

BORUSSIA DORTMUND

BORUSSIA DORTMUND



ANNUAL REPORT
2015/2016



KEY FINANCIAL INDICATORS

Borussia Dortmund KGaA (HGB)

| EUR '000 | 2015/2016 30/06/2016 | 2014/2015 30/06/2015 |
|---|-------------------------|-------------------------|
| Equity | 347,487 | 323,823 |
| Capital expenditure | 44,260 | 75,797 |
| Gross revenue | 327,117 | 249,496 |
| Operating result (EBITDA) | 74,147 | 43,501 |
| Result from operating activities (EBIT) | 26,400 | 2,787 |
| Financial result (investment income and net interest expense) | 6,543 | 504 |
| Net income for the year | 28,262 | 2,426 |
| Cash flows from operating activities | 29,275* | 15,878* |
| Number of shares (in thousands) | 92,000 | 92,000 |
| Earnings per share (in EUR) | 0.31 | 0.03 |

* Taking into account the amendments to GAS 21.

Borussia Dortmund Group (IFRS)

| EUR '000 | 2015/2016 30/06/2016 | 2014/2015 30/06/2015 |
|---|-------------------------|-------------------------|
| Equity | 309,542 | 286,078 |
| Capital expenditure | 44,849 | 79,153 |
| Gross revenue | 379,767 | 293,029 |
| Operating result (EBITDA) | 86,668 | 55,594 |
| Result from operating activities (EBIT) | 36,430 | 13,160 |
| Financial result (investment income and net interest expense) | -2,096 | -7,159 |
| Consolidated net income for the year | 29,436 | 5,532 |
| Cash flows from operating activities | 35,228 | 16,947 |
| Number of shares (in thousands) | 92,000 | 92,000 |
| Earnings per share (in EUR) | 0.32 | 0.06 |



| | |
|-----------|--|
| 2 | KEY FINANCIAL INDICATORS |
| 6 | LETTER TO SHAREHOLDERS |
| 8 | REPORT OF THE SUPERVISORY BOARD |
| 12 | EXECUTIVE BODIES AND CORPORATE STRUCTURE |
| 14 | THE SHARES |
| 14 | SHARE PRICE PERFORMANCE |
| 18 | SHARE CAPITAL AND SHAREHOLDER STRUCTURE |
| 18 | SHAREHOLDINGS BY MEMBERS OF GOVERNING BODIES |
| 18 | INVESTOR RELATIONS |
| 19 | CORPORATE GOVERNANCE DECLARATION |
| 20 | CORPORATE GOVERNANCE REPORT |
| 26 | MANAGEMENT REPORT |
| 28 | BUSINESS TREND |
| 28 | LOOKING BACK ON FINANCIAL YEAR 2015/2016 |
| 28 | FINANCIAL PERFORMANCE |
| 28 | FINANCIAL INDICATORS |
| 29 | PERFORMANCE INDICATORS |
| 31 | DEVELOPMENT OF THE MARKET AND COMPETITIVE ENVIRONMENT |
| 33 | GENERAL INFORMATION ABOUT THE COMPANY |
| 33 | GROUP STRUCTURE AND BUSINESS OPERATIONS |
| 34 | ORGANISATION OF MANAGEMENT AND CONTROL |
| 37 | INTERNAL MANAGEMENT AND CONTROL SYSTEM |
| 38 | CORPORATE STRATEGY |
| 40 | POSITION OF THE COMPANY |
| 40 | DEVELOPMENT OF PERFORMANCE INDICATORS |
| 42 | RESULTS OF OPERATIONS |
| 44 | SALES TREND |
| 47 | DEVELOPMENT OF SIGNIFICANT OPERATING EXPENSES |
| 48 | ANALYSIS OF CAPITAL STRUCTURE |
| 49 | ANALYSIS OF CAPITAL EXPENDITURE |
| 49 | ANALYSIS OF LIQUIDITY |
| 50 | NET ASSETS |
| 50 | OVERALL ASSESSMENT OF FINANCIAL POSITION AND PERFORMANCE AND BUSINESS DEVELOPMENT |
| 50 | REMUNERATION REPORT |
| 51 | THE INTERNAL CONTROL AND RISK MANAGEMENT SYSTEM AS IT RELATES TO THE ACCOUNTING PROCESS |
| 52 | OPPORTUNITY AND RISK REPORT |
| 52 | RISK MANAGEMENT |
| 57 | OPPORTUNITIES |
| 57 | OVERALL ASSESSMENT OF THE RISKS AND OPPORTUNITIES |
| 58 | REPORT ON EXPECTED DEVELOPMENTS |
| 58 | EXPECTED EARNINGS TREND |
| 58 | EXPECTED GENERAL ECONOMIC ENVIRONMENT |
| 59 | EXPECTED RESULTS OF OPERATIONS |
| 60 | EXPECTED DIVIDENDS |
| 60 | EXPECTED FINANCIAL POSITION |
| 60 | OVERALL ASSESSMENT OF EXPECTED PERFORMANCE |
| 61 | 2015/2016 REPORT ON POST-BALANCE SHEET DATE EVENTS |
| 62 | OTHER DISCLOSURES |
| 65 | DISCLAIMER |
| 66 | ANNUAL FINANCIAL STATEMENTS |
| 68 | BALANCE SHEET |
| 70 | INCOME STATEMENT |
| 71 | NOTES |
| 71 | GENERAL DISCLOSURES TO THE ANNUAL FINANCIAL STATEMENTS |
| 71 | ACCOUNTING POLICIES |
| 72 | NOTES TO THE BALANCE SHEET |
| 74 | FIXED ASSETS |
| 81 | NOTES TO THE INCOME STATEMENT |
| 84 | OTHER DISCLOSURES |
| 84 | EXECUTIVE BODIES |
| 88 | AUDITOR'S REPORT |

| | |
|------------|--|
| 90 | GROUP MANAGEMENT REPORT |
| 92 | BUSINESS TREND |
| 92 | LOOKING BACK ON FINANCIAL YEAR 2015/2016 |
| 93 | FINANCIAL PERFORMANCE |
| 93 | FINANCIAL INDICATORS |
| 94 | PERFORMANCE INDICATORS |
| 96 | DEVELOPMENT OF THE MARKET AND COMPETITIVE ENVIRONMENT |
| 98 | GENERAL INFORMATION ABOUT THE COMPANY |
| 98 | GROUP STRUCTURE AND BUSINESS OPERATIONS |
| 99 | ORGANISATION OF MANAGEMENT AND CONTROL |
| 102 | INTERNAL MANAGEMENT/CONTROL SYSTEM |
| 102 | CORPORATE STRATEGY |
| 104 | POSITION OF THE COMPANY |
| 104 | DEVELOPMENT OF PERFORMANCE INDICATORS |
| 106 | RESULTS OF OPERATIONS |
| 108 | REVENUE TREND |
| 112 | DEVELOPMENT OF SIGNIFICANT OPERATING EXPENSES |
| 114 | ANALYSIS OF CAPITAL STRUCTURE |
| 114 | DEVELOPMENT AND PERFORMANCE OF THE BUSINESS |
| 116 | ANALYSIS OF CAPITAL EXPENDITURE |
| 116 | ANALYSIS OF LIQUIDITY |
| 116 | NET ASSETS |
| 116 | OVERALL ASSESSMENT OF FINANCIAL POSITION AND PERFORMANCE AND BUSINESS DEVELOPMENT |
| 117 | REMUNERATION REPORT |
| 118 | THE INTERNAL CONTROL AND RISK MANAGEMENT SYSTEM AS IT RELATES TO THE GROUP ACCOUNTING PROCESS |
| 119 | OPPORTUNITY AND RISK REPORT |
| 119 | RISK MANAGEMENT |
| 125 | OPPORTUNITIES |
| 125 | OVERALL ASSESSMENT OF THE RISKS AND OPPORTUNITIES |
| 126 | REPORT ON EXPECTED DEVELOPMENTS |
| 126 | EXPECTED DEVELOPMENT OF CONSOLIDATED NET INCOME/LOSS |
| 126 | EXPECTED GENERAL ECONOMIC ENVIRONMENT |
| 127 | EXPECTED RESULTS OF OPERATIONS |
| 128 | EXPECTED DIVIDENDS |
| 128 | EXPECTED FINANCIAL POSITION |
| 128 | OVERALL ASSESSMENT OF EXPECTED PERFORMANCE |
| 129 | 2015/2016 REPORT ON EVENTS AFTER THE END OF THE REPORTING PERIOD |
| 130 | OTHER DISCLOSURES |
| 133 | DISCLAIMER |
| 134 | CONSOLIDATED FINANCIAL STATEMENTS |
| 136 | CONSOLIDATED STATEMENT OF FINANCIAL POSITION |
| 137 | CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME |
| 138 | CONSOLIDATED STATEMENT OF CASH FLOWS |
| 139 | CONSOLIDATED STATEMENT OF CHANGES IN EQUITY |
| 140 | NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS |
| 140 | BASIC PRINCIPLES |
| 155 | NOTES TO THE CONSOLIDATED STATEMENT OF FINANCIAL POSITION |
| 164 | NOTES TO THE CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME |
| 168 | OTHER DISCLOSURES |
| 177 | AUDITORS' REPORT |
| 179 | PUBLICATION DETAILS / FINANCIAL CALENDAR |



Hans-Joachim Watzke
Managing Director (Chairman)



Thomas Treß
Managing Director

Dear Shareholders,

Together, we can look back on a successful 2015/2016 financial year, and look forward to an exciting new season.

In the past year, the club once again made history with record revenue – not only a clear indicator of Borussia Dortmund's earning power but also a sign of a healthy future to come. We inspired new partners to join us and were wildly successful in further expanding our activities to international markets and in realising our plans.

Although on the international stage our team was eliminated in the quarter-final of the UEFA Europa League, we did secure our return to the

UEFA Champions League by finishing second in the Bundesliga. The financial aspects of competing in the UEFA Champions League aside, we are particularly looking forward to talented opponents, guests and sporting challenges at the highest level.

Longstanding relationships with our partners, a continuous commitment by our team, employees and fans, coupled together with consistent management formed the foundation for our athletic and financial successes in the past year. In the new season, we hope to remain on this path, seize opportunities and grow, while always remembering where we came from.



Hans-Joachim Watzke
Managing Director (Chairman)



Thomas Treß
Managing Director



REPORT OF THE SUPERVISORY BOARD

Borussia Dortmund GmbH & Co. KGaA looks back on a satisfactory 2015/2016 financial year, both from an athletic and a financial perspective. Borussia Dortmund ended the season with 78 points, the best second-place finish in Bundesliga history. In achieving this landmark, Borussia Dortmund also qualified directly for the group stage of the 2016/2017 UEFA Champions League, thereby meeting one of its key objectives for the season. Despite being ever-so unlucky and narrowly losing a thrilling quarter-final tie in the UEFA Europa League against Liverpool FC and losing the DFB Cup final – after repeat appearances – against FC Bayern Munich on penalties, Borussia Dortmund looks back on a successful 2015/2016 season from an athletic perspective. The new coaching staff headed by Thomas Tuchel thus brought a remarkable "year one after Jürgen Klopp" to a close, fuelling anticipation for the upcoming season. The 2015/2016 financial year was also satisfactory from a financial standpoint. Consolidated revenue increased by 36.3% to a record-high EUR 376.3 million (previous year: EUR 276.0 million). Adjusted for transfers and the fact that the club did not compete in the UEFA Champions League, consolidated revenue rose by 6.7% during the reporting year to a new high of EUR 281.3 million (previous year: EUR 263.6 million). In the financial year ended, consolidated net profit after taxes amounted to EUR 29.4 million (previous year: EUR 5.5 million), which was reflected in the results of operations in Borussia Dortmund GmbH & Co. KGaA's single-entity financial statements. The Company generated net income for the year after taxes of EUR 28.3 million (previous year: EUR 2.4 million). The Supervisory Board is therefore extremely pleased to report that the it and the general partner will, for the fifth consecutive year, propose to the Annual General Meeting in November 2016 that it resolve to distribute a dividend using the net profit.

SUPERVISORY BOARD ACTIVITY, MEETINGS

In the 2015/2016 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 five times during the 2015/2016 financial year (on 9 September 2015, 23 November 2015, 7 March 2016 and 24 May 2016, as well as on 23 November 2015 in a constituting meeting following the (re-)election of all of the members of the Supervisory Board by the Annual General Meeting on the same date). One member of the Supervisory Board, Mr Peer Steinbrück, attended less than half of the meetings of the Supervisory Board; otherwise, all other members of the Supervisory Board attended more than half of the meetings. All resolutions were adopted in accordance with the provisions of the Articles of Association and the relevant law. All issues are deliberated and all resolutions are passed by the full Supervisory Board; the Supervisory Board has not formed any committees.

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 within the Company and the Group 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 directors 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 and the management's intentions regarding the proportion of women on the two management levels below the general partner.

In addition, the Supervisory Board reviewed the accounting and financial reporting for financial year 2015/2016, stipulating the target proportion of women on the Supervisory Board and the timeline for achieving that objective, 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.

2015/2016 ANNUAL AND CONSOLIDATED FINANCIAL STATEMENTS

The annual financial statements for Borussia Dortmund GmbH & Co. KGaA and the consolidated financial statements as at 30 June 2016 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 8 September 2016, 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 8 September 2016, the Supervisory Board approved the annual financial statements of Borussia Dortmund GmbH & Co. KGaA as at 30 June 2016 as well as the consolidated financial statements as at 30 June 2016.

Moreover, the Supervisory Board performed its own review of the report on relationships with affiliated companies (dependent company report) for the 2015/2016 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 findings 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 2016 be adopted. At its meeting on 8 September 2016, 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 28,262,214.44 for financial year 2015/2016 to distribute a dividend of EUR 0.06 per share carrying dividend rights (totalling EUR 5,518,866.00) and to transfer the remainder (EUR 22,743,348.44) to other revenue reserves.

Moreover, the Supervisory Board proposes ratifying the actions of the general partner, Borussia Dortmund Geschäftsführungs-GmbH, for the 2015/2016 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 5 May 2015. 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

At the Annual General Meeting on 23 November 2015, Ms Silke Seidel was elected as a new member of the Supervisory Board, while Mr Gerd Pieper, Mr Bernd Geske, Mr Christian Kullmann, Dr Werner Müller, Mr Ulrich Leitermann, Mr Bjørn Gulden, Dr Reinhold Lunow and Mr Peer Steinbrück were re-elected as members of the Supervisory Board; the terms of office will expire upon conclusion of the Annual General Meeting which will resolve to ratify the actions of the members for financial year 2019/2020. In its constituting meeting on 23 November 2015, the Supervisory Board, from amongst its members, confirmed Mr Gerd Pieper as the Chairman of the Supervisory Board and elected Dr Werner Müller as the new Deputy Chairman of the Supervisory Board. Mr Harald Heinze, member of the Supervisory Board and previous Deputy Chairman of the Supervisory Board, had not stood for re-election to the Supervisory Board and thus departed the Supervisory Board after the conclusion of the Annual General Meeting on 23 November 2015. In light of this, the Supervisory Board would like to take this opportunity to express its deepest appreciation to Mr Heinze for his outstanding work on the Supervisory Board.

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.

The Supervisory Board also wishes to thank Borussia Dortmund's business partners, shareholders and fans for their trust.

Dortmund, 8 September 2016

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 | |
| Managing shareholder of Stadt-Parfümerie Pieper GmbH, Herne | | |
| Harald Heinze | Deputy Chairman | (until 23 November 2015) |
| Chairman of the Board (ret.) of Dortmunder Stadtwerke AG | | |
| Peer Steinbrück | | |
| Member of German Bundestag | | |
| Bernd Geske | | |
| Managing partner of Bernd Geske Lean Communication, Meerbusch | | |
| Christian Kullmann | | |
| Deputy Chairman of the Executive Board of Evonik Industries AG, Essen | | |
| Dr. Werner Müller | Deputy Chairman | (since 23 November 2015) |
| Chairman of the Board of Executives of the RAG Foundation, Essen | | |
| Ulrich Leitermann | | |
| Chairman of the Board of the SIGNAL IDUNA Group, Dortmund | | |
| Bjørn Gulden | | |
| Chief Executive Officer of PUMA SE, Herzogenaurach | | |
| Dr. Reinhold Lunow | | |
| Medical Director of Praxisklinik Bornheim, Bornheim | | |
| Silke Seidel | | (since 23 November 2015) |
| Senior Executive at Dortmunder Stadtwerke AG and Managing Director of Hohenbuschei Beteiligungsgesellschaft mbH, Westfalentor 1 GmbH and Dortmund Logistik GmbH, all in Dortmund | | |

BORUSSIA DORTMUND GESCHÄFTSFÜHRUNGS-GmbH

Management

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

Corporate structure

BORUSSIA DORTMUND GmbH & Co. KGaA

| | |
|---------|---|
| 100.00% | BVB Stadionmanagement GmbH |
| 100.00% | besttravel dortmund GmbH |
| 100.00% | BVB Merchandising GmbH |
| 100.00% | Sports & Bytes GmbH |
| 100.00% | BVB Event & Catering GmbH |
| 100.00% | BVB Asia Pacific Pte. Ltd. |
| 33.33% | Orthomed Medizinisches Leistungs-und Rehabilitationszentrum GmbH |

THE SHARES of Borussia Dortmund GmbH & Co. KGaA

SHARE PRICE PERFORMANCE IN FINANCIAL YEAR 2015/2016

During the reporting period for the 2015/2016 financial year (1 July 2015 to 30 June 2016), the performance of BVB shares was influenced primarily by business and positive sport-related announcements by the Company, but also by general, non-company-specific, political and economic market factors (unless indicated otherwise, the following data is based on the closing price of shares in XETRA trading in Borussia Dortmund shares; where necessary, figures have been rounded up to the nearest hundredth).

The shares of Borussia Dortmund GmbH & Co. KGaA kicked off the new 2015/2016 financial year at EUR 3.42 on 1 July 2015. In July, the excitement surrounding the start of a new season pushed up the share price significantly, where it stabilised above the EUR 4.00 mark. BVB shares traded at EUR 3.58 on 10 July 2015, at EUR 3.68 on 16 July 2015, at EUR 3.75 on 17 July 2015 and at EUR 3.95 on 28 July 2015. A new all-time record of 55,000 season tickets sold, a successful start to the season with an opening win over Chemnitzer FC in the DFB Cup, three victories in the Bundesliga and the team's survival in the qualifying rounds for participation in the group stage of the UEFA Europa League lifted the share price further over the course of August 2015. Borussia Dortmund GmbH & Co. KGaA shares traded at EUR 4.07 on 6 August 2015, at EUR 4.08 on 17 August 2015 and at EUR 4.05 on 20 August 2015. On 21 August 2015, the Company announced the preliminary figures for the 2014/2015 financial year (see ad hoc disclosure from the same date), which included a 5.9% increase in consolidated revenue

to EUR 276.0 million and a 13.2% increase in the consolidated operating result (EBITDA) to EUR 55.6 million. While the capital markets did not immediately respond positively to this news, once the squad had qualified for the group stage of the UEFA Europa League, the share price closed on 31 August 2015 at EUR 4.20, its peak for the reporting period. Despite a long series of matches with no losses, the share price could not maintain this level during September 2015 and was at times highly volatile. BVB shares traded at EUR 4.19 on 1 September 2015, EUR 4.04 on 3 September 2015, EUR 3.96 on 10 September 2015, EUR 4.09 on 17 September 2015 and EUR 3.97 on 28 September 2015. This trend also initially continued into the second quarter of the 2015/2016 financial year. The share price initially remained flat in October 2015 at the EUR 4.00 mark before a run of three Bundesliga matches with no losses – despite a previous resounding defeat to FC Bayern Munich – led to a slight increase in the share price. Shares traded at EUR 3.99 on 2 October 2015, EUR 3.96 on 12 October 2015 and EUR 4.05 on 22 October 2015 and also on 30 October 2015. Immediately thereafter, Borussia Dortmund advanced to the knockout phase and thus the winter break of the UEFA Europa League, leading to another slight increase in the share price at the start of November 2015. On 2 November 2015, BVB shares were listed at EUR 4.17 and on 5 November 2015 at EUR 4.14. On 6 November 2015, Borussia Dortmund GmbH & Co. KGaA released the preliminary first quarter figures for financial year 2015/2016 (see ad hoc disclosure from the same date). Despite a negative result for the quarter,

shares closed at EUR 4.11 on that trading day and at EUR 4.12 on the next trading day (9 November 2015). This was certainly also due to the positive business announcements such as the 26.8% increase in consolidated revenue in the first quarter. However, the share price then dropped back down to the EUR 4.00 mark. BVB shares were listed at EUR 4.03 on 23 November 2015, the date of the Annual General Meeting. On that same day, the Annual General Meeting resolved a dividend distribution of EUR 0.05 per share. The following day (24 November 2015), BVB shares were listed at EUR 3.99 after factoring in the drop in share price which commonly occurs after a dividend is paid out. This trend then continued until the end of the reporting period. Shares traded at EUR 4.06 on 1 December 2015, EUR 4.00 on 11 December 2015 and EUR 3.97 on 22 December 2015. The 2015 calendar year ended with shares in Borussia Dortmund trading at EUR 4.01 on 30 December 2015 (previous year: EUR 3.87).

