BUSINESS REPORT
2009/2010

True Love.

KEY FIGURES AT A GLANCE

Borussia Dortmund GmbH & Co. KGaA

EUR millions	2009/2010 30 June 2010	2008/2009 30 June 2009
Equity	89.0	91.8
Investments	14.4	20.1
Gross revenue	103.3	110.3
Operating loss	-1.0	-0.1
Financial result (investment income and net interest expense)	-1.7	-2.8
Net loss	-2.8	-2.9
Earnings before interest, taxes, depreciation and amortisation (EBITDA)	9.3	10.5
Cash flow from operating activities	-3.0	-0.4
Number of shares (in thousands)	61,425	61,425
Earnings per share (in EUR)	-0.05	-0.05

Borussia Dortmund Group

EUR millions	2009/2010 30 June 2010	2008/2009 30 June 2009
Equity	62.0	68.2
Investments	14.4	20.1
Gross revenue	112.2	117.0
Operating profit/loss (EBIT)	-0.5	-0.4
Financial result (investment income and net interest expense)	-5.7	-5.6
Net profit/loss	-6.1	-5.9
Earnings before interest, taxes, depreciation and amortisation (EBITDA)	16.7	17.0
Cash flows from operating activities	0.0	1.4
Number of shares (in thousands)	61,425	61,425
Earnings per share (in EUR)	-0.10	-0.10

51.200

SEASON TICKETS SOLD FOR THE NEW SEASON

CONTENTS

Hans-Joachim Watzke
Managing Director (Chairman)

Thomas Treß
Managing Director

Dear Shareholders,

The report on the Borussia Dortmund Group's 2009/2010 business year covers a year in which the Greek financial crisis exacerbated a global financial crisis which many had believed to be nearly over. This and several other reasons formed the backdrop against which we missed our goal of breaking even – but only by a little.

In particular, we experienced difficulties with sponsorship, the area which, as expected, was hardest hit by the overall economic crisis.

It also bears mentioning that we did not generate any notable transfer income in the 2009/2010 business year. The reason for this was that, as in the recent past, Borussia Dortmund decided to retain its key players in the interest of strengthening its competitive ability.

Furthermore, activity on the national and international transfer markets took a back seat to the World Cup in South Africa. As a result, transfer activities no longer affected Borussia Dortmund for the business year ended on 30 June 2010. Had the transfer of Nelson Valdez been wrapped up just a few weeks sooner, Borussia Dortmund would have been in the black for the 2009/2010 business year.

Borussia Dortmund's management believes that the Company's ability to further reduce its liabilities from EUR 61 million to EUR 59 million during the business year represents a resounding affirmation of its plan to achieve financial stability.

Led by coach Jürgen Klopp, our extremely young team ended the *Bundesliga* season in a very respectable fifth place, increasing their transfer values significantly and thus also providing you, our shareholders, with considerable value appreciation.

We are confident that Borussia Dortmund is on the right track, and would like to take this opportunity to thank you for the faith you have placed in us in recent years. We hope to continue to earn your trust in the future.

Sincerely,

Hans-Joachim Watzke
Managing Director (Chairman)

Thomas Treß
Managing Director

REPORT OF THE SUPERVISORY BOARD

Borussia Dortmund GmbH & Co. KGaA ended the business year 2009/2010 in the fifth position in the league, which the supervisory board considers magnificent. For the first time in seven years, the 1st professional team of Borussia Dortmund qualified directly for a European competition, the UEFA Europa League, from the championships of the national league. The profits were influenced negatively in particular by the slightly reduced sales revenue and the difficult market situation as a result of the ongoing international financial crisis. However, the management decided to counteract this development with savings, among other things. Thus, the supervisory board gives the 2009/2010 a positive assessment overall.

SUPERVISORY BOARD ACTIVITY, MEETINGS

In the business year of 2009/2010, the supervisory board concerned itself intensely with the status and the development of the company and the group. In doing so, it performed its duties and exercised its rights pursuant to the law and the articles of the company without limitation.

Four supervisory board meetings took place in the 2009/2010 business year (on 8 September 2009, 24 November 2009, 15 March 2010, and 18 May 2010). As the supervisory board only has six members, it did not set up any committees; all deliberations and resolutions were made in the plenum of the supervisory board. There are no procedures about the frequency of the participation of the members in the meetings that have to be reported. Resolutions were adopted in compliance with the provisions in the articles of the company and the law, and also in part in circulated written documents (update of the Compliance Statement from 17 February 2010 during the business year).

The supervisory board stayed up to date in a timely and comprehensive manner in the sense of § 90 of the German Stock Companies Act (AktG) by means of verbal and written reports from the management. In doing so, the main topics were the course of business, the liquidity, revenue, and financial situation, company planning (in particular the financial, investment, and HR planning), the risk situation, the company and group risk management, and strategic topics. The supervisory board was also kept informed between its meetings by means of written documents. The financial reports during the business year (i.e. mid-year review financial report and quarterly financial reports) were also subjects of the reports and the discussion and review that followed. Furthermore, the chair of the supervisory board had regular contact with the management between the meetings; he received information about the current developments of the business outlook and significant business events in an ongoing manner. The supervisory board is convinced that the management fulfilled its duties to provide information in a complete, continuous, and timely manner.

The general partner and its managing director were advised and monitored by the supervisory board during the management of the company. The basis for doing so were the reports from the management and the questioning and discussion in the supervisory board. The supervisory board considered the legality and the orderliness of the management of the company, the efficiency of the internal control system, the risk management system, and the internal audit system, the capacity of the company organisation, and its operating efficiency. The reports and consulting also included questions about the development in sport.

Furthermore, the supervisory board concerned itself with the financial accounting for the 2008/2009 business year, the changed annual reports from 30 June 2006, 30 June 2007, and 30 June 2008 as well as the preparation of the shareholders' meeting in the previous year. In doing so, the independence of the auditor was checked before the supervisory board chose its candidate. Furthermore, the supervisory board concerned itself with the order conditions and the commissioning of the auditor elected in the previous year's shareholders' meeting.

ANNUAL AND GROUP REPORT 2009/2010

The Annual Report for Borussia Dortmund GmbH & Co. KGaA and the Group Report on 30 June 2010 as well as the Management Report for the company and Group Management Report (which include respectively the discussions on the information pursuant to § 289 para. 4 and § 315 para. 4 of the German Commercial Code [HGB]) prepared and presented in a timely manner by the management were audited by KPMG AG Wirtschaftsprüfungsgesellschaft, Dortmund, which was commissioned as the auditor, with inclusion of the bookkeeping pursuant to the legal provisions and furnished in each case with an unreserved audit opinion. With regard to the existing early recognition system for risks, the auditor found that the management took the measures required pursuant to § 91 para. 2 AktG in an appropriate manner and that the monitoring system is suitable for recognising developments that endanger the survival of the company in an early manner.

The Annual Report, Group Report, Management Report for the Company, and the Group Management Report with Risk Report and the corresponding Audit Reports from the auditors were presented to all members of the supervisory board in a timely manner. They were discussed, explained, and reviewed in detail together with the management in the presence of the auditor by the supervisory board in its meeting on 9 September 2010. In doing so, the auditor reported on the significant results of its audits, also those with regard the internal control and risk management system with regard to the financial account process, and explained them. The auditor and the management answered the questions asked by the supervisory board.

The supervisory board adopted the result of the audit by the auditor and did not raise any objections after the final result of its own audits. In its meeting on 9 September 2010, the supervisory board approved both the Annual Report of Borussia Dortmund GmbH & Co. KGaA from 30 June 2010 and also the Group Report on 30 June 2010.

Furthermore, the report pursuant to § 312 AktG prepared by the general partner about the relationships with affiliated companies (Dependency Report) for the 2009/2010 business year was also the subject of a separate audit by the supervisory board. The Dependency Report was also audited by the auditor and furnished with the following audit opinion:

"Having conducted a proper audit and appraisal, we confirm that

1. the factual information in the report is correct,
2. the transactions listed in the report were not reasonably high."

The Audit Report of the auditor on the Dependency Report was also presented to the supervisory board. These documents were explained and audited by the supervisory board in its meeting named above with the auditor and the management. After the final result of its audit, the supervisory board did not raise any objections against the declaration of the general partner at the end of the Dependency Report. The supervisory board took note of the result of the audit of the Dependency Report by the auditor with approval.

The supervisory board suggests to the shareholders' meeting that the Annual Report from 30 June 2010 be adopted. Furthermore, the supervisory board suggests that the actions of the general partner, Borussia Dortmund Geschäftsführungs-GmbH, be formally approved for the business year 2009/2010.

CORPORATE GOVERNANCE

The supervisory board and the management of the general partner also concerned themselves with the topic of corporate governance during the report period. The supervisory board also examined the efficiency of its work, namely the frequency of its meetings, their preparation and execution, and the supply of information. The current Compliance Statement was adopted at the same time as the resolution on the report at hand and takes into account the German Corporate Governance Code in the version from 26 May 2010 which was announced on 2 July 2010 into account. The complete declaration can be accessed over the long term in the internet at http://eng.borussia-aktie.de in the "Corporate Governance" section. There are additional descriptions and explanations about this pursuant to section 3.10 of the Code in a separate section of the Company Report (Corporate Governance Report).

PERSONAL INFORMATION

The executive committee of the advisory board of Borussia Dortmund Geschäftsführungs GmbH came to an agreement ahead of time in January and February 2010 with the chair of the management, Hans-Joachim Watzke and the managing director Thomas Tress about the extension of their respective managing director employment contracts expiring on 31 December 2011 to 30 June 2014 in each case.

The supervisory board thanks the management, the advisory board, and all employees for their great level of commitment and the successfully performed work. Borussia Dortmund's business partners, limited partners, and fans are also thanked heartily for their trust.

Dortmund, 9 September 2010
The Supervisory Board

Gerd Pieper
Chairman

GOVERNING BODIES

BV. BORUSSIA 09 e.V. DORTMUND

Management Board

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

BORUSSIA DORTMUND GmbH & Co. KGaA

Supervisory Board

Gerd Pieper	**Chairman**
Proprietor and Managing Director of Stadtparfümerie Pieper GmbH, Herne	
Harald Heinze	**Deputy Chairman**
Ruedi Baer	
Consultant, B + B Beratungs AG, Watt (Switzerland)	
Othmar Freiherr von Diemar	
Proprietor and manager of Othmar von Diemar Vermögensverwaltung + Beratung, Cologne	
Bernd Geske	
Managing partner of Bernd Geske Lean Communication, Meerbusch	
Christian Kullmann	
Head of the management board office and group communications of EVONIK Industries AG, Essen	

BORUSSIA DORTMUND GESCHÄFTSFÜHRUNGS-GmbH

Hans-Joachim Watzke	**Managing Director (Chairman)**
Thomas Treß	**Managing Director**

CORPORATE STRUCTURE

BORUSSIA DORTMUND GmbH & Co. KGaA

100.00%	BVB Stadionmanagement GmbH
100.00%	BVB Stadion Holding GmbH
100.00%	Sports & Bytes GmbH
100.00%	BVB Merchandising GmbH
99.74%	BVB Stadion GmbH
94.90%	BVB Beteiligungs GmbH
51.00%	B.E.S.T. - Borussia Euro Lloyd Sports Travel GmbH
33.33%	Orthomed GmbH

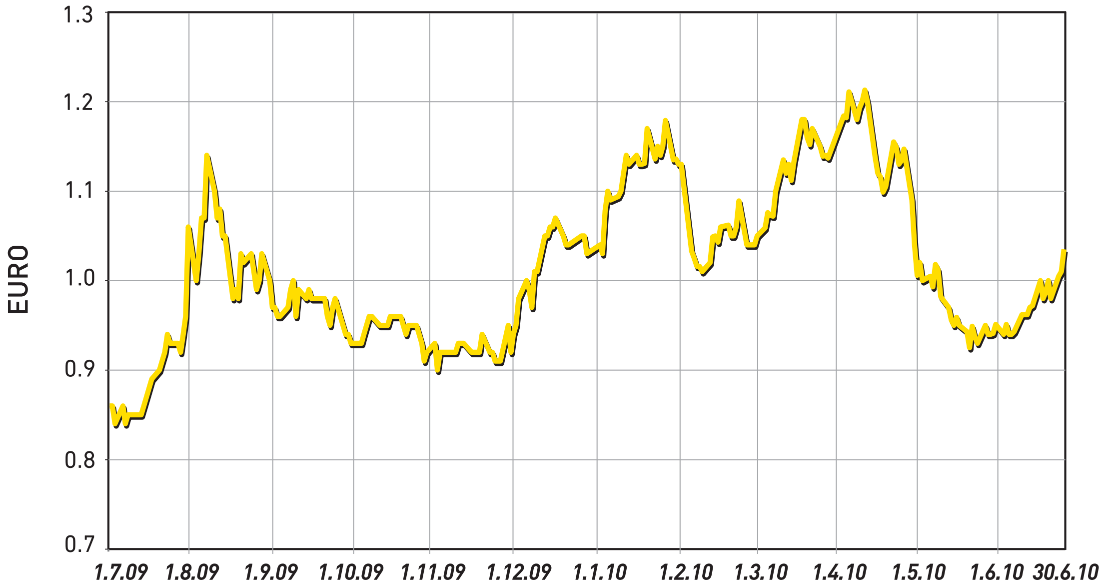
THE BVB SHARE

SHARE PRICE PERFORMANCE

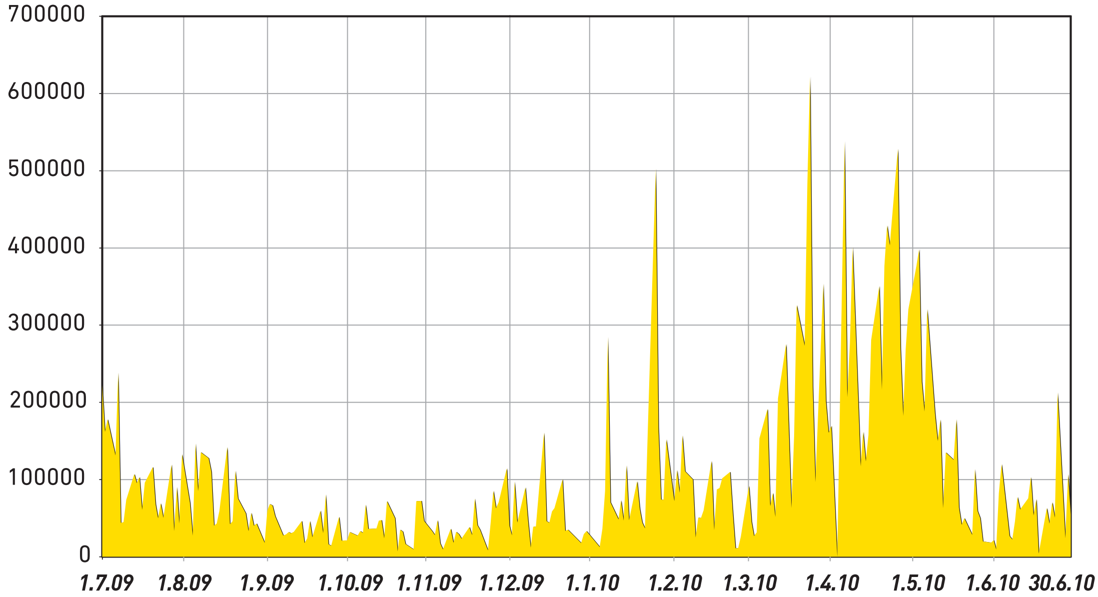
In the 2009/2010 business year (1 July 2009 to 30 June 2010), share price performance was characterised primarily by positive corporate financial and athletic news and the associated upside potential, along with the impacts of the financial market crisis as well as institutional investors' pressure to sell their shares (change in shares in free float from 60.83% to 83.84% from 1 July 2009 to 30 June 2010) resulting from this crisis. (Unless otherwise indicated, the following share price data is based on the closing share price of BVB shares on XETRA trading).

The shares of Borussia Dortmund GmbH & Co. KGaA started the new 2009/2010 business year at EUR 0.86 on 1 July 2009. After reaching a low for the reporting period of EUR 0.84 on 3 July 2009, the budding euphoria in connection with the start on the season drove up the share price starting in mid-July. On 31 July 2009, the BVB share was quoted at EUR 1.06. The all-time record of 50,675 season tickets sold along with a successful start to the season at the DFB Cup and the German championship continued to have a positive impact on the share price after this date. On 7 August 2009, the price of BVB shares thus reached EUR 1.14, before being pulled down by the general trend on the markets. On 13 August 2009, the BVB share was still quoted at EUR 1.05 but had fallen to EUR 0.98 by 19 August 2009. On 21 August, the Company announced the provisional figures for the 2008/2009 business year (see ad hoc disclosure dated 21 August 2009). On this day, the share price was quoted at EUR 1.02, while on 24 August 2009, the next trade date, the share price declined to EUR 1.03. Two painful losses at home against FC Bayern Munich and FC Schalke 04 led to a drop in share price in September. On 1 September 2009, the BVB share was quoted at EUR 0.97, on 15 September 2009 at EUR 0.99 and on 30 September 2009 at EUR 0.94. In October 2009, the share price then trended sideways. On 1 October 2009, the share price was quoted at EUR 0.93, on 16 October 2009 at EUR 0.96 and on 30 October 2009 at EUR 0.92. Even positive company releases, such as the net profit reported in Q1 2009/2010 (see ad hoc disclosure dated 13 November 2009), did not initially lead to a recovery of the share price. On this day, the share price was quoted at EUR 0.93, while on 16 November 2009, the next trade date, the share price declined to EUR 0.91. On the day of the General Shareholders' Meeting on 24 November 2009, the share price was also quoted at EUR 0.92. Borussia's race to catch up in the *Bundesliga* led to a jump in share price just in time for the highlight of the season, the 100th anniversary of Borussia Dortmund in December 2009. The team's victories over 1. FC Nürnberg, VfL Wolfsburg and SC Freiburg spurred it on to a series of 10 matches in which Borussia, with Jürgen Klopp at the helm, remained undefeated. Though the BVB share was quoted at EUR 0.92 on 1 December 2009, it again reached the EUR 1.00 mark on 7 December 2009. This trend solidified towards the end of the year. On 18 December 2009 the share price reached EUR 1.07 and on 23 December 2009 it was quoted at EUR 1.04. BVB shares then closed out the 2009 calendar year on 30 December 2009 at EUR 1.03 and started the new calendar year on 4 January 2010 at EUR 1.04. The conclusion of the 100th

Price performance



Turnover



anniversary celebration continued to have a positive effect along with the continued winning streak at the beginning of Q3, resulting subsequently in a marked increase in share price. The share price was thus quoted at EUR 1.10 on 7 January and EUR 1.14 on 18 January 2010 after two wins to start the second half of the season and at EUR 1.14 on 25 January 2010. Three losses in a row against Stuttgart, Munich and Frankfurt put a halt to this rising trend. Share price fell back to what it had been prior to the gains made at the beginning of the year. On 12 February 2010, the BVB share price was quoted at EUR 1.01. However, at the end of February, the team's athletic performance turned around. On 26 February 2010, the day on which the Company published its half-yearly figures (see ad hoc disclosure dated 26 February 2010), the share price was quoted at EUR 1.09, but quickly fell to EUR 1.04 after a loss to archrival Schalke and jumped again to EUR 1.08 on 9 March 2010, EUR 1.14 on 15 March 2010 and EUR 1.18 on 22 March 2010 after two wins in a row. BVB's share price reached EUR 1.21, its highest point in the reporting period on 9 April and then again on 15 April 2010 after the team's *Bundesliga* ranking had qualified it for the UEFA Europa League at the beginning of the final phase of the season in April. Despite the team's promising athletic performance, the significant increase in the sale of shares by institutional investors with high trading volumes as compared to the beginning of the year pulled the share price down to EUR 1.00. On 30 April 2010, the BVB shares still closed at EUR 1.15, but fell to EUR 1.09 on 3 May 2010 and then again to EUR 1.00 on 7 May 2010. On 14 May 2010 when the Company published its figures for Q3 of the 2009/2010 business year (see ad hoc disclosure dated 14 May 2010), the share price was quoted at EUR 0.98 and closed trading at EUR 0.97 on 17 May 2010, the next trade date. Although Borussia Dortmund qualified for the play-off round in the UEFA Europa League at the end of the *Bundesliga* season, the share price remained between EUR 0.92 and EUR 1.03 for the last six weeks of the reporting period. Morgan Stanley and BlueBay, which had previously been major shareholders, each then informed the Company in the second half of the year of the reporting period that their shareholding had fallen below 3%, the lower threshold pursuant to the German Securities Trading Act (*Wertpapierhandelsgesetz*, "WpHG"). The BVB share price closed the business year on 30 June 2010 at EUR 1.04, an EUR 0.18 or 20.9% increase compared to the previous year (EUR 0.86 on 30 June 2009).

SHAREHOLDER STRUCTURE

Borussia Dortmund GmbH & Co. KGaA's share capital amounts to EUR 61,425,000, divided into the same number of no-par value shares. Based on the notifications we have received, the shareholder structure of Borussia Dortmund GmbH & Co. KGaA as at 30 June 2010 is as follows:

- Bernd Geske: 8.92%
- BV. Borussia 09 e.V. Dortmund: 7.24%
- Streubesitz: 83.84%

SHAREHOLDINGS BY MEMBERS OF GOVERNING BODIES

As at 30 June 2010, one member of management of Borussia Dortmund Geschäftsführungs-GmbH held 4,545 no-par shares in our Company. As at the same date, members of the Supervisory Board held a total of 5,486,563 no-par shares. The (total) shareholdings of management and the Supervisory Board constitute 5,491,108 no-par shares and therefore more than 1% of the shares issued by Borussia Dortmund GmbH & Co. KGaA.

INVESTOR RELATIONS

The aim of our Company's Investor Relations organisation is to obtain an appropriate valuation of the BVB share on the capital market. This is founded on continuous and open communication with all the market players. Investor Relations is thus the ideal interface between institutional investors, financial analysts and private investors. The Company seeks to strengthen investor and public confidence through the timely and transparent communication of its financial results, business transactions and strategy, as well as risks and opportunities. We are committed to communications principles such as openness, consistency, equality and credibility, thus making it possible to develop a trusting, long-term rapport with market participants and to provide a true and fair view of the Company.

Online communication is our central medium, offering the best conditions to ensure equality of opportunity and the currency of information. Borussia Dortmund GmbH & Co. KGaA therefore publishes all annual and interim financial reports for download on its website http://eng.borussia-aktie.de. Mandatory disclosures and announcements under capital market law, such as ad hoc disclosures, corporate news, directors' dealings and/or advance notices are published here in a timely manner. At the same time, our service provider DGAP ensures that these notices are distributed throughout Europe. Further detailed information, such as investor presentations or in-depth information on implementing the recommendations of the German Corporate Governance Code, are made available on our website. All information is available in German and in English.

One of our goals for the 2009/2010 business year was to foster communication with the capital markets by holding investor events such as roadshows. For the third year in a row, Borussia Dortmund GmbH & Co. KGaA was once again represented at Deutsche Börse AG's Entry and General Standard Conference from 3 May to 5 May 2010 in Frankfurt am Main. In addition, we took part in numerous individual meetings with interested financial circles in the course of the year. However, an investor event at SIGNAL IDUNE PARK in co-operation with the private bank Bankhaus Lampe planned for this reporting period had to be postponed until the next business year.

Our aim is, and will continue to be, to foster constant and ongoing capital market coverage. Our Company is very pleased to be included in the research coverage of Bankhaus Lampe KG, Düsseldorf and of GSC Research GmbH, Düsseldorf. In their most recent research updates dated 5 March and 27 May 2010, both institutions again issued “Hold” recommendations.

HSBC Trinkaus Burkhardt AG was again designated sponsor of our Company during the reporting period (having signed on in October 2007), but will be replaced by the Close Brothers Seydler AG starting in the coming business year.

CORPORATE GOVERNANCE DECLARATION PURSUANT TO § 289a OF THE GERMAN COMMERCIAL CODE (HANDELSGESETZBUCH, “HGB”)

Pursuant to § 289a of the German Commercial Code, exchange-listed companies are required to prepare a corporate governance declaration. This statement includes the declaration of compliance with the German Corporate Governance Code, an explanation of relevant corporate governance practices and a description of the working principles of the management and the Supervisory Board and its committees. The corporate governance declaration does not constitute an integral part of the management report, but rather is published on our website http://eng.borussia-aktie.de.

CORPORATE GOVERNANCE REPORT

Having corporate governance that is clearly structured and strictly followed is very important at Borussia Dortmund. Corporate Governance stands for transparent and responsible corporate management and supervision aimed at achieving long-term shareholder value. Key aspects of good corporate governance include efficient co-operation between management and the Supervisory Board, due regard to shareholders' interests, openness, and transparent corporate communication. The management of Borussia Dortmund Geschäftsführungs-GmbH as the general partner of Borussia Dortmund GmbH & Co. KGaA (the "Company"), and the Supervisory Board of our Company are guided by these principles.

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

German stock corporation law sets out the statutory framework of corporate governance. Section 161 of the German Stock Corporation Act (*Aktiengesetz*, "AktG") requires the management board and supervisory board of any listed company to issue an annual statement as to whether and to what extent recommendations by the "Government Commission for the German Corporate Governance Code" (*Regierungskommission Deutscher Corporate Governance Kodex*) contained in the German Corporate Governance Code (the "Code") as published in the official section of the Electronic Federal Gazette (*elektronischer Bundesanzeiger*) were followed in the past and are being or will be followed now or in the future; according to § 161 (1) sentence 1 AktG of the German Accounting Law Modernisation Act dated 25 May 2009 if the recommendations are not complied with, they must also explain why this is the case.

As a rule, the Code is reviewed once annually and amended as required. It contains basic statutory provisions on the management and supervision of German listed companies as well as internationally and nationally recognised standards for good and responsible corporate governance. The Code aims to make the German system of corporate governance transparent and understandable in an effort to boost the confidence of international and national investors, customers, employees and the general public in the management and supervision of German listed companies.

Many of the Code's recommendations ("should" provisions) are tailored exclusively to stock corporations and are at most applicable by analogy to partnerships limited by shares (*Kommanditgesellschaften auf Aktien*, "KGaA"), i.e. to our Company.

A KGaA is a hybrid corporate form combining elements of a German stock corporation (*Aktiengesellschaft*) 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 as against creditors of the Company and by limited liability shareholders (*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 has no Management Board. Instead, the general partner, Borussia Dortmund Geschäftsführungs-GmbH, is solely responsible for its management and representation. This company, in turn, is represented by one or more managing directors; Ballspielverein Borussia 09 e.V. Dortmund is the sole shareholder of this company.

- The rights and duties of the KGaA's Supervisory Board, which is appointed by the General Shareholders' Meeting, are limited. Specifically, it has no authority to appoint and dismiss managing directors at Borussia Dortmund Geschäftsführungs-GmbH or to regulate the terms of their contracts. Nor is the Supervisory Board authorised to adopt internal rules of procedure for the general partner or any list of transactions requiring its consent. 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 distinctions exist with respect to the General Shareholders' Meeting of the KGaA, which are primarily controlled by §§ 285 and 286 (1) AktG and the Articles of Association of our Company.

Consequently, the management of the general partner and the Supervisory Board of Borussia Dortmund GmbH & Co. KGaA are required to provide a Statement of Compliance (*Entsprechenserklärung*) pursuant to § 161 AktG, taking into account the organisational distinctions of the legal form of a KGaA and their expression in the Articles of Association. The Statement of Compliance is required to be made permanently available to shareholders on the Company's website and is therefore published on our Company's Investor Relations website (www.borussia-aktie.de, under the heading "Corporate Governance [CG]"). The Statement of Compliance provided in September 2010 is reproduced in the annex to this Corporate Governance Report.

This Corporate Governance Report herewith submitted by our Company will be published in the Annual Report for the 2009/2010 business year and on our Investor Relations website at http://eng.borussia-aktie.de under the heading "Publications".

Transparency

Our Company informs the limited liability shareholders and shareholder associations, financial analysts and the interested public regularly as to the Company's condition and any material changes in its business.

In particular, the ad hoc notices, corporate news and directors' dealings disclosures we receive, shareholder structure and the current version of the Articles of Association and the financial calendar are all published on our website. The Annual Document required by § 10 German Securities Prospectus Act (*Wertpapierprospektgesetz*, "WpPG"), which is also available on the website http://eng.borussia-aktie.de under "Corporate Governance (CG)", provides an overview of the Company's key publications during the 2009/2010 business year.

The financial calendar contains key Company events and can also be viewed at http://eng.borussia-aktie.de under "Financial Calendar".

For the fourth year now, the press conference on the financial statements of the preceding business year was broadcast in real time via live streaming on the Internet and could be viewed by the interested public.

The Annual General Meeting in the previous year was held on 24 November 2009 in Dortmund in compliance with the relevant notice and form requirements by virtue of the invitation. In compliance with the German Corporate Governance Code, the reports and documents required by law were made available; these were given to the limited liability shareholders upon request and were published on the Company's website together with the agenda. Resolutions of all agenda items were adopted with over 99.5% of votes in each case.

