top Management who have regular access to privileged information and have the power to make management decisions that may have an impact on the development and future course of Bulgari S.p.A. and the directors of its direct or indirect subsidiaries (hereinafter the “Subsidiaries”).

The members of Top Management are: Francesco Trapani (Chief Executive Officer), Alessandro Bogliolo (Jewellery, Watches, and Accessories Division Executive Vice President), Flavia Spena (Human Resources and Organisation Executive Vice President), Alberto Nathansohn (Chief Finance Officer), Silvio Ursini (Brand image & creative services Executive Vice President), and Paolo Alberti (Perfumes and Licenses Division Executive Vice President).

Mr Francesco Trapani, Bulgari S.p.A.’s Chief Executive Officer, is likewise the recipient of four stock option plans as per the resolutions adopted by the company’s Shareholders’ Meetings of 10 April 1996, 30 April 1998, 29 April 2002, and 28 April 2005, and later amendments, that also approved the capital increases through the issue of up to 7,080,000 newly issued ordinary shares (nominal value equal to that of outstanding shares) reserved for the exercise of the right to subscribe options on ordinary shares.

The ownership of options by employees who currently hold directorship positions in Bulgari S.p.A. subsidiaries does not derive from their appointment to such positions, but exclusively from the managerial functions that they perform within the Group. In detail, the options that they own: (i) were not assigned at the same time that the beneficiaries were appointed as directors and (ii) they continue to be valid and effective regardless of whether the beneficiaries continue to perform the functions of directors.

In view of the above, it would be misleading to give a list of the names of the option beneficiaries that are also directors of subsidiary companies, since the beneficiaries of such options do not perform strategic and managerial roles different from other beneficiaries who are instead subject to aggregate reporting by category given that they are not members of the boards of directors.

Included below are the tables containing information on the Plans.

Reasons for adopting the Plans

The objective of the Plans is to provide incentives and encourage the medium/long-term loyalty of such managers within the Company and other companies belonging to the Group, as identified above, who directly participate in the achievement of the Company's business objectives. This incentives system was also adopted in favour of the Company's Chief Executive Officer.

Approval procedure and timetable for assigning the options

The Shareholders' Meeting adopts a resolution for a paid-in capital increase, in one or more instalments, through the issue of new ordinary shares, reserved for Company and Group employees, as well as the Company's Chief Executive Officer. On the occasion of these increases, the Shareholders' Meeting confers to the Board of Directors all powers to implement the resolution, with the faculty of mandating its Chairman and/or the Chief Executive Officer, even separately. These powers include, without limitation, the faculty to determine when to assign the options within the established timetable, to determine the quantity of options to assign, even in several instalments, the start date from which the options are eligible for exercise, the exercise of options not yet exercised or not yet eligible for exercise at the time, if any, that the employee or the Chief Executive Officer ends his relationship with the Company for any reason, changes in case of a modification in pension or tax law or in any case significant to the implementation of the stock option plan.

The Board of Directors, and on its behalf also its Chairman and/or the Chief Executive Officer, even separately, is also conferred the power to determine the share issuance price upon assignment of the options: (i) as for the Plans reserved for Company and Group employees, it is based on the arithmetical average of the official stock market prices in the month before the options assignment date (so-called "normal value" pursuant to article 9 of the Consolidated Law on Income Taxes) and (ii) as for the Executive Director, it is the higher of the so-called "normal value" as above and the price determined by the Board based on the Company's net equity in the most recently approved financial statements before the options assignment date, also taking into account the share price performance in the last six months.

The Human Resources and Organisation Department of Bulgari S.p.A. coordinates management of the Plans while Unione Fiduciaria S.p.A. provides fiduciary services based on a separate mandate signed at the time the assignment is accepted.

Several Extraordinary Shareholders' Meetings of Bulgari S.p.A. adopted resolutions for capital increases with exclusion of option rights that have made financial instruments available for the different Plans.

The Remuneration Committee submits to the Board of Directors the features and implementation procedures for the Plans reserved for the Executive Directors, while the Chief Executive Officer or the Chairman of the Board, acting on the proposal of the Human Resources and Organisation Department of Bulgari S.p.A. and taking into account the guidelines set by the Remuneration Committee, submits to the Board of Directors the features and implementation procedures for the Plans reserved for Company and Group employees.

Option features

The options confer the beneficiaries the right to acquire Bulgari S.p.A. ordinary shares, cum coupon, effective from the beginning of the financial year underway at the issuance date.

The effective implementation period for the Plans (i.e. the Assignment Date by the relevant board) and their termination date (i.e. the last assignment day of options by the relevant board) are reported in the attached table.

The assignment timetable, broken down by fiscal year, is reported below.

