CONSOLIDATED BALANCE SHEET

ASSETS

	Note*	30 June 2008 in EUR thousands	30 June 2007 in EUR thousands
Non-current assets			
Intangible assets	(1)	15,398	14,866
Property, plant and equipment	(2)	189,719	195,485
Investments in associates	(3)	184	189
Financial assets	(4)	309	253
Trade receivables and other assets	(5)	7,013	7,608
Deferred tax assets	(16)	6,495	6,420
		219,118	224,821
Current assets			
Inventories	(6)	1,713	1,724
Trade receivables and other assets	(5)	27,851	17,700
Cash and cash equivalents	(7)	7,912	13,905
		37,476	33,329
		256,594	**258,150**

EQUITY AND LIABILITIES

	Note*	30 June 2008 in EUR thousands	30 June 2007 in EUR thousands
Equity	(8)		
Subscribed capital		61,425	61,425
Reserves		19,187	24,939
Own shares		-140	-142
Equity attributable to shareholders		80,472	86,222
Minority interest		332	314
		80,804	86,536
Non-current liabilities			
Non-current financial liabilities	(9)	63,596	122,652
Non-current trade payables		1,150	245
Other non-current liabilities	(10)	51,165	6,124
Non-current income tax liabilities	(16)	3,232	4,232
Deferred tax liabilities	(16)	0	1,934
		119,143	135,187
Current liabilities			
Current financial liabilities	(9)	5,220	6,288
Current trade payables		10,685	5,022
Other current liabilities	(10)	39,030	21,448
Current income tax liabilities	(16)	1,712	3,669
		56,647	36,427
		256,594	**258,150**

* The relevant sections in the notes can be found on the following pages:
(1) (2) – p. 106, **(3)** – p. 107, **(4), (5)** – p. 108, **(6)** – p. 109, **(7), (8)** – p. 110, **(9)** – p. 112, **(10)** – p. 113, **(16)** – p. 116.

CONSOLIDATED INCOME STATEMENT

	Note*	2007/08 in EUR thousands	2006/07 in EUR thousands
Revenues	(11)	107,559	97,115
Other work performed by the Company and capitalised		90	0
Other operating income		8,626	8,864
Cost of materials		-4,707	-3,218
Personnel expenses	(12)	-45,355	-36,981
Depreciation and amortisation	(13)	-15,501	-13,546
Other operating expenses	(14)	-45,306	-36,639
Profit from operating activities		**5,406**	**15,595**
Income from investments in associates		45	13
Other interest and similar income		935	1,065
Interest and similar expenses		-11,089	-9,595
Financial result	(15)	**-10,109**	**-8,517**
Profit/loss before income taxes		**-4,703**	**7,078**
Income taxes	(16)	759	3,037
Consolidated net profit/loss for the year		**-3,944**	**10,115**
- of which attributable to shareholders:		-4,018	10,067
- of which minority interest:		74	48
Earnings per share:	(20)	**-0.07**	**0.17**

* The relevant sections in the notes can be found on the following pages:
(11), (12), (13) – p. 115, **(14), (15), (16)** – p. 116, **(20)** – p. 120.

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

in EUR thousands	Subscribed Capital	Reserves: Capital reserves	Reserves: Other revenue reserves	Reserves: Revaluation reserve	Own shares
30 June 2006	**43,875**	**14,230**	**-20,642**	**0**	**-143**
Distributions					0
Capital increase	17,550	19,548			
Sale of own shares					1
	61,425	33,778	-20,642	0	-142
Consolidated net profit for the year			10,067		
Cashflow hedges, net of tax				1,736	
Total comprehensive income	0	0	10,067	1,736	0
30 June 2007	**61,425**	**33,778**	**-10,575**	**1,736**	**-142**
Distributions					0
Sale of own shares		2			2
	61,425	33,780	-10,575	1,736	-140
Consolidated net profit/ loss for the year			-4,018		
Cashflow hedges, net of tax				-1,736	
Total comprehensive income	0	0	-4,018	-1,736	0
30 June 2008	**61,425**	**33,780**	**-14,593**	**0**	**-140**

STATEMENT OF CHANGES IN NON-CURRENT ASSETS

in EUR thousands	Cost: At 1 July 2007	Additions	Disposals	Reclassifications	At 30 June 2008
Intangible assets					
Player registrations	31,172	7,815	1,463	3,671	41,195
Industrial property rights and similar rights	1,499	0	339	0	1,160
Payments on account	3,671	0	0	-3,671	0
	36,342	**7,815**	**1,802**	**0**	**42,355**
Property, plant and equipment					
Land, land rights and buildings including buildings on third-party land	207,887	199	1,474	0	206,612
Other equipment, operating and office equipment	26,631	2,490	1,132	0	27,989
Payments on account and assets under construction	0	301	0	0	301
	234,518	**2,990**	**2,606**	**0**	**234,902**
Investments in associates	189	0	5	0	184
Financial assets	253	85	29	0	309
	271,302	10,890	4,442	0	277,750

	Equity attributable to shareholders	Minority interest	Consolidated equity
	37,320	**304**	**37,624**
	-38	-38	
	37,098		37,098
	1		1
	74,419	266	74,685
	10,067	48	10,115
	1,736		1,736
	11,803	48	11,851
	86,222	**314**	**86,536**
	-56	-56	
	4		4
	86,226	258	86,484
	-4,018	74	-3,944
	-1,736		-1,736
	-5,754	74	-5,680
	80,472	**332**	**80,804**

	Depreciation and amortisation				Carrying amounts	
	At 1 July 2007	Additions	Disposals	At 30 June 2008	At 30 June 2008	At 30 June 2007
	20,005	6,762	955	25,812	15,383	11,167
	1,471	12	338	1,145	15	28
	0	0	0	0	0	3,671
	21,476	**6,774**	**1,293**	**26,957**	**15,398**	**14,866**
	26,728	6,829	1,474	32,083	174,529	181,159
	12,305	1,898	1,103	13,100	14,889	14,326
	0	0	0	0	301	0
	39,033	**8,727**	**2,577**	**45,183**	**189,719**	**195,485**
	0	0	0	0	184	189
	0	0	0	0	309	253
	60,509	**15,501**	**3,870**	**72,140**	**205,610**	**210,793**