Borussia Dortmund GmbH & Co. KGaA's next ordinary General Shareholders' Meeting will be held on 30 November 2010 in Dortmund.

The interim financial statements are expected to be published within the timeframes recommended in the Code. Our Company will provide further details via preliminary announcements. The consolidated financial statements and the interim financial reports are prepared in accordance with IFRS accounting principles. The annual financial statements of Borussia Dortmund GmbH & Co. KGaA were and will continue to be prepared in accordance with the provisions of the German Commercial Code ("HGB").

Following the Code's suggestion, we have published and will continue to publish information in English on our website.

Other means of communicating with market participants include the newsletter, "Borussia Invest" and the publication of analysts' recommendations and research studies on our website at http://eng.borussia-aktie.de under the heading "Capital markets view". The Company also publishes extensive additional information on this website.

Management compensation

Compensation for members of management is not stipulated by the Supervisory Board of our Company but rather by the Executive Committee of the Advisory Board of the general partner. Management compensation comprises two components: a fixed amount and a variable component. The fixed compensation component is stipulated by contract and is paid out in twelve equal monthly instalments. The variable compensation component is based on the performance of the business, particularly on net income for the year before taxes and managing directors' compensation. Any additional non-cash or ancillary benefits granted primarily include insurance benefits at standard market conditions and the provision of a company car. There are no stock option plans or similar incentive plans. The compensation components provided are reasonable in and of themselves and overall. Compensation benefits paid to members of management are set out in the notes to the annual and consolidated financial statements in the aggregate and broken down by individual.

Supervisory Board compensation

The Supervisory Board monitors the management. In our Company, the Supervisory Board is composed of six members who are all elected by the General Shareholders' Meeting. Pursuant to § 13 (1) of the Articles of Association, members of the Supervisory Board receive only a fixed compensation, which is set at a comparatively low amount of EUR 7,000 annually; the chairman receives twice this amount and the deputy chairman receives one and a half times this amount. Supervisory Board members' compensation is set out in the notes to the consolidated financial statements. In the interest of simplicity and in view of the information presented above, this information is provided only as an aggregated amount rather than being broken down by individual. In the 2009/2010 business year, the Company did not pay members of the Supervisory Board any additional compensation or grant them any additional benefits.

Disclosures relating to the ownership of shares in the Company by management or the Supervisory Board

As at 30 June 2010, one member of management held 4,545 shares in our Company. As at the same date, members of the Supervisory Board held a total of 5,486,563 shares. The (total) shareholdings of management and the Supervisory Board constitute 5,491,108 shares and therefore more than 1% of the shares issued by Borussia Dortmund GmbH & Co. KGaA.

Dortmund, 9 September 2010

On behalf of the Supervisory Board

Gerd Pieper

On behalf of Borussia Dortmund Geschäftsführungs-GmbH

Hans-Joachim Watzke

Thomas Treß

DECLARATION OF COMPLIANCE BY THE MANAGEMENT AND THE SUPERVISORY BOARD OF BORUSSIA DORTMUND GmbH & Co. KGaA PURSUANT TO ARTICLE 161 OF THE GERMAN STOCK CORPORATION ACT (AktG) DATED 9 SEPTEMBER 2010

The Management Board of the general partner (Borussia Dortmund Geschäftsführungs-GmbH) and the Supervisory Board of Borussia Dortmund GmbH & Co. KGaA declare, pursuant to article 161 of the German Stock Corporation Act, that Borussia Dortmund GmbH & Co. KGaA complied since the making of the last Declaration of Compliance of 17 February 2010 with the recommendations of the "Government Commission on the German Corporate Governance Code" DCGK (the "Code") in its version of 18 June 2009 until the announcement of the new version of the Code in the electronic Federal Gazette (Bundesanzeiger) on 2 July 2010, as well as with the Code's recommendations as amended on 26 May 2010, which had been complied with since its publication in the electronic Federal Gazette on 2 July 2010 and the Code's recommendations as amended on 26 May 2010, which have been complied with, with the following exceptions that in part are due to organisational distinctions specific to the legal form of the KGaA and their expression in our Company's Articles of Association:

As to section 2.3.3, sentence 2: No support from the liability shareholder is given at the postal vote, since the company's Articles of Association do not make any provisions for an acceptance of such voting procedure.

As to section 3.8 (3): The D&O insurance does not provide any excess and there is no intention to change this, since its stipulation, according to our interpretation, would neither have any behavioural impact on board members, nor would it be suitable as an incentive.

As to section 4.2.1, sentence 2: The Supervisory Board of Borussia Dortmund GmbH & Co. KG has no authority to appoint and dismiss Managing Directors at Borussia Dortmund Geschäftsführungs-GmbH or to regulate the terms of their contracts, which is being exercised by the Executive Committee of the Borussia Dortmund Geschäftsführungs-GmbH. Since January 2006 the Management Board has comprised Hans-Joachim Watzke (Managing Director/Chairman) and Thomas Treß (Managing Director). Their areas of activity have been adequately defined in their respective service contracts, besides the Managing Directors exercise their legal and statutory powers jointly in close collaboration; therefore the responsible bodies of Borussia Dortmund Geschäftsführung-GmbH have considered and consider it unnecessary to further enact rules of procedures for the Management Board.

As to section 4.2.2 (1): Article 7 of the Articles of Association of Borussia Dortmund GmbH & Co. KGaA provides that the general partner shall be entitled to reimbursement for personnel and material costs in connection with managing the company, plus a payment of 3% of the company's otherwise arising annual surplus. Compensation and the compensation system for the Managing Directors of Borussia Dortmund Geschäftsführungs-GmbH have been and are otherwise determined and regularly reviewed by its Executive Committee (deviation from the powers of the Supervisory Board stipulated under Section 4.2.2 (1) due to the company's legal form).

As to section 4.2.3 (2), sentence 4 and (3), sentence 3: The remuneration structure for the Managing Directors is decided by the Executive Committee of Borussia Dortmund Geschäftsführungs-GmbH, which, as of January 2010, has not included and will not include in the future, any negative developments in the definition of variable components of remuneration for Managing Directors, neither has any subsequent amendment of performance targets or comparison parameters been excluded. In the light of the peculiarities of the KGaA on account of the legal form, the corresponding recommendations do not appear to be conferrable to or expedient for our company in this case.

As to section 4.2.3 (4) and (5): The Code recommends to consider the so-called "severance pay caps" in Management contracts for cases of a premature termination of the Supervisory Board activities without serious cause or as a result of an early termination of the Supervisory Board activities due to a change of control. As of January 2010 and onwards the Executive Committee shall decide on the impending (re)appointment of Managing Directors of Dortmund Geschäftsführungs-GmbH without principally stipulating so-called "severance pay caps" since the Executive Committee and the Managing Directors do not consider the before mentioned recommendations expedient in light of organisational distinctions specific to the legal form of the KGaA and their expression in our Company's Articles of Association.

As to section 4.2.3 (6): The Chairman of the Supervisory Board does not report to the General Shareholders' Meeting on any basic elements of the compensation system and changes thereto, because – as already mentioned – the Supervisory Board of Borussia Dortmund GmbH & Co. KGaA has no authority to appoint and dismiss Managing Directors at Borussia Dortmund Geschäftsführungs-GmbH or to regulate the terms of their contracts. Information pertaining to the system is otherwise provided in the Annual Report in the section entitled "Compensation Report" and specific information on Managing Directors' compensation is set out in the notes to the annual financial statements and/or consolidated financial statements, which is deemed to be sufficient.

As to section 4.3.4, sentence 3: Material transactions between the general partner and certain related parties on one hand, and the company on the other, according to articles 89, 112 in conjunction with articles 278 (3), 283 No. 5 AktG (e.g., loans) require the involvement of the Supervisory Board. In this respect, the recommendation has been and is being followed. The Supervisory Board is not otherwise authorised to adopt a list of transactions requiring its consent for the general partner or its Managing Directors.

As to section 4.3.5: Due to the lack of authority of the Supervisory Board with regards to appoint and dismiss Managing Directors at Borussia Dortmund Geschäftsführungs-GmbH or to regulate the terms of their contracts, the Executive Committee of Borussia Dortmund Geschäftsführungs-GmbH is responsible for approving any side activities of the general partner's Managing Directors.

As to section 5.1.2 (1), sentences 2 and 3: As the Supervisory Board has no authority with respect to personnel matters, the Managing Directors and the Executive Committee of Borussia Dortmund Geschäftsführungs-GmbH are responsible for the long term succession planning. The Supervisory Board also observes the recommended "diversity" in the composition of the Management Board. In view of two Managing Directors, who are deemed sufficient for the company, and whose positions are occupied for the foreseeable future, the recommended aspiration by the issuer of the Code to adequately consider women in the near future is likely to be impracticable.

As to section 5.1.2 (2), sentence 2: The reappointment of Managing Directors of Borussia Dortmund Geschäftsführungs-GmbH has been and will continue to be decided, as of January 2010, by its Executive Committee even without the existence of any special circumstances if need be prior to one year before the end of the appointment period. Aligning the personnel decision with a particular moment in time and circumstance is not considered expedient in the light of the legal peculiarities of the KGaA legal form and on account of the desire for increased flexibility.

As to section 5.1.2 (2), sentence 3: The Executive Committee of Borussia Dortmund Geschäftsführungs-GmbH has decided and will continue to decide in the case of pending (re)appointments of Managing Directors on the age limit for Managing Directors of the general partner; without this generally needing to be stipulated. Stipulating an age limit is not deemed to be expedient.

As to sections 5.2 (2), 5.3.1, sentence 1, 5.3.2 and 5.3.3: Committees, specifically an audit committee, have not and are not being established by the Supervisory Board, because it has only six members, and committees would have to consist of three members in order to have quorum. The company intends to retain its existing practice to deal with all pending matters by the full Supervisory Board. It is for the same reason that the Supervisory Board has elected not to have a nomination committee as recommended by the Code. In any case, if a nomination committee was established, the Code requires that it comprises shareholder representatives only.

As to section 5.4.1 (2) and (3): To date, there have not been and will not be any specific goals in future by the Supervisory Board as to its composition with regards to specific subject matters being described in the Code as “age limit for Supervisory Board members” and “diversity” or “adequate involvement of women”. The Supervisory Board feels that such limitations are not justified as against other criteria for proposed candidates for the election of Supervisory Board members and wishes do decide separately on proposals to its composition on a case by case basis in each specific situation.

As to section 5.4.3, sentence 3: Proposals for candidates for the chair of the Supervisory Board have not been made public in the past, nor will they be made public in future, because the Supervisory Board feels that the individual election of its members is sufficient and does not feel that a vote at the General Shareholders' Meeting for or against a given candidate is practicable in view of their position on the Supervisory Board.

As to Sections 5.4.6 (2), sentence 1 and (3), sentences 1 and 2: Pursuant to article 13, section 1 of the Articles of Association, the members of the Supervisory Board shall, by way of comparison, only receive a low fixed annual compensation of EUR 7,000; the Chairman shall receive twice this amount and the vice Chairman shall receive one and a half times this amount. It has been and is being considered sufficient to provide information on the Supervisory Board's compensation only as an aggregate figure in the Corporate Governance Report as well as in the notes to the consolidated financial statements.

As to section 5.5.3, sentence 1: It has remained and will remain possible to elect not to follow the recommendation that the Supervisory Board inform the General Shareholders' Meeting in its report of any arisen conflicts of interest and how these have been or are being handled. The principle of confidentiality of discussions within the Supervisory Board has been and is regularly given priority to (refer article 116, sentence 2 AktG and section 3.5 (1) sentence 2 of the Code).

As to Section 7.1.2, sentence 2: The recommendation that Management and Supervisory Board discuss any half-year and possible quarterly financial reports before their announcement is not being followed, because it is considered more important to publish interim financial reports promptly after they have been prepared by the Management Board. Notwithstanding this, such financial reports are discussed and controlled by the Supervisory Board.

As to section 7.1.2, sentence 4: Interim financial reports have been and are being published within a reasonable period, which may exceed 45 days following the end of the reporting period in specific cases (i.e. with respect to the half-year financial report, which upon its preparation, is also subject to a voluntary auditor's review).

As to section 7.1.3: At Borussia Dortmund Geschäftsführungs-GmbH no provision was made for any variable compensation components for Managing Directors such as stock options or similar securities-based incentive systems. Therefore, no specific information has been or will be given in the Corporate Governance Report for this purpose.

Dortmund, 9 September 2010

On behalf of the Supervisory Board

Gerd Pieper

On behalf of Borussia Dortmund Geschäftsführungs-GmbH

Hans-Joachim Watzke

Thomas Treß

ATHLETIC PERFORMANCE

FIFTH PLACE AND A WORLD RECORD IN ATTENDANCE

When it comes to international football, BVB is back in the game. After finishing off the 2009/2010 *Bundesliga* season in fifth place, BVB's league position qualified the team for the European Cup for the first time in seven years. BVB's rise from sixth place in the previous year to fifth was an important step, putting the team ahead of VfL Wolfsburg, the German champion, VfB Stuttgart, which ended the previous season in third place and Hamburger SV, semi-finalist in the Europa League, among others. Led by Jürgen Klopp, the team succeeded in combining consistency with top performance on the field.

Despite its success, the team's start in the season was rocky. After a successful first match (1:0 against FC Köln), BVB did not achieve its second win until the eighth match day. The 1:0 in Mönchengladbach marked the first turning point of the season. Due to injuries suffered by midfielders Sebastian Kehl and Tamas Hajnal, Jürgen Klopp decided to switch tactics, stabilising the team's defence and allowing it more room to wage quick attacks.

These strategic components became the team's key to success. BVB continued its twelve-match undefeated streak through match day 20, even winning six matches in a row that winter, including away matches in Hoffenheim and Wolfsburg. Although some players were absent, the team demonstrated its skill against Leverkusen and Bremen, as well as beating HSV.

The team's 2:0 victory over Hamburg which moved it up to fourth place marked the second turning point. The situation with the team's line-up became even more precarious, leading to only a single vic-

tory in match days twenty through twenty-five. For the second time in the 2009/2010 season, the turning point came at a match against Mönchengladbach. The 3:0 home victory was the first in a series of four wins and one tied match (13 points) and solidified BVB's claim to a spot in the top five.

With an average of 77,000 visitors at each home game, BVB set a world record, along with two notable accomplishments within Germany. For the twelfth season in a row, more than one million spectators came to watch the team in SIGNAL IDUNA PARK. SIGNAL IDUNA PARK, Germany's largest stadium, was sold out four times this season and eight of BVB's home matches attracted over 80,000 fans each. But even at away matches, BVB fans were in attendance: 13 of the 17 away matches were sold out. As was also the case last season, Borussia Dortmund thus became the only club to pass the two million spectator mark in a single season.

BUSINESS AND FRAMEWORK CONDITIONS

BUSINESS YEAR 2009/2010 IN REVIEW

Despite forecasts to the contrary, Borussia Dortmund GmbH & Co KGaA did not achieve earnings sufficient to break even in the 2009/2010 business year. This was primarily due to the global financial crisis, which hit Borussia Dortmund especially hard in the area of sponsorship and resulted in its not reaching its targets. Another reason was that planned transfer income did not reach the forecasted amount because the team's professional squad remained largely the same.

Another significant factor is the fact that the amortisation of player registrations represents a much larger burden to our earnings than in other industries since the cost of acquiring players for relatively short contractual periods is high.

There is no doubt that Borussia Dortmund's past debts have not yet been repaid entirely and that our room to manoeuvre remains limited. However, we are confident that we will be able to establish a successful team with the resources available to us, though this has become more difficult in view of the current uneven playing field in the *Bundesliga*. The fact that Jürgen Klopp and his team succeeded in reaching fifth place in the 2009/2010 *Bundesliga* season shows that we are on the right path.

Another sign of our success is that two members of our very young team made their debut on the German national football team. Mats Hummels and Kevin Großkreutz are two players that prove that our philosophy of building a young and ambitious team with a high degree of athletic prowess has led to success.

The development of Marcel Schmelzer and Sven Bender in particular, who have taken on a major role not only in BVB but also in the under-21 national team of the German Football Association, shows that we can expect even greater things from Borussia Dortmund.

Key financial indicators

Overview of the key financial figures Borussia Dortmund GmbH & Co. KGaA EUR millions	2009/2010 30 June 2010	2008/2009 30 June 2009
Equity	89.0	91.8
Investments	14.4	20.1
Gross revenue	103.3	110,3
Operating loss*	-1.0	-0.1
Financial result (investment income and net interest expense)	-1.7	-2.8
Net loss	-2.8	-2.9
Earnings before interest, taxes, depreciation and amortisation (EBITDA)*	9.3	10.5
Cash flow from operating activities	-3.0	-0.4
Number of shares (in thousands)	61,425	61,425
Earnings per share (in EUR)	-0.05	-0.05

** includes profit of EUR 0.3 million from previous periods (previous year: EUR 0.6 million)*

DEVELOPMENT OF THE MARKET AND COMPETITIVE ENVIRONMENT IN GERMAN PROFESSIONAL FOOTBAL

Match attendance

Spectator numbers in the *Bundesliga* continued to be very high last season. The average number of spectators per game fell slightly compared to last season (41,802 this season as against 41,904 last season), however this was due solely to the decreased capacity resulting from various stadium construction projects. A total of 12,791,508 spectators attended the 306 first division games in the past season.

The ranking of the number of spectators corresponds to the same level as in previous years. With an average of 76,441 spectators per game, Borussia Dortmund was ranked first, followed by Bayern München (69,491) and Schalke 04 (61,220).

Bayern München, Schalke 04 and FSV Mainz 05 recorded the highest utilisation of the stadium at nearly 100%, though at 95%, SIGNAL IDUNA PARK, the *Bundesliga's* largest stadium, was also well attended.

However, Borussia Dortmund has already sold over 50,000 season tickets for the 2010/2011 season, indicating that SIGNAL IDUNA PARK will have high utilisation in the coming season.

Bundesliga TV marketing

The TV agreement concluded in November 2008 enters its second round in the 2010/2011 *Bundesliga* season. The 18 first division teams generated approximately EUR 17 million from domestic marketing and EUR 1.8 million from international marketing above what they had generated in the previous year. Distribution to individual clubs is carried out based on weighted positions over a four year period and a team's ranking at the end of the current season.

After last year's comprehensive reform in the course of which the DFL Deutsche Fußball Liga GmbH restructured the TV landscape with a new match schedule, concepts and broadcasting schedules have not changed significantly. The five different kick-off times, called "salami match days" (matches spread out over several days) by critics before the start of the season, have apparently proven themselves.

Marketing

Jersey sponsoring of all the football teams in the *Bundesliga* currently has a total volume of approximately EUR 131 million. According to experts, prices for the licensing of exclusive rights will probably increase slightly in the future. In addition, the fact is that continuity plays an important role for contractual partners when an agreement is concluded. 15 of the current first division teams are continuing with the same jersey sponsor as in the past season; only VfB Stuttgart, 1. FC Kaiserslautern, which was promoted, and SC Freiburg have new jersey sponsors in the coming season.

The following changes will take place in the DFL Deutsche Fußball Liga GmbH in the 2010/2011 season.

For the first time in history, all games in the first and second *Bundesliga* divisions will be played with a uniform ball. The ball, christened "Torfabrik" (goal factory), was used first in the Super Cup on 7 August 2010. The white-red colouring of the ball is a nod to the Bundesliga, while the technology behind the ball is based on that used in the World Cup ball. According to Dr. Reinhard Rauball, president of the league, the introduction of the official ball is a great step for the Bundesliga, because, among other things, it creates uniform competitive conditions. Already back in May 2009, the DFL Deutsche Fußball Liga GmbH issued a press release announcing that adidas had been awarded the contract in the tendering process that had started in March 2009 and would therefore supply the official ball for matches in the first and second *Bundesliga* divisions starting in the 2010/2011 season.

Another change taking effect at the beginning of the 2010/2011 season is the revival of the Super Cup. The Super Cup was held from 1987 to 1996, but had to then make way for the League Cup, which was played as a tournament. This past November, the DFL Deutsche Fußball Liga GmbH then decided to revive the Cup. "The Super Cup is very popular, also internationally. Even now, we can say that this new competition will be broadcast live in nearly 150 countries", explained Dr. Reinhard Rauball, the president of the league. DFL is therefore convinced it has made the right decision. "We were of the opinion that it would be good to introduce another important athletic competition in addition to the *Bundesliga* and the DFB Cup. In doing so, we are continuing a good tradition on both the national and international level," remarked Dr. Rauball with regard to the revival of the Super Cup after 14 years. In the original incarnation of the cup, the German champion and the winner of the DFB Cup faced off. If a club won both competitions, the Cup runner-up would step in as the opposing team in the Super Cup. In the current competition, however, the runner-up in the German championship would be the opposing team.

Another change is that the DFL Deutsche Fußball Liga GmbH has developed a new brand appearance for the current season and will present itself in a new way starting in August 2010. Along with the modernised brand logo, the visual appearance has been redesigned for all media areas and platforms. The *Bundesliga's* internet presence, bundesliga.de, the *Bundesliga* magazine and the studio design for the GOAL! international appearance will also have a new format.

International standing

The executive committee of the European Football Union (UEFA) has resolved on a concrete implementation of the Financial Fair Play. The Club Financial Control Panel (CFC) is meant to assist in implementing the newly resolved financial fair play measures. These measures are designed to curb the excessive financial expenditures and exorbitant transfer fees and player salaries that had put football at risk in past years. The long-term prosperity and viability of European football, as well as the integrity and smooth operation of competition demand greater discipline and more rational behaviour on the part of clubs, which have to ensure that they do not spend more than they earn and are diligent in repaying debts on time. Should clubs repeatedly fail to comply with these requirements, they could, in a worst case scenario, be excluded from European Cup competitions. DFL Deutsche Fußball Liga GmbH has long since become the leader in Europe in this regard, "In Germany, the clubs' figures are monitored and their finances are reviewed", said Spanish financial expert Jose Maria Gay to the Süddeutsche Zeitung.

The UEFA Control and Disciplinary Body accused Real Mallorca of overindebtedness and, as an initial step, excluded the club from European competition. Real Mallorca's appeal has now been dismissed. The UEFA Appeals Body upheld the Control and Disciplinary Body's decision from the previous week, dismissing the Spanish club's protest. The Spanish first division team, though athletically qualified, was forced to relinquish its starter spot in the Europa League to FC Villarreal. Mallorca's only remaining recourse to appeal its exclusion was to the international sports tribunal CAS in Lausanne.

On 20 April 2010, DFL Deutsche Fußball Liga GmbH informed Borussia Dortmund that it deems the criteria for a license for the 2010/2011 season in the first *Bundesliga* division to be met. As in previous years, the license was issued without any conditions and/or requirements.

Withholding tax

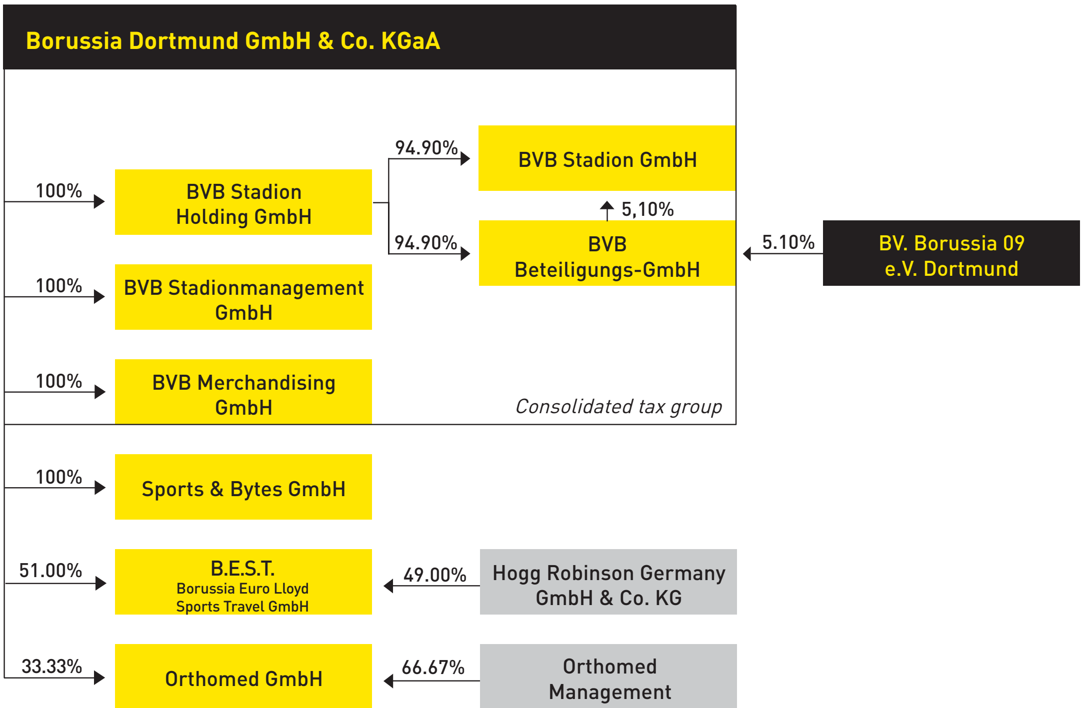
The German Ministry of Finance has revoked a non-application exemption for withholding tax for international transfers. Clubs are therefore not required to pay withholding tax for engaging players from outside of Germany, neither retroactively, nor in future. According to the sports magazine kicker, this translated to savings of around EUR 25 million for German professional football.

“This is quite an encouraging development for the league and has resulted from various activities on the state and national level”, said Dr. Reinhard Rauball, president of the league.

GROUP STRUCTURE AND BUSINESS

In addition to its core activities of football and the marketing of SIGNAL IDUNA PARK, Borussia Dortmund is involved in lines of business related to football. At present, the Company holds direct and indirect interests in the following companies: BVB Stadionmanagement GmbH (100.00%), BVB Stadion Holding GmbH (formerly goool.de Sportswear GmbH) (100.00%), Sports & Bytes GmbH (100.00%), BVB Merchandising GmbH (100.00%), BVB Stadion GmbH (99.74%), BVB Beteiligungs-GmbH (94.90%), B.E.S.T. Borussia.Euro Lloyd Sports.Travel GmbH (51.00%) and Orthomed GmbH (33.33%).

Some of these companies have concluded mutual control and/or profit and loss transfer agreements.



ORGANISATION OF MANAGEMENT AND CONTROL

The general partner, Borussia Dortmund Geschäftsführungs-GmbH, is responsible for management and representation of Borussia Dortmund GmbH & Co. KGaA. This limited liability company ("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 rights and duties of the KGaA's Supervisory Board, which is appointed by the General Shareholders' Meeting, are limited. Specifically, 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 for the general partner or any list of transactions requiring its consent. 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 current members of the Supervisory Board of the Company, their names, occupations and further responsibilities in other management bodies can be found in the notes.

Within Borussia Dortmund GmbH & Co. KGaA, there are four independent functional areas below the management level, namely, “Communications”, “Sport”, “Finance” and “Organisation”. The responsible employees and the functional organisational areas for which they are responsible can be seen from the following chart. Along with BVB Merchandising GmbH, Borussia Dortmund GmbH & Co. KGaA is managed and controlled as an independent segment.

BORUSSIA DORTMUND GmbH & Co. KGaA

Management
Hans-Joachim Watzke
[Chairman]

Management
Thomas Treß

Communications
J. Schneck

- Corporate communications
- Sport communications
- Publications
- Fan support
- Stadium announcements and program
- PR work
- Complaints management

Sport
M. Zorc

- Professional football
- Amateurs
- Youth
- Training fields

Finance
M. Knipping

- Finances and accounting
- Controlling
- Investor Relations
- IT (Information Technology)
- Personnel
- Risk Management
- Merchandising
- Affiliates
- Sportfive (Commission processing)

Organisation
Dr. C. Hockenjos

- General organisation
- Stadium management
- Match organisation
- V.I.P. – Hospitality
- Sportfive (sponsors)
- Events
- DFB/DFL
- Ticketing
- Real estate
- Third party events

INTERNAL MANAGEMENT SYSTEM

SPORTS MANAGEMENT

Despite the successful restructuring and the economically stable results, in the future the focus will remain on playing football successfully with a cost-optimised budget. In order to achieve this objective, BVB will continue to have a competitive team made up of young, promising players.

The sporting objectives will be aligned with the financial circumstances, meaning that the makeup of the squad and its cost structure will continue to depend on foreseeable variables on the income side. Qualifying for and successfully playing in international competitions would provide the financial flexibility for acquiring additional reinforcements. The medium-term goal must therefore be for the team to qualify for European competitions.

FINANCIAL MANAGEMENT

One of the main goals of BVB's management is to increase profitability in the long-term. In addition, there is a focus on financial strength. As well as a constant improvement in the operating result, generating positive cash flows is therefore the most important financial objective of our Company. We are seeking to optimise cash flows by concentrating on the impacting factors of "operating results" and "investments".

The operating result is the most important indicator for measuring success. For us, the operating result means earnings before interest and taxes (EBIT). For this reason, we constantly monitor our segments' operating results based on monthly comparisons of the budget and the actual situation. The most important drivers for the operating result are further improvement in sales revenue in the major income areas of ticketing, sponsorship, TV marketing and merchandising, and disciplined management of operating expenses.

