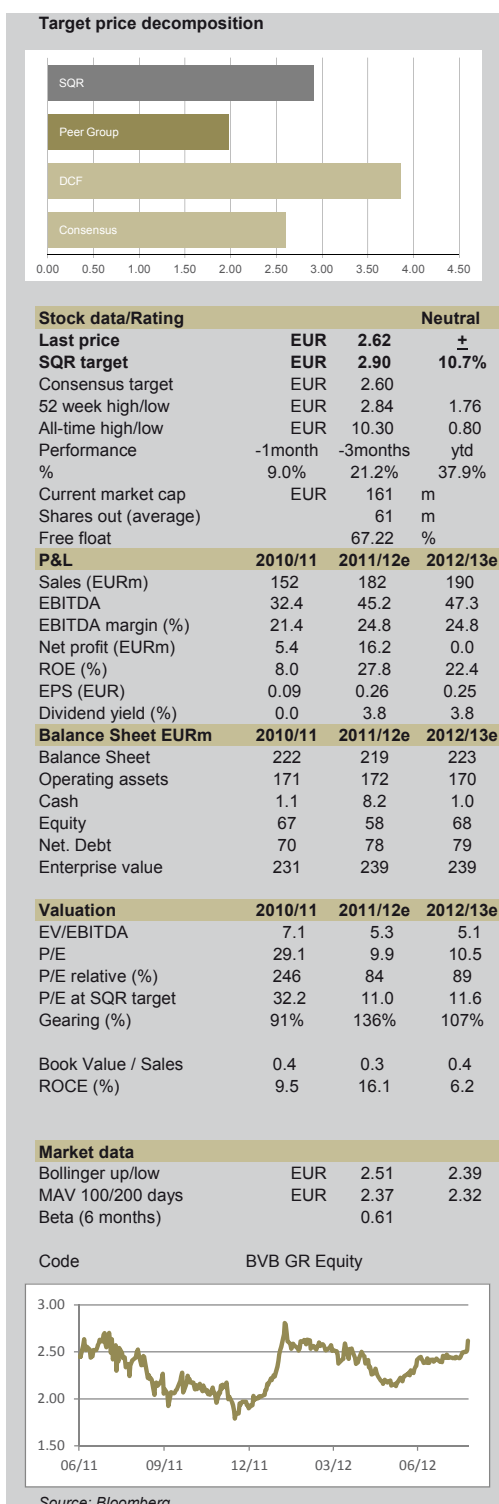




Borussia Dortmund

Consumer & Retail



NEUTRAL,

PT EUR2.90, upside 11%

Excellent preliminary figures top our cautious estimates by far as Borussia Dortmund wins the German Championship as well as the German Cup Final for the first time in club history!

Facts: Borussia Dortmund yesterday released its preliminary figures for fiscal year 2011/12. Group sales increased by 42.0% to EUR215.2m (2010/11: EUR151.5m). Sales growth was mainly driven by TV revenues (+88.1% to EUR60.4; 2010/11: EUR32.1m) and transfer revenues (Barrios & Kagawa +200% to EUR26.1; 2010/11: EUR13.0). All segments benefited from reaching the group stage of the UEFA Champions League and the German Cup Final in Berlin. Match operations (ticketing sales) increased by 13.4% to EUR31.4m (2010/11: EUR27.7m). Advertising revenues grew by 15.6% to EUR57.8m (2010/11: EUR50.0m). Catering, licensing and other sales increased by 20% to EUR17.5m (2010/11: EUR14.6m). Group operating profit (EBITDA) soared by 85.2% to EUR60.0m (2010/11: EUR32.4m). EBIT nearly tripled to EUR41.4m (2010/11: EUR14.9m) as depreciation (ground) remained stable. Net earnings quintupled to EUR27.5m (2010/11: EUR5.4m) or an EPS equivalent of EUR0.45 (2010/11: EUR0.09) due to a better financial result.

Assessment: The published results can only be described as outstanding. Borussia Dortmund showed in a impressive manner that it has learned to combine a solid financial framework with an excellent performance on the pitch. It is also seen positive that management confirmed a dividend payment. Thus we stick to our dividend estimate of EUR0.10 per share. Given the uncertainties of football business management only gave a rough guidance for financial year 2012/13. Internal planning is based the team securing 60 points (2011/12: 81). Goal for the Bundesliga is to reach rank one to four which qualifies for Germany's UEFA Champions League spots (rank 1-3 group stage, rank 4 play off game).

Conclusion: We will have a look on our model and will upgrade our estimates reflecting a Champions League participation also in the 2013/14 season. The share currently trades at a PER of 10.5 (2012/13e) and an EV/EBITDA of 7.2 while its peers trade at a PER of 10.2 (2013e) and an EV/EBITDA of 7.7 (2013e).

Action: Given the very unpredictable and cyclical character of football companies we confirm our Neutral rating with an unchanged price target of EUR2.90 for the Borussia share for the time being.

