



ANNUAL REPORT
2017/2018



KEY FINANCIAL INDICATORS

Borussia Dortmund KGaA (HGB)

EUR '000	2017/2018 30/06/2018	2016/2017 30/06/2017
Equity	369,193	348,307
Capital expenditure	138,539	104,506
Gross revenue	498,037	356,390
Operating result (EBITDA)	118,726	61,040
Result from operating activities (EBIT)	30,301	51
Financial result (investment income and net interest expense)	-690	7,514
Net profit for the year	26,405	6,339
Cash flows from operating activities	156,861	106,401
Free cash flow	18,391	1,989
Number of shares (in thousands)	92,000	92,000
Earnings per share (in EUR)	0.29	0.07

Borussia Dortmund Group (IFRS)

EUR '000	2017/2018 30/06/2018	2016/2017 30/06/2017
Equity	336,304	312,302
Capital expenditure	131,046	104,738
Gross revenue	539,935	409,936
Operating result (EBITDA)	126,630	74,073
Result from operating activities (EBIT)	36,074	10,658
Financial result (investment income and net interest expense)	-4,323	-1,539
Consolidated net profit for the year	28,462	8,209
Cash flows from operating activities	158,367	110,412
Free cash flow	27,635	5,779
Number of shares (in thousands)	92,000	92,000
Earnings per share (in EUR)	0.31	0.09





2	KEY FINANCIAL INDICATORS
6	INTRODUCTORY REMARKS
8	REPORT OF THE SUPERVISORY BOARD
12	EXECUTIVE BODIES AND CORPORATE STRUCTURE
14	THE SHARES*
14	SHARE PRICE PERFORMANCE
18	SHARE CAPITAL AND SHAREHOLDER STRUCTURE
	SHAREHOLDINGS BY MEMBERS OF GOVERNING BODIES
	INVESTOR RELATIONS
	CORPORATE GOVERNANCE DECLARATION
20	CORPORATE GOVERNANCE REPORT
28	MANAGEMENT REPORT
30	BUSINESS TREND
	LOOKING BACK ON FINANCIAL YEAR 2017/2018
31	FINANCIAL PERFORMANCE
	PERFORMANCE INDICATORS
	FINANCIAL PERFORMANCE INDICATORS
33	DEVELOPMENT OF THE MARKET AND COMPETITIVE ENVIRONMENT
35	GENERAL INFORMATION ABOUT THE COMPANY
	GROUP STRUCTURE AND BUSINESS OPERATIONS
36	ORGANISATION OF MANAGEMENT AND CONTROL
39	INTERNAL MANAGEMENT AND CONTROL SYSTEM
40	CORPORATE STRATEGY
42	POSITION OF THE COMPANY
	DEVELOPMENT OF PERFORMANCE INDICATORS
44	RESULTS OF OPERATIONS
45	SALES TREND
48	DEVELOPMENT OF SIGNIFICANT OPERATING EXPENSES
50	ANALYSIS OF CAPITAL STRUCTURE
52	ANALYSIS OF CAPITAL EXPENDITURE
	ANALYSIS OF LIQUIDITY
53	NET ASSETS
54	OVERALL ASSESSMENT OF FINANCIAL POSITION AND PERFORMANCE AND BUSINESS DEVELOPMENT
54	REMUNERATION REPORT
55	THE INTERNAL CONTROL AND RISK MANAGEMENT SYSTEM AS IT RELATES TO THE ACCOUNTING PROCESS
56	OPPORTUNITY AND RISK REPORT
	RISK MANAGEMENT
62	OPPORTUNITIES
	OVERALL ASSESSMENT OF THE RISKS AND OPPORTUNITIES
63	REPORT ON EXPECTED DEVELOPMENTS
	EXPECTED EARNINGS TREND
	EXPECTED GENERAL ECONOMIC ENVIRONMENT
64	EXPECTED RESULTS OF OPERATIONS
65	EXPECTED DIVIDEND
	EXPECTED FINANCIAL POSITION
	OVERALL ASSESSMENT OF EXPECTED PERFORMANCE
66	OTHER DISCLOSURES
69	DISCLAIMER
70	ANNUAL FINANCIAL STATEMENTS
72	BALANCE SHEET
74	INCOME STATEMENT
75	NOTES
	GENERAL DISCLOSURES TO THE ANNUAL FINANCIAL STATEMENTS
	ACCOUNTING POLICIES
76	NOTES TO THE BALANCE SHEET
78	FIXED ASSETS
85	NOTES TO THE INCOME STATEMENT
88	OTHER DISCLOSURES
93	INDEPENDENT AUDITOR'S REPORT

* The section entitled 'The Shares' is identical for both the management report and Group management report of Borussia Dortmund GmbH & Co. KGaA., and has therefore been moved towards the front of the Annual Report for the 2017/2018 financial year.

100	GROUP MANAGEMENT REPORT
102	BUSINESS TREND
	LOOKING BACK ON FINANCIAL YEAR 2017/2018
103	FINANCIAL PERFORMANCE
	FINANCIAL INDICATORS
104	PERFORMANCE INDICATORS
106	DEVELOPMENT OF THE MARKET AND COMPETITIVE ENVIRONMENT
109	GENERAL INFORMATION ABOUT THE COMPANY
	GROUP STRUCTURE AND BUSINESS OPERATIONS
110	ORGANISATION OF MANAGEMENT AND CONTROL
113	INTERNAL MANAGEMENT AND CONTROL SYSTEM
114	CORPORATE STRATEGY
115	SEPARATE NON-FINANCIAL REPORT
116	POSITION OF THE COMPANY
	DEVELOPMENT OF PERFORMANCE INDICATORS
118	RESULTS OF OPERATIONS
119	REVENUE TREND
124	DEVELOPMENT OF SIGNIFICANT OPERATING EXPENSES
126	ANALYSIS OF CAPITAL STRUCTURE
	DEVELOPMENT AND PERFORMANCE OF THE BUSINESS
128	ANALYSIS OF CAPITAL EXPENDITURE
	ANALYSIS OF LIQUIDITY
	NET ASSETS
	OVERALL ASSESSMENT OF FINANCIAL POSITION AND PERFORMANCE AND BUSINESS DEVELOPMENT
129	REMUNERATION REPORT
130	THE INTERNAL CONTROL AND RISK MANAGEMENT SYSTEM AS IT RELATES TO THE ACCOUNTING PROCESS
131	OPPORTUNITY AND RISK REPORT
	RISK MANAGEMENT
137	OPPORTUNITIES
	OVERALL ASSESSMENT OF THE RISKS AND OPPORTUNITIES
138	REPORT ON EXPECTED DEVELOPMENTS
	EXPECTED DEVELOPMENT OF CONSOLIDATED NET PROFIT/LOSS
	EXPECTED GENERAL ECONOMIC ENVIRONMENT
139	EXPECTED RESULTS OF OPERATIONS
140	EXPECTED DIVIDENDS
	EXPECTED FINANCIAL POSITION
	OVERALL ASSESSMENT OF EXPECTED PERFORMANCE
141	EVENTS AFTER THE END OF THE REPORTING PERIOD
142	OTHER DISCLOSURES
145	DISCLAIMER
146	CONSOLIDATED STATEMENTS
148	CONSOLIDATED STATEMENT OF FINANCIAL POSITION
149	CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME
150	CONSOLIDATED STATEMENT OF CASH FLOWS
151	CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
152	NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
	BASIC PRINCIPLES
170	NOTES TO THE CONSOLIDATED STATEMENT OF FINANCIAL POSITION
178	NOTES TO THE CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME
182	OTHER DISCLOSURES
193	INDEPENDENT AUDITOR'S REPORT
200	PUBLICATION DETAILS / FINANCIAL CALENDAR



Hans-Joachim Watzke
Managing Director (Chairman)



Thomas Trefß
Managing Director



Carsten Cramer
Managing Director

Dear Shareholders,

We look back on an eventful and challenging season that ultimately ended on a positive note as the team again qualified for the UEFA Champions League. We have thus achieved our most important goal for the season. However, while a fourth-place finish might seem good at first glance, overall we cannot be satisfied with the course of the last season.

We have analysed the past season both on and off the pitch and have come to the conclusion that the time has come for a rebuild. We want to return to an impassioned, down-to-earth style of football. We cannot rest on our laurels – hard work,

dedication and team spirit must be the cornerstones of our success. Past titles do not guarantee future success. It must also be clear that we will need to take a patient, systematic approach to this rebuild in order to ensure continuity.

We begin on solid footing – the club remains in sound financial health and is considered one of the best in Europe. For up-and-coming players, there is hardly a better club in the world. And we intend to keep it that way. We want to keep improving and must continue to grow in a fiercely competitive environment – all without losing sight of where we came from and where we want to go.

We have already taken the first steps by clearly defining the direction of this vital project. By signing Lucien Favre, the club has gained an experienced coach in whose expertise we have faith. He is meticulous and to his core believes that football is the product of honest hard work day in and day out. We also have complete faith in our assistant coaches Edin Terzic, who is no stranger in Dortmund, and Manfred Stefes. We are confident that this trio will successfully complete the difficult task we have set them.

We have also brought Sebastian Kehl on board as the Head of the Professional Squad in order to assist the coaching staff. Sebastian is a role model for both Borussia Dortmund and its fans and possesses a wealth of football knowledge. He shares the same values that will also play a central

role in our rebuild. Another addition is Matthias Sammer, an excellent football analyst who will assist the club as an external consultant. Both men are familiar with the situation facing Borussia Dortmund. By appointing Carsten Cramer as a third managing director, we have made the necessary adjustments to the club's organisational structure, because for us a rebuild does not simply mean out with the old and in with the new, but a return to our strengths and core values. A humble mentality, club identity and passion should guide our daily actions.

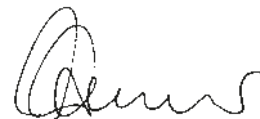
We are excited and full of anticipation for the new season and are confident that we have taken the right steps and set the course for a successful year. We are looking forward to the Bundesliga and are just as excited to play against our league rivals as we are against international top clubs.



Hans-Joachim Watzke
Managing Director (Chairman)



Thomas Treß
Managing Director



Carsten Cramer
Managing Director



REPORT OF THE SUPERVISORY BOARD

Borussia Dortmund GmbH & Co. KGaA looks back on a very complex 2017/2018 financial year. Kicking off with the positive news, Borussia Dortmund met one of its key objectives for the season and qualified directly for the group stage of the 2018/2019 UEFA Champions League. The Company's financial position remains healthy sustainable in equal measure, and will be discussed in detail further on in this report. The negative news focused on the transfer drama surrounding players Ousmane Dembélé and Pierre-Emerick Aubameyang, early elimination from the UEFA Champions League, a string of poor performances in the Bundesliga and the resulting early replacement of trainer Peter Bosz with Peter Stöger mid season. The myriad reasons for the somewhat unsatisfactory performance on the pitch, which are often not sufficiently acknowledged in this context, include the consequences of the bomb attack on 11 April 2017.

The Supervisory Board would like to take this opportunity to express its utmost regard for the way in which the management handled these many difficult situations and circumstances in the past season. Thanks are also due to trainer Peter Stöger and his coaching staff, who were initially appointed on a temporary basis until 30 June 2018 and took BVB from eighth place in the Bundesliga to round out the season directly qualifying for the UEFA Champions League.

Conclusions have already been drawn from the past season and the first actions and staffing decisions are in place. Lucien Favre was appointed to the vacant position of head coach from 1 July 2018. The team managers headed by Michael Zorc have been bolstered by the appointment of the new Head of the Professional Squad and former BVB captain Sebastian Kehl and external advisor Matthias Sammer. Together with these colleagues, management has set itself the goal of rebuilding the squad and making a new start, both on the pitch and in communications. For the Supervisory Board, the issue is now for all stakeholders to take a realistic view of this new beginning and to breath new life into the "Dortmund spirit". While the Supervisory Board is

optimistic and has the utmost confidence that those in charge will ultimately be successful, this will inevitably require time and patience. We call on all those who believe in BVB to lend their utmost support and trust to our players and the club. If we make a success of it, we can look forward to an even more enjoyable 2018/2019 season on the pitch.

From a financial viewpoint, Borussia Dortmund can look back on one of its most successful ever financial years. Consolidated revenue increased by 32.13% to a recordhigh EUR 536.0 million (previous year: EUR 405.7 million). In the financial year ended, consolidated net profit after taxes amounted to EUR 28.5 million (previous year: EUR 8.2 million), which was reflected in the results of operations in Borussia Dortmund GmbH & Co. KGaA's singleentity financial statements. The Company generated net income for the year after taxes of EUR 26.4 million (previous year: EUR 6.3 million). The Supervisory Board is therefore extremely pleased to report that it and the general partner will, for the seventh consecutive year, propose to the Annual General Meeting in November 2018 that it resolve to distribute a dividend using the net profit.

Supervisory Board Activity, Meetings

In the 2017/2018 financial year, the Supervisory Board closely monitored the status and development of the Company and the Group. It exercised all of the rights and duties incumbent upon it by virtue of the law and the Articles of Association.

The Supervisory Board met four times during the 2017/2018 financial year (on 11 September 2017, 27 November 2017, 01 March 2018 and 14 May 2018). In addition, one resolution was circulated and adopted by the Supervisory Board without holding a meeting. With the exception of Dr Werner Müller and Mr Christian Kullmann, all members attended more than half of the meetings of the Supervisory Board. All resolutions were adopted in accordance with the provisions of the Articles of Association and the relevant law. All issues are deliberated and all resolutions are passed by the

full Supervisory Board; the Supervisory Board has not formed any committees.

During the reporting period, the Supervisory Board received regular, timely and comprehensive oral and written reports from the management within the meaning of § 90 of the German Stock Corporation Act (Aktiengesetz, "AktG"). These reports focused on the development of the business, the Company's and the Group's liquidity, earnings and financial position, corporate planning (specifically, financial, investment and personnel planning), the risk position and risk management within the Company and the Group as well as strategic issues. Moreover, the Supervisory Board received written reports in the intervals between its meetings. These reports and the subsequent discussion and verification thereof also dealt with the interim financial reports (i.e., the half-yearly financial report and quarterly financial reports). Moreover, the Chairman of the Supervisory Board was in regular contact with the management outside of meetings; he was kept regularly apprised of current developments in the business and major business transactions and advised on strategic and budgetary issues as well as the Company's business development, risk position, risk management and compliance issues. The management fulfilled its duty to keep the Supervisory Board informed in a complete, continuous and timely manner.

The Supervisory Board advised and monitored the general partner and its managing directors on the management of the Company. The reports of the management and the Supervisory Board's enquiries and deliberations formed a basis for this function. The Supervisory Board considers the management of the Company to be in compliance with the law and in proper order, it deems the internal control system, risk management system and internal audit system to be effective, and attests to the Company's corporate organisation and economic viability. Reports and consultations concerned in particular athletic performance in the 2017/2018 season.

In the reporting period, the Supervisory Board also adopted resolutions on commissioning an external review of the Company's separate non-financial Group report for financial year 2017/2018 (§ 111 (2) sentence 4 in conjunction with § 278 (3) AktG), on amending its rules of procedure, and on issuing the Supervisory Board's pre-approval for non-audit services provided by the auditors pursuant to Article 5(4) of the EU Audit Regulation and § 319a (3) HGB. In addition, the Supervisory Board reviewed the accounting and financial reporting and the preparations for the Annual General Meeting in the previous year. Part of this review involved ascertaining the independence of the auditor, taking into consideration the additional services rendered by it, prior to resolving to propose it for election. The Supervisory Board's activities also covered the terms of engagement and the fee agreement, the audit focal points and engaging the auditor elected by the previous year's Annual General Meeting.

2017/2018 Annual and consolidated financial Statements

The annual financial statements for Borussia Dortmund GmbH & Co. KGaA and the consolidated financial statements as at 30 June 2018 and the management report for the Company and the Group management report (each of which comprising the explanatory report on disclosures made pursuant to § 289a (1) and § 315a (1) of the German Commercial Code (*Handelsgesetzbuch*, "HGB")) were prepared and submitted in due time by the management and were audited, along with the bookkeeping system by the auditor, KPMG AG Wirtschaftsprüfungsgesellschaft, Dortmund ("KPMG"), in accordance with the statutory provisions, and were each issued an unqualified audit opinion. With respect to the risk early warning system, the auditor found that the management had taken the appropriate measures as required under § 91 (2) AktG, particularly with respect to establishing a monitoring system suited towards identifying risks early on which may jeopardise the Company as a going concern.

The annual and consolidated financial statements, the management report for the Company and the Group management report containing the risk report and the corresponding audit reports were submitted to all members of the Supervisory Board in due time. These documents were discussed in detail, explained and reviewed by the Supervisory Board at a meeting on 10 September 2018, with the management and the auditors attending. At that meeting, the auditors reported on and discussed the key findings of their audit, including those relating to the accounting-related internal control and risk management system. The auditor and the management responded to questions raised by the Supervisory Board.

The Supervisory Board concurred with the auditors' findings and, subsequent to its own review work, did not raise any objections. At its meeting on 10 September 2018, the Supervisory Board approved the annual financial statements of Borussia Dortmund GmbH & Co. KGaA as at 30 June 2018 as well as the consolidated financial statements as at 30 June 2018.

Moreover, the Supervisory Board performed its own review of the report on relationships with affiliated companies (dependent company report) for the 2017/2018 financial year prepared by the general partner pursuant to § 312 AktG. The dependent company report was also audited by the auditor, who issued the following opinion:

"Having conducted a proper audit and assessment, we hereby confirm that

1. the factual information in the report is correct
2. the consideration paid by or to the Company in connection with the legal transactions listed in the report was not inappropriately high."

The auditor's report on the audit of the dependent company report had also been submitted to the Supervisory Board. These documents were discussed and reviewed by the Supervisory Board at the aforementioned meeting, with the auditor and the management in attendance. Upon con-

cluding its review, the Supervisory Board did not raise any objections to the declaration by the general partner at the conclusion of the dependent company report. The Supervisory Board noted with approval the findings of the audit of the dependent company report by the auditor.

The general partner had voluntarily prepared a sustainability report for the 2016/2017 financial year. The requirements introduced in the German CSR Directive Implementation Act (*CSR-Richtlinie-Umsetzungsgesetz*) stipulate that, from the 2017/2018 financial year, the Borussia Dortmund Group must separately disclose the non-financial aspects of its activities. In line with the statutory options, the general partner has chosen to prepare a separate non-financial Group report pursuant to § 315b (3) HGB that is not part of the Group management report, and to make this permanently available on the Company's website. The Supervisory board engaged KPMG to provide limited assurance over the separate Group non-financial statement. KPMG issued a limited assurance report based on this engagement. This means that, based on the work it performed and the evidence it obtained, nothing had come to KPMG's attention that caused it to believe that the separate non-financial Group report for the period from 1 July 2017 to 30 June 2018 had not been prepared, in all material respects, in accordance with § 315b and § 315c, in conjunction with § 289c to § 289e HGB. The separate non-financial Group report and the review report prepared by KPMG were presented to the Supervisory Board. After discussing the topic at its meeting convened to approve the financial statements on 10 September 2018, the Supervisory Board concurred with the findings of KPMG's limited assurance engagement and raised no objections to the separate non-financial Group report based on the findings of its own review.

The Supervisory Board proposes to the Annual General Meeting that the annual financial statements as at 30 June 2018 be adopted. At its meeting on 10 September 2018, the Supervisory Board discussed and reviewed the proposal for the appropriation of net profits by the general

partner, taking into account the interests of the limited liability shareholders and the position of the Company, namely the financial and capital structure; the Supervisory Board approved the management's proposal to the Annual General Meeting that it resolve to use the net retained profits of EUR 26,404,743.83 for financial year 2017/2018 to distribute a dividend of EUR 0.06 per share carrying dividend rights (totalling EUR 5,518,866.00) and to transfer the remainder (EUR 20,885,877.83) to other revenue reserves.

Moreover, the Supervisory Board proposes ratifying the actions of the general partner, Borussia Dortmund Geschäftsführungs-GmbH, for the 2017/2018 financial year.

Corporate Governance

The Supervisory Board and the management of the general partner also dealt with issues of corporate governance during the reporting period. The Supervisory Board also assessed the efficiency of its work, namely the frequency of its meetings and their preparation and conduct, as well as the flow of information. The current Declaration of Conformity was adopted at the same time as the resolution on this report and relates to the German Corporate Governance Code in the currently applicable version dated 07 February 2017. The full declaration is permanently available online at <http://aktie.bvb.de/eng>, under "Corporate Governance". Additional disclosures and explanations in this regard are made in accordance with section 3.10 of the Code in connection with the corporate governance declaration.

Personnel Matters

In February 2018, the Executive Committee of the Advisory Board of Borussia Dortmund Geschäftsführungs-GmbH and Chairman of the management, Hans-Joachim Watzke, agreed to extend his existing service agreement (originally set to expire on 31 December 2019) until 31 December 2022. Agreement was likewise reached with Managing Director

Thomas Treß to extend his service agreement (originally set to expire on 30 June 2020) until 30 June 2022. The former Head of Sales & Marketing, Carsten Cramer, was appointed as a subsequent managing director with effect as at 1 March 2018. His service agreement also runs until 30 June 2022.

There were no changes in the composition of the Supervisory Board in financial year 2017/2018 as against the previous year.

The Supervisory Board would like to express its gratitude to the management, the Works Council and all employees for their enduring commitment and hard work.

The Supervisory Board also wishes to thank Borussia Dortmund's business partners, shareholders and fans for their trust.

Dortmund, 10 September 2018

The Supervisory Board



Gerd Pieper
Chairman

EXECUTIVE BODIES

BV. BORUSSIA 09 e.V. DORTMUND

Chairman

Dr. Reinhard Rauball	President
Gerd Pieper	Vice President
Dr. Reinhold Lunow	Treasurer

BORUSSIA DORTMUND GmbH & Co. KGaA

Supervisory Board

Gerd Pieper	Chairman
Managing shareholder of Stadt-Parfümerie Pieper GmbH, Herne	
Peer Steinbrück	
Senior Advisor to the Management Board of ING-DiBa AG, Frankfurt am Main	
Bernd Geske	
Managing partner of Bernd Geske Lean Communication, Meerbusch	
Christian Kullmann	
Chairman of the Executive Board of Evonik Industries AG, Essen	
Dr. Werner Müller	Deputy Chairman
German Finance Minister (ret.)	
Ulrich Leitermann	
Chairman of the Managing Boards of group parent companies of the SIGNAL IDUNA Group, Dortmund	
Bjørn Gulden	
Chief Executive Officer of PUMA SE, Herzogenaurach	
Dr. Reinhold Lunow	
Medical Director of Praxisklinik Bornheim, Bornheim	
Silke Seidel	
Senior Executive at Dortmunder Stadtwerke AG and Managing Director of Hohenbuschei Beteiligungsgesellschaft mbH, Westfalentor 1 GmbH and Dortmund Logistik GmbH, all in Dortmund	

BORUSSIA DORTMUND GESCHÄFTSFÜHRUNGS-GmbH

Management

Hans-Joachim Watzke	Managing Director (Chairman)
Thomas Treß	Managing Director
Carsten Cramer	Managing Director

CORPORATE STRUCTURE

BORUSSIA DORTMUND GmbH & Co. KGaA	
100.00%	BVB Stadionmanagement GmbH
100.00%	besttravel dortmund GmbH
100.00%	BVB Merchandising GmbH
100.00%	Sports & Bytes GmbH
100.00%	BVB Event & Catering GmbH
100.00%	BVB Asia Pacific Pte. Ltd.
33.33%	Orthomed Medizinisches Leistungs- und Rehabilitationszentrum GmbH

THE SHARES of Borussia Dortmund GmbH & Co. KGaA

SHARE PRICE PERFORMANCE IN FINANCIAL YEAR 2017/2018

Despite the positive business announcements by the Company during the reporting period of the 2017/2018 financial year (1 July 2017 to 30 June 2018), the performance of BVB shares was influenced primarily by a mixed athletic performance (unless indicated otherwise, the following data is based on the closing price of shares in XETRA trading in Borussia Dortmund shares; where necessary, figures have been rounded up to the nearest hundredth).

The shares of Borussia Dortmund GmbH & Co. KGaA kicked off the new 2017/2018 financial year at EUR 6.05 on 3 July 2017. In July 2017, the shares of Borussia Dortmund GmbH & Co. KGaA initially trended sideways at the EUR 6.00 mark due to the summer break. Despite losing the DFL Super Cup to FC Bayern Munich on 5 August 2017, euphoria at the beginning of the season and positive financial news, driven primarily by transfer rumours surrounding Ousmane Dembélé, resulted in a significant share price increase in the month of August 2017. Shares in Borussia Dortmund traded at EUR 6.00 on 2 August 2017, EUR 6.11 on 3 August 2017, EUR 6.26 on 4 August 2017 and EUR 6.45 on 7 August 2017. On 10 August 2017, the club confirmed that it was in discussions with FC Barcelona regarding the potential transfer of Ousmane Dembélé to FC Barcelona but that no agreement on the economic terms had yet been reached and that as such a transfer was not highly probable at that time (see ad hoc disclosure from the same date). Shares in Borussia Dortmund traded at EUR 6.57 on the same date. The nevertheless persistent transfer rumours in the media as well as the positive start to the season on the heels of wins in the DFB Cup and Bundesliga continued to bolster the share price. BVB shares traded at EUR 6.59 on 14 August 2017, EUR 6.76 on 15 August 2017, EUR 6.82 on 17 August 2017, EUR

6.87 on 21 August 2017, EUR 6.96 on 22 August 2017, EUR 7.14 on 23 August 2017 and EUR 7.35 on 24 August 2017. On 25 August 2017, the Company presented its preliminary figures for the 2016/2017 financial year (see ad hoc disclosure from the same date), reporting a 7.82% increase in consolidated revenue, amounting to EUR 405.7 million; adjusted for transfers, consolidated revenue even rose by 16.8% to a new record high of EUR 328.4 million (previous year: EUR 281.3 million). Consolidated net profit after taxes amounted to EUR 8.2 million (previous year: EUR 29.4 million). The capital market took a positive view of this report and the announcement of an intended dividend payment. The share price increased on this day with the late-afternoon confirmation that Ousmane Dembélé would transfer from Borussia Dortmund to FC Barcelona (see ad hoc disclosure from the same date). Shares closed at EUR 7.56 on 25 August 2017. Knock-on effects then led to a consolidation of the share price in the short term until early September 2017. BVB shares traded at EUR 6.97 on 29 August 2017, EUR 7.22 on 30 August 2017, EUR 7.37 on 31 August 2017, EUR 7.41 on 1 September 2017, EUR 7.47 on 5 September 2017 and EUR 7.57 on 6 September 2017. The team delivered mixed performances in September. It got off to a record-breaking start in the Bundesliga, remaining undefeated with a goal difference of 25:1 as it occupied first place in the standings. However, the team was defeated in its first two group stage matches in the UEFA Champions League, losing away at Tottenham Hotspur and at home to Real Madrid. Despite these mixed performances, the share price continued to trend upward toward a new 16-year high. BVB shares traded at EUR 8.03 on 11 September 2017, EUR 7.90 on 13 September 2017, EUR 8.06 on 20 September 2017, EUR 8.18 on 25 September 2017, and EUR 8.20 on 29 September 2017.

On 2 October 2017, the shares of Borussia Dortmund GmbH & Co. KGaA traded at EUR 8.28, not only reaching its peak for the reporting period but also a 16-year high. The share price was then weighed down significantly in the second quarter of the 2017/2018 financial year following an unexpected losing streak in the Bundesliga, the team's elimination from the UEFA Champions League and the DFB Cup, and the club's decision to part ways with Peter Bosz and his coaching staff. The loss against RB Leipzig on 14 October 2017 ushered in this unexpected series of subpar performances and missed opportunities. On 16 October 2017, BVB shares were listed at EUR 7.86 and on 23 October 2017 at EUR 7.33. As it became increasingly clear that the team might be eliminated from the UEFA Champions League after a second disappointing draw against Apoel FC on 1 November 2017, shares in Borussia Dortmund slipped further, trading at EUR 6.85 on the following day. On 6 November 2017, Borussia Dortmund GmbH & Co. KGaA released the preliminary first quarter figures for financial year 2017/2018 (see ad hoc disclosure from the same date). The Company announced an approximately 77.3% increase in revenue to EUR 224.8 million and consolidated earnings of EUR 52.6 million for the quarter. Nevertheless, the share price remained under pressure. Shares in Borussia Dortmund traded at EUR 6.77 on 6 November 2017, EUR 6.58 on 10 November 2017, EUR 6.41 on 20 November 2017 and EUR 6.11 on 23 November 2017. BVB shares were listed at EUR 6.10 on 27 November 2017, the date of the Annual General Meeting (previous year: EUR 5.79). On that same day, the Annual General Meeting resolved a dividend distribution of EUR 0.06 per share. The following day (28 November 2017), BVB shares were listed at EUR 6.00 and then at EUR 5.91 on 6 December 2017. That same evening, the team lost again, this time to Real Madrid in the UEFA Champions League.

However, Borussia Dortmund qualified for the UEFA Europa League on account of their third place finish in the group, and the shares recovered slightly on the following day (7 December 2017), closing at EUR 6.11. On 10 December 2017, the Company then parted ways with Peter Bosz and hired Peter Stöger as the new head coach. The share price then levelled out on the heels of this announcement and two Bundesliga wins. Shares traded at EUR 6.25 on 11 December 2017, EUR 6.40 on 13 December 2017 and EUR 6.23 on 18 December 2017. However, FC Bayern Munich eliminated the team from the DFB Cup on 20 December 2017 and the shares suffered another setback, closing at EUR 6.09 on the following day. The 2017 calendar year ended with shares in Borussia Dortmund trading at EUR 6.13 on 29 December 2017.

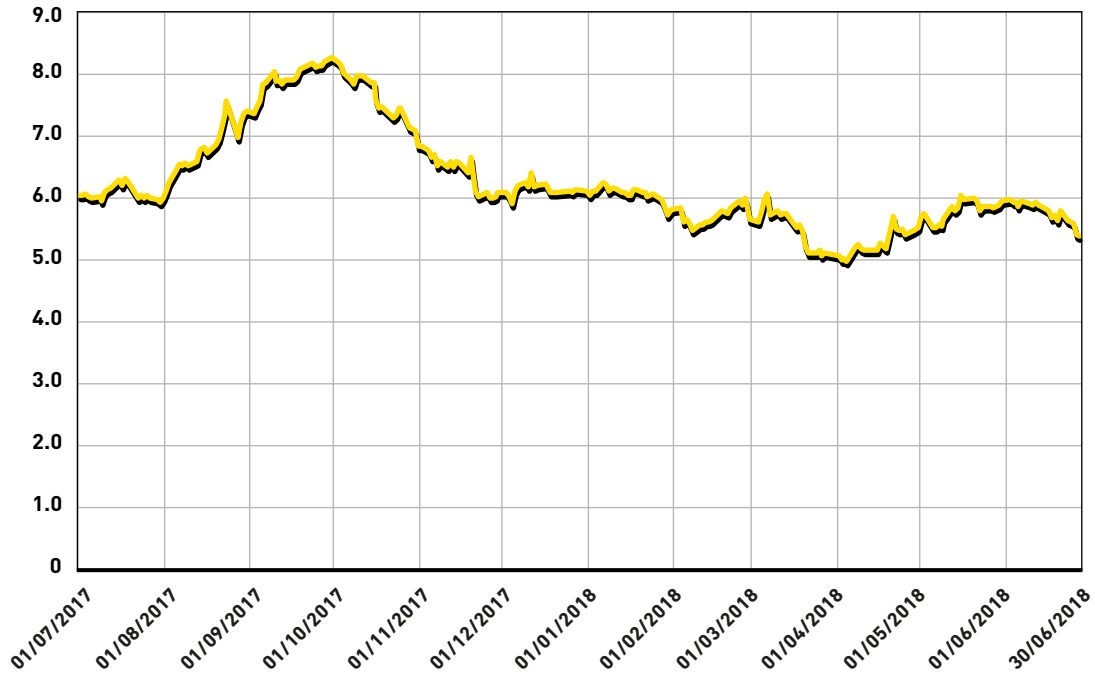
The shares in Borussia Dortmund GmbH & Co. KGaA kicked off the 2018 calendar year at EUR 6.12 on 2 January 2018 and traded at EUR 6.25 on 8 January 2018. Three draws at the beginning of the start of the second half of the season in January 2018 caused the share price to drop to the EUR 5.70 mark. BVB shares traded at EUR 6.08 on 15 January 2018, EUR 6.04 on 17 January 2018, EUR 6.02 on 24 January 2018, EUR 5.98 on 29 January 2018, and EUR 5.72 on 31 January 2018. On that day, the Company announced the transfer of BVB player Pierre-Emerick Aubameyang to Arsenal FC in London (see ad hoc disclosure from the same date). The capital market's expectations that additional income potential would come with this transfer lifted Borussia Dortmund GmbH & Co. KGaA's share price for a short while. Shares traded at EUR 5.79 on 1 February 2018, EUR 5.81 on 2 February 2018 and EUR 5.84 on 5 February 2018. Despite positive athletic results, the shares of Borussia Dortmund were destined to lose these price gains quickly. BVB shares traded at EUR 5.62 on 6 February 2018 and

EUR 5.49 on 9 February 2018. After Borussia Dortmund won against Atalanta Bergamo in the UEFA Europa League and presented solid half-yearly figures, the share price improved again. On 21 February 2018, BVB shares were listed at EUR 5.77 and on 23 February 2018 at EUR 5.84. On this date the Company published the preliminary semi-annual figures (see ad hoc disclosure from the same date), announcing that it had significantly increased revenue by 45.6% year on year and generated net profit of EUR 39.4 million for the first half of the year (previous year: EUR 15.6 million). The market responded positively to the semi-annual figures. On the next trading day, 26 February 2018, BVB shares traded at EUR 5.95 and at EUR 5.99 on 28 February 2018. This positive trend was initially maintained in March 2018 despite certain volatilities. On 8 March 2018, shares in Borussia Dortmund GmbH & Co. KGaA were trading at EUR 6.07. The surprise elimination from the UEFA Europa League against FC Salzburg, along with influences from the general market environment, then kicked off another downwards trend which persisted for the remainder of March 2018 and could not be turned around despite victories in the Bundesliga. BVB shares traded at EUR 5.76 on 15 March 2018, EUR 5.69 on 16 March 2018, EUR 5.52 on 19 March 2018, EUR 5.22 on 22 March 2018, EUR 5.06 on 28 March 2018 and EUR 5.12 on 29 March 2018.

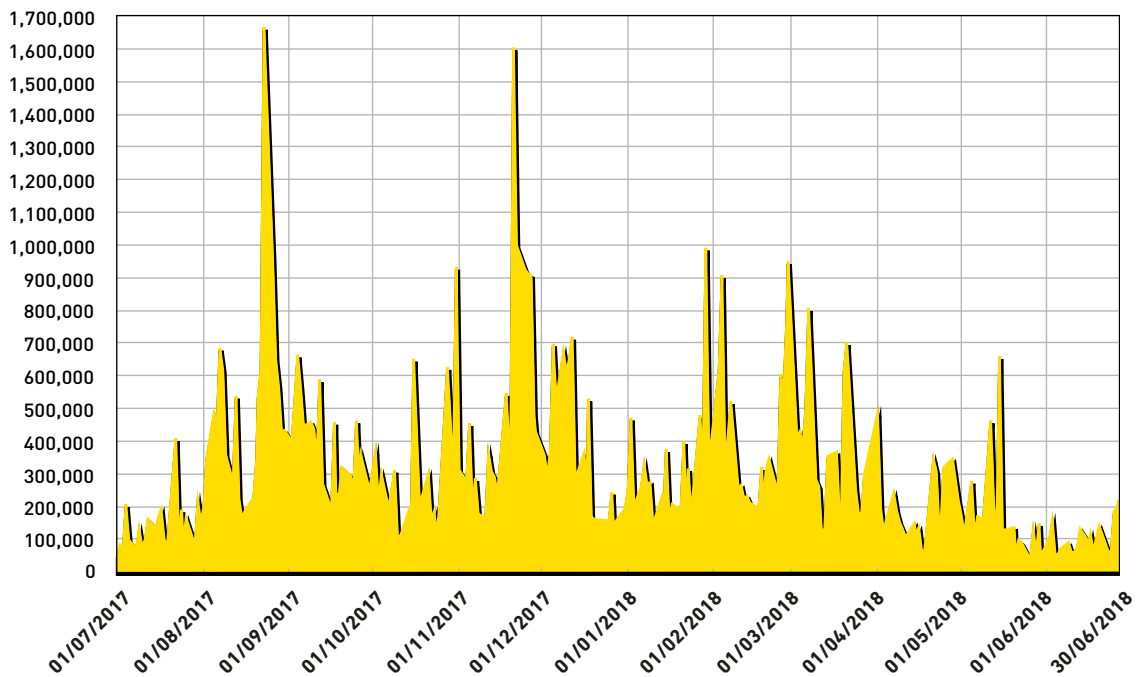
The last quarter of the financial year started under the shadow of the comprehensive loss to FC Bayern Munich, with the shares trading at EUR 5.08 on 3 April 2018 and EUR 4.99 on 4 April 2018

before bottoming out during the reporting period at EUR 4.98 on 6 April 2018. Thereafter, the question of whether Borussia Dortmund would qualify for the UEFA Champions League in the 2018/2019 season had a significant impact on the share price performance. On 9 April 2018, the shares traded at EUR 5.20 following a crucial win against Bayer 04 Leverkusen, a direct contender for the qualifying spots. On the trading following 21 April 2018, shares in Borussia Dortmund GmbH & Co. KGaA traded at EUR 5.70. Following a draw and a loss, the share price returned to EUR 5.52 on 7 May 2018. On this day, the Company announced its preliminary figures for the third quarter of financial year 2017/2018 (see ad hoc disclosure from the same date). Despite the positive financial news, the focus lay entirely on the results of the final and 34th Bundesliga match day on 12 May 2018. Although Borussia Dortmund suffered another loss, the team ultimately qualified for the UEFA Champions League. On 14 May 2018, BVB shares were listed at EUR 5.86 and on 17 May 2018 at EUR 6.05. Following the presentation of Lucien Favre as the new head coach on 22 May 2018, a move which the market had anticipated, the shares traded at EUR 6.00. The share price then dropped, which commonly occurs after a dividend is paid out at the end of the season. BVB shares traded at EUR 5.95 on 1 June 2018, EUR 5.94 on 13 June 2018, EUR 5.87 on 15 June 2018, EUR 5.80 on 22 June 2018, EUR 5.61 on 26 June 2018 and EUR 5.41 on 28 June 2018. The reporting period ended with shares in Borussia Dortmund GmbH & Co. KGaA trading at EUR 5.38 on 29 June 2018.

Share price performance (in EUR)



Revenue (Shares)



SHARE CAPITAL AND SHAREHOLDER STRUCTURE

Borussia Dortmund GmbH & Co. KGaA's share capital amounts to EUR 92,000,000.00 divided into the same number of no-par value shares. Based on the voting rights notifications we have received, the shareholder structure of Borussia Dortmund GmbH & Co. KGaA was as follows as at 30 June 2018:

- Evonik Industries AG: 14.78%
- Bernd Geske: 9.27%
- Ballspielverein Borussia 09 e.V. Dortmund: 5.53%
- SIGNAL IDUNA: 5.43%
- PUMA SE: 5.0%
- Free float: 59.99%

SHAREHOLDINGS BY MEMBERS OF GOVERNING BODIES

As at 30 June 2018, one member of management held 7,045 no-par value shares in the Company. As at the same date, the members of the Supervisory Board held a total of 8,532,009 no-par value shares.

Members of management and the Supervisory Board hold a total of 8,539,054 no-par-value shares, which corresponds to more than 1% of the shares issued by Borussia Dortmund GmbH & Co. KGaA.

INVESTOR RELATIONS

The objective of our Company's Investor Relations organisation is to obtain an appropriate valuation of Borussia Dortmund shares on the capital market. This is achieved by pursuing ongoing and open communication with all market participants. Investor Relations forms an ideal interface between institutional investors, financial analysts and private investors. The Company seeks to justify the confidence placed in it by investors and the public through immediate and transparent communication of its financial results, business transactions, strategy, and risks and opportunities. We are committed to communications principles such as openness, continuity, equal treatment and credibility, which make it possible to develop a long-term rapport based on trust with market participants and to ensure a true and fair view of the Company.

We therefore use online communication as our main form of communications, as this offers the best basis for providing all interested parties with equal access to up-to-date information. Because this information is highly pertinent, Borussia Dortmund maintains an investor relations web-page, "BVB Share" which is available online at www.bvb.de/aktie and <http://aktie.bvb.de/eng>. All annual and interim financial reports are available for download at this site. Mandatory disclosures and announcements under capital market law, such as ad hoc disclosures, corporate news, and manager transactions (formerly directors' dealings) are published here in a timely manner. At the same time, our service provider, EQS Group AG (DGAP), Munich, ensures that these notices are distributed throughout Europe. Further detailed information, such as investor presentations and in-depth

information on implementing the recommendations of the German Corporate Governance Code, is provided on our website. The information is available in German and, for the most part, in English as well.

Another objective of ours in financial year 2017/2018 was to continue to foster communication with the capital markets. The Annual Press Conference on the preliminary figures of the 2016/2017 financial year was held in Dortmund on 25 August 2017. The Company also held an analyst conference on the same day in Frankfurt am Main. Borussia Dortmund also gave a company presentation and held several one-on-one meetings at the German Equity Forum in Frankfurt am Main on 28 November 2017. Lastly, the Company held group and one-on-one meetings with capital market representatives during the reporting period and held roadshows on 5 October 2017 in London, United Kingdom, on 8 February 2018 in Edinburgh, United Kingdom, from 5 to 7 March 2018 in New York, USA, on 5 June 2018 in Paris, France, and on 15 June 2018 in Zurich, Switzerland.

The Company is also pleased to be included in the research coverage of the following firms:

- Bankhaus Lampe KG, Düsseldorf
Most recent research update: 1 February 2018,
Recommendation: "Buy" (previously: "Buy")
- ODDO BHF AG, Frankfurt am Main
Most recent research update: 22 February 2018,
Recommendation: "Neutral" (previously: "Neutral")
- GSC Research GmbH, Düsseldorf
Most recent research update: 12 April 2018,
Recommendation: "Buy" (previously: "Buy")
- Edison Research Investment Ltd., London, UK
Most recent research update: 11 June 2018,
Recommendation: "n/a"

Individual studies and research updates are available online at www.bvb.de/aktie and <http://aktie.bvb.de/eng> under "BVB Share", sub-heading "Capital Market View".

ODDO BHF AG, Frankfurt am Main, was our Company's designated sponsor during the reporting period.

CORPORATE GOVERNANCE DECLARATION PURSUANT TO § 289f HGB

Pursuant to § 289f of the German Commercial Code (*Handelsgesetzbuch*, "HGB"), listed German stock corporations (*Aktiengesellschaften*) must prepare a corporate governance declaration. This declaration includes the declaration of conformity with the German Corporate Governance Code, and presents

the corporate governance practices and the working principles of the management and the Supervisory Board and its committees. The corporate governance declaration is not included in the management report and is instead published online at <http://aktie.bvb.de/eng>.

CORPORATE GOVERNANCE REPORT

Borussia Dortmund GmbH & Co. KGaA (the "Company") believes it is essential for corporate governance to be clearly structured and effective. Corporate governance embodies a responsible and transparent system of checks and balances designed to ensure a continued focus on sustainable value creation. Efficient cooperation between the management and the Supervisory Board,

the preservation of shareholder interests, and open and transparent corporate communications are vital aspects of sound corporate governance. This is the guiding principle for the Company's Supervisory Board and for the management of Borussia Dortmund Geschäftsführungs-GmbH in its capacity as the general partner of Borussia Dortmund GmbH & Co. KGaA.

GENERAL INFORMATION ON CORPORATE GOVERNANCE AT BORUSSIA DORTMUND GmbH & Co. KGaA

German stock corporation law sets out the statutory framework of corporate governance. Pursuant to § 161 AktG, the executive board and the supervisory board of a listed company are required to submit each year a declaration as to whether and to what extent that company has complied (retrospective) or will comply (forward-looking) with the recommendations of the "Government Commission of the German Corporate Governance Code" contained in the German Corporate Governance Code ("Code") as published in the official section of the electronic Federal Gazette. Although companies may opt to deviate from the Code, they are then obligated to disclose this on an annual basis, providing an explanation for their non-compliance ("comply or explain"). This option exists to ensure that companies are able to meet industry- or company-specific requirements. A well-founded deviation from a recommendation of the Code may be in the interest of sound corporate governance.

The Code is generally reviewed once annually and amended as required. It reflects basic statutory guidelines concerning the management and supervision of listed German companies as well as internationally and nationally recognised standards for sound and responsible corporate governance. In addition to formulating best practices for management, the Code is intended to ensure that corporate governance in Germany is transparent and open to scrutiny and to promote confidence in the management and supervision of listed German companies amongst international and national investors, customers, employees and the public.

Although a large number of the Code's recommendations (expressed using the word "shall") are intended exclusively for German stock corporations

(Aktiengesellschaft, "AG"), they may also be applied mutatis mutandis to partnerships limited by shares (Kommanditgesellschaft auf Aktien, "KGaA"), i.e., our Company as well.

A KGaA is a hybrid corporate form combining elements of a German stock corporation and a limited partnership (Kommanditgesellschaft). It is a separate legal entity whose share capital is divided into shares which are held by at least one shareholder (the general partner) that has unlimited liability against creditors of the Company and limited partners (Kommanditaktionäre) that are not personally liable for the debts of the company (§ 278 (1) AktG).

The key differences between a KGaA and a German stock corporation can be characterised as follows:

- Borussia Dortmund GmbH & Co. KGaA does not have an executive board. Instead, the general partner, Borussia Dortmund Geschäftsführungs-GmbH, is solely responsible for its management and representation. This German limited liability company (Gesellschaft mit beschränkter Haftung, "GmbH") is in turn represented by one or more managing directors; its sole shareholder is Ballspielverein Borussia 09 e.V. Dortmund.
- The rights and duties of the KGaA's Supervisory Board, which is appointed by the Annual General Meeting, are limited. Specifically, it has no authority to appoint and dismiss Managing Directors of Borussia Dortmund Geschäftsführungs-GmbH or to stipulate the terms of their service agreements. Nor is the Supervisory Board authorised to adopt internal rules of procedure or a list of transactions requiring its consent on behalf of the general partner. Rather, such rights and duties are vested in the governing bodies of Borussia Dortmund

Geschäftsführungs-GmbH, namely its Advisory Board and the Executive Committee created by the Advisory Board.

- Additional features specific to the KGaA's Annual General Meeting are set forth primarily in §§ 285 and 286 (1) AktG and in the Company's Articles of Association.

As a consequence, a Declaration of Conformity in accordance with § 161 AktG must be submitted by the management of the general partner and the Supervisory Board of Borussia Dortmund GmbH & Co. KGaA, taking into account the specific characteristics of the KGaA's legal form and the provisions of the Articles of Association. The Declaration of Conformity must be made permanently available to shareholders on the Company's website. It is published on the investor relations website, <http://aktie.bvb.de/eng>, under "Corporate Governance". The Declaration of Conformity submitted in September 2018 is an integral component of the Corporate Governance Declaration, and is also printed in the Notes to this report.

The Company's Corporate Governance Report presented here is published in the Annual Report for the 2017/2018 financial year, which is available for download from our investor relations website <http://aktie.bvb.de/eng>, under "Publications".

Transparency

The Company provides the limited partners, shareholders' associations, financial analysts and the general public regular notifications regarding the position of the Company and on material business developments.

In particular, we publish ad hoc disclosures and corporate news on our website, as well as voting rights notifications and managers' transactions notifications submitted to us, information on the shareholder structure, the current version of the Articles of Association and the financial calendar.

The financial calendar includes the dates for key Company events, and can be accessed online at <http://aktie.bvb.de/eng>, under "Financial Calendar".

As in previous years, the Annual Press Conference on the "preliminary" figures of the previous financial year

will be streamed live so that the general public may watch the conference online in real time.

The previous year's Annual General Meeting was convened in due and proper form and held on 27 November 2017. In compliance with the German Corporate Governance Code, the reports and documents required by law were made available for inspection; these were given to the limited liability shareholders upon request and were published on the Company's website together with the agenda. The resolutions on all agenda items were approved, with votes in favour ranging between 99.86% and 99.99% of the votes cast.

The next Annual General Meeting of Borussia Dortmund GmbH & Co. KGaA will take place on 26 November 2018 in Dortmund.

The half-yearly and other interim financial reports shall be published at the intervals recommended in the Code. The Company will provide further details via ad hoc announcements. The consolidated financial statements, the Group management report and the interim financial reports are prepared in accordance with International Financial Reporting Standards (IFRSs) as adopted by the member states of the EU. The annual financial statements and management report of Borussia Dortmund GmbH & Co. KGaA were and will continue to be prepared in accordance with the provisions of the German Commercial Code (*Handelsgesetzbuch*, "HGB") and the German Stock Corporation Act (*Aktiengesetz*, "AktG").

Our Company stands for more than "just" football and takes its corporate social responsibility into account. As a consequence, we published our first voluntary sustainability report on 22 December 2017. The report covered the 2016/2017 financial year, i.e. the period from 1 July 2016 to 30 June 2017, and was based on the Global Reporting Initiative (GRI) Standards (Core option). The sustainability reports for subsequent financial years will contain a separate non-financial Group report pursuant to § 315b (3) HGB, the first of which was prepared for the 2017/2018 financial year. The sustainability reports are published online at aktie.bvb.de/eng under "Corporate Governance", sub-heading "Sustainability Report".

Moreover, we publish analysts' recommendations and research studies on our website <http://aktie.bvb.de/eng>, under "BVB Share", sub-heading "Capital Market View", in order to facilitate communication with market participants.

Customers, fans and the public alike can also find additional information on the Company – including e.g. CVs and overviews of the key duties of Supervisory Board members as well as further information on the managing directors of the general partner – at <http://aktie.bvb.de/eng>.

A considerable number of publications on our website have been and will continue to be made available in English.

In accordance with section 5.4.2 of the German Corporate Governance Code, the Supervisory Board shall include what it considers an adequate number of independent members, thereby taking into account the shareholder structure. In assessing independence, the Code states that Supervisory Board members are to be considered non-independent in particular if they have a personal or business relationship with the corporation, its governing bodies, a controlling (limited liability) shareholder or a company affiliated with the controlling (limited liability) shareholder that may cause a substantial and not merely temporary conflict of interest. The Supervisory

Board of Borussia Dortmund GmbH & Co. KGaA believes that it is sufficient and adequate for at least a third of the nine members it comprises (i.e. three members) to be independent within the meaning of the German Corporate Governance Code. The Supervisory Board classifies all of its current members (Ms Silke Seidel, Mr Bernd Geske, Mr Bjørn Gulden, Mr Christian Kullmann, Mr Ulrich Leitermann, Dr Reinhold Lunow, Dr Werner Müller, Mr Gerd Pieper and Mr Peer Steinbrück) as independent within this meaning.

