

BORUSSIA DORTMUND

BORUSSIA DORTMUND

**QUARTERLY FINANCIAL REPORT**  
Q3 2016/2017



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*Interim Group Management Report for the period from 01 January to 31 March 2017  
of Borussia Dortmund GmbH & Co. Kommanditgesellschaft auf Aktien, Dortmund  
(in the following: "Borussia Dortmund" or "Group")*

## **BUSINESS DEVELOPMENT**

### **LOOKING BACK ON THE THIRD QUARTER OF FINANCIAL YEAR 2016/2017**

#### **ATHLETIC PERFORMANCE**

##### **BUNDESLIGA**

Twenty-five match days into the Bundesliga season, Borussia Dortmund sits with 46 points in a top group in the German Bundesliga.

##### **UEFA CHAMPIONS LEAGUE**

Borussia Dortmund erased a 1:0 loss in the first leg of its round of 16 tie against Benfica Lisbon in the UEFA Champions League by emphatically winning the second leg at home with 4:0. The team will face AS Monaco in the quarter-finals on 11 and 18 April 2017.

##### **DFB CUP**

The team advanced to the semi-finals of the DFB Cup. After beating Hertha BSC Berlin 4:3 on penalties in the round of 16, Borussia Dortmund chalked up a 0:3 victory against third-division club Sportfreunde Lotte in the quarter-finals. The team will face FC Bayern Munich in the semi-finals on 26 April 2017.

## FINANCIAL PERFORMANCE

### Financial indicators

#### Borussia Dortmund KGaA (HGB)

EUR '000	Q1-Q3 2016/2017 31/03/2017	Q1-Q3 2015/2016 30/06/2016
Equity	341,887	347,487
Capital expenditure	101,925	42,803
Gross revenue	247,437	201,378
Operating result (EBITDA)	40,658	16,894
Result from operating activities (EBIT)	-5,873	-20,908
Financial result (investment income and net interest expense)	5,874	6,520
Net loss/profit for the year	-82	-14,577
Cash flows from operating activities	-25,913	119
Number of shares (in thousands)	92,000	92,000
Earnings per share (in EUR)	0.00	-0.16

#### Borussia Dortmund Group (IFRS)

EUR '000	Q1-Q3 2016/2017 31/03/2017	Q1-Q3 2015/2016 30/06/2016
Equity	305,448	309,542
Capital expenditure	102,118	43,815
Gross revenue	287,430	242,941
Operating result (EBITDA)	50,600	27,672
Result from operating activities (EBIT)	2,250	-12,015
Financial result (investment income and net interest expense)	-1,014	-1,126
Consolidated net profit/loss for the year	1,377	-13,413
Cash flows from operating activities	-22,867	4,963
Number of shares (in thousands)	92,000	92,000
Earnings per share (in EUR)	0.01	-0.15

## PERFORMANCE INDICATORS

Various financial and non-financial indicators are used to measure performance. Borussia Dortmund uses these internally-defined performance indicators to guide its entrepreneurial actions and to select the focus of its internal reporting.

## **Financial performance indicators**

Of the numerous financial indicators that are always presented at the beginning of its financial reports, Borussia Dortmund focuses on those specific indicators that in the past few years were primarily used to steer the Company.

First and foremost is revenue. Management uses this indicator to internally manage the Company, knowing full well that – due particularly to one-time transfer effects – this indicator alone is not sufficiently meaningful. Nevertheless, it provides a clear indication of the Company's economic strength, especially when compared against that of competitors or when monitoring the Company's long-term revenue trend.

The result from operating activities (EBIT) and net income or loss for the year are also used to manage the Company. These financial performance indicators play a key role in preparing the budget for the coming financial year(s), in interim controlling with respect to the earnings performance and when looking back on a particular financial year.

Management introduced the operating result (EBITDA) as a key performance indicator in financial year 2015/2016. This change was made in light of the rise in investment activities and the associated increase in depreciation, amortisation and write-downs. Therefore, EBITDA (EBIT adjusted for depreciation, amortisation and write-downs) was selected to benchmark the Company's annual performance.

These indicators are rounded out by cash flows from operating activities, another component used for the Company's internal planning that forms the basis of the Company's strategic alignment. This allows the Company to identify future negative developments and leverage investment potential stemming from current budget surpluses at an early stage.

## **Non-financial performance indicators**

Borussia Dortmund has decided that its only non-financial performance indicator will be the reach of its brand.

While it is impossible to measure the reach of Borussia Dortmund's brand, it is determined by a number of criteria that, when taken together, are representative of the brand's reach.

Some of these criteria are measurable, while others are not. Nevertheless, they are a reflection of the company's appeal.

The number of criteria varies and they are thus exchangeable. While any one factor may be of relevance during a given season, this may not necessarily be the case in subsequent years. New media in particular constantly provides new value drivers: for instance, the number of Facebook fans or page impressions represent relatively new indicators.

Measurable criteria include, for example, the number of season tickets sold, attendance figures and television broadcast hours.

Awards, surveys and studies represent possible criteria that cannot be measured quantitatively. Another "soft" criterion is the deliberate selection of sponsors whose products and brand images are aligned with the Borussia Dortmund brand.

Borussia Dortmund's decision-makers receive reports about all criteria on a regular basis. Furthermore, taken as a whole, these are an indicator of the success of the Company's strategic alignment.

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## **DEVELOPMENT OF THE MARKET AND COMPETITIVE ENVIRONMENT**

in the third quarter of financial year 2016/2017

### **SPONSORSHIPS**

Borussia Dortmund is banking on proven success and is renewing its partnership with MAN SE, which dates back to 2010. The long-established German manufacturer of commercial vehicles will continue to be the club's official bus sponsor until at least 2019.

### **BIG NAMES IN DORTMUND**

Borussia Dortmund strengthened its roster for the 2017/2018 season by signing Ömer Toprak and Mahmoud Dahoud.

Toprak will join Borussia Dortmund from Bayer 04 Leverkusen on a contract that runs until 30 June 2021. Dahoud, who currently plays for VfL Borussia Mönchengladbach, signed a contract until 30 June 2022.

Swedish striker Alexander Isak also joined the club. The 17-year-old most recently plied his trade with AIK Fotboll in Stockholm and has already made his debut for Sweden's senior national team. He signed a contract until 30 June 2019.

Borussia Dortmund extended the contracts of midfielders Christian Pulisic and Gonzalo Castro until 30 June 2020 and Jacob Bruun Larsen until 30 June 2021.

Defender Neven Subotić is spending the second half of the season on loan to 1. FC Cologne, while striker Adrian Ramos has been loaned to first-division Spanish side Granada CF until the end of the season. Ramos will then join Chongqing Dangdai Lifan FC in the Chinese Super League.

At the HORIZONT Awards ceremony in Frankfurt am Main, Managing Director Hans-Joachim Watzke dedicated his "Business Personality of the Year" award to everyone at Borussia Dortmund. Watzke's business achievements had previously been honoured at the 2011 HORIZONT Sport Business Awards.

## **MISCELLANEOUS**

The home match against VfL Wolfsburg on 18 February 2017 was played to an empty south terrace. Following the incidents at the home fixture against RB Leipzig on 4 February 2017, the DFB sports court imposed a partial stadium ban encompassing the entire south terrace and fined Borussia Dortmund EUR 100 thousand. The club reimbursed the tickets of those spectators shown not to have been responsible for the incidents surrounding the Leipzig match.

In January, the fans of Borussia Dortmund and Liverpool FC were honoured with the inaugural 2017 FIFA Fan Award for their show of solidarity at the Europa League quarter-final match at Anfield in the previous year. The supporters of both clubs joined together in a stirring rendition of "You'll never walk alone" in remembrance of the 96 victims of the 1989 Hillsborough tragedy. Furthermore, the UEFA Director of Competitions praised Borussia Dortmund after the team visited a Jewish memorial in Israel together with its opponents in the play-offs of the UEFA Youth League, Maccabi Haifa.

