

LEGAL NOTICE

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Half-yearly report of Ducati Motor Holding S.p.A. as of 30 June 2008





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Directors and Officers as of 30 June 2008**B**oard of Directors and officers of the parent company

appointed on 21 May 2007 until approval of the financial statements as of 31 December 2009

Chairman	Giampiero Paoli	(2)
Managing Director *	Gabriele Del Torchio	(1)
Directors	Dante Razzano	(2)
	Massimo Bergami	(3)
	Roberto Consonni	(3)
	Marco Giovannini	(3)
	Carlo U. Bonomi	(2)
	Ulrich Weiss	(3)
	Mauro Benetton	(2)
	Antonio Perricone	(2)
	Roberto Maestroni	(2)
	Giorgio Seragnoli	(3)

Board of Statutory Auditors

Chairman	Matteo Tamburini
Statutory Auditors	Maurizio Maffeis
	Tiziano Mazzucotelli
Alternate Auditors	Mara Vanzetta
	Gianluca Nanni Costa

Management Control Committee

Chairman	Roberto Consonni
	Massimo Bergami
	Roberto Maestroni

Compensation Committee

Dante Razzano
Massimo Bergami
Marco Giovannini

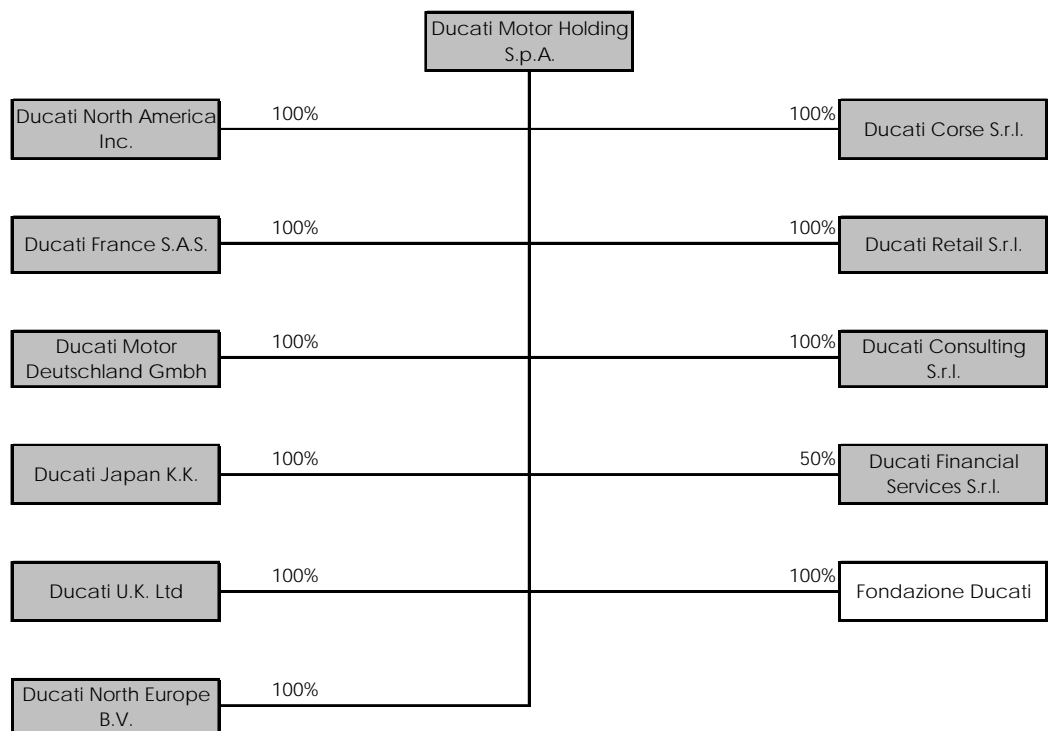
- (1) Executive Director
- (2) Non-executive Director
- (3) Independent Director

* Appointed on 12 July 2007 also as Director and Chairman of the Board of Ducati Corse S.r.l., Ducati Consulting S.r.l. and Ducati Retail S.r.l. On 18 July 2007, also appointed as Managing Director of Ducati Retail S.r.l.

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Structure of the Ducati Group

The composition of the Ducati Group as of 30 June 2008 is as follows:



* Ducati Motor Holding S.p.A. is presently absorbing its fully controlled subsidiaries Ducati Consulting S.r.l. and Ducati Retail S.r.l.; the relevant merger documents were signed on 1 August 2008

The Group also includes Ducati Financial Services S.r.l., a joint venture carried at equity that was formed on 12 December 2006 and which is owned equally by parent company Ducati Motor Holding S.p.A. and Linea S.p.A., a financial intermediary. This company is not subject to management and coordination by the parent company. The mission of Ducati Financial Services S.r.l. is to develop all forms of consumer credit associated with the Ducati brand. Operations commenced in May 2007 following registration on the General List of Financial Intermediaries pursuant to art. 106 et seq. of Leg. Decree no. 385/93.

Ducati Desmo Finance 1 S.r.l. has been included within the scope of consolidation in accordance with SIC 12, even though the Group has no equity interest in this company or any legal or other right of control.

