



ANNUAL REPORT
2016/2017



KEY FINANCIAL INDICATORS

Borussia Dortmund KGaA (HGB)

EUR '000	2016/2017 30/06/2017	2015/2016 30/06/2016
Equity	348,307	347,487
Capital expenditure	104,506	44,260
Gross revenue	356,390	327,117
Operating result (EBITDA)	61,040	74,147
Result from operating activities (EBIT)	51	26,400
Financial result (investment income and net interest expense)	7,514	6,543
Net income for the year	6,339	28,262
Cash flows from operating activities	784	29,275
Number of shares (in thousands)	92,000	92,000
Earnings per share (in EUR)	0.07	0.31

Borussia Dortmund Group (IFRS)

EUR '000	2016/2017 30/06/2017	2015/2016 30/06/2016
Equity	312,302	309,542
Capital expenditure	104,738	44,849
Gross revenue	409,936	379,767
Operating result (EBITDA)	74,073	86,668
Result from operating activities (EBIT)	10,658	36,430
Financial result (investment income and net interest expense)	-1,539	-2,096
Consolidated net income for the year	8,209	29,436
Cash flows from operating activities	4,795	35,228
Number of shares (in thousands)	92,000	92,000
Earnings per share (in EUR)	0.09	0.32



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Hans-Joachim Watzke
Managing Director (Chairman)



Thomas Treß
Managing Director

Dear Shareholders,

Together we look back on a season marked by success on the pitch, financial stability and unforgettable moments.

During the financial year, our team was put to the test like never before. The events surrounding the bomb attack on the team bus shook all of us to the core. In the face of shock, uncertainty and an injured teammate, the team's response was all the more impressive. In a collective display of solidarity and sheer mental strength, the team grew even closer and achieved remarkable success:

By finishing third in the Bundesliga in the past year, the team secured its return to the UEFA Champions League. On the last match day of that challenging season, the team's qualification for the group stage of the UEFA Champions League was a successful dress rehearsal for the DFB Cup final.

As the first team to ever advance to the final of the DFB Cup in four consecutive years, we brought the Cup back home to Dortmund – for the fourth time in Borussia Dortmund's illustrious history.

With a new coaching team, our new arrivals and familiar faces, we are brimming with confidence in the knowledge that we are excellently positioned to face whatever sporting challenges await us in the coming season.

We remain on track to meet our long-term financial plan and closed out the financial year with a net profit for the seventh year running – an achievement that has since become par for the course, but is by no means a matter of course.

Nor do we intend to waver from this path in the current season. A strategic focus and a solid economic foundation will continue to serve as the basis for our work in all of our business areas.

After successfully navigating a remarkable year, we are eagerly awaiting the start of the new season – one bound to be full of exciting Bundesliga action and encounters with Europe's top clubs on the international stage.



Hans-Joachim Watzke
Managing Director (Chairman)



Thomas Treß
Managing Director



REPORT OF THE SUPERVISORY BOARD

Borussia Dortmund GmbH & Co. KGaA looks back on an eventful 2016/2017 financial year. From an athletic perspective, the team achieved a major objective for the season by directly qualifying for the group stage of the 2017/2018 UEFA Champions League, and on the domestic stage clinched another title win in the prestigious DFB Cup. Regrettably, a quarter-final defeat saw the team knocked out of the UEFA Champions League. However, the team's performance on the pitch was overshadowed by an abhorrent attack targeting the Borussia Dortmund bus on the evening of 11 April 2017 as the team was preparing to play the first leg of this quarter-final fixture in Dortmund. The attack was intended to kill, and we consider it "luck" that the only injury suffered was the one to Marc Bartra's arm. Even though the wounds have healed, the impact of the attack is still being felt. The Supervisory Board believes that the management handled this event and its fallout in an exemplary manner. Our thanks also go to the law enforcement agencies for their rapid investigation and the arrest of a suspect. The Supervisory Board hopes that a swift return to normal will continue to be possible in other respects. The Supervisory Board also discussed HR issues associated with the coach. Looking back over his two years as coach, it was agreed that Thomas Tuchel and the club would part ways early at the end of May 2017. The Supervisory Board fully and unanimously supports the decision of the management and the coaching staff. Despite this, we thank Thomas Tuchel and the coaches leaving with him for their work at the club. New head coach Peter Bosz was signed from 1 July 2017, filling the vacant position with a talented coaching personality and meaning that the club and fans alike can look forward to the new season with eager anticipation. Given the circumstances described above, the 2016/2017 financial year was satisfactory from a financial perspective. Consolidated revenue increased by 7.8% to a record-high EUR 405.7 million (previous

year: EUR 376.3 million). Adjusted for transfers, consolidated revenue rose by 16.8% to a new high of EUR 328.4 million (previous year: EUR 281.3 million). In the financial year ended, consolidated net profit after taxes amounted to EUR 8.2 million (previous year: EUR 29.4 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 6.3 million (previous year: EUR 28.3 million). The Supervisory Board is therefore extremely pleased to report that it and the general partner will, for the sixth consecutive year, propose to the Annual General Meeting in November 2017 that it resolve to distribute a dividend using the net profit.

SUPERVISORY BOARD ACTIVITY, MEETINGS

In the 2016/2017 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 2016/2017 financial year (on 8 September 2016, 21 November 2016, 7 March 2017 and 22 May 2017). In addition, one resolution was circulated and adopted by the Supervisory Board without holding a meeting. All members of the Supervisory Board attended more than half of the meetings (at an attendance rate of approximately 86%), with the exception of Mr Bjørn Gulden, who was only able to attend half of the Supervisory Board 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 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 also concerned issues relating to athletic performance, the EU reforms to statutory audit of financial statements and

their transposition into German law, in particular by means of the German Audit Reform Act (*Abschlussprüfungsreformgesetz*, "AReG"), including the resolutions that the Supervisory Board will have to adopt in connection with this, as well as the management's intended stipulations regarding the proportion of women on the two management levels below the general partner.

In addition, the Supervisory Board reviewed the amendments to its rules of procedure, the accounting and financial reporting, stipulation of 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, 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.

2016/2017 ANNUAL AND CONSOLIDATED FINANCIAL STATEMENTS

The annual financial statements for Borussia Dortmund GmbH & Co. KGaA and the consolidated financial statements as at 30 June 2017 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") in the version pursuant to Art. 80 of the German Introductory Act to the German Commercial Code (*Einführungsgesetz zum Handelsgesetzbuch*, "EGHGB")) 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 11 September 2017, 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 11 September 2017, the Supervisory Board approved the annual financial statements of Borussia Dortmund GmbH & Co. KGaA as at 30 June 2017 as well as the consolidated financial statements as at 30 June 2017.

Moreover, the Supervisory Board performed its own review of the report on relationships with affiliated companies (dependent company report) for the 2016/2017 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 2017 be adopted. At its meeting on 11 September 2017, 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 6,338,926.62 for financial year 2016/2017 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 820,060.62) to other revenue reserves.

Moreover, the Supervisory Board proposes ratifying the actions of the general partner, Borussia Dortmund Geschäftsführungs-GmbH, for the 2016/2017 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

There were no changes in the composition of the Supervisory Board or the management of the general partner in financial year 2016/2017 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, 11 September 2017

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 des Vorstandes der ING-DiBa AG, Frankfurt a. M.; Bundesminister a.D., Berlin	
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
Chairman of the Board of Executives of the RAG Foundation, Essen	
Ulrich Leitermann	
Chairman of the Board 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 Aktiengesellschaft 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

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 2016/2017

During the reporting period for the 2016/2017 financial year (1 July 2016 to 30 June 2017), the performance of BVB shares was influenced by business and positive sport-related announcements by the Company and the team winning the DFB Cup, but also by the bomb attack targeting the team bus. Despite the mixed nature of the news and announcements, the share price recorded encouraging growth of EUR 2.02 or 49.51% during the reporting period, reaching a 15-year high (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 2016/2017 financial year at EUR 4.08 on 1 July 2016. In the month of July 2016, BVB shares trended sideways around EUR 4.00 per share due to the late start to the season caused by the European Championships. Despite losing the DFL Super Cup to FC Bayern Munich on 14 August 2016, euphoria at the beginning of the season and positive financial news resulted in a share price increase in the month of August. On 15 August 2016, shares in Borussia Dortmund GmbH & Co. KGaA were trading at EUR 4.01. On 19 August 2016, the Company presented its preliminary figures for the 2015/2016 financial year (see ad-hoc disclosure of the same day), reporting a 36.3% increase in consolidated revenue, amounting to EUR 376.3 million; even adjusted for transfers, consolidated revenue rose by 6.7% to a new record high of EUR 281.3 million (previous year: EUR 263.6 million) despite the fact that the team did not play in the UEFA Champions League in the past financial year. In the financial year

ended, consolidated net profit after taxes amounted to EUR 29.4 million (previous year: EUR 5.5 million). Consolidated operating result before interest, tax, depreciation and amortisation (EBITDA) amounted to EUR 86.7 million (previous year: EUR 55.6 million). The capital market took a positive view of this report and the announcement of an intended dividend payment. Shares closed at EUR 4.16 on 19 August 2016. BVB shares traded at EUR 4.32 on 23 August 2016, at EUR 4.39 on 24 August 2016, at EUR 4.28 on 26 August 2016 and at EUR 4.23 on 31 August 2016. In September, the shares then trended towards the EUR 5.00 mark against the backdrop of three clear victories and one defeat in the Bundesliga, as well as one win (Legia Warsaw) and a spectacular draw (Real Madrid) in the UEFA Champions League. BVB shares traded at EUR 4.26 on 2 September 2016, EUR 4.33 on 7 September 2016, EUR 4.35 on 16 September 2016, EUR 4.41 on 19 September 2016, EUR 4.51 on 22 September 2016, EUR 4.61 on 23 September 2016, EUR 4.75 on 28 September 2016 and EUR 4.85 on 30 September 2016.

The share price broke through the EUR 5.00 mark to reach a new 12-year high in October. BVB shares traded at EUR 4.96 on 4 October 2016, EUR 5.15 on 12 October 2016, EUR 5.50 on 18 October 2016 and EUR 5.78 on 24 October 2016. Shares in Borussia Dortmund then traded at EUR 5.86 on 27 October 2016. Concurrent analyst opinions show that this positive performance was due to the continued improvement in the Company's fundamentals rather than sporting success. The positive trend continued well into November 2016. On 1 November 2016, BVB shares were listed at EUR 5.71 and on 4 November 2016 at EUR 5.62. On 7 November 2016, Borussia Dortmund GmbH & Co. KGaA released the

preliminary first quarter figures for financial year 2016/2017 (see ad hoc disclosure from the same date). The Company reported revenue growth of approximately 41% and quarterly earnings in the eight-figure range. This news was well received on the capital market, and the shares of Borussia Dortmund GmbH & Co. KGaA closed at EUR 5.77 on 7 November 2016. BVB shares were listed at EUR 5.79 on 21 November 2016, the date of the Annual General Meeting. On that same day, the Annual General Meeting resolved a dividend distribution of EUR 0.06 per share. The following day (22 November 2016), the BVB share price remained almost unchanged at EUR 5.80. On the following day, however, the share price had contracted by almost EUR 0.30 to close at EUR 5.50. Despite the overall positive business and sporting developments (for instance early qualification for the round of 16 in the UEFA Champions League on 22 November 2016), the share price continued to lose ground and only recovered in December 2016 after hitting a low of EUR 4.76 on 5 December 2016. The unexpected downgrade of an analyst rating is also certain to have been a contributing factor in the midst of what to that point had been invariably positive news. It was not until another analyst opinion valued the shares with a target price of EUR 7.00 on 6 December 2016 that there was a noticeable rebound. BVB shares traded at EUR 5.23 on 6 December 2016, at EUR 5.44 on 9 December 2016, at EUR 5.34 on 14 December 2016 and at EUR 5.26 on 23 December 2016. The 2016 calendar year ended with shares in Borussia Dortmund trading at EUR 5.26 on 30 December 2016 (previous year: EUR 4.01).

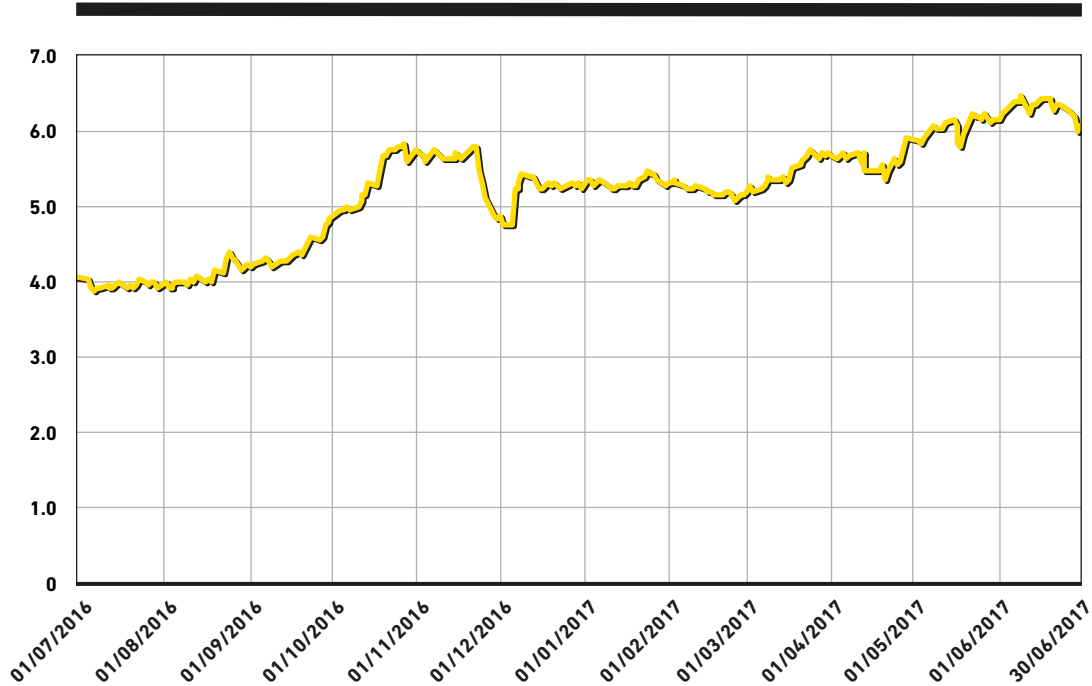
The shares of Borussia Dortmund GmbH & Co. KGaA kicked off the new 2017 calendar year at EUR 5.36 on 2 January 2017. The shares trended sideways until the start of match day 17 on 21 January 2017. Prior to the start of the second half of the season, the shares traded at EUR 5.38 on

20 January 2017. On the following trading day, and on the heels of a win to successfully kick off the second half of the Bundesliga season, the shares were listed at EUR 5.40. Despite the club's athletic and financial successes, the share price dipped from time to time in February 2017. Shares traded at EUR 5.34 on 1 February 2017. Although the team beat RB Leipzig at home, the share price was influenced by the negative headlines surrounding the BVB fans' behaviour. Shares traded at EUR 5.29 on 6 February 2017, EUR 5.25 on 7 February 2017 and EUR 5.25 on 8 February 2017. Although the team beat Hertha BSC Berlin in the round of 16 of the DFB Cup that same evening, thereby advancing to the quarter-finals where it would face third-division club VfL Sportfreunde Lotte, the share price remained unchanged at EUR 5.25 on the following day. The share price slipped again, falling to EUR 5.16 on 17 February 2017 following losses against Darmstadt 98 in the Bundesliga and against Benfica Lisbon in the UEFA Champions League. Shares closed at EUR 5.18 on 20 February 2017. On this date the Company published the preliminary semi-annual figures (see ad-hoc disclosure from the same date), announcing that it had increased revenue by 27.4% year on year and generated net profit of EUR 15.6 million for the first half of the year (previous year: net loss of EUR 4.7 million). The market responded positively to the semi-annual figures. Shares traded at EUR 5.21 on the next trading day (21 February 2017). This trend was subsequently carried in March 2017 by additional positive sports-related announcements, including a short winning streak across all competitions that saw the team advance to the quarter-finals of the UEFA Champions League and the semi-finals of the DFB Cup. BVB shares traded at EUR 5.26 on 6 March 2017, EUR 5.40 on 9 March 2017, EUR 5.51 on 17 March 2017, EUR 5.65 on 22 March 2017, EUR 5.76 on 24 March 2017, and EUR 5.70 on 31 March 2017.

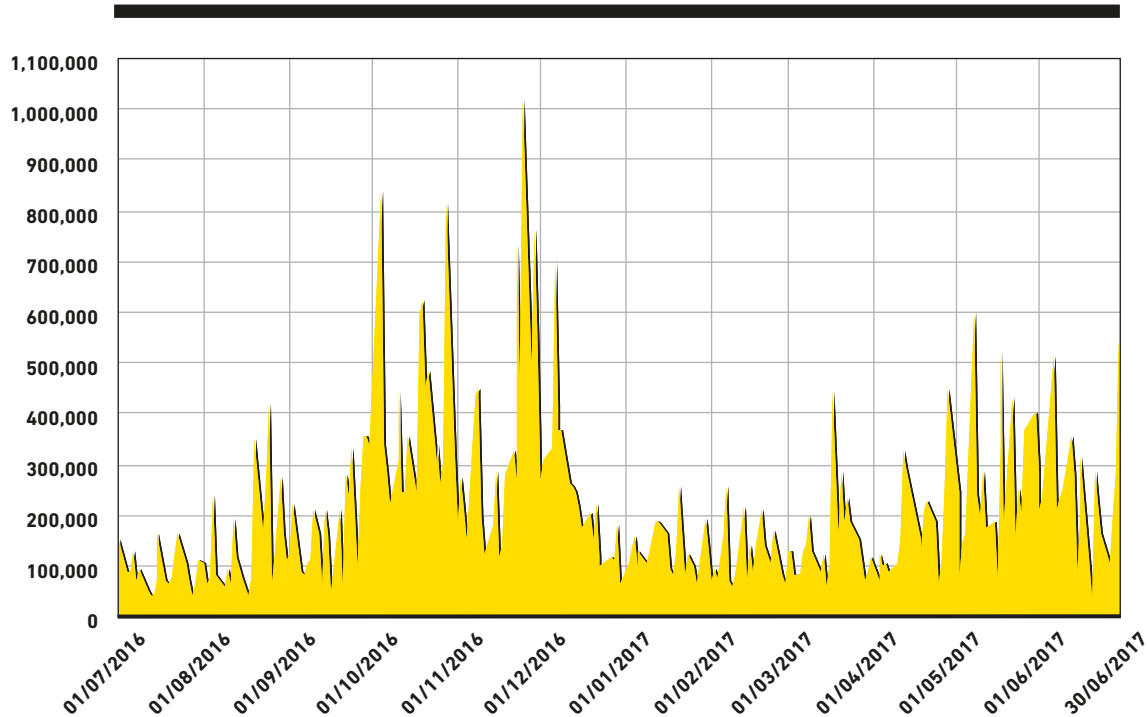
The last quarter of the financial year was truly remarkable, with many positive but also negative notes. BVB shares traded at EUR 5.64 on 3 April 2017, EUR 5.73 on 5 April 2017 and EUR 5.73 on 10 April 2017. The evening of 11 April 2017 marked a turning point for the club. As the team was preparing to depart for the first leg of the UEFA Champions League quarter-final tie against AS Monaco at SIGNAL IDUNA PARK in Dortmund, the team bus was the target of a bomb attack (see corporate news from the same date). Although the attack was intended to kill, thankfully the "only" injury suffered was the one to Marc Bartra's arm. On 12 April 2017, shares in Borussia Dortmund GmbH & Co. KGaA traded at EUR 5.71 before falling to EUR 5.49 on the following day after more details about the attack were made public and the team lost the rescheduled first leg of the quarter-final tie. Borussia Dortmund was knocked out of the UEFA Champions League after losing the return match in Monaco. Shares in Borussia Dortmund then traded at EUR 5.36 on the following day, 20 April 2017. Fortunately, on 21 April 2017, law enforcement quickly determined that the attack was committed by a single perpetrator (see corporate news from the same date) and Borussia Dortmund began to regain its form on the pitch. On 26 April 2017, Borussia Dortmund won in dramatic fashion against FC Bayern Munich in the semi-finals of the DFB Cup and again sealed its place in the final. BVB's shares rebounded and traded at EUR 5.76 on 27 April 2017, EUR 5.87 on 2 May 2017 and EUR 5.91 on 5 May 2017. On this day, the Company announced its preliminary figures for the third quarter of

financial year 2016/2017 (see ad hoc disclosure from the same date), reporting a 18.7% year-on-year increase in revenue. The market responded positively to the semi-annual figures. Shares traded at EUR 6.07 on the next trading day (8 May 2017). The share price was further buoyed as the team successfully closed out the Bundesliga season, earning seven points from the remaining three matches and once again directly qualifying for the group stage of the 2017/2018 UEFA Champions League season. Marc Bartra's return to team training, his appearance in the DFB Cup final and winning the DFB Cup were the emotional and footballing highlights of the season, events that were also reflected in the share price. Borussia Dortmund GmbH & Co. KGaA shares traded at EUR 6.14 on 12 May 2017, at EUR 6.23 on 22 May 2017 and at EUR 6.26 on 26 May 2017. On the heels of Peter Bosz being announced as the successor to Thomas Tuchel, with whom the club had mutually parted ways, the share price increased further to EUR 6.42 before peaking during the reporting period at EUR 6.50 on 9 June 2017. The shares last traded at that level 15 years ago. 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 6.36 on 13 June 2017, EUR 6.46 on 16 June 2017, EUR 6.26 on 21 June 2017, EUR 6.19 on 28 June 2017, and EUR 6.00 on 29 June 2017. The reporting period ended with shares in Borussia Dortmund GmbH & Co. KGaA trading at EUR 6.10 on 30 June 2017 (30 June 2016: EUR 4.03). The shares were up EUR 2.02 since the beginning of the reporting period and thus recorded growth of 49.51%.

Share price performance (in EUR)



Revenue (Shares)



SHARE CAPITAL AND SHAREHOLDER STRUCTURE

As at 30 June 2017, Borussia Dortmund GmbH & Co. KGaA's share capital amounted to EUR 92,000,000.00 and was 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 2017:

- Evonik Industries AG: 14.78%
- Bernd Geske: 9.01%
- Ballspielverein Borussia 09 e.V. Dortmund: 5.53%
- SIGNAL IDUNA: 5.43%
- PUMA SE: 5.0%
- Free float: 60.25%

Shareholdings by members of governing bodies

As at 30 June 2017, 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 8,292,009 no-par value shares. Members of management and

the Supervisory Board hold a total of 8,299,054 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 the shares of Borussia Dortmund GmbH & Co. KGaA 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 webpage, "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 (formerly Deutsche Gesellschaft für Ad-hoc-Publizität mbH, 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 2016/2017 is to continue to foster communication with the capital markets. The Annual Press Conference on the preliminary figures of the 2015/2016 financial year was held in Dortmund on 19 August 2016. The Company also held an analyst conference on the same day in Frankfurt am Main. Furthermore, the Company held group and one-on-one meetings with capital market representatives during the reporting period and held roadshows on 6 October 2016 in London, United Kingdom, on 2 and 3 March 2017 in New York, USA, and on 9 June 2017 in Zurich, Switzerland. Borussia Dortmund also gave a company presentation and held several one-on-one meetings at the German Equity Forum in Frankfurt am Main on 22 November 2016.

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

- ODDO Seydler Bank AG, Frankfurt am Main
Most recent research update: 8 May 2017,
Recommendation: "Buy" (previously: "Neutral")
- Edison Research Investment Ltd., London, UK
Most recent research update: 16 March 2017,
Recommendation: "n/a"
- GSC Research GmbH, Düsseldorf
Most recent research update: 16 March 2017,
Recommendation: "Hold" (previously: "Hold")
- Bankhaus Lampe KG, Düsseldorf
Most recent research update: 21 February 2017,
Recommendation: "Buy" (previously: "Buy")

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

CORPORATE GOVERNANCE DECLARATION PURSUANT TO § 289A HGB

Pursuant to § 289a of the German Commercial Code (*Handelsgesetzbuch*, "HGB") (in the version until 18 April 2017), 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 2017 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 2016/2017 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 directors' dealings 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 21 November 2016. 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 99.75% and 99.98% of the votes cast.

The next Annual General Meeting of Borussia Dortmund GmbH & Co. KGaA will take place on 27 November 2017 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").

Publications on our website have been and will continue to be made available in English.

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>.

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, 11 September 2017

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

DECLARATION OF CONFORMITY BY THE MANAGEMENT AND BY THE SUPERVISORY BOARD OF BORUSSIA DORTMUND GMBH & CO. KGAA IN ACCORDANCE WITH § 161 AKTG DATED 11 SEPTEMBER 2017

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 8 September 2016, Borussia Dortmund GmbH & Co. KGaA complied with the recommendations of the German Corporate Governance Code (the "Code") as amended on 5 May 2015 (published in the Federal Gazette (*Bundesanzeiger*) on 12 June 2015) (the "2015 Code") until the publication of the amended version of the Code in the Federal Gazette on 24 April 2017, as well as the recommendations of the Code as amended on 7 February 2017 (the "2017 Code") from the date of its publication in the Federal Gazette on 24 April 2017, and that it will comply with the recommendations of the 2017 Code, 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 (unless stated separately otherwise, reference is made below to the Code in both of the aforementioned versions):

Re section 3.8 (3) of the Code: 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 of the 2017 Code: Borussia Dortmund GmbH & Co. KGaA has implemented measures reflecting the Company's risk situation in order to ensure that all statutory provisions and internal Company guidelines are complied with (compliance management system). The existing risk management system is used to

review those measures in the context of the annual audit of the Company's and the Group's financial statements; to date, those reviews have not lead to any objections or qualifications. These measures are therefore considered adequate; insofar, the new recommendations under section 4.2.3 (1) sentence 2 of the 2017 Code are complied with. However, as in previous years, the Company will continue to deviate from the new additional recommendation, namely to disclose the main features of the aforementioned measures. At present, the Company faces the challenge of adapting to recently expanded and new, complex statutory reporting requirements. The new reporting recommendations of the Government Commission of the German Corporate Governance Code do not yet appear to have been sensibly harmonised with those requirements. Therefore, the primary focus is currently on streamlining the financial information; however, management reserves its right to reassess its approach going forward.

Re section 4.1.3 sentence 3 first half-sentence of the 2017 Code: In accordance with this new 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 has what it 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 of the Code: 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. The management has been the responsibility of Hans-Joachim Watzke (Chairman) and Thomas Treß (Managing Director) since January 2006. Their 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 of the Code: 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 of the Code 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 4 and 6 first alternative as well as section 4.2.3 (2) sentence 8 of the Code and section 4.2.3 (2) sentence 3 of the 2017 Code: 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 considering negative developments when structuring the Managing Directors' variable remuneration components 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. The characteristics of the variable remuneration components are also not "primarily forward-looking" as recommended under section 4.2.3 (2) sentence 3 of the 2017 Code since 24 April 2017. 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) and (5) of the Code: 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) of the Code: 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 of the Code: The Code recommends 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. As in the past, our Company will not follow this recommendation, because it 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 of the Code: 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 of the Code: 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 of the Code: 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 of the Code: 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 of the Code: 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 section 5.2 (2) of the 2015 Code as well as sections 5.3.1 sentence 1, 5.3.2 and 5.3.3 of the Code: 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) sentence 1 of the 2015 Code and section 5.4.1 (2) sentences 1 and 2 of the 2017 Code, as well as section 5.4.1 (3) of the 2015 Code and section 5.4.1 (4) sentences 1 and 2 of the 2017 Code: As in the past, the Supervisory Board will not specify concrete objectives regarding its composition that consider specific issues addressed in the Code pertaining to "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". Accordingly, these objectives or any implementation thereof is not disclosed in the Corporate Governance Report. The same applies to the new recommendation under section 5.4.1 (2) sentence 1 of the 2017 Code that the Supervisory Board develop a profile of the required qualifications for the entire Supervisory

Board. 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 § 289a (3) and (2) no. 4 HGB).

Re section 5.4.1 (5) of the 2015 Code and section 5.4.1 (6) of the 2017 Code: 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 of the Code: 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 of the Code: 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 of the Code) will generally continue to take precedence.

Re section 7.1.2 sentence 2 of the Code: 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.

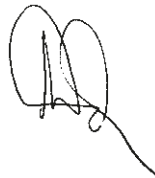
Dortmund, 11 September 2017

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



MANAGEMENT REPORT

Borussia Dortmund GmbH & Co. Kommanditgesellschaft auf Aktien, Dortmund



MANAGEMENT REPORT Borussia Dortmund GmbH & Co. Kommanditgesellschaft auf Aktien, Dortmund, for the 2016/2017 financial year

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

BUSINESS TREND

LOOKING BACK ON FINANCIAL YEAR 2016/2017

Super Cup

Borussia Dortmund lost the Super Cup 0:2 to Bundesliga champions FC Bayern Munich on its home turf at SIGNAL IDUNA PARK.

DFB Cup

After an away win against Eintracht Trier in the first round of the DFB Cup, Borussia Dortmund went on to beat both 1. FC Union Berlin and Hertha BSC Berlin at home at SIGNAL IDUNA PARK in the following rounds. Borussia Dortmund chalked up a 0:3 quarter-final victory against VfL Sportfreunde Lotte to advance to the semi-finals, where the team defeated reigning DFB Cup champions FC Bayern Munich on the road to the final in Berlin. Borussia Dortmund triumphed against Eintracht Frankfurt, lifting the coveted cup for the fourth time after previous victories in 1965, 1989 and 2012.

