

BORUSSIA DORTMUND

HALF-YEARLY FINANCIAL REPORT
H1 2016/2017



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Interim Group Management Report for the period from 1 July to 31 December 2016 of Borussia Dortmund GmbH & Co. Kommanditgesellschaft auf Aktien (hereinafter also "Borussia Dortmund" or the "Group")

BORUSSIA DORTMUND INTERIM MANAGEMENT REPORT

BUSINESS DEVELOPMENT

LOOKING BACK ON THE FIRST SIX MONTHS OF FINANCIAL YEAR 2016/2017

BUNDESLIGA

Borussia Dortmund chalked up 27 points in 16 match days. This placed them sixth in the table for the current season, only three points shy of third place and automatic qualification for the UEFA Champions League.

UEFA CHAMPIONS LEAGUE

On the international stage, Borussia Dortmund advanced to the round of 16 in the UEFA Champions League after winning Group F. Like in the Bundesliga, the team's performance was marked by its offensive prowess, setting a new record of 21 goals in the group stage. After two draws (2:2) with Real Madrid and two wins against Sporting Lisbon (1:0 and 1:2), it was the club's 8:4 victory over Legia Warsaw that stood out, marking a further UEFA Champions League record.

DFB CUP

Borussia Dortmund faced fourth-tier SV Eintracht Trier 05 e.V. in the first round of the DFB Cup, winning 0:3 to advance to the next round.

The team subsequently hosted second-division Union Berlin at SIGNAL IDUNA PARK. Borussia Dortmund won on penalties and is now set to take on another team from the capital, Hertha BSC Berlin, in the round of 16.

FINANCIAL PERFORMANCE**Financial indicators****Borussia Dortmund KGaA (HGB)**

EUR '000	H1 2016/2017 31/12/2016	H1 2015/2016 30/06/2016
Equity	356,507	347,487
Capital expenditure	89,130	38,346
Gross revenue	185,655	138,881
Operating result (EBITDA)	41,724	16,800
Result from operating activities (EBIT)	11,286	-11,327
Financial result (investment income and net interest expense)	5,345	6,244
Net profit/net loss for the year	14,539	-5,213
Cash flows from operating activities	-19,117	395
Number of shares (in thousands)	92,000	92,000
Earnings per share (in EUR)	0.16	-0.06

Borussia Dortmund Group (IFRS)

EUR '000	H1 2016/2017 31/12/2016	H1 2015/2016 30/06/2016
Equity	319,632	309,542
Capital expenditure	89,257	39,226
Gross revenue	215,881	170,054
Operating result (EBITDA)	49,853	25,480
Result from operating activities (EBIT)	18,211	-3,893
Financial result (investment income and net interest expense)	-697	-646
Consolidated net profit/loss for the year	15,578	-4,651
Cash flows from operating activities	-17,156	3,662
Number of shares (in thousands)	92,000	92,000
Earnings per share (in EUR)	0.17	-0.05

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 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.

Since the financial year 2015/2016, management's list of key performance indicators will include the operating result (EBITDA). This change was made in light of the rise in investment activities and the associated increase in depreciation, amortisation and write-downs. Therefore, EBITDA (EBIT adjusted for depreciation, amortisation and write-downs) was selected to 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 has decided that its only non-financial performance indicator will be 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 first six months of financial year 2016/2017

SPONSORSHIPS

Demand for a spot as a marketing partner of Borussia Dortmund remains strong in the current financial year. The German airline Eurowings Aviation GmbH became a new Champion Partner, joining the club's longstanding primary sponsors, Evonik Industries AG, SIGNAL IDUNA Holding AG and PUMA International Sports Marketing B.V. The longstanding partner Zumtobel Lighting GmbH also joined the ranks of the Champion Partners this season.

In addition, almost all expiring sponsoring agreements were renewed or new partners were found.

The hospitality areas were again running at full capacity. The reorganisation and accompanying relocation of the press pen to the southeast corner of SIGNAL IDUNA PARK resulted in the restructuring of the hospitality areas, and a third marketing opportunity, the "Weiße Wiese", was created on the north terrace.

Thanks to the Asia tour becoming a fixed element of Borussia Dortmund's preseason, the club was not only able to win over new sponsors there but also expand upon and renew contractual relations with existing partners.

BIG NAMES IN DORTMUND

Borussia Dortmund's president, Dr Reinhard Rauball, was unanimously re-elected to serve as president of the DFL at its annual general meeting. He will thus exercise this function for a further three years. The 69-year-old has been president of the league association since the year 2007, and is thus kicking off his fourth term of office at DFL.

Trade magazine HORIZONT chose Borussia Dortmund Managing Director Hans-Joachim Watzke as its business personality of the year. He was honoured in the Marketing category for his work in shaping the Company into a top brand enjoying sporting and business success.

After three years, the German national team player Mario Götze returned to Dortmund, signing a four-year contract. Borussia Dortmund also signed André Schürrle, another German national team player. The 25-year-old offensive specialist played most recently in Wolfsburg.

However, there were also three departures. Armenian international Henrikh Mkhitaryan transferred to Manchester United in the English Premier League. Poland international Jakub Blaszczykowski, who most recently loaned to ACF Fiorentina, transferred to VfL Wolfsburg.

Midfielder Moritz Leitner will ply his trade with Lazio Rome (S.S. Lazio S.p.A.) in Italy's Serie A.

Julian Weigl signed an early contract extension until 30 June 2021, and is currently in his second season at Borussia Dortmund.

Meanwhile, Borussia Dortmund lost a legend with the death of Alfred "Aki" Schmidt. Schmidt, who had remained the most popular stadium tour guide at SIGNAL IDUNA PARK and was active on the Council of Elders, passed away at the age of 81. He was the first Dortmund player to captain the German national side and won the German championship twice as well as the DFB Cup and the UEFA Cup Winners' Cup.

OTHER BUSINESS

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.

GROUP STRUCTURE AND BUSINESS OPERATIONS

The interim Group management report refers to the unchanged consolidated group of Borussia Dortmund GmbH & Co. KGaA.

In addition to its core activities of playing football and marketing SIGNAL IDUNA PARK, Borussia Dortmund has established football-related lines of business.

The list of shareholdings as at 31 December 2016 was as follows:

Shareholding

	Registered office	Share capital EUR '000	Shareholding %	Equity (EUR '000) as at 31/12/2016	Net profit/loss (EUR '000) 01/07/2016 to 31.12.2016
Fully consolidated companies:					
BVB Stadionmanagement GmbH*	Dortmund	52	100.00	66	85
besttravel Dortmund GmbH*	Dortmund	50	100.00	411	267
BVB Merchandising GmbH*	Dortmund	75	100.00	10,881	3,874
Sports & Bytes GmbH*	Dortmund	200	100.00	2,510	55
BVB Event & Catering GmbH*	Dortmund	25	100.00	25	1,135
BVB Asia Pacific Pte. Ltd.	Singapore	66	100.00	85	3
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.

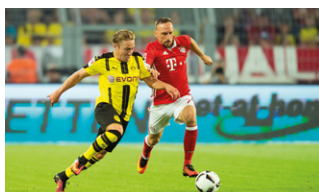
** Included in the consolidated financial statements as at 31 December 2015 as an associate.