The shares of Borussia Dortmund GmbH & Co. KGaA kicked off the new 2016 calendar year at EUR 3.98 on 4 January 2016. Prior to the start of the second half of the season, the share price was influenced by a general downward trend on equity markets, which had nothing to do with the Company's business or sports-related announcements. The share price declined to EUR 3.61 on 18 January 2016 and rose to EUR 3.80 on the following day, before falling again to EUR 3.65 on 20 January 2016. Prior to the start of the second half of the season, the shares traded at EUR 3.87 on 22 January 2016. On the following trading day, and on the heels of a win to successfully kick off the second half of the Bundesliga season, the shares were listed at EUR 3.93. The next setback followed

on 9 February 2016, with the share price falling to EUR 3.64. After the club beat VfB Stuttgart in the quarter-finals of the DFB Cup that same evening, the share price rebounded to EUR 3.72 on the following day. Shares in Borussia Dortmund then traded at EUR 3.92 on 19 February 2016. On this date, the Company published the preliminary semi-annual figures (see ad-hoc disclosure from the same date), announcing that it had increased revenue by 11.8% year on year but had generated a net loss for the first half of the year. The latter was attributable in particular to write-downs on non-current intangible assets. Nevertheless, the market responded positively to the semi-annual figures. Shares traded at EUR 3.95 on the next trading day (22 February 2016). This trend was subsequently carried by additional positive sports-related announcements, including a winning streak of four matches across all competitions with the squad's two wins against FC Porto to advance to the round of 16 of the UEFA Europa League. On 29 February 2016, shares in Borussia Dortmund GmbH & Co. KGaA closed at EUR 3.93. The share price subsequently reached the EUR 4.00 mark again as the club advanced to the quarter-finals of the UEFA Europa League on the heels of its two wins in the last 16 against Tottenham Hotspur, and the market's resulting expectations that revenue and earnings figures would continue to improve, among other things. Shares traded at EUR 4.03 on 18 March 2016, EUR 4.01 on 24 March 2016 and EUR 4.06 on 7 April 2016. After drawing against Liverpool FC in the first leg of the quarter-final tie of the UEFA Europa League, the shares closed at EUR 4.09 on the following day. Borussia Dortmund was knocked out of the UEFA Europa League following a supremely exciting and closely

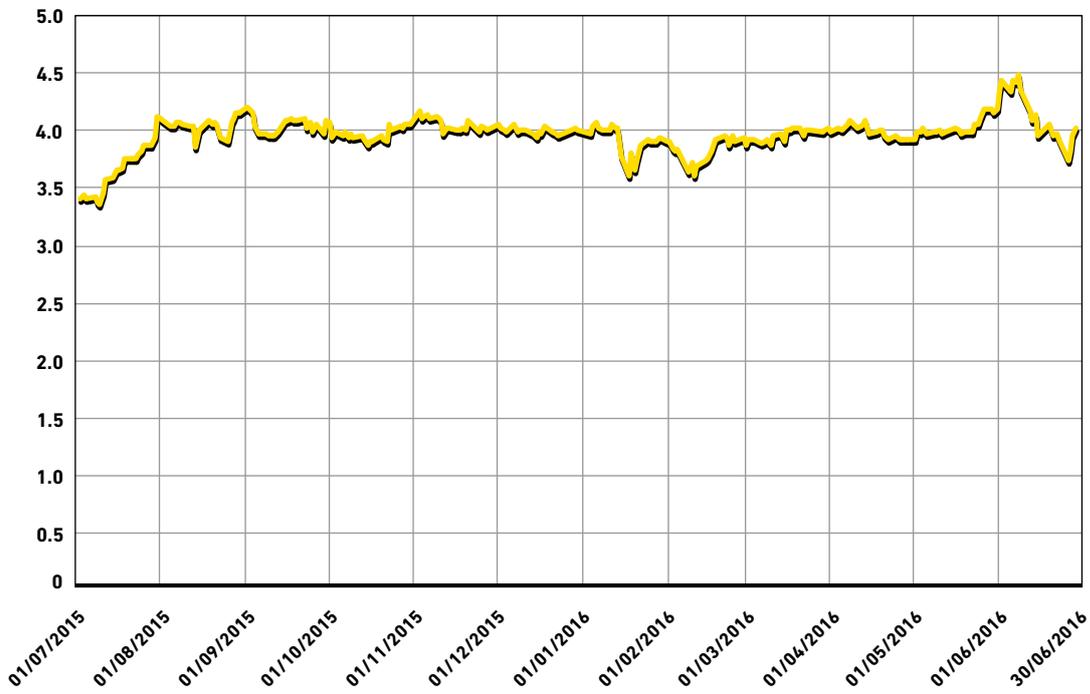
contested loss (4:3) at Anfield in the second leg of the tie. Shares then traded at EUR 3.97 on the day after the match (15 April 2016). The share price continued to slip despite two Bundesliga wins and the club reaching the final of the DFB Cup following its semi-final victory over Hertha BSC Berlin on 20 April 2016. Shares traded at EUR 3.95 on 21 April 2016, EUR 3.92 on 26 April 2016 and EUR 3.92 on 29 April 2016.

In May 2016, shares in Borussia Dortmund GmbH & Co. KGaA closed out the 2015/2016 football season at this level. On 10 May 2016, Borussia Dortmund GmbH & Co. KGaA released the preliminary third quarter figures for financial year 2015/2016 (see ad hoc disclosure from the same date). Despite a negative result for the quarter, the Company announced that consolidated revenue had increased by 34.6% and, in light of expected income from transfer deals, forecast an eight-figure net income for the full year. Shares in Borussia Dortmund then traded at EUR 4.00 on 10 May 2016 and on the following day. Despite narrowly losing to FC Bayern Munich in the DFB Cup final on 21 May 2016, the shares then traded at EUR 3.99 on the following trading day.

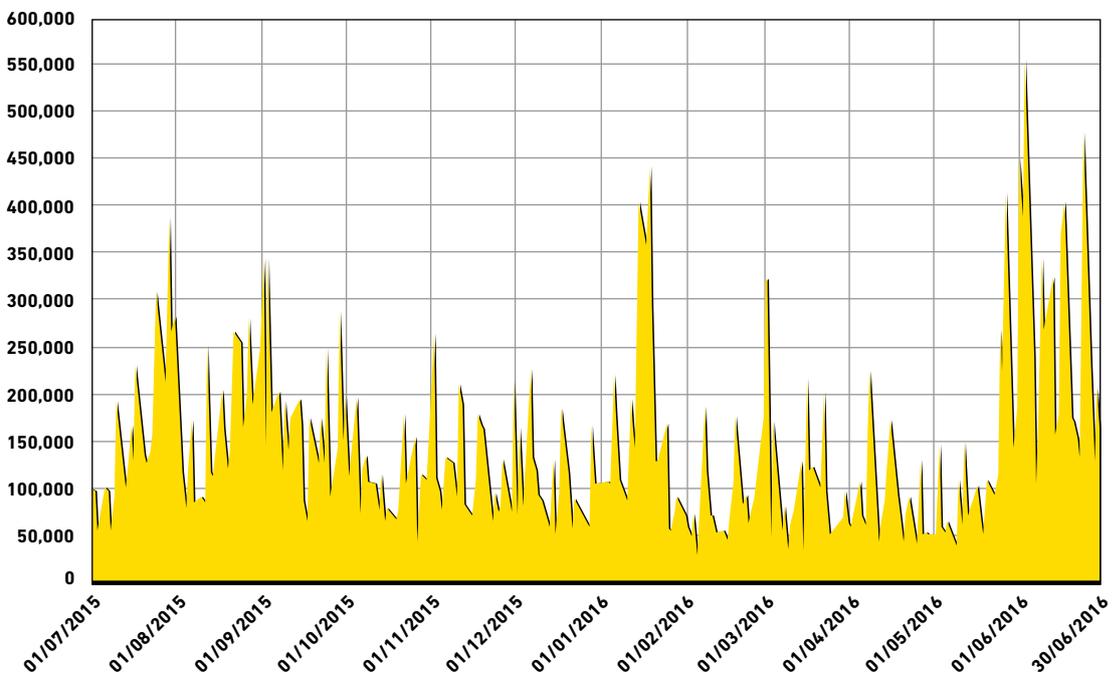
The direct qualification for the 2016/2017 UEFA Champions League season – due to the best second-place finish in Bundesliga history (78 points) – and the resulting positive economic forecasts then led to a significant share price increase during the off-season. Shares traded at EUR 4.11 on 26 May 2016, EUR 4.18 on 1 June 2016 and EUR 4.34 on 2 June 2016. On 9 June 2016, the shares then reached their high of EUR 4.48 for the reporting period. These gains were completely wiped out by the general market downturn in the wake of the highly detrimental Brexit referendum. Shares traded at EUR 4.13 on 15 June 2016, EUR 3.95 on 16 June 2016 and EUR 3.74 on 27 June 2016. However, this significant decrease was quickly corrected as the share price returned to the EUR 4.00 mark. Shares in Borussia Dortmund GmbH & Co. KGaA traded at EUR 3.82 on 28 June 2016 and EUR 3.96 on 29 June 2016 before closing out the reporting period at EUR 4.03 on 30 June 2016 (previous year: EUR 3.38).

Our shareholders will be pleased to note that this represents an increase of EUR 0.65 or 19.23% in the share price over the course of the entire financial year.

Share price performance (in EUR)



Revenue (Shares)



SHARE CAPITAL AND SHAREHOLDER STRUCTURE

As at 30 June 2016, Borussia Dortmund GmbH & Co. KGaA's share capital amounted to EUR 92,000,000.00 and was divided into the same number of no-par value shares. Based on the voting rights notifications we have received, the shareholder structure of Borussia Dortmund GmbH & Co. KGaA was as follows as at 30 June 2016:

- Evonik Industries AG: 14.78%
- Bernd Geske: 8.80%
- Ballspielverein Borussia 09 e.V. Dortmund: 5.53%
- SIGNAL IDUNA: 5.43%
- PUMA SE: 5.0%
- Free float: 60.46%

SHAREHOLDINGS BY MEMBERS OF GOVERNING BODIES

As at 30 June 2016, one member of management held 7,045 no-par value shares in the Company. As at the same date, the members of the Supervisory Board held a total of 8,092,009 no-par value shares. Members of management and the Super-

visory Board hold a total of 8,099,054 no-par-value shares, which corresponds to more than 1% of the shares issued by Borussia Dortmund GmbH & Co. KGaA.

INVESTOR RELATIONS

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

We therefore use online communication as our main form of communications, as this offers the best basis for providing all interested parties with equal access to up-to-date information. Because this information is highly pertinent, Borussia Dortmund maintains an investor relations webpage, "BVB Share" which is available online at www.bvb.de/aktie and <http://aktie.bvb.de/eng>. All annual and interim financial reports are available for download at this site. Mandatory disclosures and announcements under capital market law, such as ad hoc disclosures, corporate news, directors' dealings and/or advance notices are published here in a timely manner. At the same time, our service provider, EQS Group AG (formerly Deutsche Gesellschaft für Ad-hoc-Publizität mbH, Munich), ensures that these notices are distributed throughout Europe. Further detailed information, such as in-

vestor presentations and in-depth information on implementing the recommendations of the German Corporate Governance Code, is provided on our website. The information is published in German and, for the most part, in English as well.

Another objective of ours in financial year 2015/2016 was to continue to foster communication with the capital markets.

The Annual Press Conference on the preliminary figures of the 2014/2015 financial year was held in Dortmund on 21 August 2015. The Company also held an analyst conference on the same day in Frankfurt am Main.

Furthermore, the Company held group and one-on-one meetings with capital market representatives during the reporting period and held roadshows on 10 July 2015 in Singapore (as part of BVB's summer Asia tour), on 7 October 2015 in London, on 1 and 2 March 2016 in New York, USA, and on 8 June 2016 in Paris. Furthermore, Borussia Dortmund also gave a company presentation and held several one-on-one meetings at the German Equity Forum in Frankfurt am Main on 24 November 2015.

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

- ODDO Seydler Bank AG, Frankfurt am Main
Most recent research update: 13 May 2016,
Recommendation: "Buy" (previously: "Buy")
- GSC Research GmbH, Düsseldorf Most recent
research update: 21 March 2016, Recommendation: "Buy" (previously: "Buy")
- Edison Research Investment Ltd., London, UK
Most recent research update: 11 March 2016,
Recommendation: "n/a"
- Bankhaus Lampe KG, Düsseldorf Most recent
research update: 28 January 2016, Recommendation: "Buy" (previously: "Buy")
- Hauck & Aufhäuser Institutional Research,
Hamburg Initial research study: 11 September
2014, Recommendation: "Buy"

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

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

CORPORATE GOVERNANCE DECLARATION PURSUANT TO § 289a OF THE GERMAN COMMERCIAL CODE

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 GmbH & Co. KGaA (the "Company") 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 pre-

servation 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. In addition to formulating best practices for management, 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 companies amongst 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". The Declaration of

Conformity submitted in September 2016 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 2015/2016 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 voting rights notifications and directors' dealings and managers' transactions notifications submitted to us, information on the shareholder structure, the current version of the Articles of Association and the financial calendar.

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 23 November 2015. 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 96.04% and 99.99% of the votes cast.

The next Annual General Meeting of Borussia Dortmund GmbH & Co. KGaA will take place on 21 November 2016 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 International Financial Reporting Standards (IFRSs) as adopted by the member states of 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").

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 about the Company on this website. Customers, fans and the public alike can find additional information on the Company at <http://aktie.bvb.de/eng>.

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.

Disclosures on the ownership of Company shares by members of management and by members of the Supervisory Board

As at 30 June 2016, one member of management held 7,045 no-par value shares in the Company. As at the same date, the members of the Supervisory Board held a total of 8,092,009 no-par value shares. Members of management and the Supervisory Board hold a total of 8,099,054 no-par value shares, which corresponds to more than 1% of the shares issued by Borussia Dortmund GmbH & Co. KGaA.

Dortmund, 8 September 2016

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 BY THE SUPERVISORY BOARD OF BORUSSIA DORTMUND GmbH & Co. KGaA IN ACCORDANCE WITH § 161 AktG DATED 8 SEPTEMBER 2016

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 9 September 2015, Borussia Dortmund GmbH & Co. KGaA has and will comply with the recommendations of the German Corporate Governance Code (the "Code") as amended on 5 May 2015 (published in the Federal Gazette (*Bundesanzeiger*) on 12 June 2015), 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 Geschäftsführungs-GmbH have considered and continue to consider it unnecessary to stipulate additional rules of procedure for the management.

Re section 4.2.2 (2) sentence 3: 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 (2) sentence 3 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) sentences 4 and 6 as well as section 4.2.3 (2) sentence 8: The remuneration structure for the Managing Directors of Borussia Dortmund Geschäftsführungs-GmbH is adopted by the Executive Committee of Borussia Dortmund Geschäftsführungs-GmbH. As in the past, this will continue to be adopted without considering negative developments when structuring the Managing Directors' variable remuneration components and without limiting the sum of the remuneration to a maximum amount; in addition, 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. For these reasons, the recommendation set out in section 4.2.3 (2) sentence 6 (2nd alternative) was not complied with; however, effective as from 1 July 2016, this recommendation will be complied with and the sum of the variable remuneration components for the Managing Directors of Borussia Dortmund Geschäftsführungs-GmbH will be limited to a maximum amount.

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 4.2.5 (3) sentences 1 and 2: The Code recommends that the remuneration report include specific, detailed disclosures on each member of the executive board and that the table templates attached to the Code be used for this information. As in the past, our Company will not follow this recommendation. 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; this appears to be sufficient and appropriate from the perspective of the usefulness of information.

Re section 4.3.3 sentence 4: 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 4.3.4: 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 4: 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.

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. 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, the risk management system and the internal audit system, the audit of the financial statements, 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) sentence 1 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", "the number of independent supervisory board members within the meaning of section 5.4.2" or a "limit on the length of membership". 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. Notwithstanding the foregoing, compliance with the requirement, issued by the legislator, that the target proportion of women on the Supervisory Board be defined, remains mandatory (§ 278 (3) and § 111 (5) AktG in conjunction with § 25 (1) sentence 1 EGAktG and § 289a (3) and (2) no. 4 HGB in conjunction with Article 73 EGHGB).

Re section 5.4.1 (5): As in the past, 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 limited liability 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 5.5.3 sentence 1: As in the past, the Company will continue to reserve the right to not comply with the recommendation that the Supervisory Board reports 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 of the Code) 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.

Dortmund, 8 September 2016

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 GmbH & Co. Kommanditgesellschaft auf Aktien, Dortmund



MANAGEMENT REPORT Borussia Dortmund GmbH & Co. Kommanditgesellschaft auf Aktien, Dortmund, for the 2015/2016 financial year

(hereinafter "Borussia Dortmund" or "Borussia Dortmund GmbH & Co. KGaA")

BUSINESS TREND

LOOKING BACK ON FINANCIAL YEAR 2015/2016

Bundesliga

A successful financial year, in which the club laid the foundation for competing in the coming 2016/2017 UEFA Champions League season, has come to an end. After 34 match days, Borussia Dortmund finished second in the Bundesliga with 78 points and a goal difference of +48. One particular highlight: no other team scored as many as goals as Borussia Dortmund did.

DFB Cup

As was the case in the previous two years, Borussia Dortmund once again advanced to the final of this season's DFB Cup. In Berlin, the team lost 4:3 on

penalties to FC Bayern Munich in front of some 75,000 spectators. The score had been deadlocked at 0:0 after the end of extra time.

Borussia Dortmund not only proved its mettle in a pool of 64 teams, but also fielded the competition's top scorer in Henrikh Mkhitaryan.

UEFA Europa League

In international club competition, Borussia Dortmund made it through to the quarter-finals of the UEFA Europa League. A 1:1 draw followed by a 4:3 loss to Liverpool FC prevented the club from advancing to the final.

FINANCIAL PERFORMANCE

FINANCIAL INDICATORS

Borussia Dortmund KGaA (HGB)

| EUR '000 | 2015/2016 30/06/2016 | 2014/2015 30/06/2015 |
|---|-------------------------|-------------------------|
| Equity | 347,487 | 323,823 |
| Capital expenditure | 44,260 | 75,797 |
| Gross revenue | 327,117 | 249,496 |
| Operating result (EBITDA) | 74,147 | 43,501 |
| Result from operating activities (EBIT) | 26,400 | 2,787 |
| Financial result (investment income and net interest expense) | 6,543 | 504 |
| Net income for the year | 28,262 | 2,426 |
| Cash flows from operating activities | 29,275* | 15,878* |
| Number of shares (in thousands) | 92,000 | 92,000 |
| Earnings per share (in EUR) | 0.31 | 0.03 |

* Taking into account the amendments to GAS 21.

PERFORMANCE INDICATORS

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

Financial performance indicators

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

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

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

As at the start of this financial year, management's list of key performance indicators will include the operating result (EBITDA). This change was made in light of the rise in investment activities and the associated increase in depreciation, amortisation and write-downs. Therefore, EBITDA (EBIT adjusted for depreciation, amortisation and write-downs) was selected to benchmark the Company's annual performance.

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

Non-financial performance indicators

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

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

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

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

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

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

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

DEVELOPMENT OF THE MARKET AND COMPETITIVE ENVIRONMENT IN THE 2015/2016 FINANCIAL YEAR

Spectators

Borussia Dortmund continues to draw large numbers of spectators in Europe. No other club matched Borussia Dortmund's average attendance of 81,178 spectators for Bundesliga matches. Borussia Dortmund has been Germany's #1 in attendance for the past 18 years.

During the past season, 1,948,880 fans cheered their team on during 26 competitive matches at SIGNAL IDUNA PARK, breaking the club's previous record set in 2014.

With 55,000 season ticket holders, Borussia Dortmund is also Germany's standard-bearer in terms of season ticket sales.

As a modern magnet for spectators, Borussia Dortmund also interacts with its fans outside the stadium. Almost 14 million viewers watched the DFB Cup on television.

And the club has more than 14 million followers on Facebook.

Sponsorships

Borussia Dortmund's newest Champion Partner is Eurowings Aviation GmbH; the partnership agreement with the airline replaces the agreement with Turkish Airlines INC as from 1 July 2016. The club's partnership with the Lufthansa subsidiary covers travel to away matches and stadium advertising through to the use of digital media.

Big names in Dortmund

Borussia Dortmund signed defender Raphaël Guerreiro, who played for Portugal at the European Championship. The 22-year-old joins Dortmund from Ligue 1 side Football Club Lorient-Bretagne Sud on a contract that runs through to 30 June 2020. Guerreiro, who has dual French and Portuguese citizenship, netted eleven goals in the previous season.

Emre Mor, another player to feature at the European Championship, also signed with Dortmund. Born in Denmark, Mor was part of Turkey's European Championship squad and most recently plied his trade with FC Nordsjaelland in the Danish first division. The 18-year-old midfielder signed a contract through to 30 June 2021.

Another midfielder comes to Dortmund from Munich. The 25-year-old Sebastian Rode most recently played for FC Bayern Munich and joins Borussia Dortmund on a contract that runs through to the end of June 2020.

Marc Bartra is another 25-year-old newcomer. The defensive specialist spent the past 16 years at FC Barcelona in Spain's Primera División and signed a contract with Borussia Dortmund through to the end of June 2020.

In addition, Ousmane Dembélé joins Borussia Dortmund from Stade Rennais F.C. The 19-year-old midfielder signed a contract through to 30 June 2021.

Borussia Dortmund previously announced in February that Mikel Merino Zazón, a promising young talent from Spain, would be joining Borussia Dortmund from CA Osasuna in the 2016/2017 season. The 19-year-old midfielder signed a five-year contract.

However, there were also some departures. Germany international Mats Hummels left Borussia Dortmund and will play for FC Bayern Munich in the coming season. Hummels joined Borussia Dortmund on loan from FC Bayern Munich in 2008. İlkay Gündogan, who joined Borussia Dortmund in 2012, also left the squad to play for Manchester City in England.

In addition, Kevin Kampl (Bayer 04 Leverkusen), Ciro Immobile, who was initially loaned out (Sevilla FC), Jonas Hofmann (Borussia Mönchengladbach), Kevin Großkreutz (Galatasaray Istanbul), Oliver Kirch (SC Paderborn), Marvin Ducksch (FC St. Pauli) and Jeremy Dudziak (FC St. Pauli) all changed clubs. Jakub Blaszczykowski was loaned to ACF Fiorentina.

These changes, however, do not diminish Borussia Dortmund's commitment to continuity. With this in mind, Marcel Schmelzer, a key player in Borussia Dortmund's defence, was granted a contract extension through to the end of June 2021. The 28-year-old Schmelzer joined Borussia Dortmund's youth academy at the age of 17. The early contract extensions with Lars Ricken, the coordinator of the youth academy, and Edwin Boekamp, the sporting

director of the youth academy, through to 30 June 2021 were also encouraging and just as noteworthy. This bears particular mention because Boekamp – save a short stint elsewhere – has been with Borussia Dortmund since 1987, while Ricken has worked for the club since 1990.

The quality of Borussia Dortmund's squad also shone through outside the city. Midfielder Julian Weigl made his debut for the German national team, further expanding Dortmund's contingent in Germany's squad.

Other business

DFL Deutsche Fußball Liga GmbH issued Borussia Dortmund the licence for the 2016/2017 Bundesliga season without imposing any restrictions or requirements.

Borussia Dortmund further underscored its commitment to the environment. By using green electricity from Strom09®, the Company, together with some one million fans, has reduced CO2 emissions by 25,000 tonnes to date. This represents approximately one tonne of CO2 for each fan on SIGNAL IDUNA PARK's south terrace.

GENERAL INFORMATION ABOUT THE COMPANY

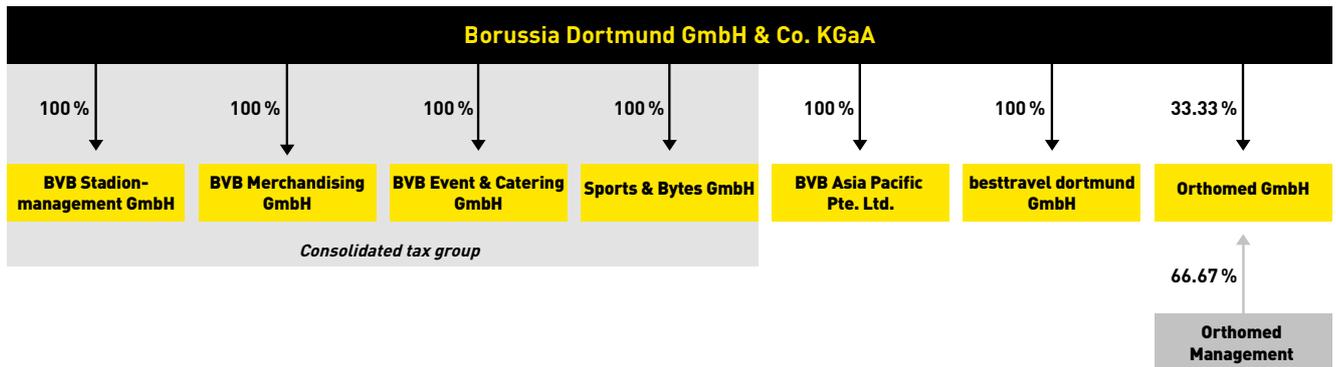
GROUP STRUCTURE AND BUSINESS OPERATIONS

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%), Sports & Bytes GmbH (100.00%), BVB Merchandising GmbH (100.00%), BVB Event & Catering GmbH (100.00%), BVB Asia Pacific Pte. Ltd. (100.00%), besttravel dortmund GmbH (100.00%) and Orthomed GmbH (33.33%).