CONSOLIDATED CASH FLOW STATEMENT

in EUR thousands	see Note (17)	2007/08	2006/07
Profit/loss for the period before taxes		-4,703	+7,078
Depreciation and amortisation of non-current assets		+15,501	+13,546
Loss from disposals of non-current assets		-4,281	-6,767
Interest income		-935	-1,065
Interest expense		+11,089	+9,595
Income from investments in associates		-45	-13
Changes in other assets not classified as from investing or financing activities		-11,701	+3,639
Changes in other liabilities not classified as from investing or financing activities		+63,338	-6,634
Interest received		+478	+251
Interest paid		-9,130	-9,504
Income taxes paid		-3,055	-1,590
Change in restricted funds		+19	+3,589
Cash flows from operating activities		**+56,575**	**+12,125**
Payments for investments in intangible assets		-3,056	-13,619
Proceeds from disposals of intangible assets		+4,543	+6,065
Payments for investments in property, plant and equipment		-1,693	-2,578
Payments for investments in financial assets		-84	-78
Proceeds from financial assets		+29	+26
Dividends received		+50	0
Cash flows from investing activities		**-211**	**-10,184**
Cash receipts from the issue of capital		0	+15,135
Proceeds from the sale of own shares		+4	+1
Dividends paid to minority shareholders		-56	-38
Proceeds from finance raised		+19,690	0
Repayments of financial liabilities		-81,773	-32,447
Repayments of liabilities from the finance lease		-203	-99
Cash flows from financing activities		**-62,338**	**-17,448**
Net change in cash funds		-5,974	-15,507
Cash funds at beginning of period		+13,886	+29,393
Cash funds at end of period		**+7,912**	**+13,886**

* see Note **(17)** – p. 118.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

BASIC PRINCIPLES

POLICIES AND METHODS

Borussia Dortmund GmbH & Co. KGaA ("BVB") has its headquarters at Rheinlanddamm 207-209, Dortmund, Germany. BVB's professional team has participated in the 1st*Bundesliga* for more than three decades. In addition, BVB Group companies are engaged in the sale of merchandise, the provision of internet and travel agency services, the running of a medical rehabilitation centre and the operation of the football stadium in Dortmund, trading under the name SIGNAL IDUNA PARK.

These consolidated financial statements of BVB for the financial year from 1 July 2007 to 30 June 2008, including the prior-year information, were prepared in accordance with International Financial Reporting Standards (IFRS), as adopted in the European Union and in force at the balance sheet date, and the supplementary provisions of German commercial law required to be observed in accordance with § 315 HGB and § 315a (1) HGB. The term "IFRS" includes the recent International Financial Reporting Standards (IFRS) and the International Accounting Standards (IAS) issued by the International Accounting Standards Board (IASB) in London as well as the interpretations of the International Financial Reporting Interpretations Committee (IFRIC) and the Standing Interpretations Committee (SIC).

The following accounting standards and interpretations, or amendments of existing standards, were required to be adopted for the first time in the past financial year:

- Amendments to IAS 1 "Presentation of Financial Statements"
- IFRS 7 "Financial Instruments: Disclosures"
- IFRIC 10 "Interim Financial Reporting and Impairment"
- IFRIC 11 "IFRS 2: Group and Treasury Share Transactions"

The first-time adoption of IFRS 7 has led to additional disclosures in the notes in connection with financial instruments. The remaining accounting standards adopted for the first time had no effect on the assets, liabilities, financial position and profit or loss of the Group.

The IASB has also issued the following standards, interpretations and amendments to existing standards that have completed the official EU endorsement process but whose adoption is not yet mandatory. No use has been made of the option of early adoption. The future application of the following standard is not expected to have any effect on the consolidated financial statements:

- IFRS 8 "Operating Segments"

In order to improve the clarity and usefulness of the financial information, certain items in the income statement and the balance sheet have been combined. These items are reported separately and explained in the notes. The income statement was prepared in accordance with the nature of expense method.

The consolidated financial statements are presented in thousands of euros.

By a resolution dated 29 August 2008, the consolidated financial statements and the Group management report were authorised by the Company's management for submission to the Supervisory Board.

SCOPE OF CONSOLIDATION

In addition to Borussia Dortmund GmbH & Co. KGaA, the consolidated financial statements include seven (prior year: seven) fully consolidated subsidiary companies and one associated company accounted for using the equity method.

Orthomed GmbH, in which the Group holds 33.33% of the shares and of the voting rights, has been included in the consolidated financial statements as an investment in associates under the equity method in accordance with IAS 28.

The list of shareholdings as at 30 June 2008 and 30 June 2007 was as follows:

Company	Registered office	Shareholding (%)
BVB Stadionmanagement GmbH	Dortmund	100.00
BVB Stadion Holding GmbH (formerly: goool.de Sportswear GmbH)	Dortmund	100.00
Sports & Bytes GmbH	Dortmund	100.00
BVB Merchandising GmbH	Dortmund	100.00
BVB Stadion GmbH	Dortmund	99.74
BVB Beteiligungs GmbH	Dortmund	94.90
B.E.S.T. Borussia Euro Lloyd Sports Travel GmbH	Dortmund	51.00
Orthomed GmbH Medizinisches Leistungs- und Rehabilitationszentrum GmbH	Dortmund	33.33

CONSOLIDATION PRINCIPLES

The annual financial statements of the companies included in BVB's consolidated financial statements are prepared in accordance with IFRS using consistent accounting policies.

The reporting date for the consolidated financial statements is the reporting date of the parent company. Where companies consolidated had a different balance sheet date in the previous financial year, interim financial statements were prepared as at the reporting date of the parent company. The investment in the associate Orthomed GmbH was measured on the basis of annual financial statements for the calendar year. Interim financial statements were not prepared because the company is not material in the context of the information conveyed by the consolidated financial statements of BVB, and because there were no material transactions or other events in the business of this company between its own year-end and that of the Group.

Intercompany revenues, income and expenses, and all receivables and liabilities between companies included in the consolidated financial statements are eliminated on consolidation and provisions relating to other Group companies are reversed.

On the initial consolidation of subsidiaries, the cost of the investment is netted against the Group's share of the carrying amount of the net assets of the relevant company. The difference between the cost of the investment and the share of the net assets is allocated in full to the assets and liabilities of the subsidiary, to the extent that it represents unrecognised gains or losses. Any remaining positive difference is recognised as goodwill. Subsidiaries are fully consolidated from the date on which the Group obtains control. The inclusion of subsidiaries in the consolidated financial statements ends as soon as the parent company ceases to have control.

Minority interests represent the share of net assets that is not attributable to the Group. Accordingly, minority interests are reported separately within consolidated equity and the consolidated income statement.

Associates over which the Group has a significant but not a controlling influence are accounted for using the equity method and initially recognised at cost. The Group's share of profits and losses of associates is recognised in the income statement from the date of acquisition, while the share of changes in reserves is reflected in consolidated reserves. The carrying amount of the investment is adjusted to reflect the cumulative changes since the date of acquisition. There were no unrealised gains at any date from transactions between Group companies and associates which would have been required to be eliminated on consolidation.

ACCOUNTING POLICIES

The significant accounting policies used in the preparation of these consolidated financial statements are presented below. The policies described were applied consistently for the reporting periods shown, unless otherwise indicated.

Intangible assets

Purchased intangible assets are measured at cost less amortisation based on their expected useful lives or at the lower fair value. Player registrations reported in these financial statements are measured at cost, taking into account the FIFA Regulations for the Status and Transfer of Players contained in circular no. 769 of 24 August 2001 which came into force on 21 September 2001, and are amortised on a straight-line basis in accordance with the term of the individual contracts for professional players. The cost of player registrations includes transfer payments made and the costs of advisers directly attributable to the particular transfer.