THE SHARES OF BORUSSIA DORTMUND GmbH & Co. KGaA

SHARE PRICE PERFORMANCE IN THE FIRST SIX MONTHS OF FINANCIAL YEAR 2016/2017

During the reporting period for the first six months of the 2016/2017 financial year (1 July to 31 December 2016), the performance of BVB shares was influenced primarily by positive sport-related and business announcements by the Company. The share price recorded encouraging growth of EUR 1.18 or 28.9% during the reporting period for the first six months of the financial year (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, 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. BVB shares traded at EUR 4.01 on 15 August 2016. 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 percent increase in consolidated revenue, amounting to EUR 376.3 million; even adjusted for transfers, consolidated revenue rose by 6.7 percent 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. Borussia Dortmund GmbH & Co. KGaA shares traded at EUR 4.32 on 23 August 2016, at EUR 4.39 on 24 August 2016, EUR 4.28 on 26 August 2016 and at EUR 4.23 on 31 August 2016. In September 2016, 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

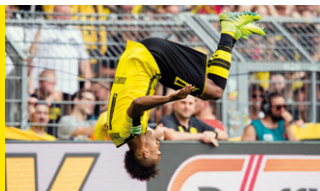


DFL Supercup
14 August 2016
BVB - Bayern München 0:2

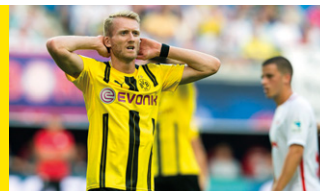


DFB-Cup: Round 1
22 August 2016
SV Eintracht Trier - BVB 0:3

12-year high in October. BVB shares traded at EUR 4.96 on 4 October 2016, at EUR 5.15 on 12 October 2016, at EUR 5.50 on 18 October 2016 and at EUR 5.78 on 24 October 2016. On 27 October 2016, Borussia Dortmund's shares reached their high of EUR 5.86 for the reporting period. 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. A day later, 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 and the reporting period 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 were up EUR 1.18 since the beginning of the reporting period and thus recorded growth of 28.9%.

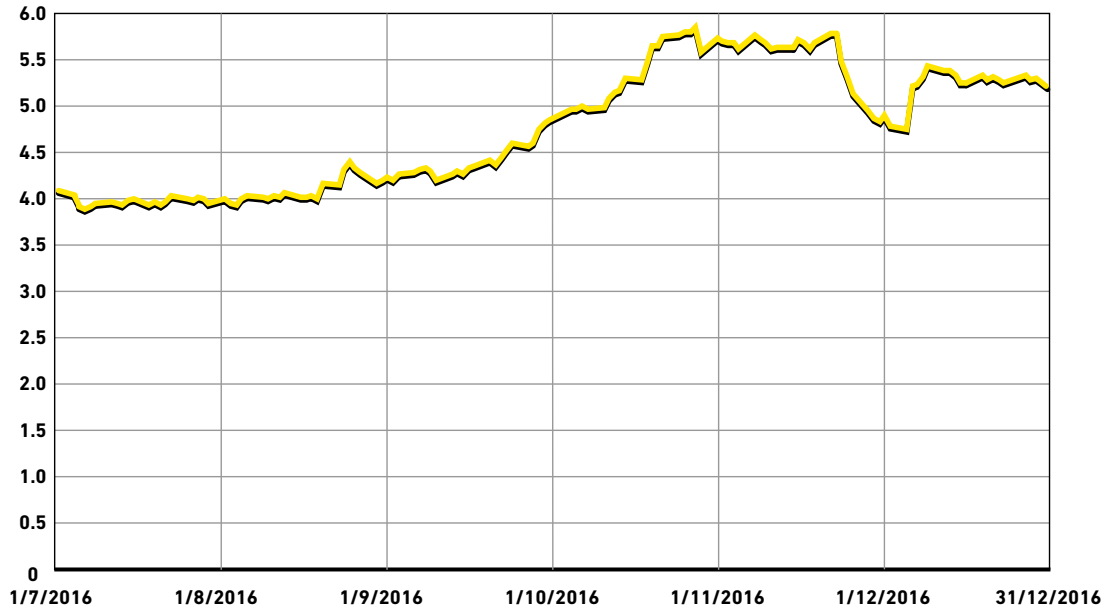


Match Day 1
27 August 2016
BVB - 1. FSV Mainz 2:1

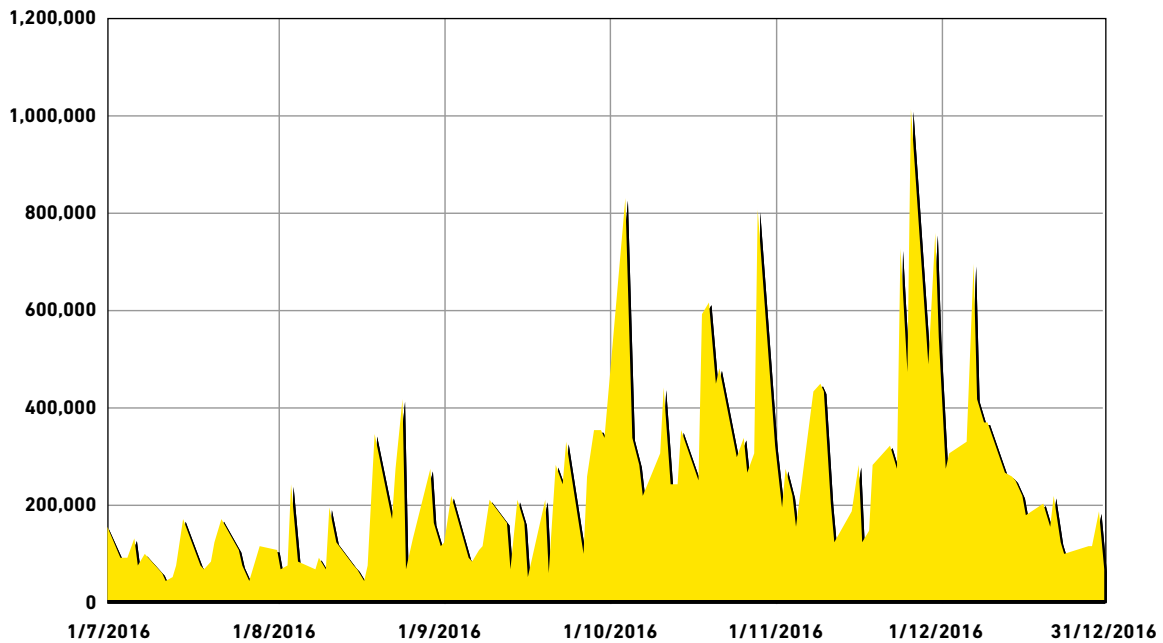


Match Day 2
10 September 2016
RB Leipzig - BVB 1:0

Share performance July – December (in EUR)



Revenue July – December (Shares)



UCL: Match Day 1
14 September 2016
Legia Warsaw - BVB 0:6



Match Day 3
17 September 2016
BVB - SV Darmstadt 0:6

SHARE CAPITAL AND SHAREHOLDER STRUCTURE

As at 31 December 2016, 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 31 December 2016:

- Evonik Industries AG: 14.78%
- Bernd Geske: 8.90 %
- Ballspielverein Borussia 09 e.V. Dortmund: 5.53%
- SIGNAL IDUNA: 5.43%
- PUMA SE: 5.00%
- Free float: 60.36 %

SHAREHOLDINGS BY MEMBERS OF GOVERNING BODIES

As at 31 December 2016, 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 8,192,009 no-par value shares. Members of management and the Supervisory Board hold a total of 8,199,054 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



Match Day 4
20 September 2016
VfL Wolfsburg - BVB 1:5



Match Day 5
23 September 2016
BVB - SC Freiburg 3:1

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 managers' 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, group and one-on-one meetings were held with capital market representatives during the reporting period and a roadshow was organised on 6 October 2016 in London (UK). Lastly, 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:

- Bankhaus Lampe KG, Düsseldorf
Most recent research update: 06 December 2016, Recommendation: "Buy" (previously: "Buy")
- ODDO Seydler Bank AG, Frankfurt am Main
Most recent research update: 22 November 2016, Recommendation: "Neutral" (previously: "Buy")
- GSC Research GmbH, Düsseldorf
Most recent research update: 13 October 2016, Recommendation: "Hold" (previously: "Buy")
- Edison Research Investment Ltd., London, UK
Most recent research update: 05 October 2016, Recommendation: "n/a"

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

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



UCL: Match Day 2
27 September 2016
BVB - Real Madrid 2:2



Match Day 6
1 October 2016
Bayer Leverkusen - BVB 2:0

POSITION OF THE COMPANY

DEVELOPMENT OF PERFORMANCE INDICATORS

DEVELOPMENT OF FINANCIAL PERFORMANCE INDICATORS

In the first half of the 2016/2017 financial year, Borussia Dortmund's financial performance indicators – revenue, result from operating activities (EBIT), operating result (EBITDA), net income/net loss for the year and cash flows from operating activities – were as follows:

Revenue

Revenue amounted to EUR 214,194 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 total current financial year.

EBITDA

H1 EBITDA amounted to EUR 49,853 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 61,000 thousand.

EBIT

H1 EBIT amounted to EUR 18,211 thousand and the group net profit for the year totalled EUR 15,578 thousand.

The report on expected developments dated 30 June 2016 forecasted net income and a positive result from operating activities (EBIT) for the full financial year, an outlook which the management continues to stand by.

Cash flows

Cash flows from operating activities amounted to EUR -17,156 thousand as at the end of the first half of the year.

The management's forecast as at 30 June 2016 was for cash flows from operating activities in the low eight-figure range for the full 2016/2017 financial year. However, as it currently stands this is only realistic if the club's success on the pitch and the associated earnings and income effects significantly exceed the existing budget assumptions.



Match Day 7
14 October 2016
BVB - Hertha BSC 1:1



UCL: Match Day 3
18 October 2016
Sporting CP - BVB 1:2

Overview of financial performance indicators:

Borussia Dortmund Group (IFRS)

EUR '000	H1 2016/2017	H1 2015/2016
Revenue	214,194	168,149
Operating result (EBITDA)	49,853	25,480
Result from operating activities (EBIT)	18,211	-3,893
Group net profit/net loss for the year	15,578	-4,651
Cash flows from operating activities	-17,156	3,662

DEVELOPMENT OF NON-FINANCIAL PERFORMANCE INDICATORS

New media continue to be used as an indicator for the long-term economic viability of the Borussia Dortmund brand, and were primarily used to measure the brand's reach in the past reporting period.

They showed constant growth in Borussia Dortmund's awareness level on social media.

Facebook remains the most popular platform among Borussia Dortmund fans. The number of "likes" was up 675,000 as against 30 June 2016 to 15.06 million as at the reporting date.

Borussia Dortmund also expanded its appeal on Instagram, gaining a further 1.0 million followers in the first half of the 2016/2017 financial year. The club had 3.36 million followers as at 31 December 2016. Borussia Dortmund used the new Instagram Stories feature to launch "09 News", an innovative format that provides fans with a brief summary of the key news stories at the club.

On Twitter, too, Borussia Dortmund now keeps 2.46 million users up-to-date with the most important news.

The club has had very positive feedback since accessing communications channels in Asia in the summer of 2016. For example, Borussia Dortmund recorded significant growth on the largest Chinese microblogging services Tencent Weibo (376,000 followers) and Sina Weibo (980,000 followers) as at 31 December 2016.

Taking all social media platforms into account, Borussia Dortmund had a digital reach of 24.0 million users as at 31 December 2016 (30 June 2016: 21.6 million).



Match Day 8
22 October 2016
FC Ingolstadt - BVB 3:3



DFB-Cup: Round 2
26 October 2016
BVB - Union Berlin 4:1 APS

RESULTS OF OPERATIONS

For the second time since the 2014/2015 season, Borussia Dortmund qualified for the round of 16 in the UEFA Champions League after just four of its six group stage matches. In the DFB Cup, too, this was the sixth consecutive year in which the team was still in the running at the winter break, again advancing to the third round.

Borussia Dortmund carried on its positive economic development in the first half of the 2016/2017 financial year by competing in the UEFA Champions League, qualifying for the round of 16, acquiring new marketing partners and through its activities on the transfer market.

Borussia Dortmund closed out the first half of the year with a consolidated net profit of EUR 15,578 thousand, an improvement of EUR 20,229 thousand over the previous year.

During the reporting period (1 July to 31 December 2016), Borussia Dortmund generated revenue of EUR 214,194 thousand (previous year: EUR 168,149 thousand) and gross revenue of EUR 215,881 thousand (previous year: EUR 170,054 thousand), a further increase of EUR 45,827 thousand.

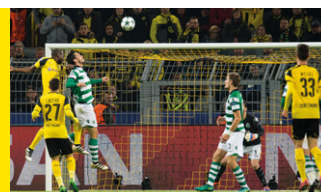
The result from operating activities (EBIT) amounted to EUR 18,211 thousand (previous year: EUR -3,893 thousand). The EUR 22,104 thousand improvement is due primarily to the increase in transfer deals and to TV marketing. The operating result (EBITDA) amounted to EUR 49,853 thousand, up significantly on the prior-year figure of EUR 25,480 thousand.

REVENUE TREND

Borussia Dortmund once again increased revenue during the first half of the 2016/2017 financial year, generating EUR 214,194 thousand during the first six months of the financial year (previous year: EUR 168,149 thousand). The 27.38% increase is due primarily to positive developments in TV marketing and transfer deals.



Match Day 9
29 October 2016
BVB - FC Schalke 04 0:0



UCL: Match Day 4
2 November 2016
BVB - Sporting CP 1:0

In addition to an increase in TV marketing revenue of EUR 26,032 thousand and from transfer deals of EUR 20,549 thousand, revenue from conference, catering and miscellaneous also increased by EUR 1,862 thousand. By contrast, revenue from match operations declined by EUR 1,203 thousand year on year to EUR 22,256 thousand, and merchandising revenue declined by EUR 1,254 thousand as against the prior year to EUR 23,195 thousand. At EUR 40,064 thousand, advertising revenue was consistent with the previous year's level (EUR 40,005 thousand).

