BUSINESS REPORT
2011/2012

Real Love.

KEY FIGURES AT A GLANCE

BORUSSIA DORTMUND Kommanditgesellschaft auf Aktien, Dortmund

EUR '000	2011/2012 30/06/2012	2010/2011 30/06/2011
Equity	132,827	98,533
Capital expenditure	27,343	10,917
Gross revenue	198,865	140,541
Operating profit (EBIT)	37,299	12,426
Financial result (investment income and net interest expense)	1,988	-401
Net profit for the year	34,284	9,539
Earnings before interest, taxes, depreciation and amortisation (EBITDA)	48,237	23,049
Cash flows from operating activities	21,639	17,507
Number of shares (in thousands)	61,425	61,425
Earnings per share (in EUR)	0.56	0.16

BORUSSIA DORTMUND Group (IFRS)

EUR '000	2011/2012 30/06/2012	2010/2011 30/06/2011
Equity	93,455	67,626
Capital expenditure	28,276	11,320
Gross revenue	222,869	155,785
Operating profit (EBIT)	41,392	14,908
Net finance cost (investment income and net interest expense)	-4,801	-5,412
Consolidated net profit for the year	27,530	5,400
Earnings before interest, taxes, depreciation and amortisation (EBITDA)	59,979	32,442
Cash flows from operating activities	28,037	21,717
Number of shares (in thousands)	61,425	61,425
Earnings per share (in EUR)	0.45	0.09


1982 HSV HAMBURG
1997 FC BAYERN MÜNCHEN 1998 1. FC KAISERS
2012 BV BORUSSIA DORTMUND
FUSSBA
EINS PO
2005 FC BAYERN MÜNCHEN
1990 FC BAYERN MÜNCHEN
1909 PHÖNIX KARLSRUHE

Hans-Joachim Watzke
Managing Director (Chairman)

Thomas Treß
Managing Director

Dear Shareholders,

We submit to you today our report on financial year 2011/2012 and look back on a successful athletic season and financial year.

Our athletic performance is reflected in the first "double" in Borussia Dortmund's 103-year history: in addition to winning the German Football Championship for the second time in a row, we also triumphed in the DFB Cup final against Bayern Munich. The team set a new record of 81 points in the *Bundesliga* and 28 undefeated matches in a row in a single season.

The Company's financial performance also managed to keep pace with its excellent athletic performance. Increased sales and an encouraging net profit for the year are indicators of a generally positive financial year.

Given the fact that the team's *Bundesliga* title win qualifies it to again play in the UEFA Champions League, financial year 2012/2013 promises to see the club's successful economic development continue. This year, Borussia Dortmund will continue to remain true to its principle of leveraging a sound corporate policy to achieve the greatest sporting success without taking on new debt.

Dear shareholders, we look forward to joining you on a path towards a successful future.

Hans-Joachim Watzke
Managing Director (Chairman)

Thomas Treß
Managing Director

REPORT OF THE SUPERVISORY BOARD

Borussia Dortmund GmbH & Co. KGaA can look back on a successful 2011/2012 financial year, both from an athletic and from a financial perspective. The club made history with its first "double" in its 103-year history: winning both the German Championship and the DFB Cup in a single season. In 34 match days, Borussia Dortmund set *Bundesliga* records by achieving 81 points in the *Bundesliga* final ranking and remaining undefeated over 28 matches. On the economic side, the Company posted record sales for the entire 2011/2012 financial year. In this context, the Supervisory Board is particularly pleased that the Company's earnings position provides justification for the first time for the Supervisory Board and the general partner to propose to the limited liability shareholders at the Annual General Meeting in November 2012 the distribution of a dividend in the context of appropriating net profit.

Supervisory Board activity, meetings

In the 2011/2012 financial year, the Supervisory Board closely monitored the status and development of the Company and the Group. It exercised all of the rights and duties incumbent upon it by virtue of the law and the Articles of Association.

The Supervisory Board met four times during the 2011/2012 financial year (on 14 September 2011, 21 November 2011, 26 March 2012 and 25 May 2012). Given the fact that the Supervisory Board only has six members, it has not formed any committees; all issues are deliberated and all resolutions are passed by the full Supervisory Board. There are no reportable procedures concerning the frequency of participation in meetings by members of the Supervisory Board. Resolutions are adopted in accordance with the provisions of the Articles of Association and the relevant law.

During the reporting period, the Supervisory Board received regular, timely and comprehensive oral and written reports from the management within the meaning of § 90 of the German Stock Corporation Act (*Aktiengesetz*, "AktG"). These reports focused on the development of the business, the Company's and the Group's liquidity, earnings and financial position, corporate planning (specifically, financial investment and personnel planning), the risk position and risk management, as well as strategic issues. Moreover, the Supervisory Board received written reports in the intervals between its meetings. These reports and the subsequent discussion and verification thereof also dealt with the interim financial reports (i.e., the half-yearly financial report and quarterly financial reports). Moreover, the Chairman of the Supervisory Board was in regular contact with the management outside of meetings; he was kept regularly apprised of current developments in the business and major business transactions and advised on strategic and budgetary issues as well as the Company's business development, risk position, risk management and compliance issues. The management fulfilled its duty to keep the Supervisory Board informed in a complete, continuous and timely manner.

The Supervisory Board advised and monitored the general partner and its managing director on the management of the Company. The reports of the management and the Supervisory Board's enquiries and deliberations formed a basis for this function. The Supervisory Board considers the management of the Company to be in compliance with the law and in proper order, it deems the internal control system, risk management system and internal audit system to be effective, and attests to the Company's corporate organisation and economic viability. Reports and consultations also concerned issues relating to athletic performance.

In addition, the Supervisory Board reviewed the accounting and financial reporting for financial year 2010/2011 and the preparations for the Annual General Meeting in the previous year.

Part of this review involved ascertaining the independence of the auditor prior to resolving to propose it for election. Moreover, the Supervisory Board reviewed the terms of engagement and the engagement of the auditor, which had been elected in the previous year's Annual General Meeting.

2011/2012 Annual and Consolidated Financial Statements

The annual financial statements for Borussia Dortmund GmbH & Co. KGaA and the consolidated financial statements as at 30 June 2012 and the management report for the Company and the Group management report (each of which comprising the explanatory report on disclosures made pursuant to § 289 (4) and § 315 (4) of the German Commercial Code (*Handelsgesetzbuch*, "HGB")) were prepared and submitted in due time by the management and were audited, along with the bookkeeping system by the auditor, KPMG AG Wirtschaftsprüfungsgesellschaft, Dortmund, in accordance with the statutory provisions, and were each issued an unqualified audit opinion. With respect to the risk early warning system, the auditor found that the management had taken the appropriate measures as required under § 91 (2) AktG, particularly with respect to establishing a monitoring system suited towards identifying risks early on which may jeopardise the Company as a going concern.

The annual and consolidated financial statements, the management report for the Company and the Group management report containing the risk report and the corresponding audit reports were submitted to all members of the Supervisory Board in due time. These documents were discussed in detail, explained and reviewed by the Supervisory Board at a meeting on 10 September 2012, with the management and the auditors attending. At that meeting, the auditors reported on and discussed the key findings of their audit, including those relating to the accounting-related internal control and risk management system. The auditor and the management responded to questions raised by the Supervisory Board.

The Supervisory Board concurred with the auditors findings and, subsequent to its own review work, did not raise any objections. At its meeting on 10 September 2012, the Supervisory Board approved the annual financial statements of Borussia Dortmund GmbH & Co. KGaA as at 30 June 2012 as well as the consolidated financial statements as at 30 June 2012.

Moreover, the Supervisory Board performed its own review of the report on relationships with affiliated companies (dependent company report) for the 2011/2012 financial year prepared by the general partner pursuant to § 312 AktG. The dependent company report was also audited by the auditor, who issued the following opinion:

"Having conducted a proper audit and assessment, we hereby confirm that

1. the factual information in the report is correct
2. the consideration paid by or to the Company in connection with the legal transactions listed in the report was not inappropriately high."

The auditor's report on the audit of the dependent company report had also been submitted to the Supervisory Board. These documents were discussed and reviewed by the Supervisory Board at the aforementioned meeting, with the auditor and the management in attendance. Upon concluding its review, the Supervisory Board did not raise any objections to the declaration by the general partner at the conclusion of the dependent company report. The Supervisory Board noted with approval the finding of the audit of the dependent company report by the auditor.

The Supervisory Board proposes to the Annual General Meeting that the annual financial statements as at 30 June 2012 be adopted. At its meeting on 10 September 2012, the Supervisory Board discussed and reviewed the proposal for the appropriation of net profits by the general partner, taking into account the interests of the limited liability shareholders and the position of the Company, namely the financial and capital structure;

the Supervisory Board approved the management's proposal to the Annual General Meeting that it resolve to use the net retained profits of EUR 34,284,211.70 for financial year 2011/2012 to distribute a dividend of EUR 0.06 per share carrying dividend rights (totalling EUR 3,684,286.26) and to transfer the remainder (EUR 30,599,925.44) to other revenue reserves.

Moreover, the Supervisory Board proposes ratifying the actions of the general partner, Borussia Dortmund Geschäftsführungs-GmbH, for the 2011/2012 financial year.

Corporate governance

The Supervisory Board and the management of the general partner also dealt with issues of corporate governance during the reporting period. The Supervisory Board also assessed the efficiency of its work, namely the frequency of its meetings and their preparation and conduct, as well as the flow of information. The current Declaration of Conformity was adopted at the same time as the resolution on this report and relates to the German Corporate Governance Code in the currently applicable version dated 15 May 2012. The full declaration is permanently available online at http://aktie.bvb.de/eng, under "Corporate Governance". Additional disclosures and explanations in this regard are made in accordance with section 3.10 of the Code in connection with the corporate governance declaration.

Personnel matters

In February 2012, the Executive Committee of the Advisory Board of Borussia Dortmund Geschäftsführungs-GmbH reached an early agreement with the Chairman of the management, Hans-Joachim Watzke, extending his service agreement until 31 December 2016. The original agreement had been set to expire on 30 June 2014.

The Supervisory Board would like to express its gratitude to the management, the Works Council and all employees for their enduring commitment and hard work. It also wishes to thank Borussia Dortmund's business partners, shareholders and fans for their trust.

Dortmund, 10 September 2012
The Supervisory Board

Gerd Pieper
Chairman

Executive bodies

BV. BORUSSIA 09 e.V. DORTMUND

Chairman

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 Stadt-Parfümerie Pieper GmbH, Herne

Harald Heinze **Deputy Chairman**
State representative for the Dortmund city council, Dortmund

Peer Steinbrück
Member of German Bundestag, Federal Minister (ret.)

Bernd Geske
Managing partner of Bernd Geske Lean Communication, Meerbusch

Friedrich Merz
Attorney and partner, Mayer Brown LLP, Düsseldorf

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%	besttravel dortmund GmbH
33.33%	Orthomed GmbH

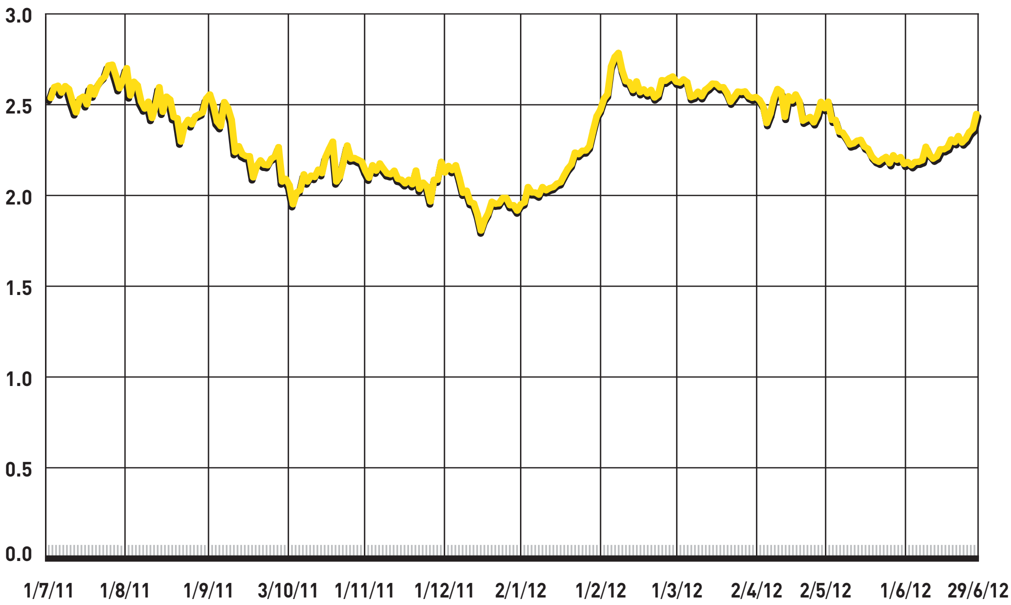
THE SHARES of Borussia Dortmund GmbH & Co. Kommanditgesellschaft auf Aktien

SHARE PRICE PERFORMANCE

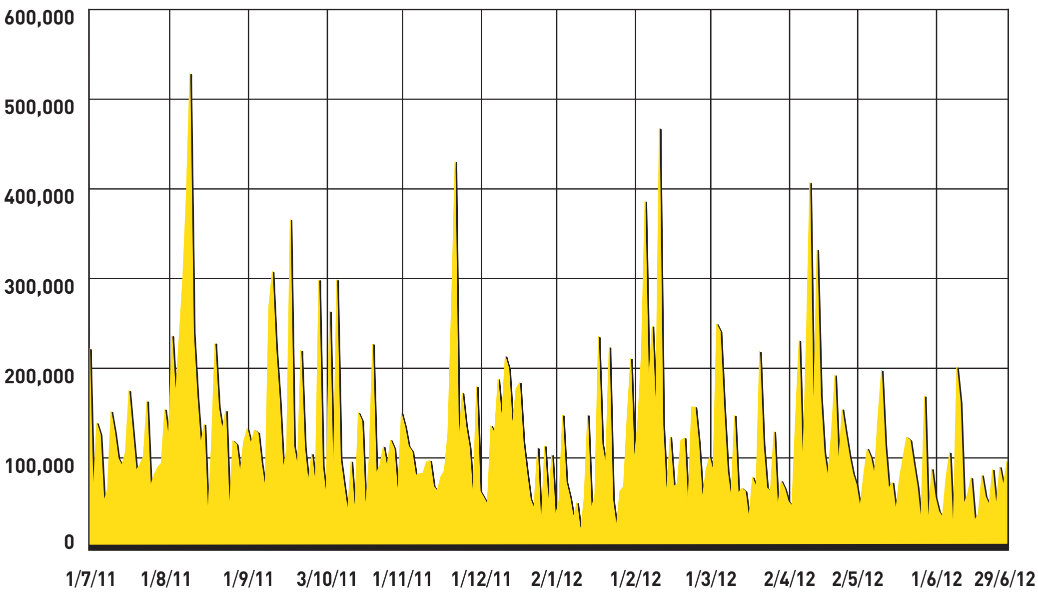
Unless indicated otherwise, the following data is based on the price of shares in XETRA trading; where necessary, figures have been rounded up to the nearest hundredth.

The shares of Borussia Dortmund GmbH & Co. KGaA started off financial year 2011/2012 at EUR 2.52 on 1 July 2011. The share price rose slightly through the remainder of July, buoyed by initial exuberance at the start of the season as season ticket sales of 53,000 set a new record. Shares traded at EUR 2.58 on 18 July 2011 and hit EUR 2.70 on 26 July 2011. Despite a strong win in the opening Bundesliga game, shares were expected to drop to between EUR 2.40 and EUR 2.50 in August due to turbulent financial markets, and price performance was expected to be volatile that month amidst heavy trading. On 29 August 2011, the Company announced its preliminary figures for financial year 2010/2011 (see ad hoc disclosure from the same date). Shares traded at EUR 2.43 on that date. Following the publication of positive figures – including a net profit for the year of EUR 9.5 million in the single-entity financial statements (previous year: EUR 2.8 million net loss) and EUR 5.4 million in the consolidated financial statements (previous year: EUR 6.1 million loss) and considerable revenue growth – the share price rose slightly to EUR 2.44 on 30 August 2011, EUR 2.52 on 31 August 2011 and EUR 2.54 on 1 September 2011. The month of September was then characterised by a slight stagnation caused in part by unexpected losses on the pitch. The share price dropped to EUR 2.22 on 12 September 2011, the first trading day following the defeat against Hertha BSC at home, and it eventually fell to EUR 2.08 after the club's subsequent unfortunate last-minute loss in Hanover on 19 September 2011. Following a win in Mainz, the share price stabilised, trading at EUR 2.25 on 28 September 2011. The one-sided away loss that same day to Marseille in the UEFA Champions League led to another downturn in share price. The share traded at EUR 2.06 on 29 September and fell to EUR 1.94 on 4 October. However, the club's strong upward momentum in the Bundesliga helped bring about a quick recovery in the share price by October. Shares traded at EUR 2.11 on 14 October 2011, EUR 2.20 on 17 October 2011, EUR 2.26 on 25 October 2011 and EUR 2.17 on 31 October 2011. On 11 November 2011 Borussia Dortmund GmbH & Co. KGaA released figures for Q1 2011/2012 reporting not only significant quarterly profits, but also revenue growth in almost all areas (see ad hoc disclosure from same date). Shares traded at EUR 2.12 on that date. The month of November also saw an away win against FC Bayern Munich on 19 November 2011, the extremely upbeat Annual General Meeting on 21 November 2011, a home win against arch-rival FC Schalke 04 on 26 November 2011 and an away loss to Arsenal London in the group stage of the UEFA Champions League on 23 November 2011. Shares traded at EUR 2.12 on 21 November 2011, EUR 1.95 on 25 November 2011 and EUR 2.17 on 30 November 2011. Shares fell to EUR 2.08 on 7 December 2011 and to EUR 2.00 the following day after the club's hopes of advancing to the round of 16 were dashed by the unfortunate loss against Olympique Marseille in the final game of the UEFA Champions League group stage on 6 December 2011. Moreover, despite the team's athletic successes, the share price experienced further downward pressure in December stemming from fairly common end-of-the-year market adjustments and from persistent turbulence on the financial markets in the wake of the "euro crisis". Shares traded at EUR 1.94 on 13 December 2011, EUR 1.79 on 15 December 2011 and EUR 1.94 on 21 December 2011. The 2011 calendar year ended with a share price of EUR 1.90 on 30 December. Shares closed on 2 January 2012 – the first day of trading in the 2012 calendar year – at EUR 1.94. On 20 January 2012, shares were trading at EUR 2.16 before the second half of the season kicked off with a Bundesliga away match in Hamburg. On the heels of an impressive away win, shares rose to EUR 2.22 the next trading day (23 January 2012). Following the next home

Share price performance



Share turnover



win against Hoffenheim on 30 January 2012, shares rose to EUR 2.34 and reached EUR 2.54 on 3 February 2012, the final trading day prior to the 20th Match Day of the Bundesliga. Once Borussia Dortmund had taken the top spot in the Bundesliga for the first time in the 2011/2012 season following a victory against Nuremberg on Match Day 20, the share price climbed to EUR 2.75 on 7 February 2012 and reached EUR 2.77 – its peak for the reporting period – on 8 February 2012. Although profit-taking initially pushed the share price down to EUR 2.61 on 13 February 2012 and to EUR 2.54 on 23 February 2012, shares rebounded quickly. Shares rose to EUR 2.62 on 24 February 2012, the day half-yearly figures were published (see ad hoc disclosure from same date). This increase is attributable to the extremely encouraging figures, such as earnings before taxes of EUR 16.7 million (first half of previous year: EUR 4.3 million) in the single-entity financial statements and considerably higher consolidated revenue of EUR 101.4 million, an increase of EUR 30.4 million or 42.8% over the first half of the previous year. Shares went on to trade at EUR 2.64 on 29 February 2012. Although the club is still on a remarkable winning streak in the Bundesliga and qualified for the DFB Cup final on 12 May 2012 in Berlin, the share price was volatile in March 2012. Shares traded at EUR 2.61 on 1 March 2012, EUR 2.53 on 7 March 2012, EUR 2.60 on 15 March 2012 and EUR 2.52 on 30 March 2012. April was characterised by high share price volatility. Shares traded at EUR 2.53 on 2 April 2012, EUR 2.38 on 5 April 2012 and EUR 2.57 on 12 April 2012. After it became clear on 21 April 2012 that the club had an opportunity to clinch the German championship, shares stood at EUR 2.50 on the final trading day before a potentially decisive match weekend. Profit-taking again led to volatile price performance amidst heavy trading after Borussia Dortmund did in fact secure the championship title with a 2:0 home win against Borussia Mönchengladbach. Shares traded at EUR 2.40 on 23 April 2012, the first trading day after the club secured the German championship, and then at EUR 2.50 again on 30 April 2012. Neither the victory over FC Bayern Munich to take the DFB Cup on 12 May 2012 nor the club's historic double victory could stave off profit-taking in May 2012. Shares traded at EUR 2.40 on 4 May 2012, and EUR 2.34 on 8 May 2012. Shares traded at 2.26 on 11 May 2012 (see ad hoc disclosure from same date), the day figures were released for Q3 2011/2012, and EUR 2.27 on 14 May 2012, the first trading day after the DFB Cup victory, before falling to EUR 2.18 on 30 May 2012. The share price did not recover significantly until mid-June 2012. Shares traded at EUR 2.20 on 14 June 2012, EUR 2.24 on 15 June 2012, EUR 2.29 on 20 June 2012, EUR 2.33 on 27 June 2012 and EUR 2.35 on 28 June 2012. They closed out both financial year 2011/2012 and the reporting period on 29 June 2012 at EUR 2.43.

SHARE CAPITAL AND SHAREHOLDER STRUCTURE

Borussia Dortmund GmbH & Co. KGaA's share capital amounts to EUR 61,425,000 and is divided into the same number of no-par value shares. The shareholder structure or share ownership of Borussia Dortmund GmbH & Co. KGaA was as follows based on the voting rights notifications we had received as at 30 June 2012:

- Bernd Geske: 11.55%
- BV. Borussia 09 e.V. Dortmund: 7.24%
- Free float: 81.21%

SHAREHOLDINGS BY MEMBERS OF GOVERNING BODIES

As at 30 June 2012, one member of management held 4,545 no-par-value shares in our Company. As at the same date, the members of the Supervisory Board held a total of 7,097,363 no-par-value shares. Members of management and the Supervisory Board hold a total of 7,101,908 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 its shares 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. Borussia Dortmund GmbH & Co. KGaA publishes all annual and interim financial reports for download on its website at http://aktie.bvb.de/eng. 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 Deutsche Gesellschaft für Ad-hoc-Publizität mbH (DGAP), 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. Information is available in German and in English. Another objective of ours in financial year 2011/2012 was to continue to foster communication with the capital markets During the reporting period, the third investor meeting in as many years was held on 6 December 2011 at the SIGNAL IDUNA PARK in cooperation with Bankhaus Lampe KG, Düsseldorf. Moreover, Borussia Dortmund GmbH & Co. KGaA gave a company presentation at the Small & Mid-Cap Conference 2012 hosted by Close Brothers Seydler AG on 2 February 2012 in Frankfurt am Main and also at the Entry & General Standard Conference put on by Deutsche Börse AG on 7 May 2012 in Frankfurt am Main.

Our aim is, and will continue to be, to promote constant and ongoing capital market coverage. Our Company is very pleased to have been included in the research coverage of Bankhaus Lampe KG, Düsseldorf, which again issued a “hold” recommendation with an upside target of EUR 2.60 in its latest research update on 20 June 2012. Additionally, another company is now providing research coverage for the shares: Silvia Quandt Research GmbH. In its first study from 7 February 2012, Silvia Quandt Research GmbH issued a "neutral" recommendation with an upside target of EUR 2.90.

Improvements to the the www.borussia-aktie.de IR website are nearly complete.

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

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. Such 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 a part of the management report, but rather is published on our website at http://aktie.bvb.de/eng.

CORPORATE GOVERNANCE REPORT

Borussia Dortmund believes it is essential for corporate governance to be clearly structured and effective. Corporate governance embodies a responsible and transparent system of checks and balances designed to ensure a continued focus on sustainable value creation. Efficient cooperation between the management and the Supervisory Board, the preservation of shareholder interests, and open and transparent corporate communications are vital aspects of sound corporate governance. This is the guiding principle for the Company's Supervisory Board and for the management of Borussia Dortmund Geschäftsführungs-GmbH in its capacity as the general partner of Borussia Dortmund GmbH & Co. KGaA.

GENERAL INFORMATION ON CORPORATE GOVERNANCE AT BORUSSIA DORTMUND GMBH & CO. KGAA

German stock corporation law sets out the statutory framework of corporate governance. Pursuant to § 161 AktG, the executive board and the supervisory board of a listed company are required to submit each year a declaration as to whether and to what extent that company has complied (retrospective) or will comply (forward-looking) with the recommendations of the "Government Commission of the German Corporate Governance Code" contained in the German Corporate Governance Code ("Code") as published in the official section of the electronic Federal Gazette. Although companies may opt to deviate from the Code, they are then obligated to disclose this on an annual basis, providing an explanation for their non-compliance ("comply or explain"). This option exists to ensure that companies are able to meet industry- or company-specific requirements. A well-founded deviation from a recommendation of the Code may be in the interest of sound corporate governance.

The Code is generally reviewed once annually and amended as required. It reflects basic statutory guidelines concerning the management and supervision of listed German companies as well as internationally and nationally recognised standards for sound and responsible corporate governance. The Code is intended to ensure that corporate governance in Germany is transparent and open to scrutiny and to promote confidence in the management and supervision of listed German stock corporations among international and national investors, customers, employees and the public.

Although a large number of the Code's recommendations (expressed using the word "shall") are intended exclusively for German stock corporations (*Aktiengesellschaft*, "AG"), they may also be applied *mutatis mutandis* to partnerships limited by shares (*Kommanditgesellschaft auf Aktien*, "KGaA"), i.e., our Company as well.

A KGaA is a hybrid corporate form combining elements of a German stock corporation 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 against creditors of the Company and limited partners (*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 does not have an executive board. Instead, the general partner, Borussia Dortmund Geschäftsführungs-GmbH, is solely responsible for its management and representation. This German limited liability company (*Gesellschaft mit beschränkter Haftung*, "GmbH") is in turn represented by one or more managing directors; its sole shareholder is Ballspielverein Borussia 09 e.V. Dortmund.

- The rights and duties of the KGaA's Supervisory Board, which is appointed by the Annual General Meeting, are limited. Specifically, it has no authority to appoint and dismiss Managing Directors of Borussia Dortmund Geschäftsführungs-GmbH or to stipulate the terms of their service agreements. Nor is the Supervisory Board authorised to adopt internal rules of procedure or a list of transactions requiring its consent on behalf of the general partner. 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 features specific to the KGaA's Annual General Meeting are set forth primarily in §§ 285 and 286 (1) AktG and in the Company's Articles of Association.

As a consequence, a Declaration of Conformity in accordance with § 161 AktG must be submitted by the management of the general partner and the Supervisory Board of Borussia Dortmund GmbH & Co. KGaA, taking into account the specific characteristics of the KGaA's legal form and the provisions of the Articles of Association. The Declaration of Conformity must be made permanently available to shareholders on the Company's website. It is published on the investor relations website, http://aktie.bvb.de/eng, under "Corporate Governance (CG)". The Declaration of Conformity submitted in September 2012 is an integral component of the Corporate Governance Declaration, and is also printed in the Notes to this report.

The Company's Corporate Governance Report presented here is published in the Annual Report for the 2011/2012 financial year, which is available for download from our investor relations website http://aktie.bvb.de/eng, under "Publications".

Transparency

The Company provides the limited partners, shareholders' associations, financial analysts and the general public regular notifications regarding the position of the Company and on material business developments.

In particular, we publish ad hoc disclosures and corporate news on our website, as well as directors' dealings notifications submitted to us, information on the shareholder structure, the current version of the Articles of Association and the financial calendar. Moreover, the "Annual Document" provides a comprehensive overview of material publications by the Company in the 2011/2012 financial year in accordance with § 10 of the German Securities Prospectus Act (*Wertpapierprospektgesetz*, "WpPG"), which is also published on the website http://aktie.bvb.de/eng, under "Corporate Governance (CG)".

The financial calendar includes the dates for key Company events, and can be accessed online at http://aktie.bvb.de/eng, under "Financial Calendar". As in previous years, the Annual Press Conference on the "preliminary" figures of the previous financial year will be streamed live so that the general public may watch the conference online in real time.

The previous year's Annual General Meeting was convened in due and proper form and held on 21 November 2011. In compliance with the German Corporate Governance Code, the reports and documents required by law were made available for inspection; these were given to the limited liability shareholders upon request and were published on the Company's website together with the agenda. The resolutions on all agenda items were approved, with votes in favour ranging between 92.2% and 99.9% of the votes cast.

The next Annual General Meeting of Borussia Dortmund GmbH & Co. KGaA will take place on Monday, 26 November 2012 in Dortmund.

The interim financial reports shall be published at the intervals recommended in the Code. The Company will provide further details via ad hoc announcements. The consolidated financial statements and the interim financial reports are prepared in accordance with IFRSs as adopted in the EU. 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 (*Handelsgesetzbuch*, "HGB") and the German Stock Corporation Act (*Aktiengesetz*, "AktG").

In keeping with the recommendations of the Code, publications on our website have been and will continue to be made available in English.

Moreover, we publish analysts' recommendations and research studies on our website http://aktie.bvb.de/eng, under "BVB share", sub-heading "Capital market view", in order to facilitate communication with market participants. Furthermore, we also publish a great deal more information on the Company at this website. Customers, fans and the public alike can find additional information on the Company at www.bvb.de.

The Notes to the financial statements and the management report contain disclosures on the remuneration of the general partner and the members of the Supervisory Board, as well as on the ownership of Company shares by the general partner and members of its management and by the members of the Supervisory Board. Due to the specific characteristics of the KGaA legal form, there exists no obligation to disclose the remuneration of individual Managing Directors of the general partner of the Company, Borussia Dortmund Geschäftsführungs-GmbH, as would normally be the case for the members of the executive boards of listed German stock corporations. Nonetheless, we have presented the remuneration of individual Managing Directors in the notes to the annual and consolidated financial statements on a voluntary basis.