Computer software for commercial and technical applications is amortised on a straight-line basis over three years.

Property, plant and equipment

The SIGNAL IDUNA PARK stadium buildings were measured at their fair value amounting to € 177,200 thousand in the IFRS opening balance sheet as at 1 July 2004, in accordance with the option permitted by IFRS 1.16. This valuation is based on the opinion of an independent external expert. The carrying amount of the stadium buildings in the balance sheet represents the carrying amount as at 1 July 2004 less depreciation charged subsequently.

Land, the other buildings and the remaining items of property, plant and equipment are measured at cost less depreciation. Borrowing costs are recorded as an expense in the period in which they are incurred. Repair and maintenance costs are recognised in the income statement as expenses in the current period.

Depreciation, mainly on a straight-line basis, is based on the following useful lives:

	Useful life in years
Stadium	30
Other buildings	25 to 50
Technical equipment and machinery	4.5 to 15
Other equipment, operating and office equipment	7 to 15

Significant parts of the stadium building are depreciated over their respective specific useful lives (component approach).

Impairment testing

The useful lives of intangible assets and items of property, plant and equipment are all finite. If there are specific indications of possible impairment, individual assets are tested for impairment. In the case of intangible assets, the useful life and the method of amortisation are reviewed at least at the end of each financial year. An impairment loss is recognised for the amount by which the carrying amount exceeds the recoverable amount. The recoverable amount is the higher of net disposal proceeds and value in use. If the reason for an impairment write-down recognised in prior years no longer exists, the impairment loss is reversed until the carrying amount of the asset, net of depreciation and amortisation, equals the amount that would have been determined if an impairment loss had not been recognised.

Leases

The Group's leases relate in particular to developed land and operating and office equipment.

Leased assets in respect of which substantially all the risks and rewards of ownership have been transferred to the Group (finance lease) are recognised at the present value of the lease payments or at the lower fair value in accordance with IAS 17 and depreciated over the useful life or the shorter lease term. In the case of leases of land and buildings, the components of the land and buildings are considered separately for the purpose of the classification of the leases.

The payment obligations resulting from finance lease agreements are recognised as a liability. The lease payments are apportioned between the finance charges and the element representing the repayment of the remaining liability in such a way that a constant rate of interest is charged on the outstanding lease obligation over the period of the lease (effective interest method). Interest charges are expensed immediately. If substantially all the risks and rewards of ownership remain with the lessor (operating lease), the lease payments are recognised as an expense in the financial year.

Financial instruments

At the balance sheet date and in the comparable period, the Group held no financial instruments accounted for at fair value through profit or loss.

Held-to-maturity investments are non-derivative financial assets with fixed payments and maturities that the Group intends to hold to maturity. Held-to-maturity investments are measured at amortised cost after their initial recognition. As at 30 June 2008, held-to-maturity investments amounted to € 309 thousand (30 June 2007: € 253 thousand).

Loans and receivables are financial assets or liabilities with fixed or determinable payments that are not quoted in an active market. Receivables are recognised at amortised cost less any valuation allowances required for impairment. Loans are measured on initial recognition at the amount of the consideration received less transaction costs attributable to the issue of the liability. After initial recognition, interest-bearing loans are measured at amortised cost using the effective interest method net of repayments made. Liabilities from finance leases are reported under other liabilities at their present values, calculated using the effective interest method. At 30 June 2008, there were no financial liabilities designated at fair value through profit or loss (30 June 2007: € 0).

Available-for-sale financial assets are measured at their fair value. Unrealised gains and losses from subsequent remeasurement are recognised directly in equity net of deferred taxes until the financial instrument is sold or suffers permanent impairment. If evidence of impairment is established in the course of regular impairment testing, the relevant expense is recognised immediately in profit or loss. At the balance sheet date and in the comparable period, the Group held no available-for-sale financial assets.

If the maturity of a financial instrument is less than 12 months after the balance sheet date, it is reported in the balance sheet under current assets or liabilities.

Derivative financial instruments and hedging

Until June 2008, the Group used only one derivative financial instrument for the purpose of hedging the cash flow risks from interest rate changes arising from the variable-rate long-term loan from Morgan Stanley & Co. Int. Ltd., London. This interest rate swap was measured at fair value using recognised pricing models. The swap was recognised as an asset if the fair value was positive and as a liability if the fair value was negative. The interest rate swap was recorded in accordance with the requirements of IAS 39 relating to the accounting treatment of cash flow hedges. The effective portion of the gain or loss on the interest rate swap was recognised directly in equity net of deferred taxes, while the ineffective portion was recognised immediately in profit or loss. At the most recent balance sheet date, the interest rate swap was determined to be fully effective. When the loan was repaid ahead of schedule, the interest rate swap was also sold, and the proceeds recognised directly in equity were eliminated from the balance sheet.

Deferred taxes

Deferred taxes are recognised for all temporary differences between the tax base of assets and liabilities and their carrying amounts in the IFRS financial statements (liability method). However, if in the course of a transaction which is not a business combination a deferred tax asset or liability arises from the initial recognition of an asset or liability which, at the time of the transaction, affects neither the accounting nor the taxable profit or loss, the deferred tax asset or liability is neither recognised at the date of initial recognition nor afterwards.

Deferred tax assets are recognised to the extent that it is probable that taxable profits will be available against which the temporary difference can be utilised. Deferred tax assets are also recognised for tax loss carry-forwards that can be utilised in subsequent periods, provided it is sufficiently probable that the deferred tax asset will be recoverable.

Deferred taxes relating to items recognised directly in equity are also recognised directly in equity.

Deferred tax assets and liabilities are netted against each other where the Group has a legally enforceable right to set off current tax assets against current tax liabilities, and the deferred tax assets and liabilities relate to income taxes levied by the same taxation authority on the same taxable entity.

Deferred tax assets and liabilities are measured on the basis of the tax laws in force at the balance sheet date using a rate of income tax of 31.6% (previous year: 39.9%).

Inventories

Inventories consist principally of merchandising articles and goods held by the subsidiary company BVB Merchandising GmbH. Inventories are measured at cost less any individual allowances for goods whose cost may not be recoverable.

Own shares

The full amount paid for the purchase of own shares is reported as an item deducted from equity. The Company has the right to reissue own shares purchased by it at a later date. Proceeds of resale in excess of cost are added to capital reserves, while shortfalls are taken to revenue reserves.

Provisions and contingent liabilities

In accordance with IAS 37, provisions are recognised where a present obligation exists to third parties arising from a past event, which is expected to result in an outflow of resources and whose amount can be reliably estimated. No provisions have been reported in these consolidated financial statements because it was possible to determine the amount and timing of all obligations with sufficient certainty, with the result that these obligations have been reported under liabilities.

