

REPORT OF THE SUPERVISORY BOARD

Borussia Dortmund GmbH & Co. KGaA can look back at a fiscal year 2011/2012 which has been a full success both concerning the sporting and the economic achievements. It was a year to “remember” with our first “double” victory in the club’s 103-year history by once again taking the German championship and the victory in the DFB Cup in one and the same season. After 34 match days, Borussia Dortmund earned 81 points in the final ranking of the first national league, with no defeat during 28 matches – these are unique figures in the history of the first national league of Germany. The highest turnover revenues were recorded for the entire fiscal year 2011/2012. An especially pleasing aspect of this situation is, according to the supervisory board, the fact that the good results of the company will enable it for the first time to allow the supervisory board and the general partner to propose the limited partners the distribution of a dividend in the coming general meeting of November 2012.

Supervisory Board Activity, Meetings

In the fiscal year of 2011/2012, 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 2011/2012 fiscal year (on 14 September 2011, 21 November 2011, 26 March 2011, and 25 May 2012). 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. All resolutions were adopted pursuant to law and the Articles of Association.

The supervisory board stayed up to date in a timely and comprehensive manner in the sense of §90 of the German Stock Corporation 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 kept informed between its meetings by means of written documents. The financial reports during the fiscal year (i.e. six month 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 discussion included strategic issues and issues of planning, business development, risk situation, risk management, and compliance. 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 was 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 organization, and its operating efficiency to be adequate. The reports and consulting also included questions about the development in sport.

Furthermore, the supervisory board concerned itself with the financial accounting for the 2010/2011 fiscal year, as well as the preparation of the general 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 2011/2012

The Annual Report for Borussia Dortmund GmbH & Co. KGaA and the Consolidated Report on 30 June 2012 as well as the Management Report for the company and Group Management Report (which include respectively the explained report on the information pursuant to § 289 Par. 4 and § 315 Par. 4 of the German Commercial Code [HGB]) prepared and presented in a timely manner by the management were audited by KPMG AG Wirtschaftsprüfungsgesellschaft of 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 Par. 2 AktG in an appropriate manner and that the monitoring system is suitable for recognizing 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 10 September 2012. In doing so, the auditor reported on the significant results of its audits, also those with regard to 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 10 September 2012, the supervisory board approved both the Annual Report of Borussia Dortmund GmbH & Co. KGaA from 30 June 2012 and also the Consolidated Report from 30 June 2012.

Furthermore, the report pursuant to § 312 AktG prepared by the general partner about the relationships with affiliated companies (Dependency Report) for the 2011/2012 fiscal 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 benefits offered by the company were not unreasonably high for the legal transactions listed in the report.”

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 general meeting that the Annual Report from 30 June 2012 be adopted. In its meeting on 10 September 2012 the supervisory board furthermore discussed and examined the proposal on the use of profits of the general partner, considering the best interest of the limited partners and the situation of the company; as a result, the supervisory board agreed to the management's suggestion that the general meeting decide to use the balance sheet profit of the fiscal year 2011/2012 in the amount of EUR 34,284,211.70 to distribute a dividend of EUR 0.06 for each individual share qualifying for a dividend the right (totaling EUR 3,684,286.26) and allocate the remaining amount of EUR 30,599,925.44 to other retained income.

Furthermore, the supervisory board suggests that the actions of the general partner, Borussia Dortmund Geschäftsführungs-GmbH, be formally approved for the 2011/2012 fiscal year.

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 amended version from 15 May 2012. The complete declaration can be accessed over the long term in the internet at www.bvb.de/aktie, category "Corporate Governance". There are additional descriptions and explanations about this pursuant to section 3.10 of the Code in the context of the Declaration on the Company Management.

Particulars

The executive committee of the advisory board of Borussia Dortmund Geschäftsführungs-GmbH came to an agreement ahead of time in February 2012 with the chairman of the board of directors, Hans-Joachim Watzke about the extension of his director employment contract expiring on 30 June 2014 to 31 December 2016.

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, shareholders, and fans are also thanked heartily for their trust.

Dortmund, 10. September 2012

The Supervisory Board



Gerd Pieper
Chairman