BULGARI GROUP: BUSINESS STRATEGY

FRANCESCO TRAPANI – Chief Executive Officer
RENATA CASARO – Head of IR

Deutsche Bank Luxury Goods Conference
Paris, 17 th June 2010
Q1 FINANCIAL HIGHLIGHTS – KEY MESSAGES

- **TOP LINE GROWTH RESUMED**: NET REVENUES UP BY 12.6% AT COMPARABLE FX RATES, WITH BOTH CHANNELS **EQUALLY CONTRIBUTING**

- **COST REDUCTION CONTINUES**: TOTAL OPEX DOWN 6.1% AT COMPARABLE FX RATES

- **BREAK-EVEN** AT EBIT Level vs EUR 24 MILLION LOSS OF Q1 2009

- **INVENTORY AND NET DEBT UNDER STRICT CONTROL**
## FINANCIAL HIGHLIGHTS: Q1 2010 WRAP-UP

<table>
<thead>
<tr>
<th></th>
<th>Q1 10 EUR M.</th>
<th>Q1 09 EUR M.</th>
</tr>
</thead>
<tbody>
<tr>
<td>REVENUES</td>
<td>199.1</td>
<td>178.1</td>
</tr>
<tr>
<td>CONTRIBUTION MARGIN % on Sales</td>
<td>126.9 63.8%</td>
<td>112.7 63.3%</td>
</tr>
<tr>
<td>EBITDA</td>
<td>17.0</td>
<td>(7.7)</td>
</tr>
<tr>
<td>EBIT</td>
<td>(0.3)</td>
<td>(23.8)</td>
</tr>
<tr>
<td>NET PROFIT</td>
<td>(8.3)</td>
<td>(29.3)</td>
</tr>
</tbody>
</table>

+11.8% at reported fx
+12.6% at comparable fx
No significant difference between DOS and wholesale
## REVENUES BY PRODUCT CATEGORY

<table>
<thead>
<tr>
<th>PRODUCT CATEGORY</th>
<th>Q1 2010</th>
<th>Q1 2010/Q1 2009</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>EUR M.</td>
<td>% ON TOTAL SALES</td>
</tr>
<tr>
<td>JEWELRY</td>
<td>88.2</td>
<td>44.3%</td>
</tr>
<tr>
<td>WATCHES</td>
<td>41.5</td>
<td>20.9%</td>
</tr>
<tr>
<td>PERFUME &amp; COSMETICS</td>
<td>45.2</td>
<td>22.7%</td>
</tr>
<tr>
<td>ACCESSORIES</td>
<td>17.4</td>
<td>8.7%</td>
</tr>
<tr>
<td>HOTEL</td>
<td>3.6</td>
<td>1.8%</td>
</tr>
<tr>
<td>ROYALTIES AND OTHER</td>
<td>3.2</td>
<td>1.6%</td>
</tr>
<tr>
<td>TOTAL</td>
<td>199.1</td>
<td>100%</td>
</tr>
</tbody>
</table>
## WATCHES – TOTAL vs DOS PERFORMANCE

<table>
<thead>
<tr>
<th>WATCHES</th>
<th>Q1 2010</th>
</tr>
</thead>
<tbody>
<tr>
<td>Delta at comparable Exchange rates</td>
<td></td>
</tr>
<tr>
<td>TOTAL REVENUES</td>
<td>-0.4%</td>
</tr>
<tr>
<td>DOS REVENUES</td>
<td>+16.2%</td>
</tr>
</tbody>
</table>

+7.4% w/out GG/DR
### ACCESSORIES – TOTAL vs DEDICATED NETWORK PERFORMANCE

<table>
<thead>
<tr>
<th>ACCESSORIES</th>
<th>Q1 2010</th>
</tr>
</thead>
<tbody>
<tr>
<td>Delta at comparable Exchange rates</td>
<td></td>
</tr>
<tr>
<td>TOTAL REVENUES</td>
<td>+24.6%</td>
</tr>
<tr>
<td>REVENUES FROM DOS DEDICATED TO ACCESSORIES</td>
<td>+27.3%</td>
</tr>
</tbody>
</table>