Working together with its ticketing partner Eventim, Borussia Dortmund launched its official Secondary Ticket Market Platform, giving fans a secure and transparent online tool for reselling their season and match day tickets. The Secondary Ticket Market Platform went live for the first time on 6 March 2017 for the Bundesliga match against FC Ingolstadt.

## GROUP STRUCTURE AND BUSINESS OPERATIONS

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

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

The list of shareholdings as at 31 March 2017 was as follows:

### Shareholding

	Registered office	Share capital EUR '000	Shareholding %	Equity (EUR '000) as at 31/03/2017	Net profit/loss (EUR '000) 01/07/2016 to 31/03/2017
<b>Fully consolidated companies:</b>					
BVB Stadionmanagement GmbH*	Dortmund	52	100.00	66	98
besttravel Dortmund GmbH*	Dortmund	50	100.00	806	662
BVB Merchandising GmbH*	Dortmund	75	100.00	10,881	3,684
Sports & Bytes GmbH*	Dortmund	200	100.00	2,510	69
BVB Event & Catering GmbH*	Dortmund	25	100.00	25	1,458
BVB Asia Pacific Pte. Ltd.	Singapore	66	100.00	97	15
<b>Investments accounted for using the equity method</b>					
Orthomed Medizinisches Leistungs- und Rehabilitationszentrum GmbH**	Dortmund	52	33.33	726	25

\* Profit and loss transfer agreements are in force. Profit/loss of the Company prior to transfer to/absorption by the consolidated tax group parent.

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

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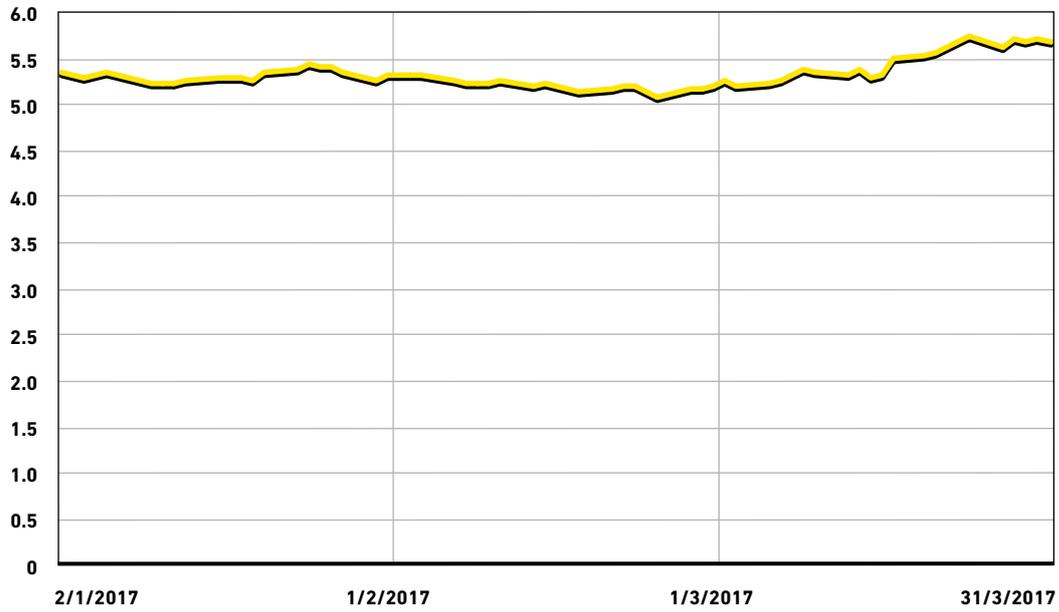
## **THE SHARES of Borussia Dortmund GmbH & Co. KGaA**

### **SHARE PRICE PERFORMANCE IN THE THIRD QUARTER OF FINANCIAL YEAR 2016/2017**

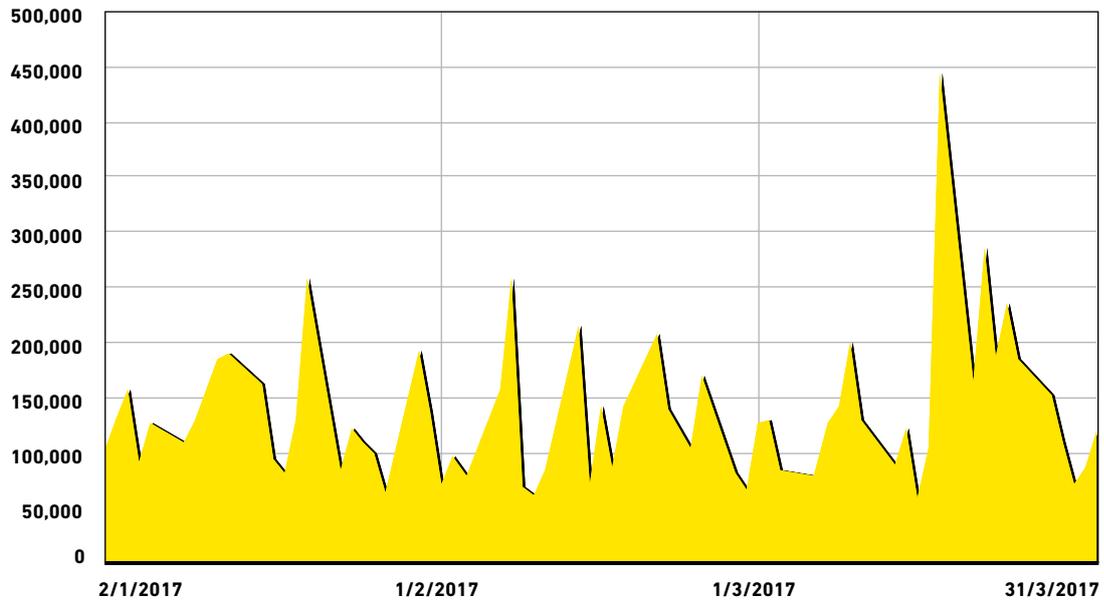
During the reporting period for the third quarter of the 2016/2017 financial year (1 January to 31 March 2017), the performance of BVB shares was influenced primarily by business and positive sport-related announcements by the Company (unless indicated otherwise, the following data is based on the closing price of shares in XETRA trading in Borussia Dortmund shares; where necessary, figures have been rounded up to the nearest hundredth).

The shares of Borussia Dortmund kicked off the new 2017 calendar year at EUR 5.36 on 2 January 2017. The shares trended sideways until the start of match day 17 on 21 January 2017. Prior to the start of the second half of the season, the shares traded at EUR 5.38 on 20 January 2017. On the following trading day, and on the heels of a win to successfully kick off the second half of the Bundesliga season, the shares were listed at EUR 5.40. Despite the club's athletic and financial successes, the share price dipped from time to time in February 2017. Shares traded at EUR 5.34 on 1 February 2017. Shares traded at EUR 5.29 on 6 February 2017, EUR 5.25 on 7 February 2017 and EUR 5.25 on 8 February 2017. Although the team beat Hertha BSC in the round of 16 of the DFB Cup that same evening, thereby advancing to the quarter-finals where it would face third-division club Sportfreunde Lotte, the share price remained unchanged at EUR 5.25 on the following day. The share price slipped again, falling to EUR 5.16 on 17 February 2017 following losses against Darmstadt 98 in the Bundesliga and against Benfica Lisbon in the UEFA Champions League. Shares in Borussia Dortmund then traded at EUR 5.18 on 20 February 2017. On this date the Company published the preliminary semi-annual figures (see ad-hoc disclosure from the same date), announcing that it had increased revenue by 27.4% year on year and generated net profit of EUR 15.6 million for the first half of the year (previous year: net loss of EUR 4.7 million). The market responded positively to the semi-annual figures. Shares traded at EUR 5.21 on the next trading day (21 February 2017). This trend was subsequently carried in March 2017 by additional positive sports-related announcements, in particular a short winning streak across all competitions that saw the team advance to the quarter-finals of the UEFA Champions League and the semi-finals of the DFB-Cup, and, among other things, the associated market expectations that the club's revenue and earnings would continue to improve. BVB shares traded at EUR 5.26 on 6 March 2017, EUR 5.40 on 9 March 2017, EUR 5.51 on 17 March 2017 and EUR 5.65 on 22 March 2017 before peaking during the reporting period at EUR 5.76 on 24 March 2017. The reporting period ended with shares in Borussia Dortmund GmbH & Co. KGaA trading at EUR 5.70 on 31 March 2017 (31 March 2016: EUR 4.02).