The Notes to the financial statements and the management report contain disclosures on the remuneration of the general partner and the members of the Supervisory Board, and the Annual Report contains disclosures on the ownership of Company shares by the general partner and members of its management and by the members of the Supervisory Board. Due to the specific characteristics of the KGaA legal form, there exists no obligation to disclose the remuneration of individual Managing Directors of the general partner of the Company, Borussia Dortmund Geschäftsführungs-GmbH, as would normally be the case for the members of the executive boards of listed German stock corporations. Nonetheless, we have presented the remuneration of individual Managing Directors in the notes to the annual and consolidated financial statements on a voluntary basis.


Dortmund, 10. September 2018

On behalf of the Supervisory Board



Gerd Pieper
Chairman

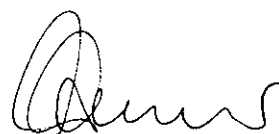
On behalf of Borussia Dortmund Geschäftsführungs-GmbH



Hans-Joachim Watzke
Managing Director (Chairman)



Thomas Treß
Managing Director



Carsten Cramer
Managing Director

DECLARATION OF CONFORMITY BY THE MANAGEMENT AND BY THE SUPERVISORY BOARD OF BORUSSIA DORTMUND GMBH & Co. KGaA IN ACCORDANCE WITH § 161 AktG DATED 10 SEPTEMBER 2018

In accordance with § 161 AktG, the management of the general partner (Borussia Dortmund Geschäftsführungs-GmbH) and the Supervisory Board of Borussia Dortmund GmbH & Co. KGaA declare that since the last Declaration of Conformity was submitted on 11 September 2017, Borussia Dortmund GmbH & Co. KGaA has and will continue to comply with the recommendations of the German Corporate Governance Code (the "Code") as amended on 7 February 2017 (published in the Federal Gazette (*Bundesanzeiger*) on 24 April 2017 and amended on 19 May 2017), with the exception of the following deviations due to certain specific characteristics of the KGaA legal form and the provisions of the Articles of Association of the Company:

Re section 3.8 (3):

The D&O policy does not include a deductible; there is no intention to change this because, to our understanding, the negotiation of a deductible will neither influence the behaviour of the members of the executive bodies nor would it provide appropriate motivation.

Re section 4.1.3 sentence 2:

The recommendation to disclose the main features of the Compliance Management System was complied with from 22 December 2017 in the past financial year as part of the voluntary sustainability report for the 2016/2017 season. Going forward, the intention is to present this information in the separate non-financial Group report pursuant to § 315b (3) of the German Commercial Code (*Handelsgesetzbuch*, "HGB").

Re section 4.1.3 sentence 3 first half-sentence:

In accordance with this recommendation, appropriate measures must be in place that allow employees to report any violations of the law within

the Company, without fear of retaliation. This is generally known as a whistleblower system and guarantees that employees within the Group can anonymously, or in a manner that safeguards the confidentiality of their identity, report certain violations (e.g., an anonymous electronic communications platform). Previously, no such whistleblower system was in place at the Company nor does the management currently intend to establish such a system. The Company already had and continues to have what it considered and considers to be appropriate and reasonable measures in place that allow employees to report – confidentially, if necessary – any violations of the law or internal Company guidelines. Apart from the fact that the Company is not legally obligated to establish a whistleblower system, the Company also considered in particular the potential drawbacks of a whistleblower system, namely the risk that such system could be misused and create an atmosphere of mistrust that adversely affects the corporate culture and employee morale.

Re section 4.2.1 sentence 2:

The Supervisory Board of Borussia Dortmund GmbH & Co. KGaA has no authority to appoint and dismiss Managing Directors of Borussia Dortmund Geschäftsführungs-GmbH or to stipulate the terms of their service agreements; this is incumbent upon the Executive Committee of Borussia Dortmund Geschäftsführungs-GmbH. Its managing directors are Hans-Joachim Watzke (since February 2005, CEO since January 2006), Thomas Treß (since January 2006) and Carsten Cramer (since March 2018). The managing directors' areas of responsibility have been sufficiently defined in their service agreements; moreover, the Managing Directors exercise the authority granted to them by law and the Articles of Association jointly and in close cooperation with

each other. Therefore, the relevant executive bodies of Borussia Dortmund Geschäftsführungs-GmbH have considered and continue to consider it unnecessary to stipulate additional rules of procedure for the management.

Re section 4.2.2 (2) sentence 3:

Article 7 of Borussia Dortmund GmbH & Co. KGaA's Articles of Association stipulates that the general partner has a right to reimbursement of the staff and materials expenses incurred by it in the course of managing the Company, plus a commission amounting to 3 percent of the net profit for the year generated by the Company. Moreover, as in the past, the Executive Committee of Borussia Dortmund Geschäftsführungs-GmbH (deviation from Supervisory Board responsibility as stipulated in section 4.2.2 (2) sentence 3 due to the Company's legal form) will continue to adopt and regularly review the remuneration and the remuneration system for the Managing Directors.

Re section 4.2.3 (2) sentences 3 and 4 as well as sentence 6, first alternative, and (2) sentence 8:

The remuneration structure for the Managing Directors of Borussia Dortmund Geschäftsführungs-GmbH is adopted by the Executive Committee of Borussia Dortmund Geschäftsführungs-GmbH. As in the past, this will continue to be adopted without the Managing Directors' variable remuneration components having "essentially forward-looking characteristics", without considering negative developments when structuring them and without limiting the sum of the remuneration to a maximum amount; in addition, the Executive Committee will not exclude the possibility of retroactive modifications to performance targets and/or comparison parameters. Given the specific features of the legal form KGaA, the relevant recommendations appear irrelevant to and impracticable for the Company.

Re section 4.2.3 (4) sentences 1 and 2, and (5):

The Code recommends that German stock corporations stipulate severance caps in executive board members' service agreements in the event of early termination of executive board activity or due to early termination of executive board activity due to a change of control. As in the past, the Executive Committee will continue to have decision-making power in relation to the (re-)appointment of the Managing Directors of Borussia Dortmund Geschäftsführungs-GmbH, generally without stipulating severance caps as such, given that due to the specific features of the legal form KGaA and the provisions of the Articles of Association of the Company, the aforementioned recommendations do not appear practicable. However, the Executive Committee does consider the recommendation not to pay members of the executive board in the event of the termination of their service agreements for good cause analogously applicable to the Managing Directors of Borussia Dortmund Geschäftsführungs-GmbH.

Re section 4.2.3 (6):

As in the past, the Chairman of the Supervisory Board will not report to the Annual General Meeting on the fundamentals of the remuneration system or changes thereto because – as mentioned above – the Supervisory Board of Borussia Dortmund GmbH & Co. KGaA has no authority to appoint and dismiss Managing Directors of Borussia Dortmund Geschäftsführungs-GmbH or to stipulate the terms of their service agreements.

Re section 4.2.5 (3) sentences 1 and 2:

As in the past, our Company will not follow the recommendation that the remuneration report include specific, detailed disclosures on each member of the executive board and that the table templates attached to the Code be used for this

information. This is because that the Company does not have an executive board on account of its legal form. Furthermore, due to the specific characteristics of the KGaA legal form, there exists no obligation to disclose the remuneration of individual Managing Directors of the general partner of the Company, Borussia Dortmund Geschäftsführungs-GmbH, as would normally be the case for the members of the executive boards of listed German stock corporations. Nonetheless, we have presented the remuneration of individual Managing Directors in the notes to the annual and consolidated financial statements on a voluntary basis; this appears to be sufficient and appropriate from the perspective of the usefulness of information.

Re section 4.3.3 sentence 4:

Material transactions between the general partner and certain related parties on the one hand, and the Company on the other within the meaning of §§ 89, 112 in conjunction with §§ 278 (3), 283 no. 5 AktG (e.g., the granting of loans) require the consent of the Supervisory Board. In this sense, the Company has complied with the recommendation. Furthermore, the Supervisory Board is not authorised to adopt a list of transactions requiring its prior consent for the general partner or its Managing Directors.

Re section 4.3.4:

Given that the Supervisory Board has no authority to appoint and dismiss Managing Directors of Borussia Dortmund Geschäftsführungs-GmbH or to stipulate the terms of their service agreements, not it but rather the Executive Committee of Borussia Dortmund Geschäftsführungs-GmbH is responsible for consenting to sideline activities of the Managing Directors of the general partner.

Re section 5.1.2 (1) sentences 2 and 4:

Long-term succession planning is the responsibility of the Managing Directors of the Company and –

given that the Supervisory Board has no authority to appoint and dismiss personnel due to the Company's legal form – the Executive Committee of Borussia Dortmund Geschäftsführungs-GmbH. The latter also acts to ensure sufficient diversity when staffing the management.

Re section 5.1.2 (2) sentence 2:

As in the past, the Executive Committee of Borussia Dortmund Geschäftsführungs-GmbH will continue to decide on the reappointment of its Managing Directors, including, even in the absence of special circumstances, prior to the end of one year before the end of the existing term of appointment. Given the specific features of the KGaA legal form and due to the desire for greater flexibility, it is not considered practicable to make any staffing decision based solely on timing and circumstances.

Re section 5.1.2 (2) sentence 3:

As in the past, the Executive Committee of Borussia Dortmund Geschäftsführungs-GmbH will continue to make decisions as to age limits for the Managing Directors of the general partner for upcoming (re-)appointments of Managing Directors, without generally stipulating an age limit to that extent. It is not considered practicable to set any age limits.

Re sections 5.3.1 sentence 1, 5.3.2 and 5.3.3:

As in the past, the Supervisory Board will not set up committees, specifically an audit committee. Going forward, the full Supervisory Board will continue its existing practice of discussing all issues as they arise, specifically with regard to monitoring the bookkeeping, the accounting process, the effectiveness of the internal control system, the risk management system and the internal audit system, the audit of the financial statements as well as compliance. This applies mutatis mutandis to the Supervisory Board's decision not to establish a nominating committee as recommended in the

Code. Moreover, this committee already consists exclusively of shareholder representatives, as required of a nominating committee by the Code.

Re section 5.4.1 (2) sentences 1 and 2 and (4) sentences 1 and 2:

As in the past, the Supervisory Board will neither specify concrete objectives regarding its composition that consider specific issues addressed in the Code (namely "age limits for supervisory board members", "diversity", "the number of independent supervisory board members within the meaning of section 5.4.2", or a "limit on the length of membership"), nor develop a profile of skills and expertise for the entire Supervisory Board. Consequently, these objectives or any implementation thereof was not and is not disclosed in the Corporate Governance Report. The Supervisory Board believes that such limitations are not appropriate vis-à-vis other Supervisory Board member nomination criteria and prefers to decide on proposals relating to its composition in light of specific situations as they arise. Notwithstanding the foregoing, compliance with the requirement, issued by the legislator, that the target proportion of women on the Supervisory Board be defined, remains mandatory (§ 278 (3) and § 111 (5) AktG as well as § 289f (3) and (2) no. 4 HGB).

Re section 5.4.1 (6):

As in the past, when submitting nominations to the Annual General Meeting, the Supervisory Board will not disclose the personal or business relationships between each candidate with the Company, the executive bodies of the Company or any material limited liability shareholder in the Company (i.e., one holding more than 10% of voting shares), because, in its opinion, no secure legal practice

exists with respect to this recommendation and the legal certainty of Supervisory Board elections takes a higher priority than any effort to make legally unnecessary disclosures in connection with nominations.

Re section 5.4.3 sentence 3:

No proposed candidates for the office of Chairman of the Supervisory have been or will be disclosed because the Supervisory Board considers the individual election of its members to be sufficient and a vote at the Annual General Meeting for or against a candidate with respect to their position on the Supervisory Board to be impracticable.

Re section 5.5.3 sentence 1:

As in the past, the Company will continue to reserve the right to not comply with the recommendation that the Supervisory Board reports to the Annual General Meeting on conflicts of interest as they arise and how these are managed. As in the past, the principle of confidentiality of deliberations within the Supervisory Board (see § 116 sentence 2 AktG and section 3.5 (1) sentence 2) will generally continue to take precedence.

Re section 7.1.2 sentence 2:

The Company has not and will not comply with the recommendation that the management and the Supervisory Board discuss any half-yearly and quarterly financial reports or interim financial information prior to their publication because the objective of publishing interim financial reports without delay following their preparation by the management takes precedence. Regardless, the Supervisory Board has discussed and monitored such financial reports, and will continue to do so in the future.

Dortmund, 10. September 2018

On behalf of the Supervisory Board



Gerd Pieper
Chairman

On behalf of Borussia Dortmund Geschäftsführungs-GmbH



Hans-Joachim Watzke
Managing Director (Chairman)



Thomas Treß
Managing Director



Carsten Cramer
Managing Director



MANAGEMENT REPORT

Borussia Dortmund GmbH & Co. Kommanditgesellschaft auf Aktien, Dortmund



**MANAGEMENT REPORT Borussia Dortmund GmbH & Co. Kommanditgesellschaft auf Aktien, Dortmund
for the 2017/2018 financial year**

[hereinafter "Borussia Dortmund" or "Borussia Dortmund GmbH & Co. KGaA"]

BUSINESS TREND

LOOKING BACK ON FINANCIAL YEAR 2017/2018

Super Cup

Borussia Dortmund lost the Super Cup 4:5 on penalties at home to Bundesliga champions FC Bayern Munich.

DFB Cup

In the first round of the DFB Cup, the team won 0:4 against sixth-division club 1. FC Rielasingen-Arlen. After winning its opening round match, the team beat 1. FC Magdeburg 0:5 before being eliminated from the competition by FC Bayern Munich in a 2:1 loss.

Bundesliga

Under the direction of Peter Stöger, Borussia Dortmund ended the 2017/2018 Bundesliga season in fourth place with 55 points behind TSG Hoffenheim, FC Schalke 04 and FC Bayern Munich, thus qualifying directly for the group stage of the UEFA Champions League in the 2018/2019 season.

UEFA Champions League/UEFA Europa League

Borussia Dortmund was eliminated from the UEFA Champions League following two draws and four losses in the group stage. However, by finishing third in the group, the team qualified for the knock-out round of the UEFA Europa League, where it was eliminated by FC Salzburg (1:2 and 0:0) in the round of 16.

FINANCIAL PERFORMANCE

FINANCIAL INDICATORS

Borussia Dortmund KGaA (HGB)

EUR '000	2017/2018 30/06/2018	2016/2017 30/06/2017
Equity	369,193	348,307
Capital expenditure	138,539	104,506
Gross revenue	498,037	356,390
Operating result (EBITDA)	118,726	61,040
Result from operating activities (EBIT)	30,301	51
Financial result (investment income and net interest expense)	-690	7,514
Net profit for the year	26,405	6,339
Cash flows from operating activities	156,861	106,401
Free cash flow	18,391	1,989
Number of shares (in thousands)	92,000	92,000
Earnings per share (in EUR)	0.29	0.07

PERFORMANCE INDICATORS

Various financial and non-financial indicators are used to measure performance. Borussia Dortmund uses these internally-defined performance indicators to guide its entrepreneurial actions and to select the focus of its internal reporting.

Financial performance indicators

Of the numerous financial indicators that are always presented at the beginning of its financial reports, Borussia Dortmund focuses on those specific indicators that in the past few years were primarily used to steer the Company.

First and foremost is sales. Management uses this indicator to internally manage the Company, knowing full well that this indicator alone is not sufficiently meaningful. Nevertheless, it provides a clear indication of the Company's economic strength,

especially when compared against that of competitors or when monitoring the Company's long-term sales trend.

The result from operating activities (EBIT) and net income or loss for the year are also used to manage the Company. These financial performance indicators play a key role in preparing the budget for the coming financial year(s), in interim controlling with respect to the earnings performance and when looking back on a particular financial year.

Another key performance indicator is the operating result (EBITDA). This is due to the high level of investment activity and the associated increase in depreciation, amortisation and write-downs. Therefore, EBITDA (EBIT adjusted for depreciation, amortisation and write-downs) was selected to better benchmark the Company's annual performance.

These indicators are rounded out by cash flows from operating activities, another component used for the Company's internal planning that forms the basis of the Company's strategic alignment. This allows the Company to identify future negative developments and leverage investment potential stemming from current budget surpluses at an early stage.

Beginning in financial year 2017/2018, Borussia Dortmund's free cash flow is now also a financial indicator. Free cash flow is defined as cash flows from operating activities plus cash flows from investing activities and is used in particular to ensure that cash flows from operating activities are sufficient to cover investments.

Non-financial performance indicators

Borussia Dortmund's only non-financial performance indicator is the reach of its brand.

While it is impossible to measure the reach of Borussia Dortmund's brand, it is determined by a number of criteria that, when taken together, are representative of the brand's reach.

Some of these criteria are measurable, while others are not. Nevertheless, they are a reflection of the Company's appeal.

The number of criteria varies and they are thus exchangeable. While any one factor may be of relevance during a given season, this may not necessarily be the case in subsequent years. New media in particular constantly provides new value drivers: for instance, the number of Facebook fans or page impressions represent relatively new indicators.

Measurable criteria include, for example, the number of season tickets sold, attendance figures and television broadcast hours.

Awards, surveys and studies represent possible criteria that cannot be measured quantitatively. Another "soft" criterion is the deliberate selection of sponsors whose products and brand images are aligned with the Borussia Dortmund brand.

Borussia Dortmund's decision-makers receive reports about all criteria on a regular basis. Furthermore, taken as a whole, these are an indicator of the success of the Company's strategic alignment.

DEVELOPMENT OF THE MARKET AND COMPETITIVE ENVIRONMENT IN THE 2017/2018 FINANCIAL YEAR

Sponsorships

At the beginning of the 2017/2018 season, Borussia Dortmund expanded its five-year partnership with Opel Automobile GmbH and the Opel logo featured on Borussia Dortmund's shirt sleeve for the first time during the past financial year. At the start of the past season, clubs were allowed to market this right themselves for the first time. The logo will initially adorn the sleeves of Borussia Dortmund's shirts until 30 June 2022.

New Champion Partners were also found for the 2017/2018 season and beyond. bwin's logo will become a common sight until the end of the 2020/2021 season, and Borussia Dortmund fans can access up-to-the-minute odds and information via the online sports betting company's app and website. ROWE MINERALÖLWERK GMBH also joined Borussia Dortmund's circle of Champion Partners at the beginning of the 2017/2018 season.

At the beginning of the season, Borussia Dortmund extended its partnership with its Champion Partner Hankook Reifen Deutschland GmbH for two further years until 30 June 2019.

The club also struck new Partner-level deals for the coming years. Borussia Dortmund entered into partnerships with IKK classic Körperschaft des öffentlichen Rechts (until 30 June 2022), Fit GmbH (until 30 June 2019) and Infor (Deutschland) GmbH (until 30 June 2019).

Borussia Dortmund also gained new advertising partners at the international level in connection with its tours of Asia in July 2017 and the US in May 2018.

Beginning in the 2018/2019 season, Borussia Dortmund will be the first Bundesliga club to deploy virtual advertising boards for international TV broadcasts at all of its Bundesliga home matches. Virtual advertising refers to the technique of digitally overlaying existing physical advertising boards in stadiums so that advertisers can target different TV audiences in different regions. DFL Deutsche Fußball Liga GmbH has already approved the technical systems that Borussia Dortmund will use.

Big names in Dortmund

Peter Bosz and his assistants, who took the reins of the team in the summer of 2017, parted ways with the club in December 2017. Borussia Dortmund replaced Peter Bosz with Peter Stöger, who had previously coached 1. FC Cologne. His assistants were Manfred Schmid and Jörg Heinrich. Peter Stöger and his coaching team signed fixed-term contracts until 30 June 2018.

Lucien Favre will become Borussia Dortmund's new head coach at the beginning of the 2018/2019 season. The 60-year-old Swiss tactician, who joins Borussia Dortmund from Ligue 1 club OGC Nice, signed a two-year contract. However, Lucien Favre is by no means a newcomer to the Bundesliga, having previously coached Hertha BSC Berlin and VfL Borussia Mönchengladbach.

Lucien Favre will be joined by Edin Terzic, who previously worked as a scout for Borussia Dortmund as well as an assistant coach of the U19 team and later as the club's U16 head coach. Manfred Stefes, who had worked together with Favre while at Borussia Mönchengladbach, will also join as an assistant coach.

The coaching staff will be rounded out by Matthias Kleinsteiber, who will replace Wolfgang "Teddy" de Beer as the club's goalkeeping coach after 17 years. Wolfgang de Beer joined Borussia Dortmund 32 years ago and was part of the team that won the Bundesliga in 1995 and 1996 and then the UEFA Champions League and Intercontinental Cup in 1997. He will continue to serve the club off the pitch. Roman Weidenfeller, one of de Beer's protégés, will also continue to serve Borussia Dortmund after hanging up his boots. Weidenfeller stood in goal a total of 452 competitive matches and will be one of Borussia Dortmund's brand ambassadors at the start of the new season.

Patrick Owomoyela also returned to Borussia Dortmund this past season as a brand ambassador. And yet another familiar face is returning after three years: Sebastian Kehl. The ex-Germany inter-

BORUSSIA DORTMUND GmbH & Co.
Kommanditgesellschaft auf Aktien, Dortmund

national ended his playing career in 2015, having previously captained the club to the Bundesliga title and then to the domestic double in 2012. Since retiring, he has received extensive management training. On 1 June 2018, he became the new Head of the Professional Squad and will assist sporting director Michael Zorc and his team. Michael Zorc signed an early contract extension until 30 June 2021.

The course for Borussia Dortmund's future was also set at an early stage at the management level. The Executive Committee of the Advisory Board of Borussia Dortmund Geschäftsführungs-GmbH, chaired by Dr Reinhard Rauball, resolved in February 2018 to extend the terms of the agreements with Managing Directors Hans-Joachim Watzke (31 December 2022) and Thomas Treß (30 June 2022). The committee appointed Carsten Cramer, the former Director for Sales & Marketing, as a further managing director as at 1 March 2018. His service agreement as a managing director runs until 30 June 2022. Mr Cramer, who to date has served as commercial attorney-in-fact, will be responsible for the "Digitalisation" and "Sales & Marketing" divisions going forward.

Several early contract extensions for the professional squad were also announced in the 2017/2018 season.

The club extended its contracts with Roman Bürki (30 June 2021), Shinji Kagawa (30 June 2020), Marco Reus (30 June 2023) and Łukasz Piszczek (30 June 2020).

Felix Passlack also signed an early contract extension until 30 June 2021 and was immediately loaned to TSG Hoffenheim until 30 June 2018.

Borussia Dortmund loaned Dženis Burnić and Jacob Bruun Larsen to Bundesliga rivals VfB Stuttgart until 30 June 2018 to gain match experience.

While several players signed contract extensions, others chose to leave Borussia Dortmund.

At his own request, Sven Bender transferred to Bundesliga rivals Bayer 04 Leverkusen at the beginning of the 2017/2018 season. The club also reached an agreement with FC Barcelona on the transfer of Ousmane Dembélé, while striker Pierre-Emerick Aubameyang transferred to Arsenal FC.

Neven Subotić left Borussia Dortmund after almost ten years and now plies his trade in France's Ligue 1 with AS Saint-Étienne. In addition, Marc Bartra asked that his contract be annulled and moved back home to Spain during the winter transfer window and now plays for Real Betis.

Emre Mor also transferred to Spain and now plays for Real Club Celta de Vigo S.A.D.

Mikel Merino Zazón transferred to Newcastle United in the English Premier League.

During the 2018 summer break, Borussia Dortmund reached an agreement with VfB Stuttgart on the transfer of Gonzalo Castro and annulled his contract early.

In addition to these departures and loans, Borussia Dortmund also signed new players. Jeremy Toljan, Jadon Sancho, Sergio Gómez, Manuel Akanji, Mahmoud Dahoud, Ömer Toprak, Maximilian Philipp, Dan-Axel Zagadou and Andriy Yarmolenko rounded out the squad.

Michy Batschuayi strengthened the team after joining Borussia Dortmund on loan from Premier League heavyweights FC Chelsea until 30 June 2018.

In May 2018, Borussia Dortmund further strengthened its squad for the upcoming 2018/2019 season by signing Marius Wolf from DFB Cup champions Eintracht Frankfurt to a five-year contract.

Goalkeeper Marwin Hitz will join Borussia Dortmund from FC Augsburg in the upcoming season, having signed a contract until 30 June 2021.

Borussia Dortmund also signed Denmark international Thomas Delaney from Bundesliga rivals SV Werder Bremen. His contract runs until 30 June 2022.

The club also signed 22-year-old defender Abdou Diallo from 1. FSV Mainz 05 to a five-year deal.

Other business

Borussia Dortmund and its longstanding partner Lagardère Sports Germany GmbH extended their agency licencing agreement early until 30 June 2026 at significantly more favourable terms. Lagardère Sports Germany GmbH will continue to market Borussia Dortmund's advertising, media and hospitality rights in Germany and abroad.

In December 2017, Borussia Dortmund published its inaugural Sustainability Report. The report, which Borussia Dortmund prepared voluntarily in advance of what will become mandatory CSR reporting requirements during the current financial year, presents both the potential and the challenges of the social and environmental issues facing the club.

The annual work surrounding the organisation and processing of season ticket sales begins at the end of the season. Borussia Dortmund heeded the calls for greater transparency by publishing a wait list. Furthermore, due to the steady demand for the limited number of season tickets, the decision was made to only allow season tickets to be

transferred between family members (first- and second-degree relatives) and to close the wait list to new applicants. Beginning with the new season, Borussia Dortmund will also check to see which season tickets are regularly used and will record the number of no-shows per season ticket.

At the same time, Borussia Dortmund increased the total number of season tickets by 500 for the new 2018/2019 season. Including the 242 season tickets that were not renewed, a total of 742 new season tickets will therefore be issued.

Beginning in the coming 2018/2019 season, the video assistant will officially be used at all Bundesliga matches. The respective resolution was adopted by the Bundesliga clubs at a Members' Meeting of DFL e.V. The test phase was concluded at the end of the financial year.

DFL Deutsche Fußball Liga GmbH issued Borussia Dortmund the licence for the 2018/2019 Bundesliga season without imposing any restrictions or requirements.

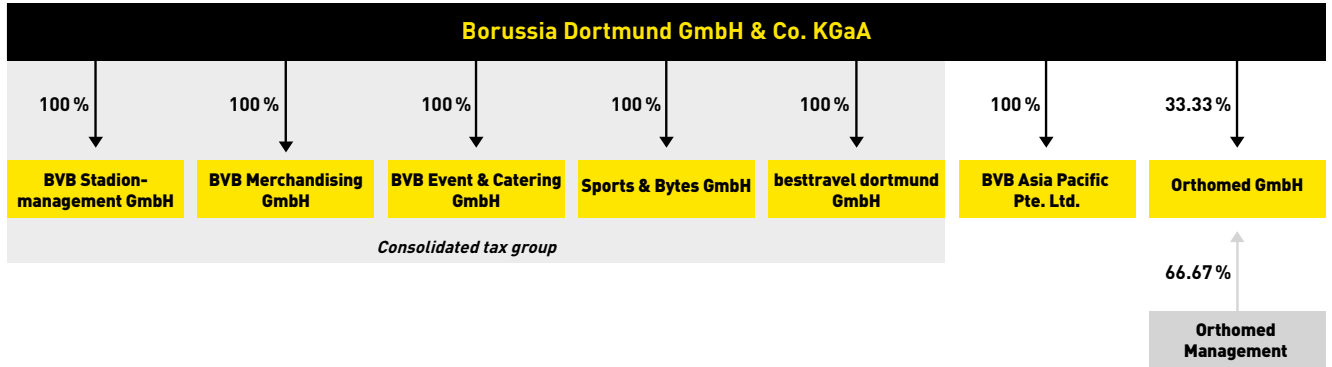
GENERAL INFORMATION ABOUT THE COMPANY

GROUP STRUCTURE AND BUSINESS OPERATIONS

In addition to its core activities of playing football and marketing SIGNAL IDUNA PARK, Borussia Dortmund has established football-related lines of business. The Company currently holds indirect and direct equity investments in the following companies: BVB Stadionmanagement GmbH (100.00%), Sports & Bytes GmbH (100.00%), BVB Merchandising GmbH

(100.00%), BVB Event & Catering GmbH (100.00%), BVB Asia Pacific Pte. Ltd. (100.00%), besttravel dortmund GmbH (100.00%) and Orthomed GmbH (33.33%).

Some of these companies have concluded profit and loss transfer agreements with the parent.

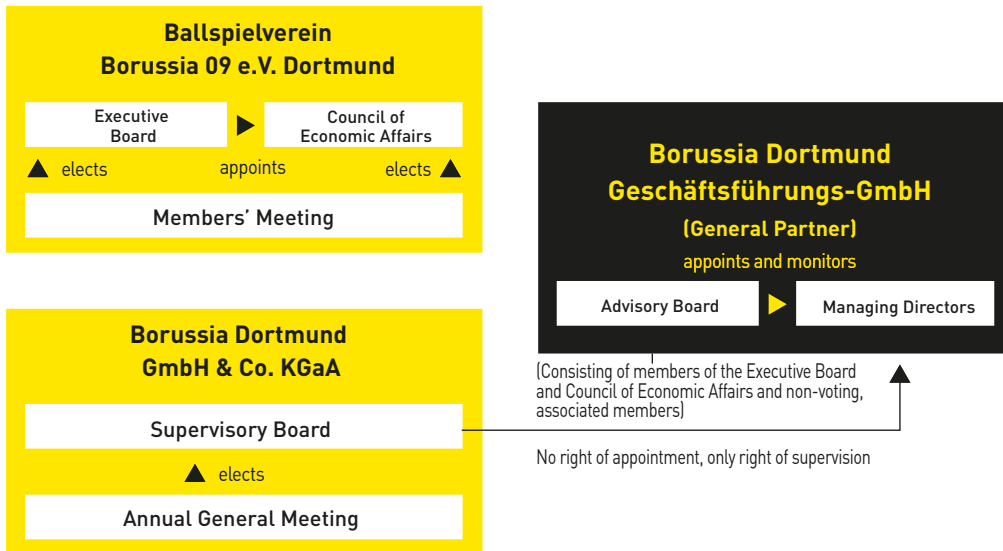


ORGANISATION OF MANAGEMENT AND CONTROL

Borussia Dortmund Geschäftsführungs-GmbH, the general partner of Borussia Dortmund GmbH & Co. KGaA, is responsible for management and representation of the latter. Borussia Dortmund Geschäftsführungs-GmbH is for its part represented by Managing Directors Hans-Joachim Watzke (Chairman), Thomas Treß and Carsten Cramer; its

sole shareholder is Ballspielverein Borussia 09 e.V. Dortmund.

The following chart shows the structures and responsibilities as between Ballspielverein Borussia 09 e.V. Dortmund, Borussia Dortmund GmbH & Co. KGaA and Borussia Dortmund Geschäftsführungs-GmbH:



The Supervisory Board of Borussia Dortmund GmbH & Co. KGaA, which is appointed by the Annual General Meeting, has limited rights and duties. It has no authority with respect to matters involving personnel, i.e., no authority to appoint and dismiss managing directors at Borussia Dortmund Geschäftsführungs-GmbH or to stipulate the terms of their contracts. Nor is the

Supervisory Board authorised to adopt internal rules of procedure or to define a list of transactions requiring its consent on behalf of the general partner. Rather, such rights and duties are vested in the governing bodies of Borussia Dortmund Geschäftsführungs-GmbH, namely its Advisory Board and the Executive Committee created by the Advisory Board.

The names of the current members of the Company's Supervisory Board, their right to remuneration, their occupations and their further responsibilities on other management bodies are listed below:

SUPERVISORY BOARD of Borussia Dortmund GmbH & Co. Kommanditgesellschaft auf Aktien, Dortmund

Gerd Pieper	Peer Steinbrück	Bernd Geske	Christian Kullmann	Dr. Werner Müller	Ulrich Leitermann	Bjørn Gulden	Dr. Reinhold Lunow	Silke Seidel
Chairman				Deputy Chairman				

RIGHT TO REMUNERATION 2017/2018 (EUR '000)

24	12	12	12	18	12	12	12	12
----	----	----	----	----	----	----	----	----

OCCUPATIONS [as at 30 June 2018]

Managing shareholder of Stadt-Parfümerie Pieper GmbH, Herne	Senior Advisor to the Management Board of ING-DiBa AG, Frankfurt am Main	Managing partner of Bernd Geske Lean Communication, Meerbusch	Chairman of the Executive Board of Evonik Industries AG, Essen	German Finance Minister (ret.)	Chairman of the Managing Boards of group parent companies of the SIGNAL IDUNA Group, Dortmund (SIGNAL Krankenversicherung a.G., Dortmund; SIGNAL IDUNA Lebensversicherung a.G., Hamburg; SIGNAL IDUNA Unfallversicherung a.G., Dortmund)	Chief Executive Officer of PUMA SE, Herzogenaurach	Medical Director of Praxisklinik Bornheim, Bornheim	Senior Executive at Dortmunder Stadtwerke AG and Managing Director of Hohenbuscher Beteiligungsgesellschaft mbH, Westfalentor 1 GmbH and Dortmund Logistik GmbH, all in Dortmund
---	--	---	--	--------------------------------	--	--	---	--

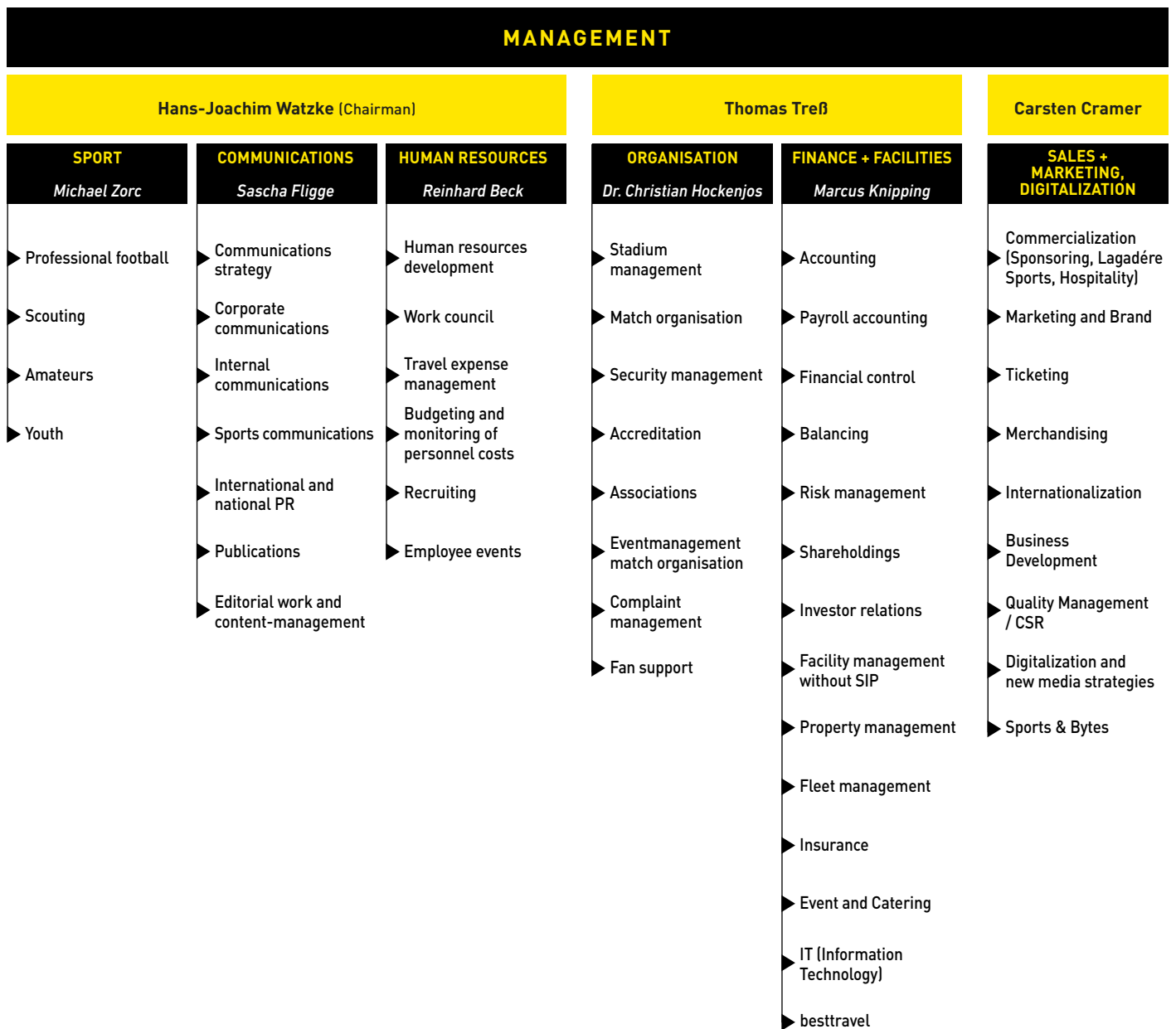
OTHER FUNCTIONS on statutory supervisory boards and comparable German or foreign supervisory bodies of commercial enterprises [as at 30 June 2018]

Member of the Advisory Board of Borussia Dortmund GeschäftsführungsgmbH, Dortmund	Chairman of the Supervisory Board of Clear-VAT Aktiengesellschaft, Berlin	Member of the Supervisory Board of Contilia GmbH, Essen	Member of the Board of Directors of Stadler Rail AG, Bussnang, Switzerland	Member of the Supervisory Board of the Supervisory Board of Dortmund Volksbank eG, Dortmund	Member of the Supervisory Board of Dansk Supermarked A/S, Højbjerg, Denmark	Member of the Supervisory Board of Borussia Dortmund GeschäftsführungsgmbH, Dortmund
		Chairman of the Supervisory Board of Sana Kliniken AG, Ismaning	Chairman of the Supervisory Board of Evonik Industries AG, Essen (until 23 May 2018)	Member and Chairman of the Supervisory Board of the Supervisory Board of Sana Kliniken AG, Ismaning	Member of the Supervisory Board of Tchibo GmbH, Hamburg	
			Chairman of the Supervisory Board of RAG Aktiengesellschaft, Herne (until 23 May 2018)		Member of the Supervisory Board of Pandora A/S, Copenhagen, Denmark	
			Chairman of the Supervisory Board of RAG Deutsche Steinkohle AG, Herne (until 23 May 2018)			
			Chairman of the Supervisory Board of Entwicklungsgesellschaft Zollverein mbH, Essen (until 28 February 2018)			

Within Borussia Dortmund GmbH & Co. KGaA there are six independent functional areas below the management level, namely, "Sports", "Sales & Marketing", "Communications", "Human Resources",

"Organisation" and "Finance & Facilities". The responsible employees and the functional organisational areas of which they are in charge are shown in the chart below:

Funktionsbereiche der Borussia Dortmund GmbH & Co. Kommanditgesellschaft auf Aktien, Dortmund



INTERNAL MANAGEMENT AND CONTROL SYSTEM

Sports management

Despite our financially stable results, we will continue to focus on achieving success on the pitch in future under a budget tuned for performance. To accomplish this objective, Borussia Dortmund will continue to put together a competitive team in future with an emphasis on young, promising players.

Our sporting objectives will be aligned with our financial circumstances, meaning that the makeup of the squad and its cost structure will continue to depend on calculable variables on the income side. Qualifying for and participating in international competitions has provided the financial flexibility to reinforce the squad – with the goal of also establishing a presence in European competitions going forward.

Financial management

Borussia Dortmund uses the result from operating activities and the operating result as indicators for measuring the economic success of the Company. Borussia Dortmund derives its result from operating activities from earnings before interest and taxes (EBIT) and its operating result from earnings before interest, taxes and depreciation and amortisation (EBITDA). The Company continuously monitors both the operating result (EBITDA) and the result from operating activities (EBIT) of the segments on the basis of monthly comparisons of the budgeted and actual figures. To optimise these indicators, the main factors to be leveraged are sales, which can be additionally improved in the major sales categories of match operations, advertising, transfer deals and TV marketing, and operating expenses, which can be lowered through disciplined management.

A key goal of the management of Borussia Dortmund is to achieve a lasting increase in profitability along with bolstering its financial strength. In addition to steadily improving the operating result (EBITDA) and the result from operating activities (EBIT), a positive free cash flow is therefore the most important financial objective of our Company. We seek to optimise these cash flows.

In the coming years, Borussia Dortmund will concentrate on generating steady sales growth while limiting operating expenditure. The decisive factor in this respect will be qualifying for international competitions.

Capital management

The capital management responsibilities of the Company's management involve stabilising and increasing the equity of Borussia Dortmund. One of the main ways in which we will reach these objectives is by improving the operating result and making effective investments.

The management uses the result from operating activities (EBIT), the operating result (EBITDA) and the net profit/loss for the year to manage the Company.

CORPORATE STRATEGY

Borussia Dortmund pursues the objective of defending its position in the top flight of the Bundesliga and sees itself well on the way to accomplishing that goal.

As the first and thus far only listed German football company, we have expanded our financial base by exclusively marketing the rights to SIGNAL IDUNA PARK as well as by utilising and maintaining the Borussia Dortmund brand more effectively. The Company will continue to focus heavily on its core business of professional football and the sport's classic sales pillars: TV marketing, advertising, match operations, transfer deals, conference, catering and miscellaneous activities, and merchandising. Borussia Dortmund is confident that it will be able to further stabilise and expand its position for the following reasons:

- Borussia Dortmund is in sporting terms one of the most successful, well known and popular German football clubs with an outstanding fan base that gives it one of the highest average spectator numbers in Europe.
- A football enterprise can be financially successful only if it enjoys sporting success over the long term. In order to make its financial performance less dependent on short-term sporting success in the future, Borussia Dortmund will push ahead further with the national and international marketing of its brand name.

- Germany continues to be one of Europe's largest football markets, although it lags behind certain other European markets, such as the UK, in terms of media exploitation rights. This means that Germany has major growth potential.

All financial activities of Borussia Dortmund are geared towards the target groups relevant to a football club: its fans, members and business partners. Products and services should be tailored to these groups as closely as possible. Borussia Dortmund intends to use the brand potential at its disposal to take full advantage of the commercial opportunities inherent in professional club football at an international level.

Its current business strategy can principally be summarised as follows:

- Sustainably adjusting athletic prospects
- Intensifying the promotion of up-and-coming talent
- Increasing fan involvement
- Utilising and maintaining the Borussia Dortmund brand

Financial performance and business development are dependent on footballing success. Since footballing success is difficult to plan, the best that management can do is to create a solid foundation for success. Investments, particularly in the professional squad, are therefore a necessary

prerequisite for achieving footballing objectives such as qualifying for the UEFA Champions League. However, in order to meet financial objectives, planned investments and decisions must under certain circumstances be postponed to the extent these would only be possible by incurring new debt. Moreover, a player might be sold based on financial considerations in cases where this would not have happened had the decision been made purely on the basis of sporting criteria.

Thus a conflict arises between the pursuit of financial interests and sporting interests, i.e., a situation in which sporting considerations and financial considerations may be at odds with each other, particularly if the club continually falls short of its sporting goals. In such cases, management weighs the opportunities and risks to find a solution that does adequate justice to the Company's strategic objectives.

Advertising plays a key role in this context. Over the years, advertising has grown to become one of the Company's largest income categories. In contrast to central TV marketing, where distribution is already clearly defined in advance, Company management is itself able to determine the requirements for and direction of sponsoring activities and, if necessary, modify the strategy implemented as circumstances change. The key figures for the sponsoring segment were already

budgeted for the coming years based on commitments from SIGNAL IDUNA Group (ending 2026), Evonik Industries AG (ending 2025) and PUMA International Sports Marketing B.V. (ending 2020), the Company's chief partners.

Income from international competitions is more difficult to budget for, since it depends solely on the squad's footballing success.

The net profit for the year and targeted investments in the professional squad are expected to result in a stable, positive free cash flow.

POSITION OF THE COMPANY

DEVELOPMENT OF PERFORMANCE INDICATORS

Development of financial performance indicators

In the 2017/2018 financial year, Borussia Dortmund's financial performance indicators – sales, result from operating activities (EBIT), operating result (EBITDA), net income/net loss for the year and cash flows from operating activities – were as follows:

Sales

Sales amounted to EUR 494,972 thousand in the reporting period. In the Annual Report as at 30 June 2017, Borussia Dortmund forecast sales of EUR 300,000 thousand for the current financial year. This forecast was exceeded significantly on the back of unexpectedly high transfer income.

Operating result (EBITDA)

The operating result in the current financial year amounted to EUR 118,726 thousand; the forecast for the full financial year in the Annual Report dated 30 June 2017 had projected EBITDA to exceed the result from operating activities (EBIT) by approximately EUR 63,000 thousand; this would have corresponded to EBITDA of EUR 93,301 thousand for the 2017/2018 financial year. This forecast was exceeded significantly on the back of unexpectedly high transfer income.

Result from operating activities (EBIT)

The result from operating activities for the period from 1 July 2017 to 30 June 2018 amounted to EUR 30,301 thousand and the net income for the year totalled EUR 26,405 thousand.

The report on expected developments dated 30 June 2017 forecasted net income and result from operating activities (EBIT) in the low seven-figure range for the full financial year. This forecast was exceeded significantly on the back of unexpectedly high transfer income.

Cash flows

Cash flows from operating activities amounted to EUR 156,861 thousand (previous year: EUR 106,401 thousand). The management's forecast as at 30 June 2017 was for cash flows from operating activities in the low eight-figure range. The increase is largely attributable to changes to the statement of cash flows.

Free cash flow

Free cash flow at the end of the 2017/2018 financial year amounted to EUR 18,391 thousand (previous year: EUR 1,989 thousand). No forecast had been available at as 30 June 2017 due to the fact that free cash flow was introduced as a financial indicator during the financial year.

Overview of financial performance indicators:

Borussia Dortmund KGaA (HGB)

EUR '000	2017/2018	2016/2017
Sales	494,972	352,591
Operating result (EBITDA)	118,726	61,040
Result from operating activities (EBIT)	30,301	51
Net income for the year	26,405	6,339
Cash flows from operating activities	156,861	106,401
Free cash flow	18,391	1,989

Development of non-financial performance indicators

The Borussia Dortmund brand has been defined as a non-financial performance indicator. Commercial success, brand awareness and popularity are very much mutually dependent. Therefore, Borussia Dortmund places great importance on monitoring and promoting non-financial indicators in addition to financial indicators. Consequently, Borussia Dortmund actively manages its brand in order to enhance its profile in Germany and abroad. Borussia Dortmund was Germany's leading brand manager once again this year. For the sixth year running, Braunschweig Technical University's annual survey of football clubs demonstrated that Borussia Dortmund has and is Germany's most popular football brand. In addition to such awards, measurable media indicators are also used to determine the success of the Company's brand management. In this day and age, an active social media presence is a key factor for Borussia Dortmund's success that not only allows the club to assess the awareness for and popularity of its brand, but to also communicate with its fans.

Therefore, managing, monitoring and maintaining the club's social media accounts in line with its communications strategy is a fixture of Borussia Dortmund's operating activities. As at the end of the reporting period, Borussia Dortmund had a total of 25,787,938 followers on Facebook, Twitter, Insta-

gram, YouTube and the Chinese microblogging website SinaWeibo. At the beginning of the financial year, the club had just under two million fewer followers. Interest in the club is particularly high abroad. In the first half of the year, Borussia Dortmund's SinaWeibo's account was one of the five fastest-growing profiles of all European football clubs in China. The club passed the five million mark on Instagram, gaining 1,099,786 new followers. The only platform to record declining numbers was Facebook, where the number of fans decreased by just under 150,000. This was due primarily to the limited reach of Facebook.

More than one million people followed the U17 team's title-winning campaign on social media and millions more are expected to follow the senior team during its preseason tour of the United States. Users are especially responsive to news of new player signings, often initiating lively discussions by posting and commenting on the profiles of the club's various social media accounts.

The club successfully pursued its internationalisation strategy and further increased the appeal of its brand in the United States. The invitation to the International Champions Cup (ICC) in the US underscores the interest in Borussia Dortmund and the club's excellent standing outside of Europe.

RESULTS OF OPERATIONS

During the reporting period (1 July 2017 to 30 June 2018), Borussia Dortmund generated sales of EUR 494,972 thousand (previous year: EUR 352,591 thousand) and gross revenue of EUR 498,037 thousand, an increase of EUR 141,647 thousand (39.74%) on the previous financial year.

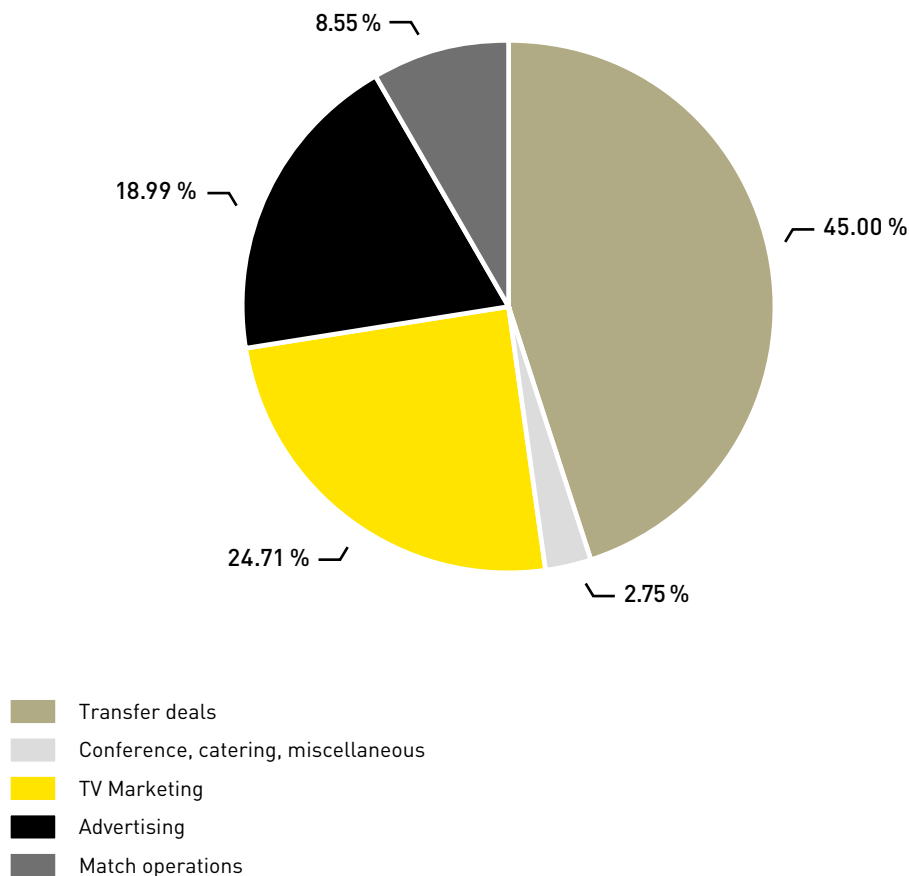
Earnings before taxes amounted to EUR 29,611 thousand (previous year: EUR 7,565 thousand), while the result from operating activities (EBIT)

amounted to EUR 30,301 thousand (previous year: EUR 51 thousand).

During the current reporting year, the operating result (EBITDA) amounted to EUR 118,726 thousand (previous year: EUR 61,040 thousand).

Borussia Dortmund generated net income of EUR 26,405 thousand during the 2017/2018 financial year (previous year: EUR 6,339 thousand).