+43% HANDBAGS
### REVENUES BY GEOGRAPHICAL AREA

<table>
<thead>
<tr>
<th>GEOGRAPHICAL AREAS</th>
<th>Q1 2010 EUR M.</th>
<th>% ON TOTAL SALES</th>
<th>Q1 2010/Q1 2009 REPORTED</th>
<th>Q1 2010/Q1 2009 AT COMP.FX</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>EUROPE</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Of which Italy</td>
<td>23.2</td>
<td>11.6%</td>
<td>+7.4%</td>
<td>-</td>
</tr>
<tr>
<td><strong>AMERICAS</strong></td>
<td>27.2</td>
<td>13.6%</td>
<td>+40.5%</td>
<td>+48.6%</td>
</tr>
<tr>
<td><strong>ASIA</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Of which Japan</td>
<td>35.7</td>
<td>17.9%</td>
<td>-10.1%</td>
<td>-7.6%</td>
</tr>
<tr>
<td>Of which Rest of Asia</td>
<td>55.9</td>
<td>28.1%</td>
<td>+29.7%</td>
<td>+31.8%</td>
</tr>
<tr>
<td><strong>MIDDLE EAST/ OTHER</strong></td>
<td>12.1</td>
<td>6.1%</td>
<td>+6.4%</td>
<td></td>
</tr>
<tr>
<td><strong>TOTAL</strong></td>
<td>199.1</td>
<td>100%</td>
<td>+11.8%</td>
<td>+12.6%</td>
</tr>
</tbody>
</table>

GREATER CHINA - NOW 15.7% OF TOTAL REVENUES - GREW BY 39% AT COMPARABLE FX IN THE QUARTER, WITH DOS UP 46%.

THE OTHER COUNTRIES IN THE REST OF ASIA - AMONG WHICH SOUTH KOREA IS THE MOST IMPORTANT - GREW BY +24% AT COMPARABLE FX.
## INVENTORY MANAGEMENT

<table>
<thead>
<tr>
<th>EUR M.</th>
<th>Q1 2009</th>
<th>Q1 2010</th>
<th>DELTA REPORTED FX</th>
</tr>
</thead>
<tbody>
<tr>
<td>TOTAL REVENUES</td>
<td>178</td>
<td>199</td>
<td>+11.8%</td>
</tr>
<tr>
<td>AVERAGE INVENTORY</td>
<td>740</td>
<td>636</td>
<td>-14.0%</td>
</tr>
</tbody>
</table>
100% of the debt position is covered by long-term loans and by committed credit lines with expiring dates over 36 months.
In **2009** our actions focused on cost efficiency and balance sheet improvement – our commitment delivered the benefits faster than expected.

**2010** projects put the Bulgari customer at the center of our strategy:

- **Creativity and craftsmanship** will characterize more than ever our product launch initiatives.
- Our communication approach - be it advertising, PR, digital - will evolve: fewer, more impactful and lateral-thinking, creative projects.
- A greater focus and effort will be dedicated to the store experience, with increased commitments on sales force expertise, service to the client and customer loyalty.

**Improving profitability** will be a priority in 2010, thanks to supply chain realignment - positively impacting working capital - and continued cost optimization.

Our focused investments will continue to target the greater China region.
THE WOMAN’S WORLD
COMMERCIAL STRATEGY
IMAGE – BVLGARI UMBRELLA CAMPAIGN S/S 2010
COMMERCIAL STRATEGY
IMAGE – BVLGARI UMBRELLA CAMPAIGN S/S 2010
COMMERCIAL STRATEGY
IMAGE – BVLGARI UMBRELLA CAMPAIGN F/W 2010
• Fashion Designer, born in Manchester in 1971
• Creative Director @ Ungaro and at Pucci until 2008, today he has his own brand
• Famous for his strong use of color, “very Bulgari”
• Williamson will create an accessory capsule collection for Bulgari, focused on handbags, to be presented at Milan Fashion Week in September
Cordially invite you to the presentation of

The Isabella Rossellini Handbag

Wednesday, July 7th
7:00 p.m. – 9:00 p.m.