Under a purchase agreement dated 27 June 2016, in financial year 2015/2016, Borussia Dortmund GmbH & Co. KGaA acquired additional shares in besttravel dortmund GmbH; besttravel dortmund GmbH is now wholly owned by Borussia Dortmund GmbH & Co. KGaA.

In addition, BVB Asia Pacific Pte. Ltd., Singapore (formed on 25 September 2015), was added to the group of companies.

Some of these companies have concluded control and/or profit and loss transfer agreements with the parent.



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 to define 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 right to remuneration, 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 | Harald Heinze | Peer Steinbrück | Bernd Geske | Christian Kullmann | Dr. Werner Müller | Ulrich Leitermann | Bjørn Gulden | Dr. Reinhold Lunow | Silke Seidel |
|-------------|--|-----------------|-------------|--------------------|--|-------------------|--------------|--------------------|--------------------------|
| Chairman | Deputy Chairman (until 23 November 2015) | | | | Deputy Chairman (since 23 November 2015) | | | | (since 23 November 2015) |

RIGHT TO REMUNERATION 2015/2016 (EUR '000)

| | | | | | | | | | |
|----|---|----|----|----|----|----|----|----|---|
| 24 | 7 | 12 | 12 | 12 | 16 | 12 | 12 | 12 | 7 |
|----|---|----|----|----|----|----|----|----|---|

OCCUPATIONS

| | | | | | | | | | |
|---|--|----------------------------|---|--|--|---|--|---|--|
| Managing shareholder of Stadt-Parfümerie Pieper GmbH, Herne | Chairman of the Board (ret.) of Dortmunder Stadtwerke AG | Member of German Bundestag | Managing partner of Bernd Geske Lean Communication, Meerbusch | Deputy Chairman of the Executive Board of Evonik Industries AG, Essen (since 6 May 2016) | Chairman of the Board of Executives of the RAG Foundation, Essen | Chairman of the Board of the SIGNAL IDUNA Group, Dortmund | Chief Executive Officer of PUMA SE, Herzogenaurach | Medical Director of Praxisklinik Bornheim, Bornheim | Senior Executive at Dortmunder Stadtwerke AG and Managing Director of Hohenbuschei Beteiligungsgesellschaft mbH, Westfalentor 1 GmbH and Dortmund Logistik GmbH, all in Dortmund |
|---|--|----------------------------|---|--|--|---|--|---|--|

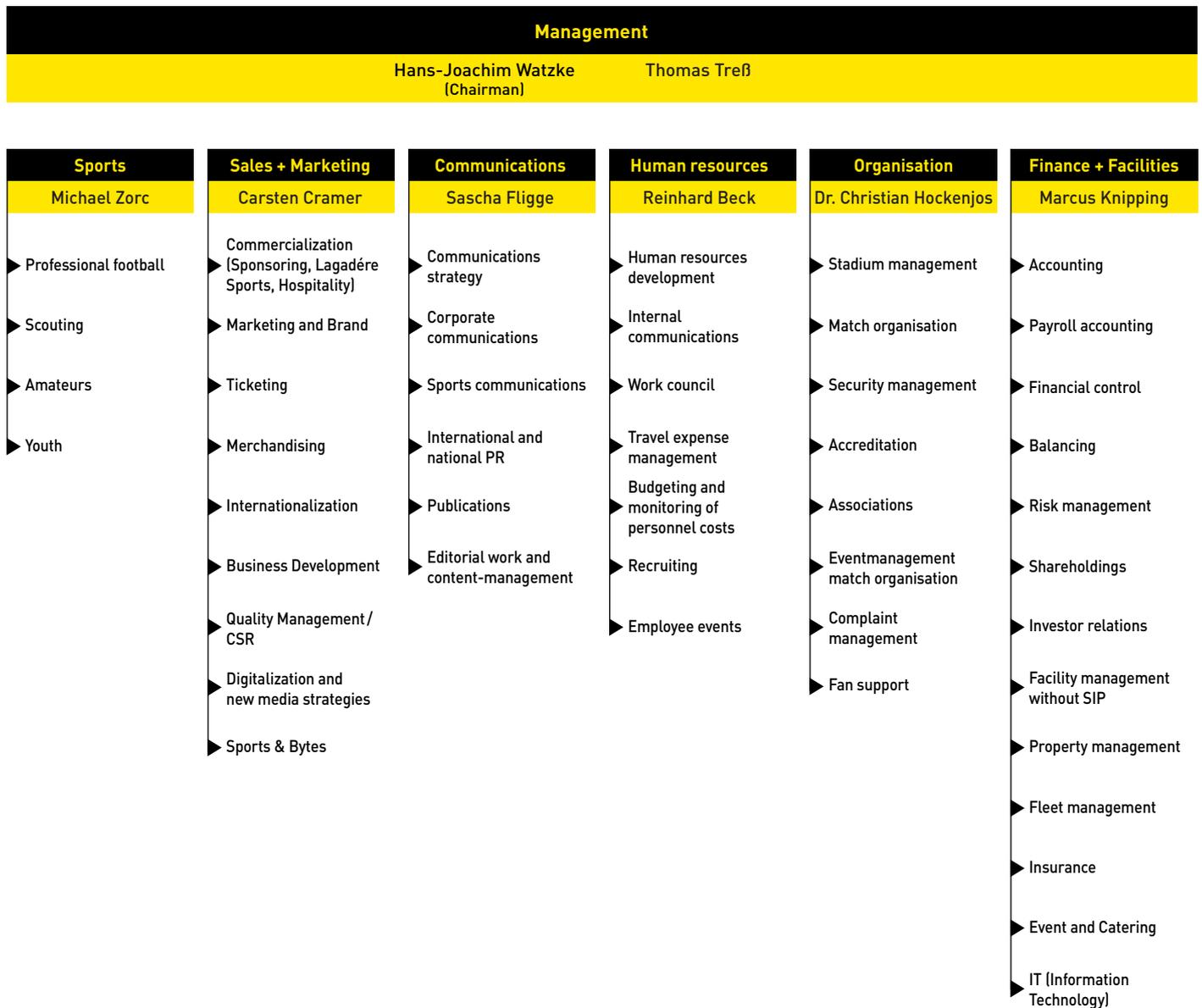
OTHER RESPONSIBILITIES

| | | | | | |
|--|--|--|---|---|--|
| Member of the Advisory Board of Borussia Dortmund Geschäftsführungs-GmbH, Dortmund | Member of the Supervisory Board of Evonik Performance Materials GmbH (since 1 July 2015) | Chairman of the Supervisory Board of Evonik Industries AG, Essen | Member and Chairman of the Supervisory Board of Dortmunder Volksbank eG, Dortmund | Member of the Supervisory Board of Dansk Supermarked A/S, Højbjerg, Denmark | Member of the Advisory Board of Borussia Dortmund Geschäftsführungs-GmbH, Dortmund |
| | | Chairman of the Supervisory Board of RAG Aktiengesellschaft, Herne | | Member of the Supervisory Board of Tchibo GmbH, Hamburg | |
| | | Chairman of the Supervisory Board of RAG Deutsche Steinkohle AG, Herne | | Member of the Supervisory Board of Pandora A/S, Copenhagen, Denmark | |
| | | Member of the Supervisory Board of Contilia GmbH, Essen | | | |
| | | Member of the Board of Directors of Stadler Rail AG, Bussnang, Switzerland | | | |
| | | Chairman of the Supervisory Board of Entwicklungsgesellschaft Zollverein mbH, Essen (since 9 March 2016) | | | |

Within Borussia Dortmund GmbH & Co. KGaA there are six independent functional areas below the management level, namely, "Sports", "Sales & Marketing", "Communications", "Human Resources",

"Organisation" and "Finance & Facilities". 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



INTERNAL MANAGEMENT AND CONTROL SYSTEM

Sports management

Despite our financially stable results, we will continue to focus on achieving success on the pitch in future under a budget tuned for performance. To accomplish this objective, Borussia Dortmund will continue to put together a competitive team in 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 has provided the financial flexibility to reinforce the squad – with the goal of establishing a presence in European competitions.

Financial management

Borussia Dortmund uses the result from operating activities and the operating result as indicators for measuring the economic success of the Company. Borussia Dortmund derives its result from operating activities from earnings before interest and taxes (EBIT) and its operating result from earnings before interest, taxes and depreciation and amortisation (EBITDA). The Company continuously monitors both the operating result (EBITDA) and the result from operating activities (EBIT) of the segments on the basis of monthly comparisons of the budgeted and actual figures. To optimise these indicators, the main factors to be leveraged are sales, which can be additionally improved in

the major sales categories of match operations, advertising and TV marketing, and operating expenses, which can be lowered through disciplined 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 (EBITDA) and the result from operating activities (EBIT), the generation of positive cash flows from operating activities is therefore the most important financial objective of our Company. We seek to optimise these cash flows.

In the coming years we will concentrate on generating steady sales growth while limiting operating expenditures. 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.

The management uses the result from operating activities (EBIT), the operating result (EBITDA) and the net income/loss to manage the Company.

CORPORATE STRATEGY

Borussia Dortmund pursues the objective of defending its position 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 listed German football company, we have expanded our financial base by exclusively marketing the rights to SIGNAL IDUNA PARK as well as by utilising and maintaining the Borussia Dortmund brand more effectively. The Company will continue to focus heavily on its core business of professional football and the sport's classic sales pillars: TV marketing, advertising, match operations and merchandising. 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 in Europe.
- A football enterprise can be financially successful only 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, such as the UK, in terms of media exploitation rights. This means that Germany offers 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
- Utilising and maintaining the Borussia Dortmund brand

Financial performance and business development are dependent on footballing success. Since footballing success is difficult to plan, the best that management can do is to create a solid foundation for success. Investments, particularly in the professional squad, are therefore a necessary prerequisite for achieving footballing objectives such as qualifying for the UEFA Champions 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 Group (ending 2026), Evonik Industries AG (ending 2025) and PUMA SE (ending 2020), the Company's chief partners.

Income from international competitions is more difficult to budget for, since it depends solely on the squad's footballing success.

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

POSITION OF THE COMPANY

DEVELOPMENT OF PERFORMANCE INDICATORS

Development of financial performance indicators

In the 2015/2016 financial year, Borussia Dortmund's financial performance indicators – sales, result from operating activities (EBIT), operating result (EBITDA), net income/net loss for the year and cash flows from operating activities – were as follows:

Sales

Sales amounted to EUR 324,320 thousand in the reporting period. In the Annual Report as at 30 June 2015, Borussia Dortmund forecast sales of EUR 265,000 thousand for the current financial year.

EBITDA

The operating result in the current financial year amounted to EUR 74,147 thousand; the forecast for the full financial year in the Annual Report

dated 30 June 2015 had projected EBITDA to exceed EBIT by approximately EUR 48,000 thousand.

EBIT / Net profit/loss for the year

The result from operating activities for the period from 1 July 2015 to 30 June 2016 amounted to EUR 26,400 thousand and the net income for the year totalled EUR 28,262 thousand.

The report on expected developments dated 30 June 2015 forecasted net income and positive EBIT for the full financial year.

Cash flows

Cash flows from operating activities amounted to EUR 29,275 thousand (previous year: EUR 15,878 thousand). The report on expected developments as at 30 June 2015 forecast that cash flows from operating activities would remain level year on year.

Overview of financial performance indicators:

Borussia Dortmund KGaA (HGB)

| EUR '000 | 2015/2016 | 2014/2015 |
|---|-----------|-----------|
| Sales | 324,320 | 232,976 |
| Operating result (EBITDA) | 74,147 | 43,501 |
| Result from operating activities (EBIT) | 26,400 | 2,787 |
| Net income for the year | 28,262 | 2,426 |
| Cash flows from operating activities | 29,275* | 15,878* |

* Taking into account the amendments to GAS 21.

Development of non-financial performance indicators

It is not possible to comprehensively assess Borussia Dortmund's entrepreneurial actions purely on the basis financial indicators. Economic success is also linked directly to non-financial performance indicators and vice versa. Borussia Dortmund conducts numerous non-financial-related activities.

In this day and age, key performance indicators extend beyond traditional monetary indicators to include new media and the reach of the Company's brand in social media. Borussia Dortmund also leverages these networking opportunities in order to increase its brand recognition and establish a broad national and international fan base. As at the end of the financial year, the number of "likes" on the club's Facebook page had increased by 1.5% to an impressive 14.4 million. Borussia Dortmund has 2.4 million fans on Instagram and another 2.1 million followers on Twitter. Its targeted internationalisation strategy allowed Borussia Dortmund not only to open profitable fan shops in Asia, but also to establish a presence of more than one million followers on Sina Weibo and Tencent Weibo, China's largest microblogging websites. Borussia Dortmund has a total following of 21.6 million people across all digital and social media platforms, including YouTube, Google and others, representing a total year-on-year increase of approximately 3.9 million followers. Borussia Dortmund also follows a "mobile first" strategy, meaning that the club is continuously improving and updating the content of its app.

However, although the digital realm is often considered one of the most important non-financial performance indicators, Borussia Dortmund also scores points elsewhere. The club's commitment to "doing good", combating racism and helping those in need are a reflection of the Company's CSR efforts, which are not motivated by profits or other financial considerations. The Solidarfonds Stiftung presented Borussia Dortmund with its Ehren Award, a testament to the club's commitment to its community and to being accessible to individuals of all ages, educational backgrounds and walks of life. Solidarfonds Stiftung commended in particular the work of the club's "leuchte auf" non-profit foundation.

However, Borussia Dortmund is particularly committed to people within its own organisation as well. The club's focus on mentoring young, up-and-coming players also highlights its outstanding youth outreach work as a cornerstone of the Company's general and long-term strategy. BVB's youth academy was recently certified on the basis of various criteria and awarded the highest rating of three stars. Looking after its employees is also one of the club's top priorities. Employee satisfaction, headcount and turnover are directly linked to the Company's economic success. By establishing a new HR department, Borussia Dortmund demonstrates that it understands this correlation. Internal employee surveys and special events and activities for employees also highlight the club's commitment and aspects of its business success that are not motivated by money.

RESULTS OF OPERATIONS

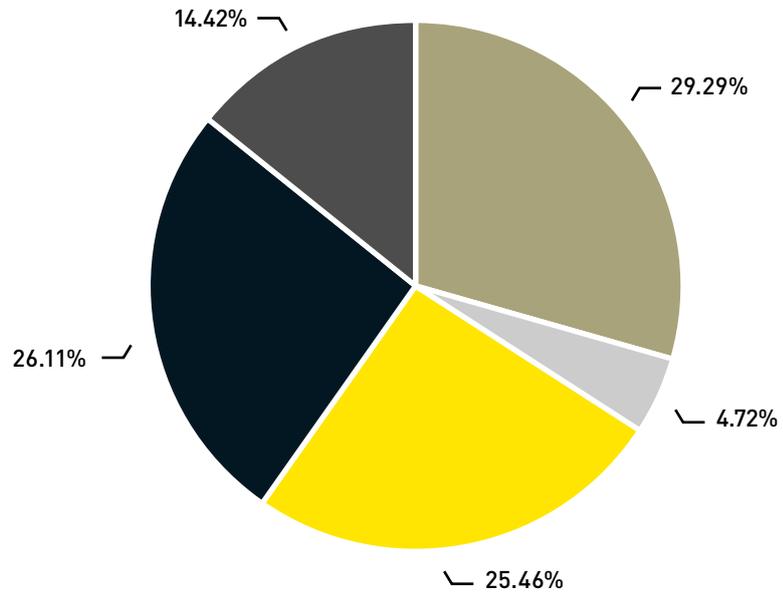
After finishing in seventh place in the 2014/2015 Bundesliga season – and thus only guaranteeing the club a spot in the qualifying round of the UEFA Europa League – Borussia Dortmund not only got off to a successful start in the new season with victories in the two qualifying matches for the UEFA Europa League and a win against Borussia Mönchengladbach in the Bundesliga, but also underscored the squad's domestic and international class as it cruised to 41 wins in 56 competitive matches during the course of the season. As well as finishing in second place in the Bundesliga and thus directly qualifying for the group stage of the coming UEFA Champions League season, contesting the DFB Cup final and reaching the quarter-finals of the UEFA Europa League, transfer deals at the end of the financial year more than offset the income lost from not competing in the UEFA Champions League and helped Borussia Dortmund further strengthen its financial base.

During the reporting period (1 July 2015 to 30 June 2016), Borussia Dortmund generated sales of EUR 324,320 thousand (previous year: EUR 232,976 thousand) and gross revenue of EUR 327,117 thousand, an increase of EUR 77,621 thousand (31.11%) on the previous financial year.

Borussia Dortmund generated net income of EUR 28,262 thousand during the 2015/2016 financial year (previous year: EUR 2,426 thousand).

Borussia Dortmund ended the reporting period from 1 July 2015 to 30 June 2016 with earnings before taxes of EUR 32,943 thousand (previous year: EUR 3,291 thousand). In financial year 2015/2016, the result from operating activities (EBIT) amounted to EUR 26,400 thousand, up EUR 23,613 thousand on the previous year. During the current reporting year, the operating result (EBITDA) amounted to EUR 74,147 thousand, up EUR 30,646 thousand on the previous year.

Sales in percent



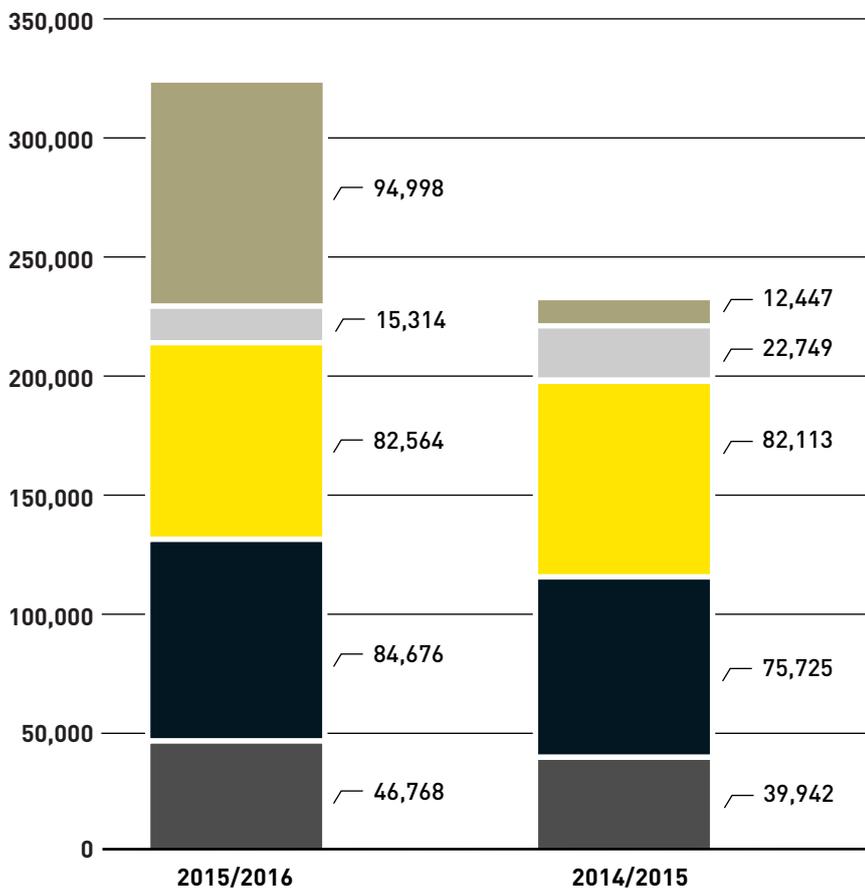
- Transfer deals
- Conference, catering, miscellaneous
- TV Marketing
- Advertising
- Match operations

SALES TREND

Borussia Dortmund generated sales of EUR 324,320 thousand in the 2015/2016 financial year. Sales increased by a total of 39.21% primarily due to the

higher number of transfer deals, the increase in revenue from advertising and match operations, and the nearly identical revenue from TV marketing.

Sales in EUR '000



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

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

Income from match operations

Income from match operations increased by EUR 6,826 thousand to EUR 46,768 thousand in financial year 2015/2016.

Moderate price increases at the beginning of the season along with the fact that the club again sold 55,000 season tickets (of which only 94 were not renewed) and that attendance at SIGNAL IDUNA PARK was at near capacity despite the preponderance of Sunday matches, all contributed to sales from Bundesliga ticket sales once again increasing by EUR 252 thousand to EUR 27,109 thousand.

Borussia Dortmund generated sales of EUR 13,438 thousand (previous year: EUR 7,365 thousand) from the sale of standard and hospitality tickets for the total of eight home matches that the club contested during the two qualifying rounds through to the quarter-finals of the UEFA Europa League. Borussia Dortmund hosted four more matches at SIGNAL IDUNA PARK than it did in the previous year, when the club reached the round of 16 of the UEFA Champions League.

For the third year running, Borussia Dortmund advanced to the final of the DFB Cup in Berlin. Income from ticket sales for the DFB Cup decreased by EUR 732 thousand to EUR 3,727 thousand due primarily to the club not contesting the Super Cup during the reporting period.

In July 2015, Borussia Dortmund travelled to Asia for the first time since 2007. In addition to stops in Japan, Singapore and Malaysia, the schedule also included two test matches. With these and other pre-season test matches, the sales that Borussia Dortmund generated from friendlies amounted to EUR 2,326 thousand, representing a year-on-year increase of EUR 1,411 thousand.

Income from advertising

In the financial year ended, Borussia Dortmund again increased its advertising income by 11.82%

to EUR 84,676 thousand (previous year: EUR 75,725 thousand), representing a share of 26.11% of total sales.

In addition to its primary sponsor, Evonik Industries AG, the holder of the stadium's naming rights, SIGNAL IDUNA Holding AG, and the kit supplier, Puma SE, Borussia Dortmund's Champion Partners during the 2015/2016 financial year were Adam Opel AG, Hankook Reifen Deutschland GmbH, HUAWEI TECHNOLOGIES Deutschland GmbH, Radeberger Gruppe KG, Sparda Bank West eG, SPREHE Geflügel- u. Tiefkühlfeinkost Handels GmbH & Co. KG, Turkish Airlines Inc., Unitymedia NRW GmbH, WIL0 SE and SIGNAL IDUNA Holding AG.

Furthermore, Borussia Dortmund gained additional sponsors in Asia as a result of the marketing activities in connection with the club's Asia tour in July 2015. In light of the club's rapidly growing appeal in Asia, Borussia Dortmund opened its first representative office outside of Germany in Singapore in October 2014. Among other things, the office is responsible for establishing and maintaining ties with local companies.