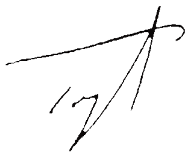
Dortmund, 10 September 2012

On behalf of the Supervisory Board

Gerd Pieper
Chairman

On behalf of Borussia Dortmund Geschäftsführungs-GmbH

Hans-Joachim Watzke
Managing Director (Chairman)



Thomas Treß
Managing Director

DECLARATION OF CONFORMITY BY THE MANAGEMENT AND THE SUPERVISORY BOARD OF BORUSSIA DORTMUND GMBH & CO. KGAA IN ACCORDANCE WITH § 161 AKTG, DATED 10 SEPTEMBER 2012

In accordance with § 161 AktG, the management of the general partner (Borussia Dortmund Geschäftsführungs-GmbH) and the Supervisory Board of Borussia Dortmund GmbH & Co. KGaA declare that since the last Declaration of Conformity was submitted on 14 September 2011 and, prior to the publication of the revision to the German Corporate Governance Code ("GCGC") in the electronic Federal Gazette on 15 June 2012, Borussia Dortmund GmbH & Co. KGaA has complied with the recommendations of the GCGC as amended on 26 May 2010 as well as the recommendations of the GCGC as amended on 15 May 2012 after having been published in the electronic Federal Gazette on 15 June 2012, and that it will comply with the recommendations of the GCGC as amended on 15 May 2012, with the exception of the following deviations due to certain specific characteristics of the KGaA legal form and the provisions of the Articles of Association of the Company.

Re section 3.8 (3): The D&O policy does not include a deductible; there is no intention to change this because, to our understanding, the negotiation of a deductible will neither influence the behaviour of the members of the executive bodies nor would it provide appropriate motivation.

Re section 4.2.1 sentence 2: The Supervisory Board of Borussia Dortmund GmbH & Co. KGaA has no authority to appoint and dismiss Managing Directors of Borussia Dortmund Geschäftsführungs-GmbH or to stipulate the terms of their service agreements; this is incumbent upon the Executive Committee of Borussia Dortmund Geschäftsführungs-GmbH. The management has been the responsibility of Hans-Joachim Watzke (Chairman) and Thomas Treß (Managing Director) since January 2006. Their areas of responsibility have been sufficiently defined in their service agreements; moreover, the Managing Directors exercise the authority granted to them by law and the Articles of Association jointly and in close cooperation with each other. Therefore, the relevant executive bodies of Borussia Dortmund Geschäftsführung-GmbH have considered and continue to consider it unnecessary to stipulate additional rules of procedure for the management.

Re section 4.2.2 (1): Article 7 of Borussia Dortmund GmbH & Co. KGaA's Articles of Association stipulates that the general partner has a right to reimbursement of the staff and materials expenses incurred by it in the course of managing the Company, plus a commission amounting to 3 percent of the net profit for the year generated by the Company. Moreover, as in the past, the Executive Committee of Borussia Dortmund Geschäftsführungs-GmbH (deviation from Supervisory Board responsibility as stipulated in section 4.2.2 (1) due to the Company's legal form) will continue to adopt and regularly review the remuneration and the remuneration system for the Managing Directors.

Re section 4.2.3 (2) sentence 4 and (3) sentence 3: The remuneration structure for the Managing Directors of Borussia Dortmund Geschäftsführungs-GmbH is adopted by the Executive Committee of Borussia Dortmund Geschäftsführungs-GmbH, without consideration to negative developments when structuring the Managing Directors' variable remuneration components; as in the past, the Executive Committee will not exclude the possibility of retroactive modifications to performance targets and/or comparison parameters. Given the specific features of the legal form KGaA, the relevant recommendations appear irrelevant to and impracticable for the Company.

Re section 4.2.3 (4) and (5): The Code recommends that German stock corporations stipulate severance caps in executive board members' service agreements in the event of early termination of executive board activity or due to early termination of executive board activity due to a change of control. As in the past, the Executive Committee will continue to have decision-making power in relation to the (re-)appointment of the Managing Directors of Borussia Dortmund Geschäftsführungs-GmbH, generally without stipulating severance caps as such, given that due to the specific features of the legal form KGaA and the provisions of the Articles of Association of the Company, the aforementioned recommendations do not appear practicable. However, the Executive Committee does consider the recommendation not to pay members of the executive board in the event of the termination of their service agreements for good cause analogously applicable to the Managing Directors of Borussia Dortmund Geschäftsführungs-GmbH.

Re section 4.2.3 (6): As in the past, the Chairman of the Supervisory Board will not report to the Annual

General Meeting on the fundamentals of the remuneration system or changes thereto because – as mentioned above – the Supervisory Board of Borussia Dortmund GmbH & Co. KGaA has no authority to appoint and dismiss Managing Directors of Borussia Dortmund Geschäftsführungs-GmbH or to stipulate the terms of their service agreements.

Re section 4.3.4 sentence 3: Material transactions between the general partner and certain related parties on the one hand, and the Company on the other within the meaning of §§ 89, 112 in conjunction with §§ 278 (3), 283 no. 5 AktG (e.g., the granting of loans) require the consent of the Supervisory Board. In this sense, the Company has complied with the recommendation. Furthermore, the Supervisory Board is not authorised to adopt a list of transactions requiring its prior consent for the general partner or its Managing Directors.

Re section 4.3.5: Given that the Supervisory Board has no authority to appoint and dismiss Managing Directors of Borussia Dortmund Geschäftsführungs-GmbH or to stipulate the terms of their service agreements, not it but rather the Executive Committee of Borussia Dortmund Geschäftsführungs-GmbH is responsible for consenting to sideline activities of the Managing Directors of the general partner.

Re section 5.1.2 (1) sentences 2 and 3: Long-term succession planning is the responsibility of the Managing Directors of the Company and – given that the Supervisory Board has no authority to appoint and dismiss personnel – the Executive Committee of Borussia Dortmund Geschäftsführungs-GmbH. The latter also acts to ensure sufficient diversity when staffing the management. However, given the fact that the Company has two Managing Directors, which is currently considered sufficient, and the fact that these positions have been filled for the foreseeable future, the recommendation in the Code to include women in the management does not appear practicable in the immediate future.

Re section 5.1.2 (2) sentence 2: As in the past, the Executive Committee of Borussia Dortmund Geschäftsführungs-GmbH will continue to decide on the reappointment of its Managing Directors, including, even in the absence of special circumstances, prior to the end of one year before the end of the existing term of appointment. Given the specific features of the KGaA legal form and due to the desire for greater flexibility, it is not considered practicable to make any staffing decision based solely on timing and circumstances.

Re section 5.1.2 (2) sentence 3: As in the past, the Executive Committee of Borussia Dortmund Geschäftsführungs-GmbH will continue to make decisions as to age limits for the Managing Directors of the general partner for upcoming (re-)appointments of Managing Directors, without generally stipulating an age limit to that extent. It is not considered practicable to set any age limits.

Re sections 5.2 (2), 5.3.1 sentence 1, 5.3.2 and 5.3.3: As in the past, the Supervisory Board will not set up committees, specifically an audit committee, because the Supervisory Board only consists of six persons and voting committees must consist of three persons. Going forward, the full Supervisory Board will continue its existing practice of discussing all issues as they arise, specifically with regard to monitoring the accounting process, the effectiveness of the internal control system and the internal audit system, specifically the independence of the statutory auditor and additional services rendered, the engagement of the statutory auditor, setting audit foci and the fee agreement, as well as compliance. This applies *mutatis mutandis* to the Supervisory Board's decision not to establish a nominating committee as recommended in the Code. Moreover, this committee already consists exclusively of shareholder representatives, as required of a nominating committee by the Code.

Re section 5.4.1 (2) and (3): As in the past, the Supervisory Board will not specify concrete objectives regarding its composition that consider specific issues addressed in the Code pertaining to "age limits for supervisory board members", "diversity" or "appropriate degree of female representation" and "the number of independent supervisory board members within the meaning of number 5.4.2". The Supervisory Board believes that such limitations are not appropriate vis-à-vis other Supervisory Board member nomination criteria and prefers to decide on proposals relating to its composition in light of specific situations as they arise.

Re section 5.4.1 (4): When submitting nominations to the Annual General Meeting, the Supervisory Board will not disclose the personal or business relationships between each candidate with the Company, the executive bodies of the Company or any material shareholder in the Company (i.e., one holding more than 10% of voting shares), because, in its opinion, no secure legal practice exists with respect to this recommendation and the legal certainty of Supervisory Board elections takes a higher priority than any effort to make legally unnecessary disclosures in connection with nominations.

Re section 5.4.3 sentence 3: No proposed candidates for the office of Chairman of the Supervisory have been or will be disclosed because the Supervisory Board considers the individual election of its members to be sufficient and a vote at the Annual General Meeting for or against a candidate with respect to their position on the Supervisory Board to be impracticable.

Re section 5.4.6 (2) sentence 1 and (3) sentence 1 of the GCGC as amended on 26 May 2010: Pursuant to Article 13 (1) of the Articles of Association, the members of the Supervisory Board do not receive any performance-based remuneration (no longer recommended in the Code going forward) but instead receive only a fixed, relatively low remuneration of EUR 7,000 per year, with the Chairman receiving the double of that amount and the Deputy Chairman receiving one-and-a-half times that amount; such remuneration is appropriate given the duties of the Supervisory Board members and the position of the Company. The disclosure of only the total remuneration paid to the Supervisory Board in the notes to the consolidated financial statements or in the Group management report has been and continues to be considered sufficient, and no individualised disclosures have been made in the corporate governance report.

Re section 5.4.6 (3) sentence 1 of the GCGC as amended on 15 May 2012: No individualised disclosures relating to the remuneration of Supervisory Board members have been or will be made in the financial reports because it is easy to calculate the remuneration (pursuant to Article 13 (1) members of the Supervisory Board receive EUR 7,000 per year, with the Chairman receiving the double of that amount and the Deputy Chairman receiving one-and-a-half times that amount).

Re section 5.5.3 sentence 1: As in the past, the Company will continue to reserve the right to not comply with the recommendation that the Supervisory Board report to the Annual General Meeting on conflicts of interest as they arise and how these are managed. As in the past, the principle of confidentiality of deliberations within the Supervisory Board (see § 116 sentence 2 AktG and section 3.5 (1) sentence 2 GCGC) will generally continue to take precedence.

Re section 7.1.2 sentence 2: The Company has not and will not comply with the recommendation that the management and the Supervisory Board discuss any half-yearly and quarterly financial reports prior to their publication because the objective of publishing interim financial reports without delay following their preparation by the management takes precedence. Regardless, the Supervisory Board has discussed and monitored such financial reports, and will continue to do so in the future.

Re section 7.1.2 sentence 4: Interim financial reports have been and will be published following an appropriate delay, which may exceed 45 days following the end of the reporting period in individual cases (i.e., in the case of the half-yearly financial report because this report is subjected to a voluntary audit review by the statutory auditor subsequent to its preparation).

Dortmund, 10 September 2012

On behalf of the Supervisory Board

Gerd Pieper
Chairman

On behalf of Borussia Dortmund Geschäftsführungs-GmbH

Hans-Joachim Watzke
Managing Director (Chairman)

Thomas Treß
Managing Director

MANAGEMENT REPORT

Borussia Dortmund 2012 German Champions


EVONIK
Kappa

MANAGEMENT REPORT from 1 July 2011 to 30 June 2012 of Borussia Dortmund GmbH & Co. Kommanditgesellschaft auf Aktien (hereinafter also "Borussia Dortmund")

BUSINESS TREND AND FRAMEWORK CONDITIONS

LOOKING BACK ON FINANCIAL YEAR 2011/2012

Records and top achievements highlighted Borussia Dortmund's athletic performance in the 2011/2012 financial year. After becoming the surprise winners of the 2011 German Football Championship, the team not only masterfully defended its title one year later to clinch its eighth Championship title overall, but it also won the DFB Cup, thus becoming Borussia Dortmund's first "double winners" in the club's 103-year history.

Borussia Dortmund finished the 2011/2012 *Bundesliga* season with 81 points, surpassing the previous record high of 79 points posted by Bayern Munich in the 1971/1972 season 40 years earlier. Germany's leading sports magazine, *kicker*, compared this record with American Bob Beamon's "unbelievable" record-breaking long jump of 8.90 metres at the 1968 Olympics in Mexico City. The team achieved 47 points of its 81 points in the second leg of the season alone, posting 15 victories and two draws. Starting on Match Day 7, Borussia Dortmund maintained a 28-game winning streak, a first among all *Bundesliga* clubs. Winning a total of 25 season matches, the team also bested Bayern Munich's record from the 1972/1973 season. Also worth noting is that the team topped the *Bundesliga*'s Fair Play rankings on its way to setting its records and top achievements. After defeating Sandhausen, Dresden, Düsseldorf, Kiel and Fürth, Borussia Dortmund triumphantly secured the DFB Cup by beating Bayern Munich 5:2 in the final in Berlin.

The team's performance in the UEFA Champions League, however, was not as impressive. After facing opponents Arsenal London, Olympique Marseille and Olympiakos Piraeus, Borussia Dortmund did not advance past the group stage.

Following its successes in the past financial year, Borussia Dortmund will continue to build on the philosophy shared by management and its sports director of developing first-class young players. Signing long-term club contracts with key players is one of the policies pursued under this philosophy.

The transfer of Marco Reus, a member of the German national team, from Borussia Mönchengladbach to Borussia Dortmund demonstrates that the club is the team to be on for young, ambitious *Bundesliga* players. The 23-year old was the top offensive player during the past season.

KEY FINANCIAL INDICATORS

Overview of the key financial figures

Borussia Dortmund Kommanditgesellschaft auf Aktien (Borussia Dortmund)

EUR '000	2011/2012 30/06/2012	2010/2011 30/06/2011
Equity	132,827	98,533
Capital expenditure	27,343	10,917
Gross sales	198,865	140,541
Operating profit (EBIT)	37,299	12,426
Financial result (investment income and net interest expense)	1,988	-401
Net income for the year	34,284	9,539
Earnings before interest, taxes, depreciation and amortisation (EBITDA)	48,237	23,049
Cash flows from operating activities	21,639	17,507
Number of shares (in thousands)	61,425	61,425
Earnings per share (in EUR)	0.56	0.16

DEVELOPMENT OF THE MARKET AND COMPETITIVE ENVIRONMENT IN GERMAN PROFESSIONAL FOOTBALL

Match attendance

As reported by DFL Deutsche Fußball Liga GmbH (hereinafter also "DFL"), average attendance once again increased during the 2011/2012 season to 44,293 (up 5.21%), surpassing the 44,000 mark for the first time. Borussia Dortmund led the *Bundesliga* with almost 80,000 attendees, followed by FC Bayern Munich with around 70,000 spectators.

Licensing

According to a DFL press release, 50 clubs and corporations from the top three football divisions applied for one of the 36 licences to participate in professional German league play during the 2012/2013 season.

In its licensing procedures for the first and second *Bundesliga* divisions, DFL's management initially decided to not refuse membership to any club for the new season. However, several clubs and investment companies had to fulfil conditions by the end of May in order to obtain the match licences for the new season. In accordance with the DFL's articles of association, it assesses clubs not only on the basis of their financial performance, but also in line with infrastructural, legal, human resources, media, safety and athletic factors defined in its licensing guidelines.

DFL Deutsche Fußball Liga GmbH notified Borussia Dortmund GmbH & Co. KGaA that it, too, had fulfilled the criteria necessary to obtain a license to compete in first division play in the 2012/2013 *Bundesliga* season. The licence was granted on an unconditional basis and/or without any restrictions.

Marketing

Securing long-term partners also continues to be a priority at Borussia Dortmund. One year before expiry of the sponsorship agreement, Borussia Dortmund and its primary sponsor, Evonik Industries AG (hereinafter also "Evonik"), agreed to continue their partnership until 30 June 2016, once again extending the agreement in place since July 2006. The naming rights agreement with SIGNAL IDUNA was set to expire in 2016 and was also extended early by five additional years until 2021. Accordingly, Borussia Dortmund will continue to play its home matches at the SIGNAL IDUNA PARK, Germany's largest stadium, for the next nine seasons.

Borussia added ODDSET Deutschland Sportwetten GmbH to its Champion Partners roster by signing a long-term partnership agreement with them. The partnership places ODDSET and Borussia Dortmund in prime position even before the upcoming new regulations of the German sports betting market take effect. At the end of April, Europe's largest online print shop, flyeralarm, also signed an agreement to become a further Champion Partner. With its partnership with Borussia Dortmund, flyeralarm continues to expand its football sponsoring activities. The Würzburg-based company is a sponsor of qualifying matches for the German men's national team and already sponsors the clubs FC St. Pauli and Fortuna Düsseldorf. flyeralarm is also involved in sports beyond football. In addition to concluding new Champion Partner agreements, Borussia Dortmund also extended its collaboration with SIGNAL IDUNA as a Champion Partner for additional seasons. Accordingly, in addition to Evonik, PUMA SE and SIGNAL IDUNA (Borussia's primary sponsors), ten Champion Partners currently form the advertising cornerstones at Borussia Dortmund.

Demand for hospitality seating remains constant for the upcoming season as well. Very few existing customers opt to use the contractual notice period to cancel their participation on time. In addition to the waiting lists of prospective companies, the majority of the companies – as in previous years and despite previously terminating their agreements – once again entered into a contractual relationship with Borussia Dortmund. Capacity for the upcoming season had already reached 100% by the end of the 2011/2012 season.

UEFA club competitions

In a statement released on 5 April 2011, UEFA announced that the television distribution rights in Germany for the UEFA Champions League from 2012 to 2015 had been awarded to ZDF and Sky Deutschland. Sky Deutschland also acquired the media rights for the UEFA Europa League from 2012 to 2015.

Violence at football matches

Following the incidents at the relegation matches of Karlsruhe and Düsseldorf, the presidents of the German Football Association (DFB) and the League Association issued a joint statement sharply condemning the events. The two associations are planning a pre-season meeting of all presidents of the top three professional divisions to discuss how to proceed. Included on the agenda is the development of a code of conduct detailing the interaction between the clubs and fans. Furthermore, working in tandem with police authorities and prosecutors, the goal is to develop and implement more effective methods of dealing with perpetrators of violence.

The propensity of these so-called football fans to commit violent acts is also increasing outside of sports stadiums. Violent assaults of rival fan groups as they travel to and from matches and assaults of players are increasingly defining the sport's landscape. Meanwhile, it is proving difficult to find suitable means to keep this problem in check. Sanctions handed down by the DFB, such as banning fans from the opposing team, have in some cases backfired, in that these methods spur solidarity amongst the fan groups against the Association, in addition to in effect challenging the fan groups to thwart the imposed penalties. All participants will have to work together to determine which penalties can be imposed if laws or facility rules are broken or which preventative measures should be taken to prevent violence.

Innovation award

For the second time, the magazine SPONSORS presented its Innovation Award for the most innovative idea in the sports media sector. Borussia Dortmund was honoured for its online game "BVB Fantasy Manager" at the SPONSORS Sports Media Summit at the ISS Dome in Düsseldorf, beating out the pay-per-view packages offered by the sports channel Sportdigital and Havas Sports & Entertainment's programme monitoring activities on social networks. In "BVB Fantasy Manager", players can simulate being the club manager. The game was launched at the end of February and is available on Facebook and for the iPhone. It has been extremely well received by fans since its release, having been downloaded more than 95,000 times and having an average of 62,000 active users during its first four weeks. Moreover, particularly active gamers can advance their fantasy careers by spending real cash for In-App purchases, thus also making the game financially profitable.

Branding

In March 2012, Borussia Dortmund was crowned the best managed sports brand with the "Marken-Award 2012". A world-class panel of judges extolled the brand management efforts of Borussia Dortmund and the marketing agency XEO. An April 2012 study by the Technische Universität Braunschweig also named Borussia Dortmund as the leading brand manager. Borussia Dortmund received top marks in a brand index, consisting of criteria pertaining to likeability and attractiveness, and thus beat out every other *Bundesliga* club.

New media

The new media business segment continued its extremely positive growth. Borussia Dortmund's official Facebook fan page currently boasts more than 1.3 million fans and the club's other official social media platforms recorded rapid growth as well. The number of Borussia Dortmund's Twitter followers increased many times over and currently exceeds 70,000, making it the leader amongst all *Bundesliga* clubs. With more than 280,000 downloads, the newly created iPhone and Android applications also demonstrated the considerable relevance of Borussia Dortmund's new media product offerings. In addition to numerous social media applications aimed at attracting fans, the launch of the online social game "BVB Fantasy Manager" was highly successful. Available on Facebook and for the iPhone, the game was downloaded more than 170,000 times within the first four months. The club's web TV portal, "meinBVB.de", is also experiencing steady growth.

Television

The programming broadcast by BVB total!, the TV channel that Borussia Dortmund operates jointly with Deutsche Telekom, was continually expanded and optimised during the 2011/2012 season. For example, since the start of the second leg of the 2011/2012 season, an exclusive talk show ("*Brinkhoff's Ballgeflüster*") featuring guests from Borussia Dortmund is aired once per quarter. The idea for the new programme, which is filmed before an 80-member audience on a restaurant ship in the port of Dortmund, was developed together with Brinkhoff's, one of the club's long-standing partners. A studio was constructed especially for this purpose, giving the programme a unique setting below the ship's deck. Having so far welcomed guests such as Jürgen Klopp, Johann König and Neven Subotic, host Norbert Dickel successfully launched the new programme to extraordinarily positive media reviews.

Moreover, Borussia Dortmund has been producing a one-hour weekly TV show for the international television market since the start of the 2011/2012 season. The English-language programme broadcasts extensive summaries of Borussia Dortmund's official matches while also reporting on club news. Borussia Dortmund collaborates with MP & Silva, an international media company, to broadcast the new international television programme. Specialising in marketing media rights, MP & Silva is tasked with distributing the programme worldwide to television stations outside of Germany. The collaboration has already borne fruit. The television stations TVP (Poland), Asahi TV (Japan) and GMM Grammy (Thailand) became the first partners and have all incorporated the show into their programming schedules.

Merchandising

In September 2011, BVB Merchandising GmbH opened its now fifth Fanshop in Dortmund. Located in the new Thier Galerie shopping centre in the heart of Dortmund, the 160 m2 Fanshop is easily accessible from a street entrance on Westenhellweg. The Fanshop's impressive design is a big hit with Borussia Dortmund's friends and fans and has attracted large crowds since its grand opening. The addition of a further brick-and-mortar Fanshop is also planned for the CentrO shopping centre in Oberhausen.

The Fanshops at SIGNAL IDUNA PARK were also redesigned in time for the second leg of the 2011/2012 season and can now be easily spotted in the stadium thanks to their distinct Borussia Dortmund corporate design.

Furthermore, we completely redesigned Borussia Dortmund's online shop and added new features during the past season. By making the website more user-friendly and revamping its design, we increased online sales many times over as compared to the previous year. BVB Merchandising GmbH now generates more than a third of its total sales from the online shop. In addition, an English-language version of the online shop targeting Borussia Dortmund's international fans went live in April 2012.

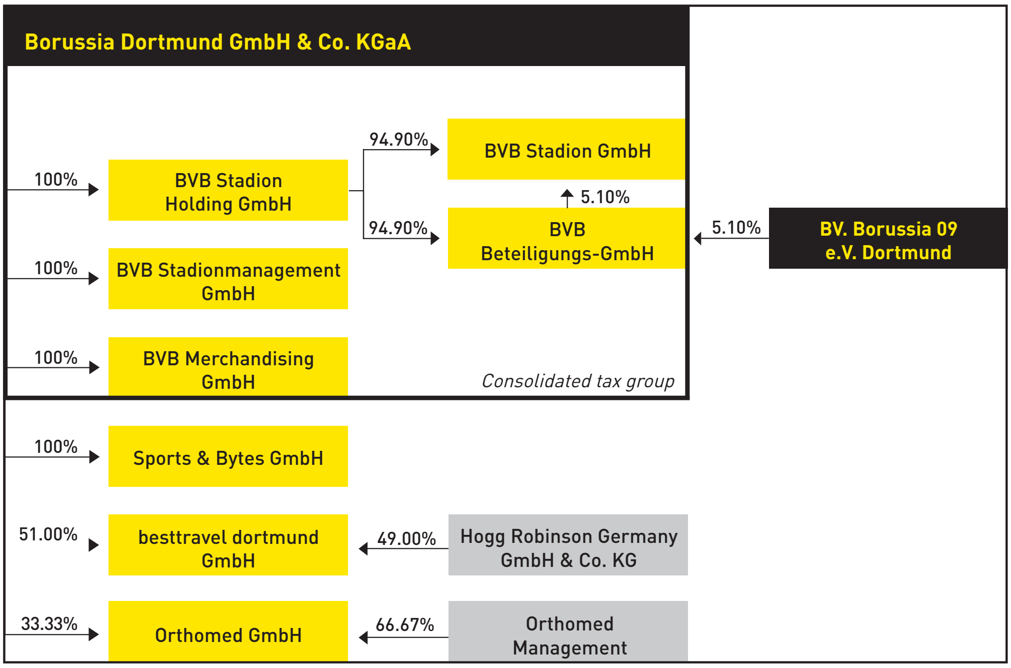
Borussia Dortmund's new "fanmobile" has been hitting the road since the 2011/2012 season. The semitrailer tractor has been specially adapted by MAN SE, the Munich Dax-30 Group, to the club's requirements and designed in the club's colours. Leading up to the 2011 Christmas holiday, this mobile Fanshop was an integral feature of Borussia Dortmund's Christmas road tour through the region surrounding Dortmund. As a thank you to fans and friends for an extremely successful year in 2011, a "black-and-yellow fan experience" was set up at a total of six locations. The tour was so well received that an additional road tour is planned for summer 2012.

Football academy

The start of the 2011 summer break ushered in the opening of the Borussia Dortmund's Evonik Football School for girls and boys between the ages of 7 and 13. Co-sponsored with Borussia's primary sponsor, Evonik, the academy provides young children expanded access to the popular sport of football with the ultimate goal of having them discover their love of the game and Borussia Dortmund. More than 500 children participated in the first six weeks alone, underscoring the highly successful launch of the football academy located in the completely renovated Strobelallee training centre directly next to SIGNAL IDUNA PARK. The football academy subsequently expanded the reach of its activities beyond the city limits, offering more than 35 courses for various youth age groups in the first half of 2012. Together with its new equipment supplier, PUMA SE, Borussia plans to expand its international presence by offering courses in Japan in summer 2012.

GROUP STRUCTURE AND BUSINESS OPERATIONS

In addition to its core activities of playing football and marketing SIGNAL IDUNA PARK, Borussia Dortmund has established football-related lines of business. The Company currently holds indirect and direct equity investments 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%), best-travel dortmund 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

Borussia Dortmund Geschäftsführungs-GmbH, the general partner of Borussia Dortmund GmbH & Co. KGaA, is responsible for management and representation of the latter. Borussia Dortmund Geschäftsführungs-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 Supervisory Board of Borussia Dortmund GmbH & Co. KGaA, which is appointed by the Annual General Meeting, has limited rights and duties. 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 or a list of transactions requiring its consent on behalf of the general partner. 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 names of the current members of the Company's Supervisory Board, their occupations and their further responsibilities on other management bodies are listed below:

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

Gerd Pieper Chairman	**Harald Heinze** Deputy Chairman	**Peer Steinbrück**	**Bernd Geske**	**Friedrich Merz**	**Christian Kullmann**
Occupations					
Proprietor and managing director of Stadt-Parfümerie Pieper GmbH, Herne	State representative for the Dortmund city council (since 24 May 2012)	Member of German Bundestag Federal Minister (ret.)	Managing partner of Bernd Geske Lean Communication, Meerbusch	Attorney and partner, Mayer Brown LLP, Düsseldorf	Head of the management board office and group communications of Evonik Industries AG, Essen
Other responsibilities					
Member of the Supervisory Board of Beauty Alliance Deutschland GmbH & Co. KG, Bielefeld (until 31 May 2012) Member of the Advisory Board of Borussia Dortmund Geschäftsführungs-GmbH, Dortmund Member of the Advisory Board of the Signal Iduna Group, Dortmund	Member of the Supervisory Board of M-Exchange AG, Lohmar	Member of the Supervisory Board of ThyssenKrupp AG, Essen		Member of the Supervisory Board of the AXA Konzern AG, Cologne Member of the Board of Directors of BASF Antwerpen N.V., Antwerp, Belgium Member of the Supervisory Board of Deutsche Börse AG, Frankfurt a.M. Member of the Supervisory Board and Chairman of the Board of Directors of HSBC Trinkaus & Burkhardt AG, Düsseldorf Member of the Board of Directors of Stadler Rail AG, Bussnang, Switzerland Chairman of the Supervisory Board of WEPA Industrieholding SE, Arnsberg	

Within Borussia Dortmund GmbH & Co. KGaA, there are five independent functional areas below the management level, namely, "Sport", "Sales & Marketing", "Communications", "Organisation" and "Finance". The responsible employees and the functional organisational areas of which they are in charge are shown in the chart below.

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

Management

Hans-Joachim Watzke (Chairman) · Thomas Treß

Sport – Michael Zorc

- Professional football
- Scouting
- Amateurs
- Youth

Sales + Marketing – Carsten Cramer

- Sponsoring
- Sportfive
- Sponsor events
- Marketing
- Business Development
- CRM (Customer-Relationship-Management)
- VIP hospitality
- Ticketing
- Stadium programme
- Merchandising incl. licensing
- New media

Communications – Josef Schneck

- Corporate communications
- Sport communications
- PR
- Publications

Organisation – Dr. Christian Hockenjos

- General organisation
- Stadium management
- Facility Management
- Match organisation
- DFB/DFL
- Real estate
- Fan support
- Event management
- Complaints management

Finance – Marcus Knipping

- Finances
- Accounting
- Financial control
- Risk management
- IT (Information Technology)
- Personnel
- Equity investments
- Investor relations
- Insurances

INTERNAL MANAGEMENT SYSTEM

Sports management

Although our successful restructuring has led to financially stable results, in the future we will nonetheless continue to focus on achieving success on the field under a cost-optimised budget. To accomplish this objective, Borussia Dortmund will continue to put together a competitive team in the future with an emphasis on young, promising players.

Our sporting objectives will be aligned with our financial circumstances, meaning that the makeup of the squad and its cost structure will continue to depend on calculable variables on the income side. Qualifying for and participating in international competitions would provide the financial flexibility for additionally reinforcing the squad. Our medium-term goal must therefore be for the team to establish a presence in European competitions.

