

REPORT OF THE SUPERVISORY BOARD

In the completed 2010/2011 fiscal year Borussia Dortmund GmbH & Co. KGaA achieved almost the best possible sporting success by winning the German championship and the direct qualification for the group phase of the UEFA Champions League associated with that. The most impressive thing here was the type and manner of this unplanned and unexpected success. One of the youngest, if not the youngest, Bundesliga (top German football league) teams of all time showed breathtakingly beautiful attacking football and took the hearts of supporters all over the country "by storm". The emotion and intensity of this success was demonstrated impressively by the 400,000 people who attended the championship celebrations on the 15th May 2011. This sporting history success was also reflected in the company results status for the 2010/2011 fiscal year, which the supervisory board assessed as being positive all round. In this context the supervisory board were particularly pleased to see an increase in the share price.

SUPERVISORY BOARD ACTIVITY, MEETINGS

In the fiscal year of 2010/2011 the supervisory board concerned itself intensively with the status and development of the company and the group. In doing so it performed its duties and exercised its rights pursuant to the law and by articles of the company without limitation.

Four supervisory board meetings took place in the 2010/2011 fiscal year (on the 9th September 2010, 30th November 2010, 23rd February 2011 and 20th June 2011) and one constitutive supervisory board session (on the 30th November 2011). As the supervisory board only has six members it did not set up any committees; all deliberations and resolutions were made in the plenum of the supervisory board. There are no procedures about the frequency of participation of the members in the meetings that have to be reported. Resolutions were adopted in compliance with the provisions in the articles of the company and the law.

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

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

Furthermore, the supervisory board concerned itself with the financial accounting for the 2009/2010 fiscal year as well as the preparation of the shareholders' meeting in the previous year. In doing so the independence of the auditor was checked before the supervisory board decided on its candidate. Fur-

thermore, the supervisory board concerned itself with the order conditions and the commissioning of the auditor elected in the previous year's shareholders' meeting.

ANNUAL AND GROUP REPORT 2010/2011

The annual report for Borussia Dortmund GmbH & Co. KGaA and the group report on the 30th June 2011 as well as the management report for the company and the group management report (which include respectively the discussions on the information pursuant to § 289 Par. 4 and/or § 315 Par. 4 of the German Commercial Code [HGB]) prepared and presented in a timely manner by the management were audited by KPMG AG Wirtschaftsprüfungsgesellschaft, Dortmund, which was commissioned as the auditor, with inclusion of the bookkeeping pursuant to legal provisions and furnished in each case with an unreserved audit opinion. With regard to the existing early recognition system for risks, the auditor found that the management took the measures required pursuant to § 91 Par. 2 AktG in an appropriate manner and that the monitoring system is suitable for recognising developments which may endanger the survival of the company in an early manner.

The annual report and group report as well as the management report for the company and the group management report with the risk report and the corresponding audit reports were presented to all members of the supervisory board in a timely manner. These were discussed, explained and reviewed in detail together with the management in the presence of the auditor by the supervisory board in its meeting on the 14th September 2011. In doing so the auditor reported on the significant results of its audits, and also those regarding internal control and the risk management system with regard to the financial accounting process and explained them. The auditor and the management answered questions asked by the supervisory board.

The supervisory board adopted the result of the audit by the auditor and did not raise any objections after the final result of its own audits. In its meeting on the 14th September 2011 the supervisory board approved both the annual report of Borussia Dortmund GmbH & Co. KGaA from the 30th June 2011 and also the group report on the 30th June 2011.

Besides this the report compiled by the general partner pursuant to § 312 AktG about the relationships with affiliated companies (dependency report) for the 2010/2011 fiscal year was also the subject of a separate audit by the supervisory board. The dependency report was also audited by the auditor and furnished with the following audit opinion:

„Having conducted a proper audit and appraisal we confirm that

1. the factual information in the report is correct,
2. the benefits offered by the company were not unreasonably high for the legal transactions listed in the report.“

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

The supervisory board suggests to the shareholders' meeting that the annual report from the 30th June 2011 should be adopted. In its meeting on the 14th September 2011 the supervisory board also explained and reviewed the profit distribution proposal of the general partner, taking into account the shareholders' interests and the status of the company, namely its financial and capital structure; in doing so

the supervisory board put the proposal to the management at the shareholder meeting, that they resolve to post the accumulated profits of EUR 2,921,768.61 declared in the 2010/2011 fiscal year in other retained earnings. Furthermore, the supervisory board proposes that the general partner, Borussia Dortmund Geschäftsführungs-GmbH, is discharged for the 2010/2011 fiscal year.

CORPORATE GOVERNANCE

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

PERSONAL INFORMATION

At the end of the shareholders' meeting on the 30th November 2010 Mr Othmar Freiherr von Diemar and Mr Ruedi Baer resigned from the supervisory board. Messrs Gerd Pieper, Harald Heinze, Christian Kullman, Bernd Geske, Friedrich Merz and Peer Steinbrück were elected to the supervisory board at the shareholders' meeting on the 30th November 2010. In its constitutive meeting on the 30th November 2010 subsequent to the shareholders' meeting the supervisory board then reelected Mr Gerd Pieper as its chairman and Mr Harald Heinze as his deputy respectively.

The supervisory board thanks the management, the advisory board and all employees for their great level of commitment and successfully performed work. A warm thank you also to Borussia Dortmund's business partners, limited partners and fans for their trust.

Dortmund, the 14th September 2011

The Supervisory Board



Gerd Pieper
Chairman