

The Bulgari family joins forces with LVMH and transfers its majority shareholding in Bulgari S.p.A.

7 March 2011 - The Bulgari Family, majority shareholder of the renowned Italian House established in 1884 by Sotirio Bulgari, has decided to join forces with the LVMH Group in order to reinforce, in accordance with its history, values, craftsmanship and identity, the long term development of the Bulgari Group. A synonym of creativity and excellence the world over, Bulgari is renowned as one of the major players in its sector and occupies a strong leadership position in the jewelry and watch segment, while playing an important role in the fragrance, cosmetic and accessories segments as well.

The agreement was concluded this weekend and was approved unanimously by the LVMH Board of Directors Sunday evening. The Board of Directors of Bulgari S.p.A. has also unanimously approved the project of contributing to LVMH the Family's majority shareholding in Bulgari S.p.A. Upon completion of the share transfer process, LVMH will issue 16.5 million shares in exchange for the 152.5 million Bulgari shares currently held by the Bulgari Family, who will thus become the second largest family shareholder of the LVMH Group. In compliance with the Italian Stock Exchange regulations, LVMH will submit a Public Purchase Offer at the price of €12.25 per share on the shares held by minority stockholders, further details of which are described in the press releases issued today.

Paolo and Nicola Bulgari will remain Chairman and Vice Chairman of the Bulgari S.p.A. Board of Directors, respectively. The Bulgari Family will furthermore be entitled to appoint two representatives to the LVMH Board of Directors and Francesco Trapani, CEO of Bulgari S.p.A., will join the Executive Committee of LVMH and will assume in the second half of 2011 the management of the LVMH enlarged Watches and Jewelry activities. Philippe Pascal, the current Head of these activities, will remain on the LVMH Executive Committee and will be given new responsibilities within the Group.

Mr. Paolo Bulgari, Chairman of Bulgari S.p.A. and **Mr. Nicola Bulgari**, Vice Chairman of Bulgari S.p.A., declared: *"We found in Bernard Arnault and the Group he has built all the elements that are required to guarantee the long term future of Bulgari : the ability to gather into one powerful organisation different brands that can grow and develop while preserving both their identity and originality; a culture completely identical to ours, which is characterized by an unceasing quest for quality and excellence; a perfect harmony between family control of the capital, thereby ensuring a long term strategic vision, and an opening towards the stock market which is a stimulus for management while at the same time providing liquidity for the family shareholders."*

Francesco Trapani, Chief Executive Officer of Bulgari S.p.A., said: *"This is a significant step for our family as well as for Bulgari, occurring at a time of strong revenue growth. Our entrance into LVMH will allow Bulgari to reinforce its worldwide growth and to realise noteworthy synergies, in particular in the areas of purchasing and distribution. I would like to add that I am greatly honoured that the management of LVMH's Watches and Jewelry activities, which include prestigious brands such as TAG Heuer, Chaumet, Zenith, Hublot,*

Fred and De Beers, has been entrusted to me. Bulgari and these brands will be able to invest and innovate even further to become the world leader in the high end segment.”

Bernard Arnault said: *“The alliance between my Group and the Bulgari Family is a perfect combination from all points of view as we share the same culture in terms of respect for identity and roots of the brands, quest for excellence, creativity and innovation. As is the case with LVMH, the Bulgari Family shareholders are directly involved in managing the company, they are entrepreneurs that know and excel in all aspects of the business, from the creation of the product to after sales service. It is for these reasons that we immediately understood each other and agreed on the way we would work together. I am certain that our partnership will be greatly beneficial to Bulgari as well as to the LVMH Group.*

I welcome Francesco Trapani, the driving force behind Bulgari’s development over the last twenty years, to LVMH’s Executive Committee and take this opportunity to thank Philippe Pascal for his decisive contribution to the growth of our Watches and Jewelry operations.”

For further information

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