Contingent liabilities which do not meet the criteria for recognition as a provision are disclosed in the notes, unless the probability of an obligation occurring is remote.

Recognition of income and expenses

Revenues are recognised when it is probable that the economic benefits will flow to the Group and the amount of income can be measured reliably. Revenues are measured at the fair value of the receivable or consideration received and represent amounts for goods delivered and services provided in the ordinary course of business, less rebates, VAT and other taxes arising in relation to revenues.

Interest income and expenses are allocated to the period to which they relate, taking into account the outstanding amount of the loan and the effective interest rate to be applied. The effective interest rate is the discount rate at which the present value of the estimated future cash receipts over the term of the financial asset is equal to its net carrying amount.

Operating expenses are recognised when the goods or services are utilised or at the date the expenses are incurred.

Revenues

In accordance with the classification prescribed by the German Football League (*Deutsche Fußball Liga GmbH*, "DFL") for the licensing procedure, income from the sale of transfer rights for player registrations is reported under revenues. The expenses associated with the transfer activities such as the book values of assets sold and incidental costs of disposal are reported as other operating expenses.

MANAGEMENT OF FINANCIAL RISKS

The BVB Group finances itself primarily from long-term bank loans, finance leases, trade payables, season tickets paid for in advance and payments from sponsors. The related risks arising comprise interest-rate-related cash flow risks, market risks, liquidity risks and credit risks. On the other hand, the Group is not exposed to any significant currency risks. The methods of managing the individual types of risk are described in the following.

Interest rate risks

The Group's financial liabilities at the balance sheet date consist mainly of fixed-interest loans. The Group is therefore not exposed to any significant interest-rate-related cash flow risks as at the balance date or over the medium term.

Credit risk

The Group conducts business exclusively with third parties of high credit standing. Concentrations of credit risk can arise in the context of a player transfer and from long-term sponsorship agreements. Such concentrations of risk are monitored in the course of the Group's operating activities.

The maximum credit risk in the event of counterparty default is equal to the carrying amount of these instruments.

Liquidity risk

The Group constantly monitors the risk of possible liquidity bottlenecks, taking into account the probable maturities of its financial liabilities and the timing of the expected cash flows from operating activities. The Group counters potential liquidity risk by taking up largely long-term financing. Appropriate corporate planning is used to constantly monitor short-term financing components.

SIGNIFICANT DECISIONS SUBJECT TO JUDGMENT AND ESTIMATES

The collectability of trade receivables is assessed based on the estimated probability of default. Specific valuation allowances are calculated for overdue receivables using individually determined percentages. In the event that the financial situations of our partners worsen, the amounts actually written down may exceed the amount of the valuation allowances recognised. This could negatively impact the results of operations.

Deferred tax assets are recognised in respect of tax loss carry-forwards to the extent that it is probable that taxable income will be available to enable the loss carry-forwards actually to be utilised. In order to determine the amount of the deferred tax assets required to be recognised in this context, management makes significant assumptions with respect to the expected timing and amount of future taxable income. As at 30 June 2008, deferred tax assets recognised in respect of tax loss carry-forwards amounted to € 6,151 thousand (30 June 2007: € 6,264 thousand).

SEGMENT REPORTING

BVB's business activities consist of the operation of a football club including a professional football team. There are no further business segments with distinguishable components and risks and rewards different from those of other business segments. The business activities of the subsidiary companies do not meet the criteria for reportable segments in IAS 14 as a result of their lack of economic significance and are therefore not subject to the obligation to prepare segment reporting.

NOTES TO THE CONSOLIDATED BALANCE SHEET

(1) Intangible assets

in EUR thousands	30 June 2008	30 June 2007
Player registrations	15,383	11,167
Industrial property rights and similar rights	15	28
Payments on account for player registrations	0	3,671
	15,398	**14,866**

Intangible assets consist of purchased player registrations and computer software. The increase in player registrations is mainly due to the transfer payments in respect of the new signings Petric, Rukavina and Klimowicz. At the balance sheet date, the weighted remaining contractual term of the significant player registrations amounted to 3.1 years (30 June 2007 3.1 years).

Changes in intangible assets are presented in a separate overview forming part of the notes to the consolidated financial statements.

(2) Property, plant and equipment

in EUR thousands	30 June 2008	30 June 2007
Land, land rights and buildings including buildings on third-party land	174,529	181,159
Other equipment, operating and office equipment	14,889	14,326
Payments on account and assets under construction	301	0
	189,719	**195,485**

Property, plant and equipment consists principally of the stadium and former offices and the adjoining area "*Am Luftbad*", and also the facilities at the training ground in Dortmund-Brackel, the youth centre, catering extensions and items of operating and office equipment at these facilities and at the administrative headquarters.

Additions to property, plant and equipment primarily consist of further investments in the Dortmund-Brackel training ground and the complete renovation of the Conference Centre, Business Club and Borussia Park located in the circulation levels of SIGNAL IDUNA PARK. Additional investments were made in the technical equipment of the stadium, parking spaces and advance payments made for the Borusseum.

Property, plant and equipment include the following assets not legally owned by the Group and subject to finance leases:

	Net carrying amounts	
in EUR thousands	30 June 2008	30 June 2007
Buildings	2,999	3,244
Operating and office equipment	3,640	2,698
	6,639	**5,942**

The items of property, plant and equipment recognised in the balance sheet as a result of finance leases consist of buildings and other facilities at the Dortmund-Brackel training ground; the lease in respect of the land at the training ground, on the other hand, is classified as an operating lease. In the current financial year, the completion of the second phase of construction resulted in a corresponding increase in the carrying amount of property, plant and equipment subject to finance leases and in the liabilities from finance leases. The Company has an option to purchase the entire site following the expiry of the lease term in 2022.

Changes in property, plant and equipment are presented in a separate overview forming part of the notes to the consolidated financial statements.

(3) Investments in associates

in EUR thousands	30 June 2008	30 June 2007
At the beginning of the year	189	176
Share of profits	45	13
Distributions	-50	+0
At the end of the year	**184**	**189**

The Group's share of the profits of its associated company Orthomed GmbH and its share of the assets and liabilities are as follows:

in EUR thousands	31 Dec. 2007	31 Dec. 2006
Share of assets	275	219
Share of liabilities	94	66
Share of revenues	1,099	1,074
Share of profit for the year	50	19

(4) Financial assets

Financial assets consist mainly of a tenant's loan relating to an operating lease agreement and various employee loans.

The carrying amounts generally reflect market values.

(5) Trade receivables and other assets

Non-current

in EUR thousands	30 June 2008	30 June 2007
Trade receivables	48	4,290
Interest rate swap	0	2,888
Receivables from related parties	1,389	0
Other assets and prepaid expenses	5,576	430
	7,013	**7,608**

Non-current trade receivables are discounted using the effective interest method and measured at amortised cost. The carrying amounts of trade receivables generally reflect their market values.