Sales in percent

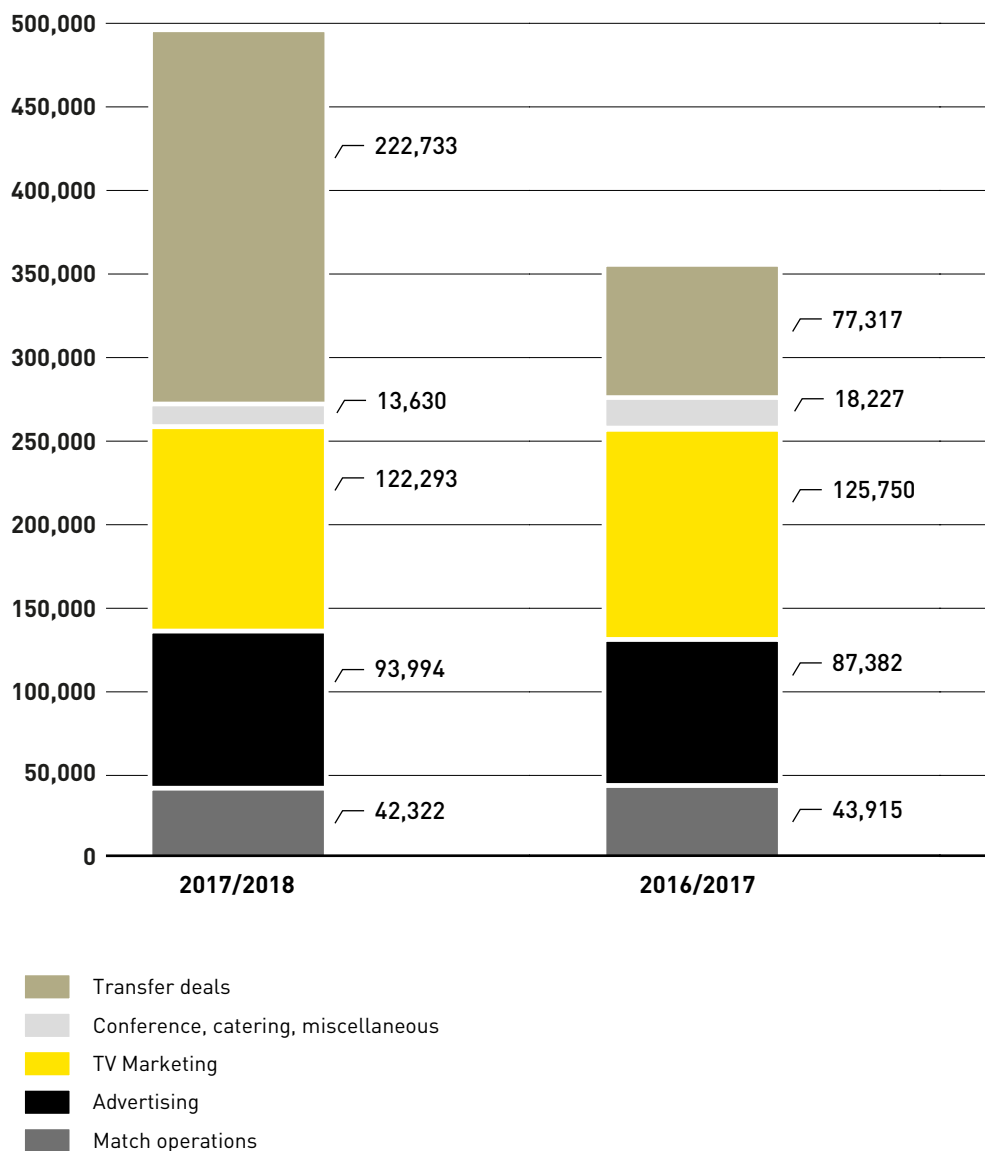


SALES TREND

Borussia Dortmund generated sales of EUR 494,972 thousand in the 2017/2018 financial year. The 40.38% increase in sales is due primarily to rise in transfer income, which improved from EUR 77,317 thousand in the previous year to EUR 222,733 thousand. Adjusted for transfer income, sales decreased by 4.59% from EUR 275,274 thousand in the previous year to EUR 272,239 thousand.

In addition to higher transfer income, Borussia Dortmund once again increased its income from advertising. Income from match operations, TV marketing, and conference, catering and miscellaneous income declined year on year. This was attributable primarily to the team's early exit from the DFB Cup and the knock-out stage of the UEFA Europa League.

Sales in EUR '000



The performance of the individual sales items is described in the following:

Income from match operations

Income from match operations decreased by EUR 1,593 thousand to EUR 42,322 thousand in financial year 2017/2018.

The demand for tickets for Borussia Dortmund's home matches continued unabated during 2017/2018 season. Of the 55,000 season ticket holders during the 2016/2017 season, 99.88% renewed their season tickets for the upcoming season, meaning that only 66 season tickets changed hands. Furthermore, some new kick-off times were introduced at the beginning of the season. Over the course of the entire season, five matches on Sunday were scheduled for 1:30 p.m. and five matches on Monday for 8:30 p.m. In the past season, Borussia Dortmund hosted one early-afternoon Sunday match as well as one Monday-evening match, against which fans staged a protest. However, demand for match day tickets remained stable and income from match operations for domestic competitions improved by EUR 423 thousand to EUR 27,427 thousand.

Borussia Dortmund lost to FC Bayern Munich in the round of 16 of the DFB Cup and again in the DFL Super Cup at the beginning of the season. Consequently, income from domestic cup competitions decreased by EUR 3,061 thousand to EUR 2,236 thousand.

Borussia Dortmund began its international campaign in the group stage of the UEFA Champions League. The team finished third in the group following four losses and two draws, qualifying for the round of 32 in the UEFA Europa League, where the team beat Atalanta Bergamo to advance to the round of 16. As in the previous year, the club hosted five home matches on the international stage, generating EUR 9,135 thousand in income from standard and hospitality tickets (previous year: EUR 9,458 thousand).

At the beginning of the new season, Borussia Dortmund embarked on its third tour of Asia in as many years. In addition to visiting Japan, the team

also travelled to Guangzhou in southern China to again compete in the International Champions Cup, after having been invited to the preseason tournament in the previous year as well. Furthermore, a short postseason tour of the United States was scheduled for the first time. Immediately after the end of the Bundesliga season, the team travelled to Los Angeles to play a match against newly established club Los Angeles FC at the official opening of the Banc of California Stadium before continuing its tour.

The income that Borussia Dortmund generated in financial year 2017/2018 from these friendlies, including the ticket proceeds generated by the club's other teams, amounted to EUR 3,524 thousand, representing an increase of EUR 1,368 thousand on the previous year.

Income from advertising

In the financial year ended, Borussia Dortmund increased its advertising income by 7.57% to EUR 93,994 thousand (previous year: EUR 87,382 thousand), representing a share of 18.99% of total sales.

Borussia Dortmund signed a long-term sleeve sponsorship deal with Opel Automobile GmbH at the beginning of the 2017/2018 season. The Opel logo will adorn the sleeves of Borussia Dortmund's shirts until 30 June 2022.

Borussia Dortmund added two new Champion Partners, sports betting provider bwin (GVC Services Limited) and ROWE MINERALÖLWERK GMBH, bringing the total to twelve at the beginning of the season.

Furthermore, the club expanded its international advertising efforts with some 30 partners located primarily in Asia. After opening a representative office in Singapore in 2014, Borussia Dortmund now also has an office in Shanghai. Borussia Dortmund used its US tour at the end of the season to also expand its marketing activities in North America.

Furthermore, advertising income includes bonuses primarily for the fourth-place Bundesliga finish, which directly qualified the team for the group stage of the UEFA Champions League in the 2018/2019 season.

Income from TV marketing

In financial year 2017/2018, income from domestic and international TV marketing represented 24.71% of sales and decreased by EUR 3,457 thousand year on year to EUR 122,293 thousand. In contrast to the increase in income from domestic TV marketing, income from international TV marketing declined.

Income from domestic TV marketing amounted to EUR 87,953 thousand, up EUR 21,840 thousand against the prior-year reporting period.

This was due to the new TV agreement signed by DFL Deutsche Fußball Liga GmbH, which sold the national media rights for the four seasons from 2017/2018 to 2020/2021 for a total of EUR 4.64 billion, or an average of EUR 1.16 billion per season. Going forward, the income from domestic TV marketing will no longer be distributed on the basis of two criteria but on four: a separate five-year ranking for the first and second divisions (*Bestand*); a 20-year performance ranking of the 36 clubs in the top two divisions (*Sportliche Nachhaltigkeit*); ranking based on the playing time for U23 academy players (*Nachwuchs*); and a five-year ranking combining the first two divisions (*Wettbewerb*). Beginning in the 2017/2018 season, income from international TV marketing will be distributed on the basis of a three-pillar model: equal solidarity pay-outs to first division clubs (*Solidarität*); a five-year performance ranking in European competitions (*Sportliche Leistung*); and a ten-year ranking based on number of starts (including qualification) in European competitions (*Sportliche Nachhaltigkeit*). The income from international TV marketing declined in the financial year ended. During the reporting period from 1 July 2017 to 30 June 2018, this sales item amounted to EUR 31,752 thousand (previous year: EUR 50,993 thousand); the decline was attributable primarily to the team's significantly poorer performance in the UEFA Champions League and having to compete in the less lucrative UEFA Europa League as a result.

Borussia Dortmund was eliminated in the round of 16 of the DFB Cup and lost the DFL Super Cup to FC Bayern Munich at home at SIGNAL IDUNA PARK. Income from domestic cup competitions thus amounted to EUR 2,578 thousand (previous year: EUR 8,633 thousand).

Transfer income

In financial year 2017/2018, Borussia Dortmund generated income from transfer deals amounting to EUR 222,733 thousand (previous year: EUR 77,317 thousand).

In the reporting period from 1 July 2017 to 30 June 2018, Borussia Dortmund's transfer income was attributable primarily to the transfers of the players Pierre-Emerick Aubameyang to Arsenal FC, Marc Bartra to Real Betis, Sven Bender to Bayer 04 Leverkusen, Gonzalo Castro to VfB Stuttgart, Ousmane Dembélé to FC Barcelona, Mikel Merino Zazón to Newcastle United, Emre Mor to Celta Vigo and Neven Subotić to AS Saint-Étienne, as well as transfer compensation stemming from transfer deals in previous financial years and loans.

Conference, catering and miscellaneous income

In the financial year ended, conference, catering and miscellaneous income decreased by EUR 4,597 thousand to EUR 13,630 thousand and also included sales from advance booking fees, rental and lease income and release fees for national team players. In the current financial year, advance booking fees and postage decreased by EUR 372 thousand and now amount to EUR 4,366 thousand, due primarily to the decreased number of home matches.

Conference and catering sales comprises the hospitality areas and income from events; at EUR 3,119 thousand, this sales item was virtually level as compared to the previous year (EUR 3,099 thousand). In the reporting period from 1 July 2017 to 30 June 2018, miscellaneous income, which includes the Evonik football academy and rental and lease income, decreased by EUR 1,271 thousand to EUR 5,544 thousand. This was due primarily to the lack of income from transfer fees for SIGNAL IDUNA PARK and pro rata commissions for international fixtures held in March 2017 and for the U19 Bundesliga final.

Income from release fees for national team players called up for the German national team's matches amounted to EUR 601 thousand, representing a decline of EUR 2,974 thousand.

Other operating income decreased by EUR 734 thousand year on year to EUR 3,065 thousand and includes prior-period income of EUR 391 thousand (previous year: EUR 383 thousand), compensation payments and insurance reimbursements.

DEVELOPMENT OF SIGNIFICANT OPERATING EXPENSES

Personnel expenses

In financial year 2017/2018, personnel expenses amounted to EUR 174,501 thousand (previous year: EUR 165,993 thousand).

Personnel expenses for the professional squad and for the coaching and support staff increased by 3.2% year on year. Higher expenses for base salaries were offset by lower performance-based bonuses.

In the reporting period, personnel expenses related to the retail and administration areas increased by EUR 2,335 thousand year on year to EUR 14,006 thousand. This was due to expansion of the Sports management team, the newly established security department, the opening of a branch in Shanghai and the hiring of additional staff in nearly all departments.

Personnel expenses in relation to amateur and youth football amounted to EUR 8,845 thousand during the current 2017/2018 financial year (previous year: EUR 7,397 thousand).

Depreciation, amortisation and write-downs

Depreciation, amortisation and write-downs rose by EUR 27,436 thousand to EUR 88,425 thousand in the reporting period.

During the period from 1 July 2017 to 30 June 2018, intangible fixed assets – which consist primarily of Borussia Dortmund's player registrations – were amortised in the amount of EUR 58,944 thousand (previous year: EUR 51,900 thousand). The change in write-downs for amortisation thus amounted to EUR 7,044 thousand, primarily due to investments in the professional squad related to the signing of Manuel Akanji, Mahmoud Dahoud, Sergio Gómez, Maximilian Philipp, Jadon Sancho, Jeremy Toljan, Ömer Toprak and Andriy Yarmolenko.

Furthermore, EUR 20,362 thousand in write-downs of intangible fixed assets to their fair values were recorded (previous year: EUR 0 thousand).

Depreciation and write-downs of tangible fixed assets rose from EUR 9,089 thousand to EUR 9,119 thousand.

Other operating expenses

Other operating expenses increased by EUR 75,453 thousand or 58.33% from EUR 129,357 thousand in the previous year to EUR 204,810 thousand in the reporting period.

The largest increase under this item was seen in transfer deals, which rose by EUR 76,122 thousand to EUR 107,657 thousand. These primarily include the derecognition of the residual carrying amounts of and sales-related costs for the players Pierre-Emerick Aubameyang, Marc Bartra, Sven Bender, Gonzalo Castro, Ousmane Dembélé, Mikel Merino Zazón and Emre Mor as well as other transfer payments.

Expenses from match operations decreased by EUR 2,224 thousand to EUR 41,628 thousand. This was due to the fewer number of home matches, the team's early elimination from the DFB Cup and the decline in football association dues on account of the DFL Deutsche Fußball Liga GmbH's new rules governing association dues.

Advertising expenses also decreased, by EUR 3,063 thousand. This was due to the new agreement with Lagardère Sports Germany GmbH under which Lagardère charges lower commissions despite Borussia Dortmund's rising sales.

Financial result

The financial result for financial year 2017/2018 amounted to EUR -690 thousand (previous year: EUR 7,514 thousand) and breaks down as follows: Income from profit and loss transfer agreements amounted to EUR 3,283 thousand. These include the results of BVB Merchandising GmbH, BVB Event & Catering GmbH, BVB Stadionmanagement GmbH and Sports & Bytes GmbH and besttravel dortmund GmbH. Income from profit and loss transfer agreements decreased by EUR 4,553 thousand, due mainly to the decline in earnings at BVB Merchandising GmbH.

Furthermore, interest income of EUR 551 thousand was recognised. Interest expenses amounted to EUR 4,524 thousand, of which EUR 1,654 thousand was due to the termination of a hedge after elimination of the hedged item. Furthermore, the net interest expense includes discounting effects of EUR 2,796 thousand.

Taxes on income amounted to EUR 2,931 thousand (previous year: EUR 964 thousand) and consisted primarily of EUR 3,512 in tax expenses relating to the financial year ended and offsetting tax assets from prior periods.

ANALYSIS OF CAPITAL STRUCTURE

As at 30 June 2018, total assets amounted to EUR 496,453 thousand, representing an increase of EUR 8,744 thousand as compared to 30 June 2017.

Fixed assets increased by EUR 5,011 thousand to EUR 349,426 thousand from EUR 349,426 thousand as at 30 June 2017. This was due to investments amounting

to EUR 139,560 thousand (of which EUR 122,090 thousand in intangible fixed assets), which were partly offset by disposals amounting to EUR 46,124 thousand and depreciation, amortisation and write-downs amounting to EUR 88,425 thousand.

Current assets increased by EUR 9,751 thousand to EUR 119,796 thousand from EUR 349,426

BALANCE SHEET

Borussia Dortmund GmbH & Co. Kommanditgesellschaft auf Aktien, Dortmund

ASSETS	30/06/2018		30/06/2017	
	EUR '000	in %	EUR '000	in %
A. FIXED ASSETS				
I. Intangible fixed assets				
Purchased concessions, industrial and similar rights and assets, and licences in such rights and assets	140,169	28.2	141,186	28.9
II. Tangible fixed assets				
1. Land, land rights and buildings including buildings on third-party land	180,975	36.6	173,128	35.5
2. Other equipment, operating and office equipment	13,558	2.7	13,562	2.8
3. Prepayments and assets under construction	954	0.2	889	0.2
	195,487	39.5	187,579	38.5
III. Long-term financial assets				
1. Shares in affiliated companies	13,607	2.7	13,607	2.8
2. Equity investments	96	0.0	96	0.0
3. Other loans	67	0.0	1,947	0.4
	13,770	2.7	15,650	3.2
	349,426	70.4	344,415	70.6
B. CURRENT ASSETS				
I. Inventories				
Merchandise	46	0.0	46	0.0
II. Receivables and other assets				
1. Trade receivables	58,768	11.8	53,433	11.0
2. Receivables from affiliated companies	4,005	0.8	8,749	1.8
3. Other assets	2,066	0.4	2,457	0.5
	64,839	13.0	64,639	13.3
III. Cash-in-hand, bank balances	54,911	11.1	45,360	9.3
	119,796	24.1	110,045	22.6
C. PREPAID EXPENSES	27,231	5.5	33,249	6.8
	496,453	100.0	487,709	100.0

thousand as at 30 June 2017. This was due in particular to the increase in trade receivables to EUR 58,768 thousand (previous year: EUR 53,433 thousand) and the cash-in-hand, bank balances item, which rose by EUR 9,551 thousand year on year from EUR 45,360 thousand to EUR 54,911 thousand. The increase in trade receivables was

due mainly to the transfer agreements concluded in the reporting period. By contrast, receivables from affiliated companies decreased by EUR 4,744 thousand.

Prepaid expenses declined by EUR 6,018 thousand to EUR 27,231 thousand in the reporting period.

BALANCE SHEET

Borussia Dortmund GmbH & Co. Kommanditgesellschaft auf Aktien, Dortmund

EQUITY AND LIABILITIES	30/06/2018		30/06/2017	
	EUR '000	in %	EUR '000	in %
A. EQUITY				
I. Subscribed capital	92,000	18.5	92,000	18.9
less nominal value of treasury shares	-19	0.0	-19	0.0
Issued capital	91,981	18.5	91,981	18.9
II. Capital reserves	144,337	29.1	144,337	29.6
III. Revenue reserves				
1. Reserve for treasury shares	19	0.0	19	0.0
2. Other revenue reserves	106,451	21.5	105,631	21.7
	106,470	21.5	105,650	21.7
IV. Net retained profits	26,405	5.3	6,339	1.3
	369,193	74.4	348,307	71.5
B. PROVISIONS				
1. Provisions for taxes	1,946	0.4	590	0.1
2. Other provisions	15,763	3.2	12,251	2.5
	17,709	3.6	12,841	2.6
C. LIABILITIES				
1. Trade payables	62,259	12.5	62,218	12.7
2. Liabilities to affiliated companies	1,376	0.3	1,271	0.2
3. Other liabilities	17,582	3.5	33,532	6.9
of which from taxes: EUR 11,207 thousand (previous year: EUR 14,786 thousand)				
of which in relation to social security: EUR 29 thousand (previous year: EUR 19 thousand)				
	81,217	16.3	97,021	19.8
D. DEFERRED INCOME	28,334	5.7	29,540	6.1
	496,453	100.0	487,709	100.0

Share capital remained level at EUR 92,000 thousand as at 30 June 2018.

Taking into account net income for the year, Borussia Dortmund's equity amounted to EUR 369,193 thousand as at 30 June 2018. This corresponds to an equity ratio of 74.37% (previous year: 71.42%).

The increase in equity is due to the net income for the year of EUR 26,405 thousand and a dividend distribution of EUR 5,519 thousand.

Provisions increased by a total of EUR 4,868 thousand (previous year: EUR 12,841 thousand), due primarily to staff-related and performance-based obligations in the amount of EUR 3,512 thousand and higher provisions for taxes in the amount of EUR 1,356 thousand.

Liabilities declined by a total of EUR 15,804 thousand, which was mainly attributable to other liabilities.

At EUR 62,259 thousand, trade payables remained level with the prior-year figure of EUR 62,218 thousand, while liabilities to affiliated companies increased to EUR 1,376 thousand (previous year: EUR 1,271 thousand).

By contrast, other liabilities decreased by EUR 15,950 thousand to EUR 17,582 thousand, due mainly to lower employee obligations.

Deferred income decreased by EUR 1,206 thousand. This reflects the annual amortisation of advance payments for agency and marketing rights.

ANALYSIS OF CAPITAL EXPENDITURE

In the past financial year, Borussia Dortmund invested EUR 123,216 thousand in intangible fixed assets. This amount was invested almost entirely in the player base.

Cash payments for tangible fixed assets during the same period amounted to EUR 15,191 thousand and primarily include the acquisition of the administration building located at the Rheinlanddamm address and fixtures and expansions at SIGNAL IDUNA PARK, the training ground in Brackel and the football academy.

ANALYSIS OF LIQUIDITY

As at 30 June 2018, Borussia Dortmund held unrestricted cash funds of EUR 54,911 thousand.

Borussia Dortmund also had access to an additional EUR 30,000 thousand in overdraft facilities which had not been drawn down as at the balance sheet date.

Cash flows from operating activities amounted to EUR 156,861 thousand and are calculated as follows:

EUR '000	2017/2018	2016/2017
Net income/net loss for the period	26,405	6,339
+ Depreciation, amortisation and write-downs of fixed assets	88,425	60,989
+ Non-cash expenses and income	39,137	12,307
+/- Increase/decrease in provisions	3,660	3,210
- Interest expense	4,524	1,033
- Interest income	-551	-678
Income tax expense	2,931	964
Other investment income	0	-33
- Gains on disposal of fixed assets	263	19
- Increase in inventories, trade receivables and other assets not attributable to investing or financing activities	5,818	15,082
- Decrease in trade payables and other liabilities not attributable to investing or financing activities	-12,028	12,643
Income taxes paid	-1,723	-5,474
= Cash flows from operating activities	156,861	106,401

Since the 2017/2018 financial year, Borussia Dortmund has reported proceeds from transfers under cash flows from operating activities. The prior-year amounts were adjusted accordingly.

NET ASSETS

Borussia Dortmund's total assets increased from EUR 487,709 thousand to EUR 496,453 thousand. Fixed assets increased by EUR 5,011 thousand, due in particular to transfer-related investments in player registrations.

Trade and other financial receivables increased by EUR 200 thousand as at the balance sheet date.

In addition to prepayments for other services, prepaid expenses primarily include future personnel expenses amounting to EUR 20,818 thousand (previous year: EUR 21,461) and prepayments for agent and brokerage commissions amounting to EUR 2,964 thousand (previous year: EUR 8,686 thousand).

OVERALL ASSESSMENT OF FINANCIAL POSITION AND PERFORMANCE AND BUSINESS DEVELOPMENT

Borussia Dortmund ended the 2017/2018 financial year with net income for the year of EUR 26,405 thousand.

Taking into account the net income for the year, the equity ratio is calculated at 74.37%. As at 30 June 2018, Borussia Dortmund held unrestricted cash

funds of EUR 54,911 thousand. As at the balance sheet date, Borussia Dortmund had access to an additional EUR 30,000 thousand in overdraft facilities which had not been drawn down.

Overall, business development during financial year 2017/2018 was positive.

REMUNERATION REPORT

The structure of the management remuneration system is defined and regularly reviewed by the Executive Committee of the Advisory Board. The Executive Committee of the Advisory Board of Borussia Dortmund Geschäftsführungs-GmbH is also responsible for setting the remuneration of the individual executives and for defining the appropriate amount of remuneration. The appropriate remuneration level is defined in particular on the basis of the specific executive's responsibilities and performance, as well as on the basis of Borussia Dortmund's financial position, performance and future prospects.

Executive remuneration consists of two components: a fixed amount and a variable component. The fixed component is stipulated by contract, takes into account the sporting success achieved and is paid out in twelve equal monthly instalments. The variable component is based on the business trend and is dependent on net income for the year before tax and the managing directors' remuneration. Any

additional non-cash or ancillary benefits granted relate primarily to insurance benefits at standard market conditions and the provision of a company car. The Company does not offer any stock option plans or similar incentive plans. The remuneration components provided are reasonable both in and of themselves and taken as a whole.

Remuneration of the Supervisory Board is governed by Article 13 of the Articles of Association, pursuant to which each member of the Supervisory Board receives fixed remuneration amounting to EUR 12 thousand (unchanged); the Chairman receives twice that amount and the Deputy Chairman one and a half times that amount. Value added tax is reimbursed to the members of the Supervisory Board.

The disclosures required by § 285 no. 9 HGB are included in the notes to the financial statements.

THE INTERNAL CONTROL AND RISK MANAGEMENT SYSTEM AS IT RELATES TO THE ACCOUNTING PROCESS

The key features of the accounting process-related internal control and risk management system employed by Borussia Dortmund can be described as follows:

- Borussia Dortmund distinguishes itself through its clear organisational and corporate structures as well as its control and monitoring structures;
- The internal control and risk management systems as they relate to the accounting process form an integral part of operational and strategic planning processes
- Responsibilities have been clearly assigned in all areas of the accounting process (such as financial accounting and management cost accounting)
- Reporting is carried out in monthly, quarterly, semi-annual and annual intervals, whereby a distinction is made between matters requiring immediate action by the Company and those involving Company strategy
- The computer systems used in accounting are protected against unauthorised access
- An adequate system of internal guidelines has been established and is updated as needed
- The departments involved in the accounting process fulfil quantitative and qualitative requirements
- The completeness and accuracy of the accounting data is checked regularly by reviewing samples and conducting plausibility tests, both manually and by means of software employed for this purpose
- The principle of dual control is adhered to at all points in the Company's accounting-related processes
- The management receives reports at scheduled intervals throughout the process or more frequently if necessary
- The Supervisory Board deals with the key accounting issues, risk management and the audit assignment, among other things

The accounting process-related internal control and risk management system, the key features of which are described above, ensures that transactions can be correctly recorded, prepared and accounted for in the financial statements.

OPPORTUNITY AND RISK REPORT

RISK MANAGEMENT

Borussia Dortmund's divisions are exposed to a wide variety of risks that are inseparably linked to the conduct of business.

The sections below focus on possible future developments or events which could cause Borussia Dortmund to perform either better than expected (opportunities) or worse than expected (risks). The respective impact of opportunities and risks are generally presented separately and are not offset against one other. Generally speaking, risks and opportunities are assessed over a mid-length term of two years. All risks of loss to which the Company is exposed (individual and cumulative risks) are monitored and managed within the risk management system.

The consolidated group for risk management purposes is identical to the consolidated group in the consolidated financial statements

A functioning control and monitoring system is essential for identifying risks early and for assessing and counteracting them. It is the responsibility of the internal risk management system to monitor and control such potential risks.

The risk management system is based on principles and guidelines laid out by the management. These principles and guidelines are designed to facilitate the early identification of any irregularities so that appropriate countermeasures can be taken immediately. In order to ensure the highest possible level of transparency, risk management has been incorporated into the organisational structure of the Group as a whole. All departments and divisions are required to immediately report any market-relevant changes in the risk portfolio to the management. The risk management system is also an integral component of the overarching planning, steering and reporting process.

The currency and detail of the regular risk reports given to the governing bodies of Borussia Dortmund keep them informed of the Group's current risk profile.

This ensures that the Company's decision-makers have adequate flexibility to be able to monitor and manage risks.

This year, the risk inventory procedure implemented with the objective of cataloguing and assessing all risks has again proven effective as a management tool. Risks are identified, discussed and reviewed in consideration of current circumstances in one-on-one meetings or plenary sessions in order to assess the current likelihood of their occurring and their potential consequences.

Each risk is given a qualitative rating of between 1 and 4, with 1 indicating a low level of risk and 4 indicating a very high level of risk.

A risk impact assessment is carried out both before and after the identification and development of countermeasures to reduce the risk. The risk impact assessments are weighted before and after countermeasures based on a ratio of 1:2, with weighting prioritising the probability and consequences of each risk after countermeasures take effect. In mathematical terms, the risk impact assessment (before countermeasures) is derived by adding the probability of the risk and its consequences before countermeasures, while the assessment (after countermeasures) is derived by adding the probability of the risk and its consequences, and multiplying this figure by two.

Example:

Before countermeasures:			
Probability	2	2+3=5	5
Consequences	3		
After countermeasures:			
Probability	1		
Consequences	2	(1+2)x2=6	6
TOTAL			11

If the assessment of an individual risk falls within the top third of the scale (a score of 17 to 24), Borussia Dortmund classifies it as a high priority risk. Particular attention is paid to such risks, since they are capable of having a material adverse and long-term effect on the Company's assets, liabilities, financial position and profit or loss. There are currently 18 (previous year: 18) risks that are classified as high priority.

The currency and detail of the regular risk reports given to the governing bodies of Borussia Dortmund keep them informed of the Group's current risk profile.

This ensures that the Company's decision-makers have adequate flexibility to be able to monitor and manage risks.

Categorisation of risks

In accordance with the recommendations under German Accounting Standard DRS 20, and to ensure ease of reference, Borussia Dortmund divides its risks into main categories. The previous seven main categories (strategic risk, personnel risk, macroeconomic risk, competitive risk, liquidity risk, interest rate risk and credit risk) were expanded by one (resources risk) and are presented and explained in greater detail below.

All 58 risks that could have a direct impact on the Company fall within these categories. The following is a discussion of the 18 high priority risks in their respective categories.

Category 1 – strategic risk

We define strategic risk as risk arising from incorrect business decisions, poor implementation of decisions or the inability to adapt to changes in the corporate environment. Strategic risk also arises from unexpected changes in market conditions and the environment in which the Company operates, which bring with them negative consequences for the Company's assets, liabilities, financial position and profit or loss.

This category includes three high priority risks:

The risk that financial planning is dependent on sporting success describes the risk that failing to achieve planned sporting objectives could lead to a lack of adequate income or proceeds. To account for any and all developments both on and off the pitch, the Company revises and updates its longstanding financial and liquidity planning at least three times per year based on the latest premises. In addition to the income statement and the balance sheet, this also includes the development of Borussia Dortmund's liquidity. It allows the management to monitor the current and future financial position of the Company at all times and to take any necessary action. Due to developments with regard to income from international TV marketing in particular, the amount that a club is certain to receive for a given subsequent season varies greatly from a second-place finish to a seventh-place finish in the Bundesliga. Qualifying for the UEFA Champions League guarantees much higher proceeds than qualifying for the UEFA Europa League, let alone if the team fails to qualify for any international competition at all. The objective of a corresponding worst case scenario is not to predict the future but rather to provide an overview of various contingencies and their effects and to better assist the management in its strategic planning.

Share price performance describes the performance of a security, an index, shares or a portfolio, but also the performance of the management of an investment fund with respect to its investment objectives. The Group is very conscious of the risk associated with the performance of Borussia Dortmund's shares and continually analyses the Company's value on the capital market and the consequences of it being undervalued. A key component of this risk is the impact of these factors on potential corporate action in the future and the Company's appeal to business partners. This risk is countered through continual communication with the capital market. The shares have been listed on the Prime Standard segment of the Frankfurt Stock Exchange for the past four years and are also admitted to trading on the SDAX. During the financial year, Borussia Dortmund again held several roadshows in Europe and the United States in an effort to keep existing investors up to date and bring any prospective investors on board.

Borussia Dortmund considers the third risk in this category to be the risk of conflicting goals of sporting and commercial success. It is important that Borussia Dortmund continues to pursue balanced business policies with the aim of ensuring that the club remains competitive and also focussed on meeting the Group's performance indicators. Borussia Dortmund will continue to avoid financial risks that could arise on account of uncertain sporting successes. As in previous years, Borussia Dortmund further counters this risk by setting strict budgets for the individual divisions and undertaking corporate planning on a revolving basis using various planning scenarios. Furthermore, the Company also uses planning scenarios to calculate various earnings and liquidity effects potentially presenting additional opportunities for financial investment or shortfalls.

Category 2 – personnel risk

The importance of human resources to companies is growing. The Company's success is largely dependent on the commitment, motivation and

skills of both its sporting personnel and managerial/administrative staff.

This category currently includes three high priority risks:

Protecting confidential information is a subject that is currently in the public eye. Never before has data protection posed so many challenges. In particular, the increasing internationalisation of day-to-day business practices necessitates a detailed understanding of the respective data protection regulations applicable in individual countries. In addition, technical progress harbours many pitfalls, especially in relation to online data.

The European Commission has therefore decided to harmonise data protection and to this end has established a central framework in the form of the General Data Protection Regulation (EU GDPR), which serves as the basis for reforming data protection regulations within the member states.

While companies in Germany previously had to comply with the German Federal Protection Act (*Bundesdatenschutzgesetz*, "BDSG"), the EU General Data Protection Regulation took precedence in May 2018. Since then, companies have been faced with many changes and a number of processes had to be reviewed and adapted.

The risk of periods during which professional players are unable to play (rest periods) can have a major impact on the Company's success, because they mean that team managers are unable to play the best possible team for the entire season, putting sporting goals in jeopardy. The absence of key players in particular is often difficult to compensate for. The reasons for rest periods include personal match bans, injury or even excessive stress. Despite the large number of injured players, Borussia Dortmund was able to compensate for these losses and achieve its sporting objective in the past financial year.

There continues to be a risk of travel and other accidents and terrorist attacks in the world of sport;

therefore, Borussia Dortmund continues to classify this risk as high priority.

Borussia Dortmund no longer considers a ban on fixed-term player contracts to be a risk. In January 2018, the Seventh Senate of the Federal Labour Court (Bundesarbeitsgericht) ruled that fixed-term employment contracts with professional football players are legal. The court reasoned that the commercial and public nature of top-level football demanded that professional footballers work within the team to deliver top performances and that such players can only produce that kind of output for a limited period of time. The court saw this as a peculiarity which, as a rule, justifies a legitimate interest in limiting the employment relationship. Therefore, this is no longer a risk for Borussia Dortmund.

Category 3 – macroeconomic risk

Macroeconomic risk arises as a result of Borussia Dortmund's dependence on general economic and political developments.

This category includes five high priority risks:

Borussia Dortmund has classified unfavourable macroeconomic developments, particularly high unemployment and slow economic growth, as the first risk in this category. The German Institute for Economic Research, the Ifo Institute for Economic Research and RWI Essen currently expect the economic recovery to be very muted and therefore significantly lowered their economic forecasts for Germany. All institutes have observed a decline in exports on account of recent political developments.

The risk of right-wing extremism is rising and is a societal risk that is increasingly in the public eye. Borussia Dortmund continues to stand firmly against right-wing extremism and discrimination. Borussia Dortmund counters this risk through prevention efforts and disciplinary action, acting in concert with a broad network of cooperation partners. By clearly speaking out against racism and discrimination and working to combat right-wing attitudes and reprehensible slogans, Borussia Dortmund will

continue to ensure that the atmosphere in and outside the stadium is welcoming, cosmopolitan and diverse.

The increased willingness of certain individuals to commit violence at stadiums is a risk that will continue to require the utmost attention. Fan violence remained an important issue during reporting period. Prevention efforts and security plans ensured that potentially violent groups were identified in advance, helping to prevent altercations. Borussia Dortmund will continue to counter this risk with enhanced security checks, camera surveillance, stadium bans and criminal complaints. Additional stadium safety measures also include specific structural changes to entrances.

In the dispute about who should cover the costs of providing security at home matches, the DFL Deutsche Fußball Liga GmbH appealed the decision of the Higher Administrative Court (*Oberverwaltungsgericht*) of Bremen. In the appellate proceedings, the Higher Administrative Court of Bremen had overturned the decision of first instance of the Administrative Court (*Verwaltungsgericht*) of Bremen and dismissed the action brought by DFL Deutsche Fußball Liga GmbH against the Free Hanseatic City of Bremen. However, due to the fundamental importance of the matter, the appeal was granted by the Federal Administrative Court (*Bundesverwaltungsgericht*) in Leipzig. In the legal dispute with the Free Hanseatic City of Bremen over the charging of fees for police operations at SV Werder Bremen's football matches, the action brought by DFL Deutsche Fußball Liga GmbH against the Free Hanseatic City of Bremen had been admitted in the first instance and city's fee schedule had been annulled.

Passing these costs on to the Bundesliga clubs would present an earnings and liquidity risk for those clubs, Borussia Dortmund included.

The categorisation of social media activities as a high priority risk reflects the fact that new technologies not only have potential for development, but also harbour risk potential. In

In addition to the social networks that Borussia Dortmund uses for marketing and communication purposes, the social networks used by BVB employees also pose risks. Social media guidelines were drawn up for all Borussia Dortmund employees in order to safeguard the Company's image and prevent the unauthorised disclosure of internal information. In order to account for the increasing importance of this risk, Borussia Dortmund has, with immediate effect, charged both the Communications and the Sales & Marketing departments with managing the risk.

Category 4 – competitive risk

Competitive risk relates to factors stemming from competition in the domestic and international professional football business.

This category includes five high priority risks:

The risk of being relegated to the second Bundesliga is a risk that would result in a significant negative financial impact. If it becomes increasingly likely that this may occur, the response to this risk is to draw up worst-case scenarios on the assumption of relegation, and to enter into more flexible and more heavily performance-based contracts.

The risk that key players might switch clubs materialised during the past financial year. The departure of two key players, who had been part of the club's future plans, not only weakened the team at certain positions, but also as a whole. Even if success rarely rests on the shoulders of any single player, the unexpected departures left holes in the roster that needed to be filled at short notice. Furthermore, in professional football, key players – and all the sporting and economic expectations associated with them – are vital for clubs and their managers. Despite the fact that key players unexpectedly left the club, Borussia Dortmund still achieved its sporting objectives and qualified for the UEFA Champions League.

According to UEFA, Financial Fair Play is about improving the overall financial health of European

club football. The regulations first entered into force in 2011 and serve as a catalogue of measures for clubs competing in UEFA's international club competitions. Clubs in breach of the regulations face penalties up to and including bans. In practice, Financial Fair Play governs the ratio of revenue to expenditures. The risk of failing to comply with the Financial Fair Play rules and potential exclusion from international competitions or potential financial sanctions would have serious financial consequences for Borussia Dortmund. To minimise this risk therefore, compliance with the relevant requirements and target/actual comparisons are constantly reviewed. Several European clubs have already been disciplined and banned from international competitions for violating Financial Fair Play rules.

The fourth risk in this category is the risk of a potential stadium catastrophe. As was previously the case, catastrophes in stadiums cannot be ruled out. Stadium catastrophes can include fire, stampedes, potential terrorist attacks or other acts of violence. Going forward, the Company will continue to regularly assess the quality and reliability of security staff and specifically train them in the prevention of catastrophes. Structural improvements to SIGNAL IDUNA PARK for the purposes of enhancing security, safeguarding and monitoring the access roads, and safeguarding the property during visits on non-match days are just some of the countermeasures currently being implemented to provide security at the stadium.

Borussia Dortmund uses the summer break each year to invest in SIGNAL IDUNA PARK as well as for construction work and refurbishments. The stadium has been expanded three times since opening in 1974 with a capacity of 54,000. The continual repair and maintenance work – the paramount focus of which is always structural integrity and safety – ensures that the stadium meets the latest standards in terms of safety, security and comfort. Compared to many other Bundesliga stadiums that were constructed for the 2016 World Cup, SIGNAL IDUNA PARK is one of the league's oldest stadiums in use. Given that Borussia Dortmund regularly invests

large sums in SIGNAL IDUNA PARK, the club has added the risk of structural defects to SIGNAL IDUNA PARK to this category.

Category 5 – liquidity risk

Liquidity risks include all risks in connection with cash flows and financial burdens.

This category includes two high priority risks:

The loss of significant financial backers and sponsors due to insolvency could also have a material adverse effect on Borussia Dortmund's liquidity in the future. The primary objective continues to be keeping bad debts to a minimum and to ensure that the Company has the liquidity it needs at all times. Borussia Dortmund continuously revises its longstanding accounts receivable management system in line with the prevailing conditions and increasing globalisation. The club is also reviewing other risk mitigation measures such

as introducing upfront payments or changing payment terms, which would be implemented as soon as possible.

In order to keep the risk associated with the volume of player salaries as low as possible, the club budgets personnel expenses with transfer deals in mind at the beginning of each season. The primary focus is on the fixed components of the players' remuneration, since these are independent of the team's performance during a given season. Variable remuneration components are also considered when planning the budget, but generally only apply once certain sporting objectives are achieved that in turn generate additional income. The personnel expenses incurred are continuously monitored, extrapolated on the basis of current circumstances, and reported to the management.

The Group is not presently exposed to any high priority risks in the **interest rate risk**, **credit risk** and **resources risk** categories.

OPPORTUNITIES

By once again directly qualifying for the UEFA Champions League, the club again has the opportunity to consolidate its standing as one of Europe's top teams and to once more share in the profits distributed for participating in the lucrative competition. In addition to the prestige associated with the UEFA Champions League, the new models for distributing TV marketing income and the significantly higher pay-outs are what make participating in the competition so lucrative.

The renewed invitation to the International Champions Cup underscores Borussia Dortmund's success on the pitch in recent years and the heavyweight status that it now enjoys the world over as a result. The club's participation in this year's competition in connection with its preseason tour in the United States presents an opportunity to further heighten awareness for its brand and thus its marketing activities.

Borussia Dortmund has implemented fundamental changes concerning the team:

The club hired an experienced and successful coach in Lucien Favre, with the expectation that he and his assistants will impart a new style on the team. Furthermore, Borussia Dortmund brought club

legend Sebastian Kehl back on board. The former Germany international and Borussia Dortmund captain will function as a link between the team, the coaching staff and the sporting director. Borussia Dortmund expects noticeable improvements and new impulses to be set in and around the professional squad.

Changes to the strategy and the roster were also coordinated with Matthias Sammer. Hiring Matthias Sammer, a respected football expert in Germany who previously coached Borussia Dortmund to the Bundesliga title, as an external consultant is part of this realignment and is also seen as an opportunity to ensure that the club does not lose sight of the big picture.

Borussia Dortmund also made substantial changes to the roster, infusing a fresh mix of robust, experienced and also young players, with whom the club hopes to return to the top of the table in the new season.

Borussia Dortmund has an excellent team, a fact that is not lost on other top European clubs. Accordingly, there is always the possibility of lucrative transfers.

OVERALL ASSESSMENT OF THE RISKS AND OPPORTUNITIES

With regard to the risks discussed in this report and the review of the overall risk position, no risks were identified in the financial year under review that could lead to a permanent or material deterioration in the financial position or financial performance of either the Group or its individual companies.

Thanks to its risk management system, Borussia Dortmund is in a position to comply with the statutory provisions on control and transparency in the Company.

A review of the risk situation revealed that none of the individual risks defined within the risk areas jeopardise the continued existence of Borussia Dortmund.

REPORT ON EXPECTED DEVELOPMENTS

EXPECTED EARNINGS TREND

Borussia Dortmund is returning to the UEFA Champions League in the coming 2018/2019 season. The team qualified directly for the lucrative group stage of the competition by virtue of its fourth place finish in the Bundesliga last season. The club is thus continuing its run of successive appearances in international competitions, which stretches back to the 2010/2011 season and now includes two

appearances in the UEFA Europa League and seven in the UEFA Champions League.

Success on the pitch also goes hand in hand with financial performance. Borussia Dortmund again demonstrated its economic stability during the year as it generated net profit for the year for an eighth consecutive time.

EXPECTED GENERAL ECONOMIC ENVIRONMENT

DFL Deutsche Fußball Liga GmbH secured new, record-high sales streams for the coming years, attributable primarily to TV marketing.

The national TV rights for the 2017/2018 to 2020/2021 cycle were sold for a record EUR 4.64 billion. Together with the international TV rights, the proceeds could exceed EUR 6 billion. The price paid for the national TV rights is an 85% increase on the deal.

In light of a new, more attractive distribution model and four direct qualifying spots for the Bundesliga, the UEFA Champions League also promises the potential for significantly higher sales from the 2018/2019 season onward.

A majority of the advertising income in the coming years is already fixed due to the club's long-term partnerships with the primary sponsor, the equipment supplier, the holder of the stadium's naming rights, Champion Partners and other partners. Moreover, there is every indication that the club will again sell out its tickets for the hospitality areas.

Attendance at SIGNAL IDUNA PARK has also continued to improve during the past five seasons and stands at nearly 100%. The number of advance tickets that fans can order has to be partially

regimented on account of the high number of season tickets and the steady rise in demand for match tickets.

Commercially successful professional football operations are no longer limited to just regional or national levels. In order to create new business segments, the focus is increasingly shifting to growing brand awareness on a global scale and tapping the corresponding foreign markets. In order to be financially successful on the international stage, Borussia Dortmund's focus rests squarely on the squad's footballing success, including in international competitions. Qualifying for the group stage of the UEFA Champions League alone continues to place Borussia Dortmund in a better financial position.

Generally, Borussia Dortmund only plans on transfer income to a limited extent; however, given the club's sustained success, its players are piquing the interest of other top clubs. Based on the current financial strength of foreign clubs in particular, it is possible that value-driven transfers will be concluded contrary to the Company's sporting interests.

EXPECTED RESULTS OF OPERATIONS

Expected earnings trend

Given that transfer income is extremely volatile and also difficult to plan, but usually also associated with high contributions to earnings, a decidedly conservative approach is taken when factoring such income into this earnings forecast. At the same time, market-related increases in the cost of players, which consequently weigh down earnings due to amortisation of intangible fixed assets in the respective subsequent years, must be recorded and thus have a pronounced effect on this earnings forecast.

Furthermore, the club pursues a conservative approach when factoring success on the pitch and any associated earnings contributions into the forecast. Therefore, this forecast does not take into account any earnings contributions for reaching the knock-out stages of the UEFA Champions League.

Against this backdrop and despite positive market developments, management currently forecasts that Borussia Dortmund will generate a net profit in the low seven-figure range for the upcoming 2018/2019 financial year. This can increase significantly in line with the team's sporting success or if the club generates surpluses from transfer deals that are not factored into the forecast.

Based on these forecast assumptions and analogue to the net profit for the year, EBIT is also expected to be in the low seven-figure range. Depreciation, amortisation and write-downs are expected to amount to EUR 70,000 thousand, with the operating result (EBITDA) forecast to exceed the result from operating activities (EBIT) by this amount.

Expected sales trend

In the financial year ended, Borussia Dortmund increased sales by 40% to EUR 494,972 thousand. This was driven primarily by the increase in transfer income (EUR 222,733 thousand), which now represent 45% of total sales. Given that transfer income is extremely volatile and difficult to plan, Borussia Dortmund takes a highly conservative approach to factoring this income into this sales forecast for the 2018/2019 financial year. Against this backdrop and despite the anticipated highly favourable market environment, in which income from TV marketing will continue to increase significantly, Borussia Dortmund expects sales for the 2018/2019 financial year to total no more than approximately EUR 375,000 thousand.

Expected trend for significant operating expenses

Cost management continues to be Borussia Dortmund's highest priority. The objective is to specifically manage and continually monitor risks in order to avoid or minimise these.

Operating expenses are linked directly to the number of matches played and the club's performance in competitions, meaning that these are always contingent upon the club's footballing success.

Personnel expenses are also largely dependent upon the club's sporting success, because the professional squad is compensated on the basis of its performance, meaning that those expenditures are always commensurate with the club's success. Borussia Dortmund expects personnel expenses to increase in the coming financial year due to the rising costs for the professional squad resulting from fierce competition across Europe's leagues and the planned rebuild of the professional squad.

EXPECTED DIVIDEND

The management will recommend to the Annual General Meeting that it resolve to use the net retained profits of EUR 26,405 thousand for financial year 2017/2018 to distribute a dividend of EUR 0.06

per share carrying dividend rights (totalling EUR 5,519 thousand) for financial 2017/2018 and to transfer the remainder (EUR 20,886 thousand) to other revenue reserves.

EXPECTED FINANCIAL POSITION

Capital expenditure and financial planning

The highest priorities for developing the club's core business will be making the club more competitive and improving its infrastructure. Therefore, the Group will invest in particular in the professional squad as well as SIGNAL IDUNA PARK, the adjoining infrastructure and the training ground. However, in order to mitigate and avoid financial risk, Borussia Dortmund will pursue a conservative and extremely prudent capital expenditure strategy and will not count on any uncertain sporting successes.

Expected liquidity trend

Borussia Dortmund expects cash flows from operating activities in financial year 2018/2019 to exceed EUR 95 million. This figure may deviate significantly due in particular to transfer deals or if actual events differ from the forward-looking statements in the forecast concerning the club's sporting success. Free cash flow is expected to amount to EUR 10 million.

OVERALL ASSESSMENT OF EXPECTED PERFORMANCE

The market environment for German and European professional football continues to offer excellent opportunities for economic growth. However, the environment alone does not guarantee growth or economic success; rather, Borussia Dortmund will need to continue taking an innovative and cost-

effective approach to its business going forward. With strong partners at its side, Borussia Dortmund expects its financial performance to remain strong in the future.

OTHER DISCLOSURES

The notes contains disclosures pursuant to § 160 (2) no. 2 AktG.

REPORT IN ACCORDANCE WITH § 289 (1) HGB

The following information has been provided by the Company in response to the requirements of § 289 a (1) sentence 1 nos. 1 to 9 HGB:

1. As at 30 June 2018, the share capital of Borussia Dortmund GmbH & Co. KGaA amounts to EUR 92,000,000.00 and is divided into 92,000,000 no-par value ordinary bearer shares. All of the shares have been admitted to trading on the Regulated Market (Prime Standard) of the Frankfurt Stock Exchange and to the over-the-counter markets (Open Market) in Berlin, Bremen, Stuttgart, Munich, Hamburg and Düsseldorf. Each no-par value share entitles the holder to one vote at the Annual General Meeting. The Company has only one class of shares, and all shares carry the same rights and obligations. All other rights and responsibilities attaching to the Company's shares are determined in accordance with the German Stock Corporation Act (*Aktiengesetz*, "AktG").
2. Restrictions affecting the voting rights or transfer of the shares, and
3. Interests in the share capital of Borussia Dortmund GmbH & Co. KGaA exceeding 10% of the voting rights as at 30 June 2018:
 - 1) Evonik Industries AG, Essen, Germany: 14.78% of the voting rights
 - 2) Ballspielverein Borussia 09 e.V. Dortmund, Dortmund, Germany: 14.8% of the voting rights (of which 5.53% held directly and 9.27% held indirectly by including the voting rights of Bernd Geske, Germany, pursuant to § 22 (2) and henceforth § 34 (2) WpHG)

- 3) Bernd Geske, Meerbusch, Germany: 14.8% of the voting rights (of which 9.27% held directly and 5.53% held indirectly by including the voting rights of Ballspielverein Borussia 09 e.V. Dortmund, Dortmund, Germany, pursuant to § 22 (2) and henceforth § 34 (2) WpHG)

According to the information available, the inclusion of the voting rights in either case is based on a shareholders' agreement concluded between Ballspielverein Borussia 09 e.V. Dortmund and Bernd Geske currently for a term until 30 June 2022 (after the original agreement ending on 30 June 2017 was extended). The material subject matter of said agreement is the stipulation binding the parties to exercise their voting rights in favour of Ballspielverein Borussia 09 e.V. Dortmund with regard to Bernd Geske's shares in Borussia Dortmund GmbH & Co. KGaA, and that Bernd Geske and Ballspielverein Borussia 09 e.V. Dortmund mutually agree to inform one another and vote on any changes to their respective shareholdings in Borussia Dortmund GmbH & Co. KGaA, especially pertaining to the transfer of shares.