The increase in revenue from TV marketing was attributable to the fact that the club is competing in current UEFA Champions League season, the higher distribution of funds from the foreign pot for national TV marketing in the current financial year and team's appearance in the DFL Super Cup. Revenue from transfer deals increased due to the sale of the transfer rights for Henrikh Mkhitaryan, Jakub Blaszczykowski and Moritz Leitner as well as transfer compensation stemming from transfer deals in previous financial years.

The fewer number of home matches in international competitions was the primary factor behind the EUR 1,203 thousand decline in revenue from match operations to EUR 22,256 thousand.

Whereas the club hosted two qualifying rounds and three group matches of the UEFA Europa League in the previous financial year, Borussia Dortmund hosted just three UEFA Champions League group matches during the current season. By contrast, competing in the DFL Super Cup and the associated income had a positive effect.

At EUR 40,064 thousand, revenue from advertising remained level with the prior-year figure of EUR 40,005 thousand. In addition to the advertising in and around SIGNAL IDUNA PARK, this also includes advertising revenue from the Asia tour and bonuses for advancing to the round of 16 in the UEFA Champions League. Merchandising revenue failed to match the prior-year figure (EUR 24,449 thousand), amounting to EUR 23,195 thousand. Only the B2B area continued to improve.

Gross revenue amounted to EUR 215,881 thousand in the period under review (previous year: EUR 170,054 thousand).

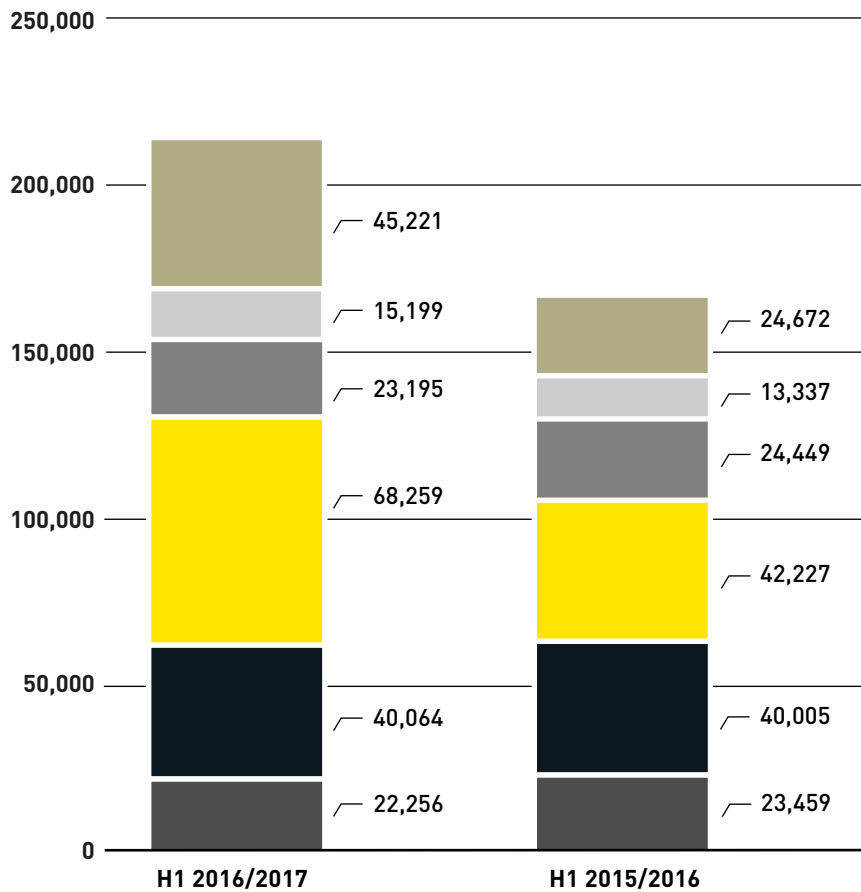


Match Day 11
5 November 2016
Hamburger SV - BVB 2:5

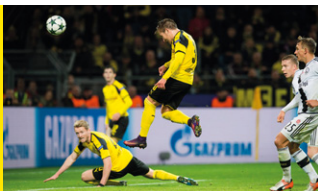


Match Day 11
19 November 2016
BVB - Bayern München 1:0

Borussia Dortmund Group – Revenue in EUR '000



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



UCL: Match Day 5
22 November 2016
BVB - Legia Warsaw 8:4



Match Day 12
26 November 2016
Eintracht Frankfurt - BVB 2:1

CHANGES IN SIGNIFICANT OPERATING EXPENSES

COST OF MATERIALS

Cost of materials remained virtually unchanged at EUR 14,392 thousand (previous year: EUR 14,472 thousand). The cost of materials for purchased merchandise, which also includes publications, increased by EUR 268 thousand, while the cost of materials for catering decreased by EUR 188 thousand due to the lower number of matches.

PERSONNEL EXPENSES

Personnel expenses amounted to EUR 82,290 thousand in the first six months of financial year 2016/2017, up EUR 16,148 thousand from the previous year. The increase was primarily due to personnel expenses for the professional squad.

DEPRECIATION, AMORTISATION AND WRITE-DOWNS

In the period under review, depreciation, amortisation and write-downs rose by EUR 2,269 thousand to EUR 31,642 thousand as compared to the first half of the previous year.

Write-downs for depreciation and amortisation increased by EUR 9,738 thousand to EUR 31,642 thousand. This increase was attributable primarily to investments in the professional squad.

Furthermore, depreciation and amortisation in Q1 2015/2016 included a EUR 7,469 thousand write-down of a non-current asset to its fair value.

OTHER OPERATING EXPENSES

During the reporting period, other operating expenses amounted to EUR 69,346 thousand (previous year: EUR 63,960 thousand). The EUR 5,386 thousand increase was due to factors including the expense incurred for performance-related marketing commissions and taxes on profits.

FINANCIAL RESULT

The financial result remained virtually constant at EUR -697 thousand (previous year: EUR -646 thousand).

TAX EXPENSE

The tax expense amounted to EUR -1,936 thousand in the reporting period (previous year: EUR -112 thousand) and related almost entirely to provisions for earnings in the half-year period from 1 July to 31 December 2016.