Bundesliga

Borussia Dortmund ended the 2016/2017 Bundesliga season with 64 points, placing the team third behind RB Leipzig and FC Bayern Munich. A 4:3 home win against Werder Bremen on the final match day saw Borussia Dortmund qualify directly for the 2017/2018 UEFA Champions League season. After having spent the winter break in fourth place with 30 points, the team slightly improved its standing in the second half of the season with a total of ten wins and four draws. Borussia Dortmund ended the season with the second most goals (72).

UEFA Champions League

On the international stage, Borussia Dortmund advanced to the round of 16 in the UEFA Champions League after winning Group F and in the process scored a record 21 goals in the group stage. In addition to two draws against Real Madrid (2:2) and two wins against Sporting Lisbon (1:0 and 1:2), the club set another UEFA Champions League record with its 8:4 victory over Legia Warsaw. In the round of 16, Borussia Dortmund erased a 1:0 away loss to Benfica Lisbon with a 4:0 win at home to advance to the quarter-finals of the UEFA Champions League.

The quarter-final match against AS Monaco at SIGNAL IDUNA PARK on 11 April 2017 was overshadowed by an attack targeting the BVB team bus. The home match was postponed until the following day and ended in a 2:3 loss. Borussia Dortmund were then knocked out of the UEFA Champions League following the team's 3:1 loss at Monaco in the return match.

FINANCIAL PERFORMANCE

FINANCIAL INDICATORS

Borussia Dortmund KGaA (HGB)

EUR '000	2016/2017 30/06/2017	2015/2016 30/06/2016
Equity	348,307	347,487
Capital expenditure	104,506	44,260
Gross revenue	356,390	327,117
Operating result (EBITDA)	61,040	74,147
Result from operating activities (EBIT)	51	26,400
Financial result (investment income and net interest expense)	7,514	6,543
Net income for the year	6,339	28,262
Cash flows from operating activities	784	29,275
Number of shares (in thousands)	92,000	92,000
Earnings per share (in EUR)	0.07	0.31

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 – due particularly to one-time transfer effects – 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.

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 2016/2017 FINANCIAL YEAR

Sponsorships

Demand for a marketing partnership with Borussia Dortmund remains strong during the current season. The German airline Eurowings Aviation GmbH became a new Champion Partner this year. The company signed an initial four-year partnership agreement until the end of the 2020/2021 season. Zumtobel Lighting GmbH also joined this group of sponsors for the first time this season.

Having used MAN coaches since 2010, Borussia Dortmund extended its partnership with the commercial vehicle manufacturer for a further three years. The club also extended its sponsorship agreement with Coca-Cola European Partners Deutschland GmbH until 2020.

Various redesigns of the hospitality areas and the relocation of the press conference room to the southeast corner of SIGNAL IDUNA PARK resulted in these areas being at almost full capacity on match days. The expansion of the previous press conference room also meant more room for marketing at the north terrace.

The annual preseason tour of Asia helped the club gain additional sponsors as well as extend and expand on existing partnerships in Asia, allowing Borussia Dortmund to increase awareness for its brand in that part of the world.

Big names in Dortmund

On 30 May 2017, Borussia Dortmund parted ways with coach Thomas Tuchel and his assistants Rainer Schrey, Arno Michels and Benjamin Weber. Thomas Tuchel, who joined from Bundesliga rivals 1. FSV Mainz 05, became the head coach at the beginning of the 2015/2016 season.

Dutchman Peter Bosz will be Borussia Dortmund's new head coach at the beginning of the 2017/2018 season. The parties signed a contract that runs until 30 June 2019. Peter Bosz most recently trained Ajax Amsterdam, leading that team to a second place finish in the Dutch league and to the final of the 2017 UEFA Europa League. His assistants will be Hendrik Krüzen and Albert Capellas.

Borussia Dortmund and Borussia Mönchengladbach agreed on the immediate transfer of defender Matthias Ginter, whose contract until 2019 was prematurely terminated.

Matthias Ginter had 42 appearances in all competitions last season.

Pascal Stenzel, who was previously on loan at SC Freiburg, will leave Dortmund. Both clubs agreed on a transfer at the beginning of the 2017/2018 season.

After playing on loan for Granada Club de Fútbol SAD, Gustavo Adrián Ramos Vásquez will continue his career in China, where he signed a contract with Chongqing Dangdai Lifan Football Club.

Łukasz Piszczek and Nuri Sahin both signed early contract extensions until 30 June 2019.

Shinji Kagawa, Christian Pulisic and Gonzalo Castro extended their contracts with Borussia Dortmund until 30 June 2020, while Jacob Bruun Larsen extended his until 30 June 2021.

Ömer Toprak and Mahmoud Dahoud are joining Borussia Dortmund for the new 2017/2018 season. Ömer Toprak, from Bayer 04 Leverkusen, signed a contract until 30 June 2021, while Mahmoud Dahoud transferred from VfL Borussia Mönchengladbach on a contract running until 30 June 2022. Borussia Dortmund signed another defender, Dan-Axel Zagadou from the French club Paris St. Germain, on a five-year contract until 30 June 2022. SC Freiburg striker and U21 Germany international Maximilian Philipp is Borussia Dortmund's fourth new signing for the upcoming season. He also signed a five-year contract that runs until 30 June 2022.

Other business

As is widely known, on the early evening of 11 April 2017, the BVB team bus was the target of a deliberate and serious bomb attack in the vicinity of the team's hotel in Dortmund. Borussia Dortmund player Marc Bartra was injured in the attack.

As a result, the club's UEFA Champions League home match against AS Monaco was rescheduled for 12 April 2017.

The sale of season tickets for the 2017/2018 was very encouraging: just 66 out of 55,000 season ticket holders opted to not renew their season tickets for the new season.

Borussia Dortmund received the "Pitch of the Year" award for the excellent quality of the SIGNAL IDUNA PARK pitch. A jury comprising members of the German Pitch Association (DRG e.V.) rated the pitches of the clubs in the first and second Bundesliga divisions on the basis of its own measurements as well as grades given out by the captains and referees after each Bundesliga match. Borussia Dortmund will receive the "Pitch of the Year" award during a meeting of groundsmen in September 2017.

In November 2016, DFL Deutsche Fußball Liga GmbH unveiled a new system to distribute income from the three pots – national media income, league sponsorship and group marketing, and international media income; this applies to new national TV marketing from the upcoming 2017/2018 season onwards.

Going forward, the system used to distribute national income, which also includes additional income from group marketing, will be structured as a four-pillar model. This retains some elements of the current model, such as the inclusion of a five-year ranking for sporting performance, but also adds new parameters such as sustainability, young talent and competition across all leagues. International income is broken down into the following pillars: solidarity, sporting success, and sustainability.

The new TV agreements, which will be entered into for the period from 1 July 2017 to 30 June 2021, are expected to see income grow by roughly 85% in total. As a consequence, the Bundesliga will remain one of the world's highest-grossing football leagues.

DFL Deutsche Fußball Liga GmbH issued Borussia Dortmund the licence for the 2017/2018 Bundesliga season without imposing any restrictions or requirements.

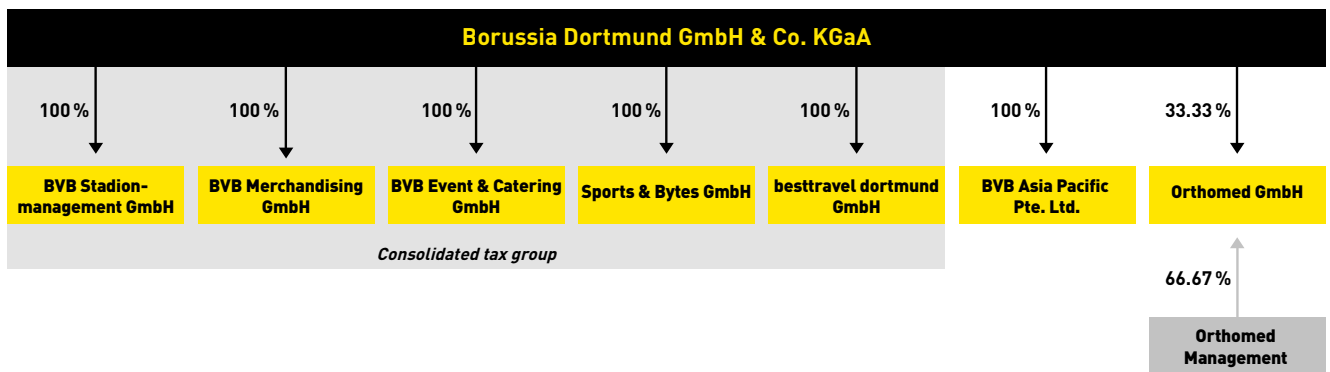
GENERAL INFORMATION ABOUT THE COMPANY

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%).

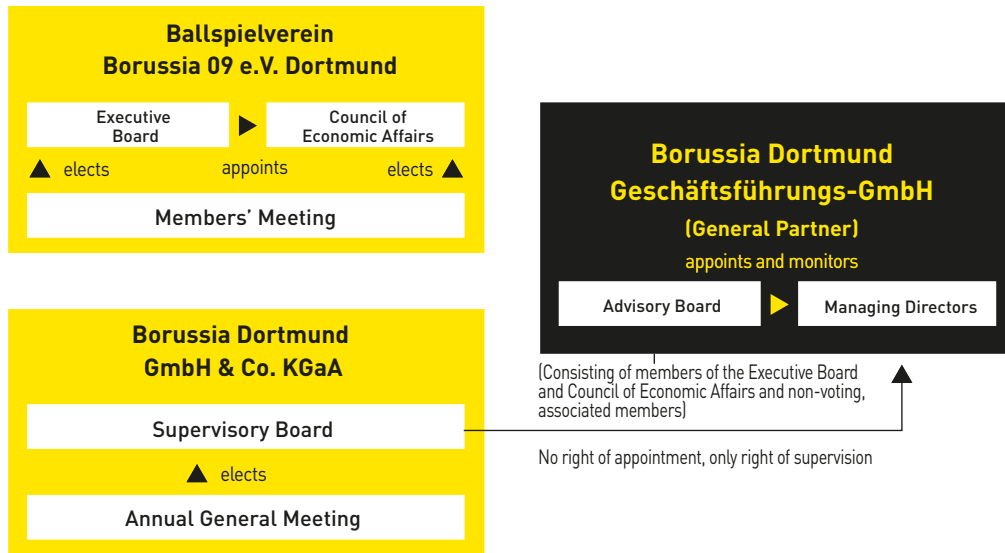
Some of these companies have concluded control and/or profit and loss transfer agreements with the parent.



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 in turn represented by its Managing Directors Hans-Joachim Watzke and Thomas Treß; 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 2016/2017 (EUR '000)

24	12	12	12	18	12	12	12	12
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OCCUPATIONS

Managing shareholder of Stadt-Parfümerie Pieper GmbH, Herne	Member of German Bundestag (until 30/09/2016) Senior Advisor to the Management Board of ING-DiBa AG, Frankfurt am Main (since 1/10/2016)	Managing partner of Bernd Geske Lean Communication, Meerbusch	Chairman of the Executive Board of Evonik Industries AG, Essen (since 24 May 2017)	Chairman of the Board of Executives of the RAG Foundation, Essen	Chairman of the Board of the SIGNAL IDUNA Group, 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
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OTHER RESPONSIBILITIES

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 Evonik Performance Materials GmbH, Essen (resigned with effect from 31 May 2017)	Chairman of the Supervisory Board of Evonik Industries AG, Essen Chairman of the Supervisory Board of RAG Aktiengesellschaft, Herne Chairman of the Supervisory Board of RAG Deutsche Steinkohle AG, Herne 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 Entwicklungsgesellschaft Zollverein mbH, Essen	Member and Chairman of the Supervisory Board of Dortmundener Volksbank eG, Dortmund Member and Chairman of the Supervisory Board of Sana Kliniken AG, Ismaning (since 22 June 2017)	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
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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

Management	
Hans-Joachim Watzke (Chairman)	Thomas Treß

Sports	Sales + Marketing	Communications	Human resources	Organisation	Finance + Facilities
Michael Zorc	Carsten Cramer	Sascha Fligge	Reinhard Beck	Dr. Christian Hockenjos	Marcus Knipping
▶ Professional football	▶ Commercialization (Sponsoring, Lagadère Sports, Hospitality)	▶ Communications strategy	▶ Human resources development	▶ Stadium management	▶ Accounting
▶ Scouting	▶ Marketing and Brand	▶ Corporate communications	▶ Internal communications	▶ Match organisation	▶ Payroll accounting
▶ Amateurs	▶ Ticketing	▶ Sports communications	▶ Work council	▶ Security management	▶ Financial control
▶ Youth	▶ Merchandising	▶ International and national PR	▶ Travel expense management	▶ Accreditation	▶ Balancing
	▶ Internationalization	▶ Publications	▶ Budgeting and monitoring of personnel costs	▶ Associations	▶ Risk management
	▶ Business Development	▶ Editorial work and content-management	▶ Recruiting	▶ Eventmanagement match organisation	▶ Shareholdings
	▶ Quality Management/ CSR		▶ Employee events	▶ Complaint management	▶ Investor relations
	▶ Digitalization and new media strategies			▶ Fan support	▶ Facility management without SIP
	▶ Sports & Bytes				▶ Property management
					▶ Fleet management
					▶ Insurance
					▶ Event and Catering
					▶ IT (Information Technology)
					▶ besttravel

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 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), the generation of positive cash flows from operating activities 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 income/loss 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 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 offers 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.

Achieving a positive result from operating activities (EBIT) and making the investments that depend on such results, mainly in the professional squad, should enable cash flows from operating activities to stabilise at a positive level on a lasting basis.

POSITION OF THE COMPANY

DEVELOPMENT OF PERFORMANCE INDICATORS

Development of financial performance indicators

In the 2016/2017 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 352,591 thousand in the reporting period. In the Annual Report as at 30 June 2016, Borussia Dortmund forecast sales of EUR 285,000 thousand for the current financial year.

Operating result (EBITDA)

The operating result in the current financial year amounted to EUR 61,040 thousand; the forecast for the full financial year in the Annual Report dated 30 June 2016 had projected EBITDA to exceed the result from operating activities (EBIT) by approximately EUR 58,000 thousand; this would have corresponded to EBITDA of EUR 58,051 thousand for the 2016/2017 financial year.

Result from operating activities (EBIT) / Net income for the year

The result from operating activities for the period from 1 July 2016 to 30 June 2017 amounted to EUR 51 thousand and the net income for the year totalled EUR 6,339 thousand.

The report on expected developments dated 30 June 2016 forecasted net income and result from operating activities (EBIT) in the low seven-figure range for the full financial year.

Cash flows

Cash flows from operating activities amounted to EUR 784 thousand (previous year: EUR 29,275 thousand). The management's forecast as at 30 June 2016 was for cash flows from operating activities in the low eight-figure range.

Overview of financial performance indicators:

Borussia Dortmund KGaA (HGB)

EUR '000	2016/2017	2015/2016
Sales	352,591	324,320
Operating result (EBITDA)	61,040	74,147
Result from operating activities (EBIT)	51	26,400
Net income for the year	6,339	28,262
Cash flows from operating activities	784	29,275

Development of non-financial performance indicators

In addition to financial indicators, which are primarily used for management accounting and comparative purposes, Borussia Dortmund also relies on non-financial performance indicators to form an overall view of its business. In terms of the Company's success, non-financial performance indicators are linked directly to financial performance indicators and vice versa. Therefore, Borussia Dortmund places great importance on monitoring and promoting non-financial indicators in addition to financial indicators.

Borussia Dortmund actively manages its brand in order to continuously broaden its brand awareness and fan base, both in Germany and abroad. Any resulting potential is then leveraged for various purposes.

Nowadays, dynamic networking via social media is itself a key performance indicator, meaning that microblogs and audiovisual online services have become mainstays of day-to-day business. In the past year, Borussia Dortmund gained a total of 1.76 million new followers across its digital platforms. The club recorded its largest growth on Instagram, where it added 844,074 followers year on year (increase of 25.14%). As at the end of the reporting date, Borussia Dortmund has more than 15 million Facebook fans.

Borussia Dortmund again successfully broadened the appeal of its brand as part of the club's ongoing internationalisation strategy in Asia. Borussia Dortmund's followers on Sina Weibo, one China's leading social media platforms, increased by 28.44%. On the weekend of the DFB Cup final, the match was one of the top trending topics on social media. From Saturday to Sunday, more than 120 million users followed the club's posts, tweets, etc. on Facebook, Twitter and other social media sites.

In March 2017, the analysis platform InfluencerDB named Borussia Dortmund as the leading brand among all German-language Instagram accounts. For the second year running, Borussia Dortmund is also the highest-trending European football club on Chinese digital media. The "Red Card 2017" study tracks the digital footprint of leagues and clubs across the Internet, social media, e-commerce and apps.

Borussia Dortmund also received high marks for its online fan shop, which trade magazine Internet World Business named Germany's "Best Brand Shop" at the Shop Awards in March on the basis of its concept and design.

Borussia Dortmund is also a leader outside the realm of social media. Germany's leading sport magazine kicker's semi-annual survey of Bundesliga players once again revealed that Borussia Dortmund has the league's best fans. When asked, "Which club apart from your own has the best fans?", 29% of active Bundesliga players responded: Borussia Dortmund.

Borussia Dortmund revamped its BVB KidsClub website so that the club's youngest fans can now also enjoy the fun and exciting user interface on any end device.

However, Borussia Dortmund also scores points outside the digital realm as well. The club also looks to leverage the appeal of its brand for its CSR activities, which are bundled under the club's "leuchte auf" non-profit foundation. As was the case in previous years, various lighthouse projects received funding and short-term project measures were implemented in cooperation with "leuchte auf". These collaborative efforts are a particularly important indicator and not motivated by profits or other financial considerations.

Borussia Dortmund's mentoring efforts on and off the pitch also highlight its outstanding youth outreach work as a cornerstone of the Company's long-term strategy. DFL Deutsche Fußball Liga once again commissioned an audit of the youth academy at the club's training ground. The scope of the audit included the structures in place, the qualifications of the staff members and the

assistance and mentoring opportunities and programmes available. Borussia Dortmund is using the audit firm's positive findings as an opportunity to further improve its pedagogical work, since the athletic and social development of young players can more or less equally influence the Company's financial and non-financial performance indicators.

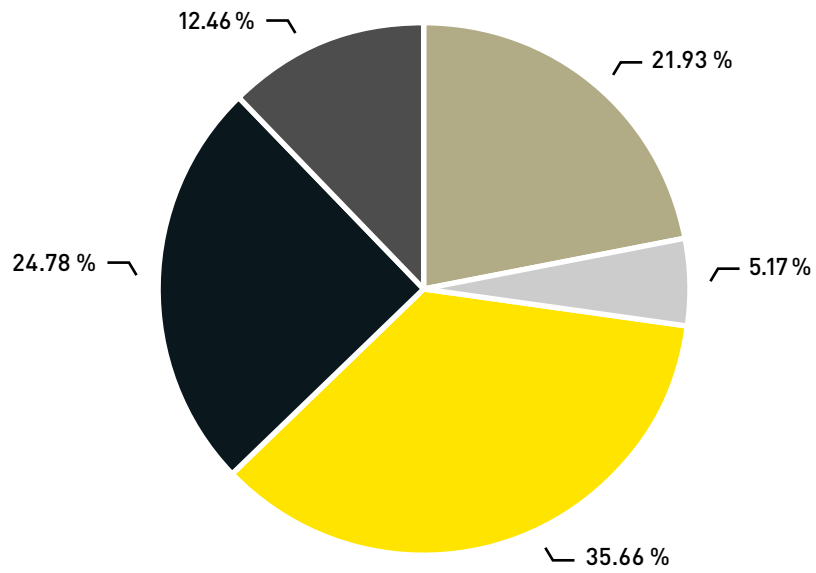
RESULTS OF OPERATIONS

During the reporting period (1 July 2016 to 30 June 2017), Borussia Dortmund generated sales of EUR 352,591 thousand (previous year: EUR 324,320 thousand) and gross revenue of EUR 356,390 thousand, an increase of EUR 29,273 thousand (8.95%) on the previous financial year. Earnings before taxes amounted to EUR 7,565 thousand (previous year: EUR 32,943 thousand), while the result from operating activities (EBIT) amounted to EUR 51 thousand (previous year: EUR 26,400 thousand).

During the current reporting year, the operating result (EBITDA) amounted to EUR 61,040 thousand (previous year: EUR 74,147 thousand).

Borussia Dortmund generated net income of EUR 6,339 thousand during the 2016/2017 financial year (previous year: EUR 28,262 thousand).

Sales in percent



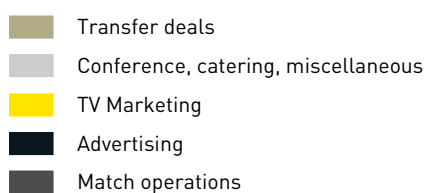
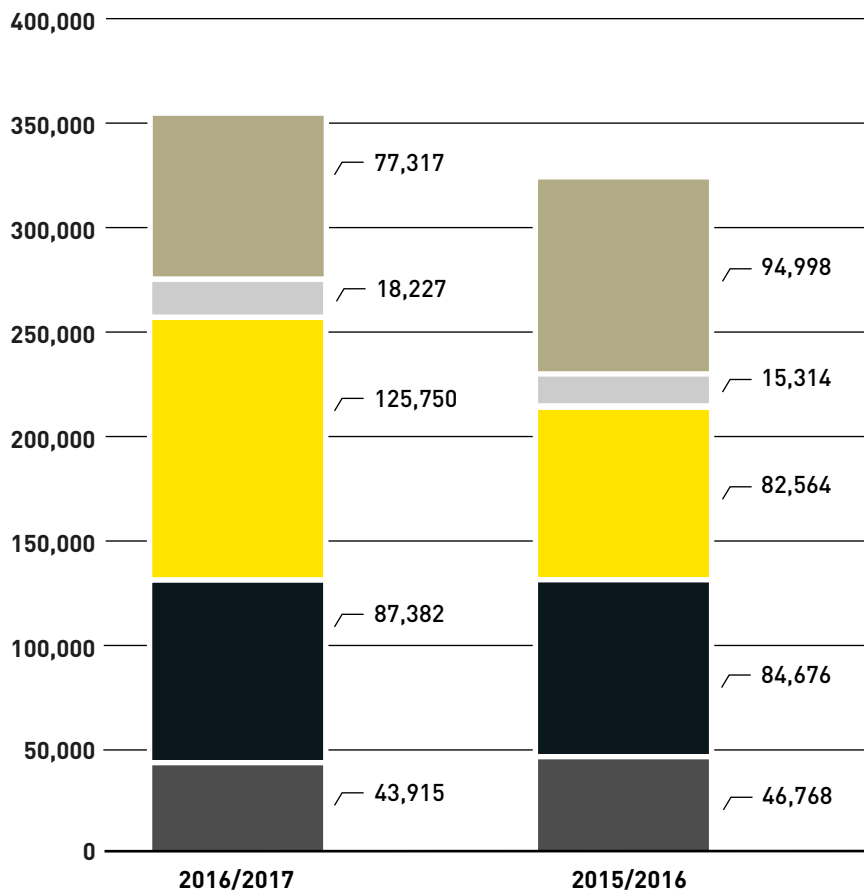
- Transfer deals
- Conference, catering, miscellaneous
- TV Marketing
- Advertising
- Match operations

SALES TREND

Borussia Dortmund generated sales of EUR 352,591 thousand in the 2016/2017 financial year. The 8.72% increase in sales is attributable to the rise in the TV marketing, advertising and conference, catering, and miscellaneous sales items. By contrast, sales from transfer deals and match operations was down year on year.

Sales was calculated in accordance with the amendments to § 277 (1) of the German Commercial Code (*Handelsgesetzbuch*, "HGB"); the prior-year sales in the income statement were not adjusted and would have amounted to EUR 325,483 thousand had the new provision been applied. The actual increase in sales thus amounted to 8.33%.

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 2,853 thousand to EUR 43,915 thousand in financial year 2016/2017.

As in previous years, Borussia Dortmund sold 55,000 season tickets at the beginning of the season; the demand for tickets for home matches also continues unabated. In contrast to the 2015/2016 season, Borussia Dortmund did not host any Sunday home matches at SIGNAL IDUNA PARK due to its participation in the UEFA Champions League. Income from match operations for domestic competitions remained virtually level at EUR 27,004 thousand (previous year: EUR 27,109 thousand), even though a partial stadium ban encompassing the south terrace had been imposed for one home match. Borussia Dortmund did not raise prices for season or match day tickets at the beginning of the season.

On the international stage, Borussia Dortmund advanced to the quarter-finals of the UEFA Champions League. The income generated from standard and hospitality tickets for those five home matches amounted to EUR 9,458 thousand (previous year: EUR 13,438 thousand). Borussia Dortmund hosted three fewer matches at SIGNAL IDUNA PARK than it did in the previous year, when the club successfully navigated two qualifying rounds and reached the quarter-finals of the UEFA Europa League.

For the fourth year running, Borussia Dortmund advanced to the final of the DFB Cup in Berlin. Income from ticket sales for national cup competitions increased by EUR 1,570 thousand to EUR 5,297 thousand due to the fact that the team competed in this year's DFL Super Cup and that the club hosted two DFB Cup home matches at SIGNAL IDUNA PARK. Since the home and away teams split the income (less expenses) for this competition, the proceeds are dependent on the number of seats available in the stadium.

In July 2016, Borussia Dortmund once again toured Asia. Unlike in the previous year, the club's second consecutive tour of Asia only included

stops in China as well as matches against Manchester United and Manchester City as part of the Champions Cup. The income that Borussia Dortmund generated in financial year 2016/2017 from these and other friendlies, including the proceeds generated by other teams, amounted to EUR 2,156 thousand, representing a slight decline of EUR 338 thousand on the previous year.

Income from advertising

In the financial year ended, Borussia Dortmund increased its advertising income by 3.20% to EUR 87,382 thousand (previous year: EUR 84,676 thousand), representing a share of 24.78% of total sales.

As in previous years, in addition to its primary sponsor, Evonik Industries AG, the holder of the stadium's naming rights, SIGNAL IDUNA Holding AG, and the kit supplier, PUMA International Sports Marketing B.V., Borussia Dortmund's Champion Partners during the 2016/2017 financial year were Hankook Reifen Deutschland GmbH, HUAWEI TECHNOLOGIES Deutschland GmbH, Opel Automobile GmbH, Radeberger Gruppe KG, Sparda Bank West eG, SPREHE Geflügel- u. Tiefkühlfeinkost Handels GmbH & Co. KG, Unitymedia NRW GmbH, WILLO SE and SIGNAL IDUNA Holding AG. Two new Champion Partners joined on for the 2016/2017 season: Eurowings Aviation GmbH and Zumtobel Lighting GmbH.

Furthermore, Borussia Dortmund gained additional sponsors in Asia as a result of the club's Asia tour in July 2016. In addition, Borussia Dortmund has partnered with European companies looking to leverage the appeal of the BVB brand to increase awareness for their own brands on the Asian market.

Advertising income also included bonuses for advancing to the round of 16 and quarter-finals of the UEFA Champions League, winning the DFB Cup, as well as for finishing the season in third place in the standings, thus qualifying directly for the group stage of the 2017/2018 UEFA Champions League season.

Income from TV marketing

In financial year 2016/2017, income from domestic and international TV marketing represented 35.66% of sales and increased by EUR 43,186 thousand year on year to EUR 125,750 thousand, primarily due to the fact that the club competed in the UEFA Champions League. The higher distribution of funds from the foreign pot for domestic TV marketing, the DFB Cup victory and the qualification for the DFL Super Cup also increased sales by 52.31%.

Income from domestic TV marketing amounted to EUR 66,113 thousand, up EUR 5,265 thousand against the prior-year reporting period. For the seventh consecutive year, Borussia Dortmund maintained its number-two ranking in the money distribution list of the five-year evaluation. This forms the basis for calculating the distribution of funds from the domestic pot. Due to Borussia Dortmund's successful performances in international club competitions over the previous five seasons and the steady improvement in its UEFA coefficient ranking, as well as the increase in income from international TV marketing for Bundesliga matches, the distribution from international TV marketing for Bundesliga matches rose by approximately 23.50% in the financial year ended.

The largest increase in financial year 2016/2017 was recorded in income from international TV marketing. During the reporting period from 1 July 2016 to 30 June 2017, this sales item amounted to EUR 50,993 thousand (previous year: EUR 17,233 thousand) and includes distributions for competing in the 2016/2017 UEFA Champions League season as well as surplus proceeds from the previous year.

The UEFA distributions for the UEFA Champions League are structured as they were in the previous year. They include the market pool's participation and match bonuses as well as performance-based bonuses.

In the DFB Cup, Borussia Dortmund reached the final in Berlin for the fourth year in a row and were crowned champions for the first time since 2012. At the beginning of the season, Borussia Dortmund contested the DFL Super Cup, for which it had qualified by virtue of its second-place Bundesliga finish in the previous year. Income from domestic cup competitions thus amounted to EUR 8,633 thousand (previous year: EUR 4,440 thousand).

Transfer income

In financial year 2016/2017, Borussia Dortmund generated income from transfer deals amounting to EUR 77,317 thousand (previous year: EUR 94,998 thousand).