Since 31 December 2007, the only change relates to the increase in the investments held by the parent company Ducati Motor Holding S.p.A. in Ducati Consulting S.r.l., from 85% to 100%, and Ducati Retail S.r.l., from 99% to 100%, both on 6 March 2008. Also reported is that as of 31 December 2007 the consolidation area no longer includes Fondazione Ducati, a non-profit organisation established on 17 March 2006, 100% owned by Ducati Motor Holding S.p.A. Although IAS 27 does not envisage exclusions of any kind, this decision was based on the insignificance of the Foundation's financial statements, the fact that its activities are unrelated to the core business of the Ducati Group, and the consideration that investment in the Foundation does not automatically mean management of the Foundation, which is

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autonomous for the achievement of its objectives. The effects of this exclusion on the half-yearly group situation are negligible.

Summary of results for the period ended 30 June 2008

European Parliament and Commission Regulation EC 1606/2002 of 19 July 2002 has come into force and, commencing from the year ended 31 December 2005, companies with a listing on a regulated market within the European Union must, for the first time, prepare consolidated financial statements in accordance with the international accounting standards (IFRS) issued by the International Accounting Standards Board and endorsed by the European Commission. In this context, these companies were able to prepare their individual financial statements in accordance with international accounting standards (IFRS) for the first time from 2005, on a voluntary basis.

The Company elected to do this and, accordingly, its individual financial statements as of 31 December 2005 were prepared for the first time in accordance with the international accounting standards (IFRS) issued by the International Accounting Standards Board and endorsed by the European Commission.

The half-yearly report under review is not subjected to examination by PricewaterhouseCoopers S.p.A. pursuant to arts. 156 and 165 of Leg. Decree 58 dated 24 February 1998.

(amounts in € 000)	30.06.2008	30.06.2007	31.12.2007
Economic results			
Revenues	281,881	209,436	353,975
Gross profit	58,230	44,050	60,601
Gross profit as % of revenues	20.7%	21.0%	17.1%
Operating result	28,837	17,020	9,550
Operating result as % of revenues	10.2%	8.1%	2.7%
Net profit (loss)	23,527	8,873	1,634
Net profit (loss) as % of revenues	8.3%	4.2%	0.5%
Financial results			
Cash flow generated from operations	59,932	56,912	73,999
Net financial position (Net borrowing)	25,082	(18,792)	(24,996)
Consolidated shareholders' equity	232,601	209,976	202,646
Net financial position (Debt /equity)	0.11	(0.09)	(0.12)
Employment and investment			
Employees at period end (no.)	1,020	948	911
Net additions to property, plant and equipment and intangible assets	16,227	16,801	39,969

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Economic results in first half 2008

Economic trend in first half of 2008

Sales during the period ended 30 June 2008 amounted to € 281.9 million, up 34.6% with respect to the same period in the prior year. The growth in volume, from 22,759 in 2007 to 28,273 units in 2008 (+24,2%) was essentially due to the unexpected success of the new 848 and to the sales of the Hypermotard, launched in May 2007.

Output of motorcycles as of 30 June 2008 totalled 27,255 units, up 20.0% with respect to 2007. This large increase was due to the alignment of production with market demand for the new products

Analysis of the volume of motorcycles sold in the principal geographic markets highlights an increase in all countries: Germany (+62.2%), Italy (+48.4%), countries not served by branches (+20.9%), North Europe (+18.4%), France (+14.4%), North America (+8.8%), and United Kingdom (+5.6%), while Japan remained stable.

Analysis of the registration statistics is also important in order to understand the trend in Ducati motorcycle sales. In particular, registrations totalled about 26,007 units (24,281 units in 2007), up 7.1% with respect to the prior year. There were strong increases in the United Kingdom (+14.3%), the countries not served by branches (+12.0%), in France (+10.3%), in Italy (+8.8%), in Germany (+8.0%), in North Europe (+4.4%), and in North America (+2.4%), while a decrease was recorded in Japan (-9.6%).

The analysis of sales by family highlights the very strong performance of the Superbike family, which jumped by 32% with respect to the comparative period in the prior year to the success of the new 848 and 1098R models.

Sales of Monster family increased by 7% with respect to the prior year, mainly due to introduction of the new Monster 696 to the market. It more than compensates the cannibalisation effect deriving from the launch of the new Hypermotard, which was still not available for sale during the same period of last year. The new Desmosedici, produced on order and delivered starting in January 2008, generated sales of 831 units.

The new Hypermotard family, introduced in May 2007, generated additional sales of 1,693 units with respect to the first half of last year.

The Multistrada family basically remained stable, benefiting from the widespread growth of the "dual" motorcycle segment.

The sales of the Sport Classic family fell by 30% due to the advanced stage reached in its product lifecycle.

The Supersport and Sport Touring families reached the end of their lifecycles during 2007 and production was halted.

Gross margin

The gross margin amounted to € 58.2 million in the period ended 30 June 2008, compared with € 44.0 million in the comparative period of the previous year, an increase of € 14.2 million (+32.6%). As a percentage of revenues, the gross margin amounted to 20.7%, compared to 21.0% of the same period of the previous year. The decrease is mainly due to the impact of higher depreciation.

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Operating result

Operating profit for the period ended 30 June 2008 was € 28.8 million, compared with € 17.0 million of the same period of the prior year with an annual increase of 69.4% and with an impact on sales of 10.2% and 8.1%, respectively. At constant exchange rates with respect to 2007, operating profit would have been € 39.0 million, up € 22.0 million (+129.4%). The rise in operating profit mainly reflects the higher volume of sales and the improvement in the product mix, despite the higher depreciation and the negative exchange rate effect. Work to contain distribution costs and general and administrative expenses has also been successful. They went up slower than revenues, the reason why their incidence on revenues dropped from 14.3% to 11.7%.