Match Day 13
3 December 2016
BVB - Bor. M'gladbach 4:1



UCL: Match Day 6
7 December 2016
Real Madrid - BVB 2:2

ANALYSIS OF CAPITAL STRUCTURE

DEVELOPMENT AND PERFORMANCE OF THE BUSINESS

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

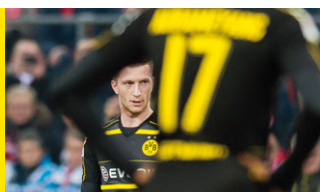
of Borussia Dortmund GmbH & Co. Kommanditgesellschaft auf Aktien, Dortmund

ASSETS	31/12/2016		30/06/2016	
	EUR '000	in %	EUR '000	in %
Non-current assets				
Intangible assets	159,760	33.3	65,278	15.4
Property, plant and equipment	187,229	38.9	188,423	44.4
Investments accounted for using the equity method	302	0.1	302	0.1
Financial assets	105	0.0	107	0.0
Trade and other financial receivables	1,380	0.3	34,378	8.1
Deferred tax assets	1,136	0.2	1,136	0.2
Prepaid expenses	19,431	4.0	13,141	3.1
	369,343	76.8	302,765	71.3
Current assets				
Inventories	9,581	2.0	10,158	2.4
Trade and other financial receivables	40,552	8.4	51,072	12.0
Current tax assets	267	0.1	257	0.1
Cash and cash equivalents	38,916	8.1	51,722	12.2
Prepaid expenses	22,071	4.6	8,571	2.0
	111,387	23.2	121,780	28.7
	480,730	100	424,545	100

As at 31 December 2016, total assets amounted to EUR 480,730 thousand, representing an increase of EUR 56,185 thousand as compared to 30 June 2016. Changes in assets resulted from the following changes in non-current and current assets:

Fixed assets rose by a total of EUR 93,286 thousand to EUR 347,396 thousand, due primarily to investments in intangible assets. Additions amounting to EUR 132,698 thousand (of which EUR 128,168 in intangible assets) were partly offset by disposals amounting to EUR 7,770 thousand and depreciation, amortisation and write-downs amounting to EUR 31,642 thousand.

Non-current trade and other financial receivables decreased by EUR 32,998 thousand to EUR 1,380 thousand in the reporting period; likewise, current trade and other financial receivables declined by EUR 10,520 thousand. This was primarily due to payments received for transfer receivables.



Match Day 14
10 December 2016
1. FC Köln - BVB 1:1



Match Day 15
16 December 2016
TSG Hoffenheim - BVB 2:2

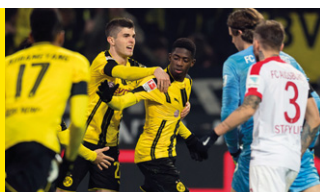
In contrast to the decrease in trade and other financial receivables, non-current and current prepaid expenses rose by a total of EUR 19,790 thousand. This increase was due to recognised consulting and salary payments and, where the current prepaid expenses were concerned, by prepayments for market activities recognised during the course of the reporting period.

Inventories decreased to EUR 577 thousand from EUR 10,158 thousand as at 30 June 2016. Due to seasonal factors, cash and cash equivalents amounted to EUR 38,916 thousand (30 June 2016: EUR 51,722 thousand).

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

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

EQUITY AND LIABILITIES	31/12/2016		30/06/2016	
	EUR '000	in %	EUR '000	in %
Equity				
Subscribed capital	92,000	19.1	92,000	21.6
Reserves	227,745	47.4	217,655	51.3
Treasury shares	-113	0.0	-113	0.0
Equity attributable to the owners of the parent company	319,632	66.5	309,542	72.9
Non-current liabilities				
Non-current liabilities from finance leases	9,639	2.0	18,990	4.5
Trade payables	0	0.0	3,420	0.8
Other non-current financial liabilities	1,666	0.4	1,782	0.4
Deferred income	10,000	2.1	12,000	2.8
	21,305	4.5	36,192	8.5
Current liabilities				
Provisions	1,345	0.3	1,372	0.3
Current liabilities from finance leases	10,691	2.2	2,640	0.6
Trade payables	70,302	14.6	14,635	3.5
Other current financial liabilities	31,447	6.5	34,435	8.1
Current income tax liabilities	2,091	0.4	5,212	1.3
Deferred income	23,917	5.0	20,517	4.8
	139,793	29.0	78,811	18.6
	480,730	100	424,545	100



Match Day 16
20 December 2016
BVB - FC Augsburg 1:1



Match Day 17
21 January 2017
SV Werder Bremen - BVB 1:2

The Group's share capital remained level at EUR 92,000 thousand as at 31 December 2016.

The equity ratio amounted to 66.49% (30 June 2016: 72.91%).

As at 31 December 2016, Borussia Dortmund had current and non-current liabilities amounting to EUR 161,098 thousand (30 June 2016: EUR 115,003 thousand). Changes in liabilities were as follows:

Liabilities from finance leases decreased as planned by EUR 1,300 thousand. Current liabilities from finance leases rise by EUR 8,051 thousand due to a purchase obligation.

Trade payables totalled EUR 70,302 thousand (30 June 2016: EUR 18,055 thousand). The EUR 52,247 thousand increase is due primarily to developments on the transfer market.

Deferred income amounted to EUR 33,917 thousand, representing a decrease of EUR 1,400 thousand as compared to 30 June 2016 (EUR 32,517 thousand).

Other financial liabilities decreased by EUR 3,104 thousand to EUR 33,113 thousand. Tax liabilities declined by EUR 3,121 thousand to EUR 2,091 thousand especially because of the decline of tax liabilities.

ANALYSIS OF CAPITAL EXPENDITURE

In the first half of the current financial year, Borussia Dortmund invested EUR 89,257 thousand. Of this amount, EUR 84,275 thousand was invested in financial assets. Nearly the entirety of this amount was invested in the player base.

During the same period, EUR 4,977 thousand was invested in property, plant and equipment, which related primarily to fixtures and expansion work in and around SIGNAL IDUNA PARK as well as expansions and alterations to the training centre in Dortmund-Brackel.

ANALYSIS OF LIQUIDITY

As at 31 December 2016, Borussia Dortmund held unrestricted cash funds of EUR 38,916 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 -17,156 thousand as at the end of the first half of the year.

Cash flows from investing activities amounted to EUR 11,214 thousand. This includes payments for investments in the professional squad amounting to EUR 84,034 thousand and payments for investments in property, plant and equipment amounting to EUR 4,977 thousand.

Proceeds from the disposal of intangible assets, in particular transfer rights, amounted to EUR 100,434 thousand during the reporting period previous year (previous year: EUR 16,662 thousand).

Cash flows from financing activities amounted to EUR -6,864 thousand due primarily to the dividend distribution in November 2016 (previous year: EUR -6,108 thousand).

OPPORTUNITIES AND RISKS

The entrepreneurial actions of Borussia Dortmund invariably expose it to risks which have the ability to exert a positive or a negative influence on its business activities. The Company's risk management system is designed to identify, assess and manage such risks. This ensures the Company's ability to continue as a going concern and detects any developments jeopardising its existence early on so that appropriate countermeasures can be taken to remedy the situation. Management monitors the risk management system and reports regularly to the Supervisory Board.

For details, please refer to the notes on opportunities and risks in the 2015/2016 consolidated annual report.

There are no risks that jeopardise Borussia Dortmund's ability to continue as a going concern.

REPORT ON EXPECTED DEVELOPMENTS

EXPECTED DEVELOPMENT OF THE COMPANY

Borussia Dortmund remained in the running for both cup competitions at the winter break, with upcoming fixtures against Hertha BSC Berlin in the round of 16 of the DFB Cup and against Benfica Lisbon in the round of 16 of the UEFA Champions League.

In the Bundesliga, Borussia Dortmund was sixth in the standings after 16 of 34 match days, three points shy of third place and automatic qualification for the UEFA Champions League in the 2017/2018 season.

EXPECTED GENERAL ECONOMIC ENVIRONMENT

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 places Borussia Dortmund in a better position financially than was the case in the previous year.