Advertising income also included bonuses for advancing to the group stage, knockout phase and quarter-finals of the UEFA Europa League and the final of the DFB Cup in Berlin, as well as for finishing the season in second place in the standings, thus qualifying directly for the group stage of the 2016/2017 UEFA Champions League season.

Income from TV marketing

In financial year 2015/2016, income from domestic and international TV marketing represented 25.46% of sales and increased by EUR 451 thousand year on year to EUR 82,564 thousand despite the fact that the club failed to qualify for the UEFA Champions League. The income lost from not competing in the UEFA Champions League was almost fully offset by the income from international TV marketing for Bundesliga matches, which is determined on the basis of the UEFA coefficient that Borussia Dortmund earned over the previous five seasons, and a higher TV advertising distribution.

Income from domestic TV marketing amounted to EUR 60,848 thousand, representing a year-on-year increase of EUR 17,232 thousand. Borussia Dortmund maintained its number-two ranking in the five-year evaluation despite finishing in seventh place in the 2014/2015 season. The basis for calculating the distribution continues to be the money distribution list, which ranks the clubs proportionate to their standings in the previous five seasons. Due to Borussia Dortmund's successful performances in international club competitions over the previous five seasons and the resulting improvement in its UEFA coefficient ranking, as well as the increase in income from international TV marketing for Bundesliga matches, the distribution from international TV marketing for Bundesliga matches rose by approximately 206% in the financial year ended.

By contrast, the income from international TV marketing declined in financial year 2015/2016. During the reporting period from 1 July 2015 to 30 June 2016, this sales item amounted to EUR 17,233 thousand (previous year: EUR 32,502 thousand) and includes distributions for competing in the eight rounds of the 2015/2016 UEFA Europa League season as well as surplus sales from the previous year.

UEFA distributions for the UEFA Europa League are structured in virtually the same way as the pay-outs for the UEFA Champions League. They include the market pool's participation and match bonuses as well as performance-based bonuses. The market pool, in turn, is divided into two parts: Part A is based on the standings for the most recent Bundesliga season; Part B, in contrast to the UEFA Champions League, is divided into six parts, representing the number of individual rounds from the group stage to the final. In turn, these six rounds are split into the total number of country associations that have at least one club participating in the respective round. The weighting is based on the proportional value of the respective TV market.

Borussia Dortmund once again reached the final of the DFB Cup in Berlin, but failed to qualify for the 2015 Super Cup after being eliminated from

the DFB Cup in the 2014/2015 season. Borussia Dortmund won the Super Cup in 2014. Due to the income lost from not competing in the Super Cup, income from national cup competitions amounted to EUR 4,440 thousand (previous year: EUR 5,971 thousand).

Transfer income

In financial year 2015/2016, Borussia Dortmund generated income from transfer deals amounting to EUR 94,998 thousand (previous year: EUR 12,447 thousand). For the first time, this sales item makes up the largest share (29.29%) of total sales.

In financial year 2014/2015, income from transfer deals amounting to EUR 12,447 thousand was attributable primarily to the departures of Julian Schieber (Hertha BSC Berlin), Ji Dong-Won (FC Augsburg), Mitch Langerak (VfB Stuttgart) and Milos Jojic (1. FC Cologne) as well as the loans of Jonas Hofmann (1. FSV Mainz 05) and Marvin Ducksch (SC Paderborn). During the reporting period from 1 July 2015 to 30 June 2016, Borussia Dortmund's income from transfer deals was due mainly to the sale of Mats Hummels (FC Bayern Munich), Ilkay Gündogan (Manchester City), Kevin Kampl (Bayer 04 Leverkusen), Ciro Immobile, who was initially loaned out (Sevilla FC), Jonas Hofmann (Borussia Mönchengladbach), Kevin Großkreutz (Galatasaray Istanbul), Oliver Kirch (SC Paderborn), Marvin Ducksch (FC St. Pauli) and Jeremy Dudziak (FC St. Pauli) as well as the loan of Jakub Blaszczykowski (ACF Fiorentina).

Conference, catering and miscellaneous income

In the financial year ended, conference, catering and miscellaneous income decreased by EUR 7,435 thousand to EUR 15,314 thousand and also included sales from advance booking fees, rental and lease income and release fees for national team players.

In the current financial year, advance booking fees and postage increased by EUR 688 thousand and now amount to EUR 4,918 thousand, due primarily to the increased number of home matches.

Since 1 July 2015, conference and catering sales comprises the hospitality areas and income from events. Conference and catering sales amounted to EUR 3,126 thousand, representing a significant year-on-year decrease of EUR 8,111 thousand. In contrast to sales generated from hospitality services, which are part of the agreements with sponsors and thus continue to be the responsibility of Borussia Dortmund GmbH & Co. KGaA, public catering services on the circulation levels and the provision of food and beverages to spectators at home matches in and around SIGNAL IDUNA PARK has been the responsibility of BVB Event & Catering GmbH since 1 July 2015 and are no longer reported by Borussia Dortmund GmbH & Co. KGaA.

During the reporting period from 1 July 2015 to 30 June 2016, miscellaneous income, which also includes the Evonik football academy and rental and lease income, remained virtually level at EUR 4,146 thousand (previous year: EUR 4,173 thousand).

Income from release fees for national team players called up for the German national team's matches amounted to EUR 3,124 thousand, representing a year-on-year increase of EUR 15 thousand. In addition to veterans such as Mats Hummels, Ilkay Gündogan, Marco Reus and Matthias Ginter, Julian Weigl made his debut for the national team and was later also nominated for Germany's European Champion squad.

Other operating income decreased by EUR 13,723 thousand year on year to EUR 2,797 thousand and includes prior-period income of EUR 840 thousand (previous year: EUR 1,077 thousand) and insurance reimbursements. The decline in operating income is due primarily to insurance reimbursements. The reimbursements were included in the prior-year figure and served to hedge against the economic risks stemming from the club failing to qualify for the group stage of the 2015/2016 UEFA Champions League season.

DEVELOPMENT OF SIGNIFICANT OPERATING EXPENSES

Personnel expenses

Personnel expenses amounted to EUR 128,996 thousand in financial year 2015/2016, up EUR 19,997 thousand from the previous year.

Personnel expenses for the professional squad and for the coaching and support staff increased by 17.66% year on year. In addition to the budget for the professional squad, personnel expenses includes bonuses based on the club's success in the UEFA Europa League and for advancing to the final of the DFB Cup in Berlin. Furthermore, Borussia Dortmund secured 78 points and second place in the Bundesliga, thus qualifying directly for the group stage of the 2016/2017 UEFA Champions League season.

In the reporting period, personnel expenses related to the retail and administration areas increased by EUR 3,096 thousand year on year to EUR 11,559

thousand. This increase was attributable to bonuses, special payments and the expansion of individual areas.

Personnel expenses in relation to amateur and youth football amounted to EUR 6,503 thousand during the current 2015/2016 financial year (previous year: EUR 6,249 thousand).

Depreciation, amortisation and write-downs

Depreciation, amortisation and write-downs rose by EUR 7,033 thousand to EUR 47,747 thousand in the reporting period.

During the period from 1 July 2015 to 30 June 2016, intangible fixed assets – which consist primarily of Borussia Dortmund's professional squad – were amortised in the amount of EUR 39,402 thousand (previous year: EUR 32,963 thousand).

Despite the signings of Gonzalo Castro, Julian Weigl, Joo-Ho Park and Roman Bürki, write-downs for depreciation and amortisation decreased by EUR 1,031 thousand to EUR 31,932 thousand due in part to the sale of Kevin Kampl and Oliver Kirch at the beginning of the financial year. Furthermore, depreciation and amortisation included a EUR 7,469 thousand write-down of an intangible fixed asset to its fair value.

Depreciation and write-downs of tangible fixed assets rose by EUR 7,751 thousand to EUR 8,345 thousand. This was attributable primarily to investments in SIGNAL IDUNA PARK, the expansion of the Regulars Table and renovations at the August Lenz House, the training ground and the youth training centre (Strobelallee 81).

Other operating expenses

Other operating expenses increased by EUR 26,978 thousand from EUR 96,996 thousand in the previous year to EUR 123,974 thousand in the reporting period.

This was due mainly to expenses related to transfer deals involving the players Kevin Kampl, Oliver Kirch, Ciro Immobile, Marian Sarr, Mats Hummels and Ilkay Gündogan and their residual carrying amounts.

Expenses from match operations also increased, from EUR 41,134 thousand to EUR 42,979 thousand. This was attributable to the increase in the number of home matches during the financial year and the resulting expenses at SIGNAL IDUNA PARK as well as travel to the four additional international matches.

Advertising expenses also increased, from EUR 21,582 thousand to EUR 23,685 thousand. As in previous years, this was due primarily to performance-related agency commissions to Lagardère Sports Germany GmbH (formerly SPORTFIVE GmbH).

Financial result

In financial year 2015/2016, the financial result amounted to EUR 6,543 thousand (previous year: EUR 504 thousand) and is made up as follows:

In addition to income from long-term equity investments (EUR 547 thousand) attributable to the long-term equity investment in besttravel dortmund GmbH, and income from profit and loss transfer agreements (EUR 6,688 thousand), primarily from the profits transferred by BVB Merchandising GmbH and BVB Event & Catering GmbH, the financial result included short-term interest on call money balances, other interest income and compound interest. By contrast, other interest expenses amounted to EUR 813 thousand (of which from discounting: EUR 747 thousand).

ANALYSIS OF CAPITAL STRUCTURE

Taking into account net income for the year, Borussia Dortmund's equity amounted to EUR 347,487 thousand as at 30 June 2016. This corresponds to an equity ratio of 80.36% (previous year: 82.88%). The increases in equity is due primarily to the net income for the year of EUR 28,262 thousand.

Liabilities increased by EUR 12,798 thousand as compared to the figures at the previous year's balance sheet date. The breakdown of the increase is described in the following:

Trade payables amounted to EUR 14,137 thousand, down EUR 1,350 thousand from the value as at

30 June 2015; liabilities to affiliated companies increased slightly year on year to EUR 1,544 thousand.

Other liabilities increased by EUR 13,615 thousand to EUR 22,830 thousand. This was attributable primarily to staff-related liabilities not yet due and the EUR 7,386 thousand increase in wage and value added tax liabilities as at the reporting date.

Deferred income decreased by EUR 3,992 thousand. This reflects the annual amortisation of advance payments for agency and marketing rights.

ANALYSIS OF CAPITAL EXPENDITURE

In the past financial year, Borussia Dortmund invested EUR 34,663 thousand in intangible fixed assets. This amount was invested almost entirely in the player base.

Cash payments for tangible fixed assets during the same period amounted to EUR 8,756 thousand and primarily included fixtures and expansions at SIGNAL IDUNA PARK.

ANALYSIS OF LIQUIDITY

As at 30 June 2016, Borussia Dortmund held unrestricted cash funds of EUR 49,682 thousand. Borussia Dortmund also had access to an additional EUR 15,000 thousand in overdraft facilities which had not been drawn down as at the balance sheet date.

Proceeds from the sale of player registrations amounted to EUR 14,918 thousand in the past financial year. Payments for investments in the professional squad amounted to EUR 34,334 thousand.

Cash flows from operating activities amounted to EUR 29,275 thousand and is calculated as follows:

| EUR '000 | 2015/2016 | 2014/2015 |
|---|---------------|---------------|
| Net income/net loss for the period | 28,262 | 2,426 |
| + Depreciation, amortisation and write-downs of fixed assets | 47,747 | 40,714 |
| + Non-cash expenses and income | -4,668 | -3,915 |
| +/- Increase/decrease in provisions | 4,889 | -795 |
| Interest expense | 813 | 6,181 |
| Interest income | -121 | -226 |
| Income tax expense | 4,432 | 584 |
| Other investment income | -547 | -323 |
| - Gains on disposal of fixed assets | -74,256 | -7,344 |
| - Increase in inventories, trade receivables and other assets not attributable to investing or financing activities | 6,296 | -13,600 |
| - Decrease in trade payables other liabilities not attributable to investing or financing activities | 16,507 | -7,624 |
| Interest received | | |
| Income taxes paid | -79 | -200 |
| = Cash flows from operating activities | 29,275 | 15,878 |

NET ASSETS

Borussia Dortmund's total assets increased from EUR 390,694 thousand to EUR 432,406 thousand. Fixed assets decreased by EUR 30,460 thousand, attributable in particular to disposals of player registrations and depreciation and amortisation.

Receivables and other assets increased from EUR 33,233 thousand to EUR 91,384 thousand, which was attributable primarily to transfer receivables not yet due.

In addition to prepayments for other services, pre-paid expenses include primarily prepayments for personnel expenses amounting to EUR 12,709 thousand (previous year: EUR 637 thousand) and prepayments for consulting fees and agency commissions amounting to EUR 6,778 thousand (previous year: EUR 50 thousand).

OVERALL ASSESSMENT OF FINANCIAL POSITION AND PERFORMANCE AND BUSINESS DEVELOPMENT

Borussia Dortmund ended the 2015/2016 financial year with net income for the year of EUR 28,262 thousand.

Taking into account the net income for the year, the equity ratio is calculated at 80.36%. As at 30 June 2016, Borussia Dortmund held unrestricted cash funds of EUR 49,682 thousand. As

at the balance sheet date, Borussia Dortmund had access to an additional EUR 15,000 thousand in overdraft facilities which had not been drawn down.

Overall, business development during financial year 2015/2016 was positive.

REMUNERATION REPORT

The structure of the management remuneration system is defined 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 setting the remuneration of the individual executives and for defining the appropriate amount of remuneration. The appropriate remuneration level is defined in particular on the basis of the specific executive's responsibilities and performance, as well as on the basis of Borussia Dortmund's financial position, performance and future prospects.

Executive remuneration consists of two components: a fixed amount and a variable component. The fixed component is stipulated by contract, takes into account the sporting success achieved and is paid out in twelve equal monthly instalments. The variable 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 the 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 12 thousand (unchanged); 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.

The sections below focus on possible future developments or events which could cause Borussia Dortmund to perform either better than expected (opportunities) or worse than expected (risks). The respective impact of opportunities and risks are generally presented separately and are not offset against one other. Generally speaking, risks and opportunities are assessed over a mid-length term of two years. All risks of loss to which the Company is exposed (individual and cumulative risks) are monitored and managed within the risk management system.

The consolidated group for risk management purposes is identical to the consolidated group in the consolidated financial statements

A functioning control and monitoring system is essential for identifying risks early and for assessing and counteracting them. 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 immediately. 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.

The currency and detail of the regular risk reports given to the governing bodies of Borussia Dortmund keep them informed of the Group's current risk profile.

This ensures that the Company's decision-makers have adequate flexibility to be able to monitor and manage risks.

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 potential consequences.

Each risk is given a qualitative rating of between 1 and 4, with 1 indicating a low level of risk and 4 indicating a very high level of risk.

A risk impact assessment is carried out both before and after the identification and development of countermeasures to reduce the risk. The risk impact assessments are weighted before and after countermeasures based on a ratio of 1:2, with weighting prioritising the probability and consequences of each risk after countermeasures take effect. In mathematical terms, the risk impact assessment (before countermeasures) is derived by adding the probability of the risk and its consequences before countermeasures, while the assessment (after countermeasures) is derived by adding the probability of the risk and its consequences, and multiplying this figure by two.

Example

| | | | |
|--------------------------------|---|-----------|-----------|
| Before countermeasures: | | | |
| Probability | 2 | 2+3=5 | 5 |
| Consequences | 3 | | |
| After countermeasures: | | | |
| Probability | 1 | | |
| Consequences | 2 | (1+2)x2=6 | 6 |
| TOTAL | | | 11 |

If the assessment of an individual risk falls within the top third of the scale (a score of 17 to 24), Borussia Dortmund classifies it as a high priority risk. Particular attention is paid to such risks, since they are capable of having a material adverse and long-term effect on the Company's assets, liabilities, financial position and profit or loss. There are currently 17 (previous year: 19) risks that are classified as high priority.

The currency and detail of the regular risk reports given to the governing bodies of Borussia Dortmund keep them informed of the Group's current risk profile.

This ensures that the Company's decision-makers have adequate flexibility to be able to monitor and manage risks.

Categorisation of risks

In accordance with the recommendations under German Accounting Standard DRS 20, and to ensure ease of reference, Borussia Dortmund divides its risks into seven main categories, which are explained in greater detail below.

All 46 risks that could have a direct impact on the Company fall within these categories. The following is a discussion of the 17 high priority risks in their respective categories.

Category 1 – strategic risk

We define strategic risk as risk arising from incorrect business decisions, poor implementation of decisions or the inability to adapt to changes in the corporate environment. Strategic risk also arises from unexpected changes in market conditions and the environment in which the Company operates, which bring with them negative consequences for the

Company's assets, liabilities, financial position and profit or loss.

This category includes three high priority risks:

The first is the risk created by the conflicting goals of sporting and commercial success, where conservative corporate planning can conflict with the promotion of and investment in sporting development. Financial performance and business development are largely dependent on footballing success. The highest priorities for developing the club's core business will be making the club more competitive and improving its infrastructure. Therefore, the Group will invest in particular in the professional squad as well as SIGNAL IDUNA PARK, the adjoining infrastructure and the training ground. However, in order to mitigate and avoid financial risk, Borussia Dortmund will pursue a conservative and extremely prudent capital expenditure strategy and will not count on any uncertain sporting successes.

On account of the two corporate actions and the resulting improvement of equity as well as its strategic partnership with key sponsors, Borussia Dortmund is in a position to remain profitable even in years where the squad enjoys less footballing success. Borussia Dortmund further counters this risk by setting strict budgets for the individual divisions and undertaking corporate planning on a revolving basis using various planning scenarios.

The fact that financial planning is dependent on sporting success gives rise to another risk, namely that failing to achieve planned sporting objectives could lead to a lack of adequate income or cash funds. Several years ago, Borussia Dortmund introduced an integrated planning system that takes into account the development of liquidity in addition to the income statement and balance sheet. The expectations for sporting success have only increased following the achievements of recent years. Corporate planning (realistic case scenario) thus includes predefined objectives for the season. The integrated planning system allows the management to identify at an early stage what the effects of failing to meet the set objectives would be and to prepare any countermeasures, if necessary.

The third risk in this category is the risk associated with the performance of Borussia Dortmund's shares. The Group is very conscious of this risk and continually analyses the Company's value on the capital market and the consequences of it being undervalued. A key component of this risk is the impact of these factors on potential corporate action in the future and the Company's appeal to business partners. This risk is countered through continual communication with the capital market. In addition, Borussia Dortmund has been listed on the Prime Standard segment of the Frankfurt Stock Exchange since 30 May 2014. Furthermore, the Company increased the number of institutional investors and funds in part by participating in more roadshows. The objective continues to be attaining and securing a high share price.

The risk that the DFB/DFL might attempt to exert an influence over the club or impose restrictions or sanctions – which was classified as a high-priority strategic risk in the previous year – does not apply since DFL Deutsche Liga GmbH and the DFB currently have not, in response to business matters, imposed any restrictions or sanctions that could represent a risk for Borussia Dortmund.

Category 2 – personnel risk

The importance of human resources to companies is growing. The Company's success is largely dependent on the commitment, motivation and skills of both its sporting personnel and managerial/administrative staff.

This category includes three high priority risks: The importance of protecting confidential information continues to grow. With knowledge of the Company's internal affairs, staff could procure benefits, or other parties could cause serious damage to the Company or its very existence. Information could also be used in order to influence the Company's value on the stock exchange. The risks associated with the above are lessened thanks to the implementation and control of effective authorisation concepts, coding, and the use of data encryption technology.

Periods during which professional players are unable to play (rest periods) are seen as a further risk. They can have a massive impact on the Company's success, because they mean that team managers are unable to play the best possible team for the entire season, putting sporting goals in jeopardy. The reasons for rest periods include personal match bans, injury or even excessive stress. To reduce this risk, Borussia Dortmund specifically works towards strengthening all positions in the team.

If established case law changes with the effect that player contracts can no longer be limited in term, this would create a risk with diverse ramifications for Borussia Dortmund.

Any such change would have far-reaching consequences, even though Borussia Dortmund already concludes long-term player contracts with a view to ensuring stability in its human resources planning. There is a current precedent for this risk, a case against FSV Mainz 05 in which the Bundesliga club has lodged an appeal. Borussia Dortmund is in constant communication with the relevant persons within the DFB and at DFL in relation to this risk. Pending further notice, fixed-term employment contracts are presently permitted in professional football.

Category 3 – macroeconomic risk

Macroeconomic risk arises as a result of Borussia Dortmund's dependence on general economic and political developments.

This category includes five high priority risks: Borussia Dortmund has classified unfavourable macroeconomic developments, particularly high unemployment and slow economic growth, as the first risk in this category. Leading economists are sceptical as far as economic development in Germany is concerned. Accordingly, in the Joint Economic Forecast for spring 2016, economic research institutes revised their previous forecast for growth, from 1.8% to approximately 1.6%. This is according to Reuters news agency, which cited several individuals familiar with the data and information contained in the spring forecast. In comparison, Europe's

largest economy grew 1.7% as recently as 2015. These factors can cause a significant change in consumer behaviour and negatively affect the Group's income. In order to manage this risk, the market is constantly monitored and cost structures are adjusted to match declines in sales.

The risk of right-wing extremism is a societal risk that can have a direct impact on the corporate environment, particularly because of the platform that matches offer for extremist activity, with the large number of spectators and the media attention. A consequence of this risk would be damage to reputation and an associated decline in interest on the part of business partners such as sponsors, investors and fans. Borussia Dortmund counters this risk by clearly communicating that racism and discrimination have no place at Borussia Dortmund, and by working daily to combat right-wing attitudes and reprehensible slogans. Enhanced security checks and camera surveillance have been implemented, and, where necessary, individuals are banned from stadiums or charged with criminal offences.

The increased willingness of certain individuals to commit violence at stadiums is an additional risk that could harm the Group, because apart from the damage to image it could cause and the sanctions imposed by the associations, it could cause spectators to stay away from matches. This risk is also being countered with enhanced security checks and camera surveillance as well as stadium bans and the threat of criminal charges.

There is a recurring discussion about who should shoulder the costs incurred by government organisations, particularly the police, for providing security at home matches. Passing these costs on to the Bundesliga clubs would present an earnings and liquidity risk for those clubs, Borussia Dortmund included. In light of the ongoing discussion, North Rhine-Westphalia has already reduced its police presence from some 350 to approximately 250 officers for "normal" league matches at SIGNAL IDUNA PARK.

The categorisation of social media activities as a high priority risk reflects the fact that new technologies not only have potential for development, they also harbour risk potential. The risk entails damage to reputation as a result of targeted campaigns, as well as trademark and copyright infringements. To minimise this risk, mentions of the Company on the Internet and on social media networks are viewed, and the light in which the Company is presented is checked.

Category 4 – competitive risk

Competitive risk relates to factors stemming from competition in the domestic and international professional football business.

