

REPORT OF THE SUPERVISORY BOARD

Borussia Dortmund GmbH & Co. KGaA looks back on a satisfactory 2015/2016 financial year, both from an athletic and a financial perspective. Borussia Dortmund ended the season with 78 points, the best second-place finish in Bundesliga history. In achieving this landmark, Borussia Dortmund also qualified directly for the group stage of the 2016/2017 UEFA Champions League, thereby meeting one of its key objectives for the season. Despite being ever-so unlucky and narrowly losing a thrilling quarter-final tie in the UEFA Europa League against Liverpool FC and losing the DFB Cup final – after repeat appearances – against FC Bayern Munich on penalties, Borussia Dortmund looks back on a successful 2015/2016 season from an athletic perspective. The new coaching staff headed by Thomas Tuchel thus brought a remarkable "year one after Jürgen Klopp" to a close, fuelling anticipation for the upcoming season. The 2015/2016 financial year was also satisfactory from a financial standpoint. Consolidated revenue increased by 36.3% to a record-high EUR 376.3 million (previous year: EUR 276.0 million). Adjusted for transfers and the fact that the club did not compete in the UEFA Champions League, consolidated revenue rose by 6.7% during the reporting year to a new high of EUR 281.3 million (previous year: EUR 263.6 million). In the financial year ended, consolidated net profit after taxes amounted to EUR 29.4 million (previous year: EUR 5.5 million), which was reflected in the results of operations in Borussia Dortmund GmbH & Co. KGaA's single-entity financial statements. The Company generated net income for the year after taxes of EUR 28.3 million (previous year: EUR 2.4 million). The Supervisory Board is therefore extremely pleased to report that the it and the general partner will, for the fifth consecutive year, propose to the Annual General Meeting in November 2016 that it resolve to distribute a dividend using the net profit.

SUPERVISORY BOARD ACTIVITY, MEETINGS

In the 2015/2016 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 five times during the 2015/2016 financial year (on 9 September 2015, 23 November 2015, 7 March 2016 and 24 May 2016, as well as on 23 November 2015 in a constituting meeting following the (re-)election of all of the members of the Supervisory Board by the Annual General Meeting on the same date). One member of the Supervisory Board, Mr Peer Steinbrück, attended less than half of the meetings of the Supervisory Board; otherwise, all other members of the Supervisory Board attended more than half of the meetings. 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 fi-

nancial 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 also concerned issues relating to athletic performance and the management's intentions regarding the proportion of women on the two management levels below the general partner.

In addition, the Supervisory Board reviewed the accounting and financial reporting for financial year 2015/2016, stipulating the target proportion of women on the Supervisory Board and the timeline for achieving that objective, and the preparations for the Annual General Meeting in the previous year. Part of this review involved ascertaining the independence of the auditor prior to resolving to propose it for election. Moreover, the Supervisory Board reviewed the terms of engagement and the engagement of the auditor, which had been elected in the previous year's Annual General Meeting.

2015/2016 ANNUAL AND CONSOLIDATED FINANCIAL STATEMENTS

The annual financial statements for Borussia Dortmund GmbH & Co. KGaA and the consolidated financial statements as at 30 June 2016 and the management report for the Company and the Group management report (each of which comprising the explanatory report on disclosures made pursuant to § 289 (4) and § 315 (4) 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, 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 8 September 2016, 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 8 September 2016, the Supervisory Board approved the annual financial statements of Borussia Dortmund GmbH & Co. KGaA as at 30 June 2016 as well as the consolidated financial statements as at 30 June 2016.

Moreover, the Supervisory Board performed its own review of the report on relationships with affiliated companies (dependent company report) for the 2015/2016 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 concluding 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 Supervisory Board proposes to the Annual General Meeting that the annual financial statements as at 30 June 2016 be adopted. At its meeting on 8 September 2016, 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 28,262,214.44 for financial year 2015/2016 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 22,743,348.44) to other revenue reserves.

Moreover, the Supervisory Board proposes ratifying the actions of the general partner, Borussia Dortmund Geschäftsführungs-GmbH, for the 2015/2016 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 5 May 2015. 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

At the Annual General Meeting on 23 November 2015, Ms. Silke Seidel was elected as a new member of the Supervisory Board, while Mr. Gerd Pieper, Mr. Bernd Geske, Mr. Christian Kullmann, Dr. Werner Müller, Mr. Ulrich Leitermann, Mr. Bjørn Gulden, Dr. Reinhold Lunow and Mr. Peer Steinbrück were re-elected as members of the Supervisory Board; the terms of office will expire upon conclusion of the Annual General Meeting which will resolve to ratify the actions of the members for financial year 2019/2020. In its constituting meeting on 23 November 2015, the Supervisory Board, from amongst its members, confirmed Mr. Gerd Pieper as the Chairman of the Supervisory Board and elected Dr. Werner Müller as the new Deputy Chairman of the Supervisory Board. Mr. Harald Heinze, member of the Supervisory Board and previous Deputy Chairman of the Supervisory Board, had not stood for re-election to the Supervisory Board and thus departed the Supervisory Board after the conclusion of the Annual General Meeting on 23 November 2015. In light of this, the Supervisory Board would like to take this opportunity to express its deepest appreciation to Mr. Heinze for his outstanding work on the Supervisory Board.

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, 8 September 2016

The Supervisory Board



Gerd Pieper
Chairman