When the loan from Morgan Stanley & Co. Int. Ltd., London, was repaid ahead of schedule, the interest rate swap was also sold. The proceeds recognised directly in equity were eliminated from the balance sheet.

Other assets and prepaid expenses consist principally of prepayments relating to the professional squad and insurance premiums. The amounts are reversed rateably over the terms/lives of the individual items.

Current

in EUR thousands	30 June 2008	30 June 2007
Trade receivables	24,661	12,345
less: allowances	-1,200	-544
Trade receivables - net	23,461	11,801
Receivables from related parties	0	1,394
Other assets	4,390	4,505
	27,851	**17,700**

Trade receivables and other assets do not bear interest and mostly have a maturity of up to 3 months. The carrying amounts of trade receivables generally reflect their market values.

Trade receivables rose as at the balance sheet date, primarily as a result of the outstanding residual purchase price (value added tax) in connection with the marketing agreement entered into with SPORTFIVE GmbH & Co. KG, Hamburg, which is described in greater detail under note 10.

Changes in the allowance account were as follows:

in EUR thousands	30 June 2008	30 June 2007
As at 1 July 2007	544	590
Transfers recognised through profit and loss	744	293
Use	0	-234
Reversal	-88	-105
As at 31 December 2008	**1,200**	**544**

General

As in the previous year, no current receivables were overdue as at the balance sheet date and none were fully or partially impaired.

Non-current and current trade receivables amounting in total to € 4,725 thousand (previous year: € 9,440 thousand) were due from a single debtor. In addition, current receivables from SPORTFIVE GmbH & Co. KG amounted to € 9,500 thousand at the balance sheet date.

(6) Inventories

in EUR thousands	30 June 2008	30 June 2007
Inventories	1,624	1,737
- impairment losses	-16	-63
Payments on account	105	50
Inventories - net	**1,713**	**1,724**

During the current and previous financial year, no impairment write-downs to net realisable value were recognised in cost of materials.

(7) Cash and cash equivalents

in EUR thousands	30 June 2008	30 June 2007
Bank balances and cash-in-hand	**7,912**	**13,905**

Balances with banks bear interest at variable rates of interest applying to demand deposits.

Of the cash and cash equivalents reported at the balance sheet date, € 0 thousand (previous year: € 19 thousand) were subject to restrictions on the right of disposal.

(8) Equity

The development of equity and minority interests is presented in the statement of changes in equity.

Subscribed capital

The subscribed capital of Borussia Dortmund GmbH & Co. KGaA is divided into no-par value shares with a notional share in the share capital of € 1.00 per share. The shares are fully paid-up; the number of shares issued and the number of shares outstanding changed as follows:

Number of shares	Issued	Own shares	Outstanding
1 July 2006	43,875,000	-23,871	43,851,129
Capital increase 2006	17,550,000		
Change in holding of own shares		236	
30 June 2007	**61,425,000**	**-23,635**	**61,401,365**
Change in holding of own shares		345	
30 June 2008	**61,425,000**	**-23,290**	**61,401,710**

In the period between the date of admission of the Company's shares to trading (31 October 2000) and the balance sheet date, the Company acquired a total of 34,000 no-par value shares and sold 10,365 no-par value shares off-market in the form of printed physical share certificates. At the balance sheet date, the Company held 23,290 no-par value shares, representing 0.038% of the share capital.

On the basis of the authorisation granted by the extraordinary General Shareholders' Meeting on 15 August 2006, the general partner resolved to increase the share capital by up to € 17,550,000 to up to € 61,425,000 by the issue of up to 17,550,000 new bearer shares with subscription rights for shareholders. The limited liability shareholders exercised their subscription right in the ratio of 5:2 for a total of 7,567,585 new shares at an issue price of € 2.00 per no-par value share. The 9,982,415 new shares not subscribed for by the existing shareholders were acquired by Morgan Stanley & Co. International Ltd., London, at a price of € 2.20

per share in return for a non-cash contribution consisting of loans from the BVB Group. The premium of € 19,548 thousand over the nominal amount of the issue was added to capital reserves. The capital increase was entered in the commercial register on 19 September 2006.

At the balance sheet date, as in the previous year, conditional capital expiring on 31 October 2010 for the purpose of issuing convertible bonds and bonds with warrants amounted to € 14,625 thousand. The extraordinary General Shareholders' Meeting held on 15 August 2006 also authorised the general partner until 31 July 2011, with the approval of the Supervisory Board, to increase the share capital by the issue of up to 21,937,500 new no-par value shares for cash or non-cash contributions.

Reserves

Capital reserves consist exclusively of transfers in respect of premiums on the issue of new shares after deducting the net costs of the placement and the Company's share of revenues from the sale of its own shares.

The remaining reserves consist entirely of other revenue reserves. Revenue reserves comprise profits generated and not distributed by Group companies in the current year and previous years and accumulated losses. In addition, the net effect, taking account of subsequent adjustments, of the remeasurement of SIGNAL IDUNA PARK in accordance with IFRS 1.16 is reported under this item.

The revaluation reserve reported at the last balance sheet date related to the positive fair value of the interest rate swap entered into at that time amounting to € 2,888 thousand net of deferred taxes of € 1,152 thousand. When the loan was repaid ahead of schedule, the interest rate swap was also sold, and the proceeds recognised directly in equity were eliminated from the balance sheet.

Capital management

The objective of capital management is to ensure the Group's long-term ability to function on a going concern basis and to generate appropriate returns for shareholders. Debt management steers the raising of debt, particularly with regard to financing with matching maturities.

The capital structure at the balance sheet date was as follows:

in EUR thousands	30 June 2008	30 June 2007
Equity attributable to BVB shareholders	80,472	86,222
Share of net assets	53.9%	40.1%
Non-current financial liabilities	63,596	122,652
Current financial liabilities	5,220	6,288
Total financial liabilities	68,816	128,940
Share of net assets	46.1%	59.9%
Net assets	**149,288**	**215,162**

The reduction in total capital is mainly attributable to the early repayment of the loan from Morgan Stanley & Co. International Ltd., London, England discussed in greater detail under note 9.

(9) Financial liabilities

	30 June 2008		30 June 2007	
	weighted average interest rate	Carrying amount EUR thou.	weighted average interest rate	Carrying amount EUR thou.
non-current				
Loan from Morgan Stanley & Co. Int. Ltd.		0	6.5%	73,525
Liabilities to other banks	6.1%	59,241	5.7%	44,243
Other loans	9.5%	4,355	9.4%	4,884
		63,596		**122,652**
current				
Loan from Morgan Stanley & Co. Int. Ltd.		0	6.5%	3,716
Liabilities to other banks	6.3%	4,692	5.7%	2,171
Other loans	8.3%	528	9.1%	401
		5,220		6,288
		68,816		**128,940**

In June 2008, the existing long-term loan from Morgan Stanley & Co. International Ltd., London, England, was repaid ahead of schedule. The loan was refinanced mainly using payments received in relation to the agency licensing agreement entered into with SPORTFIVE GmbH & Co. KG, Hamburg, regarding the marketing of BVB and discussed in greater detail under note 10. In addition, the Company took out a fixed-interest loan with a nominal amount of € 20,000 thousand with Westdeutsche ImmobilienBank AG, Mainz. This fixed-interest loan will fall due in June 2013. The loan conditions include covenants relating to the consolidated equity ratio and the interest coverage ratio (EBITDA/interest expense) in the consolidated financial statements.