The income from marketing the Bundesliga on television can be planned with certainty.

This was renegotiated and the distribution system changed for the 2017/2018 to 2020/2021 seasons. Borussia Dortmund expects a roughly 45% increase in national TV marketing income for the coming financial year.

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, Borussia Dortmund can report that it again sold 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.

Borussia Dortmund is budgeting for expected transfer income, which it considers highly likely due to the changes in transfer market conditions in recent years and the transfer income that it has regularly generated.

OVERALL ASSESSMENT OF EXPECTED PERFORMANCE

On account of the aforementioned expected economic conditions, paired with the appeal of the Borussia Dortmund brand, the club continues to expect that its economic performance will remain positive in the coming years. The management board continues to assume, except the forecast of cash flow, their prognosis by 30 June 2016.

**DISCLAIMER**

This interim 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.

CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

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

EUR '000	31/12/2016	30/06/2016
ASSETS		
Non-current assets		
Intangible assets	159,760	65,278
Property, plant and equipment	187,229	188,423
Investments accounted for using the equity method	302	302
Financial assets	105	107
Trade and other financial receivables	1,380	34,378
Deferred tax assets	1,136	1,136
Prepaid expenses	19,431	13,141
	369,343	302,765
Current assets		
Inventories	9,581	10,158
Trade and other financial receivables	40,552	51,072
Current tax assets	267	257
Cash and cash equivalents	38,916	51,722
Prepaid expenses	22,071	8,571
	111,387	121,780
	480,730	424,545
EQUITY AND LIABILITIES		
Equity		
Subscribed capital	92,000	92,000
Reserves	227,745	217,655
Treasury shares	-113	-113
Equity attributable to the owners of the parent company	319,632	309,542
Non-current liabilities		
Non-current liabilities from finance leases	9,639	18,990
Trade payables	0	3,420
Other non-current financial liabilities	1,666	1,782
Deferred income	10,000	12,000
	21,305	36,192
Current liabilities		
Provisions	1,345	1,372
Liabilities from finance leases	10,691	2,640
Trade payables	70,302	14,635
Other current financial liabilities	31,447	34,435
Current income tax liabilities	2,091	5,212
Deferred income	23,917	20,517
	139,793	78,811
	480,730	424,545

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

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

EUR '000	H1 2016/2017	H1 2015/2016	Q2 2016/2017	Q2 2015/2016
Revenue	214,194	168,149	87,406	78,152
Other operating income	1,687	1,905	693	907
Cost of materials	-14,392	-14,472	-8,591	-7,498
Personnel expenses	-82,290	-66,142	-43,844	-35,073
Depreciation, amortisation and write-downs	-31,642	-29,373	-15,582	-10,260
Other operating expenses	-69,346	-63,960	-25,933	-24,897
Result from operating activities	18,211	-3,893	-5,851	1,331
Finance income	663	81	8	34
Finance costs	-1,360	-727	-324	-360
Financial result	-697	-646	-316	-326
Profit before income taxes	17,514	-4,539	-6,167	1,005
Income taxes	-1,936	-112	1,056	-48
Consolidated net profit/loss for the year	15,578	-4,651	-5,111	957
Items that were subsequently reclassified to profit or loss:				
Cash flow hedge				
– effective portion of the change in fair value	76	-109	117	-9
– reclassification to profit or loss	0	0	0	0
Other gains/losses incurred during the period, after taxes	76	-109	117	-9
Total comprehensive income	15,654	-4,760	-4,994	948
Consolidated net profit/loss for the year attributable to:				
– Owners of the parent:	15,578	-4,710	-5,111	914
– Minority interests:	0	59	0	43
Total comprehensive income attributable to:				
– Owners of the parent:	15,654	-4,819	-4,994	905
– Minority interests:	0	59	0	43
Earnings per share (EUR) (basic/diluted)	0.17	-0.05	-0.05	0.02

CONSOLIDATED STATEMENT OF CASH FLOWS

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

EUR '000	H1 2016/2017	H1 2015/2016
Profit before income taxes	17,514	-4,539
Depreciation, amortisation and write-downs of non-current assets	31,642	29,373
Loss on disposals of non-current assets	-37,488	-9,837
Other non-cash income	-1,339	-1,968
Interest income	-663	-81
Interest expense	1,360	727
Changes in other assets not classified as from investing or financing activities	-30,980	-21,686
Changes in other liabilities not classified as from investing or financing activities	9,191	12,460
Interest received	1	35
Interest paid	-1,360	-715
Income taxes paid	-5,034	-107
Cash flows from operating activities	-17,156	3,662
Payments for investments in intangible assets	-84,275	-32,334
Proceeds from disposals of intangible assets	100,434	16,662
Payments for investments in property, plant and equipment	-4,977	-6,844
Proceeds from disposals of property plant and equipment	30	353
Payments for investments in financial assets	-5	-48
Proceeds from financial assets	7	203
Cash flows from investing activities	11,214	-22,008
Proceeds from the sale of treasury shares	0	1
Distributions to minority shareholders	0	-281
Acquisition of non-controlling interests	-45	0
Dividend payments	-5,519	-4,599
Repayment of liabilities under finance leases	-1,300	-1,229
Cash flows from financing activities	-6,864	-6,108
Change in cash and cash equivalents	-12,806	-24,454
Cash and cash equivalents at the beginning of the period	51,722	53,739
Cash and cash equivalents at the end of the period	38,916	29,285

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

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

EUR '000	Reserves				Equity attributable to the owners of the parent company			
	Subscribed capital	Capital reserves	Other revenue reserves	Cash flow hedge	Treasury shares	Minority interests	Consolidated equity	
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	-281	-4.880
Issue of ordinary shares	0	0	0	0	0	0	0	0
Sale of treasury shares	0	0	0	0	1	1	0	1
Transactions with shareholders	0	0	-4,599	0	1	-4,598	-281	-4.879
Consolidated net loss for the year	0	0	-4,710	0	0	-4,710	59	-4.651
Other gains/losses incurred during the period, after taxes	0	0	0	-109	0	-109	0	-109
Total comprehensive income	0	0	-4,710	-109	0	-4,819	59	-4.760
31 December 2015	+92,000	+143,364	+42,037	-932	-113	+276,356	+83	+276.439
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 profit for the year	0	0	15,578	0	0	15,578	0	15.578
Other gains/losses incurred during the period, after taxes	0	0	0	76	0	76	0	76
Total comprehensive income	0	0	15,578	76	0	15,654	0	15.654
31 December 2016	+92,000	+142,843	+85,997	-1,095	-113	+319,632	+0	+319.632

NOTES to the consolidated financial statements for the first six months of financial year 2016/2017
of Borussia Dortmund GmbH & Co. Kommanditgesellschaft auf Aktien, Dortmund

GENERAL DISCLOSURES

Borussia Dortmund GmbH & Co. KGaA (hereinafter also "Borussia Dortmund" or the "Group") has its registered office at Rheinlanddamm 207-209, 44137 Dortmund and is entered under HRB 14217 at the district court in Dortmund. These condensed interim consolidated financial statements for Borussia Dortmund GmbH & Co. KGaA for the period from 1 July to 31 December 2016 include the parent entity and its subsidiaries and one associate.