Fiscal year	No. of options assigned to Company and Group employees	No. of options assigned to members of Top Management	No. of options assigned to the Company's Executive Director
2007	536,000	380,000	600,000
2006	577,000	417,000	600,000
2005	664,000	406,500	600,000
2004	587,000	400,000	600,000
2003	840,000	530,000	1,200,000
2002	614,500	295,000	-
2001	495,000	296,000	400,000
2000	528,850	196,000	400,000
1999	452,000	263,000	400,000
1998	788,000	833,200	760,000
1997	724,000	754,720	760,000
1996	1,072,800	1,961,320	760,000

The assigned options are not transferable, except as prescribed for successors as specified below, and they may not be put up as liens or subject to other disposals or constraints in favour of third parties, in compliance with law or otherwise; moreover they may not be subject to execution or preventive measures by third parties, under penalty of immediate cancellation of the options.

The termination of the employment relationship for any reason other than death, permanent disability, and retirement (including early retirement with incentives) which arises prior to the time the assigned options are exercised or become eligible for exercise, automatically causes the cancellation of the option, with no right of compensation or reimbursement of any kind in favour of the beneficiary. The beneficiary's transfer to another Bulgari Group company does not cause the cancellation of the options. If the termination of the employment relationship occurs by voluntary resignation or dismissal for any objective justified reason, the beneficiary and his successors have the right to exercise the options that have already become eligible for exercise at that date in which the resignation is handed in or the dismissal notice received, provided that this occurs within three months from the employment relationship termination date, after which even these options are considered cancelled. The Company reserves the right to change or annul the assignment of options (limited to those not exercised) if, due to changes in pension and tax laws or any other laws,

implementation of the Plans were to burden the Company with pension, tax or any other charges other than those existing at the time of the assignment.

The assigned options confer the beneficiary the right to underwrite each share at an issuance price determined by the arithmetical average of the official prices of Bulgari S.p.A. shares in the month before the assignment date as reported on the Mercato Telematico Azionario (screen-based market) of Borsa Italiana S.p.A. The options expire five years and six months from the maturity date set for the individual tranches. The shares may not be sold if they do not have the same rights as the shares traded on the Borsa Italiana S.p.A. screen-based market.

The Board of Directors reserves the right to make the most appropriate decisions within the scope of the mandate received in the case of capital transactions that during the options exercise period change the number of shares issued, with the aim of limiting, to the extent possible, any damage suffered by the option beneficiaries.

Table 2									
Options									
Section 1									
Name or category	Title		description	Number of the shares below options assigned but not yet exercised	Number of shares below options to be assigned and not exercised	Date of the board of directors resolving upon assignment *	Exercise price	Exercise price	Options term
Francesco Trapani	CEO	30.04.1998	Bulgari shares	0	200.000	02/05/2000	€11,58	€11,85	31.12.2007
Francesco Trapani	CEO	30.04.1998	Bulgari shares	0	200.000	16/10/2001	€7,99	€8,38	31.12.2008
Francesco Trapani	CEO	29.04.2002	Bulgari shares	0	300.000	14/05/2003	€4,35	€4,40	31.12.2008
Francesco Trapani	CEO	29.04.2002	Bulgari shares	0	600.000	14/05/2003	€4,35	€4,40	31.12.2009
Francesco Trapani	CEO	29.04.2002	Bulgari shares	0	300.000	14/05/2003	€4,35	€4,40	31.12.2010
Francesco Trapani	CEO	29.04.2002	Bulgari shares	0	300.000	24/05/2004	€7,81	€7,65	31.12.2010
Francesco Trapani	CEO	29.04.2002	Bulgari shares	0	300.000	24/05/2004	€7,81	€7,65	31.12.2011
Francesco Trapani	CEO	28.04.2005	Bulgari shares	0	300.000	23/05/2005	€8,61	€8,61	31.12.2011
Francesco Trapani	CEO	28.04.2005	Bulgari shares	0	300.000	23/05/2005	€8,61	€8,61	31.12.2012
Francesco Trapani	CEO	28.04.2005	Bulgari shares	0	300.000	30/06/2006	€8,58	€8,87	31.12.2012
Francesco Trapani	CEO	28.04.2005	Bulgari shares	300.000	0	30/06/2006	€8,58	€8,87	31.12.2013
Francesco Trapani	CEO	28.04.2005	Bulgari shares	300.000	0	20/06/2007	€11,66	€11,71	31.12.2013
Francesco Trapani	CEO	28.04.2005	Bulgari shares	300.000	0	20/06/2007	€11,66	€11,71	31.12.2014

* the assignment is made by means of a letter signed by the Chairman of the Board, thereto delegated by the Board

** Market price is the price of the Bulgari share at the closing of the day in which the options are assigned.