Bulgari
40 Avenue George V
75008 Paris

By invitation only
COMMERCIAL STRATEGY
THE BVLGARI WOMAN – B.zero1 celebrating 10 YEARS
COMMERCIAL STRATEGY
THE BVLGARI WOMAN – B.zero1 CERAMIC
ANISH KAPOOR - one of the world’s most acclaimed and successful contemporary artists

Anish Kapoor
Cloud gate at Millennium park, Chicago
Ricevi messaggi brevi e puntuali da Bulgari.
Twitter è una risorsa ricca di informazioni aggiornate istantaneamente. E' molto facile restare aggiornati su una incredibile varietà di argomenti. Registrati ora e segui @Bulgari_US

Registrati ora >
COMMERCIAL STRATEGY
THE BVLGARI WOMAN: SERPENTI
COMMERCIAL STRATEGY
THE BVLGARI WOMAN: BLV II Eau d’Été
THE MAN’S WORLD
COMMERCIAL STRATEGY
BVLGARI MAN: THE NEW FRAGRANCE PILLAR

Celebrity: Clive Owen
COMMERCIAL STRATEGY

BVLGARI MAN: THE MASCULINE CHARISMA CAMPAIGN

Celebrity: Clive Owen
COMMERCIAL STRATEGY
THE BVLGARI MAN: SOTIRIO calibro 168
COMMERCIAL STRATEGY
THE BVLGARI MAN – GENTA AND ROTH COLLECTION
COMMERCIAL STRATEGY
BRAND STORES: ENHANCING THE SHOPPING EXPERIENCE

Shinsegae Youngdeungpo - Seoul
Las Vegas, City Center
DID THE LUXURY CUSTOMER CHANGE AFTER THE CRISIS?

• NO POLARIZATION, NEITHER IN TERMS OF PRICE, NOR STYLE

• A LOWER NUMBER OF CLIENTS PURCHASED LUXURY GOODS DURING THE CRISIS

• CLIENTS ARE NOW EVEN MORE DISCERNING AND DEMANDING BOTH IN TERMS OF BRAND PROFILE AND CRAFTSMANSHIP
GREATER CHINA (PRC, HK, MACAU, TAIWAN)

- **OUR CORE AREA OF (CAPEX) INVESTMENT GOING FORWARD**
  - **BALANCED DISTRIBUTION NETWORK: D.O.S., FRANCHISEES AND MULTIBRAND RETAILERS**
  - **2011**: ENHANCEMENT OF THE BRAND’S VISIBILITY THROUGH HIGH ADVERTISING INVESTMENT AND WITH POSSIBLY 3 BULGARI RETROSPECTIVE EXHIBITIONS IN CHINA
COMMERCIAL STRATEGY
MARKET FOCUS

GREATER CHINA (PRC, HK, MACAU, TAIWAN)
- OUR CORE AREA OF (CAPEX) INVESTMENT GOING FORWARD
  - BALANCED DISTRIBUTION NETWORK: D.O.S., FRANCHISEES AND MULTIBRAND RETAILERS
  - **2011**: ENHANCEMENT OF THE BRAND’S VISIBILITY THROUGH HIGH ADVERTISING INVESTMENT AND WITH POSSIBLY 3 BULGARI RETROSPECTIVE EXHIBITIONS IN CHINA

RUSSIA AND MIDDLE EAST
- IMPORTANT MARKETS, MAINLY SERVED VIA FRANCHISEE AGREEMENTS
- TO CONSOLIDATE OUR ALREADY STRONG PRESENCE
GREATER CHINA (PRC, HK, MACAU, TAIWAN)

- OUR CORE AREA OF (CAPEX) INVESTMENT GOING FORWARD
  - BALANCED DISTRIBUTION NETWORK: D.O.S., FRANCHISEES AND MULTIBRAND RETAILERS
  - 2011: ENHANCEMENT OF THE BRAND’S VISIBILITY THROUGH HIGH ADVERTISING INVESTMENT AND WITH POSSIBLY 3 BULGARI RETROSPECTIVE EXHIBITIONS IN CHINA

RUSSIA AND MIDDLE EAST

- IMPORTANT MARKETS, MAINLY SERVED VIA FRANCHISEE AGREEMENTS
- TO CONSOLIDATE OUR ALREADY STRONG PRESENCE

INDIA, BRAZIL, CENTRAL ASIA, EASTERN EUROPE, VIETNAM

- GOOD POTENTIAL, EVEN IF LOWER THAN GREATER CHINA
- OPPORTUNISTIC PRESENCE: TO BE READY TO FULLY EXPLOIT LOCAL POTENTIAL UPSIDE
• CURRENT TRADING
QUESTION & ANSWERS

BULGARI INVESTOR RELATIONS WEBSITES:
http://ir.bulgari.com
http://ir.mobi.bulgari.com