ACCOUNTING POLICIES

The condensed interim consolidated financial statements for the period from 1 July to 31 December 2016 were prepared in accordance with International Financial Reporting Standards (IFRSs) relating to interim reporting (IAS 34), as adopted by the European Union.

The same accounting policies are applied in the interim financial statements as in the most recent consolidated financial statements as at 30 June 2016. The notes to the interim consolidated financial statements contain selected explanatory information.

The following standards, interpretations and amendments issued by the IASB and IFRIC were applied for the first time in the current financial year:

- Amendments to IFRS 11 – Accounting for Acquisitions of Interests in Joint Operations
- Amendments to IAS 1 – Disclosure Initiative
- Amendments to IAS 16 and IAS 38 – Clarification of Acceptable Methods of Depreciation and Amortisation
- Amendments to IAS 16 and IAS 41 – Agriculture: Bearer Plants
- Amendments to IAS 27 – Equity Method in Separate Financial Statements
- Improvements to IFRS 2012 – 2014

The new amendments did not result in any changes.

More detailed information on the accounting policies applied can be found in the notes to the consolidated financial statements as at 30 June 2016. All interpretations of the International Financial Reporting Interpretation Committee (IFRIC) which were binding as at 31 December 2016 have been applied.

SCOPE OF CONSOLIDATED FINANCIAL STATEMENTS

The consolidated group has not undergone any changes since the publication of the consolidated financial statements as at 30 June 2016.

TRADE AND OTHER FINANCIAL RECEIVABLES

Trade and other financial receivables decreased by EUR 43,518 thousand to EUR 41,932 thousand, primarily due to payments received for player transfer receivables.

PREPAID EXPENSES

Prepaid expenses increased by a total of EUR 19,790 thousand to EUR 41,502 thousand.

Non-current prepaid expenses rose by EUR 6,290 thousand to EUR 19,431 thousand, while current prepaid expenses were up EUR 13,500 thousand to EUR 22,071 thousand.

These increases were due in particular to higher recognised consulting and salary payments as well as marketing commissions recognised during the course of the reporting period.

CONSOLIDATED EQUITY

Subscribed capital as at 31 December 2016 was EUR 92,000 thousand and is divided into the same number of no-par value shares, each representing a notional share in the share capital of EUR 1.00.

Reserves amounted to EUR 227,745 thousand (previous year: EUR 217,655 thousand)

Changes in equity are presented in the consolidated statement of changes in equity.

OPERATING SEGMENTS

The Group has two reportable segments, which are responsible for the main activities of the overall Group. The first segment consists of Borussia Dortmund GmbH & Co. Kommanditgesellschaft auf Aktien, which operates a football club including a professional football squad and leverages the associated revenue potential arising from transfers, catering, TV marketing, advertising and match operations. The second segment consists of the separate merchandising business, which is carried out by BVB Merchandising GmbH, a legally independent entity. Internal reporting is based on the provisions of the German Commercial Code (Handelsgesetzbuch, "HGB").

EUR '000	KGaA		BVB Merchandising GmbH		Total	
	H1 2016/2017	H1 2015/2016	H1 2016/2017	H1 2015/2016	H1 2016/2017	H1 2015/2016
External revenue	183,647	136,908	23,195	24,449	206,842	161,357
Internal revenue	744	629	647	709	1,391	1,338
Segment profit before income taxes*)	11,096	-11,124	3,874	4,836	14,970	-6,288
Segment assets	488,937	388,212	25,001	24,311	513,938	412,523
Segment liabilities	132,430	74,200	14,120	13,430	146,550	87,630

*) before profit or loss transfer

Reconciliation of segment profit to be reported		
EUR '000	H1 2016/2017	H1 2015/2016
Segments total	14,970	-6,288
Other gains and losses	1,545	1,254
Change in Group earnings	999	495
Consolidated net profit before taxes	17,514	-4,539

The changes in the Group's earnings as reported in the reconciliation were due primarily to adjustments made when translating HGB accounting to IFRS accounting as well as the elimination of transactions between Group entities.

Income from centralised national marketing amounting to EUR 36,012 thousand (previous year: EUR 31,955 thousand) exceeds the 10% threshold stipulated in IFRS 8.34 for one customer, as did income from international marketing amounting to EUR 36,128 thousand (previous year: EUR 11,010 thousand). The reason for this was the centralised marketing strategy used by DFL Deutsche Fußball Liga GmbH and UEFA.

CONSOLIDATED STATEMENT OF CASH FLOWS

The Group's statement of cash flows was prepared in accordance with IAS 7 (Statement of Cash Flows). Cash and cash equivalents reported in the statement of financial position amounted to EUR 38,916 thousand (30 June 2016: EUR 51,722 thousand).

MATERIAL INVESTMENTS

In the first half of the current financial year, Borussia Dortmund invested EUR 89,257 thousand. Of this amount, EUR 84,275 thousand was invested in financial assets. Nearly the entirety of this amount was invested in the player base.

During the same period, EUR 4,977 thousand was invested in property, plant and equipment, which related primarily to fixtures and expansion work in and around SIGNAL IDUNA PARK and the training centre in Brackel.

FINANCE LEASE

The amount to be recognised as an asset under the finance lease corresponds to the lower of the fair value of the asset at the beginning of the finance lease or the present value of future minimum lease payments. That amount is reduced by cumulative depreciation and amortisation and, where appropriate, write-downs and impairment losses.

The corresponding liabilities to the lessor are reported as current and non-current liabilities from finance leases, minus payments already made (shown under other financial liabilities).

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 calendar year 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	31/12/2016	
	Notional amount	Fair value
Pay-fixed swaps	8,000	-1,666

Interest rate swaps

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

The fair value of the interest rate swap 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 over the remaining term of the interest rate swaps to determine their value. The fair value of the interest rate swap is accounted as other financial receivables respectively as financial liabilities.

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 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 derivative (EUR 76 thousand; previous year: EUR -109 thousand) is recognised directly in other comprehensive income after deducting deferred taxes (EUR -25 thousand; previous year: EUR 36 thousand). The ineffective portion amounting to EUR -33 thousand (previous year: EUR -27 thousand) is recognised immediately in profit or loss.

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 equity (OCI) 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 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 the banks 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 31 December 2016 amounting to EUR 1 thousand was recognised under other financial liabilities (30 June 2016: EUR -123 thousand).

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 9,639 thousand (30 June 2016: EUR 18,990 thousand) as compared to their fair value of EUR 8,209 thousand (30 June 2016: EUR 17,047 thousand). The material change resulted from the reclassification to current liabilities due to existing purchase obligations.

DIVIDEND

On 21 November 2016, the Annual General Meeting of the Company resolved the following:
The net retained profits of EUR 28,262,214.44 reported in the Company's annual financial statements for the 2015/2016 financial year will be used as follows:

- EUR 5,518,866.00 will be 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 will be transferred to other revenue reserves.

The dividend was paid from 23 November 2016.