Financial management

A key goal of the management of Borussia Dortmund is to achieve a lasting increase in profitability along with bolstering its financial strength. In addition to steadily improving the operating result, the generation of positive cash flows is therefore the most important financial objective of our Company. We seek to optimise cash flows by concentrating on the "operating result" and "investments" as impacting factors.

The operating result – which at the Borussia Dortmund refers to earnings before interest and taxes (EBIT) – is a key indicator for measuring success. For this reason, we constantly monitor our segments' operating results using monthly comparisons of budgeted and actual situations. To optimise the operating result, the main factors to leverage are sales, which can be additionally improved in the major income categories of match operations, advertising, TV marketing and merchandising, and operating expenses, which can be lowered through disciplined management.

In the coming years we will concentrate on generating steady sales growth while limiting operating expenditure. The decisive factor in this respect will be qualifying for international competitions.

Capital management

The capital management responsibilities of the Company's management involve stabilising and increasing the equity of Borussia Dortmund as calculated in accordance with the German Commercial Code (HGB). One of the main ways in which we will reach these objectives is by improving the operating result and making effective investments.

CORPORATE STRATEGY

Borussia Dortmund continues to pursue the objective of re-establishing itself in the top flight of the *Bundesliga* and sees itself well on the way to accomplishing that goal.

As the first and thus far only German listed football company, we have expanded our financial base by exclusively marketing the rights to SIGNAL IDUNA PARK, using the "Borussia Dortmund" brand more effectively and establishing football-related lines of business. However,- professional football with its classic income sources of TV marketing, advertising, match operations and merchandising will remain the Company's core business in future. Borussia Dortmund is confident that it will be able to further stabilise and expand its position for the following reasons:

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

- A football enterprise can only be financially successful if it enjoys sporting success over 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 one of Europe's largest football markets, although it lags behind certain other European markets in financial terms. This means that Germany has major growth potential.

All financial activities of Borussia Dortmund are geared towards the target groups relevant to a football club: its fans, members and business partners. Products and services should be tailored to these groups as closely as possible. Borussia Dortmund intends to use the brand potential at its disposal to take full advantage of the commercial opportunities inherent in professional club football at an international level.

Its current business strategy can principally be summarised as follows:

- Sustainably adjusting athletic prospects
- Intensifying the promotion of up-and-coming talent
- Increasing fan involvement
- Taking advantage of the "Borussia Dortmund" brand

However, financial performance and the business trend are largely dependent on sporting success. Since sporting success is very difficult to plan, the best that management can do is to create a good 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 objectives, 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 might be sold based on financial considerations in cases where this would not have happened had the decision been made purely on the basis of sporting criteria. Thus a conflict arises between the pursuit of financial interests and sporting interests, i.e., a situation in which sporting considerations and financial considerations may be at odds with each other, particularly if the club continually falls short of its sporting goals. In such cases, management weighs the opportunities and risks to find a solution that does adequate justice to the Company's strategic objectives.

Advertising plays a key role in this context. Over the years, advertising has grown to become one of the Company's largest income categories. In contrast to central TV marketing, where distribution is already clearly defined in advance, Company management is itself able to determine the requirements for and direction of sponsoring activities and, if necessary, modify the strategy implemented as circumstances change. The key figures for the sponsoring segment were already budgeted for the coming years based on commitments from SIGNAL IDUNA (until 2021) and Evonik Industries AG (until 2016), the Company's chief partners.

Revenues from international competitions are more difficult to budget for, since they depend solely on the team's athletic performance. Another key strategic management parameter is transfer income. It must be decided whether to sell sought-after players or to retain them to pursue greater athletic goals over the long term.

Achieving positive operating results and making the investments that depend on such results, mainly in the professional squad, should enable cash flows to stabilise at a positive level on a lasting basis.

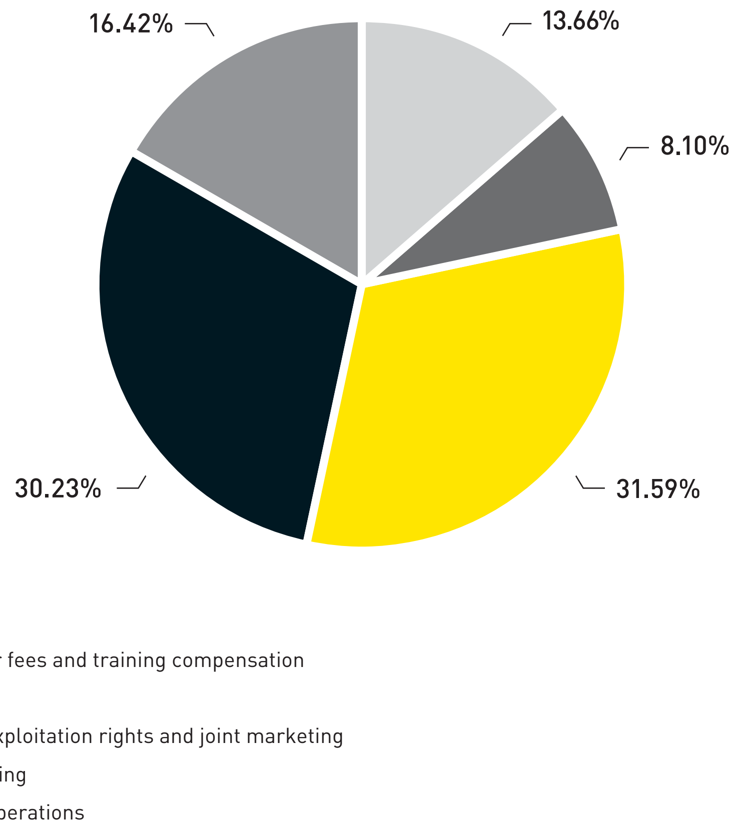
POSITION of Borussia Dortmund GmbH & Co. Kommanditgesellschaft auf Aktien

RESULTS OF OPERATIONS

Borussia Dortmund continued to enjoy financial success during the 2011/2012 financial year following the success of the 2010/2011 financial year. During the reporting period (1 July 2011 to 30 June 2012), Borussia Dortmund generated sales of EUR 191,213 thousand (previous year: EUR 136,402 thousand) and gross sales of EUR 198,865 thousand. Compared to the previous year, this corresponds to an increase of EUR 58,324 thousand, or 41.50%.

Borussia Dortmund generated net income of EUR 34,284 thousand (an increase of EUR 24,745 thousand) during the 2011/2012 financial year. The result from operating activities (EBIT) increased by EUR 24,873 thousand on the previous year to EUR 37,299 thousand in 2011/2012.

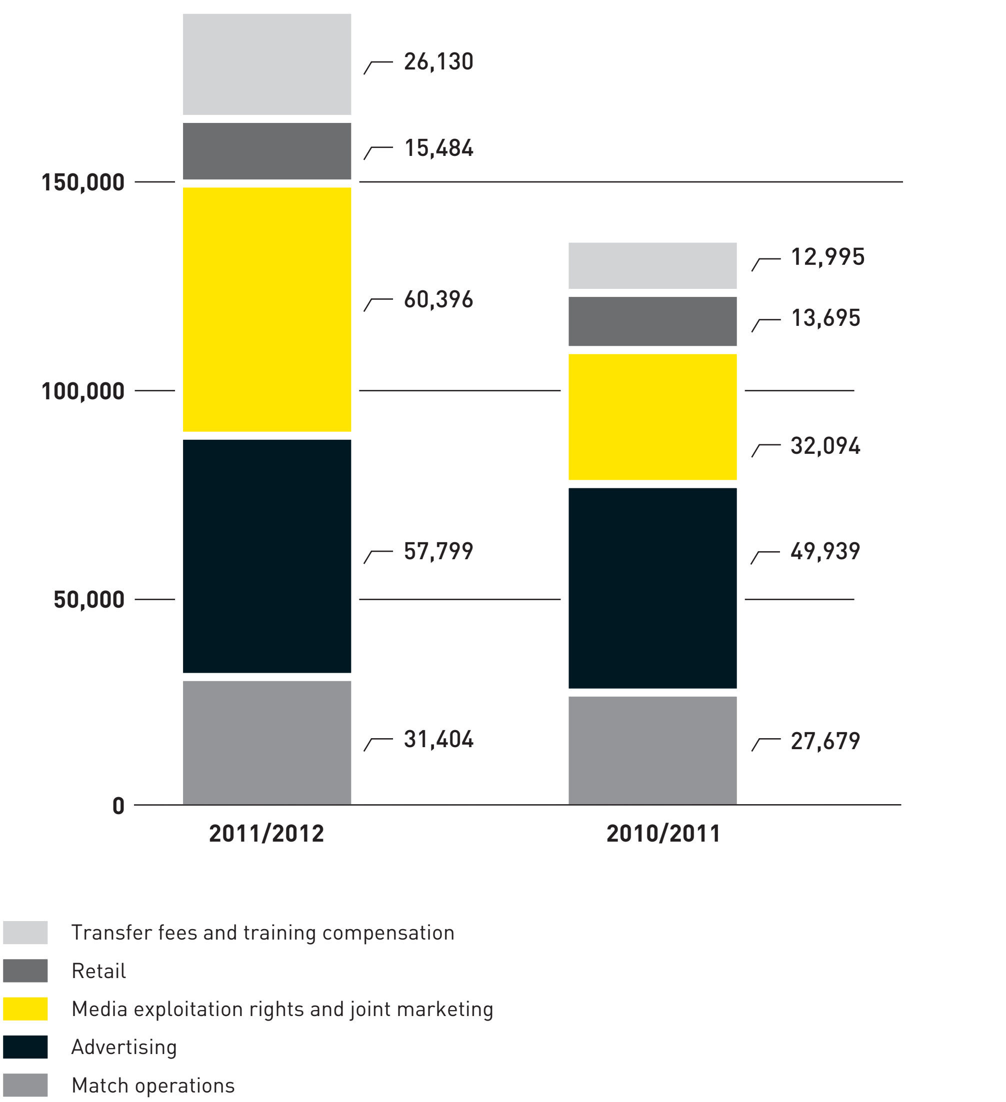
Sales in percent



REVENUE TREND

Borussia Dortmund generated sales of EUR 191,213 thousand in financial year 2011/2012. The increase of 40.18% was driven by growth in all income categories.

Sales in EUR '000



The performance of the individual sales items is described in the following:

Income from match operations

Income from Borussia Dortmund's match operations increased by EUR 3,725 thousand to EUR 31,404 thousand in financial year 2011/2012.

With an average attendance of 79,860 to put SIGNAL IDUNA PARK at almost 100% capacity during the entire season and a moderate price increase at the beginning of the season, Borussia Dortmund again increased income from *Bundesliga* ticket sales, which rose by EUR 1,013 thousand year-on-year to EUR 24,515 thousand. The rearrangement of hospitality agreements and the addition of further hospitality seating on the southeast catering level also boosted hospitality sales.

Borussia Dortmund competed in the UEFA Champions League and generated income of EUR 4,355 thousand from international ticket sales from those three home matches, up EUR 1,005 thousand compared to income from the team's group stage games in the previous year's UEFA Europa League.

In the past financial year, Borussia Dortmund recorded income of EUR 1,890 thousand from ticket sales for DFB Cup matches. For this competition, income from ticket sales less any expenses is always divided amongst the two opposing teams. Due to the competitors that Borussia Dortmund drew in the Cup, the club played only one home match at the sold-out SIGNAL IDUNA PARK. Three other matches were contested in stadiums with attendance figures between 10,000 and 15,500. Therefore, the rise in income from ticket sales as compared to the previous year (in which the team did not advance past the second round) amounted to EUR 1,737 thousand.

Income from advertising

Borussia Dortmund generated advertising income of EUR 57,799 thousand (previous year: EUR 49,939 thousand) which formed a substantial part of the total income in the past financial year.

In addition to Evonik, the club's primary sponsor and with whom an early extension of the sponsorship agreement until 30 June 2016 was signed, and SIGNAL IDUNA, with whom an early five-year extension until 2021 of the naming rights agreement set to expire in 2016 was also entered into, Borussia Dortmund counted its kit supplier, Kappa, as one of the club's biggest sponsors. The sponsorship deal with Kappa terminated at the end of the financial year.

The capacity of the hospitality areas at SIGNAL IDUNA PARK (Stammtisch seating, Business Club, Borussia Park, Rote Erde Club, and, for the first time, the southeast catering level) reached 100% in the 2011/2012 season.

There was also an absolute boom in the demand for incentive packages that business clients can book for specific matches. Accordingly, additional capacities in the form of VIP tents had to be constructed for top flight matches.

Advertising income also included sponsor bonuses paid for the team winning the German Championship and the DFB Cup.

It also includes income from advertising boards marketed centrally by the DFB for the six rounds of the DFB Cup.

Income from media rights of exploitation and joint marketing

As in previous years, TV marketing income once again represented the largest component of sales for Borussia Dortmund. TV marketing sales grew by EUR 28,302 thousand over the previous year to EUR 60,396 thousand.

An improved calculation basis helped Borussia Dortmund raise its income from *Bundesliga* TV marketing by EUR 1,081 thousand to EUR 27,856 thousand.

By winning the 2010/2011 German Championship, Borussia Dortmund qualified for the group stage of the UEFA Champions League, having last qualified nines year prior during the 2002/2003 season.

Starting at the group stage, UEFA is in charge of the centralised TV marketing for the UEFA Champions League. This generated income of EUR 25,596 thousand. Although Borussia Dortmund exited the second round of the previous year's DFB Cup, it captured the title in the 2011/2012 season. The remaining four rounds, live broadcasts of all Cup matches (excluding round one) and ultimately the victory in the final match increased the marketing income from the DFB Cup by EUR 6,571 thousand to EUR 6,944 thousand.

Income from transfer fees and training compensation

Income from transfer fees and training compensation for the relevant 2011/2012 reporting period amounted to EUR 26,130 thousand (previous year: EUR 12,995 thousand).

Retail income

Compared to the previous year, income from retail, catering and licenses, as well as other income, increased by EUR 1,789 thousand to EUR 15,484 thousand.

Sales from catering – consisting of merchandising on the circulation levels and in hospitality areas during national and international match operations, as well as non-footballing events that can be booked year-round at SIGNAL IDUNA PARK – once again improved by 8.71% to EUR 9,822 thousand.

Rental and lease income, advance booking and other ticketing fees increased by EUR 822 thousand over the prior-year figure to EUR 5,391 thousand.

Other operating income improved by EUR 3,513 thousand year-on-year to EUR 7,652 thousand. This increase was chiefly due to the performances of Dortmund players Bender, Götze, Großkreutz, Gündogan, Hummels and Schmelzer in qualification matches and German national team friendlies as well as the appearances of the club's German and Polish players and that of the Croatian national, Ivan Perisic, at the 2012 European Championships hosted jointly by Poland and Ukraine.

DEVELOPMENT OF SIGNIFICANT OPERATING EXPENSES

Personnel expenses

At EUR 74,535 thousand, personnel expenses for the 2011/2012 financial year exceeded those of the previous year by EUR 17,147 thousand. Compared to the previous year, personnel expenses for match operations rose considerably. In addition to the increase in the professional squad budget, the variable bonus payments paid out from the staff budget for winning the German Championship and DFB Cup and the 81 points achieved during the club's Championship run played a large part in the rise in personnel expenses. Furthermore, personnel expenses also increased in the retail and administrative areas as a result of the "double" bonuses paid out to all Borussia Dortmund employees. The rise was also due to staff hiring measures taken at almost all business segments in order to meet increased challenges expected for the future. Personnel expenses for other match operations also rose year-on-year, primarily due to the club's U23 team advancing directly to division three play.

Depreciation, amortisation and write-downs

Depreciation, amortisation and write-downs rose by EUR 316 thousand to EUR 10,938 thousand in the reporting period.

Other operating expenses

Other operating expenses amounted to EUR 76,093 thousand in the reporting period compared with EUR 60,104 thousand in the previous year.

In addition to the rise of EUR 4,943 thousand in match operations – which primarily included repairs for the SIGNAL IDUNA PARK, the team's participation in the DFB Cup, the installation of hospitality tents at four *Bundesliga* home matches and expenses associated with the expansion of the training grounds – the greatest increase in other operating expenses related to advertising expenses, including fees for the Sportfive marketing agency (EUR 3,588 thousand), and transfer fees, including write-downs of carrying amounts (EUR 3,968 thousand).

Financial result

The financial result amounted to EUR 1,988 thousand in 2011/2012, compared to EUR -401 thousand in the previous year.

FINANCIAL POSITION

Analysis of capital structure

After taking into account the net income for the year, Borussia Dortmund had equity in the amount of EUR 132,827 thousand as at 30 June 2012. This corresponds to an equity ratio of 57.47%.

Liabilities decreased by EUR 15,468 thousand as against the figures as at the previous year's balance sheet date. The breakdown of the decline is described in the following:
Trade payables decreased by EUR 1,880 thousand and liabilities to affiliated companies declined by EUR 3,486 thousand.
Due to scheduled repayments and the reduction in drawings on credit lines, financial liabilities decreased by EUR 9,652 thousand.

Other liabilities, which contained wage and tax liabilities not yet due as at the balance sheet date, also decreased by EUR 450 thousand.

Analysis of capital expenditure

In financial year 2010/2011, Borussia Dortmund invested EUR 20,923 thousand in intangible fixed assets, nearly all of which was attributable to investments in the player base.
Cash payments for tangible fixed assets during the same period amounted to EUR 6,252 thousand and primarily included fixtures and expansions at SIGNAL IDUNA PARK.

Analysis of liquidity

As at 30 June 2012, Borussia Dortmund held cash of EUR 4,858 thousand, none of which was subject to restrictions. Borussia Dortmund had access to an additional EUR 15,000 thousand in overdraft facilities as at the balance sheet date, which had not been drawn down as at the end of the reporting period.

Proceeds from the sale of player registrations amounted to EUR 19,419 thousand in the past financial year. Payments for investments in the professional squad amounted to EUR 20,907 thousand.

NET ASSETS

Total assets of Borussia Dortmund increased from EUR 209,288 thousand to EUR 231,112 thousand. The increase as at 30 June 2012 resulted mainly from the EUR 4,425 thousand increase in trade receivables, the EUR 4,161 thousand increase in cash and the EUR 11,592 thousand increase in fixed assets.

OVERALL ASSESSMENT OF FINANCIAL POSITION AND PERFORMANCE

Borussia Dortmund ended the financial year with net income for the year of EUR 34,284 thousand, an improvement of EUR 24,745 thousand over the previous year.

The equity ratio is stable and, taking into account the net income for the year, is calculated at 57.47%.

As at 30 June 2012, Borussia Dortmund held cash of EUR 4,858 thousand, none of which was subject to restrictions. Borussia Dortmund had access to an additional EUR 15,000 thousand in overdraft facilities as at the balance sheet date, which had not been drawn down as at the end of the reporting period.

REMUNERATION REPORT

The structure of the management remuneration system 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 remuneration of management in detail and setting the appropriate amount of remuneration. 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 remuneration comprises two components: a fixed amount and a variable component. The fixed remuneration component is stipulated by contract and is paid out in twelve equal monthly instalments. The variable remuneration component is based on the business trend and is dependent on net income for the year before tax and the managing directors' remuneration. Any additional non-cash or ancillary benefits granted relate primarily to insurance benefits at standard market conditions and provision of a company car. The Company does not offer any stock option plans or similar incentive plans. The remuneration components provided are reasonable both in and of themselves and taken as a whole.

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

The disclosures required by § 285 no. 9 HGB are included in the notes to the financial statements.

THE INTERNAL CONTROL AND RISK MANAGEMENT SYSTEM AS IT RELATES TO THE ACCOUNTING PROCESS

The key features of the accounting process-related internal control and risk management system employed by Borussia Dortmund can be described as follows:

- Borussia Dortmund distinguishes itself through its clear organisational and corporate structures as well as its control and monitoring structures;
- the internal control and risk management systems as they relate to the accounting process form an integral part of operational and strategic planning processes;
- responsibilities have been clearly assigned in all areas of the accounting process (such as financial accounting and management cost accounting);
- reporting is carried out in monthly, quarterly, semi-annual and annual intervals, whereby a distinction is made between matters requiring immediate action by the Company and those involving Company strategy;
- the computer systems used in accounting are protected against unauthorised access;
- an adequate system of internal guidelines has been established and is updated as needed;
- the departments involved in the accounting process fulfil quantitative and qualitative requirements;
- the completeness and accuracy of the accounting data is checked regularly by reviewing samples and conducting plausibility tests, both manually and by means of software employed for this purpose;
- the principle of dual control is adhered to at all points in the Company's accounting-related processes;
- the management receives reports at scheduled intervals throughout the process or more frequently if necessary;
- the Supervisory Board deals with the key accounting issues, risk management and the audit assignment, among other things.

The accounting process-related internal control and risk management system, the key features of which are described above, ensures that transactions can be correctly recorded, prepared and accounted for in the financial statements.

OPPORTUNITY AND RISK 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 internal risk management system to monitor and control such potential risks.

The risk management system is based on principles and guidelines laid out by the management. These principles and guidelines are designed to facilitate the early identification of any irregularities so that appropriate countermeasures can be taken. In order to ensure the highest possible level of transparency, risk management has been incorporated into the organisational structure of the Group as a whole. All departments and divisions are required to immediately report any market-relevant changes in the risk portfolio to the management. The risk management system is also an integral component of the overarching planning, steering and reporting process.

This year, the risk inventory procedure implemented with the objective of cataloguing and assessing all risks has again proven effective as a management tool. Risks are identified, discussed and reviewed in consideration of current circumstances in one-on-one meetings or plenary sessions in order to assess the current likelihood of their occurring and the extent of the losses they might entail. In so doing, particular emphasis is placed on high priority risks that could significantly jeopardise the ability of Borussia Dortmund to continue as a going concern. Thus the organisational groundwork has been laid to enable the Company to identify any changes to the risk situation that may emerge early on. Regular risk reports to the governing bodies of Borussia Dortmund keep them informed of Borussia Dortmund's current risk profile, enabling them to monitor and manage risk.

SPECIFIC RISKS

Strategic risk

The economic performance of a football company depends on its sporting success. 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 – including taking the measures necessary to achieve such objectives – and meeting financial requirements such as assuring adequate liquidity.

In addition, in order for its team to participate in *Bundesliga* matches, Borussia Dortmund requires a licence, which is issued for each season by DFL Deutsche Fußball Liga GmbH. Issue of this licence has a significant impact on the Company's financial position and financial performance by its very nature. As in previous years, Borussia Dortmund has been issued a licence for the coming season without any conditions or requirements.

Personnel risk

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* matches – 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. Absences 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 non-sports segments as well, the use of qualified specialists and executives is essential for Borussia Dortmund; thus it is important that the Company retain such personnel over the long term.

Macroeconomic risk

The trend in future funding through sponsorship is difficult to foresee. Borussia Dortmund has laid the groundwork for the coming years through the conclusion of long-term contracts with major sponsors. Since many companies – primarily SMEs – are currently employing caution in waiting to see how the market will develop, we cannot reliably forecast whether last years' total volume in sponsorship can be achieved again this year.

It is impossible to plan and manage the risk of interruptions to match operations, for example due to outbreak of an epidemic. 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 submitted completely and correctly and that its social security contributions were paid in full and on time. However, should the tax or social security authorities view the situation differently due to a diverging assessment of the facts, it is possible that they could later make additional claims that could impact the Company's financial position and performance.

Competitive risk

The UEFA regulations on club licensing and financial fair play were adopted in May 2010. The regulations aim

- to introduce more discipline and rationality in club football finances
- to encourage clubs to operate on the basis of their own revenues
- to protect the integrity and smooth running of UEFA club competitions
- to encourage responsible spending for the long-term benefit of football
- to ensure that clubs settle their liabilities punctually
- to protect the long-term viability and sustainability of European club football.

The process will be introduced gradually starting with the 2011/2012 season. Starting with the reports on liabilities and future financial information, the most important factor in receiving permission to play from UEFA in the future will be the break-even requirement, which will take effect at the end of the 2012 reporting year, be reviewed during the 2013/2014 European Cup season and result in sanctions in cases of non-adherence. The club monitoring procedure will be supervised by UEFA's Club Financial Control Panel, which may request additional information from the license applicant and/or the licensing body at any time during this process.

FINANCIAL RISK

Interest rate risk

Borussia Dortmund bears the financing risk related to SIGNAL IDUNA PARK. Borussia Dortmund is presently not subject to any interest rate risk thanks to the fixed-interest credit agreements entered into for the coming years. Management has entered into interest rate swap transactions with German Landesbanken (i.e., banks local to Germany's individual states or "Länder") in order to lock in low interest rates over the medium to long term and hedge the risk of changes in cash flows due to changing interest rates.

Credit risk

Borussia Dortmund conducts business exclusively with third parties of high credit standing. Credit risk may arise in the context of player transfers and long-term sponsorship agreements as well as from centralised marketing agreements.

One fixed-interest loan taken out with a principal amount of EUR 20,000 thousand and which matures in June 2013 is subject to covenants with respect to the Group's equity ratio and interest coverage ratio (EBITDA/interest expense) as stated in the consolidated financial statements. In addition, covenants are in place in relation to an overdraft facility in the amount of EUR 5,000 thousand. These covenants relate to the equity ratio, net debt/EBITDA and the interest coverage ratio. These covenants are reviewed on an annual basis; all covenants were complied with during the year under review.

Liquidity risk

Liquidity risk refers to the risk of being unable at any point in time to meet regular payment obligations on time and in the full amount.

Regular reporting and strict controls aimed at adherence to target figures, approved budgets and KPIs ensure that the Company's liquidity remains a transparent variable. Liquidity is constantly monitored through liquidity planning, which takes expected cash flows into consideration. As with any planning, an inherent risk exists in that current estimates are subject to risks and uncertainties. Actual results may differ from the planning statements. However, there is a general risk that budgeted proceeds may not be realised due, for example, to agreements not being able to be honoured as entered into due to the poor economic climate and/or insolvency of the customer.

OVERALL ASSESSMENT OF RISK POSITION

With regard to the risks discussed in this report and the review of the overall risk position, no risks were identified in the financial year under review that would contribute to a permanent or material deterioration in the financial position or financial performance of either the Group or its individual companies. Thanks to its risk management system, Borussia Dortmund is in a position to comply with the statutory provisions on control and transparency in the Company.

A review of the risk situation revealed that none of the individual risks defined within the risk areas jeopardise the continued existence of Borussia Dortmund.

REPORT ON EXPECTED DEVELOPMENTS

ANTICIPATED DEVELOPMENT OF THE COMPANY

Borussia Dortmund once again capped off the past 2011/2012 season by winning the German Championship, and for the first time in the club's history, captured the "double" by also winning the German Cup. The team's playing success, by virtue of which it qualified directly for group stage of the UEFA Champions League, thus has also increased its growth prospects in nearly all income areas.

Notwithstanding these new circumstances, Borussia Dortmund still intends to leverage its stable, robust equity base and avoid incalculable financial risks in pursuing its athletic goals.

EXPECTED GENERAL ECONOMIC ENVIRONMENT

By successfully defending its Championship title and retaining first place in the final standings, Borussia Dortmund's standing in the four-year money rankings improved to number one at the beginning of the 2012/2013 season. The four-year ranking is the key factor in determining the calculation basis and income distribution from national TV marketing among the *Bundesliga*'s first and second division clubs. A drop to below second place is not expected even in the case of only moderate *Bundesliga* success.

DFL Deutsche Fußball Liga GmbH announced its decision regarding the award of media rights of exploitation. Based on this report, *Bundesliga* clubs will receive record distributions of the income generated from national TV marketing. As per the announcement, the League Association will receive around EUR 2.5 billion from the exploitation of domestic broadcast rights in the four seasons from 2013/2014 through 2016/2017, corresponding to an average of approximately EUR 628 million in income per year. This, in turn, corresponds to an increase of EUR 195 million compared to the average income from TV agreements expiring as at 30 June 2013.

Viewers will be able to choose from the following broadcast/coverage options:

- the premium TV channel, Sky, will have partnership rights to broadcast live on all distribution mediums (subscription-based viewing)
- the TV channel ARD will retain the rights to the sports news show Sportschau
- the TV channels ZDF and Sport1 will continue to hold the secondary distribution rights
- the Axel Springer publishing house will retain the rights for web TV and video clips for mobile devices

The distribution scenario selected for the distribution rights was the "traditional" scenario, which continues to allow for an early highlights show of Saturday matches broadcast on free-to-air television.

Securing long-term partners as sponsors continues to be a priority at Borussia Dortmund. For example, the club entered into multi-year agreements with its primary sponsor, its equipment supplier and the holder of the stadium's naming rights. The marketing process for Champion Partners for the 2012/2013 season is virtually concluded and most partners have entered into long-term agreements.

Demand for hospitality seating continues to remain constant for the upcoming season as well.

Very few existing customers opt to use the contractual notice period to cancel their participation on time. In addition to the waiting lists of prospective companies, the majority of the companies – as in previous years and despite previously terminating their agreements – once again entered into a contractual relationship with Borussia Dortmund. Capacity for the upcoming season had already reached 100% by the end of the 2011/2012 season. As in previous years, demand for season tickets outpaced supply. In order to be able to offer adequate numbers of Match Day tickets, Borussia Dortmund thus had to cap season ticket sales at around 54,000.

EXPECTED RESULTS OF OPERATIONS

Anticipated earnings trend

Management assumes that it will generate net income for the year in its annual financial statements and consolidated financial statements for the coming 2012/2013 financial year. Based on conservative budget estimations, net income for the year will be in the single-digit million range. The result of the 2013/2014 financial year depends on the club's sporting success in the 2012/2013 season and is therefore very difficult to plan.

Anticipated sales trend

By winning the "double", Borussia Dortmund reached yet another footballing milestone, the effects of which will continue to yield financial dividends in the 2012/2013 season.

In addition to advertising income that continues to rise due to the club's national and international footballing success on the one hand and the magnetism of the Borussia Dortmund brand on the other, management expects an increase in income distributed by the DFL from TV marketing for the *Bundesliga* and *Bundesliga* ticket sales to improve in the coming financial year. Although it is possible that the income awarded by UEFA for participating in the UEFA Champions League will rise year-on-year if the club advances past the group stage, this income potential was not taken into account in the Company's traditionally very conservative budget. Accordingly, the budgetary assumption was that Borussia Dortmund would exit the DFB Cup in the second round. This would overall lead to declining TV income.