This category includes four high priority risks:

The risk of being relegated to the second Bundesliga is a risk that would result in a significant negative financial impact. The response to this risk has been to draw up worst case scenarios on the assumption of relegation, and to enter into more flexible and more heavily performance-based contracts.

The risk that key players might switch clubs could jeopardise the attainment of sporting goals. Even though success is rarely due to the efforts of one player alone, a team can quickly become weaker if key players, or play-makers, leave. Borussia Dortmund has therefore adopted the strategy of renewing contracts with key players early, thereby securing those players for the long term. The transfer policy has evolved as the club's footballing success has grown in recent years, a development that is reflected in the higher transfer fees being paid for players. Other top European clubs will take an interest in and attempt to sign these top-class and successful players.

The risk of failing to comply with the Financial Fair Play rules and potential exclusion from international competitions or potential financial sanctions would have serious financial consequences for Borussia Dortmund. To minimise this risk therefore, compliance with the relevant requirements and target/actual comparisons are constantly reviewed.

The fourth risk in this category is the risk of a potential stadium catastrophe, the consequences of which could be wide and varied and entail significant cost, and also cause lasting damage to the Company's image. The Company responds to this risk by regularly checking the quality and reliability of security staff and training them in the prevention of various catastrophes. In addition, the admission gates are under surveillance and the existing level of insurance cover is regularly reviewed. Furthermore, an external auditor was engaged to audit the establishment, implementation and effectiveness of key measures and controls introduced for the security staff. The audit largely confirmed the implementation of the measures and their controls as at 30 April 2016 as well as their effectiveness in the period from 1 August 2015 to 30 April 2016. Borussia Dortmund increased security measures at its home matches following the terrorist attacks in Paris and Brussels as well as the cancellation of the international match in Hanover. In addition to conducting more thorough searches and controls, the club will also deploy metal detectors at the stadium. The topic of security was discussed on multiple occasions with all relevant authorities, in particular the police. Additional security measures will be implemented and conducted behind closed doors so as to not compromise their effectiveness. These measures are covered in a multi-page internal report.

Category 5 – liquidity risk

Liquidity risks include all risks in connection with cash flows and financial burdens.

This category includes two high priority risks: A potential loss of significant financial backers and sponsors is also included in this risk category. The insolvency of key business partners could place significant burdens on liquidity. In order to minimise the risk of losing sponsors, Borussia Dortmund implemented an accounts receivable management system several years ago, the objective of which is to keep bad debts to a minimum and to ensure that the Company has the liquidity it needs at all times.

Fewer footballing successes generally translate to reductions in sales, while the fixed components of player salaries remain constant.

The risk associated with the volume of player salaries means that it is likely that it will not be possible for the variable portions to offset the reductions in sales. In order to steer this risk, personnel expenses are constantly monitored using appropriate indicators and a bonus system which is aligned with the Group's strategies has been implemented.

The risk of insolvency is no longer classified as a high priority risk. Borussia Dortmund currently holds unrestricted cash and cash equivalents as well as a potential unrestricted overdraft facility. Furthermore, Borussia Dortmund has not planned any material investments that could jeopardise the Company's liquidity.

Category 6 – interest rate risk

The Group is not presently exposed to any high-priority risks in this category.

Category 7 – credit risk

The Group is not presently exposed to any high-priority risks in this category.

OPPORTUNITIES

Qualifying for the UEFA Champions League guarantees Borussia Dortmund international TV marketing income as well as additional income from match operations that the club can expand by advancing in the competition. In order to successfully compete on the international stage and in the UEFA Champions League, Borussia Dortmund rebuilt its squad this year. The club invested nearly EUR 100 million to sign a mix of experienced, top-quality players and young talent. On the other hand, the highly successful coaching staff was purposefully left intact in order to further optimise the structures put in place in the past year. The combination of the familiar coaching staff and a young, ambitious squad that includes key players has caught the attention of the media and fans alike. Interest in Bo-

russia Dortmund has not waned, meaning that demand for match and hospitality tickets continues unabated. This is another key component of Borussia Dortmund's economic success.

The club continues to pursue promising strategies off the pitch as well. In line with its targeted and sustainable internationalisation plans, Borussia Dortmund will embark on another tour of Asia in July 2016 in order to build on the success of the previous year's tour.

By investing in the player base, implementing highly professional support structures for the squad, tapping new markets and maintaining its presence in its established markets, Borussia Dortmund is setting the course for another successful season.

OVERALL ASSESSMENT OF THE RISKS AND OPPORTUNITIES

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

EXPECTED EARNINGS TREND

Borussia Dortmund successfully qualified for the upcoming 2016/2017 UEFA Champions League season, marking its return to the world's premier club football competition. This not only stands as a testament to the club's sporting success in the previous season and the establishment of a new coaching staff, but also to the growing sales base. In addition, Borussia Dortmund again demonstra-

ted its economic stability during the year as it generated net income for the year for a sixth consecutive time.

A solid foundation paired with a promising shift in Borussia Dortmund's transfer policy allows the club to take a conservative yet optimistic approach for the coming financial year.

EXPECTED GENERAL ECONOMIC ENVIRONMENT

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

The income from marketing the Bundesliga on television can be planned with certainty. The basis for calculating the distribution continues to be the money distribution list, which ranks the clubs proportionate to their standings in the previous five seasons. In particular, the distribution from international TV marketing for Bundesliga matches will increase in the coming financial year on account of the club's success in international competitions in the previous five seasons.

A majority of the advertising income in the coming years is already fixed due to the club's long-term partnerships with the primary sponsor, the equipment supplier, the holder of the stadium's naming rights, Champion Partners and other partners. Moreover, there is every indication that the club will again sell out its tickets for the hospitality areas. Attendance at SIGNAL IDUNA PARK has also continued to improve during the past five seasons and stands at nearly 100%. The number of advance tickets that fans can order has to be partially regimented on account of the high number of season tickets and the steady rise in demand for match tickets.

Generally, Borussia Dortmund does not plan on transfer income; however, given Borussia Dortmund's sustained success, its players are piquing the interest of other top clubs. Based on the current financial strength of foreign clubs in particular, it is possible that value-driven transfers will be concluded contrary to the Company's sporting interests.

EXPECTED RESULTS OF OPERATIONS

Expected earnings trend

Based on conservative estimates, the management of Borussia Dortmund expects to generate net income in financial year 2016/2017. However, the exact result depends to a large extent on the club's sporting success and is therefore very difficult to plan. The positive sales effects from the previous year allowed Borussia Dortmund to be highly active during the summer transfer window and sign eight new players for the upcoming season. More than EUR 100 million was invested in the squad in an effort to largely curtail the risk stemming from sales sources that depend on the club's sporting success and are therefore very difficult to plan. However, this also significantly and negatively impacts depreciation, amortisation and write-downs. Consequently, net income for the year and EBIT are expected to be in the low seven-figure range. Depreciation, amortisation and write-downs are expected to amount to EUR 58,000 thousand, with the operating result (EBITDA) forecast to exceed the result from operating activities (EBIT) by this amount.

Expected sales trend

Based on conservative estimates, Borussia Dortmund expects to generate sales of EUR 285,000 thousand in the coming financial year. This represents a year-on-year decrease of approximately EUR 39,000 thousand and is attributable primarily to the high level of sales generated from transfer deals during the 2015/2016 financial year. However, the Company's other sales items are expected to increase in the coming financial year.

Expected trend for significant operating expenses

Cost management continues to be Borussia Dortmund's highest priority. The objective is to specifically manage and continually monitor risks in order to avoid or minimise these.

Operating expenses are linked directly to the number of matches played and the club's performance in competitions, meaning that these are always contingent upon the club's footballing success.

Personnel expenses are also largely dependent upon the club's sporting success, because the professional squad is compensated on the basis of its performance, meaning that only those expenditures commensurate with the club's success are expected.

Borussia Dortmund expects personnel expenses to increase in the coming financial year due to the strengthening of the squad with quality players.

EXPECTED DIVIDENDS

The management will recommend to the Annual General Meeting that it resolve to use the net retained profits of EUR 28,262 thousand for financial year 2015/2016 to distribute a dividend of EUR

0.06 per share carrying dividend rights (totalling EUR 5,519 thousand) for financial 2015/2016 and to transfer the remainder (EUR 22,743 thousand) to other revenue reserves.

EXPECTED FINANCIAL POSITION

Capital expenditure and financial planning

The highest priorities for developing the club's core business will be making the club more competitive and improving its infrastructure. Therefore, the Group will invest in particular in the professional squad as well as SIGNAL IDUNA PARK, the adjoining infrastructure and the training ground. However, in order to mitigate and avoid financial risk, Borussia Dortmund will pursue a

conservative and extremely prudent capital expenditure strategy and will not count on any uncertain sporting successes.

Expected liquidity trend

Borussia Dortmund expects cash flows from operating activities in financial year 2016/2017 to be in the low eight-figure range and thus below the prior-year level.

OVERALL ASSESSMENT OF EXPECTED PERFORMANCE

On account of the aforementioned expected economic conditions, paired with the appeal of the Borussia Dortmund brand, the club continues to

expect that its economic performance will remain positive in the coming years.

2015/2016 REPORT ON POST-BALANCE SHEET DATE EVENTS of Borussia Dortmund GmbH & Co. KGaA

Preparations for the new season

As usual, Borussia Dortmund had a busy and exciting pre-season which began with its training camp in Austria and included a trip to China.

Four test matches in Germany, Austria and Switzerland are scheduled prior to the start of the new Bundesliga season. The club's pre-season opponents will be Sunderland AFC, Athletic Bilbao, SV Sandhausen and Hallescher FC. However, the highlight leading up to the start of the new Bundesliga campaign will be the DFL Super Cup on 14 August 2016 at home against FC Bayern Munich.

Prior to the kickoff of the 54th edition of the Bundesliga one week later, Borussia Dortmund will contest its first DFB Cup match on 22 August 2016 against SV Eintracht Trier 05. In its first match of the season, Borussia Dortmund will host FSV Mainz 05 at SIGNAL IDUNA PARK on 27 August 2016.

Borussia Dortmund then launches its international campaign on 13 September 2016. Its opponents for the group stage of the UEFA Champions League will be drawn on 25 August 2016.

Prior to that, the club will also hold a one-week training camp in Bad Ragaz, Switzerland.

Big names in Dortmund

Borussia Dortmund strengthened its squad during the summer break. Mario Götze, who previously played for Dortmund from 2001 to 2013, signed a four-year contract and returns to the Ruhr region following a three-year stint at FC Bayern Munich.

Another Germany international, 25-year-old André Schürrle, also signed with the club. Schürrle's contract ties him to Borussia Dortmund through to 30 June 2021.

Henrikh Mkhitaryan will be leaving Borussia Dortmund. The Armenia international will transfer to Manchester United in the English Premier League. Poland international Jakub Blaszczykowski and Moritz Leitner are also leaving Borussia Dortmund. The 30-year-old Blaszczykowski, who was most recently on loan at ACF Fiorentina, is moving to VfL Wolfsburg, while Leitner joins S.S. Lazio S. p. A.

Marketing

In addition to English and Japanese, Borussia Dortmund's website is now also available in Spanish.

Other business

The DFB sports court imposed a fine of EUR 75 thousand on Borussia Dortmund for fan misconduct at the DFB Cup final and three other competitive matches. If any other serious infractions are reported by 31 May 2017, Dortmund will also be hit with a partial stadium ban for its spectators for one Bundesliga match.

OTHER DISCLOSURES

REPORT IN ACCORDANCE WITH § 289 (4) OF THE HGB

The following information has been provided by the Company in response to the requirements of § 289 (4) nos. 1 to 9 HGB:

1. As at 30 June 2016, the share capital of Borussia Dortmund GmbH & Co. KGaA amounts to EUR 92,000,000.00 and is divided into 92,000,000 no-par value ordinary bearer shares. All of the shares have been admitted to trading on the Regulated Market (Prime 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 2016:
 - 1) Evonik Industries AG, Essen, Germany: 14.78% of the voting rights
 - 2) Ballspielverein Borussia 09 e.V. Dortmund, Dortmund, Germany: 14.33% of the voting rights (of which 5.53% held directly and 8.80% held indirectly by including the voting rights of Bernd Geske, Germany, pursuant to § 22 (2) WpHG).
 - 3) Bernd Geske, Meerbusch, Germany: 14.33% of the voting rights (of which 8.80% held directly and 5.53% held indirectly by including the voting rights of Ballspielverein Borussia 09 e.V. Dortmund, Dortmund, Germany, pursuant to § 22 (2) WpHG).
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 Artic-

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.

les 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) of the 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) of the 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 changes 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 changes 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 of the 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 23 November 2019, with the approval of the Supervisory Board, to increase the share capital by a maximum of EUR 23,000,000.00 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 2014). 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 Super-

visory Board, to decide to disapply the statutory pre-emptive subscription rights of the limited liability shareholders. Pre-emptive subscription rights may be disappplied

- 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 Authorised Capital 2014 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 of the 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. At the end of the reporting period, 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 Com-

pany 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) of the 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, 19 August 2016

Borussia Dortmund GmbH & Co. Kommanditgesellschaft auf Aktien

Borussia Dortmund Geschäftsführungs-GmbH



Hans-Joachim Watzke
Managing Director (Chairman)



Thomas Treß
Managing Director



ANNUAL FINANCIAL STATEMENT

Borussia Dortmund GmbH & Co. Kommanditgesellschaft auf Aktien, Dortmund



S



ANNUAL FINANCIAL STATEMENTS

BALANCE SHEET

Borussia Dortmund GmbH & Co. Kommanditgesellschaft auf Aktien, Dortmund

| EUR '000 | 30/06/2016 | 30/06/2015 |
|--|----------------|----------------|
| ASSETS | | |
| A. FIXED ASSETS | | |
| I. Intangible fixed assets | | |
| 1. Purchased concessions, industrial and similar rights and assets, and licences in such rights and assets | 62,992 | 96,538 |
| 2. Prepayments | 2,196 | 38 |
| | 65,188 | 96,576 |
| II. Tangible fixed assets | | |
| 1. Land, land rights and buildings including buildings on third-party land | 175,075 | 175,308 |
| 2. Other equipment, operating and office equipment | 13,499 | 12,203 |
| 3. Prepayments and assets under construction | 580 | 1,151 |
| | 189,154 | 188,662 |
| III. Long-term financial assets | | |
| 1. Shares in affiliated companies | 13,561 | 12,994 |
| 2. Equity investments | 96 | 96 |
| 3. Other loans | 1,709 | 1,840 |
| | 15,366 | 14,930 |
| | 269,708 | 300,168 |
| B. CURRENT ASSETS | | |
| I. Inventories | | |
| Merchandise | 46 | 46 |
| II. Receivables and other assets | | |
| 1. Trade receivables | 83,160 | 15,099 |
| 2. Receivables from affiliated companies | 7,472 | 4,912 |
| 3. Other assets | 752 | 13,222 |
| | 91,384 | 33,233 |
| III. Cash-in-hand, bank balances | | |
| | 49,682 | 53,019 |
| | 141,112 | 86,298 |
| C. PREPAID EXPENSES | | |
| | 21,586 | 4,228 |
| | 432,406 | 390,694 |

| EUR '000 | 30/06/2016 | 30/06/2015 |
|--|----------------|----------------|
| EQUITY AND LIABILITIES | | |
| A. EQUITY | | |
| I. Subscribed capital | 92,000 | 92,000 |
| less nominal value of treasury shares | -19 | -19 |
| Issued capital | 91,981 | 91,981 |
| II. Capital reserves | 144,337 | 144,337 |
| III. Revenue reserves | | |
| 1. Reserve for treasury shares | 19 | 19 |
| 2. Other revenue reserves | 82,888 | 82,886 |
| | 82,907 | 82,905 |
| IV. Net retained profits | 28,262 | 4,600 |
| | 347,487 | 323,823 |
| B. PROVISIONS | | |
| 1. Provisions for taxes | 5,072 | 710 |
| 2. Other provisions | 9,069 | 4,189 |
| | 14,141 | 4,899 |
| C. LIABILITIES | | |
| 1. Trade payables | 14,137 | 15,487 |
| 2. Liabilities to affiliated companies | 1,544 | 1,011 |
| 3. Other liabilities | 22,830 | 9,215 |
| of which from taxes: EUR 13,899 thousand (previous year: EUR 6,513 thousand) | | |
| of which in relation to social security: EUR 15 thousand (previous year: EUR 14 thousand) | | |
| | 38,511 | 25,713 |
| D. DEFERRED INCOME | 32,267 | 36,259 |
| | 432,406 | 390,694 |

INCOME STATEMENT

Borussia Dortmund GmbH & Co. Kommanditgesellschaft auf Aktien, Dortmund

| EUR '000 | 01/07/2015 – 30/06/2016 | 01/07/2014 – 30/06/2015 |
|---|----------------------------|----------------------------|
| 1. Sales | 324,320 | 232,976 |
| 2. Other operating income | 2,797 | 16,520 |
| | 327,117 | 249,496 |
| 3. Personnel expenses | | |
| a) Wages and salaries | -124,885 | -104,947 |
| b) Social security, post-employment and other employee benefit costs of which for post-employment: EUR 311 thousand (previous year: EUR 347 thousand) | -4,111 | -4,052 |
| | -128,996 | -108,999 |
| 4. Amortisation and write-downs of intangible fixed assets and depreciation and write-downs of tangible fixed assets | -47,747 | -40,714 |
| 5. Other operating expenses | -123,974 | -96,996 |
| 6. Income from other long-term equity investments - all of which from affiliated companies - | 547 | 323 |
| 7. Income from profit and loss transfer agreements - all of which from affiliated companies - | 6,688 | 6,609 |
| 8. Income from long-term loans | 0 | 4 |
| 9. Other interest and similar income of which from compounding: EUR 78 thousand (previous year: EUR 85 thousand) | 121 | 222 |
| 10. Interest and similar expenses of which from discounting: EUR 747 thousand (previous year: EUR 72 thousand) | -813 | -6,181 |
| 11. Expenses from profit and loss transfer agreements - all of which from affiliated companies - | 0 | -473 |
| 12. Result from ordinary activities | 32,943 | 3,291 |
| 13. Taxes on income | -4,432 | -584 |
| 14. Other taxes | -249 | -281 |
| 15. Net income for the year | 28,262 | 2,426 |
| 16. Withdrawals from other revenue reserves | 0 | 2,174 |
| 17. Net retained profits | 28,262 | 4,600 |

NOTES Borussia Dortmund GmbH & Co. Kommanditgesellschaft auf Aktien, Dortmund
Notes for the 2015/2016 financial year

(hereinafter also "Borussia Dortmund" or "Borussia Dortmund GmbH & Co. KGaA")

GENERAL DISCLOSURES TO THE ANNUAL FINANCIAL STATEMENTS

The annual financial statements of Borussia Dortmund GmbH & Co. KGaA for the 2015/2016 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.

The annual financial statements are presented in thousands of euros.

As a result of the fact that Ballspielverein Borussia 09 e.V. Dortmund (hereinafter "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.

With the exception of a change in the measurement of general valuation allowances for transfer receivables, the accounting policies applied in the previous year were carried over completely into the current year.

ACCOUNTING POLICIES

Fixed assets

Intangible fixed 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 Fiscal Court (*Bundesfinanzhof*, "BFH") of 26 August 1992 (I R 24/91) and of 14 December 2011 (I R 108/10), the FIFA regulations contained in FIFA circular no. 769 of 24 August 2001, which came into force on 21 September 2001, and DFL circular no. 52 of 20 March 2015, 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. A general valuation allowance was made for the overall credit and interest-rate risk while separate allowances are recognised for identifiable individual risks. General valuation allowances will henceforth no longer be recognised for transfer receivables since these receivables must be measured in full on an item-by-item basis.

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 advance payments 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 Lagardère Sports Germany GmbH (formerly SPORTFIVE GmbH & Co. KG) for the entire term of the agreement, deferred income also includes payments received from match operations, catering and advertising for the 2016/2017 season. The amounts are reversed rateably over the periods to which they relate.

Foreign currency translation

Assets and liabilities denominated in foreign currency with a residual term of less than one year are translated at the mean spot rate on the balance sheet date.

NOTES TO THE BALANCE SHEET

Fixed assets

The breakdown of fixed assets is as follows:

| EUR '000 | 30/06/2016 | 30/06/2015 |
|----------------------------|----------------|----------------|
| Intangible fixed assets | 65,188 | 96,576 |
| Tangible fixed assets | 189,154 | 188,662 |
| Long-term financial assets | 15,366 | 14,930 |
| | 269,708 | 300,168 |

Intangible fixed assets consist of purchased player registrations, trademark rights and computer software. In financial year 2015/2016, additions increased this balance sheet item by EUR 28,635 thousand. The majority of this amount (EUR 26,156 thousand) was attributable to purchased player registrations. The signing of Gonzalo Castro, Julian Weigl, Roman Bürki and Joo-Ho Park, and subsequent costs of existing player registrations led to an increase in player registrations reported under fixed assets in the first half of the 2015/2016 season.

Furthermore, Mikel Merino Zazón joined Borussia Dortmund for the 2016/2017 season; that transaction is reported under prepayments.

Amortisation of intangible fixed assets amounted to EUR 39,402 thousand (of which write-downs: EUR 7,469 thousand). Of this amount, EUR 39,244 thousand was attributable to player registrations. The write-downs are attributable to the departure of Mats Hummels, Ilkay Gündogan, Mustafa Amini, Oliver Kirch, Julian Derstroof, Ciro Immobile, Marian Sarr and Kevin Kampl.

Tangible fixed assets amounted to EUR 189,154 thousand, consisting largely of the stadium property (EUR 143,495 thousand). Additions to tangible fixed assets amounting to EUR 9,358 thousand were attributable primarily to investments in the youth training centre (Strobelallee 81), the expansion of the Regulars Table at SIGNAL IDUNA PARK, the expansion of the August Lenz House as well as investments in the training ground in Brackel.

June 2016 marked the start of the expansion of the medical centre at the southeast corner of SIGNAL IDUNA PARK; this expansion is reflected in prepayments.

Borussia Dortmund invested in its youth training centre in order to meet the requests and needs of those enrolled at the football academy. The ex-

pansion of the August Lenz House, which will serve as the new headquarters of BVB Event & Catering GmbH, is the culmination of another investment during the 2015/2016 financial year.

Long-term financial assets include the 100% shareholdings in BVB Stadionmanagement GmbH, BVB Merchandising GmbH, BVB Event & Catering GmbH and Sports & Bytes GmbH as well as the 33.33% shareholding in Orthomed Medizinisches Leistungs- und Rehabilitationszentrum GmbH.

Under a purchase agreement dated 27 June 2016 (deed no. 104/2016-JS), Borussia Dortmund GmbH & Co. KGaA acquired additional shares in besttravel dortmund GmbH in financial year 2015/2016; besttravel dortmund GmbH is now wholly owned by Borussia Dortmund GmbH & Co. KGaA.

In addition, BVB Asia Pacific Pte. Ltd., Singapore (formed on 25 September 2015) was added to the group of companies. It is responsible for marketing Borussia Dortmund in the Asian market. Borussia Dortmund GmbH & Co. KGaA holds 100% of the shares in BVB Asia Pacific Pte. Ltd.

