

Report on the appointment of a Director pursuant to and for the effects of Art. 2386 of the Italian Civil Code and determination of the corresponding fee

Ordinary part – 1st point on the agenda

General Meeting of 18/4/2008

Shareholders,

The Board of Directors would like to inform you that it is necessary to appoint a director pursuant to Art. 2386 of the Italian Civil Code.

On 18 January 2008, in fact, following the resignation of a director, Mr. Vito Varvaro, the Board of Directors appointed Engineer Paolo Cuccia as director by co-option; as set forth in Art. 2386 of the Italian Civil Code, he has held office up to today's General Meeting.

It is recalled that during the co-option, Engineer Cuccia has declared, under his own responsibility, that there are no causes for non-eligibility and incompatibility, and that he possesses the qualifications required for holding office under current legislation.

The General Meeting, therefore, is specifically called upon, pursuant to the law and the Articles of Association, to appoint a director pursuant to Art. 2386 of the Italian Civil Code, and to determine the corresponding fee.

It is recalled that the regulations contained in the Articles of Association in force for the appointment of directors by the list vote mechanism shall not be applicable when the appointment takes place in circumstances not involving the renewal of the entire Board of Directors; in these circumstances, the General Meeting shall vote with the majority provided for by law and without following the list vote mechanism.

Having stated all this, the Board of Directors, considering the provisions of the law and the Articles of Association with regard to the composition, duration, procedures for appointment and remuneration of the Board of Directors,

hereby requests the General Meeting:

- To appoint a Company director pursuant to and for the effects of Art. 2386 of the Italian Civil Code; and
- To determine the annual fee of the member of the Board of Directors thus appointed.

Yours faithfully

Paolo Bulgari
Rome, 11 March 2008