Given this background and not taking into account any transfer income, management expects total sales to remain virtually level.

Anticipated trend in significant operating expenses

To ensure the early identification and prevention of future financial risks, Borussia Dortmund's highest priority continues to be managing and continually monitoring costs and expenses.

The development of operating expenses depends primarily on the number of matches to be played, meaning that it is always contingent upon the club's sporting performance.

The current employment agreements for professional players all contain performance-based components, meaning that the level of personnel expenses depends on whether athletic targets are met.

EXPECTED DIVIDENDS

Due to the fact that the club again directly qualified for the group stage of the UEFA Champions League and in light of the club's economic success in the past financial year, Borussia Dortmund will propose a dividend distribution to its shareholders at the Annual General Meeting in November 2012.

PROJECTED FINANCIAL POSITION

Capital expenditure and financial planning

We are continuing to focus our investing activities on strengthening our professional squad and on making infrastructure improvements to SIGNAL IDUNA PARK and the training grounds.

Thus, we will continue to concentrate on the core business of Borussia Dortmund and will not take any financial risk that cannot be calculated in advance. In essence, this means that we will only be incurring capital expenditure to the extent permitted by our anticipated financial leeway based on conservative budgetary assumptions. As part of capital expenditure planning, Borussia Dortmund will thus not count on any uncertain sporting successes which, if they failed to materialise, would lead to substantial new debt.

Anticipated liquidity trend

Borussia Dortmund generated positive cash flow from operating activities of EUR 21,639 thousand in the past financial year. This positive cash flow and the expected rise in income will enable Borussia Dortmund to pay dividends and continue to invest in its professional squad and make infrastructure investments.

OPPORTUNITIES

Borussia Dortmund will again participate in the UEFA Champions League during the 2012/2013 season, thus providing it the opportunity to tap additional growth potential associated with the income expected from that competition.

Furthermore, management is aware that Borussia Dortmund's team roster includes young, top-tier players with high market values who have the potential to secure large transfer income. Similarly, these players are the foundation of Borussia Dortmund's continued sporting and economic performance. Thus, consideration must be given to what extent the short-term gain from transfer income counters this performance and whether it is in Borussia Dortmund's overall strategic interest to forgo the short-term increase in hidden reserves.

OVERALL ASSESSMENT OF ANTICIPATED PERFORMANCE

Borussia Dortmund succeeded in making a surprise champion into a "double champion". This deserved success and its subsequent effects as well as the tremendous support for Borussia Dortmund place the club in a prime economic starting position for the coming season.

REPORT ON POST-BALANCE SHEET DATE EVENTS

The team unveiled its new uniform on 4 July 2012. Marking the beginning of a long collaboration, Borussia Dortmund and its new kit supplier, PUMA SE, were proud to present the match uniforms for the 2012/2013 athletic season during a team rally at Dortmund's Alter Markt square. The fans were excited to see two Championship Stars shining prominently on the team's new black-and-yellow jersey, which peps up the traditional design with a hip retro look.

On 19 July, Borussia Dortmund presented its new long-term partner, Adam Opel AG – highlighting its roots in the region and its desire to maintain close ties there. Opel thus took the place of the team's previous partner, SEAT. The team and its new partner are drawn together by their dedication to quality and passion.

Season ticket sales for the upcoming season can be considered a complete success. The target of 54,000 season tickets sold was reached in record time, making Borussia Dortmund the top *Bundesliga* seller once again. Proof that Borussia Dortmund is a club with the largest and most loyal fan base.

In addition, Borussia Dortmund is pleased to report two more new additions to the squad.

29-year-old defender Oliver Kirch comes to Borussia Dortmund from the relegated 1. FC Kaiserslautern. The second new addition to the team is Julian Schieber from Stuttgart. Schieber, a 23-year-old striker, is a young player set to complement the offence led by Marco Reus and Robert Lewandowski. At the training camp in Bad Ragaz, the Polish national player Jakub "Kuba" Blaszczykowski extended his current contract with Borussia Dortmund, set to expire in 2013, for an additional three years until 2016.

The squad was equipped to face the 2012/2013 season after making these changes, and started the new football year at the LIGA total! Cup on 4 and 5 August. Borussia Dortmund only barely lost to Werder Bremen in the final during penalty kicks following an intense and high-scoring match in Hamburg.

A week later, the team travelled to Munich for the DFL Supercup. The double champion played against the championship runner-ups Bayern Munich. Despite a strong second half, during which the team showed what it had in it, Borussia Dortmund had to concede defeat to Bayern Munich with a score of 2:1.

Despite the disappointments suffered at the LIGA total! Cup and the DFL Supercup, the team marched into the Weser Stadium with their heads high, where they defeated Bremen's regional league team FC Oberneuland 3:0 in the first round of the DFB Cup on 18 August 2012.

OTHER DISCLOSURES

REPORT IN ACCORDANCE WITH § 289 (4) HGB

The following information has been provided by the Company in response to 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 to the over-the-counter markets (Open Market) in Berlin, Bremen, Stuttgart, Munich, Hamburg and Düsseldorf. Each no-par value share entitles the holder to one vote at the Annual General Meeting. The Company has only one class of shares, and all shares carry the same rights and obligations. All other rights and responsibilities attaching to the Company's shares are determined in accordance with the German Stock Corporation Act (Aktiengesetz, "AktG").

2. Restrictions affecting the voting rights or transfer of the shares, and

3. Interests in the share capital of Borussia Dortmund GmbH & Co. KGaA exceeding 10% of the voting rights as at 30 June 2011:

- Ballspielverein Borussia 09 e.V. Dortmund, Dortmund, Germany: 18,79% of the voting rights (of which 7,24% held directly and 11,55% held indirectly by including the voting rights of Bernd Geske, Germany, pursuant to § 22 (2) WpHG).

- Bernd Geske, Germany: 18.79% of the voting rights (of which 11.55% held directly and 7.24% held indirectly by including the voting rights of Ballspielverein Borussia 09 e.V. Dortmund, Dortmund, Germany, pursuant to § 22 (2) WpHG).

According to the information available, the inclusion of the voting rights in either case is based on a shareholders' agreement concluded between Ballspielverein Borussia 09 e.V. Dortmund and Bernd Geske initially for a term until mid-2017. The material subject matter of said agreement is the stipulation binding the parties to exercise their voting rights in favour of Ballspielverein Borussia 09 e.V. Dortmund with regard to Bernd Geske's shares in Borussia Dortmund GmbH & Co. KGaA, and that Bernd Geske and Ballspielverein Borussia 09 e.V. Dortmund mutually agree to inform one another and vote on any changes to their respective shareholdings in Borussia Dortmund GmbH & Co. KGaA, especially pertaining to the transfer of shares.

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

5. There is no control of voting rights in cases in which 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, management and representation of the Company is the responsibility of the general partner. The provisions of § 6 no. 1 of the Articles of Association stipulate that Borussia Dortmund Geschäftsführungs-GmbH, with registered offices in Dortmund, is to act as such an executive body 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, amendments may be made to the Articles of Association of Borussia Dortmund GmbH & Co. KGaA only by a resolution of its Annual General Meeting, which, in accordance with § 133 (1) AktG, must be passed 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 on the date of the resolution, except to the extent that mandatory statutory provisions or the Articles of Association stipulate otherwise. A mandatory provision of statute requires that a resolution of the Annual General Meeting be passed by a majority of three-quarters of the share capital represented on the date of the resolution in the event of amendments to the Articles of Association relating to the object of the Company (§ 179 (2) sentence 2 AktG), the issuance of non-voting preferred shares (§ 182 (1) sentence 2 AktG), capital increases involving the disapplication of pre-emptive subscription rights (§ 186 (3) AktG), the creation of conditional capital (§ 193 (1) AktG), the creation of authorised capital (§ 202 (2) AktG) – where appropriate with authorisation to disapply pre-emptive subscription rights (§ 203 (2) sentence 2 in conjunction with § 186 (3) AktG) –, the ordinary or simplified reduction of share capital (§ 222 (1) sentence 2 and § 229 (3) AktG) or a change of legal form (§ 233 (2) and § 240 (1) of the German Reorganisation and Transformation Act [Umwandlungsgesetz, "UmwG"]). In addition, capital increases, other amendments 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 § 2 no. 5 of the Articles of Association to resolve amendments to the Articles of Association which relate only to the wording thereof, in particular in connection with the amount of capital increases from authorised and conditional capital.

7. The general partner is authorised until 29 November 2015, with the approval of the Supervisory Board, to increase the share capital of the Company in total by a maximum of EUR 30,712,500.00 by issuing new no-par value ordinary bearer shares against cash and/or in-kind contributions on one or more occasions (Authorised Capital 2010). The limited liability shareholders have a statutory pre-emptive right over new shares issued by the Company. Such new shares may also be subscribed by a bank or a company in accordance with § 53 (1) sentence 1 or § 53b (1) sentence 1 or (7) of the German Banking Act (Kreditwesengesetz, "KWG") if it agrees to offer them to the limited liability shareholders for subscription. However, the general partner is authorised, with the approval of the Supervisory Board, to decide to disapply the statutory pre-emptive subscription rights of the limited liability shareholders. Pre-emptive subscription rights may be disapplied
   a) with respect to fractional amounts arising as a consequence of subscription ratios;
   b) in the event of capital increases against cash contributions up to a total amount of 10% of the share capital existing on the date of registration of the Authorized Capital 2010 or, if lower, 10% of the share capital existing on the date of exercise of the authorisation (in each case taking into account any other authorisations made use of during the effective period of this authorisation for the disapplication of pre-emptive subscription rights pursuant to or through the corresponding application of § 186 (3) sentence 4 AktG), provided the issue amount of the new shares does not fall significantly below the market price;
   c) in the event of capital increases against in-kind contributions, particularly for the purpose of acquiring companies, equity investments, real estate, rights and claims against the Company.

The general partner is authorised, with the approval of the Supervisory Board, to determine the further details of the capital increase and the terms and conditions of the share issue.

In the event of a takeover bid for shares issued by the Company and admitted to trading on a regulated market, the general statutory responsibilities and powers apply to the general partner in other respects. 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") to enable the limited liability shareholders to 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 that could frustrate the success of the bid, unless those actions have been authorised by the Annual General Meeting, or the Supervisory Board has given its approval of 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. As at the balance sheet date, the Articles of Association did not contain any provisions 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 that would apply in the event of a takeover bid.

STATEMENT BY THE GENERAL PARTNER ON 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 – has issued the following concluding declaration:

"Based on the circumstances known to us at the time the transactions were entered into, the Company received appropriate consideration for each of the transactions set out in the report on relations with affiliated companies in the financial year. 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 either undertaken or omitted during the financial year."

DISCLAIMER

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

Dortmund, 23 August 2012
Borussia Dortmund GmbH & Co. KGaA
Borussia Dortmund Geschäftsführungs- GmbH

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

ANNUAL FINANCIAL STATEMENTS

Borussia Dortmund 2012 German Champions


1982 HSV HAMBURG
1983 HSV HAMBURG
1997 FC BAYERN MÜNCHEN 1998 1. FC KAISERSLAUTERN
2012 BV BORUSSIA DORTMUND
1984 VFB STUTTGART
1999 FC BAYERN MÜNCHEN
1985 FC BAYERN MÜNCHEN
2000 FC BAYERN MÜNCHEN
1986 FC BAYERN MÜNCHEN
2001 FC BAYERN MÜNCHEN
2002 BV BORUSSIA DORTMUND
FUSSBALLMEISTER

ANNUAL FINANCIAL STATEMENTS

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

EUR '000	30/06/2012	30/06/2011
ASSETS		
A. FIXED ASSETS		
I. Intangible fixed assets		
1. Concessions, industrial rights and similar rights and assets and licenses in such rights and assets	17,746	19,084
2. Prepayments	8,550	0
	26,296	**19,084**
II. Tangible fixed assets		
1. Land, land rights and buildings including buildings on third-party land	22,056	21,956
2. Other equipment, operating and office equipment	10,772	6,301
3. Prepayments and assets under construction	137	408
	32,965	**28,665**
III. Long-term financial assets		
1. Shares in affiliated companies	139,190	139,190
2. Other long-term equity investments	96	96
3. Other loans	836	756
	140,122	**140,042**
	199,383	**187,791**
B. CURRENT ASSETS		
I. Inventories		
Merchandise	48	50
II. Receivables and other assets		
1. Trade receivables	18,893	14,468
2. Receivables from affiliated companies	1,596	1,325
3. Other assets	3,869	2,885
	24,358	**18,678**
III. Cash-in-hand, bank balances	**4,858**	**697**
	29,264	**19,425**
C. PREPAID EXPENSES	**2,465**	**2,072**
	231,112	**209,288**

EUR '000	30/06/2012	30/06/2011
EQUITY AND LIABILITIES		
A. EQUITY		
I. Subscribed capital	61,425	61,425
./. less nominal value of treasury shares	-20	-21
Issued capital	61,405	61,404
II. Capital reserves	34,194	34,185
III. Revenue reserves		
1. Reserve for treasury shares	20	21
2. Other revenue reserves	2,924	1
	2,944	22
IV. Net retained profits	34,284	2,922
	132,827	**98,533**
B. PROVISIONS		
1. Provisions for taxes	3,800	1,143
2. Other provisions	6,238	4.172
	10,038	**5,315**
C. LIABILITIES		
1. Liabilities to banks	12,872	22,524
2. Trade payables	5,971	7,851
3. Liabilities to affiliated companies	4,048	7,534
4. Other liabilities	17,723	18,173
of which from taxes: EUR 7,985 thousand (previous year: EUR 7,896 thousand)		
of which in relation to social security: EUR 5 thousand (previous year: EUR 7 thousand)		
	40,614	**56,082**
D. DEFERRED INCOME	**47,633**	**49,358**
	231,112	**209,288**

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

EUR '000	01/07/2011 – 30/06/2012	01/07/2010 – 30/06/2011
1. Sales	191,213	136,402
2. Other operating income	7,652	4,139
	198,865	**140,541**
3. Personnel expenses		
a) Wages and salaries	-71,857	-54,963
b) Social security, post-employment and other employee benefit costs of which for post-employment: EUR 173 thousand (previous year: EUR 132 thousand)	-2,678	-2,425
	-74,535	**-57,388**
4. Amortisation and write-downs of intangible fixed assets and depreciation and write-downs of tangible fixed assets	-10,938	-10,623
5. Other operating expenses	-76,093	-60,104
6. Income from other long-term equity investments of which from affiliated companies: EUR 100 thousand (previous year: EUR 47 thousand)	167	97
7. Income from profit and loss transfer agreements - all of which from affiliated companies -	3,447	2,269
8. Income from long-term loans	5	6
9. Other interest and similar income of which from the reversal of discounting: EUR 54 thousand (previous year: EUR 0)	108	160
10. Interest and similar expenses of which to affiliated companies: EUR 0 thousand (previous year: EUR 78 thousand) of which from discounting: EUR 0 thousand (previous year: EUR 54 thousand)	-1,739	-2,933
11. Result from ordinary activities	**39,287**	**12,025**
12. Taxes on income	-4,888	-2,400
13. Other taxes	-115	-86
14. Net profit for the year	**34,284**	**9,539**
15. Accumulated losses brought forward	0	-6,617
16. Net retained profits	**34,284**	**2,922**

NOTES TO THE ANNUAL FINANCIAL STATEMENTS

for the 2011/2012 financial year of Borussia Dortmund GmbH & Co. Kommanditgesellschaft auf Aktien (hereinafter also "Borussia Dortmund")

GENERAL DISCLOSURES TO THE ANNUAL FINANCIAL STATEMENTS

The annual financial statements of Borussia Dortmund GmbH & Co. KGaA for the 2011/2012 financial 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 (*Aktiengesetz*, "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. In some instances, 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.

The accounting policies applied in the previous year were carried over completely into the current year.

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 decisions of the Federal Court of Finance (*Bundesfinanzhof*, "BFH") of 26 August 1992, I R 24/91 and of 14 December 2011 I R 108/10 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 to EUR 1,000.00 were recognised as an omnibus item and will be written down over a period of five years. Depreciation and amortisation are based on the economic useful lives of assets.

Long-term financial assets were measured 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

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.

Cash-in-hand and bank balances

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

Provisions are recognised for all identifiable uncertain liabilities. They are carried at the settlement amounts deemed necessary as dictated by prudent business judgement.

Liabilities

Liabilities are recognised at the settlement amount.

Deferred income

In addition to the license fee received in the course of a true sale of receivables in 2007/2008 from the marketing company Sportfive GmbH & Co. KG for the entire term of the agreement, deferred income also includes payments received from ticketing and sponsoring for the 2012/2013 season, and subsequent years. The amounts are reversed rateably over the periods to which they relate.

NOTES TO THE BALANCE SHEET

Fixed assets

The breakdown of fixed assets is as follows:

EUR '000	30/06/2012	30/06/2011
Intangible fixed assets	26,296	19,084
Tangible fixed assets	32,965	28,665
Long-term financial assets	140,122	140,042
	199,383	**187,791**

Computer software, purchased trademark rights and player registrations are reported as intangible fixed assets. Changes in this item during financial year 2011/2012 related primarily to additions (EUR 18,701 thousand), offset by amortisation (EUR 8,518 thousand), impairment losses (EUR 76 thousand) and write-downs of carrying amounts (EUR 2,895 thousand) in connection with the professional squad. The additions were based on prepayments made for the Marco Reus transfer, the transfer payments made for transfer rights in respect of the players llkay Gündogan, Mustafa Amini, Chris Löwe and Ivan Perisic and subsequent acquisition costs.

By contrast, the write downs of carrying amounts related to the players Mohamed Zidan, Lucas Barrios and Shinji Kagawa.

Tangible fixed assets consist principally of real property in the stadium site and the adjoining area "*Am Luftbad*".

Also included are the commercial premises constructed on land subject to hereditary building rights, buildings and sporting facilities at the training ground, the catering extensions and other movable components of the stadium. A further component of tangible fixed assets includes operating and office equipment used at these facilities and at the administrative headquarters.

The training ground constructed by DSW 21 Dortmunder Stadtwerke AG in Dortmund-Brackel is let to Borussia Dortmund on a long-term lease.

Investments were made during the reporting period primarily to expand the operating and office equipment used at the stadium and the commercial premises in Artrion am Rheinlanddamm. The Company also invested in the Dortmund-Brackel training ground.

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.

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

EUR '000	Cost				
	As at 01/07/2011	Additions	Reclassifications	Disposals	As at 30/06/2012
I. Intangible fixed assets					
1. Concessions, industrial rights and similar rights and assets and licenses in such rights and assets	41,974	10,151	0	8,779	43,346
2. Prepayments	0	8,550	0	0	8,550
	41,974	**18,701**	**0**	**8,779**	**51,896**
II. Tangible fixed assets					
1. Land, land rights and buildings including buildings on third-party land	28,686	725	49	0	29,460
2. Other equipment, operating and office equipment	19,234	3,394	2,750	5	25,373
3. Prepayments and assets under construction	408	2,528	-2,799	0	137
	48,328	**6,647**	**0**	**5**	**54,970**
III. Long-term financial assets					
1. Shares in affiliated companies	139,190	0	0	0	139,190
1. Other long-term equity investments	96	0	0	0	96
2. Other loans	756	168	0	88	836
	140,042	**168**	**0**	**88**	**140,122**
	230,344	**25,516**	**0**	**8,872**	**246,988**

Current assets

Current assets are made up as follows:

EUR '000	30/06/2012	30/06/2011
Inventories	48	50
Receivables and other assets	24,358	18,678
Cash-in-hand, bank balances	4,858	697
	29,264	**19,425**

Depreciation, amortisation and write-downs				Residual carrying amounts	
As at 01/07/2011	Additions	Disposals	As at 30/06/2012	As at 30/06/2012	As at 01/07/2011
22,890	8,594	5,884	25,600	17,746	19,084
0	0	0	0	8,550	0
22,890	**8,594**	**5,884**	**25,600**	**26,296**	**19,084**
6,730	673	0	7,404	22,056	21,956
12,933	1,671	3	14,601	10,772	6,301
0	0	0	0	137	408
19,663	**2,344**	**3**	**22,005**	**32,965**	**28,665**
0	0	0	0	139,190	139,190
0	0	0	0	96	96
0	0	0	0	836	756
0	**0**	**0**	**0**	**140,122**	**140,042**
42,553	**10,938**	**5,887**	**47,605**	**199,383**	**187,791**

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

Other assets include receivables resulting from releases for national players and from season ticket holders.

Receivables and other assets have a residual term of less than one year.

Treasury shares are presented as a deduction item from equity.

Pursuant to a resolution by the Annual General Meeting on 16 November 2004, the Company was authorised to acquire own shares amounting to 10% of the share capital on or before 30 April 2006. The Company was also 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 13,693 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 20,307 no-par value shares.

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	Transactions in own/treasury shares	Total treasury shares	Total share capital EUR	Share in total capital %	Selling price EUR
07/2011-12/2011	-384		-384	-0.001	4,224.00
As at 31/12/2011		20,812	20,812	0.034	
01/2012 - 06/2012	-505		-505	-0.001	5,555.00
As at 30/06/2012		20,307	20,307	0.033	

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 remuneration in connection with service agreements. They also include a discount amounting to EUR 61 thousand (previous year: EUR 123 thousand). Further details can be found in the statement of receivables.

Equity

EUR '000	30/06/2012	30/06/2011
Issued/subscribed capital	61,405	61,404
Capital reserves	34,194	34,185
Revenue reserves	2,944	22
Net retained profits	34,284	2,922
	132,827	**98,533**

The Company's subscribed capital amounts to EUR 61,425 thousand and is divided into 61,425,000 no-par value shares, each representing a notional share in the share capital of EUR 1.00, less the notional value of treasury shares of EUR 20 thousand. Equity contains a presentation of treasury shares in accordance with § 272 (1)a HGB, in which the nominal amount of the treasury shares is deducted from equity under subscribed capital on the face of the balance sheet; furthermore, a reserve for treasury shares is also presented.

Furthermore, by resolution of the Annual General Meeting on 30 November 2010, the general partner was authorised, with the approval of the Supervisory Board, to increase the share capital on one or more occasions by or before 29 November 2015 by issuing new no-par value shares against cash or non-cash contributions, by no more than a total of EUR 30,712,500 (Authorised Capital 2010).

The change in reserves was as shown below:

Change in reserves

EUR '000	**01/07/2011**	**Additions**	**Withdrawals**	**30/06/2012**
Capital reserves	34,185	9	0	34,194
Revenue reserves	22	2,923	1	2,944
	34,207	**2,932**	**1**	**37,138**

The annual financial statements for the 2010/2011 financial year were adopted at the Annual General Meeting on 21 November 2011, which resolved to transfer to revenue reserves the EUR 2,922 thousand remaining after offsetting accumulated losses brought forward.

The other changes in the capital reserves and revenue reserves were based on the sale of treasury shares.

Changes in equity were as follows:

Changes in equity

EUR '000	**01/07/2011**	**Additions/ withdrawals**	**Net profit for the year**	**30/06/2012**
Subscribed/issued capital	61,404	1	0	61,405
Capital reserves	34,185	9	0	34,194
Revenue reserves	22	2,922	0	2,944
Net retained profits	2,922	-2,922	34,284	34,284
	98.533	**10**	**34.284**	**132.827**

Provisions

EUR '000	30/06/2012	30/06/2011
Provisions for taxes	3,800	1,143
Other provisions	6,238	4,172
	10,038	**5,315**

Provisions for taxes include the tax obligations in respect of the financial year ended. Other provisions primarily include provisions for outstanding invoices (EUR 1,183 thousand), provisions for employer's liability insurance schemes (EUR 550 thousand) and staff-related obligations (EUR 4,275 thousand).

Deferred taxes

Deferred tax assets and liabilities based on differences in the carrying amounts of tangible fixed assets in the financial accounts and the tax accounts are netted against each other. There are no deferred tax liabilities in excess of the amount netted.

In exercising the option set forth under § 274 (1) sentence 2 HGB, the Company does not recognise deferred tax assets. Deferred taxes are measured using the average tax rate of 32.2%.

Liabilities

The maturities and security granted in respect of liabilities reported at 30 June 2012 are shown in the following overview.

EUR '000	Total 30/06/2012	of which with a residual term of less than 1 year	1 – 5 years	more than 5 years
Liabilities to banks	12,872	1,887	5,151	5,834
Trade payables	5,971	5,971	0	0
Liabilities to affiliated companies	4,048	4,048	0	0
Other liabilities – of which from taxes EUR 7,985 thousand (previous year: EUR 7,896 thousand) – of which social security: EUR 5 thousand (previous year: EUR 7 thousand)	17,723	15,426	2,297	0
	40,614	**27,332**	**7,448**	**5,834**

Liabilities to banks of EUR 12,872 thousand are secured by real property liens, assignments, transfer rights, proceeds from future season ticket sales and pledges.

Other liabilities amounted to EUR 2,909 thousand (previous year: EUR 3,465 thousand), consisting mainly of wages and salaries not yet due at the end of the financial year and the associated social security contributions. In addition, there are liabilities relating to wages tax and VAT.

They also include liabilities to shareholders amounting to EUR 80 thousand (previous year: EUR 13 thousand).

Deferred income

Deferred income includes licence fees received in 2007/2008 from the Sportfive GmbH & Co. KG marketing company for the 12-year term of the agency licensing agreement, as well as payments received from Match Operations and Marketing for the 2012/2013 season. 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:

EUR '000	Total 30/06/2012	of which with a residual term of less than 1 year	1 – 5 years	more than 5 years
Stadium rent all of which due to affiliated companies	74,297	5,763	21,729	46,805
Marketing fees	107,048	14,796	52,721	39,531
Rental and leasing	23,755	3,173	11,550	9,032
Other financial obligations	2,759	386	559	1,814
Purchase commitments	11,350	11,350	0	0
	219,209	**35,468**	**86,559**	**97,182**

Derivative financial instruments

Management entered into three interest rate swap transactions with German *Landesbanken* (i.e., banks local to Germany's individual states or "*Länder*") with respect to credit facilities having fixed-interest rates expiring in 2013 and 2017 in order to lock in the low interest rates over the medium and long term and hedge the risk of changes in cash flows due to changing interest rates. The banks have already approved credit facilities with terms extending until 2021 and 2028; these financial liabilities will also be hedged. The cash flow hedge is effective to the extent that the relevant valuation parameters of the hedged item and the hedge match (critical terms match method).

Interest rate swaps are measured at fair value by discounting expected future cash flows, and are broken down as follows:

Interest rate swaps

EUR '000	30/06/2012 Notional amount	Fair value
Pay-fixed swaps	18,000	-1,437

The negative market values as at the balance sheet date are not recognised since the prerequisites for hedge accounting pursuant to § 254 HGB (o.v.) have been met. Provisions are only recognised for the ineffective portion of the hedge in the amount of EUR 15 thousand for expected losses from executory contracts.

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 '000	**2011/2012**	**2010/2011**
Match operations	31,404	27,679
Advertising	57,799	49,939
Media rights of exploitation and joint marketing	60,396	32,094
Transfers	26,130	12,995
Retail, Conference, Catering, Misc.	15,484	13,695
	191,213	**136,402**

Sales amounted to EUR 191,213 thousand for the 2011/2012 financial year. The sales increase of 40.18% was driven by growth in all income categories.

Income from Borussia Dortmund's match operations increased by EUR 3,725 thousand to EUR 31,404 thousand in financial year 2011/2012.

Borussia Dortmund generated EUR 57,799 thousand in marketing income (previous year: EUR 49,939 thousand). In the 2011/2012 financial year, marketing accounted for 30.22% of total sales, making it a core component of income, alongside TV marketing.

The uniform supplier Kappa was one of the team's key sponsors, in addition to SIGNAL IDUNA and the primary sponsor, Evonik Industries AG.

Advertising income also included sponsor bonuses paid for the team winning the German Championship and the DFB Cup.

As in previous years, TV marketing income once again represented the largest component of sales for Borussia Dortmund. TV marketing sales grew by EUR 28,302 thousand over the previous year to EUR 60,396 thousand. In addition to *Bundesliga* income, this item also contains income in relation to the UEFA Champions League and the DFB Cup. Transfer income amounted to EUR 26,130 thousand (previous year: EUR 12,995 thousand) and consisted primarily of the transfers of Lucas Barrios and Shinji Kagawa. Other operating income included prior-period income amounting to EUR 1,100 thousand.

Personnel expenses

The breakdown of personnel expenses is as follows:

EUR '000	2011/2012	2010/2011
Match operations	64.944	49,471
Retail and Administration	6,518	5,320
Amateur and youth football	3,073	2,597
	74,535	**57,388**

Other operating expenses

EUR '000	2011/2012	2010/2011
Match operations	32,500	27,557
Advertising and marketing	17,549	13,961
Transfers	9,023	5,055
Retail	1,681	1,424
Administration	13,212	10,133
Other	2,128	1,974
	76,093	**60,104**

Other operating expenses amounted to EUR 76,093 thousand in the reporting period compared with EUR 60,104 thousand in the previous year. In addition to the increase in match operations (up EUR 4,943 thousand), the items showing the largest growth were the marketing expense including Sportfive's agency commission (up EUR 3,588 thousand) and transfer fees including the write downs of carrying amounts (up EUR 3,968 thousand).

Taxes on income

Taxes on income amounted to EUR 4,888 thousand and consisted primarily of tax expenses relating to the financial year ended.

OTHER DISCLOSURES

Corporate Governance

The management and Supervisory Board of Borussia Dortmund GmbH & Co. KGaA issued the Declaration of Conformity with the German Corporate Governance Code required by § 161 of the German Stock Corporation Act (*Aktiengesetz*) on 14 September 2011 and made it permanently available to shareholders on the website at http://aktie.bvb.de/eng.