OTHER FINANCIAL OBLIGATIONS

The following financial obligations were reported as at 31 December 2016:

31/12/2016 (EUR '000)	Total	Due after		
		less than 1 year	1-5 years	more than 5 years
Rental and lease payments (operating leases)	8,462	3,157	3,408	1,897
Marketing fees	88,059	24,343	63,716	0
Other obligations	3,947	1,004	1,440	1,503
	100,468	28,504	68,564	3,400
Purchase commitments	0	0	0	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

EMPLOYEES

At the Group level, Borussia Dortmund employed an average of 756 people during the first half of the 2016/2017 financial year, of which 10 were trainees, 235 salaried employees in the Sporting segment and 511 administrative employees (first half of the previous year: 697 employees, of which 16 trainees, 221 salaried employees in the Sporting segment and 460 administrative employees).

SUPERVISORY BOARD

The following table provides an overview of the composition of the Supervisory Board as at 31 December 2016:

Aufsichtsrat der 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				

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 01/10/2016)	Managing partner of Bernd Geske Lean Communication, Meerbusch	Deputy Chairman of the Executive Board of Evonik Industries AG, Essen	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 FUNCTIONS on statutory supervisory boards and comparable German or foreign supervisory bodies of commercial enterprises

Member of the Advisory Board of Borussia Dortmund Geschäftsführungs-GmbH, Dortmund	Chairman of the Supervisory Board of ClearVAT Aktiengesellschaft, Berlin	Member of the Supervisory Board of Evonik Performance Materials GmbH, Essen	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 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 Geschäftsführungs-GmbH, Dortmund
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EVENTS AFTER THE END OF THE REPORTING PERIOD

Athletic performance

Borussia Dortmund kicked off the 2017 calendar year with two victories, one draw and a loss, and is fourth in the Bundesliga after 20 of 34 match days, with 34 points.

The team chalked up a 4:3 win on penalties against visitors Hertha BSC Berlin in the round of 16 of the DFB Cup, and faces third-division Sportfreunde Lotte in the quarter-final on 28 February 2017.

On the international stage, Borussia Dortmund won its group and advanced to the round of 16 in the UEFA Champions League. It lost 0:1 to 35-time Portuguese titleholders Benfica Lisbon in the first leg of the tie in Portugal. Dortmund will host the second leg on 8 March 2017.

Big names in Dortmund

Borussia Dortmund signed 17-year-old Alexander Isak during the winter transfer window. The striker is the youngest goal scorer in the Swedish national squad and previously played club football for Sweden's AIK Solna. He signed a contract until 30 June 2019.

27-year-old Ömer Toprak transferred to Borussia Dortmund from Bayer Leverkusen in July 2017 on a contract that runs through 30 June 2021.

Meanwhile, 18-year-old US international Christian Pulisic signed an early contract extension until 30 June 2020.

Defender Neven Subotić will spend the second half of the season on loan to 1. FC Cologne, while striker Adrian Ramos has been loaned to first-division Spanish side Granada CF until the end of the season. From there, he will move to China at the beginning of the 2017/2018 season to play for Chongqing Dangdai Lifan FC.

Sponsorships

Having used MAN coaches since 2010, Borussia Dortmund renewed its partnership with MAN SE for three years until 2019.

Other Business

The home match against VfL Wolfsburg on 18 February 2017 was played to an empty south terrace. Following the incidents at the home fixture against RB Leipzig on 4 February 2017, the DFB sports court imposed a partial stadium ban encompassing the entire south terrace and fined Borussia Dortmund EUR 100 thousand.

In the coming days, Borussia Dortmund will refund the ticket price for all affected fans who have been proven not to be among those responsible for the incidents surrounding the match against Leipzig.

On 17 January 2017, UEFA announced new rules for participation in international competitions from the 2018/2019 season onwards.

Changes were also made to the kick-off times for UEFA Champions League fixtures. In the group stage, matches will now begin at either 7:00 pm or 9:00 pm.

In addition, a new system was introduced to distribute international TV marketing revenue.

Dortmund, 24 February 2017

Borussia Dortmund GmbH & Co. Kommanditgesellschaft auf Aktien

Borussia Dortmund Geschäftsführungs-GmbH



Hans-Joachim Watzke
Managing Director (Chairman)



Thomas Treß
Managing Director

RESPONSIBILITY STATEMENT

To the best of our knowledge, and in accordance with the applicable accounting principles for interim financial reporting, the interim consolidated financial statements give a true and fair view of the assets, liabilities, financial position and profit or loss of the Group in accordance with German principles of proper accounting, and the interim 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 material opportunities and risks associated with the expected development of the Group for the remaining months of the financial year.

Dortmund, 24 February 2017

Borussia Dortmund GmbH & Co. Kommanditgesellschaft auf Aktien

Borussia Dortmund Geschäftsführungs-GmbH



Hans-Joachim Watzke
Managing Director (Chairman)



Thomas Treß
Managing Director

CONFIRMATION AFTER REVIEW BY THE AUDITORS

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

We have reviewed the condensed interim consolidated financial statements of the Borussia Dortmund GmbH & Co. Kommanditgesellschaft auf Aktien, Dortmund, – comprising the consolidated balance sheet, consolidated statement of comprehensive income, consolidated statement of cash flows, consolidated statement of changes in equity and selected explanatory notes – together with the interim group management report of the Borussia Dortmund GmbH & Co. Kommanditgesellschaft auf Aktien, Dortmund, for the period from July 1 to December 31, 2015 that are part of the semi annual financial report according to § 37 w WpHG [„Wertpapierhandelsgesetz“: „German Securities Trading Act“]. The preparation of the condensed interim consolidated financial statements in accordance with those IFRS applicable to interim financial reporting as adopted by the EU, and of the interim group management report in accordance with the requirements of the WpHG applicable to interim group management reports, is the responsibility of the Company's management. Our responsibility is to issue a report on the condensed interim consolidated financial statements and on the interim group management report based on our review.

We performed our review of the condensed interim consolidated financial statements and the interim group management report in accordance with the German generally accepted standards for the review of financial statements promulgated by the Institut der Wirtschaftsprüfer (IDW). Those standards require that we plan and perform the review so that we can preclude through critical evaluation, with a certain level of assurance, that the condensed interim consolidated financial statements have not been prepared, in material respects, in accordance with the IFRS applicable to interim financial reporting as adopted by the EU, and that the interim group management report has not been prepared, in material respects, in accordance with the requirements of the WpHG applicable to interim group management reports. A review is limited primarily to inquiries of company employees and analytical assessments and therefore does not provide the assurance attainable in a financial statement audit. Since, in accordance with our engagement, we have not performed a financial statement audit, we cannot issue an auditor's report.

Based on our review, no matters have come to our attention that cause us to presume that the condensed interim consolidated financial statements have not been prepared, in material respects, in accordance with the IFRS applicable to interim financial reporting as adopted by the EU, or that the interim group management report has not been prepared, in material respects, in accordance with the requirements of the WpHG applicable to interim group management reports.

Dortmund, February 24, 2017

KPMG AG
Wirtschaftsprüfungsgesellschaft

Fischer
German Public Auditor
(Wirtschaftsprüfer)

Trujillo Hesseler
German Public Auditor
(Wirtschaftsprüfer)

FINANCIAL CALENDAR

12/05/2017 Disclosure of the quarterly financial report – Q3 fiscal year 2016/2017

For more information visit our website www.bvb.de/aktie/eng

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