In coming years we will concentrate on successively generating sales growth while limiting operating expenditure. In this respect, the decisive factor is qualifying for international competitions.

CAPITAL MANAGEMENT

The management's capital management responsibilities include stabilising and increasing the Company's equity as determined in accordance with HGB. We will reach these targets, in particular, by improving the operating result and through effective investments.

CORPORATE STRATEGY

Borussia Dortmund continues to pursue its medium-term goal of again establishing itself as one of the leading football clubs in the *Bundesliga*. Following the successful implementation of the reorganisation, the restructuring of our financial liabilities and investments in the professional squad, we consider ourselves to be on the right path.

The financial base of the first and to date only German listed football company was expanded by the exclusive marketing right for SIGNAL IDUNA PARK, more effective use of the "Borussia Dortmund" brand and the establishment of football-related lines of business. However, in future, professional football will remain the core business, together with the Group's classic income sources of TV marketing, sponsorship, ticketing and merchandising. For the following reasons, BVB is convinced that it will be able to further stabilise and expand its position:

- Borussia Dortmund is in sporting terms one of the most successful, well known and most popular German football clubs with an outstanding fan base that provides BVB with one of the highest average numbers of spectators in Europe.
- A football company can only be financially successful if it enjoys sporting success in 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 national and international marketing of its brand name.
- Germany continues to be Europe's largest football market, which, however, is behind some other European markets in financial terms. This provides great growth potential.

All financial activities at Borussia Dortmund are oriented around the target groups that are relevant for a football club: Its fans, members and business partners. Products and services should be tailored to these groups in the best way possible. Through its existing brand potential, Borussia Dortmund wants to utilise all commercial opportunities presented by professional club football in an international context.

The current business strategy can principally be summarised as follows:

- Sustainable adjustment of sporting perspectives
- Intensifying the promotion of up and coming talent
- Fan involvement
- Utilisation of the “Borussia Dortmund” brand

However, financial and business development is largely dependent on sporting success. Since it is very difficult to plan sporting success, the best management can do is to create a foundation for success. Investments, particularly in the professional squad, are therefore a necessary prerequisite for achieving sporting objectives, such as qualifying for the UEFA Europa League. However, in order to meet financial goals, 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 may be sold based on financial considerations in cases where this would not have happened had the decision been made based solely on sporting criteria.

A conflict, or a situation where sporting considerations and financial considerations affect each other adversely, therefore arises between the pursuit of financial interests and sporting interests, particularly if the club continually falls short of its sporting goals. In such cases, management weighs up the opportunities and risks to find a solution that is broadly in line with our strategic objectives.

Sponsorship plays a key role in this consideration. Over the years, sponsorship has grown to become one of the company’s most important income segments. In contrast to central TV marketing, in which distribution is already clearly defined in advance, the management can itself determine the requirements and direction of the sponsoring and, if necessary, can change strategy in line with current conditions. With commitments from important partners of SIGNAL IDUNA until 2016 and with Evonik Industries AG until 2013, key budget figures for the sponsorship segment are already set for the coming years.

Income from international competitions is more difficult to budget, since it depends solely on the team’s athletic performance.

Another key strategic area of the management is transfer income. The decision here is between transferring sought-after players or retaining them to pursue greater athletic goals in the long-term.

Positive operating results and investments, mainly in the professional squad, depending on those results, could enable stable, positive future cash flows to be achieved over the long term.

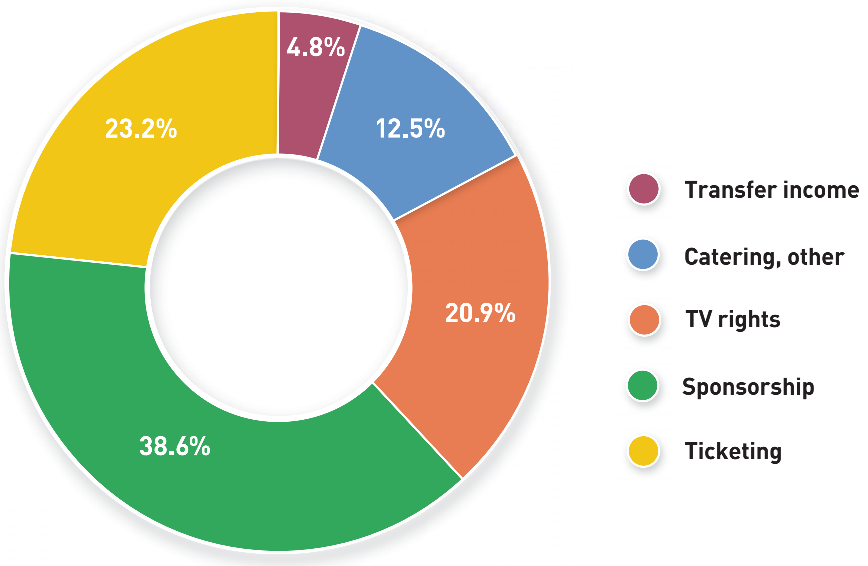
POSITION OF THE COMPANY

RESULTS OF OPERATIONS

Borussia Dortmund GmbH & Co. KGaA generated EUR 100.89 million (previous year: EUR 107.95 million) in sales in the business year under review, while gross revenue amounted to EUR 103.33 million, down EUR 6.92 million on the previous year. Borussia Dortmund concluded the business year with a net loss of EUR -2.79 million, representing a EUR 0.15 million increase in earnings.

The result from operating activities (EBIT) was slightly negative at EUR -1.01 million (previous year: EUR -0.11 million).

Borussia Dortmund GmbH & Co. KGaA – Revenues in %

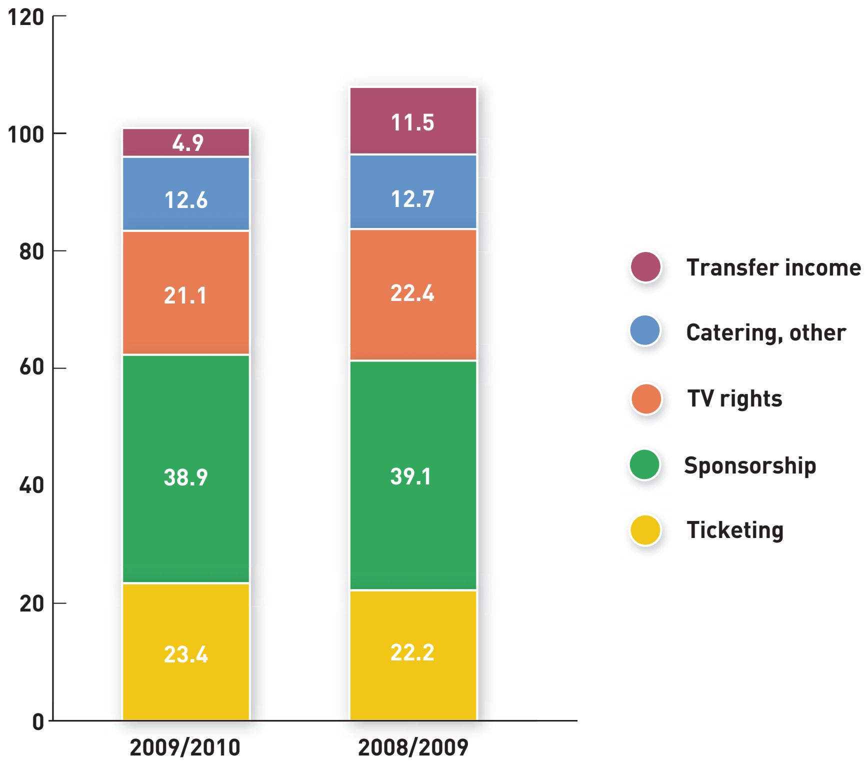


SALES DEVELOPMENT

In the past business year, Borussia Dortmund GmbH & Co. KGaA generated sales amounting to EUR 100.89 million, but had to accept a decline in sales of EUR 7.06 million in its core business activities despite qualifying for an international competition. A slight increase in ticketing sales could not compensate for the substantial drop in transfer income of approximately 57.2%.

The revenue for the individual segments is broken down as follows:

Borussia Dortmund GmbH & Co. KGaA – Revenues in € million



Income from ticketing

In business year 2009/2010, Borussia Dortmund GmbH & Co. KGaA generated EUR 23.40 million in match operations income, an increase of EUR 1.22 million year-on-year.

In keeping with the general upwards trend of the League, Borussia Dortmund reported a EUR 3.06 million increase in income from *Bundesliga* match operations, totalling EUR 21.79 million.

With an average number of spectators per game of 76,441, a 95% utilisation of SIGNAL IDUNA PARK and approximately 50,000 season tickets sold, Borussia Dortmund was the top team in the *Bundesliga* with regard to spectator numbers. By comparison: On average, 41,802 spectators per game attended first division team matches, and 24,375 season tickets were sold by such teams.

Ticket income from playing in international competitions (EUR -0.85 million) and national cup competitions (EUR -0.95 million) fell after the team failed to qualify for the Europa League in the final home match of the 2008/2009 season and exited the DFP Cup in the third round in 2009/2010. Borussia Dortmund was also eliminated in the third round of the Cup in the 2008/2009 season, but played a home match in SIGNAL IDUNA PARK against Bremen in a sold out stadium.

Match operations generated an additional EUR 1.38 million from the anniversary match at the beginning of the season, from friendly matches and from match operations of the third division amateur team.

Income from sponsorship

Sponsorship accounted for EUR 38.85 million of Borussia Dortmund's revenue, a decrease of EUR 0.26 million year-on-year. As in previous years, sponsorship represented Borussia Dortmund GmbH & Co. KGaA's most important income item in the 2009/2010 business year, accounting for 38.6% of total revenue, an increase of about 6% year-on-year. The management's strategy of establishing a co-operative relationship with sponsors based on trust, thus winning them as long-term partners, has proven to be one of the Company's most important goals. Along with the partnership with SIGNAL IDUNA, which in 2008 was extended until 2016, Borussia Dortmund reached an agreement in May for further co-operation and extension of the principal sponsorship agreement with Evonik Industries AG until 2013. Sparda Bank West, a long-time Champion Partner also expressed its confidence in us by extending its Champion Partner agreement until 2014.

Income from TV marketing

Income from TV marketing in the past business year fell to EUR 21.09 million, a decrease of EUR 1.34 million as against the previous year.

Despite the team's improved final ranking in the *Bundesliga* and its upgrade to eighth place (last year's position: ninth place) in the list of weighted positions over a four year period, TV revenue from *Bundesliga* match operations amounted to EUR 20.20 million, EUR 0.24 million below the previous year's level.

The absence of international matches and the T-Home Cup against FC Bayern Munich, which, in contrast to last year, was not held this season, also resulted in a loss of income of around EUR 1.06 million.

The Borussia Dortmund amateur team did not receive any TV revenue from its match operations in the third division.

Despite the difficult financial situation at Pay TV broadcaster Sky, income from national TV marketing for the coming season is not threatened. According to the "Börsen-Zeitung", Sky presented a bank guarantee for 2010/2011 prior to the May 15 deadline and thus remains solvent. Sky is the league's largest sponsor. According to the report, the Royal Bank of Scotland provided the bank guarantee, which has a term of four years. However, the guarantee will be renewed each year and increased for each next term.

Transfer income

At EUR 4.93 million, transfer income fell below the previous year's figure by EUR 6.60 million.

While players Mladen Petric, Robert Kovac, Martin Amedick, Andre Kruska, Diego Klimowicz and Antonio Rukavina were transferred in the previous year, transfer income in the 2009/2010 season was primarily associated with player Alexander Frei.

Income from retail, conferences and catering

Catering, licenses and other income in the last business year was nearly identical to that of the previous year. Borussia Dortmund GmbH & Co. KGaA generated sales amounting EUR 12.62 million and thus remained at the same level as the previous year (EUR 12.70 million).

Revenue is broken down by division as follows:
Income from catering at SIGNAL IDUNA PARK and from non-match operations (EUR 8.71 million) again proved to be a revenue driver for Borussia Dortmund GmbH & Co. KGaA, generating approximately 69% of the division's total revenue

Catering, licences and other income also includes proceeds from rentals and leases, the rights of use for all companies and advance booking fees from ticketing, totalling EUR 3.90 million.

Other operating income increased as compared to the previous reporting period by EUR 0.14 million to EUR 2.45 million

DEVELOPMENT OF SIGNIFICANT OPERATING EXPENSES

Personnel expenses

Personnel expenses declined from EUR 46.85 million in the 2008/2009 business year to EUR 44.58 million in the 2009/2010 business year. Substantial savings of approximately EUR 3.07 million were achieved in the relation to the professional squad. Personnel expenses in retail and in other match operations, including the amateur team and the U19 junior team, increased by EUR 0.02 million and EUR 0.81, respectively. This increase in personnel expenses in other match operations was due primarily to the promotion of the amateur team to the third division.

Depreciation, amortisation and write-downs

In the reporting period, depreciation, amortisation and write-downs declined by EUR 0.23 million to EUR 10.34 million, due primarily to additions and departures of members of the professional squad. Amortisation charges on player registrations amounted to EUR 8.45 million.

Other operating expenses

Other operating expenses amounted to EUR 49.43 million in the reporting period compared with EUR 52.93 million in the previous year.

The decrease in expenses from player transfers (EUR 4.60 million decrease) had a significant positive impact on earnings. Agency fees contained under this item (EUR -0.42 million) also decreased slightly due to the drop in TV receipts. Administrative expenses rose by EUR 2.59 million, however these include the one-off expenses incurred due to the events associated with the team's 100th anniversary.

FINANCIAL POSITION

ANALYSIS OF CAPITAL STRUCTURE

After taking into account the net loss for the year of EUR 2.79 million, Borussia Dortmund's equity amounted to EUR 89.00 million as at 30 June 2010, corresponding to an equity ratio of 44.21%.

In spite of scheduled repayments in the past business year, financial liabilities at the balance sheet date increased by EUR 10.03 million due to the use of overdraft facilities and a new loan amounting to EUR 5.0 million.

Trade payables declined by EUR 3.20 million and liabilities to affiliated companies fell by EUR 1.09 million.

A major change in liabilities is attributable to the reduction of other liabilities by EUR 4.60 million.

ANALYSIS OF INVESTMENTS

In business year 2009/2010, Borussia Dortmund invested EUR 11.17 million in intangible fixed assets. This amount was attributable almost entirely to investments in the player base. Investments amounted to EUR 11.6 million in total.

Purchases of tangible fixed assets during the same period amounted to EUR 0.24 million.

ANALYSIS OF LIQUIDITY

As at 30 June 2010, Borussia Dortmund held cash of EUR 0.89 million, none of which was subject to restrictions.

Additionally, as at the balance sheet date, EUR 10.0 million in overdraft facilities was available, all of which had been drawn on as at the balance sheet date.

Proceeds from the sale of player registrations amounted to EUR 11.5 million in the current 2009/2010 season. Payments for investments in player registrations amounted to EUR 13.9 million.

In addition, a working capital facility of EUR 5.0 million was drawn down in the past business year and was offset by financial liabilities being repaid by EUR 2.6 million.

NET ASSETS

The total net assets of Borussia Dortmund GmbH & Co. KGaA fell from EUR 209.57 million to EUR 201.31 million.

The investments, particularly to the player base, are reflected in the increase in intangible fixed assets by a total of EUR 1.40 million. Tangible fixed assets declined by EUR 1.59 million due to depreciation Receivables and other assets also fell year-on-year by EUR 6.61 million.

OVERALL SUMMARY OF RESULTS OF OPERATIONS, FINANCIAL POSITION AND NET ASSETS

Borussia Dortmund concluded the business year with a net loss of EUR -2.79 million, representing a EUR 0.15 million increase in earnings. Borussia Dortmund once again made substantial investments in the player base. This considerable strengthening of the professional squad was reflected in amortisation charges on player registrations, which amount to EUR 8.45 million.

Net assets decreased from EUR 209.57 million to EUR 201.31 million in the business year. The equity ratio is stable and, taking into account the net loss for the year, is calculated at 44.21%. As at 30 June 2010, Borussia Dortmund held cash of EUR 0.89 million, none of which was subject to restrictions. Additionally, as at the balance sheet date, EUR 10.0 million in overdraft facilities was available, all of which had been drawn down as at the balance sheet date.

COMPENSATION REPORT

The structure of the compensation system for the management is determined 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 determining the compensation of management in detail and sets the appropriate amount of compensation. The principal criteria for determining the appropriate amount of compensation are the responsibilities of the particular member of management, their personal performance and Borussia Dortmund's financial position, success and future prospects.

Management compensation comprises two components: a fixed amount and a variable component. The fixed compensation component is stipulated by contract and is paid out in twelve equal monthly instalments. The variable compensation component is based on the performance of the business, particularly on net income for the year before taxes and managing directors' compensation. Any additional non-cash or ancillary benefits granted primarily include insurance benefits at standard market conditions and the provision of a company car. There are no stock option plans or similar incentive plans. The compensation components provided are reasonable in and of themselves and overall.

The Supervisory Board's compensation is governed by § 13 of the Articles of Association, pursuant to which each member of the Supervisory Board receives fixed compensation amounting to EUR 7 thousand; the Chairman receives twice that amount, while the Deputy Chairman receives one and a half times that amount. Value added tax is reimbursed to the members of the Supervisory Board.

Disclosures in accordance with § 285 No. 9 HGB can be found in the notes.

OPPORTUNITIES AND RISKS REPORT

RISK MANAGEMENT

Borussia Dortmund's divisions are exposed to a wide variety of risks that are inseparably linked to the conduct of business. A functioning control and monitoring system is essential to the early identification and assessment of and systematic response to these risks. It is the responsibility of the Group's internal risk management system to monitor and control such potential risks.

This risk management system is based on principles and guidelines laid out by the management. These principles and guidelines are designed to facilitate the identification of uncertainties and to take appropriate countermeasures in good time. In order to ensure the highest possible level of transparency, risk management has been incorporated into the organisational structure of the entire Group. Every department and division is required to report to the management immediately on any market-relevant changes to the risk portfolio. Moreover, the risk management system is an integral component of the overarching planning, steering and reporting process.

This year, the risk inventory procedure which has been implemented in order to catalogue and assess all risks has again proven itself a vital management instrument. Risks are identified, discussed and reviewed in consideration of current circumstances at individual or plenary meetings in order to assess the current likelihood of their occurring and the extent of the loss they might provoke. Particular emphasis is placed here on high priority risks which could significantly jeopardise the continued existence of the Borussia Dortmund Group. Thus the organisational groundwork has been laid to enable the Group to recognise any changes to the risk situation that may emerge early on.

Regular risk reports to Borussia Dortmund's governing bodies keep them informed of the Group's current risk profile, enabling them to monitor and manage risks.

THE INTERNAL CONTROL AND RISK MANAGEMENT SYSTEM WITH REGARD TO THE ACCOUNTING PROCESS

The key features of the internal control system and risk management system employed at Borussia Dortmund GmbH & Co. KGaA with regard to the accounting process can be described as follows:

- Borussia Dortmund GmbH & Co. KGaA is marked by its clear organisational, corporate and control and monitoring structure;
- The internal control system and the risk management system with regard to the accounting process form an integral part of operational and strategic planning processes;
- Responsibilities for all areas of the accounting process (such as financial accounting and control) have been unambiguously assigned;
- Reporting is carried out in monthly, quarterly, semi-annual and annual intervals, though a distinction is made between matters requiring immediate action by the Company and those regarding Company strategy;

- The computer systems used in accounting are protected from unauthorised access;
- An adequate internal system of guidelines has been established and is updated as needed;
- Departments involved in the accounting process fulfil quantitative and qualitative requirements;
- The completeness and accuracy of accounting data is checked regularly by means of sampling and plausibility tests both through manual checks and by means of software employed for this purpose;
- The principle of dual control is utilised at all points in all accounting-related processes;
- In the course of the process, the management receives reports on a regular basis or more frequently if necessary;
- The Supervisory Board addresses topics such as material questions regarding accounting, risk management and the audit assignment.

The internal control and risk management system with regard to the accounting process, the key features of which are described above, ensures that transactions can be correctly accounted for, reviewed and approved.

SPECIFIC RISKS

STRATEGIC RISKS

The economic performance of a football company depends on its athletic performance. However, this can only be planned to a certain extent, meaning that financial and corporate planning must be aimed at maintaining the profitability of the company – even in the face of setbacks – so as to avoid risks to the Company's future existence. Long-term affiliations and partnerships ensure a certain level of planning security, independently of sporting success. Moreover it is important to reconcile the conflict between pursuing athletic objectives, the measures necessary to achieve such objectives and financial requirements such as securing adequate liquidity.

In addition, Borussia Dortmund requires a licence from DFL Deutsche Fußball Liga GmbH to be issued for each season in order for its team to participate in *Bundesliga* matches. Of course, the issue of this licence is of key importance to the assets, liabilities, financial position and profit or loss of the Company. As in previous years, Borussia Dortmund was issued a licence for the coming season without any conditions and/or requirements.

PERSONNEL RISKS

The importance of human resources to companies is growing. Thus personnel risk represents a central risk category in a company's risk management organisation.

The core business of Borussia Dortmund – participating in *Bundesliga* match operations – is largely dependent on the Company's human resources. Athletic success, which forms the basis for economic success, is heavily dependent on the professional sports squad and the quality of the players. Intensive scouting and medical examinations are intended to help the Company avoid making ill-advised investments in signing new players. The absence of key players, for example due to injury, cannot be foreseen and, as a result, may jeopardise the ability of the Company to meet internally defined objectives.

Yet in the economic sector as well, the use of qualified specialists and executives is essential for the Group. It is important to retain them with the Company over the long term.

ECONOMIC RISKS

As a result of the current financial crisis, the development of future funding through sponsorship is particularly difficult to foresee. Borussia Dortmund has laid the groundwork for the coming years through the conclusion of long-term contracts with major sponsors. Since primarily small and medium-sized companies are currently acting cautiously to wait and see how the market develops, we cannot yet reliably forecast whether last years' total volume in sponsorship can be achieved again this year. In addition to difficulties surrounding the acquisition of sponsors, it is currently also impossible to foresee the extent to which the threat of unemployment will influence customers' spending habits and what effect the economic situation will have on Borussia Dortmund's earnings.

Given current events, it should be noted that it is impossible to plan and manage the risk of interruption of match operations, for example due to the outbreak of epidemics. Nor is it possible to foresee the potential financial ramifications of such a situation.

Borussia Dortmund has been subject to tax audits and audits by social security carriers in the past. Borussia Dortmund is of the opinion that its tax returns were complete and correctly submitted and that its social security contributions were paid completely and on time. However, should tax and social security authorities view the situation differently due to a different assessment of the facts, it is possible that they could later make additional claims which could have an impact on the Company's assets, liabilities, financial position and profit or loss.

FINANCIAL RISKS

INTEREST RATE RISK

The Borussia Dortmund Group bears the financing risk of SIGNAL IDUNA PARK. The Group is presently not subject to any interest rate risk thanks to the fixed-interest credit agreements entered into for the coming years.

CREDIT RISK

The Group conducts business exclusively with third parties of high credit standing. Credit risk can arise in the context of a player transfer and from long-term sponsorship agreements, as well as from centralised marketing agreements.

The loan conditions for the fixed-interest loan for a nominal amount of EUR 20.0 million falling due in June 2013 include covenants relating to the consolidated equity ratio and the interest coverage ratio (EBITDA/interest expense) based on the consolidated financial statements. In addition, an overdraft facilities agreement amounting to EUR 5.0 million includes covenants relating to the interest coverage ratio and the net-debt/EBITDA ratio in addition to the consolidated equity ratio. The covenants are reviewed on an annual basis. As at the balance sheet date, all covenants were complied with.

LIQUIDITY RISK

The danger of at some point not being able to meet payment obligations in a timely manner or in full is called liquidity risk.

Regular reporting and strict control over the adherence to targets, budgets and KPIs ensures that the Company's liquidity remains a transparent variable. This is constantly monitored through liquidity planning, taking into consideration expected payment flows. As with any plan, there is an inherent risk that the current expectations are subject to risks and uncertainties. Actual results may differ from the statements made in planning. However, there exists the general risk that budgeted payment receipts are not realised due, for example, to the inability to honour agreements as entered into due to the poor financial position or the insolvency of the customer.

THE RISK SITUATION IN SUMMARY

With regard to the risks discussed in this report and the review of the overall risk situation, no risks were identified in the business year under review that will contribute to a permanent or material deterioration of the net assets, financial position and results of operations for either the Group or the individual companies.

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

A review of the risk situation revealed that the total sum of individual risks defined within the risk areas does not pose a threat to the continued existence of Borussia Dortmund.

REPORT ON EXPECTED DEVELOPMENTS

ANTICIPATED DEVELOPMENT OF THE COMPANY

After finishing off the 2009/2010 *Bundesliga* season in fifth place, BVB's league position qualified it for the European Cup for the first time in seven years. Borussia Dortmund was able to maintain the key players of the prior-season squad and also underscored its ambitions for the 2010/2011 season by making shrewd additions to the team.

The ability to have made these additions without the aid of additional income from European competitions and without assuming any financial risks highlights Borussia Dortmund's impressive efficiency.

We intend to continue to leverage our stable and robust equity base in order to avoid incalculable financial risks and continue pursuing our goal of being among the top teams in the *Bundesliga*.

EXPECTED GENERAL ECONOMIC ENVIRONMENT

We are looking forward to the beginning of the 2010/2011 season with great excitement. A new record in season ticket sales, spectacular new additions of international players, a uniform match ball for the first time with "Torfabrik" and an increase in international marketing through the sale of *Bundesliga* media rights – the *Bundesliga* brand is shining brightly even before the season has gotten off the ground, underscoring the prominent position of the Bundesliga product.

EXPECTED RESULTS OF OPERATIONS

ANTICIPATED EARNINGS DEVELOPMENT

As in previous years, athletic success will be a major factor in earnings development. Our qualification for participation in the Europa League provided the basis for additional income from international competition.

The management believes that the Company will generate a net profit for the 2010/2011 business year as well as in the following business year, even though the enduring economic crisis may make the economic environment a factor that could jeopardise this goal.

ANTICIPATED DEVELOPMENT OF REVENUE

Borussia Dortmund again succeeded in just barely reaching the magical figure of EUR 100 million in revenue even without international competition. Revenue fell year-on-year to EUR 100.89 million. Sales revenue might rise significantly as a result of the qualification for the Europa League and the firm establishment of BVB in international competitions over the medium term.

ANTICIPATED DEVELOPMENT OF SIGNIFICANT OPERATING EXPENSES

Thanks to intensive cost control, the management is in a position to minimise other operating expenses and to identify and realise savings potentials.

However, the development of this item depends to a great extent on the number of official matches in a season, meaning that a development forecast is always dependent on athletic performance.

Personnel expenses will again remain on a level with those in the previous year, although Borussia Dortmund was able to maintain the core team and even to strengthen it in some respects.

EXPECTED DIVIDENDS

The Borussia Dortmund Group reported a loss for the 2009/2010 business year. Although the company expects to report an operating profit in the coming years, given the EUR 36.52 million in financial liabilities, a dividend payment would not be appropriate until Borussia Dortmund has re-established itself on the international sporting scene and generated long-term, substantial profits.

EXPECTED FINANCIAL POSITION

INVESTMENT AND FINANCIAL PLANNING

We are continuing to focus our investing activities on our professional squad and on additional measures to modernise SIGNAL IDUNA PARK. The expansion of the training centre in Dortmund-Brackel has already begun.

Thus we will concentrate on the core business of Borussia Dortmund and, in so doing, will not be taking any financial risks which cannot be calculated in advance. In essence, this means that we will only be incurring capital expenditure to the extent permitted by the anticipated financial leeway. As part of capital expenditure planning, we will thus not include any uncertain sporting successes which, if they failed to materialise, would lead to substantial new indebtedness.

ANTICIPATED DEVELOPMENT OF LIQUIDITY

Repayments of the long-term loans to finance the stadium continue to be made on schedule. Moreover, Borussia Dortmund was able to invest intensively in strengthening the professional team. Going forward, we will continue to use non-earmarked funds to strengthen the athletics department while ensuring that Borussia Dortmund is solvent at all times.

OPPORTUNITIES

Borussia Dortmund's greatest opportunities lie in unlocking and exploiting additional revenue potential by participating in international competitions, such as the Europa League. In addition, an international presence would almost certainly have a positive impact on the merchandising business.

Successful participation in the national cup competition, the DFB Cup, represents further significant earnings potential. However, the financial benefits also depend, to a large extent, on which teams we are drawn against.

Moreover, Borussia Dortmund has high-quality young players on its squad who are highly valued on the market and have a high transfer potential.

DEVELOPMENT FORECAST IN SUMMARY

Borussia Dortmund finished off the 2009/2010 season in fifth place and thus qualified to play in the Europa League. Coach Jürgen Klopp and his young, ambitious team succeeded in making great headway.

The team has taken great strides towards the goal it set in previous years of rejoining the ranks of the leading *Bundesliga* teams, and will continue to do so in the business year of the 2010/2011 season.

REPORT ON POST BALANCE SHEET DATE EVENTS

Borussia Dortmund was pleased to announce two notable new partnerships in August. At the beginning of the 2010/2011 *Bundesliga* season, MAN, a Munich-based commercial vehicle and engine manufacturer, entered into a partnership with BVB for the next several years. Borussia Dortmund is starting out the season with an exclusive new team bus from MAN.