EXECUTIVE BODIES

General partner

The general partner is Borussia Dortmund Geschäftsführungs-GmbH, whose registered office is in Dortmund (Local Court (*Amtsgericht*) of Dortmund, HRB 14206) and which does not have an interest in the Company's share capital. Its share capital amounts to EUR 30 thousand. It is exempt from the restrictions contained in § 181 of the German Civil Code (*Bürgerliches Gesetzbuch*, "BGB"). 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 financial year, the members of management received the following amounts for their activities, including responsibilities relating to subsidiary companies:

EUR '000	**2011/2012**	**2010/2011**
Dipl.-Kfm. Hans-Joachim Watzke (Chairman)		
Fixed components		
Fixed remuneration	750	713
Other remuneration	18	16
Dipl.-Kfm. Thomas Treß		
Fixed components		
Fixed remuneration	460	460
Other remuneration	59	45
	1,287	**1,234**

Based on the net profit for the year and the athletic success of the team, Mr. Hans-Joachim Watzke furthermore received EUR 1,413 thousand in performance-based remuneration (previous year: EUR 590 thousand), and Mr. Thomas Treß also received EUR 875 thousand in performance-based remuneration (previous year: EUR 286 thousand).

Supervisory Board

Gerd Pieper Chairman	**Harald Heinze** Deputy Chairman	**Peer Steinbrück**	**Bernd Geske**	**Friedrich Merz**	**Christian Kullmann**
Occupations					
Proprietor and managing director of Stadt-Parfümerie Pieper GmbH, Herne	State representative for the Dortmund city council (since 24/05/2012)	Member of German Bundestag Federal Minister (ret.)	Managing partner of Bernd Geske Lean Communication, Meerbusch	Attorney and partner, Mayer Brown LLP, Düsseldorf	Head of the management board office and group communications of Evonik Industries AG, Essen
Other responsibilities					
Member of the Supervisory Board of Beauty Alliance Deutschland GmbH & Co. KG, Bielefeld (until 31/05/2012) Member of the Advisory Board of Borussia Dortmund Geschäftsführungs-GmbH, Dortmund Member of the Advisory Board of the Signal Iduna Group, Dortmund	Member of the Supervisory Board of M-Exchange AG, Lohmar	Member of the Supervisory Board of ThyssenKrupp AG, Essen		Member of the Supervisory Board of the AXA Konzern AG, Cologne Member of the Board of Directors of BASF Antwerpen N.V., Antwerp, Belgium Member of the Supervisory Board of Deutsche Börse AG, Frankfurt a.M. Member of the Supervisory Board and Chairman of the Board of Directors of HSBC Trinkaus & Burkhardt AG, Düsseldorf Member of the Board of Directors of Stadler Rail AG, Bussnang, Switzerland Chairman of the Supervisory Board of WEPA Industrieholding SE, Arnsberg	

The names of the current members of the Company's Supervisory Board, their occupations and their further responsibilities on other management bodies are listed above. In the past financial year, the Supervisory Board received remuneration amounting to EUR 53 thousand.

Employees

The average number of employees during the year was 259 (previous year: 226).

Average number of employees	**2011/2012**	**2010/2011**
Total	259	226
Athletics department	150	132
Trainees	3	1
Other	106	93

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 '000	Shareholding %	Equity EUR '000	Net profit/loss EUR '000
BVB Stadionmanagement GmbH*	Dortmund	52	100.00	66	40
BVB Stadion Holding GmbH*	Dortmund	260	100.00	123,700	-10
besttravel Dortmund GmbH	Dortmund	50	51.00	310	260
BVB Merchandising GmbH*	Dortmund	75	100.00	10,881	3,356
Sports & Bytes GmbH	Dortmund	200	100.00	1,305	304
BVB Stadion GmbH*	Dortmund	26	99.74	27,769	68
BVB Beteiligungs-GmbH*	Dortmund	26	94.90	5,704	-6
Orthomed Medizinisches Leistungs- und Rehabilitationszentrum GmbH**	Dortmund	52	33.33	759	176

* 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 2011 as an associate.

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

Related-party disclosures

The general partner in Borussia Dortmund GmbH & Co. Kommanditgesellschaft auf Aktien is Borussia Dortmund Geschäftsführungs-GmbH. The latter is responsible for the management and legal representation of Borussia Dortmund GmbH & Co. Kommanditgesellschaft auf Aktien. The power to appoint and remove members of staff thus rests with BV. Borussia 09 e.V., Dortmund, in its capacity as the sole shareholder in Borussia Dortmund Geschäftsführungs-GmbH. Both Borussia Dortmund Geschäftsführungs-GmbH and BV. Borussia 09 e.V. Dortmund, as well as all companies associated therewith hence are deemed to be related parties.

Auditors' fee

The total fee invoiced by the auditors for the 2011/2012 financial year is reported at the Group level in the notes to the consolidated financial statements of Borussia Dortmund GmbH & Co. KGaA.

Reportable 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 reportable shareholdings:

Notification	Shareholder	Registered office	Threshold	Voting rights in %	Share in voting rights	Date on which threshold reached
Exceeded						
31 May 2012	BV. Borussia 09 e.V. Dortmund	Dortmund	10.00 & 15.00%	18.79	11,539,909	25 May 2012
31 May 2012	Bernd Geske		15.00%	18.79	11,539,909	25 May 2012

Interests in the share capital of Borussia Dortmund GmbH & Co. KGaA exceeding 10% of the voting rights as at 30 June 2011:

- Ballspielverein Borussia 09 e.V. Dortmund, Dortmund, Germany: 18.79% of the voting rights (of which 7.24% held directly and 11.55% held indirectly by including the voting rights of Bernd Geske, Germany, pursuant to §22 (2) WpHG).
- Bernd Geske, Germany: 18,79% of the voting rights (of which 11.55% held directly and 7.24% held indirectly by including the voting rights of Ballspielverein Borussia 09 e.V. Dortmund, Dortmund, Germany, pursuant to §22 (2) WpHG).

Proposed appropriation of net profit

The management will recommend to the Annual General Meeting that it resolve to use the net retained profits of EUR 34,284 thousand for financial year 2011/2012 to distribute a dividend of EUR 0.06 per share carrying dividend rights (totalling EUR 3,684 thousand) and to transfer the remainder (EUR 30,600 thousand) to other revenue reserves.

Dortmund, 23 August 2012
Borussia Dortmund GmbH & Co. Kommanditgesellschaft auf Aktien
Borussia Dortmund Geschäftsführungs-GmbH

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

Responsibility Statement

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, 23 August 2012
Borussia Dortmund GmbH & Co. Kommanditgesellschaft auf Aktien
Borussia Dortmund Geschäftsführungs-GmbH

Hans-Joachim Watzke	Thomas Treß
Managing Director (Chairman)	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**, for the financial year from 1 July 2011 to 30 June 2012. 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 the management report, based on our audit.

We conducted our audit of the annual financial statements in accordance with § 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 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 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 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 Borussia Dortmund GmbH & Co. Kommanditgesellschaft auf Aktien, Dortmund in accordance with the 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, 23 August 2012

KPMG AG
Wirtschaftsprüfungsgesellschaft

Blücher
Auditor *Wirtschaftsprüfer*

Banke
Auditor *Wirtschaftsprüfer*

GROUP MANAGEMENT REPORT

Borussia Dortmund 2012 Cup Champion

GROUP MANAGEMENT REPORT

from 1 July 2011 to 30 June 2012 of Borussia Dortmund GmbH & Co. Kommanditgesellschaft auf Aktien (hereinafter also "Borussia Dortmund" or the "Group")

BUSINESS TREND AND FRAMEWORK CONDITIONS

LOOKING BACK ON FINANCIAL YEAR 2011/2012

Records and top achievements highlighted Borussia Dortmund's athletic performance in the 2011/2012 financial year. After becoming the surprise winners of the 2011 German Football Championship, the team not only masterfully defended its title one year later to clinch its eighth Championship title overall, but it also won the DFB Cup, thus becoming Borussia Dortmund's first "double winners" in the club's 103-year history.

Borussia Dortmund finished the 2011/2012 *Bundesliga* season with 81 points, surpassing the previous record high of 79 points posted by Bayern Munich in the 1971/1972 season 40 years earlier. Germany's leading sports magazine, *kicker*, compared this record with American Bob Beamon's "unbelievable" record-breaking long jump of 8.90 metres at the 1968 Olympics in Mexico City. The team achieved 47 points of its 81 points in the second leg of the season alone, posting 15 victories and two draws. Starting on Match Day 7, Borussia Dortmund maintained a 28-game winning streak, a first among all *Bundesliga* clubs. Winning a total of 25 season matches, the team also bested Bayern Munich's record from the 1972/1973 season. Also worth noting is that the team topped the Bundesliga's Fair Play rankings on its way to setting its records and top achievements. After defeating Sandhausen, Dresden, Düsseldorf, Kiel and Fürth, Borussia Dortmund triumphantly secured the DFB Cup by beating Bayern Munich 5:2 in the final in Berlin.

The team's performance in the UEFA Champions League, however, was not as impressive. After facing opponents Arsenal London, Olympique Marseille and Olympiakos Piraeus, Borussia Dortmund did not advance past the group stage.

Following its successes in the past financial year, Borussia Dortmund will continue to build on the philosophy shared by management and its sports director of developing first-class young players. Signing long-term club contracts with key players is one of the policies pursued under this philosophy.

The transfer of Marco Reus, a member of the German national team, from Borussia Mönchengladbach to Borussia Dortmund demonstrates that the club is the team to be on for young, ambitious *Bundesliga* players. The 23-year old was the top offensive player during the past season.

DFB Cup: Round 1
30 July 2011
SV Sandhausen – BVB 0:3

Match Day 1
5 August 2011
BVB – Hamburg 3:1

KEY FINANCIAL INDICATORS

Overview of the key financial figures

Borussia Dortmund Group (IFRS)

EUR '000	2011/2012 30/06/2012	2010/2011 30/06/2011
Equity	93,455	67,626
Capital expenditure	28,276	11,320
Gross revenue	222,869	155,785
Operating profit (EBIT)	41,392	14,908
Financial result (investment income and net interest expense)	-4,801	-5,412
Consolidated net profit for the year	27,530	5,400
Earnings before interest, taxes, depreciation and amortisation (EBITDA)	59,979	32,442
Cash flows from operating activities	28,037	21,717
Number of shares (in thousands)	61,425	61,425
Earnings per share (in EUR)	0.45	0.09

DEVELOPMENT OF THE MARKET AND COMPETITIVE ENVIRONMENT IN GERMAN PROFESSIONAL FOOTBALL

Match attendance

As reported by DFL Deutsche Fußball Liga GmbH (hereinafter also "DFL"), average attendance once again increased during the 2011/2012 season to 44,293 (up 5.21%), surpassing the 44,000 mark for the first time.

Borussia Dortmund led the *Bundesliga* with almost 80,000 attendees, followed by FC Bayern Munich with around 70,000 spectators.

Licensing

According to a DFL press release, 50 clubs and corporations from the top three football divisions applied for one of the 36 licences to participate in professional German league play during the 2012/2013 season.

In its licensing procedures for the first and second *Bundesliga* divisions, DFL's management initially decided to not refuse membership to any club for

Match Day 2
13 August 2011
Hoffenheim – BVB 1:0

Match Day 3
20 August 2011
BVB – Nuremberg 2:0

the new season. However, several clubs and investment companies had to fulfil conditions by the end of May in order to obtain the match licences for the new season.

In accordance with the DFL's articles of association, it assesses clubs not only on the basis of their financial performance, but also in line with infrastructural, legal, human resources, media, safety and athletic factors defined in its licensing guidelines.

DFL Deutsche Fußball Liga GmbH notified Borussia Dortmund GmbH & Co. KGaA that it, too, had fulfilled the criteria necessary to obtain a license to compete in first division play in the 2012/2013 *Bundesliga* season. The licence was granted on an unconditional basis and/or without any restrictions.

Marketing

Securing long-term partners also continues to be a priority at Borussia Dortmund. One year before expiry of the sponsorship agreement, Borussia Dortmund and its primary sponsor, Evonik Industries AG (hereinafter also "Evonik"), agreed to continue their partnership until 30 June 2016, once again extending the agreement in place since July 2006.

The naming rights agreement with SIGNAL IDUNA was set to expire in 2016 and was also extended early by five additional years until 2021. Accordingly, Borussia Dortmund will continue to play its home matches at the SIGNAL IDUNA PARK, Germany's largest stadium, for the next nine seasons.

Borussia added ODDSET Deutschland Sportwetten GmbH to its Champion Partners roster by signing a long-term partnership agreement with them. The partnership places ODDSET and Borussia Dortmund in prime position even before the upcoming new regulations of the German sports betting market take effect. At the end of April, Europe's largest online print shop, flyeralarm, also signed an agreement to become a Champion Partner. With its partnership with Borussia Dortmund, flyeralarm continues to expand its football sponsoring activities. The Würzburg-based company is a sponsor of qualifying matches for the German men's national team and already sponsors the clubs FC St. Pauli and Fortuna Düsseldorf. flyeralarm is also involved in sports beyond football. In addition to concluding new Champion Partner agreements, Borussia Dortmund also extended its collaboration with SIGNAL IDUNA as a Champion Partner for additional seasons. Accordingly, in addition to Evonik, PUMA SE and SIGNAL IDUNA

Match Day 4
27 August 2011
Leverkusen – BVB 0:0

Match Day 5
10 September 2011
BVB – Berlin 1:2

(Borussia's primary sponsors), ten Champion Partners currently form the advertising cornerstones at Borussia Dortmund.

Demand for hospitality seating remains constant for the upcoming season as well. Very few existing customers opt to use the contractual notice period to cancel their participation on time. In addition to the waiting lists of prospective companies, the majority of the companies – as in previous years and despite previously terminating their agreements – once again entered into a contractual relationship with Borussia Dortmund. Capacity for the upcoming season had already reached 100% by the end of the 2011/2012 season.

UEFA club competitions

In a statement released on 5 April 2011, UEFA announced that the television distribution rights in Germany for the UEFA Champions League from 2012 to 2015 had been awarded to ZDF and Sky Deutschland. Sky Deutschland also acquired the media rights for the UEFA Europa League from 2012 to 2015.

Violence at football matches

Following the incidents at the relegation matches of Karlsruhe and Düsseldorf, the presidents of the German Football Association (DFB) and the League Association issued a joint statement sharply condemning the events. The two associations are planning a pre-season meeting of all presidents of the top three professional divisions to discuss how to proceed. Included on the agenda is the development of a code of conduct detailing the interaction between the clubs and fans. Furthermore, working in tandem with police authorities and prosecutors, the goal is to develop and implement more effective methods of dealing with perpetrators of violence.

The propensity of these so-called football fans to commit violent acts is also increasing outside of sports stadiums. Violent assaults of rival fan groups as they travel to and from matches and assaults of players are increasingly defining the sport's landscape.

Meanwhile, it is proving difficult to find suitable means to keep this problem in check. Sanctions handed down by the DFB, such as banning fans from the opposing team, have in some cases backfired, in that these methods spur solidarity amongst the fan groups against the Association, in addition to in effect challenging the fan groups to thwart the imposed penalties. All participants will have to work together to determine which penalties can be imposed if laws or facility rules are broken or which preventative measures should be taken to prevent violence.

Match Day 1: UCL
13 September 2011
BVB – London 1:1

Match Day 6
18 September 2011
Hanover – BVB 2:1

Innovation award

For the second time, the magazine SPONSORS presented its Innovation Award for the most innovative idea in the sports media sector. Borussia Dortmund was honoured for its online game "BVB Fantasy Manager" at the SPONSORS Sports Media Summit at the ISS Dome in Düsseldorf, beating out the pay-per-view packages offered by the sports channel *Sportdigital* and Havas Sports & Entertainment's programme monitoring activities on social networks. In "BVB Fantasy Manager", players can simulate being the club manager. The game was launched at the end of February and is available on Facebook and for the iPhone. It has been extremely well received by fans since its release, having been downloaded more than 95,000 times and having an average of 62,000 active users during its first four weeks. Moreover, particularly active gamers can advance their fantasy careers by spending real cash for In-App purchases, thus also making the game financially profitable.

Branding

In March 2012, Borussia Dortmund was crowned the best managed sports brand with the "Marken-Award 2012". A world-class panel of judges extolled the brand management efforts of Borussia Dortmund and the marketing agency XEO. An April 2012 study by the Technische Universität Braunschweig also named Borussia Dortmund as the leading brand manager. Borussia Dortmund received top marks in a brand index, consisting of criteria pertaining to likeability and attractiveness, and thus beat out every other *Bundesliga* club.

New media

The new media business segment continued its extremely positive growth. Borussia Dortmund's official Facebook fan page currently boasts more than 1.3 million fans and the club's other official social media platforms recorded rapid growth as well. The number of Borussia Dortmund's Twitter followers increased many times over and currently exceeds 70,000, making it the leader amongst all *Bundesliga* clubs. With more than 280,000 downloads, the newly created iPhone and Android applications also demonstrated the considerable relevance of Borussia Dortmund's new media product offerings. In addition to numerous social media applications aimed at attracting fans, the launch of the online social game "BVB Fantasy Manager" was highly successful. Available on Facebook and for the iPhone, the game was downloaded more than 170,000 times within the first four months. The club's web TV portal, "meinBVB.de", is also experiencing steady growth.

Television

The programming broadcast by BVB total!, the TV channel that Borussia Dortmund operates jointly with Deutsche Telekom, was continually expanded and optimised during the 2011/2012 season. For example, since the start of the second leg of the 2011/2012 season, an exclusive talk show ("*Brinkhoff's Ballgeflüster*") featuring guests from Borussia Dortmund is aired once per quarter. The idea for the new programme, which is filmed before an 80-member audience on a restaurant ship in the port of Dortmund, was developed together

Match Day 7
24 September 2010
Mainz – BVB 1:2

Match Day 2: UCL
28 September 2011
Marseille – BVB 3:0

with Brinkhoff's, one of the club's long-standing partners. A studio was constructed especially for this purpose, giving the programme a unique setting below the ship's deck. Having so far welcomed guests such as Jürgen Klopp, Johann König and Neven Subotic, host Norbert Dickel successfully launched the new programme to extraordinarily positive media reviews.

Moreover, Borussia Dortmund has been producing a one-hour weekly TV show for the international television market since the start of the 2011/2012 season. The English-language programme broadcasts extensive summaries of Borussia Dortmund's official matches while also reporting on club news. Borussia Dortmund collaborates with MP & Silva, an international media company, to broadcast the new international television programme. Specialising in marketing media rights, MP & Silva is tasked with distributing the programme worldwide to television stations outside of Germany. The collaboration has already borne fruit. The television stations TVP (Poland), Asahi TV (Japan) and GMM Grammy (Thailand) became the first partners and have all incorporated the show into their programming schedules.

Merchandising

In September 2011, BVB Merchandising GmbH opened its now fifth Fanshop in Dortmund. Located in the new Thier Galerie shopping centre in the heart of Dortmund, the 160 m2 Fanshop is easily accessible from a street entrance on Westenhellweg. The Fanshop's impressive design is a big hit with Borussia Dortmund's friends and fans and has attracted large crowds since its grand opening. The addition of a further brick-and-mortar Fanshop is also planned for the CentrO shopping centre in Oberhausen.

The Fanshops at SIGNAL IDUNA PARK were also redesigned in time for the second leg of the 2011/2012 season and can now be easily spotted in the stadium thanks to their distinct Borussia Dortmund corporate design.

Furthermore, we completely redesigned Borussia Dortmund's online shop and added new features during the past season. By making the website more user-friendly and revamping its design, we increased online sales many times over as compared to the previous year. BVB Merchandising GmbH now generates more than a third of its total revenue from the online shop. In addition, an English-language version of the online shop targeting Borussia Dortmund's international fans went live in April 2012.

Borussia Dortmund's new "fanmobile" has been hitting the road since the 2011/2012 season. The semitrailer tractor has been specially adapted by MAN SE, the Munich Dax-30 Group, to the club's requirements and designed in the club's colours. Leading up to the 2011 Christmas holiday, this mobile Fanshop was an integral feature of Borussia Dortmund's Christmas road tour through the region surrounding Dortmund. As a thank you to fans and friends for an extremely successful

Match Day 8
1 October 2011
BVB – Augsburg 4:0

Match Day 9
14 October 2011
Bremen – BVB 0:2

year in 2011, a "black-and-yellow fan experience" was set up at a total of six locations. The tour was so well received that an additional road tour is planned for summer 2012.

Football academy

The start of the 2011 summer break ushered in the opening of the Borussia Dortmund's Evonik Football School for girls and boys between the ages of 7 and 13. Co-sponsored with Borussia's primary sponsor, Evonik, the academy provides young children expanded access to the popular sport of football with the ultimate goal of having them discover their love of the game and Borussia Dortmund. More than 500 children participated in the first six weeks alone, underscoring the highly successful launch of the football academy located in the completely renovated Strobelallee training centre directly next to SIGNAL IDUNA PARK. The football academy subsequently expanded the reach of its activities beyond the city limits, offering more than 35 courses for various youth age groups in the first half of 2012. Together with its new equipment supplier, PUMA SE, Borussia plans to expand its international presence by offering courses in Japan in summer 2012.

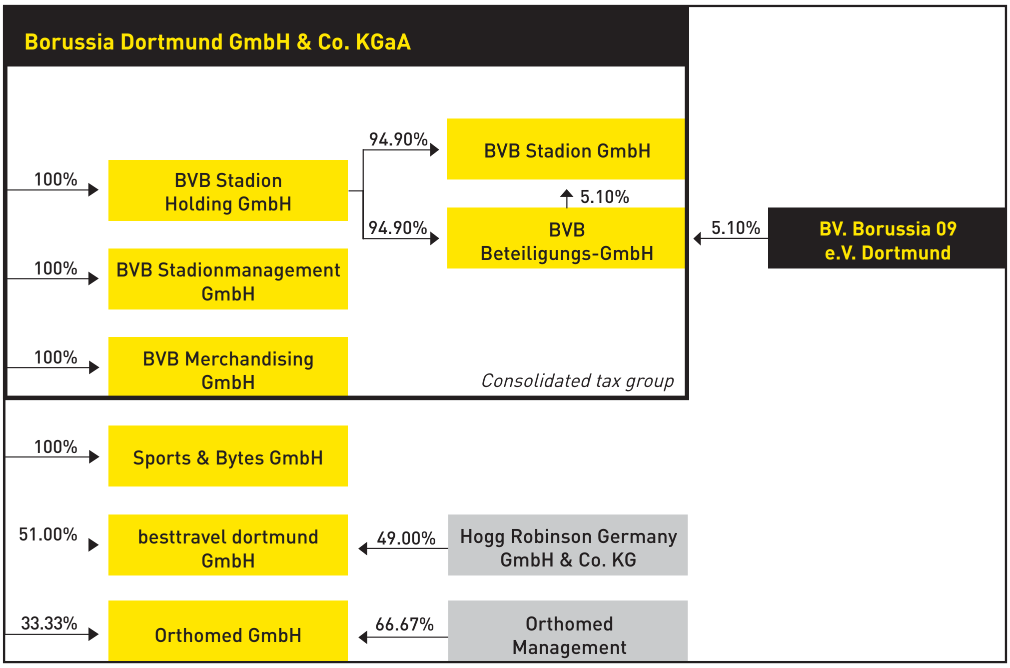
GROUP STRUCTURE AND BUSINESS OPERATIONS

The Group management report refers to the 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 Company currently holds indirect and direct equity investments 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%), besttravel dortmund 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 3: UCL
19 October 2011
Piraeus – BVB 3:1

Match Day 10
22 October 2011
BVB – Cologne 5:0



	Registered office	Share capital EUR '000	Shareholding %	Equity EUR '000	Net profit/loss EUR '000
BVB Stadionmanagement GmbH*	Dortmund	52	100.00	66	40
BVB Stadion Holding GmbH*	Dortmund	260	100.00	123,700	-10
besttravel Dortmund GmbH	Dortmund	50	51.00	310	260
BVB Merchandising GmbH*	Dortmund	75	100.00	10,881	3,356
Sports & Bytes GmbH	Dortmund	200	100.00	1,305	304
BVB Stadion GmbH*	Dortmund	26	99.74	27,769	68
BVB Beteiligungs-GmbH*	Dortmund	26	94.90	5,704	-6
Orthomed Medizinisches Leistungs- und Rehabilitationszentrum GmbH**	Dortmund	52	33.33	759	176

* 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 2011 as an associate.

DFB Cup: Round 2
25 October 2011
BVB – Dresden 2:0

Match Day 11
29 October 2011
Stuttgart – BVB 1:1

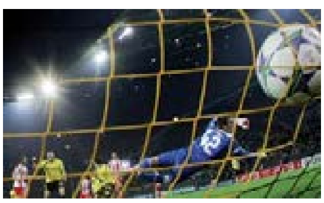
ORGANISATION OF MANAGEMENT AND CONTROL

Borussia Dortmund Geschäftsführungs-GmbH, the general partner of Borussia Dortmund GmbH & Co. KGaA, is responsible for management and representation of the latter. Borussia Dortmund Geschäftsführungs-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.

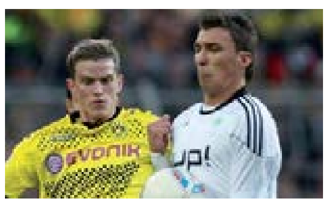
The following chart shows the structures and responsibilities as between Ballspielverein Borussia 09 e.V. Dortmund, Borussia Dortmund GmbH & Co. KGaA and Borussia Dortmund Geschäftsführungs-GmbH.

The Supervisory Board of Borussia Dortmund GmbH & Co. KGaA, which is appointed by the Annual General Meeting, has limited rights and duties. 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 or a list of transactions requiring its consent on behalf of the general partner. 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.

Match Day 4: UCL
1 November 2011
BVB – Piraeus 1:0



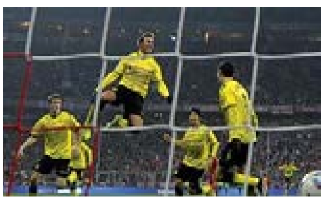
Match Day 12
5 November 2011
BVB – Wolfsburg 5:1



The names of the current members of the Company's Supervisory Board, their occupations and their further responsibilities on other management bodies are listed below:

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

Gerd Pieper Chairman	**Harald Heinze** Deputy Chairman	**Peer Steinbrück**	**Bernd Geske**	**Friedrich Merz**	**Christian Kullmann**
Occupations					
Proprietor and managing director of Stadt-Parfümerie Pieper GmbH, Herne	State representative for the Dortmund city council (since 24 May 2012)	Member of German Bundestag Federal Minister (ret.)	Managing partner of Bernd Geske Lean Communication, Meerbusch	Attorney and partner, Mayer Brown LLP, Düsseldorf	Head of the management board office and group communications of Evonik Industries AG, Essen
Other responsibilities					
Member of the Supervisory Board of Beauty Alliance Deutschland GmbH & Co. KG, Bielefeld (until 31 May 2012) Member of the Advisory Board of Borussia Dortmund Geschäftsführungs-GmbH, Dortmund Member of the Advisory Board of the Signal Iduna Group, Dortmund	Member of the Supervisory Board of M-Exchange AG, Lohmar	Member of the Supervisory Board of ThyssenKrupp AG, Essen		Member of the Supervisory Board of the AXA Konzern AG, Cologne Member of the Board of Directors of BASF Antwerpen N.V., Antwerp, Belgium Member of the Supervisory Board of Deutsche Börse AG, Frankfurt a.M. Member of the Supervisory Board and Chairman of the Board of Directors of HSBC Trinkaus & Burkhardt AG, Düsseldorf Member of the Board of Directors of Stadler Rail AG, Bussnang, Switzerland Chairman of the Supervisory Board of WEPA Industrieholding SE, Arnsberg	



Match Day 13
19 November 2011
Munich – BVB 0:1

Match Day 5: UCL
23 November 2011
London – BVB 2:1

Within Borussia Dortmund GmbH & Co. KGaA, there are five independent functional areas below the management level, namely, "Sport", "Sales & Marketing", "Communications", "Organisation" and "Finance". The responsible employees and the functional organisational areas of which they are in charge are shown in the chart below. Borussia Dortmund GmbH & Co. KGaA is managed and controlled as an independent segment along with BVB Merchandising GmbH.

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

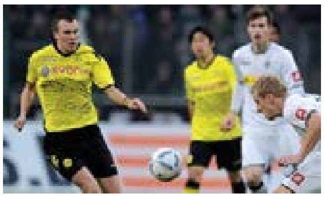
Management

Hans-Joachim Watzke (Chairman) | Thomas Treß

Sport	Sales + Marketing	Communications	Organisation	Finance
Michael Zorc	Carsten Cramer	Josef Schneck	Dr. Christian Hockenjos	Marcus Knipping
Professional football	Sponsoring	Corporate communications	General organisation	Finances
Scouting	Sportfive	Sport communications	Stadium management	Accounting
Amateurs	Sponsor events	PR	Facility Management	Financial control
Youth	Marketing	Publications	Match organisation	Risk management
	Business Development		DFB/DFL	IT (Information Technology)
	CRM (Customer-Relationship-Management)		Real estate	Personnel
	VIP hospitality		Fan support	Equity investments
	Ticketing		Event management	Investor relations
	Stadium programme		Complaints management	Insurances
	Merchandising incl. licensing			
	New media			

Match Day 14
26 November 2011
BVB – Schalke 2:0

Match Day 15
3 December 2011
Mönchengladbach – BVB 1:1



INTERNAL MANAGEMENT SYSTEM

Sports management

Although our successful restructuring has led to financially stable results, in the future we will nonetheless continue to focus on achieving success on the field under a cost-optimised budget. To accomplish this objective, Borussia Dortmund will continue to put together a competitive team in the future with an emphasis on young, promising players.

Our sporting objectives will be aligned with our financial circumstances, meaning that the makeup of the squad and its cost structure will continue to depend on calculable variables on the income side. Qualifying for and participating in international competitions would provide the financial flexibility for additionally reinforcing the squad. Our medium-term goal must therefore be for the team to establish a presence in European competitions.

Financial management

A key goal of the management of Borussia Dortmund is to achieve a lasting increase in profitability along with bolstering its financial strength. In addition to steadily improving the operating result, the generation of positive cash flows is therefore the most important financial objective of our Company. We seek to optimise cash flows by concentrating on the "operating result" and "investments" as impacting factors.

The operating result – which at the Borussia Dortmund refers to earnings before interest and taxes (EBIT) – is a key indicator for measuring success. For this reason, we constantly monitor our segments' operating results using monthly comparisons of budgeted and actual situations. To optimise the operating result, the main factors to leverage are revenue, which can be additionally improved in the major income categories of match operations, advertising, TV marketing and merchandising, and operating expenses, which can be lowered through disciplined management.

In the coming years we will concentrate on generating steady revenue growth while limiting operating expenditure. The decisive factor in this respect will be qualifying for international competitions.