BULGARI CORPORATE WEBSITE
http://www.bulgari.com
## Q1 2010 GROUP PROFIT & LOSS

<table>
<thead>
<tr>
<th>EUR M.</th>
<th>Q1 2010 EUR M.</th>
<th>Q1 2009 EUR M.</th>
<th>Q1 2010/ Q1 2009 % DELTA</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>REVENUES</strong></td>
<td>199.1</td>
<td>178.1</td>
<td>11.8%</td>
</tr>
<tr>
<td><strong>CONTRIBUTION MARGIN</strong></td>
<td>126.9</td>
<td>112.7</td>
<td>12.6%</td>
</tr>
<tr>
<td>% on Sales</td>
<td>63.8%</td>
<td>63.3%</td>
<td></td>
</tr>
<tr>
<td><strong>VARIABLE SELLING EXPENSES</strong></td>
<td>(8.3)</td>
<td>(8.4)</td>
<td>-1.4%</td>
</tr>
<tr>
<td><strong>PERSONNEL COSTS</strong></td>
<td>(43.8)</td>
<td>(50.8)</td>
<td>-13.8%</td>
</tr>
<tr>
<td><strong>OTHER GENERAL EXPENSES</strong></td>
<td>(39.2)</td>
<td>(39.5)</td>
<td>-0.6%</td>
</tr>
<tr>
<td><strong>AMORTIZATION AND DEPRECIATION</strong></td>
<td>(16.3)</td>
<td>(16.1)</td>
<td>1.4%</td>
</tr>
<tr>
<td><strong>ADVERTISING AND PROMOTION</strong></td>
<td>(19.6)</td>
<td>(21.5)</td>
<td>-8.7%</td>
</tr>
<tr>
<td><strong>TOTAL OPERATING EXPENSES</strong></td>
<td>(127.2)</td>
<td>(136.3)</td>
<td>-6.6%</td>
</tr>
<tr>
<td><strong>EBITDA before Restructuring &amp; Other Related costs</strong></td>
<td>16.0</td>
<td>(7.4)</td>
<td></td>
</tr>
<tr>
<td>% on Sales</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>EBIT before Restructuring &amp; Other Related costs</strong></td>
<td>(0.3)</td>
<td>(23.6)</td>
<td></td>
</tr>
<tr>
<td><strong>RESTRUCTURING &amp; OTHER RELATED COSTS</strong></td>
<td>0</td>
<td>(0.2)</td>
<td></td>
</tr>
<tr>
<td><strong>EBITDA</strong></td>
<td>17.0</td>
<td>(7.7)</td>
<td></td>
</tr>
<tr>
<td><strong>EBIT</strong></td>
<td>(0.3)</td>
<td>(23.8)</td>
<td></td>
</tr>
<tr>
<td><strong>TOTAL FINANCIAL COSTS</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>• FX Loss</td>
<td>(8.6)</td>
<td>(8.4)</td>
<td></td>
</tr>
<tr>
<td>• Interest</td>
<td>(4.9)</td>
<td>(4.1)</td>
<td></td>
</tr>
<tr>
<td>• CURRENT AND DEFERRED TAXES</td>
<td>(3.7)</td>
<td>(4.3)</td>
<td></td>
</tr>
<tr>
<td>• MINORITY INTEREST PROFIT</td>
<td>0.6</td>
<td>2.9</td>
<td></td>
</tr>
<tr>
<td>• NET PROFIT</td>
<td>0.0</td>
<td>0.0</td>
<td></td>
</tr>
<tr>
<td></td>
<td>(8.3)</td>
<td>(29.3)</td>
<td></td>
</tr>
</tbody>
</table>
### OPERATING EXPENSES

<table>
<thead>
<tr>
<th>OPERATING EXPENSES DETAIL</th>
<th>Q1 2010</th>
<th>Q1 2009</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>TOTAL OPERATING EXPENSES</strong></td>
<td>(127.2)</td>
<td>(136.3)</td>
</tr>
<tr>
<td><em>Of which:</em></td>
<td></td>
<td></td>
</tr>
<tr>
<td>VARIABLE SELLING EXPENSES</td>
<td>(8.3)</td>
<td>(8.4)</td>
</tr>
<tr>
<td>PERSONNEL EXPENSES</td>
<td>(43.8)</td>
<td>(50.8)</td>
</tr>
<tr>
<td>OTHER GENERAL EXPENSES (Rents included)</td>
<td>(39.2)</td>
<td>(39.5)</td>
</tr>
<tr>
<td>AMORTIZATION AND DEPR.</td>
<td>(16.3)</td>
<td>(16.1)</td>
</tr>
<tr>
<td>ADVERTISING AND PROM.</td>
<td>(19.6)</td>
<td>(21.5)</td>
</tr>
</tbody>
</table>