The car manufacturer SEAT became a Borussia Dortmund Champion Partner, enlisting head coach Jürgen Klopp to be the company's German brand ambassador and planning long-term partnerships aimed at promoting young football talent. The partnership involves a comprehensive promotional package at Borussia Dortmund's home matches.

Carsten Cramer, former vice-president of marketing and sales at the Hamburg-based international sports rights marketing company Sportfive, will join Borussia Dortmund as a Director and commercial attorney-in-fact (*Prokura*) responsible for sales, marketing and business development. The 41-year-old is highly respected in the field of sports marketing and will be responsible for all of Borussia Dortmund's private and corporate customers.

The addition of four new players and some talented members of our own junior team strengthened the team for the new season. Goalkeeper Mitchell Langerak (21) from Australia joined our team, as did Shinji Kagawa (21) from Japan, a midfielder with an eye for the goal, Polish national player and top scorer Robert Lewandowski (21) and Polish national player and all-rounder Lukasz Piszczek, who transferred from Hertha BSC Berlin to Borussia Dortmund.

The team, led by Jürgen Klopp, easily triumphed in the first round of the DFB Cup. Borussia Dortmund had no difficulty defeating the third division team Wacker Burghausen 3:0 at an away match in southern Bavaria with Lucas Barrios, Neven Subotic and Kevin Großkreutz scoring goals.

In the playoff matches to reach the group phase of the UEFA Europa League, Borussia Dortmund played against a team from Azerbaijan. The first-round home leg against FK Qarabag at SIGNAL IDUNA PARK in Dortmund ended with a score of 4:0. The return match took place one week later in the Azerbaijani capital city of Baku, near the Caspian Sea.

Borussia Dortmund will face off against strong opponents at the start of the 2010/2011 *Bundesliga* season. The first match will pit BVB against Bayer Leverkusen in a home game at SIGNAL IDUNA PARK, and then Borussia Dortmund will play against VfB Stuttgart in an away game. It will then play a home game against VfL Wolfsburg, followed by an away game in Gelsenkirchen against its rival, Schalke 04.

In accordance with § 21 (1) WpHG, Supervisory Board Member Bernd Geske informed the Company on 12 July 2010 that his voting interests in Borussia Dortmund GmbH & Co. KGaA had exceeded the 10% threshold on 9 July 2010 and amounted to 10.0007% (corresponding to 6,142,909 shares/voting rights) as at that date.

OTHER DISCLOSURES

REPORT IN ACCORDANCE WITH § 289 (4) HGB

The Company discloses the following information in accordance with the requirements of § 289 (4) Nos. 1 to 9 HGB:

1. The share capital of Borussia Dortmund GmbH & Co. KGaA amounts to EUR 61,425,000.00 and is divided into 61,425,000 no-par value ordinary bearer shares. All of the shares have been admitted to trading on the Regulated Market (General Standard) of the Frankfurt Stock Exchange and in the over-the-counter markets (Regulated Unofficial Markets) in Berlin, Bremen, Stuttgart, Munich, Hamburg and Düsseldorf. Each no-par value share entitles the holder to one vote at the General Shareholders' Meeting. The Company therefore has only one class of shares and all shares carry the same rights and obligations. Additional rights and responsibilities attaching to the Company's shares are determined in accordance with the German Stock Corporation Act (*Aktiengesetz*, “AktG”).

2. There are no restrictions affecting the voting rights or transfer of the shares.

3. As of 30 June 2010, the Company had not been notified of any interests in the share capital of Borussia Dortmund GmbH & Co. KGaA in excess of 10% of the voting rights.

4. There are no shares with special rights which confer powers of control.

5. There is no control of voting rights in cases where 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, the Company's management and representation is the responsibility of the general partner. The terms of § 6 No. 1 of the Articles of Association provide that this executive body of the Company is Borussia Dortmund Geschäftsführungs-GmbH, whose registered office is in Dortmund, 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 General Shareholders' Meeting, which must be passed, in accordance with § 133 (1) AktG, by a simple majority of votes and also, in accordance with § 15 No. 3 of the Articles of Association of the Company in conjunction with § 179 (1) and (2) AktG, by a simple majority of the capital represented at the passing of the resolution, except to the extent that there are mandatory statutory provisions to the contrary or the Articles of Association provide otherwise. It is a mandatory provision of statute that a resolution of the General Shareholders' Meeting passed by a majority of three-quarters of the share capital represented at the passing of the resolution is required for changes to the Articles of Association relating to the objects of the Company (§ 179 (2) sentence 2 AktG), the issuance of non-voting preferred shares (§ 182 (1) sentence 2 AktG), capital increases where subscription rights have been excluded (§ 186 (3) AktG), the creation of conditional capital (§ 193 (1) AktG), the creation of authorised capital (§ 202 (2) AktG) – where appropriate with authorisation to exclude subscription rights (§ 203 (2) sentence 2 in conjunction with § 186 (3) AktG) –, the ordinary or simplified reduction of capital (§ 222 (1) sentence 2 and/or § 229 (3) AktG) or a change of legal form (§ 233 (2) and/or § 240 (1) German Reorganisation 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 AktG. The Supervisory Board is authorised in accordance with § 12 No. 5 of the Articles of Association to resolve changes to the Articles of Association which relate only to their wording, in particular in connection with the amount of capital increases out of authorised and conditional capital.

7. In accordance with § 5 No. 4 of the Articles of Association of Borussia Dortmund GmbH & Co. KGaA, the general partner is authorised until 31 July 2011, with the approval of the Supervisory Board, to increase the share capital by the issue of up to 21,937,500 new no-par value ordinary bearer shares against cash or non-cash contributions on one or more occasions, but by a maximum of EUR 21,937,500.00 in total (Authorised Capital 2006). In all cases, the new shares participate in profits from the beginning of the business year in which they are issued. The general partner is further authorised, with the approval of the Supervisory Board, to exclude the statutory subscription right of the limited liability shareholders in certain circumstances.

   In addition, by a resolution of the General Shareholders' Meeting held on 22 November 2005, the share capital of Borussia Dortmund GmbH & Co. KGaA has been conditionally increased by up to EUR 14,625,000.00 by the issue of up to 14,625,000 new no-par value ordinary bearer shares. The general partner is authorised until 31 October 2010, with the approval of the Supervisory Board, to issue bearer bonds with warrants and/or convertible bonds with a total nominal amount of up to EUR 40,000,000.00 and a maximum maturity of 25 years on one or more occasions. The holders of bonds with warrants may be granted rights to subscribe for, and the holders of convertible bonds may be granted rights to convert into, a total of up to 14,625,000 new no-par value ordinary bearer shares of the Company in accordance with the detailed terms and conditions of the bonds with warrants and/or convertible bonds.

   In the event of a takeover offer for shares issued by the Company and admitted to trading on an organised market, general statutory responsibilities and powers also apply to the general partner. For example, if a takeover offer were to be received, the general partner and the Supervisory Board would be required to issue and publish a response to the offer, giving their reasons, in accordance with § 27 of the German Securities Acquisition and Takeover Act (*Wertpapiererwerbs- und Übernahmegesetz*, “WpÜG”), so that the limited liability shareholders can make a decision on the offer on an informed basis. Moreover, in accordance with § 33 WpÜG, once a takeover offer has been announced, the general partner may not take any actions outside the ordinary course of business which could frustrate the success of the offer, unless those actions have been authorised by the General Shareholders' Meeting, or the Supervisory Board has given its approval to the actions or the actions relate to obtaining a competing offer. 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, there were no provisions of the Articles of Association 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 offer for the issued shares of Borussia Dortmund GmbH & Co. KGaA.

9. The Company is not a party to any compensation agreements applying in the event of a takeover offer.

STATEMENT OF THE GENERAL PARTNER CONCERNING RELATIONS WITH AFFILIATED COMPANIES

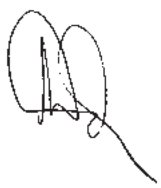
The Dependent Company Report prepared by Borussia Dortmund GmbH & Co. KGaA pursuant to § 312 AktG sets out the relations with Ballspielverein Borussia 09 e.V. Dortmund as the controlling entity and its affiliated companies. The general partner – represented by its Managing Directors – issued the following concluding statement: With respect to the transactions set out in the report concerning relations with affiliated companies, the Company received consideration in the business year that was in each case reasonable under the circumstances known to us at the time such transactions were entered into. In all other cases, the Company has been compensated for any disadvantages having arisen. No other measures within the meaning of § 312 (1) AktG were taken or omitted during the business year.

DISCLAIMER

This management report contains forward-looking statements. These are based on current expectations and are by nature subject to risks and uncertainties. Actual results may differ from the statements made in this report.

Dortmund, 20 August 2010

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



Hans-Joachim Watzke
Managing Director (Chairman)

Thomas Treß
Managing Director

BALANCE SHEET

ASSETS

	30 June 2010 €	30 June 2009 €
A. FIXED ASSETS		
I. Intangible fixed assets		
1. Concessions, industrial rights and similar rights and assets, and licenses in such rights and assets	21,171,460.85	19,988,739.42
2. Prepayments	400,000.00	179,100.00
	21,571,460.85	**20,167,839.42**
II. Tangible fixed assets		
1. Land, land rights and buildings including buildings on third-party land	21,980,887.14	22,635,339.73
2. Other equipment, operating and office equipment	6,378,202.64	7,401,997.92
3. Prepayments and assets under construction	83,792.01	0.00
	28,442,881.79	**30,037,337.65**
III. Long-term financial assets		
1. Shares in affiliated companies	139,189,504.96	139,189,504.96
2. Other long-term equity investments	95,632.18	95,632.18
3. Other loans	633,920.32	415,738.03
	139,919,057.46	**139,700,875.17**
	189,933,400.10	**189,906,052.24**
B. CURRENT ASSETS		
I. Inventories		
1. Merchandise	50,428.27	50,826.18
II. Receivables and other assets		
1. Trade receivables	3,783,543.43	10,349,531.06
2. Receivables from affiliated companies	1,016,160.40	402,498.14
3. Other receivables and other assets	1,065,092.24	1,724,839.73
	5,864,796.07	**12,476,868.93**
III. Securities		
Treasury shares	**23,428.08**	**19,862.97**
IV. Cash-in-hand, bank balances	**894,820.87**	**370,176.41**
	6,833,473.29	**12,917,734.49**
C. PREPAID EXPENSES	**4,543,242.41**	**6,745,009.01**
	201,310,115.80	**209,568,795.74**

EQUITY AND LIABILITIES

	30 June 2010 €	30 June 2009 €
A. EQUITY		
I. Subscribed capital	61,425,000.00	61,425,000.00
II. Capital reserves	34,171,483.00	34,171,483.00
III. Revenue reserves		
Reserve for treasury shares	23,428.08	19,862.97
IV. Net accumulated losses	-6,616,955.90	-3,826,498.80
	89,002,955.18	**91,789,847.17**
B. PROVISIONS		
1. Provisions for taxes	0.00	422,209.59
2. Other provisions	1,989,486.39	1,381,243.66
	1,989,486.39	**1,803,453.25**
C. LIABILITIES		
1. Liabilities to banks	32,548,709.64	25,714,111.79
2. Trade payables	6,299,254.89	9,493,827.18
3. Liabilities to affiliated companies	6,102,345.89	7,187,456.97
4. Other liabilities	14,268,596.46	18,872,274.78
	59,218,906.88	**61,267,670.72**
D. DEFERRED INCOME	**51,098,767.35**	**54,707,824.60**
	201,310,115.80	**209,568,795.74**

INCOME STATEMENT

	1 July 2009 – 30 June 2010 €	1 July 2008 – 30 June 2009 €
1. Sales	100,888,993.66	107,948,780.11
2. Other operating income	2,445,041.41	2,305,475.63
	103,334,035.07	**110,254,255.74**
3. Personnel expenses		
a) Wages and salaries	-42,270,846.39	-44,882,272.60
b) Social security costs	-2,306,865.29	-1,970,533.16
cost of old age pensions EUR 68,314.79 (previous year: EUR 41,953.78)		
	-44,577,711.68	-46,852,805.76
4. Amortisation and write-downs of intangible fixed assets and depreciation and write-downs of tangible fixed assets	-10,338,449.44	-10,572,914.39
5. Other operating expenses	-49,431,260.27	-52,933,150.89
6. Income from long-term equity investments	71,011.87	85,989.61
of which from affiliated companies: EUR 71,011.87 (previous year: EUR 85,989.61)		
7. Income from profit and loss transfer agreements – all of which from affiliated companies –	1,165,174.58	165,661.51
8. Other interest and similar income	164,825.68	125,919.82
9. Write-downs of long-term financial assets and securities classified as current assets	0.00	-13,101.56
10. Expenses from profit and loss transfer agreements – all of which due to affiliated companies –	0.00	-161,182.13
11. Interest and similar expenses	-3,045,136.92	-3,016,562.10
of which due to affiliated companies: EUR 132,284.75 (previous year: EUR 175,108.76)		
12. Result from ordinary activities	**-2,657,511.11**	**-2,917,890.15**
13. Taxes on income	-178.41	80,865.75
14. Other taxes	-129,202.47	-99,527.52
15. Net loss for the year	**-2,786,891.99**	**-2,936,551.92**
16. Accumulated losses brought forward	-3,826,498.80	-906,183.41
17. Additions to revenue reserves	-3,565.11	0.00
18. Withdrawals from revenue reserves	0.00	16,236.53
19. Net accumulated losses	**-6,616,955.90**	**-3,826,498.80**

NOTES

I. GENERAL DISCLOSURES TO THE ANNUAL FINANCIAL STATEMENTS

The annual financial statements of Borussia Dortmund GmbH & Co. KGaA for the 2009/2010 business year 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 (*Aktiengesetzbuch*, "AktG"). 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 been prepared in the vertical format using the nature of expense method in accordance with § 275 HGB. The additional information to be provided in accordance with the statutory requirements is presented in the notes for reasons of clarity and accessibility.

As a result of the fact that 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.

II. ACCOUNTING POLICIES

Fixed assets

Intangible assets are measured at cost less amortisation based on their expected useful lives or at the lower fair value. Player registrations reported in these financial statements are measured at cost, taking into account the decision of the Federal Court of Finance (*Bundesfinanzhof*, "BFH") of 26 August 1992, I R 24/91 and the FIFA Regulations on the "Status and Transfer of Players" contained in circular no. 769 of 24 August 2001 which came into force on 21 September 2001, and are amortised on a straight-line basis in accordance with the term of the individual contracts for professional players.

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

Long-term financial assets were measures 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, securities and cash funds

Receivables and other assets are measured at their nominal amounts. General valuation allowances are made for the overall credit and interest-rate risk while separate allowances are recognised for identifiable individual risks. Non-interest-bearing items with a remaining maturity over one year are reported at their discounted present value.

Securities classified as current assets are measured at cost or the lower fair value taking account of the lower of cost or market principle.

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

Prepaid expenses

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

Provisions

Other provisions are recognised in appropriate amounts for all identifiable uncertain obligations on the basis of careful estimates. They are measured in all cases at the amount necessary at the balance sheet date, in accordance with prudent business judgment, to cover future payment obligations.

Liabilities

Liabilities are recognised at the repayment amount.

Deferred income

Deferred income includes payments received from ticketing and sponsoring for the 2010/2011 season in addition to the license fee received in the course of a true sale of receivables in 2007/2008 from the SPORTFIVE GmbH & Co. KG marketing company for the entire term of the agreement. The amounts are reversed rateably over the periods to which they relate.

III. NOTES TO THE BALANCE SHEET

Fixed assets

The breakdown of fixed assets is as follows:

EUR millions	30 June 2010	30 June 2009
Intangible fixed assets	21.57	20.17
Tangible fixed assets	28.44	30.04
Long-term financial assets	139.92	139.70
	189.93	**189.91**

Computer software, purchased trademark rights and player registrations are reported as intangible fixed assets. Changes in this item during the business year 2009/2010 related primarily to additions (EUR 10.67 million), offset by amortisation (EUR 8.51 million) and write-downs of carrying amounts (EUR 1.26 million) in connection with the professional squad. The players Barrios and Hummels were acquired in return for transfer payments. The write-downs of carrying amounts related to the players Frei and Ziegler.

Tangible fixed assets consist principally of real property in the stadium site and the adjoining area "*Am Luftbad*". They also include the commercial premises constructed on land subject to hereditary building rights and buildings and sporting facilities at the training ground, the youth centre, the catering extensions and other movable components of the stadium, as well as operating and office equipment at these facilities and at the administrative headquarters. The training ground in Dortmund-Brackel was constructed by DSW 21 Dortmunder Stadtwerke AG and let to the Company on a long-term lease. In business year 2009/2010, further small investments were made on the Conference Centre, Business Club and Borussia Park located in the circulation levels of SIGNAL IDUNA PARK, which had been renovated in the year before.

Long-term financial assets, in addition to the direct equity investments described in more detail in the list of direct shareholdings, largely comprise a tenant's loan relating to the administration building reported under other loans.

The Company has entered into control and profit and loss transfer agreements with its subsidiaries BVB Stadionmanagement GmbH, BVB Merchandising GmbH and BVB Stadion Holding GmbH. For its part, BVB Stadion Holding GmbH has entered into profit and loss transfer agreements with BVB Stadion GmbH and BVB Beteiligungs-GmbH.

Future compensation payments for the transfer of a professional player, land and land rights have been assigned or pledged in order to provide collateral for loans.

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:

CHANGES IN FIXED ASSETS

in €	Cost				
	As at 1 July 2009	Additions	Reclassifications	Disposals	As at 30 June 2010
I. Intangible fixed assets					
1. Concessions, industrial property rights and similar rights and assets and licences in such rights and assets	44,909,208.86	10,673,479.80	280,600.00	5,516,752.02	50,346,536.64
2. Prepayments	179,100.00	501,500.00	-280,600.00	0.00	400,000.00
	45,088,308.86	**11,174,979.80**	**0.00**	**5,516,752.02**	**50,746,536.64**
II. Tangible fixed assets					
1. Land, land rights and buildings including buildings on third-party land	28,056,804.43	0.00	0.00	7,900.79	28,048,903.64
2. Other equipment, operating and office equipment	20,143,106.78	160,266.00	0.00	452,030.31	19,851,342.47
3. Prepayments and assets under construction	0.00	83,792.01	0.00	0.00	83,792.01
	48,199,911.21	**244,058.01**	**0.00**	**459,931.10**	**47,984,038.12**
III. Long-term financial assets					
1. Shares in affiliated companies	139,189,504.96	0.00	0.00	0.00	139,189,504.96
2. Other long-term equity investments	95,632.18	0.00	0.00	0.00	95,632.18
3. Other loans	415,738.03	218,182.29	0.00	0.00	633,920.32
	139,700,875.17	218,182.29	0.00	0.00	139,919,057.46
	232,989,095.24	**11,637,220.10**	**0.00**	**5,976,683.12**	**238,649,632.22**

Current assets

Current assets are made up as follows:

EUR million	30 June 2010	30 June 2009
Inventories	0.05	0.05
Receivables and other assets	5.87	12.48
Securities	0.02	0.02
Cash-in-hand, bank balances	0.89	0.37
	6.83	**12.92**

Depreciation, amortisation and write-downs				Residual carrying amounts	
As at 1 July 2009	Additions	Disposals	As at 30 June 2010	As at 30 June 2010	As at 30 June 2009
24,920,469.44	8,510,990.36	4,256,384.01	29,175,075.79	21,171,460.85	19,988,739.42
0.00	0.00	0.00	0.00	400,000.00	179,100.00
24,920,469.44	**8,510,990.36**	**4,256,384.01**	**29,175,075.79**	**21,571,460.85**	**20,167,839.42**
5,421,464.70	646,551.80	0.00	6,068,016.50	21,980,887.14	22,635,339.73
12,741,108.86	1,180,907.28	448,876.31	13,473,139.83	6,378,202.64	7,401,997.92
0.00	0.00	0.00	0.00	83,792.01	0.00
18,162,573.56	**1,827,459.08**	**448,876.31**	**19,541,156.33**	**28,442,881.79**	**30,037,337.65**
0.00	0.00	0.00	0.00	139,189,504.96	139,189,504.96
0.00	0.00	0.00	0.00	95,632.18	95,632.18
0.00	0.00	0.00	0.00	633,920.32	415,738.03
0.00	0.00	0.00	0.00	139,919,057.46	139,700,875.17
43,083,043.00	**10,338,449.44**	**4,705,260.32**	**48,716,232.12**	**189,933,400.10**	**189,906,052.24**

Inventories represent the material value of decorative shares in the form of printed physical share certificates, measured at cost.

Of the trade receivables, EUR 0.05 million have a maturity of over one year.

The securities item includes the Company's treasury shares relating to the decorative share certificates. Under the terms of a resolution of the General Shareholders' Meeting held on 16 November 2004, the Company is 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 balance sheet date, the Company acquired a total of 34,000 no-par value shares and sold 11,473 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 22,527 no-par value shares. They were measured at the rate prevailing on the balance sheet date. A reserve for treasury shares in the amount of the asset item has been set up in accordance with § 272 (4) HGB. Further disclosures required in accordance with § 160 AktG are given in the following overview, the income from the sale of shares has been included in the profit from operating activities:

Month	Acquisition of own shares	Sales of own shares	Own shares	Amount of share capital EUR	Share in share capital %	Purchase price EUR	Selling price EUR
Holding as at June 2007			23,635	23,635	0.038		
07.2007 - 06.2008		-345		-345	-0.001		3,795
Holding as at June 2008			23,290	23,290	0.038		
07.2008 - 12.2008		-214		-214	-0.000		2,354
Holding as at December 2008			23,076	23,076	0.038		
01.2009 - 06.2009		-245		-245	-0.000		2,695
Holding as at 30 June 2009			22,831	22,831	0.037		
07.2009 - 12.2009		-143		-143	-0.000		1,573
Holding as at 31 December 2009			22,688	22,688	0.037		
01.2010 - 06.2010		-161		-161	-0.000		1,771
Holding as at 30 June 2010			22,527	22,527	0.037		

No bank balances have been pledged as security for loans.

Prepaid expenses

Prepaid expenses consist principally of personnel expenses relating to the professional squad, insurance premiums and future expenses for agency fees paid in advance. They also include a discount amounting to EUR 0.20 million.

Further details can be found in the statement of receivables.

Equity

EUR million	30 June 2010	30 June 2009
Subscribed capital	61.43	61.43
Capital reserves	34.17	34.17
Revenue reserves	0.02	0.02
Net accumulated losses	-6.62	-3.83
	89.00	**91.79**

The Company's subscribed capital amounts to EUR 61,425,000 and is divided into 61,425,000 no-par value shares, each representing a notional share in the share capital of EUR 1.00.

In addition, a conditional increase in the share capital of up to EUR 14,625,000 was resolved by the General Shareholders' Meeting on 22 November 2005. The purpose of the conditional capital is to cover the grant of option rights, the agreement of option obligations and the settlement of conversion rights and obligations, in all cases issued by the Company during the period until 31 October 2010 on the basis of the authorisation granted by the General Shareholders' Meeting on 22 November 2005. To date, no use has been made of the authorisation referred to.

The extraordinary General Shareholders' Meeting held on 15 August 2006 also authorised the general partner until 31 July 2011, with the approval of the Supervisory Board, to increase the share capital by the issue of up to 21,937,500 new no-par value shares for cash or non-cash contributions (Authorised Capital 2006).

The development of reserves was as shown below:

EUR thousand	As at 1 July 2009	Additions	Withdrawals	As at 30 June 2010
Capital reserves	34,171	0	0	34,171
Revenue reserves	20	4	0	24
	34,191	**4**	**0**	**34,195**

The annual financial statements for 2008/2009 were approved at the General Shareholders' Meeting held on 24 November 2009.

Changes in equity were as follows:

		Changes in equity		
EUR thousand	1 July 2009	Additions/ Withdrawals	Net loss for the year	30 June 2010
Subscribed capital	61,425	0	0	61,425
Capital reserves	34,171	0	0	34,171
Revenue reserves	20	4	0	24
Net accumulated losses	-3,826	-4	-2,787	-6,617
	91,790	**0**	**-2,787**	**89,003**

Provisions

EUR million	30 June 2010	30 June 2009
Provisions for taxes	0.00	0.42
Other provisions	1.99	1.38
	1.99	**1.80**

In addition to staff-related obligations such as severance packages, unclaimed holiday entitlements, contributions to employer's liability insurance schemes (EUR 0.5 million), other provisions include provisions for cost and supplier invoices not yet received (EUR 0.5 million).

Liabilities

The maturities and security granted in respect of liabilities reported at 30 June 2010 are shown in the following overview.

		of which with a residual term of		
EUR million	Total 30 June 2010	up to 1 year	1 – 5 years	more than 5 years
Liabilities to banks	32.55	12.27	15.69	4.59
Trade payables	6.30	6.15	0.15	0.00
Liabilities to affiliated companies	6.10	4.89	1.21	0.00
Other liabilities - of which from taxes: EUR 4,816 thousand (previous year: EUR 3,458 thousand) - of which social security: EUR 0 thousand (previous year: EUR 9 thousand)	14.27	10.31	3.08	0.88
	59.22	**33.62**	**20.13**	**5.47**

Liabilities to banks of EUR 28.59 million are secured by real property liens, assignments, transfer rights, proceeds from future season ticket sales and pledges.

As well as short- to medium-term loans amounting to EUR 5.47 million (previous year: EUR 7.43 million), other liabilities consist mainly of wages and salaries not yet due at the end of the business year and the associated social security contributions. In addition, there are liabilities relating to wages tax and VAT.

Deferred income

Deferred income includes payments received from ticketing and sponsoring for the 2010/2011 season in addition to the license fees received in 2007/2008 from the SPORTFIVE GmbH & Co. KG marketing company for the12-year term of the agency licensing agreement. 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:

		of which with a residual term of		
EUR million	Total 30 June 2010	up to 1 year	1 – 5 years	more than 5 years
Stadium rent all of which due to affiliated companies	86.22	6.03	22.79	57.40
Marketing fees	113.74	10.69	45.42	57.63
Rental and leasing of which due to affiliated companies EUR 0.72 million	23.39	2.53	9.85	11.01
Other financial obligations	1.96	0.04	0.18	1.74
Purchase commitments	4.95	3.52	1.43	0.00
	230.26	**22.81**	**79.67**	**127.78**

IV. NOTES TO THE INCOME STATEMENT

The following table shows the items of the income statement classified by area of activity as required by the German Football League (*Deutsche Fußball Liga GmbH*, "DFL") for the licensing procedure.

Sales

EUR million	2009/2010	2008/2009
Match operations	23.40	22.17
Advertising	38.85	39.11
Media rights of exploitation and joint marketing	21.09	22.43
Transfers	4.93	11.54
Retail, Conference, Catering	12.62	12.70
	100.89	**107.95**

Compared with business year 2008/2009, sales declined in advertising, TV marketing, transfer and retail.

Transfer income in the 2009/2010 season decreased year-on-year, as it principally comprises only the compensation payments for the transfer of player Alexander Frei to FC Basel.

The corresponding residual carrying amounts were reported as transfer expenses under other operating expenses.

Personnel expenses

The breakdown of personnel expenses is as follows:

EUR million	2009/2010	2008/2009
Match operations	37.45	40.52
Retail and administration	3.44	3.45
Amateur and youth football	3.69	2.88
	44.58	**46.85**

Other operating expenses

EUR million	2009/2010	2008/2009
Match operations	24.03	25.39
Advertising and marketing	10.60	10.97
Transfers	2.63	7.23
Retail	1.36	1.35
Administration	9.06	6.47
Other	1.75	1.52
	49.43	**52.93**

The decrease in other operating expenses for match operations is primarily attributable to the residual carrying amounts of professional squad members sold during the year under review.

Other operating expenses and income include income from an earlier period totalling EUR 0.26 million net.

V. OTHER DISCLOSURES

Corporate Governance

The management and Supervisory Board of Borussia Dortmund GmbH & Co. KGaA issued the statement of compliance with the German Corporate Governance Code required by § 161 of the German Stock Corporation Act (*Aktiengesetz*) on 17 February 2010 and made it permanently available to shareholders on the BVB website at www.borussia-aktie.de.