In the reporting period from 1 July 2016 to 30 June 2017, Borussia Dortmund's transfer income was attributable primarily to the transfers of Henrikh Mkhitaryan (Manchester United), Matthias Ginter (Borussia Mönchengladbach), Gustavo Adrián Ramos Vásquez (Chongqing Dangdai Lifan Football Club, following his loan to Granada Club de Fútbol SAD), Jakub Błaszczykowski (VfL Wolfsburg), Pascal Stenzel (SC Freiburg), Moritz Leitner (Lazio Rome) and Jon Gorenc Stanković (Huddersfield Town AFC), 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 increased by EUR 2,913 thousand to EUR 18,227 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 180 thousand and now amount to EUR 4,738 thousand, due primarily to the decreased number of home matches.

Conference and catering sales comprises the hospitality areas and income from events; at EUR 3,099 thousand, this sales item was virtually level as compared to the previous year (EUR 3,126 thousand).

In the reporting period from 1 July 2016 to 30 June 2017, miscellaneous income – which includes the Evonik football academy, rental and lease income, and for the first time income reclassified from other operating income in accordance with the amendments to § 277 (1) HGB – increased by EUR 2,669 thousand year on year to EUR 6,815 thousand. This is attributable primarily to the transfer fees for SIGNAL IDUNA PARK, pro rata commissions for the Super Cup hosted in August 2016 and the international fixture held in March 2017, and the income from feed-in tariffs for electricity generated by the solar panels installed on the roof of SIGNAL IDUNA PARK.

Income from release fees for national team players called up for the German national team's matches amounted to EUR 3,575 thousand, representing a year-on-year increase of EUR 451 thousand. In addition to the release fees for players Mario Götze, André Schürrle, Julian Weigl and Matthias Ginter for World Cup qualifiers, the 2017 Confederations Cup or the senior team's friendlies, this income also includes the release fees for the U21, U20 and U19 national teams, the rosters of which included 12 Borussia Dortmund players in financial year 2016/2017. This item also includes distributions of EUR 1,879 thousand for the 2016 European Championships.

Other operating income increased by EUR 1,002 thousand year on year to EUR 3,799 thousand and includes prior-period income of EUR 383 thousand (previous year: EUR 840 thousand) and insurance reimbursements.

DEVELOPMENT OF SIGNIFICANT OPERATING EXPENSES

Personnel expenses

In financial year 2016/2017, personnel expenses amounted to EUR 165,993 thousand (previous year: EUR 128,996 thousand).

Personnel expenses for the professional squad and for the coaching and support staff increased by 32.44% year on year and include base salaries, bonuses for achieving sporting goals and severance payments.

Furthermore, Borussia Dortmund secured 64 points and third place in the Bundesliga, once again qualifying directly for the group stage of the 2017/2018 UEFA Champions League season.

In the reporting period, personnel expenses related to the retail and administration areas increased by EUR 112 thousand year on year to EUR 11,671 thousand.

Personnel expenses in relation to amateur and youth football amounted to EUR 7,397 thousand during the current 2016/2017 financial year (previous year: EUR 6,503 thousand).

Depreciation, amortisation and write-downs

Depreciation, amortisation and write-downs rose by EUR 13,242 thousand to EUR 60,989 thousand in the reporting period.

During the period from 1 July 2016 to 30 June 2017, intangible fixed assets – which consist primarily of Borussia Dortmund's player registrations – were amortised in the amount of EUR 51,900 thousand (previous year: EUR 39,402 thousand).

Write-downs for depreciation and amortisation increased by EUR 12,466 thousand, primarily due to investments in the professional squad related to signings of Marc Bartra, Ousmane Dembélé, Mario Götze, Raphaël Guerreiro, Alexander Isak, Mikel Merino, Emre Mor, Sebastian Rode and André Schürrle as well as the departures of Ilkay Gündogan, Mats Hummels, Moritz Leitner and Henrikh Mkhitaryan.

Depreciation and write-downs of tangible fixed assets rose from EUR 8,345 thousand to EUR 9,089 thousand. This was attributable primarily to investments in SIGNAL IDUNA PARK such as the expansion of the media centre and the entrances, investments in the Brackel training ground, as well as renovations at the football academy.

Other operating expenses

Other operating expenses increased by EUR 5,383 thousand from EUR 123,974 thousand in the previous year to EUR 129,357 thousand in the reporting period.

The largest increase under this item was seen in advertising expenses, which rose by EUR 3,779 thousand to EUR 27,464 thousand. As in previous years, this was due primarily to performance-related agency commissions to Lagardère Sports Germany GmbH.

Expenses resulting from transfer deals decreased by EUR 391 thousand to EUR 31,535 thousand. These include primarily the derecognition of the residual carrying amounts and the costs associated with the sale of the players Jakub Blaszczykowski, Matthias Ginter, Henrikh Mkhitaryan and Gustavo Adrián Ramos Vásquez.

Expenses from match operations also increased, from EUR 42,979 thousand to EUR 43,852 thousand. This was due to the increase in football association fees due to the higher distribution of funds from the foreign pot for domestic TV marketing as well as the increase in expenses for security staff.

Financial result

The financial result for financial year 2016/2017 amounted to EUR 7,514 thousand (previous year: EUR 6,543 thousand) and breaks down as follows:

In addition to the EUR 33 thousand in income from the long-term equity investment in Orthomed GmbH, the income from profit and loss transfer agreements amount to EUR 7,836 thousand. These include the results of BVB Merchandising GmbH, BVB Event & Catering GmbH, BVB Stadionmanagement GmbH and Sports & Bytes GmbH. In November 2016, the Annual General Meeting also resolved to enter into a profit and loss transfer agreement with besttravel dortmund GmbH.

Furthermore, the Company generated interest income of EUR 678 thousand, attributable primarily to adjustments to transfer receivables. This was offset by other interest expenses amounting to EUR 1,033 thousand.

ANALYSIS OF CAPITAL STRUCTURE

BALANCE SHEET

Borussia Dortmund GmbH & Co. Kommanditgesellschaft auf Aktien, Dortmund

ASSETS	30/06/2017		30/06/2016	
	EUR '000	in %	EUR '000	in %
A. FIXED ASSETS				
I. Intangible fixed assets				
1. Purchased concessions and similar rights and assets, and licences in such rights and assets	141,186	28.9	62,992	14.6
2. Prepayments	0	0,0	2,196	0.5
	141,186	28.9	65,188	15.1
II. Tangible fixed assets				
1. Land, land rights and buildings including buildings on third-party land	173,128	35.5	175,075	40.5
2. Other equipment, operating and office equipment	13,562	2.8	13,499	3.1
3. Prepayments and assets under construction	889	0.2	580	0.1
	187,579	38.5	189,154	43.7
III. Long-term financial assets				
1. Shares in affiliated companies	13,607	2.8	13,561	3.2
2. Equity investments	96	0.0	96	0.0
3. Other loans	1,947	0.4	1,709	0.4
	15,650	3.2	15,366	3.6
	344,415	70.6	269,708	62.4
B. CURRENT ASSETS				
I. Inventories				
Merchandise	46	0.0	46	0.0
II. Receivables and other assets				
1. Trade receivables	53,433	11.0	83,160	19.2
2. Receivables from affiliated companies	8,749	1.8	7,472	1.7
3. Other assets	2,457	0.5	752	0.2
	64,639	13.3	91,384	21.1
III. Cash-in-hand, bank balances	45,360	9.3	49,682	11.5
	110,045	22.6	141,112	32.6
C. PREPAID EXPENSES	33,249	6.8	21,586	5.0
	487,709	100.0	432,406	100.0

As at 30 June 2017, total assets amounted to EUR 487,709 thousand, representing an increase of EUR 55,303 thousand as compared to 30 June 2016.

Fixed assets increased to EUR 74,707 thousand due primarily to investments in the professional squad. Investments amounting to EUR 151,646

thousand (of which EUR 143,770 thousand in intangible fixed assets) were partly offset by disposals amounting to EUR 15,950 thousand and depreciation, amortisation and write-downs amounting to EUR 60,989 thousand.

By contrast, as at 30 June 2017, current assets amounted to EUR 110,045 thousand, representing

a decrease of EUR 31,067 thousand as against 30 June 2016. This change was due in particular to the decline in trade receivables to EUR 53,433 thousand (previous year: EUR 83,160 thousand) attributable to the payments received for transfer receivables. The cash-in-hand, bank balances

item decreased from EUR 49,682 thousand in the previous year to EUR 45,360 thousand.

Prepaid expenses increased by EUR 21,586 thousand to EUR 33,249 thousand. This was due to prepaid agent fees and personnel expenses.

BALANCE SHEET

Borussia Dortmund GmbH & Co. Kommanditgesellschaft auf Aktien, Dortmund

EQUITY AND LIABILITIES	30.06.2017		30.06.2016	
	EUR '000	in %	EUR '000	in %
A. EQUITY				
I. Subscribed capital	92,000	18.9	92,000	21.3
less nominal value of treasury shares	-19	0.0	-19	0.0
	91,981	18.9	91,981	21.3
II. Issued capital	144,337	29.6	144,337	33.4
III. Revenue reserves				
1. Reserve for treasury shares	19	0.0	19	0.0
2. Other revenue reserves	105,631	21.7	82,888	19.2
	105,650	21.7	82,907	19.2
IV. Net retained profits	6,339	1.3	28,262	6.5
	348,307	71.5	347,487	80.4
B. PROVISIONS				
1. Provisions for taxes	590	0.1	5,072	1.1
2. Other provisions	12,251	2.5	9,069	2.1
	12,841	2.6	14,141	3.2
C. LIABILITIES				
1. Trade payables	62,218	12.7	14,137	3.2
2. Liabilities to affiliated companies	1,271	0.2	1,544	0.4
3. Other liabilities	33,532	6.9	22,830	5.3
of which from taxes: EUR 14,786 thousand (previous year: EUR 13,899 thousand) of which in relation to social security: EUR 19 thousand (previous year: EUR 15 thousand)				
	97,021	19.8	38,511	8.9
D. DEFERRED INCOME	29,540	6.1	32,267	7.5
	487,709	100.0	432,406	100.0

Taking into account net income for the year, Borussia Dortmund's equity amounted to EUR 348,307 thousand as at 30 June 2017. This corresponds to an equity ratio of 71.5% (previous year: 80.4%).

The change in equity is due primarily to the net income for the year of EUR 6,339 thousand, appropriation to other revenue reserves amounting to EUR 22,743 thousand and a dividend distribution of EUR 5,519 thousand.

Other provisions increased by EUR 3,182 thousand due in particular to staff-related obligations. Provisions for taxes decreased by EUR 4,482 thousand to EUR 590 thousand as compared to the previous year; this was attributable to payments and the decline in net income for the year.

Liabilities increased by EUR 58,510 thousand as compared to the figures at the previous year's balance sheet date. The breakdown of the increase is described in the following:

Due to transfer investments, trade payables increased by EUR 48,081 thousand to EUR 62,218 thousand as compared to 30 June 2016. Liabilities to affiliated companies (EUR 1,271 thousand) were slightly below the previous year's figure (previous year: EUR 1,544 thousand).

Other liabilities increased by EUR 10,702 thousand to EUR 33,532 thousand, attributable primarily to personnel-related liabilities not yet due.

Deferred income decreased by EUR 2,727 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 96,233 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 7,972 thousand and primarily include fixtures and expansions at SIGNAL IDUNA PARK, the training ground in Brackel and the football academy.

ANALYSIS OF LIQUIDITY

As at 30 June 2017, Borussia Dortmund held unrestricted cash funds of EUR 45,360 thousand. Borussia Dortmund also had access to an additional EUR 15,000 thousand in overdraft facilities which had not been drawn down as at the balance sheet date.

Proceeds from the sale of player registrations amounted to EUR 105,617 thousand in the past financial year. Payments for investments in the professional squad amounted to EUR 96,200 thousand.

Cash flows from operating activities amounted to EUR 784 thousand and are calculated as follows:

EUR '000	2016/2017	2015/2016
Net income/net loss for the period	6,339	28,262
+ Depreciation, amortisation and write-downs of fixed assets	60,989	47,747
+ Non-cash expenses and income	-3,565	-4,668
+/- Increase/decrease in provisions	3,210	4,889
- Interest expense	1,033	813
- Interest income	-678	-121
Income tax expense	964	4,432
Other investment income	-33	-547
- Gains on disposal of fixed assets	-89,726	-74,256
- Increase in inventories, trade receivables and other assets not attributable to investing or financing activities	15,082	6,296
- Decrease in trade payables and other liabilities not attributable to investing or financing activities	12,643	16,507
Income taxes paid	-5,474	-79
= Cash flows from operating activities	784	29,275

NET ASSETS

Borussia Dortmund's total assets increased from EUR 432,406 thousand to EUR 487,709 thousand. Fixed assets increased by EUR 74,707 thousand, due in particular to transfer-related investments in player registrations.

As at the balance sheet date, trade and other financial receivables decreased by EUR 26,745 thousand, which was attributable primarily to income from transfer receivables.

In addition to prepayments for other services, prepaid expenses primarily include future personnel expenses amounting to EUR 21,461 thousand (previous year: EUR 12,709) and prepayments for agent and brokerage commissions amounting to EUR 8,686 thousand (previous year: EUR 6,778 thousand).

OVERALL ASSESSMENT OF FINANCIAL POSITION AND PERFORMANCE AND BUSINESS DEVELOPMENT

Borussia Dortmund ended the 2016/2017 financial year with net income for the year of EUR 6,339 thousand.

Taking into account the net income for the year, the equity ratio is calculated at 71.5%. As at 30 June 2017, Borussia Dortmund held unrestricted

cash funds of EUR 45,360 thousand. As at the balance sheet date, Borussia Dortmund had access to an additional EUR 15,000 thousand in overdraft facilities which had not been drawn down.

Overall, business development during financial year 2016/2017 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: 17) 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 seven main categories, which are explained in greater detail below.

All 56 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.

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 three 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, where conservative corporate planning can conflict with the promotion of and investment in sporting development. Financial performance and business development are largely dependent on footballing success. 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. The Company's equity, equity ratio and strategic partnerships with key sponsors as well as the new TV agreement places Borussia Dortmund in a position to remain profitable even in years where the team enjoys less footballing success. 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. 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 four high priority risks:

The importance of protecting confidential information continues to grow. Unauthorised

internal or external access could cause such information to be disclosed to third parties. With knowledge of the Company's internal affairs, staff could procure benefits, or other parties could cause serious damage to the Company or its very existence. Information could also be used in order to influence the Company's value on the stock exchange. The risks associated with the above are lessened thanks to the implementation and control of effective authorisation concepts, coding, and the use of data encryption technology. To counter unauthorised external access, Borussia Dortmund engages an independent company to conduct penetration tests and analyse any weak points and suitable fixes and remedies. The findings are used to prepare plans for preventing future attacks.

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 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 in the past financial year thanks to the club's new signings. These increased the depth of its roster, ensuring that back-ups were available for all positions.

If established case law changes with the effect that player contracts can no longer be limited in term, this would create a risk with diverse ramifications for Borussia Dortmund. Any such change would have far-reaching consequences, even though Borussia Dortmund already concludes long-term player contracts with a view to ensuring stability in its human resources planning. The Federal Labour Court (Bundesarbeitsgericht) will rule on the legality of fixed-term employment contracts for professional football players. The background of this case is

that a player brought legal action after his two-year contract expired, claiming that the contract should be requalified as an employment contract of indefinite duration. The Higher Labour Court (Landesarbeitsgericht) of Rhineland-Palatinate ruled that fixed-term employment contracts with professional football players are legal given the specific nature of the work such players perform. However, the decision did open the door to an appeal on points of law to the Federal Labour Court. The case is expected to be heard at the end of the year.

In light of the recent tragic incident described below, Borussia Dortmund re-evaluated the risk of travel and other accidents and terrorist attacks, which it subsequently re-classified as high priority. On 11 April 2017, as Borussia Dortmund was preparing to play against AS Monaco in the Champions League, three explosive devices targeting the team bus were detonated. BVB player Marc Bartra and one police officer were injured in the attack.

In direct response to the incident, Borussia Dortmund expanded its security department and revised existing and prepared new security plans. The club also appointed a head of security and a deputy head of security.

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. Leading economists are monitoring current economic developments in Germany. According to research institutes, the German economy is experiencing a moderate upswing for the fifth year running. However, compared to previous upturns, the economic momentum is minor.

For the current year, 2017, the institutes forecast real GDP growth of 1.5% in Germany. According to the forecast, the labour market will continue to improve, albeit at a slower pace in the coming year. The research institutes are of the opinion that in recent years policymakers have done little in the way of improving the prospects for growth in Germany.

The risk of right-wing extremism is a societal risk that can have a direct impact on the corporate environment, particularly because of the platform that matches offer for extremist activity, with the large number of spectators and the media attention. A consequence of this risk would be damage to reputation and an associated decline in interest on the part of business partners such as sponsors, investors and fans. 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 ensures that the atmosphere in and outside the stadium is welcoming, cosmopolitan and diverse. Enhanced security checks and camera surveillance have been implemented, and, where necessary, individuals are banned from stadiums or charged with criminal offences.

The increased willingness of certain individuals to commit violence at stadiums is an additional risk confronting the Group. Incidents of fan violence have increased in recent years. Certain individuals and groups actively seek out altercations, often with little regard for the safety of innocent bystanders. Banners threatening and inciting hatred and violence towards others, including match officials, are often displayed during matches. Such incidents not only damaged the reputation of Borussia Dortmund fans in the past financial year, but also led the German Football Association to impose a partial stadium ban encompassing the south terrace. Borussia Dortmund will continue to counter this risk with enhanced security checks, camera surveillance, stadium bans and criminal complaints. Borussia

Dortmund also relies on prevention efforts, such as fostering and engaging in institutional dialogue with fans.

There is a recurring discussion about who should shoulder the costs incurred by government organisations, particularly the police, for providing security at home matches. Passing these costs on to the Bundesliga clubs would present an earnings and liquidity risk for those clubs, Borussia Dortmund included. In light of the ongoing discussion, North Rhine-Westphalia has already reduced its police presence from some 350 to approximately 250 officers for "normal" league matches at SIGNAL IDUNA PARK. On 17 May 2017, as the court of first instance, the Higher Administrative Court (Verwaltungsgericht) of Bremen ruled that the Federal State of Bremen's fee schedule was unlawful and annulled it on the grounds of clerical errors. DFL Deutsche Fußball Liga GmbH thus won its lawsuit. The court ruling did not touch on whether or not it is in general permissible to pass on costs of policing high-risk matches to the Bundesliga.

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. The risk entails damage to reputation as a result of targeted campaigns, as well as trademark and copyright infringements. Effective risk management as it pertains to social media not only encompasses risk prevention measures but also precautionary measures for worst-case scenarios. To minimise this risk, mentions of the Company on the Internet and on social media networks are viewed, and the light in which the Company is presented is checked.

Category 4 – competitive risk

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

This category includes four 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 and the resulting upheaval of the team could jeopardise the achievement of sporting goals. Even though success is rarely due to the efforts of one player alone, a team can quickly become weaker if key players, or play-makers, leave. By signing and replenishing its ranks with highly-talented players, Borussia Dortmund was able to absorb the loss of key players and still achieve its sporting objectives. The transfer policy is geared towards assembling a gifted team built for success, now and in the future. Our professional scouting department makes it possible to find replacements at short notice.

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.

The fourth risk in this category is the risk of a potential stadium catastrophe, the consequences of which could be wide and varied and entail significant cost, and also cause lasting damage to

the Company's image. The attacks in Nice, Berlin and London once again demonstrated that terror can strike anywhere, at any time and in any form. 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.

Category 5 – liquidity risk

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

This category includes two high priority risks:

A potential loss of significant financial backers and sponsors is also included in this risk category. The insolvency of key business partners could place significant burdens on liquidity. In order to continue minimising the risk of losing sponsors, including in times of increasing globalisation and political upheaval, Borussia Dortmund continuously

revises its longstanding accounts receivable management system in line with the prevailing conditions. 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. Key measures for minimising this risk include assessing the creditworthiness of customers prior to order acceptance or preparing agreements, monitoring maturities, weekly, intragroup dunning procedures and initiating additional measures in the event of a default in payment, such as the engagement of collection agencies.

Fewer footballing successes generally translate to reductions in sales, while the fixed components of player salaries remain constant.

The risk associated with the volume of player salaries means that it is likely that it will not be possible for the variable portions to offset the reductions in sales. In order to manage this risk, personnel expenses are budgeted in advance and continuously monitored.

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

OPPORTUNITIES

Borussia Dortmund's return to the UEFA Champions League again affords the club 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.

The renewed invitation to the International Champions Cup in Asia 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 the competition in connection with its preseason tour in Asia presents an opportunity to further heighten awareness for its brand and thus its marketing activities.

From a footballing standpoint, the squad under new coach Peter Bosz was strengthened to address specific needs and built for future success. In particular, the signings of U21 European Champions Mahmoud Dahoud and Maximilian Philipp are further investments in the future.

Furthermore, the DFL Deutsche Fußball Liga GmbH's new TV agreement provides added security with regard to potential sales streams in coming seasons, while offering internationally successful clubs the opportunity to multiply those cash flows.

As was the case in previous years, European clubs are increasingly interested in Borussia Dortmund's players – many of whom were signed when they were still relative unknowns –, providing the club the opportunity to generate high levels of transfer income.

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 would contribute 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 2017/2018 season. The team qualified directly for the lucrative group stage of the competition by virtue of its third 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 six 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 income for the year for a seventh 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.

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 does not plan on transfer income; however, given Borussia Dortmund'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

Amortisation and write-downs associated with the high level of transfer activities in the past season weighed down the operating result. Therefore, the management currently expects Borussia Dortmund to generate net income in the low seven-digit range in the coming 2017/2018 financial year. However, the exact result depends to a large extent on the club's sporting success and as yet unknown transfer deals, and is therefore very difficult to plan.

Consequently, net income for the year and EBIT are expected to be in the low seven-figure range. Depreciation, amortisation and write-downs are expected to amount to EUR 63,000 thousand, with the operating result (EBITDA) forecast to exceed the result from operating activities (EBIT) by this amount.

Expected sales trend

Based on conservative estimates, Borussia Dortmund expects to generate sales of EUR 300,000 thousand in the coming financial year. This represents a year-on-year decrease of approximately EUR 50,000 thousand and is attributable primarily to the high level of sales generated from transfer deals during the 2016/2017 financial year. However, the Company's other sales items are expected to increase in the coming financial year.

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 only those expenditures commensurate with the club's success are expected.

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.

EXPECTED DIVIDEND

The management will recommend to the Annual General Meeting that it resolve to use the net retained profits of EUR 6,339 thousand for financial year 2016/2017 to distribute a dividend of EUR

0.06 per share carrying dividend rights (totalling EUR 5,519 thousand) for financial 2016/2017 and to transfer the remainder (EUR 820 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 2017/2018 to be in the low seven-figure range.

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 (1) No. 2 AktG.

REPORT IN ACCORDANCE WITH § 289 (4) OF THE HGB

The following information has been provided by the Company in response to the requirements of § 289 (4) nos. 1 to 9 HGB (in the version until 18 April 2017):

1. As at 30 June 2017, 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 2017:
 - 1) Evonik Industries AG, Essen, Germany: 14.78% of the voting rights
 - 2) Ballspielverein Borussia 09 e.V. Dortmund, Dortmund, Germany: 14.54% of the voting rights (of which 5.53% held directly and 9.01% held indirectly by including the voting rights of Bernd Geske, Germany, pursuant to § 22 (2) WpHG)
 - 3) Bernd Geske, Meerbusch, Germany: 14.54% of the voting rights (of which 9.01% 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) 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 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, 25 August 2017

Borussia Dortmund GmbH & Co. Kommanditgesellschaft auf Aktien

Borussia Dortmund Geschäftsführungs-GmbH



Hans-Joachim Watzke
Managing Director (Chairman)



Thomas Treß
Managing Director



ANNUAL FINANCIAL STATEMENT

Borussia Dortmund GmbH & Co. Kommanditgesellschaft auf Aktien, Dortmund



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ANNUAL FINANCIAL STATEMENTS for the financial year from 1 July 2016 to 30 June 2017

BALANCE SHEET

Borussia Dortmund GmbH & Co. Kommanditgesellschaft auf Aktien, Dortmund

EUR '000	30/06/2017	30/06/2016
ASSETS		
A. FIXED ASSETS		
I. Intangible fixed assets		
1. Purchased concessions, industrial and similar rights and assets, and licences in such rights and assets	141,186	62,992
2. Prepayments	0	2,196
	141,186	65,188
II. Tangible fixed assets		
1. Land, land rights and buildings including buildings on third-party land	173,128	175,075
2. Other equipment, operating and office equipment	13,562	13,499
3. Prepayments and assets under construction	889	580
	187,579	189,154
III. Long-term financial assets		
1. Shares in affiliated companies	13,607	13,561
2. Equity investments	96	96
3. Other loans	1,947	1,709
	15,650	15,366
	344,415	269,708
B. CURRENT ASSETS		
I. Inventories		
Merchandise	46	46
II. Receivables and other assets		
1. Trade receivables	53,433	83,160
2. Receivables from affiliated companies	8,749	7,472
3. Other assets	2,457	752
	64,639	91,384
III. Cash-in-hand, bank balances		
	45,360	49,682
	110,045	141,112
C. PREPAID EXPENSES		
	33,249	21,586
	487,709	432,406

EUR '000	30/06/2017	30/06/2016
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	105,631	82,888
	105,650	82,907
IV. Net retained profits	6,339	28,262
	348,307	347,487
B. PROVISIONS		
1. Provisions for taxes	590	5,072
2. Other provisions	12,251	9,069
	12,841	14,141
C. LIABILITIES		
1. Trade payables	62,218	14,137
2. Liabilities to affiliated companies	1,271	1,544
3. Other liabilities	33,532	22,830
of which from taxes: EUR 14,786 thousand (previous year: EUR 13,899 thousand)		
of which in relation to social security: EUR 19 thousand (previous year: EUR 15 thousand)		
	97,021	38,511
D. DEFERRED INCOME	29,540	32,267
	487,709	432,406

INCOME STATEMENT

Borussia Dortmund GmbH & Co. Kommanditgesellschaft auf Aktien, Dortmund

EUR '000	01/07/2016 – 30/06/2017	01/07/2015 – 30/06/2016
1. Sales	352,591	324,320
2. Other operating income	3,799	2,797
	356,390	327,117
3. Personnel expenses		
a) Wages and salaries	-161,568	-124,885
b) Social security, post-employment and other employee benefit costs of which for post-employment: EUR 295 thousand (previous year: EUR 311 thousand)	-4,425	-4,111
	-165,993	-128,996
4. Amortisation and write-downs of intangible fixed assets and depreciation and write-downs of tangible fixed assets	-60,989	-47,747
5. Other operating expenses	-129,357	-123,974
6. Income from other long-term equity investments - all of which from affiliated companies -	33	547
7. Income from profit and loss transfer agreements - all of which from affiliated companies -	7,836	6,688
8. Other interest and similar income of which from compounding: EUR 676 thousand (previous year: EUR 78 thousand)	678	121
9. Interest and similar expenses of which from discounting: EUR 241 thousand (previous year: EUR 747 thousand)	-1,033	-813
10. Earnings before taxes	7,565	32,943
11. Taxes on income	-964	-4,432
12. Earnings after taxes	6,601	28,511
13. Other taxes	-262	-249
14. Net retained profits	6,339	28,262

NOTES Borussia Dortmund GmbH & Co. Kommanditgesellschaft auf Aktien, Dortmund, for the financial year from 1 July 2016 to 30 June 2017

(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 2016 to 30 June 2017 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 § 315a (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. The earnings before taxes line item was added for the purpose of comparing current and prior-year financial statements.

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.

Sales was calculated in accordance with the amendments to § 277 (1) HGB; however, the prior-year sales and corresponding items in the income statement were not adjusted.

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 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.

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 2017/2018 season. 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	30/06/2017	30/06/2016
Intangible fixed assets	141,186	65,188
Tangible fixed assets	187,579	189,154
Long-term financial assets	15,650	15,366
	344,415	269,708

Intangible fixed assets consist of purchased player registrations (EUR 140,678 thousand; previous year: EUR 62,373 thousand), trademark rights and computer software; the additions in financial year 2016/2017 amounted to EUR 143,770 thousand. These were due primarily to the signings of the players Ousmane Dembélé, Marc Bartra, Emre Mor, Raphaël Guerreiro, Sebastian Rode, Mikel Merino, Mario Götze, André Schürrle and Alexander Isak. This item also includes subsequent costs for existing player registrations.

The additions were offset by amortisation and write-downs on the carrying amounts of the player registrations during the reporting period. Amortisation and write-downs amounted to EUR 51,900 thousand, of which EUR 51,710 thousand was attributable to player registrations.

Disposals of intangible fixed assets during the reporting period related primarily to the departures of the players Jakub Błaszczykowski, Moritz Leitner, Henrikh Mkhitaryan, Gustavo Adrián Ramos Vásquez, Matthias Ginter, Joseph-Claude Gyau, Jon Gorenc Stanković, Domagoj Drozdek and Alexander Laukart.

As at the balance sheet date, tangible fixed assets amounted to EUR 187,579 thousand, of which EUR 139,617 related to the stadium property.