The other liabilities to banks consist of a number of loans repayable in instalments. The loans have maturity dates between 2020 and 2026; fixed-interest periods apply until 2016.

As a result of the existing fixed-interest periods applying to all loans, the BVB Group is not exposed to any significant risk from changes in interest rates, even in the medium and long term.

Pledged collateral:
Items of property, plant and equipment with a remaining book value of € 159.457 thousand (30 June 2007: € 182,342 thousand) have been pledged as security for financial liabilities.

As in the previous year, future claims, not reflected in the financial statements, from season ticket sales (excluding the hospitality area), were assigned. In addition, future claims from the agreement for the rights to the stadium name were also assigned in the previous year.

The maturities of non-current financial liabilities were as follows:

in EUR thousands	30 June 2008	30 June 2007
Between 1 and 5 years	35,738	31,513
Over 5 years	27,858	91,139
	63,596	**122,652**

On the basis of the general level of interest rates at the balance sheet date, the fair value of the financial liabilities is around € 1,126 thousand (30 June 2007: € 873 thousand) below their carrying amounts. All financial liabilities are denominated in euros.

(10) Other liabilities

in EUR thousands	30 June 2008	30 June 2007
non-current		
Advance payments received for agency licence and marketing rights	44,000	0
Liabilities from finance leases	7,165	6,124
	51,165	6,124
current		
Advance payments received from season ticket sales	7,097	7,965
Advance payments received for agency licence and marketing rights	4,000	0
Advance payments received from sponsors	494	200
Other taxes	13,972	5,638
Outstanding salaries	7,129	2,619
Social security	15	5
Holiday entitlements	150	200
Liabilities from finance leases	247	194
Other	5,926	4,627
	39,030	21,448
Other liabilities, total	**90,195**	**27,572**

Pursuant to an agency licensing agreement dated 18 June 2008, responsibility for the marketing of BVB was transferred to SPORTFIVE GmbH & Co. KG, Hamburg. The agreement has a term expiring on 30 June 2020 and replaces the original agreement (expiring on 30 June 2010) early against payment of a total € 50,000 thousand. The payments received for the 12-year term of the agreement were recognised as deferred income and will be carried through profit or loss on a pro rata basis over the term of the agreement.

The minimum lease payments from finance leases are due for payment as follows:

in EUR thousands	30 June 2008	30 June 2007
Up to 1 year	752	656
Over 1 year and up to 5 years	3,076	2,480
Over 5 years	8,536	7,695
	12,364	10,831
Future finance charges from finance leases	-4,952	-4,513
Present value of liabilities from finance leases	**7,412**	**6,318**

The change in the maturity structure of the present values of liabilities from finance leases is as follows:

in EUR thousands	30 June 2008	30 June 2007
Up to 1 year	247	194
Over 1 year and up to 5 years	1,240	2,392
Over 5 years	5,925	3,732
	7,412	**6,318**

NOTES TO THE CONSOLIDATED INCOME STATEMENT

(11) Revenues

in EUR thousands	2007/08	2006/07
Ticketing	22,591	18,262
Sponsorship	33,894	30,549
TV marketing	26,024	21,250
Transfer income	5,398	6,767
Merchandising, catering, licences	17,715	14,379
Other	1,937	5,908
	107,559	**97,115**

(12) Personnel expenses

in EUR thousands	2007/08	2006/07
Wages and salaries	42,923	34,844
Social security contributions	2,432	2,137
	45,355	**36,981**
Average number of employees	**304**	**295**

No defined benefit pension entitlements have been granted to employees of the BVB Group. Payments to the state pension scheme are reported under social security contributions.

(13) Depreciation and amortisation

in EUR thousands	2007/08	2006/07
Amortisation of intangible assets	6,774	4,974
Depreciation of property, plant and equipment	8,727	8,572
	15,501	**13,546**

Amortisation of intangible assets in the year under review includes a write-down to the lower fair value of € 0 thousand (previous year: € 54 thousand). This amount relates to the write-down of a player registration to the lower transfer price already agreed at the balance sheet date.

(14) Other operating expenses

in EUR thousands	2007/08	2006/07
Match operations	19,488	12,884
Advertising	12,360	10,752
Transfers	1,973	1,967
Media and printing, postage	1,828	1,198
Leasing	2,943	2,073
Administration	4,856	7,132
Other	1,634	622
Other taxes	224	11
	45,306	**36,639**

(15) Net finance costs

in EUR thousands	2007/08	2006/07
Income from investments in associates (see Note (3))	45	13
Other interest and similar income		
Interest income from bank balances	166	251
Other interest income	60	0
Interest rate swap: Cash flow hedge, transfer from equity	252	0
Income from the unwinding of financial instruments	457	814
	935	1,065
Interest and similar expenses		
Loans and bank overdrafts	-8,751	-8,683
Interest rate swap: Cash flow hedge, transfer from equity	0	-528
Repayment of loan from Morgan Stanley & Co. Int. Ltd.	-1,804	0
Expenses from finance leases	-534	-384
	-11,089	-9,595
	-10,109	**-8,517**

(16) Income taxes and deferred taxes

Income tax liabilities developed as follows:

in TEUR	2007/08	2006/07
Income tax liabilities		
non-current	3,232	4,232
current	1,712	3,669
	4,944	**7,901**

Non-current income tax liabilities relate to trade tax resulting from the sale of limited partners' shares in WFS KG to Molsiris in 2002. These liabilities are paid in equal annual instalments; the portion of the amount due for payment in financial year 2008/2009 is reported accordingly under current liabilities.

The deferred tax assets and liabilities reported in the consolidated balance sheet relate to the following items:

	30 June 2008		30 June 2007	
in EUR thousands	Assets	Liabilities	Assets	Liabilities
Recognition and measurement of non-current assets	344	0	156	0
Trade receivables and other assets	0	0	0	1,152
Financial liabilities	0	0	0	782
Tax loss carry-forwards	6,151	0	6,264	0
	6,495	**0**	**6,420**	**1,934**

The changes in deferred taxes were as follows:

in EUR thousands	30 June 2008	30 June 2007
At the beginning of the year		
+ deferred tax assets	6,420	3,672
- deferred tax liabilities	-1,934	-1,103
Net amount of deferred taxes at the beginning of the year	4,486	2,569
Deferred taxes recognised directly in equity	1,152	-1,152
Tax benefit recognised in the consolidated income statement	857	3,069
Net amount of deferred taxes at the balance sheet date	**6,495**	**4,486**

The income tax benefit was made up as follows:

in EUR thousands	2007/08	2006/07
Income taxes for the current period	-98	-32
Deferred taxes	857	3,069
	759	**3,037**

The recognition of deferred tax assets in respect of tax loss carry-forwards resulted in an increase in the tax expense of € 113 thousand (prior year: reduction by € 2,633 thousand).