Net results

Net results are equal to € 23.5 million for the period ended 30 June 2008, compared to a profit of € 8.9 million for the same period of the prior year. The increased net results are mainly due to the reasons given above for the higher gross margin and operating result, as well as to an improvement of € 2.6 million, exchange rate differences for € 1.2 million in the results of financial management. These results were partly offset by the tax charge for € 1.0 million.

Pursuant to Consob communication no. 6064293 dated 28 July 2006, non-recurring income and charges is analysed in the following table:

Economic effect (in thousands of €)	30.06.2008	30.06.2007
Settlement with the former Managing Director	-	(1,888)
"Curtailment" – employees' leaving entitlements (2007 Finance Law)	-	884
Derivative contract (Total Return Equity Swap)	2,550	-
Devaluation of development costs	(766)	-
Total non-recurring income and charges	1,784	(1,004)

Economic effect (in thousands of €)	30.06.2008	30.06.2007
Gross effect	1,784	(1,004)
Tax effect	(461)	331
Net results	1,323	(673)
Results for the year	23,527	8,873
Incidence %	5.6%	(7.6)%

The effects of these transactions on the balance sheet and cash flows are indicated below:

June 2008 (thousands of €)	Statement of operations	Balance sheet	Cash flow	Receivable/Payable (-) booked in financial statements
Derivative contract (Total Return Equity Swap)	2,550	-	2,550	-
Devaluation of development costs	(766)	(766)	-	-

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Total	1,784	(766)	2,550	-
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Segment performance of the first half 2008**Motorcycles**

Analysis of the statement of operations by sector, presented in note 29 "Sector information" to the shortened half-yearly financial statements, clearly shows that motorcycles are the dominant sector, representing 86.8% of total revenues. During the first half of 2008, the increase in the number of motorcycles sold (+24.2%) and the positive product mix effect, even though there were greater allocations for guarantees and recall campaigns, resulted in an improved segment operating profit, from € 14.4 million to € 19.5 million, remaining constant at 8% on revenues.

Spare parts

Segment sales in the period ended 30 June 2008 were € 2.1 million higher, up 18.2% with respect to the prior year due to the increase in the number of motorcycles on the road. This sector's gross profit fell from 11.3% in the previous year to 10.6%, mainly due to the negative effect of the exchange rates; the increase in this segment's operating profit over the prior year (25.3% in the period ended 30 June 2008 compared to 14.8% in the comparative period of 2007) mainly because of the cut in transport costs weighing on the segment, which more than compensated the negative effect of the exchange rate.

Accessories

Sector sales rose by € 2.1 million, up 19.0% with respect to 2007. This positive performance is to be mostly attributed to increased sales of motorcycles and the improved availability of accessories corresponding to the 2008 season. This improvement reflects on the sector's rising profit, in spite of the adverse effect of the exchange rate, also thanks to the reduction of provisions made for obsolescence, going up from 13.4% to 29.2%. The operating result improved by virtue of the improved margin and transport costs, from 10.8% in 2007 to 11.3% in 2008.

Apparel

Segment sales rose by € 2.2 million, up 29.3% with respect to 2007, despite the adverse effect of exchange rate movements. This improvement was attributable to the increased penetration of the Ducati brand in the wake of sporting successes. This improvement reflects on the gross profitability of the segment, despite the adverse effect of the exchange rate, which went up from 26.3% to 31.3%. The operating result rose from 2.4% in 2007 to 11.1% in 2008.

Other

The "Other" sector comprises the net sales and costs of racing activities, royalty income and the revenues earned from miscellaneous sales that are not part of the Ducati Group's core business including, for example, the sale of services.

Summary of the financial position

The cash flow generated by operating activities during the period ended 30 June 2008 was € 59.9 million, compared with € 56.9 million in the comparative period of the prior year. The positive cash flow deriving from higher gross profitability, depreciation, tax payables and provisions for risks and charges was partially absorbed by the increase in net working capital. Free Cash Flow was € 50.1 million, resulting in an

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improved net financial position, from net debt of € 25.0 million at year-end 2007 as at 31 December 2007 to a positive financial position of € 25.1 million as at 30 June 2008.

The individual items are analyzed below:

Trade receivables

Trade receivables due from customers as of 30 June 2008 and 31 December 2007 totalled, respectively, € 131.4 million and € 80.0 million, an increase of € 51.4 million with respect to the previous year. This increase reflects accelerated sales during the first half of 2008.

Inventories

Inventories as of 30 June 2008 and 31 December 2007 amount respectively to € 57.6 million and to € 63.3 million with a decrease of € 5.7 million, tied to the high sales of the first half of 2008.

Trade payables

Trade payables due to suppliers as of June 30 2008 and 31 December 2007 amount to € 159.8 million and € 115.5 million respectively, a € 44.3 million increase.

The increase mainly reflects the increase in volumes produced and to be produced.

Investing activities

Additions to property, plant and equipment amounted to € 4.5 million as of 30 June 2008, compared to € 5.9 million in the same period of the prior year, down € 1.4 million. Additions to property, plant and equipment amounted to € 11.8 million as of 30 June 2008, compared with € 10.9 million in the same period of the prior year. These investments are primarily due to projects for the development of new products or to the conclusion of projects already in progress.