EXECUTIVE BODIES

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 30,000. It 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 Mr. Hans-Joachim Watzke (Chairman) and Mr. Thomas Treß, each of whom has sole power of representation. In the most recent business year, the members of management received the following amounts for their activities, including responsibilities relating to subsidiary companies:

EUR million	**2009/2010**	**2008/2009**
Hans-Joachim Watzke		
Fixed components		
Fixed remuneration	0.60	0.60
Other remuneration	0.02	0.02
Thomas Treß		
Fixed components		
Fixed remuneration	0.40	0.40
Other remuneration	0.04	0.04
	1.06	**1.06**

Supervisory Board

Dipl.-Kfm. Gerd Pieper	Harald Heinze	Othmar Freiherr von Diemar	Bernd Geske	Ruedi Baer	Christian Kullmann
Chairman	Deputy Chairman				
Occupations					
Proprietor and managing director of Stadtparfümerie Pieper GmbH, Herne	Chairman of the Management Board (Rtd.) of Dortmunder Stadtwerke AG (DSW 21)	Proprietor and manager of Othmar von Diemar Vermögensverwaltung + Beratung, Cologne	Managing partner of Bernd Geske Lean Communication, Meerbusch	Consultant, B + B Beratungs AG	Head of the management board office and group communications of EVONIK Industries Aktiengesellschaft, Essen
Other responsibilities					
Member of the Supervisory Board of Beauty Alliance Deutschland GmbH & Co. KG, Bielefeld Member of the Supervisory Board of Herner Sparkasse, Herne (until 31.10.09) Member of the Advisory Board of Borussia Dortmund Geschäfts-führungs-GmbH Member of the Advisory Board of NRW Bank, Düsseldorf	Member of the Supervisory Board of WV Energie AG, Frankfurt am Main (until 04.08.09) Member of the Supervisory Board of M-Exchange AG, Frankfurt am Main	Chairman of the Supervisory Board of Informium AG, Cologne Member of the Supervisory Board of 004 Beratungs- und Dienstleistungs-GmbH, Aschaffenburg Member of the Advisory Board of GIG Holding GmbH, Munich (starting 01.01.2010)		Chairman of the Board of Directors of eyezone AG, Watt (Switzerland) Member of the Board of Directors of Swisshome Real Estate AG, Lyss (Switzerland) Chairman of the Board of Directors of Destination Travel AG, Liebefeld (Switzerland) Chairman of the Board of Directors of B + B Beratungs AG, Watt (Switzerland) Chairman of the Board of Directors of Bablo Immobilien AG, Niederscherli (Switzerland) Member of the Board of Directors of Immoplaza AG, Regensdorf (Switzerland) Chairman of the Board of Directors of AP Fashion AG, Watt (Switzerland)	

The current members of the Supervisory Board of the Company, their names, occupations and further responsibilities in other management bodies are listed above . In the past business year, the Supervisory Board received remuneration amounting to EUR 52.5 thousand.

Employees

The average number of employees during the year was 208 (previous year: 204).

Average number of employees	2009/2010	2008/2009
Total	208	204
Athletics department	129	126
Trainees	1	0
Other	78	78

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 million	Interest %	Equity EUR million	Profit/loss for the period ** EUR million
BVB Stadionmanagement GmbH *	Dortmund	0.05	100.00	0.07	0.06
BVB Stadion Holding GmbH*	Dortmund	0.26	100.00	123.70	-0.01
B.E.S.T. Borussia Euro Lloyd Sports Travel GmbH	Dortmund	0.05	51.00	0.14	0.09
BVB Merchandising GmbH *	Dortmund	0.08	100.00	10.88	0.59
Sports & Bytes GmbH	Dortmund	0.20	100,00	0.88	-0.06
BVB Stadion GmbH *	Dortmund	0.03	99.74	27.77	0.54
BVB Beteiligungs-GmbH *	Dortmund	0.03	94.90	5.70	0.00
Orthomed Medizinisches Leistungs- und Rehabilitationszentrum GmbH **	Dortmund	0.05	33.33	0.84	0.20

* *Profit and loss transfer agreements have been entered into for the period from 1 July 2009 to 30 June 2010 before the transfer of net profit (loss) to the consolidated tax group parent.*
** *Inclusion in consolidated financial statements as an associated company as at 30 June 2010*

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

Information relating to expenses recognised for audit fees for the single-entity and consolidated financial statements

The audit fees recognised in the income statement in the business year were made up as follows:

EUR million	2009/2010	2008/2009*
Audit of the annual financial statements	0.16	0.13
Other audit-related work	0.05	0.00
Tax advice	0.00	0.08
Other services	0.00	0.09
	0.21	**0.30**

** The audit fees reported for the previous year relate to the prior-year auditor*

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 notifiable shareholdings:

Notification	Shareholder	Registered office	Voting rights in %	Date on which threshold reached
Exceeded				
12 July 2010	Bernd Geseke		10.00	9 July 2010
Fallen below				
1 March 2010	The BlueBay Value Recovery (Master) Fund Limited	George Town, Cayman Island	2.97	11 January 2010
4 May 2010	Morgan Stanley	Wilmington, Delaware USA	2.73	4 May 2010

Dortmund, 20 August 2010
Borussia Dortmund GmbH & Co. Kommanditgesellschaft auf Aktien
Borussia Dortmund Geschäftsführungs-GmbH

Hans-Joachim Watzke
Managing Director (Chairman)

Thomas Treß
Managing Director

Responsibility Statement of the Management

To the best of our knowledge, and in accordance with the applicable reporting principles, the 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, 20 August 2010

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

Hans-Joachim Watzke
Managing Director (Chairman)

Thomas Treß
Managing Director

AUDITOR'S REPORT

We have audited the annual financial statements – consisting of the balance sheet, income statement and notes – together with the bookkeeping system and the management report of Borussia Dortmund GmbH & Co. Kommanditgesellschaft auf Aktien, Dortmund, from 1 July 2009 to 30 June 2010. The maintenance of the bookkeeping system and the preparation of the annual financial statements and management report in accordance with German commercial law and the supplementary provisions in the Articles of Association is the responsibility of the Company's management. Our responsibility is to express an opinion on the annual financial statements, together with the bookkeeping system, and on the management report, based on our audit.

We conducted our audit of the annual financial statements in accordance with Section 317 HGB [Handelsgesetzbuch – German Commercial Code] and German generally accepted standards for the audit of financial statements promulgated by the Institut der Wirtschaftsprüfer [in Deutschland] (IDW). Those standards require that we plan and perform the audit such that misstatements materially affecting the presentation of the net assets, financial position and results of operations in the annual financial statements in accordance with German principles of proper accounting and in the management report are detected with reasonable assurance. Knowledge of the business activities and the economic and legal environment of the Company and expectations as to possible misstatements are taken into account in the determination of audit procedures. The effectiveness of the accounting-related internal control system and the evidence supporting the disclosures in the books and records, the annual financial statements and the management report are examined primarily on a test basis within the framework of the audit. The audit includes assessing the accounting principles used and significant estimates made by the Company's management, as well as evaluating the overall presentation of the annual financial statements and the management report. We believe that our audit provides a reasonable basis for our opinion.

Our audit has not led to any reservations.

In our opinion, based on the results of our audit, the annual financial statements comply with the statutory requirements and the supplementary provisions in the Articles of Association and give a true and fair view of the net assets, financial position and results of operations of the Company in accordance with German principles of proper accounting. The management report is consistent with the annual financial statements, provides as a whole a suitable view of the Company's position and suitably presents the opportunities and risks of future development.

Dortmund, 20 August 2010

KPMG AG

Wirtschaftsprüfungsgesellschaft

Blücher
Auditor
(Wirtschaftsprüfer)

Banke
Auditor
(Wirtschaftsprüfer)

BUSINESS AND FRAMEWORK CONDITIONS

BUSINESS YEAR 2009/2010 IN REVIEW

Despite forecasts to the contrary, Borussia Dortmund did not succeed in generating a consolidated operating profit (EBIT) in the 2009/2010 business year. This was primarily due to the global financial crisis, which hit Borussia Dortmund especially hard in the area of sponsorship and resulted in the team not reaching its targets. Another reason was that planned transfer revenue did not reach the forecasted amount because the team's professional squad remained largely the same.

Another significant factor is the fact that the amortisation of player registrations represents a much larger burden to our earnings than in other industries since the cost of acquiring players for relatively short contractual periods is high.

There is no doubt that Borussia Dortmund's past debts have not yet been repaid entirely and that our room to manoeuvre remains limited. However, we are confident that we will be able to establish a successful team with the resources available to us, though this has become more difficult in view of the current uneven playing field in the *Bundesliga*. The fact that Jürgen Klopp and his team succeeded in reaching fifth place in the 2009/2010 *Bundesliga* season shows that we are on the right path.

Another sign of our success is that two members of our very young team made their debut on the German national football team. Mats Hummels and Kevin Großkreutz are two players that prove that our philosophy of building a young and ambitious team with a high degree of athletic prowess has led to success.

The development of Marcel Schmelzer and Sven Bender in particular, who have taken on a major role not only in BVB but also in the under-21 national team of the German Football Association, shows that we can expect even greater things from Borussia Dortmund.

DFB-Cup
1 August 2009
Weiden 1:3 BVB

Match day 1
8 August 2009
BVB 1:0 1. FC Köln

Key financial indicators

Overview of the key financial figures Borussia Dortmund Group € millions	2009/2010 30 June 2010	2008/2009 30 June 2009
Equity	62.0	68.2
Investments	14.4	20.1
Gross revenue	112.2	117.0
Operating profit/loss (EBIT)	-0.5	-0.4
Financial result (investment income and net interest expense)	-5.7	-5.6
Net profit/loss	-6.1	-5.9
Earnings before interest, taxes, depreciation and amortisation (EBITDA)	16.7	17.0
Cash flows from operating activities	0.0	1.4
Number of shares (in thousands)	61,425	61,425
Earnings per share (in €)	-0.10	-0.10

DEVELOPMENT OF THE MARKET AND COMPETITIVE ENVIRONMENT IN GERMAN PROFESSIONAL FOOTBALL

Match attendance

Spectator numbers in the *Bundesliga* continued to be very high last season. The average number of spectators per game fell slightly compared to last season (41,802 this season as against 41,904 last season), however this was due solely to the decreased capacity resulting from various stadium construction projects. A total of 12,791,508 spectators attended the 306 first division games in the past season.

The ranking of the number of spectators corresponds to the same level as in previous years. With an average of 76,441 spectators per game, Borussia Dortmund was ranked first, followed by Bayern München (69,491) and Schalke 04 (61,220).

Bayern Munich, Schalke 04 and FSV Mainz 05 recorded the highest utilisation of the stadium at nearly 100%, though at 95%, SIGNAL IDUNA PARK, the *Bundesliga's* largest stadium, was also well attended.

However, Borussia Dortmund has already sold over 50,000 season tickets for the 2010/2011 season, indicating that SIGNAL IDUNA PARK will have high utilisation in the coming season.

Match day 2
15 August 2009
Hamburg 4:1 BVB

Match day 3
22 August 2009
BVB 1:1 Stuttgart

Bundesliga TV marketing

The TV agreement concluded in November 2008 enters its second round in the 2010/2011 *Bundesliga* season. The 18 first division teams generated approximately EUR 17 million from domestic marketing and EUR 1.8 million from international marketing above what they had generated in the previous year. Distribution to individual clubs is carried out based on weighted positions over a four year period and a team's ranking at the end of the current season.

After last year's comprehensive reform in the course of which the DFL Deutsche Fußball Liga GmbH restructured the TV landscape with a new match schedule, concepts and broadcasting schedules have not changed significantly. The five different kick-off times, called "salami match days" (matches spread out over several days) by critics before the start of the season, have apparently proven themselves.

Marketing

Jersey sponsoring of all the football teams in the *Bundesliga* currently has a total volume of approximately EUR 131 million. According to experts, prices for the licensing of exclusive rights will probably increase slightly in the future. In addition, the fact is that continuity plays an important role for contractual partners when an agreement is concluded. 15 of the current first division teams are continuing with the same jersey sponsor as in the past season; only VfB Stuttgart, 1. FC Kaiserslautern, which was promoted, and SC Freiburg have new jersey sponsors in the coming season.

The following changes will take place in the DFL Deutsche Fußball Liga GmbH in the 2010/2011 season.

For the first time in history, all games in the first and second *Bundesliga* divisions will be played with a uniform ball. The ball, christened "Torfabrik" (goal factory), was be used first in the Super Cup on 7 August 2010. The white-red colouring of the ball is a nod to the Bundesliga, while the technology behind the ball is based on that used in the World Cup ball. According to Dr. Reinhard Rauball, president of the league, the introduction of the official ball is a great step for the Bundesliga, because, among other things, it creates uniform competitive conditions. Already back in May 2009, the DFL Deutsche Fußball Liga GmbH issued a press release announcing that adidas had been awarded the contract in the tendering process that had started in March 2009 and would therefore supply the official ball for matches in the first and second *Bundesliga* divisions starting in the 2010/2011 season.

Another change taking effect at the beginning of the 2010/2011 season is the revival of the Super Cup. The Super Cup was held from 1987 to 1996, but had to then make way for the League Cup, which was played as a tournament. This past November, the DFL Deutsche Fußball Liga GmbH then decided to revive the Cup. "The Super Cup is very popular, also internationally. Even now, we can say that this new competition will be broadcast live in nearly 150 countries", explained Dr. Reinhard Rauball, the president of the league. DFL is therefore convinced it has made the right decision. "We were of the opinion that it would be good to introduce another important athletic competition in addition to the *Bundesliga* and the DFB-Cup. In doing so, we are continuing a good tradition on both the national and international level," remarked Dr. Rauball with regard to the revival of the Super Cup after 14 years. The German champion and the winner of the DFB-Cup faced off in the first round of the

Match day 4
29 August 2009
Frankfurt 1:1 BVB

Match day 5
12 September 2009
BVB 1:5 FC Bayern

competition. If a club won both competitions, the Cup runner-up would step in as the opposing team in the Super Cup. In the current competition, however, the runner-up in the German championship would be the opposing team.

Another change is that the DFL Deutsche Fußball Liga GmbH has developed a new brand appearance for the current season and will present itself in a new way starting in August 2010. Along with the modernised brand logo, the visual appearance has been redesigned for all media areas and platforms. The *Bundesliga's* internet presence, bundesliga.de, the *Bundesliga* magazine and the studio design for the GOAL! international appearance will also have a new format.

International standing

The executive committee of the European Football Union (UEFA) has resolved on a concrete implementation of the Financial Fair Play. The Club Financial Control Panel (CFC) is meant to assist in implementing the newly resolved financial fair play measures. These measures are designed to curb the excessive financial expenditures and exorbitant transfer fees and player salaries that had put football at risk in past years. The long-term prosperity and viability of European football, as well as the integrity and smooth operation of competition demand greater discipline and more rational behaviour on the part of clubs, which have to ensure that they do not spend more than they earn and are diligent about repaying debts on time. Should clubs repeatedly fail to comply with these requirements, they could, in a worst case scenario, be excluded from European Cup competitions. DFL Deutsche Fußball Liga GmbH has long since become the leader in Europe in this regard, "In Germany, the clubs' figures are monitored and their finances are reviewed", said Spanish financial expert Jose Maria Gay to the Süddeutsche Zeitung.

The UEFA Control and Disciplinary Body accused Real Mallorca of overindebtedness and, as an initial step, excluded the club from European competition. Real Mallorca's appeal has now been dismissed. The UEFA Appeals Body upheld the Control and Disciplinary Body's decision from the previous week, dismissing the Spanish club's protest. The Spanish first division team, though athletically qualified, was forced to relinquish its starter spot in the Europa League to FC Villarreal. Mallorca's only remaining recourse to appeal its exclusion was to the international sports tribunal CAS in Lausanne.

On 20 April 2010, DFL Deutsche Fußball Liga GmbH informed Borussia Dortmund that it deems the criteria for a license for the 2010/2011 season in the first *Bundesliga* division to be met. As in previous years, the license was issued without any conditions and/or requirements.

Withholding tax

The German Ministry of Finance has revoked a non-application exemption for withholding tax for international transfers. Clubs are therefore not required to pay withholding tax for engaging players from outside of Germany, neither retroactively, nor in future. According to the sports magazine Kicker, this translated to savings of around EUR 25 million for German professional football.

"This is quite an encouraging development for the league and has resulted from various activities on the state and national level", said Dr. Reinhard Rauball, president of the league.

Match day 6
19 September 2009
Hannover 96 1:1 BVB

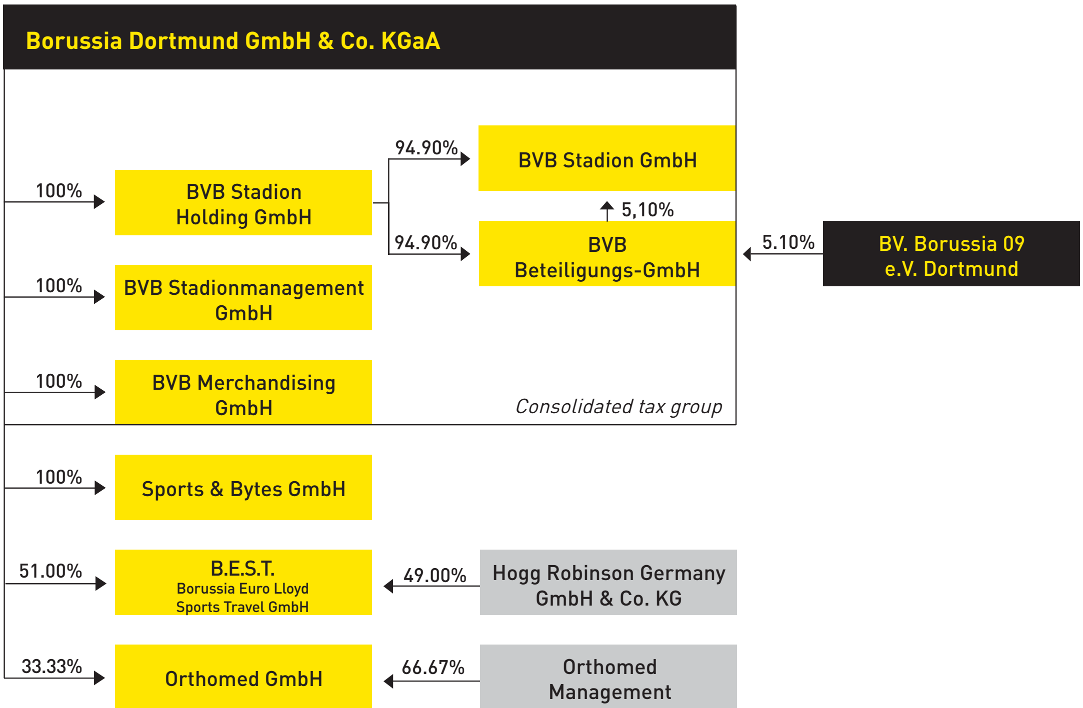
DFB-Cup R2
22 September 2009
KSC 0:3 BVB

GROUP STRUCTURE AND BUSINESS

GROUP LEGAL STRUCTURE

The Group management report is based on the consolidated group of Borussia Dortmund GmbH & Co. KGaA. In addition to its core activities of football and the marketing of SIGNAL IDUNA PARK, Borussia Dortmund is involved in lines of business related to football. At present, the Company holds direct and indirect interests in the following companies: BVB Stadionmanagement GmbH (100.00%), BVB Stadion Holding GmbH (100.00%), Sports & Bytes GmbH (100.00%), BVB Merchandising GmbH (100.00%), BVB Stadion GmbH (99.74%), BVB Beteiligungs-GmbH (94.90%), B.E.S.T. Borussia.Euro Lloyd Sports.Travel GmbH (51.00%) and Orthomed GmbH (33.33%).

Some of these companies have concluded mutual control and/or profit and loss transfer agreements.



Match day 7
26 September 2009
BVB 0:1 Schalke 04

Match day 8
3 October 2009
M'gladbach 0:1 BVB

Companies with registered offices in Dortmund	Share capital EUR millions	Share-holding %	Equity 30 June 2010 EUR millions	Net Profit/ Loss 2009/2010 EUR millions
BVB Stadionmanagement GmbH*	0.05	100.00	0.07	0.06
BVB Stadion Holding GmbH*	0.26	100.00	123.70	-0.01
B.E.S.T.-Borussia Euro Lloyd Sports Travel GmbH	0.05	51.00	0.14	0.09
BVB Merchandising GmbH*	0.08	100.00	10.88	0.59
Sports & Bytes GmbH	0.20	100.00	0.88	-0.06
BVB Stadion GmbH*	0.03	99.74	27.77	0.54
BVB Beteiligungs-GmbH*	0.03	94.90	5.70	0.00
Orthomed Medizinisches Leistungs- und Rehabilitationszentrum GmbH	0.05	33.33	0.84	0.20

** Profit and loss transfer agreements are in force. Net profit in the period 1 July 2009 to 30 June 2010 before the transfer of net profit (loss) to the consolidated tax group parent.*

ORGANISATION OF MANAGEMENT AND CONTROL

The general partner, Borussia Dortmund Geschäftsführungs-GmbH, is responsible for management and representation of Borussia Dortmund GmbH & Co. KGaA. This limited liability company ("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.

Match day 9
18 October 2009
BVB 2:0 VfL Bochum

Match day 10
23 October 2009
Leverkusen 1:1 BVB

The rights and duties of the KGaA's Supervisory Board, which is appointed by the General Shareholders' Meeting, are limited. Specifically, 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 for the general partner or any list of transactions requiring its consent. 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.

DFB-Cup
27 October 2009
VfL Osnabrück 3:2 BVB

Match day 11
30 October 2009
BVB 2:0 Hertha BSC

The current members of the Supervisory Board of the Company, their names, occupations and further responsibilities in other management bodies are listed below.

Dipl.-Kfm. Gerd Pieper	Harald Heinze	Othmar Freiherr von Diemar	Bernd Geske	Ruedi Baer	Christian Kullmann
Chairman	Deputy Chairman				
Occupations					
Proprietor and managing director of Stadtparfümerie Pieper GmbH, Herne	Chairman of the Management Board (Rtd.) of Dortmunder Stadtwerke AG (DSW 21)	Proprietor and manager of Othmar von Diemar Vermögensverwaltung + Beratung, Cologne	Managing partner of Bernd Geske Lean Communication, Meerbusch	Consultant, B + B Beratungs AG	Head of the management board office and group communications of EVONIK Industries Aktiengesellschaft, Essen
Other responsibilities					
Member of the Supervisory Board of Beauty Alliance Deutschland GmbH & Co. KG, Bielefeld Member of the Supervisory Board of Herner Sparkasse, Herne (until 31 Oct. 2009) Member of the Advisory Board of Borussia Dortmund Geschäftsführungs-GmbH Member of the Advisory Board of NRW Bank, Düsseldorf	Member of the Supervisory Board of WV Energie AG, Frankfurt am Main (until 4 Aug. 2009) Member of the Supervisory Board of M-Exchange AG, Frankfurt am Main	Chairman of the Supervisory Board of Informium AG, Cologne Member of the Supervisory Board of 004 Beratungs- und Dienstleistungs-GmbH, Aschaffenburg Member of the Advisory Board of GIG Holding GmbH, Munich (starting 1 Jan. 2010)		Chairman of the Board of Directors of eyezone AG, Watt (Switzerland) Member of the Board of Directors of Swisshome Real Estate AG, Lyss (Switzerland) Chairman of the Board of Directors of Destination Travel AG, Liebefeld (Switzerland) Chairman of the Board of Directors of B + B Beratungs AG, Watt (Switzerland) Chairman of the Board of Directors of Bablo Immobilien AG, Niederscherli (Switzerland) Member of the Board of Directors of Immoplaza AG, Regensdorf (Switzerland) Chairman of the Board of Directors of AP Fashion AG, Watt (Switzerland)	

Match day 12
8 November 2009
Werder Bremen 1:1 BVB

Match day 13
21 November 2009
BVB 0:0 FSV Mainz 05

Within Borussia Dortmund GmbH & Co. KGaA, there are four independent functional areas below the management level, namely, "Communications", "Sport", "Finance" and "Organisation". The responsible employees and the functional organisational areas for which they are responsible can be seen from the following chart. Along with BVB Merchandising GmbH, Borussia Dortmund GmbH & Co. KGaA is managed and controlled as an independent segment.

BORUSSIA DORTMUND GmbH & Co. KGaA

Management
Hans-Joachim Watzke
[Chairman]

Management
Thomas Treß

Communications – J. Schneck
- Corporate communications
- Sport communications
- Publications
- Fan support
- Stadium announcements and program
- PR work
- Complaints management

Sport – M. Zorc
- Professional football
- Amateurs
- Youth
- Training fields

Finance – M. Knipping
- Finances and accounting
- Controlling
- Investor Relations
- IT (Information Technology)
- Personnel
- Risk Management
- Merchandising
- Affiliates
- Sportfive (Commission processing)

Organisation – Dr. C. Hockenjos
- General organisation
- Stadium management
- Match organisation
- V.I.P. – Hospitality
- Sportfive (sponsors)
- Events
- DFB/DFL
- Ticketing
- Real estate
- Third party events

Match day 14
28 November 2009
Hoffenheim 1:2 BVB

Match day 15
5 December 2009
BVB 4:0 Nürnberg

INTERNAL MANAGEMENT SYSTEM

SPORTS MANAGEMENT

Despite the successful restructuring and the economically stable results, in the future the focus will remain on playing football successfully with a cost-optimised budget. In order to achieve this objective, BVB will continue to have a competitive team made up of young, promising players.

The sporting objectives will be aligned with the financial circumstances, meaning that the makeup of the squad and its cost structure will continue to depend on foreseeable variables on the income side. Qualifying for and successfully playing in international competitions would provide the financial flexibility for acquiring additional reinforcements. The medium-term goal must therefore be for the team to qualify for European competitions.

FINANCIAL MANAGEMENT

One of the main goals of BVB's management is to increase profitability in the long-term. In addition, there is a focus on financial strength. As well as a constant improvement in the operating result, generating positive cash flows is therefore the most important financial objective of our Company. We are seeking to optimise cash flows by concentrating on the impacting factors of “operating results” and “investments”.

The operating result is the most important indicator for measuring success. For us, the operating result means earnings before interest and taxes (EBIT). For this reason, we constantly monitor our segments’ operating results based on monthly comparisons of the budget and the actual situation. The most important drivers for the operating result are further improvement in sales revenues in the major revenue categories of ticketing, sponsorship, TV marketing and merchandising, and disciplined management of operating expenses.

In coming years we will concentrate on successively generating sales growth while limiting operating expenditure. In this respect, the decisive factor is qualifying for international competitions.

CAPITAL MANAGEMENT

The management's capital management responsibilities include stabilising and increasing the Company's equity as determined in accordance with HGB . We will reach these targets, in particular, by improving the operating result and through effective investments.

Match day 16
13 December 2009
VfL Wolfsburg 1:3 BVB

Match day 17
19 December 2009
BVB 1:0 SC Freiburg

CORPORATE STRATEGY

Borussia Dortmund continues to pursue its medium-term goal of again establishing itself as one of the leading football clubs in the *Bundesliga*. Following the successful implementation of the reorganisation, the restructuring of our financial liabilities and investments in the professional squad, we consider ourselves to be on the right path.

The financial base of the first and to date only German listed football company was expanded by the exclusive marketing right for SIGNAL IDUNA PARK, more effective use of the "Borussia Dortmund" brand and the establishment of football-related lines of business. However, in future, professional football will remain the core business, together with the Group's classic income sources of TV marketing, sponsorship, ticketing and merchandising. For the following reasons, BVB is convinced that it will be able to further stabilise and expand its position:

- Borussia Dortmund is in sporting terms one of the most successful, well known and most popular German football clubs with an outstanding fan base that provides BVB with one of the highest average numbers of spectators in Europe.

- A football company can only be financially successful if it enjoys sporting success in 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 Europe's largest football market, which, however, is behind some other European markets in financial terms. This provides great growth potential.

All financial activities at Borussia Dortmund are oriented around the target groups that are relevant for a football club: Its fans, members and business partners. Products and services should be tailored to these groups in the best way possible. Through its existing brand potential, Borussia Dortmund wants to utilise all commercial opportunities presented by professional club football in an international context.

The current business strategy can principally be summarised as follows:

- Sustainable adjustment of sporting perspectives
- Intensifying the promotion of up and coming talent
- Fan involvement
- Utilisation of the "Borussia Dortmund" brand

Match day 18
17 January 2010
1. FC Köln 2:3 BVB

Match day 19
23 January 2010
BVB 1:0 Hamburg

However, financial and business development is largely dependent on sporting success. Since it is very difficult to plan sporting success, the best management can do is to create a foundation for success. Investments, particularly in the professional squad, are therefore a necessary prerequisite for achieving sporting objectives, such as qualifying for the UEFA Europa League. However, in order to meet financial goals, 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 may be sold based on financial considerations in cases where this would not have happened had the decision been made based solely on sporting criteria.

A conflict, or a situation where sporting considerations and financial considerations affect each other adversely therefore arises between the pursuit of financial interests and sporting interests, particularly if the club continually falls short of its sporting goals. In such cases, management weighs up the opportunities and risks to find a solution that is broadly in line with our strategic objectives.

Sponsorship plays a key role in this consideration. Over the years, sponsorship has grown to become one of the company's largest income categories. In contrast to central TV marketing, in which distribution is already clearly defined in advance, the management can itself determine the requirements and direction of the sponsoring and, if necessary, can change strategy in line with current conditions. With commitments from important partners of SIGNAL IDUNA until 2016 and with Evonik Industries AG until 2013, key budget figures for the sponsorship segment are already set for the coming years.

Income from international competitions is more difficult to budget, since it depends solely on the team's athletic performance.

Another key strategic area of the management is transfer revenue. The decision here is between transferring sought-after players or retaining them to pursue greater athletic goals in the long-term.

Positive operating results and investments, mainly in the professional squad, depending on those results, could enable stable, positive future cash flows to be achieved over the long term.