Additions to tangible fixed assets amounting to EUR 7,575 thousand were attributable primarily to investments in the football academy, SIGNAL IDUNA PARK, and the training ground in Brackel.

In order to meet the football academy's sporting needs, a new artificial pitch was installed. Renovations were also conducted at the administrative offices.

At SIGNAL IDUNA PARK, the construction of the new media centre at the stadium's southeast corner was completed and additional investments were made in the Regulars Table.

At the Brackel training ground, the land at Max-Michaliek-Straße was acquired. In addition, in mid-April 2017, construction began on spectator stands that will give the matches of the youth teams a familiar stadium feel. A new athletics and media building is also under construction. As at the balance sheet date, these two projects are reported under prepayments.

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.

Furthermore, long-term financial assets primarily include a tenant's loan relating to the administration building reported under other loans.

The Company has entered into profit and loss transfer agreements with its subsidiaries, BVB Stadionmanagement GmbH, BVB Event & Catering GmbH, Sports & Bytes GmbH and besttravel dortmund GmbH, and a control and profit and loss transfer agreement (profit and loss transfer agreement from 1 July 2017 onwards) with BVB Merchandising 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 30/06/2017
	As at 30/06/2016	Additions	Reclassification	Disposals	
I. Intangible fixed assets					
1. Purchased concessions, industrial and similar rights and assets, and licences in such rights and assets	146,953	143,770	2,196	57,715	235,204
2. Prepayments	2,196	0	-2,196	0	0
	149,149	143,770	0	57,715	235,204
II. Tangible fixed assets					
1. Land, land rights and buildings including buildings on third-party land	199,317	3,195	972	0	203,484
2. Other equipment, operating and office equipment	33,324	2,919	180	74	36,349
3. Prepayments and assets under construction	580	1,461	-1,152	0	889
	233,221	7,575	0	74	240,722
III. Long-term financial assets					
1. Shares in affiliated companies	13,561	46	0	0	13,607
2. Equity investments	96	0	0	0	96
3. Other loans	1,709	255	0	17	1,947
	15,366	301	0	17	15,650
	397,736	151,646	0	57,806	491,576

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	Change in depreciation, amortisation and write-downs				Carrying amounts	
	As at 30/06/2016	Additions	Disposals	As at 30/06/2017	As at 30/06/2017	As at 30/06/2016
	83,961	51,900	41,843	94,018	141,186	62,992
	0	0	0	0	0	2,196
	83,961	51,900	41,843	94,018	141,186	65,188
	24,242	6,114	0	30,356	173,128	175,075
	19,825	2,975	13	22,787	13,562	13,499
	0	0	0	0	889	580
	44,067	9,089	13	53,143	187,579	189,154
	0	0	0	0	13,607	13,561
	0	0	0	0	96	96
	0	0	0	0	1,947	1,709
	0	0	0	0	15,650	15,366
	128,028	60,989	41,856	147,161	344,415	269,708

Current assets

Current assets are made up as follows:

EUR '000	30/06/2017	30/06/2016
Inventories	46	46
Trade receivables	53,433	83,160
Receivables from affiliated companies	8,749	7,472
Other assets	2,457	752
Cash-in-hand, bank balances	45,360	49,682
	110,045	141,112

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

Trade receivables includes transfer receivables amounting to EUR 49,465 thousand (previous year: EUR 80,080 thousand).

Trade receivables with a term of more than one year amounted to EUR 10,256 thousand (previous year: EUR 0 thousand).

Other assets include primarily tax receivables, receivables from visiting team ticket allotments and receivables from insurance reimbursements.

No bank balances have been pledged as security for loans.

Prepaid expenses

In addition to prepayments for other services, prepaid expenses include primarily prepayments for personnel expenses in connection with contract extensions amounting to EUR 21,461 thousand

(previous year: EUR 12,709 thousand) and prepayments for agent fees and brokerage commissions amounting to EUR 8,686 thousand (previous year: EUR 6,778 thousand).

Equity

EUR '000	30/06/2017	30/06/2016
Issued / subscribed capital	91,981	91,981
Capital reserves	144,337	144,337
Revenue reserves	105,650	82,907
Net retained profits	6,339	28,262
	348,307	347,487

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
07/2016 – 12/2016	0				0,00
As at 31/12/2016		18,900	18,900,00	0.021	
01/2017 – 06/2017	0				0,00
As at 30/06/2017		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 disappled:

- 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	01/07/2016	Additions	Withdrawals	30/06/2017
Capital reserves	144,337	0	0	144,337
Revenue reserves	82,907	22,743	0	105,650
	227,244	22,743	0	249,987

The annual financial statements for the financial year from 1 July 2015 to 30 June 2016 were adopted at the Annual General Meeting on 21 November 2016. The net retained profits of EUR 28,262,214.44 reported in the Company's annual financial statements for the 2015/2016 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 22,743,348.44 was transferred to other revenue reserves.

The dividend was paid on 23 November 2016.

Changes in equity were as follows:

Changes in equity

EUR '000	01/07/2016	Additions/ withdrawals	Dividend	Net income for the year	30/06/2017
Issued capital	91,981	0	0	0	91,981
Capital reserves	144,337	0	0	0	144,337
Revenue reserves	82,907	22,743	0	0	105,650
Net retained profits	28,262	-22,743	-5,519	6,339	6,339
	347,487	0	-5,519	6,339	348,307

Provisions

EUR '000	30/06/2017	30/06/2016
Provisions for taxes	590	5,072
Other provisions	12,251	9,069
	12,841	14,141

Provisions for taxes amounted to EUR 590 thousand and include mainly the tax obligations from the past financial year.

Other provisions primarily include staff-related and profit-related obligations and provisions for outstanding invoices and legal disputes.

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 2017 are shown in the following overview:

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

EUR '000	Total 30/06/2016	of which with a residual term of		
		less than 1 year	1 – 5 years	more than 5 years
Trade payables	14,137	10,717	3,420	0
Liabilities to affiliated companies	1,544	1,544	0	0
Other liabilities	22,830	22,830	0	0
of which from taxes EUR 13,899 thousand (previous year: EUR 6,513 thousand)				
of which social security EUR 15 thousand (previous year: EUR 14 thousand)				
	38,511	35,091	3,420	0

As at 30 June 2017, trade payables amounted to EUR 62,218 thousand, of which EUR 50,525 thousand (previous year: EUR 2,580 thousand) related to transfer deals.

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.

They also include liabilities to the general partner amounting to EUR 782 thousand (previous year: EUR 811 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 2017/2018 season. 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 30/06/2017	of which with a residual term of		
		less than 1 year	1 – 5 years	more than 5 years
Marketing fees	83,826	26,307	57,519	0
Rental and leasing	16,185	4,239	10,186	1,760
Other financial obligations	2,767	620	666	1,481
Purchase commitments	62,574	42,100	20,474	0
	165,352	73,266	88,845	3,241

Furthermore, as in the previous year, there are contingent liabilities from guarantees related to BVB Merchandising GmbH totalling EUR 288

thousand. Based on past experience, it is unlikely that claims on these guarantees will be asserted.

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	30/06/2017	
	Notional amount	Fair value
Pay-fixed swaps	8,000	-1,592

The negative market values as at the balance sheet date (determined using standard market valuation methods) are not recognised since the prerequisites for hedge accounting pursuant to § 254 HGB have

been met. Provisions are only recognised for the ineffective portion of the hedge in the amount of EUR 16 thousand (previous year: EUR 35 thousand) for expected losses from executory contracts.

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	2016/2017	2015/2016
Match operations	43,915	46,768
Advertising	87,382	84,676
TV Marketing	125,750	82,564
Transfer deals	77,317	94,998
Conference, catering, miscellaneous	18,227	15,314
	352,591	324,320

Borussia Dortmund generated sales of EUR 352,591 thousand in the 2016/2017 financial year. Sales was calculated in accordance with the amendments to § 277 (1) HGB; however, the prior-year sales in the income statement were not adjusted and would have amounted to EUR 325,483 thousand had the new provision been applied. The actual increase in sales thus amounts to 8.33%.

Income from match operations decreased by EUR 2,853 thousand to EUR 43,915 thousand in financial year 2016/2017. This decrease is due primarily to the decline in income from match operations for international competitions, which fell by EUR 3,980 thousand to EUR 9,458 thousand. This is attributable primarily to the fewer number of home matches as compared to the prior year when the club played in the UEFA Europa League. Income from friendlies and other match operations

also decreased, falling by EUR 338 thousand. Income from match operations for cup competitions increased by EUR 1,570 thousand, due primarily to one additional home match and the semi-final in Munich. Income from match operations for domestic competitions remained virtually level at EUR 27,004 thousand, even though a partial stadium ban encompassing the south terrace had been imposed for one home match.

In the financial year ended, Borussia Dortmund increased its advertising income by 3.20% to EUR 87,382 thousand (previous year: EUR 84,676 thousand), representing a share of 24.78% of total sales. This is due mainly to the increase in the club's Champion Partners and co-sponsors.

Income from domestic and international TV marketing (35.66%) was Borussia Dortmund's

biggest contributor to sales in financial year 2016/2017. Income from domestic and international TV marketing increased by EUR 43,186 thousand from EUR 3,407 thousand in the previous year to EUR 125,750 thousand (of which prior-period income: EUR 1,109 thousand). The changes break down as follow:

Income from domestic TV marketing amounted to EUR 66,113 thousand, up EUR 5,265 thousand against the previous year.

The largest increase was in international TV marketing income, which rose by EUR 33,760 thousand to EUR 50,993 thousand.

Income from TV marketing for the national cup competitions also increased by EUR 4,193 thousand to EUR 8,633 thousand, due to the fact that the club competed in the Super Cup and won the DFB Cup.

During the reporting period from 1 July 2016 to 30 June 2017, Borussia Dortmund's transfer income

amounted to EUR 77,317 thousand, representing a decrease of EUR 17,681 thousand against the previous year. Transfer income was attributable primarily to the sales of Henrikh Mkhitaryan (Manchester United), Matthias Ginter (Borussia Mönchengladbach), Gustavo Adrián Ramos Vásquez (Chongqing Dangdai Lifan Football Club, following his loan to Granada Club de Fútbol SAD), Jakub Błaszczykowski (VfL Wolfsburg), Pascal Stenzel (SC Freiburg), Moritz Leitner (Lazio Rome) and Jon Gorenc Stanković (Huddersfield Town AFC), as well as transfer compensation stemming from transfer deals in previous financial years and loans.

In addition to income from release fees for national team players, conference, catering and miscellaneous income also includes EUR 1,410 thousand in income that in the previous year was reported under other operating income in the amount of EUR 1,163 thousand. Due to the first-time application of the amendments of § 277 (1) HGB, that income was reclassified this year.

Other operating income

Other operating income increased by EUR 1,002 thousand year on year to EUR 3,799 thousand and includes prior-period income of EUR 2,081 thousand (previous year: EUR 840 thousand).

Personnel expenses

The breakdown of personnel expenses is as follows:

EUR '000	2016/2017	2015/2016
Match operations	110,655	79,712
Retail and Administration	11,671	11,559
Amateur and youth football	7,397	6,503
	129,723	97,774

Furthermore, in financial year 2016/2017 the professional squad received performance-based bonuses of EUR 36,270 thousand (previous year: EUR 31,222 thousand).

Other operating expenses

EUR '000	2016/2017	2015/2016
Match operations	43,852	42,979
Advertising	27,464	23,685
Transfer deals	31,535	31,926
Retail	2,219	2,297
Administration	20,465	18,914
Other	3,822	4,173
	129,357	123,974

Other operating expenses increased by EUR 5,383 thousand from EUR 123,974 thousand in the previous year to EUR 129,357 thousand in the reporting period.

Expenses related to transfer deals, including write-downs of residual carrying amounts, remained virtually level year on year at EUR 31,535 thousand.

Expenses from match operations increased from EUR 42,979 thousand to EUR 43,852 thousand, due mainly to the increase in football association

fees and maintenance expenses related to SIGNAL IDUNA PARK.

Advertising expenses increased by EUR 3,779 thousand. This item includes performance-related agency commissions to Lagardère Sports Germany GmbH.

During the reporting period, prior-period expenses amounted to EUR 101 thousand and included primarily agency commissions for income from the previous year.

Financial result

The financial result for financial year 2016/2017 amounted to EUR 7,514 thousand (previous year: EUR 6,543 thousand) and breaks down as follows: In addition to the EUR 33 thousand in income from the long-term equity investment in Orthomed GmbH, the income from profit and loss transfer agreements amount to EUR 7,836 thousand. These include the results of BVB Merchandising GmbH, BVB Event & Catering GmbH, BVB Stadionmanagement GmbH

and Sports & Bytes GmbH. In November 2016, the Annual General Meeting also resolved to enter into a profit and loss transfer agreement with besttravel dortmund GmbH.

Furthermore, interest income of EUR 678 thousand was recognised. This was offset by interest expenses amounting to EUR 1,033 thousand.

Taxes on income

Taxes on income amounted to EUR 964 thousand (previous year: EUR 4,432 thousand) and consisted primarily of tax expenses relating to the financial year ended.

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*) on 8 September 2016 and made it permanently available to shareholders on the website at www.borussia-aktie.de.

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) and Thomas Treß, each of whom has sole 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	2016/2017	2015/2016
Dipl.-Kfm. Hans-Joachim Watzke (Chairman)		
Fixed components		
Fixed remuneration	1,680	1,020
Other remuneration	22	22
Dipl.-Kfm. Thomas Treß		
Fixed components		
Fixed remuneration	676	600
Other remuneration	65	65
	2,443	1,707

Based on the net income for the year and the footballing success of the team, Hans-Joachim Watzke furthermore received EUR 528 thousand in performance-based remuneration (previous year: EUR 1,262 thousand), and Thomas Treß also received EUR 252 thousand in performance-based remuneration (previous year: EUR 240 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	Bjørn Gulden	Dr Reinhold Lunow	Silke Seidel
Chairman				Deputy Chairman				

RIGHT TO REMUNERATION 2016/2017 (EUR '000)

24	12	12	12	18	12	12	12	12
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OCCUPATIONS

Managing shareholder of Stadt-Parfümerie Pieper GmbH, Herne	Member of German Bundestag (until 30/09/2016) Senior Advisor to the Management Board of ING-DiBa AG, Frankfurt am Main (since 1/10/2016)	Managing partner of Bernd Geske Lean Communication, Meerbusch	Chairman of the Executive Board of Evonik Industries AG, Essen (since 24 May 2017)	Chairman of the Board of Executives of the RAG Foundation, Essen	Chairman of the Board of the SIGNAL IDUNA Group, 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, Westfalenor 1 GmbH and Dortmund Logistik GmbH, all in Dortmund
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OTHER RESPONSIBILITIES

Member of the Advisory Board of Borussia Dortmund Geschäftsführung-GmbH, Dortmund	Chairman of the Supervisory Board of Clear-VAT Aktiengesellschaft, Berlin	Member of the Supervisory Board of Evonik Performance Materials GmbH, Essen (resigned with effect from 31 May 2017)	Chairman of the Supervisory Board of Evonik Industries AG, Essen Chairman of the Supervisory Board of RAG Aktiengesellschaft, Herne Chairman of the Supervisory Board of RAG Deutsche Steinkohle AG, Herne 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 Entwicklungsgesellschaft Zollverein mbH, Essen	Member and Chairman of the Supervisory Board of Dortmund Volksbank eG, Dortmund Member and Chairman of the Supervisory Board of Sana Kliniken AG, Ismaning (since 22 June 2017)	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 Supervisory Advisory Board of Borussia Dortmund Geschäftsführung-GmbH, Dortmund
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Employees

The average number of employees during the year was 383 (previous year: 354):

Average number of employees	2016/2017	2015/2016
Total	383	354
of which in the Athletics Department	229	218
of which trainees	2	6
of which other	152	130

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 30/06/2017	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.

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

These were reported in accordance with the classification set out in IDW RS HFA 36 (new version).

EUR '000	2016/2017
Audit services	198
Other audit-related work	29
Tax advisory services	6

Other advisory services relate to confirmations in connection with licensing procedures and the audit of the sustainability report.

Notifiable shareholding under § 160 (1) No. 8 AktG in conjunction with § 21 of the German Securities Trading Act (*Wertpapierhandelsgesetz*, "WpHG")

We have been informed of the following reportable shareholdings:

Notification	Shareholder	Registered office	Threshold	Voting rights in %	Share in voting rights	Date on which threshold reached
Exceeded						
28 October 2016	Odey Asset Management LLP	London	3.00 %	3.47	3,195,145	21 October 2016

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 6,339 thousand for financial year 2016/2017 to distribute a dividend of EUR 0.06 per share carrying dividend rights (totalling EUR 5,519 thousand) for financial 2016/2017 and to transfer the remainder (EUR 820 thousand) to other revenue reserves.

Report on post-balance sheet date events

Preparations for the new season

Training began on 7 July 2017 in Dortmund with a sports medical examination and performance diagnostic.

A week later, on 14 July 2017, the team began its Asia tour with coach Peter Bosz. Borussia Dortmund won the two test matches in Asia against Urawa Red Diamonds (2:3) and AC Milan (1:3).

The team then attended the second training camp in Bad Ragaz. Borussia Dortmund lost there (0:1) against both Espanyol Barcelona and Atalanta Bergamo.

Super Cup

On 5 August 2017, the DFL Super Cup was played at SIGNAL IDUNA PARK.

Borussia Dortmund lost 4:5 against FC Bayern Munich on its home turf on penalties.

DFB Cup

Borussia Dortmund beat 1. FC Rielasingen-Arlen 0:4 in the first round of the DFB Cup and advanced to the second round, where Peter Bosz's team will play against 1. FC Magdeburg on 25 October 2017.

Bundesliga

In the first Bundesliga match of the 2017/2018 season, Borussia Dortmund beat Wolfsburg 0:3.

Big names in Dortmund

Sven Bender has left Borussia Dortmund after eight years. He switched to Bundesliga rivals Bayer 04 Leverkusen for the 2017/2018 season. Mikel Merino Zazón (Newcastle United) and Dzenis Burnic (VfB Stuttgart) also left Borussia Dortmund on loan.

The contract with Shinji Kagawa was also renewed early until 30 June 2020.

Other business


Borussia Dortmund and Opel Automobile GmbH further intensified their partnership, renewing the sponsorship agreement by another five years. The Opel logo will feature on Borussia Dortmund's shirt sleeve beginning in the coming season.

During the 2017 Asia tour, a new co-branding deal was presented with Peanuts Worldwide. Merchandise featuring Snoopy & Co. is available immediately at the fan shops.

Dortmund, 25 August 2017

Borussia Dortmund GmbH & Co. Kommanditgesellschaft auf Aktien

Borussia Dortmund Geschäftsführungs-GmbH



Hans-Joachim Watzke
Managing Director (Chairman)



Thomas Treß
Managing Director

INDEPENDENT AUDITOR'S REPORT

To Borussia Dortmund GmbH & Co. Kommanditgesellschaft auf Aktien [partnership limited by shares with a limited liability company as general partner], Dortmund

REPORT ON THE AUDIT OF THE ANNUAL FINANCIAL STATEMENTS

Opinion on the audit of the annual financial statements

We have audited the annual financial statements of Borussia Dortmund GmbH & Co. Kommanditgesellschaft auf Aktien, Dortmund ('Company' or 'Borussia Dortmund'), which comprise the balance sheet as at 30 June 2017 and the income statement for the financial year from 1 July 2016 to 30 June 2017, as well as the notes to the annual financial statements, including the accounting policies presented therein.

Pursuant Section 322 (3) sentence 1 second half-sentence of the German Commercial Code [HGB], we state that in our opinion, based on our audit findings, the accompanying annual financial statements comply, in all material respects, with the provisions of German commercial law applicable to corporations and give a true and fair view of the net assets and financial position of the Company as at 30 June 2017, and of its results of operations for the financial year from 1 July 2016 to 30 June 2017, in accordance with German generally accepted accounting principles.

Pursuant to Section 322 (3) sentence 1 first half-sentence HGB, we state that our audit of the annual financial statements has not led to any reservations with respect to compliance of the annual financial statements.

Basis for the opinion on the audit of the annual financial statements

We conducted our audit in accordance with Section 317 HGB old version and the EU Audit Regulation

(No 537/2014; hereinafter referred to as 'EU Audit Regulation') and the generally accepted standards for the audit of financial statements promulgated by the German Institute of Public Auditors [IDW]. Our responsibilities under those standards and additional guidelines are further described in the 'Auditor's responsibilities for the audit of the annual financial statements' section of our report. We are independent of the Company in accordance with the requirements of European Community law and German commercial law and the rules of professional conduct, and we have fulfilled our other ethical responsibilities under German professional law in accordance with these requirements. We believe that the audit evidence we obtained is sufficient and appropriate to provide a basis for our opinion on the audit.

Pursuant to Article 10 (2) (f) EU Audit Regulation, we hereby declare that we did not provide any of the prohibited non-audit services referred to in Article 5 (1) EU Audit Regulation and that we remained independent of the audited Company in conducting the audit.

Key audit matters

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the annual financial statements for the financial year from 1 July 2016 to 30 June 2017. These matters were addressed in the context of our audit of the annual financial statements as a whole, and in forming our opinion thereon, but 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 (Appendix 1.3/1 and 1.3/2) as well as to the explanatory notes to the balance sheet (Appendix 1.3/3 and 1.3/9).

FINANCIAL STATEMENT RISK

Player registrations in the amount of EUR 140.7 million are presented under intangible assets in the annual financial statements of Borussia Dortmund. Player registrations increased to EUR 140.7 million in the financial year ended due to acquisitions of EUR 143.7 million, disposals of EUR 15.9 million and amortisations of EUR 51.7 million. Trade payables include transfer liabilities of EUR 50.5 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 all concluded transfer and agent agreements.

As part of subsequent measurement, we checked each transfer and agent agreement as to whether conditions occurred in the 2016/2017 financial year, which may have triggered subsequent acquisition costs and additional liabilities from transfers and their corresponding accounting.

Furthermore, we examined each 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 (Appendix 1.3/2), the explanatory notes to the balance sheet (Appendix 1.3/6) and the explanatory notes to the income statement (Appendix 1.3/11, 1.3/12 and 1.3/13).

FINANCIAL STATEMENT RISK

In addition to the player registrations recognised, the transfer agreements also impact receivables and revenues from transfers. EUR 49.5 million of transfer receivables are shown under trade receivables in the annual financial statements of

Borussia Dortmund. Revenues from transfers amounted to EUR 77.3 million in the 2016/2017 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 all

concluded transfer and agent agreements. The accuracy of transfer receivables and revenues recognised 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 recognised 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 (Appendix 1.3/12).

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 a complete 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 recognised in the proper period regardless of the payment date.

OUR CONCLUSIONS

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

Responsibilities of the legal representatives and the supervisory board for the annual financial statements

The legal representatives are responsible for preparing the annual financial statements in compliance with the provisions of German commercial law applicable to corporations, and that the annual financial statements give a true and fair view of the net assets, financial position and results of operations of the Company in accordance with German generally accepted accounting principles. Furthermore, the legal representatives are responsible for such internal control they determined in accordance with generally accepted accounting principles 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, is the legal representatives are responsible for assessing the Company's ability to continue as a going concern. As appropriate, they furthermore have the responsibility to disclose matters related to going concern and use the going concern basis of accounting unless precluded from doing so due to actual or legal circumstances.

The Supervisory Board is responsible for monitoring of the Company's financial reporting process for preparing the annual financial statements.

Auditor's responsibilities for the audit of the annual financial statements

Our objectives are to obtain reasonable assurance about whether the annual financial statements as a whole are free from material misstatements, whether due to fraud or error, and to issue an auditor's report that includes our opinion on the annual financial statements. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Section 317 HGB old version and the EU Audit Regulation and in consideration of the German generally accepted standards for the audit of financial statements promulgated by the German Institute of Public Auditors [IDW] will always detect a material misstatement. Misstatements can arise from fraud or error and are considered material if, individually or in aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of the annual financial statements.

As part of an audit in accordance with Section 317 HGB old version and the EU Audit Regulation, and in consideration of the German generally accepted standards for the audit of financial statements promulgated by the German Institute of Public Auditors [IDW], we exercise professional judgement and maintain professional scepticism throughout the audit. Furthermore we:

- identify and assess the risks of material misstatements, whether due to fraud or error, of the annual financial statements design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient

and appropriate to provide a basis for our opinion. The risk of not detecting material misstatements resulting from fraud is higher than for resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations or the override of internal control.

- obtain an understanding of an internal control system relevant to the audit 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 the Company's internal control system.
- evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the legal representatives.
- conclude on the appropriateness of the legal representatives' 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 cause 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 our auditor's report to the related disclosures in the annual financial statements or the management report or, if such disclosures are inadequate, to modify our opinion. 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 continue as a going concern.

- evaluate the overall presentation, the structure and the content of the annual financial statements, including the disclosures, and whether the annual financial statements represent the underlying transactions and events in a manner that gives a true and fair view of the net assets, financial position and results of operations of the Company in accordance with generally accepted accounting principles.

We communicate with the Supervisory Board regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies of the internal control system that we identify during our audit. We provide the Supervisory Board 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 the taken related safeguards.

From the matters communicated with the Supervisory Board, 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 report on the audit of the annual financial statements unless law or regulation preclude public disclosure about the matter.

OTHER LEGAL AND REGULATORY REQUIREMENTS

REPORT ON THE AUDIT OF THE MANAGEMENT REPORT

Opinion on the audit of the management report

We have audited the management report of Borussia Dortmund GmbH & Co. Kommanditgesellschaft auf Aktien, Dortmund, for the financial year from 1 July 2016 to 30 June 2017.

In our opinion, based on the findings of our audit, the accompanying management report as a whole provides a suitable view of the Company's position. The management report is consistent with the annual financial statements in all material respects, complies with German statutory requirements and suitably presents the opportunities and risks of future development.

Our audit has not led to any reservations with respect to the regulatory compliance of the management report.

Basis for the opinion on the audit of the management report

We conducted our audit of the management report in accordance with Section 317 (2) HGB old version and German generally accepted standards for the audit of management reports promulgated by the German Institute of Public Auditors [IDW]. We believe that the audit evidence we obtained is sufficient and appropriate to provide a basis for our opinion.

Responsibilities of the legal representatives and the supervisory board for the management report

The legal representatives are responsible for the preparation of the management report, which as a whole provides a suitable view of the Company's position, is consistent with the annual financial statements, complies with German statutory requirements and suitably presents the opportunities and risks of future development. Furthermore, the legal representatives are responsible for such arrangements and measures (systems) they determined necessary to enable the preparation of the management report in compliance with the applicable requirements of German commercial law and for providing sufficient and appropriate evidence for the statements in the management report

The Supervisory Board is responsible for monitoring of the Company's financial reporting process for preparing the management report.

Auditor's responsibilities for the audit of the management report

Our objectives are to obtain reasonable assurance about whether the management report as a whole provides a suitable view of the Company's position, as well as, in all material respects, is consistent

with the annual financial statements and our audit findings, complies with German statutory requirements, and suitably presents the opportunities and risks of future development and to issue a report that includes our opinion on the audit of the management report.

As part of an audit, we examine the management report in accordance with Section 317 (2) HGB old version and German generally accepted standards for the audit of management reports promulgated by the IDW. In this regard, we draw attention to the following:

- The audit of the management report is integrated into the audit of the annual financial statements.
- We obtain an understanding of the 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 arrangements and measures (systems).
- We perform audit procedures on the prospective information presented by the legal representatives in the management report. Based on sufficient and appropriate audit evidence, we verify in particular the significant assumptions used by the legal representatives as a basis for the prospective information and assess the reasonableness of these assumptions as well as the appropriate derivation of the prospective information from these assumptions. We do not provide a separate audit opinion on the prospective information as well as the underlying assumptions. There is a significant, unavoidable risk that future events will deviate significantly from the prospective information.
- We also do not provide a separate audit opinion on individual disclosures in the management report; but an audit opinion covering the management report as a whole.

OTHER DISCLOSURES PURSUANT TO ARTICLE 10 OF THE EU AUDIT REGULATION

We were appointed as auditor by the shareholders' meeting on 21 November 2016. We were engaged by the Supervisory Board on 21 November 2016. We act as auditor for Borussia Dortmund GmbH & Co. Kommanditgesellschaft auf Aktien, Dortmund,

without interruption since the financial year 2009/2010. We declare that the audit opinions in this auditor's report are consistent with the additional report to the audit committee referred to in Article 11 of the EU Audit Regulation (audit report).

RESPONSIBLE AUDITOR

The auditor responsible for the engagement is Ralph Fischer

Dortmund, 25 August 2017
KPMG AG Wirtschaftsprüfungsgesellschaft

Ralph Fischer
Auditor
Wirtschaftsprüfer

Trujillo Hesseler
Auditor
Wirtschaftsprüfer

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.

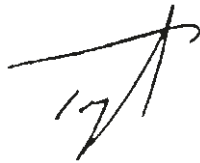
Dortmund, 25 August 2017

Borussia Dortmund GmbH & Co. Kommanditgesellschaft auf Aktien

Borussia Dortmund Geschäftsführungs-GmbH



Hans-Joachim Watzke
Managing Director (Chairman)



Thomas Treß
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 2016/2017 financial year
(hereinafter also "Borussia Dortmund" or the "Group")

BUSINESS TREND

LOOKING BACK ON FINANCIAL YEAR 2016/2017

Super Cup

Borussia Dortmund lost the Super Cup 0:2 to Bundesliga champions FC Bayern Munich on its home turf at SIGNAL IDUNA PARK.