Capital management

The capital management responsibilities of the Company's management involve stabilising and increasing the equity of the Borussia Dortmund Group as calculated in accordance with the German Commercial Code (HGB). One of the main ways in which we will reach these objectives is by improving the operating result.

Match Day 6: UCL
6 December 2011
BVB – Marseille 2:3

Match Day 16
11 December 2011
BVB – Kaiserslautern 1:1

CORPORATE STRATEGY

Borussia Dortmund continues to pursue the objective of re-establishing itself in the top flight of the *Bundesliga* and sees itself well on the way to accomplishing that goal.

As the first and thus far only German listed football company, we have expanded our financial base by exclusively marketing the rights to SIGNAL IDUNA PARK, using the "Borussia Dortmund" brand more effectively and establishing football-related lines of business. However, professional football with its classic income sources of TV marketing, advertising, match operations and merchandising will remain the Company's core business in future. Borussia Dortmund is confident that it will be able to further stabilise and expand its position for the following reasons:

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

- A football enterprise can only be financially successful if it enjoys sporting success over the long term. In order to make its financial performance less dependent on short-term sporting success in the future, Borussia Dortmund will continue to push ahead with marketing its brand name both nationally and internationally.

- Germany continues to be one of Europe's largest football markets, although it lags behind certain other European markets in financial terms. This means that Germany has major growth potential.

All financial activities of Borussia Dortmund are geared towards the target groups relevant to a football club: its fans, members and business partners. Products and services should be tailored to these groups as closely as possible. Borussia Dortmund intends to use the brand potential at its disposal to take full advantage of the commercial opportunities inherent in professional club football at an international level.

Its current business strategy can principally be summarised as follows:

- Sustainably adjusting athletic prospects
- Intensifying the promotion of up-and-coming talent
- Increasing fan involvement
- Taking advantage of the "Borussia Dortmund" brand

Match Day 17
17 December 2011
Freiburg – BVB 1:4

DFB Cup: Round of 16
20 December 2011
Düsseldorf – BVB 4:5 PSO

However, financial performance and the business trend are largely dependent on sporting success. Since sporting success is very difficult to plan, the best that management can do is to create a good 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 objectives, 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 might be sold based on financial considerations in cases where this would not have happened had the decision been made purely on the basis of sporting criteria.

Thus a conflict arises between the pursuit of financial interests and sporting interests, i.e., a situation in which sporting considerations and financial considerations may be at odds with each other, particularly if the club continually falls short of its sporting goals. In such cases, management weighs the opportunities and risks to find a solution that does adequate justice to the Company's strategic objectives.

Advertising plays a key role in this context. Over the years, advertising has grown to become one of the Company's largest income categories. In contrast to central TV marketing, where distribution is already clearly defined in advance, Company management is itself able to determine the requirements for and direction of sponsoring activities and, if necessary, modify the strategy implemented as circumstances change. The key figures for the sponsoring segment have already been budgeted for the coming years based on commitments from SIGNAL IDUNA (until 2021) and Evonik Industries AG (until 2016), the Company's chief partners. Revenues from international competitions are more difficult to budget for, since they depend solely on the team's athletic performance.
Another key strategic management parameter is transfer income. Borussia Dortmund's team roster includes young, top-tier players who have the potential to secure large transfer income. Similarly, these players are the foundation of Borussia Dortmund's continued sporting and economic performance. Thus, consideration must be given to what extent the short-term gain from transfer income counters this performance and whether it is in Borussia Dortmund's overall strategic interest to forgo the short-term increase in hidden reserves.
Achieving positive operating results and making the investments that depend on such results, mainly in the professional squad, should enable cash flows to stabilise at a positive level on a lasting basis.

Match Day 18
22 January 2012
Hamburg – BVB 1:5

Match Day 19
28 January 2012
BVB – Hoffenheim 3:1

POSITION OF THE GROUP

RESULTS OF OPERATIONS

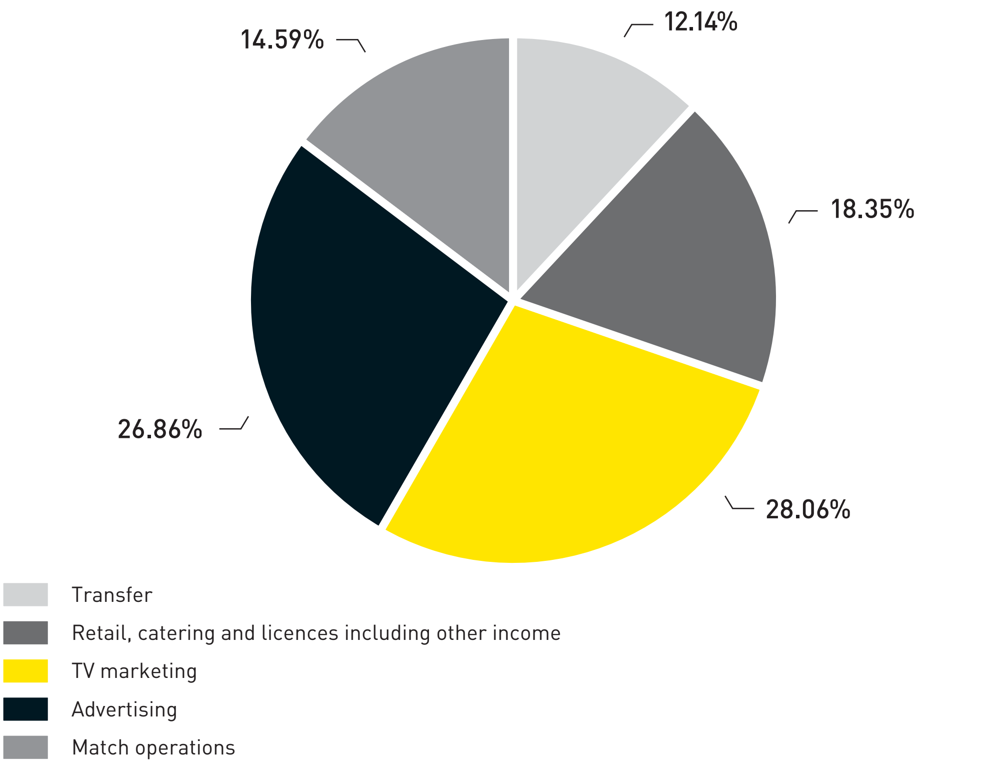
Borussia Dortmund continued to enjoy financial success during the 2011/2012 financial year following the success of the 2010/2011 financial year.

During the reporting period (1 July 2011 to 30 June 2012), Borussia Dortmund generated revenue of EUR 215,239 thousand (previous year: EUR 151,478 thousand) and gross revenue of EUR 222,869 thousand. Compared to the previous year, this corresponds to an increase of EUR 67,084 thousand, or 41.50%.

Borussia Dortmund generated consolidated net profit for the year of EUR 27,530 thousand (an increase of EUR 22,130 thousand) during the 2011/2012 financial year.

The result from operating activities (EBIT) increased by EUR 26,484 thousand on the previous year to EUR 37,299 thousand in 2011/2012.

Borussia Dortmund Group – Revenue in %



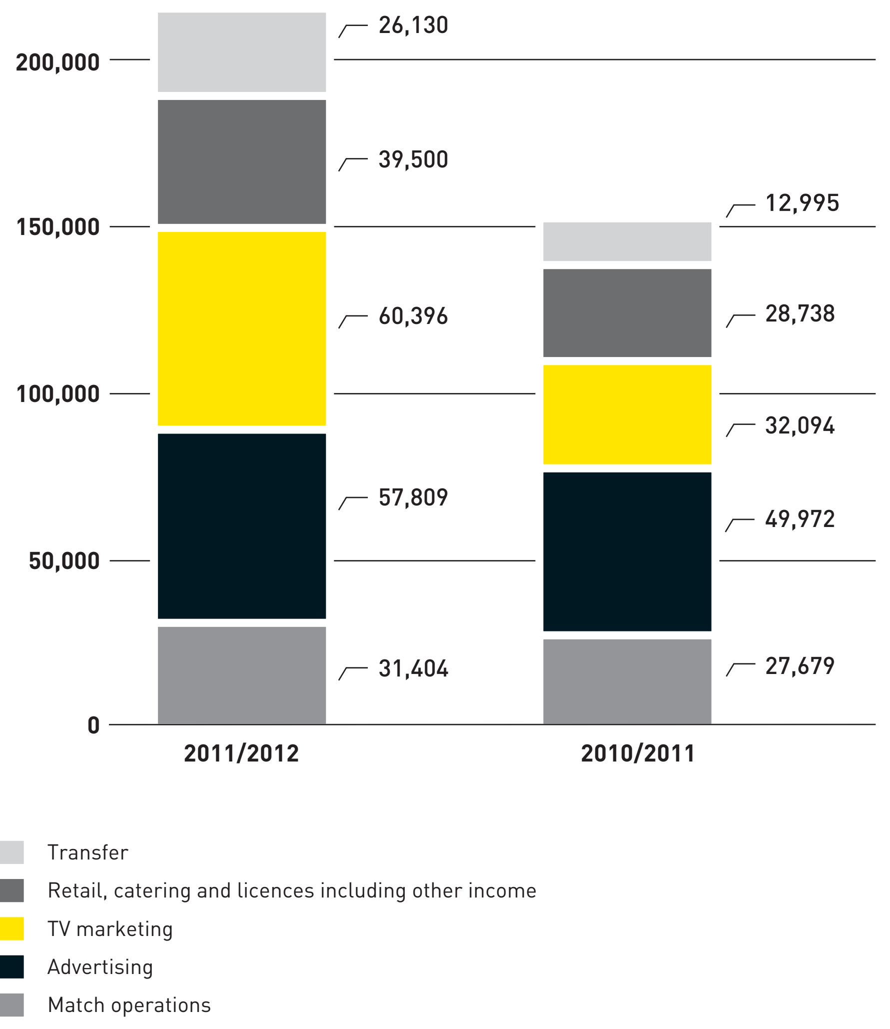
Match Day 20
3 February 2012
Nuremberg – BVB 0:2

DFB Cup: Quarter-final
7 February 2012
Kiel – BVB 0:4

REVENUE TREND

Borussia Dortmund generated revenue of EUR 215,239 thousand in the 2011/2012 financial year. The revenue increase of 42.09% was driven by growth in all income categories.

Borussia Dortmund Group – Revenue in EUR '000



Match Day 21
11 February 2012
BVB – Leverkusen 1:0

Match Day 22
18 February 2012
Berlin – BVB 0:1

The performance of the individual revenue items is described in the following:

Income from match operations

Income from Borussia Dortmund's match operations increased by EUR 3,725 thousand to EUR 31,404 thousand in financial year 2011/2012.

With an average attendance of 79,860 to put SIGNAL IDUNA PARK at almost 100% capacity during the entire season and a moderate price increase at the beginning of the season, Borussia Dortmund again increased revenue from *Bundesliga* ticket sales, which rose by EUR 1,013 thousand year-on-year to EUR 24,515 thousand. The rearrangement of hospitality agreements and the addition of further hospitality seating on the southeast catering level also boosted hospitality revenue.

Borussia Dortmund competed in the UEFA Champions League and generated income of EUR 4,355 thousand from international ticket sales from those three home matches, up EUR 1,005 thousand compared to income from the team's group stage games in the previous year's UEFA Europa League.

In the past financial year, Borussia Dortmund recorded income of EUR 1,890 thousand from ticket sales for DFB Cup matches. For this competition, income from ticket sales less any expenses is always divided amongst the two opposing teams. Due to the competitors that Borussia Dortmund drew in the Cup, the club played only one home match at the sold-out SIGNAL IDUNA PARK. Three other matches were contested in stadiums with attendance figures between 10,000 and 15,500. Therefore, the rise in income from ticket sales as compared to the previous year (in which the team did not advance past the second round) amounted to EUR 1,737 thousand.

Income from advertising

Borussia Dortmund generated advertising income of EUR 57,809 thousand (previous year: EUR 49,972 thousand) which formed a substantial part of the total income in the past financial year.

In addition to Evonik, the club's primary sponsor and with whom an early extension of the sponsorship agreement until 30 June 2016 was signed, and SIGNAL IDUNA, with whom an early five-year extension until 2021 of the naming rights agreement set to expire in 2016 was also entered into, Borussia Dortmund counted its kit supplier, Kappa, as one of the club's biggest sponsors. The sponsorship deal with Kappa terminated at the end of the financial year.

The capacity of the hospitality areas at SIGNAL IDUNA PARK (Stammtisch seating, Business Club, Borussia Park, *Rote Erde* Club, and, for the first time, the southeast catering level) reached 100% in the 2011/2012 season.

There was also an absolute boom in the demand for incentive packages that business clients can book for specific matches. Accordingly, additional capacities in the form of VIP tents had to be constructed for top flight matches.

Match Day 23
26 February 2012
BVB – Hanover 3:1

Match Day 24
3 March 2012
BVB – Mainz 2:1

Advertising income also included sponsor bonuses paid for the team winning the German Championship and the DFB Cup.

It also includes income from advertising boards marketed centrally by the DFB for the six rounds of the DFB Cup.

Income from TV marketing

As in previous years, TV marketing income once again represented the largest revenue component for Borussia Dortmund. TV marketing revenue grew by EUR 28,302 thousand over the previous year to EUR 60,396 thousand.

An improved calculation basis helped Borussia Dortmund raise its income from *Bundesliga* TV marketing by EUR 1,081 thousand to EUR 27,856 thousand.

By winning the 2010/2011 German Championship, Borussia Dortmund qualified for the group stage of the UEFA Champions League, having last qualified nines year prior during the 2002/2003 season. Starting at the group stage, UEFA is in charge of the centralised TV marketing for the UEFA Champions League. This generated income of EUR 25,596 thousand.

Although Borussia Dortmund exited the second round of the previous year's DFB Cup, it captured the title in the 2011/2012 season. The remaining four rounds, live broadcasts of all Cup matches (excluding round one) and ultimately the victory in the final match increased the marketing income from the DFB Cup by EUR 6,571 thousand to EUR 6,944 thousand.

Transfer income

Income from transfer fees for the relevant 2011/2012 reporting period amounted to EUR 26,130 thousand (previous year: EUR 12,995 thousand).

Income from retail, catering and licences including other income

Compared to the previous year, income from retail, catering and licenses as well as other income increased by EUR 10,762 thousand to EUR 39,500 thousand.

The breakdown of revenue by division is described in the following:

As in previous years, BVB Merchandising GmbH demonstrated that it was one of the Group's main income drivers. Income, which comprises the awarding of licences and revenue from the sale of team merchandise in particular, improved by more than 50% year-on-year to EUR 23,000 thousand. The club's sporting success and the amiable performance of the squad and its trainer staff led to an increase in the demand for BVB merchandise. In the previous year alone, the kit company sold 230,000 jerseys, approximately half of which were sold directly through BVB Merchandising GmbH.

Revenue improved primarily due to the improvement of the sales structure and the generation of

Match Day 25
10 March 2012
Augsburg – BVB 0:0

Match Day 26
17 March 2012
BVB – Bremen 1:0

new sales channels. This includes the purchase of the new MAN truck which accompanied the squad at almost all away matches and toured Christmas markets, city festivals and corporate events during the winter season. Worth mentioning is also the grand opening of the Fanshop at the Thier Galerie shopping centre, which surpassed all expectations and generated revenue in excess of one million euros in its inaugural season. BVB Merchandising GmbH also launched a small sales booth in October 2011 at the CentrO shopping centre in Oberhausen. Initially intended as a test store, it is slated to eventually become a permanent Fanshop.

Revenue from catering – consisting of merchandising on the circulation levels and in hospitality areas during national and international match operations, as well as non-footballing events that can be booked year-round at SIGNAL IDUNA PARK – once again improved by 8.71% to EUR 9,822 thousand.

Rental and lease income, advance booking and other ticketing fees increased by EUR 1,539 thousand over the prior-year figure to EUR 6,772 thousand.

Other operating income improved by EUR 3,323 thousand year-on-year to EUR 7,630 thousand. This increase was chiefly due to the performances of Dortmund players Bender, Götze, Großkreutz, Gündogan, Hummels and Schmelzer in qualification matches and German national team friendlies as well as the appearances of the club's German and Polish players and that of the Croatian national, Ivan Perisic, at the 2012 European Championships hosted jointly by Poland and Ukraine.

DEVELOPMENT OF SIGNIFICANT OPERATING EXPENSES

Personnel expenses

At EUR 79,923 thousand, personnel expenses for the 2011/2012 financial year exceeded those of the previous year by EUR 18,382 thousand. Compared to the previous year, personnel expenses for match operations rose considerably. In addition to the increase in the professional squad budget, the variable bonus payments paid out from the staff budget for winning the German Championship and DFB Cup and the 81 points achieved during the club's Championship run played a large part in the rise in personnel expenses.

Furthermore, personnel expenses also increased in the retail and administrative areas as a result of the "double" bonuses paid out to all Borussia Dortmund employees. The rise was also due to staff hiring measures taken at almost all business segments in order to meet increased challenges expected for the future. Personnel expenses for other match operations also rose year-on-year, primarily due to the club's U23 team advancing directly to division three play.

DFB Cup: Semi-final
20 March 2012
Fürth – BVB 0:1 a.e.t.

Match Day 27
25 March 2012
Cologne – BVB 1:6

Depreciation, amortisation and write-downs

Depreciation, amortisation and write-downs rose by EUR 1,053 thousand to EUR 18,587 thousand in the reporting period.

Other operating expenses

Other operating expenses amounted to EUR 70,490 thousand in the reporting period compared with EUR 54,144 thousand in the previous year.

In addition to the rise of EUR 4,869 thousand in match operations – which primarily included repairs for the SIGNAL IDUNA PARK, the team's participation in the DFB Cup, the installation of hospitality tents at four *Bundesliga* home matches and expenses associated with the expansion of the training grounds –, the greatest increase in other operating expenses related to advertising expenses, including fees for the Sportfive marketing agency (EUR 3,534 thousand), and transfer fees, including write-downs of carrying amounts (EUR 3,968 thousand).

Financial result

The financial result amounted to EUR -4,801 thousand in 2011/2012, compared to EUR -5,412 thousand in the previous year.

FINANCIAL POSITION

Analysis of capital structure

After taking into account the consolidated net profit for the year, Borussia Dortmund had equity in the amount of EUR 93,455 thousand as at 30 June 2012. This corresponds to an equity ratio of 57.47%.

Liabilities rose by EUR 1,151 thousand as against the figures at the end of last year's reporting period. The breakdown of the increase is described in the following:

Liabilities from finance leases rose by EUR 12,460 thousand to EUR 22,432 thousand due to the fourth expansion phase of the training grounds in Dortmund-Brackel and the effective exercise of a purchase option for a leased administrative building, which is subsequently qualified as a finance lease.

Trade payables decreased by EUR 889 thousand and financial liabilities were even lowered by EUR 3,486 thousand.

Other liabilities rose by EUR 4,469 thousand as a result of wage and tax liabilities not yet due. Further changes were seen in an increase in income tax liabilities of EUR 672 thousand and a decrease in deferred income of EUR 1,695 thousand.

Analysis of capital expenditure

In financial year 2011/2012, Borussia Dortmund invested EUR 28,276 thousand. Of this amount, EUR 20,925 was invested in intangible assets, nearly all of which was attributable to investments in the player base.

Cash payments for property, plant and equipment during the same period amounted to EUR 7,331 thousand and primarily relate to investments in SIGNAL IDUNA PARK, including new video boards, a grass-growing system and photovoltaic panels on the roof of the stadium's northern, western and eastern terraces.

Match Day 28
30 March 2012
BVB – Stuttgart 4:4

Match Day 29
7 April 2012
Wolfburg – BVB 1:3

Analysis of liquidity

As at 30 June 2012, Borussia Dortmund held cash of EUR 5,271 thousand, none of which was subject to restrictions. Borussia Dortmund had access to an additional EUR 15,000 thousand in overdraft facilities as at the end of the reporting period, which had not been drawn down as at the end of the reporting period.

Proceeds from the sale of player registrations amounted to EUR 19,419 thousand in the past financial year. Payments for investments in the professional squad amounted to EUR 20,907 thousand.

Financial liabilities, including drawdowns on overdraft facilities, decreased by EUR 13,866 thousand.

NET ASSETS

Total assets of Borussia Dortmund increased from EUR 221,726 thousand to EUR 248,706 thousand, due in particular to capital expenditures in intangible assets and property, plant and equipment. The increases also related to the reclassification of a lease for the administration building.

OVERALL ASSESSMENT OF FINANCIAL POSITION AND PERFORMANCE

The Borussia Dortmund Group ended the financial year with consolidated net profit for the year of EUR 27,530 thousand and total comprehensive income of EUR 25,916 thousand, an improvement of EUR 22,130 thousand and EUR 20,284 thousand, respectively.

The equity ratio is stable and, taking into account the net profit for the year, is calculated at 37.58%.

As at 30 June 2012, Borussia Dortmund held cash of EUR 5,271 thousand, none of which was subject to restrictions. Borussia Dortmund had access to an additional EUR 15,000 thousand in overdraft facilities as at the end of the reporting period, which had not been drawn down as at the end of the reporting period.

Match Day 30
11 April 2012
BVB – Munich 1:0

Match Day 31
14 April 2012
Schalke – BVB 1:2

REMUNERATION REPORT

The structure of the management remuneration system 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 remuneration of management in detail and setting the appropriate amount of remuneration. 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 remuneration comprises two components: a fixed amount and a variable component. The fixed remuneration component is stipulated by contract and is paid out in twelve equal monthly instalments. The variable remuneration component is based on the business trend and is dependent on net income for the year before tax and the managing directors' remuneration. Any additional non-cash or ancillary benefits granted relate primarily to insurance benefits at standard market conditions and provision of a company car. The Company does not offer any stock option plans or similar incentive plans. The remuneration components provided are reasonable both in and of themselves and taken as a whole.

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

The disclosures required by § 314 (1) no. 6 HGB are included in the notes to the financial statements.

Match Day 32
21 April 2012
BVB – Mönchengladbach 2:0

Match Day 33
28 April 2012
Kaiserslautern – BVB 2:5

THE INTERNAL CONTROL AND RISK MANAGEMENT SYSTEM AS IT RELATES TO THE ACCOUNTING PROCESS

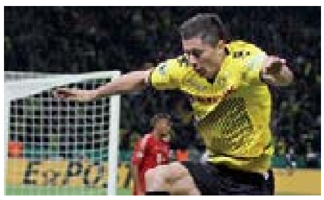
The key features of the accounting process-related internal control and risk management system employed by Borussia Dortmund can be described as follows:

- Borussia Dortmund distinguishes itself through its clear organisational and corporate structures as well as its control and monitoring structures;
- the internal control and risk management systems as they relate to the accounting process form an integral part of operational and strategic planning processes;
- responsibilities have been clearly assigned in all areas of the accounting process (such as financial accounting and management cost accounting);
- reporting is carried out in monthly, quarterly, semi-annual and annual intervals, whereby a distinction is made between matters requiring immediate action by the Company and those involving Company strategy;
- the computer systems used in accounting are protected against unauthorised access;
- an adequate system of internal guidelines has been established and is updated as needed;
- the departments involved in the accounting process fulfil quantitative and qualitative requirements;
- the completeness and accuracy of the accounting data is checked regularly by reviewing samples and conducting plausibility tests, both manually and by means of software employed for this purpose;
- the principle of dual control is adhered to at all points in the Company's accounting-related processes;
- the management receives reports at scheduled intervals throughout the process or more frequently if necessary;
- the Supervisory Board deals with the key accounting issues, risk management and the audit assignment, among other things.

The accounting process-related internal control and risk management system, the key features of which are described above, ensures that transactions can be correctly recorded, prepared and accounted for in the financial statements.

Match Day 34
5 May 2012
BVB – Freiburg 4:0

DFB Cup Final
12 May 2012
BVB – Munich 5:2



OPPORTUNITY AND RISK 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.

The risk management system is based on principles and guidelines laid out by the management. These principles and guidelines are designed to facilitate the early identification of any irregularities so that appropriate countermeasures can be taken. In order to ensure the highest possible level of transparency, risk management has been incorporated into the organisational structure of the Group as a whole. All departments and divisions are required to immediately report any market-relevant changes in the risk portfolio to the management. The risk management system is also an integral component of the overarching planning, steering and reporting process.

This year, the risk inventory procedure implemented with the objective of cataloguing and assessing all risks has again proven effective as a management tool. Risks are identified, discussed and reviewed in consideration of current circumstances in one-on-one meetings or plenary sessions in order to assess the current likelihood of their occurring and the extent of the losses they might entail. In so doing, particular emphasis is placed on high priority risks that could significantly jeopardise the ability of Borussia Dortmund to continue as a going concern. Thus the organisational groundwork has been laid to enable the Group to identify any changes to the risk situation that may emerge early on.

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

SPECIFIC RISKS

Strategic risk

The economic performance of a football company depends on its sporting success. 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 – including taking the measures necessary to achieve such objectives – and meeting financial requirements such as assuring adequate liquidity.

In addition, in order for its team to participate in *Bundesliga* matches, Borussia Dortmund requires a licence, which is issued for each season by DFL Deutsche Fußball Liga GmbH. Issue of this licence has a significant impact on the Company's financial position and financial performance by its very nature. As in previous years, Borussia Dortmund has been issued a licence for the coming season without any conditions or requirements.

Personnel risk

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* matches – 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. Absences 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 non-sports segments as well, the use of qualified specialists and executives is essential for the Group; thus it is important that the Company retain such personnel over the long term.

Macroeconomic risk

The trend in future funding through sponsorship is difficult to foresee. Borussia Dortmund has laid the groundwork for the coming years through the conclusion of long-term contracts with major sponsors. Since many companies – primarily SMEs – are currently employing caution in waiting to see how the market will develop, we cannot reliably forecast whether last years' total volume in sponsorship can be achieved again this year.

It is impossible to plan and manage the risk of interruptions to match operations, for example due to outbreak of an epidemic. 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 submitted completely and correctly and that its social security contributions were paid in full and on time. However, should the tax or social security authorities view the situation differently due to a diverging assessment of the facts, it is possible that they could later make additional claims that could impact the Company's financial position and performance.

Competitive risk

The UEFA regulations on club licensing and financial fair play were adopted in May 2010. The regulations aim

- to introduce more discipline and rationality in club football finances
- to encourage clubs to operate on the basis of their own revenues
- to protect the integrity and smooth running of UEFA club competitions
- to encourage responsible spending for the long-term benefit of football
- to ensure that clubs settle their liabilities punctually
- to protect the long-term viability and sustainability of European club football.

The process was introduced gradually starting with the 2011/2012 season. Starting with the reports on liabilities and future financial information, the most important factor in receiving permission to play from UEFA in the future will be the break-even requirement, which will take effect at the end of the 2012 reporting year, be reviewed during the 2013/2014 European Cup season and result in sanctions in cases of non-adherence. The club monitoring procedure will be supervised by UEFA's Club Financial Control Panel, which may request additional information from the license applicant and/or the licensing body at any time during this process.

FINANCIAL RISK

Interest rate risk

Borussia Dortmund bears the financing risk related to 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.

Management has entered into interest rate swap transactions with German Landesbanken (i.e., banks local to Germany's individual states or "Länder") in order to lock in low interest rates over the medium to long term and hedge the risk of changes in cash flows due to changing interest rates.

Credit risk

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

One fixed-interest loan taken out with a principal amount of EUR 20,000 thousand and which matures in June 2013 is subject to covenants with respect to the Group's equity ratio and interest coverage ratio (EBITDA/interest expense) as stated in the consolidated financial statements. In addition, covenants are in place in relation to an overdraft facility in the amount of EUR 5,000 thousand. These covenants relate to the equity ratio, net debt/EBITDA and the interest coverage ratio. These covenants are reviewed on an annual basis; all covenants were complied with during the year under review.

Liquidity risk

Liquidity risk refers to the risk of being unable at any point in time to meet regular payment obligations on time and in the full amount.

Regular reporting and strict controls aimed at adherence to target figures, approved budgets and KPIs ensure that the Company's liquidity remains a transparent variable. Liquidity is constantly monitored through liquidity planning, which takes expected cash flows into consideration. As with any planning, an inherent risk exists in that current estimates are subject to risks and uncertainties. Actual results may differ from the planning statements. However, there is a general risk that budgeted proceeds may not be realised due, for example, to agreements not being able to be honoured as entered into due to the poor economic climate and/or insolvency of the customer.

OVERALL ASSESSMENT OF RISK POSITION

With regard to the risks discussed in this report and the review of the overall risk position, no risks were identified in the financial year under review that would contribute to a permanent or material deterioration in the financial position or financial performance of either the Group or its individual companies. Thanks to its risk management system, Borussia Dortmund is in a position to comply with the statutory provisions on control and transparency in the Company.

A review of the risk position indicated that the aggregate total of the individual risks defined within the risk areas does not pose a threat to the ability of the Borussia Dortmund Group to continue as a going concern.

REPORT ON EXPECTED DEVELOPMENTS

ANTICIPATED PERFORMANCE OF THE GROUP

Borussia Dortmund once again capped off the past 2011/2012 season by winning the German Championship, and for the first time in the club's history, captured the "double" by also winning the German Cup. The team's playing success, by virtue of which it qualified directly for group stage of the UEFA Champions League, thus has also increased its growth prospects in nearly all income areas.

Notwithstanding these new circumstances, Borussia Dortmund still intends to leverage its stable, robust equity base and avoid incalculable financial risks in pursuing its athletic goals.

EXPECTED GENERAL ECONOMIC ENVIRONMENT

By successfully defending its Championship title and retaining first place in the final standings, Borussia Dortmund's standing in the four-year money rankings improved to number one at the beginning of the 2012/2013 season. The four-year ranking is the key factor in determining the calculation basis and income distribution from national TV marketing among the Bundesliga's first and second division clubs. A drop to below second place is not expected even in the case of only moderate *Bundesliga* success.

DFL Deutsche Fußball Liga GmbH announced its decision regarding the award of media rights of exploitation. Based on this report, *Bundesliga* clubs will receive record distributions of the income generated from national TV marketing. As per the announcement, the League Association will receive around EUR 2.5 billion from the exploitation of domestic broadcast rights in the four seasons from 2013/2014 through 2016/2017, corresponding to an average of approximately EUR 628 million in income per year. This, in turn, corresponds to an increase of EUR 195 million compared to the average income from TV agreements expiring as at 30 June 2013.