### Share price performance (in EUR)



### Revenue (Shares)



## **SHARE CAPITAL AND SHAREHOLDER STRUCTURE**

As at 31 March 2017, Borussia Dortmund GmbH & Co. KGaA's share capital amounted to EUR 92,000,000.00 and was divided into the same number of no-par value shares. Based on the voting rights notifications we have received, the shareholder structure of Borussia Dortmund GmbH & Co. KGaA was as follows as at 31 March 2017:

- Evonik Industries AG: 14.78%
- Bernd Geske: 8.90%
- Ballspielverein Borussia 09 e.V. Dortmund: 5.53%
- SIGNAL IDUNA: 5.43%
- PUMA SE: 5.0%
- Free float: 60.36%

## **SHAREHOLDINGS BY MEMBERS OF GOVERNING BODIES**

As at 31 March 2017, one member of management held 7,045 no-par value shares in the Company. As at the same date, the members of the Supervisory Board held a total of 8,192,009 no-par value shares. Members of management and the Supervisory Board hold a total of 8,199,054 no-par-value shares, which corresponds to more than 1% of the shares issued by Borussia Dortmund GmbH & Co. KGaA.

## **INVESTOR RELATIONS**

The objective of our Company's Investor Relations organisation is to obtain an appropriate valuation of the shares of Borussia Dortmund GmbH & Co. KGaA on the capital market. This is achieved by pursuing ongoing and open communication with all market participants. Investor Relations forms an ideal interface between institutional investors, financial analysts and private investors. The Company seeks to justify the confidence placed in it by investors and the public through immediate and transparent communication of its financial results, business transactions, strategy, and risks and opportunities. We are committed to communications principles such as openness, continuity, equal treatment and credibility, which make it possible to develop a long-term rapport based on trust with market participants and to ensure a true and fair view of the Company.

We therefore use online communication as our main form of communications, as this offers the best basis for providing all interested parties with equal access to up-to-date information. Because this information is highly pertinent, Borussia Dortmund maintains an investor relations webpage, "BVB Share" which is available online at [www.bvb.de/aktie](http://www.bvb.de/aktie) and <http://aktie.bvb.de/eng>. All annual and interim financial reports are available for download at this site. Mandatory disclosures and announcements under capital market law, such as ad hoc disclosures, corporate news, and manager

transactions (formerly directors' dealings) are published here in a timely manner. At the same time, our service provider, EQS Group AG (formerly Deutsche Gesellschaft für Ad-hoc-Publizität mbH, Munich), ensures that these notices are distributed throughout Europe. Further detailed information, such as investor presentations and in-depth information on implementing the recommendations of the German Corporate Governance Code, is provided on our website. The information is available in German and, for the most part, in English as well.

Another objective of ours in financial year 2016/2017 is to continue to foster communication with the capital markets. The Company held group and one-on-one meetings with capital market representatives during the reporting period and roadshows on 2 and 3 March 2017 in New York, USA.

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

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

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

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

## **POSITION OF THE COMPANY**

### **DEVELOPMENT OF PERFORMANCE INDICATORS**

#### **DEVELOPMENT OF FINANCIAL PERFORMANCE INDICATORS**

In the period from 1 July 2016 to 31 March 2017, Borussia Dortmund's financial performance indicators – revenue, result from operating activities (EBIT), operating result (EBITDA), net profit/net loss for the year and cash flows from operating activities – were as follows:

#### **REVENUE**

Revenue amounted to EUR 285,470 thousand in the reporting period. In the Annual Report as at 30 June 2016, Borussia Dortmund forecast revenue of EUR 340,000 thousand for the full current financial year.

#### **OPERATING RESULT (EBITDA)**

In the first three quarters of the current financial year, the operating result amounted to EUR 50,600 thousand; the forecast for the full financial year in the Annual Report dated 30 June 2016 had projected EBITDA to exceed the result from operating activities (EBIT) by approximately EUR 61,000 thousand.

#### **EBIT**

The result from operating activities for the period from 1 July 2016 to 31 March 2017 amounted to EUR 2,250 thousand and the consolidated net profit for the year totalled EUR 1,377 thousand. The report on expected developments dated 30 June 2016 forecasted net profit and a positive result from operating activities (EBIT) for the full financial year, an outlook which the management continues to stand by.

#### **CASH FLOWS**

Cash flows from operating activities amounted to EUR -22,867 thousand as at the end of the third quarter. The management's forecast as at 30 June 2016 was for cash flows from operating activities in the low eight-figure range for the full 2016/2017 financial year.

The management board is planning a slight improvement of the cashflow from operating activities by 30 Juni 2017. The initial planning from 30 Juni 2016 is no longer achievable.

Overview of financial performance indicators:

**Borussia Dortmund Group (IFRS)**

EUR '000	Q3 2016/2017	Q3 2015/2016
Revenue	71,276	72,398
Operating result (EBITDA)	747	2,192
Result from operating activities (EBIT)	-15,961	-8,122
Consolidated net loss for the year	-14,201	-8,762
Cash flows from operating activities	-5,711	1,301

**Borussia Dortmund Group (IFRS)**

EUR '000	Q1-Q3 2016/2017	Q1-Q3 2015/2016
Revenue	285,470	240,547
Operating result (EBITDA)	50,600	27,672
Result from operating activities (EBIT)	2,250	-12,015
Consolidated net profit/loss for the year	1,377	-13,413
Cash flows from operating activities	-22,867	4,963

**DEVELOPMENT OF NON-FINANCIAL PERFORMANCE INDICATORS**

Borussia Dortmund further strengthened its social media presence and is currently the most popular German brand on Instagram with some 3.6 million followers. Prominent followers include the German national team and even Instagram itself. BVB's followers receive daily updates on what is happening in and around the club in the form of exclusive pictures and videos. The club's other social media accounts such as Facebook and Twitter also recorded positive growth in the third quarter.

Furthermore, for the second year running, the Bundesliga was the highest-trending European football league on Chinese social media platforms. The Bundesliga has some 500 million fans in China and is more popular than the English Premier League, Spain's La Liga and Italy's Serie A.

Borussia Dortmund's online fan shop – which Best IT's e-commerce team revamped in the previous year – was named Germany's "Best Brand Shop" by trade magazine Internet World Business on the basis of its design, depth and functionality.

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## **RESULTS OF OPERATIONS**

In the third quarter of the 2016/2017 financial year, Borussia Dortmund contested 13 competitive matches (two fewer than in the previous year), progressed to the semi-finals of the DFB Cup for the fourth year running and also advanced to the quarter-finals of the UEFA Champions League following a three-year absence.