4. There are no shares with special rights conferring powers of control.
5. There is no control of voting rights in cases in which employees are shareholders.
6. Because of its legal form as a partnership limited by shares, Borussia Dortmund GmbH & Co. KGaA does not have a management board. Instead, management and representation of the

Company is the responsibility of the general partner. The provisions of Article 6 No. 1 of the Articles of Association stipulate that Borussia Dortmund Geschäftsführungs-GmbH, with registered offices in Dortmund, is to act as such an executive body on a permanent basis and not for a limited period of time by virtue of its status as a shareholder. The appointment and removal of managing directors of Borussia Dortmund Geschäftsführungs-GmbH is governed by § 8 no. 6 of its shareholders' agreement and is the responsibility of the Executive Committee of its Advisory Board, and therefore not of the Supervisory Board of Borussia Dortmund GmbH & Co. KGaA.

In principle, changes may be made to the Articles of Association of Borussia Dortmund GmbH & Co. KGaA only by a resolution of its Annual General Meeting, which, in accordance with § 133 (1) of the AktG, must be passed by a simple majority of votes and also, in accordance with Article 15 No. 3 of the Articles of Association of the Company in conjunction with § 179 (1) and (2) of the AktG, by a simple majority of the capital represented on the date of the resolution, except to the extent that mandatory statutory provisions or the Articles of Association stipulate otherwise. A mandatory provision of statute requires that a resolution of the Annual General Meeting be passed by a majority of three-quarters of the share capital represented on the date of the resolution in the event of changes to the Articles of Association relating to the object of the Company (§ 179 (2) sentence 2 AktG), the issuance of non-voting preferred shares (§ 182 (1) sentence 2 AktG), capital increases involving the disapplication of pre-emptive subscription rights (§ 186 (3) AktG), the creation of conditional

capital (§ 193 (1) AktG), the creation of authorised capital (§ 202 (2) AktG) – where appropriate with authorisation to disapply pre-emptive subscription rights (§ 203 (2) sentence 2 in conjunction with § 186 (3) AktG) –, the ordinary or simplified reduction of share capital (§ 222 (1) sentence 2 and § 229 (3) AktG) or a change of legal form (§ 233 (2) and § 240 (1) of the German Reorganisation and Transformation Act [*Umwandlungsgesetz*, "UmwG"]). In addition, capital increases, other changes to the Articles of Association and other decisions of a fundamental nature may only be resolved with the approval of the general partner in accordance with § 285 (2) sentence 1 of the AktG. The Supervisory Board is authorised in accordance with Article 12 No. 5 of the Articles of Association to resolve changes to the Articles of Association which relate only to the wording thereof, in particular in connection with the amount of capital increases from authorised and conditional capital.

7. The general partner is authorised until 23 November 2019, with the approval of the Supervisory Board, to increase the share capital by a maximum of EUR 23,000,000.00 in total by issuing new no-par value ordinary bearer shares against cash and/or in-kind contributions on one or more occasions (Authorised Capital 2014). The limited liability shareholders have a statutory pre-emptive right over new shares issued by the Company. Such new shares may also be subscribed by a bank or a company in accordance with § 53 (1) sentence 1 or § 53b (1) sentence 1 or (7) of the German Banking Act (*Kreditwesengesetz*, "KWG") if it agrees to offer them to the limited liability shareholders for subscription.

However, the general partner is authorised, with the approval of the Supervisory Board, to decide to disapply the statutory pre-emptive subscription rights of the limited liability shareholders. Pre-emptive subscription rights may be disappplied

- a) with respect to fractional amounts arising as a consequence of subscription ratios;
- b) in the event of capital increases against cash contributions up to a total amount of 10% of the share capital existing on the date of registration of the Authorised Capital 2014 or, if lower, 10% of the share capital existing on the date of exercise of the authorisation (in each case taking into account any other authorisations made use of during the effective period of this authorisation for the disapplication of pre-emptive subscription rights pursuant to or through the corresponding application of § 186 (3) sentence 4 of the AktG), provided the issue amount of the new shares does not fall significantly below the market price;
- c) in the event of capital increases against in-kind contributions, particularly for the purpose of acquiring companies, equity investments, real estate, rights and claims against the Company.

The general partner is authorised, with the approval of the Supervisory Board, to determine the further details of the capital increase and the terms and conditions of the share issue.

In the event of a takeover bid for shares issued by the Company and admitted to trading on a regulated market, the general statutory responsibilities and

powers apply to the general partner in other respects. For example, if a takeover bid were to be received, the general partner and the Supervisory Board would be required to issue and publish a response to the bid, giving their reasons, in accordance with § 27 of the German Securities Acquisition and Takeover Act (*Wertpapiererwerbs- und Übernahmegesetz*, "WpÜG") to enable the limited liability shareholders to make a decision on the bid on an informed basis. Moreover, in accordance with § 33 WpÜG, once a takeover bid has been announced, the general partner may not take any actions outside the ordinary course of business that could frustrate the success of the bid, unless those actions have been authorised by the Annual General Meeting, or the Supervisory Board has given its approval of the actions or the actions relate to obtaining a competing bid. In making their decisions, the general partner and the Supervisory Board are bound to have regard to the interests of the Company, its employees and its shareholders. At the balance sheet date, the Articles of Association did not contain any provisions within the meaning of §§ 33a – 33c WpÜG (European prohibition on frustrating action, European breakthrough rule, reservation of reciprocity).

8. The Company is not a party to any material agreements which are conditional on a change of control following a takeover bid for the issued shares of Borussia Dortmund GmbH & Co. KGaA.

9. The Company is not a party to any compensation agreements that would apply in the event of a takeover bid.

STATEMENT BY THE GENERAL PARTNER ON RELATIONS WITH AFFILIATED COMPANIES

The Dependent Company Report prepared by Borussia Dortmund GmbH & Co. KGaA pursuant to § 312 AktG sets out the relations with Ballspielverein Borussia 09 e.V. Dortmund as the controlling entity and its affiliated companies. The general partner – represented by its Managing Directors – has issued the following concluding declaration:

"Based on the circumstances known to us at the time the transactions were entered into, the Company received appropriate consideration for each of the transactions set out in the report on relations with affiliated companies in the financial year. In all other cases, the Company has been compensated for any disadvantages having arisen. No other measures within the meaning of § 312 (1) of the AktG were either undertaken or omitted during the financial year."

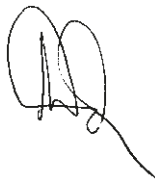
DISCLAIMER

This management report contains forward-looking statements. Such statements are based on current estimates and are by nature subject to risks and

uncertainties. Actual results may differ from the statements made in this report.

Dortmund, 24 August 2018

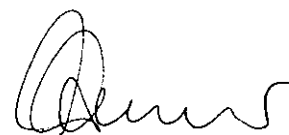
Borussia Dortmund GmbH & Co. Kommanditgesellschaft auf Aktien
Borussia Dortmund Geschäftsführungs-GmbH



Hans-Joachim Watzke
Managing Director (Chairman)



Thomas Treß
Managing Director



Carsten Cramer
Managing Director



ANNUAL FINANCIAL STATEMENTS

Borussia Dortmund GmbH & Co. Kommanditgesellschaft auf Aktien, Dortmund



ANNUAL FINANCIAL STATEMENTS for the financial year from 1 July 2017 to 30 June 2018

BALANCE SHEET

Borussia Dortmund GmbH & Co. Kommanditgesellschaft auf Aktien, Dortmund

EUR '000	30/06/2018	30/06/2017
ASSETS		
A. FIXED ASSETS		
I. Intangible fixed assets		
Purchased concessions, industrial and similar rights and assets, and licences in such rights and assets	140,169	141,186
II. Tangible fixed assets		
1. Land, land rights and buildings including buildings on third-party land	180,975	173,128
2. Other equipment, operating and office equipment	13,558	13,562
3. Prepayments and assets under construction	954	889
	195,487	187,579
III. Long-term financial assets		
1. Shares in affiliated companies	13,607	13,607
2. Equity investments	96	96
3. Other loans	67	1,947
	13,770	15,650
	349,426	344,415
B. CURRENT ASSETS		
I. Inventories		
Merchandise	46	46
II. Receivables and other assets		
1. Trade receivables	58,768	53,433
2. Receivables from affiliated companies	4,005	8,749
3. Other assets	2,066	2,457
	64,839	64,639
III. Cash-in-hand, bank balances		
	54,911	45,360
	119,796	110,045
C. PREPAID EXPENSES		
	27,231	33,249
	496,453	487,709

EUR '000	30/06/2018	30/06/2017
EQUITY AND LIABILITIES		
A. EQUITY		
I. Subscribed capital	92,000	92,000
less nominal value of treasury shares	-19	-19
Issued capital	91,981	91,981
II. Capital reserves	144,337	144,337
III. Revenue reserves		
1. Reserve for treasury shares	19	19
2. Other revenue reserves	106,451	105,631
	106,470	105,650
IV. Net retained profits	26,405	6,339
	369,193	348,307
B. PROVISIONS		
1. Provisions for taxes	1,946	590
2. Other provisions	15,763	12,251
	17,709	12,841
C. LIABILITIES		
1. Trade payables	62,259	62,218
2. Liabilities to affiliated companies	1,376	1,271
3. Other liabilities	17,582	33,532
of which from taxes: EUR 11,207 thousand (previous year: EUR 14,786 thousand)		
of which in relation to social security: EUR 29 thousand (previous year: EUR 19 thousand)		
	81,217	97,021
D. DEFERRED INCOME	28,334	29,540
	496,453	487,709

INCOME STATEMENT

Borussia Dortmund GmbH & Co. Kommanditgesellschaft auf Aktien, Dortmund

EUR '000	01/07/2017 – 30/06/2018	01/07/2016 – 30/06/2017
1. Sales	494,972	352,591
2. Other operating income	3,065	3,799
	498,037	356,390
3. Personnel expenses		
a) Wages and salaries	-169,253	-161,568
b) Social security, post-employment and other employee benefit costs of which for post-employment: EUR 280 thousand (previous year: EUR 295 thousand)	-5,248	-4,425
	-174,501	-165,993
4. Amortisation and write-downs of intangible fixed assets and depreciation and write-downs of tangible fixed assets	-88,425	-60,989
5. Other operating expenses	-204,810	-129,357
6. Income from other long-term equity investments	0	33
7. Income from profit and loss transfer agreements - all of which from affiliated companies -	3,283	7,836
8. Other interest and similar income of which from compounding: EUR 539 thousand (previous year: EUR 676 thousand)	551	678
9. Interest and similar expenses of which from discounting: EUR 1,203 thousand (previous year: EUR 241 thousand)	-4,524	-1,033
10. Earnings before taxes	29,611	7,565
11. Taxes on income	-2,931	-964
12. Earnings after taxes	26,680	6,601
13. Other taxes	-275	-262
14. Net income for the year/Net retained profits	26,405	6,339

**NOTES Borussia Dortmund GmbH & Co. Kommanditgesellschaft auf Aktien, Dortmund,
for the financial year from 1 July 2017 to 30 June 2018**

(hereinafter also "Borussia Dortmund" or "Borussia Dortmund GmbH & Co. KGaA")

GENERAL DISCLOSURES TO THE ANNUAL FINANCIAL STATEMENTS

The annual financial statements of Borussia Dortmund GmbH & Co. KGaA for the financial year from 1 July 2017 to 30 June 2018 have been prepared in accordance with the requirements of the German Commercial Code (*Handelsgesetzbuch*, "HGB") and the particular accounting requirements of the German Stock Corporation Act (*Aktiengesetz*, "AktG"). Borussia Dortmund GmbH & Co. KGaA has its registered office at Rheinlanddamm 207 – 209, 44137 Dortmund, Germany, and is listed in the commercial register of the Local Court (*Amtsgericht*) of Dortmund under the number HRB 14217. There is an additional obligation in accordance with § 315e (1) HGB to prepare consolidated financial statements applying international financial reporting standards (IFRS) as adopted by the EU.

The balance sheet classifications comply with the classification format under commercial law in accordance with § 266 HGB, while the income statement has in principle been prepared in the vertical format using the nature of expense method in accordance with § 275 HGB.

In some instances, the additional information to be provided in accordance with the statutory requirements is presented in the notes for reasons of clarity and accessibility.

The annual financial statements are presented in thousands of euros.

As a result of the fact that Ballspielverein Borussia 09 e.V. Dortmund (hereinafter "BV. Borussia 09 e.V. Dortmund") holds 100% of the shares in Borussia Dortmund Geschäftsführungs-GmbH and is therefore regarded indirectly as a controlling company, Borussia Dortmund GmbH & Co. KGaA qualifies as a dependent company within the meaning of § 17 AktG and accordingly is required to prepare a Dependent Company Report in accordance with § 312 AktG. This report must also contain the statutory concluding statement required in accordance with § 312 AktG which must be included in the management report.

The accounting policies applied in the previous year were carried over completely into the current year.

ACCOUNTING POLICIES

Fixed assets

Intangible fixed 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 generally measured at cost, taking into account the decisions of the Federal Fiscal Court (*Bundesfinanzhof*, "BFH") of 26 August 1992 (I R 24/91) and of 14 December 2011 (I R 108/10), the FIFA regulations contained in FIFA circular no. 769 of 24 August 2001, which came into force on 21 September 2001, and DFL circular no. 52 of 20 March 2015, and are amortised on a straight-line

basis in accordance with the term of the individual contracts for professional players. Write-downs may arise for assets measured at their lower fair value.

Tangible fixed assets are measured at cost less accumulated depreciation. Depreciation and amortisation are based on the economic useful lives of assets. Items with a value between EUR 150.00 to EUR 1,000.00 were recognised as an omnibus item and will be written down over a period of five years.

Long-term financial assets were measured at cost or the lower fair value in case of permanent impairment.

Inventories

Inventories are measured at cost less any discounts, subject to the strict lower of cost or market principle.

Receivables and other assets

Receivables and other assets are measured at their nominal amounts. A general valuation allowance was made for the overall credit and interest-rate risk while separate allowances are recognised for identifiable individual risks. General valuation allowances are not recognised for transfer receivables since these receivables must be measured in full on an item-by-item basis.

Cash-in-hand and bank balances

Cash-in-hand and bank balances are recognised at their nominal amounts.

Prepaid expenses

Prepaid expenses are future expenses that have been paid prior to the reporting date. This relates primarily to advance payments for the professional squad and insurance premiums. The amounts are reversed rateably over the terms/lives of the individual items.

Provisions

Provisions are recognised for all identifiable uncertain liabilities. They are carried at the settlement amounts deemed necessary as dictated by prudent business judgement.

Liabilities

Liabilities are recognised at the settlement amount.

Deferred income

Deferred income is income that was received prior to the reporting date but that is not earned until after the reporting date. In addition to the license fee received in the course of a true sale of receivables in 2007/2008 from the marketing company Lagardère Sports Germany GmbH for the entire term of the agreement, deferred income also includes payments received from match operations, catering and advertising for the 2018/2019 and 2019/2020 seasons. The amounts are reversed rateably over the periods to which they relate.

Foreign currency translation

Assets and liabilities denominated in foreign currency with a residual term of less than one year are translated at the mean spot rate on the balance sheet date.

NOTES TO THE BALANCE SHEET

Fixed assets

As at the balance sheet date, Borussia Dortmund's fixed assets break down as follows:

EUR '000	30/06/2018	30/06/2017
Intangible fixed assets	140,169	141,186
Tangible fixed assets	195,487	187,579
Long-term financial assets	13,770	15,650
	349,426	344,415

Intangible fixed assets

Intangible fixed assets consist of purchased player registrations (EUR 139,854 thousand; previous year: EUR 140,678 thousand), trademark rights and computer software; the additions in financial year 2017/2018 amounted to EUR 122,090 thousand. These were due to the signings of the players Mahmoud Dahoud, Ömer Toprak, Maximilian Philipp, Andriy Yarmolenko, Jeremy Toljan, Jadon Sancho, Manuel Akanji and Sergio Gómez, as well as subsequent costs for existing player registrations. The additions were partly offset by EUR 79,306 thousand in amortisation and write-downs in the reporting period, of which EUR 79,113 thousand was attributable to player registrations. This included EUR 20,362 thousand in write-downs of assets to fair value. Disposals amounted to EUR 43,801 thousand and included the players Neven Subotić, Sven Bender, Pierre-Emerick Aubameyang, Gonzalo Castro, Joo-Ho Park, Ousmane Dembélé, Marc Bartra, Emre Mor and Mikel Merino.

Tangible fixed assets

Tangible fixed assets amounted to EUR 195,487 thousand as at the reporting date. This item included the stadium property (EUR 135,738 thousand), the Strobelallee plot of land (EUR 14,320 thousand), the Rheinlanddamm plot of land and the administration building located there (EUR 10,363 thousand) and various areas at SIGNAL IDUNA PARK (EUR 7,817 thousand). Tangible fixed assets also include the plot of land in Brackel and associated land improvements (EUR 4,683 thousand).

The EUR 17,338 thousand in additions to tangible fixed assets in the past financial year related mainly to the following:

The administration building and land was acquired for EUR 10,363 thousand on 31 December 2017. Furthermore, the land at Strobelallee 81 on which the football academy is located was acquired for EUR 1,937 thousand.

Investments amounting to EUR 2,184 thousand were made at the training ground in Brackel, including the completion of a spectator terrace and modernisation of existing pitches.

A new athletics and media building is also under construction. This was reported under prepayments as at the balance sheet date.

Stricter security requirements resulted in the purchase of a movable fencing system for SIGNAL IDUNA PARK. Investments were also made in expanding the catering areas and in IT.

Long-term financial assets

Long-term financial assets include the 100% shareholdings in BVB Stadionmanagement GmbH, BVB Merchandising GmbH, BVB Event & Catering GmbH, Sports & Bytes GmbH, besttravel dortmund GmbH and BVB Asia Pacific Pte. Ltd., as well as the 33.33% shareholding in Orthomed Medizinisches Leistungs- und Rehabilitationszentrum GmbH. Please refer to the list of shareholdings for more information.

Long-term financial assets also include loans to employees.

The Company has entered into a profit and loss transfer agreement with its subsidiaries BVB Merchandising GmbH, BVB Stadionmanagement GmbH, BVB Event & Catering GmbH, Sports & Bytes GmbH and besttravel dortmund GmbH.

The development of gross fixed assets and of accumulated depreciation and amortisation for the individual items of fixed assets are shown in the following analysis pursuant to § 284 (3) HGB:

FIXED ASSETS

Borussia Dortmund GmbH & Co. Kommanditgesellschaft auf Aktien, Dortmund

EUR '000	Change in cost				As at 30/06/2018
	As at 30/06/2017	Additions	Reclassification	Disposals	
I. Intangible fixed assets					
1. Purchased concessions, industrial and similar rights and assets, and licences in such rights and assets	235,204	122,090	0	82,288	275,006
II. Tangible fixed assets					
1. Land, land rights and buildings including buildings on third-party land	203,484	13,336	1,076	259	217,637
2. Other equipment, operating and office equipment	36,349	2,861	0	68	39,142
3. Prepayments and assets under construction	889	1,141	-1,076	0	954
	240,722	17,338	0	327	257,733
III. Long-term financial assets					
1. Shares in affiliated companies	13,607	0	0	0	13,607
2. Equity investments	96	0	0	0	96
3. Other loans	1,947	132	0	2,012	67
	15,650	132	0	2,012	13,770
	491,576	139,560	0	84,627	546,509

ANNUAL FINANCIAL STATEMENTS
for the financial year from 1 July 2017 to 30 June 2018

Change in depreciation, amortisation and write-downs					Carrying amounts		
As at 30/06/2017	Additions	Write-downs	Disposals	As at 30/06/2018	As at 30/06/2018	As at 30/06/2017	
94,018	58,944	20,362	38,487	134,837	140,169	141,186	
30,356	6,306	0	0	36,662	180,975	173,128	
22,787	2,813	0	16	25,584	13,558	13,562	
0	0	0	0	0	954	889	
53,143	9,119	0	16	62,246	195,487	187,579	
0	0	0	0	0	13,607	13,607	
0	0	0	0	0	96	96	
0	0	0	0	0	67	1,947	
0	0	0	0	0	13,770	15,650	
147,161	68,063	20,362	38,503	197,083	349,426	344,415	

Current assets

Current assets are made up as follows:

EUR '000	30/06/2018	30/06/2017
Inventories	46	46
Trade receivables	58,768	53,433
Receivables from affiliated companies	4,005	8,749
Other assets	2,066	2,457
Cash-in-hand, bank balances	54,911	45,360
	119,796	110,045

Inventories represent the material value of decorative shares in the form of printed physical share certificates.

Trade receivables includes transfer receivables amounting to EUR 55,256 thousand (previous year: EUR 49,465 thousand).

Trade receivables with a term of more than one year amounted to EUR 39,653 thousand (previous year: EUR 10,256 thousand).

Other assets include primarily tax assets and deposits for transfer payments.

No bank balances have been pledged as security for loans.

Prepaid expenses

In addition to prepayments for other services, the prepaid expenses amounting to EUR 27,231 thousand include primarily prepayments for personnel expenses in connection with contract extensions amounting

to EUR 20,818 thousand (previous year: EUR 21,461 thousand) and prepayments for agent fees and brokerage commissions amounting to EUR 2,964 thousand (previous year: EUR 8,686 thousand).

Equity

EUR '000	30/06/2018	30/06/2017
Issued capital	91,981	91,981
Capital reserves	144,337	144,337
Revenue reserves	106,470	105,650
Net retained profits	26,405	6,339
	369,193	348,307

The Company's subscribed capital amounts to EUR 92,000 thousand and is divided into 92,000,000 no-par value shares, each representing a notional share in the share capital of EUR 1.00, less the notional value of treasury shares of EUR 19 thousand. Equity contains a presentation of treasury shares in which the nominal amount of the treasury shares is deducted from equity under subscribed capital on the face of the balance sheet. Furthermore, a reserve for treasury shares in the same amount is also presented.

Pursuant to a resolution by the Annual General Meeting on 16 November 2004, the Company was authorised to acquire own shares amounting to 10% of the share capital on or before 30 April 2006. The Company was also authorised to sell its treasury shares either on or off the stock market. Off-market sales are permitted, among other purposes, for the sale of shares in the form of printed physical share certificates which are freely transferable and tradable. In such cases, shareholders' subscription rights are excluded in accordance with § 71 (1) No. 8 AktG.

In the period between the date of admission of the Company's shares to trading (31 October 2000) and the end of the reporting period, the Company acquired a total of 34,000 no-par value shares and sold 14,700 no-par value shares off-market in the form of printed physical share certificates. The gain on disposal has been reported separately under other operating

income. At the balance sheet date, the Company's holding of its own securities consisted of 18,900 no-par value shares; no shares were disposed of during the reporting period.

Further disclosures required in accordance with § 160 AktG are given in the following overview:

	Transactions in own/treasury shares	Total treasury shares	Total share capital EUR	Share in total capital in %	Selling price EUR
07/2017 – 12/2017	0				0,00
As at 31/12/2017		18,900	18,900,00	0.021	
01/2018 – 06/2018	0				0,00
As at 30/06/2018		18,900	18,900,00	0.021	

On 24 November 2014, the Annual General Meeting of Borussia Dortmund GmbH & Co. Kommanditgesellschaft auf Aktien resolved to issue a new authorisation, with the consent of the Supervisory Board, to increase the share capital on one or more occasions by or before 23 November 2019 by up to EUR 23,000,000.00 ("Authorised Capital 2014"). To this end, the statutory pre-emptive subscription rights of the limited liability shareholders may be disappplied:

- a) with respect to fractional amounts arising as a consequence of subscription ratios;
- b) in the event of capital increases against cash contributions up to a total amount of 10% of the share capital existing on the date of registration of the Authorized Capital 2014 or,

if lower, 10% of the share capital existing on the date of exercise of the authorisation (in each case taking into account any other authorisations made use of during the effective period of this authorisation for the disapplication of pre-emptive subscription rights pursuant to or through the corresponding application of § 186 (3) sentence 4 of the AktG), provided the issue amount of the new shares does not fall significantly below the market price;

- c) in the event of capital increases against in-kind contributions, particularly for the purpose of acquiring companies, equity interests, real estate, rights and claims against the company.

The change in reserves was as follows:

Change in reserves

EUR '000	01/07/2017	Additions	Withdrawals	30/06/2018
Capital reserves	144,337	0	0	144,337
Revenue reserves	105,650	820	0	106,470
	249,987	820	0	250,807

The annual financial statements for the financial year from 1 July 2016 to 30 June 2017 were adopted at the Annual General Meeting on 27 November 2017. The net retained profits of EUR 6,338,926.62 reported in the Company's annual financial statements for the 2016/2017 financial year were used as follows:

- EUR 5,518,866.00 was used to distribute to the limited liability shareholders a dividend of EUR 0.06 per share carrying dividend rights.

- the remaining EUR 820,060.62 was transferred to other revenue reserves

The dividend was paid on 29 November 2017.

Changes in equity were as follows:

Changes in equity

EUR '000	01/07/2017	Additions/ withdrawals	Dividend	Net income for the year	30/06/2018
Issued capital	91,981	0	0	0	91,981
Capital reserves	144,337	0	0	0	144,337
Revenue reserves	105,650	820	0	0	106,470
Net retained profits	6,339	-820	-5,519	26,405	26,405
	348,307	0	-5,519	26,405	369,193

Provisions

EUR '000	30/06/2018	30/06/2017
Provisions for taxes	1,946	590
Other provisions	15,763	12,251
	17,709	12,841

Provisions for taxes amounted to EUR 1,946 thousand and include mainly the tax obligations from the past financial year.

Other provisions include primarily staff-related

obligations (EUR 6,445 thousand), provisions for outstanding invoices (EUR 3,656 thousand) and provisions for taxes on profits (EUR 2,450 thousand).

Deferred taxes

Deferred tax assets and liabilities based on differences in the carrying amounts of tangible fixed assets in the financial accounts and the tax accounts are netted against each other. Irrespective of their date of realisation, deferred tax assets were

recognised on loss carryforwards in the amount of the excess deferred tax liabilities. As in the previous year, deferred taxes are measured using the average tax rate of 32.81%.

Liabilities

The maturities and security granted in respect of liabilities reported at 30 June 2018 are shown in the following overview:

EUR '000	Total 30/06/2018	of which with a residual term of		
		less than 1 year	1 – 5 years	more than 5 years
Trade payables	62,259	52,535	9,724	0
Liabilities to affiliated companies	1,376	1,376	0	0
Other liabilities	17,582	15,032	2,550	0
of which from taxes EUR 11,207 thousand (previous year: EUR 14,786 thousand)				
of which social security EUR 29 thousand (previous year: EUR 19 thousand)				
	81,217	68,943	12,274	0

EUR '000	Total 30/06/2017	of which with a residual term of		
		less than 1 year	1 – 5 years	more than 5 years
Trade payables	62,218	61,722	496	0
Liabilities to affiliated companies	1,271	1,271	0	0
Other liabilities	33,532	26,932	6,600	0
of which from taxes EUR 14,786 thousand (previous year: EUR 13,899 thousand)				
of which social security EUR 19 thousand (previous year: EUR 15 thousand)				
	97,021	89,925	7,096	0

As at 30 June 2018, trade payables amounted to EUR 62,259 thousand, of which EUR 54,475 thousand (previous year: EUR 50,525 thousand) related to transfer deals. Trade payables with a residual term of more than one year amounted to EUR 9,724 thousand (previous year: EUR 496 thousand). Other liabilities consisted mainly of wage and value added tax not yet due, staff-related liabilities not yet

due as well as fees received on behalf of third parties. Other liabilities with a residual term of more than one year amounted to EUR 2,550 thousand (previous year: EUR 6,600 thousand).

They also include liabilities to the general partner amounting to EUR 599 thousand (previous year: EUR 782 thousand).

Deferred income

Deferred income includes licence fees received in financial year 2007/2008 from the marketing company Lagardère Sports Germany GmbH for the 12-year term of the agency licensing agreement, as

well as payments received from match operations, catering and advertising for the 2018/2019 and 2019/2020 seasons. The amounts are reversed rateably over the periods to which they relate.

Other financial obligations

As at the balance sheet date, there were financial obligations including rental, leasing, hereditary lease, licensing and loss assumption obligations resulting from inter-company agreements. The classification by maturity is shown in the following table:

EUR '000	Total 30/06/2018	of which with a residual		
		less than 1 year	1 – 5 years	more than 5 years
Marketing fees	130,773	22,657	66,301	41,815
Rental and leasing	13,345	3,809	9,536	0
Other financial obligations	1,422	669	603	150
Purchase commitments	64,650	37,450	27,200	0
	210,190	64,585	103,640	41,965

Furthermore, as in the previous year, there are contingent liabilities from guarantees related to BVB Merchandising GmbH (EUR 238 thousand) and to beststravel dortmund GmbH (EUR 179 thousand). Based on past experience, it is unlikely that claims on these guarantees will be asserted.

In addition, a total of EUR 40,328 thousand in variable payment obligations under existing agreements with conditions precedent were reported as at 30 June 2018, of which EUR 18,391 thousand had a residual term of less than one year.

Derivative financial instruments

Borussia Dortmund concluded an interest rate swap with a German Landesbank in connection with the exercise in 2014 of an option to purchase a leased administration building and plot of land, and the corresponding financing planned for 2017. On 30 September 2017, Borussia Dortmund decided that it would not make use of the planned bank financing for the purchase, as previously stated, and chose to terminate the hedge by eliminating the hedged item.

The sale of the interest rate swap was reported under finance costs at its fair value of EUR -1,654 thousand.

The provision for expected losses from executory contracts was fully reversed in the reporting period (previous year: EUR 16 thousand).

NOTES TO THE INCOME STATEMENT

The following items of the income statement are generally classified by area of activity as required by DFL Deutsche Fußball Liga GmbH for the licensing procedure:

Sales

EUR '000	2017/2018	2016/2017
Match operations	42,322	43,915
Advertising	93,994	87,382
TV Marketing	122,293	125,750
Transfer deals	222,733	77,317
Conference, catering, miscellaneous	13,630	18,227
	494,972	352,591

Borussia Dortmund generated sales of EUR 494,972 thousand in the 2017/2018 financial year.

Income from match operations decreased by EUR 1,593 thousand to EUR 42,322 thousand in financial year 2017/2018. This was due mainly to income from domestic cup competitions, which declined by EUR 3,061 thousand to EUR 2,236 thousand after Borussia Dortmund was knocked out by FC Bayern Munich in the round of 16. Income from friendlies and other match operations increased by EUR 1,368 thousand. Income from match operations for

domestic competitions rose by EUR 423 thousand, despite the fact that Borussia Dortmund played five Sunday matches and one Monday-evening home match that was subject to a protest staged by fans.

In the financial year ended, Borussia Dortmund increased its advertising income by 7.57% to EUR 93,994 thousand (previous year: EUR 87,382 thousand). This was due primarily to signing the new sleeve sponsor and Champion Partner agreement with Opel Automobile GmbH and gaining new international partners, mainly in Asia.

Income from domestic and international TV marketing decreased by EUR 3,457 thousand year on year to EUR 122,293 thousand in the 2017/2018 financial year. Of this figure, EUR 3,169 thousand (previous year: EUR 1,109 thousand) was prior-period income. The changes break down as follow:

Income from domestic TV marketing amounted to EUR 87,953 thousand, up EUR 21,840 thousand against the previous year.

International TV marketing income declined by EUR 19,241 thousand to EUR 31,752 thousand.

Income from TV marketing for national cup competitions also decreased, falling by EUR 6,055 thousand to EUR 2,578 thousand due to the team's elimination in the round of 16.

Transfer income increased to EUR 222,733 thousand in the 2017/2018 financial year, and at 45.00% was Borussia Dortmund's biggest contributor to sales. This related primarily to the transfers of the players Pierre-Emerick Aubameyang to Arsenal FC, Marc Bartra to Real Betis, Sven Bender to Bayer 04 Leverkusen, Gonzalo Castro to VfB Stuttgart, Ousmane Dembélé to FC Barcelona, Mikel Merino Zazón to Newcastle United, Emre Mor to Celta Vigo and Neven Subotić to AS Saint-Étienne, as well as transfer compensation stemming from transfer deals in previous financial years and loans.

Other operating income

Other operating income decreased by EUR 734 thousand year on year to EUR 3,065 thousand and includes prior-period income of EUR 391 thousand (previous year: EUR 2,081 thousand).

Personnel expenses

The breakdown of personnel expenses is as follows:

EUR '000	2017/2018	2016/2017
Match operations	128,172	110,655
Retail and Administration	14,006	11,671
Amateur and youth football	8,845	7,397
	151,023	129,723

Furthermore, in financial year 2017/2018 the professional squad received performance-based bonuses of EUR 23,478 thousand (previous year: EUR 36,270 thousand). The expenses also include EUR 221 thousand in prior-period expenses that are mainly attributable to the findings of a tax audit.

Other operating expenses

EUR '000	2017/2018	2016/2017
Match operations	41,628	43,852
Advertising	24,401	27,464
Transfer deals	107,657	31,535
Retail	2,371	2,219
Administration	23,336	20,465
Other	5,417	3,822
	204,810	129,357

Other operating expenses increased by EUR 75,453 thousand from EUR 129,357 thousand in the previous year to EUR 204,810 thousand in the reporting period.

Expenses related to transfer deals rose by EUR 76,122 thousand year on year. This was due mainly to expenses for transfer deals already signed and write-offs of residual carrying amounts.

Expenses for match operations decreased from EUR 43,852 thousand to EUR 41,628 thousand. This was mainly attributable to lower football association fees resulting from DFL Deutsche Fußball Liga GmbH's new rules governing association dues, and reduced expenses for other match operations due to factors including the team's early elimination from the DFB Cup.

Financial result

The financial result for financial year 2017/2018 amounted to EUR -690 thousand (previous year: EUR 7,514 thousand) and breaks down as follows:

Income from profit and loss transfer agreements amounted to EUR 3,283 thousand. These include the results of BVB Merchandising GmbH, BVB Event & Catering GmbH, BVB Stadionmanagement GmbH and Sports & Bytes GmbH and besttravel dortmund GmbH.

Taxes on income

Taxes on income amounted to EUR 2,931 thousand (previous year: EUR 964 thousand) and consisted primarily of EUR 3,512 in tax expenses relating to

Advertising expenses also decreased, by EUR 3,063 thousand. This was due to the new agreement with Lagardère Sports Germany GmbH under which Lagardère charges lower commissions despite Borussia Dortmund's rising sales.

The rise in administration expenses was due mainly to the appointment of a third managing director from 1 March 2018, as well as the increase in taxes on profits.

During the reporting period, prior-period expenses amounted to EUR 221 thousand and included primarily provisions for the findings of tax audits. In the past financial year, foreign currency translation expenses of EUR 70 thousand and foreign currency translation gains of EUR 16 thousand were recognised in other operating expenses.

Furthermore, interest income of EUR 551 thousand was recognised. Interest expenses amounted to EUR 4,524 thousand, of which EUR 1,654 thousand was due to the termination of a hedge after elimination of the hedged item. Furthermore, the net interest expense includes discounting effects of EUR 2,796 thousand.

the financial year ended and offsetting tax assets from prior periods.

OTHER DISCLOSURES

Corporate Governance

The management and Supervisory Board of Borussia Dortmund GmbH & Co. KGaA issued the Declaration of Conformity with the German Corporate Governance Code required by § 161 of the

German Stock Corporation Act (*Aktiengesetz*, "AktG") on 11 September 2017 and made it permanently available to shareholders on the website at www.bvb.de/aktie.

General partner

The general partner is Borussia Dortmund Geschäftsführungs-GmbH, whose registered office is in Dortmund and which does not have an interest in the Company's share capital. Its share capital amounts to EUR 30 thousand. Borussia Dortmund Geschäftsführungs-GmbH is exempt from the restrictions contained in § 181 of the German Civil Code (*Bürgerliches Gesetzbuch*, "BGB") and is listed in the commercial register of the Local Court of Dortmund, HRB No. 14206. The managing directors

of this company are Hans-Joachim Watzke (Chairman), Thomas Treß (each of whom has sole power of representation) and, since 1 March 2018, Carsten Cramer (joint power of representation).

In the most recent financial year, the members of management received the following amounts for their activities, including responsibilities relating to subsidiary companies:

EUR '000	2017/2018	2016/2017
Dipl.-Kfm. Hans-Joachim Watzke (Chairman)		
Fixed components		
Fixed remuneration	1,723	1,680
Other remuneration	44	22
Dipl.-Kfm. Thomas Treß		
Fixed components		
Fixed remuneration	784	676
Other remuneration	68	65
Carsten Cramer		
Fixed components		
Fixed remuneration	283	0
Other remuneration	17	0
	2,919	2,443

Based on the net profit for the year and the footballing success of the team, Hans-Joachim Watzke furthermore received EUR 788 thousand in performance-based remuneration (previous year: EUR 528 thousand), Thomas Treß received EUR 314 thousand in performance-based remuneration based on the net profit for the year (previous year: EUR 252 thousand), and Carsten Cramer received EUR 336 thousand in performance-based remuneration based on the net profit for the year (previous year: EUR 0 thousand).

The names of the current members of the Company's Supervisory Board, their occupations and their further responsibilities on other management bodies are listed below:

SUPERVISORY BOARD of Borussia Dortmund GmbH & Co. Kommanditgesellschaft auf Aktien, Dortmund

Gerd Pieper	Peer Steinbrück	Bernd Geske	Christian Kullmann	Dr. Werner Müller	Ulrich Leitermann	Björn Gulden	Dr. Reinhold Lunow	Silke Seidel
Chairman				Deputy Chairman				

RIGHT TO REMUNERATION 2017/2018 (EUR '000)

24	12	12	12	18	12	12	12	12
----	----	----	----	----	----	----	----	----

OCCUPATIONS (as at 30 June 2018)

Managing shareholder of Stadt-Parfümerie Pieper GmbH, Herne	Senior Advisor to the Management Board of ING-DiBa AG, Frankfurt am Main	Managing partner of Bernd Geske Lean Communication, Meerbusch	Chairman of the Executive Board of Evonik Industries AG, Essen	German Finance Minister (ret.)	Chairman of the Managing Boards of group parent companies of the SIGNAL IDUNA Group, Dortmund (SIGNAL Krankenversicherung a.G., Dortmund; SIGNAL IDUNA Lebensversicherung a.G., Hamburg; SIGNAL IDUNA Unfallversicherung a.G., Dortmund)	Chief Executive Officer of PUMA SE, Herzogenaurach	Medical Director of Praxisklinik Bornheim, Bornheim	Senior Executive at Dortmunder Stadtwerke AG and Managing Director of Hohenbuschei Beteiligungsgesellschaft mbH, Westfalentor 1 GmbH and Dortmund Logistik GmbH, all in Dortmund
---	--	---	--	--------------------------------	--	--	---	--

OTHER FUNCTIONS on statutory supervisory boards and comparable German or foreign supervisory bodies of commercial enterprises (as at 30 June 2018)

Member of the Advisory Board of Borussia Dortmund GeschäftsführungsgmbH, Dortmund	Chairman of the Supervisory Board of Clear-VAT Aktiengesellschaft, Berlin		Member of the Supervisory Board of Contilia GmbH, Essen Member of the Board of Directors of Stadler Rail AG, Bussnang, Switzerland Chairman of the Supervisory Board of Evonik Industries AG, Essen (until 23 May 2018) Chairman of the Supervisory Board of RAG Aktiengesellschaft, Herne (until 23 May 2018) Chairman of the Supervisory Board of RAG Deutsche Steinkohle AG, Herne (until 23 May 2018) Chairman of the Supervisory Board of Entwicklungsgesellschaft Zollverein mbH, Essen (until 28 February 2018)	Member and Chairman of the Supervisory Board of Dortmund Volksbank eG, Dortmund Member and Chairman of the Supervisory Board of Sana Kliniken AG, Ismaning	Member of the Supervisory Board of Dansk Supermarked A/S, Højbjerg, Denmark Member of the Supervisory Board of Tchibo GmbH, Hamburg Member of the Supervisory Board of Pandora A/S, Copenhagen, Denmark	Member of the Advisory Board of Borussia Dortmund GeschäftsführungsgmbH, Dortmund
---	---	--	---	---	---	---

Employees

The average number of employees during the year was 431 (previous year: 383):

Average number of employees	2017/2018	2016/2017
Total	431	383
of which in the Athletics Department	257	229
of which trainees	4	2
of which other	170	152

List of shareholdings

The following table gives summarised information relating to companies in which the Company has a shareholding of more than 20%:

	Registered office	Share capital (EUR '000)	Shareholding %	Equity (EUR '000) as at 30/06/2018	Net profit/loss (EUR '000) 01/07/2017 to 30/06/2018
Fully consolidated companies:					
BVB Stadionmanagement GmbH*	Dortmund	52	100.00	66	24
besttravel Dortmund GmbH*	Dortmund	50	100.00	144	1,044
BVB Merchandising GmbH*	Dortmund	75	100.00	10,881	288
Sports & Bytes GmbH*	Dortmund	200	100.00	2,510	166
BVB Event & Catering GmbH*	Dortmund	25	100.00	25	1,761
BVB Asia Pacific Pte. Ltd.	Singapore	66	100.00	131	29
Investments accounted for using the equity method					
Orthomed Medizinisches Leistungs- und Rehabilitationszentrum GmbH**	Dortmund	52	33.33	748	38

* Profit and loss transfer agreements are in force. Profit/loss of the Company prior to transfer to/absorption by the consolidated tax group parent.

** Included in the consolidated financial statements as at 31 December 2017 as an associate.

The companies are included in the consolidated financial statements of Borussia Dortmund GmbH & Co. KGaA, Dortmund.

The consolidated financial statements are published in the electronic Federal Gazette.

Related-party disclosures

The general partner in Borussia Dortmund GmbH & Co. Kommanditgesellschaft auf Aktien is Borussia Dortmund Geschäftsführungs-GmbH. The latter is responsible for the management and legal representation of Borussia Dortmund GmbH & Co. Kommanditgesellschaft auf Aktien. The power to appoint and remove members of staff thus rests

with BV. Borussia 09 e.V., Dortmund, in its capacity as the sole shareholder in Borussia Dortmund Geschäftsführungs-GmbH. Both Borussia Dortmund Geschäftsführungs-GmbH and BV. Borussia 09 e.V. Dortmund, as well as all companies associated therewith hence are deemed to be related parties.

Auditors' fee

KPMG AG audited the annual and consolidated financial statements of Borussia Dortmund GmbH & Co. KGaA and conducted further statutory and voluntary audits at subsidiaries. The auditors reviewed the interim consolidated financial statements and carried out mandatory audits and reviews as part of the DFL licensing procedure pursuant to the DFL licensing regulations. KPMG also provided tax advisory services covering advice and assessment in individual cases. Our auditors were also tasked with conducting a limited assurance engagement on our separate non-financial Group report and advising us in connection with applying accounting standards for the first time, implementing the General Data Protection Regulation, and selecting an ERP system. For details of the auditors' fees, please see the notes to the consolidated financial statements. The disclosures are not made in this report due to the exemption under § 285 no. 17 HGB for entities preparing consolidated financial statements.

Notifiable shareholding under § 160 (1) No. 8 AktG in conjunction with § 21 WpHG

Of the shareholdings in our Company as at the 30 June 2018 reporting date, the following were notified to us pursuant to § 33 (1) of the German Securities Trading Act (*Wertpapierhandelsgesetz*, "WpHG") in the 2017/2018 financial year and published with the following content pursuant to § 40 (1) WpHG:

On 4 April 2018, Dimensional Holdings Inc., Austin, Texas, USA, filed notice that its voting interest in Borussia Dortmund GmbH & Co. KGaA amounted to 3.01% (2,770,661 shares) on 27 March 2018 and that under § 34 WpHG, all of those voting rights were attributable to Dimensional Holdings Inc.

On 16 March 2018, Dimensional Holdings Inc., Austin, Texas, USA, filed notice that its voting interest in Borussia Dortmund GmbH & Co. KGaA amounted to 3.01% (2,770,661 shares) on 9 March 2018, as well as that under § 34 WpHG, 2.98% of the voting interest (2,745,825 shares) is attributable to Dimensional Holdings Inc. and that 0.03% of the voting interest (24,836 shares) was held under a right of recall in accordance with § 38 (1) sentence 1 no. 1 WpHG.

On 26 February 2018, Dimensional Holdings Inc., Austin, Texas, USA, filed notice that its voting interest in Borussia Dortmund GmbH & Co. KGaA amounted to 3.01% (2,770,661 shares) on 20 February 2018 and that under § 34 WpHG, all of those voting rights were attributable to Dimensional Holdings Inc.

Proposed appropriation of net profit

The management will recommend to the Annual General Meeting that it resolve to use the net retained profits of EUR 26,405 thousand for financial year 2017/2018 to distribute a dividend of EUR 0.06 per share carrying dividend rights (totalling EUR 5,519 thousand) for financial 2017/2018 and to transfer the remainder (EUR 20,886 thousand) to other revenue reserves.

Report on post-balance sheet date events

Big names in Dortmund

Four players from last season's squad have moved to the English Premier League. Sokratis Papastathopoulos is heading to Arsenal FC at his request, Borussia Dortmund and West Ham United agreed to transfer Ukraine international Andriy Yarmolenko with immediate effect, and Erik Durm has signed for Huddersfield Town.

Felix Passlack is also moving to England, where he will spend the upcoming season on loan to second-tier Norwich City FC.

The start of the 2018/2019 season will see Belgium international Axel Witsel move to Borussia Dortmund from Chinese club Tianjin Quanjian on a contract that runs until 30 June 2022.

Morocco international Achraf Hakimi is on loan to Borussia Dortmund from Champions League winner Real Madrid until the end of the 2019/2020 season.

Preparations for the new season

Seven test matches were scheduled for the pre-season. The team defeated FK Austria Wien 0:1 on 13 July, beat Manchester City 0:1 in the second game and chalked up a further 1:3 victory against Liverpool FC, before losing 5:6 on penalties to Benfica Lisbon.

With Lucien Favre at the helm, the team departed for its training camp in Bad Ragaz on 1 August 2018, where they played test matches against Stade Rennais FC (1:1) and SSC Napoli (1:3).

Bundesliga

At the end of June, DFL Deutsche Fußball Liga GmbH published the fixtures for the upcoming 2018/2019 season. Borussia Dortmund will kick off the 56th Bundesliga season at home to RB Leipzig on the last weekend in August, before travelling to Hannover 96 a week later for its first away fixture.

DFB Cup

Borussia Dortmund will face Greuther Fürth on 20 August 2018 in the first round of the DFB Cup.

Sponsorships

For the 2018/2019 season, Borussia Dortmund added Electronic Arts Inc. as a new Champion Partner until 30 June 2022.

Dortmund, 24 August 2018

Borussia Dortmund GmbH & Co. Kommanditgesellschaft auf Aktien
Borussia Dortmund Geschäftsführungs-GmbH



Hans-Joachim Watzke
Managing Director (Chairman)



Thomas Treß
Managing Director



Carsten Cramer
Managing Director

INDEPENDENT AUDITOR'S REPORT

To Borussia Dortmund GmbH & Co. Kommanditgesellschaft auf Aktien, Dortmund

REPORT ON THE AUDIT OF THE ANNUAL FINANCIAL STATEMENTS AND OF THE MANAGEMENT REPORT

Opinions

We have audited the annual financial statements of Borussia Dortmund GmbH & Co. Kommanditgesellschaft auf Aktien, which comprise the balance sheet as at 30 June 2018, and the statement of profit and loss for the financial year from 1 July 2017 to 30 June 2018 and notes to the financial statements, including the recognition and measurement policies presented therein. In addition, we have audited the management report of Borussia Dortmund GmbH & Co. Kommanditgesellschaft auf Aktien for the financial year from 1 July 2017 to 30 June 2018.

In our opinion, on the basis of the knowledge obtained in the audit,

- the accompanying annual financial statements comply, in all material respects, with the requirements of German commercial law applicable to business corporations and give a true and fair view of the assets, liabilities and financial position of the Company as at 30 June 2018 and of its financial performance for the financial year from 1 July 2017 to 30 June 2018 in compliance with German Legally Required Accounting Principles, and
- the accompanying management report as a whole provides an appropriate view of the Company's position. In all material respects, this management report is consistent with the annual financial statements, complies with German legal requirements and appropriately presents the opportunities and risks of future development.

Pursuant to Section 322 (3) sentence 1 HGB [*Handelsgesetzbuch*: German Commercial Code], we declare that our audit has not led to any reservations relating to the legal compliance of the annual financial statements and of the management report.

Basis for the Opinions

We conducted our audit of the annual financial statements and of the management report in accordance with Section 317 HGB and the EU Audit Regulation No. 537/2014 (referred to subsequently as "EU Audit Regulation") and in compliance with German Generally Accepted Standards for Financial Statement Audits promulgated by the Institut der Wirtschaftsprüfer [Institute of Public Auditors in Germany] (IDW). Our responsibilities under those requirements and principles are further described in the "Auditor's Responsibilities for the Audit of the Annual Financial Statements and of the Management Report" section of our auditor's report. We are independent of the Company in accordance with the requirements of European law and German commercial and professional law, and we have fulfilled our other German professional responsibilities in accordance with these requirements. In addition, in accordance with Article 10 (2) point (f) of the EU Audit Regulation, we declare that we have not provided non-audit services prohibited under Article 5 (1) of the EU Audit Regulation. We believe that the evidence we have obtained is sufficient and appropriate to provide a basis for our opinions on the annual financial statements and on the management report.

Key Audit Matters in the Audit of the Annual Financial Statements

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the annual financial statements for the financial year from 1 July 2017 to 30 June 2018. These matters were addressed in the context of our audit of the annual financial statements as a whole, and in forming our opinion thereon, we do not provide a separate opinion on these matters.

The measurement of player registrations as well as the completeness and measurement of liabilities from transfers

We refer to the information in the notes to the annual financial statements on accounting policies (Chapter Fixed Assets and Liabilities) as well as to the explanatory notes to the balance sheet (Appendix Intangible Assets and Liabilities).

FINANCIAL STATEMENT RISK

Player registrations in the amount of EUR 139.9 million are presented under intangible assets in the annual financial statements of Borussia Dortmund. Player registrations decreased to EUR 139.9 million in the financial year ended due to acquisitions of EUR 122.1 million, disposals of EUR 43.8 million and amortisations of EUR 79.1 million. Trade payables include transfer liabilities of EUR 54.5 million.

The acquisition costs of player registrations are determined based on individual and complex transfer agreements between the transferring and receiving clubs as well as any agreements with players and player agents concluded in this context. Due to the heterogeneity and complexity of contract provisions there is generally the risk that on initial recognition the intangible asset as well as the related transfer liability are not measured correctly in the financial statements.

Furthermore, there is generally the risk of improper subsequent measurement of the intangible assets

and transfer liabilities as well as of the completeness of transfer liabilities, which may arise from conditional contractual components or contract modifications.

OUR AUDIT APPROACH

For the succeeded player acquisitions we dignified accounting of the player registrations in terms of acquisition cost determination as well as the related transfer liability by inspection of material concluded transfer and agent agreements.

As part of subsequent measurement, we checked material transfer and agent agreements as to whether conditions occurred in the 2017/2018 financial year, which may have triggered subsequent acquisition costs and additional liabilities from transfers and their corresponding accounting.