Furthermore, long-term financial assets include a tenant's loan relating to the administration building and loans to employees reported under other loans.

The Company has entered into a profit and loss transfer agreement with its subsidiaries, BVB Stadionmanagement GmbH, BVB Event & Catering GmbH and Sports & Bytes GmbH, and a control and profit and loss transfer agreement with BVB Merchandising 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:

FIXED ASSETS

Borussia Dortmund GmbH & Co. Kommanditgesellschaft auf Aktien, Dortmund

| EUR '000 | Cost | | | | As at 30/06/2016 |
|--|---------------------|---------------|-------------------|---------------|---------------------|
| | As at 30/06/2015 | Additions | Reclassifications | Disposals | |
| I. Intangible fixed assets | | | | | |
| 1. Purchased concessions, industrial and similar rights and assets, and licences in such rights and assets | 170,118 | 26,477 | 0 | 49,642 | 146,953 |
| 2. Prepayments | 38 | 2,158 | 0 | 0 | 2,196 |
| | 170,156 | 28,635 | 0 | 49,642 | 149,149 |
| II. Tangible fixed assets | | | | | |
| 1. Land, land rights and buildings including buildings on third-party land | 194,099 | 2,544 | 3,301 | 627 | 199,317 |
| 2. Other equipment, operating and office equipment | 31,686 | 4,030 | 54 | 2,446 | 33,324 |
| 3. Prepayments and assets under construction | 1,151 | 2,784 | -3,355 | 0 | 580 |
| | 226,936 | 9,358 | 0 | 3,073 | 233,221 |
| III. Long-term financial assets | | | | | |
| 1. Shares in affiliated companies | 12,994 | 567 | 0 | 0 | 13,561 |
| 2. Equity investments | 96 | 0 | 0 | 0 | 96 |
| 3. Other loans | 1,840 | 274 | 0 | 405 | 1,709 |
| | 14,930 | 841 | 0 | 405 | 15,366 |
| | 412,022 | 38,834 | 0 | 53,120 | 397,736 |

ANNUAL FINANCIAL STATEMENTS
for the financial year from 1 July 2015 to 30 June 2016

| | Depreciation, amortisation and write-downs | | | Residual carrying amounts | |
|--|--|---------------|---------------|---------------------------|---------------------|
| | As at 30/06/2015 | Additions | Disposals | As at 30/06/2016 | As at 30/06/2015 |
| | 73,580 | 39,402 | 29,021 | 83,961 | 96,538 |
| | 0 | 0 | 0 | 0 | 38 |
| | 73,580 | 39,402 | 29,021 | 83,961 | 96,576 |
| | 18,791 | 5,704 | 253 | 24,242 | 175,308 |
| | 19,483 | 2,641 | 2,299 | 19,825 | 12,203 |
| | 0 | 0 | 0 | 0 | 1,151 |
| | 38,274 | 8,345 | 2,552 | 44,067 | 188,662 |
| | 0 | 0 | 0 | 0 | 12,994 |
| | 0 | 0 | 0 | 0 | 96 |
| | 0 | 0 | 0 | 0 | 1,840 |
| | 0 | 0 | 0 | 0 | 14,930 |
| | 111,854 | 47,747 | 31,573 | 128,028 | 300,168 |

Current assets

Current assets are made up as follows:

| EUR '000 | 30/06/2016 | 30/06/2015 |
|------------------------------|----------------|---------------|
| Inventories | 46 | 46 |
| Receivables and other assets | 91,384 | 33,233 |
| Cash-in-hand, bank balances | 49,682 | 53,019 |
| | 141,112 | 86,298 |

Inventories represent the material value of decorative shares in the form of printed physical share certificates.

Trade receivables includes receivables from transfers amounting to EUR 80,080 thousand (previous year: EUR 11,200 thousand).

Trade receivables with a term of more than one year amounted to EUR 34,378 thousand.

Other assets include primarily tax receivables related to contract extensions and receivables from visiting team ticket allotments.

No bank balances have been pledged as security for loans.

Prepaid expenses

In addition to prepayments for other services, prepaid expenses include primarily prepayments for personnel expenses in connection with contract extensions amounting to EUR 12,709 thousand

(previous year: EUR 637 thousand) and prepayments for consulting fees and agency commissions amounting to EUR 6,778 thousand (previous year: EUR 50 thousand).

Equity

| EUR '000 | 30/06/2016 | 30/06/2015 |
|---------------------------|----------------|----------------|
| Issued/subscribed capital | 91,981 | 91,981 |
| Capital reserves | 144,337 | 144,337 |
| Revenue reserves | 82,907 | 82,905 |
| Net retained profits | 28,262 | 4,600 |
| | 347,487 | 323,823 |

The Company's subscribed capital amounts to EUR 92,000 thousand and is divided into 92,000,000 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 19 thousand. Equity contains a presentation of treasury shares 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 in the same amount is also presented.

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 end of the reporting period, the Company acquired a total of 34,000 no-par value shares and sold 14,700 no-par value shares off-market in the form of printed physical share certificates. The gain on disposal has been reported separately un-

der other operating income. At the balance sheet date, the Company's holding of its own securities consisted of 18,900 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:

| | Transactions in own/treasury shares | Total treasury shares | Total share capital EUR | Share in total capital in % | Selling price EUR |
|-------------------|-------------------------------------|-----------------------|-------------------------|-----------------------------|-------------------|
| 07/2015 – 12/2015 | -65 | | | | 71500 |
| As at 31/12/2015 | | 18,900 | 18,900.00 | 0.021 | |
| 01/2016 – 06/2016 | 0 | | | | 0.00 |
| As at 30/06/2016 | | 18,900 | 18,900.00 | 0.021 | |

On 24 November 2014, the Annual General Meeting of Borussia Dortmund GmbH & Co. Kommanditgesellschaft auf Aktien resolved to issue a new authorisation, with the consent of the Supervisory Board, to increase the share capital on one or more occasions by or before 23 November 2019 by up to EUR 23,000,000.00 ("Authorised Capital 2014"). To this end, the statutory pre-emptive subscription rights of the limited liability shareholders may be disappplied:

- 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 2014 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 of the AktG), provided the issue amount of the new shares does not fall significantly below the market price; in the event of capital increases against in-kind contributions, particularly for the purpose of acquiring companies, equity interests, real estate, rights and claims against the company.

The change in reserves was as follows:

Change in reserves

| EUR '000 | As at 01/07/2015 | Additions | Withdrawal | As at 30/06/2016 |
|------------------|------------------|-----------|------------|------------------|
| Capital reserves | 144,337 | 0 | 0 | 144,337 |
| Revenue reserves | 82,905 | 2 | 0 | 82,907 |
| | 227,242 | 2 | 0 | 227,244 |

The annual financial statements for the financial year from 1 July 2014 to 30 June 2015 were adopted at the Annual General Meeting on 23 November 2015. The net retained profits of EUR 4,600,000.00 reported in the Company's annual financial statements for the 2014/2015 financial year were used as follows:

– EUR 4,599,055.00 was used to distribute to the limited liability shareholders a dividend of EUR 0.05 per share carrying dividend rights.

– EUR 945.00 attributable to treasury shares not carrying dividend rights was transferred to other revenue reserves.

The dividend was paid on 25 November 2015.

The other changes in the capital reserves and revenue reserves resulted from the sale of treasury shares (EUR 1 thousand).

Changes in equity were as follows:

Changes in equity

| EUR '000 | 01/07/2015 | Additions/ withdrawals | Dividend | Net income for the year | 30/06/2016 |
|-------------------------------|----------------|---------------------------|---------------|----------------------------|----------------|
| Subscribed/ issued capital | 91,981 | 0 | 0 | 0 | 91,981 |
| Capital reserves | 144,337 | 0 | 0 | 0 | 144,337 |
| Revenue reserves | 82,905 | 2 | 0 | 0 | 82,907 |
| Net retained profits | 4,600 | -1 | -4,599 | 28,262 | 28,262 |
| | 323,823 | 1 | -4,599 | 28,262 | 347,487 |

Provisions

| EUR '000 | 30/06/2016 | 30/06/2015 |
|----------------------|---------------|--------------|
| Provisions for taxes | 5,072 | 710 |
| Other provisions | 9,069 | 4,189 |
| | 14,141 | 4,899 |

Provisions for taxes amounted to EUR 5,072 thousand and include primarily the tax obligations from the past financial year and the previous year.

Other provisions primarily include staff-related and profit-related obligations and provisions for outstanding invoices and legal disputes.

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. Irrespective of their date of realisation, deferred tax assets

were recognised on loss carryforwards in the amount of the excess deferred tax liabilities. Deferred taxes are measured using the average tax rate of 32.81% (previous year: 32.81%).

Liabilities

The maturities and security granted in respect of liabilities reported at 30 June 2016 are shown in the following overview:

| EUR '000 | Total 30/06/2016 | of which with a residual term of | | |
|--|---------------------|----------------------------------|----------------|----------------------|
| | | less than 1 year | 1 – 5 years | more than 5 years |
| Trade payables | 14,137 | 10,717 | 3,420 | 0 |
| Liabilities to affiliated companies | 1,544 | 1,544 | 0 | 0 |
| Other liabilities | 22,830 | 22,830 | 0 | 0 |
| of which from taxes EUR 13,899 thousand (previous year: EUR 6,513 thousand) | | | | |
| of which social security EUR 15 thousand (previous year: EUR 14 thousand) | | | | |
| | 38,511 | 35,091 | 3,420 | 0 |

As at 30 June 2015, all liabilities were current. Other liabilities consisted mainly of wage and value added tax not yet due, staff-related liabilities not yet due as well as fees received on behalf of third parties.

They also include liabilities to the general partner amounting to EUR 811 thousand (previous year: EUR 949 thousand).

Deferred income

Deferred income includes licence fees received in financial year 2007/2008 from the marketing company Lagardère Sports Germany GmbH (formerly SPORTFIVE GmbH & Co. KG) for the 12-year term of the agency licensing agreement, as well as pay-

ments received from match operations, catering and advertising for the 2016/2017 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 30/06/2016 | of which with a residual term of | | |
|-----------------------------|---------------------|----------------------------------|----------------|----------------------|
| | | less than 1 year | 1 – 5 years | more than 5 years |
| Marketing fees | 102,746 | 23,526 | 79,220 | 0 |
| Rental and leasing | 20,783 | 5,019 | 11,893 | 3,871 |
| Other financial obligations | 4,007 | 749 | 1,641 | 1,617 |
| Purchase commitments | 74,964 | 54,089 | 20,875 | 0 |
| | 202,500 | 83,383 | 113,629 | 5,488 |

Furthermore, there are contingent liabilities from guarantees related to BVB Merchandising GmbH totalling EUR 288 thousand (previous year: EUR

176 thousand). Based on past experience, it is unlikely that claims on these guarantees will be asserted.

Derivative financial instruments

Borussia Dortmund concluded an interest rate swap with a German *Landesbank* in connection with the exercise in 2014 of an option to purchase a leased administration building and plot of land, and the corresponding financing planned for 2017.

A bank has already approved a credit facility with a term extending until 2028 for the swap.

The notional amount and the related fair value are as follows:

Interest rate swaps

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

The negative market values as at the balance sheet date (determined using standard market valuation methods) are not recognised since the prerequisites for hedge accounting pursuant to § 254 HGB have

been met. Provisions are only recognised for the ineffective portion of the hedge in the amount of EUR 35 thousand (previous year: EUR 24 thousand) for expected losses from executory contracts.

NOTES TO THE INCOME STATEMENT

The following table shows the items of the income statement generally classified by area of activity as required by the German Football League (*Deutsche Fußball Liga GmbH*, "DFL") for the licensing procedure.

Sales

| EUR '000 | 2015/2016 | 2014/2015 |
|-------------------------------------|----------------|----------------|
| Match operations | 46,768 | 39,942 |
| Advertising | 84,676 | 75,725 |
| TV Marketing | 82,564 | 82,113 |
| Transfer deals | 94,998 | 12,447 |
| Conference, catering, miscellaneous | 15,314 | 22,749 |
| | 324,320 | 232,976 |

Borussia Dortmund generated sales of EUR 324,320 thousand in the 2015/2016 financial year. This represents an increase of 39.21%.

Income from match operations increased by EUR 6,826 thousand to EUR 46,768 thousand in financial year 2015/2016. Positive developments from international club competitions (EUR 6,073 thousand), friendly matches (EUR 1,411 thousand) and the increase in Bundesliga-related sales (EUR 252 thousand) offset the decrease in income from the national cup competition (EUR 732 thousand) and other negative effects (EUR 178 thousand).

In the financial year ended, Borussia Dortmund again increased its advertising income by 11.82% to EUR 84,676 thousand (previous year: EUR 75,725 thousand), representing a share of 26.11% of total sales.

The increase in advertising income is due primarily to the marketing activities in connection with the club's Asia tour in July 2015 and bonuses for reaching the group stage, knockout phase and quarter-finals of the UEFA Europa League and the final of the DFB Cup in Berlin, as well as for finishing the season in second place in the standings, thus qualifying directly for the group stage of the 2016/2017 UEFA Champions League season.

Income from domestic and international TV marketing (25.46%) was a key contributing factor to sales for Borussia Dortmund in financial year 2015/2016. Income from domestic and international TV marketing increased by EUR 451 thousand from EUR 2,145 thousand in the previous year to EUR 82,564 thousand (of which prior-period income: EUR 3,407 thousand).

Income from domestic TV marketing amounted to EUR 60,848 thousand, up EUR 17,232 thousand against the previous year.

By contrast, income from international TV marketing decreased by EUR 15,269 thousand to EUR 17,233 thousand, and income from TV marketing of the national cup competition also decreased, by EUR 1,531 thousand to EUR 4,440 thousand, due to the club not competing in the Super Cup.

During the reporting period from 1 July 2015 to 30 June 2016, Borussia Dortmund's transfer income

amounted to EUR 94,998 thousand, representing an increase of EUR 82,551 thousand against the previous year. This is attributable to the sale of Mats Hummels (FC Bayern Munich), Ilkay Gündogan (Manchester City), Kevin Kampl (Bayer 04 Leverkusen), Ciro Immobile, who was initially loaned out (Sevilla FC), Jonas Hofmann (Borussia Mönchengladbach), Kevin Großkreutz (Galatasaray Istanbul), Oliver Kirch (SC Paderborn), Marvin Ducksch (FC St. Pauli) and Jeremy Dudziak (FC St. Pauli) as well as the loan of Jakub Blaszczykowski (ACF Fiorentina).

Other operating income

Other operating income decreased by EUR 13,723 thousand year on year to EUR 2,797 thousand and includes prior-period income of EUR 840 thousand (previous year: EUR 1,077 thousand).

Personnel expenses

The breakdown of personnel expenses is as follows:

| EUR '000 | 2015/2016 | 2014/2015 |
|----------------------------|---------------|---------------|
| Match operations | 79,712 | 72,554 |
| Retail and Administration | 11,559 | 8,463 |
| Amateur and youth football | 6,503 | 6,249 |
| | 97,774 | 87,266 |

Furthermore, in financial year 2015/2016 the professional squad received performance-based bonuses of EUR 31,222 thousand (previous year: EUR 21,733 thousand).

Other operating expenses

| EUR '000 | 2015/2016 | 2014/2015 |
|------------------|----------------|---------------|
| Match operations | 42,979 | 41,134 |
| Advertising | 23,685 | 21,582 |
| Transfer deals | 31,926 | 10,681 |
| Retail | 2,297 | 2,141 |
| Administration | 18,914 | 18,313 |
| Other | 4,173 | 3,145 |
| | 123,974 | 96,996 |

Other operating expenses increased by EUR 26,978 thousand from EUR 96,996 thousand in the previous year to EUR 123,974 thousand in the reporting period.

Expenses related to transfer deals, including in particular write-downs of residual carrying amounts, increased by EUR 21,245 thousand.

Expenses from match operations also increased from EUR 41,134 thousand to EUR 42,979 thou-

sand, due primarily to the higher number of home matches and the associated costs.

Advertising expenses also increased by EUR 2,103 thousand. This item includes performance-related agency commissions to Lagardère Sports Germany GmbH (formerly SPORTFIVE GmbH).

During the reporting period, prior-period expenses amounted to EUR 434 thousand and included primarily agency commissions for income from the previous year.

Taxes on income

Taxes on income amounted to EUR 4,432 thousand (previous year: EUR 584 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 Corpo-

ration Act (*Aktiengesetz*) on 9 September 2015 and made it permanently available to shareholders on the website at www.borussia-aktie.de.

EXECUTIVE BODIES

General partner

The general partner is Borussia Dortmund Geschäftsführungs-GmbH, whose registered office is in Dortmund and which does not have an interest in the Company's share capital. Its share capital amounts to EUR 30 thousand. Borussia Dortmund Geschäftsführungs-GmbH is exempt from the restrictions contained in § 181 of the German Civil Code (*Bürgerliches Gesetzbuch*, "BGB") and is listed in the commercial register of the Local Court of

Dortmund, HRB No. 14206. The Managing Directors of this company are Hans-Joachim Watzke (Chairman) and 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 | 2015/2016 | 2014/2015 |
|--|--------------|--------------|
| Dipl.-Kfm. Hans-Joachim Watzke (Chairman) | | |
| Fixed components | | |
| Fixed remuneration | 1,020 | 1,200 |
| Other remuneration | 22 | 22 |
| Dipl.-Kfm. Thomas Treß | | |
| Fixed components | | |
| Fixed remuneration | 600 | 500 |
| Other remuneration | 65 | 63 |
| | 1,707 | 1,785 |

Based on the net income for the year and the footballing success of the team, Hans-Joachim Watzke furthermore received EUR 1,262 thousand in performance-based remuneration (previous year: EUR 247 thousand), and Thomas Treß also received EUR 244 thousand in performance-based remuneration (previous year: EUR 105 thousand).

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

| Gerd Pieper | Harald Heinze | Peer Steinbrück | Bernd Geske | Christian Kullmann | Dr. Werner Müller | Ulrich Leitermann | Bjørn Gulden | Dr. Reinhold Lunow | Silke Seidel |
|-------------|--|-----------------|-------------|--------------------|--|-------------------|--------------|--------------------|--------------------------|
| Chairman | Deputy Chairman (until 23 November 2015) | | | | Deputy Chairman (since 23 November 2015) | | | | (since 23 November 2015) |

RIGHT TO REMUNERATION 2015/2016 (EUR '000)

| | | | | | | | | | |
|----|---|----|----|----|----|----|----|----|---|
| 24 | 7 | 12 | 12 | 12 | 16 | 12 | 12 | 12 | 7 |
|----|---|----|----|----|----|----|----|----|---|

OCCUPATIONS

| | | | | | | | | | |
|---|--|----------------------------|---|--|--|---|--|---|---|
| Managing shareholder of Stadt-Parfümerie Pieper GmbH, Herne | Chairman of the Board (ret.) of Dortmunder Stadtwerke AG | Member of German Bundestag | Managing partner of Bernd Geske Lean Communication, Meerbusch | Deputy Chairman of the Executive Board of Evonik Industries AG, Essen (since 6 May 2016) | Chairman of the Board of Executives of the RAG Foundation, Essen | Chairman of the Board of the SIGNAL IDUNA Group, Dortmund | Chief Executive Officer of PUMA SE, Herzogenaurach | Medical Director of Praxisklinik Bornheim, Bornheim | Senior Executive at Dortmunder Stadtwerke AG and Managing Director of Hohenbuschei Beteiligungsgesellschaft mbH, Westfalen-tor 1 GmbH and Dortmund Logistik GmbH, all in Dortmund |
|---|--|----------------------------|---|--|--|---|--|---|---|

OTHER RESPONSIBILITIES

| | | | | | |
|--|--|--|---|---|--|
| Member of the Advisory Board of Borussia Dortmund Geschäftsführungs-GmbH, Dortmund | Member of the Supervisory Board of Evonik Performance Materials GmbH (since 1 July 2015) | Chairman of the Supervisory Board of Evonik Industries AG, Essen | Member and Chairman of the Supervisory Board of Dortmunder Volksbank eG, Dortmund | Member of the Supervisory Board of Dansk Supermarked A/S, Højbjerg, Denmark | Member of the Advisory Board of Borussia Dortmund Geschäftsführungs-GmbH, Dortmund |
| | | Chairman of the Supervisory Board of RAG Aktiengesellschaft, Herne | | Member of the Supervisory Board of Tchibo GmbH, Hamburg | |
| | | Chairman of the Supervisory Board of RAG Deutsche Steinkohle AG, Herne | | Member of the Supervisory Board of Pandora A/S, Copenhagen, Denmark | |
| | | Member of the Supervisory Board of Contilia GmbH, Essen | | | |
| | | Member of the Board of Directors of Stadler Rail AG, Bussnang, Switzerland | | | |
| | | Chairman of the Supervisory Board of Entwicklungsgesellschaft Zollverein mbH, Essen (since 9 March 2016) | | | |

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.

Employees

The average number of employees during the year was 354 (previous year: 344).

| Average number of employees | 2015/2016 | 2014/2015 |
|-----------------------------|-----------|-----------|
| Total | 354 | 344 |
| Athletics department | 218 | 207 |
| Trainees | 6 | 10 |
| Other | 130 | 127 |

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) as at 30/06/2016 | Net profit/loss (EUR '000) 1/7/2015 to 30/6/2016 |
|--|-------------------|------------------------|----------------|------------------------------------|--|
| Fully consolidated companies: | | | | | |
| BVB Stadionmanagement GmbH* | Dortmund | 52 | 100.00 | 66 | 7 |
| besttravel dortmund GmbH | Dortmund | 50 | 100.00 | 144 | 594 |
| BVB Merchandising GmbH* | Dortmund | 75 | 100.00 | 10,881 | 4,379 |
| Sports & Bytes GmbH* | Dortmund | 200 | 100.00 | 2,510 | 87 |
| BVB Event & Catering GmbH* | Dortmund | 25 | 100.00 | 25 | 2,215 |
| BVB Asia Pacific Pte. Ltd.** | Singapur | 66 | 100.00 | 82 | 16 |
| Investments accounted for using the equity method | | | | | |
| Orthomed Medizinisches Leistungs- und Rehabilitationszentrum GmbH*** | Dortmund | 52 | 33.33 | 726 | 25 |

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

** Included in the consolidated financial statements for the short financial year from 1 October 2015 to 30 June 2016.

*** Included in the consolidated financial statements as at 31 December 2015 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 2015/2016 financial year is reported at the Group

level in the notes to the consolidated financial statements of Borussia Dortmund GmbH & Co. KGaA.

Notifiable shareholding under § 160 (1) No. 8 AktG in conjunction with § 21 of the German Securities Trading Act (Wertpapierhandelsgesetz, "WpHG")

There were no notifications within the meaning of § 21 WpHG during financial year 2015/2016.

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 28,262 thousand for financial year 2015/2016 to distribute a dividend of EUR 0.06 per share carrying dividend rights (totalling EUR 5,519 thousand) for financial 2015/2016 and to transfer the remainder (EUR 22,743 thousand) to other revenue reserves.