- Viewers will be able to choose from the following broadcast/coverage options:
- the premium TV channel, Sky, will have partnership rights to broadcast live on all distribution mediums (subscription-based viewing)
- the TV channel ARD will retain the rights to the sports news show Sportschau
- the TV channels ZDF and Sport1 will continue to hold the secondary distribution rights
- the Axel Springer publishing house will retain the rights
- for web TV and video clips for mobile devices

The distribution scenario selected for the distribution rights was the "traditional" scenario, which continues to allow for an early highlights show of Saturday matches broadcast on free-to-air television.

Securing long-term partners as sponsors continues to be a priority at Borussia Dortmund. For example, the club entered into multi-year agreements with its primary sponsor, its equipment supplier and the holder of the stadium's naming rights.

The marketing process for Champion Partners for the 2012/2013 season is virtually concluded and most partners have entered into long-term agreements.

Demand for hospitality seating continues to remain constant for the upcoming season as well.

Very few existing customers opt to use the contractual notice period to cancel their participation on time. In addition to the waiting lists of prospective companies, the majority of the companies – as in previous years and despite previously terminating their agreements – once again entered into a contractual relationship with Borussia Dortmund. Capacity for the upcoming season had already reached 100% by the end of the 2011/2012 season.

As in previous years, demand for season tickets outpaced supply. In order to be able to offer adequate numbers of match day tickets, Borussia Dortmund thus had to cap season ticket sales at around 54,000.

EXPECTED RESULTS OF OPERATIONS

Anticipated earnings trend

Management assumes that it will generate net profit for the year in its annual financial statements and consolidated financial statements for the coming 2012/2013 financial year. Based on conservative budget estimations, net profit for the year will be in the single-digit million range.

The result of the 2013/2014 financial year depends on the club's sporting success in the 2012/2013 season and is therefore very difficult to plan.

Anticipated revenue trend

By winning the "double", Borussia Dortmund reached yet another footballing milestone, the effects of which will continue to yield financial dividends in the 2012/2013 season.

In addition to advertising income that continues to rise due to the club's national and international footballing success on the one hand and the magnetism of the Borussia Dortmund brand on the other, management expects an increase in income distributed by the DFL from TV marketing for the *Bundesliga* and *Bundesliga* ticket sales to improve in the coming financial year. Although it is possible that the income awarded by UEFA for participating in the UEFA Champions League will rise year-on-year if the club advances past the group stage, this income potential was not taken into account in the Company's traditionally very conservative budget. Accordingly, the budgetary assumption was that Borussia Dortmund would exit the DFB Cup in the second round. This would overall lead to declining TV income.

The Group also expects income from merchandise sales to increase with the club's continued sporting success.

Given this background and not taking into account any transfer income, management expects total revenue to remain virtually level.

Anticipated trend in significant operating expenses

To ensure the early identification and prevention of future financial risks, Borussia Dortmund's highest priority continues to be managing and continually monitoring costs and expenses.

The development of operating expenses depends primarily on the number of matches to be played, meaning that it is always contingent upon the club's sporting performance.

The current employment agreements for professional players all contain performance-based components, meaning that the level of personnel expenses depends on whether athletic targets are met.

EXPECTED DIVIDENDS

Due to the fact that the club again directly qualified for the group stage of the UEFA Champions League and in light of the club's economic success in the past financial year, Borussia Dortmund will propose a dividend distribution to its shareholders at the Annual General Meeting in November 2012.

PROJECTED FINANCIAL POSITION

Capital expenditure and financial planning

We are continuing to focus our investing activities on strengthening our professional squad and on making infrastructure improvements to SIGNAL IDUNA PARK and the training grounds.

Thus, we will continue to concentrate on the core business of Borussia Dortmund and will not take any financial risk that cannot be calculated in advance. In essence, this means that we will only be incurring capital expenditure to the extent permitted by our anticipated financial leeway based on conservative budgetary assumptions. As part of capital expenditure planning, Borussia Dortmund will thus not count on any uncertain sporting successes which, if they failed to materialise, would lead to substantial new debt.

Anticipated liquidity trend

Borussia Dortmund generated positive cash flow from operating activities of EUR 28,037 thousand in the past financial year. This positive cash flow and the expected rise in income will enable the Group to pay dividends and continue to invest in its professional squad and make infrastructure investments.

OPPORTUNITIES

Borussia Dortmund will again participate in the UEFA Champions League during the 2012/2013 season, thus providing it the opportunity to tap additional growth potential associated with the income expected from that competition.

Furthermore, management is aware that Borussia Dortmund's team roster includes young, top-tier players with high market values who have the potential to secure large transfer income. Similarly, these players are the foundation of Borussia Dortmund's continued sporting and economic performance. Thus, consideration must be given to what extent the short-term gain from transfer income counters this performance and whether it is in Borussia Dortmund's overall strategic interest to forgo the short-term increase in hidden reserves.

OVERALL ASSESSMENT OF ANTICIPATED PERFORMANCE

Borussia Dortmund succeeded in making a surprise champion into a "double champion". This deserved success and its subsequent effects as well as the tremendous support for Borussia Dortmund place the club in a prime economic starting position for the coming season.

REPORT ON POST-BALANCE SHEET DATE EVENTS

The team unveiled its new uniform on 4 July 2012. Marking the beginning of a long collaboration, Borussia Dortmund and its new kit supplier, PUMA SE, were proud to present the match uniforms for the 2012/2013 athletic season during a team rally at Dortmund's Alter Markt square. The fans were excited to see two Championship Stars shining prominently on the team's new black-and-yellow jersey, which peps up the traditional design with a hip retro look.

On 19 July, Borussia Dortmund presented its new long-term partner, Adam Opel AG – highlighting its roots in the region and its desire to maintain close ties there. Opel thus took the place of the team's previous partner, SEAT. The team and its new partner are drawn together by their dedication to quality and passion.

Season ticket sales for the upcoming season can be considered a complete success. The target of 54,000 season tickets sold was reached in record time, making Borussia Dortmund the top *Bundesliga* seller once again. Proof that Borussia Dortmund is a club with the largest and most loyal fan base.

In addition, Borussia Dortmund is pleased to report two more new additions to the squad.

29-year-old defender Oliver Kirch comes to Borussia Dortmund from the relegated 1. FC Kaiserslautern. The second new addition to the team is Julian Schieber from Stuttgart. Schieber, a 23-year-old striker, is a young player set to complement the offence led by Marco Reus and Robert Lewandowski. At the training camp in Bad Ragaz, the Polish national player Jakub "Kuba" Blaszczykowski extended his current contract with Borussia Dortmund, set to expire in 2013, for an additional three years until 2016.

The squad was equipped to face the 2012/2013 season after making these changes, and started the new football year at the LIGA total! Cup on 4 and 5 August. Borussia Dortmund only barely lost to Werder Bremen in the final during penalty kicks following an intense and high-scoring match in Hamburg.

A week later, the team travelled to Munich for the DFL Supercup. The double champion played against the championship runner-ups Bayern Munich. Despite a strong second half, during which the team showed what it had in it, Borussia Dortmund had to concede defeat to Bayern Munich with a score of 2:1.

Despite the disappointments suffered at the LIGA total! Cup and the DFL Supercup, the team marched into the Weser Stadium with their heads high, where they defeated Bremen's regional league team FC Oberneuland 3:0 in the first round of the DFB Cup on 18 August 2012.

OTHER DISCLOSURES

REPORT IN ACCORDANCE WITH § 315 (4) HGB

The following information has been provided by the Company 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 to the over-the-counter markets (Open Market) in Berlin, Bremen, Stuttgart, Munich, Hamburg and Düsseldorf. Each no-par value share entitles the holder to one vote at the Annual General Meeting. The Company has only one class of shares, and all shares carry the same rights and obligations. All other rights and responsibilities attaching to the Company's shares are determined in accordance with the German Stock Corporation Act (*Aktiengesetz*, "AktG").

2. Restrictions affecting the voting rights or transfer of the shares, and

3. Interests in the share capital of Borussia Dortmund GmbH & Co. KGaA exceeding 10% of the voting rights as at 30 June 2011:

- Ballspielverein Borussia 09 e.V. Dortmund, Dortmund, Germany: 18,79% of the voting rights (of which 7,24% held directly and 11,55% held indirectly by including the voting rights of Bernd Geske, Germany, pursuant to § 22 (2) WpHG).

- Bernd Geske, Germany: 18.79% of the voting rights (of which 11.55% held directly and 7.24% held indirectly by including the voting rights of Ballspielverein Borussia 09 e.V. Dortmund, Dortmund, Germany, pursuant to § 22 (2) WpHG).

According to the information available, the inclusion of the voting rights in either case is based on a shareholders' agreement concluded between Ballspielverein Borussia 09 e.V. Dortmund and Bernd Geske initially for a term until mid-2017. The material subject matter of said agreement is the stipulation binding the parties to exercise their voting rights in favour of Ballspielverein Borussia 09 e.V. Dortmund with regard to Bernd Geske's shares in Borussia Dortmund GmbH & Co. KGaA, and that Bernd Geske and Ballspielverein Borussia 09 e.V. Dortmund mutually agree to inform one another and vote on any changes to their respective shareholdings in Borussia Dortmund GmbH & Co. KGaA, especially pertaining to the transfer of shares.

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

5. There is no control of voting rights in cases in which 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, management and representation of the Company is the responsibility of the general partner. The provisions of § 6 no. 1 of the Articles of Association stipulate that Borussia Dortmund Geschäftsführungs-GmbH, with registered offices in Dortmund, is to act as such an executive body 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 Annual General Meeting, which, in accordance with § 133 (1) AktG, must be passed 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 on the date of the resolution, except to the extent that mandatory statutory provisions or the Articles of Association stipulate otherwise. A mandatory provision of statute requires that a resolution of the Annual General Meeting be passed by a majority of three-quarters of the share capital represented on the date of the resolution in the event of amendments to the Articles of Association relating to the object of the Company (§ 179 (2) sentence 2 AktG), the issuance of non-voting preferred shares (§ 182 (1) sentence 2 AktG), capital increases involving the disapplication of pre-emptive subscription rights (§ 186 (3) AktG), the creation of conditional capital (§ 193 (1) AktG), the creation of authorised capital (§ 202 (2) AktG) – where appropriate with authorisation to disapply pre-emptive subscription rights (§ 203 (2) sentence 2 in conjunction with § 186 (3) AktG) –, the ordinary or simplified reduction of share capital (§ 222 (1) sentence 2 and § 229 (3) AktG) or a change of legal form (§ 233 (2) and § 240 (1) of the German Reorganisation and Transformation Act [*Umwandlungsgesetz*, "UmwG"]). In addition, capital increases, other amendments 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 the wording thereof, in particular in connection with the amount of capital increases from authorised and conditional capital.

7. The general partner is authorised until 29 November 2015, with the approval of the Supervisory Board, to increase the share capital of the Company in total by a maximum of EUR 2,500.00 by issuing new no-par value ordinary bearer shares against cash and/or in-kind contributions on one or more occasions (Authorised Capital 2010). The limited liability shareholders have a statutory pre-emptive right over new shares issued by the Company.

   Such new shares may also be subscribed by a bank or a company in accordance with § 53 (1) sentence 1 or § 53b (1) sentence 1 or (7) of the German Banking Act (*Kreditwesengesetz*, "KWG") if it agrees to offer them to the limited liability shareholders for subscription. However, the general partner is authorised, with the approval of the Supervisory Board, to decide to disapply the statutory pre-emptive subscription rights of the limited liability shareholders. Pre-emptive subscription rights may be disapplied
   a) with respect to fractional amounts arising as a consequence of subscription ratios;
   b) in the event of capital increases against cash contributions up to a total amount of 10% of the share capital existing on the date of registration of the Authorized Capital 2010 or, if lower, 10% of the share capital existing on the date of exercise of the authorisation (in each case taking into account any other authorisations made use of during the effective period of this authorisation for the disapplication of pre-emptive subscription rights pursuant to or through the corresponding application of § 186 (3) sentence 4 AktG), provided the issue amount of the new shares does not fall significantly below the market price;
   c) in the event of capital increases against in-kind contributions, particularly for the purpose of acquiring companies, equity investments, real estate, rights and claims against the Company.

The general partner is authorised, with the approval of the Supervisory Board, to determine the further details of the capital increase and the terms and conditions of the share issue.

In the event of a takeover bid for shares issued by the Company and admitted to trading on a regulated market, the general statutory responsibilities and powers apply to the general partner in other respects. 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") to enable the limited liability shareholders to 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 that could frustrate the success of the bid, unless those actions have been authorised by the Annual General Meeting, or the Supervisory Board has given its approval of 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. As at the balance sheet date, the Articles of Association did not contain any provisions 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 that would apply in the event of a takeover bid.

STATEMENT BY THE GENERAL PARTNER ON 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 – has issued the following concluding declaration:

"Based on the circumstances known to us at the time the transactions were entered into, the Company received appropriate consideration for each of the transactions set out in the report on relations with affiliated companies in the financial year. 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 either undertaken or omitted during the financial year."

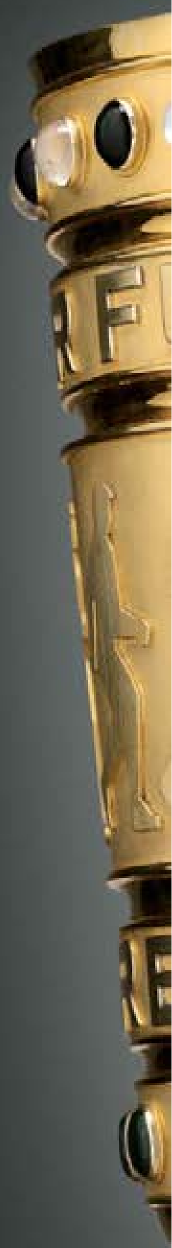
DISCLAIMER

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

Dortmund, 23 August 2012
Borussia Dortmund GmbH & Co. KGaA
Borussia Dortmund Geschäftsführungs- GmbH

Hans-Joachim Watzke
Managing Director (Chairman)

Thomas Treß
Managing Director



CONSOLIDATED FINANCIAL STATEMENTS

Borussia Dortmund 2012 Cup Champion


USSBALL
EINS POK

CONSOLIDATED FINANCIAL STATEMENTS

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

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

EUR '000	Note*	30/06/2012	30/06/2011
ASSETS			
Non-current assets			
Intangible assets	(1)	25,749	18,432
Property, plant and equipment	(2)	182,602	170,740
Investments accounted for using the equity method	(3)	313	321
Financial assets	(4)	38	1,109
Trade and other financial receivables	(5)	0	972
Deferred tax assets	(20)	1,669	4,916
Prepaid expenses	(12)	33	126
		210,404	196,616
Current assets			
Inventories	(6)	5,808	2,328
Trade and other financial receivables	(5)	24,534	19,605
Cash and cash equivalents	(7)	5,271	1,087
Prepaid expenses	(12)	2,689	2,090
		38,302	25,110
		248,706	**221,726**
EQUITY AND LIABILITIES			
Equity			
Subscribed capital		61,425	61,425
Reserves		31,805	6,002
Treasury shares		-122	-127
Equity attributable to the owners of the parent company		93,108	67,300
Minority interest		347	326
	(8)	93,455	67,626
Non-current liabilities			
Non-current financial liabilities	(9)	41,268	47,902
Non-current liabilities from finance leases	(10)	21,149	9,443
Other non-current financial liabilities	(11)	2,141	0
Deferred income	(12)	28,747	33,390
		93,305	90,735
Current liabilities			
Current financial liabilities	(9)	5,974	13,206
Current liabilities from finance leases	(10)	1,283	529
Trade payables		9,636	10,525
Other current financial liabilities	(11)	22,008	19,680
Current income tax liabilities	(18)	3,826	3,154
Deferred income	(12)	19,219	16,271
		61,946	63,365
		248,706	**221,726**

** The relevant sections in the notes to the consolidated statement of financial position can be found on the following pages: (1) - p. 130, (2) - p. 131, (3) - p. 132, (4), (5) - p. 133, (6), (7) - p. 134, (8) - p. 135, (9) - p. 136, (10) - p. 137, (11) - p. 138, (12) - p. 139, (18) - p. 141, (20) - p. 142.*

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME of Borussia Dortmund GmbH & Co. Kommanditgesellschaft auf Aktien, Dortmund

EUR '000	Note*	2011/2012	2010/2011
Revenue	(13)	215,239	151,478
Other operating income	(14)	7,630	4,307
Cost of materials	(15)	-12,477	-7,658
Personnel expenses	(16)	-79,923	-61,541
Depreciation, amortisation and write-downs	(17)	-18,587	-17,534
Other operating expenses	(18)	-70,490	-54,144
Profit from operating activities		**41,392**	**14,908**
Income from investments in associates	(3)	59	32
Finance income	(19)	144	256
Finance costs	(19)	-5,004	-5,700
Financial result		**-4,801**	**-5,412**
Profit before income taxes		**36,591**	**9,496**
Income taxes	(20)	-9,061	-4,096
Consolidated net profit for the year		**27,530**	**5,400**
Cash flow hedge		-1,614	232
Other gains/losses incurred during the period, after taxes		**-1,614**	**232**
Total comprehensive income		**25,916**	**5,632**
Consolidated net profit for the year attributable to:			
- Owners of the parent:		27,411	5,313
- Minority interests:		119	88
Total comprehensive income attributable to:			
- Owners of the parent:		25,799	5,544
- Minority interests:		117	88
Earnings per share (basic/diluted)	(25)	**0.45**	**0.09**

** The relevant sections in the notes to the consolidated statement of comprehensive income can be found on the following pages: (13), (14), (15), (16) - p. 140, (17), (18), (19) - p. 141, (20) - p. 142, (25) - p. 147.*

CONSOLIDATED STATEMENT OF CASH FLOWS of Borussia Dortmund GmbH & Co. Kommanditgesellschaft auf Aktien, Dortmund

EUR '000	2011/2012	2010/2011
Profit before income taxes	+36,591	+9,496
Depreciation, amortisation and write-downs of non-current assets	+18,587	+17,534
Loss on disposals of non-current assets	-23,036	-10,060
Other non-cash income	-3,923	+0
Interest income	-144	-256
Interest expense	+5,004	+5,700
Income from investments in associates	-59	-32
Changes in other assets not classified as from investing or financing activities	-5,949	-7,826
Changes in other liabilities not classified as from investing or financing activities	+7,025	+13,623
Interest received	+90	+256
Interest paid	-5,004	-5,718
Income taxes paid	-1.45	-1,000
Cash flows from operating activities	**+28,037**	**+21,717**
Payments for investments in intangible assets	-20,925	-9,083
Proceeds from disposals of intangible assets	+19,419	+3,159
Payments for investments in property, plant and equipment	-7,331	-2,081
Proceeds from disposals of property plant and equipment	+0	+30
Proceeds from financial assets	+88	+34
Dividends received	+67	+50
Payments for investments in financial assets	-20	-156
Cash flows from investing activities	**-8,702**	**-8,047**
Proceeds from the sale of treasury shares	+9	+15
Distributions to minority shareholders	-96	-45
Proceeds from finance raised	+0	+0
Repayments of financial liabilities	-11,692	-5,536
Repayment of liabilities under finance leases	-1,126	-335
Cash flows from financing activities	**-12,905**	**-5,901**
Change in cash and cash equivalents	+6,430	+7,769
Cash and cash equivalents at the beginning of the period	-1,159	-8,928
Cash and cash equivalents at the end of the period	**+5,271**	**-1,159**

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY of Borussia Dortmund GmbH & Co. Kommanditgesellschaft auf Aktien, Dortmund

		Reserves						
EUR '000 see Note (8)*	Subscribed capital	Capital reserves	Other revenue reserves	Cash flow hedge	Treasury shares	Equity attributable to the owners of the parent company	Minority interest	Consolidated equity*
1 July 2010	61,425	33,782	-33,330	0	-135	61,742	283	62,025
Distributions to shareholders	0	0	0	0	0	0	-45	-45
Sale of treasury shares	0	6	0	0	8	14	0	14
Transactions with shareholders	0	6	0	0	8	14	-45	-31
Consolidated net profit for the year	0	0	5,313	0	0	5,313	87	5,400
Other gains/losses incurred during the period, after taxes	0	0	0	231	0	231	1	232
Total comprehensive income	0	0	5,313	231	0	5,544	88	5,632
30 June 2011	**+61,425**	**+33,788**	**-28,017**	**+231**	**-127**	**+67,300**	**+326**	**+67,626**
1 July 2011	61,425	33,788	-28,017	231	-127	67,300	326	67,626
Distributions to shareholders	0	0	0	0	0	0	-96	-96
Sale of treasury shares	0	4	0	0	5	9	0	9
Transactions with shareholders	0	4	0	0	5	9	-96	-87
Consolidated net profit for the year	0	0	27,411	0	0	27,411	119	27,530
Other gains/losses incurred during the period, after taxes	0	0	0	-1,612	0	-1,612	-2	-1,614
Total comprehensive income	0	0	27,411	-1,612	0	25,799	117	25,916
30 June 2012	**+61,425**	**+33,792**	**-606**	**-1,381**	**-122**	**+93,108**	**+347**	**+93,455**

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS of Borussia Dortmund GmbH & Co. Kommanditgesellschaft auf Aktien, Dortmund

BASIC PRINCIPLES

Basis and methods of preparation

Borussia Dortmund GmbH & Co. KGaA (hereinafter "Borussia Dortmund" or the "Group") has its registered office at Rheinlanddamm 207-209, 44137 Dortmund, Germany. Borussia Dortmund's professional squad has competed in the *Bundesliga*'s first division for more than three decades. In addition, Borussia Dortmund 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, SIGNAL IDUNA PARK.

The general partner, BVB Geschäftsführungs-GmbH, is responsible for management and representation of Borussia Dortmund GmbH & Co. KGaA. Borussia Dortmund Geschäftsführungs-GmbH is for its part represented by Managing Directors Hans-Joachim Watzke (Chairman) and Thomas Treß; its sole shareholder is BV. Borussia 09 e.V. Dortmund.

These consolidated financial statements for the financial year from 1 July 2011 to 30 June 2012, including the prior-year information, were prepared in accordance with International Financial Reporting Standards (IFRSs), 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 (IFRSs) and the International Accounting Standards (IASs) 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).

Borussia Dortmund applied the following Standards, Interpretations and amendments to existing Standards, as adopted by the European Union, for the first time in the 2011/2012 financial year:

- In November 2009, the IASB published a revised version of IAS 24 "Related Party Disclosures". The revised version simplifies the disclosure requirements for government-related entities and clarifies the definition of a related party. The amended Standard must be applied for financial years beginning on or after 1 January 2011. The application of the revised version of the Standard has no material impact on the presentation of the financial statements.
- In October 2010, the IASB published amendments to IFRS 7 "Financial Instruments: Disclosures". The amendments allow users of financial statements to improve their understanding of transfer transactions of financial assets. The amendments must be applied for financial years beginning on or after 1 July 2011. The application of the revised version of the Standard 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 and adopted by the European Union, but were not applied in the consolidated financial statements as at 30 June 2012 because they were not yet applicable for the financial year beginning on 1 July 2011:

- On 16 June 2011, the IASB published "Presentation of Items of Other Comprehensive Income", amending IAS 1 "Presentation of Financial Statements" (hereinafter "IAS 1 (rev. 2011)"). The amendments were made in order to improve the presentation of items of other comprehensive income, as well as to align the presentation in accordance with IFRSs and US GAAP, respectively. The amendments to IAS 1 must be applied retrospectively for financial years beginning on or after 1 July 2012.

- IAS 19 – Employee Benefits, was revised ("IAS 19R") by the International Accounting Standards Board (IASB) in 2011 in order to improve the accounting of employee benefits. The amendments must be applied for financial years beginning on or after 1 January 2013.

Borussia Dortmund does not anticipate that the first-time adoption of the standards, amendments to the standards and the amendments of the interpretations will have any material impact. The consolidated financial statements are presented in thousands of euros. The subtotals contained in the consolidated statement of comprehensive income for operating profit/loss (EBIT) and the financial result are used internally to manage the Group.

By a resolution dated 23 August 2012, 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 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 2012 was as follows:

Shareholdings

	Registered office	Share capital EUR '000	Shareholding %	Equity EUR '000	Net profit/loss EUR '000
BVB Stadionmanagement GmbH*	Dortmund	52	100.00	66	40
BVB Stadion Holding GmbH*	Dortmund	260	100.00	123,700	-10
besttravel Dortmund GmbH	Dortmund	50	51.00	310	260
BVB Merchandising GmbH*	Dortmund	75	100.00	10,881	3,356
Sports & Bytes GmbH	Dortmund	200	100.00	1,305	304
BVB Stadion GmbH*	Dortmund	26	99.74	27,769	68
BVB Beteiligungs-GmbH*	Dortmund	26	94.90	5,704	-6
Orthomed Medizinisches Leistungs- und Rehabilitationszentrum GmbH**	Dortmund	52	33.33	759	176

* 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 2011 as an associate.

No interim financial statements were prepared for Orthomed GmbH as at 30 June 2012 due to the fact that there would be no material impact on the consolidated financial statements.

Consolidation principles

The annual financial statements of the companies included in the consolidated financial statements are prepared in accordance with IFRS, as adopted by the EU, 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 minority 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.

Minority 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 minority 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.

The consolidated financial statements were prepared based on amortised cost. However, derivative financial instruments are measured at fair value.

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.

The useful life and the method of amortisation are reviewed at the end of each financial year.

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. 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	20 to 50
Technical equipment and machinery	4.5 to 15
Other equipment, operating and office equipment	7 to 15

The useful life and the method of amortisation are reviewed at the end of each financial year at a minimum. 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. 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. There were no material indications of impairment in financial year 2011/2012.

Leases

The Group's leases relate in particular to developed land, operating and office equipment as the lessee.

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 financial year.

Financial instruments

Financial instruments under IFRS are classified in line with the format of the statement of financial position. The table under Note 24 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 in the consolidated statement of comprehensive income. Borussia Dortmund 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.

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: 32.2%).

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 retained earnings.

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 22 et seq. for information on the provision of collateral and further disclosures on financial liabilities.

Prepaid expenses and deferred income

Prepaid expenses and deferred income are recognised and apportioned on a straight-line basis over their term to allocate payments made on an accrual basis.

Recognition of income and expenses

Revenue is recognised when it is probable that the economic benefits will flow to the Group and the amount of income can be measured reliably. Revenue is 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 revenue.

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 on a straight-line basis 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 (DFL Deutsche Fußball Liga GmbH, "DFL") for the licensing procedure, income from the sale of transfer rights for player registrations is reported under revenue at the date on which the match authorisation expires. 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 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 of fixed-interest loans. The Group is exposed to interest rate risks from 2013 onwards based on variable-rate loans; appropriate interest rate hedges have been entered into to hedge these risks. Risk Control uses appropriate tools and methods to constantly monitor interest rate risk, and reports regularly to the management on current events. The objective of the risk strategy is to limit or eliminate interest rate risks. The strategy explicitly calls for the use of appropriate derivative financial instruments to hedge risks.

Sensitivity analysis (interest rate risk)

All interest rate swaps and variable-interest loans were included in the sensitivity analysis; by contrast, fixed-rate loans were not included in the analysis, since these did not result in interest rate risk exposure. In the event the interest rate were to fall by 100 basis points (parallel shift in the yield curve), equity would decrease by EUR 1,907 thousand and consolidated comprehensive income would fall by EUR 34 thousand.

In the event the interest rate were to rise by 100 basis points (parallel shift in the yield curve), equity would increase by EUR 1,569 thousand and consolidated comprehensive income would rise by EUR 28 thousand.

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 22.

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 23 for information on the maturities of contractual cash flows.

Significant decisions subject to judgement 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. The likelihood that these carry-forwards will be used is assessed on the basis of a four-year plan.

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

The Group applies IFRS 8, which 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 management ("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 squad 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 BVB Merchandising GmbH, a legally independent entity. Internal reporting is based on the provisions of the German Commercial Code (Handelsgesetzbuch, "HGB") applicable to each company.

	Borussia Dortmund KGaA		BVB Merchandising GmbH		Total	
EUR '000	2011/2012	2010/2011	2011/2012	2010/2011	2011/2012	2010/2011
External revenue	190,718	135,975	23,428	14,762	214,146	150,737
Internal revenue	495	427	319	242	814	669
Interest expense	-1,739	-2,933	0	0	-1,739	-2,933
Interest income	113	166	0	0	113	166
Depreciation, amortisation and write-downs	-10,938	-10,623	-889	-819	-11,827	-11,442
Segment profit before taxes *)	35,840	9,745	3,356	2,196	39,196	11,941
Capital expenditure	27,343	10,917	591	525	27,934	11,442
Segment assets	231,112	209,288	16,547	15,067	247,659	224,355
Segment liabilities	98,285	110,755	5,666	4,186	103,951	114,941
Investments accounted for using the equity method	313	321	0	0	313	321
Income from investments in associates	59	32	0	0	59	32

**) 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:

	Total		Other adjustments		Consolidated net profit/loss	
EUR '000	2011/2012	2010/2011	2011/2012	2010/2011	2011/2012	2010/2011
External revenue	214,146	150,737	1,093	741	215,239	151,478
Internal revenue	814	669	-814	-669	0	0
Interest expense	-1,739	-2,933	-3,265	-2,767	-5,004	-5,700
Interest income	113	166	31	90	144	256
Depreciation, amortisation and write-downs	-11,827	-11,442	-6,760	-6,092	-18,587	-17,534
Segment profit before taxes *)	39,196	11,941	-2,605	-2,445	36,591	9,496
Capital expenditure	27,934	11,442	342	-122	28,276	11,320
Segment assets	247,659	224,355	1,047	-2,629	248,706	221,726
Segment liabilities	103,951	114,941	51,300	39,159	155,251	154,100
Investments accounted for using the equity method	313	321	0	0	313	321
Income from investments in associates	59	32	0	0	59	32

**) 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:

	Segment profit or loss before taxes		Segment assets		Segment liabilities	
EUR '000	2011/2012	2010/2011	2011/2012	2010/2011	2011/2012	2010/2011
Segments total	39,196	11,941	247,659	224,355	103,951	114,941
Profit from other companies	779	317	0	0	0	0
Excess stadium depreciation	-3,433	-3,433	0	0	0	0
Other IFRS adjustments	-522	143	0	0	0	0
Consolidation of long-term financial assets	0	0	-139,190	-139,190	0	0
Stadium buildings plus other assets	0	0	140,237	136,561	31,535	35,265
Other consolidation	571	528	0	0	19,764	3,894
	36,591	**9,496**	**248,706**	**221,726**	**155,250**	**154,100**

Income from TV marketing amounting to EUR 28,491 thousand (previous year: EUR 26,775 thousand) exceeds the 10-percent threshold stipulated in IFRS 8.34 for one customer, as did income from international TV marketing amounting to EUR 25,596 thousand (previous year: EUR 4,944 thousand). The reason for this was the centralised marketing strategy used by DFL Deutsche Fußball Liga GmbH and UEFA.