Furthermore, we examined material contract modification or contract prolongation for subsequent acquisition costs and additional liabilities or the appropriateness of adjustments to useful lives.

OUR CONCLUSIONS

Transfer and agent agreements were appropriately dignified in terms of measuring player registrations and the related transfer liabilities.

The existence and the accuracy of transfer receivables as well as revenues from transfers

We refer to the information in the notes to the annual financial statements on accounting policies (Chapter Receivables and other assets), the explanatory notes to the balance sheet (Chapter Current assets) and the explanatory notes to the income statement (Chapter Sales).

FINANCIAL STATEMENT RISK

In addition to the player registrations recognized, the transfer agreements also impact receivables and revenues from transfers. EUR 55.3 million of transfer receivables are shown under trade receivables in the annual financial statements of Borussia Dortmund. Revenues from transfers amounted to EUR 222.7 million in the 2017/2018 financial year.

Due to the heterogeneity and complexity of the contract provisions, there is generally the risk that in the case of player disposals, receivables from transfers and thus the related revenues are presented in the financial statements at too high an amount or not in the correct period.

OUR AUDIT APPROACH

With regard to player disposals from the professional squad, we ensured the amount of transfer receivables and revenues by inspection of material concluded transfer and agent agreements. The accuracy of transfer receivables

and revenues recognized was assessed by verifying the determination of receivables based on the contract provisions.

When inspecting the concluded transfer agreements, we focused mainly on the date of recognition in order to assess whether the receivables and related revenues were recognized in the correct period.

OUR CONCLUSIONS

Transfer and agent agreements were appropriately dignified in terms of transfer receivables and revenues from transfers.

The completeness and the accuracy of personnel expenses of the professional squad

We refer to the information in the explanatory notes to the income statement (Chapter Personnel expenses).

FINANCIAL STATEMENT RISK

Amongst others, the salaries of the professional squad are disclosed under personnel expenses in the annual financial statements of Borussia Dortmund. These include, besides the fixed base salaries, also performance-based remuneration, such as point bonuses and annual performance bonuses, as well as individual special payments. Due to individually agreed remuneration components and remuneration amounts, there is generally the risk that the personnel expenses of the professional squad were not completely or not accurately presented in the financial statements.

OUR AUDIT APPROACH

Our audit procedures in particular included an inspection and assessment in accordance with commercial law of the currently valid employment contracts, with their remuneration components and remuneration amounts, as well as individual cancellation agreements. We checked the

consistency of contracts consciously selected according to certain risk criteria with the corresponding salary calculations. For the selected contracts, we checked to what extent contractually agreed conditions occurred for the variable remuneration components. Furthermore, we examined whether events have occurred that would have resulted in higher expenses. In terms of agreed special or one-off payments, we examined whether personnel expenses were recognized in the proper period regardless of the payment date.

OUR CONCLUSIONS

The individually agreed remuneration components and remuneration amounts were appropriately recognized as personnel expenses of the professional squad.

Other Information

Management is responsible for the other information. The other information comprises the annual report, with the exception of the audited annual financial statements and management report, the audited consolidated financial statements and group management report and our auditor's reports.

Our opinions on the annual financial statements and on the management report do not cover the other information, and consequently we do not express an opinion or any other form of assurance conclusion thereon.

In connection with our audit, our responsibility is to read the other information and, in so doing, to consider whether the other information

- is materially inconsistent with the annual financial statements, with the management report or our knowledge obtained in the audit, or
- otherwise appears to be materially misstated.

Responsibilities of Management and the Supervisory Board for the Annual Financial Statements and the Management Report

Management is responsible for the preparation of the annual financial statements that comply, in all material respects, with the requirements of German commercial law applicable to business corporations, and that the annual financial statements give a true and fair view of the assets, liabilities, financial position and financial performance of the Company in compliance with German Legally Required Accounting Principles. In addition, management is responsible for such internal control as they, in accordance with German Legally Required Accounting Principles, have determined necessary to enable the preparation of annual financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the annual financial statements, management is responsible for assessing the Company's ability to continue as a going concern. They also have the responsibility for disclosing, as applicable, matters related to going concern. In addition, they are responsible for financial reporting

based on the going concern basis of accounting, provided no actual or legal circumstances conflict therewith.

Furthermore, management is responsible for the preparation of the management report that as a whole provides an appropriate view of the Company's position and is, in all material respects, consistent with the annual financial statements, complies with German legal requirements, and appropriately presents the opportunities and risks of future development. In addition, management is responsible for such arrangements and measures (systems) as they have considered necessary to enable the preparation of a management report that is in accordance with the applicable German legal requirements, and to be able to provide sufficient appropriate evidence for the assertions in the management report.

The supervisory board is responsible for overseeing the Company's financial reporting process for the preparation of the annual financial statements and of the management report.

Auditor's Responsibilities for the Audit of the Annual Financial Statements and of the Management Report

Our objectives are to obtain reasonable assurance about whether the annual financial statements as a whole are free from material misstatement, whether due to fraud or error, and whether the management report as a whole provides an appropriate view of the Company's position and, in all material respects, is consistent with the annual financial statements and the knowledge obtained in the audit, complies with the German legal requirements and appropriately presents the opportunities and risks of future development, as well as to issue an auditor's report that includes our opinions on the annual financial statements and on the management report.

Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Section 317 HGB and the EU Audit Regulation and in compliance with German Generally Accepted Standards for Financial

Statement Audits promulgated by the Institut der Wirtschaftsprüfer (IDW) will always detect a material misstatement. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these annual financial statements and this management report.

We exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the annual financial statements and of the management report, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinions. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal controls.
- Obtain an understanding of internal control relevant to the audit of the annual financial statements and of arrangements and measures (systems) relevant to the audit of the management report in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of these systems of the Company.
- Evaluate the appropriateness of accounting policies used by management and the reasonableness of estimates made by management and related disclosures.
- Conclude on the appropriateness of the management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required

to draw attention in the auditor's report to the related disclosures in the annual financial statements and in the management report or, if such disclosures are inadequate, to modify our respective opinions. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to be able to continue as a going concern.

- Evaluate the overall presentation, structure and content of the annual financial statements, including the disclosures, and whether the annual financial statements present the underlying transactions and events in a manner that the annual financial statements give a true and fair view of the assets, liabilities, financial position and financial performance of the Company in compliance with German Legally Required Accounting Principles.
- Evaluate the consistency of the management report with the annual financial statements, its conformity with law, and the view of the Company's position it provides.
- Perform audit procedures on the prospective information presented by management in the management report. On the basis of sufficient appropriate audit evidence we evaluate, in particular, the significant assumptions used by management as a basis for the prospective information, and evaluate the proper derivation of the prospective information from these assumptions. We do not express a separate opinion on the prospective information and on the assumptions used as a basis. There is a substantial unavoidable risk that future events will differ materially from the prospective information.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with the relevant independence requirements, and communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, the related safeguards.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the annual financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter.

OTHER LEGAL AND REGULATORY REQUIREMENTS

FURTHER INFORMATION PURSUANT TO ARTICLE 10 OF THE EU AUDIT REGULATION

We were elected as auditor by the annual general meeting on 27 November 2017. We were engaged by the supervisory board on 27 November 2017. We have been the auditor of Borussia Dortmund GmbH & Co. Kommanditgesellschaft auf Aktien without interruption since the financial year 2009/2010.

We declare that the opinions expressed in this auditor's report are consistent with the additional report to the audit committee pursuant to Article 11 of the EU Audit Regulation (long-form audit report).

GERMAN PUBLIC AUDITOR RESPONSIBLE FOR THE ENGAGEMENT

The German Public Auditor responsible for the engagement is Ralph Fischer.

Dortmund, 24 August 2018
KPMG AG Wirtschaftsprüfungsgesellschaft
[Original German version signed by:]

Ralph Fischer
Wirtschaftsprüfer
[German Public Auditor]

Dirk Huperz
Wirtschaftsprüfer
[German Public Auditor]

RESPONSIBILITY STATEMENT

To the best of our knowledge, and in accordance with the applicable reporting principles, the annual financial statements give a true and fair view of the assets, liabilities, financial position and profit or loss of the Company, and the management report

includes a fair review of the development and performance of the business and the position of the Company, together with a description of the principal opportunities and risks associated with the expected development of the Company.

Dortmund, 24 August 2018

Borussia Dortmund GmbH & Co. Kommanditgesellschaft auf Aktien

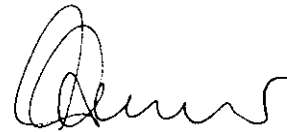
Borussia Dortmund Geschäftsführungs-GmbH



Hans-Joachim Watzke
Managing Director (Chairman)



Thomas Treß
Managing Director



Carsten Cramer
Managing Director



GROUP MANAGEMENT REPORT

Borussia Dortmund GmbH & Co. Kommanditgesellschaft auf Aktien, Dortmund



GROUP MANAGEMENT REPORT Borussia Dortmund GmbH & Co. Kommanditgesellschaft auf Aktien, Dortmund
for the 2017/2018 financial year
(hereinafter also "Borussia Dortmund" or the "Group")

BUSINESS TREND

LOOKING BACK ON FINANCIAL YEAR 2017/2018

Super Cup

Borussia Dortmund lost the Super Cup 4:5 on penalties at home to Bundesliga champions FC Bayern Munich.

DFB Cup

In the first round of the DFB Cup, the team won 0:4 against sixth-division club 1. FC Rielasingen-Arlen. After winning its opening round match, the team beat 1. FC Magdeburg 0:5 before being eliminated from the competition by FC Bayern Munich in a 2:1 loss.

Bundesliga

Under the direction of Peter Stöger, Borussia Dortmund ended the 2017/2018 Bundesliga season in fourth place with 55 points behind TSG Hoffenheim, FC Schalke 04 and FC Bayern Munich, thus qualifying directly for the group stage of the UEFA Champions League in the 2018/2019 season.

UEFA Champions League/UEFA Europa League

Borussia Dortmund was eliminated from the UEFA Champions League following two draws and four losses in the group stage. However, by finishing third in the group, the team qualified for the knock-out round of the UEFA Europa League, where it was eliminated by FC Salzburg (1:2 and 0:0) in the round of 16.



DFL-Supercup
5 August 2017
BVB - Bayern München 6:7 (n. E.)



DFB cup 1st round
12 August 2017
1. FC Rielasingen-Arlen - BVB 0:4

FINANCIAL PERFORMANCE

FINANCIAL INDICATORS

Borussia Dortmund Group (IFRS)

EUR '000	2017/2018	2016/2017
	30/06/2018	30/06/2017
Equity	336,304	312,302
Capital expenditure	131,046	104,738
Gross revenue	539,935	409,936
Operating result (EBITDA)	126,630	74,073
Result from operating activities (EBIT)	36,074	10,658
Financial result (investment income and net interest expense)	-4,323	-1,539
Consolidated net profit for the year	28,462	8,209
Cash flows from operating activities	158,367	110,412
Free cash flow	27,635	5,779
Number of shares (in thousands)	92,000	92,000
Earnings per share (in EUR)	0.31	0.09



1st match day
19 August 2017
VfL Wolfsburg - BVB 0:3



2nd match day
26 August 2017
BVB - Hertha BSC 2:0

PERFORMANCE INDICATORS

Various financial and non-financial indicators are used to measure performance. Borussia Dortmund uses these internally-defined performance indicators to guide its entrepreneurial actions and to select the focus of its internal reporting.

Financial performance indicators

Of the numerous financial indicators that are always presented at the beginning of its financial reports, Borussia Dortmund focuses on those specific indicators that in the past few years were primarily used to steer the Company.

First and foremost is revenue. Management uses this indicator to internally manage the Company, knowing full well that this indicator alone is not sufficiently meaningful. Nevertheless, it provides a clear indication of the Company's economic strength, especially when compared against that of competitors or when monitoring the Company's long-term revenue trend.

The result from operating activities (EBIT) and net profit or loss for the year are also used to manage the Company. These financial performance indicators play a key role in preparing the budget for the coming financial year(s), in interim controlling

with respect to the earnings performance and when looking back on a particular financial year.

Another key performance indicator is the operating result (EBITDA). This is due to the high level of investment activity and the associated increase in depreciation, amortisation and write-downs. As a result, EBITDA (EBIT adjusted for depreciation, amortisation and write-downs) has been selected to better benchmark the Company's annual performance.

These indicators are rounded out by cash flows from operating activities, another component used for the Company's internal planning that forms the basis of the Company's strategic alignment. This allows the Company to identify future negative developments and leverage investment potential stemming from current budget surpluses at an early stage.

Beginning in financial year 2017/2018, Borussia Dortmund's free cash flow is now also a financial indicator. Free cash flow is defined as cash flows from operating activities plus cash flows from investing activities and is used in particular to ensure that cash flows from operating activities are sufficient to cover investments.



3rd match day
9 September 2017
Sport-Club Freiburg - BVB 0:0



1st match day UCL
13 September 2017
Tottenham Hotspur - BVB 3:1

Non-financial performance indicators

Borussia Dortmund's only non-financial performance indicator is the reach of its brand.

While it is impossible to measure the reach of Borussia Dortmund's brand, it is determined by a number of criteria that, when taken together, are representative of the brand's reach.

Some of these criteria are measurable, while others are not. Nevertheless, they are a reflection of the Company's appeal.

The number of criteria varies and they are thus exchangeable. While any one factor may be of relevance during a given season, this may not necessarily be the case in subsequent years. New media in particular constantly provides new value drivers: for instance, the number of Facebook fans or page impressions represent relatively new indicators.

Measurable criteria include, for example, the number of season tickets sold, attendance figures and television broadcast hours.

Awards, surveys and studies represent possible criteria that cannot be measured quantitatively. Another "soft" criterion is the deliberate selection of sponsors whose products and brand images are aligned with the Borussia Dortmund brand.

Borussia Dortmund's decision-makers receive reports about all criteria on a regular basis. Furthermore, taken as a whole, these are an indicator of the success of the Company's strategic alignment.



4th match day
17 September 2017
BVB - 1. FC Köln 0:5



5th match day
20 September 2017
Hamburger SV - BVB 0:3

DEVELOPMENT OF THE MARKET AND COMPETITIVE ENVIRONMENT IN THE 2017/2018 FINANCIAL YEAR

Sponsorships

At the beginning of the 2017/2018 season, Borussia Dortmund expanded its five-year partnership with Opel Automobile GmbH and the Opel logo featured on Borussia Dortmund's shirt sleeve for the first time during the past financial year. At the start of the past season, clubs were allowed to market this right themselves for the first time. The logo will initially adorn the sleeves of Borussia Dortmund's shirts until 30 June 2022.

New Champion Partners were also found for the 2017/2018 season and beyond. bwin's logo will become a common sight until the end of the 2020/2021 season, and Borussia Dortmund fans can access up-to-the-minute odds and information via the online sports betting company's app and website. ROWE MINERALÖLWERK GMBH also joined Borussia Dortmund's circle of Champion Partners at the beginning of the 2017/2018 season.

At the beginning of the season, Borussia Dortmund extended its partnership with its Champion Partner Hankook Reifen Deutschland GmbH for two further years until 30 June 2019.

The club also struck new Partner-level deals for the coming years. Borussia Dortmund entered into partnerships with IKK classic Körperschaft des öffentlichen Rechts (until 30 June 2022), Fit GmbH (until 30 June 2019) and Infor (Deutschland) GmbH (until 30 June 2019).

Borussia Dortmund also gained new advertising partners at the international level in connection with its tours of Asia in July 2017 and the US in May 2018. Beginning in the 2018/2019 season, Borussia Dortmund will be the first Bundesliga club to deploy virtual advertising boards for international TV broadcasts at all of its Bundesliga home matches. Virtual advertising refers to the technique of digitally

overlaying existing physical advertising boards in stadiums so that advertisers can target different TV audiences in different regions. DFL Deutsche Fußball Liga GmbH has already approved the technical systems that Borussia Dortmund will use.

Big names in Dortmund

Peter Bosz and his assistants, who took the reins of the team in the summer of 2017, parted ways with the club in December 2017. Borussia Dortmund replaced Peter Bosz with Peter Stöger, who had previously coached 1. FC Cologne. His assistants were Manfred Schmid and Jörg Heinrich. Peter Stöger and his coaching team signed fixed-term contracts until 30 June 2018.

Lucien Favre will become Borussia Dortmund's new head coach at the beginning of the 2018/2019 season. The 60-year-old Swiss tactician, who joins Borussia Dortmund from Ligue 1 club OGC Nice, signed a two-year contract. However, Lucien Favre is by no means a newcomer to the Bundesliga, having previously coached Hertha BSC Berlin and VfL Borussia Mönchengladbach.

Lucien Favre will be joined by Edin Terzic, who previously worked as a scout for Borussia Dortmund as well as an assistant coach of the U19 team and later as the club's U16 head coach. Manfred Stefes, who had worked together with Favre while at Borussia Mönchengladbach, will also join as an assistant coach.

The coaching staff will be rounded out by Matthias Kleinsteiber, who will replace Wolfgang "Teddy" de Beer as the club's goalkeeping coach after 17 years. Wolfgang de Beer joined Borussia Dortmund 32 years ago and was part of the team that won the



6th match day
23 September 2017
BVB - Bor. M'gladbach 6:1



2nd match day UCL
26 September 2017
BVB - Real Madrid 1:3

Bundesliga in 1995 and 1996 and then the UEFA Champions League and Intercontinental Cup in 1997. He will continue to serve the club off the pitch. Roman Weidenfeller, one of de Beer's protégés, will also continue to serve Borussia Dortmund after hanging up his boots. Weidenfeller stood in goal a total of 452 competitive matches and will be one of Borussia Dortmund's brand ambassadors at the start of the new season.

Patrick Owomoyela also returned to Borussia Dortmund this past season as a brand ambassador. And yet another familiar face is returning after three years: Sebastian Kehl. The ex-Germany international ended his playing career in 2015, having previously captained the club to the Bundesliga title and then to the domestic double in 2012. Since retiring, he has received extensive management training. On 1 June 2018, he became the new Head of the Professional Squad and will assist sporting director Michael Zorc and his team. Michael Zorc signed an early contract extension until 30 June 2021.

The course for Borussia Dortmund's future was also set at an early stage at the management level. The Executive Committee of the Advisory Board of Borussia Dortmund Geschäftsführungs-GmbH, chaired by Dr Reinhard Rauball, resolved in February 2018 to extend the terms of the agreements with Managing Directors Hans-Joachim Watzke (31 December 2022) and Thomas Treß (30 June 2022). The committee appointed Carsten Cramer, the former Director for Sales & Marketing, as a further managing director as at 1 March 2018. His service agreement as a managing director runs until 30 June 2022. Mr Cramer, who to date has served as commercial attorney-in-fact, will be responsible for the "Digitalisation" and "Sales & Marketing" divisions going forward.

Several early contract extensions for the professional squad were also announced in the 2017/2018 season. The club extended its contracts with Roman Bürki (30 June 2021), Shinji Kagawa (30 June 2020), Marco Reus (30 June 2023) and Łukasz Piszczek (30 June 2020).

Felix Passlack also signed an early contract extension until 30 June 2021 and was immediately loaned to TSG Hoffenheim until 30 June 2018.

Borussia Dortmund loaned Dženis Burnić and Jacob Bruun Larsen to Bundesliga rivals VfB Stuttgart until 30 June 2018 to gain match experience.

While several players signed contract extensions, others chose to leave Borussia Dortmund.

At his own request, Sven Bender transferred to Bundesliga rivals Bayer 04 Leverkusen at the beginning of the 2017/2018 season. The club also reached an agreement with FC Barcelona on the transfer of Ousmane Dembélé, while striker Pierre-Emerick Aubameyang transferred to Arsenal FC.

Neven Subotić left Borussia Dortmund after almost ten years and now plies his trade in France's Ligue 1 with AS Saint-Étienne. In addition, Marc Bartra asked that his contract be annulled and moved back home to Spain during the winter transfer window and now plays for Real Betis.

Emre Mor also transferred to Spain and now plays for Real Club Celta de Vigo S.A.D.

Mikel Merino Zazón transferred to Newcastle United in the English Premier League.

During the 2018 summer break, Borussia Dortmund reached an agreement with VfB Stuttgart on the transfer of Gonzalo Castro and annulled his contract early.



7th match day
30 September 2017
FC Augsburg - BVB 1:2



8th match day
14 October 2017
BVB - Rasenballsport Leipzig 2:3

In addition to these departures and loans, Borussia Dortmund also signed new players. Jeremy Toljan, Jadon Sancho, Sergio Gómez, Manuel Akanji, Mahmoud Dahoud, Ömer Toprak, Maximilian Philipp, Dan-Axel Zagadou and Andriy Yarmolenko rounded out the squad.

Michy Batschuayi strengthened the team after joining Borussia Dortmund on loan from Premier League heavyweights FC Chelsea until 30 June 2018.

In May 2018, Borussia Dortmund further strengthened its squad for the upcoming 2018/2019 season by signing Marius Wolf from DFB Cup champions Eintracht Frankfurt to a five-year contract.

Goalkeeper Marwin Hitz will join Borussia Dortmund from FC Augsburg in the upcoming season, having signed a contract until 30 June 2021.

Borussia Dortmund also signed Denmark international Thomas Delaney from Bundesliga rivals SV Werder Bremen. His contract runs until 30 June 2022.

The club also signed 22-year-old defender Abdou Diallo from 1. FSV Mainz 05 to a five-year deal.

Other business

Borussia Dortmund and its longstanding partner Lagardère Sports Germany GmbH extended their agency licencing agreement early until 30 June 2026 at significantly more favourable terms. Lagardère Sports Germany GmbH will continue to market Borussia Dortmund's advertising, media and hospitality rights in Germany and abroad.

In December 2017, Borussia Dortmund published its inaugural Sustainability Report. The report, which Borussia Dortmund prepared voluntarily in advance

of what will become mandatory CSR reporting requirements during the current financial year, presents both the potential and the challenges of the social and environmental issues facing the club.

The annual work surrounding the organisation and processing of season ticket sales begins at the end of the season. Borussia Dortmund heeded the calls for greater transparency by publishing a wait list. Furthermore, due to the steady demand for the limited number of season tickets, the decision was made to only allow season tickets to be transferred between family members (first- and second-degree relatives) and to close the wait list to new applicants. Beginning with the new season, Borussia Dortmund will also check to see which season tickets are regularly used and will record the number of no-shows per season ticket.

At the same time, Borussia Dortmund increased the total number of season tickets by 500 for the new 2018/2019 season. Including the 242 season tickets that were not renewed, a total of 742 new season tickets will therefore be issued.

Beginning in the coming 2018/2019 season, the video assistant will officially be used at all Bundesliga matches. The respective resolution was adopted by the Bundesliga clubs at a Members' Meeting of DFL e.V. The test phase was concluded at the end of the financial year.

DFL Deutsche Fußball Liga GmbH issued Borussia Dortmund the licence for the 2018/2019 Bundesliga season without imposing any restrictions or requirements.



3rd match day UCL
17 October 2017
APOEL Nikosia - BVB 1:1



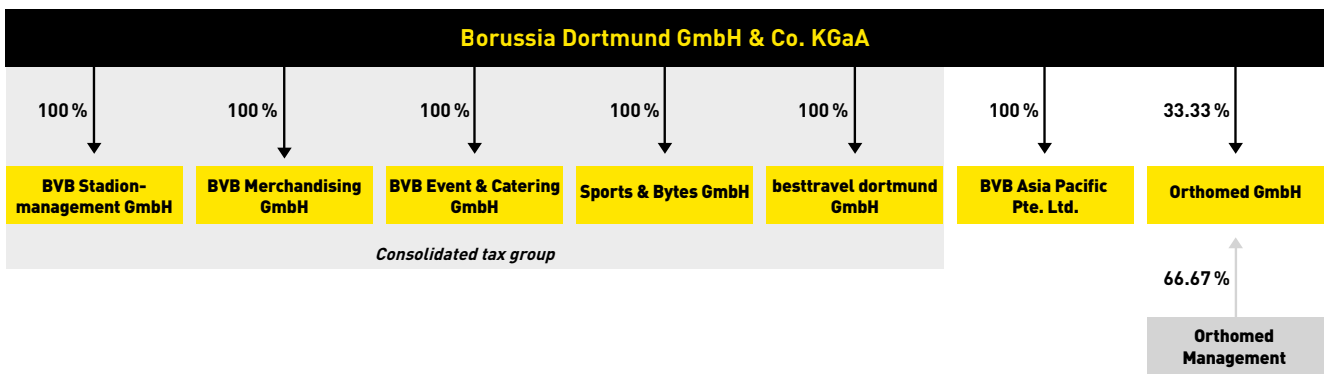
9th match day
21 Oktober 2017
Eintracht Frankfurt - BVB 2:2

GENERAL INFORMATION ABOUT THE COMPANY

GROUP STRUCTURE AND BUSINESS OPERATIONS

In addition to its core activities of playing football and marketing SIGNAL IDUNA PARK, Borussia Dortmund has established football-related lines of business. The Company currently holds indirect and direct equity investments in the following companies: BVB Stadionmanagement GmbH (100.00%), Sports & Bytes GmbH (100.00%), BVB

Merchandising GmbH (100.00%), BVB Event & Catering GmbH (100.00%), BVB Asia Pacific Pte. Ltd. (100.00%), besttravel dortmund GmbH (100.00%) and Orthomed GmbH (33.33%). Some of these companies have concluded profit and loss transfer agreements with the parent.



DFB cup 2nd round
24 October 2017
1. FC Magdeburg - BVB 0:5

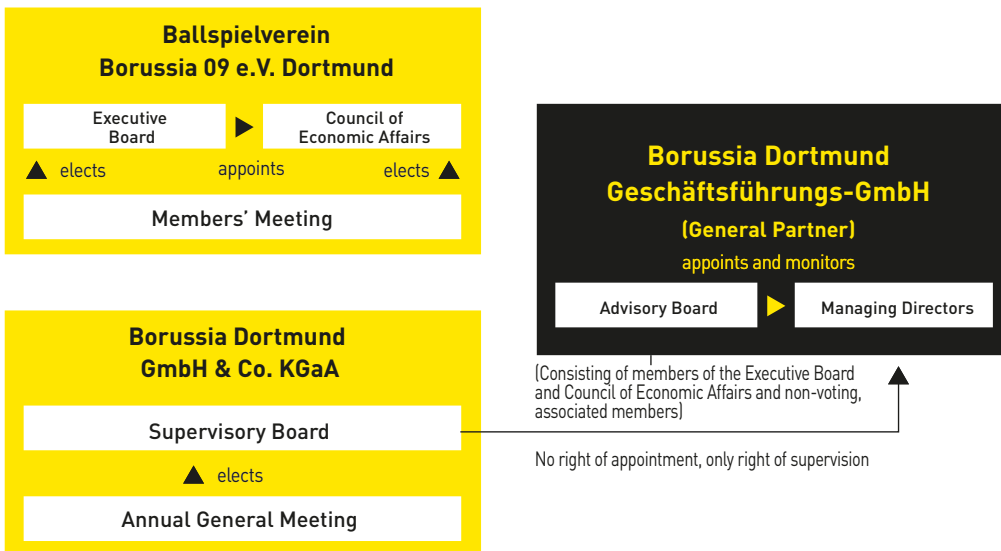


10th match day
28 October 2017
Hannover 96 - BVB 4:2

ORGANISATION OF MANAGEMENT AND CONTROL

Borussia Dortmund Geschäftsführungs-GmbH, the general partner of Borussia Dortmund GmbH & Co. KGaA, is responsible for management and representation of the latter. Borussia Dortmund Geschäftsführungs-GmbH is for its part represented by Managing Directors Hans-Joachim Watzke (Chairman), Thomas Treß and Carsten Cramer; its sole shareholder is Ballspielverein Borussia 09 e.V. Dortmund.

The following chart shows the structures and responsibilities as between Ballspielverein Borussia 09 e.V. Dortmund, Borussia Dortmund GmbH & Co. KGaA and Borussia Dortmund Geschäftsführungs-GmbH:

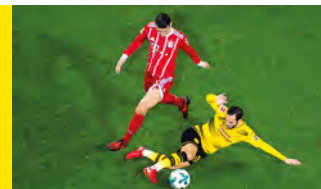


The Supervisory Board of Borussia Dortmund GmbH & Co. KGaA, which is appointed by the Annual General Meeting, has limited rights and duties. It has no authority with respect to matters involving personnel, i.e., no authority to appoint and dismiss managing directors at Borussia Dortmund Geschäftsführungs-GmbH or to stipulate the terms of their contracts. Nor is the Supervisory Board

authorised to adopt internal rules of procedure or to define a list of transactions requiring its consent on behalf of the general partner. Rather, such rights and duties are vested in the governing bodies of Borussia Dortmund Geschäftsführungs-GmbH, namely its Advisory Board and the Executive Committee created by the Advisory Board.



4th match day UCL
 1 November 2017
 BVB - APOEL Nicosia 1:1



11th match day
 4 November 2017
 BVB - Bayern München 1:3

The names of the current members of the Company's Supervisory Board, their right to remuneration, their occupations and their further responsibilities on other management bodies are listed below:

SUPERVISORY BOARD of Borussia Dortmund GmbH & Co. Kommanditgesellschaft auf Aktien, Dortmund

Gerd Pieper	Peer Steinbrück	Bernd Geske	Christian Kullmann	Dr. Werner Müller	Ulrich Leitermann	Bjørn Gulden	Dr. Reinhold Lunow	Silke Seidel
Chairman				Deputy Chairman				

RIGHT TO REMUNERATION 2017/2018 (EUR '000)

24	12	12	12	18	12	12	12	12
----	----	----	----	----	----	----	----	----

OCCUPATIONS (as at 30 June 2018)

Managing shareholder of Stadt-Parfümerie Pieper GmbH, Herne	Senior Advisor to the Management Board of ING-DiBa AG, Frankfurt am Main	Managing partner of Bernd Geske Lean Communication, Meerbusch	Chairman of the Executive Board of Evonik Industries AG, Essen	German Finance Minister (ret.)	Chairman of the Managing Boards of group parent companies of the SIGNAL IDUNA Group, Dortmund (SIGNAL Krankenversicherung a.G., Dortmund; SIGNAL IDUNA Lebensversicherung a.G., Hamburg; SIGNAL IDUNA Unfallversicherung a.G., Dortmund)	Chief Executive Officer of PUMA SE, Herzogenaurach	Medical Director of Praxisklinik Bornheim, Bornheim	Senior Executive at Dortmund Stadtwerte AG and Managing Director of Hohenbuschei Beteiligungsgesellschaft mbH, Westfalentor 1 GmbH and Dortmund Logistik GmbH, all in Dortmund
---	--	---	--	--------------------------------	--	--	---	--

OTHER FUNCTIONS on statutory supervisory boards and comparable German or foreign supervisory bodies of commercial enterprises (as at 30 June 2018)

Member of the Advisory Board of Borussia Dortmund GeschäftsführungsgmbH, Dortmund	Chairman of the Supervisory Board of Clear-VAT Aktiengesellschaft, Berlin	Chairman of the Supervisory Board of RAG Deutsche Steinkohle AG, Herne (until 23 May 2018) Chairman of the Supervisory Board of Entwicklungsgesellschaft Zollverein mbH, Essen (until 28 February 2018)	Member of the Supervisory Board of Contilia GmbH, Essen Member of the Board of Directors of Stadler Rail AG, Bussnang, Switzerland Chairman of the Supervisory Board of Evonik Industries AG, Essen (until 23 May 2018) Chairman of the Supervisory Board of RAG Aktiengesellschaft, Herne (until 23 May 2018)	Member and Chairman of the Supervisory Board of Dortmunder Volksbank eG, Dortmund Member and Chairman of the Supervisory Board of Sana Kliniken AG, Ismaning	Member of the Supervisory Board of Dansk Supermarked A/S, Højbjerg, Denmark Member of the Supervisory Board of Tchibo GmbH, Hamburg Member of the Supervisory Board of Pandora A/S, Copenhagen, Denmark	Member of the Advisory Board of Borussia Dortmund GeschäftsführungsgmbH, Dortmund
---	---	--	---	---	---	---



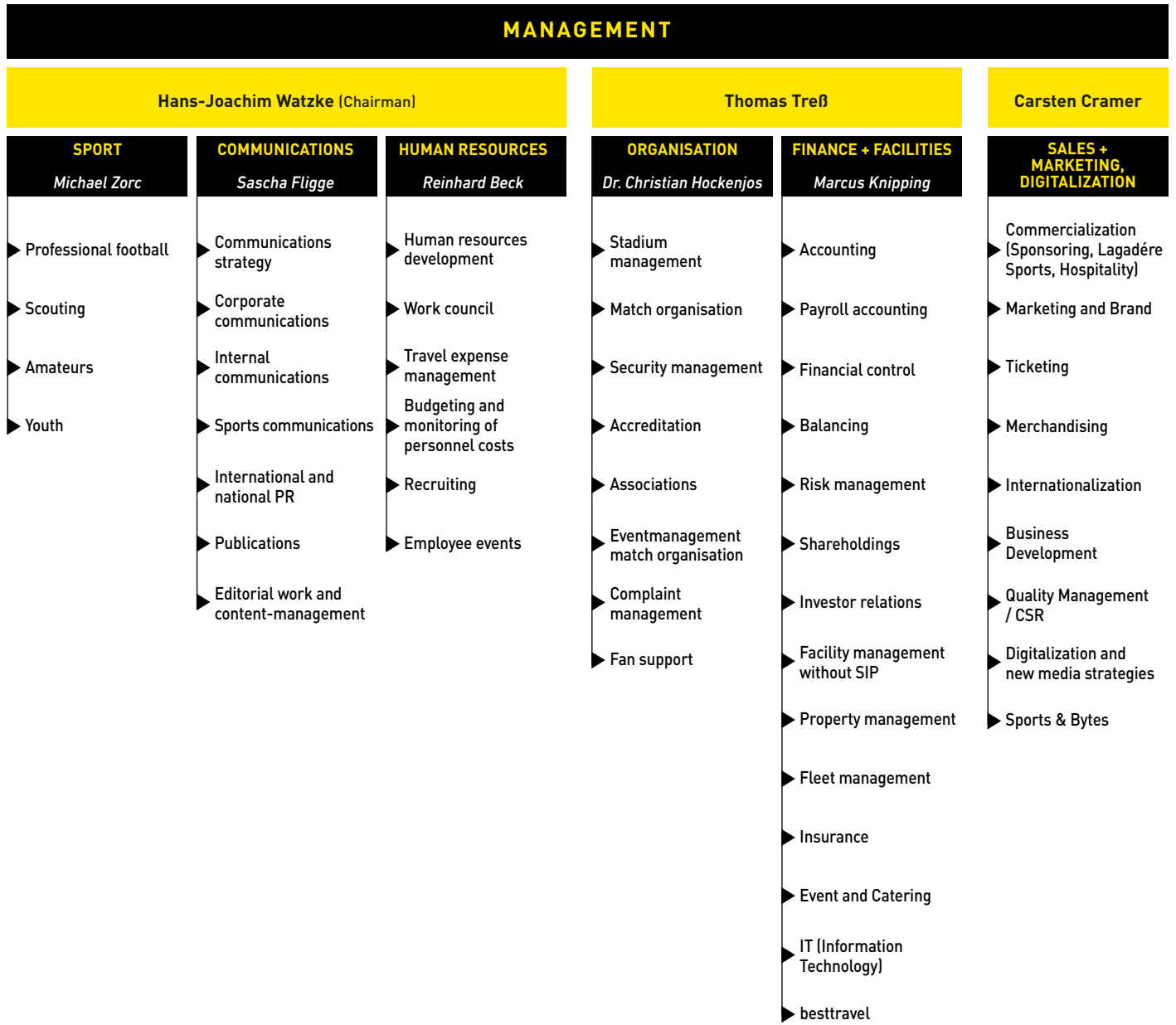
12th match day
17 November 2017
VfB Stuttgart - BVB 2:1



5th match day UCL
21 November 2017
BVB - Tottenham Hotspur 1:2

Within Borussia Dortmund GmbH & Co. KGaA there are six independent functional areas below the management level, namely, "Sports", "Sales & Marketing", "Communications", "Human Resources", "Organisation" and "Finance & Facilities". The responsible employees and the functional organisational areas of which they are in charge are shown in the chart below:

BUSINESS DIVISIONS of Borussia Dortmund GmbH & Co. Kommanditgesellschaft auf Aktien, Dortmund



13th match day
 25 November 2017
 BVB - FC Schalke 04 4:4



14th match day
 2 December 2017
 Bayer Leverkusen - BVB 1:1

INTERNAL MANAGEMENT AND CONTROL SYSTEM

Sports management

Despite our financially stable results, we will continue to focus on achieving success on the pitch in future under a budget tuned for performance. To accomplish this objective, Borussia Dortmund will continue to put together a competitive team in the future with an emphasis on young, promising players.

Our sporting objectives will be aligned with our financial circumstances, meaning that the makeup of the squad and its cost structure will continue to depend on calculable variables on the income side. Qualifying for and participating in international competitions has provided the financial flexibility to reinforce the squad – with the goal of also establishing a presence in European competitions going forward.

Financial management

Borussia Dortmund uses the result from operating activities and the operating result as indicators for measuring the economic success of the Company. Borussia Dortmund derives its result from operating activities from earnings before interest and taxes (EBIT) and its operating result from earnings before interest, taxes and depreciation and amortisation (EBITDA). The Company continuously monitors both the operating result (EBITDA) and the result from operating activities (EBIT) of the segments on the basis of monthly comparisons of the budgeted and actual figures. To optimise these indicators, the main factors to be leveraged are revenue, which can be

additionally improved in the major revenue categories of match operations, advertising, transfer deals and TV marketing, and operating expenses, which can be lowered through disciplined management.

A key goal of the management of Borussia Dortmund is to achieve a lasting increase in profitability along with bolstering its financial strength. In addition to steadily improving the operating result (EBITDA) and the result from operating activities (EBIT), a positive free cash flow is therefore the most important financial objective of our Company. We seek to optimise these cash flows.

In the coming years, Borussia Dortmund will concentrate on generating steady revenue growth while limiting operating expenditure. The decisive factor in this respect will be qualifying for international competitions.

Capital management

The capital management responsibilities of the Company's management involve stabilising and increasing the equity of Borussia Dortmund. One of the main ways in which we will reach these objectives is by improving the operating result and making effective investments.



6th match day UCL
6 December 2017
Real Madrid - BVB 3:2



15th match day
9 December 2017
BVB - SV Werder Bremen 1:2

CORPORATE STRATEGY

Borussia Dortmund pursues the objective of defending its position in the top flight of the Bundesliga and sees itself well on the way to accomplishing that goal.

As the first and thus far only listed German football company, we have expanded our financial base by exclusively marketing the rights to SIGNAL IDUNA PARK as well as by utilising and maintaining the Borussia Dortmund brand more effectively. The Company will continue to focus heavily on its core business of professional football and the sport's classic revenue pillars: TV marketing, advertising, match operations, transfer deals, conference, catering and miscellaneous activities, and merchandising. Borussia Dortmund is confident that it will be able to further stabilise and expand its position for the following reasons:

- Borussia Dortmund is in sporting terms one of the most successful, well known and popular German football clubs with an outstanding fan base that gives it one of the highest average spectator numbers in Europe.
- A football enterprise can only be financially successful if it enjoys sporting success over the long term. In order to make its financial performance less dependent on short-term sporting success in the future, Borussia Dortmund will push ahead further with the national and international marketing of its brand name.
- Germany continues to be one of Europe's largest football markets, although it lags behind certain other European markets, such as the UK, in terms of media exploitation rights. This means that Germany has major growth potential.

All financial activities of Borussia Dortmund are geared towards the target groups relevant to a football club: its fans, members and business partners. Products and services should be tailored to these groups as closely as possible. Borussia Dortmund intends to use the brand potential at its disposal to take full advantage of the commercial opportunities inherent in professional club football at an international level.

Its current business strategy can principally be summarised as follows:

- Sustainably adjusting athletic prospects
- Intensifying the promotion of up-and-coming talent
- Increasing fan involvement
- Utilising and maintaining the Borussia Dortmund brand

Financial performance and business development are dependent on footballing success. Since footballing success is difficult to plan, the best that management can do is to create a solid foundation for success. Investments, particularly in the professional squad, are therefore a necessary prerequisite for achieving footballing objectives such as qualifying for the UEFA Champions League. However, in order to meet financial objectives, planned investments and decisions must under certain circumstances be postponed to the extent these would only be possible by incurring new debt. Moreover, a player might be sold based on financial considerations in cases where this would not have happened had the decision been made purely on the basis of sporting criteria.

Thus a conflict arises between the pursuit of financial interests and sporting interests, i.e., a situation in which sporting considerations and financial considerations



16th match day
12 December 2017
1. FSV Mainz 05 - BVB 0:2



17th match day
16 December 2017
BVB - TSG 1899 Hoffenheim 2:1

may be at odds with each other, particularly if the club continually falls short of its sporting goals. In such cases, management weighs the opportunities and risks to find a solution that does adequate justice to the Company's strategic objectives.

Advertising plays a key role in this context. Over the years, advertising has grown to become one of the Company's largest income categories. In contrast to central TV marketing, where distribution is already clearly defined in advance, Company management is itself able to determine the requirements for and direction of sponsoring activities and, if necessary, modify the strategy implemented as circumstances

change. The key figures for the sponsoring segment were already budgeted for the coming years based on commitments from SIGNAL IDUNA Group (ending 2026), Evonik Industries AG (ending 2025) and PUMA International Sports Marketing B.V. (ending 2020), the Company's chief partners.

Revenues from international competitions are more difficult to budget for, since they depend solely on the team's athletic performance.

The consolidated net profit for the year and targeted investments in the professional squad are expected to result in a stable, positive free cash flow.

SEPARATE NON-FINANCIAL REPORT

Please see the 2017/2018 Sustainability Report with regard to the disclosures within the meaning of §§ 289b, 315b of the German Commercial Code (*Handelsgesetzbuch*, "HGB"). The Sustainability Report includes the non-financial statement for the 2017/2018 financial year within the meaning

of §§ 315b, 315c in conjunction with §§ 289c to 289e HGB, which was subject to a limited assurance engagement. As at 31 October 2018, the Sustainability Report will be published online at <https://verantwortung.bvb.de/en>.



DFB cup round of 16
20 December 2017
FC Bayern München - BVB 2:1



18th match day
14 January 2018
BVB - VFL Wolfsburg 0:0

POSITION OF THE COMPANY

DEVELOPMENT OF PERFORMANCE INDICATORS

Development of financial performance indicators

In the 2017/2018 financial year, Borussia Dortmund's financial performance indicators – revenue, result from operating activities (EBIT), operating result (EBITDA), net profit/net loss for the year and cash flows from operating activities – were as follows:

Revenue

Revenue amounted to EUR 536,043 thousand in the reporting period. In the Annual Report as at 30 June 2017, Borussia Dortmund forecast revenue of EUR 365,000 thousand for the current financial year. This forecast was exceeded significantly on the back of unexpectedly high transfer income.

EBITDA

The operating result in the current financial year amounted to EUR 126,630 thousand; the forecast for the full financial year in the Annual Report dated 30 June 2017 had projected EBITDA to exceed EBIT by approximately EUR 61,000 thousand. This forecast was exceeded significantly on the back of unexpectedly high transfer income.

EBIT / Net profit/loss for the year

The result from operating activities (EBIT) for the period from 1 July 2017 to 30 June 2018 amounted to EUR 36,074 thousand and the net profit for the year totalled EUR 28,462 thousand.

The report on expected developments dated 30 June 2017 forecasted net profit and positive EBIT in the low seven-figure range for the full financial year. This forecast was exceeded significantly on the back of unexpectedly high transfer income.

Cash flows

Cash flows from operating activities amounted to EUR 158,367 thousand (previous year: EUR 110,412 thousand). Borussia Dortmund forecasted as at 30 June 2017 that it would generate cash flows from operating activities in the low seven-figure range. The increase is largely attributable to changes to the statement of cash flows.

Free cash flow

Free cash flow at the end of the 2017/2018 financial year amounted to EUR 27,635 thousand (previous year: EUR 5,779 thousand). No forecast had been available at as 30 June 2017 due to the fact that free cash flow was introduced as a financial indicator during the financial year.

Overview of financial performance indicators:

Borussia Dortmund Group (IFRS)

EUR '000	2017/2018	2016/2017
Revenue	536,043	405,692
Operating result (EBITDA)	126,630	74,073
Result from operating activities (EBIT)	36,074	10,658
Net profit/net loss for the year	28,462	8,209
Cash flows from operating activities	158,367	110,412
Free cash flow	27,635	5,779



19th match day
 19 January 2018
 Hertha BSC - BVB 1:1



20th match day
 27 January 2018
 BVB - Sport-Club Freiburg 2:2

Development of non-financial performance indicators

The Borussia Dortmund brand has been defined as a non-financial performance indicator. Commercial success, brand awareness and popularity are very much mutually dependent. Therefore, Borussia Dortmund places great importance on monitoring and promoting non-financial indicators in addition to financial indicators. Consequently, Borussia Dortmund actively manages its brand in order to enhance its profile in Germany and abroad. Borussia Dortmund was Germany's leading brand manager once again this year. For the sixth year running, Braunschweig Technical University's annual survey of football clubs demonstrated that Borussia Dortmund has and is Germany's most popular football brand. In addition to such awards, measurable media indicators are also used to determine the success of the Company's brand management. In this day and age, an active social media presence is a key factor for Borussia Dortmund's success that not only allows the club to assess the awareness for and popularity of its brand, but to also communicate with its fans.

Therefore, managing, monitoring and maintaining the club's social media accounts in line with its communications strategy is a fixture of Borussia Dortmund's operating activities. As at the end of the reporting period, Borussia Dortmund had a total of 25,787,938 followers on Facebook, Twitter, Instagram,

YouTube and the Chinese microblogging website SinaWeibo. At the beginning of the financial year, the club had just under two million fewer followers. Interest in the club is particularly high abroad. In the first half of the year, Borussia Dortmund's SinaWeibo's account was one of the five fastest-growing profiles of all European football clubs in China. The club passed the five million mark on Instagram, gaining 1,099,786 new followers. The only platform to record declining numbers was Facebook, where the number of fans decreased by just under 150,000. This was due primarily to the limited reach of Facebook.

More than one million people followed the U17 team's title-winning campaign on social media and millions more are expected to follow the senior team during its preseason tour of the United States. Users are especially responsive to news of new player signings, often initiating lively discussions by posting and commenting on the profiles of the club's various social media accounts.

The club successfully pursued its internationalisation strategy and further increased the appeal of its brand in the United States. The invitation to the International Champions Cup (ICC) in the US underscores the interest in Borussia Dortmund and the club's excellent standing outside of Europe.



21st match day
2 February 2018
1. FC Köln - BVB 2:3



22nd match day
10 February 2018
BVB - Hamburger SV 2:0

RESULTS OF OPERATIONS

During the reporting period (1 July 2017 to 30 June 2018), Borussia Dortmund generated revenue of EUR 536,043 thousand (previous year: EUR 405,692 thousand) and gross revenue of EUR 539,935 thousand, an increase of EUR 129,999 thousand (31.71%) on the previous financial year.

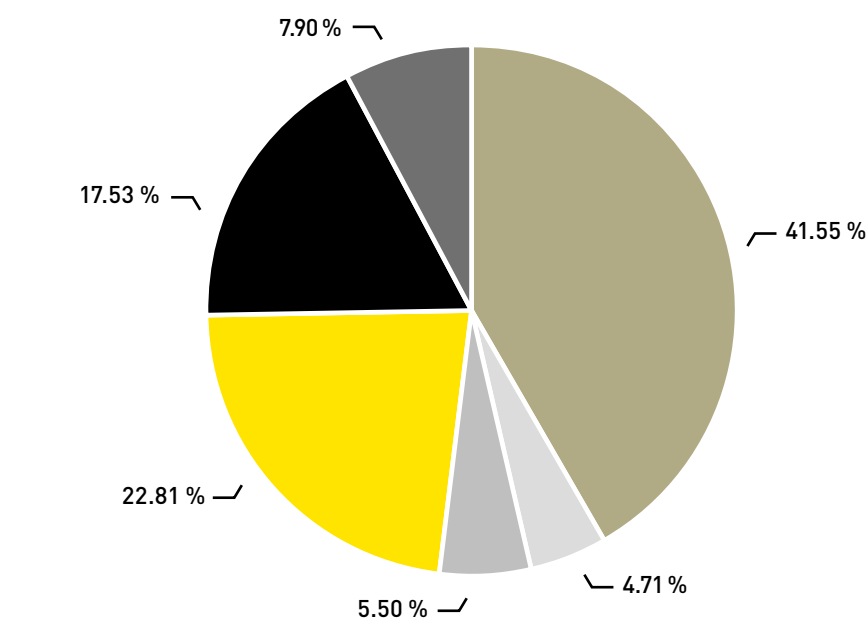
Earnings before taxes amounted to EUR 31,751 thousand (previous year: EUR 9,119 thousand); the

result from operating activities (EBIT) amounted to EUR 36,074 thousand (previous year: EUR 10,658 thousand).

During the current reporting year, the operating result (EBITDA) amounted to EUR 126,630 thousand (previous year: EUR 74,073 thousand).

Borussia Dortmund generated a net profit of EUR 28,462 thousand during the 2017/2018 financial year (previous year: EUR 8,209 thousand).

Borussia Dortmund Group – Revenue in percent



- Transfer deals
- Conference, catering, miscellaneous
- Merchandising
- TV Marketing
- Advertising
- Match operations



Round of 32, first leg UEL
 15 February 2018
 BVB - Atalanta Bergamo 3:2



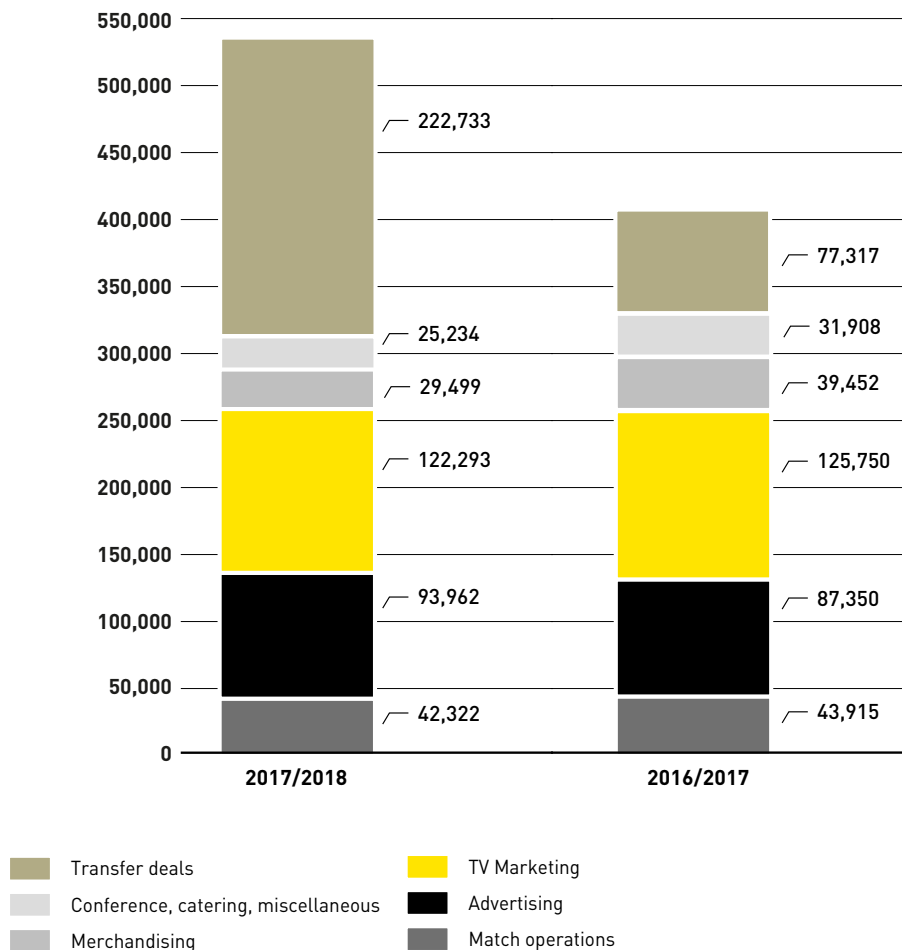
23rd match day
 18 February 2018
 Bor. M'gladbach - BVB 0:1

REVENUE TREND

Borussia Dortmund generated revenue of EUR 536,043 thousand in the 2017/2018 financial year. The 32.13% increase in revenue is due primarily to rise in transfer income, which improved from EUR 77,317 thousand in the previous year to EUR 222,733 thousand. Adjusted for transfer income, revenue decreased by 4.59% from EUR 328,375 thousand in the previous year to EUR 313,310 thousand.