Match day 20
31 January 2010
VfB Stuttgart 4:1 BVB

Match day 21
7 February 2010
BVB 2:3 Frankfurt

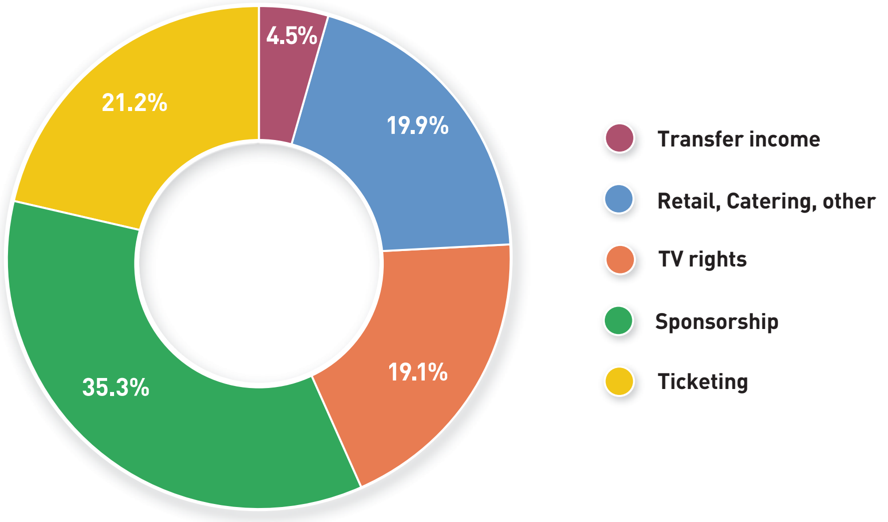
GROUP MANAGEMENT REPORT

PROFIT AND LOSS

The Borussia Dortmund Group generated EUR 110.14 million (previous year: EUR 114.73 million) in revenue in the business year under review, while gross revenue for the period amounted to EUR 112.22 million, down EUR 4.75 million compared to the previous year. The Group concluded the business year with a net loss of EUR -6.15 million under IFRS, representing a EUR 0.23 million decline in comprehensive income.

The result from operating activities (EBIT) was slightly negative at EUR -0.50 million (previous year: EUR -0.38 million).

Borussia Dortmund Group – Revenues in %



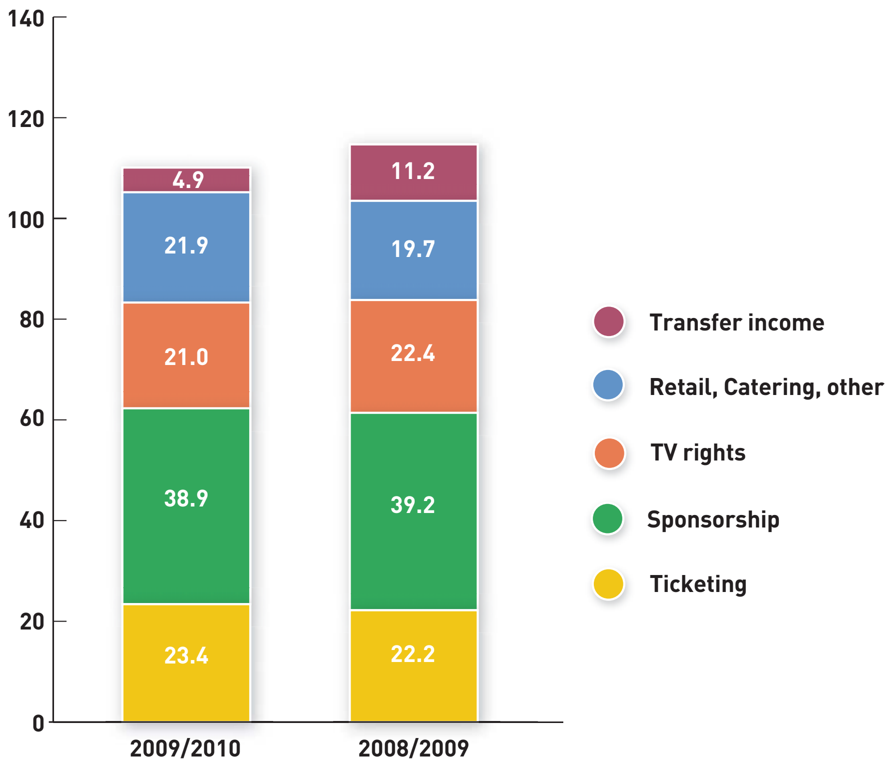
Match day 22
13 February 2010
FC Bayern 3:1 BVB

Match day 23
20 February 2010
BVB 4:1 Hannover 96

REVENUE DEVELOPMENT

In the past business year, the Borussia Dortmund Group generated revenue amounting to EUR 110.14 million, but had to accept a decline in revenue of EUR 4.59 million in its core business activities despite qualifying for an international competition. Increases in ticketing and retail could not compensate for the 57.2% drop in transfer revenue.

Borussia Dortmund Group – Revenues in € millions



Match day 24
26 February 2010
Schalke 04 2:1 BVB

Match day 25
6 March 2010
BVB 3:0 M'gladbach

Details of the performance of the individual revenue sources are provided in the following paragraphs.

Revenue from ticketing

In business year 2009/2010, the Borussia Dortmund Group generated EUR 23.40 million in match operations revenue, an increase of EUR 1.22 million year-on-year.

In keeping with the general upwards trend of the League, Borussia Dortmund reported a EUR 3.06 million increase in revenue from *Bundesliga* match operations, totalling EUR 21.79 million.

With an average number of spectators per game of 76,441, a 95% utilisation of SIGNAL IDUNA PARK and approximately 50,000 season tickets sold, Borussia Dortmund was the top team in the *Bundesliga* with regard to spectator numbers. By comparison: On average, 41,802 spectators per game attended first division team matches, and 24,375 season tickets were sold by such teams.

Ticket revenue from playing in international competitions (EUR -0.85 million) and national cup competitions (EUR -0.95 million) fell after the team failed to qualify for the Europa League in the final home match of the 2008/2009 season and exited the DFB-Cup in the third round in 2009/2010. Borussia Dortmund was also eliminated in the third round of the Cup in the 2008/2009 season, but played a home match in SIGNAL IDUNA PARK against Bremen in a sold out stadium.

Match operations generated an additional EUR 1.38 million from the anniversary match at the beginning of the season, from friendly matches and from match operations of the third division amateur team.

Revenue from sponsorship

Sponsorship accounted for EUR 38.86 million of Borussia Dortmund's revenue, a decrease of EUR 0.34 million year-on-year. As in previous years, however, sponsorship represented the Borussia Dortmund Group's largest income category in the 2009/2010 business year, accounting for 35.3% of total revenue, an increase of about 3% year-on-year. The management's strategy of establishing a co-operative relationship with sponsors based on trust, thus winning them as long-term partners, has proven to be one of the Company's most important goals. Along with the partnership with SIGNAL IDUNA, which in 2008 was extended until 2016, Borussia Dortmund reached an agreement in May for further co-operation and extension of the principal sponsorship agreement with Evonik Industries AG until 2013. Sparda Bank West, a long-time Champion Partner also expressed its confidence in us by extending its Champion Partner agreement until 2014.

Revenue from TV marketing

Revenue from TV marketing in the past business year fell to EUR 21.09 million, a decrease of EUR 1.34 million as against the previous year.

Despite the team's improved final ranking in the *Bundesliga* and its upgrade to eighth place (last year's position: ninth place) in the list of weighted positions over a four year period, TV revenue from *Bundesliga* match operations amounted to EUR 20.20 million, EUR 0.24 million below the previous year's level.

Match day 26
13 March 2010
VfL Bochum 1:4 BVB

Match day 27
20 March 2010
BVB 3:0 Leverkusen

The absence of international matches and the T-Home Cup against FC Bayern Munich, which, in contrast to last year, was not held this season, also resulted in a loss of revenue of around EUR 1.06 million.

The Borussia Dortmund amateur team did not receive any TV revenue from its match operations in the third division.

Despite the difficult financial situation at Pay TV broadcaster Sky, revenue from national TV marketing for the coming season is not threatened. According to the "Börsen-Zeitung", Sky presented a bank guarantee for 2010/2011 prior to the May 15 deadline and thus remains solvent. Sky is the league's largest sponsor. According to the report, the Royal Bank of Scotland provided the bank guarantee, which has a term of four years. However, the guarantee will be renewed each year and increased for each next term.

Transfer revenue

At EUR 4.93 million, transfer revenue fell below the previous year's figure by EUR 6.32 million.

While players Mladen Petric, Robert Kovac, Martin Amedick, Andre Kruska, Diego Klimowicz and Antonio Rukavina were transferred in the previous year, transfer revenue in the 2009/2010 season was primarily associated with player Alexander Frei.

Revenue from retail, catering and licences including other revenue

A substantial increase in revenue was recorded in the last business year in the area of catering, licences and other revenue. The Borussia Dortmund Group generated EUR 21.86 million in revenue in this area, an increase of EUR 2.19 million year-on-year.

Revenue is broken down as follows:

Revenue from merchandising amounted EUR 8.46 million in the 2009/2010 business year, an increase of EUR 1.99 million over the previous year's figure. This increase was primarily due to the impressive sale of jerseys brought on by the equipment agreements with KAPPA concluded on 1 July 2009 and the associated new fashionable jersey design. The large number of jerseys sold reflects fans' trust in the quality of the KAPPA and Borussia Dortmund brands. In addition, there was growth in distance selling (Internet up 53.25%), as well as an increase in BVB fan shop footfall (up a total of 22.51%).

Revenue from catering at SIGNAL IDUNA PARK and from non-match operations (EUR 8.71 million) again proved to be a revenue driver for the Borussia Dortmund Group, generating approximately 40% of the division's total revenue.

Retail, catering, licences and other revenue also includes revenue from rentals and leases, the rights of use for all companies and advance booking fees from ticketing, totalling EUR 4.68 million, nearly on par with last year's figures.

Other operating revenue decreased as compared to the previous reporting period by EUR 0.16 million to EUR 2.08 million.

Match day 28
27 March 2010
Hertha BSC 0:0 BVB

Match day 29
3 April 2010
BVB 2:1 Werder Bremen

DEVELOPMENT OF SIGNIFICANT OPERATING EXPENSES

Staff costs

Staff costs declined from EUR 50.01 million in the 2008/2009 business year to EUR 47.96 million in the 2009/2010 business year. Substantial savings of approximately EUR 3.07 million were achieved in the relation to the professional squad. Staff costs in retail and in other match operations, including the amateur team and the U19 junior team, increased by EUR 0.20 million and EUR 0.81, respectively. This increase in staff costs in other match operations was due primarily to the promotion of the amateur team to the third division.

Amortisation

In the reporting period, amortisation declined by EUR 0.24 million to EUR 17.16 million, due primarily to additions and departures of members of the professional squad. Amortisation charges on player registrations amounted to EUR 8.45 million.

Other operating expenses

Other operating expenses amounted to EUR 42.93 million in the reporting period compared with EUR 46.41 million in the previous year.

The decrease in expenses from player transfers (EUR 4.60 million decrease) had a significant positive impact on earnings. Agency fees contained under this item (EUR -0.39 million) also decreased slightly due to the drop in TV receipts. Administrative expenses rose by EUR 1.07 million, however these include the one-off expenses incurred due to the events associated with the team's 100th anniversary.

CASH FLOWS

ANALYSIS OF CAPITAL STRUCTURE

After taking into account the net loss for the year, Borussia Dortmund's equity amounted to EUR 62.03 million as at 30 June 2010. This corresponds to an equity ratio of 28.8%.

Liabilities decreased by EUR 7.98 million as against the figures at the end of last year's reporting period. This decline was broken down as follows:

In spite of scheduled repayments in the past business year, financial liabilities at the end of the reporting period increased by EUR 3.63 million due to the full use of overdraft facilities and a new loan amounting to EUR 5.0 million.

Trade accounts payables declined by EUR 4.06 million. A major change in liabilities is attributable to the reduction of other payables by EUR 2.35 million.

Match day 30
10 April 2010
FSV Mainz 05 1:0 BVB

Match day 31
18 April 2010
BVB 1:1 Hoffenheim

ANALYSIS OF INVESTMENTS

In business year 2009/2010, Borussia Dortmund invested EUR 10.67 million in intangible assets. This amount was attributable almost entirely to investments in the player base.

Cash payments for property, plant and equipment during the same period amounted to EUR 0.26 million.

ANALYSIS OF LIQUIDITY

As at 30 June 2010, Borussia Dortmund held cash of EUR 1.10 million, none of which was subject to restrictions.

Additionally, as at the end of the reporting period, EUR 10.00 million in overdraft facilities was available, all of which had been drawn down as at the end of the reporting period.

Cash receipts from the sale of player registrations amounted to EUR 11.53 million in the current 2009/2010 season. Cash payments for investments in player registrations amounted to EUR 13.88 million.

In addition, a working capital facility of EUR 5.0 million was drawn down in the past business year and was offset by financial liabilities of EUR 5.34 million being repaid.

ASSETS AND LIABILITIES

The Borussia Dortmund Group's total assets decreased from EUR 229.36 million to EUR 215.16 million.

The investments, particularly to the player base, are reflected in the increase in intangible assets by a total of EUR 0.95 million. Property, plant and equipment declined by EUR 8.44 million due to depreciation. Trade and other receivables also fell year-on-year by EUR 5.36 million.

OVERALL SUMMARY OF FINANCIAL POSITION AND PERFORMANCE

Borussia Dortmund concluded the business year with a net loss of EUR -6.15 million, representing a EUR 0.23 million decrease in earnings. Total assets decreased from EUR 229.36 million to EUR 215.16 million in the business year. The equity ratio is stable and, taking into account the net loss for the year, is calculated at 28.8%. As at 30 June 2010, Borussia Dortmund held cash of EUR 1.10 million, none of which was subject to restrictions. Additionally, as at the end of the reporting period, EUR 10.00 million in overdraft facilities was available, all of which had been drawn down as at the end of the reporting period.

Match day 32
24 April 2010
1. FC Nürnberg 2:3 BVB

Match day 33
1 May 2010
BVB 1:1 VfL Wolfsburg

COMPENSATION REPORT

The structure of the compensation system for the management is determined 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 determining the compensation of management in detail and sets the appropriate amount of compensation. The principal criteria for determining the appropriate amount of compensation are the responsibilities of the particular member of management, his personal performance and Borussia Dortmund's financial position, success and future prospects.

Management compensation comprises two components: a fixed amount and a variable component. The fixed compensation component is stipulated by contract and is paid out in twelve equal monthly instalments. The variable compensation component is based on the performance of the business, particularly on the annual profit before taxes and managing directors' compensation. Any additional non-cash or ancillary benefits granted primarily include insurance benefits at standard market conditions and the provision of a company car. There are no stock option plans or similar incentive plans. The compensation components provided are reasonable in and of themselves and overall.

The Supervisory Board's compensation is governed by § 13 of the Articles of Association, pursuant to which each member of the Supervisory Board receives fixed compensation amounting to EUR 7 thousand; the Chairman receives twice that amount, while the Deputy Chairman receives one and a half times that amount. Value added tax is reimbursed to the members of the Supervisory Board.

Disclosures in accordance with § 314 (1) No. 6 HGB can be found in the notes.

Match day 34
8 May 2010
SC Freiburg 3:1 BVB

DFB-Cup R1
14 August 2010
Wacker Burghausen 0:3 BVB

OPPORTUNITIES AND RISKS REPORT

RISK MANAGEMENT

The Borussia Dortmund Group's divisions are exposed to a wide variety of risks that are inseparably linked to the conduct of business. A functioning control and monitoring system is essential to the early identification and assessment of and systematic response to these risks. It is the responsibility of the Group's internal risk management system to monitor and control such potential risks.

This risk management system is based on principles and guidelines laid out by the management. These principles and guidelines are designed to facilitate the identification of uncertainties and to take appropriate countermeasures in good time. In order to ensure the highest possible level of transparency, risk management has been incorporated into the organisational structure of the entire Group. Every department and division is required to report to the management immediately on any market-relevant changes to the risk portfolio. Moreover, the risk management system is an integral component of the overarching planning, steering and reporting process.

This year, the risk inventory procedure which has been implemented in order to catalogue and assess all risks has again proven itself a vital management instrument. Risks are identified, discussed and reviewed in consideration of current circumstances at individual or plenary meetings in order to assess the current likelihood of their occurring and the extent of the loss they might provoke. Particular emphasis is placed here on high priority risks which could significantly jeopardise the continued existence of the Borussia Dortmund Group. Thus the organisational groundwork has been laid to enable the Group to recognise any changes to the risk situation that may emerge early on.

Regular risk reports to Borussia Dortmund's governing bodies keep them informed of the Group's current risk profile, enabling them to monitor and manage risks.

Play-Off UEL
19 August 2010
BVB 4:0 Agdam Qarabaq

Match day 1
22 August 2010
BVB 0:2 Leverkusen

THE INTERNAL CONTROL AND RISK MANAGEMENT SYSTEM WITH REGARD TO THE ACCOUNTING PROCESS

The key features of the internal control system and risk management system employed at Borussia Dortmund GmbH & Co. KGaA with regard to the accounting process can be described as follows:

- Borussia Dortmund GmbH & Co. KGaA is marked by its clear organisational, corporate and control and monitoring structure;
- The internal control system and the risk management system with regard to the accounting process form an integral part of operational and strategic planning processes;
- Responsibilities for all areas of the accounting process (such as financial accounting and control) have been unambiguously assigned;
- Reporting is carried out in monthly, quarterly, semi-annual and annual intervals, though a distinction is made between matters requiring immediate action by the Company and those regarding Company strategy;
- The computer systems used in accounting are protected from unauthorised access;
- An adequate internal system of guidelines has been established and is updated as needed;
- Departments involved in the accounting process fulfil quantitative and qualitative requirements;
- The completeness and accuracy of accounting data is checked regularly by means of sampling and plausibility tests both through manual checks and by means of software employed for this purpose;
- The principle of dual control is utilised at all points in all accounting-related processes;
- In the course of the process, the management receives reports on a regular basis or more frequently if necessary;
- The Supervisory Board addresses topics such as material questions regarding accounting, risk management and the audit assignment.

The internal control and risk management system with regard to the accounting process, the key features of which are described above, ensures that transactions can be correctly accounted for, reviewed and approved.

SPECIFIC RISKS

STRATEGIC RISKS

The economic performance of a football company depends on its athletic performance. However, this can only be planned to a certain extent, meaning that financial and corporate planning must be aimed at maintaining the profitability of the company – even in the face of setbacks – so as to avoid risks to the Company's future existence. Long-term affiliations and partnerships ensure a certain level of planning security, independently of sporting success. Moreover it is important to reconcile the conflict between pursuing

Play-Off UEL
26 August 2010
Agdam Qarabaq 0:1 BVB

Match day 2
29 August 2010
VfB Stuttgart 1:3 BVB

athletic objectives, the measures necessary to achieve such objectives and financial requirements such as securing adequate liquidity.

In addition, Borussia Dortmund requires a licence from DFL Deutsche Fußball Liga GmbH to be issued for each season in order for its team to participate in *Bundesliga* matches. Of course, the issue of this licence is of key importance to the financial position and performance of the Company. As in previous years, Borussia Dortmund was issued a licence for the coming season without any conditions and/or requirements.

PERSONNEL RISKS

The importance of human resources to companies is growing. Thus personnel risk represents a central risk category in a company's risk management organisation.

The core business of Borussia Dortmund – participating in *Bundesliga* match operations – is largely dependent on the Company's human resources. Athletic success, which forms the basis for economic success, is heavily dependent on the professional sports squad and the quality of the players. Intensive scouting and medical examinations are intended to help the Company avoid making ill-advised investments in signing new players. The absence of key players, for example due to injury, cannot be foreseen and, as a result, may jeopardise the ability of the Company to meet internally defined objectives.

Yet in the economic sector as well, the use of qualified specialists and executives is essential for the Group. It is important to retain them with the Company over the long term.

ECONOMIC RISKS

As a result of the current financial crisis, the development of future funding through sponsorship is particularly difficult to foresee. Borussia Dortmund has laid the groundwork for the coming years through the conclusion of long-term contracts with major sponsors. Since primarily small and medium-sized companies are currently acting cautiously to wait and see how the market develops, we cannot yet reliably forecast whether last years' total volume in sponsorship can be achieved again this year. In addition to difficulties surrounding the acquisition of sponsors, it is currently also impossible to foresee the extent to which the threat of unemployment will influence customers' spending habits and what effect the economic situation will have on Borussia Dortmund's earnings.

Given current events, it should be noted that it is impossible to plan and manage the risk of interruption of match operations, for example due to the outbreak of epidemics. Nor is it possible to foresee the potential financial ramifications of such a situation.

Borussia Dortmund has been subject to tax audits and audits by social security carriers in the past. Borussia Dortmund is of the opinion that its tax returns were complete and correctly submitted and that its social security contributions were paid completely and on time. However, should tax and social security authorities view the situation differently due to a different assessment of the facts, it is possible that they could later make additional claims which could have an impact on the Company’s financial position and performance.

Match day 3
11 September 2010
BVB 2:0 VfL Wolfsburg

UEL
16 September 2010
Karpaty Lwiw 3:4 BVB

FINANCIAL RISKS

INTEREST RATE RISK

The Borussia Dortmund Group bears the financing risk of SIGNAL IDUNA PARK. The Group is presently not subject to any interest rate risk thanks to the fixed-interest credit agreements entered into for the coming years.

CREDIT RISK

The Group conducts business exclusively with third parties of high credit standing. Credit risk can arise in the context of a player transfer and from long-term sponsorship agreements, as well as from centralised marketing agreements.

The loan conditions for the fixed-interest loan for a nominal amount of EUR 20,000 thousand falling due in June 2013 include covenants relating to the consolidated equity ratio and the interest coverage ratio (EBITDA/interest expense) based on the consolidated financial statements. In addition, covenants are in place in relation to an overdraft facility for EUR 5.0 million. These covenants include the equity ratio, net debt/EBITDA and the interest coverage ratio. The covenants are reviewed on an annual basis. As at the end of the reporting period, all covenants were complied with.

LIQUIDITY RISK

The danger of at some point not being able to meet payment obligations in a timely manner or in full is called liquidity risk.

Regular reporting and strict control over the adherence to targets, budgets and KPIs ensures that the Company's liquidity remains a transparent variable. This is constantly monitored through liquidity planning, taking into consideration expected cash flows. As with any plan, there is an inherent risk that the current estimates are subject to risks and uncertainties. Actual results may differ from the statements made in planning. However, there exists the general risk that budgeted proceeds are not realised due, for example, to the inability to honour agreements as entered into due to the poor financial position or the insolvency of the customer.

THE RISK SITUATION IN SUMMARY

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

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

A review of the risk situation revealed that the total sum of individual risks defined within the risk areas does not pose a threat to the continued existence of the Borussia Dortmund Group.

REPORT ON EXPECTED DEVELOPMENTS

ANTICIPATED GROUP DEVELOPMENT

After finishing off the 2009/2010 *Bundesliga* season in fifth place, BVB's league position qualified it for the European Cup for the first time in seven years. Borussia Dortmund was able to maintain the key players of the prior-season squad and also underscored its ambitions for the 2010/2011 season by making shrewd additions to the team.

The ability to have made these additions without the aid of additional revenue from European competitions and without assuming any financial risks highlights Borussia Dortmund's impressive efficiency.

We intend to continue to leverage our stable and robust equity base in order to avoid incalculable financial risks and continue pursuing our goal of being among the top teams in the *Bundesliga*.

EXPECTED GENERAL ECONOMIC ENVIRONMENT

We are looking forward to the beginning of the 2010/2011 season with great excitement. A new record in season ticket sales, spectacular new additions of international players, a uniform match ball for the first time with "Torfabrik" and an increase in international marketing through the sale of Bundesliga media rights – the *Bundesliga* brand is shining brightly even before the season has gotten off the ground, underscoring the prominent position of the *Bundesliga* product.

EXPECTED PROFIT AND LOSS

ANTICIPATED EARNINGS DEVELOPMENT

As in previous years, athletic success will be a major factor in earnings development. Our qualification for participation in the Europa League provided the basis for additional revenue from international competition.

The management believes that the Company will generate a consolidated operating profit (EBIT) for the 2010/2011 business year as well as in the following business year, even though the enduring economic crisis may make the economic environment a factor that could jeopardise this goal.

ANTICIPATED DEVELOPMENT OF REVENUE

Borussia Dortmund again succeeded in just barely reaching the magical figure of EUR 100 million in revenue even without international competition. Revenue fell year-on-year to EUR 110.14 million. Sales revenue might rise significantly as a result of the qualification for the Europa League and the firm establishment of BVB in international competitions over the medium term.

ANTICIPATED DEVELOPMENT OF SIGNIFICANT OPERATING EXPENSES

Thanks to intensive cost control, the management is in a position to minimise other operating expenses and to identify and realise savings potentials.

However, the development of this item depends to a great extent on the number of official matches in a season, meaning that a development forecast is always dependent on athletic performance.

Staff costs will again remain on a level with those in the previous year, although Borussia Dortmund was able to maintain the core team and even to strengthen it in some respects.

EXPECTED DIVIDENDS

The Borussia Dortmund Group reported a net loss for the 2009/2010 business year. Although the company expects to report an operating profit in the coming years, given the EUR 74.39 million in financial liabilities, a dividend payment would not be appropriate until Borussia Dortmund has re-established itself on the international sporting scene and generated long-term, substantial profits.

EXPECTED FINANCIAL POSITION

CAPITAL EXPENDITURE AND FINANCIAL PLANNING

We are continuing to focus our investing activities on our professional squad and on additional measures to modernise SIGNAL IDUNA PARK. The expansion of the training centre in Dortmund-Brackel has already begun.

Thus we will concentrate on the core business of Borussia Dortmund and, in so doing, will not be taking any financial risks which cannot be calculated in advance. In essence, this means that we will only be incurring capital expenditure to the extent permitted by the anticipated financial leeway. As part of capital expenditure planning, we will thus not include any uncertain sporting successes which, if they failed to materialise, would lead to substantial new indebtedness.

ANTICIPATED DEVELOPMENT OF LIQUIDITY

Repayments of the long-term loans to finance the stadium continue to be made on schedule. Moreover, Borussia Dortmund was able to invest intensively in strengthening the professional team. Going forward, we will continue to use non-earmarked funds to strengthen the athletics department while ensuring that Borussia Dortmund is solvent at all times.

OPPORTUNITIES

Borussia Dortmund's greatest opportunities lie in unlocking and exploiting additional revenue potential by participating in international competitions, such as the Europa League. In addition, an international presence would almost certainly have a positive impact on the merchandising business.

Successful participation in the national cup competition, the DFB-Cup, represents further significant earnings potential. However, the financial benefits also depend, to a large extent, on which teams we are drawn against.

Moreover, Borussia Dortmund has high-quality young players on its squad who are highly valued on the market and have a high transfer potential.

DEVELOPMENT FORECAST IN SUMMARY

Borussia Dortmund finished off the 2009/2010 season in fifth place and thus qualified to play in the Europa League. Coach Jürgen Klopp and his young, ambitious team succeeded in making great headway.

The team has taken great strides towards the goal it set in previous years of rejoining the ranks of the leading *Bundesliga* teams, and will continue to do so in the business year of the 2010/2011 season.

REPORT ON EVENTS AFTER THE REPORTING PERIOD

Borussia Dortmund was pleased to announce two notable new partnerships in August. At the beginning of the 2010/2011 *Bundesliga* season, MAN, a Munich-based commercial vehicle and engine manufacturer, entered into a partnership with BVB for the next several years. Borussia Dortmund is starting out the season with an exclusive new team bus from MAN.

The car manufacturer SEAT became a Borussia Dortmund Champion Partner, enlisting head coach Jürgen Klopp to be the company's German brand ambassador and planning long-term partnerships aimed at promoting young football talent. The partnership involves a comprehensive promotional package at Borussia Dortmund's home matches.

Carsten Cramer, former vice-president of marketing and sales at the Hamburg-based international sports rights marketing company Sportfive, will join Borussia Dortmund as a Director and commercial attorney-in-fact (*Prokura*) responsible for sales, marketing and business development. The 41-year-old is highly respected in the field of sports marketing and will be responsible for all of Borussia Dortmund's private and corporate customers.

The addition of four new players and some talented members of our own junior team strengthened the team for the new season. Goalkeeper Mitchell Langerak (21) from Australia joined our team, as did Shinji Kagawa (21) from Japan, a midfielder with an eye for the goal, top scorer Robert Lewandowski (21), and Polish national player and all-rounder Lukasz Piszczek, who transferred from Hertha BSC Berlin to Borussia Dortmund.

The team, led by Jürgen Klopp, easily triumphed in the first round of the DFB-Cup. Borussia Dortmund had no difficulty defeating the third division team Wacker Burghausen 3:0 at an away match in southern Bavaria with Lucas Barrios, Neven Subotic and Kevin Großkreutz scoring goals.

In the playoff matches to reach the group phase of the UEFA Europa League, Borussia Dortmund played against a team from Azerbaijan. The first-round home leg against FK Qarabag at SIGNAL IDUNA PARK in Dortmund ended with a score of 4:0. The return match took place one week later in the Azerbaijani capital city of Baku, near the Caspian Sea.