The changes in the tax rates implemented in the 2008 corporate taxation reform resulted in a € 469 thousand tax expense arising from the remeasurement of deferred taxes in the financial year.

At the balance sheet date, the BVB Group had corporation tax loss carry-forwards amounting to € 136,902 thousand and trade tax loss carry-forwards amounting to € 142,635 thousand for which no deferred tax assets have been recognised. Under current tax law, tax loss carry-forwards may be carried forward for an indefinite period.

The expected income tax expense which would theoretically result from applying the weighted average tax rate of 31.6% (previous year: 39.9%) can be reconciled with the actual income tax benefit reported in the consolidated income statement as follows:

in EUR thousands	2007/08	2006/07
Consolidated loss before taxes	-4,703	7,078
Theoretical tax rate in %	*31.6%*	*39.9%*
Expected income tax expense/income	1,485	-2,824
Effects of changes in tax rates	-469	0
Effects from tax additions and subtractions	-541	-1,126
Taxes relating to earlier periods	-92	38
Effect from supplementary tax balance sheets	-57	-156
Use of current tax losses and loss-carryforwards	447	7,100
Tax effects from the application of the equity method	-14	5
Tax benefit recognised in the consolidated income statement	**759**	**3,037**
Actual tax rate in %	*16.1%*	*-42.9%*

(17) Consolidated cash flow statement

Cash and cash equivalents reported in the balance sheet are reconciled to cash funds in the consolidated cash flow statement as follows:

in EUR thousands	30 June 2008	30 June 2007
Cash and cash equivalents	7,912	13,905
- cash and cash equivalents pledged	0	-19
Cash funds	**7,912**	**13,886**

Interest income was recognised in cash flows from operating activities for the first time in the 2007/2008 financial year. The prior-year figures have been adjusted accordingly.

The cash flow statement was presented according to net profit/loss for the period for the first time in the current financial year; prior-year figures have been adjusted accordingly for reasons of comparability.

Cash flows from operating activities in 2007/2008 include cash inflows from the agency licensing agreement with SPORTFIVE GmbH & Co. KG, Hamburg, in the amount of € 50,000.

OTHER DISCLOSURES

(18) Auditors' fees

in EUR thousands	2007/08	2006/07
Audit of the financial statements	281	365
Other audit-related work	24	0
Tax advice	87	62
Other services	37	198

(19) Other financial obligations

30 June 2008 (in EUR thousands)	Total	Due after Up to 1 year	Due after 1 to 5 years	Due after more than 5 years
Rental and lease payments (operating lease)	16,480	1,833	6,726	7,921
Purchase commitments for investments in intangible assets	10,340	10,340	0	0
Marketing fees	148,913	10,304	50,029	88,580
Other obligations	2,042	45	178	1,819
	177,775	**22,522**	**56,933**	**98,320**

30 June 2007 (in EUR thousands)	Total	Due after Up to 1 year	Due after 1 to 5 years	Due after more than 5 years
Rental and lease payments (operating lease)	17,962	1,871	6,624	9,467
Purchase commitments for investments in intangible assets	4,700	2,600	2,100	0
Marketing fees	24,972	8,324	16,648	0
Other obligations	2,087	45	178	1,864
	49,721	**12,840**	**25,550**	**11,331**

The minimum lease payments from operating leases relate mostly to lease agreements for offices, the land at the Dortmund-Brackel training ground and various motor vehicles. The Company has an option to purchase the land at Dortmund-Brackel and the offices on the expiry of the lease agreements in 2017 and 2022 respectively. Rental payments from the non-cancellable period of a sublease are expected to amount to € 125 thousand (previous year: € 605 thousand).

(20) Earnings per share

Earnings per share are calculated in accordance with IAS 33 (Earnings per share) by dividing the net profit or loss for the period attributable to the shareholders by the weighted average number of shares in circulation. The earnings per share relate only to shares in the parent company. The prior-year bonus element included in the August 2006 capital increase has been taken into account in calculating the weighted average number of shares in issue. Since there are no potential ordinary shares, the diluted and undiluted earnings per share are the same.

	2007/08	2006/07
Weighted average number of shares outstanding	61,401,538	58,665,483
Consolidated net profit/loss for the year after taxes (in EUR thousands)	-3,944	10,115
Earnings attributable to minority shareholders	74	48
Earnings attributable to BVB Group shareholders	-4,018	10,067
Earnings per share EUR	**-0.07**	**0.17**

(21) Transactions with related parties

The general partner in Borussia Dortmund GmbH & Co. KGaA is Borussia Dortmund Geschäftsführungs-GmbH. The latter is responsible for the management and legal representation of Borussia Dortmund GmbH & Co. KGaA. The power to appoint and remove members of staff thus rests with Ballspielverein Borussia 09 e.V., Dortmund, in its capacity as the sole shareholder in Borussia Dortmund Geschäftsführungs-GmbH. Both Borussia Dortmund Geschäftsführungs-GmbH and Ballspielverein Borussia 09 e.V., Dortmund, and all their affiliated companies, therefore qualify as related parties within the meaning of IAS 24.

Transactions with related parties:

in EUR thousands	2007/08	2006/07
Transactions with BVB 09 e.V.		
Rental income	13	25
Income from other services	62	47
Interest income	41	0
Expense from costs recharged for youth department	-227	0
Transactions with Borussia Dortmund Geschäftsführungs-GmbH		
Expense from costs recharged	-1,214	-1,485
Transactions with Orthomed GmbH		
Expense from other services	-180	-202

Outstanding items in respect of related parties:

in EUR thousands	30 June 2008	30 June 2007
Other current and non-current assets		
Intercompany account with BVB 09 .eV.	1,389	1,394
Orthomed GmbH	1	1
Other current liabilities		
Intercompany account with Borussia Dortmund Geschäftsführungs-GmbH	252	32

(22) Management

The management received the following remuneration in the past financial year:

in EUR thousands	2007/08	2006/07
Dipl.-Kfm. Hans-Joachim Watzke (Chairman)		
fixed components		
fixed remuneration	600	400
other remuneration	15	14
variable component		
bonus	67	232
Dipl.-Kfm. Thomas Treß		
fixed components		
fixed remuneration	400	400
other remuneration	26	26
variable component		
bonus	45	155
	1,153	**1,227**

The remuneration paid to the Company's management consists exclusively of short-term benefits.