In addition to higher transfer income, Borussia Dortmund once again increased its income from advertising. Income from match operations, TV marketing, merchandising, and conference, catering and miscellaneous income declined year on year. This was attributable primarily to the team's early exit from the DFB Cup and the knock-out stage of the UEFA Europa League as well as lower demand for fan merchandise.

Borussia Dortmund Group – Revenue in EUR '000



Round of 32, second leg UEL
22 February 2018
Atalanta - BVB 1:1



24th match day
26 February 2018
BVB - FC Augsburg 1:1

The performance of the individual revenue items is described in the following:

Income from match operations

Income from match operations decreased by EUR 1,593 thousand to EUR 42,322 thousand in financial year 2017/2018.

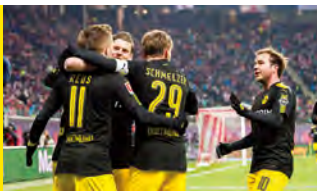
The demand for tickets for Borussia Dortmund's home matches continued unabated during 2017/2018 season. Of the 55,000 season ticket holders during the 2016/2017 season, 99.88% renewed their season tickets for the upcoming season, meaning that only 66 season tickets changed hands. Furthermore, some new kick-off times were introduced at the beginning of the season. Over the course of the entire season, five matches on Sunday were scheduled for 1:30 p.m. and five matches on Monday for 8:30 p.m. In the past season, Borussia Dortmund hosted one early-afternoon Sunday match as well as one Monday-evening match, against which fans staged a protest. However, demand for match day tickets remained stable and income from match operations for domestic competitions improved by EUR 423 thousand to EUR 27,427 thousand.

Borussia Dortmund lost to FC Bayern Munich in the round of 16 of the DFB Cup and again in the DFL Super Cup at the beginning of the season. Consequently, income from domestic cup competitions decreased by EUR 3,061 thousand to EUR 2,236 thousand.

Borussia Dortmund began its international campaign in the group stage of the UEFA Champions League. The team finished third in the group following four losses and two draws, qualifying for the round of 32 in the UEFA Europa League, where the team beat Atalanta Bergamo to advance to the round of 16. As in the previous year, the club hosted five home matches on the international stage, generating EUR 9,135 thousand in income from standard and hospitality tickets (previous year: EUR 9,458 thousand).

At the beginning of the new season, Borussia Dortmund embarked on its third tour of Asia in as many years. In addition to visiting Japan, the team also travelled to Guangzhou in southern China to again compete in the International Champions Cup, after having been invited to the preseason tournament in the previous year as well. Furthermore, a short postseason tour of the United States was scheduled for the first time. Immediately after the end of the Bundesliga season, the team travelled to Los Angeles to play a match against newly established club Los Angeles FC at the official opening of the Banc of California Stadium before continuing its tour.

The income that Borussia Dortmund generated in financial year 2017/2018 from these friendlies, including the ticket proceeds generated by the club's other teams, amounted to EUR 3,524 thousand, representing an increase of EUR 1,368 thousand on the previous year.



25th match day
3 March 2018
Rasenballsport Leipzig - BVB 1:1



Round of 16, first leg UEL
8 March 2018
BVB - FC Salzburg 1:2

Income from advertising

In the financial year ended, Borussia Dortmund increased its advertising revenue by 7.57% to EUR 93,962 thousand (previous year: EUR 87,350 thousand), representing a share of 17.53% of total revenue.

Borussia Dortmund signed a long-term sleeve sponsorship deal with Opel Automobile GmbH at the beginning of the 2017/2018 season. The Opel logo will adorn the sleeves of Borussia Dortmund's shirts until 30 June 2022.

Borussia Dortmund added two new Champion Partners, sports betting provider bwin (GVC Services Limited) and ROWE MINERALÖLWERK GMBH, bringing the total to twelve at the beginning of the season.

Furthermore, the club expanded its international advertising efforts with some 30 partners located primarily in Asia. After opening a representative office in Singapore in 2014, Borussia Dortmund now also has an office in Shanghai. Borussia Dortmund used its US tour at the end of the season to also expand its marketing activities in North America.

Furthermore, advertising income includes bonuses primarily for the fourth-place Bundesliga finish, which directly qualified the team for the group stage of the UEFA Champions League in the 2018/2019 season.

Income from TV marketing

In financial year 2017/2018, income from domestic and international TV marketing represented 22.81% of revenue and decreased by EUR 3,457 thousand year on year to EUR 122,293 thousand. In contrast to the increase in income from domestic TV marketing, income from international TV marketing declined.

Income from domestic TV marketing amounted to EUR 87,953 thousand, up EUR 21,840 thousand against the prior-year reporting period.

This was due to the new TV agreement signed by DFL Deutsche Fußball Liga GmbH, which sold the national media rights for the four seasons from 2017/2018 to 2020/2021 for a total of EUR 4.64 billion, or an average of EUR 1.16 billion per season. Going forward, the income from domestic TV marketing will no longer be distributed on the basis of two criteria but on four: a separate five-year ranking for the first and second divisions (*Bestand*); a 20-year performance ranking of the 36 clubs in the top two divisions (*Sportliche Nachhaltigkeit*); ranking based on the playing time for U23 academy players (*Nachwuchs*); and a five-year ranking combining the first two divisions (*Wettbewerb*). Beginning in the 2017/2018 season, income from international TV marketing will be distributed on the basis of a three-pillar model: equal solidarity pay-outs to first division clubs (*Solidarität*); a five-year performance ranking in European competitions (*Sportliche Leistung*); and



26th match day
11 March 2018
BVB - Eintracht Frankfurt 3:2



Round of 16, second leg UEL
15 March 2018
FC Salzburg - BVB 0:0

a ten-year ranking based on number of starts (including qualification) in European competitions (*Sportliche Nachhaltigkeit*).

The income from international TV marketing declined in the financial year ended. During the reporting period from 1 July 2017 to 30 June 2018, this revenue item amounted to EUR 31,752 thousand (previous year: EUR 50,993 thousand); the decline was attributable primarily to the team's significantly poorer performance in the UEFA Champions League and having to compete in the less lucrative UEFA Europa League as a result.

Borussia Dortmund was eliminated in the round of 16 of the DFB Cup and lost the DFL Super Cup to FC Bayern Munich at home at SIGNAL IDUNA PARK. Income from domestic cup competitions thus amounted to EUR 2,578 thousand (previous year: EUR 8,633 thousand).

Transfer income

In financial year 2017/2018, Borussia Dortmund generated income from transfer deals amounting to EUR 222,733 thousand (previous year: EUR 77,317 thousand).

In the reporting period from 1 July 2017 to 30 June 2018, Borussia Dortmund's transfer income was attributable primarily to the transfers of the players Pierre-Emerick Aubameyang to Arsenal FC, Marc Bartra to Real Betis, Sven Bender to Bayer 04 Leverkusen, Gonzalo Castro to VfB Stuttgart, Ousmane Dembélé to FC Barcelona, Mikel Merino Zazón to Newcastle United, Emre Mor to Celta Vigo and Neven Subotić to AS Saint-Étienne, as well as transfer compensation stemming from transfer deals in previous financial years and loans.

Merchandising

Merchandising revenue amounted to EUR 29,499 thousand, representing a year-on-year decline of EUR 9,953 thousand.



27th match day
18 March 2018
BVB - Hannover 96 1:0



28th match day
31 March 2018
Bayern München - BVB 6:0

Conference, catering and miscellaneous income

In the financial year ended, conference, catering and miscellaneous income decreased by EUR 6,674 thousand to EUR 25,234 thousand and also included revenue from advance booking fees, rental and lease income and release fees for national team players.

BVB Event & Catering GmbH is responsible for providing public catering services on the circulation levels and the provision of food and beverages to spectators at home matches in and around SIGNAL IDUNA PARK. In the financial year ended, the Company recorded a decline in this revenue item, due primarily to the decrease in revenue generated from public catering services. As compared to the previous year, a total of four fewer home matches were held at SIGNAL IDUNA PARK during the financial year ended, and only 11 of the 17 Bundesliga matches were held on a Saturday. Spectators tend to spend less money at matches held on Sundays and during the week.

Income generated from hospitality services, which are part of the agreements with sponsors and thus continue to be the responsibility of Borussia Dortmund GmbH & Co. KGaA, remained level year on year.

In the current financial year, revenue from advance booking fees and postage decreased by EUR 373 thousand and now amount to EUR 4,365 thousand, which was also due to the decreased number of home matches.

In the reporting period from 1 July 2017 to 30 June 2018, miscellaneous income, which includes the Evonik football academy and rental and lease income, decreased by EUR 1,787 thousand to EUR 6,303 thousand. This was due primarily to the lack of income from transfer fees for SIGNAL IDUNA PARK and pro rata commissions for international fixtures held in March 2017 and for the U19 Bundesliga final.

Income from release fees for national team players called up for the German national team's matches amounted to EUR 601 thousand, representing a decline of EUR 2,974 thousand.

Other operating income decreased by EUR 352 thousand year on year to EUR 3,892 thousand and includes prior-period income of EUR 391 thousand (previous year: EUR 682 thousand), compensation payments, benefits in kind, income from provisions and insurance reimbursements.



29th match day
8 April 2018
BVB - VfB Stuttgart 3:0



30th match day
15 April 2018
FC Schalke 04 - BVB 2:0

DEVELOPMENT OF SIGNIFICANT OPERATING EXPENSES

Cost of materials

Cost of materials decreased by EUR 5,835 thousand to EUR 20,094 thousand.

This figure included BVB Event & Catering GmbH's cost of goods sold, which declined by EUR 438 thousand on account of lower revenue from public catering services, as well as BVB Merchandising GmbH's cost of goods sold, which decreased by EUR 5,397 thousand in line with the decline in revenue.

Personnel expenses

In financial year 2017/2018, personnel expenses amounted to EUR 186,715 thousand (previous year: EUR 177,949 thousand).

Personnel expenses for the professional squad increased by 3.22% year on year. Higher expenses for base salaries were offset by lower performance-based bonuses.

In the reporting period, personnel expenses related to the retail and administration areas increased by EUR 2,593 thousand year on year to EUR 26,220 thousand. This was due to expansion of the Sports management team, the newly established security department, the opening of the Shanghai office and the hiring of additional staff in nearly all departments and subsidiaries.

Personnel expenses in relation to amateur and youth football amounted to EUR 8,845 thousand during the current 2017/2018 financial year (previous year: EUR 7,397 thousand).

Depreciation, amortisation and write-downs

Depreciation, amortisation and write-downs rose by EUR 27,141 thousand to EUR 90,556 thousand in the reporting period.

During the period from 1 July 2017 to 30 June 2018, intangible assets – which consist primarily of Borussia Dortmund's player registrations – were amortised in the amount of EUR 58,038 thousand (previous year: EUR 51,939 thousand). The change in write-downs for amortisation thus amounted to EUR 7,099 thousand, primarily due to investments in the professional squad related to the signing of Manuel Akanji, Mahmoud Dahoud, Sergio Gómez, Maximilian Philipp, Jadon Sancho, Jeremy Toljan, Ömer Toprak and Andriy Yarmolenko.

Furthermore, EUR 20,362 thousand in write-downs of intangible assets to their fair values were recorded (previous year: EUR 0 thousand).

Depreciation and write-downs of property, plant and equipment decreased by EUR 11,476 thousand to EUR 11,156 thousand.



31st match day
21 April 2018
BVB - Bayer Leverkusen 4:0



32nd match day
29 April 2018
SV Werder Bremen - BVB 1:1

Other operating expenses

Other operating expenses increased by EUR 74,511 thousand or 56.45% from EUR 131,985 thousand in the previous year to EUR 206,496 thousand in the reporting period.

The largest increase under this item was seen in transfer deals, which rose by EUR 76,122 thousand to EUR 107,657 thousand. These primarily include the derecognition of the residual carrying amounts of and sales-related costs for the players Pierre-Emerick Aubameyang, Marc Bartra, Sven Bender, Gonzalo Castro, Ousmane Dembélé, Mikel Merino Zazón and Emre Mor as well as other transfer payments.

Expenses from match operations decreased by EUR 2,241 thousand to EUR 39,824 thousand. This was due to the fewer number of home matches, the team's early elimination from the DFB Cup and the decline in football association dues on account of the DFL Deutsche Fußball Liga GmbH's new rules governing association dues.

Advertising expenses also decreased, by EUR 3,101 thousand. This was due to the new agreement with Lagardère Sports Germany GmbH under which Lagardère charges lower commissions despite Borussia Dortmund's rising revenue.

Financial result

The financial result for financial year 2017/2018 amounted to EUR -4,323 thousand (previous year: EUR -1,539 thousand) and breaks down as follows:

The termination of a hedge due to the elimination of the corresponding hedged item led to the cash flow hedge reserve amounting to EUR 1,090 thousand being reclassified under finance costs. Furthermore, the net interest expense includes discounting effects of EUR 2,796 thousand.

Taxes on income amounted to EUR 3,289 thousand (previous year: EUR 910 thousand) and consisted primarily of EUR 3,512 in tax expenses relating to earnings in the financial year ended.



33rd match day
5 May 2018
BVB - 1. FSV Mainz 05 1:2



34th match day
12 May 2018
TSG 1899 Hoffenheim - BVB 3:1

ANALYSIS OF CAPITAL STRUCTURE

DEVELOPMENT AND PERFORMANCE OF THE BUSINESS

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

of Borussia Dortmund GmbH & Co. Kommanditgesellschaft auf Aktien, Dortmund

ASSETS	30/06/2018		30/06/2017	
	EUR '000	in %	EUR '000	in %
Non-current assets				
Intangible assets	109,684	22.9	141,521	29.6
Property, plant and equipment	180,693	37.8	184,664	38.6
Investments accounted for using the equity method	309	0.1	296	0.1
Financial assets	71	0.0	109	0.0
Trade and other financial receivables	39,653	8.3	10,256	2.1
Deferred tax assets	793	0.2	1,136	0.2
Prepaid expenses	10,723	2.2	16,876	3.5
	341,926	71.5	354,858	74.1
Current assets				
Inventories	5,588	1.2	8,978	1.9
Trade and other financial receivables	22,981	4.8	48,776	10.2
Tax assets	645	0.1	170	0.0
Cash and cash equivalents	59,464	12.4	49,297	10.3
Prepaid expenses	16,655	3.5	16,518	3.5
Assets held for sale	31,072	6.5	0,0	0.0
	136,405	28.5	123,739	25.9
	478,331	100.0	478,597	100.0

As at 30 June 2018, total assets amounted to EUR 478,331 thousand, representing a decrease of EUR 266 thousand as compared to 30 June 2017.

Changes in current and non-current assets were as follows:

In the reporting period, non-current assets declined by EUR 12,932 thousand, due primarily to the decrease of EUR 35,833 thousand in fixed assets, the EUR 29,397 thousand increase in trade and other financial receivables, and the change in prepaid expenses.

The decline in fixed assets is attributable to the additions of EUR 130,092 thousand, disposals of EUR 44,297 thousand, depreciation, amortisation and write-downs of EUR 90,556 thousand and the reclassification of non-current intangible assets in the amount of EUR 31,072 thousand as held for sale. Trade and other financial receivables increased to EUR 39,653 thousand (previous year: EUR 10,256

thousand) on account of concluded transfer agreements. Prepaid expenses decreased by EUR 6,153 thousand in the reporting period.

Current assets rose by EUR 12,666 thousand, due primarily to the EUR 25,795 thousand decline in trade and other financial receivables, the EUR 10,167 thousand increase in cash and cash equivalents and the increase of EUR 31,072 thousand related to the reclassification to assets held for sale.

Due to seasonal factors, inventories amounted to EUR 5,588 thousand.

The decline in current trade and other financial receivables is attributable to payments received for transfer receivables (previous year: EUR 48,776 thousand).

Cash and cash equivalents increased by EUR 10,167 thousand as compared to 30 June 2017.

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

of Borussia Dortmund GmbH & Co. Kommanditgesellschaft auf Aktien, Dortmund

EQUITY AND LIABILITIES	30/06/2018		30/06/2017	
	EUR '000	in %	EUR '000	in %
Equity				
Subscribed capital	92,000	19.2	92,000	19.2
Reserves	244,417	51.1	220,415	46.1
Treasury shares	-113	0.0	-113	0.0
Equity attributable to the owners of the parent company	336,304	70.3	312,302	65.3
Non-current liabilities				
Liabilities from finance leases	6,726	1.4	8,695	1.8
Trade payables	9,724	2.0	496	0.1
Other financial liabilities	2,550	0.5	8,192	1.7
Deferred income	4,001	0.9	8,000	1.7
	23,001	4.8	25,383	5.3
Current liabilities				
Provisions	1,146	0.2	1,178	0.2
Liabilities from finance leases	1,969	0.4	10,295	2.1
Trade payables	54,597	11.4	63,565	13.3
Other financial liabilities	34,659	7.3	43,264	9.0
Tax liabilities	1,962	0.4	732	0.2
Deferred income	24,693	5.2	21,878	4.6
	119,026	24.9	140,912	29.4
	478,331	100.0	478,597	100.0

Taking into account consolidated net profit for the year, Borussia Dortmund's equity amounted to EUR 336,304 thousand as at 30 June 2018. This corresponds to an equity ratio of 70.31% (previous year: 65.25%). Subscribed capital remained level at EUR 92,000 thousand.

Changes in current and non-current liabilities were as follows:

Liabilities decreased by EUR 24,268 thousand year on year to EUR 142,027 thousand. Changes in total current and non-current liabilities were as follows:

Non-current liabilities from finance leases decreased as planned by EUR 1,969 thousand. Current liabilities from finance leases decreased by EUR 8,326 thousand due primarily to the acquisition of the administration building located at the Rheinlanddamm address.

Non-current trade payables increased by EUR 9,228 thousand as compared to 30 June 2017. This change is due in particular to transfer investments. By contrast, current trade payables decreased by EUR 8,968 thousand due to the payment of transfer liabilities.

Other financial liabilities decreased by a total of EUR 14,247 thousand to EUR 37,209 thousand, attributable primarily to the decline in employee obligations.

By contrast, tax liabilities increased by EUR 1,230 thousand during the reporting period.

Deferred income decreased by EUR 1,184 thousand. This was attributable to the pro-rated reversal of the prepaid licence fees under the agency licensing agreement with Lagardère Sports Germany GmbH (formerly SPORTFIVE GmbH & Co. KG).

ANALYSIS OF CAPITAL EXPENDITURE

In the past financial year, Borussia Dortmund invested EUR 123,562 thousand in intangible assets. This amount was invested almost entirely in the player base.

Cash payments for property, plant and equipment during the same period amounted to EUR 7,471 thousand and primarily included fixtures and expansions at SIGNAL IDUNA PARK, the training ground in Brackel and the football academy.

ANALYSIS OF LIQUIDITY

As at 30 June 2018, Borussia Dortmund held unrestricted cash funds of EUR 59,464 thousand. Borussia Dortmund also had access to an additional EUR 30,000 thousand in overdraft facilities which

had not been drawn down as at the end of the reporting period.

Cash flows from operating activities amounted to EUR 158,367 thousand.

NET ASSETS

Borussia Dortmund's total assets decreased from EUR 478,597 thousand to EUR 478,331 thousand. Fixed assets declined by EUR 35,833 thousand, due primarily to the reclassification of non-current intangible assets as held for sale. Trade and other financial receivables increased by EUR 3,602 thousand primarily on account of concluded transfer agreements.

In addition to prepayments for other services, prepaid expenses primarily include future personnel expenses amounting to EUR 20,818 thousand (previous year: EUR 21,461 thousand) and prepayments for agent and brokerage commissions amounting to EUR 2,964 thousand (previous year: EUR 8,686 thousand).

OVERALL ASSESSMENT OF FINANCIAL POSITION AND PERFORMANCE AND BUSINESS DEVELOPMENT

Borussia Dortmund ended the 2017/2018 financial year with consolidated net profit for the year of EUR 28,462 thousand.

At the end of the reporting period, Borussia Dortmund had access to an additional EUR 30,000 thousand in overdraft facilities which had not been drawn down.

Taking into account the consolidated net profit for the year, the equity ratio is calculated at 70.31%. As at 30 June 2018, Borussia Dortmund held unrestricted cash funds of EUR 59,464 thousand.

Overall, business development during financial year 2017/2018 was positive.

REMUNERATION REPORT

The structure of the management remuneration system is defined and regularly reviewed by the Executive Committee of the Advisory Board. The Executive Committee of the Advisory Board of Borussia Dortmund Geschäftsführungs-GmbH is also responsible for setting the remuneration of the individual executives and for defining the appropriate amount of remuneration. The appropriate remuneration level is defined in particular on the basis of the specific executive's responsibilities and performance, as well as on the basis of Borussia Dortmund's financial position, performance and future prospects.

Executive remuneration consists of two components: a fixed amount and a variable component. The fixed component is stipulated by contract, takes into account the sporting success achieved and is paid out in twelve equal monthly instalments. The variable component is based on the business trend and is dependent on net income for the year before tax and the managing directors'

remuneration. Any additional non-cash or ancillary benefits granted relate primarily to insurance benefits at standard market conditions and the provision of a company car. The Company does not offer any stock option plans or similar incentive plans. The remuneration components provided are reasonable both in and of themselves and taken as a whole.

Remuneration of the Supervisory Board is governed by Article 13 of the Articles of Association, pursuant to which each member of the Supervisory Board receives fixed remuneration amounting to EUR 12 thousand (previous year: EUR 12 thousand); the Chairman receives twice that amount and the Deputy Chairman one and a half times that amount. Value added tax is reimbursed to the members of the Supervisory Board.

The disclosures required by § 314 (1) no. 6 HGB are included in the notes to the consolidated financial statements.

THE INTERNAL CONTROL AND RISK MANAGEMENT SYSTEM AS IT RELATES TO THE ACCOUNTING PROCESS

The key features of the accounting process-related internal control and risk management system employed by Borussia Dortmund can be described as follows:

- Borussia Dortmund distinguishes itself through its clear organisational and corporate structures as well as its control and monitoring structures
- The internal control and risk management systems as they relate to the accounting process form an integral part of operational and strategic planning processes
- Responsibilities have been clearly assigned in all areas of the accounting process (such as financial accounting and management cost accounting)
- Reporting is carried out in monthly, quarterly, semi-annual and annual intervals, whereby a distinction is made between matters requiring immediate action by the Company and those involving Company strategy
- The computer systems used in accounting are protected against unauthorised access
- An adequate system of internal guidelines has been established and is updated as needed
- The departments involved in the accounting process fulfil quantitative and qualitative requirements
- The completeness and accuracy of the accounting data is checked regularly by reviewing samples and conducting plausibility tests, both manually and by means of software employed for this purpose
- The principle of dual control is adhered to at all points in the Company's accounting-related processes
- The management receives reports at scheduled intervals throughout the process or more frequently if necessary
- The Supervisory Board deals with the key accounting issues, risk management and the audit assignment, among other things

The accounting process-related internal control and risk management system, the key features of which are described above, ensures that transactions can be correctly recorded, prepared and accounted for in the financial statements.

OPPORTUNITY AND RISK REPORT

RISK MANAGEMENT

Borussia Dortmund's divisions are exposed to a wide variety of risks that are inseparably linked to the conduct of business.

The sections below focus on possible future developments or events which could cause Borussia Dortmund to perform either better than expected (opportunities) or worse than expected (risks). The respective impact of opportunities and risks are generally presented separately and are not offset against one other. Generally speaking, risks and opportunities are assessed over a mid-length term of two years. All risks of loss to which the Company is exposed (individual and cumulative risks) are monitored and managed within the risk management system.

The consolidated group for risk management purposes is identical to the consolidated group in the consolidated financial statements

A functioning control and monitoring system is essential for identifying risks early and for assessing and counteracting them. It is the responsibility of the internal risk management system to monitor and control such potential risks.

The risk management system is based on principles and guidelines laid out by the management. These principles and guidelines are designed to facilitate the early identification of any irregularities so that appropriate countermeasures can be taken immediately. In order to ensure the highest possible level of transparency, risk management has been incorporated into the organisational structure of the Group as a whole. All departments and divisions are required to immediately report any market-relevant changes in the risk portfolio to the management. The risk management system is also an integral component of the overarching planning, steering and reporting process.

The currency and detail of the regular risk reports given to the governing bodies of Borussia Dortmund keep them informed of the Group's current risk profile.

This ensures that the Company's decision-makers have adequate flexibility to be able to monitor and manage risks.

This year, the risk inventory procedure implemented with the objective of cataloguing and assessing all risks has again proven effective as a management tool. Risks are identified, discussed and reviewed in consideration of current circumstances in one-on-one meetings or plenary sessions in order to assess the current likelihood of their occurring and their potential consequences.

Each risk is given a qualitative rating of between 1 and 4, with 1 indicating a low level of risk and 4 indicating a very high level of risk.

A risk impact assessment is carried out both before and after the identification and development of countermeasures to reduce the risk. The risk impact assessments are weighted before and after countermeasures based on a ratio of 1:2, with weighting prioritising the probability and consequences of each risk after countermeasures take effect. In mathematical terms, the risk impact assessment (before countermeasures) is derived by adding the probability of the risk and its consequences before countermeasures, while the assessment (after countermeasures) is derived by adding the probability of the risk and its consequences, and multiplying this figure by two.

Example:

Before countermeasures:			
Probability	2	2+3=5	5
Consequences	3		
After countermeasures:			
Probability	1		
Consequences	2	(1+2)x2=6	6
TOTAL			11

If the assessment of an individual risk falls within the top third of the scale (a score of 17 to 24), Borussia Dortmund classifies it as a high priority risk. Particular attention is paid to such risks, since they are capable of having a material adverse and long-term effect on the Company's assets, liabilities, financial position and profit or loss. There are currently 18 (previous year: 18) risks that are classified as high priority.

The currency and detail of the regular risk reports given to the governing bodies of Borussia Dortmund keep them informed of the Group's current risk profile.

This ensures that the Company's decision-makers have adequate flexibility to be able to monitor and manage risks.

Categorisation of risks

In accordance with the recommendations under German Accounting Standard DRS 20, and to ensure ease of reference, Borussia Dortmund divides its risks into main categories. The previous seven main categories (strategic risk, personnel risk, macroeconomic risk, competitive risk, liquidity risk, interest rate risk and credit risk) were expanded by one (resources risk) and are presented and explained in greater detail below.

All 58 risks that could have a direct impact on the Company fall within these categories. The following is a discussion of the 18 high priority risks in their respective categories.

Category 1 – strategic risk

We define strategic risk as risk arising from incorrect business decisions, poor implementation of decisions or the inability to adapt to changes in the corporate environment. Strategic risk also arises from unexpected changes in market conditions and the environment in which the Company operates, which bring with them negative consequences for the Company's assets, liabilities, financial position and profit or loss.

This category includes three high priority risks:

The risk that financial planning is dependent on sporting success describes the risk that failing to achieve planned sporting objectives could lead to a lack of adequate income or proceeds. To account for any and all developments both on and off the pitch, the Company revises and updates its longstanding financial and liquidity planning at least three times per year based on the latest premises. In addition to the income statement and the statement of financial position, this also includes the development of Borussia Dortmund's liquidity. It allows the management to monitor the current and future financial position of the Company at all times and to take any necessary action. Due to developments with regard to income from international TV marketing in particular, the amount that a club is certain to receive for a given subsequent season varies greatly from a second-place finish to a seventh-place finish in the Bundesliga. Qualifying for the UEFA Champions League guarantees much higher proceeds than qualifying for the UEFA Europa League, let alone if the team fails to qualify for any international competition at all. The objective of a corresponding worst case scenario is not to predict the future but rather to provide an overview of various contingencies and their effects and to better assist the management in its strategic planning.

Share price performance describes the performance of a security, an index, shares or a portfolio, but also the performance of the management of an investment

fund with respect to its investment objectives. The Group is very conscious of the risk associated with the performance of Borussia Dortmund's shares and continually analyses the Company's value on the capital market and the consequences of it being undervalued. A key component of this risk is the impact of these factors on potential corporate action in the future and the Company's appeal to business partners. This risk is countered through continual communication with the capital market. The shares have been listed on the Prime Standard segment of the Frankfurt Stock Exchange for the past four years and are also admitted to trading on the SDAX. During the financial year, Borussia Dortmund again held several roadshows in Europe and the United States in an effort to keep existing investors up to date and bring any prospective investors on board.

Borussia Dortmund considers the third risk in this category to be the risk of conflicting goals of sporting and commercial success. It is important that Borussia Dortmund continues to pursue balanced business policies with the aim of ensuring that the club remains competitive and also focussed on meeting the Group's performance indicators. Borussia Dortmund will continue to avoid financial risks that could arise on account of uncertain sporting successes. As in previous years, Borussia Dortmund further counters this risk by setting strict budgets for the individual divisions and undertaking corporate planning on a revolving basis using various planning scenarios. Furthermore, the Company also uses planning scenarios to calculate various earnings and liquidity effects potentially presenting additional opportunities for financial investment or shortfalls.

Category 2 – personnel risk

The importance of human resources to companies is growing. The Company's success is largely dependent on the commitment, motivation and skills of both its sporting personnel and managerial/administrative staff.

This category currently includes three high priority risks:

Protecting confidential information is a subject that is currently in the public eye. Never before has data protection posed so many challenges. In particular, the increasing internationalisation of day-to-day business practices necessitates a detailed understanding of the respective data protection regulations applicable in individual countries. In addition, technical progress harbours many pitfalls, especially in relation to online data. The European Commission has therefore decided to harmonise data protection and to this end has established a central framework in the form of the General Data Protection Regulation (EU GDPR), which serves as the basis for reforming data protection regulations within the member states. While companies in Germany previously had to comply with the German Federal Protection Act (*Bundesdatenschutzgesetz*, "BDSG"), the EU General Data Protection Regulation took precedence in May 2018. Since then, companies have been faced with many changes and a number of processes had to be reviewed and adapted.

The risk of periods during which professional players are unable to play (rest periods) can have a major impact on the Company's success, because they mean that team managers are unable to play the best possible team for the entire season, putting sporting goals in jeopardy. The absence of key players in particular is often difficult to compensate for. The reasons for rest periods include personal match bans, injury or even excessive stress. Despite the large number of injured players, Borussia Dortmund was able to compensate for these losses and achieve its sporting objective in the past financial year.

There continues to be a risk of travel and other accidents and terrorist attacks in the world of sport; therefore, Borussia Dortmund continues to classify this risk as high priority.

Borussia Dortmund no longer considers a ban on fixed-term player contracts to be a risk. In January 2018, the Seventh Senate of the Federal Labour Court (*Bundesarbeitsgericht*) ruled that fixed-term employment contracts with professional football players are legal. The court reasoned that the commercial and public nature of top-level football demanded that professional footballers work within the team to deliver top performances and that such players can only produce that kind of output for a limited period of time. The court saw this as a peculiarity which, as a rule, justifies a legitimate interest in limiting the employment relationship. Therefore, this is no longer a risk for Borussia Dortmund.

Category 3 – macroeconomic risk

Macroeconomic risk arises as a result of Borussia Dortmund's dependence on general economic and political developments.

This category includes five high priority risks:

Borussia Dortmund has classified unfavourable macroeconomic developments, particularly high unemployment and slow economic growth, as the first risk in this category. The German Institute for Economic Research, the Ifo Institute for Economic Research and RWI Essen currently expect the economic recovery to be very muted and therefore significantly lowered their economic forecasts for Germany. All institutes have observed a decline in exports on account of recent political developments.

The risk of right-wing extremism is rising and is a societal risk that is increasingly in the public eye. Borussia Dortmund continues to stand firmly against right-wing extremism and discrimination. Borussia Dortmund counters this risk through prevention efforts and disciplinary action, acting in concert with a broad network of cooperation partners. By clearly

speaking out against racism and discrimination and working to combat right-wing attitudes and reprehensible slogans, Borussia Dortmund will continue to ensure that the atmosphere in and outside the stadium is welcoming, cosmopolitan and diverse.

The increased willingness of certain individuals to commit violence at stadiums is a risk that will continue to require the utmost attention. Fan violence remained an important issue during reporting period. Prevention efforts and security plans ensured that potentially violent groups were identified in advance, helping to prevent altercations. Borussia Dortmund will continue to counter this risk with enhanced security checks, camera surveillance, stadium bans and criminal complaints. Additional stadium safety measures also include specific structural changes to entrances.

In the dispute about who should cover the costs of providing security at home matches, the DFL Deutsche Fußball Liga GmbH appealed the decision of the Higher Administrative Court (*Oberverwaltungsgericht*) of Bremen. In the appellate proceedings, the Higher Administrative Court of Bremen had overturned the decision of first instance of the Administrative Court (*Verwaltungsgericht*) of Bremen and dismissed the action brought by DFL Deutsche Fußball Liga GmbH against the Free Hanseatic City of Bremen. However, due to the fundamental importance of the matter, the appeal was granted by the Federal Administrative Court (*Bundesverwaltungsgericht*) in Leipzig. In the legal dispute with the Free Hanseatic City of Bremen over the charging of fees for police operations at SV Werder Bremen's football matches, the action brought by DFL Deutsche Fußball Liga GmbH against the Free Hanseatic City of Bremen had been admitted in the first instance and city's fee schedule had been annulled.

Passing these costs on to the Bundesliga clubs would present an earnings and liquidity risk for those clubs, Borussia Dortmund included.

The categorisation of social media activities as a high priority risk reflects the fact that new technologies not only have potential for development, but also harbour risk potential. In addition to the social networks that Borussia Dortmund uses for marketing and communication purposes, the social networks used by BVB employees also pose risks. Social media guidelines were drawn up for all Borussia Dortmund employees in order to safeguard the Company's image and prevent the unauthorised disclosure of internal information. In order account for the increasing importance of this risk, Borussia Dortmund has, with immediate effect, charged both the Communications and the Sales & Marketing departments with managing the risk.

Category 4 – competitive risk

Competitive risk relates to factors stemming from competition in the domestic and international professional football business.

This category includes five high priority risks:

The risk of being relegated to the second Bundesliga is a risk that would result in a significant negative financial impact. If it becomes increasingly likely that this may occur, the response to this risk is to draw up worst-case scenarios on the assumption of relegation, and to enter into more flexible and more heavily performance-based contracts.

The risk that key players might switch clubs materialised during the past financial year. The departure of two key players, who had been part of the club's future plans, not only weakened the team at certain positions, but also as a whole. Even if success rarely rests on the shoulders of any single player, the unexpected departures left holes in the roster that needed to be filled at short notice. Furthermore, in professional football, key players – and all the sporting and economic expectations associated with them – are vital for clubs and their managers. Despite the fact that key players unexpectedly left the club, Borussia Dortmund still achieved its sporting objectives and qualified for the UEFA Champions League.

According to UEFA, Financial Fair Play is about improving the overall financial health of European club football. The regulations first entered into force in 2011 and serve as a catalogue of measures for clubs competing in UEFA's international club competitions. Clubs in breach of the regulations face penalties up to and including bans. In practice, Financial Fair Play governs the ratio of revenue to expenditures. The risk of failing to comply with the Financial Fair Play rules and potential exclusion from international competitions or potential financial sanctions would have serious financial consequences for Borussia Dortmund. To minimise this risk therefore, compliance with the relevant requirements and target/actual comparisons are constantly reviewed. Several European clubs have already been disciplined and banned from international competitions for violating Financial Fair Play rules.

The fourth risk in this category is the risk of a potential stadium catastrophe. As was previously the case, catastrophes in stadiums cannot be ruled out. Stadium catastrophes can include fire, stampedes, potential terrorist attacks or other acts of violence. Going forward, the Company will continue to regularly assess the quality and reliability of security staff and specifically train them in the prevention of catastrophes. Structural improvements to SIGNAL IDUNA PARK for the purposes of enhancing security, safeguarding and monitoring the access roads, and safeguarding the property during visits on non-match days are just some of the countermeasures currently being implemented to provide security at the stadium.

Borussia Dortmund uses the summer break each year to invest in SIGNAL IDUNA PARK as well as for construction work and refurbishments. The stadium has been expanded three times since opening in 1974 with a capacity of 54,000. The continual repair and maintenance work – the paramount focus of which is always structural integrity and safety – ensures that the stadium meets the latest standards in terms of safety, security and comfort. Compared to many other Bundesliga stadiums that were constructed for

the 2016 World Cup, SIGNAL IDUNA PARK is one of the league's oldest stadiums in use. Given that Borussia Dortmund regularly invests large sums in SIGNAL IDUNA PARK, the club has added the risk of structural defects to SIGNAL IDUNA PARK to this category.

Category 5 – liquidity risk

Liquidity risks include all risks in connection with cash flows and financial burdens.

This category includes two high priority risks:

The loss of significant financial backers and sponsors due to insolvency could also have a material adverse effect on Borussia Dortmund's liquidity in the future. The primary objective continues to be keeping bad debts to a minimum and to ensure that the Company has the liquidity it needs at all times. Borussia Dortmund continuously revises its longstanding accounts receivable management system in line with the prevailing conditions and increasing globalisation. The club is also reviewing other risk mitigation measures such as introducing upfront payments or changing payment terms, which would be implemented as soon as possible.

In order to keep the risk associated with the volume of player salaries as low as possible, the club budgets personnel expenses with transfer deals in mind at the beginning of each season. The primary focus is on the fixed components of the players' remuneration, since these are independent of the team's performance during a given season. Variable

remuneration components are also considered when planning the budget, but generally only apply once certain sporting objectives are achieved that in turn generate additional income. The personnel expenses incurred are continuously monitored, extrapolated on the basis of current circumstances, and reported to the management.

The Group is not presently exposed to any high priority risks in the **interest rate risk**, **credit risk** and **resources risk** categories.

OPPORTUNITIES

By once again directly qualifying for the UEFA Champions League, the club again has the opportunity to consolidate its standing as one of Europe's top teams and to once more share in the profits distributed for participating in the lucrative competition. In addition to the prestige associated with the UEFA Champions League, the new models for distributing TV marketing income and the significantly higher pay-outs are what make participating in the competition so lucrative.

The renewed invitation to the International Champions Cup underscores Borussia Dortmund's success on the pitch in recent years and the heavyweight status that it now enjoys the world over as a result. The club's participation in this year's competition in connection with its preseason tour in the United States presents an opportunity to further heighten awareness for its brand and thus its marketing activities.

Borussia Dortmund has implemented fundamental changes concerning the team:

The club hired an experienced and successful coach in Lucien Favre, with the expectation that he and his assistants will impart a new style on the team.

Furthermore, Borussia Dortmund brought club legend Sebastian Kehl back on board. The former Germany international and Borussia Dortmund captain will function as a link between the team, the coaching staff and the sporting director. Borussia Dortmund expects noticeable improvements and new impulses to be set in and around the professional squad.

Changes to the strategy and the roster were also coordinated with Matthias Sammer. Hiring Matthias Sammer, a respected football expert in Germany who previously coached Borussia Dortmund to the Bundesliga title, as an external consultant is part of this realignment and is also seen as an opportunity to ensure that the club does not lose sight of the big picture.

Borussia Dortmund also made substantial changes to the roster, infusing a fresh mix of robust, experienced and also young players, with whom the club hopes to return to the top of the table in the new season.

Borussia Dortmund has an excellent team, a fact that is not lost on other top European clubs. Accordingly, there is always the possibility of lucrative transfers.

OVERALL ASSESSMENT OF THE RISKS AND OPPORTUNITIES

With regard to the risks discussed in this report and the review of the overall risk position, no risks were identified in the financial year under review that could lead to a permanent or material deterioration in the financial position or financial performance of either the Group or its individual companies.

Thanks to its risk management system, Borussia Dortmund is in a position to comply with the statutory provisions on control and transparency in the Company.

A review of the risk situation revealed that none of the individual risks defined within the risk areas jeopardise the continued existence of Borussia Dortmund.

REPORT ON EXPECTED DEVELOPMENTS

EXPECTED DEVELOPMENT OF CONSOLIDATED NET PROFIT/LOSS

Borussia Dortmund is returning to the UEFA Champions League in the coming 2018/2019 season. The team qualified directly for the lucrative group stage of the competition by virtue of its fourth place finish in the Bundesliga last season. The club is thus continuing its run of successive appearances in international competitions, which stretches back to the 2010/2011 season and now

includes two appearances in the UEFA Europa League and seven in the UEFA Champions League.

Success on the pitch also goes hand in hand with financial performance. Borussia Dortmund again demonstrated its economic stability during the year as it generated net profit for the year for an eighth consecutive time.

EXPECTED GENERAL ECONOMIC ENVIRONMENT

DFL Deutsche Fußball Liga GmbH secured new, record-high revenue streams for the coming years, attributable primarily to TV marketing.

The national TV rights for the 2017/2018 to 2020/2021 cycle were sold for a record EUR 4.64 billion. Together with the international TV rights, the revenue could exceed EUR 6 billion. The price paid for the national TV rights is an 85% increase on the deal.

In light of a new, more attractive distribution model and four direct qualifying spots for the Bundesliga, the UEFA Champions League also promises the potential for significantly higher revenue from the 2018/2019 season onward.

A majority of the advertising revenue in the coming years is already fixed due to the club's long-term partnerships with the primary sponsor, the equipment supplier, the holder of the stadium's naming rights, Champion Partners and other partners. Moreover, there is every indication that the club will again sell out its tickets for the hospitality areas.

Attendance at SIGNAL IDUNA PARK has also continued to improve during the past five seasons and stands at nearly 100%. The number of advance

tickets that fans can order has to be partially regimented on account of the high number of season tickets and the steady rise in demand for match tickets.

Commercially successful professional football operations are no longer limited to just regional or national levels. In order to create new business segments, the focus is increasingly shifting to growing brand awareness on a global scale and tapping the corresponding foreign markets. In order to be financially successful on the international stage, Borussia Dortmund's focus rests squarely on the squad's footballing success, including in international competitions. Qualifying for the group stage of the UEFA Champions League alone continues to place Borussia Dortmund in a better financial position.

Generally, Borussia Dortmund only plans on transfer income to a limited extent; however, given the club's sustained success, its players are piquing the interest of other top clubs. Based on the current financial strength of foreign clubs in particular, it is possible that value-driven transfers will be concluded contrary to the Company's sporting interests.

EXPECTED RESULTS OF OPERATIONS

Expected earnings trend

Given that transfer income is extremely volatile and also difficult to plan, but usually also associated with high contributions to earnings, a decidedly conservative approach is taken when factoring such income into this earnings forecast. At the same time, market-related increases in the cost of players, which consequently weigh down earnings due to amortisation of intangible assets in the respective subsequent years, must be recorded and thus have a pronounced effect on this earnings forecast.

Furthermore, the club pursues a conservative approach when factoring success on the pitch and any associated earnings contributions into the forecast. Therefore, this forecast does not take into account any earnings contributions for reaching the knock-out stages of the UEFA Champions League.

Against this backdrop and despite positive market developments, management currently forecasts that Borussia Dortmund will generate a net profit in the low seven-figure range for the upcoming 2018/2019 financial year. This can increase significantly in line with the team's sporting success or if the club generates surpluses from transfer deals that are not factored into the forecast.

Based on these forecast assumptions and analogue to the net profit for the year, EBIT is also expected to be in the low seven-figure range. Depreciation, amortisation and write-downs are expected to amount to EUR 75,000 thousand, with the operating result (EBITDA) forecast to exceed the result from operating activities (EBIT) by this amount.

Expected revenue trend

In the financial year ended, Borussia Dortmund increased revenue by 32.13% to EUR 536,043 thousand. This was driven primarily by the increase in transfer income (EUR 222,733 thousand), which now represent 41.55% of total revenue. Given that transfer income is extremely volatile and difficult to plan, Borussia Dortmund takes a highly conservative approach to factoring this income into this revenue forecast for the 2018/2019 financial year. Against this backdrop and despite the anticipated highly favourable market environment, in which income from TV marketing will continue to increase significantly, Borussia Dortmund expects revenue for the 2018/2019 financial year to total no more than approximately EUR 425,000 thousand.

Expected trend for significant operating expenses

Cost management continues to be Borussia Dortmund's highest priority. The objective is to specifically manage and continually monitor risks in order to avoid or minimise these.

Operating expenses are linked directly to the number of matches played and the club's performance in competitions, meaning that these are always contingent upon the club's footballing success.

Personnel expenses are also largely dependent upon the club's sporting success, because the professional squad is compensated on the basis of its performance, meaning that those expenditures are always commensurate with the club's success.

Borussia Dortmund expects personnel expenses to increase in the coming financial year due to the rising costs for the professional squad resulting from fierce competition across Europe's leagues and the planned rebuild of the professional squad.

EXPECTED DIVIDENDS

The management will recommend to the Annual General Meeting that it resolve to use the net retained profits of EUR 26,405 thousand for financial year 2017/2018 to distribute a dividend of EUR 0.06 per

share carrying dividend rights (totalling EUR 5,519 thousand) for financial 2017/2018 and to transfer the remainder (EUR 20,886 thousand) to other revenue reserves.

EXPECTED FINANCIAL POSITION

Capital expenditure and financial planning

The highest priorities for developing the club's core business will be making the club more competitive and improving its infrastructure. Therefore, the Group will invest in particular in the professional squad as well as SIGNAL IDUNA PARK, the adjoining infrastructure and the training ground. However, in order to mitigate and avoid financial risk, Borussia Dortmund will pursue a conservative and extremely prudent capital expenditure strategy and will not count on any uncertain sporting successes.

Expected liquidity trend

Borussia Dortmund expects cash flows from operating activities in financial year 2018/2019 to exceed EUR 100 million. This figure may deviate significantly due in particular to transfer deals or if actual events differ from the forward-looking statements in the forecast concerning the club's sporting success. Free cash flow is expected to amount to EUR 15 million.

OVERALL ASSESSMENT OF EXPECTED PERFORMANCE

The market environment for German and European professional football continues to offer excellent opportunities for economic growth. However, the environment alone does not guarantee growth or economic success; rather,

Borussia Dortmund will need to continue taking an innovative and cost-effective approach to its business going forward. With strong partners at its side, Borussia Dortmund expects its financial performance to remain strong in the future.

EVENTS AFTER THE END OF THE REPORTING PERIOD

Borussia Dortmund GmbH & Co. KGaA 2017/2018

Big names in Dortmund

Four players from last season's squad have moved to the English Premier League. Sokratis Papastathopoulos is heading to Arsenal FC at his request, Borussia Dortmund and West Ham United agreed to transfer Ukraine international Andriy Yarmolenko with immediate effect, and Erik Durm has signed for Huddersfield Town.

Felix Passlack is also moving to England, where he will spend the upcoming season on loan to second-tier Norwich City FC.

The start of the 2018/2019 season will see Belgium international Axel Witsel move to Borussia Dortmund from Chinese club Tianjin Quanjian on a contract that runs until 30 June 2022.

Morocco international Achraf Hakimi is on loan to Borussia Dortmund from Champions League winner Real Madrid until the end of the 2019/2020 season.

Preparations for the new season

Seven test matches were scheduled for the pre-season. The team defeated FK Austria Wien 0:1 on 13 July, beat Manchester City 0:1 in the second game and chalked up a further 1:3 victory against Liverpool FC, before losing 5:6 on penalties to Benfica Lisbon.

With Lucien Favre at the helm, the team departed for its training camp in Bad Ragaz on 1 August 2018, where they played test matches against Stade Rennais FC (1:1) and SSC Napoli (1:3).

Bundesliga

At the end of June, DFL Deutsche Fußball Liga GmbH published the fixtures for the upcoming 2018/2019 season. Borussia Dortmund will kick off the 56th Bundesliga season at home to RB Leipzig on the last weekend in August, before travelling to Hannover 96 a week later for its first away fixture.

DFB Cup

Borussia Dortmund will face Greuther Fürth on 20 August 2018 in the first round of the DFB Cup.

Sponsorships

For the 2018/2019 season, Borussia Dortmund added Electronic Arts Inc. as a new Champion Partner until 30 June 2022.

OTHER DISCLOSURES

The notes contains disclosures pursuant to § 160 (1) no. 2 AktG.

REPORT IN ACCORDANCE WITH § 315A (1) HGB

The following information has been provided by the Company in response to the requirements of § 315a (1) sentence 1 nos. 1 to 9 HGB:

1. As at 30 June 2018, the share capital of Borussia Dortmund GmbH & Co. KGaA amounts to EUR 92,000,000.00 and is divided into 92,000,000 no-par value ordinary bearer shares. All of the shares have been admitted to trading on the Regulated Market (Prime Standard) of the Frankfurt Stock Exchange and to the over-the-counter markets (Open Market) in Berlin, Bremen, Stuttgart, Munich, Hamburg and Düsseldorf. Each no-par value share entitles the holder to one vote at the Annual General Meeting. The Company has only one class of shares, and all shares carry the same rights and obligations. All other rights and responsibilities attaching to the Company's shares are determined in accordance with the German Stock Corporation Act (*Aktiengesetz*, "AktG").
2. Restrictions affecting the voting rights or transfer of the shares, and
3. Interests in the share capital of Borussia Dortmund GmbH & Co. KGaA exceeding 10% of the voting rights as at 30 June 2018:
 - 1) Evonik Industries AG, Essen, Germany: 14.78% of the voting rights
 - 2) Ballspielverein Borussia 09 e.V. Dortmund, Dortmund, Germany: 14.8% of the voting rights (of which 5.53% held directly and 9.27% held indirectly by including the voting rights of Bernd Geske, Germany, pursuant to § 22 (2) and henceforth § 34 (2) WpHG)

- 3) Bernd Geske, Meerbusch, Germany: 14.8% of the voting rights (of which 9.27% held directly and 5.53% held indirectly by including the voting rights of Ballspielverein Borussia 09 e.V. Dortmund, Dortmund, Germany, pursuant to § 22 (2) and henceforth § 34 (2) WpHG)

According to the information available, the inclusion of the voting rights in either case is based on a shareholders' agreement concluded between Ballspielverein Borussia 09 e.V. Dortmund and Bernd Geske currently for a term until 30 June 2022 (after the original agreement ending on 30 June 2017 was extended). The material subject matter of said agreement is the stipulation binding the parties to exercise their voting rights in favour of Ballspielverein Borussia 09 e.V. Dortmund with regard to Bernd Geske's shares in Borussia Dortmund GmbH & Co. KGaA, and that Bernd Geske and Ballspielverein Borussia 09 e.V. Dortmund mutually agree to inform one another and vote on any changes to their respective shareholdings in Borussia Dortmund GmbH & Co. KGaA, especially pertaining to the transfer of shares.