Net financial position

The changes in the net financial position, described in the notes to the financial statements, are summarised as follows:

	Period ended 30.06.2008	Period ended 30.06.2007	Year ending on 31.12.2007
Change of net financial position			
Changes in cash generated by operative management	59.932	56.912	73.999
Changes in cash generated by investing activities	(16.242)	(16.801)	(39.905)
Share capital increase	-	-	-
Sale of treasury shares	-	-	-
Increased share capital due to stock options	6.387	5.423	5.422
Capital increase expenses	-	-	(187)
Total share capital and reserves	6.387	5.423	5.235
Change of net financial position	50.077	45.534	39.329
Other changes in cash generated by financial activities	(46.292)	(1.649)	(18.050)
Increase in cash and cash equivalents	3.785	43.885	21.279

The increase in cash and cash equivalents was € 3,785 thousand as of 30 June 2008 versus € 21,279 thousand as of 31 December 2007.

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This cash inflow totalling € 3,785 thousand was primarily due to changes in cash generated by the operating management equal to € 59,932 thousand and to the increased share capital and reserves amounting to €6,387 thousand, which fully financed investments for € 16,242 thousand and the financial activities totalling € 46,292 thousand.

The decrease in borrowing by € 46,292 thousand is primarily correlated with repayment of the syndicated loan on 9 May 2008.

For detailed information about the Syndicated Loan, please refer to note 16 of the explanatory notes to the financial statements for the year closing on 31.12.2007 and to note 10 of these shortened half-yearly financial statements.

Significant events during the first quarter of 2008

On 15 January 2008, the Board of Directors called an Extraordinary Shareholders' Meeting for 3 March 2008 at 10 a.m. (in first calling) or for 5 March 2008 at 10 a.m. (in second calling) to discuss and resolve on the Board's proposal to increase share capital by a maximum of € 1,673,000 by via the issue of up to 3,284,369 shares, with the waiver of pre-emption rights pursuant to para. 8 of art. 2441 of the Italian Civil Code, to service the stock options granted, under the 1999 Stock Option plan, ("1999 Plan") in 2004 and 2005 to the employees of Ducati Group companies.

On the same date, the Board of Directors provided company management with indications concerning the presentation to the financial community of the guidelines for the company's Business Plan 2008-2010, together with preliminary information on its sales and net financial position in the fourth quarter of 2007. This presentation took place in Milan on 16 January 2008 and the information concerned was communicated to the public and made available on the company's website.

On the same date, the Board of Directors also approved the arrangement of a cash-settled, *Total Return Equity Swap* (without the physical exchange of shares) with a leading financial institution.

On 14 February 2008, the Board of Directors resolved to increase the provision to cover the company cost of 2007 employee bonuses from € 2.5 million to € 3.0 million, and also approved on a timely basis the annual update to the security planning document required by law.

On 19 February 2008, Investindustrial Partners Limited as manager of the Investindustrial III LP fund, BI-Invest GP Limited as manager of the Investindustrial IV LP fund, BS Investimenti S.g.r. S.p.A., as manager of the BS Investimenti IV fund, BS Private Equity S.p.A. and Hospital of Ontario Pension Plan, a Canadian pension fund, the indirect holders (via World Motors S.A., World Motors Red S.c.A. and World Motors White S.c.A.) of 30% less one share of the Company's share capital, announced their intention to launch a public offer for ordinary shares in the Company at a price of Euro 1.70 each (the "Offer"). These companies decided to make the Offer in order to consolidate their investment in the Company, with a view to delisting its shares; having regard for the recent volatility of the share price, the offerors believed that the Offer is responsive to the need to ensure for the Company a stable and united shareholder base.

On 22 February 2008, the Board of Directors met urgently with regard to the press release made on 19 February 2008 concerning the launch of the Offer, and made a preliminary assessment of such offer. The Offer from the Company's major shareholders was well received with regard to both the price, which seemed reasonable, and the conditions, subject to further analysis following receipt of the formal offer document and the considerations of the Company's consultants. The Board also appointed Mediobanca

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S.p.A. as its financial consultant in relation to the Offer, with agreement from all the independent directors.

On 5 March 2008, the Extraordinary Shareholders' Meeting approved a divisible share capital increase for cash, with premium if appropriate, with the waiver of pre-emption rights pursuant to para. 8 of art. 2441 of the Italian Civil Code, for the maximum amount of Euro 1,673,000 to be implemented in several payments autonomous from each other and falling due on an annual basis, and to be implemented by and not after the latest deadline for subscription, 31 July 2012, via the issue of no more than 3,284,369 new ordinary shares carrying dividend rights as of 1 January of the year in which they are subscribed for and become fully paid, in accordance with current legislation. This is to partially service the options granted based on the 1999 Plan in years 2004 and 2005, set aside solely for the beneficiary employees whose names were identified by the body authorised thereto by the Board of Directors; the new shares will be issued at a price of Euro 1.002987611 on the exercise of the options granted in 2004 and at a price of Euro 0.811071986 on the exercise of the options granted in 2005.

On 18 March 2008, the Board of Directors presented the draft individual financial statements as of 31.12.2007 and the draft consolidated financial statements as of 31.12.2007, together with the related explanatory notes, attachments and reports on operations. The Board also resolved to propose to the Shareholders' Meeting the allocation of the revaluation reserve established pursuant to laws 342/2000 and 350/2003, Euro 46,265 thousand, to cover in full the accumulated losses reported in the financial statements as of 31 December 2007, Euro 44,856 thousand.