Dortmund, 19 August 2016

Borussia Dortmund GmbH & Co. Kommanditgesellschaft auf Aktien

Borussia Dortmund Geschäftsführungs-GmbH



Hans-Joachim Watzke
Managing Director (Chairman)



Thomas Treß
Managing Director

AUDITOR'S REPORT

We have audited the annual financial statements, comprising the balance sheet, the income statement and the notes to the financial statements, together with the bookkeeping system, and the management report of the **Borussia Dortmund GmbH & Co. Kommanditgesellschaft auf Aktien, Dortmund**, for the business year from July, 1st 2015 to June, 30th 2016. The maintenance of the books and records and the preparation of the annual financial statements and management report in accordance with German commercial law (and supplementary provisions of the shareholder agreement/articles of incorporation) are 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 [„Handelsgesetzbuch“: „German Commercial Code“] and German generally accepted standards for the audit of financial statements promulgated by the Institut der Wirtschaftsprüfer [Institute of Public Auditors in Germany] (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 as to possible misstatements are taken into account in the determination of audit procedures. The effectiveness of the accounting-related internal 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 management, as well as evaluating the overall presentation of the annual financial statements and 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 findings of our audit, the annual financial statements comply with the legal requirements (and supplementary provisions of the shareholder agreement/articles of incorporation) 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 [German] principles of proper accounting. The management report is consistent with the annual financial statements and as a whole provides a suitable view of the Company's position and suitably presents the opportunities and risks of future development.

Dortmund, 19 August 2016

KPMG AG
Wirtschaftsprüfungsgesellschaft

Blücher
Auditor
Wirtschaftsprüfer

Trujillo Hesseler
Auditor
Wirtschaftsprüfer

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 re-

port 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, 19 August 2016

Borussia Dortmund GmbH & Co. Kommanditgesellschaft auf Aktien

Borussia Dortmund Geschäftsführungs-GmbH



Hans-Joachim Watzke
Managing Director (Chairman)



Thomas Treß
Managing Director



GROUP MANAGEMENT REPORT

Borussia Dortmund GmbH & Co. Kommanditgesellschaft auf Aktien, Dortmund

OR!



GROUP MANAGEMENT REPORT

Borussia Dortmund GmbH & Co. Kommanditgesellschaft auf Aktien, Dortmund
for the 2015/2016 financial year (hereinafter also "Borussia Dortmund" or the "Group")

BUSINESS TREND

LOOKING BACK ON FINANCIAL YEAR 2015/2016

Bundesliga

A successful financial year, in which the club laid the foundation for competing in the coming 2016/2017 UEFA Champions League season, has come to an end. After 34 match days, Borussia Dortmund finished second in the Bundesliga with 78 points and a goal difference of +48. One particular highlight: no other team scored as many as goals as Borussia Dortmund did.

DFB Cup

As was the case in the previous two years, Borussia Dortmund once again advanced to the final of this season's DFB Cup. In Berlin, the team lost 4:3 on

penalties to FC Bayern Munich in front of some 75,000 spectators. The score had been deadlocked at 0:0 after the end of extra time.

Borussia Dortmund not only proved its mettle in a pool of 64 teams, but also fielded the competition's top scorer in Henrikh Mkhitaryan.

UEFA Europa League

In international club competition, Borussia Dortmund made it through to the quarter-finals of the UEFA Europa League. A 1:1 draw followed by a 4:3 loss to Liverpool FC prevented the club from advancing to the final.



3rd qualifying round UEL
30 July 2015
Wolfsberger AC – BVB 0:1



3rd qualifying round UEL
06 August 2015
BVB – Wolfsberger AC 5:0

FINANCIAL PERFORMANCE

FINANCIAL INDICATORS

Borussia Dortmund Group (IFRS)

| EUR '000 | 2015/2016 30/06/2016 | 2014/2015 30/06/2015 |
|---|-------------------------|-------------------------|
| Equity | 309,542 | 286,078 |
| Capital expenditure | 44,849 | 79,153 |
| Gross revenue | 379,767 | 293,029 |
| Operating result (EBITDA) | 86,668 | 55,594 |
| Result from operating activities (EBIT) | 36,430 | 13,160 |
| Financial result (investment income and net interest expense) | -2,096 | -7,159 |
| Consolidated net income for the year | 29,436 | 5,532 |
| Cash flows from operating activities | 35,228 | 16,947 |
| Number of shares (in thousands) | 92,000 | 92,000 |
| Earnings per share (in EUR) | 0.32 | 0.06 |



DFB cup 1st round
09 August 2015
Chemnitzer FC – BVB 0:2



1st match day
15 August 2015
BVB – Bor. M'gladbach 4:0

PERFORMANCE INDICATORS

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

Financial performance indicators

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

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

The result from operating activities (EBIT) and net income or loss for the year are also used to ma-

nage the Company. These financial performance indicators play a key role in preparing the budget for the coming financial year(s), in interim controlling with respect to the earnings performance and when looking back on a particular financial year.

As at the start of this financial year, management's list of key performance indicators will include the operating result (EBITDA). This change was made in light of the rise in investment activities and the associated increase in depreciation, amortisation and write-downs. Therefore, EBITDA (EBIT adjusted for depreciation, amortisation and write-downs) was selected to benchmark the Company's annual performance.

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



Play-Off UEL
20 August 2015
Odds BK – BVB 3:4



2nd match day
23 August 2015
FC Ingolstadt – BVB 0:4

Non-financial performance indicators

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

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

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

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

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

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

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



Play-Off UEL
27 August 2015
BVB – Odds BK 7:2



3rd match day
30 August 2015
BVB – Hertha BSC 3:1

DEVELOPMENT OF THE MARKET AND COMPETITIVE ENVIRONMENT IN THE 2015/2016 FINANCIAL YEAR

Spectators

Borussia Dortmund continues to draw large numbers of spectators in Europe. No other club matched Borussia Dortmund's average attendance of 81,178 spectators for Bundesliga matches. Borussia Dortmund has been Germany's #1 in attendance for the past 18 years.

During the past season, 1,948,880 fans cheered their team on during 26 competitive matches at SIGNAL IDUNA PARK, breaking the club's previous record set in 2014.

With 55,000 season ticket holders, Borussia Dortmund is also Germany's standard-bearer in terms of season ticket sales.

As a modern magnet for spectators, Borussia Dortmund also interacts with its fans outside the stadium. Almost 14 million viewers watched the DFB Cup on television.

And the club has more than 14 million followers on Facebook.

Sponsorships

Borussia Dortmund's newest Champion Partner is Eurowings Aviation GmbH; the partnership agreement with the airline replaces the agreement with Turkish Airlines INC as from 1 July 2016. The club's partnership with the Lufthansa subsidiary covers travel to away matches and stadium advertising through to the use of digital media.

Big names in Dortmund

Borussia Dortmund signed defender Raphaël Guerreiro, who played for Portugal at the European Championship. The 22-year-old joins Dortmund from Ligue 1 side Football Club Lorient-Bretagne Sud on a contract that runs through to 30 June 2020. Guerreiro, who has dual French and Portuguese citizenship, netted eleven goals in the previous season.

Emre Mor, another player to feature at the European Championship, also signed with Dortmund. Born in Denmark, Mor was part of Turkey's European Championship squad and most recently plied his trade with FC Nordsjaelland in the Danish first division. The 18-year-old midfielder signed a contract through to 30 June 2021.

Another midfielder comes to Dortmund from Munich. The 25-year-old Sebastian Rode most recently played for FC Bayern Munich and joins Borussia Dortmund on a contract that runs through to the end of June 2020.

Marc Bartra is another 25-year-old newcomer. The defensive specialist spent the past 16 years at FC Barcelona in Spain's Primera División and signed a contract with Borussia Dortmund through to the end of June 2020.

In addition, Ousmane Dembélé joins Borussia Dortmund from Stade Rennais F.C. The 19-year-old midfielder signed a contract through to 30 June 2021.



4th match day
12 September 2015
Hannover 96 – BVB 2:4



1st match day UEL
17 September 2015
BVB – FC Krasnodar 2:1

Borussia Dortmund previously announced in February that Mikel Merino Zazón, a promising young talent from Spain, would be joining Borussia Dortmund from CA Osasuna in the 2016/2017 season. The 19-year-old midfielder signed a five-year contract.

However, there were also some departures. Germany international Mats Hummels left Borussia Dortmund and will play for FC Bayern Munich in the coming season. Hummels joined Borussia Dortmund on loan from FC Bayern Munich in 2008. Ilkay Gündogan, who joined Borussia Dortmund in 2012, also left the squad to play for Manchester City in England.

In addition, Kevin Kampl (Bayer 04 Leverkusen), Ciro Immobile, who was initially loaned out (Sevilla FC), Jonas Hofmann (Borussia Mönchengladbach), Kevin Großkreutz (Galatasaray Istanbul), Oliver Kirch (SC Paderborn), Marvin Ducksch (FC St. Pauli) and Jeremy Dudziak (FC St. Pauli) all changed clubs. Jakub Blaszczykowski was loaned to ACF Fiorentina.

These changes, however, do not diminish Borussia Dortmund's commitment to continuity. With this in mind, Marcel Schmelzer, a key player in Borussia Dortmund's defence, was granted a contract extension through to the end of June 2021. The 28-year-old Schmelzer joined Borussia Dortmund's youth academy at the age of 17. The early contract extensions with Lars Ricken, the coordinator of the youth academy, and Edwin Boekamp, the sporting director of the youth academy, through to 30 June 2021

were also encouraging and just as noteworthy. This bears particular mention because Boekamp – save a short stint elsewhere – has been with Borussia Dortmund since 1987, while Ricken has worked for the club since 1990.

The quality of Borussia Dortmund's squad also shone through outside the city. Midfielder Julian Weigl made his debut for the German national team, further expanding Dortmund's contingent in Germany's squad.

Other business

DFL Deutsche Fußball Liga GmbH issued Borussia Dortmund the licence for the 2016/2017 Bundesliga season without imposing any restrictions or requirements.

Borussia Dortmund further underscored its commitment to the environment. By using green electricity from Strom09®, the Company, together with some one million fans, has reduced CO2 emissions by 25,000 tonnes to date. This represents approximately one tonne of CO2 for each fan on SIGNAL IDUNA PARK's south terrace.



5th match day
20 September 2015
BVB – Bayer Leverkusen 3:0



6th match day
23 September 2015
TSG Hoffenheim – BVB 1:1

GENERAL INFORMATION ABOUT THE COMPANY

GROUP STRUCTURE AND BUSINESS OPERATIONS

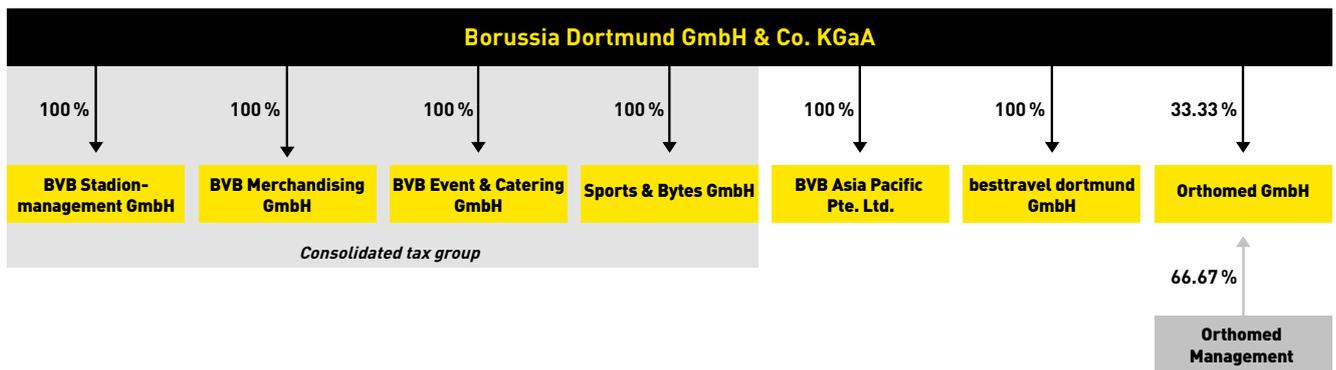
In addition to its core activities of playing football and marketing SIGNAL IDUNA PARK, Borussia Dortmund has established football-related lines of business. The Company currently holds indirect and direct equity investments in the following companies: BVB Stadionmanagement GmbH (100.00%), Sports & Bytes GmbH (100.00%), BVB Merchandising GmbH (100.00%), BVB Event & Catering GmbH (100.00%), BVB Asia Pacific Pte. Ltd. (100.00%), besttravel dortmund GmbH (100.00%) and Orthomed GmbH (33.33%).

Under a purchase agreement dated 27 June 2016, in financial year 2015/2016, Borussia Dortmund

GmbH & Co. KGaA acquired additional shares in besttravel dortmund GmbH; besttravel dortmund GmbH is now wholly owned by Borussia Dortmund GmbH & Co. KGaA.

In addition, BVB Asia Pacific Pte. Ltd., Singapore (formed on 25 September 2015), was included in the consolidated financial statements.

Some of these companies have concluded control and/or profit and loss transfer agreements with the parent.



7th match day
 27 September 2015
 BVB – Darmstadt 98 2:2



2nd match day UEL
 01 October 2015
 PAOK Saloniki – 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 to define 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.



8th match day
04 October 2015
Bayern München – BVB 5:1



9th match day
16 October 2015
1. FSV Mainz 05 – BVB 0:2

The names of the current members of the Company's Supervisory Board, their right to remuneration, 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 | Harald Heinze | Peer Steinbrück | Bernd Geske | Christian Kullmann | Dr. Werner Müller | Ulrich Leitermann | Bjørn Gulden | Dr. Reinhold Lunow | Silke Seidel |
|-------------|--|-----------------|-------------|--------------------|--|-------------------|--------------|--------------------|--------------------------|
| Chairman | Deputy Chairman (until 23 November 2015) | | | | Deputy Chairman (since 23 November 2015) | | | | (since 23 November 2015) |

RIGHT TO REMUNERATION 2015/2016 (EUR '000)

| | | | | | | | | | |
|----|---|----|----|----|----|----|----|----|---|
| 24 | 7 | 12 | 12 | 12 | 16 | 12 | 12 | 12 | 7 |
|----|---|----|----|----|----|----|----|----|---|

OCCUPATIONS

| | | | | | | | | | |
|---|--|----------------------------|---|--|--|---|--|---|--|
| Managing shareholder of Stadt-Parfümerie Pieper GmbH, Herne | Chairman of the Board (ret.) of Dortmunder Stadtwerke AG | Member of German Bundestag | Managing partner of Bernd Geske Lean Communication, Meerbusch | Deputy Chairman of the Executive Board of Evonik Industries AG, Essen (since 6 May 2016) | Chairman of the Board of Executives of the RAG Foundation, Essen | Chairman of the Board of the SIGNAL IDUNA Group, Dortmund | Chief Executive Officer of PUMA SE, Herzogenaurach | Medical Director of Praxisklinik Bornheim, Bornheim | Senior Executive at Dortmunder Stadtwerke AG and Managing Director of Hohenbuschei Beteiligungsgesellschaft mbH, Westfalentor 1 GmbH and Dortmund Logistik GmbH, all in Dortmund |
|---|--|----------------------------|---|--|--|---|--|---|--|

OTHER RESPONSIBILITIES

| | | | | | |
|--|--|--|---|---|--|
| Member of the Advisory Board of Borussia Dortmund Geschäftsführungs-GmbH, Dortmund | Member of the Supervisory Board of Evonik Performance Materials GmbH (since 1 July 2015) | Chairman of the Supervisory Board of Evonik Industries AG, Essen | Member and Chairman of the Supervisory Board of Dortmunder Volksbank eG, Dortmund | Member of the Supervisory Board of Dansk Supermarked A/S, Højbjerg, Denmark | Member of the Advisory Board of Borussia Dortmund Geschäftsführungs-GmbH, Dortmund |
| | | Chairman of the Supervisory Board of RAG Aktiengesellschaft, Herne | | Member of the Supervisory Board of Tchibo GmbH, Hamburg | |
| | | Chairman of the Supervisory Board of RAG Deutsche Steinkohle AG, Herne | | Member of the Supervisory Board of Pandora A/S, Copenhagen, Denmark | |
| | | Member of the Supervisory Board of Contilia GmbH, Essen | | | |
| | | Member of the Board of Directors of Stadler Rail AG, Bussnang, Switzerland | | | |
| | | Chairman of the Supervisory Board of Entwicklungsgesellschaft Zollverein mbH, Essen (since 9 March 2016) | | | |



3rd match day UCL
 22 October 2015
 Qabälä FK – BVB 1:3

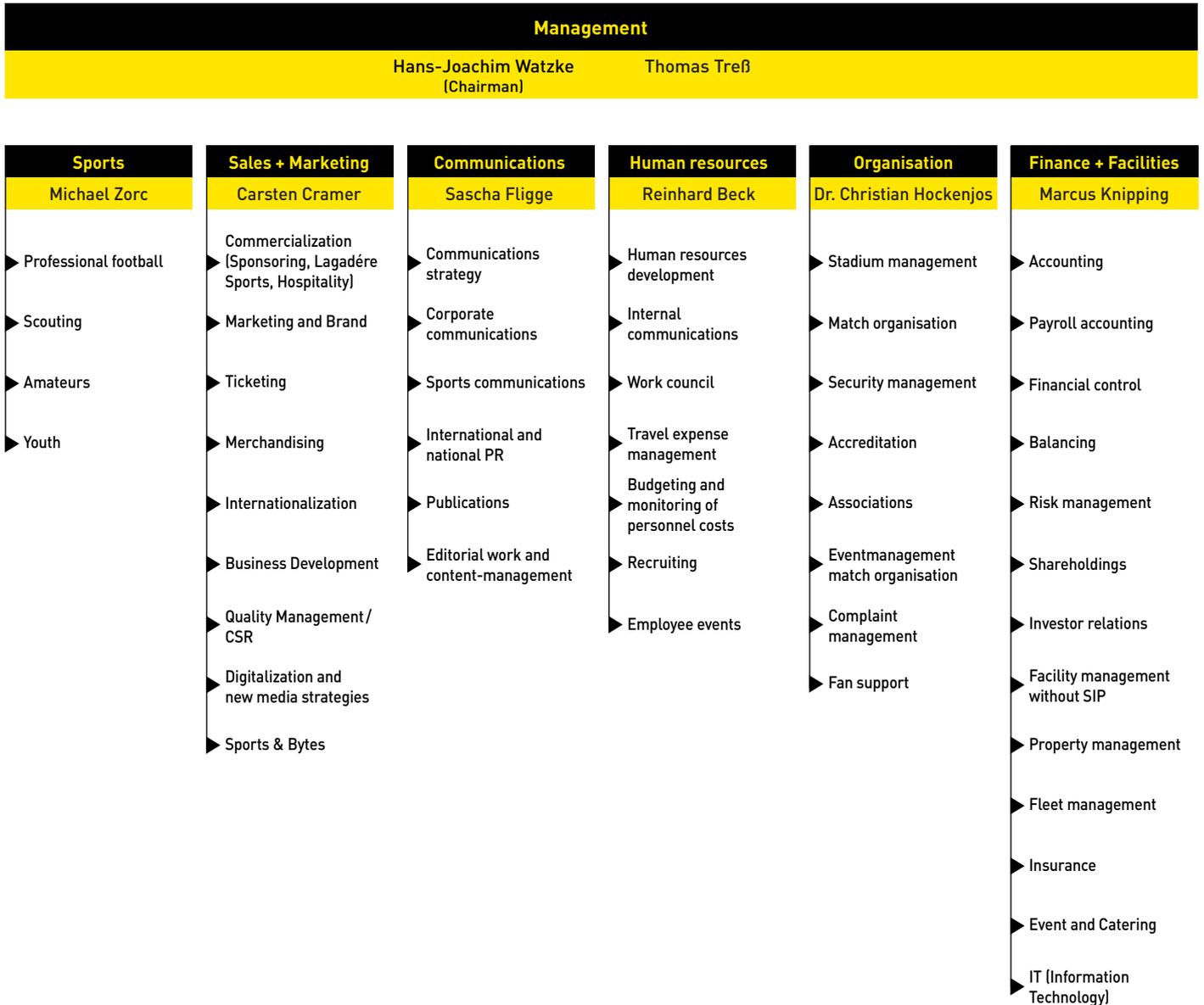


10th match day
 25 October 2015
 BVB – FC Augsburg 5:1

Within Borussia Dortmund GmbH & Co. KGaA there are six independent functional areas below the management level, namely, "Sports", "Sales & Marketing", "Communications", "Human Resources",

"Organisation" and "Finance & Facilities". 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



DFB cup 2nd round
28 October 2015
BVB – SC Paderborn 7:1



11th match day
31 October 2015
Werder Bremen – BVB 1:3

INTERNAL MANAGEMENT AND CONTROL SYSTEM

Sports management

Despite our financially stable results, we will continue to focus on achieving success on the pitch in future under a budget tuned for performance. 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 has provided the financial flexibility to reinforce the squad – with the goal of establishing a presence in European competitions.

Financial management

Borussia Dortmund uses the result from operating activities and the operating result as indicators for measuring the economic success of the Company. Borussia Dortmund derives its result from operating activities from earnings before interest and taxes (EBIT) and its operating result from earnings before interest, taxes and depreciation and amortisation (EBITDA). The Company continuously monitors both the operating result (EBITDA) and the result from operating activities (EBIT) of the segments on the basis of monthly comparisons of the budgeted and actual figures. To optimise these indicators, the main factors to be leveraged are revenue, which can be additionally improved in the major revenue

categories of match operations, advertising and TV marketing, and operating expenses, which can be lowered through disciplined 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 (EBITDA) and the result from operating activities (EBIT), the generation of positive cash flows from operating activities is therefore the most important financial objective of our Company. We seek to optimise these cash flows.

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 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.

The management uses the result from operating activities (EBIT), the operating result (EBITDA) and the consolidated net income/loss to manage the Company.

CORPORATE STRATEGY

Borussia Dortmund pursues the objective of defending its position 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 listed German football company, we have expanded our financial base by exclusively marketing the rights to SIGNAL IDUNA PARK as well as by utilising and maintaining the

Borussia Dortmund brand more effectively. The Company will continue to focus heavily on its core business of professional football and the sport's classic revenue pillars: TV marketing, advertising, match operations and merchandising. Borussia Dortmund is confident that it will be able to further stabilise and expand its position for the following reasons:



4th match day UEL
05 November 2015
BVB – Qäbätä FK 4:0



12th match day
08 November 2015
BVB – FC Schalke 04 3:2

- 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 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, such as the UK, in terms of media exploitation rights. This means that Germany offers 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
- Utilising and maintaining the Borussia Dortmund brand

Financial performance and business development are dependent on footballing success. Since footballing success is difficult to plan, the best that management can do is to create a solid foundation for success. Investments, particularly in the pro-

fessional squad, are therefore a necessary prerequisite for achieving footballing objectives such as qualifying for the UEFA Champions 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 Group (ending 2026), Evonik Industries AG (ending 2025) and PUMA SE (ending 2020), 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.