4. There are no shares with special rights conferring powers of control.
5. There is no control of voting rights in cases in which employees are shareholders.
6. Because of its legal form as a partnership limited by shares, Borussia Dortmund GmbH & Co. KGaA does not have a management board. Instead, management and representation of the Company is the responsibility of the general partner. The provisions of Article 6 No. 1 of the Articles of Association stipulate that Borussia

Dortmund Geschäftsführungs-GmbH, with registered offices in Dortmund, is to act as such an executive body on a permanent basis and not for a limited period of time by virtue of its status as a shareholder. The appointment and removal of managing directors of Borussia Dortmund Geschäftsführungs-GmbH is governed by § 8 no. 6 of its shareholders' agreement and is the responsibility of the Executive Committee of its Advisory Board, and therefore not of the Supervisory Board of Borussia Dortmund GmbH & Co. KGaA.

In principle, changes may be made to the Articles of Association of Borussia Dortmund GmbH & Co. KGaA only by a resolution of its Annual General Meeting, which, in accordance with § 133 (1) of the AktG, must be passed by a simple majority of votes and also, in accordance with Article 15 No. 3 of the Articles of Association of the Company in conjunction with § 179 (1) and (2) of the AktG, by a simple majority of the capital represented on the date of the resolution, except to the extent that mandatory statutory provisions or the Articles of Association stipulate otherwise. A mandatory provision of statute requires that a resolution of the Annual General Meeting be passed by a majority of three-quarters of the share capital represented on the date of the resolution in the event of changes to the Articles of Association relating to the object of the Company (§ 179 (2) sentence 2 AktG), the issuance of non-voting preferred shares (§ 182 (1) sentence 2 AktG), capital increases involving the disapplication of pre-emptive subscription rights (§ 186 (3) AktG), the creation of conditional capital (§ 193 (1) AktG), the creation of authorised capital (§ 202 (2) AktG) – where appropriate with authorisation

to disapply pre-emptive subscription rights (§ 203 (2) sentence 2 in conjunction with § 186 (3) AktG) –, the ordinary or simplified reduction of share capital (§ 222 (1) sentence 2 and § 229 (3) AktG) or a change of legal form (§ 233 (2) and § 240 (1) of the German Reorganisation and Transformation Act [*Umwandlungsgesetz*, "UmwG"]). In addition, capital increases, other changes to the Articles of Association and other decisions of a fundamental nature may only be resolved with the approval of the general partner in accordance with § 285 (2) sentence 1 of the AktG. The Supervisory Board is authorised in accordance with Article 12 No. 5 of the Articles of Association to resolve changes to the Articles of Association which relate only to the wording thereof, in particular in connection with the amount of capital increases from authorised and conditional capital.

7. The general partner is authorised until 23 November 2019, with the approval of the Supervisory Board, to increase the share capital by a maximum of EUR 23,000,000.00 in total by issuing new no-par value ordinary bearer shares against cash and/or in-kind contributions on one or more occasions (Authorised Capital 2014). The limited liability shareholders have a statutory pre-emptive right over new shares issued by the Company. Such new shares may also be subscribed by a bank or a company in accordance with § 53 (1) sentence 1 or § 53b (1) sentence 1 or (7) of the German Banking Act (*Kreditwesengesetz*, "KWG") if it agrees to offer them to the limited liability shareholders for subscription. However, the general partner is authorised, with the approval of the Supervisory Board, to decide to disapply the

statutory pre-emptive subscription rights of the limited liability shareholders. Pre-emptive subscription rights may be disapplied

- a) with respect to fractional amounts arising as a consequence of subscription ratios;
- b) in the event of capital increases against cash contributions up to a total amount of 10% of the share capital existing on the date of registration of the Authorised Capital 2014 or, if lower, 10% of the share capital existing on the date of exercise of the authorisation (in each case taking into account any other authorisations made use of during the effective period of this authorisation for the disapplication of pre-emptive subscription rights pursuant to or through the corresponding application of § 186 (3) sentence 4 of the AktG), provided the issue amount of the new shares does not fall significantly below the market price;
- c) in the event of capital increases against in-kind contributions, particularly for the purpose of acquiring companies, equity investments, real estate, rights and claims against the Company.

The general partner is authorised, with the approval of the Supervisory Board, to determine the further details of the capital increase and the terms and conditions of the share issue.

In the event of a takeover bid for shares issued by the Company and admitted to trading on a regulated market, the general statutory responsibilities and powers apply to the

general partner in other respects. For example, if a takeover bid were to be received, the general partner and the Supervisory Board would be required to issue and publish a response to the bid, giving their reasons, in accordance with § 27 of the German Securities Acquisition and Takeover Act (*Wertpapiererwerbs- und Übernahmegesetz*, "WpÜG") to enable the limited liability shareholders to make a decision on the bid on an informed basis. Moreover, in accordance with § 33 WpÜG, once a takeover bid has been announced, the general partner may not take any actions outside the ordinary course of business that could frustrate the success of the bid, unless those actions have been authorised by the Annual General Meeting, or the Supervisory Board has given its approval of the actions or the actions relate to obtaining a competing bid. In making their decisions, the general partner and the Supervisory Board are bound to have regard to the interests of the Company, its employees and its shareholders. At the end of the reporting period, the Articles of Association did not contain any provisions within the meaning of §§ 33a – 33c WpÜG (European prohibition on frustrating action, European breakthrough rule, reservation of reciprocity).

8. The Company is not a party to any material agreements which are conditional on a change of control following a takeover bid for the issued shares of Borussia Dortmund GmbH & Co. KGaA.
9. The Company is not a party to any compensation agreements that would apply in the event of a takeover bid.

STATEMENT BY THE GENERAL PARTNER ON RELATIONS WITH AFFILIATED COMPANIES

The Dependent Company Report prepared by Borussia Dortmund GmbH & Co. KGaA pursuant to § 312 AktG sets out the relations with Ballspielverein Borussia 09 e.V. Dortmund as the controlling entity and its affiliated companies. The general partner – represented by its Managing Directors – has issued the following concluding declaration:

"Based on the circumstances known to us at the time the transactions were entered into, the Company received appropriate consideration for each of the transactions set out in the report on relations with affiliated companies in the financial year. In all other cases, the Company has been compensated for any disadvantages having arisen. No other measures within the meaning of § 312 (1) of the AktG were either undertaken or omitted during the financial year."

DISCLAIMER

This Group management report contains forward-looking statements. Such statements are based on current estimates and are by nature subject to risks

and uncertainties. Actual results may differ from the statements made in this report.

Dortmund, 24 August 2018

Borussia Dortmund GmbH & Co. Kommanditgesellschaft auf Aktien

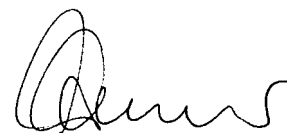
Borussia Dortmund Geschäftsführungs-GmbH



Hans-Joachim Watzke
Managing Director (Chairman)



Thomas Treß
Managing Director



Carsten Cramer
Managing Director



CONSOLIDATED FINANCIAL STATEMENTS

Borussia Dortmund GmbH & Co. Kommanditgesellschaft auf Aktien, Dortmund



CONSOLIDATED STATEMENTS

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

of Borussia Dortmund GmbH & Co. KGaA

EUR '000	Note	30/06/2018	30/06/2017
ASSETS			
Non-current assets			
Intangible assets	(1)	109,684	141,521
Property, plant and equipment	(2)	180,693	184,664
Investments accounted for using the equity method	(3)	309	296
Financial assets	(4)	71	109
Trade and other financial receivables	(5)	39,653	10,256
Deferred tax assets		793	1,136
Prepaid expenses	(14)	10,723	16,876
		341,926	354,858
Current assets			
Inventories	(6)	5,588	8,978
Trade and other financial receivables	(5)	22,981	48,776
Tax assets		645	170
Cash and cash equivalents	(7)	59,464	49,297
Prepaid expenses	(14)	16,655	16,518
Assets held for sale	(8)	31,072	0
		136,405	123,739
		478,331	478,597
EQUITY AND LIABILITIES			
Equity			
	(9)		
Subscribed capital		92,000	92,000
Reserves		244,417	220,415
Treasury shares		-113	-113
Equity attributable to the owners of the parent company		336,304	312,302
Non-current liabilities			
Liabilities from finance leases	(11)	6,726	8,695
Trade payables	(12)	9,724	496
Other financial liabilities	(13)	2,550	8,192
Deferred income	(14)	4,001	8,000
		23,001	25,383
Current liabilities			
Provisions	(10)	1,146	1,178
Liabilities from finance leases	(11)	1,969	10,295
Trade payables	(12)	54,597	63,565
Other financial liabilities	(13)	34,659	43,264
Tax liabilities		1,962	732
Deferred income	(14)	24,693	21,878
		119,026	140,912
		478,331	478,597

* The relevant sections in the notes to the consolidated statement of financial position can be found on the following pages:

(1) – p. 170 | (2) – p. 171 | (3) – p. 172 | (4) (5) – p. 173 | (6) (7) (8) (9) – p. 174 | (10) (11) (12) – p. 176 | (13) (14) – p. 177

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

of Borussia Dortmund GmbH & Co. KGaA

EUR '000	Note	2017/2018	2016/2017
Revenue	(15)	536,043	405,692
Other operating income	(16)	3,892	4,244
Cost of materials	(17)	-20,094	-25,929
Personnel expenses	(18)	-186,715	-177,949
Depreciation, amortisation and write-downs	(19)	-90,556	-63,415
Other operating expenses	(20)	-206,496	-131,985
Result from operating activities		36,074	10,658
Net income/loss from investments in associates	(3)	13	28
Finance income	(21)	552	678
Finance costs	(21)	-4,888	-2,245
Financial result		-4,323	-1,539
Profit before income taxes		31,751	9,119
Income taxes	(22)	-3,289	-910
Consolidated net profit for the year		28,462	8,209
Items that were subsequently reclassified to profit or loss			
Cash flow hedge			
- effective portion of the change in fair value		-31	115
- reclassification to profit or loss		1,090	0
Other gains/losses incurred during the period, after taxes		1,059	115
Total comprehensive income		29,521	8,324
Consolidated net income for the year attributable to:			
- Owners of the parent:		28,462	8,209
Total comprehensive income attributable to:			
- Owners of the parent:		29,521	8,324
Earnings per share (in EUR) (basic/diluted)	(27)	0.31	0.09

* The relevant sections in the notes to the consolidated statement of financial position can be found on the following pages:

(3) – p. 172 | (15) (16) (17) (18) – p. 178 | (19) (20) (21) – p. 179 | (22) – p. 180 | (23) – p. 181 | (24) – p. 182
 (25) – p. 186 | (26) – p. 184 | (27) – p. 185

CONSOLIDATED STATEMENT OF CASH FLOWS

of Borussia Dortmund GmbH & Co. KGaA

EUR '000	2017/2018	2016/2017
Profit before income taxes	+31,751	+9,119
Depreciation, amortisation and write-downs of non-current assets	+90,556	+63,415
Gain/loss on disposals of non-current assets	+182	+34*
Other non-cash expenses/income	+40,589	+12,295*
Interest income	-552	-678
Interest expense	+4,888	+2,245
Net income/loss from investments in associates	-13	-28
Changes in other assets not classified as from investing or financing activities	+5,014	+16,026*
Changes in other liabilities not classified as from investing or financing activities	-8,657	+15,462
Interest received	+13	+2
Interest paid	-3,681	-2,004
Income taxes paid	-1,723	-5,476
Cash flows from operating activities	+158,367	+110,412
Payments for investments in intangible assets	-123,562	-96,526
Proceeds from disposals of intangible assets	0	0*
Payments for investments in property, plant and equipment	-7,471	-8,192
Proceeds from disposals of property plant and equipment	+276	+53
Proceeds from financial assets	+38	+52
Payments for investments in financial assets	-13	-20
Cash flows from investing activities	-130,732	-104,633
Acquisition of minority interests	0	-45
Payment for settlement of derivatives	-1,654	0
Dividend payments	-5,519	-5,519
Repayment of liabilities under finance leases	-10,295	-2,640
Cash flows from financing activities	-17,468	-8,204
Change in cash and cash equivalents	+10,167	-2,425
Cash and cash equivalents at the beginning of the period	+49,297	+51,722
Cash and cash equivalents at the end of the period	+59,464	+49,297

* Change in prior-year items. See also "Changes to the consolidated statement of cash flows" under "Basic principles" in the notes to the consolidated financial statements.

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

of Borussia Dortmund GmbH & Co. KGaA

EUR '000	Reserves				Treasury shares	Equity attributable to the owners of the parent company	Consolidated equity
	Subscribed capital	Capital reserves	Other revenue reserves	Cash flow hedge			
<i>see note (9)</i>							
1 July 2016	92,000	142,888	75,938	-1,171	-113	309,542	309,542
Distributions to shareholders	0	0	-5,519	0	0	-5,519	-5,519
Acquisition of non-controlling interests without change of control	0	-45	0	0	0	-45	-45
Sale of treasury shares	0	0	0	0	0	0	0
Transactions with shareholders	0	-45	-5,519	0	0	-5,564	-5,564
Consolidated net profit for the year	0	0	8,209	0	0	8,209	8,209
Other gains/losses incurred during the period, after taxes	0	0	0	115	0	115	115
Total comprehensive income	0	0	8,209	115	0	8,324	8,324
30 June 2017	92,000	142,843	78,628	-1,056	-113	312,302	312,302
1 July 2017	92,000	142,843	78,628	-1,056	-113	312,302	312,302
Distributions to shareholders	0	0	-5,519	0	0	-5,519	-5,519
Acquisition of non-controlling interests without change of control	0	0	0	0	0	0	0
Sale of treasury shares	0	0	0	0	0	0	0
Transactions with shareholders	0	0	-5,519	0	0	-5,519	-5,519
Consolidated net profit for the year	0	0	28,462	0	0	28,462	28,462
Other gains/losses incurred during the period, after taxes	0	0	0	1,059	0	1,059	1,059
Total comprehensive income	0	0	28,462	1,059	0	29,521	29,521
Other reclassifications	0	0	3	-3	0	0	0
30 June 2018	92,000	142,843	101,574	0	-113	336,304	336,304

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS of Borussia Dortmund GmbH & Co. KGaA
for the financial year from 1 July 2017 to 30 June 2018**

(hereinafter also "Borussia Dortmund" or the "Group")

BASIC PRINCIPLES

General disclosures

Borussia Dortmund GmbH & Co. KGaA (hereinafter also "Borussia Dortmund" or the "Group") has its registered office at Rheinlanddamm 207 – 209, 44137 Dortmund, Germany, and is listed in the commercial register of the Local Court (*Amtsgericht*) of Dortmund under the number HRB 14217. Borussia Dortmund's professional squad has competed in the Bundesliga's first division for more than three decades. Borussia Dortmund also operates Group companies that sell merchandise, organise and host match-day and non-match-day events, and provide Internet and travel services. Borussia Dortmund also holds an interest in a medical rehabilitation centre.

The general partner, BVB Geschäftsführungs-GmbH, Dortmund, is responsible for management and representation of Borussia Dortmund GmbH & Co. KGaA. Borussia Dortmund Geschäftsführungs-GmbH is for its part represented by Managing Directors Hans-Joachim Watzke (Chairman), Thomas Treß and Carsten Cramer; its sole shareholder is Ballspielverein Borussia 09 e.V. Dortmund.

The consolidated financial statements are presented in thousands of euros.

The subtotals contained in the consolidated statement of comprehensive income for the result from operating activities (EBIT) and the financial result are used to provide detailed information.

By a resolution dated 24 August 2018, the consolidated financial statements and the Group management report were authorised by the Company's management for submission to the Supervisory Board.

Changes to the consolidated statement of cash flows

In the 2017/2018 financial year, Borussia Dortmund changed how it classifies proceeds from transfers in the statement of cash flows. It now reports these under cash flows from operating activities. In prior periods, proceeds from transfers were reported under cash flows from investing activities.

Changes in the transfer market mean that transfer income has progressively developed into a major source of revenue for the Group in recent years, and as such it must be classified as operating activities. By making this adjustment to the statement of cash flows, Borussia Dortmund is taking into account the operational nature of transfer income. Furthermore, retaining the previous classification would have increasingly distorted the presentation of other operating business and the liquidity generated by it, since the significant market-driven increase in transfer costs corresponding to the transfer income would always have been classified as operating activities.

In the figures for the 2016/2017 financial year, EUR 105,617 thousand (proceeds from disposals of intangible assets) was reclassified out of cash flows from investing activities to cash flows from operating activities.

The cash flows from operating activities were adjusted accordingly: the gain/loss on disposals of non-current assets by EUR 61,445 thousand, other non-cash income by EUR 15,872 thousand, and changes in other assets not classified as from investing or financing activities by EUR 28,300 thousand.

Accounting policies

These consolidated financial statements for the financial year from 1 July 2017 to 30 June 2018, including the prior-year information, were prepared in accordance with International Financial Reporting Standards (IFRSs), as adopted in the European Union and in force at the end of the reporting period, and the supplementary provisions of German commercial law required to be observed in accordance with § 315e (1) HGB. The term "IFRS" includes the recent International Financial Reporting Standards (IFRSs) and the International Accounting Standards (IASs) 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).

Borussia Dortmund applied the following Standards, Interpretations and amendments to existing Standards, as adopted by the European Union, for the first time in the 2017/2018 financial year:

Amendments to IAS 7 – Disclosure Initiative

The amendments improve information about changes in an entity's debt. The entity makes disclosures about changes in those financial liabilities for which cash flows are classified in the statement of cash flows as cash flows from financing activities. Associated financial assets (e.g. assets included in hedges) are also included in the disclosures.

The disclosures cover changes from cash flows, changes arising from acquiring or disposing of entities, changes due to foreign exchange rates, changes in fair values, and other changes.

The disclosures are presented in the form of a reconciliation between the opening and closing balances in the statement of financial position.

The Amendments must be applied for the first time for financial years beginning on or after 1 January 2017.

The Amendments did not have any impact on the consolidated financial statements of Borussia Dortmund.

Amendments to IAS 12 – Recognition of Deferred Tax Assets for Unrealised Losses

The changes clarify the accounting treatment of deferred tax assets for unrealised losses on debt instruments measured at fair value.

The Amendments must be applied for the first time for financial years beginning on or after 1 January 2017.

The Amendments did not have any impact on the consolidated financial statements of Borussia Dortmund.

Improvements to IFRS 2014 – 2016

The Annual Improvements to IFRSs (2014–2016 cycle) made changes to three standards, of which only the following was applicable in 2017:

With respect to IFRS 12, it was clarified that the disclosure requirements in the standard, except for those under IFRS 12.B10–B16 (financial information), generally also apply to an entity's interests in subsidiaries, joint arrangements or associates that are classified as held for sale within the meaning of IFRS 5.

The Amendments must be applied for the first time for financial years beginning on or after 1 January 2017.

The Amendments did not have any impact on the consolidated financial statements of Borussia Dortmund.

The following Standards, Interpretations and Amendments have been issued by the IASB and the IFRIC and adopted by the European Union, but were not applied in the consolidated financial statements as at 30 June 2018 because they were not yet applicable for the financial year beginning on 1 July 2017:

Borussia Dortmund does not plan any early application of new Standards or Interpretations that will not become mandatory until later financial years.

Amendments to IFRS 2 – Classification and Measurement of Share-based Payment Transactions

The amendments concern accounting for the effects of vesting conditions on cash-settled share-based payments, classification of share-based payments transactions with net settlement features, and accounting for modifications of share-based payment transactions from cash-settled to equity-settled.

The amendments are effective for payments awarded or modified in financial years beginning on or after 1 January 2018. Earlier application is permitted. The amendments may only be applied retrospectively if it is possible to do so without using hindsight.

The Amendments did not have any material impact on the consolidated financial statements of Borussia Dortmund.

Amendments to IFRS 4 – Applying IFRS 9 Financial Instruments with IFRS 4 Insurance Contracts

The amendments relate to first-time adoption of IFRS 9 for insurers. Without these amendments, the different effective dates of IFRS 9 and the new standard for insurance contracts (IFRS 17) would lead to increased volatility in profit or loss over the transition period and would double the cost and effort involved in transitioning to the new standards.

The Amendments must be applied for the first time for financial years beginning on or after 1 January 2018.

The Amendments did not have any impact on the consolidated financial statements of Borussia Dortmund.

IFRS 9 – Financial Instruments

IFRS 9 (Financial Instruments) was issued in July 2014 and replaces the existing IAS 39 (Financial Instruments: Recognition and Measurement).

The new standard contains requirements for the classification and measurement of financial assets and financial liabilities. IFRS 9 defines three measurement categories for financial assets instead of four. The classification is based on both the entity's business model and the respective asset's contractual cash flow characteristics ("solely payments of principal and interest" (SPPI) criterion).

For equity instruments not held for trading, an entity may make an irrevocable election at initial recognition to present subsequent fair value changes in other comprehensive income. Gains or losses on equity instruments recognised in other comprehensive income are not reclassified from equity to profit or loss, even on disposal.

In addition, the requirements for hedge accounting were fundamentally revised to achieve a closer link between risk management and the presentation of hedges in the financial statements. It also expands the mandatory disclosures in the notes.

IFRS 9 also includes new requirements for recognising impairment on financial instruments. The new requirements centre on recognising expected credit losses (expected credit loss (ECL) model). Under the old standard, impairment tended only to be recognised upon occurrence of a triggering event on the part of the counterparty (incurred credit loss (ICL) model). Under the new standard, entities must recognise an allowance for credit losses that are already expected. Forward-looking information must also be included in the measurement of expected credit losses.

The Amendments must be applied for the first time for financial years beginning on or after 1 January 2018.

Borussia Dortmund has established an internal project group tasked with reviewing the amendments to and the effects of the new standard. Borussia Dortmund is nearly done preparing data to analyse the quantitative effects of the new impairment model. The data preparation relates to portfolios formed as part of the collective identification of impairment for homogeneous customer portfolios. Based on current assessments, no conclusive adjustment effects can yet be identified for all of the customer portfolios formed. The effects are currently being examined.

IFRS 15 – Revenue from Contracts with Customers

IFRS 15 *Revenue from Contracts with Customers* sets out a comprehensive framework for determining whether, in what amount and at which point in time revenue is recognised. It replaces the existing guidance on revenue recognition, including that contained in IAS 18 Revenue, IAS 11 Construction Contracts and IFRIC 13 *Customer Loyalty Programmes*.

The Group is required to apply IFRS 15 as at 1 July 2018.

The Group has completed its implementation project for the accounting of revenue from contracts with customers. There are no material changes from the previous practice under IAS 18.

The Group opted to apply the modified retrospective method in its consolidated financial statements when transitioning to IFRS 15, and thus recognises the cumulative effect of applying the standard as at 1 July 2018.

Amendment to IFRS 15 – Clarifications to IFRS 15

The amendments add clarifications on various requirements of IFRS 15 and introduce two new practical expedients to reduce complexity and costs for entities transitioning to the new standard.

These give entities options in presenting contracts that were either completed at the beginning of the earliest period presented or modified before the beginning of the earliest period presented.

The Amendments must be applied for the first time for financial years beginning on or after 1 January 2018.

The Amendments did not have any material impact on the consolidated financial statements of Borussia Dortmund.

Improvements to IFRS 2014 – 2016

The Annual Improvements to IFRSs (2014–2016 cycle) made changes to three standards, of which the following two are applicable for the first time in 2018:

In IAS 28, it was clarified that the measurement option for investments in associates and joint ventures held by a venture capital organisation or other similar entity may be exercised differently for each equity investment.

In addition, the amendments delete the short-term exemptions for first-time adopters in IFRS 1.E3–E7.

The Amendments must be applied for the first time for financial years beginning on or after 1 January 2018.

The Amendments did not have any material impact on the consolidated financial statements of Borussia Dortmund.

Amendment to IAS 40 – Transfers of Investment Property

The amendment to IAS 40 is intended to clarify when a property under construction or development is transferred to or from investment property. The previous exhaustive list of circumstances in IAS 40.57 failed to ensure a clear classification of property under construction or development. The list of circumstances has now been designated explicitly as non-exhaustive, meaning that properties under construction or development can also be classified under the requirement.

The Amendments must be applied for the first time for financial years beginning on or after 1 January 2018.

The Amendments did not have any impact on the consolidated financial statements of Borussia Dortmund.

IFRIC 22 – Foreign Currency Transactions and Advance Consideration

IFRIC 22 addresses an issue when applying IAS 21 The Effects of Changes in Foreign Exchange Rates. It clarifies the date for the purpose of determining the exchange rate used to translate transactions in foreign currencies for which consideration is received or paid in advance. The foreign exchange rate for the related asset, income or expense is determined by the date on which the prepayment asset or liability for income received in advance was initially recognised.

The Amendments must be applied for the first time for financial years beginning on or after 1 January 2018.

The Amendments did not have any material impact on the consolidated financial statements of Borussia Dortmund.

Amendments to IFRS 9 – Prepayment Features with Negative Compensation

The amendments introduce a narrow-scope modification of the assessment criteria relevant for classifying financial assets. Under certain circumstances, financial assets that include prepayment features with negative compensation do not have to be measured at fair value through profit or loss but may instead be measured at amortised cost or at fair value through other comprehensive income.

The standard must be applied for the first time for financial years beginning on or after 1 January 2019.

The Amendments do not have any material impact on the consolidated financial statements of Borussia Dortmund.

IFRS 16 – Leases

IFRS 16 introduces a single accounting model for the recognition of leases in the financial statements of lessees. Lessees recognise a *right-of-use asset* (representing their right to use an underlying asset) and a lease liability (representing their obligation to make lease payments). There are exemptions for short-term leases and leases of low-value assets. Lessor accounting remains comparable with the current standard, i.e., the lessor will continue to classify leases as finance leases or operating leases.

IFRS 16 replaces the existing standards and interpretations on leases, including IAS 17 *Leases*, IFRIC 4 *Determining whether an Arrangement contains a Lease*, SIC-15 *Operating Leases – Incentives* and SIC-27 *Evaluating the Substance of Transactions Involving the Legal Form of a Lease*.

The standard must be applied for the first time for financial years beginning on or after 1 January 2019.

Borussia Dortmund will apply lease accounting in accordance with IFRS 16 early from 1 July 2018.

It must be assumed that a substantial number of the leases currently classified as operating leases will be subject to recognition. Right-of-use assets and lease liabilities must be recognised in the statement of financial position for all leases with a term of more than 12 months, unless the underlying asset is of low value (up to USD 5,000).

As well as increasing Borussia Dortmund's total assets by approximately EUR 4,500 thousand, the type of expenses associated with operating leases will also change, since IFRS 16 replaces straight-line expenses for operating leases with depreciation of the right-of-use asset and interest on the lease liability.

Borussia Dortmund expects an impact of approximately EUR -46 thousand on earnings due to the application of IFRS 16.

Accounting standards issued by the IASB, but not yet adopted by the EU and not yet applied by the Company:

Standard	Interpretation	Published by IASB	Mandatory application (IASB)	Expected effect on Group
IAS 28	Long-term, Interests in Associates and Joint Ventures	12 October 2017	1 January 2019	Immaterial
IFRIC 23	Uncertainty over Income Tax Treatments	7 June 2017	1 January 2019	Immaterial
Improvements to IFRS 2015 – 2017	Amendments to IFRS 3, IFRS 11, IAS 12 and IAS 23	12 December 2017	1 January 2019	Immaterial
IAS 19	Amendments, Plan Amendment, Curtailment or Settlement	7 February 2018	1 January 2019	Immaterial
	Amendments to References to the Conceptual Framework in IFRS Standards		1 January 2020	Immaterial
IFRS 17	Insurance Contracts	18 May 2017	1 January 2021	None
IFRS 10, IAS 28	Sale or Contribution of Assets between an Investor and its Associate or Joint Venture	11 September 2014/ 18 December 2014	TBA	Immaterial

Scope of consolidated financial statements

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

Shareholdings

	Registered office	Share capital (EUR '000)	Shareholding %	Equity (EUR '000) as at 30/06/2018	Net profit/loss (EUR '000) 01/07/2017 to 30/06/2018
Fully consolidated companies:					
BVB Stadionmanagement GmbH*	Dortmund	52	100.00	66	24
besttravel Dortmund GmbH*	Dortmund	50	100.00	144	1,044
BVB Merchandising GmbH*	Dortmund	75	100.00	10,881	288
Sports & Bytes GmbH*	Dortmund	200	100.00	2,510	166
BVB Event & Catering GmbH*	Dortmund	25	100.00	25	1,761
BVB Asia Pacific Pte. Ltd.	Singapore	66	100.00	131	29
Investments accounted for using the equity method					
Orthomed Medizinisches Leistungs- und Rehabilitationszentrum GmbH**	Dortmund	52	33.33	748	38

* Profit and loss transfer agreements are in force. Profit/loss of the Company prior to transfer to/absorption by the consolidated tax group parent.

** Included in the consolidated financial statements as at 31 December 2017 as an associate.

Shareholdings (30 June 2017)

	Registered office	Share capital (EUR '000)	Shareholding %	Equity (EUR '000) as at 30/06/2017	Net profit/loss (EUR '000) 01/07/2016 to 30/06/2017
Fully consolidated companies:					
BVB Stadionmanagement GmbH*	Dortmund	52	100.00	66	109
besttravel Dortmund GmbH*	Dortmund	50	100.00	144	1,339
BVB Merchandising GmbH*	Dortmund	75	100.00	10,881	4,099
Sports & Bytes GmbH*	Dortmund	200	100.00	2,510	23
BVB Event & Catering GmbH*	Dortmund	25	100.00	25	2,267
BVB Asia Pacific Pte. Ltd.**	Singapore	66	100.00	102	20
Investments accounted for using the equity method					
Orthomed Medizinisches Leistungs- und Rehabilitationszentrum GmbH**	Dortmund	52	33.33	811	84

* Profit and loss transfer agreements are in force. Profit/loss of the Company prior to transfer to/absorption by the consolidated tax group parent.

** Included in the consolidated financial statements as at 31 December 2016 as an associate.

No interim financial statements were prepared for Orthomed GmbH as at 30 June 2018 due to the fact that there would be no material impact on the consolidated financial statements.

Consolidation principles

The annual financial statements of the companies included in the consolidated financial statements are prepared in accordance with IFRS, as adopted by the EU, using consistent accounting policies.

The end of the reporting period for the consolidated financial statements is the end of the reporting period of the parent company.

Intercompany revenues, income and expenses, and all receivables and liabilities between companies included in the consolidated financial statements are eliminated on consolidation.

Subsidiaries are entities controlled by the Group. The Group controls an entity if the Group is exposed to or has rights to variable returns from its investment in the entity and if the Group has the ability to influence those returns through its control over the entity. The financial statements of subsidiaries included in the consolidated financial statements as at the date control begins and until the time the Group no longer controls the entity.

Acquired subsidiaries are accounted for using the acquisition method. The acquisition cost is equal to the fair value of the assets given, the equity instruments issued and the liabilities incurred or assumed on the date of the transaction. The costs associated with the acquisition are recognised as an expense. When consolidated for the first time, the identifiable assets, liabilities and contingent liabilities acquired in a business combination are measured at their acquisition-date fair values, regardless of the size of the minority interest.

Any excess of the acquisition cost over the share of equity acquired at fair value is recognised as goodwill. If the acquisition costs are lower than the fair value of the net assets of the subsidiary acquired, the measurement of net assets is reviewed and the difference is recognised directly in the consolidated statement of comprehensive income.

Minority interests represent the share of net assets that is not attributable to the Group. These are reported separately in consolidated equity and the con-

solidated statement of comprehensive income. Changes in interest where control is retained are accounted for as equity transactions between controlling and minority owners and recognised outside of profit or loss.

The Group's interests in investments accounted for using the equity method relate to shareholdings in associates.

Associates are entities over which the Group has a significant influence but does not control or jointly manage the entities' financial and operating policies.

Foreign currency translation

The consolidated financial statements are presented in euros. The euro is the currency of the primary business environment (functional currency) of all companies included in the consolidated financial statements. In the single-entry financial statements of the parent and of the consolidated subsidiaries, business transactions in foreign currencies are translated into the functional currency at the exchange rate prevailing on the date of the transaction. Gains and losses arising on the fulfilment of such transactions and on the translation of monetary assets and liabilities carried in foreign currencies using the exchange rate prevailing at the end of the reporting period are recognised in profit or loss.

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.

The consolidated financial statements were prepared based on amortised cost. However, derivative financial instruments are measured at fair value.

Intangible assets

Purchased intangible assets are measured at cost less amortisation based on their expected useful lives or at the lower recoverable amount. Player registrations reported in these financial statements

are measured at cost, taking into account the decisions of the Federal Fiscal Court (*Bundesfinanzhof*, "BFH") of 26 August 1992 (I R 24/91) and of 14 December 2011 (IR 108/10), the FIFA Regulations on the Status and Transfer of Players contained in FIFA circular no. 769 of 24 August 2001, which came into force on 21 September 2001, and DFL circular no. 52 of 20 March 2015, 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.

The useful lives and the methods of amortisation are reviewed at the end of each financial year.

Property, plant and equipment

Property, plant and equipment is carried at cost less accumulated depreciation and impairment losses.

Subsequent expenses are recognised only if it is probable that the future economic benefits associated with the expenses will flow to the Group.

The SIGNAL IDUNA PARK stadium buildings were measured at their fair value amounting to EUR

177,200 thousand in the opening IFRS statement of financial position 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 expert. The changes in accounting policies resulted as a consequence of an expert review of the remaining useful life of the stadium property, which since 1 July 2013 will be depreciated over 40 years (previously: 19.5 years). Annual depreciation now amounts to EUR 3,034 thousand (previously: EUR 6,223 thousand).

Land is carried at amortised cost and impaired if necessary.

Buildings and the remaining items of property, plant and equipment are measured at cost less depreciation. Repair and maintenance costs are recognised in the statement of comprehensive income as expenses in the current period.

Depreciation is calculated in order to allocate the cost of items of property, plant and equipment, less their estimated residual carrying amounts, on a straight-line basis over their estimated useful lives. Depreciation is generally recognised in profit or loss. Unless it is sufficiently clear that ownership will transfer to the Group at the end of the lease, leased assets are depreciated over the term of the lease or their useful lives, whichever is shorter. Land is not depreciated.

Straight-line depreciation is based on the following useful lives:

	Useful life in years
Stadium	40
Other buildings	20 to 50
Other equipment, operating and office equipment	7 to 15

The useful life and the method of amortisation are reviewed at the end of each financial year at a minimum.

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. 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 realisable value 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 leased 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 minimum 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 and 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

Financial instruments under IFRS are classified in line with the format of the statement of financial position. The table under Note 26 provides a

reconciliation of the individual classes and categories of IAS 39 to the items of the statement of financial position and the fair values of the financial instruments disclosed therein.

The financial assets within the scope of IAS 39 are allocated to one of the following categories, depending on their nature: "loans and receivables" or "available-for-sale financial assets". As a rule, financial assets are measured at fair value upon initial recognition. Transaction costs that are directly attributable to the acquisition of the financial asset are included in the initial recognition. Regular way purchases or sales of financial assets are accounted for at the trade date. The amount recognised in the statement of financial position is equal to the maximum exposure to credit risk. The subsequent measurement of financial assets depends on their classification:

a) Available-for-sale financial assets

Available-for-sale financial assets are non-derivative financial assets which are either directly allocated to this category or which cannot be allocated to any of the other categories. Available-for-sale financial assets are subsequently remeasured at fair value outside profit or loss. If there is no quoted price in an active market and fair value cannot be reliably measured, these financial assets are measured at amortised cost.

Gains and losses arising from changes in the fair value of available-for-sale financial assets are recognised in other comprehensive income, taking into account deferred tax assets and liabilities. Gains and losses are not realised until the financial asset is derecognised or impaired. Interest calculated using the effective interest method is recognised in the consolidated statement of comprehensive income. The Company did not hold any such financial instruments as at the end of the reporting period.

b) Loans and receivables

Borrowings and receivables are classified as loans and receivables. These are non-derivative financial assets with fixed or determinable

payments that are not quoted in an active market. If their maturities are less than 12 months after the end of the reporting period, they are reported under current assets. Otherwise, they are reported as non-current assets. These assets are initially measured at fair value plus the directly attributable transaction costs. They are subsequently measured at amortised cost using the effective interest method.

For financial assets carried at amortised cost, a gain or loss is recognised in profit or loss when the financial asset is derecognised or impaired, and through the amortisation process.

Impairment of financial assets

At the end of every reporting period, it is assessed whether there is any objective evidence, such as non-payment or default, that a financial asset or group of financial assets is impaired. A financial asset or group of financial assets is deemed to be impaired if their carrying amounts exceed their expected future recoverable amounts. For financial assets or groups of financial assets carried at amortised cost, the amount of the impairment to be recognised equals the difference between the carrying amount of the asset or group of financial assets and the present value of the expected future cash flows discounted using the original effective interest rate. An impairment triggers a direct reduction of the carrying amounts of all financial assets affected, with the exception of trade receivables, whose carrying amounts are reduced via recognition in an allowance account. If a trade receivable is deemed to be uncollectible, this allowance account is used to recognise the impairment. Subsequent collections of amounts already written down are also booked against the allowance account. Changes in the

carrying amount of the allowance account are recognised in profit or loss under other operating expenses.

Derecognition of financial assets and financial liabilities

Financial assets

A financial asset is derecognised when the contractual rights to receive the cash flows from the asset expire or the financial asset is transferred to another party. The latter case is deemed to have occurred when all significant risks and rewards associated with ownership of the asset have been transferred or when the control over the asset has been relinquished.

Financial liabilities

A financial liability is derecognised when the obligation underlying this liability is discharged or cancelled or expires. In cases where an existing financial liability is exchanged against another financial liability of the same lender with substantially different terms and conditions or if the terms and conditions of an existing liability are materially modified, such exchange or modification is treated as a derecognition of the original liability and the recognition of a new liability. Any difference between the relevant carrying amounts is recognised in profit or loss.

Financial assets and liabilities are offset against one another and the net balance is presented in the consolidated statement of financial position if an entity a) has a legally enforceable right to set off the recognised amounts, and b) intends either to settle on a net basis, or to realise the asset and settle the liability simultaneously.

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 other comprehensive income are also recognised in other comprehensive income.

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 adopted by the Bundestag and Bundesrat as at the end of the reporting period using a rate of income tax of 32.81% (previous year: 32.81%).

Inventories

Inventories consist principally of 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.

Cash and cash equivalents

Cash includes cash on hand, cheques and balances with banks. Cash equivalents are short-term, highly liquid investments that are readily convertible to a known amount of cash or convertible to a known amount of cash within a period of less than three months and which are subject to an insignificant risk of changes in value. Cash and cash equivalents are measured initially at fair value and subsequently at amortised cost.

Ordinary shares

The costs directly attributable to the issue of ordinary shares are deducted from equity (net of taxes, if applicable).

Treasury shares

The full amount paid for the purchase of treasury shares is reported as an item deducted from equity. The Company has the right to reissue treasury 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 retained earnings.

Provisions

Provisions must be recognised where a present legal or constructive obligation arises from a past event, which is expected to result in an outflow of resources and whose amount can be reliably estimated.

The Group applies these accounting procedures when recognising provisions for litigation and liability risks. The Group makes assumptions when determining the probability that liability will arise, the amount of any claims that could be asserted and the duration of any legal proceedings.

The recognition and measurement of provisions for litigation and liability risks entail uncertainty. The outcome of court proceedings in particular is difficult to predict. Therefore, provisions are measured on the basis of the best estimate of the liability and are recognised at the amount that will most likely be needed to settle the obligation as at the reporting date.

Financial liabilities

Financial liabilities falling under the scope of IAS 39 are allocated to the category "other financial liabilities". These include borrowings and are recognised initially at fair value plus transaction costs directly attributable to the issue of the financial liabilities. Other financial liabilities are subsequently measured at amortised cost using the effective interest method, where interest expense is measured in accordance with the effective interest rate. Please refer to Notes 11, 12, 13 and 24 et seq. for information on the provision of collateral and further disclosures on financial liabilities.

Prepaid expenses and deferred income

Prepaid expenses and deferred income are recognised and apportioned on a straight-line basis over their term to allocate payments made on an accrual basis.

Recognition of income and expenses

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

Admission fees and other match day-related income (such as income from catering) are recognised on the match day. Sponsorship and licensing income are apportioned on a straight-line basis over the term of the relevant agreements; TV income and other components of the DFL TV agreement are recognised over the duration of the football season. Income from merchandising is recognised when the mer-

chandise has been delivered, the risks and rewards incident to ownership have been transferred and it is likely that the economic benefits will flow to the acquirer.

In accordance with the classification prescribed by DFL Deutsche Fußball Liga GmbH for the licensing procedure, income from the sale of transfer rights for player registrations is reported under revenue at the date on which the match authorisation expires. The expenses associated with the transfer activities such as write-downs and incidental costs of disposal are reported as other operating expenses.

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 rate that exactly discounts estimated future cash payments or receipts through the expected life of the financial instrument or, when appropriate, a shorter period to the net carrying amount of the financial asset or financial liability.

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

Management of financial risks

The Group finances itself primarily from long-term finance leases, trade payables, season tickets paid for in advance and payments from sponsors. The related risks arising comprise fair value risks (interest-rate-related cash flow 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

Until September 2017, the Group was exposed to interest rate risks based on variable-rate loans; appropriate interest rate hedges were entered into to hedge these risks. Risk Control uses appropriate tools and methods to constantly monitor interest rate risk, and reports regularly to the management on current events. The objective of the risk strategy is to limit or eliminate interest rate risks. The strategy explicitly calls for the use of appropriate derivative financial instruments to hedge risks.

Sensitivity analysis (interest rate risk)

All interest rate swaps and variable-interest loans are included in the sensitivity analysis. On 30 September 2017, however, Borussia Dortmund decided that it would not make use of the planned bank financing for the purchase. Due to the elimination of the hedged item, the hedge was terminated as at the reporting date and it is no longer necessary to prepare sensitivity analysis.

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. Please refer to Note 25 for information on the maturities of contractual cash flows.

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. Please refer to Note 24.

Significant decisions subject to judgement and estimates

The preparation of consolidated financial statements in accordance with IFRSs requires management to make significant decisions subject to judgement and estimates and assumptions concerning the application of financial accounting methods and the assets, liabilities, income and expenses recognised in those statements. Actual results may deviate from these estimates.

Estimates and the underlying assumptions are reviewed on an ongoing basis. Revisions of accounting estimates are recognised in the period in which the estimates were revised as well as in all subsequent periods concerned.

Information about significant decisions subject to judgment made while applying accounting methods that materially impact the amounts recognised in the consolidated financial statements are disclosed in the notes to the consolidated financial statements below.

This section on accounting policies includes detailed disclosures about property, plant and equipment. Notes 2 and 11 include detailed disclosures on finance leases.

Disclosures on deferred taxes are included, inter alia, in Note 22 and the section on accounting policies.

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. Please refer to Note 5 for information on carrying amounts.

Note 10 includes detailed disclosures on provisions.

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 to actually 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. The likelihood that these carry-forwards will be used is assessed on the basis of a four-year plan.

The preparation of financial statements in accordance with IFRS requires the use of judgement. All decisions requiring the use of judgement are reassessed on a permanent basis and are based on past experience and expectations as to future events that appear reasonable, given the current circumstances.

Operating segments

The Group has four reportable segments, which are responsible for the main activities of the overall Group. The first segment consists of Borussia Dortmund GmbH & Co. KGaA, which operates a football club including a professional football squad and leverages the associated revenue potential arising from transfer deals, catering, TV marketing, advertising and match operations. The second segment consists of the separate merchandising business, which is carried out by BVB Merchandising GmbH, a legally independent entity.

The wholly owned Group subsidiaries BVB Event & Catering GmbH and besttravel dortmund GmbH were also classified as reportable segments in financial year 2016/2017 due to their contribution to earnings at that time. In the interest of consistent reporting, these subsidiaries continue to be classified as reportable segments.

BVB Event & Catering GmbH is responsible for conducting stadium tours, providing and arranging for event staffing services and planning, organising, catering, steering and conducting events of all types in its own name and on behalf of third parties.

besttravel dortmund GmbH is responsible for arranging travel by air, rail and ship, as well as package tours offered to private customers by travel agents. It also organises and conducts events such as sports travel, conferences and incentive trips, and arranges hotel and car hire bookings.

Internal reporting is based on the accounting provisions of the German Commercial Code (*Handelsgesetzbuch*, "HGB").

CONSOLIDATED FINANCIAL STATEMENTS

for the period from 1 July 2017 to 30 June 2018

	Borussia Dortmund KGaA		BVB Merchandising GmbH		BVB Event & Catering GmbH		besttravel dortmund GmbH		Total	
	2017/2018	2016/2017	2017/2018	2016/2017	2017/2018	2016/2017	2017/2018	2016/2017	2017/2018	2016/2017
EUR '000										
External revenue	493,550	351,132	29,499	39,452	10,902	12,435	1,204	1,465	535,155	404,484
Internal revenue	1,422	1,459	970	1,164	5,350	5,511	581	601	8,323	8,735
Interest expense	-4,524	-1,033	0	0	0	0	-4	-3	-4,528	-1,036
Interest income	551	678	1	0	0	0	0	0	552	678
Depreciation, amortisation and write-downs	-88,425	-60,989	-1,753	-1,730	-30	-14	0	0	-90,208	-62,733
Segment profit before taxes *)	26,053	-533	288	4,099	1,761	2,266	1,044	1,339	29,146	7,171
Capital expenditure	138,539	104,506	266	511	56	80	1	0	138,862	105,097
Segment assets **)	496,453	487,709	17,181	22,731	3,984	3,286	2,403	2,326	520,021	516,052
Segment liabilities	127,260	139,402	6,300	11,850	3,959	3,261	2,259	2,182	139,778	156,695
Investments accounted for using the equity method	309	296	0	0	0	0	0	0	309	296
Income from investments in associates	13	28	0	0	0	0	0	0	13	28

*) before profit or loss transfer

**) Including EUR 31,072 thousand in assets held for sale

The table below provides a reconciliation of the revenue, profit or loss before taxes, assets, liabilities and other key items for each segment.

	Total		Other adjustments		Consolidated financial statements	
	2017/2018	2016/2017	2017/2018	2016/2017	2017/2018	2016/2017
EUR '000						
External revenue	535,155	404,484	888	1,208	536,043	405,692
Internal revenue	8,323	8,735	-8,323	-8,735	0	0
Interest expense	-4,528	-1,036	-360	-1,209	-4,888	-2,245
Interest income	552	678	0	0	552	678
Depreciation, amortisation and write-downs	-90,208	-62,733	-348	-682	-90,556	-63,415
Segment profit before taxes *)	29,146	7,171	2,605	1,948	31,751	9,119
Capital expenditure	138,862	105,097	-7,816	-359	131,046	104,738
Segment assets **)	520,021	516,052	-41,690	-37,455	478,331	478,597
Segment liabilities	139,778	156,695	2,249	9,600	142,027	166,295
Investments accounted for using the equity method	309	296	0	0	309	296
Income from investments in associates	13	28	0	0	13	28

*) before profit or loss transfer

The interest expense was adjusted as a result of the recognition of lease agreements as finance leases. The table below provides a detailed

reconciliation of segment profit or loss before taxes, segment assets and segment liabilities:

EUR '000	Segment profit or loss before taxes		Segment assets		Segment liabilities	
	2017/2018	2016/2017	2017/2018	2016/2017	2017/2018	2016/2017
Segments total	29,146	7,171	520,021	516,052	139,778	156,695
Profit from other companies	219	154	0	0	0	0
Other IFRS adjustments	2,386	1,794	0	0	0	0
Consolidation of long-term financial assets	0	0	-13,606	-13,561	0	0
Stadium buildings plus other assets	0	0	-28,084	-23,894	0	0
Other consolidation	0	0	0	0	2,249	9,600
	31,751	9,119	478,331	478,597	142,027	166,295

Income from TV marketing and release fees for national team players amounted to EUR 91,908 thousand (previous year: EUR 70,719 thousand), and thus exceeded the 10% threshold for a single

customer set forth in IFRS 8.34. The reason for this was the centralised marketing strategy used by DFL Deutsche Fußball Liga GmbH.

Derivative financial instruments

Borussia Dortmund concluded an interest rate swap with a German Landesbank in connection with the exercise in 2014 of an option to purchase a leased administration building and plot of land, and the corresponding financing planned for 2017. A bank

has already approved a credit facility with a term extending until 2028 for the swap.

The notional amount and the related fair value are as follows:

Interest rate swaps

EUR '000	30/06/2018	
	Notional amount	Fair value
Pay-fixed swaps	0	0

Interest rate swaps

EUR '000	30/06/2017	
	Notional amount	Fair value
Pay-fixed swaps	8,000	-1,592

On 30 September 2017, Borussia Dortmund decided that it would not make use of the aforementioned bank financing for the purchase. The elimination of the hedged item led to the termination of the hedge as at the reporting date and a remeasurement of the hedge as at 30 September 2017 in line with the bank's

supporting documentation. The hedge (EUR -1,090 thousand), taking into account deferred taxes, was then reclassified from other comprehensive income to the income statement and reported under finance costs.

If a hedge of a forecast transaction results in the recognition of a financial asset or financial liability, any gain or loss on the hedging instrument is reclassified from other comprehensive income to profit or loss in the same period(s) in which the financial asset or liability (the hedged item) affects profit or loss. The hedging instrument parameters are established based on the assumption that the forecast transaction will occur. The derivative in the form of an interest rate swap employed by Borussia Dortmund for hedging purposes is an economically effective hedge. Changes in the market value of the derivative are offset by compensating changes in the value of the hedged underlying, which are demonstrated through effectiveness calculations.

During the current reporting period, there were no reclassifications from other comprehensive income to profit or loss.

In order to limit currency risks, BVB Merchandising GmbH's pending foreign-currency cash flows from operating activities were hedged.

Currency forwards were used to hedge the purchase of materials in foreign currencies. During the reporting period, the hedges related exclusively to US dollars. The value of currency forwards is determined by discounting the future value to the valuation date using the yield curve (net present value method). The valuation is substantiated by bank calculations. In accordance with IFRS 13.72 et seq., currency forwards are classified in Level 2 of the fair value hierarchy since the input parameters used for measurement (yield curves as well as forward rates in US dollars) are observable on the market. The Group does not make its own estimates or assumptions for fair value measurement.

Hedge accounting within the meaning of IAS 39 is not applied to economic hedges for future purchase transactions, meaning that fair value changes in the derivatives are recognised in profit or loss. The fair value as at 30 June 2018 amounting to EUR 33 thousand (previous year: EUR 90 thousand) was recognised under other financial liabilities.

The carrying amounts of financial assets and liabilities to which IFRS 7 applies are generally identical to their fair values. The only deviations related to non-current liabilities from finance leases whose carrying amount was EUR 6,726 thousand (30 June 2017: EUR 8,695 thousand) as compared to their fair value of EUR 7,478 thousand (30 June 2017: EUR 7,514 thousand).