This meeting also approved the annual Report on Corporate Governance, consistent with the requirements of the Code for the Self-Regulation of listed companies prepared by the Corporate Governance Committee of Borsa Italiana S.p.A.

The Board then called the Ordinary Shareholders' Meeting for 21 April 2008 at 10.00 a.m. (first calling) and for 23 April 2008 at 10.00 a.m. (second calling) for the approval of the financial statements as of 31.12.2007, the presentation of the consolidated financial statements as of 31.12.2007, and the approval of the above proposal to cover the accumulated losses by an allocation from the revaluation reserve.

Lastly, on the same date, the Board of Directors approved the proposed absorption into Ducati Motor Holding S.p.A. of Ducati Retail S.r.l. and Ducati Consulting S.r.l., both wholly-owned subsidiaries, and the related balance sheets as of 31.12.2007 pursuant to art. 2501-quater of the Italian civil code.

On 26 March 2008, the Italian company Performance Motorcycles S.p.A. (wholly owned indirectly by the companies that launched the Offer) acquired all the ordinary shares in the Company held by World Motors S.A., World Motors Red S.c.A. and World Motors White S.c.A.

On 31 March 2008, Performance Motorcycles S.p.A. filed with Consob the Offer Prospectus required by art. 102 and para. 4 of art. 106 of the Consolidated Finance Law.

On 4 April 2008, in order to evaluate if the information given in the Prospectus would enable its recipients to form a proper opinion on the Offer, Consob requested Performance Motorcycles S.p.A. to supply a series of additional information and, at the same time, suspended the deadline for its investigation by up to 15 days pursuant to para. 4 of art. 102 of the Consolidated Finance Law.



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On 16 April 2008 the Board of Directors considered the terms, basis and conditions of the Offer presented by Performance Motorcycles S.p.A., taking account of the fairness opinion released by the financial advisor. Based on this evaluation, the Board of Directors prepared the communication required by art. 39 of the Issuers' Regulations and sent it on a timely basis to Consob and the offeror, so that it could be attached to the Offer document and made public on the basis and with the timing required by law.

On the same date, having taken note of the additional information provided by Performance Motorcycles S.p.A., Consob communicated that it had restarted its administrative procedures in relation to the Offer and indicated 26 April 2008 as the deadlines for the completion of its investigation.

On 18 April 2008, the exercise window for the options granted in 2004 and 2005 under the terms of the 1999 Plan was closed, having been opened on 18 March 2008 on approval of the consolidated financial statements as of 31.12.2007. A total of 5,514,500 options (including the options exercised as of 31 May 2008 totalling 1,443,750) were exercised during this window, with the issue of a corresponding number of new shares in the Company.

On 23 April 2008, the Company's updated articles of association were filed with the Bologna Companies Register, reporting the new share capital of Euro 170,064,757.58, represented by 333,951,414 shares without par value, after the above partial exercise of the 2004 and 2005 options.

On 23 April 2008, the Ordinary Shareholders' Meeting:

- approved as read the financial statements as of 31 December 2007;
- examined the consolidated financial statements as of 31 December 2007, as approved by the Board of Directors on 18 March 2008;
- resolved to allocate the revaluation reserve recorded pursuant to Law. 342 dated 21 November 2000 and Law. 350 dated 24 December 2003, Euro 46,265 thousand, to cover in full the accumulated losses reported in the financial statements as of 31 December 2007, Euro 44,856 thousand.

On 24 April 2008, Consob approved the publication of the Prospectus relating to the Offer presented by Performance Motorcycles S.p.A. for all of the Company's ordinary shares, taking note that the agreement period would start on 5 May 2008 and end on 6 June.

On 29 April 2008, the Offer document was published and made available to the public pursuant to current regulations at the registered offices of the Company, Performance Motorcycles S.p.A., Borsa Italiana S.p.A. and Banca IMI, as well as the offices of other appointed intermediaries and on the Internet site of the Company.

On 13 May 2008, the Board of Directors approved the absorption of Ducati Consulting S.r.l. and Ducati Retail S.r.l., both wholly-owned subsidiaries, pursuant to the combined provision of articles 2502 and 2505 of the Italian Civil Code.

On 5 June 2008, the Extraordinary Shareholders' Assembly of Performance Motorcycles S.p.A. resolved a divisible share capital increase, from Euro 120,000.00 to Euro 350,000,000.00, including premium, aimed at providing it with a part of the financial resources necessary for meeting the needs of the Offer.

On 6 June 2008, the Offer presented by Performance Motorcycles S.p.A. closed with the joining of 184,344,699 shares, equal to about 78.3% of the total shares covered by the Offer, and to about 55.2% of



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the share capital of the Company. Bearing in mind the 98,531,073 shares of the Company already held by Performance Motorcycles S.p.A., representing approximately 29.5% of the share capital of the Company, on the whole it was ascribed about 84.7% participation in the share capital of the Company. On the same date, Performance Motorcycles S.p.A. then announced that the first condition of the Offer had been successful. It concerned reaching a total minimum participation of 66.67% of the share capital of the Company.