This success on the pitch was also reflected in Borussia Dortmund's revenue, even if this declined slightly due primarily to unrealised transfer deals in the third quarter.

During the reporting period (1 January to 31 March 2017), Borussia Dortmund generated revenue of EUR 71,276 thousand (previous year: EUR 72,398 thousand) and gross revenue of EUR 71,549 thousand (previous year: EUR 72,887 thousand).

The result from operating activities (EBIT) amounted to EUR -15,961 thousand (previous year: EUR -8,122 thousand). At EUR 747 thousand, the operating result (EBITDA) was EUR 1,445 thousand below the previous year's figure.

Borussia Dortmund closed out the third quarter of the 2016/2017 financial year with a consolidated net loss of EUR 14,201 thousand, a decrease of EUR 5,439 thousand over the previous year.

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## **REVENUE TREND**

In the third quarter of the 2016/2017 financial year, Borussia Dortmund recorded a decline in revenue of EUR 1,122 thousand to EUR 71,276 thousand. This was attributable primarily to the lack of transfer deals during the winter break, two fewer competitive matches as against the previous year and the fact that Borussia Dortmund did not host a Bundesliga Match of the Week at SIGNAL IDUNA PARK.

In addition to an increase in advertising revenue of EUR 667 thousand and from TV marketing of EUR 7,832 thousand, revenue from conference, catering and miscellaneous also increased by EUR 1,230 thousand. By contrast, declines were recorded in revenue from match operations (EUR -2,923 thousand), transfer deals (EUR -7,146 thousand) and merchandising (EUR -782 thousand).

The increase in revenue from TV marketing was attributable to the club's success in the UEFA Champions League season, the higher distribution of funds from the foreign pot for national TV marketing in the current financial year and team's appearance in the quarter-finals of the DFB Cup. Advertising revenue increased due, among other factors, to the bonuses for advancing in the UEFA Champions League. Conference, catering and miscellaneous revenue also increased. This was due primarily to

renting out SIGNAL IDUNA PARK for the international fixture Germany versus England and the higher revenue generated by the subsidiary besttravel dortmund GmbH.

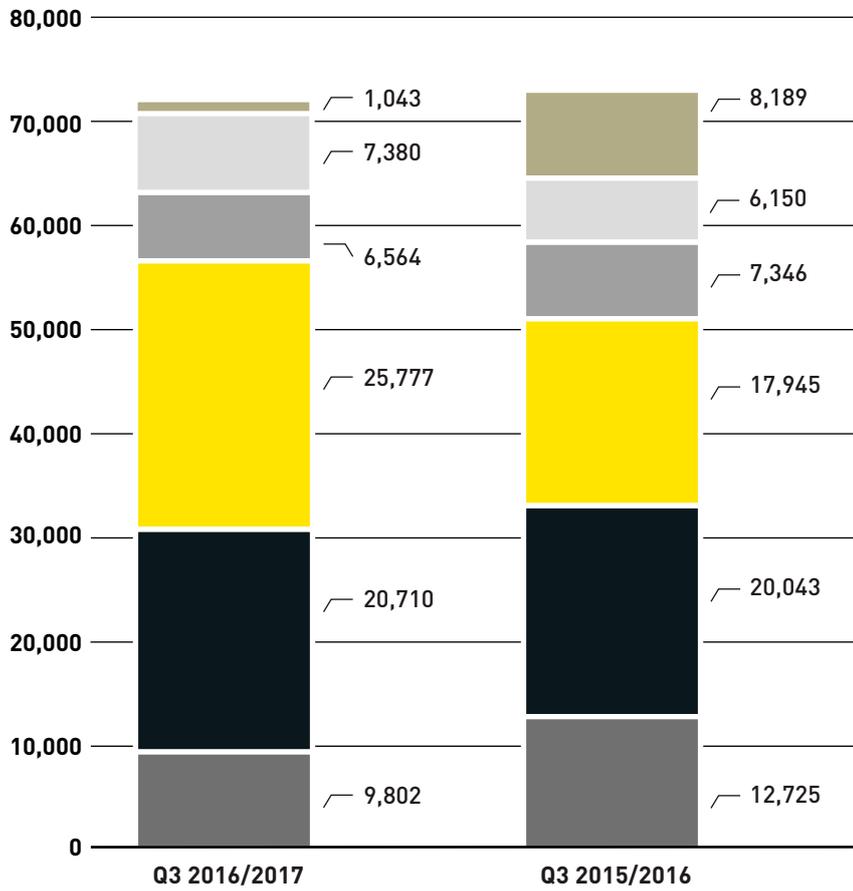
The decline in revenue from match operations was attributable mainly to the lower number of home matches in national and international competitions as well as the partial stadium ban encompassing the south terrace for the match against VfL Wolfsburg. Furthermore, Borussia Dortmund had hosted a Bundesliga Match of the Week against FC Bayern Munich in the prior-year reporting period. The DFB Cup match against Hertha BSC Berlin at SIGNAL IDUNA PARK could not completely offset this.

The decrease in revenue from transfer deals was due mainly to the prior-year sale of Ciro Immobile to Sevilla FC. There were no transfers during the current reporting year. In addition to transfer compensation stemming from transfer deals in previous financial years, the only transfer-related activities during the current reporting period were the loan deals for Adrian Ramos (Granada Club de Fútbol SAD) and Neven Subotić (1. FC Cologne).

Merchandising revenue failed to match the prior-year figure (EUR 7,346 thousand), amounting to EUR 6,564 thousand.

Gross revenue amounted to EUR 71,549 thousand in the period under review (previous year: EUR 72,887 thousand).

**Revenue in EUR '000**



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

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## **CHANGES IN SIGNIFICANT OPERATING EXPENSES**

### **COST OF MATERIALS**

Cost of materials decreased by EUR 550 thousand to EUR 4,696 thousand in the third quarter. This was due primarily to the decline in merchandising revenue.

### **PERSONNEL EXPENSES**

Personnel expenses amounted to EUR 41,745 thousand in the third quarter of financial year 2016/2017, up EUR 6,772 thousand from the previous year.

Personnel expenses related to match operations increased by EUR 5,981 thousand and personnel expenses related to retail and administration areas by EUR 575 thousand. Personnel expenses for amateur and youth football increased slightly by EUR 216 thousand.

### **DEPRECIATION, AMORTISATION AND WRITE-DOWNS**

Die Abschreibungen erhöhten sich im Berichtszeitraum im Vergleich zum Halbjahr des Vorjahres planmäßig um TEUR 6.394 auf TEUR 16.708.

### **OTHER OPERATING EXPENSES**

During the reporting period, other operating expenses amounted to EUR 24,361 thousand (previous year: EUR 30,476 thousand).

The EUR 6,115 thousand decrease was attributable primarily to transfer deals in the previous year and the expense related to the residual carrying amount of the player Ciriaco De Simone. No transfer rights were sold in the reporting period from 1 January to 31 March 2017. By contrast, advertising expenses rose; these include the increase in agency commissions for marketing revenue.

### **FINANCIAL RESULT**

The financial result improved by EUR 163 thousand to EUR -317 thousand in the third quarter.

### **TAX EXPENSE**

The tax expense in the period under review amounted to EUR 2,077 thousand (previous year: EUR -160 thousand).