Borussia Dortmund will face off against strong opponents at the start of the 2010/2011 *Bundesliga* season. The first match will pit BVB against Bayer Leverkusen in a home game at SIGNAL IDUNA PARK, and then Borussia Dortmund will play against VfB Stuttgart in an away game. It will then play a home game against VfL Wolfsburg, followed by an away game in Gelsenkirchen against its rival, Schalke 04.

In accordance with § 21 (1) WpHG, Supervisory Board Member Bernd Geske informed the Company on 12 July 2010 that his voting interests in Borussia Dortmund GmbH & Co. KGaA had exceeded the 10% threshold on 9 July 2010 and amounted to 10.0007% (corresponding to 6,142,909 shares/voting rights) as at that date.

OTHER DISCLOSURES

REPORT IN ACCORDANCE WITH § 315 (4) HGB

The Company gives the following information in response to the requirements of § 315 (4) Nos. 1 to 9 HGB:

1. The share capital of Borussia Dortmund GmbH & Co. KGaA amounts to EUR 61,425,000.00 and is divided into 61,425,000 no-par value ordinary bearer shares. All of the shares have been admitted to trading on the Regulated Market (General Standard) of the Frankfurt Stock Exchange and in the over-the-counter markets (Regulated Unofficial Markets) in Berlin, Bremen, Stuttgart, Munich, Hamburg and Düsseldorf. Each no-par value share entitles the holder to one vote at the General Shareholders' Meeting. The Company therefore has only one class of shares and all shares carry the same rights and obligations. Additional rights and responsibilities attaching to the Company's shares are determined in accordance with the German Stock Corporation Act (Aktiengesetz, "AktG").

2. There are no restrictions affecting the voting rights or transfer of the shares.

3. As of 30 June 2010, the Company had not been notified of any interests in the share capital of Borussia Dortmund GmbH & Co. KGaA in excess of 10% of the voting rights.

4. There are no shares with special rights which confer powers of control.

5. There is no control of voting rights in cases where 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, the Company's management and representation is the responsibility of the general partner. The terms of § 6 No. 1 of the Articles of Association provide that this executive body of the Company is Borussia Dortmund Geschäftsführungs-GmbH, whose registered office is in Dortmund, 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 General Shareholders' Meeting, which must be passed, in accordance with § 133 (1) AktG, by a simple majority of votes and also, in accordance with § 15 No. 3 of the Articles of Association of the Company in conjunction with § 179 (1) and (2) AktG, by a simple majority of the capital represented at the passing of the resolution, except to the extent that there are mandatory statutory provisions to the contrary or the Articles of Association provide otherwise. It is a mandatory provision of statute that a resolution of the General Shareholders' Meeting passed by a majority of three-quarters of the share capital represented at the passing of the resolution is required for changes to the Articles of Association relating to the objects of the Company (§ 179 (2) sentence 2 AktG), the issuance of non-voting preferred shares (§ 182 (1) sentence 2 AktG), capital increases where subscription rights have been excluded (§ 186 (3) AktG), the creation of conditional capital (§ 193 (1) AktG), the creation of authorised capital (§ 202 (2) AktG) – where appropriate with authorisation to exclude subscription rights (§ 203 (2) sentence 2 in conjunction with § 186 (3) AktG) –, the ordinary or simplified reduction of capital (§ 222 (1) sentence 2 and/or § 229 (3) AktG) or a change of legal form (§ 233 (2) and/or § 240 (1) German Reorganisation 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 AktG. The Supervisory Board is authorised in accordance with § 12 No. 5 of the Articles of Association to resolve changes to the Articles of Association which relate only to their wording, in particular in connection with the amount of capital increases out of authorised and conditional capital.

7. In accordance with § 5 No. 4 of the Articles of Association of Borussia Dortmund GmbH & Co. KGaA, the general partner is authorised until 31 July 2011, with the approval of the Supervisory Board, to increase the share capital by the issue of up to 21,937,500 new no-par value ordinary bearer shares against cash or in kind contributions on one or more occasions, but by a maximum of EUR 21,937,500.00 in total (Authorised Capital 2006). In all cases, the new shares participate in profits from the beginning of the business year in which they are issued. The general partner is further authorised, with the approval of the Supervisory Board, to exclude the statutory subscription right of the limited liability shareholders in certain circumstances.

   In addition, by a resolution of the General Shareholders' Meeting held on 22 November 2005, the share capital of Borussia Dortmund GmbH & Co. KGaA has been conditionally increased by up to EUR 14,625,000.00 by the issue of up to 14,625,000 new no-par value ordinary bearer shares. The general partner is authorised until 31 October 2010, with the approval of the Supervisory Board, to issue bearer bonds with warrants and/or convertible bonds with a total nominal amount of up to EUR 40,000,000.00 and a maximum maturity of 25 years on one or more occasions. The holders of bonds with warrants may be granted rights to subscribe for, and the holders of convertible bonds may be granted rights to convert into, a total of up to 14,625,000 new no-par value ordinary bearer shares of the Company in accordance with the detailed terms and conditions of the bonds with warrants and/or convertible bonds.

   In the event of a takeover bid for shares issued by the Company and admitted to trading on an organised market, general statutory responsibilities and powers also apply to the general partner. 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"), so that the limited liability shareholders can 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 which could frustrate the success of the bid, unless those actions have been authorised by the General Shareholders' Meeting, or the Supervisory Board has given its approval to 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, there were no provisions of the Articles of Association 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.

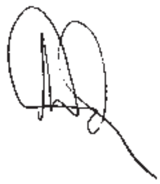
9. The Company is not a party to any compensation agreements applying in the event of a takeover bid.

STATEMENT OF THE GENERAL PARTNER CONCERNING 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 – issued the following concluding statement:

With respect to the transactions set out in the report concerning relations with affiliated companies, the Company received consideration in the business year that was in each case reasonable under the circumstances known to us at the time such transactions were entered into. In all other cases, the Company has been compensated for any disadvantages having arisen. No other measures within the meaning of § 312 (1) AktG were taken or omitted during the business year.

Dortmund, 20 August 2010
Borussia Dortmund GmbH & Co. KGaA
Borussia Dortmund Geschäftsführungs- GmbH



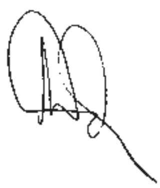
Hans-Joachim Watzke
Managing Director (Chairman)

Thomas Treß
Managing Director

DISCLAIMER

This management report contains forward-oriented statements. These 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, 20 August 2010
Borussia Dortmund GmbH & Co. Kommanditgesellschaft auf Aktien
Borussia Dortmund Geschäftsführungs-GmbH



Hans-Joachim Watzke
Managing Director (Chairman)

Thomas Treß
Managing Director

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

ASSETS

	Note*	30 June 2010 EUR thousand	30 June 2009 EUR thousand
Non-current assets			
Intangible assets	(1)	20,358	19,409
Property, plant and equipment	(2)	174,185	182,627
Investments accounted for using the equity method	(3)	339	264
Financial assets	(4)	634	416
Trade and other receivables	(5)	50	1,404
Deferred tax assets	(18)	6,633	6,561
Prepaid expenses	(12)	2,375	3,967
		204,574	214,648
Current assets			
Inventories	(6)	1,788	2,269
Trade and other receivables	(5)	5,070	9,073
Cash and cash equivalents	(7)	1,097	654
Prepaid expenses	(12)	2,632	2,714
		10,587	14,710
		215,161	**229,358**

EQUITY AND LIABILITIES

	Note*	30 June 2010 EUR thousand	30 June 2009 EUR thousand
Equity			
Subscribed capital		61,425	61,425
Reserves		452	6,646
Treasury shares		-135	-138
Equity attributable to the owners of the parent company		61,742	67,933
Minority interest		283	308
	(8)	62,025	68,241
Non-current liabilities			
Non-current financial liabilities	(9)	58,554	59,009
Non-current liabilities from finance leases	(10)	6,618	6,902
Non-current trade payables		150	300
Other non-current liabilities	(11)	500	2,400
Non-current income tax liabilities	(18)	1,825	2,205
Deferred income	(12)	36,079	40,000
		103,726	110,816
Current liabilities			
Current financial liabilities	(9)	15,832	11,750
Current liabilities from finance leases	(10)	286	263
Current trade payables		6,460	10,374
Other current liabilities	(11)	10,632	11,086
Current income tax liabilities	(18)	1,132	2,054
Deferred income	(12)	15,068	14,774
		49,410	50,301
		215,161	**229,358**

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

	Note*	2009/2010 EUR thousand	2008/2009 EUR thousand
Revenue	(13)	110,142	114,730
Other operating income		2,080	2,244
Cost of materials		-4,683	-3,538
Staff costs	(14)	-47,961	-50,013
Depreciation, amortisation and write-downs	(15)	-17,159	-17,397
Other operating expenses	(16)	-42,927	-46,410
Loss from operating activities		**-508**	**-384**
Income from investments in associates	(3)	75	80
Finance income	(17)	41	129
Finance cost	(17)	-5,785	-5,828
Financial result		**-5,669**	**-5,619**
Loss before income taxes		**-6,177**	**-6,003**
Income taxes	(18)	28	81
Consolidated loss for the year / Total comprehensive income		**-6,149**	**-5,922**
Consolidated loss for the year attributable to:			
- Owners of the parent:		-6,185	-5,981
- Non-controlling interest:		36	59
Total comprehensive income attributable to:			
- Owners of the parent:		-6,185	-5,981
- Non-controlling interest:		36	59
Earnings per share (basic/diluted)	(25)	**-0.10**	**-0.10**

* The relevant sections in the notes can be found on the following pages:
(3) – p. 120, **(13), (14), (15)** – p. 128, **(16), (17), (18)** – p. 129, **(25)** – p. 136.

* The relevant sections in the notes can be found on the following pages:
(1) – p. 118, **(2)** – p.119, **(3)** – p.120, **(4), (5)** – p. 121, **(6), (7)** – p. 122, **(8)** – p. 123,
(9) – p. 124, **(10)** – p. 125, **(11)** – p. 126, **(12)** – p. 127, **(18)** – p. 129.

CONSOLIDATED STATEMENT OF CASH FLOWS

in EUR thousand	see Note (19)	2009/2010	2008/2009
Loss before income taxes		-6,177	-6,003
Depreciation, amortisation and write-downs on non-current assets		+17,159	+17,397
Loss on disposals of non-current assets		-3,471	-6,200
Interest income		-41	-129
Interest expense		+5,785	+5,828
Income from investments in associates		-75	-80
Changes in other assets not classified as from investing or financing activities		-2,514	+14,183
Changes in other liabilities not classified as from investing or financing activities		-3,423	-16,638
Interest received		+41	+53
Interest paid		-5,805	-5,828
Income taxes paid		-1,477	-1,152
Cash flows from operating activities		**+2**	**+1,431**
Payments for investments in intangible assets		-13,879	-18,317
Proceeds from disposals of intangible assets		+11,532	+9,711
Payments for investments in property, plant and equipment		-257	-1,661
Payments for investments in financial assets		-218	-108
Proceeds from financial assets		+0	+0
Dividends received		+0	+0
Cash flows from investing activities		**-2,822**	**-10,375**
Proceeds from the sale of treasury shares		+2	+4
Distributions to minority shareholders		-68	-83
Proceeds from finance raised		+5,000	+0
Repayments of financial liabilities		-5,336	-4,155
Repayment of liabilities under finance leases		-262	-178
Cash flows from financing activities		**-664**	**-4,412**
Net change in cash funds		-3,484	-13,356
Cash funds at beginning of period		-5,444	+7,912
Cash funds at end of period		**-8,928**	**-5,444**

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

EUR thousand see Note (8)	Subscribed capital	Capital reserves	Other revenue reserves	Treasury shares	Equity attributable to shareholders of the parent company	Minority interest	Consolidated equity
restated 1 July 2008	61,425	33,780	-21,155	-140	73,910	332	74,242
Distributions to shareholders	0	0	0	0	0	-83	-83
Sale of treasury shares	0	2	0	2	4	0	4
Transactions with shareholders	0	2	0	2	4	-83	-79
Consolidated loss for the year/ Total comprehensive income	0	0	-5,981	0	-5,981	59	-5,922
30 June 2009	**+61,425**	**+33,782**	**-27,136**	**-138**	**+67,933**	**+308**	**+68,241**
1 July 2009	+61,425	+33,782	-27,136	-138	+67,933	+308	+68,241
Distributions to shareholders	0	0	0	0	0	-68	-68
Sale of treasury shares	0	0	0	2	2	0	2
Transactions with shareholders	0	0	0	2	2	-68	-66
Other changes	0	0	-9	1	-8	7	-1
Consolidated loss for the year/ Total comprehensive income	0	0	-6,185	0	-6,185	36	-6,149
30. Juni 2010	**+61,425**	**+33,782**	**-33,330**	**-135**	**+61,742**	**+283**	**+62,025**

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

BASIC PRINCIPLES

BASIS AND METHODS OF PREPARATION

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

The general partner, BVB Geschäftsführungs-GmbH, is responsible for management and representation of Borussia Dortmund GmbH & Co. KGaA. This limited liability company ("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.

These consolidated financial statements of BVB for the business year from 1 July 2009 to 30 June 2010, including the prior-year information, were prepared in accordance with International Financial Reporting Standards (IFRS), as adopted in the European Union and in force at the end of the reporting period, and the supplementary provisions of German commercial law required to be observed in accordance with § 315a (1) HGB. The term "IFRS" includes the recent International Financial Reporting Standards (IFRS) and the International Accounting Standards (IAS) issued by the International Accounting Standards Board (IASB) in London as well as the interpretations of the International Financial Reporting Interpretations Committee (IFRIC) and the Standing Interpretations Committee (SIC).

BVB applied the following standards, interpretations and amendments to existing standards for the first time in the 2009/2010 business year:

- In September 2007, the IASB issued a revised version of IAS 1 "Presentation of Financial Statements", which is intended to help users analyse and compare financial statements. The amended standard must be applied for business years beginning on or after 1 January 2009. The first-time application of the standard affects the presentation of the consolidated financial statements. The amendments made to IAS 1 relate to the presentation of non-owner changes in equity, the disclosure of income tax effects associated with the individual components of other income and the replacement of the term "income statement" with the term "statement of comprehensive income".

- In March 2007, the IASB issued the amended IAS 23 "Borrowing costs". In accordance with IAS 23, borrowing costs that are directly attributable to the acquisition, construction or production of a qualifying asset must be capitalised. The previous option of immediately expensing borrowing costs has been eliminated. The amended standard must be applied for business years beginning on or after 1 January

2009. The first-time application of the amended standard does not materially affect the presentation of the consolidated financial statements.

- In November 2006, the IASB issued IFRS 8 “Operating Segments”, which replaced IAS 14 “Segment Reporting”. The amended standard must be applied for business years beginning on or after 1 January 2009. In particular, IFRS 8 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 “chief operating decision maker”. An operating segment is a component of an entity that engages in business activities from which it may earn revenues 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 first-time application of the standard materially affects the presentation of the consolidated financial statements. Please refer to the notes on operating segments.

- In January 2008, the IASB also published revised versions of IFRS 3 “Business Combinations” and IAS 27 “Consolidated and Separate Financial Statements”. One significant amendment made to IFRS 3 relates to accounting for the acquisition of less than 100% of the interest in an entity. The option was added to permit an entity to recognise 100% of the goodwill from an acquisition under the “full goodwill method”, whereby goodwill is recognised for the non-controlling interest in a subsidiary as well as for the controlling interest. Furthermore, the costs associated with the acquisition must be expensed in full. Additionally, IAS 27 requires that the acquisition or sale of an interest where control is retained be accounted for as an equity transaction with owners. The sale of an interest which results in the loss of control triggers remeasurement of the residual holding to fair value. Any difference between fair value and the previous carrying amount is recognised in profit or loss. The amended standards must be applied to business combinations taking place in business years beginning on or after 1 July 2009. The effects on future consolidated financial statements are currently not quantifiable because they are dependent on the scope and structure of future acquisitions.

- In February 2008, the IASB published amendments to IAS 32 “Financial Instruments: Presentation” and IAS 1 “Presentation of Financial Statements – Puttable Financial Instruments and Obligations Arising on Liquidation”. The amendments relate primarily to the classification of certain types of financial instruments as equity or liabilities. Moreover, additional disclosures are required in the notes for financial instruments affected by the standard. The amendments must be applied for business years beginning on or after 1 January 2009. The application of the amended version of the standard has no impact on the presentation of the financial statements.

- In July 2008, the IASB published "Eligible Hedged Items – Amendment to IAS 39 Financial Instruments: Recognition and Measurement". The amendment clarifies how the basic principles of hedge accounting apply to two specific situations – the designation of inflation risks as a hedged item and the designation of a one-sided risk in a hedged item. The amendment must be applied for business years beginning on or after 1 July 2009. The application of the amendment has no impact on the presentation of the financial statements. It remains to be seen how future financial statements will be affected.

- In March 2009, the IASB published an amendment to IFRS 7 "Financial Instruments: Disclosures", titled "Improving Disclosures about Financial Instruments". The amendment calls for enhanced disclosures in the notes in relation to the fair-value measurement of financial instruments and liquidity risks. The amended standard must be applied for business years beginning on or after 1 January 2009. Please refer to the disclosures in relation to financial risk management for a discussion of the impacts of this amendment.

- In January 2008, the IASB published an amendment to IFRS 2 "Share-based Payment". The amendment was issued to clarify that vesting conditions are service conditions and performance conditions only. It was also clarified that all cancellations, whether by the entity or by other parties, should receive the same accounting treatment. The amended standard must be applied for business years beginning on or after 1 January 2009. The application of the amended version of the standard has no impact on the presentation of the financial statements.

- In March 2009, the IASB published "Embedded Derivatives", which contained amendments to IFRIC 9 "Reassessment of Embedded Derivatives" and IAS 39 "Financial Instruments". The amendments were issued in order to clarify the assessment of embedded derivatives on reclassification of financial instruments. The amendments must be applied retrospectively for business years beginning on or after 30 June 2009. The application of the amended version of the standard has no impact on the presentation of the financial statements.

- In November 2006, the IFRIC issued IFRIC 12 "Service Concession Arrangements". The interpretation addresses how entities which provide public services to public-sector entities should account for the obligations they undertake and rights they receive in service concession arrangements. The interpretation must be applied for business years beginning on or after 1 January 2009. The application of the interpretation has no impact on the presentation of the financial statements.

- In June 2007, the IFRIC published IFRIC 13 “Customer Loyalty Programmes”. The interpretation addresses accounting for customer loyalty programmes, namely, that awards granted under such programmes must be treated separately from the original sale as a future sales transaction. The interpretation must be applied for business years beginning on or after 1 January 2009. The application of the interpretation has no impact on the presentation of the financial statements.

- In July 2007, the IFRIC issued IFRIC 14 “IAS 19-The Limit on a Defined Benefit Asset, Minimum Funding Requirements and their Interaction”. The interpretation provides general guidance on how to assess the limit in IAS 19 on the amount of the surplus that can be recognised as an asset. It also explains how the measurement of an asset or liability from defined-benefit premiums may be affected when there is a statutory minimum funding requirement. The interpretation must be applied for business years beginning on or after 1 January 2009. The application of the interpretation has no impact on the presentation of the financial statements.

- In April 2009, the IFRIC published IFRIC 16 “Hedges of a Net Investment in a Foreign Operation”. The interpretation clarifies the hedging of foreign currency risk arising from a net investment in a foreign operation. The interpretation must be applied for business years beginning on or after 30 June 2009. The application of the interpretation has no impact on the presentation of the financial statements.

- In November 2008, the IFRIC published IFRIC 17 “Distributions of Non-cash Assets to Owners”. The interpretation clarifies when a non-cash dividend payable must be recognised. The interpretation must be applied for business years beginning on or after 1 July 2009. The application of the interpretation has no impact on the presentation of the financial statements.

- In May 2008, the IASB published the first “Improvements to IFRSs” which made minor amendments to existing IFRSs. This project contained amendments to 20 IFRSs in two sections. The first section contained amendments that affected the presentation, recognition or measurement. The second section contained terminology or editorial changes. Unless otherwise set forth in the relevant standard, the amendments are applicable to business years beginning on or after 1 January 2009. The application of the amendments has no material impact on the presentation of the financial statements.

The following standards, interpretations and amendments have been issued by the IASB and the IFRIC but were not applied in the consolidated financial statements as at 30 June 2010 because they were not yet applicable for the business year beginning on 1 July 2009:

- IFRS 1 – Amendments to IFRS 1 Additional Exemptions for First-time Adopters
- IFRS 2 – Amendments to IFRS 2 Group Cash-settled Share-based Payment Transactions
- IFRS 1 and IFRS 7 – Adoption of Amendments to IFRS 1 Limited Exemption from Comparative IFRS 7 Disclosure for First-time Adopters and IFRS 7 Financial Instruments: Disclosures
- IAS 24 and IFRS 8 – Adoption of revised IAS 24 Related Party Disclosure and Amendment to IFRS 8 Operating Segments
- IAS 32 – Amendment to IAS 32 Financial Instruments: Presentation: Classification of Rights Issues
- IAS 39 – Amendment to IAS 39 Reclassification of Financial Assets: Effective Date and Transition
- IFRIC 14 – Adoption of Amendments to IFRIC 14 Prepayments of a Minimum Funding Requirement
- IFRIC 15 – Agreements for the Construction of Real Estate
- IFRIC 18 – Transfer of Assets from Customers
- IFRIC 19 and IFRS 1 – Adoption of IFRIC 19 Extinguishing Financial Liabilities with Equity Instruments and Amendment to IFRS 1 First time Adoption of IFRSs
- Improvement to IFRSs 2009

BVB will not apply these standards until the 2010/2011 business year or later. The other standards not applied will generally have an insignificant impact on the Group's financial position and performance.

The consolidated statement of comprehensive income was prepared using the nature of expense method. In order to improve the clarity and usefulness of the consolidated statement of financial position, certain items are presented separately as a departure from the previous year. In particular, prepaid expenses (non-current: EUR 3,967 thousand; current: EUR 2,714 thousand), deferred income (non-current: EUR 40,000 thousand; current: EUR 14,774 thousand) and finance lease liabilities (non-current: EUR 6,902 thousand; current: EUR 263 thousand) have been presented separately under the prior-year amounts. Moreover, the terminology used for financial statement items was aligned with the terminology used in the EU Endorsement of IAS 1.

The consolidated financial statements are presented in thousands of euros.

By a resolution dated 20 August 2010, the consolidated financial statements and the Group management report were authorised by the Company's management for submission to the Supervisory Board.

SCOPE OF CONSOLIDATED FINANCIAL STATEMENTS

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

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

The list of shareholdings as at 30 June 2010 and 30 June 2009 was as follows:

Company	Registered office	Share holding %
BVB Stadionmanagement GmbH	Dortmund	100.00
BVB Stadion Holding GmbH	Dortmund	100.00
Sports & Bytes GmbH	Dortmund	100.00
BVB Merchandising GmbH	Dortmund	100.00
BVB Stadion GmbH	Dortmund	99.74
BVB Beteiligungs GmbH	Dortmund	94.90
B.E.S.T. Borussia Euro Lloyd Sports Travel GmbH	Dortmund	51.00
Orthomed GmbH Medizinisches Leistungs- und Rehabilitationszentrum GmbH	Dortmund	33.33

CONSOLIDATION PRINCIPLES

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

The 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.

A subsidiary is generally any company over which the parent has the power to govern its financial and operating policies so as to obtain benefits from its activities (controlled entity). The existence and effect of potential voting rights that are currently exercisable or convertible are considered when assessing whether one entity has control over another entity. Subsidiaries are generally included in the consolidated financial statements (full consolidation) from the date on which control is transferred.

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 non-controlling 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.

Non-controlling 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 non-controlling owners and recognised outside of profit or loss.

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

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-entity 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.

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 FIFA Regulations for the Status and Transfer of Players contained in circular no. 769 of 24 August 2001 which came into force on 21 September 2001, and are amortised on a straight-line basis in accordance with the term of the individual contracts for professional players. The cost of player registrations includes transfer payments made and the costs of advisers directly attributable to the particular transfer.

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

Property, plant and equipment

The SIGNAL IDUNA PARK stadium buildings were measured at their fair value amounting to 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 external expert. The carrying amount of the stadium buildings in the statement of financial position represents the carrying amount as at 1 July 2004 less depreciation charged subsequently.

Land, the other buildings and the remaining items of property, plant and equipment are measured at cost less depreciation. Interest accrued during the construction phase of certain items of property, plant and equipment which are acquired or produced over a period exceeding 12 months is capitalised. Repair and maintenance costs are recognised in the statement of comprehensive income as expenses in the current period.

Straight-line depreciation is based on the following useful lives:

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

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

Impairment testing

The useful lives of intangible assets and items of property, plant and equipment are all finite. If there are specific indications of possible impairment, individual assets are tested for impairment. In the case of intangible assets, the useful life and the method of amortisation are reviewed at least at the end of each business year. An impairment loss is recognised for the amount by which the carrying amount exceeds the recoverable amount. The recoverable amount is the higher of net 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, 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. The lease payments are apportioned between the finance charges and the element representing the repayment of the remaining liability in such a way that a constant rate of interest is charged on the outstanding lease obligation over the period of the lease (effective interest method). Interest charges are expensed immediately. If substantially all the risks and rewards of ownership remain with the lessor (operating lease), the lease payments are recognised as an expense in the business year.

Financial instruments

Financial instruments under IFRS are classified in line with the format of the statement of financial position. The table under Note 22 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 recognised 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 outside profit or loss in equity, 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 with neutral effect 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. 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 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.

Derivative financial instruments and hedging

The Group does not hold any derivative financial instruments or hedges.

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 outside profit or loss are also recognised outside profit or loss.

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 32.2% (previous year: 31.6%).

Inventories

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

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.

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 revenue reserves.

Provisions and contingent liabilities

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

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

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 liability. 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 9, 10 and 20 *et seq.* for information on the provision of collateral and further disclosures on financial liabilities.

Recognition of income and expenses

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

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 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.

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.

Revenue

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

MANAGEMENT OF FINANCIAL RISKS

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

Interest rate risks

The Group's financial liabilities at the end of the reporting period consist mainly of fixed-interest loans. The Group is therefore not exposed to any significant interest-rate-related cash flow risks as at the end of the reporting period or over the medium term. Please refer to Note 20.

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 20.

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 21 for information on the maturities of contractual cash flows.

SIGNIFICANT DECISIONS SUBJECT TO JUDGMENT AND ESTIMATES

The collectability of trade receivables is assessed based on the estimated probability of default. Specific valuation allowances are calculated for overdue receivables using individually determined percentages. In the event that the financial situations of our partners worsen, the amounts actually written down may exceed the amount of the valuation allowances recognised. This could negatively impact the results of operations. Please refer to Note 5 for information on carrying amounts.

Deferred tax assets are recognised in respect of tax loss carry-forwards to the extent that it is probable that taxable income will be available to enable the loss carry-forwards actually to be utilised. In order to determine the amount of the deferred tax assets required to be recognised in this context, management makes significant assumptions with respect to the expected timing and amount of future taxable income. As at 30 June 2010, deferred tax assets recognised in respect of tax loss carry-forwards amounted to EUR 6,165 thousand (30 June 2009: EUR 6,160 thousand). Please refer to Note 18 for further information.

The preparation of financial statements in accordance with IFRS requires the use of judgment. All decisions requiring the use of judgment 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

During the business year, BVB applied IFRS 8 "Operating Segments" for the first time. In particular, IFRS 8 calls for the use of the "management approach" for purposes of reporting on the economic development of segments, replacing IAS 14 "Segment Reporting". Segment information is determined and calculated in the same manner as is done for the purposes of internal reporting to the "chief operating decision maker".

An operating segment is a component of an entity that engages in business activities from which it may earn revenues 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 two 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 team 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 the legally independent entity BVB Merchandising GmbH. Internal reporting is based on the provisions of the German Commercial Code (*Handelsgesetzbuch*, HGB) applicable to each company.