On 8 June 2008, Performance Motorcycles S.p.A. announced that the second condition of the Offer had been reached. It was the failure of events entailing serious changes in the market situation having basically detrimental effects on the Offer and/or the Company, regarding the Company's balance of assets and financial status on the date of the Offer document, during the joining period on national and international levels.

On 12 June 2008, Performance Motorcycles S.p.A. confirmed the final results of the Offer by way of the notice published within the legal deadline pursuant to art. 41, para. 5, of Regulation 11971 of 1999, communicating (i) that all conditions of effectiveness of the Offer had been attained and (ii) the non-existence of presuppositions of law for application of art. 108, para. 1 and 2, and of art. 111 of the Unified Text of Finance, and therefore, the non-existence of presuppositions for delisting according to the aforesaid provisions.

On 13 June 2008, ownership of the shares of the Company joining the Offer was transferred to Performance Motorcycles S.p.A. through actual payment of the amount owed by those who joined the Offer.

Other significant events subsequent to 30 June 2008

On 30 July 2008, the Board of Directors examined and approved the guidelines of the project for reorganising the Company, which envisages its absorption by Performance Motorcycles S.p.A. ("Performance").

The merger will therefore take place between the Company and its controlling shareholder (as well as related party) Performance, among other things applying all regulatory measures established to protect shareholders of the companies taking part in the merger pursuant to articles 2501 et seq. of the Italian Civil Code, including - among other things - certification of the congruity of the exchange rate by the court-appointed expert pursuant to art. 2501 - sexies of the Italian Civil Code, indication in the merger proposal of the financial resources envisaged to meet the obligations of the company resulting from the merger, and certification of the reasonableness of the information contained in the merger proposal pursuant to art. 2501 - bis, para. 3 and 4, of the Italian Civil Code.

In light of the minority shareholding of the Company, it also gave power to Prof. Mario Massari (independent consultant) to check - among other things - the financial sustainability of the operation and also to remark on the congruity of the exchange rate and verify that the loan contracts are at market conditions. Based on the preliminary assessments made by the expert, the operation safeguards the interests of all Company stakeholders. This operation was approved by all directors present, including the independent directors, and the directors of the Company made statements on interest in the operation pursuant to art. 2391 of the Italian Civil Code.

The merger between Performance and the Company was one of the operations planned subsequent to the Offer in the Offer document. This operation will allow the chain of control of the Company to be shortened, and it aims at enhancing its value by expanding current business and pursuing a



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development strategy based on, among other things, investments scheduled in the industrial plan that might be financed by resorting to both its own resources and to the resources made available pursuant to the loan contract currently being negotiated with a pool of primary credit banks.

Performance will resolve a capital increase, to be carried out before and as a condition for entering into the merger agreement, which shall be determined once and for all by the Performance Board of Directors to the extent necessary and sufficient in order to allow, among other things, the debt exposure regarding Performance's purchases of the shares of the Company referred to above to be extinguished and the implementation of the merger with a unit exchange rate in order to prevent it from generating any diluting effect on the shareholders of the Company. Therefore, immediately before the Performance merger - which as of today presents a shareholders' equity equal to about Euro 290 million, will be capitalised by the sole shareholder, International Motorcycles S.p.A. and will have a shareholders' equity equal to approximately Euro 500 million and an insignificant debt.

In light of the expected lack of debt of Performance before the merger, as well as the substantial presence on the taking-over company's credit side of the only shareholding held in the Company, the exchange rate foreseen is one unlisted Performance share for each Company share. Therefore once the merger is completed, Company shareholders will have a number of Performance shares equal to the number of Company shares they owned prior to the absorption, representing participation in the capital equal to that they had in the Company.

The Company's incorporation in Performance will involve the resulting delisting of Company shares. The delisting will allow for greater agility in managing the Company and for a reduction in direct costs tied to the status of listed company. Those Company shareholders who do not approve the merger resolution will be entitled to right of withdrawal pursuant to art. 2437 quinquies, Italian Civil Code.

In this context, the value of sale of the shares potentially withdrawn will be calculated referring only to the arithmetic mean of the closing prices in the six months preceding publication of the notice of convocation of the Shareholders' Meeting of the Company called to resolve the merger.

After the merger, the Performance Board of Directors will verify the possibility of distributing available provisions of the maximum amount of Euro 270 million. Exercise by the Company's minority shareholders of the right of withdrawal will not affect the decision on distribution, which will instead be affected only by considerations regarding company interest and the financial sustainability of said distribution. In light of the current financial structure of the Company, it is the opinion of Company management that possible distribution could contribute to making the financial structure of the Company more efficient following the merger.

The operation is scheduled to be carried out according to the following indicative timetable:

- approval of the merger project by the Boards of Directors of the Company and Performance within September;
- approval of the merger by the Extraordinary Shareholders' Meetings of the Company and Performance within October;
- exercise of the right of withdrawal of the shareholders of the Company and execution of the offer option pursuant to art. 2437 of the Italian Civil Code between November and December 2008;
- completion of the merger within December 2008.

On 1 August 2008 the notice of convocation of the Extraordinary Shareholders' Meeting for the dates 20 and 24 October 2008, in first and second call, respectively, was published. The item on the agenda is to resolve the merger between Ducati Motor Holding S.p.A. and Performance Motorcycles S.p.A.