(23) Supervisory Board

The members of the Supervisory Board of the Company, their occupations and further responsibilities in other management bodies are listed below. In the past financial year, the Supervisory Board received remuneration amounting to € 52.5 thousand (previous year: € 52.5 thousand).

Dipl.-Kfm. Gerd Pieper	Harald Heinze	Othmar Freiherr von Diemar	Bernd Geske	Ruedi Baer	Christian Kullmann
Chairman	Deputy Chairman				
Occupations					
Proprietor and Managing Director of Stadtparfümerie Pieper GmbH, Herne	Chairman of the Management Board (Rtd.) of Dortmunder Stadtwerke AG (DSW 21)	Proprietor and manager of Othmar von Diemar Vermögensverwaltung + Beratung, Cologne	Managing partner of Bernd Geske Lean Communication, Meerbusch	Consultant, B + B Beratungs AG, Watt (Switzerland)	Head of the management board office and group communications of EVONIK Industries Aktiengesellschaft, Essen
Other responsibilities					
Member of the Supervisory Board of Beauty Alliance Deutschland GmbH & Co. KG, Bielefeld Member of the Supervisory Board of Herner Sparkasse, Herne	Member of the Supervisory Board of e-m-s new media AG, Dortmund Member of the Supervisory Board of WV Energie AG, Frankfurt am Main Member of the Supervisory Board of M-Exchange AG, Frankfurt/Main	Chairman of the Supervisory Board of Informium AG, Cologne Member of the Supervisory Board of 004 Beratungs- und Dienstleistungs-GmbH, Aschaffenburg Substitute member of the Supervisory Board of Arques Industries AG, Starnberg		Vice Chairman of the Board of Directors of mobilzone Holding AG, Regensdorf (Switzerland) Chairman of the Board of Directors of eyezone AG, Watt (Switzerland) Member of the Board of Directors of Swisshome Real Estate AG, Zug (Switzerland) Chairman of the Board of Directors of Destination Travel AG, Liebefeld (Switzerland) Chairman of the Board of Directors of B + B Beratungs AG, Watt (Switzerland) Chairman of the Board of Directors of Bablo Immobilien AG, Niederscherli (Switzerland) Member of the Board of Directors of Immoplaza AG, Regensdorf (Switzerland) Chairman of the Board of Directors of AP Fashion AG, Watt (Switzerland)	

(24) Events after the balance sheet date

After the reporting date, Borussia Dortmund enhanced its professional squad, in terms of both quantity and quality. In July 2008, Lukas Kruse, Felipe Santana, Patrick Owomoyela, Neven Subotic, Tamas Hajnal, Bajram Sadrijaj and Mohamed Zidan were signed for the new season. Mladen Petric was transferred to Hamburger SV in exchange for Mohamed Zidan.

Coach Jürgen Klopp's team beat Rot-Weiss Essen 3:1 in the DFB Cup in August. Following an away win against Bayer 04 Leverkusen and a tie against FC Bayern Munich, Borussia Dortmund was in fourth place in the *Bundesliga*.

(25) Notifiable shareholdings under § 21 of the German Securities Trading Act (Wertpapierhandelsgesetz, "WpHG")

We have been informed of the following notifiable shareholdings:

1. Morgan Stanley International Ltd., London (16.25%)
2. Blue Bay Asset Management (14.99%)
3. Bernd Geske (7.30%)
4. BV. Borussia 09 e.V., Dortmund (7.24%)

(26) Corporate Governance

The management and Supervisory Board of Borussia Dortmund GmbH & Co. KGaA issued the statement of compliance with the German Corporate Governance Code required by § 161 of the German Stock Corporation Act (*Aktiengesetz*) in November 2007 and made it permanently available to shareholders on the BVB website at www.bvb.de.

Dortmund, 29 August 2008

Borussia Dortmund GmbH & Co. KGaA
Borussia Dortmund Geschäftsführungs-GmbH

Hans-Joachim Watzke
Managing Director (Chairman)

Thomas Treß
Managing Director

Responsibility Statement of the Management

To the best of our knowledge, and in accordance with the applicable reporting principles, the consolidated financial statements give a true and fair view of the assets, liabilities, financial position and profit or loss of the Group, and the management report of the Group includes a fair review of the development and performance of the business and the position of the Group, together with a description of the principal opportunities and risks associated with the expected development of the Group.

Dortmund, 29 August 2008

Borussia Dortmund GmbH & Co. KGaA
Borussia Dortmund Geschäftsführungs-GmbH

Hans-Joachim Watzke
Managing Director (Chairman)

Thomas Treß
Managing Director

AUDITORS' REPORT

We have audited the consolidated financial statements – consisting of the balance sheet, income statement, statement of changes in equity, cash flow statement and notes – prepared by **Borussia Dortmund GmbH & Co. KGaA, Dortmund** and the Group management report for the financial year from 1 July 2007 to 30 June 2008. The preparation of the consolidated financial statements and Group management report in accordance with IFRS as adopted in the EU and the additional requirements of commercial law to be applied under § 315a (1) of the German Commercial Code (Handelsgesetzbuch, "HGB") as well as the supplementary provisions in the Articles of Association is the responsibility of the Company's legal representatives. Our responsibility is to express an opinion on the consolidated financial statements and the Group management report, based on our audit.

We conducted our audit of the consolidated financial statements in accordance with § 317 HGB and the generally accepted standards for the audit of financial statements in Germany promulgated by the German Institute of Chartered Accountants (*Institut der Wirtschaftsprüfer*, IDW). Those standards require that we plan and perform the audit such that misstatements materially affecting the presentation of the net assets, financial position and results of operations in the consolidated financial statements in accordance with the relevant financial reporting standards and in the Group management report are detected with reasonable assurance. Knowledge of the business activities and the economic and legal environment of the Group and expectations of possible misstatements are taken into account in the determination of audit procedures. The effectiveness of the internal accounting control system and the evidence supporting the disclosures in the consolidated financial statements and the Group management report are examined primarily on a test basis within the framework of the audit. The audit includes the assessment of the annual financial statements of the companies included in the consolidated financial statements, the definition of the group of consolidated companies, the accounting and consolidation principles used and significant estimates made by the legal representatives, as well as the evaluation of the overall presentation of the consolidated financial statements and the Group management report. We believe that our audit provides a reasonable basis for our opinion.

Our audit has not led to any reservations.

In our opinion, based on the results of our audit, the consolidated financial statements comply with IFRS as adopted in the EU and the additional requirements of commercial law to be applied under § 315a (1) HGB as well as the supplementary provisions in the Articles of Association and give a true and fair view of the net assets, financial position and results of operations of the Group in accordance with these requirements. The Group management report is consistent with the consolidated financial statements, provides as a whole a suitable view of the Group's position and suitably presents the opportunities and risks of future development.

Dortmund, 29 August 2008

BDO WESTFALEN-REVISION GmbH
Wirtschaftsprüfungsgesellschaft

R. Schepers
Auditor

ppa. J. Königshoven
Auditor