DFB Cup

After an away win against Eintracht Trier in the first round of the DFB Cup, Borussia Dortmund went on to beat both 1. FC Union Berlin and Hertha BSC Berlin at home at SIGNAL IDUNA PARK in the following rounds. Borussia Dortmund chalked up a 0:3 quarter-final victory against VfL Sportfreunde Lotte to advance to the semi-finals, where the team defeated reigning DFB Cup champions FC Bayern Munich on the road to the final in Berlin. Borussia Dortmund triumphed against Eintracht Frankfurt, lifting the coveted cup for the fourth time after previous victories in 1965, 1989 and 2012.

Bundesliga

Borussia Dortmund ended the 2016/2017 Bundesliga season with 64 points, placing the team third behind RB Leipzig and FC Bayern Munich. A 4:3 home win against Werder Bremen on the final match day saw Borussia Dortmund qualify directly for the 2017/2018 UEFA Champions League season. After having spent the winter

break in fourth place with 30 points, the team slightly improved its standing in the second half of the season with a total of ten wins and four draws. Borussia Dortmund ended the season with the second most goals (72).

UEFA Champions League

On the international stage, Borussia Dortmund advanced to the round of 16 in the UEFA Champions League after winning Group F and in the process scored a record 21 goals in the group stage. In addition to two draws against Real Madrid (2:2) and two wins against Sporting Lisbon (1:0 and 1:2), the club set another UEFA Champions League record with its 8:4 victory over Legia Warsaw. In the round of 16, Borussia Dortmund erased a 1:0 away loss to Benfica Lisbon with a 4:0 win at home to advance to the quarter-finals of the UEFA Champions League.

The quarter-final match against AS Monaco at SIGNAL IDUNA PARK on 11 April 2017 was overshadowed by an attack targeting the BVB team bus. The home match was postponed until the following day and ended in a 2:3 loss. Borussia Dortmund were then knocked out of the UEFA Champions League following the team's 3:1 loss at Monaco in the return match.



DFL Supercup
14 August 2016
BVB - Bayern München 0:2



DFB cup 1st Round
22 August 2016
SV Eintracht Trier - BVB 0:3

FINANCIAL PERFORMANCE

FINANCIAL INDICATORS

Borussia Dortmund Group (IFRS)

EUR '000	2016/2017 30/06/2017	2015/2016 30/06/2016
Equity	312,302	309,542
Capital expenditure	104,738	44,849
Gross revenue	409,936	379,767
Operating result (EBITDA)	74,073	86,668
Result from operating activities (EBIT)	10,658	36,430
Financial result (investment income and net interest expense)	-1,539	-2,096
Consolidated net income for the year	8,209	29,436
Cash flows from operating activities	4,795	35,228
Number of shares (in thousands)	92,000	92,000
Earnings per share (in EUR)	0.09	0.32



1st match day
27 August 2016
BVB - 1. FSV Mainz 2:1



2nd match day
10 September 2016
Rasenballsport Leipzig - BVB 1:0

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 – due particularly to one-time transfer effects – 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. 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.

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.



1st match day UCL
14 September 2016
Legia Warschau - BVB 0:6



3rd match day
17 September 2016
BVB - SV Darmstadt 0:6

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
20 September 2016
VfL Wolfsburg - BVB 1:5



5th match day
23 September 2016
BVB - SC Freiburg 3:1

DEVELOPMENT OF THE MARKET AND COMPETITIVE ENVIRONMENT IN THE 2016/2017 FINANCIAL YEAR

Sponsorships

Demand for a marketing partnership with Borussia Dortmund remains strong during the current season. The German airline Eurowings Aviation GmbH became a new Champion Partner this year. The company signed an initial four-year partnership agreement until the end of the 2020/2021 season. Zumtobel Lighting GmbH also joined this group of sponsors for the first time this season.

Having used MAN coaches since 2010, Borussia Dortmund extended its partnership with the commercial vehicle manufacturer for a further three years. The club also extended its sponsorship agreement with Coca-Cola European Partners Deutschland GmbH until 2020.

Various redesigns of the hospitality areas and the relocation of the press conference room to the southeast corner of SIGNAL IDUNA PARK resulted in these areas being at almost full capacity on match days. The expansion of the previous press conference room also meant more room for marketing at the north terrace.

The annual preseason tour of Asia helped the club gain additional sponsors as well as extend and expand on existing partnerships in Asia, allowing Borussia Dortmund to increase awareness for its brand in that part of the world.

Big names in Dortmund

On 30 May 2017, Borussia Dortmund parted ways with coach Thomas Tuchel and his assistants Rainer Schrey, Arno Michels and Benjamin Weber. Thomas Tuchel, who joined from Bundesliga rivals 1. FSV Mainz 05, became the head coach at the beginning of the 2015/2016 season.

Dutchman Peter Bosz will be Borussia Dortmund's new head coach at the beginning of the 2017/2018 season. The parties signed a contract that runs until 30 June 2019. Peter Bosz most recently trained Ajax Amsterdam, leading that team to a second place finish in the Dutch league and to the final of the 2017 UEFA Europa League. His assistants will be Hendrik Krüzen and Albert Capellas.

Borussia Dortmund and Borussia Mönchengladbach agreed on the immediate transfer of defender Matthias Ginter, whose contract until 2019 was prematurely terminated.

Matthias Ginter had 42 appearances in all competitions last season.

Pascal Stenzel, who was previously on loan at SC Freiburg, will leave Dortmund. Both clubs agreed on a transfer at the beginning of the new 2017/2018 season.

After playing on loan for Granada Club de Fútbol SAD, Gustavo Adrián Ramos Vásquez will continue his career in China, where he signed a contract with Chongqing Dangdai Lifan Football Club.

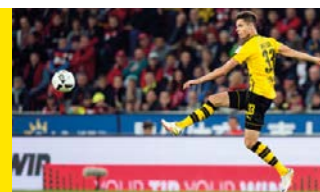
Łukasz Piszczek and Nuri Sahin both signed early contract extensions until 30 June 2019.

Shinji Kagawa, Christian Pulisic and Gonzalo Castro extended their contracts with Borussia Dortmund until 30 June 2020, while Jacob Bruun Larsen extended his until 30 June 2021.

Ömer Toprak and Mahmoud Dahoud are joining Borussia Dortmund for the new 2017/2018 season. Ömer Toprak, from Bayer 04 Leverkusen, signed a contract until 30 June 2021, while Mahmoud Dahoud



2nd match day UCL
27 September 2016
BVB - Real Madrid 2:2



6th match day
1 October 2016
Bayer Leverkusen - BVB 2:0

transferred from VfL Borussia Mönchengladbach on a contract running until 30 June 2022. Borussia Dortmund signed another defender, Dan-Axel Zagadou from the French club Paris St. Germain, on a five-year contract until 30 June 2022. SC Freiburg striker and U21 Germany international Maximilian Philipp is Borussia Dortmund's fourth new signing for the upcoming season. He also signed a five-year contract that runs until 30 June 2022.

Other business

As is widely known, on the early evening of 11 April 2017, the BVB team bus was the target of a deliberate and serious bomb attack in the vicinity of the team's hotel in Dortmund. Borussia Dortmund player Marc Bartra was injured in the attack.

As a result, the club's UEFA Champions League home match against AS Monaco was rescheduled for 12 April 2017.

The sale of season tickets for the 2017/2018 was very encouraging: just 66 out of 55,000 season ticket holders opted to not renew their season tickets for the new season.

Borussia Dortmund received the "Pitch of the Year" award for the excellent quality of the SIGNAL IDUNA PARK pitch. A jury comprising members of the German Pitch Association (DRG e.V.) rated the pitches of the clubs in the first and second Bundesliga divisions on the basis of its own measurements as well as grades given out by the captains and referees

after each Bundesliga match. Borussia Dortmund will receive the "Pitch of the Year" award during a meeting of groundsmen in September 2017.

In November 2016, DFL Deutsche Fußball Liga GmbH unveiled a new system to distribute income from the three pots – national media income, league sponsorship and group marketing, and international media income; this applies to new national TV marketing from the upcoming 2017/2018 season onwards.

Going forward, the system used to distribute national income, which also includes additional income from group marketing, will be structured as a four-pillar model. This retains some elements of the current model, such as the inclusion of a five-year ranking for sporting performance, but also adds new parameters such as sustainability, young talent and competition across all leagues.

International income is broken down into the following pillars: solidarity, sporting success, and sustainability.

The new TV agreements, which will be entered into for the period from 1 July 2017 to 30 June 2021, are expected to see income grow by roughly 85% in total. As a consequence, the Bundesliga will remain one of the world's highest-grossing football leagues.

DFL Deutsche Fußball Liga GmbH issued Borussia Dortmund the licence for the 2017/2018 Bundesliga season without imposing any restrictions or requirements.



7th match day
14 October 2016
BVB - Hertha BSC 1:1



3th match day UCL
18 October 2016
Sporting CP - BVB 1:2

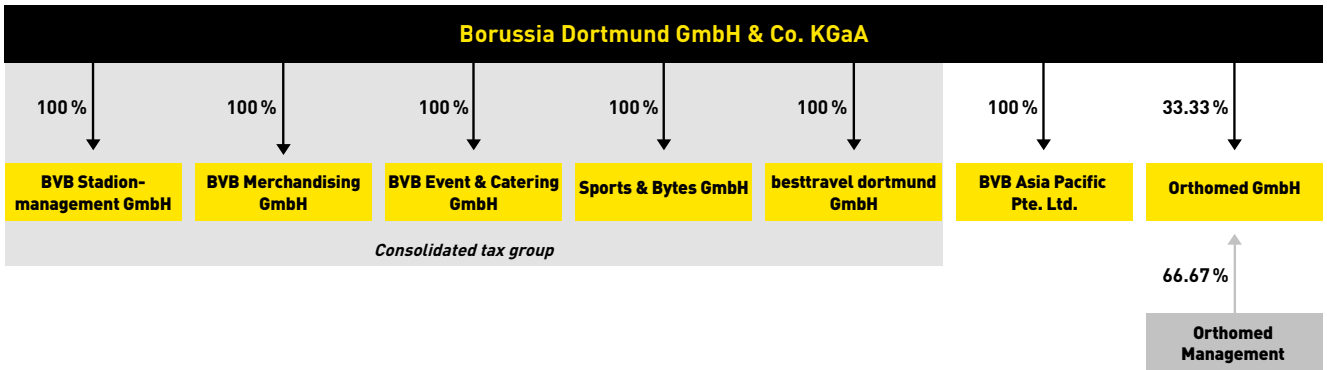
GENERAL INFORMATION ABOUT THE COMPANY

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 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 control and/or profit and loss transfer agreements with the parent.



8th match day
 22 October 2016
 FC Ingolstadt - BVB 3:3



DFB cup 2nd round
 26 October 2016
 BVB - Union Berlin 4:1 n.E.

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 in turn represented by its Managing Directors Hans-Joachim Watzke

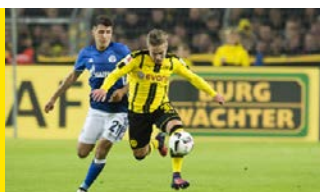
and Thomas Treß; its sole shareholder is Ballspielverein Borussia 09 e.V. Dortmund.

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.



9th match day
29 October 2016
BVB - FC Schalke 04 0:0



4th match day UCL
2 November 2016
BVB - Sportig CP 1:0

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	Björn Gulden	Dr Reinhold Lunow	Silke Seidel
Chairman				Deputy Chairman				

RIGHT TO REMUNERATION 2016/2017 (EUR '000)

24	12	12	12	18	12	12	12	12
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OCCUPATIONS

Managing shareholder of Stadt-Parfümerie Pieper GmbH, Herne	Member of German Bundestag (until 30/09/2016) Senior Advisor to the Management Board of ING-DiBa AG, Frankfurt am Main (since 1/10/2016)	Managing partner of Bernd Geske Lean Communication, Meerbusch	Chairman of the Executive Board of Evonik Industries AG, Essen (since 24 May 2017)	Chairman of the Board of Executives of the RAG Foundation, Essen	Chairman of the Board of the SIGNAL IDUNA Group, 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
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OTHER RESPONSIBILITIES

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 Evonik Performance Materials GmbH, Essen (resigned with effect from 31 May 2017)	Chairman of the Supervisory Board of Evonik Industries AG, Essen Chairman of the Supervisory Board of RAG Aktiengesellschaft, Herne Chairman of the Supervisory Board of RAG Deutsche Steinkohle AG, Herne 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 Entwicklungsgesellschaft Zollverein mbH, Essen	Member and Chairman of the Supervisory Board of Dortmunder Volksbank eG, Dortmund Member and Chairman of the Supervisory Board of Sana Kliniken AG, Ismaning (since 22 June 2017)	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
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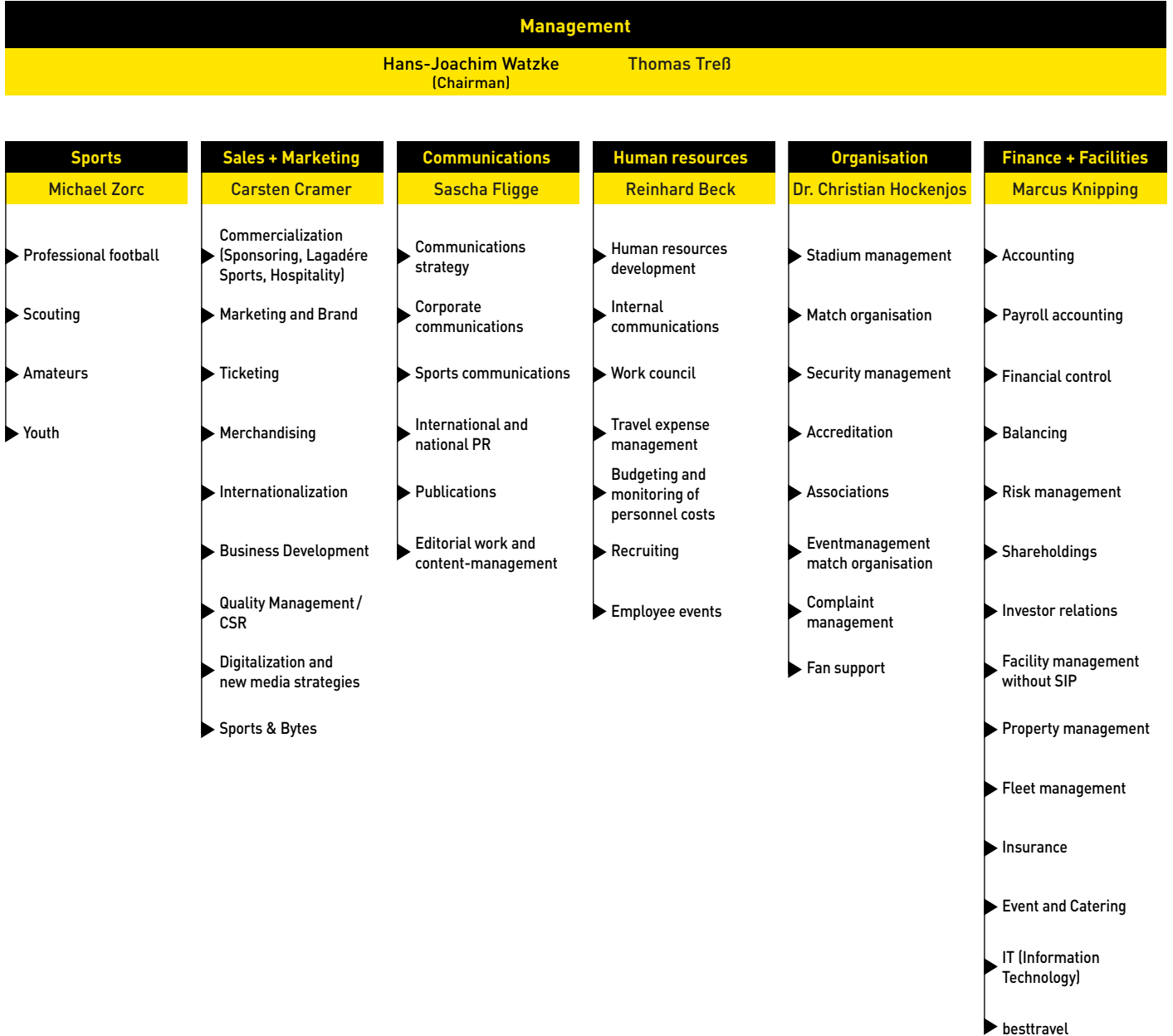
10th match day
 5 November 2016
 Hamburger SV - BVB 2:5



11th match day
 19 November 2016
 BVB - Bayern München 1:0

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



5th match day UCL
22 November 2016
BVB - Legia Warschau 8:4



12th match day
26 November 2016
Eintracht Frankfurt - BVB 2:1

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 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), the generation of positive cash flows from operating activities 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.

The management uses the result from operating activities (EBIT), the operating result (EBITDA) and the consolidated net profit/loss 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 revenue pillars: TV marketing, advertising, match operations and merchandising. Borussia Dortmund is confident that it will be able to further stabilise and expand its position for the following reasons:



13th match day
3 December 2016
BVB - Bor. M'gladbach 4:1



6th match day UCL
7 December 2016
Real Madrid - BVB 2:2

- 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 offers 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

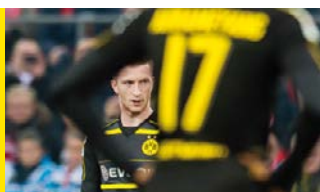
footballing objectives such as qualifying for the UEFA Champions League. However, in order to meet financial objectives, planned investments and decisions must under certain circumstances be postponed to the extent these would only be possible by incurring new debt. Moreover, a player might be sold based 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.

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

Achieving a positive result from operating activities (EBIT) and making the investments that depend on such results, mainly in the professional squad, should enable cash flows from operating activities to stabilise at a positive level on a lasting basis.



14th match day
10 December 2016
1. FC Köln - BVB 1:1



15th match day
16 December 2016
TSG Hoffenheim - BVB 2:2

POSITION OF THE COMPANY

DEVELOPMENT OF PERFORMANCE INDICATORS

Development of financial performance indicators

In the 2016/2017 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 405,692 thousand in the reporting period. In the Annual Report as at 30 June 2016, Borussia Dortmund forecast revenue of EUR 340,000 thousand for the current financial year.

EBITDA

The operating result in the current financial year amounted to EUR 74,073 thousand; the forecast for the full financial year in the Annual Report dated 30 June 2016 had projected EBITDA to exceed EBIT by approximately EUR 61,000 thousand.

EBIT / Net profit/loss for the year

The result from operating activities (EBIT) for the period from 1 July 2016 to 30 June 2017 amounted to EUR 10,658 thousand and the net profit for the year totalled EUR 8,209 thousand.

The report on expected developments dated 30 June 2016 forecasted net profit and positive EBIT in the low seven-figure range for the full financial year.

Cash flows

Cash flows from operating activities amounted to EUR 4,795 thousand (previous year: EUR 35,228 thousand). Borussia Dortmund forecasted as at 30 June 2016 that it would generate cash flows from operating activities in the low eight-figure range.

Overview of financial performance indicators:

Borussia Dortmund Group (IFRS)

EUR '000	2016/2017	2015/2016
Revenue	405,692	376,259
Operating result (EBITDA)	74,073	86,668
Result from operating activities (EBIT)	10,658	36,430
Consolidated net income for the year	8,209	29,436
Cash flows from operating activities	4,795	35,228



16th match day
 20 December 2016
 BVB - FC Augsburg 1:1



17th match day
 21 January 2017
 SV Werder Bremen - BVB 1:2

Development of non-financial performance indicators

In addition to financial indicators, which are primarily used for management accounting and comparative purposes, Borussia Dortmund also relies on non-financial performance indicators to form an overall view of its business. In terms of the Company's success, non-financial performance indicators are linked directly to financial performance indicators and vice versa. Therefore, Borussia Dortmund places great importance on monitoring and promoting non-financial indicators in addition to financial indicators.

Borussia Dortmund actively manages its brand in order to continuously broaden its brand awareness and fan base, both in Germany and abroad. Any resulting potential is then leveraged for various purposes.

Nowadays, dynamic networking via social media is itself a key performance indicator, meaning that microblogs and audiovisual online services have become mainstays of day-to-day business. In the past year, Borussia Dortmund gained a total of 1.76 million new followers across its digital platforms. The club recorded its largest growth on Instagram, where it added 844,074 followers year on year (increase of 25.14%). As at the end of the reporting date, Borussia Dortmund has more than 15 million Facebook fans.

Borussia Dortmund again successfully broadened the appeal of its brand as part of the club's ongoing internationalisation strategy in Asia. Borussia Dortmund's followers on Sina Weibo, one China's leading social media platforms, increased by 28.44%.

On the weekend of the DFB Cup final, the match was one of the top trending topics on social media.

From Saturday to Sunday, more than 120 million users followed the club's posts, tweets, etc. on Facebook, Twitter and other social media sites.

In March 2017, the analysis platform InfluencerDB named Borussia Dortmund as the leading brand among all German-language Instagram accounts. For the second year running, Borussia Dortmund is also the highest-trending European football club on Chinese digital media. The "Red Card 2017" study tracks the digital footprint of leagues and clubs across the Internet, social media, e-commerce and apps.

Borussia Dortmund also received high marks for its online fan shop, which trade magazine Internet World Business named Germany's "Best Brand Shop" at the Shop Awards in March on the basis of its concept and design.

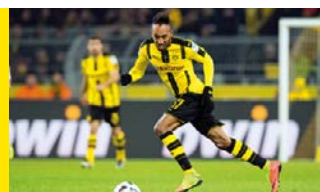
Borussia Dortmund is also a leader outside the realm of social media. Germany's leading sport magazine kicker's semi-annual survey of Bundesliga players once again revealed that Borussia Dortmund has the league's best fans. When asked, "Which club apart from your own has the best fans?", 29% of active Bundesliga players responded: Borussia Dortmund.

Borussia Dortmund revamped its BVB KidsClub website so that the club's youngest fans can now also enjoy the fun and exciting user interface on any end device.

However, Borussia Dortmund also scores points outside the digital realm as well. The club also looks to leverage the appeal of its brand for its CSR activities, which are bundled under the club's "leuchte auf" non-profit foundation. As was the



18th match day
29 January 2017
1. FSV Mainz - BVB 1:1



19th match day
4 February 2017
BVB - Rasenballsport Leipzig 1:0

case in previous years, various lighthouse projects received funding and short-term project measures were implemented in cooperation with "leuchte auf". These collaborative efforts are a particularly important indicator and not motivated by profits or other financial considerations.

Borussia Dortmund's mentoring efforts on and off the pitch also highlight its outstanding youth outreach work as a cornerstone of the Company's long-term strategy. DFL Deutsche Fußball Liga once again commissioned an audit of the youth

academy at the club's training ground. The scope of the audit included the structures in place, the qualifications of the staff members and the assistance and mentoring opportunities and programmes available. Borussia Dortmund is using the audit firm's positive findings as an opportunity to further improve its pedagogical work, since the athletic and social development of young players can more or less equally influence the Company's financial and non-financial performance indicators.

RESULTS OF OPERATIONS

During the reporting period (1 July 2016 to 30 June 2017), Borussia Dortmund generated revenue of EUR 405,692 thousand (previous year: EUR 376,259 thousand) and gross revenue of EUR 409,936 thousand, an increase of EUR 30,169 thousand (7.94%) on the previous financial year.

Borussia Dortmund generated consolidated net profit of EUR 8,209 thousand during the 2016/2017 financial year (previous year: EUR 29,436 thousand).

Borussia Dortmund ended the reporting period from 1 July 2016 to 30 June 2015 with earnings before taxes of EUR 9,119 thousand (previous year: EUR 34,334 thousand). In financial year 2016/2017, the result from operating activities (EBIT) amounted to EUR 10,658 thousand, down EUR 25,772 thousand on the previous year. During the current reporting year, the operating result (EBITDA) amounted to EUR 74,073 thousand, down EUR 12,595 thousand on the previous year.

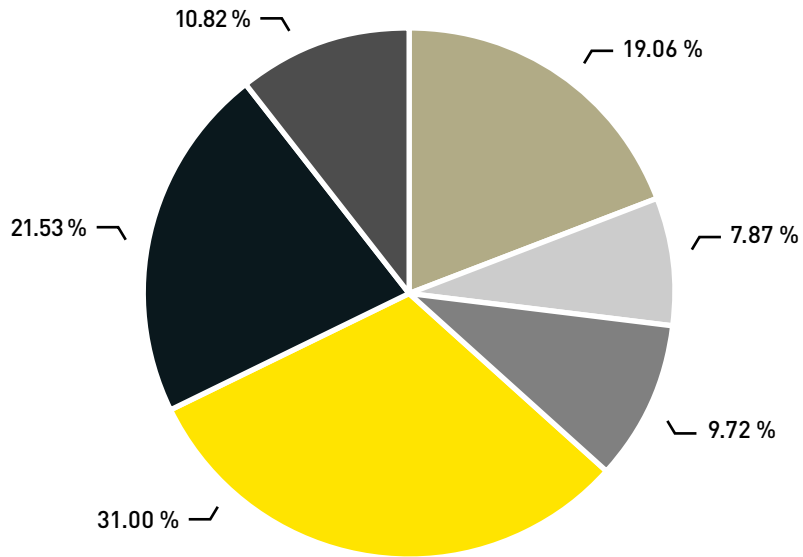


DFB cup 1/8 final
8 Februar 2017
BVB - Hertha BSC 3:2 i.E.



20th match day
11 February 2017
SV Darmstadt - BVB 2:1

Borussia Dortmund Group – Revenue in percent



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



1/8 final, first leg UCL
14 February 2017
Benfica Lissabon - BVB 1:0



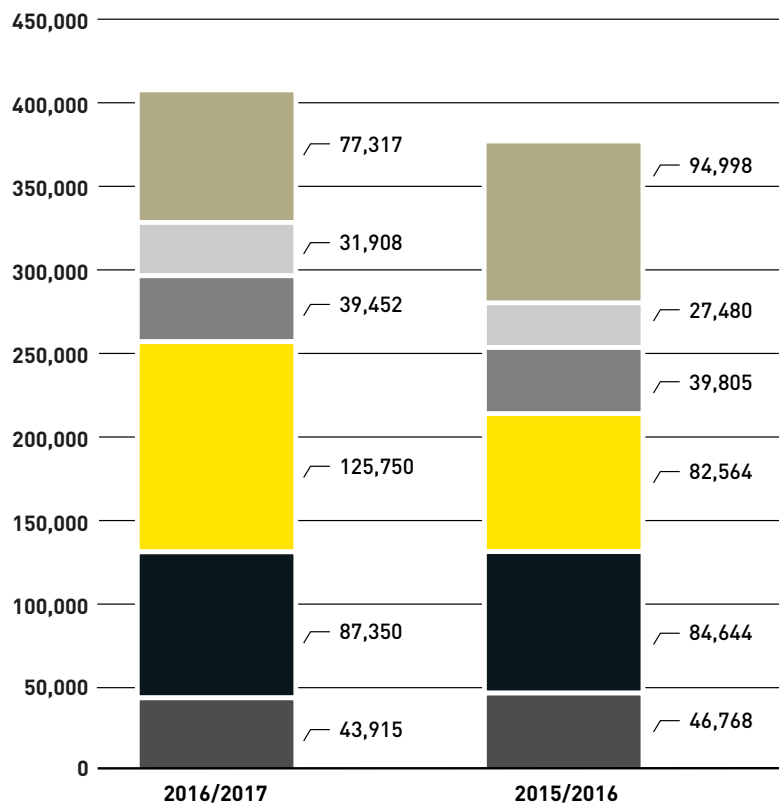
21st match day
18 February 2017
BVB - VfL Wolfsburg 3:0

REVENUE TREND

Borussia Dortmund generated revenue of EUR 405,692 thousand in the 2016/2017 financial year. The 7.82% increase in revenue is attributable to the rise in the TV marketing, advertising and

conference, catering, and miscellaneous revenue items. By contrast, revenue from transfer deals, merchandising and match operations was down year on year.

Borussia Dortmund Group – Revenue in EUR '000



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



22nd match day
 25 Februar 2017
 SC Freiburg - BVB 0:3



23rd match day
 4 March 2017
 BVB - Bayer Leverkusen 6:2

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

Income from match operations

Income from match operations decreased by EUR 2,853 thousand to EUR 43,915 thousand in financial year 2016/2017.

As in previous years, Borussia Dortmund sold 55,000 season tickets at the beginning of the season; the demand for tickets for home matches also continued unabated. In contrast to the 2015/2016 season, Borussia Dortmund did not host any Sunday home matches at SIGNAL IDUNA PARK due to its participation in the UEFA Champions League. Income from match operations for domestic competitions remained virtually level at EUR 27,004 thousand (previous year: EUR 27,109 thousand), even though a partial stadium ban encompassing the south terrace had been imposed for one home match. Borussia Dortmund did not raise prices for season or match day tickets at the beginning of the season.

On the international stage, Borussia Dortmund advanced to the quarter-finals of the UEFA Champions League. The income generated from standard and hospitality tickets for those five home matches amounted to EUR 9,458 thousand (previous year: EUR 13,438 thousand). Borussia Dortmund hosted three fewer matches at SIGNAL IDUNA PARK than it did in the previous year, when the club successfully navigated two qualifying rounds and reached the quarter-finals of the UEFA Europa League.