## ANALYSIS OF CAPITAL STRUCTURE

## DEVELOPMENT AND PERFORMANCE OF THE BUSINESS

### CONSOLIDATED STATEMENT OF FINANCIAL POSITION

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

ASSETS	31/03/2017		30/06/2016	
	EUR '000	in %	EUR '000	in %
<b>Non-current assets</b>				
Intangible assets	158,480	33.9	65,278	15.4
Property, plant and equipment	185,720	39.7	188,423	44.4
Investments accounted for using the equity method	302	0.1	302	0.1
Financial assets	107	0.0	107	0.0
Trade and other financial receivables	1,387	0.3	34,378	8.1
Deferred tax assets	1,136	0.2	1,136	0.2
Prepaid expenses	18,952	4.0	13,141	3.1
	<b>366,084</b>	<b>78.2</b>	<b>302,765</b>	<b>71.3</b>
<b>Current assets</b>				
Inventories	8,239	1.8	10,158	2.4
Trade and other financial receivables	47,499	10.2	51,072	12.0
Current tax assets	281	0.1	257	0.1
Cash and cash equivalents	26,997	5.8	51,722	12.2
Prepaid expenses	18,459	3.9	8,571	2.0
	<b>101,475</b>	<b>21.8</b>	<b>121,780</b>	<b>28.7</b>
	<b>467,559</b>	<b>100.0</b>	<b>424,545</b>	<b>100.0</b>

As at 31 March 2017, total assets amounted to EUR 467,559 thousand, representing an increase of EUR 43,014 thousand as compared to 30 June 2016.

Changes in assets resulted from the changes in non-current and current assets, as detailed below:

Fixed assets rose by a total of EUR 90,499 thousand to EUR 344,609 thousand, due primarily to investments in intangible assets. Investments amounting to EUR 146,663 thousand (of which EUR 140,710 thousand in intangible assets) were partly offset by disposals amounting to EUR 7,814 thousand and depreciation, amortisation and write-downs amounting to EUR 48,350 thousand.

Non-current trade receivables and other financial receivables decreased by EUR 32,991 thousand to EUR 1,387 thousand in the reporting period. Current trade receivables and other financial receivables also decreased by EUR 3,573 thousand. This was due primarily to payments received for transfer receivables.

In contrast to trade receivables and other financial receivables, current and non-current prepaid expenses increased by a total of EUR 15,699 thousand. This was due to the increase in recognised consulting and salary payments.

The increase in current prepaid expenses was due to prepayments for marketing activities recognised during the course of the reporting period.

Inventories decreased to EUR 1,919 thousand from EUR 10,158 thousand as at 30 June 2016. Cash and cash equivalents amounted to EUR 26,997 thousand (30 June 2016: EUR 51,722 thousand). Both these changes were due to seasonal factors.

## CONSOLIDATED STATEMENT OF FINANCIAL POSITION

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

EQUITY AND LIABILITIES	31/03/2017		30/06/2016	
	EUR '000	in %	EUR '000	in %
<b>Equity</b>				
Subscribed capital	92,000	19.7	92,000	21.6
Reserves	213,561	45.7	217,655	51.3
Treasury shares	-113	0.0	-113	0.0
Equity attributable to the owners of the parent company	305,448	65.4	309,542	72.9
<b>Non-current liabilities</b>				
Non-current liabilities from finance leases	9,172	2.0	18,990	4.5
Trade payables	0	0.0	3,420	0.8
Other non-current financial liabilities	1,625	0.3	1,782	0.4
Deferred income	9,000	1.9	12,000	2.8
	19,797	4.2	36,192	8.5
<b>Current liabilities</b>				
Provisions	1,215	0.3	1,372	0.3
Current liabilities from finance leases	10,494	2.2	2,640	0.6
Trade payables	69,393	14.8	14,635	3.5
Other current financial liabilities	33,114	7.1	34,435	8.1
Current income tax liabilities	0	0.0	5,212	1.3
Deferred income	28,098	6.0	20,517	4.8
	142,314	30.4	78,811	18.6
	<b>467,559</b>	<b>100.0</b>	<b>424,545</b>	<b>100.0</b>

The Group's share capital remained level at EUR 92,000 thousand as at 31 March 2017.

The equity ratio amounted to 65.33% (30 June 2016: 72.91%).

As at 31 March 2017, Borussia Dortmund had current and non-current liabilities amounting to EUR 162,111 thousand. As at 30 June 2016, liabilities amounted to EUR 115,003 thousand.

Changes in liabilities were as follows:

Non-current liabilities from finance leases decreased as planned by EUR 9,818 thousand. The reclassification of a repurchase obligation from non-current liabilities from finance leases led to a EUR 7,854 thousand increase in current liabilities from finance leases.

Current trade payables totalled EUR 69,393 thousand (30 June 2016: EUR 14,635 thousand). The EUR 54,758 thousand increase is due primarily to developments on the transfer market. These simultaneously offset the non-current trade payables, thus leading to a decrease of EUR 3,420 thousand (30 June 2016: EUR 3,420 thousand).

As at the reporting date, deferred income amounted to EUR 37,098 thousand, representing an increase of EUR 4,581 thousand as compared to 30 June 2016 (EUR 32,517 thousand).

Other financial liabilities decreased by EUR 1,478 thousand to EUR 34,739 thousand. No tax liabilities were reported during the reporting period (30 June 2016: EUR 5,212 thousand).

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## **ANALYSIS OF CAPITAL EXPENDITURE**

In the first nine months of the current financial year, Borussia Dortmund invested EUR 102,118 thousand. Of this amount, EUR 95,970 thousand was invested in intangible assets. Nearly the entirety of this amount was invested in the player base.

During the same period, EUR 6,135 thousand was invested in property, plant and equipment, which related primarily to fixtures and expansion work in and around SIGNAL IDUNA PARK as well as expansions and alterations to the training centre in Dortmund-Brackel.

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## **ANALYSIS OF LIQUIDITY**

As at 31 March 2017, Borussia Dortmund held unrestricted cash funds of EUR 26,997 thousand. Borussia Dortmund also had access to an additional EUR 15,000 thousand in overdraft facilities which had not been drawn down as at the end of the reporting period.

Cash flows from operating activities amounted to EUR -22,867 thousand during the reporting period (1 July 2016 to 31 March 2017).

Cash flows from investing activities amounted to EUR 5,670 thousand (previous year: EUR -16,410 thousand). This includes payments for investments in the professional squad amounting to EUR 95,673 thousand and payments for investments in property, plant and equipment amounting to EUR 6,135 thousand.

Proceeds from the disposal of intangible assets, in particular transfer rights, amounted to EUR 107,726 thousand during the reporting period.

Cash flows from financing activities amounted to EUR -7,528 thousand due primarily to the dividend distribution in November 2016 (previous year: EUR -6,736 thousand).

## **OPPORTUNITIES AND RISKS**

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

Management monitors the risk management system and reports regularly to the Supervisory Board.

For additional details, please refer to the notes on opportunities and risks in the 2015/2016 Annual Report.

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

## **REPORT ON EXPECTED DEVELOPMENTS**

### **EXPECTED DEVELOPMENT OF THE COMPANY**

At the end of the reporting period, Borussia Dortmund sits in fourth place in the Bundesliga and is thus competing for a spot to directly qualify for the group stage of the financially lucrative UEFA Champions League, the continent's premier club football competition.

In the current season, Thomas Tuchel's team has advanced to the quarter-finals of the UEFA Champions League and progressed to the semi-finals of the DFB Cup.

### **EXPECTED GENERAL ECONOMIC ENVIRONMENT**

Commercially successful professional football operations are no longer limited to just regional or national levels. In order to create new business segments, the focus is increasingly shifting to growing brand awareness on a global scale and tapping the corresponding foreign markets. In order to be financially successful on the international stage, Borussia Dortmund's focus rests squarely on the squad's footballing success, including in international competitions. Progressing to the quarter-finals of the UEFA Champions League places Borussia Dortmund in a better position financially than was the case in the previous year.

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

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

A majority of the advertising revenue in the coming years is already fixed due to the club's long-term partnerships with the primary sponsor, the equipment supplier, the holder of the stadium's naming rights, Champion Partners and other partners. Moreover, Borussia Dortmund can report that it again sold out its tickets for the hospitality areas.