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Author of the present financial analysis: Klaus Kraenzle, Senior Analyst consumer & retail

2.2. Sources of information and summary of the basis of valuation and the valuation methods applied during the preparation

2.2.1. Sources of information:

Essential sources of information for the preparation of this document are publications in interior and foreign media like information services (e.g., Reuters, VWD, Bloomberg, dpa-AFX, among others), business press (e.g., "Börsenzeitung" (financial paper), "Handelsblatt", "Frankfurter Allgemeine Zeitung", Financial Times, among others), specialized press, published statistics, rating agencies as well as publications of the analysed issuers.

All information refers to the date of the publication: [Date, time, refer to the date at the end of the disclaimer]

2.2.2. Summary of the basis of valuation and the valuation methods used during the preparation:

Within the scope of the evaluation of enterprises the following valuation methods are applied: multiplier models (stock exchange value / profit, stock exchange value / cash flow, stock exchange value / book value, Enterprise Value (EV) / turnover, EV / EBIT, EV / EBITA, EV / EBITDA), Peer Group comparisons, historic valuation methods, discounting models (DCF, DDM, EVA, RIM), Break-up-Value- and Sum-of-the-Parts-approaches, substance-valuation methods or a combination of different methods. The valuation models are dependent on economic parameters like interest rates, currencies, resources and on economic assumptions. Moreover, market moods influence the valuations of enterprises. Also, the approaches are based on expectations that may change rapidly and without advance warning according to developments specific for the respective branch. Therefore, the valuation results and fair values derived from the models may also change accordingly. The results of the evaluation basically refer to a period of 12 months. Nevertheless, they are also subjected to market conditions and constitute merely a snapshot. They may be reached faster or slower or may be scaled up or down.

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NEUTRAL: The expected yield, based on the determined target price, incl. dividend payment within the suitable time frame amounts to between -10% and $<+10\%$.

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2. The remuneration of the aforementioned persons and/or enterprises is dependent on investment banking transactions of their own enterprise or of affiliated enterprises.
3. In their trading portfolio the aforementioned Persons and/or enterprises regularly hold financial instruments which or the issuer of which are subjected to the financial analysis.
4. The aforementioned persons and/or enterprises hold in respect of the financial instruments, which or the issuer of which are subjected to the financial analysis, a net short (short position) of at least 1 percent of the share capital of the issuer.
5. The aforementioned persons and/or enterprises supervise financial instruments, which or the issuer of which are subjected to the financial analysis, in a market by placing purchase or selling orders (Market Making/ Designated Sponsoring).
6. The aforementioned persons and/or enterprises were involved within the preceding twelve months in lead managing a consortium for in the public offering of financial instruments, which or the issuer of which are subjected to the financial analysis.
7. The aforementioned persons and/or enterprises acted as an issuing bank or a selling agent within the scope of the listing on the stock exchange of the issuer, who or whose financial instruments are subjected to the financial analysis.
8. The aforementioned persons and/or enterprises, within the preceding twelve months and towards the issuer, who or whose financial instruments are subjected to the financial analysis, were bound by an agreement about services in connection with investment banking transactions or received

in this period from such an agreement a benefit or a performance promise.

9. The aforementioned persons and/or enterprises expect from the issuer, who or whose financial instruments are subjected to the financial analysis, during the next three months remunerations for services in connection with investment banking transactions or seek at such remunerations.

10. The aforementioned persons and/or enterprises have concluded an agreement for the preparation of a financial analysis with the issuer, who or whose financial instruments are subjected to the financial analysis.

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Issuer of the analysed finance instrument is Borussia Dortmund KGaA AG.

3.2. Date of the first publication and date and price at the time of financial instruments

Company	First Publication	Price EUR	Recommendation	Target Price EUR
Borussia Dortmund	08.02.2012	2,75	Neutral	2,90

3.3. Overview of our most recent financial analyses of securities of the issuers within the past 12 months*

Company	Date of Issue	Price EUR	Recommendation	Target Price EUR
Borussia Dortmund	27.02.2012	2,62	Neutral	2,90

*For further disclosure, please refer to our homepage (www.silviaquandt.de)

3.4.1. Conflicts of interest with Silvia Quandt Research GmbH

2.4.1.1.	2.4.1.2.	2.4.1.3.	2.4.1.4.	2.4.1.5.	2.4.1.6.	2.4.1.7.	2.4.1.8.	2.4.1.9.	2.4.1.10.	2.4.1.11.	2.4.1.12.	2.4.1.13.
Bet: >5%	Comp.	Trade	Short >1%	DS	ECM act.	IPO	Co.Res.	Co.ECM	Contract	Inform.	Mandate	Hldg

3.4.2. Conflicts of interest with biw bank für Investments und Wertpapiere AG when transmitting the financial analysis

2.4.2.1.	2.4.2.2.	2.4.2.3.	2.4.2.4.	2.4.2.5.	2.4.2.6.	2.4.2.7.	2.4.2.8.	2.4.2.9.	2.4.2.10.	2.4.2.11.	2.4.2.12.	2.4.2.13.
Bet: >5%	Comp.	Trade	Short >1%	DS	ECM act.	IPO	Co.Res.	Co.ECM	Contract	Inform.	Mandate	Hldg
		x										

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Companies under coverage by Silvia Quandt Research GmbH	Total	% of Total	thereof recommendations for issuers to which investment banking services were provided during the preceding 12 months
Buy	73	52%	25
Neutral	58	41%	8
Avoid	9	6%	0

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23.08.2012

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