For the fourth year running, Borussia Dortmund advanced to the final of the DFB Cup in Berlin. Income from ticket sales for national cup competitions increased by EUR 1,570 thousand to EUR 5,297 thousand due to the fact that the team competed in this year's DFL Super Cup and that the club hosted two DFB Cup matches at SIGNAL IDUNA PARK. Although the home and away teams split the income (less expenses) from match operations for this competition, the proceeds are dependent on the number of seats available in the stadium.

In July 2016, Borussia Dortmund once again toured Asia. Unlike in the previous year, the club's second consecutive tour of Asia only included stops in China as well as matches against Manchester United and Manchester City as part of the Champions Cup. The income that Borussia Dortmund generated in financial year 2016/2017 from these and other friendlies, including the proceeds from other match operations, amounted to EUR 2,156 thousand, representing a slight decline of EUR 338 thousand on the previous year.

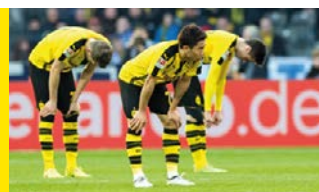
Income from advertising

In the financial year ended, Borussia Dortmund increased its advertising revenue by 3.20% to EUR 87,350 thousand (previous year: EUR 84,644 thousand), representing a share of 21.53% of total revenue.

As in previous years, in addition to its primary sponsor, Evonik Industries AG, the holder of the stadium's naming rights, SIGNAL IDUNA Holding



1/8 final, second leg UCL
8 March 2017
BVB - Benfica Lissabon 4:0



24th match day
11 March 2017
Hertha BSC - BVB 2:1

AG, and the kit supplier, PUMA International Sports Marketing B.V., Borussia Dortmund's Champion Partners during the 2016/2017 financial year were Hankook Reifen Deutschland GmbH, HUAWEI TECHNOLOGIES Deutschland GmbH, Opel Automobile GmbH, Radeberger Gruppe KG, Sparda Bank West eG, SPREHE Geflügel- u. Tiefkühlfeinkost Handels GmbH & Co. KG, Unitymedia NRW GmbH, WILO SE and SIGNAL IDUNA Holding AG. Two new Champion Partners joined at the beginning of the new season: Eurowings Aviation GmbH and Zumtobel Lighting GmbH.

Furthermore, Borussia Dortmund gained additional sponsors in Asia as a result of the club's Asia tour in July 2016. In addition, Borussia Dortmund has partnered with European companies looking to leverage the appeal of the BVB brand to increase awareness for their own brands on the Asian market.

Advertising revenue also included bonuses for advancing to the round of 16 and quarter-finals of the UEFA Champions League, winning the DFB Cup, as well as for finishing the season in third place in the standings, thus qualifying directly for the group stage of the 2017/2018 UEFA Champions League season.

Income from TV marketing

In financial year 2016/2017, income from domestic and international TV marketing represented 31.00% of revenue and increased by EUR 43,186 thousand year on year to EUR 125,750 thousand, primarily due to the fact that the club competed in the UEFA Champions League. The higher distribution of funds from the foreign pot for domestic TV marketing,

the DFB Cup victory and the qualification for the DFL Super Cup also increased revenue by 52.31%.

Income from domestic TV marketing amounted to EUR 66,113 thousand, up EUR 5,265 thousand against the prior-year reporting period. For the seventh consecutive year, Borussia Dortmund maintained its number-two ranking in the money distribution list of the five-year evaluation. This forms the basis for calculating the distribution of funds from the domestic pot. Due to Borussia Dortmund's successful performances in international club competitions over the previous five seasons and the steady improvement in its UEFA coefficient ranking, as well as the increase in income from international TV marketing for Bundesliga matches, the distribution from international TV marketing for Bundesliga matches rose by approximately 23.50% in the financial year ended.

The largest increase in financial year 2016/2017 was recorded in income from international TV marketing. During the reporting period from 1 July 2016 to 30 June 2017, this revenue item amounted to EUR 50,993 thousand (previous year: EUR 17,233 thousand) and includes distributions for competing in the 2016/2017 UEFA Champions League season as well as surplus revenue from the previous year. The UEFA distributions for the UEFA Champions League are structured as they were in the previous year. They include the market pool's participation and match bonuses as well as performance-based bonuses.

In the DFB Cup, Borussia Dortmund reached the final in Berlin for the fourth year in a row and were crowned champions for the first time since 2012.



DFB cup quarter final
14 March 2017
Sportfreunde Lotte - BVB 0:3



25th match day
17 March 2017
BVB - FC Ingolstadt 1:0

At the beginning of the season, Borussia Dortmund contested the DFL Super Cup, for which it had qualified by virtue of its second-place Bundesliga finish in the previous year. Income from domestic cup competitions thus amounted to EUR 8,633 thousand (previous year: EUR 4,440 thousand).

Transfer income

In financial year 2016/2017, Borussia Dortmund generated income from transfer deals amounting to EUR 77,317 thousand (previous year: EUR 94,998 thousand).

In the reporting period from 1 July 2016 to 30 June 2017, Borussia Dortmund's transfer income was attributable primarily to the transfers of Henrikh Mkhitaryan (Manchester United), Matthias Ginter (Borussia Mönchengladbach), Gustavo Adrián Ramos Vásquez (Chongqing Dangdai Lifan Football Club, following his loan to Granada Club de Fútbol SAD), Jakub Błaszczykowski (VfL Wolfsburg), Pascal Stenzel (SC Freiburg), Moritz Leitner (Lazio Rome) and Jon Gorenc Stanković (Huddersfield Town AFC), as well as transfer compensation stemming from transfer deals in previous financial years and loans.

Merchandising

In financial year 2016/2017, merchandising revenue decreased slightly by EUR 353 thousand to EUR 39,452 thousand.

Merchandising revenue breaks down as follows: the 6 fan shops in Dortmund, Essen and Oberhausen as well as the sales locations in and around SIGNAL IDUNA PARK and the temporary fan shop in Berlin (34.06%); mail-order business (32.46%); B2B sales channels (32.26%); and

mobile sales units, the mobile fan shop and the MAN fan truck (1.14%).

The new BVB online fan shop went live in October 2016 and was named Germany's "Best Brand Shop" by trade magazine Internet World Business at the Shop Awards in June 2017. Borussia Dortmund was also the overall winner of the 2017 Shop Usability Awards, especially winning over the esteemed jury of experts in the "Sport & Outdoor" category.

Conference, catering and miscellaneous income

In the financial year ended, conference, catering and miscellaneous income increased by EUR 4,428 thousand to EUR 31,908 thousand and also included revenue 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 180 thousand and now amount to EUR 4,738 thousand, due primarily to the decreased number of home matches.

Catering income generated by the circulation levels and hospitality areas, and income generated from events continued to improve, increasing by EUR 1,161 thousand to EUR 15,505 thousand.

BVB Event & Catering GmbH also increased the income generated from events. SIGNAL IDUNA PARK is an exceptional event location, even on non-match days. BVB Event & Catering GmbH plans, organises and hosts a wide range of non-match day events, including corporate events, official receptions, private parties and stadium



26th match day
1 April 2017
FC Schalke 04 - BVB 1:1



27th match day
4 April 2017
BVB - Hamburger SV 3:0

tours at SIGNAL IDUNA PARK, as well as hospitality services on match days not hosted by Borussia Dortmund.

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 reporting period from 1 July 2016 to 30 June 2017, miscellaneous income – which includes the Evonik football academy, rental and lease income, and for the first time income reclassified from other operating income – increased by EUR 2,996 thousand year on year to EUR 8,090 thousand. This is attributable primarily to the transfer fees for SIGNAL IDUNA PARK, pro rata commissions for the Super Cup hosted in August 2016 and the international fixture held in March 2017, the income from feed-in tariffs for electricity generated by the solar panels installed on the roof of SIGNAL IDUNA PARK, and the increase in revenue generated by besttravel dortmund GmbH.

Income from release fees for national team players called up for the German national team's matches amounted to EUR 3,575 thousand, representing a year-on-year increase of EUR 451 thousand. In addition to the release fees for players Mario Götze, André Schürrle, Julian Weigl and Matthias Ginter for World Cup qualifiers, the 2017 Confederations Cup or the senior team's friendlies, this income also includes the release fees for the U21, U20 and U19 national teams, the rosters of which included 12 Borussia Dortmund players in financial year 2016/2017. This item also includes distributions of EUR 1,879 thousand for the 2016 European Championships.

Other operating income increased by EUR 736 thousand year on year to EUR 4,244 thousand and includes prior-period income of EUR 682 thousand (previous year: EUR 840 thousand) as well as primarily income from insurance reimbursements, benefits in kind, valuation allowances and provisions.

DEVELOPMENT OF SIGNIFICANT OPERATING EXPENSES

Cost of materials

Cost of materials amounted to EUR 25,929 thousand, and was virtually at the same level as in the previous year (EUR 25,676 thousand). This figure included BVB Event & Catering GmbH's cost of goods sold, which rose by EUR 423 thousand on account of higher revenue, as well as BVB Merchandising GmbH's cost of goods sold, which decreased by EUR 170 thousand. In response to unfavourable exchange rate developments, BVB Merchandising GmbH pushed ahead with its direct sourcing strategy (eliminating intermediaries while simultaneously maintaining high standards of quality) with the objective of steadily improving the cost of materials ratio.

Personnel expenses

Personnel expenses amounted to EUR 177,949 thousand in financial year 2016/2017, up EUR 37,734 thousand from the previous year. Personnel expenses for the professional squad and for the coaching and support staff increased by 32.44% year on year. In addition to the budget for the professional squad, personnel expenses includes bonuses based on the club's success in the UEFA Champions League and for winning the DFB Cup final in Berlin, as well as severance payments. Furthermore, Borussia Dortmund secured 64 points and third place in the Bundesliga, once again qualifying directly for the group stage of the 2017/2018 UEFA Champions League season.



28th match day
8 April 2017
Bayern München - BVB 4:1



Quarter final, first leg UCL
12 April 2017
BVB - AS Monaco 2:3

In the reporting period, personnel expenses related to the retail and administration areas increased by EUR 849 thousand year on year to EUR 23,627 thousand.

Personnel expenses in relation to amateur and youth football amounted to EUR 7,397 thousand during the current 2016/2017 financial year (previous year: EUR 6,503 thousand).

Depreciation, amortisation and write-downs

Depreciation, amortisation and write-downs rose by EUR 13,177 thousand to EUR 63,415 thousand in the reporting period.

During the period from 1 July 2016 to 30 June 2017, intangible assets – which consist primarily of player registrations for Borussia Dortmund's professional squad – were amortised in the amount of EUR 51,939 thousand (previous year: EUR 39,368 thousand).

Write-downs for depreciation and amortisation increased by EUR 20,040 thousand to EUR 51,939 thousand, primarily due to investments in the professional squad related to signings of Marc Bartra, Ousmane Dembélé, Mario Götze, Raphaël Guerreiro, Alexander Isak, Mikel Merino, Emre Mor, Sebastian Rode and André Schürrle as well as the departures of Ilkay Gündogan, Mats Hummels, Moritz Leitner and Henrikh Mkhitaryan. In the prior-year reporting period, amortisation and write-downs included a EUR 7,469 thousand write-down of an intangible asset to its fair value.

Depreciation and write-downs of property, plant and equipment rose by EUR 10,870 thousand to EUR 11,476 thousand. This was attributable primarily to investments in SIGNAL IDUNA PARK such as the expansion of the media centre and the entrances, and renovations at the Company's

offices, investments in the Brackel training ground, as well as renovations at the football academy.

Other operating expenses

Other operating expenses increased by EUR 4,777 thousand from EUR 127,208 thousand in the previous year to EUR 131,985 thousand in the reporting period.

The largest increase under this item was seen in advertising expenses, which rose by EUR 3,246 thousand to EUR 27,337 thousand. As in previous years, this was due primarily to performance-related agency commissions to Lagardère Sports Germany GmbH.

Expenses resulting from transfer deals decreased by EUR 391 thousand to EUR 31,535 thousand. These include primarily the derecognition of the residual carrying amounts of the players Jakob Blaszczykowski, Matthias Ginter, Henrikh Mkhitaryan and Gustavo Adrián Ramos Vásquez. Expenses from match operations also increased, from EUR 40,948 thousand to EUR 42,065 thousand. This was due to the increase in football association fees due to the higher distribution of funds from the foreign pot for domestic TV marketing as well as the increase in expenses for security staff.

Financial result

The financial result for financial year 2016/2017 amounted to EUR -1,539 thousand (previous year: EUR -2,096 thousand) and breaks down as follows: In addition to income from long-term equity investments of EUR 28 thousand, the financial results includes interest income amounting to EUR 678 thousand; the financial result thus increased by EUR 556 thousand. This was offset by the increase in interest expense from EUR -2,226 thousand to EUR -2,245 thousand.



29th match day
15 April 2017
BVB - Eintracht Frankfurt 3:1



Quarter final, second leg UCL
19 April 2017
AS Monaco - 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	30/06/2017		30/06/2016	
	EUR '000	in %	EUR '000	in %
Non-current assets				
Intangible assets	141,521	29.6	65,278	15.4
Property, plant and equipment	184,664	38.6	188,423	44.4
Investments accounted for using the equity method	296	0.1	302	0.1
Financial assets	109	0.0	107	0.0
Trade and other financial receivables	10,256	2.1	34,378	8.1
Deferred tax assets	1,136	0.2	1,136	0.2
Prepaid expenses	16,876	3.5	13,141	3.1
	354,858	74.1	302,765	71.3
Current assets				
Inventories	8,978	1.9	10,158	2.4
Trade and other financial receivables	48,776	10.2	51,072	12.0
Current tax assets	170	0.0	257	0.1
Cash and cash equivalents	49,297	10.3	51,722	12.2
Prepaid expenses	16,518	3.5	8,571	2.0
	123,739	25.9	121,780	28.7
	478,597	100.0	424,545	100.0

As at 30 June 2017, total assets amounted to EUR 478,597 thousand, representing an increase of EUR 54,052 thousand as compared to 30 June 2016.

Changes in current and non-current assets were as follows:

In the reporting period, non-current assets increased by EUR 52,093 thousand, due primarily to the increase of EUR 72,486 thousand in fixed assets and the EUR 24,122 thousand decrease in trade and other financial receivables.

The increase in fixed assets is attributable to the additions of EUR 151,906 thousand, disposals of EUR 16,011 thousand and depreciation, amortisation and write-downs of EUR 63,415 thousand. Trade and other financial receivables decreased to EUR 10,256 thousand (previous

year: EUR 34,378 thousand) due to payments received for transfer receivables.

Current assets totalled EUR 123,739 thousand, a decrease of EUR 1,959 thousand as compared to 30 June 2016.

Due to seasonal factors, inventories amounted to EUR 8,978 thousand.

Short-term trade and other financial receivables amounted to EUR 48,776 thousand (previous year: EUR 51,072 thousand).

Cash and cash equivalents amounted to EUR 49,297 thousand, an increase of EUR 2,425 thousand as compared to 30 June 2016.

In the reporting period, current and non-current prepaid expenses increased by a total of EUR 11,682 thousand. This was due to prepaid agent fees and salary payments.



30th match day
 22 April 2017
 Bor. M'gladbach - BVB 2:3



DFB cup, semifinal
 26 April 2017
 Bayern München - BVB 2:3

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

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

EQUITY AND LIABILITIES	30/06/2017		30/06/2016	
	EUR '000	in %	EUR '000	in %
Equity				
Subscribed capital	92,000	19.2	92,000	21.6
Reserves	220,415	46.1	217,655	51.3
Treasury shares	-113	0.0	-113	0.0
Equity attributable to the owners of the parent company	312,302	65.3	309,542	72.9
Non-current liabilities				
Non-current liabilities from finance leases	8,695	1.8	18,990	4.5
Non-current trade payables	496	0.1	3,420	0.8
Other non-current financial liabilities	8,192	1.7	1,782	0.4
Deferred income	8,000	1.7	12,000	2.8
	25,383	5.3	36,192	8.5
Current liabilities				
Provisions	1,178	0.2	1,372	0.3
Current liabilities from finance leases	10,295	2.1	2,640	0.6
Current trade payables	63,565	13.3	14,635	3.5
Other current financial liabilities	43,264	9.0	34,435	8.1
Tax liabilities	732	0.2	5,212	1.3
Deferred income	21,878	4.6	20,517	4.8
	140,912	29.4	78,811	18.6
	478,597	100.0	424,545	100.0

Taking into account consolidated net profit for the year, Borussia Dortmund's equity amounted to EUR 312,302 thousand as at 30 June 2017. This corresponds to an equity ratio of 65.3% (previous year: 72.9%).

Liabilities rose by EUR 51,292 thousand year on year to EUR 166,295 thousand. This increase is due primarily to trade payables and other financial liabilities. Changes in total current and non-current liabilities were as follows:
Liabilities from finance leases decreased as planned by EUR 2,640 thousand.
Trade payables amounted to EUR 64,061 thousand, an increase of EUR 46,006 thousand as compared

to 30 June 2016. This change is due in particular to transfer investments.

Other financial liabilities increased by EUR 15,239 thousand to EUR 51,456 thousand, attributable primarily to personnel-related liabilities not yet due.

This was offset by the change in tax liabilities and deferred income:

Tax liabilities decreased by EUR 4,480 thousand in the reporting period.

Deferred income decreased by EUR 2,639 thousand. This was attributable to the prorated reversal of the prepaid licence fees under the agency licensing agreement with Lagardère Sports Germany GmbH.



31st match day
29 April 2017
BVB - 1. FC Köln 0:0



32nd match day
6 May 2017
BVB - TSG Hoffenheim 2:1

ANALYSIS OF CAPITAL EXPENDITURE

In the past financial year, Borussia Dortmund invested EUR 96,526 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 8,192 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 2017, Borussia Dortmund held unrestricted cash funds of EUR 49,297 thousand.

amounted to EUR 105,617 thousand in the past financial year. Payments for investments in the professional squad amounted to EUR 96,200 thousand.

Borussia Dortmund also had access to an additional EUR 15,000 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 4,795 thousand.

Proceeds from the sale of player registrations

NET ASSETS

Borussia Dortmund's total assets increased from EUR 424,545 thousand to EUR 478,597 thousand. Fixed assets increased by EUR 72,480 thousand, due in particular to transfer-related investments in player registrations.

In addition to prepayments for other services, prepaid expenses primarily include future personnel expenses amounting to EUR 21,461 thousand (previous year: EUR 12,709) and prepayments for agent and brokerage commissions amounting to EUR 8,686 thousand (previous year: EUR 6,778 thousand).

As at the end of the reporting period, trade and other financial receivables decreased by EUR 26,418 thousand, which was attributable primarily to income from transfer receivables.

OVERALL ASSESSMENT OF FINANCIAL POSITION AND PERFORMANCE AND BUSINESS DEVELOPMENT

Borussia Dortmund ended the 2016/2017 financial year with consolidated net profit for the year of EUR 8,209 thousand.

thousand. At the end of the reporting period, Borussia Dortmund had access to an additional EUR 15,000 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 65.25%. As at 30 June 2017, Borussia Dortmund held unrestricted cash funds of EUR 49,297

Overall, business development during financial year 2016/2017 was positive.



33rd match day
13 May 2017
FC Augsburg - BVB 1:1



34th match day
20 May 2017
BVB - SV Werder Bremen 4:3

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; 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.



DFB cup final
27 May 2017
Eintracht Frankfurt - BVB 1:2

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: 17) 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 seven main categories, which are explained in greater detail below.

All 56 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.

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 three 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, where conservative corporate planning can conflict with the promotion of and investment in sporting development. Financial performance and business development are largely dependent on footballing success. 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. The Company's equity, equity ratio and strategic partnerships with key sponsors as well as the new TV agreement places Borussia Dortmund in a position to remain profitable even in years where the team enjoys less footballing success. 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. 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 four high priority risks:

The importance of protecting confidential information continues to grow. Unauthorised internal or external access could cause such information to be disclosed to third parties. With

knowledge of the Company's internal affairs, staff could procure benefits, or other parties could cause serious damage to the Company or its very existence. Information could also be used in order to influence the Company's value on the stock exchange. The risks associated with the above are lessened thanks to the implementation and control of effective authorisation concepts, coding, and the use of data encryption technology. To counter unauthorised external access, Borussia Dortmund engages an independent company to conduct penetration tests and analyse any weak points and suitable fixes and remedies. The findings are used to prepare plans for preventing future attacks.

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 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 in the past financial year thanks to the club's new signings. These increased the depth of its roster, ensuring that back-ups were available for all positions.

If established case law changes with the effect that player contracts can no longer be limited in term, this would create a risk with diverse ramifications for Borussia Dortmund. Any such change would have far-reaching consequences, even though Borussia Dortmund already concludes long-term player contracts with a view to ensuring stability in its human resources planning. The Federal Labour Court (*Bundesarbeitsgericht*) will rule on the legality of fixed-term employment contracts for professional football players. The background of this case is that a player brought legal action after his two-year contract expired, claiming that the contract should be requalified as

an employment contract of indefinite duration. The Higher Labour Court (*Landesarbeitsgericht*) of Rhineland-Palatinate ruled that fixed-term employment contracts with professional football players are legal given the specific nature of the work such players perform. However, the decision did open the door to an appeal on points of law to the Federal Labour Court. The case is expected to be heard at the end of the year.

In light of the recent tragic incident described below, Borussia Dortmund re-evaluated the risk of travel and other accidents and terrorist attacks, which it subsequently re-classified as high priority. On 11 April 2017, as Borussia Dortmund was preparing to play against AS Monaco in the Champions League, three explosive devices targeting the team bus were detonated. BVB player Marc Bartra and one police officer were injured in the attack.

In direct response to the incident, Borussia Dortmund expanded its security department and revised existing and prepared new security plans. The club also appointed a head of security and a deputy head of security.

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. Leading economists are monitoring current economic developments in Germany. According to research institutes, the German economy is experiencing a moderate upswing for the fifth year running. However, compared to previous upturns, the economic momentum is minor. For the current year, 2017, the institutes forecast real GDP growth of 1.5% in Germany. According to the forecast, the labour

market will continue to improve, albeit at a slower pace in the coming year. The research institutes are of the opinion that in recent years policymakers have done little in the way of improving the prospects for growth in Germany.

The risk of right-wing extremism is a societal risk that can have a direct impact on the corporate environment, particularly because of the platform that matches offer for extremist activity, with the large number of spectators and the media attention. A consequence of this risk would be damage to reputation and an associated decline in interest on the part of business partners such as sponsors, investors and fans. 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 ensures that the atmosphere in and outside the stadium is welcoming, cosmopolitan and diverse. Enhanced security checks and camera surveillance have been implemented, and, where necessary, individuals are banned from stadiums or charged with criminal offences.

The increased willingness of certain individuals to commit violence at stadiums is an additional risk confronting the Group. Incidents of fan violence have increased in recent years. Certain individuals and groups actively seek out altercations, often with little regard for the safety of innocent bystanders. Banners threatening and inciting hatred and violence towards others, including match officials, are often displayed during matches. Such incidents not only damaged the reputation of Borussia Dortmund fans in the past financial year, but also led the German Football Association to impose a partial stadium ban encompassing the south terrace. Borussia Dortmund will continue to counter this risk with enhanced security checks, camera surveillance, stadium bans and criminal complaints. Borussia

Dortmund also relies on prevention efforts, such as fostering and engaging in institutional dialogue with fans.

There is a recurring discussion about who should shoulder the costs incurred by government organisations, particularly the police, for providing security at home matches. Passing these costs on to the Bundesliga clubs would present an earnings and liquidity risk for those clubs, Borussia Dortmund included. In light of the ongoing discussion, North Rhine-Westphalia has already reduced its police presence from some 350 to approximately 250 officers for "normal" league matches at SIGNAL IDUNA PARK. On 17 May 2017, as the court of first instance, the Higher Administrative Court (*Verwaltungsgericht*) of Bremen ruled that the Federal State of Bremen's fee schedule was unlawful and annulled it on the grounds of clerical errors. DFL Deutsche Fußball Liga GmbH thus won its lawsuit. The court ruling did not touch on whether or not it is in general permissible to pass on costs of policing high-risk matches to the Bundesliga.

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. The risk entails damage to reputation as a result of targeted campaigns, as well as trademark and copyright infringements. Effective risk management as it pertains to social media not only encompasses risk prevention measures but also precautionary measures for worst-case scenarios. To minimise this risk, mentions of the Company on the Internet and on social media networks are viewed, and the light in which the Company is presented is checked.

Category 4 – competitive risk

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

This category includes four 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 and the resulting upheaval of the team could jeopardise the achievement of sporting goals. Even though success is rarely due to the efforts of one player alone, a team can quickly become weaker if key players, or play-makers, leave. By signing and replenishing its ranks with highly-talented players, Borussia Dortmund was able to absorb the loss of key players and still achieve its sporting objectives. The transfer policy is geared towards assembling a gifted team built for success, now and in the future. Our professional scouting department makes it possible to find replacements at short notice.

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.

The fourth risk in this category is the risk of a potential stadium catastrophe, the consequences of which could be wide and varied and entail significant cost, and also cause lasting damage to the Company's image. The attacks in Nice, Berlin and London once again demonstrated that terror can strike anywhere, at any time and in any form.

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.

Category 5 – liquidity risk

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

This category includes two high priority risks:

A potential loss of significant financial backers and sponsors is also included in this risk category. The insolvency of key business partners could place significant burdens on liquidity. In order to continue minimising the risk of losing sponsors, including in times of increasing globalisation and political upheaval, Borussia Dortmund continuously revises its longstanding accounts receivable

management system in line with the prevailing conditions. 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. Key measures for minimising this risk include assessing the creditworthiness of customers prior to order acceptance or preparing agreements, monitoring maturities, weekly, intragroup dunning procedures and initiating additional measures in the event of a default in payment, such as the engagement of collection agencies.

Fewer footballing successes generally translate to reductions in revenue, while the fixed components of player salaries remain constant.

The risk associated with the volume of player salaries means that it is likely that it will not be possible for the variable portions to offset the reductions in revenue. In order to manage this risk, personnel expenses are budgeted in advance and continuously monitored.

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

OPPORTUNITIES

Borussia Dortmund's return to the UEFA Champions League again affords the club 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.

The renewed invitation to the Champions Cup in Asia 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 the competition in connection with its preseason tour in Asia present an opportunity to further heighten awareness for its brand and thus its marketing activities.

From a footballing standpoint, the squad under new coach Peter Bosz was strengthened to address

specific needs and built for future success. In particular, the signings of U21 European Champions Mahmoud Dahoud and Maximilian Philipp are further investments in the future.

Furthermore, the DFL Deutsche Fußball Liga GmbH's new TV agreement provides added security with regard to potential revenue streams in coming seasons, while offering internationally successful clubs the opportunity to multiply those cash flows. As was the case in previous years, European clubs are increasingly interested in Borussia Dortmund's players – many of whom were signed when they were still relative unknowns –, providing the club the opportunity to generate high levels of transfer income.

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 would contribute 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 2017/2018 season. The team qualified directly for the lucrative group stage of the competition by virtue of its third 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 six 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 a seventh 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.

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 does not plan on transfer income; however, given Borussia Dortmund'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

Amortisation and write-downs associated with the high level of transfer activities in the past season weighed down the operating result. Therefore, the management currently expects Borussia Dortmund to generate net profit in the low seven-digit range in the coming 2017/2018 financial year. However, the exact result depends to a large extent on the club's sporting success and as yet unknown transfer deals, and is therefore very difficult to plan.

Consequently, net profit and EBIT are expected to be in the low seven-figure range. Depreciation, amortisation and write-downs are expected to amount to EUR 61,000 thousand, with the operating result (EBITDA) forecast to exceed the result from operating activities (EBIT) by this amount.

Expected revenue trend

Based on conservative estimates, Borussia Dortmund expects to generate revenue of EUR 365,000 thousand in the coming financial year. This represents a year-on-year decrease of approximately EUR 40,000 thousand and is attributable primarily to the high level of revenue generated from transfer deals during the 2016/2017 financial year. However, the Company's other revenue items are expected to increase in the coming financial year.

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 only those expenditures commensurate with the club's success are expected.

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.

EXPECTED DIVIDENDS

The management will recommend to the Annual General Meeting that it resolve to use the net retained profits of EUR 6,339 thousand for financial year 2016/2017 to distribute a dividend of EUR

0.06 per share carrying dividend rights (totalling EUR 5,519 thousand) for financial 2016/2017 and to transfer the remainder (EUR 820 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 2017/2018 to be in the low seven-figure range.

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 2016/2017

Preparations for the new season

Training began on 7 July 2017 in Dortmund with a sports medical examination and performance diagnostic.

A week later, on 14 July 2017, the team began its Asia tour with coach Peter Bosz. Borussia Dortmund won the two test matches in Asia against Urawa Red Diamonds (2:3) and AC Milan (1:3).

The team then attended the second training camp in Bad Ragaz. Borussia Dortmund lost there (0:1) against both Espanyol Barcelona and Atalanta Bergamo.

Super Cup

On 5 August 2017, the DFL Super Cup was played at SIGNAL IDUNA PARK.

Borussia Dortmund lost 4:5 against FC Bayern Munich on its home turf on penalties.

DFB Cup

Borussia Dortmund beat 1. FC Rielasingen-Arlen 0:4 in the first round of the DFB Cup and advanced to the second round, where Peter Bosz's team will play against 1. FC Magdeburg on 25 October 2017.