Attendance at SIGNAL IDUNA PARK has also continued to improve during the past five seasons and stands at nearly 100%. The number of advance tickets that fans can order has to be partially regimented on account of the high number of season tickets and the steady rise in demand for match tickets.

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

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## **OVERALL ASSESSMENT OF EXPECTED PERFORMANCE**

On account of the aforementioned expected economic conditions, paired with the appeal of the Borussia Dortmund brand, the club continues to expect that its economic performance will remain positive in the coming years.

Save for the forecast on cash flows, management continues to stand by the forecasts set out in the Group management report dated 30 June 2016.

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## **DISCLAIMER**

This consolidated quarterly financial report contains forward-looking statements. Such statements are based on current estimates and are by nature subject to risks and uncertainties. Actual results may differ from the statements made in this report.

## CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS

### CONSOLIDATED STATEMENT OF FINANCIAL POSITION

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

EUR '000	31/03/2017	30/06/2016
<b>ASSETS</b>		
<b>Non-current assets</b>		
Intangible assets	158,480	65,278
Property, plant and equipment	185,720	188,423
Investments accounted for using the equity method	302	302
Financial assets	107	107
Trade and other financial receivables	1,387	34,378
Deferred tax assets	1,136	1,136
Prepaid expenses	18,952	13,141
	<b>366,084</b>	<b>302,765</b>
<b>Current assets</b>		
Inventories	8,239	10,158
Trade and other financial receivables	47,499	51,072
Current tax assets	281	257
Cash and cash equivalents	26,997	51,722
Prepaid expenses	18,459	8,571
	<b>101,475</b>	<b>121,780</b>
	<b>467,559</b>	<b>424,545</b>
<b>EQUITY AND LIABILITIES</b>		
<b>Equity</b>		
Subscribed capital	92,000	92,000
Reserves	213,561	217,655
Treasury shares	-113	-113
Equity attributable to the owners of the parent company	<b>305,448</b>	<b>309,542</b>
<b>Non-current liabilities</b>		
Non-current liabilities from finance leases	9,172	18,990
Trade payables	0	3,420
Other non-current financial liabilities	1,625	1,782
Deferred income	9,000	12,000
	<b>19,797</b>	<b>36,192</b>
<b>Current liabilities</b>		
Provisions	1,215	1,372
Liabilities from finance leases	10,494	2,640
Trade payables	69,393	14,635
Other current financial liabilities	33,114	34,435
Current income tax liabilities	0	5,212
Deferred income	28,098	20,517
	<b>142,314</b>	<b>78,811</b>
	<b>467,559</b>	<b>424,545</b>

## CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

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

EUR '000	Q1 - Q3 2016/2017	Q1 - Q3 2015/2016	Q3 2016/2017	Q3 2015/2016
Revenue	285,470	240,547	71,276	72,398
Other operating income	1,960	2,394	273	489
Cost of materials	-19,088	-19,718	-4,696	-5,246
Personnel expenses	-124,035	-101,115	-41,745	-34,973
Depreciation, amortisation and write-downs	-48,350	-39,687	-16,708	-10,314
Other operating expenses	-93,707	-94,436	-24,361	-30,476
<b>Result from operating activities</b>	<b>2,250</b>	<b>-12,015</b>	<b>-15,961</b>	<b>-8,122</b>
Finance income	670	111	7	30
Finance costs	-1,684	-1,237	-324	-510
<b>Financial result</b>	<b>-1,014</b>	<b>-1,126</b>	<b>-317</b>	<b>-480</b>
<b>Profit before income taxes</b>	<b>1,236</b>	<b>-13,141</b>	<b>-16,278</b>	<b>-8,602</b>
Income taxes	141	-272	2,077	-160
<b>Consolidated net profit/loss for the year</b>	<b>1,377</b>	<b>-13,413</b>	<b>-14,201</b>	<b>-8,762</b>
Items that were subsequently reclassified to profit or loss:				
<b>Cash flow hedge</b>				
- effective portion of the change in fair value	93	-304	17	-195
- reclassification to profit or loss	0	0	0	0
<b>Other gains/losses incurred during the period, after taxes</b>	<b>93</b>	<b>-304</b>	<b>17</b>	<b>-195</b>
<b>Total comprehensive income</b>	<b>1,470</b>	<b>-13,717</b>	<b>-14,184</b>	<b>-8,957</b>
<b>Consolidated net profit/loss for the year attributable to:</b>				
- Owners of the parent:	1,470	-13,536	-14,184	-8,826
- Minority interests:	0	123	0	64
<b>Total comprehensive income attributable to:</b>				
- Owners of the parent:	1,470	-13,840	-14,184	-9,021
- Minority interests:	0	123	0	64
<b>Earnings per share (EUR) (basic/diluted)</b>	<b>0.01</b>	<b>-0.15</b>	<b>-0.15</b>	<b>-0.10</b>

## CONSOLIDATED STATEMENT OF CASH FLOWS

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

EUR '000	Q1 - Q3 2016/2017	Q1 - Q3 2015/2016
<b>Profit before income taxes</b>	1,236	-13,141
Depreciation, amortisation and write-downs of non-current assets	48,350	39,687
Loss on disposals of non-current assets	-38,512	-9,425
Other non-cash income	-2,343	-3,109
Interest income	-670	-111
Interest expense	1,684	1,237
Changes in other assets not classified as from investing or financing activities	-27,878	-20,864
Changes in other liabilities not classified as from investing or financing activities	2,146	11,782
Interest received	1	40
Interest paid	-1,684	-1,063
Income taxes paid	-5,197	-70
<b>Cash flows from operating activities</b>	<b>-22,867</b>	<b>4,963</b>
Payments for investments in intangible assets	-95,970	-35,270
Proceeds from disposals of intangible assets	107,726	26,749
Payments for investments in property, plant and equipment	-6,135	-8,496
Proceeds from disposals of property plant and equipment	49	353
Proceeds from financial assets	13	303
Payments for investments in financial assets	-13	-49
<b>Cash flows from investing activities</b>	<b>5,670</b>	<b>-16,410</b>
Proceeds from the sale of treasury shares	0	1
Distributions to minority shareholders	0	-281
Acquisition of non-controlling interests	-45	0
Dividend payments	-5,519	-4,599
Repayment of liabilities under finance leases	-1,964	-1,857
<b>Cash flows from financing activities</b>	<b>-7,528</b>	<b>-6,736</b>
Change in cash and cash equivalents	-24,725	-18,183
Cash and cash equivalents at the beginning of the period	51,722	53,739
<b>Cash and cash equivalents at the end of the period</b>	<b>26,997</b>	<b>35,556</b>

## CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

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

EUR '000	Subscribed capital	Reserves			Treasury shares	Equity attributable to the owners of the parent company	Minority interests	Consolidated equity
		Capital reserves	Other revenue reserves	Cash flow hedge				
<b>1 July 2015</b>	92,000	143,364	51,346	-823	-114	285,773	305	286,078
Distributions to shareholders	0	0	-4,599	0	0	-4,599	-281	-4,880
Sale of treasury shares	0	0	0	0	1	1	0	1
Transactions with shareholders	0	0	-4,599	0	1	-4,598	-281	-4,879
Consolidated net loss for the year	0	0	-13,536	0	0	-13,536	123	-13,413
Other gains/losses incurred during the period, after taxes	0	0	0	-304	0	-304	0	-304
Total comprehensive income	0	0	-13,536	-304	0	-13,840	123	-13,717
<b>31 March 2016</b>	<b>+92,000</b>	<b>+143,364</b>	<b>+33,211</b>	<b>-1,127</b>	<b>-113</b>	<b>+267,335</b>	<b>+147</b>	<b>+267,482</b>
<b>1 July 2016</b>	92,000	142,888	75,938	-1,171	-113	309,542	0	309,542
Distributions to shareholders	0	0	-5,519	0	0	-5,519	0	-5,519
Acquisition of non-controlling interests without change of control	0	-45	0	0	0	-45	0	-45
Transactions with shareholders	0	-45	-5,519	0	0	-5,564	0	-5,564
Consolidated net profit for the year	0	0	1,377	0	0	1,377	0	1,377
Other gains/losses incurred during the period, after taxes	0	0	0	93	0	93	0	93
Total comprehensive income	0	0	1,377	93	0	1,470	0	1,470
<b>31 March 2017</b>	<b>+92,000</b>	<b>+142,843</b>	<b>+71,796</b>	<b>-1,078</b>	<b>-113</b>	<b>+305,448</b>	<b>0</b>	<b>+305,448</b>

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**NOTES** to the consolidated financial statements for the third quarter of financial year 2016/2017  
of Borussia Dortmund GmbH & Co. Kommanditgesellschaft auf Aktien, Dortmund

## **GENERAL DISCLOSURES**

Borussia Dortmund GmbH & Co. Kommanditgesellschaft auf Aktien (hereinafter "Borussia Dortmund" or the "Group") has its registered office at Rheinlanddamm 207–209, 44137 Dortmund, Germany.

The condensed interim consolidated financial statements for the period from 1 July 2016 to 31 March 2017 include the parent entity and its subsidiaries and one associate.

## **ACCOUNTING POLICIES**

The condensed interim consolidated financial statements for the period from 1 July 2016 to 31 March 2017 were prepared in accordance with International Financial Reporting Standards (IFRSs) relating to interim reporting (IAS 34), as adopted by the European Union.

The same accounting policies are applied in the interim financial statements as in the most recent consolidated financial statements as at 30 June 2016.

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

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

The new amendments did not result in any changes in the accounting.

More detailed information on the accounting policies applied can be found in the notes to the consolidated financial statements as at 30 June 2016. All interpretations of the International Financial Reporting Interpretation Committee (IFRIC) which were binding as at 31 March 2017 have been applied.

## **SCOPE OF CONSOLIDATED FINANCIAL STATEMENTS**

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

### **TRADE AND OTHER FINANCIAL RECEIVABLES**

Trade and other financial receivables decreased by EUR 36,564 thousand to EUR 48,886 thousand, primarily due to payments received for player transfer receivables.

### **PREPAID EXPENSES**

Prepaid expenses increased by a total of EUR 15,699 thousand to EUR 37,411 thousand.

Non-current prepaid expenses rose by EUR 5,811 thousand to EUR 18,952 thousand, while current prepaid expenses were up EUR 9,888 thousand to EUR 18,459 thousand.

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

### **CONSOLIDATED EQUITY**

Subscribed capital as at 31 March 2017 was EUR 92,000 thousand and is divided into the same number of no-par value shares, each representing a notional share in the share capital of EUR 1.00.

Reserves amounted to EUR 213,561 thousand (previous year: EUR 217,655 thousand).

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

## OPERATING SEGMENTS

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

EUR '000	KGaA		BVB Merchandising GmbH		Total	
	Q1-Q3 2016/2017	Q1-Q3 2015/2016	Q1-Q3 2016/2017	Q1-Q3 2015/2016	Q1-Q3 2016/2017	Q1-Q3 2015/2016
External revenue	244,817	198,788	29,759	31,795	274,576	230,583
Internal revenue	1,088	911	807	812	1,895	1,723
Segment profit before income taxes*)	-6,150	-20,913	3,684	4,639	-2,466	-16,274
Segment assets	476,466	377,920	22,288	23,327	498,754	401,247
Segment liabilities	134,579	73,272	11,407	12,446	145,986	85,718

\*) before profit or loss transfer

Reconciliation of segment profit to be reported		
EUR '000	Q1-Q3 2016/2017	Q1-Q3 2015/2016
Segments total	-2,466	-16,274
Other gains and losses	2,287	2,073
Change in Group earnings	1,415	1,060
Consolidated net profit before taxes	1,236	-13,141

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

Income from centralised national marketing amounting to EUR 52,994 thousand (previous year: EUR 47,506 thousand) exceeds the 10% threshold stipulated in IFRS 8.34 for one customer, as did income from international marketing amounting to EUR 44,219 thousand (previous year: EUR 13,771 thousand). The reason for this was the centralised marketing strategy used by DFL Deutsche Fußball Liga GmbH and UEFA.

## CONSOLIDATED STATEMENT OF CASH FLOWS

The Group's statement of cash flows was prepared in accordance with IAS 7 (Statement of Cash Flows). Cash and cash equivalents reported in the statement of financial position amounted to EUR 26,997 thousand (30 June 2016: EUR 51,722 thousand).

## MATERIAL INVESTMENTS

In the first half of the current financial year, Borussia Dortmund invested EUR 102,118 thousand. Of this amount, EUR 95,970 thousand was invested in intangible assets. Nearly the entirety of this amount was invested in the player base.

During the same period, EUR 6,135 thousand was invested in property, plant and equipment, which related primarily to fixtures and expansion work in and around SIGNAL IDUNA PARK and the training centre in Brackel.

## FINANCE LEASE

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

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

## FINANCIAL INSTRUMENTS

Borussia Dortmund concluded an interest rate swap with a German Landesbank in connection with the exercise in 2014 of an option to purchase a leased administration building and plot of land, and the corresponding financing planned for calendar year 2017. A bank has already approved a credit facility with a term extending until 2028 for the swap. The notional amount and the related fair value are as follows:

### Interest rate swaps

EUR '000	31/03/2017	
	Notional amount	Fair value
Pay-fixed swaps	8,000	-1,625

### Interest rate swaps

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

The fair value of the interest rate swap is determined using standard market valuation methods which factor in market data as at the valuation date. Under these methods, standard market interest rates are used to discount future cash inflows and outflows over the remaining term of the interest rate swaps to determine their value.

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

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

The effective portion of the change in market value of the derivative (EUR 93 thousand; previous year: EUR -304 thousand) is recognised directly in other comprehensive income after deducting deferred taxes (EUR -31 thousand; previous year: EUR 100 thousand). The ineffective portion amounting to EUR 16 thousand (previous year: EUR -32 thousand) is recognised directly in profit or loss.

If a hedge of a forecast transaction results in the recognition of a financial asset or financial liability, any gain or loss on the hedging instrument is reclassified from equity (OCI) to profit or loss in the same period(s) in which the financial asset or liability (the hedged item) affects profit or loss. The hedging instrument parameters are established based on the assumption that the forecast transaction will occur. The derivative in the form of an interest rate swap employed by Borussia Dortmund for hedging purposes is an economically effective hedge. Changes in the market value of the derivative are offset by compensating changes in the value of the hedged underlying, which are demonstrated through effectiveness calculations.

During the reporting period, there were no reclassifications from other comprehensive income to profit or loss.

In order to limit currency risks, BVB Merchandising GmbH's pending foreign-currency cash flows from operating activities were hedged.

Currency forwards were used to hedge the purchase of materials in foreign currencies. During the reporting period, the hedges related exclusively to US dollars. The value of currency forwards is determined by discounting the future value to the valuation date using the yield curve (net present value method). The valuation is substantiated by bank calculations. In accordance with IFRS 13.72 et seq., currency forwards are classified in Level 2 of the fair value hierarchy since the input parameters used for measurement (yield curves as well as forward rates in US dollars) are observable on the market. The Group does not make its own estimates or assumptions for fair value measurement.