-6.6% AT REPORTED FX

-13.8% AT REPORTED FX

W/OUT RENT

-7.0% AT REPORTED FX

-8.7% AT REPORTED FX
<table>
<thead>
<tr>
<th>EUR M.</th>
<th>MARCH 2009</th>
<th>MARCH 2010</th>
</tr>
</thead>
<tbody>
<tr>
<td>NET INDEBTEDNESS AT BEGINNING PERIOD</td>
<td>(303.6)</td>
<td>(216.8)</td>
</tr>
<tr>
<td>CASH FLOW from P&amp;L</td>
<td>(13.0)</td>
<td>9.3</td>
</tr>
<tr>
<td>CHANGE in WORKING CAPITAL</td>
<td>5.6</td>
<td>(29.0)</td>
</tr>
<tr>
<td>CASH FLOW from INVESTING ACTIVITY</td>
<td>(17.5)</td>
<td>(22.5)</td>
</tr>
<tr>
<td>• CAPITAL EXPENDITURE</td>
<td>(13.4)</td>
<td>(9.9)</td>
</tr>
<tr>
<td>• ACQUISITION OF COMPANIES</td>
<td>(5.4)</td>
<td>0</td>
</tr>
<tr>
<td>• GUARANTEE DEPOSIT</td>
<td>0.3</td>
<td>(0.2)</td>
</tr>
<tr>
<td>• OTHER</td>
<td>1.0</td>
<td>(12.4)</td>
</tr>
<tr>
<td>DIVIDENDS</td>
<td>0</td>
<td>0</td>
</tr>
<tr>
<td>OTHER</td>
<td>(10.5)</td>
<td>20.2</td>
</tr>
<tr>
<td>TOTAL</td>
<td>(35.4)</td>
<td>(21.9)</td>
</tr>
<tr>
<td>NET INDEBTEDNESS AT ENDING PERIOD</td>
<td>(338.9)</td>
<td>(238.7)</td>
</tr>
</tbody>
</table>
## NET WORKING CAPITAL

<table>
<thead>
<tr>
<th>EUR M.</th>
<th>End of March 2009</th>
<th>End of December 2009</th>
<th>End of March 2010</th>
</tr>
</thead>
<tbody>
<tr>
<td>RECEIVABLES</td>
<td>137</td>
<td>148</td>
<td>125</td>
</tr>
<tr>
<td>INVENTORY</td>
<td>751</td>
<td>615</td>
<td>657</td>
</tr>
<tr>
<td>PAYABLES</td>
<td>(154)</td>
<td>(145)</td>
<td>(142)</td>
</tr>
<tr>
<td>OTHER RECEIVABLES AND PAYABLES</td>
<td>4</td>
<td>(1)</td>
<td>6</td>
</tr>
<tr>
<td>TOT NWC</td>
<td>738</td>
<td>617</td>
<td>646</td>
</tr>
</tbody>
</table>

AT COMP.FX: INVENTORY +2.6% vs DEC 09 WHILE REVENUES + 12.6%
This document is for institutional investors only and is not available to private customers. This document is being supplied to a limited number of recipients and it may not be distributed, published or reproduced in whole or in part or disclosed by recipients to any other person. Under no circumstances shall this document constitute an offer to sell, an invitation to acquire or the solicitation of an offer to buy securities in any jurisdiction.

Each investor contemplating purchasing securities issued by Bulgari S.p.A or any of its subsidiaries should make its own independent investigation of the financial condition and affairs, and its own appraisal of the creditworthiness, of Bulgari S.p.A or any of its subsidiaries and should carefully consider the high risks involved in purchasing these securities.

This document contains certain forward looking statements and key financial goals which reflect management’s current views, estimates, and objectives. The forward looking statements and key financial goals involve certain risks and uncertainties that could cause actual results to differ materially from those contained in the forward looking statements and key financial goals.

Potential risks and uncertainties include, amongst other things, internal, industry and external factors, such as general economic conditions.