Bundesliga

In the first Bundesliga match of the 2017/2018 season, Borussia Dortmund beat Wolfsburg 0:3.

Big names in Dortmund

Sven Bender has left Borussia Dortmund after eight years. He switched to Bundesliga rivals Bayer 04 Leverkusen for the 2017/2018 season. Mikel Merino Zazón (Newcastle United) and Dzenis Burnic (VfB Stuttgart) also left Borussia Dortmund on loan.

The contract with Shinji Kagawa was also renewed early until 30 June 2020.

Other business

Borussia Dortmund and Opel Automobile GmbH further intensified their partnership, renewing the sponsorship agreement by another five years. The Opel logo will feature on Borussia Dortmund's shirt sleeve beginning in the coming season.

During the 2017 Asia tour, a new co-branding deal was presented with Peanuts Worldwide. Merchandise featuring Snoopy & Co. is available immediately at the fan shops.

OTHER DISCLOSURES

The notes contains disclosures pursuant to § 160 (1) No. 2 AktG

REPORT IN ACCORDANCE WITH § 315 (4) OF THE HGB

The following information has been provided by the Company in response to the requirements of § 315 (4) nos. 1 to 9 HGB (in the version until 18 April 2017):

1. As at 30 June 2017, 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 2017:
 - 1) Evonik Industries AG, Essen, Germany: 14.78% of the voting rights
 - 2) Ballspielverein Borussia 09 e.V. Dortmund, Dortmund, Germany: 14.54% of the voting rights (of which 5.53% held directly and 9.01% held indirectly by including the voting rights of Bernd Geske, Germany, pursuant to § 22 (2) WpHG)

- 3) Bernd Geske, Meerbusch, Germany: 14.54% of the voting rights (of which 9.01% 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) 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 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, 25 August 2017

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



Hans-Joachim Watzke
Managing Director (Chairman)



Thomas Treß
Managing Director



DFB-POKAL



CONSOLIDATED FINANCIAL STATEMENTS

Borussia Dortmund GmbH & Co. Kommanditgesellschaft auf Aktien, Dortmund

MEGER 2017



CONSOLIDATED FINANCIAL STATEMENTS

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

of Borussia Dortmund GmbH & Co. KGaA

EUR '000	Note	30/06/2017	30/06/2016
ASSETS			
Non-current assets			
Intangible assets	(1)	141,521	65,278
Property, plant and equipment	(2)	184,664	188,423
Investments accounted for using the equity method	(3)	296	302
Financial assets	(4)	109	107
Trade and other financial receivables	(5)	10,256	34,378
Deferred tax assets		1,136	1,136
Prepaid expenses	(13)	16,876	13,141
		354,858	302,765
Current assets			
Inventories	(6)	8,978	10,158
Trade and other financial receivables	(5)	48,776	51,072
Current tax assets		170	257
Cash and cash equivalents	(7)	49,297	51,722
Prepaid expenses	(13)	16,518	8,571
		123,739	121,780
		478,597	424,545
EQUITY AND LIABILITIES			
Equity			
	(8)		
Subscribed capital		92,000	92,000
Reserves		220,415	217,655
Treasury shares		-113	-113
Equity attributable to the owners of the parent company		312,302	309,542
Non-current liabilities			
Non-current liabilities from finance leases	(10)	8,695	18,990
Trade payables	(11)	496	3,420
Other non-current financial liabilities	(12)	8,192	1,782
Deferred income	(13)	8,000	12,000
		25,383	36,192
Current liabilities			
Provisions	(9)	1,178	1,372
Current liabilities from finance leases	(10)	10,295	2,640
Trade payables	(11)	63,565	14,635
Other current financial liabilities	(12)	43,264	34,435
Tax liabilities		732	5,212
Deferred income	(13)	21,878	20,517
		140,912	78,811
		478,597	424,545

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) – p. 174, (9), (10), (11) – p. 176, (12), (13) – p. 177

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

of Borussia Dortmund GmbH & Co. KGaA

EUR '000	Note	2016/2017	2015/2016
Revenue	(14)	405,692	376,259
Other operating income	(15)	4,244	3,508
Cost of materials	(16)	-25,929	-25,676
Personnel expenses	(17)	-177,949	-140,215
Depreciation, amortisation and write-downs	(18)	-63,415	-50,238
Other operating expenses	(19)	-131,985	-127,208
Result from operating activities		10,658	36,430
Net income/loss from investments in associates	(3)	28	8
Finance income	(20)	678	122
Finance costs	(20)	-2,245	-2,226
Financial result		-1,539	-2,096
Profit before income taxes		9,119	34,334
Income taxes	(21)	-910	-4,898
Consolidated net income for the year		8,209	29,436
Items that were subsequently reclassified to profit or loss			
Cash flow hedge			
- effective portion of the change in fair values		115	-348
- reclassification to profit or loss		0	0
Other gains/losses incurred during the period, after taxes		115	-348
Total comprehensive income		8,324	29,088
Consolidated net income for the year attributable to:			
- Owners of the parent:		8,209	29,191
- Minority interests:		0	245
Total comprehensive income attributable to:			
- Owners of the parent:		8,324	28,843
- Minority interests:		0	245
Earnings per share (in EUR) (basic/diluted)	(26)	0.09	0.32

The relevant sections in the notes to the consolidated statement of comprehensive income can be found on the following pages: (3) – p. 172, (14), (15), (16), (17) – p. 178, (18), (19), (20) – p. 179, (21) – p. 180, (26) – p. 185.

CONSOLIDATED STATEMENT OF CASH FLOWS

of Borussia Dortmund GmbH & Co. KGaA

EUR '000	2016/2017	2015/2016
Profit before income taxes	+9,119	+34,334
Depreciation, amortisation and write-downs of non-current assets	+63,415	+50,238
Loss on disposals of non-current assets	-89,711	-74,107
Other non-cash income	-3,577	-4,630
Interest income	-678	-122
Interest expense	+2,245	+2,226
Net income/loss from investments in associates	-28	-8
Changes in other assets not classified as from investing or financing activities	+16,026	+7,574
Changes in other liabilities not classified as from investing or financing activities	+15,462	+21,478
Interest received	+2	+44
Interest paid	-2,004	-1,479
Income taxes paid	-5,476	-320
Cash flows from operating activities	+4,795	+35,228
Payments for investments in intangible assets	-96,526	-34,956
Proceeds from disposals of intangible assets	+105,617	+14,918
Payments for investments in property, plant and equipment	-8,192	-9,842
Proceeds from disposals of property plant and equipment	+53	+400
Proceeds from financial assets	+52	+406
Payments for investments in financial assets	-20	-51
Cash flows from investing activities	+984	-29,125
Proceeds from the sale of treasury shares	0	+1
Distributions to minority shareholders	0	-525
Acquisition of minority interests	-45	-500
Dividend payments	-5,519	-4,599
Repayment of liabilities under finance leases	-2,640	-2,497
Cash flows from financing activities	-8,204	-8,120
Change in cash and cash equivalents	-2,425	-2,017
Cash and cash equivalents at the beginning of the period	+51,722	+53,739
Cash and cash equivalents at the end of the period	+49,297	+51,722

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

of Borussia Dortmund GmbH & Co. KGaA

EUR '000 <i>see note (8)</i>	Subscribed capital	Reserves			Treasury shares	Equity attributable to the owners of the parent company	Minority interests	Consolidated equity
		Capital reserves	Other revenue reserves	Cash flow hedge				
1 July 2015	92,000	143,364	51,346	-823	-114	285,773	305	286,078
Distributions to shareholders	0	0	-4,599	0	0	-4,599	-526	-5,125
Acquisition of minority interests without change of control	0	-476	0	0	0	-476	-24	-500
Sale of treasury shares	0	0	0	0	1	1	0	1
Transactions with shareholders	0	-476	-4,599	0	1	-5,074	-550	-5,624
Consolidated net income for the year	0	0	29,191	0	0	29,191	245	29,436
Other gains/losses incurred during the period, after taxes	0	0	0	-348	0	-348	0	-348
Total comprehensive income	0	0	29,191	-348	0	28,843	245	29,088
30 June 2016	92,000	142,888	75,938	-1,171	-113	309,542	0	309,542
1 July 2016	92,000	142,888	75,938	-1,171	-113	309,542	0	309,542
Distributions to shareholders	0	0	-5,519	0	0	-5,519	0	-5,519
Acquisition of non-controlling interests without change of control	0	-45	0	0	0	-45	0	-45
Sale of treasury shares	0	0	0	0	0	0	0	0
Transactions with shareholders	0	-45	-5,519	0	0	-5,564	0	-5,564
Consolidated net income for the year	0	0	8,209	0	0	8,209	0	8,209
Other gains/losses incurred during the period, after taxes	0	0	0	115	0	115	0	115
Total comprehensive income	0	0	8,209	115	0	8,324	0	8,324
30 June 2017	92,000	142,843	78,628	-1,056	-113	312,302	0	312,302

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

of Borussia Dortmund GmbH & Co. KGaA for the financial year from 1 July 2016 to 30 June 2017

(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) and Thomas Treß; 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 25 August 2017, the consolidated financial statements and the Group management report were authorised by the Company's management for submission to the Supervisory Board.

Accounting policies

These consolidated financial statements for the financial year from 1 July 2016 to 30 June 2017, 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 § 315 a (1) HGB (old version). 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 2016/2017 financial year:

Amendments to IFRS 10, IFRS 12 and IAS 28 – Applying the Consolidation Exception

The Amendments clarify various issues related to the application of the exception to the consolidation requirements in IFRS 10 if the parent meets the definition of an "investment entity". In accordance with the Amendments, parent entities are also exempt from preparing consolidated financial statements if the parent does not consolidate its subsidiaries, but instead measures them at fair value in accordance with IFRS 10.

The following distinction is drawn with regard to the accounting treatment of an investment entity's subsidiaries: Pursuant to the general principle of the investment entity exception, subsidiaries that are

themselves investment entities must be measured at fair value. By contrast, subsidiaries that are non-investment entities, but that provide services that relate to the parent's investment activities and must therefore be considered an extension of the parent's activities, must be consolidated.

Finally, the Amendments clarify that an investor that does not meet the definition of an investment entity and that applies the equity method to an associate or a joint venture may retain the fair value measurement applied by the associate or joint venture to its interests in subsidiaries.

Furthermore, the Amendments stipulate that an investment entity measuring all of its subsidiaries at fair value must make the disclosures relating to investment entities required by IFRS 12.

The Amendments must be applied for the first time for financial years beginning on or after 1 January 2016.

The Amendments did not have any impact on the consolidated financial statements of Borussia Dortmund.

Amendments to IFRS 11 – Accounting for Acquisitions of Interests in Joint Operations

IFRS 11 governs the accounting of joint ventures and joint operations. While joint ventures are accounted for using the equity method, the method used to account for joint operations under IFRS 11 is similar to proportionate consolidation.

The IASB's amendments to IFRS 11 govern accounting for acquisitions of interests in a joint operation that constitutes a business under IFRS 3 Business Combinations. In such cases, the acquirer should apply the principles governing the accounting of business combinations under IFRS 3. The disclosure requirements under IFRS 3 also apply in these cases.

The Amendments must be applied for the first time for financial years beginning on or after 1 January 2016.

The Amendments did not have any impact on the consolidated financial statements of Borussia Dortmund.

Amendments to IAS 1 – Disclosure Initiative

The Amendments concern various disclosure issues and clarify that disclosures are necessary only if they are material. This also applies explicitly if an IFRS requires a list of minimum disclosures. Furthermore, the Amendments clarify the guidance on aggregating and disaggregating line items in the statement of financial position and the statement of comprehensive income. In addition, the Amendments introduce clarification on the presentation of an entity's share of other comprehensive income of entities accounted for using the equity method. Finally, the Amendments also eliminates guidance that requires a specific order of the notes, thereby allowing entities to better present information relevant to the users of their financial statements.

The Amendments must be applied for the first time for financial years beginning on or after 1 January 2016.

The Amendments did not have any material impact on the consolidated financial statements of Borussia Dortmund.

Amendments to IAS 16 and IAS 38 – Clarification of Acceptable Methods of Depreciation and Amortisation

The IASB's Amendments provide additional guidance on acceptable methods of depreciation and amortisation. The Amendments clarify that a revenue-based depreciation method is not acceptable for property, plant and equipment, and is generally not acceptable for intangible assets except in certain limited circumstances (rebuttable presumption of inappropriateness).

The Amendments must be applied for the first time for financial years beginning on or after 1 January 2016.

The Amendments did not have any impact on the consolidated financial statements of Borussia Dortmund.

Amendments to IAS 16 and IAS 41 – Agriculture: Bearer Plants

Pursuant to IAS 41, to date all biological assets were measured through profit or loss at fair value less costs to sell. This also applies to bearer plants

such as grape vines, rubber trees and oil palms that are used to harvest biological assets over several periods, without the bearer plants themselves being sold as agricultural produce. The Amendments clarify that going forward bearer plants must be accounted for as property, plant and equipment pursuant to IAS 16 since their use is similar to that of property, plant and equipment. However, the produce growing on bearer plants will continue to be accounted for under IAS 41. The Amendments provide special relief for first-time adopters. For instance, for reasons of simplification, bearer plants can be measured at fair value as at the transition date.

The Amendments must be applied for the first time for financial years beginning on or after 1 January 2016.

The Amendments did not have any impact on the consolidated financial statements of Borussia Dortmund.

Amendments to IAS 27 – Method in Separate Financial Statements

The Amendments reinstate the equity method as an accounting option for investments in subsidiaries, joint ventures, and associates in an investor's separate financial statements. The existing options to measure investments at cost or in accordance with IAS 39/IFRS 9 remain intact. Since 2005, the equity method may no longer be applied to measure investments in the separate financial statements (of the parent) in accordance with IAS 27.

The IASB amended IAS 27 in response to complaints from users about, among other things, the high cost of conducting fair value measurements as at every reporting date, particularly at unlisted associates.

The Amendments must be applied for the first time for financial years beginning on or after 1 January 2016.

The Amendments did not have any impact on the consolidated financial statements of Borussia Dortmund.

Amendments to IFRS 5, IFRS 7, IAS 19, IAS 34

Amendments were made to four Standards as part of the annual improvement project. The purpose of these amendments was to clarify existing rules by adapting the wording of individual IFRSs/IASs. The scope of these amendments included IFRS 5, IFRS 7, IAS 19, and IAS 34.

The Amendments must be applied for the first time for financial years beginning on or after 1 January 2016.

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 2017 because they were not yet applicable for the financial year beginning on 30 June 2016:

Borussia Dortmund does not plan any early application of new Standards or Interpretations that will not become mandatory until later financial years.

IFRS 9 – Financial Instruments

IFRS 9 was issued in July 2014 and replaces the existing IAS 39 *Financial Instruments: Recognition and Measurement*. IFRS 9 contains revised guidance on the classification and measurement of financial instruments, including a new expected credit loss model for calculating impairment of financial assets and the new general hedge accounting rules. It also adopted the guidance on recognition and derecognition of financial instruments contained in IAS 39.

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.

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 Amendments must be applied for the first time for financial years beginning on or after 1 January 2018.

Borussia Dortmund cannot yet ascertain how the application of the new standard will affect the presentation of the assets, liabilities, financial position and profit or loss of the Group. The Company has established an internal project group tasked with reviewing the amendments to and the effects of the new standard. At present, Borussia Dortmund does not expect any material impacts on the consolidated financial statements.

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 7	Amendments Disclosure Initiative	29 January 2016	1 January 2017	Immaterial
IAS 12	Amendments Recognition of Deferred Tax Assets for Unrealised Losses	19 January 2016	1 January 2017	Immaterial
Improvements to IFRS (2014-2016)	IFRS 12	12 May 2011/ 28 June 2012/ 31 October 2012/ 18 December 2014/ 8 December 2016	1 January 2017	Immaterial
IFRS 15	Amendment Clarifications to IFRS 15	28 May 2014/ 11 September 2015/ 12 April 2016	1 January 2018	Immaterial
IFRS 2	Amendments Classification and Measurement of Share-based Payment Transactions	20 June 2016	1 January 2018	No effects
IFRS 4	Amendments Applying IFRS 9 Financial Instruments with IFRS 4 Insurance Contracts	31 March 2004/ 18 August 2005/ 12 September 2016/ 18 May 2017	1 January 2018	Immaterial
IAS 40	Amendment Transfers of Investment Property	8 December 2016	1 January 2018	No effects
IFRIC 22	Foreign Currency Transactions and Advance Consideration	8 December 2016	1 January 2018	Immaterial
Improvements to IFRS (2014-2016)	IFRS 1, IAS 28	8 December 2016	1 January 2018	Immaterial
IFRS 16	Leases	13 January 2016	1 January 2019	Material *
IFRIC 23	Uncertainty over Income Tax Treatments	7 June 2017	1 January 2019	Immaterial
IFRS 17	Insurance Contracts	18 May 2017	1 January 2021	Immaterial
Amendments to 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

* Borussia Dortmund cannot yet ascertain how the application of the new standard will affect the presentation of the assets, liabilities, financial position and profit or loss of the Group. The Company has established an internal project group tasked with reviewing the amendments to and the effects of the new standard. At present, Borussia Dortmund expects that the application of the new standard will lead to the recognition of more leases.

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.

The list of shareholdings as at 30 June 2017 was as follows:

Shareholdings

	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.

Shareholdings (30 June 2016)

	Registered office	Share capital (EUR '000)	Shareholding %	Equity (EUR '000) as at 30/06/2016	Net profit/loss (EUR '000) 01/07/2015 to 30/06/2016
Fully consolidated companies:					
BVB Stadionmanagement GmbH*	Dortmund	52	100.00	66	7
besttravel dortmund GmbH	Dortmund	50	100.00	144	594
BVB Merchandising GmbH*	Dortmund	75	100.00	10,881	4,379
Sports & Bytes GmbH*	Dortmund	200	100.00	2,510	87
BVB Event & Catering GmbH*	Dortmund	25	100.00	25	2,215
BVB Asia Pacific Pte. Ltd.**	Singapore	66	100.00	82	16
Investments accounted for using the equity method					
Orthomed Medizinisches Leistungs- und Rehabilitationszentrum GmbH***	Dortmund	52	33.33	726	25

* 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 for the short financial year from 1 October 2015 to 30 June 2016.

*** Included in the consolidated financial statements as at 31 December 2015 as an associate.

No interim financial statements were prepared for Orthomed GmbH as at 30 June 2017 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 consolidated 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 (I R 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 25 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 10, 11, 12 and 23 *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 merchandise 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.

In financial year 2016/2017, income amounting to EUR 1,410 thousand was recognised as revenue for the first time; in the previous year this had been presented under other operating income (previous year: EUR 1,163 thousand).

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

Since 2013, the Group has been exposed to interest rate risks stemming from variable-rate loans; appropriate interest rate hedges have been 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 were included in the sensitivity analysis.

In the event the interest rate were to fall by 100 basis points (parallel shift in the yield curve), equity would decrease by EUR 533 thousand (previous year: decrease of EUR 567 thousand) and consolidated comprehensive income would decrease by EUR 5 thousand (previous year: decrease of EUR 6 thousand).

In the event the interest rate were to rise by 100 basis points (parallel shift in the yield curve), equity would increase by EUR 488 thousand (previous year: increase of EUR 511 thousand) and consolidated comprehensive income would increase by EUR 5 thousand (previous year: increase of EUR 5 thousand).

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 24 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 23.

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 10 include detailed disclosures on finance leases.

Disclosures on deferred taxes are included, inter alia, in Note 21 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 9 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 applies IFRS 8, which calls for the use of the management approach for purposes of reporting on the economic development of segments. Segment information is determined and calculated in the same manner as is done for the purposes of internal reporting to the management ("chief operating decision maker").

An operating segment is a component of an entity that engages in business activities from which it may earn income and incur expenses whose operating results are reviewed regularly by the entity's chief operating decision makers to assess its performance and make decisions about resources to be allocated to the segment and for which discrete financial information is available through internal reporting.

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 the transfer of players, catering, TV marketing, sponsorship and ticketing. The second segment consists of the separate merchandising business, which is carried out by BVB Merchandising GmbH, a legally independent entity. Internal reporting is based on the provisions of the German Commercial Code (*Handelsgesetzbuch*, "HGB") applicable to each company.

The wholly owned Group subsidiaries BVB Event & Catering GmbH and besttravel dortmund GmbH were also classified as reportable segments in financial year 2016/2017.

BVB Event & Catering GmbH is responsible for conducting 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.

	Borussia Dortmund KGaA		BVB Merchandising GmbH		BVB Event & Catering GmbH		besttravel dortmund GmbH		Total	
	2016/2017	2015/2016	2016/2017	2015/2016	2016/2017	2015/2016	2016/2017	2015/2016	2016/2017	2015/2016
EUR '000										
External revenue	351,132	323,117	39,452	39,805	12,435	11,229	1,465	937	404,484	375,088
Internal revenue	1,459	1,203	1,164	972	5,511	5,304	601	558	8,735	8,037
Interest expense	-1,033	-813	0	0	0	0	-3	-2	-1,036	-815
Interest income	678	121	0	0	0	0	0	0	678	121
Depreciation, amortisation and write-downs	-60,989	-47,747	-1,730	-1,636	-14	-11	0	-1	-62,733	-49,395
Segment profit before taxes *)	-533	26,006	4,099	4,379	2,266	2,215	1,339	890	7,171	33,490
Capital expenditure	104,506	44,260	511	1,316	80	51	0	1	105,097	45,628
Segment assets	487,709	432,406	22,731	24,416	3,286	2,122	2,326	1,174	516,052	460,118
Segment liabilities	139,402	84,919	11,850	13,535	3,261	2,097	2,182	1,030	156,695	101,581
Investments accounted for using the equity method	296	302	0	0	0	0	0	0	296	302
Income from investments in associates	28	8	0	0	0	0	0	0	28	8

*) before profit or loss transfer

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	
	2016/2017	2015/2016	2016/2017	2015/2016	2016/2017	2015/2016
EUR '000						
External revenue	404,484	375,088	1,208	1,171	405,692	376,259
Internal revenue	8,735	8,037	-8,735	-8,037	0	0
Interest expense	-1,036	-815	-1,209	-1,411	-2,245	-2,226
Interest income	678	121	0	1	678	122
Depreciation, amortisation and write-downs	-62,733	-49,395	-682	-843	-63,415	-50,238
Segment profit before taxes *)	7,171	33,490	1,948	844	9,119	34,334
Capital expenditure	105,097	45,628	-359	-779	104,738	44,849
Segment assets	516,052	460,118	-37,455	-35,573	478,597	424,545
Segment liabilities	156,695	101,581	9,600	13,422	166,295	115,003
Investments accounted for using the equity method	296	302	0	0	296	302
Income from investments in associates	28	8	0	0	28	8

*) 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	
	2016/2017	2015/2016	2016/2017	2015/2016	2016/2017	2015/2016
Segments total	7,171	33,490	516,052	460,118	156,695	101,581
Profit from other companies	154	110	0	0	0	0
Other IFRS adjustments	1,794	734	0	0	0	0
Consolidation of long-term financial assets	0	0	-13,561	-13,561	0	0
Stadium buildings plus other assets	0	0	-23,894	-22,012	0	0
Other consolidation	0	0	0	0	9,600	13,422
	9,119	34,334	478,597	424,545	166,295	115,003

Income from TV marketing and release fees for national team players amounting to EUR 70,719 thousand (previous year: EUR 64,486 thousand) exceeds the 10% threshold stipulated in IFRS 8.34 for one customer, as did income from international

TV marketing amounting to EUR 52,699 thousand (previous year: EUR 17,233 thousand). The reason for this was the centralised marketing strategy used by DFL Deutsche Fußball Liga GmbH and UEFA.

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	30/06/2017	
	Notional amount	Fair value
Pay-fixed swaps	8,000	-1,592

Interest rate swaps

EUR '000	30/06/2016	
	Notional amount	Fair value
Pay-fixed swaps	8,000	-1,782

The fair value of the derivative is determined using standard market valuation methods which factor in market data as at the valuation date. Under these methods, standard market interest rates are used to discount future cash inflows

and outflows to determine the value of the interest rate swaps.

The interest rates are applied over the remaining term of the interest rate swaps.

In accordance with IFRS 13.72 et seq., the interest rate swap is classified in Level 2 of the fair value hierarchy since the input parameters used for measurement (yield curves) are observable on the market. The Group does not make its own estimates or assumptions for fair value measurement.

The interest rate swap is measured at fair value by discounting the expected future cash flows. The measurement results are substantiated by bank calculations.

Highly probable forecast transactions are accounted for as cash flow hedges (micro hedging).

The effective portion of the change in market value of the derivatives (EUR 115 thousand; previous year EUR -348 thousand) is recognised directly in other comprehensive income after deducting deferred taxes (EUR -38 thousand; previous year EUR 115 thousand).

The ineffective portion is recognised immediately in profit or loss. Factoring in deferred taxes, the ineffective portion of the hedges amounted to EUR 13 thousand during the reporting period (previous year: EUR 8 thousand).

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 2017 amounting to EUR 90 thousand (previous year: EUR 123 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 long-term liabilities from finance leases whose carrying amount was EUR 8,695 thousand (30 June 2016: EUR 18,990 thousand) as compared to their fair value of EUR 7,514 thousand (30 June 2016: EUR 17,047 thousand).

NOTES TO THE CONSOLIDATED STATEMENT OF FINANCIAL POSITION

(1) Intangible assets

EUR '000	30/06/2017	30/06/2016
Player registrations	140,678	64,523
Industrial property rights and similar rights	843	755
	141,521	65,278

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 3.28 years (30 June 2016: 2.15 years).

Changes in intangible assets were as follows:

EUR '000	Player registrations	Industrial property rights and similar rights	Total
Cost			
As at 30 June 2015	168,102	1,566	169,668
Additions	28,306	622	28,928
Disposals	49,642	3	49,645
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
Depreciation, amortisation and write-downs			
As at 30 June 2015	72,020	1,308	73,328
Additions	39,244	124	39,368
Disposals	29,021	2	29,023
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
Carrying amounts			
As at 30 June 2015	96,082	258	96,340
As at 30 June 2016	64,523	755	65,278
As at 30 June 2017	140,678	843	141,521

(2) Property, plant and equipment

EUR '000	30/06/2017	30/06/2016
Land, land rights and buildings including buildings on third-party land	160,654	162,383
Other equipment, operating and office equipment	24,010	26,040
	184,664	188,423

Property, plant and equipment primarily relates to the stadium and the BVB FanWelt service centre. 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.

During the current financial year, property, plant and equipment increased primarily as a result of the expansion of the media centre at SIGNAL IDUNA PARK, investments in the Brackel training ground and the extension of the administrative building and training fields of the football academy.

In addition, digital audio guides were acquired for stadium tours and further investments were made in individual fan shops.

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

EUR '000	Net carrying amounts	
	30/06/2017	30/06/2016
Buildings	12,296	16,022
Operating and office equipment	5,629	4,147
	17,925	20,169

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, the leased administration building and the Wi-Fi equipment at SIGNAL IDUNA PARK.

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 property in Dortmund-Brackel once the lease expires in 2023.

Due to the exercise of an option to purchase a leased administration building and the plot of land, the corresponding lease agreement was classified as a finance lease. 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 2015	239,629	56,376	296,005
Additions	6,588	3,856	10,444
Disposals	627	2,783	3,410
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
Depreciation, amortisation and write-downs			
As at 30 June 2015	77,811	28,676	106,487
Additions	5,649	5,221	10,870
Disposals	253	2,488	2,741
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
Carrying amounts			
As at 30 June 2015	161,818	27,700	189,518
As at 30 June 2016	162,383	26,040	188,423
As at 30 June 2017	160,654	24,010	184,664

(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 2016 is reported here.

EUR '000	30/06/2017	30/06/2016
Non-current assets	391	347
Current assets	771	667
Non-current liabilities	79	79
Current liabilities	272	209
Net assets	811	726
Group's share of net assets (33.33%)	270	243
Goodwill	59	59
Dividend received after 31 December 2016	-33	0
Carrying amount of interest in associate	296	302
Revenue	3,666	3,494
Profit from continuing operations	84	25
Comprehensive income (33.33%)	28	8
Group's share of comprehensive income (33.33%)	28	8

EUR '000	30/06/2017	30/06/2016
Cash flows from operating activities	281	129
Cash flows from investing activities	-111	-103
Cash flows from financing activities	-15	87
Net increase in cash and cash equivalents	155	113

(4) Financial assets

Long-term financial assets relate to long-term, interest-bearing borrowings classified as loans and receivables.

Please refer to Note 25 for information on the fair values of financial assets.

(5) Trade and other financial receivables

Trade receivables amounted to EUR 55,872 thousand (previous year: EUR 84,560 thousand), of which EUR 49,465 thousand (previous year: EUR 80,080 thousand) related to transfer receivables.

Non-current

EUR '000	30/06/2017	30/06/2016
Trade receivables	10,256	34,378

Non-current trade receivables are discounted using the effective interest method and measured at

amortised cost. Please refer to Note 25 for information on the fair values of financial assets.

Current

EUR '000	30/06/2017	30/06/2016
Trade receivables	46,033	50,626
Less allowances	-417	-444
Net trade receivables	45,616	50,182
Other financial receivables	3,104	777
Receivables from related parties	56	113
	48,776	51,072

Trade receivables and other assets do not bear interest and mostly have a maturity of up to three

months. Please refer to Note 25 for information on the fair values of financial assets.