Hedge accounting within the meaning of IAS 39 is not applied to economic hedges for future purchase transactions, meaning that fair value changes in the derivatives are recognised in profit or loss. The fair value as at 31 March 2017 amounting to EUR 22 thousand (30 June 2016: EUR 123 thousand) was recognised under other financial liabilities.

The carrying amounts of financial assets and liabilities to which IFRS 7 applies are generally identical to their fair values. The only deviations related to long-term liabilities from finance leases whose carrying amount was EUR 9,172 thousand (30 June 2016: EUR 18,990 thousand) as compared to their fair value of EUR 7,818 thousand (30 June 2016: EUR 17,047 thousand).

## **DIVIDEND**

On 21 November 2016, the Annual General Meeting of the Company resolved the following:

The net retained profits of EUR 28,262,214.44 reported in the Company's annual financial statements for the 2015/2016 financial year will be used as follows:

- EUR 5,518,866.00 will be used to distribute to the limited liability shareholders a dividend of EUR 0.06 per share carrying dividend rights.
- the remaining EUR 22,743,348.44 will be transferred to other revenue reserves.

The dividend was paid from 23 November 2016.

## OTHER FINANCIAL OBLIGATIONS

The following financial obligations were reported as at 31 March 2017:

31/03/2017 (EUR '000)	Total	Due after		
		less than 1 year	1-5 years	more than 5 years
Rental and lease payments (operating leases)	7,955	2,841	3,359	1,755
Marketing fees	84,325	24,992	59,333	0
Other obligations	3,665	907	1,266	1,492
	<b>95,945</b>	<b>28,740</b>	<b>63,958</b>	<b>3,247</b>
Purchase commitments	35,404	27,604	7,800	0

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

## EMPLOYEES

Average number of salaried employees		
	Q1-Q3 2016/2017	Q1-Q3 2015/2016
<b>Total</b>	<b>754</b>	<b>699</b>
Of which in the Athletics Department	231	218
Of which trainees	10	16
Other	513	465

## SUPERVISORY BOARD

The following table provides an overview of the composition of the Supervisory Board as at 31 March 2017:

### Supervisory Board of Borussia Dortmund GmbH & Co. Kommanditgesellschaft auf Aktien, Dortmund

Gerd Pieper	Peer Steinbrück	Bernd Geske	Christian Kullmann	Dr. Werner Müller	Ulrich Leitermann	Björn Gulden	Dr. Reinhold Lunow	Silke Seidel
Chairman				Deputy Chairman				

### OCCUPATIONS

Managing shareholder of Stadt-Parfümerie Pieper GmbH, Herne	Member of German Bundestag (until 30/09/2016)  Senior Advisor to the Management Board of ING-DiBa AG, Frankfurt am Main (since 01/10/2016)	Managing partner of Bernd Geske Lean Communication, Meerbusch	Deputy Chairman of the Executive Board of Evonik Industries AG, Essen	Chairman of the Board of Executives of the RAG Foundation, Essen	Chairman of the Board of the SIGNAL IDUNA Group, Dortmund	Chief Executive Officer of PUMA SE, Herzogenaurach	Medical Director of Praxisklinik Bornheim, Bornheim	Senior Executive at Dortmunder Stadtwerke AG and Managing Director of Hohenbuscher Beteiligungsgesellschaft mbH, Westfalentor 1 GmbH and Dortmund Logistik GmbH, all in Dortmund
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### OTHER FUNCTIONS on statutory supervisory boards and comparable German or foreign supervisory bodies of commercial enterprises

Member of the Advisory Board of Borussia Dortmund Geschäftsführungs-GmbH, Dortmund	Vorsitzender des Aufsichtsrates der ClearVAT Aktiengesellschaft, Berlin	Member of the Supervisory Board of Evonik Performance Materials GmbH, Essen	Chairman of the Supervisory Board of Evonik Industries AG, Essen  Chairman of the Supervisory Board of RAG Aktiengesellschaft, Herne  Chairman of the Supervisory Board of RAG Deutsche Steinkohle AG, Herne  Member of the Supervisory Board of Contilia GmbH, Essen  Member of the Board of Directors of Stadler Rail AG, Bussnang, Switzerland  Chairman of the Supervisory Board of Entwicklungsgesellschaft Zollverein mbH, Essen	Member and Chairman of the Supervisory Board of Dortmunder Volksbank eG, Dortmund	Member of the Supervisory Board of Dansk Supermarked A/S, Højbjerg, Denmark  Member of the Supervisory Board of Tchibo GmbH, Hamburg  Member of the Supervisory Board of Pandora A/S, Copenhagen, Denmark	Member of the Advisory Board of Borussia Dortmund Geschäftsführungs-GmbH, Dortmund
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## **EVENTS AFTER THE END OF THE REPORTING PERIOD**

### **ATHLETIC PERFORMANCE**

Borussia Dortmund kicked off the fourth quarter of the 2016/2017 financial year with three wins, one draw and one away loss. Thomas Tuchel's team has 56 points from 30 matches and sits in third place in the Bundesliga standings – a direct qualifying spot for the 2017/2018 season of the UEFA Champions League.

Following a 3:2 away win against FC Bayern Munich, Borussia Dortmund has advanced to the final where it will face Eintracht Frankfurt on 27 May 2017.

Borussia Dortmund were eliminated from international club competition during the current season after losing 2:3 to AS Monaco in the first leg of their quarter-final tie of the UEFA Champions League and 3:1 in the return leg.

### **BIG NAMES IN DORTMUND**

Borussia Dortmund and defender Łukasz Piszczek agreed to an early contract extension until 30 June 2019.

Borussia Dortmund also extended its contract with Nuri Sahin until 30 June 2019.

### **OTHER BUSINESS**

As has widely been reported, the BVB team bus was the target of a serious bomb attack near the team hotel in Dortmund in the early evening hours of 11 April 2017. Borussia Dortmund player Marc Bartra was injured in the attack.

The club's UEFA Champions League's home match against AS Monaco was cancelled and rescheduled for 12 April 2017.

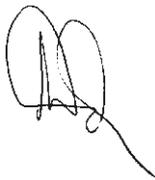
Borussia Dortmund is hoping that the investigation will be concluded swiftly now that a suspect in the bomb attack has been arrested.

The DFL Deutsche Fußball Liga GmbH informed our company of its positive decision that Borussia Dortmund complies with all requirements in order to obtain a licence for the season 2017/2018 for participating in the Bundesliga.

With regard to the economic capacity the license has been granted - as in the previous years - without conditions and/or orders.

Dortmund, 12 May 2017

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



Hans-Joachim Watzke  
Managing Director (Chairman)



Thomas Treß  
Managing Director

## **RESPONSIBILITY STATEMENT**

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

Dortmund, 12 May 2017

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



Hans-Joachim Watzke  
Managing Director (Chairman)



Thomas Treß  
Managing Director

## FINANCIAL CALENDAR

**26 November 2017**

General Meeting 2017

*For more information visit our website <http://aktie.bvb.de/eng>*

## PUBLICATION DETAILS

**PUBLISHER:**

Borussia Dortmund GmbH & Co. KGaA

Rheinlanddamm 207-209

44137 Dortmund

<http://aktie.bvb.de/eng>

E-Mail: [aktie@borussia-dortmund.de](mailto:aktie@borussia-dortmund.de)

**RESPONSIBLE:**

Marcus Knipping

**DESIGN/IMPLEMENTATION:**

K-werk Kommunikationsdesign

Uwe Landskron

[www.K-werk.de](http://www.K-werk.de)

**TITLE PHOTO:**

Alexandre Simoes

[www.bvb.de/aktie/eng](http://www.bvb.de/aktie/eng)