At the same time, the value of payment of the Ducati shares was fixed for the exercise, if any, of the right of withdrawal by the shareholders who will not approve the relevant resolution, equal to Euro 1.637 per

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Ducati share (as determined by Borsa). The above value, pursuant to para. 3 of art. 2437-ter of the Italian Civil Code, corresponds to the arithmetic mean of the closing prices of the Ducati shares during the six months prior to the date the notice of convocation of the Extraordinary Shareholders' Meeting was published.

On 1 August 2008, the documents for absorption into Ducati Motor Holding S.p.A. of Ducati Retail S.r.l. and Ducati Consulting S.r.l., both wholly-owned subsidiaries, pursuant to art. 2504 of the Italian Civil Code and based on the merger proposals approved by the Board of the Company on 18 March 2008. The transactions carried out by the companies being taken over will be charged to the balance sheet of the Company starting at h. 00:00 of 1 January of the year when the merger goes into effect, presumably 1 January 2008, and, if applicable, the provisions of art. 2504-bis, para. 4, of the Italian Civil Code will be observed. On the same date the tax effects will come into force, pursuant to art. 172, para. 9, of Italian Presidential Decree no. 917/1986, as modified by Leg. Decree dated 12 December 2003, no. 344. All the other effects of the merger, particularly those provided for by art. 2504-bis, para. 1, of the Italian Civil Code, will go into force on 31.12.2008, or from the next date when the last of the registrations prescribed by art. 2504 of the Italian Civil Code is done.

Management and coordination activities

Considering the new concept of "management and coordination" emerging from the reform of company law (new articles 2497 et seq. of the Italian Civil Code. it is pointed out that with particular reference to the relations between the Company and Performance Motorcycles S.p.A. majority shareholder and as established by the Board of Directors of Ducati Motor Holding S.p.A. during its meeting of 30 July 2008, on the date this report is written it does not appear that it exercises management and coordination activities on the Company since, in reality, decisions regarding the management of the Company are taken on an independent basis by the Company itself. Consequently, Ducati Motor Holding S.p.A. is not subject to management and coordination by any company or body pursuant to art. 2497 of the Italian Civil Code.

The Italian companies within the Ducati Group subject to management and coordination by Ducati Motor Holding S.p.A. are: Ducati Corse S.r.l., Ducati Retail S.r.l. and Ducati Consulting S.r.l.

Fondazione Ducati and Ducati Financial Services S.r.l. are not subject to management and coordination by Ducati Motor Holding S.p.A.

Protection of personal data (Leg. Decree 196 dated 30 June 2003)

On 11 November 2004, the Board of Directors of Ducati Motor Holding S.p.A. approved the security planning document envisaged by art. 34 g. of the Consolidated Privacy Law, Attachment B to Decree 196/03 "Privacy Code. which specifies the technical procedures to be adopted if sensitive data is processed using electronic means.

On 10 November 2005, the Board of Directors of Ducati Motor Holding S.p.A. granted the widest powers to the Chairman, including the powers to delegate and to outsource certain functions, for the preparation and annual approval of revisions to the Company's security planning document.

On 16 December 2005, the individual Boards of Directors of Ducati Corse S.r.l., Ducati Consulting S.r.l. and Ducati Retail S.r.l. (i) appointed parent company Ducati Motor Holding S.p.A. as the party Responsible for the processing of personal information and for each company's security measures pursuant to art. 29 of the privacy code and (ii) granted powers to the respective chairmen and, depending on the circumstances, to the respective managing director or managing directors, acting together or alone, to prepare, approve and subsequently update the related security planning documents.

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Share capital

Shareholder information tends to fluctuate since the Company is listed on the stock market, however the names of the principal shareholders and the number of shares held directly by them, disclosed below, have been determined by reference to communications and other information received by the company in relation to the Shareholders' Meeting held on 8 August 2007, as well as to any updates received between then and the date of preparing this report:

	Number of shares	%
Performance Motorcycles S.p.A.	288.540.780	86,40%
Columbia Wanger Asset Management L.P.	10.273.335	6,45%

There have not been any commercial and/or financial transactions with these shareholders.

Subsidiary companies

The following subsidiaries are controlled directly by the Company:

- Ducati France S.A.S. (100% owned).
- Ducati Motor Deutschland G.m.b.H. (100% owned).
- Ducati Japan K.K. (100% owned).
- Ducati North Europe B.V. (100% owned).
- Ducati U.K. Limited (100% owned).
- Ducati Corse S.r.l. (100% owned).
- Ducati North America Inc. (100% owned).
- Ducati Retail S.r.l. (100% owned).
- Ducati Consulting S.r.l. (100% owned).

Affiliated companies and joint ventures

On 15 November 2006, parent company Ducati Motor Holding S.p.A. entered into a joint venture contract with Linea S.p.A., a financial intermediary, for the formation of a company known as "Ducati Financial Services S.r.l.", which is owned equally by the two companies. The mission of Ducati Financial Services S.r.l. is to develop all forms of consumer credit associated with the Ducati brand. Operations commenced in May 2007 following registration on the General List of Financial Intermediaries pursuant to art. 106 et seq. of Leg. Decree no. 385/93.