Changes in the allowance account were as follows:

EUR '000	30/06/2017	30/06/2016
As at 1 July	444	339
Transfers recognised in profit or loss	153	208
Reversals recognised in profit or loss	-180	-103
As at 30 June	417	444

(6) Inventories

EUR '000	30/06/2017	30/06/2016
Inventories/merchandise	9,392	10,558
Less write-downs	-414	-400
Net inventories	8,978	10,158

The carrying amount of inventories carried at fair value less costs to sell was EUR 405 thousand (previous year: EUR 405 thousand).

Impairments of inventories are carried in the cost of materials.

(7) Cash and cash equivalents

EUR '000	30/06/2017	30/06/2016
Bank balances and cash-in-hand	49,297	51,722

Bank balances bear interest at variable rates of interest applying to demand deposits.

(8) Equity

The annual financial statements for the financial year from 1 July 2015 to 30 June 2016 were adopted at the Annual General Meeting on 21 November 2016. The net retained profits of EUR 28,262,214.44 reported in the Company's annual financial statements for the 2015/2016 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 22,743,348.44 was transferred to other revenue reserves.

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 2016/2017 (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.

The dividend was paid on 23 November 2016.

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 2015	92,000,000	-18,965	91,981,035
Change in treasury shares as at 30 June 2016	92,000,000	-18,900	91,981,100
Change in treasury shares as at 30 June 2017	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	30/06/2017	30/06/2016
Equity of shareholders	312,302	309,542
Share in total capital	65.3 %	72.9 %

(9) Provisions

Provisions amounting to EUR 1,178 thousand as at 30 June 2017 included provisions for litigation and liability risks in connection with legal proceedings which were concluded by way of settlement.

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 2016/2017, provisions amounting to EUR 194 thousand were utilised.

The amount of the remaining obligation comprises the value in dispute (EUR 1,100 thousand) and the litigation costs (EUR 78 thousand).

(10) Liabilities from finance leases

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

EUR '000	30/06/2017	30/06/2016
Less than 1 year	11,139	3,894
Between 1 and 5 years	7,678	17,320
More than 5 years	2,495	3,992
	21,312	25,206
Future finance charges from finance leases	-2,322	-3,576
Present value of liabilities from finance leases	18,990	21,630

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

Liabilities from finance leases

EUR '000	30/06/2017	30/06/2016
Less than 1 year	10,295	2,640
Between 1 and 5 years	6,336	15,346
More than 5 years	2,359	3,644
	18,990	21,630

(11) Trade payables

Trade payables amounted to EUR 64,061 thousand (previous year: EUR 18,055 thousand), of which

EUR 50,525 thousand (previous year: EUR 2,508 thousand) related to transfer payables.

(12) Other financial obligations

EUR '000	30/06/2017	30/06/2016
Non-current		
Derivatives	1,592	1,782
Other	6,600	0
	<u>8,192</u>	<u>1,782</u>
Current		
Other taxes	14,997	14,265
Other	28,267	20,170
	<u>43,264</u>	<u>34,435</u>
Total other financial liabilities	<u>51,456</u>	<u>36,217</u>

(13) Prepaid expenses and deferred income

Prepaid expenses

EUR '000	30/06/2017	30/06/2016
Non-current		
Deferred income related to professional squad	16,876	13,141
	<u>16,876</u>	<u>13,141</u>
Current		
Deferred income related to professional squad	13,271	6,347
Insurance premiums	735	472
Other advance payments	2,512	1,752
	<u>16,518</u>	<u>8,571</u>

Deferred income

EUR '000	30/06/2017	30/06/2016
Non-current		
Advance payments for agency and marketing rights	8,000	12,000
	<u>8,000</u>	<u>12,000</u>
Current		
Advance payments for agency and marketing rights	4,000	4,000
Advance payments received from season ticket sales	16,145	15,751
Advance payments received from sponsors	1,075	115
Other advance payments	658	651
	<u>21,878</u>	<u>20,517</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

(14) Revenue

EUR '000	2016/2017	2015/2016
Match operations	43,915	46,768
Advertising	87,350	84,644
TV Marketing	125,750	82,564
Transfer deals	77,317	94,998
Merchandising	39,452	39,805
Conference, catering, miscellaneous	31,908	27,480
	405,692	376,259

Income from TV marketing includes prior-period revenue of EUR 1,109 thousand (previous year: EUR 3,407 thousand), merchandising of EUR 48 thousand (previous year: EUR 0 thousand) and conference, catering and miscellaneous income of EUR 1,699 thousand (previous year: EUR 30 thousand).

(15) Other operating income

Other operating income increased by EUR 736 thousand year on year to EUR 4,244 thousand and includes prior-period income of EUR 682 thousand (previous year: EUR 840 thousand).

(16) Cost of materials

Cost of materials amounted to EUR 25,929 thousand, and was virtually at the same level as in the previous year (EUR 25,676 thousand). This figure included the cost of goods sold for both BVB Event & Catering GmbH and BVB Merchandising GmbH.

(17) 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	2016/2017	2015/2016
Wages and salaries	171,886	134,575
Social security contributions	6,063	5,640
	177,949	140,215

During financial year 2016/2017, EUR 2,173 thousand was paid into the German statutory retirement pension system (previous year: EUR 1,986 thousand).

(18) Depreciation and amortisation

EUR '000	2016/2017	2015/2016
Amortisation of intangible assets	51,939	39,368
Depreciation of property, plant and equipment	11,476	10,870
	63,415	50,238

(19) Other operating expenses

EUR '000	2016/2017	2015/2016
Match operations	42,065	40,948
Advertising	27,337	24,091
Transfer deals	31,535	31,926
Retail	7,728	7,843
Administration	19,116	17,497
Other	4,204	4,903
	131,985	127,208

Other operating expenses include prior-period expenses in the amount of EUR 80 thousand (previous year: EUR 429 thousand).

(20) Financial result

EUR '000	2016/2017	2015/2016
Net income/loss from investments in associates (see Note (3))	28	8
Finance income		
Interest income from bank balances	2	44
Other interest income	676	78
	678	122
Finance costs		
Discounting expenses and other interest	-1,037	-816
Expenses from finance leases	-1,208	-1,410
	-2,245	-2,226
	-1,539	-2,096

(21) Income taxes and deferred taxes

All tax liabilities (EUR 732 thousand; previous year: EUR 5,212 thousand) are current.

The deferred tax assets and liabilities reported in the consolidated statement of financial position relate to the following items:

EUR '000	Net as at 30/06/2016	Recognised in profit or loss	Recognised in OCI	Recognised directly in equity	Net as at 30/06/2017	Deferred tax assets	Deferred 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

EUR '000	Net as at 30/06/2015	Recognised in profit or loss	Recognised in OCI	Recognised directly in equity	Net as at 30/06/2016	Deferred tax assets	Deferred tax liabilities
Property, plant and equipment	-1,140	-1,019	0	0	-2,159	118	-2,277
Derivatives	395	19	171	0	585	585	0
Tax loss carry-forwards	1,881	829	0	0	2,710	2,710	0
Total	1,136	-171	171	0	1,136	3,413	-2,277

Deferred taxes carried in other comprehensive income result in each case from cash flow hedges.

Deferred taxes reported directly in equity relate to transaction costs.

The income tax expense was made up as follows:

EUR '000	2016/2017	2015/2016
Income taxes		
Current period	-1,054	-4,687
Prior periods	87	-40
Deferred tax benefit/expense in connection with the creation or reversal of temporary differences	-995	-1,000
Tax loss carryforwards not yet utilised	1,052	829
	-910	-4,898

At the end of the reporting period, the Group had corporation tax loss carry-forwards amounting to EUR 61,681 thousand (previous year: EUR 66,481 thousand) and trade tax loss carry-forwards amounting to EUR 55,272 thousand (previous year: EUR 62,366 thousand) for which no deferred tax assets have been recognised.

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	2016/2017	2015/2016
Consolidated net profit before income taxes	9,119	34,334
<i>Theoretical tax rate in %</i>	<i>32.81</i>	<i>32.81</i>
Expected income tax payment	-2,992	-11,265
Effects of changes in tax rates		
Effects from tax additions and subtractions	34	-313
Change in ability to utilise tax loss carry-forwards	1,904	6,891
Change in deferred taxes	57	-171
Prior-year taxes	87	-40
Tax payment as reported in the consolidated statement of comprehensive income	-910	-4,898
<i>Actual tax rate in %</i>	<i>9.98</i>	<i>14.3</i>

(22) Consolidated statement of cash flows

Cash and cash equivalents reported in the statement of financial position amounted to EUR 49,297 thousand (previous year: EUR 51,722 thousand).

OTHER DISCLOSURES

FINANCIAL RISKS

(23) 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	2016/2017	2015/2016
Financial assets, receivables and other financial receivables	59,311	85,814
Cash and cash equivalents	49,297	51,722

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	30/06/2017	30/06/2016
Not yet due	57,728	84,549
Less than 30 days past due	1,061	882
Between 30 and 89 days past due	234	18
	59,023	85,449

Carrying amounts of original interest-bearing financial instruments

EUR '000	30/06/2017		30/06/2016	
	Fixed interest	Variable interest	Fixed interest	Variable interest
Financial assets, receivables and other financial receivables	59,311	0	85,814	0
Financial liabilities and finance leases	18,990	0	21,630	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	2016/2017	2015/2016
Loans and receivables	695	159
Of which net interest expense/income	678	122
Of which other operating expenses/income	17	37
Financial liabilities measured at amortised cost	-2,245	-2,226
Of which net interest expense/income	-2,245	-2,226

(24) 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 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

Maturities of contractual cash flows from financial liabilities in 2016

EUR '000	Liabilities from finance leases	Trade payables	Total
2016/2017	3,894	14,635	18,529
2017/2018	3,175	3,420	6,595
2018/2019	10,484	0	10,484
2019/2020	2,211	0	2,211
2020/2021	1,511	0	1,511
2021 and beyond	3,992	0	3,992
	25,267	18,055	43,322

(25) Fair values of financial instruments by class and category

EUR '000	Carrying amount 30/06/2017	Carrying amount 30/06/2016	Fair value 30/06/2017	Fair value 30/06/2016
Non-current financial assets				
Loans and receivables	109	107	109	107
Non-current trade and other receivables				
Loans and receivables	10,256	34,378	10,256	34,378
Current trade and other receivables				
Loans and receivables	48,946	51,329	48,946	51,329
Cash and cash equivalents				
Loans and receivables	49,297	51,722	49,297	51,722
	108,608	137,536	108,608	137,536

EUR '000	Carrying amount 30/06/2017	Carrying amount 30/06/2016	Fair value 30/06/2017	Fair value 30/06/2016
Other non-current financial liabilities				
Derivatives	1,592	1,782	1,592	1,782
Other	6,600	0	6,600	0
Non-current liabilities from finance leases				
Financing liabilities	8,695	18,990	7,514	17,047
Non-current trade payables				
Other financial liabilities	496	3,420	496	3,420
Current liabilities from finance leases				
Financing liabilities	10,295	2,640	10,295	2,640
Current trade payables				
Other financial liabilities	63,565	14,635	63,565	14,635
Other current financial liabilities				
Other financial liabilities	43,264	34,435	43,264	34,435
	134,507	75,902	133,326	73,959

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.

(26) 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.

(27) 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 31 and 33 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	2016/2017	2015/2016
Transactions with BV. Borussia 09 e.V. Dortmund		
Rental income	329	437
Income from other services	357	201
Income from ticket sales	7	90
Interest income	0	3
Transactions with Borussia Dortmund Geschäftsführungs-GmbH		
Expense from costs recharged	3,371	4,042
of which from executive remuneration falling due	3,224	3,214
Transactions with Orthomed GmbH		
Expense from other services	217	217

EUR '000	30/06/2017	30/06/2016
Other current and non-current assets		
Intercompany account with BV. Borussia 09 e.V. Dortmund	56	113
Other current liabilities		
Intercompany account with Borussia Dortmund Geschäftsführungs-GmbH	782	811

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 346 thousand (previous year: EUR 417 thousand). These transactions were conducted at arm's length.

(28) Other financial obligations

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

30/06/2016 (EUR '000)	Total	Due after		
		less than 1 year	1-5 years	more than 5 years
Rental and lease payments (operating leases)	9,604	3,059	4,300	2,245
Marketing fees	102,746	23,526	79,220	0
Other obligations	4,339	915	1,807	1,617
	116,689	27,500	85,327	3,862
Purchase commitments	74,964	54,089	20,875	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.

(29) Events after the end of the reporting period

Preparations for the new season

Training began on 7 July 2017 in Dortmund with a sports medical examination and performance diagnostic.

A week later, on 14 July 2017, the team began its Asia tour with coach Peter Bosz. Borussia Dortmund won the two test matches in Asia against Urawa Red Diamonds (2:3) and AC Milan (1:3).

The team then attended the second training camp in Bad Ragaz. Borussia Dortmund lost there (0:1) against both Espanyol Barcelona and Atalanta Bergamo.

Supercup

On 5 August 2017, the DFL Super Cup was played at SIGNAL IDUNA PARK.

Borussia Dortmund lost 4:5 against FC Bayern Munich on its home turf on penalties.

DFB Cup

Borussia Dortmund beat 1. FC Rielasingen-Arlen 0:4 in the first round of the DFB Cup and advanced to the second round, where Peter Bosz's team will play against 1. FC Magdeburg on 25 October 2017.

Bundesliga

In the first Bundesliga match of the 2017/2018 season, Borussia Dortmund beat Wolfsburg 0:3.

Big names in Dortmund

Sven Bender has left Borussia Dortmund after eight years. He switched to Bundesliga rivals Bayer 04 Leverkusen for the 2017/2018 season.

Mikel Merino Zazón (Newcastle United) and Dzenis Burnic (VfB Stuttgart) also left Borussia Dortmund on loan.

The contract with Shinji Kagawa was also renewed early until 30 June 2020.

Other business

Borussia Dortmund and Opel Automobile GmbH further intensified their partnership, renewing the sponsorship agreement by another five years. The Opel logo will feature on Borussia Dortmund's shirt sleeve beginning in the coming season.

During the 2017 Asia tour, a new co-branding deal was presented with Peanuts Worldwide. Merchandise featuring Snoopy & Co. is available immediately at the fan shops.

In accordance with § 315 a HGB, the following contains disclosures made due to specific requirements of German commercial law, to the extent that such disclosures are not contained in the Notes above.

(30) Average number of salaried employees

	2016/2017	2015/2016
Total	756	703
of which in the Athletics Department	229	217
of which trainees	10	16
Other	517	470

(31) Management

Management remuneration

EUR '000	2016/2017	2015/2016
Dipl.-Kfm. Hans-Joachim Watzke (Chairman)		
Fixed components		
Fixed remuneration	1,680	1,020
Other remuneration	22	22
Dipl.-Kfm. Thomas Treß		
Fixed components		
Fixed remuneration	676	600
Other remuneration	65	65
	2,443	1,707

Based on the net profit for the year and the footballing success of the team, Hans-Joachim Watzke furthermore received EUR 528 thousand in performance-based remuneration (previous year: EUR 1,262 thousand), and Thomas Treß also received EUR 252 thousand in performance-based remuneration (previous year: EUR 240 thousand).

EUR 7 thousand in employer contributions to the German statutory retirement pension system were incurred (previous year: EUR 7 thousand).

(32) Auditors' fees

These were reported in accordance with the classification set out in IDW RS HFA 36 (new version).

For the purposes of improved comparability, prior-year figures have been adjusted in line with the new standard.

EUR '000	2016/2017	2015/2016
Audit services	246	236
Other audit-related work	33	46
Tax advisory services	6	0
Other services	0	54

Other advisory services relate to confirmations in connection with licensing procedures and the audit of the sustainability report.

(33) 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 2016/2017 (EUR '000)

24	12	12	12	18	12	12	12	12
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OCCUPATIONS

Managing shareholder of Stadt-Parfümerie Pieper GmbH, Herne	Member of German Bundestag (until 30/09/2016) Senior Advisor to the Management Board of ING-DiBa AG, Frankfurt am Main (since 1/10/2016)	Managing partner of Bernd Geske Lean Communication, Meerbusch	Chairman of the Executive Board of Evonik Industries AG, Essen (since 24 May 2017)	Chairman of the Board of Executives of the RAG Foundation, Essen	Chairman of the Board of the SIGNAL IDUNA Group, 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
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OTHER RESPONSIBILITIES

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 Evonik Performance Materials GmbH, Essen (resigned with effect from 31 May 2017)	Chairman of the Supervisory Board of Evonik Industries AG, Essen Chairman of the Supervisory Board of RAG Aktiengesellschaft, Herne Chairman of the Supervisory Board of RAG Deutsche Steinkohle AG, Herne 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 Entwicklungsgesellschaft Zollverein mbH, Essen	Member and Chairman of the Supervisory Board of Dortmund Volksbank eG, Dortmund Member and Chairman of the Supervisory Board of Sana Kliniken AG, Ismaning (since 22 June 2017)	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
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(34) 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.

(35) Notifiable shareholding under § 160 (1) No. 8 AktG in conjunction with § 21 of the German Securities Trading Act (Wertpapierhandelsgesetz, "WpHG")

We have been informed of the following reportable shareholdings:

Notification	Shareholder	Registered office	Threshold	Voting rights in %	Share in voting rights	Date on which threshold reached
Exceeded						
28 October 2016	Odey Asset Management LLP	London	3.00 %	3.47	3,195,145	21 October 2016

(36) 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*) on 8 September 2016 and made it permanently available to shareholders on the website at www.borussia-aktie.de.

Dortmund, 25 August 2017

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



Hans-Joachim Watzke
Managing Director (Chairman)



Thomas Treß
Managing Director

INDEPENDENT AUDITOR'S REPORT

To Borussia Dortmund GmbH & Co. Kommanditgesellschaft auf Aktien [partnership limited by shares with a limited liability company as general partner], Dortmund

REPORT ON THE AUDIT OF THE CONSOLIDATED FINANCIAL STATEMENTS

Opinion on the audit of the consolidated financial statements

We have audited the consolidated financial statements of Borussia Dortmund GmbH & Co. Kommanditgesellschaft auf Aktien, Dortmund ('Parent Company' or 'Borussia Dortmund') and its affiliated companies ('Group'), which comprise the consolidated statement of financial position as at 30 June 2017, the consolidated statement of profit or loss and other comprehensive income, the consolidated statement of changes in equity and the consolidated statement of cash flows for the financial year from 1 July 2016 to 30 June 2017, as well as the notes to the consolidated financial statements, including a summary of significant accounting policies.

Pursuant to Section 322 (3) sentence 1 second half-sentence of the German Commercial Code [HGB], we state that in our opinion, based on our audit findings, the accompanying consolidated financial statements comply in all material respects with IFRS, as adopted by the EU, and the supplementary requirements of German commercial law pursuant to Section 315a (1) HGB old version and give a true and fair view of the net assets and financial position of the Group as at 30 June 2017 and of its results of operations for the financial year from 1 July 2016 to 30 June 2017, in accordance with these requirements.

Pursuant to Section 322 (3) sentence 1 first half-sentence HGB, we state that our audit of the consolidated financial statements has not led to any reservations with respect to compliance of the consolidated financial statements.

Basis for the opinion on the audit of the consolidated financial statements

We conducted our audit in accordance with Section 317 HGB old version and the EU Audit Regulation (No 537/2014; hereinafter referred to as 'EU Audit Regulation') and the generally accepted standards for the audit of financial statements promulgated by the German Institute of Public Auditors [IDW]. Our responsibilities under those standards and additional guidelines are further described in the 'Auditor's responsibilities for the audit of the consolidated financial statements' section of our report. We are independent of the Group companies in accordance with the requirements of European Community law and German commercial law and the rules of professional conduct, and we have fulfilled our other ethical responsibilities under German professional law in accordance with these requirements. We believe that the audit evidence we obtained is sufficient and appropriate to provide a basis for our opinion on the audit.

Pursuant to Article 10 (2) (f) EU Audit Regulation, we hereby declare that we did not provide any of the prohibited non-audit services referred to in Article 5 (1) EU Audit Regulation and that we remained independent of the Group companies in conducting the audit.

Key audit matters

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the consolidated financial statements for the financial year from 1 July 2016 to 30 June 2017. These matters were addressed in the context of our audit of the consolidated financial statements as a whole, and in forming our opinion thereon, but 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 (Appendix 1.5/7) and to the explanatory notes to the consolidated statement of financial position (Appendix 1.5/17 (1)).

FINANCIAL STATEMENT RISK

Player registrations in the amount of EUR 140.7 million are presented under intangible assets in the consolidated financial statements of Borussia Dortmund. Player registrations increased to EUR 140.7 million in the financial year ended due to acquisitions of EUR 143.7 million, disposals of EUR 15.9 million and amortisations of EUR 51.7 million. Trade payables include transfer liabilities of EUR 50.5 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 all concluded transfer and agent agreements.

As part of subsequent measurement, we checked each transfer and agent agreement as to whether conditions occurred in the 2016/2017 financial year, which may have triggered subsequent acquisition costs and additional liabilities from transfers and their corresponding accounting.

Furthermore, we examined each 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 (Appendix 1.5/9 and 1.5/11), the explanatory notes to the consolidated statement of financial position (Appendix 1.5/20 (5)) and the explanatory notes to the consolidated statement of profit or loss and other comprehensive income (Appendix 1.5/25 (14)).

FINANCIAL STATEMENT RISK

In addition to the player registrations recognised, the transfer agreements also impact receivables and revenues from transfers. EUR 49.5 million of transfer receivables are shown under trade receivables in the consolidated financial statements of Borussia Dortmund. Revenues from transfers amounted to EUR 77.3 million in the 2016/2017 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 all concluded transfer and agent agreements. The accuracy of transfer receivables and revenues

recognised 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 recognised in the correct period.

OUR CONCLUSIONS

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

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

We refer to the information in the notes to the consolidated financial statements under explanatory notes to the consolidated statement of profit or loss and other comprehensive income (Appendix 1.5/25 (17)).

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 financial statements.

OUR AUDIT APPROACH

Our audit procedures in particular included a complete 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 recognised in the proper period regardless of the payment date.

OUR CONCLUSIONS

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

Responsibilities of the legal representatives and the supervisory board for the consolidated financial statements

The legal representatives are responsible for preparing the consolidated financial statements in accordance with IFRS, as adopted by the EU, and the supplementary requirements of German commercial law pursuant to Section 315a (1) HGB old version, and that the consolidated financial statements give a true and fair view of the net assets, financial position and results of operations of the Group. Furthermore, the legal representatives are responsible for such internal control they 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, the legal representatives are responsible for assessing the Group's ability to continue as a going concern. As appropriate, they furthermore have the responsibility to disclose matters related to going concern and use the going concern basis of accounting unless the intention to liquidate the Group or to discontinue operations or no realistic alternative but to do so exists.

The Supervisory Board is responsible for monitoring of the Group's financial reporting process for preparing the consolidated financial statements.

Auditor's responsibilities for the audit of the consolidated financial statements

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatements, whether due to fraud or error, and to issue an auditor's report that includes our opinion on the consolidated financial statements. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Section 317 HGB old version and the EU Audit Regulation and in consideration of the German generally accepted standards for the audit of financial statements promulgated by the German Institute of Public Auditors [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.

As part of an audit in accordance with Section 317 HGB old version and the EU Audit Regulation and in consideration of the German generally accepted standards for the audit of financial statements promulgated by the German Institute of Public Auditors [IDW], we exercise professional judgement and maintain professional scepticism throughout the audit. Furthermore we:

- identify and assess the risks of material misstatements, whether due to fraud or error, of the consolidated financial statements, , design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatements resulting from fraud is higher than for resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- obtain an understanding of an internal control system relevant to the audit 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 the Group's internal control system.
- evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the legal representatives.
- conclude on the appropriateness of the legal representatives' 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 cause 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 our auditor's report to the related disclosures in the consolidated financial statements or the group management report or, if such disclosures are inadequate, to modify our opinion. 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 continue as a going concern.
- evaluate the overall presentation, the structure and the content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that gives a true and fair view of the net assets, financial position and results of operations of the Group in accordance with IFRS, as adopted by the EU, and the supplementary requirements of German commercial law pursuant to Section 315a (1) HGB old version.
- obtain sufficient appropriate audit evidence regarding the financial information of the companies or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

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

We provide the Supervisory Board 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 the taken related safeguards.

From the matters communicated with the Supervisory Board, 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 report on the audit of the consolidated financial statements unless law or regulation precludes public disclosure about the matter.

OTHER LEGAL AND REGULATORY REQUIREMENTS

REPORT ON THE AUDIT OF THE GROUP MANAGEMENT REPORT

Opinion on the audit of the group management report

We have audited the group management report of Borussia Dortmund GmbH & Co. Kommanditgesellschaft auf Aktien, Dortmund, which is combined with the Company's management report, for the financial year from 1 July 2016 to 30 June 2017.

In our opinion, based on the findings of our audit, the accompanying group management report as a whole provides a suitable view of the Group's position. The group management report is consistent with the consolidated financial statements, in all material respects, complies with German statutory requirements and suitably presents the opportunities and risks of future development.

Our audit has not led to any reservations with respect to the regulatory compliance of the group management report.

Basis for the opinion on the audit of the group management report

We conducted our audit of the group management report in accordance with Section 317 (2) HGB old version and German generally accepted standards for the audit of management reports promulgated by the German Institute of Public Auditors [IDW]. We believe that the audit evidence we obtained is sufficient and appropriate to provide a basis for our opinion.

Responsibilities of the legal representatives and the supervisory board for the group management report

The legal representatives are responsible for the preparation of the group management report,

which as a whole provides a suitable view of the Group's position, is consistent with the consolidated financial statements, complies with German statutory requirements and suitably presents the opportunities and risks of future development. Furthermore, the legal representatives are responsible for such arrangements and measures (systems) they determined necessary to enable the preparation of the group management report in compliance with the requirements of German commercial law applicable pursuant to Section 315a (1) HGB old version and for providing sufficient and appropriate evidence for the statements in the group management report

The Supervisory Board is responsible for monitoring of the Group's financial reporting process for preparing the group management report.

Auditor's responsibilities for the audit of the group management report

Our objectives are to obtain reasonable assurance about whether the group management report as a whole provides a suitable view of the Group's position, as well as, in all material respects, is consistent with the consolidated financial statements and our audit findings, complies with German statutory requirements, and suitably presents the opportunities and risks of future development and to issue a report that includes our opinion on the audit of the group management report.

As part of an audit, we examine the group management report in accordance with Section 317 (2) HGB old version and German generally accepted standards for the audit of management reports promulgated by the IDW. In this regard, we draw attention to the following:

- The audit of the group management report is integrated into the audit of the consolidated financial statements.
 - We obtain an understanding of the 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 arrangements and measures (systems).
 - We perform audit procedures on the prospective information presented by the legal representatives in the group management report. Based on sufficient and appropriate audit evidence, we verify in particular the significant assumptions used by the legal representatives as a basis for the prospective information and assess the reasonableness of these assumptions as well as the appropriate derivation of the prospective information from these assumptions. We do not provide a separate audit opinion on the prospective information as well as the underlying assumptions. There is a significant, unavoidable risk that future events will deviate significantly from the prospective information.
- We also do not provide a separate audit opinion on individual disclosures in the group management report; but an opinion covering the group management report as a whole.

OTHER DISCLOSURES PURSUANT TO ARTICLE 10 OF THE EU AUDIT REGULATION

We were appointed as auditor by the shareholders’ meeting held on 21 November 2016. We were engaged by the Supervisory Board on 21 November 2016. We act as auditor for Borussia Dortmund GmbH & Co. Kommanditgesellschaft auf Aktien, Dortmund, without interruption since the financial year 2009/2010. We declare that the audit opinions in this auditor’s report are consistent with the additional report to the audit committee referred to in Article 11 of the EU Audit Regulation (audit report).

RESPONSIBLE AUDITOR

The auditor responsible for the engagement is Ralph Fischer.

Dortmund, 25 August 2017
 KPMG AG Wirtschaftsprüfungsgesellschaft

Ralph Fischer
 Auditor
Wirtschaftsprüfer

Trujillo Hesseler
 Auditor
Wirtschaftsprüfer

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.

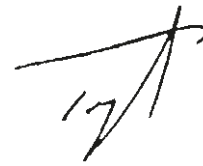
Dortmund, 25 August 2017

Borussia Dortmund GmbH & Co. Kommanditgesellschaft auf Aktien

Borussia Dortmund Geschäftsführungs-GmbH



Hans-Joachim Watzke
Managing Director (Chairman)
Director



Thomas Treß
Managing

PUBLICATION DETAILS

PUBLISHED BY

Borussia Dortmund GmbH & Co. KGaA
Rheinlanddamm 207-209
44137 Dortmund

DESIGN

Uwe W. Landskron
K-werk Communicationdesign
www.K-werk.de

INTERNET

<http://aktie.bvb.de/eng/>

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PRINTED BY

Hitzegrad Print | Medien & Service

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FINANCIAL CALENDAR

28 SEPTEMBER 2017

Publication of the annual report – fiscal year 2016/2017

5 OCTOBER 2017

Edison Roadshow, London (GB) - Company presentation

14 NOVEMBER 2017

Disclosure of the quarterly financial report – Q1 fiscal year 2017/2018

27 NOVEMBER 2017

Annual shareholders meeting 2017

For more information, go to: www.bvb.de/aktie/eng/

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