Derivative financial instruments

Management entered into six interest rate swap transactions with German *Landesbanken* (i.e., banks local to Germany's individual states or "*Länder*") with respect to credit facilities having fixed-interest rates expiring in 2013 and 2016 in order to lock in the low interest rates over the medium to long term and hedge the risk of changes in cash flows due to changing interest rates. In addition, an interest rate swap was entered into with a German *Landesbank* for the upcoming exercise of the option to purchase a leased administration building and plot of land in 2014. The notional amount and the related fair value are as follows:

Interest rate swaps

	30/06/2012	
EUR '000	**Notional amount**	**Fair value**
Pay-fixed swaps	36,043	-2,141

Interest rate swaps

	30/06/2011	
EUR '000	**Notional amount**	**Fair value**
Pay-fixed swaps	28,043	352

The fair values of the derivatives are 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 7.27 B, interest rate swaps are 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 banks have already approved credit facilities with terms extending until 2021, 2026 and 2028; these financial liabilities will also be hedged. The interest rate swaps are measured at fair value by discounting the expected future cash flows. 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 fair value of the derivatives is recognised directly in equity (other comprehensive income) after deducting deferred taxes. The ineffective portion is recognised immediately in profit or loss. If a hedge of a forecast transaction results in the recognition of a financial asset or financial liability, any gain or loss on the hedging instrument is reclassified from equity 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 derivatives in the form of interest rate swaps employed by the Borussia Dortmund Group for hedging purposes are economically effective hedges. Changes in the market values of the derivatives are offset by compensating changes in the value of the hedged underlyings, which are demonstrated through effectiveness calculations. The ineffective portion of the hedges amounted to EUR -69 thousand during the reporting period (previous year: EUR 8 thousand). During the reporting period, there were no reclassifications from other comprehensive income (OCI) to the consolidated statement of comprehensive income.

NOTES TO THE CONSOLIDATED STATEMENT OF FINANCIAL POSITION

(1) Intangible assets

EUR '000	30/06/2012	30/06/2011
Player registrations	25,655	18,332
Industrial property rights and similar rights	94	100
	25,749	**18,432**

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 3.9 years (30 June 2011: 2.8 years).

Changes in intangible assets were as follows:

EUR '000	Player registrations	Industrial property rights and similar rights	Total
Cost			
As at 30 June 2010	48,567	1,220	49,787
Additions	8,953	61	9,014
Disposals	17,333	0	17,333
As at 30 June 2011	40,187	1,281	41,468
Additions	18,685	18	18,703
Disposals	8,779	0	8,779
As at 30 June 2012	50,093	1,299	51,392
Depreciation, amortisation and write-downs			
As at 30 June 2010	28,263	1,166	29,429
Additions	8,618	15	8,633
Disposals	15,026	0	15,026
As at 30 June 2011	21,855	1,181	23,036
Additions	8,467	24	8,491
Disposals	5,884	0	5,884
As at 30 June 2012	24,438	1,205	25,643
Carrying amounts			
As at 30 June 2010	20,304	54	20,358
As at 30 June 2011	18,332	100	18,432
As at 30 June 2012	**25,655**	**94**	**25,749**

(2) Property, plant and equipment

EUR '000	30/06/2012	30/06/2011
Land, land rights and buildings including buildings on third-party land	162,706	155,746
Other equipment, operating and office equipment	19,896	14,994
	182,602	**170,740**

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 grounds in Dortmund-Brackel, the youth centre, catering extensions and items of operating and office equipment at these facilities and at the administrative headquarters.

The carrying amount for the stadium as at 30 June 2012 was EUR 127,568 thousand (previous year: EUR 133,790 thousand).

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

	Net carrying amounts	
EUR '000	30/06/2012	30/06/2011
Buildings	18,494	4,684
Operating and office equipment	2,663	3,558
	21,157	**8,242**

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 (e.g., sport pitches and outdoor grounds) at the Dortmund-Brackel training grounds; the lease in respect of the land at the training grounds, on the other hand, is classified as an operating lease. In addition, the fourth component on the training grounds in Brackel, which was completed during the quarter just ended, is also qualified for classification as a finance lease and is presented in accordance with the method described above.

The Company has an option to purchase the properties in Dortmund-Brackel upon the expiry of the lease agreements in 2017 and 2022, respectively.

Due to the de facto exercise of an option to purchase a leased administration building and the plot of land, the corresponding lease agreement was classified as a finance lease. Essentially all of the risks and opportunities in connection with the leased assets have been transferred to Borussia Dortmund.

Changes in property, plant and equipment were as follows:

EUR '000	Land, land rights and buildings on third-party land	Other equipment, operating and office equipment	Total
Cost			
As at 30 June 2010	207,880	28,488	236,368
Additions	554	4,929	5,483
Disposals	0	1,787	1,787
As at 30 June 2011	208,434	31,630	240,064
Additions	14,276	7,684	21,960
Disposals	0	8	8
As at 30 June 2012	222,710	39,306	262,016
Depreciation, amortisation and write-downs			
As at 30 June 2010	45,803	16,380	62,183
Additions	6,885	2,016	8,901
Disposals	0	1,760	1,760
As at 30 June 2011	52,688	16,636	69,324
Additions	7,316	2,779	10,095
Disposals	0	5	5
As at 30 June 2012	60,004	19,410	79,414
Carrying amounts			
As at 30 June 2010	162,077	12,108	174,185
As at 30 June 2011	155,746	14,994	170,740
As at 30 June 2012	**162,706**	**19,896**	**182,602**

(3) Investments accounted for using the equity method

EUR '000	30/06/2012	30/06/2011
At the beginning of the year	321	339
Change	-8	-18
At the end of the year	**313**	**321**

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 '000	**30/06/2012**	**30/06/2011**
Share of assets	341	366
Share of liabilities	78	97
Share of revenue	1,187	1,170
Share of net profit for the year	59	32

(4) Financial assets

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

Please refer to Note 24 "Fair values" for information on the fair values of financial assets.

(5) Trade and other financial receivables

Non-current

EUR '000	**30/06/2012**	**30/06/2011**
Trade receivables	0	972

Non-current trade receivables were discounted using the effective interest method and measured at amortised cost. For information on the fair value of these items please refer to Note 24.

Current

EUR '000	**30/06/2012**	**30/06/2011**
Trade receivables	21,352	15,723
Less allowances	-797	-848
Net trade receivables	20,555	14,875
Other financial receivables	3,856	3,769
Receivables from related companies	123	961
	24,534	**19,605**

Trade receivables and other assets do not bear interest and mostly have a maturity of up to three months. For information on the fair value of these items please refer to Note 24.

Changes in the allowance account were as follows:

EUR '000	30/06/2012	30/06/2011
As at 1 July	848	581
Transfers recognised in profit or loss	261	358
Utilisations	0	-71
Reversals	-312	-20
As at 30 June	**797**	**848**

(6) Inventories

EUR '000	30/06/2012	30/06/2011
Inventories	5,956	2,670
Less impairment	-148	-342
Net inventories	**5,808**	**2,328**

The carrying amount of inventories carried at fair value less costs to sell was EUR 136 thousand. Impairments of inventories are carried in the cost of materials.

(7) Cash and cash equivalents

EUR '000	30/06/2012	30/06/2011
Bank balances and cash-in-hand	**5,271**	**1,087**

Bank balances bear interest at variable rates of interest applying to demand deposits.

(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, with each share bearing equal rights. 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
Change in treasury shares	0	1,331	1,331
30/06/2011	**61,425,000**	**-21,196**	**61,403,804**
Change in treasury shares	0	889	889
30/06/2012	**61,425,000**	**-20,307**	**61,404,693**

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 13,693 no-par value shares off-market in the form of printed physical share certificates. At the end of the reporting period, the Company's holding of its own securities consisted of 20,307 no-par value shares. This represented 0.033% of the share capital. The general partner is authorised until 29 November 2015, with the approval of the Supervisory Board, to increase the share capital by a maximum of EUR 30,712,500.00 in total by issuing new no-par value ordinary bearer shares against cash and/or in-kind contributions on one or more occasions (Authorised Capital 2010).

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.

Other 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 '000	**30/06/2012**	**30/06/2011**
Equity of BVB shareholders	93,108	67,300
Share in total capital	37.4%	30.4%
Non-current financial liabilities	41,268	47,902
Current financial liabilities	5,974	13,206
Total financial liabilities	47,242	61,108
Share in total capital	19.0%	27.6%

(9) Financial liabilities

EUR '000	**30/06/2012**	**30/06/2011**
Non-current		
Bank loans	38,971	44,993
Other loans	2,297	2,909
	41,268	47,902
Current		
Bank overdrafts	0	2,246
Bank loans	5,362	10,403
Other loans	612	557
	5,974	13,206
	47,242	**61,108**

One fixed-interest loan with a principal amount of EUR 20,000 thousand and which matures in June 2013 is subject to covenants with respect to the Group's equity ratio and interest coverage ratio (EBITDA/interest expense) as stated in the consolidated financial statements. In addition, covenants are also in place in relation to an overdraft facility in the amount of EUR 5,000 thousand. These covenants relate to the equity ratio, net debt/EBITDA and the interest coverage ratio. These covenants are reviewed on an annual basis; all covenants were complied with during the year under review.

The other current and non-current liabilities to banks consist of a number of loans repayable in instalments. The loans have terms expiring between 2020 and 2026.

Non-current financial liabilities have a weighted interest rate of 5.5% (previous year: 6.2%); current financial liabilities have a weighted interest rate of 6.6% (previous year: 6.9%).

As a result of the existing fixed-interest periods applying to all loans and interest hedges for non-current obligations, Borussia Dortmund 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 127,568 thousand (30 June 2011: EUR 133,790 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, 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 '000	**30/06/2012**	**30/06/2011**
Less than 1 year	2,574	1,176
Between 1 and 5 years	10,507	4,717
More than 5 years	17,491	9,022
	30,572	14,915
Future finance charges from finance leases	-8,140	-4,943
Present value of liabilities from finance leases	**22,432**	**9,972**

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

Liabilities from finance leases

EUR '000	31/12/2011	30/06/2011
Less than 1 year	1,283	529
Between 1 and 5 years	6,062	2,492
More than 5 years	15,087	6,951
	22,432	**9,972**

(11) Other financial obligations

EUR '000	30/06/2012	30/06/2011
Non-current		
Derivatives	2,141	0
	2,141	0
Current		
Other taxes	8,038	9,223
Outstanding salaries	5,412	5,585
Other	8,558	4,872
	22,008	19,680
Total other financial liabilities	**24,149**	**19,680**

(12) Prepaid expenses and deferred income

Prepaid expenses

EUR '000	30/06/2012	30/06/2011
Non-current		
Advance payments relating to the professional squad	33	126
	33	**126**
Current		
Advance payments relating to the professional squad	1,751	1,423
Insurance premiums	131	289
Other advance payments	807	378
	2,689	**2,090**

Deferred income

EUR '000	30/06/2012	30/06/2011
Non-current		
Advance payments for agency and marketing rights	28,000	32,000
Other advance payments	747	1,390
	28,747	**33,390**
Current		
Advance payments for agency and marketing rights	4,000	4,000
Advance payments received from season ticket sales	13,951	10,301
Advance payments received from sponsors	644	1,303
Other advance payments	624	667
	19,219	**16,271**

Pursuant to an agency licensing agreement dated 18 June 2008, responsibility for the marketing of Borussia Dortmund 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 ´000	2011/2012	2010/2011
Match operations	31,404	27,679
Advertising	57,809	49,972
TV Marketing	60,396	32,094
Transfer income	26,130	12,995
Merchandising, catering, licences	37,124	26,421
Other	2,376	2,317
	215,239	**151,478**

(14) Other operating income

EUR ´000	2011/2012	2010/2011
DFB Basic Agreement *(Grundlagenvertrag)*	3,903	1,394
Other	3,727	2,913
	7,630	**4,307**

Other operating income rose year-on-year by EUR 3,323 thousand to EUR 7,630 thousand, and included release fees for national players.

(15) Cost of materials

The cost of materials during the current year amounted to EUR 12,477 thousand (previous year: EUR 7,658 thousand), and included the cost of goods sold (COGS) for BVB Merchandising GmbH.

(16) Personnel expenses

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 ´000	2011/2012	2010/2011
Wages and salaries	76,499	58,528
Social security contributions	3,424	3,013
	79,923	**61,541**

During the financial year, EUR 1,217 thousand was paid into the German statutory retirement pension system (previous year: EUR 1,029 thousand).
Please refer to Note 29 for the average number of salaried employees.

(17) Depreciation and amortisation

EUR ´000	**2011/2012**	**2010/2011**
Amortisation of intangible assets	8,491	8,633
Depreciation of property, plant and equipment	10,096	8,901
	18,587	**17,534**

(18) Other operating expenses

EUR ´000	**2011/2012**	**2010/2011**
Match operations	24,982	20,113
Advertising	17,397	13,863
Transfer fees	9,023	5,055
Media, printing, postage	3,717	2,528
Leasing	1,980	2,713
Administration	11,357	7,424
Other	2,034	2,448
	70,490	**54,144**

(19) Financial result

EUR ´000	**2011/2012**	**2010/2011**
Income from investments in associates (see Note 3)	59	32
Finance income		
Interest income from bank balances	23	23
Other interest income	121	233
	144	256
Finance costs		
Loans, overdraft facilities and other interest	-3,879	-5,184
Expenses from finance leases	-1,125	-516
	-5,004	-5,700
	-4,801	**-5,412**

(20) Income taxes and deferred taxes

Current tax liabilities amounted to EUR 3,826 thousand as at 30 June 2012 (previous year: EUR 3,154 thousand); as in the previous year, there were no non-current tax liabilities.

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

EUR ´000	30/06/2012 Assets	30/06/2012 Liabilities	30/06/2011 Assets	30/06/2011 Liabilities
Recognition and measurement of non-current assets	679	0	534	0
Other current financial liabilities	667	0	0	0
Trade receivables and other assets	0	0	113	0
Tax loss carryforwards	323	0	4,269	0
	1,669	**0**	**4,916**	**0**

Deferred taxes on trade receivables and other financial receivables and on trade payables and other financial liabilities arose exclusively in connection with the cash flow hedge, the changes to which are reported under other comprehensive income.

The changes in deferred taxes were as follows:

EUR ´000	30/06/2012	30/06/2011
At the beginning of the year		
+ deferred tax assets	4,916	6,633
- deferred tax liabilities	0	0
Net deferred taxes as at the beginning of the year	4,916	6,633
Deferred taxes carried in other comprehensive income	780	-113
Income/expense in the consolidated statement of comprehensive income	-4,027	-1,604
Net deferred taxes as at the end of the reporting period	**1,669**	**4,916**

The income tax expense was made up as follows:

EUR ´000	2011/2012	2010/2011
Income taxes for the current period	-5,034	-1,234
Income taxes for prior periods	0	-1,258
Deferred tax benefit/expense in connection with the creation or reversal of temporary differences	145	66
Tax loss carryforwards not yet utilised	-4,172	-1,670
	-9,061	**-4,096**

At the end of the reporting period, the Group had corporation tax loss carry-forwards amounting to EUR 141,171 thousand (previous year: EUR 149,574 thousand) and trade tax loss carry-forwards amounting to EUR 143,826 thousand (previous year: EUR 155,513 thousand) for which no deferred tax assets have been recognised.

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

EUR ´000	**2011/2012**	**2010/2011**
Consolidated net profit before income taxes	36,591	9,496
Theoretical tax rate in %	32.2%	32.2%
Expected income tax payment/benefit	-11,782	-3,058
Effects of changes in tax rates	0	0
Effects from tax additions and subtractions	-1,053	1,880
Effect of supplementary tax accounts	-62	-61
Change in ability to utilise tax loss carry-forwards	7,842	5
Prior-year taxes	0	-1,258
Change in deferred tax assets	-4,027	-1,604
Tax implications of accounting using the equity method	21	0
Tax payment/benefit as reported in the consolidated statement of comprehensive income	**-9,061**	**-4,096**
Actual tax rate in %	24.8%	43.1%

(21) 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 ´000	**30/06/2012**	**30/06/2011**
Cash and cash equivalents	5,271	1,087
Bank overdrafts	0	-2,246
Cash funds	**5,271**	**-1,159**

OTHER DISCLOSURES

Financial risks

(22) 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:

Carrying amounts of financial instruments

EUR ´000	2011/2012	2010/2011
Loans, receivables and other financial receivables	24,572	21,686
Cash and cash equivalents	5,271	1,087

No collateral was called down on existing receivables because there were no indications of potential impairments as at the end of the reporting period.

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

Maturity analysis of receivables and payables

EUR ´000	30/06/2012	30/06/2011
Not yet due	2,870	14,768
Less than 30 days past due	16,974	860
Between 30 and 89 days past due	269	156
More than 90 days past due	64	64
	20,177	**15,848**

Carrying amounts of original interest-bearing financial instruments

	30/06/2012		30/06/2011	
EUR ´000	Fixed interest	Variable interest	Fixed interest	Variable interest
Loans, receivables and other financial receivables	24,572	0	21,686	0
Financial liabilities and finance leases	69,674	0	68,834	2,246

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 ´000	2011/2012	2010/2011
Loans and receivables	195	-82
Of which net interest expense/income	144	256
Of which other operating expenses/income	51	-338
Financial liabilities measured at amortised cost	-5,004	-5,592
Of which net interest expense/income	-5,004	-5,592

(23) 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 at 30 June 2012 (EUR '000)

Maturities of contractual cash flows from financial liabilities in 2012

EUR ´000	Financial liabilities	Liabilities from finance leases	Trade payable	Total
2012/2013	8,888	2,574	9,636	21,098
2013/2014	6,967	2,614	0	9,581
2014/2015	6,816	2,618	0	9,434
2015/2016	10.044	2,636	0	12,680
2016/2017	4,654	2,639	0	7,293
2017 and beyond	24,569	17,039	0	41,608
	61,938	**30,120**	**9,636**	**101,694**

Maturities of contractual cash flows from financial liabilities in 2011

EUR ´000	Financial liabilities	Liabilities from finance leases	Trade payable	Total
2011/2012	16,878	1,176	10,525	28,579
2012/2013	8,304	1,179	0	9,483
2013/2014	7,046	1,179	0	8,225
2014/2015	6,895	1,179	0	8,074
2015/2016	10,305	1,179	0	11,484
2016 and beyond	30,948	9,022	0	39,970
	80,376	**14,914**	**10,525**	**105,815**

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

EUR '000	Carrying amount at 30/06/2012	Carrying amount at 30/06/2011	Fair value at 30/06/2012	Fair value at 30/06/2011
Non-current financial assets				
Loans and receivables	38	1,109	38	1,109
Non-current trade and other receivables				
Loans and receivables	0	972	0	972
Current trade and other receivables				
Loans and receivables	24,534	19,605	24,534	19,605
Cash and cash equivalents				
Loans and receivables	5,271	1,087	5,271	1,087
	29,843	**22,773**	**29,843**	**22,773**

EUR '000	Carrying amount at 30/06/2012	Carrying amount at 30/06/2011	Fair value at 30/06/2012	Fair value at 30/06/2011
Non-current financial liabilities				
Other financial liabilities	41,268	47,902	38,447	48,201
Other non-current financial liabilities				
Derivatives	2,141	0	2,141	0
Non-current liabilities from finance leases				
Financing liabilities	21,149	9,443	19,459	9,849
Current financial liabilities				
Other financial liabilities	5,974	13,206	5,974	13,206
Current liabilities from finance leases				
Financing liabilities	1,283	529	1,283	529
Current trade payables				
Other financial liabilities	9,636	10,525	9,636	10,525
	81,451	**81,605**	**76,940**	**82,310**

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 cash flow 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.

(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 BV. Borussia 09 e.V. Dortmund, in its capacity as the sole shareholder in Borussia Dortmund Geschäftsführungs-GmbH. Both Borussia Dortmund Geschäftsführungs-GmbH and BV. Borussia 09 e.V. Dortmund, as well as all companies associated therewith hence are deemed to be related parties in accordance with IAS 24.

Please refer to Notes 30 and 32 for further disclosures on the Supervisory Board of Borussia Dortmund GmbH & Co. KGaA and the management of BVB Geschäftsführungs-GmbH.

Related party disclosures

EUR ´000	**2011/2012**	**2010/2011**
Transactions with BV. Borussia 09 e.V. Dortmund		
Rental income	120	108
Income from other services	284	179
Income from ticket sales	81	33
Interest income	33	45
Other cost reimbursements	0	761
Transactions with Borussia Dortmund Geschäftsführungs-GmbH		
Expense from costs recharged	-4,586	-2,388
of which from executive remuneration falling due	-3,575	-2,110
Transactions with Orthomed GmbH		
Expense from other services	-180	-180

EUR ´000	**30/06/2012**	**30/06/2011**
Other current and non-current assets		
Intercompany account with BV. Borussia 09 e.V. Dortmund	123	961
Other current liabilities		
Intercompany account with Borussia Dortmund Geschäftsführungs-GmbH	80	13

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 272 thousand. These transactions were conducted at arm's length.

(27) Other financial obligations

30/06/2012 EUR '000	Total	Due after less than 1 year	Due after 1–5 years	Due after more than 5 years
Rental and lease payments (operating leases)	3,463	865	1,347	1,251
Marketing fees	107,048	14,796	52,721	39,531
Other obligations	2,759	386	559	1,814
	113,270	**16,047**	**54,627**	**42,596**
Purchase commitments	11,350	11,350	0	0

30/06/2011 EUR '000	Total	Due after less than 1 year	Due after 1–5 years	Due after more than 5 years
Rental and lease payments (operating leases)	9,884	1,770	5,979	2,135
Marketing fees	120,996	13,492	53,565	53,939
Other obligations	2,107	49	196	1,862
	132,987	**15,311**	**59,740**	**57,936**
Purchase commitments	8,633	8,633	0	0

The minimum lease payments from operating leases relate mostly to lease agreements for offices and various motor vehicles.

The purchase commitments relate to the acquisition of intangible assets.

(28) Events after the end of the reporting period

The team unveiled its new uniform on 4 July 2012. Marking the beginning of a long collaboration, Borussia Dortmund and its new kit supplier, PUMA SE, were proud to present the match uniforms for the 2012/2013 athletic season during a team rally at Dortmund's *Alter Markt* square. The fans were excited to see two Championship Stars shining prominently on the team's new black-and-yellow jersey, which peps up the traditional design with a hip retro look.

On 19 July, Borussia Dortmund presented its new long-term partner, Adam Opel AG – highlighting its roots in the region and its desire to maintain close ties there. Opel thus took the place of the team's previous partner, SEAT. The team and its new partner are drawn together by their dedication to quality and passion.

Season ticket sales for the upcoming season can be considered a complete success. The target of 54,000 season tickets sold was reached in record time, making Borussia Dortmund the top *Bundesliga* seller once again. Proof that Borussia Dortmund is a club with the largest and most loyal fan base.

In addition, Borussia Dortmund is pleased to report two more new additions to the squad.

29-year-old defender Oliver Kirch comes to Borussia Dortmund from the relegated 1. FC Kaiserslautern. The second new addition to the team is Julian Schieber from Stuttgart. Schieber, a 23-year-old striker, is a young player set to complement the offence led by Marco Reus and Robert Lewandowski. At the training camp in Bad Ragaz, the Polish national player Jakub "Kuba" Blaszczykowski extended his current contract with Borussia Dortmund, set to expire in 2013, for an additional three years until 2016.

The squad was equipped to face the 2012/2013 season after making these changes, and started the new football year at the LIGA total! Cup on 4 and 5 August. Borussia Dortmund only barely lost to Werder Bremen in the final during penalty kicks following an intense and high-scoring match in Hamburg.

A week later, the team travelled to Munich for the DFL Supercup. The double champion played against the championship runner-ups Bayern Munich. Despite a strong second half, during which the team showed what it had in it, Borussia Dortmund had to concede defeat to Bayern Munich with a score of 2:1.

Despite the disappointments suffered at the LIGA total! Cup and the DFL Supercup, the team marched into the Weser Stadium with their heads high, where they defeated Bremen's regional league team FC Oberneuland 3:0 in the first round of the DFB Cup on 18 August 2012.

In accordance with § 315a HGB, the following contains disclosures made due to specific requirements of German commercial law, to the extent that such disclosures are not contained in the Notes above.

(29) Average number of salaried employees

	2011/2012	2010/2011
Total	**461**	**362**
of which in the Athletics Department	150	132
of which trainees	6	2
Other	305	228

(30) Management

Management remuneration

EUR '000	2011/2012	2010/2011
Dipl.-Kfm. Hans-Joachim Watzke (Chairman)		
Fixed components		
Fixed remuneration	750	713
Other remuneration	18	16
Dipl.-Kfm. Thomas Treß		
Fixed components		
Fixed remuneration	460	460
Other remuneration	59	45
	1,287	**1,234**

Based on the net profit for the year and the athletic success of the team, Mr. Hans-Joachim Watzke furthermore received EUR 1,413 thousand in performance-based remuneration (previous year: EUR 590 thousand), and Mr. Thomas Treß also received EUR 875 thousand in performance-based remuneration (previous year: EUR 286 thousand). EUR 7 thousand in employer contributions to the German statutory retirement pension system were incurred.

(31) Auditors' fees

EUR '000	2011/2012	2010/2011
Audit of the financial statements	151	146
Other audit-related work	66	74
Other	18	0

(32) 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 financial year, the Supervisory Board received remuneration amounting to EUR 52.5 thousand (previous year: EUR 52.5 thousand).

Supervisory Board

Gerd Pieper Chairman	**Harald Heinze** Deputy Chairman	**Peer Steinbrück**	**Bernd Geske**	**Friedrich Merz**	**Christian Kullmann**
Occupations					
Proprietor and managing director of Stadt-Parfümerie Pieper GmbH, Herne	State representative for the Dortmund city council (since 24/05/2012)	Member of German Bundestag Federal Minister (ret.)	Managing partner of Bernd Geske Lean Communication, Meerbusch	Attorney and partner, Mayer Brown LLP, Düsseldorf	Head of the management board office and group communications of Evonik Industries AG, Essen
Other responsibilities					
Member of the Supervisory Board of Beauty Alliance Deutschland GmbH & Co. KG, Bielefeld (until 31/05/2012) Member of the Advisory Board of Borussia Dortmund Geschäftsführungs-GmbH, Dortmund Member of the Advisory Board of the Signal Iduna Group, Dortmund	Member of the Supervisory Board of M-Exchange AG, Lohmar	Member of the Supervisory Board of ThyssenKrupp AG, Essen		Member of the Supervisory Board of the AXA Konzern AG, Cologne Member of the Board of Directors of BASF Antwerpen N.V., Antwerp, Belgium Member of the Supervisory Board of Deutsche Börse AG, Frankfurt a.M. Member of the Supervisory Board and Chairman of the Board of Directors of HSBC Trinkaus & Burkhardt AG, Düsseldorf Member of the Board of Directors of Stadler Rail AG, Bussnang, Switzerland Chairman of the Supervisory Board of WEPA Industrieholding SE, Arnsberg	

(33) Exercise of the exemption option pursuant to § 264 (3) HGB

The preparation of consolidated financial statements effectively exempts BVB Merchandising GmbH from the obligation to prepare annual financial statements within the meaning of § 264 (3) HGB.

(34) 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	Threshold	Voting rights in %	Share in voting rights	Date on which threshold reached
Exceeded						
31 May 2012	BV. Borussia 09 e.V. Dortmund	Dortmund	10.00 & 15.00%	18.79	11,539,909	25 May 2012
31 May 2012	Bernd Geske		15.00%	18.79	11,539,909	25 May 2012

Interests in the share capital of Borussia Dortmund GmbH & Co. KGaA exceeding 10% of the voting rights as at 30 June 2011:

- Ballspielverein Borussia 09 e.V. Dortmund, Dortmund, Germany: 18.79% of the voting rights (of which 7.24% held directly and 11.55% held indirectly by including the voting rights of Bernd Geske, Germany, pursuant to §22 (2) WpHG).
- Bernd Geske, Germany: 18.79% of the voting rights (of which 11.55% held directly and 7.24% held indirectly by including the voting rights of Ballspielverein Borussia 09 e.V. Dortmund, Dortmund, Germany, pursuant to §22 (2) WpHG).

(35) Corporate Governance

The management and Supervisory Board of Borussia Dortmund GmbH & Co. KGaA issued the Declaration of Conformity with the German Corporate Governance Code required by § 161 of the German Stock Corporation Act (*Aktiengesetz*, "AktG") on 14 September 2011 and made it permanently available to shareholders on the BVB website at http://eng.borussia-aktie.de.

Dortmund, 23 August 2012
Borussia Dortmund GmbH & Co. KGaA
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, 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, 23 August 2012
Borussia Dortmund GmbH & Co. KGaA
Borussia Dortmund Geschäftsführungs-GmbH

Hans-Joachim Watzke
Managing Director (Chairman)

Thomas Treß
Managing Director

AUDITOR'S REPORT

We have audited the consolidated financial statements prepared by **Borussia Dortmund GmbH & Co. Kommanditgesellschaft auf Aktien, Dortmund**, – consisting of the consolidated statement of financial position, consolidated statement of comprehensive income, consolidated statement of cash flows, consolidated statement of changes on equity and the notes to the consolidated financial statements – and the Group management report for the financial year from 1 July 2011 to 30 June 2012. 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 § 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, 23 August 2012

KPMG AG
Wirtschaftsprüfungsgesellschaft

Blücher
Auditor *Wirtschaftsprüfer*

Banke
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For more information, go to: http://eng.borussia-aktie.de http://aktie.bvb.de/eng

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