EUR thousand	Borussia Dortmund KGaA		BVB Merchandising GmbH		Gesamt	
	09/10	08/09	09/10	08/09	09/10	08/09
External revenues	100,472	107,598	8,981	6,944	109,453	114,542
Internal revenues	417	351	209	172	626	523
Interest expense	-3,045	-3,017	0	0	-3,045	-3,017
Interest income	165	126	0	0	165	126
Depreciation and amortisation	-10,339	-10,573	-736	-736	-11,075	-11,309
Segment profit/loss before taxes *)	-4,023	-2,996	589	72	-3,434	-2,924
Investments	14,155	20,054	9	13	14,164	20,067
Segment assets	201,310	209,569	11,920	12,454	213,230	222,023
Segment liabilities	112,307	117,779	1,039	1,573	113,346	119,352
Investments accounted for using the equity method	339	264	0	0	339	264
Income from investments in associates	75	80	0	0	75	80

*) 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:

EUR thousand	Segment total		Other adjustments		Consolidated profit/loss	
	09/10	08/09	09/10	08/09	09/10	08/09
External revenues	109,453	114,542	689	188	110,142	114,730
Internal revenues	626	523	-626	-523	0	0
Interest expense	-3,045	-3,017	-2,740	-2,811	-5,785	-5,828
Interest income	165	126	-124	3	41	129
Depreciation and amortisation	-11,075	-11,309	-6,084	-6,088	-17,159	-17,397
Segment profit/loss before taxes *)	-3,434	-2,924	-2,743	-3,079	-6,177	-6,003
Investments	14,164	20,067	189	19	14,353	20,086
Segment assets	213,230	222,023	1,931	7,335	215,161	229,358
Segment liabilities	113,346	119,352	39,790	41,765	153,136	161,117
Investments accounted for using the equity method	339	264	0	0	339	264
Income from investments in associates	75	80	0	0	75	80

*) before profit or loss transfer

Adjustments were made to interest expense due to borrowing costs recognised in the single-entity financial statements of BVB Stadion GmbH; depreciation charges were also primarily adjusted due to these single-entity financial statements and adjustments to the stadium's added value in accordance with IFRS. The table below provides a detailed reconciliation of segment profit or loss before taxes, segment assets and segment liabilities:

EUR thousand	Segment profit/loss before taxes		Segment assets		Segment liabilities	
	09/10	08/09	09/10	08/09	09/10	08/09
Total of all segments	-3,434	-2,924	213,230	222,023	113,346	119,352
Profit from other companies	652	149	0	0	0	0
Stadium depreciation, excess	-3,433	-3,433	0	0	0	0
Other IFRS adjustments	-544	-350	0	0	0	0
Consolidation of investments	0	0	-139,190	-139,190	0	0
Stadium building, plus other assets	0	0	141,121	146,525	38,069	40,871
Other consolidation	582	555	0	0	1,721	894
Other adjustments	0	0	0	0	0	0
	-6,177	**-6,003**	**215,161**	**229,358**	**153,136**	**161,117**

The EUR 20.20 million in revenues from TV marketing (previous year: EUR 20.44 million) exceeded the 10% threshold for a single customer set forth under IFRS 8.34. This was due to the fact that the *Bundesliga's* TV rights are centrally marketed by DFL Deutsche Fußball Liga GmbH.

NOTES TO THE CONSOLIDATED STATEMENT OF FINANCIAL POSITION

(1) Intangible assets

EUR thousand	30 June 2010	30 June 2009
Player registrations	20,304	19,402
Industrial property rights and similar rights	54	7
	20,358	**19,409**

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 3.1 years (30 June 2009: 3.2 years).

Changes in intangible assets were as follows:

EUR thousand	Player registrations	Industrial property rights and similar rights	Total
Cost			
As at 1 July 2008	41,195	1,160	42,355
Additions	17,764	2	17,766
Disposals	15,490	0	15,490
As at 30 June 2009	43,469	1,162	44,631
Additions	10,615	58	10,673
Disposals	5,517	0	5,517
As at 30 June 2010	**48,567**	**1,220**	**49,787**
Amortisation			
As at 1 July 2008	25,812	1,145	26,957
Additions	8,634	10	8,644
Disposals	10,379	0	10,379
As at 30 June 2009	24,067	1,155	25,222
Additions	8,452	11	8,463
Disposals	4,256	0	4,256
As at 30 June 2010	**28,263**	**1,166**	**29,429**
Carrying amounts			
As at 1 July 2008	15,383	15	15,398
As at 30 June 2009	19,402	7	19,409
As at 30 June 2010	**20,304**	**54**	**20,358**

(2) Property, plant and equipment

EUR thousands	30 June 2010	30 June 2009
Land, land rights and buildings including buildings on third-party land	162,077	168,871
Other equipment, operating and office equipment	12,108	13,756
	174,185	**182,627**

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

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

EUR thousands	30 June 2010	30 June 2009
Buildings	2,594	2,797
Operating and office equipment	2,892	3,265
	5,486	**6,062**

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

Changes in property, plant and equipment were as follows:

EUR thousand	Land, land rights and buildings on third-party land	Other equipment, operating and office equipment	Total
Cost			
Aa at 1 July 2008	206,913	27,989	234,902
Additions	891	770	1,661
As at 30 June 2009	207,804	28,759	236,563
Additions	84	181	265
Disposals	8	452	460
As at 30 June 2010	**207,880**	**28,488**	**236,368**
Depreciation			
As at 1 July 2008	32,083	13,100	45,183
Additions	6,850	1,903	8,753
As at 30 June 2009	38,933	15,003	53,936
Additions	6,870	1,826	8,696
Disposals	0	449	449
As at 30 June 2010	**45,803**	**16,380**	**62,183**
Carrying amounts			
Aa at 1 July 2008	174,830	14,889	189,719
As at 30 June 2009	168,871	13,756	182,627
As at 30 June 2010	**162,077**	**12,108**	**174,185**

(3) Investments accounted for using the equity method

EUR thousand	30 June 2010	30 June 2009
At the beginning of the year	264	184
Share of profits	75	80
At the end of the year	**339**	**264**

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

EUR thousand	30 June 2010	30 June 2009
Share of assets	397	329
Share of liabilities	118	109
Share of revenue	1,156	1,112
Share of profit for the year	75	80

(4) Financial assets

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

Please refer to Note 22 "Fair values" for information on the fair values of financial assets.

(5) Trade and other receivables

Non-current

EUR thousand	30 June 2010	30 June 2009
Trade receivables	**50**	**1.404**

Non-current trade receivables are discounted using the effective interest method and measured at amortised cost. For information on the fair value of these items please refer to Note 22.

Current

EUR thousand	30 June 2010	30 June 2009
Trade receivables	3,523	7,481
less: allowances	-581	-951
Trade receivables - net	2,942	6,530
Other receivables	1,346	1,268
Receivables from related parties	782	1,275
	5,070	**9,073**

Trade receivables and other assets do not bear interest and mostly have a maturity of up to 3 months. For information on the fair value of these items please refer to Note 22.

Changes in the allowance account were as follows:

EUR thousand	30 June 2010	30 June 2009
As at 1 July	951	1,200
Transfers recognised in profit or loss	223	349
Use	-567	-292
Reversal	-26	-306
As at 30 June	**581**	**951**

(6) Inventories

EUR thousand	30 June 2010	30 June 2009
Inventories	1,822	2,222
- impairment losses	-34	-80
Prepaymants	0	127
Inventories - net	**1,788**	**2,269**

During the current and previous business year, no impairment write-downs to net realisable value were recognised in cost of materials. The carrying amount of inventories carried at fair value less costs to sell was EUR 1 thousand.

(7) Cash and cash equivalents

EUR thousand	30 June 2010	30 June 2009
Balances with banks and cash-in-hand	**1,097**	**654**

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

Of the cash and cash equivalents reported at the end of the reporting period, EUR 0 thousand (previous year: EUR 0 thousand) were subject to restrictions on the right of disposal.

(8) Equity

Changes in equity and non-controlling interests are presented in the consolidated statement of changes in equity.

Subscribed capital

The subscribed capital of Borussia Dortmund GmbH & Co. KGaA is divided into no-par value shares with a notional share in the share capital of EUR 1.00 per share. 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
As at 1 July 2007	61,425,000	-23,635	61,401,365
Change in treasury shares		345	
30 June 2008	**61,425,000**	**-23,290**	**61,401,710**
Change in treasury shares		459	
30 June 2009	**61,425,000**	**-22,831**	**61,402,169**
Change in treasury shares		304	
30 June 2010	**61,425,000**	**-22,527**	**61,402,473**

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 11,473 no-par value shares off-market in the form of printed physical share certificates. At the end of the reporting period, the Company held 22,527 no-par value shares, representing 0.037% of the share capital.

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

Reserves

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

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

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 thousand	30 June 2010	30 June 2009
Equity attributable to BVB shareholders	61,742	67,933
Share of total capital	28.7%	29.6%
Non-current financial liabilities	58,554	59,009
Current financial liabilities	15,832	11,750
Total financial liabilities	74,386	70,759
Share of total capital	34.6%	30.9%

(9) Financial liabilities

EUR thousand	30 June 2010	30 June 2009
Non-current		
Bank loans	55,089	55,037
Other loans	3,465	3,972
	58,554	**59,009**
Current		
Bank overdrafts	10,026	6,098
Bank loans	5,300	5,191
Other loans	506	461
	15,832	11,750
	74,386	**70,759**

The conditions for a fixed-interest loan for a nominal amount of EUR 20,000 thousand with a term until June 2013 include covenants relating to the consolidated equity ratio and the interest coverage ratio (EBITDA/interest expense) in the consolidated financial statements.

In addition, covenants are in place in relation to an overdraft facility for EUR 5,000 thousand. These covenants include the equity ratio, net debt/EBITDA and the interest coverage ratio.

The covenants are reviewed on an annual basis. As at the end of the reporting period, all covenants were complied with.

The other current and non-current liabilities to banks consist of a number of loans repayable in instalments. The loans have maturity dates between 2020 and 2026; fixed-interest periods apply until 2016. Non-current financial liabilities carry a weighted interest rate of 6.6% (previous year: 6.3%) and current financial liabilities carry a weighted interest rate of 7.7% (previous year: 7.5%).

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

Pledged collateral:
Items of property, plant and equipment with a residual carrying amount of EUR 140,013 thousand (30 June 2009: EUR 146,236 thousand) have been mortgaged as collateral for financial liabilities.

As in the previous year, future claims, not reflected in the financial statements, from season ticket sales (excluding the hospitality area), transfer income and insurance receivables, were assigned.

(10) Liabilities from finance leases

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

EUR thousand	30 June 2010	30 June 2009
Less than 1 year	759	755
Between 1 and 5 years	3,119	3,097
Over 5 years	7,077	7,858
	10,955	11,710
Future finance charges from finance leases	-4,051	-4,545
Present value of liabilities from finance leases	**6,904**	**7,165**

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

EUR thousand	30 June 2010	30 June 2009
Less than 1 year	286	263
Between 1 and 5 years	1,442	1,331
Over 5 years	5,176	5,571
	6,904	**7,165**

(11) Other liabilities

EUR thousand	30 June 2010	30 June 2009
Non-current		
Outstanding salaries	500	2,400
	500	2,400
Current		
Other taxes	4,853	3,510
Outstanding salaries	1,900	2,910
Social security	1	11
Holiday entitlements	150	203
Other	3,728	4,452
	10,632	11,086
Other liabilities, total	**11,132**	**13,486**

(12) Prepaid expenses and deferred income

Prepaid expenses

EUR thousand	30 June 2010	30 June 2009
Non-current		
Advance payments relating to the professional squad	2,375	3,967
	2,375	3,967
Current		
Advance payments relating to the professional squad	1,948	1,993
Insurance premiums	145	141
Other advance payments	539	580
	2,632	**2,714**

Deferred income

EUR thousand	30 June 2010	30 June 2009
Non-current		
Advance payments for agency and marketing rights	36,000	40,000
Other advance payments	79	0
	36,079	40,000
Current		
Advance payments for agency and marketing rights	4,000	4,000
Advance payments received from season ticket sales	10,469	10,172
Advance payments received from sponsors	518	413
Other advance payments	81	189
	15,068	**14,774**

Pursuant to an agency licensing agreement dated 18 June 2008, responsibility for the marketing of BVB was transferred to SPORTFIVE GmbH & Co. KG, Hamburg. The 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

(13) Revenue

EUR thousand	2009/2010	2008/2009
Ticketing	23,399	22,176
Sponsorship	38,863	39,205
TV marketing	21,091	22,428
Transfer income	4,932	11,252
Merchandising, catering, licences	19,733	17,542
Other	2,124	2,127
	110,142	**114,730**

(14) Staff costs

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 thousand	2009/2010	2008/2009
Wages and salaries	45,114	47,470
Social security contributions	2,847	2,543
	47,961	50,013
Average number of employees	**2009/2010**	**2008/2009**
Total	**331**	**317**
of which in the athletics department	129	126
of which trainees	2	1
Other	200	190

During the business year, EUR 645 thousand was paid into the German statutory retirement pension system (*gesetzliche Rentenversicherung*).

(15) Depreciation and amortisation

EUR thousand	2009/2010	2008/2009
Amortisation of intangible assets	8,463	8,646
Depreciation of property, plant and equipment	8,696	8,751
	17,159	**17,397**

(16) Other operating expenses

EUR thousand	2009/2010	2008/2009
Match operations	16,668	16,423
Advertising	10,525	10,913
Transfers	2,624	7,228
Media and printing, postage	1,989	1,921
Leasing	2,562	2,428
Administration	6,427	5,498
Other	2,128	1,898
Other taxes	4	101
	42,927	**46,410**

(17) Net finance costs

EUR thousand	2009/2010	2008/2009
Income from investments in associates (see Note (3))	75	80
Finance income		
Interest income from balances with banks	8	13
Other interest income	33	116
	41	129
Finance costs		
Loan, overdraft facility and other interest	-5,290	-5,320
Expenses from finance leases	-495	-508
	-5,785	-5,828
	-5,669	**-5,619**

(18) Income taxes and deferred taxes

Income tax liabilities developed as follows:

EUR thousand	2009/2010	2008/2009
Income tax liabilities		
Non-current	1,825	2,205
Current	1,132	2,054
	2,957	**4,259**

Non-current income tax liabilities relate to the trade tax extension resulting from the sale of limited partners' shares in WFS KG to Molsiris in 2002. These liabilities are paid in equal annual instalments plus interest for delayed payments; the portion of the amount due for payment in the 2010/2011 business year is reported accordingly under current liabilities.

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

EUR thousand	30 June 2010 Assets	30 June 2009 Assets
Recognition and measurement of non-current assets	468	401
Trade receivables and other assets	0	0
Current financial liabilities	0	0
Tax loss carry-forwards	6,165	6,160
	6,633	**6,561**

The changes in deferred taxes were as follows:

EUR thousand	30 June 2010	30 June 2009
At the beginning of the year		
+ deferred tax assets	6,561	6,495
- deferred tax liabilities	0	0
Net amount of deferred taxes at the beginning of the year	6,561	6,495
Deferred taxes recognised in profit or loss	0	0
Tax benefit recognised in the consolidated statement of comprehensive income	72	66
Net amount of deferred taxes at the end of the reporting period	**6,633**	**6,561**

The income tax benefit was made up as follows:

EUR thousand	2009/2010	2008/2009
Income taxes for the current period	-44	15
Deferred taxes	72	66
	28	**81**

At the end of the reporting period, the BVB Group had corporation tax loss carry-forwards amounting to EUR 156,995 thousand (previous year: EUR 150,722 thousand) and trade tax loss carry-forwards amounting to EUR 157,719 thousand (previous year: EUR 151,664 thousand) for which no deferred tax assets have been recognised. The likelihood that these carry-forwards will be used is assessed on the basis of a four-year plan factoring in this year's qualification for the UEFA Europa League and the resulting increase in revenue, as well as consistent athletic successes over the planning period.

The average tax rate changed as a result of the increase in the trade tax rate of assessment from 31.6% in the previous year to 32.2% in the business year just ended. Further tax rate increases were not adopted as at the end of the reporting period, and were thus not considered.

The expected income tax expense which would theoretically result from applying the weighted average tax rate of 32.2% (previous year: 31.6%) can be reconciled with the actual income tax benefit reported in the consolidated statement of comprehensive income as follows:

EUR thousand	**2009/2010**	**2008/2009**
Consolidated loss before taxes	-6,177	-6,003
Theoretical tax rate in %	*32.2%*	*31.6%*
Expected income tax benefit	1,990	1,896
Effects of changes in tax rates	-154	0
Effects from tax additions and subtractions	-475	-408
Effect from supplementary tax balance sheets	-55	-57
Losses for the business year for which no deferred taxes were recognised	-1,273	-1,316
Change in usability of tax loss carry-forwards	-5	-9
Tax effects from the application of the equity method	0	-25
Tax benefit recognised in the consolidated statement of comprehensive income	**28**	**81**
Actual tax rate in %	*0.4%*	*1.3%*

(19) Consolidated statement of cash flows

Cash and cash equivalents reported in the statement of financial position are reconciled to cash funds in the consolidated statement of cash flows as follows:

EUR thousand	**30 June 2010**	**30 June 2009**
Cash and cash equivalents	1,097	654
Bank overdrafts	-10,025	-6,098
Cash funds	**-8,928**	**-5,444**

Overdraft liabilities at the end of the reporting period amounted to EUR 10,025 thousand (previous year: EUR 6,098 thousand) and are included in cash funds since the overdraft facility is an integral component of daily cash management.

FINANCIAL RISKS

(20) 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:

EUR thousand	2009/2010	2008/2009
Loans and receivables	5,754	10,893
Cash and cash equivalents	1,097	654

The maturities of trade receivables as at the end of the reporting period were as follows:

Analysis of past-due trade receivables

EUR thousand	2010	2009
Not yet due	2,264	7,723
Less than 30 days past due	481	135
Between 30 and 89 days past due	203	30
Over 90 days past due	44	46
	2,992	**7,934**

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

Carrying amounts of the original interest-bearing financial instruments	2010		2009	
EUR thousand	Fixed interest	Variable interest	Fixed interest	Variable interest
Loans and receivables	634	0	416	0
Financial liabilities and finance leases	71,265	10,025	71,826	6,098

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 thousand	2009/2010	2008/2009
Loans and receivables	-156	172
of which interest income	41	129
of which other operating income/expense	-197	43
Financial liabilities carried at amortised cost	-5,653	-5,524
of which interest expenses	-5,653	-5,524

(21) 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 in 2010 EUR thousand	Financial liabilities	Liabilities from finance leases	Trade payables
2010/2011	19,475	759	6,460
2011/2012	14,070	777	150
2012/2013	17,882	781	0
2013/2014	5,314	781	0
2014/2015	5,157	781	0
2015 and later	32,694	7,077	0
	94,592	**10,956**	**6,610**

Maturities of contractual cash flows from financial liabilities in 2009 EUR thousand	Financial liabilities	Liabilities from finance leases	Trade payables
2009/2010	15,473	755	10,374
2010/2011	9,231	759	150
2011/2012	9,076	777	150
2012/2013	18,112	781	0
2013/2014	5,546	781	0
2014 and later	38,069	7,858	0
	95,507	**11,711**	**10,674**

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

Financial instruments under IFRS are classified in line with the format of the statement of financial position. The table below 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.

EUR thousand	Carrying amount 30 June 2010	Carrying amount 30 June 2009	Fair value 30 June 2010	Fair value 30 June 2009
Non-current financial assets				
Loans and receivables	634	416	634	416
Non-current trade and other receivables				
Loans and receivables	50	1,404	50	1,404
Current trade and other receivables				
Loans and receivables	5,070	9,073	5,070	9,073
Cash and cash equivalents				
Loans and receivables	1,097	654	1,097	654
	6,851	**11,547**	**6,851**	**11,547**

EUR thousand	Carrying amount 30 June 2010	Carrying amount 30 June 2009	Fair value 30 June 2010	Fair value 30 June 2009
Non-current financial liabilities				
Other financial liabilities	58,554	59,009	60,333	58,804
Non-current liabilities under finance leases				
Financing liabilities	6,618	6,902	7,517	7,143
Non-current trade liabilities				
Other financial liabilities	150	300	150	300
Current financial liabilities				
Other financial liabilities	15,832	11,750	15,832	11,750
Current liabilities under finance leases				
Financing liabilities	286	263	286	263
Current trade liabilities				
Other financial liabilities	6,460	10,374	6,460	10,374
	87,900	**88,598**	**90,578**	**88,634**

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 cashflow 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.

(23) Auditors' fees

EUR thousand	2009/2010	2008/2009
Audit of the financial statements	148	177
Other audit-related work	57	0
Tax advice	0	82
Other services	0	198

The audit fees reported for the previous year relate to fees paid to the previous auditor.

(24) Other financial obligations

30 June 2010 (EUR thousand)	Total	Due after Up to 1 year	1-5 years	more than 5 years
Rental and lease payments (operating lease)	11,085	1,517	6,013	3,555
Marketing fees	113,743	10,688	45,420	57,635
Other obligations	2,075	131	208	1,736
	126,903	**12,336**	**51,641**	**62,926**
Purchase commitment for intangible assets	4,945	3,520	1,425	0

30 June 2009 (EUR thousand)	Total	Due after Up to 1 year	1-5 years	more than 5 years
Rental and lease payments (operating lease)	11,142	1,558	5,360	4,224
Marketing fees	136,259	10,304	50,029	75,926
Other obligations	2,229	227	259	1,743
	149,630	**12,089**	**55,648**	**81,893**

The minimum lease payments from operating leases relate mostly to lease agreements for offices, the land at the Dortmund-Brackel training ground and various motor vehicles. The Company has an option to purchase the land at Dortmund-Brackel and the offices on the expiry of the lease agreements in 2017 and 2022 respectively (see Note 2).

(25) 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.

(26) Transactions with related parties

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

Please refer to Notes 27 and 28 for further disclosures on the Supervisory Board of Borussia Dortmund GmbH & Co. KGaA and the management of BVB Geschäftsführungs-GmbH.

Transactions with related parties:

EUR thousand	2009/2010	2008/2009
Transactions with BVB 09 e.V.		
Rental income	104	33
Income from other services	157	171
Income from ticket sales	60	0
Interest income	28	40
Expense from costs recharged	-275	-442
Transactions with Borussia Dortmund Geschäftsführungs-GmbH		
Expense from costs recharged	-1,023	-1,023
Transactions with Orthomed GmbH		
Expense from other services	-180	-180

EUR thousand	30 June 2010	30 June 2009
Other current and non-current assets		
Intercompany account with BVB 09 e.V.	782	1,275
Orthomed GmbH	0	0
Other current liabilities		
Intercompany account with Borussia Dortmund Geschäftsführungs-GmbH	165	766

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 and sponsorship) amounting to EUR 223 thousand. These transactions were conducted at arm's length.

(27) Management

Compensation benefits paid to management:

EUR thousand	2009/2010	2008/2009
Dipl.-Kfm. Hans-Joachim Watzke (Chairman)		
Fixed components		
Fixed remuneration	600	600
Other remuneration	16	16
Dipl.-Kfm. Thomas Treß		
Fixed components		
Fixed remuneration	400	400
Other remuneration	44	40
	1,060	**1,056**

(28) Supervisory Board

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

Dipl.-Kfm. Gerd Pieper	Harald Heinze	Othmar Freiherr von Diemar	Bernd Geske	Ruedi Baer	Christian Kullmann
Chairman	Deputy Chairman				
Occupations					
Proprietor and managing director of Stadtparfümerie Pieper GmbH, Herne	Chairman of the Management Board (Rtd.) of Dortmunder Stadtwerke AG (DSW 21)	Proprietor and manager of Othmar von Diemar Vermögensverwaltung + Beratung, Cologne	Managing partner of Bernd Geske Lean Communication, Meerbusch	Consultant, B + B Beratungs AG	Head of the management board office and group communications of EVONIK Industries Aktiengesellschaft, Essen
Other responsibilities					
Member of the Supervisory Board of Beauty Alliance Deutschland GmbH & Co. KG, Bielefeld Member of the Supervisory Board of Herner Sparkasse, Herne (until 31 Oct. 2009) Member of the Advisory Board of Borussia Dortmund Geschäftsführungs-GmbH Member of the Advisory Board of NRW Bank, Düsseldorf	Member of the Supervisory Board of WV Energie AG, Frankfurt am Main (until 4 Aug. 2009) Member of the Supervisory Board of M-Exchange AG, Frankfurt am Main	Chairman of the Supervisory Board of Informium AG, Cologne Member of the Supervisory Board of 004 Beratungs- und Dienstleistungs-GmbH, Aschaffenburg Member of the Advisory Board of GIG Holding GmbH, Munich (starting 1 Jan. 2010)		Chairman of the Board of Directors of eyezone AG, Watt (Switzerland) Member of the Board of Directors of Swisshome Real Estate AG, Lyss (Switzerland) Chairman of the Board of Directors of Destination Travel AG, Liebefeld (Switzerland) Chairman of the Board of Directors of B + B Beratungs AG, Watt (Switzerland) Chairman of the Board of Directors of Bablo Immobilien AG, Niederscherli (Switzerland) Member of the Board of Directors of Immoplaza AG, Regensdorf (Switzerland) Chairman of the Board of Directors of AP Fashion AG, Watt (Switzerland)	

(29) Events after the end of the reporting period

Borussia Dortmund was pleased to announce two notable new partnerships in August. At the beginning of the 2010/2011 *Bundesliga* season, MAN, a Munich-based commercial vehicle and engine manufacturer, entered into a partnership with BVB for the next several years. Borussia Dortmund is starting out the season with an exclusive new team bus from MAN.

The car manufacturer SEAT became a Borussia Dortmund Champion Partner, enlisting head coach Jürgen Klopp to be the company's German brand ambassador and planning long-term partnerships aimed at promoting young football talent. The partnership involves a comprehensive promotional package at Borussia Dortmund's home matches.

Carsten Cramer, former vice-president of marketing and sales at the Hamburg-based international sports rights marketing company Sportfive, will join Borussia Dortmund as a Director and commercial attorney-in-fact (*Prokura*) responsible for sales, marketing and business development. The 41-year-old is highly respected in the field of sports marketing and will be responsible for all of Borussia Dortmund's private and corporate customers.

The addition of four new players and some talented members of our own junior team strengthened the team for the new season. Goalkeeper Mitchell Langerak (21) from Australia will joined our team, as did Shinji Kagawa (21) from Japan, a midfielder with an eye for the goal, Polish national player and top scorer Robert Lewandowski (21) and Polish national player and all-rounder Lukasz Piszczek, who transferred from Hertha BSC Berlin to Borussia Dortmund.

The team, led by Jürgen Klopp, easily triumphed in the first round of the DFB Cup. Borussia Dortmund had no difficulty defeating the third division team Wacker Burghausen 3:0 at an away match in southern Bavaria with Lucas Barrios, Neven Subotic and Kevin Großkreutz scoring goals.

In the playoff matches to reach the group phase of the UEFA Europa League, Borussia Dortmund played against a team from Azerbaijan. The first-round home leg against FK Qarabag at SIGNAL IDUNA PARK in Dortmund ended with a score of 4:0. The return match took place one week later in the Azerbaijani capital city of Baku, near the Caspian Sea.

Borussia Dortmund will face off against strong opponents at the start of the 2010/2011 *Bundesliga* season. The first match will pit BVB against Bayer Leverkusen in a home game at SIGNAL IDUNA PARK, and then Borussia Dortmund will play against VfB Stuttgart in an away game. It will then play a home game against VfL Wolfsburg, followed by an away game in Gelsenkirchen against its rival, Schalke 04.

In accordance with § 21 (1) WpHG, Supervisory Board Member Bernd Geske informed the Company on 12 July 2010 that his voting interests in Borussia Dortmund GmbH & Co. KGaA had exceeded the 10% threshold on 9 July 2010 and amounted to 10.0007% (corresponding to 6,142,909 shares/voting rights) as at that date.

(30) 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 notifiable shareholdings:

Publication	Notifiable person	Registered office	Share of voting rights in %	Date on which shareholding exceeded/fell below notification threshold
Threshold exceeded				
12 July 2010	Bernd Geske		10.00	9 July 2010
Shareholding fell below threshold				
1 March 2010	The BlueBay Value Recovery (Master) Fund Limited	George Town, Cayman Islands	2.97	11 January 2010
4 May 2010	Morgan Stanley	Wilmington, Delaware USA	2.73	4 May 2010

(31) Corporate Governance

The management and Supervisory Board of Borussia Dortmund GmbH & Co. KGaA issued the statement of compliance with the German Corporate Governance Code required by § 161 of the German Stock Corporation Act (*Aktiengesetz*) on 17 February 2010 and made it permanently available to shareholders on the BVB website at www.borussia-aktie.de.

Dortmund, 20 August 2010
Borussia Dortmund GmbH & Co. KGaA
Borussia Dortmund Geschäftsführungs-GmbH

Hans-Joachim Watzke
Managing Director (Chairman)

Thomas Treß
Managing Director

Responsibility Statement of the Management

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

Dortmund, 20 August 2010
Borussia Dortmund GmbH & Co. KGaA
Borussia Dortmund Geschäftsführungs-GmbH

Hans-Joachim Watzke
Managing Director (Chairman)

Thomas Treß
Managing Director

AUDITORS' REPORT

We have audited the consolidated financial statements prepared by **Borussia Dortmund GmbH & Co. Kommanditgesellschaft auf Aktien, Dortmund** – consisting of the statement of financial position, statement of comprehensive income, statement of cash flows, statement of changes in equity and notes – as well as the Group management report for the business year from 1 July 2009 to 30 June 2010. The preparation of the consolidated financial statements and Group management report in accordance with IFRS as adopted in the EU and the additional requirements of commercial law to be applied under § 315a (1) of the German Commercial Code (*Handelsgesetzbuch*, "HGB") as well as the supplementary provisions in the Articles of Association is the responsibility of the Company's management. Our responsibility is to express an opinion on the consolidated financial statements and the Group management report, based on our audit.

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

Our audit has not led to any reservations.

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

Dortmund, 20 August 2010

KPMG AG
Wirtschaftsprüfungsgesellschaft

Fischer
Auditor
(Wirtschaftsprüfer)

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