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Relations between the parent company and subsidiaries and companies under joint control

Relations between the subsidiary companies and Ducati Motor Holding S.p.A. have given rise to the following receivables and payables as of 30 June 2008 (eliminated on consolidation):

	Financial receivables	Trade receivables	Financial payables	Trade payables
Ducati France S.A.S.	-	10,687	-	165
Ducati Motor Deutschland G.m.b.H.	-	10,526	-	48
Ducati Japan K.K.	-	19,513	-	40
Ducati North Europe B.V.	-	2,419	8	143
Ducati U.K. Limited	-	4,724	-	39
Ducati Corse S.r.l.	6,487	969	259	6,770
Ducati North America Inc.	-	8,454	-	392
Ducati Retail S.r.l.	90	100	-	575
Ducati Consulting S.r.l.	127	82	-	82
Total	6,704	57,474	267	8,254

Relations between the subsidiary companies and Ducati Motor Holding S.p.A. gave rise to the following economic transactions as of 30 June 2008 (eliminated on consolidation):

	Costs	Revenues
Ducati France S.A.S.	391	24,378
Ducati Motor Deutschland G.m.b.H.	328	23,812
Ducati Japan K.K.	283	13,650
Ducati North Europe B.V.	176	16,140
Ducati U.K. Limited	324	16,527
Ducati Corse S.r.l.	2,859	1,853
Ducati North America Inc.	1,837	53,336
Ducati Retail S.r.l.	812	80
Ducati Consulting S.r.l.	6	18
Ducati Desmo Finance 1 S.r.l.	1,418	339
Total	8,434	150,133

Subsidiary companies operate independently from a financial standpoint, although certain of them benefit from particular types of centralised financing, including loans from Ducati Motor Holding S.p.A. especially at certain stages in their development cycle such as the start-up period or during difficult market conditions.

There is, in fact, a special relationship between parent company Ducati Motor Holding S.p.A. and subsidiary Ducati Corse S.r.l.

In particular, Ducati Corse S.r.l. was created to separate from Ducati Motor Holding S.p.A., a production and marketing company. all those aspects associated with the world of racing and the related research and development activities. Accordingly, there was a need to regulate in a suitable manner the transactions between these two companies.

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As a result, contracts for governing relations between the parties have been signed. The contractual structure between Ducati Motor Holding S.p.A. and Ducati Corse S.r.l. has not been modified with respect to June 2007 and December 2007.

Relations with related parties, including companies with joint control, and the atypical and unusual transactions are described in note 27 of these shortened half-yearly financial statements.

Pursuant to art. 79 of Consob Regulation 11971, the investments held in the Company Ducati Motor Holding S.p.A. and its subsidiaries by board members, statutory auditors, general managers and executives with strategic responsibilities are detailed below:

	Held company	Number equity investments owned at end of the financial period prior	Number equity investments purchased	Number equity investments sold	Number equity investments owned at end of the period ended 30.06.2008
	Gabriele Del Torchio - Ducati Motor Holding S.p.A.	150.000	100.000	250.000	0
	Giorgio Seragnoli - Ducati Motor Holding S.p.A.	8.200.000	1.000.000	9.200.000	0
	* Managers with strategic responsibility - Ducati Motor Holding S.p.A.	504.300	833.863	(368.863)	969.300

* roles and appointments listed in note 27 of this half-yearly report.

Relations with related parties are described in the notes of this half-yearly report.

The table gives the data regarding the shareholdings held by those managers still on the staff list on the date this report is written.

Fellow subsidiaries

None.

Number and nominal value of treasury shares or shares in parent companies held by the Company, either directly or through trustees

As of 30 June 2008, like as of 31 December 2007, the Company did not have treasury shares.

Number and nominal value of own shares or shares in parent companies purchased or sold during the period

None.

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Appointments held by members of the Board of Directors in other listed companies, in finance, banking and insurance companies, and other large companies

Name and Surname	Office	Company
Massimo Bergami	Managing Director	Alma Consortium
Marco Giovannini	Chairman and Chief Executive Officer	Guala Closures S.p.A.
Roberto Maestroni	Director	Investindustrial S.p.A.
Antonio Perricone	Chairman Chairman Director	BS Investimenti Sgr S.p.A. BS Private Equity S.p.A. Guala Closures S.p.A.
Dante Razzano	Director Managing Director	Permasteelisa Investindustrial S.p.A.

Development activities

During the year under review, the Group has continued to carry out study and design activities at the production unit located at via Cavaliere Ducati 3, Bologna, with a view to acquiring new knowledge and applying it in the creation and perfection of new products, and for the technological improvement of existing products.

The costs of development projects for the production of motorcycles and engines are only capitalised if the conditions specified in IAS 38 – *Intangible assets* (IAS 38) are met, namely:

- demonstrable technical feasibility of the product;
- intention of the Company to complete the development project;
- reliable determination of the costs incurred for the project;
- recoverability of the amounts recorded from the future economic benefits expected to derive from the development project.

The development costs capitalised comprise solely those costs which can be attributed directly to the development process.

Capitalised development costs comprise are amortised on a systematic basis, commencing from the start of production, over the expected life of the product.

With regard to the nature of these costs, it is confirmed that employment costs solely include employees with technical qualifications.

Technological consultancy costs relate to design and applied development work commissioned from third parties.

The providers of technological consultancy are professionally experienced and possess the specific technical skills required in relation to the development projects concerned; In addition, these consultants are equipped with suitable scientific equipment and have professionally-experienced employees.

Lastly, the cost of instruments and equipment is relevant and appropriate in relation to the actual usage of these assets in the above development activities; the related depreciation charges have been allocated correctly.

The design and planning activities mentioned above have helped to achieve all the technical results that had been planned up until the date of this report.