NOTES TO THE CONSOLIDATED STATEMENT OF FINANCIAL POSITION

(1) Intangible assets

EUR '000	30/06/2018	30/06/2017
Player registrations	108,783	140,678
Industrial property rights and similar rights	901	843
	109,684	141,521

Intangible assets consist of purchased player registrations and computer software. At the end of the reporting period, the weighted remaining

contractual term of the significant player registrations amounted to 3.45 years (30 June 2017: 3.28 years).

Changes in intangible assets were as follows:

EUR '000	Player registrations	Industrial property rights and similar rights	Total
Cost			
As at 30 June 2016	146,766	2,185	148,951
Additions	143,737	326	144,063
Disposals	57,715	37	57,752
As at 30 June 2017	232,788	2,474	235,262
Additions	122,090	346	122,436
Disposals	82,288	0	82,288
Reclassification to assets held for sale	87,285	0	87,285
As at 30 June 2018	185,305	2,820	188,125
Depreciation, amortisation and write-downs			
As at 30 June 2016	82,243	1,430	83,673
Additions	51,710	229	51,939
Disposals	41,843	28	41,871
As at 30 June 2017	92,110	1,631	93,741
Additions	79,112	288	79,400
Disposals	38,487	0	38,487
Reclassification to assets held for sale	56,213	0	56,213
As at 30 June 2018	76,522	1,919	78,441
Carrying amounts			
As at 30 June 2016	64,523	755	65,278
As at 30 June 2017	140,678	843	141,521
As at 30 June 2018	108,783	901	109,684

(2) Property, plant and equipment

EUR '000	30/06/2018	30/06/2017
Land, land rights and buildings including buildings on third-party land	158,897	160,654
Other equipment, operating and office equipment	21,796	24,010
	180,693	184,664

Property, plant and equipment primarily relates to the stadium, the BVB FanWelt service centre, the Rheinlanddamm plot of land and the administration building located there, and the plot of land at Strobelallee 81. The facilities at the training ground in Dortmund-Brackel, the youth academy, the football academy, the catering areas at the stadium, the administrative headquarters and the associated operating and office equipment constitute further key components of this item.

Property, plant and equipment increased in the current financial year, primarily as a result of purchasing the plot of land at Strobelallee 81 and the associated investments, constructing the

spectator terrace at the Brackel training ground, and the expansion of the administrative building.

The option to purchase the administration building at the Rheinlanddamm address was exercised, and the finance lease was reclassified to property, plant and equipment.

Investments were also made in the stadium's catering areas to meet the needs of visitors.

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

EUR '000	Net carrying amounts	
	30/06/2018	30/06/2017
Buildings	3,931	12,296
Operating and office equipment	2,097	5,629
	6,028	17,925

The items of property, plant and equipment recognised in the statement of financial position as a result of finance leases consist of buildings and other facilities (e.g., sport pitches and outdoor grounds) at the Dortmund-Brackel training ground, the youth academy and the Wi-Fi equipment at SIGNAL IDUNA PARK. As at 30 June 2018, the administration building at the Rheinlanddamm address is no longer reported as a finance lease.

The lease for the land at the training ground, on the other hand, is classified as an operating lease.

There is an option to purchase the training ground in Brackel once the lease there expires in 2023.

Essentially all of the risks and opportunities in connection with the leased assets have been transferred to Borussia Dortmund.

Changes in property, plant and equipment were as follows:

EUR '000	Land, land rights and buildings, including buildings on third-party land	Other equipment, operating and office equipment	Total
Cost			
As at 30 June 2016	245,590	57,449	303,039
Additions	4,331	3,464	7,795
Disposals	0	98	98
As at 30 June 2017	249,921	60,815	310,736
Additions	4,474	3,169	7,643
Disposals	259	384	643
As at 30 June 2018	254,136	63,600	317,736
Depreciation, amortisation and write-downs			
As at 30 June 2016	83,207	31,409	114,616
Additions	6,060	5,416	11,476
Disposals	0	20	20
As at 30 June 2017	89,267	36,805	126,072
Additions	5,972	5,184	11,156
Disposals	0	185	185
As at 30 June 2018	95,239	41,804	137,043
Carrying amounts			
As at 30 June 2016	162,383	26,040	188,423
As at 30 June 2017	160,654	24,010	184,664
As at 30 June 2018	158,897	21,796	180,693

(3) Investments accounted for using the equity method

The investment in Orthomed Medizinisches Leistungs- und Rehabilitationszentrum GmbH (33.33%) with the financial statements as at 31 December 2017 is reported here.

EUR '000	30/06/2018	30/06/2017
Non-current assets	486	391
Current assets	535	771
Non-current liabilities	63	79
Current liabilities	210	272
Net assets	748	811
Group's share of net assets (33.33%)	250	270
Goodwill	59	59
Dividend received after 31 December 2017	0	-33
Carrying amount of interest in associate	309	296
Revenue	3,791	3,666
Profit from continuing operations	38	84
Comprehensive income (33.33%)	13	28
Group's share of comprehensive income (33.33%)	13	28

EUR '000	30/06/2018	30/06/2017
Cash flows from operating activities	-25	281
Cash flows from investing activities	-175	-111
Cash flows from financing activities	-116	-15
Net increase in cash and cash equivalents	-316	155

(4) Financial assets

Long-term financial assets relate to long-term, interest-bearing borrowings classified as loans and receivables.

Please refer to Note 26 for information on the fair values of financial assets.

(5) Trade and other financial receivables

Trade and other financial receivables amounted to EUR 62,634 thousand, of which EUR 2,520 thousand related to other financial receivables and EUR 60,114 thousand to trade receivables (previous year: EUR 55,872 thousand).

Trade receivables included EUR 55,256 thousand in transfer receivables (previous year: EUR 49,465 thousand).

Non-current

EUR '000	30/06/2018	30/06/2017
Trade receivables	39,653	10,256

Non-current trade receivables are discounted using the effective interest method and measured at

amortised cost. Please refer to Note 26 for information on the fair values of financial assets.

Current

EUR '000	30/06/2018	30/06/2017
Trade receivables	21,961	46,033
Less allowances	-1,500	-417
Net trade receivables	20,461	45,616
Other financial receivables	2,320	3,104
Receivables from related parties	200	56
	22,981	48,776

Trade receivables and other assets do not bear interest and mostly have a maturity of up to three

months. Please refer to Note 26 for information on the fair values of financial assets.

Changes in the allowance account were as follows:

EUR '000	30/06/2018	30/06/2017
As at 1 July	417	444
Transfers recognised in profit or loss	1,213	153
Reversals recognised in profit or loss	-83	-180
Items recognised outside profit or loss	-47	0
As at 30 June	1,500	417

(6) Inventories

EUR '000	30/06/2018	30/06/2017
Inventories/merchandise	5,992	9,392
Less write-downs	-404	-414
Net inventories	5,588	8,978

The carrying amount of inventories carried at fair value less costs to sell was EUR 384 thousand (previous year: EUR 405 thousand).

Impairments of inventories are carried in the cost of materials.

(7) Cash and cash equivalents

EUR '000	30/06/2018	30/06/2017
Bank balances and cash-in-hand	59,464	49,297

Bank balances bear interest at variable rates of interest applying to demand deposits.

(8) Assets held for sale

Non-current assets are classified as "held for sale" and "measured at the lower of carrying amount and fair value less costs to sell" if their carrying amount will be recovered principally through a sale transaction rather than through continuing use.

By virtue of contractual arrangements and current transfer market conditions relating to the pending sale of transfer rights in one of the upcoming transfer

windows, non-current assets were written down by EUR 20,362 thousand (previous year: EUR 0 thousand) to their fair value less costs to sell (meaning the transfer income to be generated less transaction costs) and reclassified as held for sale. The carrying amount of assets held for sale amounted to EUR 31,072 thousand. The impairment was recognised under depreciation and amortisation.

(9) Equity

The annual financial statements for the financial year from 1 July 2016 to 30 June 2017 were adopted at the Annual General Meeting on 27 November 2017. The net retained profits of EUR 6,338,926.62 reported in the Company's annual financial statements for the 2016/2017 financial year were used as follows:

- EUR 5,518,866.00 was used to distribute to the limited liability shareholders a dividend of EUR 0.06 per share carrying dividend rights.
- the remaining EUR 820,060.62 was transferred to other revenue reserves.

The dividend was paid on 29 November 2017.

The management will recommend to the Annual General Meeting that it resolve to distribute a dividend of EUR 0.06 (previous year: EUR 0.06) per share carrying dividend rights for financial year 2017/2018 (EUR 5,519 thousand; previous year: EUR 5,519 thousand).

Changes in equity and non-controlling interests are presented in the consolidated 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 EUR 1.00 per

share, with each share bearing equal rights. The shares are fully paid-up; the number of shares issued and the number of shares outstanding changed as follows:

Number of shares	Issued	Treasury shares	Outstanding
Balance as at 1 July 2016	92,000,000	-18,900	91,981,100
Change in treasury shares		0	
as at 30 June 2017	92,000,000	-18,900	91,981,100
Change in treasury shares		0	
as at 30 June 2018	92,000,000	-18,900	91,981,100

In the period between the date of admission of the Company's shares to trading (31 October 2000) and the end of the reporting period, the Company acquired a total of 34,000 no-par value shares and sold 15,100 no-par value shares off-market in the form of printed physical share certificates. At the end of the reporting period, the Company's holding of its own securities consisted of 18,900 no-par value shares. This represented 0.021% of the share capital.

On 24 November 2014, the Annual General Meeting of Borussia Dortmund GmbH & Co. Kommanditgesellschaft auf Aktien, with the consent of the Supervisory Board, resolved to revoke the existing authorisation to increase the share capital by utilising the remaining Authorised Capital 2010 in the amount of EUR 137,500.00, and at the same time resolved to issue a new authorisation to increase the share capital on one or more occasions by or before 23 November 2019 by up to EUR 23,000,000.00 ("Authorised Capital 2014").

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 treasury shares.

Other 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.

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 is managed in such a way that changes in macroeconomic conditions and risks arising from the underlying assets are taken into account. Short-term target-performance comparisons and medium- and long-term financial planning are used in the capital structure management process.

The capital structure at the end of the reporting period was as follows:

EUR '000	30/06/2018	30/06/2017
Equity of shareholders	336,304	312,302
Share in total capital	70.31 %	65.25 %

(10) Provisions

The EUR 1,146 thousand in provisions recognised as at 30 June 2018 included provisions for litigation and liability risks relating to legal proceedings.

The outcome of the legal proceedings cannot be forecast with any certainty, meaning that the amount of the expected obligation is also uncertain. The Group bases its estimates of the potential

losses on the assessments of its legal advisers as well as the experiences of the Group and third parties in similar cases in the past.

In financial year 2017/2018, provisions amounting to EUR 32 thousand were utilised.

The amount of the remaining obligation comprises the value in dispute (EUR 1,100 thousand) and the litigation costs (EUR 46 thousand).

(11) Liabilities from finance leases

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

EUR '000	30/06/2018	30/06/2017
Less than 1 year	2,444	11,139
Between 1 and 5 years	7,370	7,678
More than 5 years	357	2,495
	10,171	21,312
Future finance charges from finance leases	-1,476	-2,322
Present value of liabilities from finance leases	8,695	18,990

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

Liabilities from finance leases

EUR '000	30/06/2018	30/06/2017
Less than 1 year	1,969	10,295
Between 1 and 5 years	6,384	6,336
More than 5 years	342	2,359
	8,695	18,990

(12) Trade payables

Trade payables amounted to EUR 64,321 thousand (previous year: EUR 64,061 thousand), of which

EUR 54,475 thousand (previous year: EUR 50,525 thousand) related to transfer payables.

(13) Other financial obligations

EUR '000	30/06/2018	30/06/2017
Non-current		
Derivatives	0	1,592
Other	2,550	6,600
	<u>2,550</u>	<u>8,192</u>
Current		
Other taxes	11,334	14,997
Other	23,325	28,267
	<u>34,659</u>	<u>43,264</u>
Total other financial liabilities	<u>37,209</u>	<u>51,456</u>

(14) Prepaid expenses and deferred income

Prepaid expenses

EUR '000	30/06/2018	30/06/2017
Non-current		
Deferred income related to professional squad	10,536	16,876
Insurance premiums	85	0
Other advance payments	102	0
	<u>10,723</u>	<u>16,876</u>
Current		
Deferred income related to professional squad	13,001	13,271
Insurance premiums	667	735
Other advance payments	2,987	2,512
	<u>16,655</u>	<u>16,518</u>

Deferred income

EUR '000	30/06/2018	30/06/2017
Non-current		
Advance payments for agency and marketing rights	4,000	8,000
Advance payments for events	1	0
	<u>4,001</u>	<u>8,000</u>
Current		
Advance payments for agency and marketing rights	4,000	4,000
Advance payments received from ticket sales	16,715	16,145
Advance payments received from sponsors	843	1,075
Other advance payments	3,135	658
	<u>24,693</u>	<u>21,878</u>

Pursuant to an agency licensing agreement dated 18 June 2008, responsibility for the marketing of Borussia Dortmund was transferred to Lagardère Sports Germany GmbH, Hamburg (formerly

SPORTFIVE GmbH & Co. KG). The license fee received in advance is recognised as deferred income and will be carried in profit or loss on a straight-line basis over the 12-year term of the agreement.

NOTES TO THE CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

(15) Revenue

EUR '000	2017/2018	2016/2017
Match operations	42,322	43,915
Advertising	93,962	87,350
TV Marketing	122,293	125,750
Transfer deals	222,733	77,317
Merchandising	29,499	39,452
Conference, catering, miscellaneous	25,234	31,908
	536,043	405,692

Revenue from TV marketing includes prior-period revenue of EUR 3,169 thousand (previous year: EUR 1,109 thousand) and merchandising revenue of EUR 25 thousand (previous year: EUR 48 thousand).

(16) Other operating income

Other operating income decreased by EUR 352 thousand year on year to EUR 3,892 thousand and includes prior-period income of EUR 1,104 thousand (previous year: EUR 682 thousand).

(17) Cost of materials

Cost of materials decreased by EUR 5,835 thousand from EUR 25,929 thousand to EUR 20,094 thousand. This item includes the cost of goods sold for BVB Event & Catering GmbH and BVB Merchandising GmbH.

(18) Personnel expenses

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.

EUR '000	2017/2018	2016/2017
Wages and salaries	179,765	171,886
Social security contributions	6,950	6,063
	186,715	177,949

During financial year 2017/2018, EUR 2,395 thousand was paid into the German statutory retirement pension system (previous year: EUR 2,173 thousand).

(19) Depreciation and amortisation

EUR '000	2017/2018	2016/2017
Amortisation of intangible assets	79,400	51,939
Depreciation of property, plant and equipment	11,156	11,476
	90,556	63,415

(20) Other operating expenses

EUR '000	2017/2018	2016/2017
Match operations	39,824	42,065
Advertising	24,236	27,337
Transfer deals	107,657	31,535
Retail	6,832	7,728
Administration	22,254	19,116
Other	5,693	4,204
	206,496	131,985

Other operating expenses include prior-period expenses in the amount of EUR 616 thousand (previous year: EUR 80 thousand).

(21) Financial result

EUR '000	2017/2018	2016/2017
Net income/loss from investments in associates <i>(see Note (3))</i>	13	28
Finance income		
Interest income from bank balances	1	2
Other interest income	551	676
	552	678
Finance costs		
Discounting expenses and other interest	-4,528	-1,037
Expenses from finance leases	-360	-1,208
	-4,888	-2,245
	-4,323	-1,539

(22) Income taxes and deferred taxes

All tax liabilities (EUR 1,962 thousand; previous year: EUR 732 thousand) are current.

The deferred tax assets and liabilities reported in the consolidated statement of financial position relate to the following items:

EUR '000	Recognised Net as at 30/06/2017	in profit or loss	Recognised Recognised in OCI	directly in equity	Net as at 30/06/2018	Deferred Deferred tax assets	tax liabilities
Intangible assets	0	9,442	0	0	9,442	9,442	0
Property, plant and equipment	-3,148	-1,050	0	0	-4,198	91	-4,289
Derivatives	522	0	-522	0	0	0	0
Trade payables	0	-11,106	0	0	-11,106	0	-11,106
Tax loss carry-forwards	3,762	2,893	0	0	6,655	6,655	0
Total	1,136	179	-522	0	793	16,188	-15,395

EUR '000	Recognised Net as at 30/06/2016	in profit or loss	Recognised Recognised in OCI	directly in equity	Net as at 30/06/2017	Deferred Deferred tax assets	tax liabilities
Property, plant and equipment	-2,159	-989	0	0	-3,148	116	-3,264
Derivatives	585	-6	-57	0	522	522	0
Tax loss carry-forwards	2,710	1,052	0	0	3,762	3,762	0
Total	1,136	57	-57	0	1,136	4,400	-3,264

Deferred taxes carried in other comprehensive income result in each case from cash flow hedges.

The income tax expense was made up as follows:

EUR '000	2017/2018	2016/2017
Income taxes		
Current period	-3,527	-1,054
Prior periods	581	87
Deferred tax benefit/expense in connection with the creation or reversal of temporary differences	-3,236	-995
Tax loss carryforwards not yet utilised	2,893	1,052
	-3,289	-910

At the end of the reporting period, the Group had corporation tax loss carry-forwards amounting to EUR 52,059 thousand (previous year: EUR 61,681 thousand) and trade tax loss carry-forwards amounting to EUR 42,029 thousand (previous year: EUR 55,272 thousand) for which no deferred tax assets have been recognised. The tax loss carry-forwards have an unlimited carry-forward period.

The expected income tax expense which would theoretically result from applying the weighted average tax rate of 32.81% (previous year: 32.81%) can be reconciled with the actual income tax benefit reported in the consolidated statement of comprehensive income as follows:

EUR '000	2017/2018	2016/2017
Consolidated net profit before income taxes	31,751	9,119
<i>Theoretical tax rate in %</i>	<i>32.81</i>	<i>32.81</i>
Expected income tax payment	-10,418	-2,992
Effects of changes in tax rates		
Effects from tax additions and subtractions	1,295	34
Change in ability to utilise tax loss carry-forwards	5,596	1,904
Change in deferred taxes	-343	57
Prior-year taxes	581	87
Tax payment as reported in the consolidated statement of comprehensive income	-3,289	-910
<i>Actual tax rate in %</i>	<i>10.36</i>	<i>9.98</i>

(23) Consolidated statement of cash flows

Cash and cash equivalents reported in the statement of financial position amounted to EUR 59,464 thousand (previous year: EUR 49,297 thousand).

The changes in financial liabilities reported under cash flows from financing activities were as follows:

EUR '000	Equity			Liabilities/derivatives		
	Subscribed capital	Reserves	Treasury shares	Liabilities from finance leases	Other financial liabilities	Total
Balance as at 30 June 2017	92,000	220,415	-113	18,990	51,456	382,748
Acquisition of minority interests	0	0	0	0	0	0
Payment for settlement of derivatives	0	0	0	0	-1,654	-1,654
Dividend payments	0	-5,519	0	0	0	-5,519
Repayment of liabilities under finance leases	0	0	0	-10,295	0	-10,295
Total change in cash flows from financing activities	0	-5,519	0	-10,295	-1,654	-17,468
Other changes						
related to liabilities						
Change in other financial liabilities	0	0	0	0	-12,593	-12,593
related to equity						
Consolidated net profit for the year	0	28,462	0	0	0	28,462
Other gains/losses incurred during the period, after taxes	0	1,059	0	0	0	1,059
Total other changes related to liabilities	0	0	0	0	-12,593	-12,593
Total other changes related to equity	0	29,521	0	0	0	29,521
Balance as at 30 June 2018	92,000	244,417	-113	8,695	37,209	382,208

OTHER DISCLOSURES

FINANCIAL RISKS

(24) Credit risk and interest rate risk

The carrying amounts of the following financial instruments reflect the Group's maximum exposure to credit risk. At the end of the reporting period, the maximum exposure was as follows:

Carrying amounts of financial instruments

EUR '000	2017/2018	2016/2017
Financial assets, receivables and other financial receivables	63,350	59,311
Cash and cash equivalents	59,464	49,297

No collateral was called down on existing receivables because there were no indications of potential impairments as at the end of the reporting period.

The maturities of trade receivables as at the end of the reporting period were as follows:

Maturity analysis of receivables

EUR '000	30/06/2018	30/06/2017
Not yet due	60,877	57,728
Less than 30 days past due	1,623	1,061
Between 30 and 89 days past due	134	234
	62,634	59,023

Carrying amounts of original interest-bearing financial instruments

EUR '00	30/06/2018		30/06/2017	
	Fixed interest	Variable interest	Fixed interest	Variable interest
Financial assets, receivables and other financial receivables	63,350	0	59,311	0
Financial liabilities and finance leases	8,695	0	18,990	0

The net gains and losses from financial instruments presented below comprise measurement gains and losses, premium and discount amortisation, the

recognition and reversal of impairment write-downs, interest and all other earnings impacts from financial instruments.

Net gains and losses from financial instruments

EUR '000	2017/2018	2016/2017
Loans and receivables	1,682	695
Of which net interest expense/income	552	678
Of which other operating expenses/income	1,130	17
Financial liabilities measured at amortised cost	-4,888	-2,245
Of which net interest expense/income	-4,888	-2,245

(25) Liquidity risk

The following table shows the contractually arranged undiscounted payments of interest and principal in respect of financial liabilities. Whenever a right of termination exists, the figures are reported as at the earliest possible termination date.

Maturities of contractual cash flows from financial liabilities (EUR '000)

Maturities of contractual cash flows from financial liabilities in 2018

EUR '000	Liabilities from finance leases	Trade payables	Total
2018/2019	2,444	54,597	57,041
2019/2020	2,210	9,668	11,878
2020/2021	1,511	56	1,567
2021/2022	1,511	0	1,511
2022/2023	2,138	0	2,138
2023 and beyond	357	0	357
	10,171	64,321	74,492

Maturities of contractual cash flows from financial liabilities in 2017

EUR '000	Liabilities from finance leases	Trade payables	Total
2017/2018	11,139	63,565	74,704
2018/2019	2,444	276	2,720
2019/2020	2,213	165	2,378
2020/2021	1,511	55	1,566
2021/2022	1,511	0	1,511
2022 and beyond	2,495	0	2,495
	21,313	64,061	85,374

(26) Fair values of financial instruments by class and category

Financial instruments under IFRS 7 are classified in line with the format of the statement of financial position. The table provides a reconciliation of the

individual classes and categories of IAS 39 to the items of the statement of financial position and the fair values disclosed therein.

EUR '000	Carrying amount 30/06/2018	Carrying amount 30/06/2017	Fair value 30/06/2018	Fair value 30/06/2017
Non-current financial assets				
Loans and receivables	71	109	71	109
Non-current trade and other receivables				
Loans and receivables	39,653	10,256	39,653	10,256
Current trade and other receivables				
Loans and receivables	23,626	48,946	23,626	48,946
Cash and cash equivalents				
Loans and receivables	59,464	49,297	59,464	49,297
	122,814	108,608	122,814	108,608

EUR '000	Carrying amount 30/06/2018	Carrying amount 30/06/2017	Fair value 30/06/2018	Fair value 30/06/2017
Other non-current financial liabilities				
Derivatives	0	1,592	0	1,592
Other	2,550	6,600	2,550	6,600
Non-current liabilities from finance leases				
Financing liabilities	6,726	8,695	7,478	7,514
Non-current trade payables				
Other financial liabilities	9,724	496	9,724	496
Current liabilities from finance leases				
Financing liabilities	1,969	10,295	1,969	10,295
Current trade payables				
Other financial liabilities	54,597	63,565	54,597	63,565
Other current financial liabilities				
Other financial liabilities	34,659	43,264	34,659	43,264
	110,225	134,507	110,977	133,326

As at 30 June 2018, Borussia Dortmund did not report any financial assets or liabilities that would have to be allocated to levels 1 or 3 of the fair value hierarchy.

Any necessary transfers between the levels of the fair value hierarchy take place as at the end of the financial year in which the event triggering them occurs.

Due to their short residual terms, the carrying amounts reported for current trade receivables and payables and cash are roughly equivalent to their fair values.

Non-current trade receivables and liabilities are discounted to present value and accrue interest. In these cases, the carrying amounts largely correspond to fair value.

The fair value of other financial assets and liabilities is measured using the discounted cash flow valuation technique. The discount rates used were taken from the "Yields on listed Federal securities" as published by the Bundesbank at the end of the reporting period, plus a risk premium.

The discount rates valid at the end of the reporting period had matching maturities and formed the basis of the valuation model.

(27) 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 of the parent by the weighted average number of

shares outstanding. Earnings per share relate only to shares in the parent company. Since there are no potential ordinary shares, basic and diluted earnings per share are the same.

(28) 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 BV. Borussia 09 e.V., Dortmund, in its capacity as the sole shareholder in Borussia Dortmund Geschäftsführungs-GmbH. Both Borussia Dortmund

Geschäftsführungs-GmbH and BV. Borussia 09 e.V. Dortmund, as well as all companies associated therewith hence are deemed to be related parties in accordance with IAS 24.

Please refer to Notes 32 and 34 for further disclosures on the Supervisory Board of Borussia Dortmund GmbH & Co. KGaA and the management of BVB Geschäftsführungs-GmbH.

Related Party Disclosures

EUR '000	2017/2018	2016/2017
Transactions with BV. Borussia 09 e.V. Dortmund		
Rental income	329	329
Income from other services	398	357
Income from ticket sales	4	7
Interest income	4	0
Transactions with Borussia Dortmund Geschäftsführungs-GmbH		
Expense from costs recharged	5,121	3,371
of which from executive remuneration falling due	4,389	3,224
Transactions with Orthomed GmbH		
Expense from other services	258	217

EUR '000	30/06/2018	30/06/2017
Other current and non-current assets		
Intercompany account with BV. Borussia 09 e.V. Dortmund	200	56
Other current liabilities		
Intercompany account with Borussia Dortmund Geschäftsführungs-GmbH	599	782

In addition, transactions were entered into with members of the Supervisory Board of Borussia Dortmund GmbH & Co. KGaA and the management and Advisory Board of BVB Geschäftsführungs-

GmbH (merchandising, tickets, sponsorship, events and travel services) amounting to EUR 290 thousand (previous year: EUR 346 thousand). These transactions were conducted at arm's length.

(29) Other financial obligations

30/06/2018 (EUR '000)	Total	Due after		
		less than 1 year	1-5 years	more than 5 years
Rental and lease payments (operating leases)	5,986	1,542	3,331	1,113
Marketing fees	130,773	22,657	66,301	41,815
Other obligations	1,754	836	769	149
	138,513	25,035	70,401	43,077
Purchase commitments	64,650	37,450	27,200	0

In financial year 2017/2018, EUR 2,003 thousand in rental and lease payments (operating leases) were expensed in accordance with IAS 17.35.

30/06/2017 (EUR '000)	Total	Due after		
		less than 1 year	1-5 years	more than 5 years
Rental and lease payments (operating leases)	7,280	2,494	3,208	1,578
Marketing fees	83,826	26,307	57,519	0
Other obligations	2,933	786	666	1,481
	94,039	29,587	61,393	3,059
Purchase commitments	62,574	42,100	20,474	0

The minimum lease payments from operating leases relate mostly to lease agreements for offices and various motor vehicles.
The purchase commitments relate primarily to the acquisition of intangible assets.

In addition, a total of EUR 40,328 thousand in variable payment obligations under existing agreements with conditions precedent were reported as at 30 June 2018, of which EUR 18,391 thousand were due in less than one year.

(30) Events after the end of the reporting period

Big names in Dortmund

Four players from last season's squad have moved to the English Premier League. Sokratis Papastathopoulos is heading to Arsenal FC at his request, Borussia Dortmund and West Ham United agreed to transfer Ukraine international Andriy Yarmolenko with immediate effect, and Erik Durm has signed for Huddersfield Town.

Felix Passlack is also moving to England, where he will spend the upcoming season on loan to second-tier Norwich City FC.

The start of the 2018/2019 season will see Belgium international Axel Witsel move to Borussia Dortmund from Chinese club Tianjin Quanjian on a contract that runs until 30 June 2022.

Morocco international Achraf Hakimi is on loan to Borussia Dortmund from Champions League winner Real Madrid until the end of the 2019/2020 season.

Preparations for the new season

Seven test matches were scheduled for the pre-season. The team defeated FK Austria Wien 0:1 on 13 July, beat Manchester City 0:1 in the second game and chalked up a further 1:3 victory against Liverpool FC, before losing 5:6 on penalties to Benfica Lisbon.

With Lucien Favre at the helm, the team departed for its training camp in Bad Ragaz on 1 August 2018, where they played test matches against Stade Rennais FC (1:1) and SSC Napoli (1:3).

Bundesliga

At the end of June, DFL Deutsche Fußball Liga GmbH published the fixtures for the upcoming 2018/2019 season. Borussia Dortmund will kick off the 56th Bundesliga season at home to RB Leipzig on the last weekend in August, before travelling to Hannover 96 a week later for its first away fixture.

DFB Cup

Borussia Dortmund will face Greuther Fürth on 20 August 2018 in the first round of the DFB Cup.

Sponsorships

For the 2018/2019 season, Borussia Dortmund added Electronic Arts Inc. as a new Champion Partner until 30 June 2022.

In accordance with § 315e HGB, the following contains German commercial law, to the extent that such disclosures made due to specific requirements of disclosures are not contained in the Notes above.

(31) Average number of salaried employees

	2017/2018	2016/2017
Total	804	756
of which in the Athletics Department	257	229
of which trainees	18	10
Other	529	517

(32) Management

Management remuneration

EUR '000	2017/2018	2016/2017
Dipl.-Kfm. Hans-Joachim Watzke (Chairman)		
Fixed components		
Fixed remuneration	1,723	1,680
Other remuneration	44	22
Dipl.-Kfm. Thomas Treß		
Fixed components		
Fixed remuneration	784	676
Other remuneration	68	65
Carsten Cramer		
Fixed components		
Fixed remuneration	283	0
Other remuneration	17	0
	2,919	2,443

The members of management received remuneration within the meaning of IAS 24.17 (a) in the 2017/2018 financial year.

Based on the net profit for the year and the footballing success of the team, Hans-Joachim Watzke furthermore received EUR 788 thousand in performance-based remuneration (previous year: EUR 528 thousand), Thomas Treß received EUR 314 thousand in performance-based remuneration (previous year: EUR 252 thousand), and Carsten Cramer received EUR 336 thousand in performance-based remuneration (previous year: EUR 0 thousand).

EUR 20 thousand in employer contributions to the German statutory retirement pension system were incurred (previous year: EUR 7 thousand).

(33) Auditors' fees

These were reported in accordance with the classification set out in IDW AcP HFA 36.

For the purposes of improved comparability, prior-year figures have been adjusted in line with the new standard.

EUR '000	2017/2018	2016/2017
Audit services	189	165
Other audit-related work	133	114
Tax advisory services	3	6
Other services	129	0

Other advisory services relate to confirmations in connection with licensing procedures and the audit of the sustainability report.

KPMG AG audited the annual and consolidated financial statements of Borussia Dortmund GmbH & Co. KGaA and conducted further statutory and voluntary audits at subsidiaries. The auditors reviewed the interim consolidated financial statements and carried out mandatory audits and reviews as part of the DFL licensing procedure pursuant to the DFL licensing regulations. KPMG also provided tax advi-

sory services covering advice and assessment in individual cases. Our auditors were also tasked with conducting a limited assurance engagement on our separate non-financial Group report and advising us in connection with applying accounting standards for the first time, implementing the General Data Protection Regulation, and selecting an ERP system.

(34) Supervisory Board

The names of the current members of the Company's Supervisory Board, their right to remuneration, their occupations and their further responsibilities on other management bodies are listed below:

SUPERVISORY BOARD of Borussia Dortmund GmbH & Co. Kommanditgesellschaft auf Aktien, Dortmund

Gerd Pieper	Peer Steinbrück	Bernd Geske	Christian Kullmann	Dr. Werner Müller	Ulrich Leitermann	Bjørn Gulden	Dr. Reinhold Lunow	Silke Seidel
Chairman				Deputy Chairman				

RIGHT TO REMUNERATION 2017/2018 (EUR '000) (the members received all remuneration in accordance with IAS 24.17 (a) in the 2017/2018 financial year).

24	12	12	12	18	12	12	12	12
----	----	----	----	----	----	----	----	----

OCCUPATIONS (as at 30 June 2018)

Managing shareholder of Stadt-Parfümerie Pieper GmbH, Herne	Senior Advisor to the Management Board of ING-DiBa AG, Frankfurt am Main	Managing partner of Bernd Geske Lean Communication, Meerbusch	Chairman of the Executive Board of Evonik Industries AG, Essen	German Finance Minister (ret.)	Chairman of the Managing Boards of group parent companies of the SIGNAL IDUNA Group, Dortmund (SIGNAL Krankenversicherung a.G., Dortmund; SIGNAL IDUNA Lebensversicherung a.G., Hamburg; SIGNAL IDUNA Unfallversicherung a.G., Dortmund)	Chief Executive Officer of PUMA SE, Herzogenaurach	Medical Director of Praxisklinik Bornheim, Bornheim	Senior Executive at Dortmunder Stadtwerke AG and Managing Director of Hohenbuschei Beteiligungsgesellschaft mbH, Westfalentor 1 GmbH and Dortmund Logistik GmbH, all in Dortmund
---	--	---	--	--------------------------------	--	--	---	--

OTHER FUNCTIONS on statutory supervisory boards and comparable German or foreign supervisory bodies of commercial enterprises (as at 30 June 2018)

Member of the Advisory Board of Borussia Dortmund GeschäftsführungsgmbH, Dortmund	Chairman of the Supervisory Board of Clear-VAT Aktiengesellschaft, Berlin	Member of the Supervisory Board of Contilia GmbH, Essen	Member of the Board of Directors of Stadler Rail AG, Bussnang, Switzerland	Member and Chairman of the Supervisory Board of the Supervisory Board of Dortmund Volksbank eG, Dortmund	Member of the Supervisory Board of Dansk Supermarked A/S, Højbjerg, Denmark	Member of the Supervisory Board of the Supervisory Board of Tchibo GmbH, Hamburg	Member of the Advisory Board of Borussia Dortmund GeschäftsführungsgmbH, Dortmund
		Chairman of the Supervisory Board of Evonik Industries AG, Essen (until 23 May 2018)	Chairman of the Supervisory Board of RAG Aktiengesellschaft, Herne (until 23 May 2018)	Member and Chairman of the Supervisory Board of Sana Kliniken AG, Ismaning	Member of the Supervisory Board of Pandora A/S, Copenhagen, Denmark		
		Chairman of the Supervisory Board of RAG Deutsche Steinkohle AG, Herne (until 23 May 2018)	Chairman of the Supervisory Board of RAG Aktiengesellschaft, Herne (until 23 May 2018)				
		Chairman of the Supervisory Board of Entwicklungsgesellschaft Zollverein mbH, Essen (until 28 February 2018)					

(35) Exercise of the exemption option pursuant to § 264 (3) HGB

The preparation of consolidated financial statements effectively exempts BVB Merchandising GmbH and BVB Event & Catering GmbH from the obligation to prepare annual financial statements within the meaning of § 264 (3) HGB.

(36) Notifiable shareholding under § 160 (1) No. 8 AktG in conjunction with § 21 WpHG

Of the shareholdings in our Company as at the 30 June 2018 reporting date, the following were notified to us pursuant to § 33 (1) of the German Securities Trading Act (*Wertpapierhandelsgesetz*, "WpHG") in the 2017/2018 financial year and published with the following content pursuant to § 40 (1) WpHG: On 4 April 2018, Dimensional Holdings Inc., Austin, Texas, USA, filed notice that its voting interest in Borussia Dortmund GmbH & Co. KGaA amounted to 3.01% (2,770,661 shares) on 27 March 2018 and that under § 34 WpHG, all of those voting rights were attributable to Dimensional Holdings Inc. On 16 March 2018, Dimensional Holdings Inc., Austin, Texas, USA, filed notice that its voting interest in Borussia Dortmund GmbH & Co. KGaA

amounted to 3.01% (2,770,661 shares) on 9 March 2018, as well as that under § 34 WpHG, 2.98% of the voting interest (2,745,825 shares) is attributable to Dimensional Holdings Inc. and that 0.03% of the voting interest (24,836 shares) was held under a right of recall in accordance with § 38 (1) sentence 1 no. 1 WpHG.

On 26 February 2018, Dimensional Holdings Inc., Austin, Texas, USA, filed notice that its voting interest in Borussia Dortmund GmbH & Co. KGaA amounted to 3.01% (2,770,661 shares) on 20 February 2018 and that under § 34 WpHG, all of those voting rights were attributable to Dimensional Holdings Inc.

(37) Corporate Governance

The management and Supervisory Board of Borussia Dortmund GmbH & Co. KGaA issued the Declaration of Conformity with the German Corporate Governance Code required by § 161 of the

German Stock Corporation Act (*Aktiengesetz*, "AktG") on 11 September 2017 and made it permanently available to shareholders on the website at www.bvb.de/aktie.

Dortmund, 24 August 2018

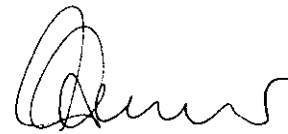
Borussia Dortmund GmbH & Co. Kommanditgesellschaft auf Aktien
Borussia Dortmund Geschäftsführungs-GmbH



Hans-Joachim Watzke
Managing Director (Chairman)



Thomas Treß
Managing Director



Carsten Cramer
Managing Director

INDEPENDENT AUDITOR'S REPORT

To Borussia Dortmund GmbH & Co. Kommanditgesellschaft auf Aktien

REPORT ON THE AUDIT OF THE CONSOLIDATED FINANCIAL STATEMENTS AND OF THE GROUP MANAGEMENT REPORT

Opinions

We have audited the consolidated financial statements of Borussia Dortmund GmbH & Co. Kommanditgesellschaft auf Aktien and its subsidiaries (the Group), which comprise the consolidated statement of financial position as at 30 June 2018, and the consolidated statement of comprehensive income, consolidated statement of cash flows and consolidated statement of changes in equity for the financial year from 1 July 2017 to 30 June 2018, and notes to the consolidated financial statements, including a summary of significant accounting policies. In addition, we have audited the group management report of Borussia Dortmund GmbH & Co. Kommanditgesellschaft auf Aktien for the financial year from 1 July 2017 to 30 June 2018.

In our opinion, on the basis of the knowledge obtained in the audit,

- the accompanying consolidated financial statements comply, in all material respects, with the IFRSs as adopted by the EU, and the additional requirements of German commercial law pursuant to Section 315e (1) HGB [*Handelsgesetzbuch*: German Commercial Code] and, in compliance with these requirements, give a true and fair view of the assets, liabilities, and financial position of the Group as at 30 June 2018, and of its financial performance for the financial year from 1 July 2017 to 30 June 2018, and
- the accompanying group management report as a whole provides an appropriate view of the Group's position. In all material respects, this group management report is consistent with the consolidated financial statements, complies with German legal requirements and appropriately presents the opportunities and risks of future development.

Pursuant to Section 322 (3) sentence 1 HGB [*Handelsgesetzbuch*: German Commercial Code], we declare that our audit has not led to any

reservations relating to the legal compliance of the consolidated financial statements and of the group management report.

Basis for the Opinions

We conducted our audit of the consolidated financial statements and of the group management report in accordance with Section 317 HGB and the EU Audit Regulation No. 537/2014 (referred to subsequently as "EU Audit Regulation") and in compliance with German Generally Accepted Standards for Financial Statement Audits promulgated by the Institut der Wirtschaftsprüfer [Institute of Public Auditors in Germany] (IDW). Our responsibilities under those requirements and principles are further described in the "Auditor's Responsibilities for the Audit of the Consolidated Financial Statements and of the Group Management Report" section of our auditor's report. We are independent of the group entities in accordance with the requirements of European law and German commercial and professional law, and we have fulfilled our other German professional responsibilities in accordance with these requirements. In addition, in accordance with Article 10 (2) point (f) of the EU Audit Regulation, we declare that we have not provided non-audit services prohibited under Article 5 (1) of the EU Audit Regulation. We believe that the evidence we have obtained is sufficient and appropriate to provide a basis for our opinions on the consolidated financial statements and on the group management report.

Key Audit Matters in the Audit of the Consolidated Financial Statements

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the consolidated financial statements for the financial year from 1 July 2017 to 30 June 2018. These matters were addressed in the context of our audit of the consolidated financial statements as a whole, and in forming our opinion thereon, we do not provide a separate opinion on these matters.

The measurement of player registrations as well as the completeness and measurement of liabilities from transfers

We refer to the information in the notes to the consolidated financial statements on accounting policies (Chapter Fixed Assets and Liabilities) as well as to the explanatory notes to the balance sheet (Appendix Intangible Assets and Liabilities).

FINANCIAL STATEMENT RISK

Player registrations in the amount of EUR 108.8 million are presented under intangible assets in the consolidated financial statements of Borussia Dortmund. Player registrations decreased to EUR 108.8 million in the financial year ended due to acquisitions of EUR 122.1 million, disposals of EUR 43.8 million, amortisations of EUR 79.1 million and transfers of EUR 31.1 million. Trade payables include transfer liabilities of EUR 54.5 million.

The acquisition costs of player registrations are determined based on individual and complex transfer agreements between the transferring and receiving clubs as well as any agreements with players and player agents concluded in this context. Due to the heterogeneity and complexity of contract provisions there is generally the risk that on initial recognition the intangible asset as well as the related transfer liability are not measured correctly in the financial statements.

Furthermore, there is generally the risk of improper subsequent measurement of the intangible assets

and transfer liabilities as well as of the completeness of transfer liabilities, which may arise from conditional contractual components or contract modifications.

OUR AUDIT APPROACH

For the succeeded player acquisitions we dignified accounting of the player registrations in terms of acquisition cost determination as well as the related transfer liability by inspection of material concluded transfer and agent agreements.

As part of subsequent measurement, we checked material transfer and agent agreements as to whether conditions occurred in the 2017/2018 financial year, which may have triggered subsequent acquisition costs and additional liabilities from transfers and their corresponding accounting.

Furthermore, we examined material contract modification or contract prolongation for subsequent acquisition costs and additional liabilities or the appropriateness of adjustments to useful lives.

OUR CONCLUSIONS

Transfer and agent agreements were appropriately dignified in terms of measuring player registrations and the related transfer liabilities.

The existence and the accuracy of transfer receivables as well as revenues from transfers

We refer to the information in the notes to the consolidated financial statements on accounting policies (Chapter Receivables and other assets), the explanatory notes to the balance sheet (Chapter Current assets) and the explanatory notes to the income statement (Chapter Sales).

FINANCIAL STATEMENT RISK

In addition to the player registrations recognized, the transfer agreements also impact receivables and revenues from transfers. EUR 55.3 million of transfer receivables are shown under trade receivables in the consolidated financial statements

of Borussia Dortmund. Revenues from transfers amounted to EUR 222.7 million in the 2017/2018 financial year.

Due to the heterogeneity and complexity of the contract provisions, there is generally the risk that in the case of player disposals, receivables from transfers and thus the related revenues are presented in the consolidated financial statements at too high an amount or not in the correct period.

OUR AUDIT APPROACH

With regard to player disposals from the professional squad, we ensured the amount of transfer receivables and revenues by inspection of material

concluded transfer and agent agreements. The accuracy of transfer receivables and revenues recognized was assessed by verifying the determination of receivables based on the contract provisions.

When inspecting the concluded transfer agreements, we focused mainly on the date of recognition in order to assess whether the receivables and related revenues were recognized in the correct period.

OUR CONCLUSIONS

Transfer and agent agreements were appropriately dignified in terms of transfer receivables and revenues from transfers.

The completeness and the accuracy of personnel expenses of the professional squad

We refer to the information in the explanatory notes to the income statement (Chapter Personnel expenses).

FINANCIAL STATEMENT RISK

Amongst others, the salaries of the professional squad are disclosed under personnel expenses in the consolidated financial statements of Borussia Dortmund. These include, besides the fixed base salaries, also performance-based remuneration, such as point bonuses and annual performance bonuses, as well as individual special payments. Due to individually agreed remuneration components and remuneration amounts, there is generally the risk that the personnel expenses of the professional squad were not completely or not accurately presented in the consolidated financial statements.

OUR AUDIT APPROACH

Our audit procedures in particular included an inspection and assessment in accordance with

commercial law of the currently valid employment contracts, with their remuneration components and remuneration amounts, as well as individual cancellation agreements. We checked the consistency of contracts consciously selected according to certain risk criteria with the corresponding salary calculations. For the selected contracts, we checked to what extent contractually agreed conditions occurred for the variable remuneration components. Furthermore, we examined whether events have occurred that would have resulted in higher expenses. In terms of agreed special or one-off payments, we examined whether personnel expenses were recognized in the proper period regardless of the payment date.

OUR CONCLUSIONS

The individually agreed remuneration components and remuneration amounts were appropriately recognized as personnel expenses of the professional squad.

Other Information

Management is responsible for the other information. The other information comprises the annual report, with the exception of the audited consolidated financial statements and management report, the audited consolidated financial statements and group management report and our auditor's reports.

Our opinions on the consolidated financial statements and on the group management report do not cover the other information, and consequently we do not express an opinion or any other form of assurance conclusion thereon.

In connection with our audit, our responsibility is to read the other information and, in so doing, to consider whether the other information

- is materially inconsistent with the consolidated financial statements, with the group management report or our knowledge obtained in the audit, or
- otherwise appears to be materially misstated.

Responsibilities of Management and the Supervisory Board for the Consolidated Financial Statements and the Group Management Report

Management is responsible for the preparation of the consolidated financial statements that comply, in all material respects, with IFRSs as adopted by the EU and the additional requirements of German commercial law pursuant to Section 315e (1) HGB and that the consolidated financial statements, in compliance with these requirements, give a true and fair view of the assets, liabilities, financial position, and financial performance of the Group. In addition, management is responsible for such internal control as they have determined necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated financial statements, management is responsible for assessing the Group's ability to continue as a going concern. They also have the responsibility for disclosing, as applicable, matters related to going concern. In addition, they are responsible for financial reporting based on the going concern basis of accounting

unless there is an intention to liquidate the Group or to cease operations, or there is no realistic alternative but to do so.

Furthermore, management is responsible for the preparation of the group management report that, as a whole, provides an appropriate view of the Group's position and is, in all material respects, consistent with the consolidated financial statements, complies with German legal requirements, and appropriately presents the opportunities and risks of future development. In addition, management is responsible for such arrangements and measures (systems) as they have considered necessary to enable the preparation of a group management report that is in accordance with the applicable German legal requirements, and to be able to provide sufficient appropriate evidence for the assertions in the group management report.

The supervisory board is responsible for overseeing the Group's financial reporting process for the preparation of the consolidated financial statements and of the group management report.

Auditor's Responsibilities for the Audit of the Consolidated Financial Statements and of the Group Management Report

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and whether the group management report as a whole provides an appropriate view of the Group's position and, in all material respects, is consistent with the consolidated financial statements and the knowledge obtained in the audit, complies with the German legal requirements and appropriately presents the opportunities and risks of future development, as well as to issue an auditor's report that includes our opinions on the consolidated financial statements and on the group management report.

Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Section 317 HGB and the EU Audit Regulation and in compliance with German Generally Accepted Standards for Financial

Statement Audits promulgated by the Institut der Wirtschaftsprüfer (IDW) will always detect a material misstatement. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements and this group management report.

We exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the consolidated financial statements and of the group management report, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinions. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit of the consolidated financial statements and of arrangements and measures (systems) relevant to the audit of the group management report in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of these systems.
- Evaluate the appropriateness of accounting policies used by management and the reasonableness of estimates made by management and related disclosures.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to

draw attention in the auditor's report to the related disclosures in the consolidated financial statements and in the group management report or, if such disclosures are inadequate, to modify our respective opinions. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to be able to continue as a going concern.

- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements present the underlying transactions and events in a manner that the consolidated financial statements give a true and fair view of the assets, liabilities, financial position and financial performance of the Group in compliance with IFRSs as adopted by the EU and the additional requirements of German commercial law pursuant to Section 315e (1) HGB.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express opinions on the consolidated financial statements and on the group management report. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our opinions.
- Evaluate the consistency of the group management report with the consolidated financial statements, its conformity with [German] law, and the view of the Group's position it provides.
- Perform audit procedures on the prospective information presented by management in the group management report. On the basis of sufficient appropriate audit evidence we evaluate, in particular, the significant assumptions used by management as a basis for the prospective information, and evaluate the proper derivation of the prospective information from these assumptions. We do not express a separate opinion on the prospective information and on the assumptions used as a basis. There is a substantial unavoidable risk that future events will differ materially from the prospective information.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with the relevant independence requirements, and communicate with them all relationships and other matters

that may reasonably be thought to bear on our independence, and where applicable, the related safeguards.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the consolidated financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter.

OTHER LEGAL AND REGULATORY REQUIREMENTS

FURTHER INFORMATION PURSUANT TO ARTICLE 10 OF THE EU AUDIT REGULATION

We were elected as group auditor by the annual general meeting on 27 November 2017. We were engaged by the supervisory board on 27 November 2017. We have been the group auditor of Borussia Dortmund GmbH & Co. Kommanditgesellschaft auf Aktien without interruption since the financial year 2009/2010.

We declare that the opinions expressed in this auditor's report are consistent with the additional report to the audit committee pursuant to Article 11 of the EU Audit Regulation (long-form audit report).

GERMAN PUBLIC AUDITOR RESPONSIBLE FOR THE ENGAGEMENT

The German Public Auditor responsible for the engagement is Ralph Fischer.

Dortmund, 24 August 2018
KPMG AG Wirtschaftsprüfungsgesellschaft
[Original German version signed by:]

Ralph Fischer
Wirtschaftsprüfer
[German Public Auditor]

Dirk Huperz
Wirtschaftsprüfer
[German Public Auditor]

RESPONSIBILITY STATEMENT

To the best of our knowledge, and in accordance with the applicable accounting 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, 24 August 2018

Borussia Dortmund GmbH & Co. Kommanditgesellschaft auf Aktien

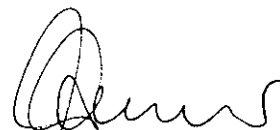
Borussia Dortmund Geschäftsführungs-GmbH



Hans-Joachim Watzke
Managing Director (Chairman)



Thomas Treß
Managing Director



Carsten Cramer
Managing Director

IMPRESSUM

PUBLISHED BY

Borussia Dortmund GmbH & Co. KGaA
Rheinlanddamm 207-209
44137 Dortmund

INTERNET

www.bvb.de/aktie

E-MAIL

aktie@borussia-dortmund.de

CONTACT

Marcus Knipping, Mark Stahlschmidt

DESIGN

Uwe W. Landskron
K-werk Kommunikationsdesign
www.K-werk.de

PHOTOGRAPHY

Alexandre Simoes
firo sportphoto

PRINTED BY

Lensing Druck GmbH & Co. KG
Feldbachacker 16
44149 Dortmund

FINANCIAL CALENDAR

14 November 2018

Disclosure of the quarterly financial report – Q1 fiscal year 2018/2019

26 November 2018

Annual shareholders meeting 2018

For more information, go to: www.bvb.de/aktie/eng/