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



13th match day
20 November 2015
Hamburger SV – BVB 3:1



5th match day UEL
26 November 2015
FC Krasnodar – BVB 1:0

POSITION OF THE COMPANY

DEVELOPMENT OF PERFORMANCE INDICATORS

Development of financial performance indicators

In the 2015/2016 financial year, Borussia Dortmund's financial performance indicators – revenue, result from operating activities (EBIT), operating result (EBITDA), net income/net loss for the year and cash flows from operating activities – were as follows:

Revenue

Revenue amounted to EUR 376,259 thousand in the reporting period. In the Annual Report as at 30 June 2015, Borussia Dortmund forecast revenue of EUR 265,000 thousand for the current financial year.

EBITDA

The operating result in the current financial year amounted to EUR 86,668 thousand; the forecast for the full financial year in the Annual Report dated 30 June 2015 had projected EBITDA to exceed EBIT by approximately EUR 48,000 thousand.

EBIT/consolidated net income/loss

The result from operating activities for the period from 1 July 2015 to 30 June 2016 amounted to EUR 36,430 thousand and the consolidated net income for the year totalled EUR 29,436 thousand.

The report on expected developments dated 30 June 2015 forecasted consolidated net income and positive EBIT for the full financial year.

Cash flows

Cash flows from operating activities amounted to EUR 35,228 thousand (previous year: EUR 16,947 thousand). Borussia Dortmund forecasted as at 30 June 2015 that it would generate cash flows from operating activities at the previous year's level for the full financial year.

Overview of financial performance indicators:

Borussia Dortmund Group (IFRS)

| EUR '000 | 2015/2016 | 2014/2015 |
|---|-----------|-----------|
| Revenue | 376,259 | 276,048 |
| Operating result (EBITDA) | 86,668 | 55,594 |
| Result from operating activities (EBIT) | 36,430 | 13,160 |
| Consolidated net income for the year | 29,436 | 5,532 |
| Cash flows from operating activities | 35,228 | 16,947 |



14th match day
 29 November 2015
 BVB – VfB Stuttgart 4:1



15th match day
 05 December 2015
 VfL Wolfsburg – BVB 1:2

Development of non-financial performance indicators

It is not possible to comprehensively assess Borussia Dortmund's entrepreneurial actions purely on the basis financial indicators. Economic success is also linked directly to non-financial performance indicators and vice versa. Borussia Dortmund conducts numerous non-financial-related activities.

In this day and age, key performance indicators extend beyond traditional monetary indicators to include new media and the reach of the Company's brand in social media. Borussia Dortmund also leverages these networking opportunities in order to increase its brand recognition and establish a broad national and international fan base. As at the end of the financial year, the number of "likes" on the club's Facebook page had increased by 1.5% to an impressive 14.4 million. Borussia Dortmund has 2.4 million fans on Instagram and another 2.1 million followers on Twitter. Its targeted internationalisation strategy allowed Borussia Dortmund not only to open profitable fan shops in Asia, but also to establish a presence of more than one million followers on Sina Weibo and Tencent Weibo, China's largest microblogging websites. Borussia Dortmund has a total following of 21.6 million people across all digital and social media platforms, including YouTube, Google and others, representing a total year-on-year increase of approximately 3.9 million followers. Borussia Dortmund also follows a "mobile first" strategy, meaning that the club is continuously improving and updating the content of its app.

However, although the digital realm is often considered one of the most important non-financial per-

formance indicators, Borussia Dortmund also scores points elsewhere. The club's commitment to "doing good", combating racism and helping those in need are a reflection of the Company's CSR efforts, which are not motivated by profits or other financial considerations. The Solidarfonds Stiftung presented Borussia Dortmund with its Ehren Award, a testament to the club's commitment to its community and to being accessible to individuals of all ages, educational backgrounds and walks of life. Solidarfonds Stiftung commended in particular the work of the club's "leuchte auf" non-profit foundation.

However, Borussia Dortmund is particularly committed to people within its own organisation as well. The club's focus on mentoring young, up-and-coming players also highlights its outstanding youth outreach work as a cornerstone of the Company's general and long-term strategy. BVB's youth academy was recently certified on the basis of various criteria and awarded the highest rating of three stars. Looking after its employees is also one of the club's top priorities. Employee satisfaction, headcount and turnover are directly linked to the Company's economic success. By establishing a new HR department, Borussia Dortmund demonstrates that it understands this correlation. Internal employee surveys and special events and activities for employees also highlight the club's commitment and aspects of its business success that are not motivated by money.



6th match day UEL
10 December 2015
BVB – POAK Saloniki 0:1



16th match day
13 December 2015
BVB – Eintr. Frankfurt 4:1

RESULTS OF OPERATIONS

After finishing in seventh place in the 2014/2015 Bundesliga season – and thus only guaranteeing the club a spot in the qualifying round of the UEFA Europa League – Borussia Dortmund not only got off to a successful start in the new season with victories in the two qualifying matches for the UEFA Europa League and a win against Borussia Mönchengladbach in the Bundesliga, but also underscored the squad's domestic and international class as it cruised to 41 wins in 56 competitive matches during the course of the season. As well as finishing in second place in the Bundesliga and thus directly qualifying for the group stage of the coming UEFA Champions League season, contesting the DFB Cup final and reaching the quarter-finals of the UEFA Europa League, transfer deals at the end of the financial year more than offset the income lost from not competing in the UEFA Champions League and helped Borussia Dortmund further strengthen its financial base.

During the reporting period (1 July 2015 to 30 June 2016), Borussia Dortmund generated revenue of EUR 376,259 thousand (previous year: EUR 276,048 thousand) and gross revenue of EUR 379,767 thousand, an increase of EUR 86,738 thousand (29.60%) on the previous financial year.

Borussia Dortmund generated consolidated net income of EUR 29,436 thousand during the 2015/2016 financial year (previous year: EUR 5,532 thousand).

Borussia Dortmund ended the reporting period from 1 July 2015 to 30 June 2016 with earnings before income taxes of EUR 34,334 thousand (previous year: EUR 6,001 thousand). In financial year 2015/2016, the result from operating activities (EBIT) amounted to EUR 36,430 thousand, up EUR 23,270 thousand on the previous year. During the current reporting year, the operating result (EBITDA) amounted to EUR 86,668 thousand, up EUR 31,074 thousand on the previous year.

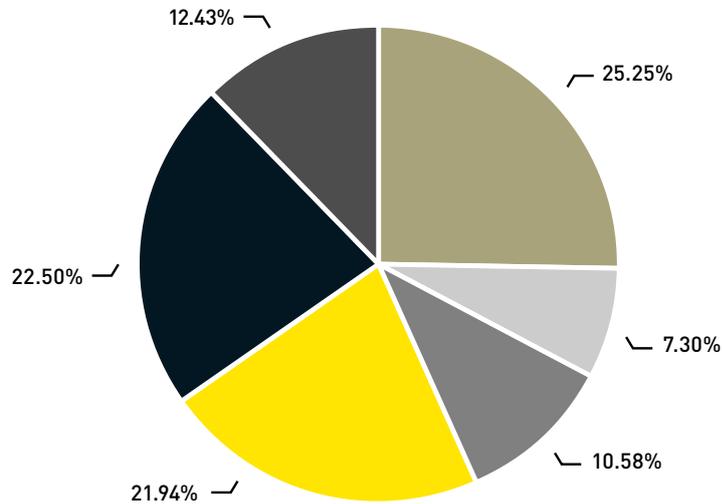


DFB cup 1/8-final
16 December 2015
FC Augsburg – BVB 0:2



17th match day
19 December 2015
1 FC Köln – BVB 2:1

Borussia Dortmund Group- Revenue in percent



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



18th match day
23 January 2016
Bor. M'gladbach – BVB 1:3



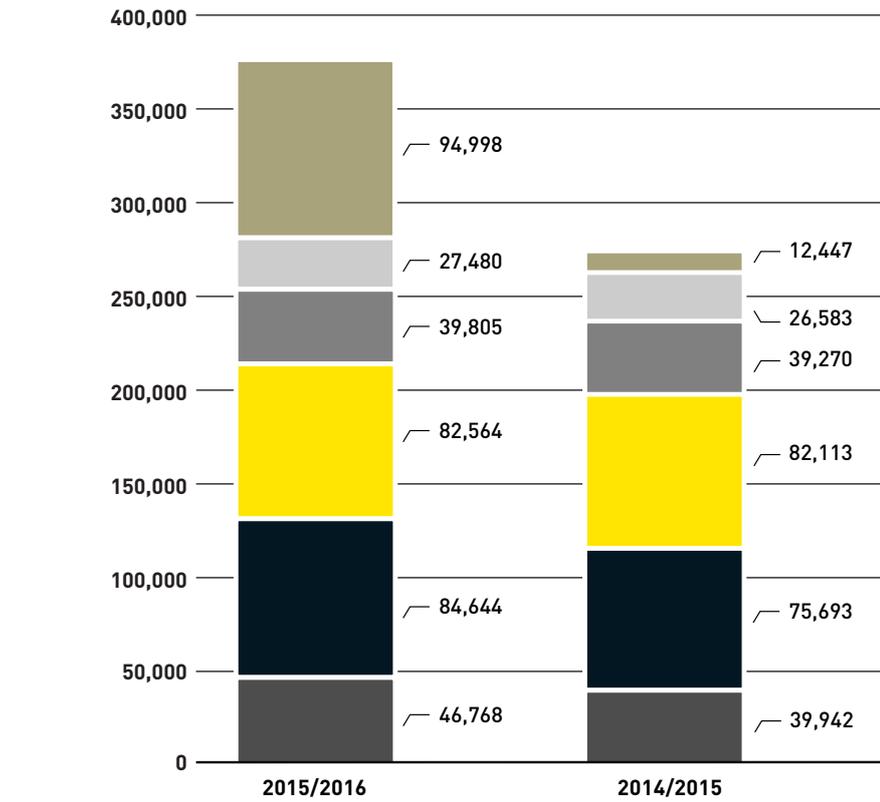
19th match day
30 January 2016
BVB – FC Ingolstadt 2:0

REVENUE TREND

Borussia Dortmund generated revenue of EUR 376,259 thousand in the 2015/2016 financial year. Revenue increased by a total of 36.30% primarily due

to the higher number of transfer deals, the increase in revenue from advertising and match operations, and the nearly identical revenue from TV marketing.

Borussia Dortmund Group – Revenue in EUR '000



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



20th match day
 06 February 2016
 Hertha BSC – BVB 0:0



DFB-Cup: Quarter-final
 09 February 2016
 VfB Stuttgart – BVB 1:3

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

Income from match operations

Income from match operations increased by EUR 6,826 thousand to EUR 46,768 thousand in financial year 2015/2016.

Moderate price increases at the beginning of the season along with the fact that the club again sold 55,000 season tickets (of which only 94 were not renewed) and that attendance at SIGNAL IDUNA PARK was at near capacity despite the preponderance of Sunday matches, all contributed to revenue from Bundesliga ticket sales once again increasing by EUR 252 thousand to EUR 27,109 thousand.

Borussia Dortmund generated revenue of EUR 13,438 thousand (previous year: EUR 7,365 thousand) from the sale of standard and hospitality tickets for the total of eight home matches that the club contested during the two qualifying rounds through to the quarter-finals of the UEFA Europa League. Borussia Dortmund hosted four more matches at SIGNAL IDUNA PARK than it did in the previous year, when the club reached the round of 16 of the UEFA Champions League.

For the third year running, Borussia Dortmund advanced to the final of the DFB Cup in Berlin. Revenue from ticket sales for the DFB Cup decreased by EUR 732 thousand to EUR 3,727 thousand due primarily to the club not contesting the Super Cup during the reporting period.

In July 2015, Borussia Dortmund travelled to Asia for the first time since 2007. In addition to stops in Japan, Singapore and Malaysia, the schedule also included two test matches. With these and

other preseason test matches, the revenue that Borussia Dortmund generated from friendlies amounted to EUR 2,326 thousand in financial year 2015/2016, representing a year-on-year increase of EUR 1,411 thousand.

Income from advertising

In the financial year ended, Borussia Dortmund increased its advertising revenue by 11.83% to EUR 84,644 thousand (previous year: EUR 75,693 thousand), representing a share of 22.50% of total revenue.

In addition to its primary sponsor, Evonik Industries AG, the holder of the stadium's naming rights, SIGNAL IDUNA Holding AG, and the kit supplier, Puma SE, Borussia Dortmund's Champion Partners during the 2015/2016 financial year were Adam Opel AG, Hankook Reifen Deutschland GmbH, HUAWEI TECHNOLOGIES Deutschland GmbH, Radeberger Gruppe KG, Sparda Bank West eG, SPREHE Geflügel- u. Tiefkühlfeinkost Handels GmbH & Co. KG, Turkish Airlines Inc., Unitymedia NRW GmbH, WILLO SE and SIGNAL IDUNA Holding AG.

Furthermore, Borussia Dortmund gained additional sponsors in Asia as a result of the marketing activities in connection with the club's Asia tour in July 2015. In light of the club's rapidly growing appeal in Asia, Borussia Dortmund opened its first representative office outside of Germany in Singapore in October 2014. Among other things, the office is responsible for establishing and maintaining ties with local companies.

Advertising revenue also included bonuses for advancing to the group stage, knockout phase and quarter-finals of the UEFA Europa League and the



21st match day
13 February 2016
BVB – Hannover 96 1:0



Round of 32 - 1st leg UEL
18 February 2016
BVB – FC Porto 2:0

final of the DFB Cup in Berlin, as well as for finishing the season in second place in the standings, thus qualifying directly for the group stage of the 2016/2017 UEFA Champions League season.

Income from TV marketing

In financial year 2015/2016, income from domestic and international TV marketing represented 21.94% of revenue and increased by EUR 451 thousand year on year to EUR 82,564 thousand despite the fact that the club failed to qualify for the UEFA Champions League. The income lost from not competing in the UEFA Champions League was almost fully offset by the income from international TV marketing for Bundesliga matches, which is determined on the basis of the UEFA coefficient that Borussia Dortmund earned over the previous five seasons, and a higher TV advertising distribution.

Income from domestic TV marketing amounted to EUR 60,848 thousand, representing a year-on-year increase of EUR 17,232 thousand. Borussia Dortmund maintained its number-two ranking in the five-year evaluation despite finishing in seventh place in the 2014/2015 season. The basis for calculating the distribution continues to be the money distribution list, which ranks the clubs proportionate to their standings in the previous five seasons. Due to Borussia Dortmund's successful performances in international club competitions over the previous five seasons and the resulting improvement in its UEFA coefficient ranking, as well as the increase in income from international TV marketing for Bundesliga matches, the distribution from international TV marketing for Bundesliga matches rose by approximately 206% in the financial year ended.

By contrast, the income from international TV marketing declined in financial year 2015/2016.

During the reporting period from 1 July 2015 to 30 June 2016, this revenue item amounted to EUR 17,233 thousand (previous year: EUR 32,502 thousand) and includes distributions for competing in the eight rounds of the 2015/2016 UEFA Europa League season as well as surplus revenue from the previous year.

UEFA distributions for the UEFA Europa League are structured in virtually the same way as the pay-outs for the UEFA Champions League. They include the market pool's participation and match bonuses as well as performance-based bonuses. The market pool, in turn, is divided into two parts: Part A is based on the standings for the most recent Bundesliga season; Part B, in contrast to the UEFA Champions League, is divided into six parts, representing the number of individual rounds from the group stage to the final. In turn, these six rounds are split into the total number of country associations that have at least one club participating in the respective round. The weighting is based on the proportional value of the respective TV market.

Borussia Dortmund once again reached the final of the DFB Cup in Berlin, but failed to qualify for the 2015 Super Cup after being eliminated from the DFB Cup in the 2014/2015 season. Borussia Dortmund won the Super Cup in 2014. Due to the income lost from not competing in the Super Cup, income from national cup competitions amounted to EUR 4,440 thousand (previous year: EUR 5,971 thousand).

Transfer income

In financial year 2015/2016, Borussia Dortmund generated income from transfer deals amounting to EUR 94,998 thousand (previous year: EUR 12,447 thousand). For the first time, this revenue item makes up the largest share (25.25%) of total revenue.



22nd match day
21 February 2016
Bayer Leverkusen – BVB 0:1



Round of 32 - 2nd leg UEL
25 February 2016
FC Porto – BVB 0:1

In financial year 2014/2015, income from transfer deals amounting to EUR 12,447 thousand was attributable primarily to the departures of Julian Schieber (Hertha BSC Berlin), Ji Dong-Won (FC Augsburg), Mitch Langerak (VfB Stuttgart) and Milos Jojic (1. FC Cologne) as well as the loans of Jonas Hofmann (1. FSV Mainz 05) and Marvin Ducksch (SC Paderborn). During the reporting period from 1 July 2015 to 30 June 2016, Borussia Dortmund's income from transfer deals was due mainly to the sale of Mats Hummels (FC Bayern Munich), Ilkay Gündogan (Manchester City), Kevin Kampl (Bayer 04 Leverkusen), Ciro Immobile, who was initially loaned out (Sevilla FC), Jonas Hofmann (Borussia Mönchengladbach), Kevin Großkreutz (Galatasaray Istanbul), Oliver Kirch (SC Paderborn), Marvin Ducksch (FC St. Pauli) and Jeremy Dudziak (FC St. Pauli) as well as the loan of Jakub Blaszczykowski (ACF Fiorentina).

Merchandising

The general upward trend also continued with merchandising, with revenue increasing by EUR 535 thousand to EUR 39,805 thousand. Merchandising revenue breaks down as follows: the 6 fan shops in Dortmund, Essen and Oberhausen as well as the 11 sales locations in and around SIGNAL IDUNA PARK (36.41%); mail-order business (32.88%); B2B sales channels (29.17%); and mobile sales units, the mobile fan shop and the MAN fan truck (1.54%).

In order to improve the browsing experience for customers at its Oberhausen location, Borussia Dortmund, together with its equipment supplier, Puma SE, opened a new fan shop situated just a few steps from the previous store at the CentrO shopping mall. In August 2015, the fan shop in Krone – located at the old market square in Dortmund – was completely remodelled and expanded to include the adjacent business premises.

Conference, catering and miscellaneous income

In the financial year ended, conference, catering and miscellaneous income increased by EUR 897 thousand to EUR 27,480 thousand and also included revenue from advance booking fees, rental and lease income and release fees for national team players.

In the current financial year, advance booking fees and postage increased by EUR 688 thousand and now amount to EUR 4,918 thousand, due primarily to the increased number of home matches.

Catering income generated by the circulation levels and hospitality areas, and income generated from events continued to improve, increasing by EUR 911 thousand to EUR 14,344 thousand. In contrast to income generated from hospitality services, which are part of the agreements with sponsors and thus continue to be the responsibility of Borussia Dortmund GmbH & Co. KGaA, public catering services on the circulation levels and the provision of food and beverages to spectators at home matches in and around SIGNAL IDUNA PARK has been the responsibility of BVB Event & Catering GmbH since 1 July 2015. BVB Event & Catering GmbH also plans, organises and hosts non-match day events, such as corporate events, official receptions, private parties and stadium tours at SIGNAL IDUNA PARK. In addition to official tours, guided individual stadium tours are also available by appointment. In the financial year ended, ticket sales for these tours increased by 16.52% after tickets were made available in the online ticket shop.

In the reporting period from 1 July 2015 to 30 June 2016, miscellaneous income, which includes the Evonik football academy and rental and lease



23rd match day
28 February 2016
BVB – TSG Hoffenheim 3:1



24th match day
02 March 2016
Darmstadt 98 – BVB 0:2

income, decreased by EUR 717 thousand year on year to EUR 5,094 thousand.

Income from release fees for national team players called up for the German national team's matches amounted to EUR 3,124 thousand, representing a year-on-year increase of EUR 15 thousand. In addition to veterans such as Mats Hummels, Ilkay Gündogan, Marco Reus and Matthias Ginter, Julian Weigl made his debut for the national team and was later also nominated for Germany's European Championship squad.

Other operating income

Other operating income decreased by EUR 13,473 thousand year on year to EUR 3,508 thousand and includes prior-period income of EUR 840 thousand (previous year: EUR 1,207 thousand). The decline in operating income is due primarily to insurance reimbursements. The reimbursements were included in the prior-year figure and served to hedge against the economic risks stemming from the club failing to qualify for the group stage of the 2015/2016 UEFA Champions League season.

DEVELOPMENT OF SIGNIFICANT OPERATING EXPENSES

Cost of materials

Cost of materials increased by EUR 4,992 thousand to EUR 25,676 thousand. Since the beginning of the financial year, BVB Event & Catering GmbH has also started catering during match days in addition to organising events and stadium tours. The rise in the cost of materials was principally attributable to the additional cost of goods sold related to this change.

Personnel expenses

Personnel expenses amounted to EUR 140,215 thousand in financial year 2015/2016, up EUR 22,283 thousand from the previous year.

Personnel expenses for the professional squad and for the coaching and support staff increased by 17.66% year on year. In addition to the budget for the professional squad, personnel expenses

includes bonuses based on the club's success in the UEFA Europa League and for advancing to the final of the DFB Cup in Berlin. Furthermore, Borussia Dortmund secured 78 points and second place in the Bundesliga, thus qualifying directly for the group stage of the 2016/2017 UEFA Champions League season.

In the reporting period, personnel expenses related to the retail and administration areas increased by EUR 5,382 thousand year on year to EUR 22,778 thousand. This increase was attributable to bonuses, special payments and the expansion of individual areas.

Personnel expenses in relation to amateur and youth football amounted to EUR 6,503 thousand during the current 2015/2016 financial year (previous year: EUR 6,249 thousand).



25th match day
05 March 2016
BVB – Bayern München 0:0



Last 16 - 1st leg UEL
10 March 2016
BVB – Tottenham Hotspur 3:0

Depreciation, amortisation and write-downs

Depreciation, amortisation and write-downs rose by EUR 7,804 thousand to EUR 50,238 thousand in the reporting period.

During the period from 1 July 2015 to 30 June 2016, intangible assets – which consist primarily of Borussia Dortmund's professional squad – were amortised in the amount of EUR 39,368 thousand (previous year: EUR 32,864 thousand).

Despite the signings of Gonzalo Castro, Julian Weigl, Joo-Ho Park and Roman Bürki, write-downs for depreciation and amortisation decreased by EUR 966 thousand to EUR 31,899 thousand due in part to the sale of Kevin Kampl and Oliver Kirch at the beginning of the financial year. Furthermore, depreciation and amortisation included a EUR 7,469 thousand write-down of a non-current intangible asset held for sale to its fair value.

Depreciation and write-downs of property, plant and equipment rose by EUR 9,569 thousand to EUR 10,870 thousand. This was attributable primarily to investments in SIGNAL IDUNA PARK, the expansion of the Regulars Table and renovations at the August Lenz House, the training ground, the youth training centre (Strobelallee 81) as well as the fan shops in Oberhausen and at the old market square in Dortmund.

Other operating expenses

Other operating expenses increased by EUR 28,389 thousand from EUR 98,819 thousand in the previous year to EUR 127,208 thousand in the reporting period.

This was due mainly to expenses related to transfer deals involving the players Kevin Kampl, Oliver Kirch, Ciro Immobile, Marian Sarr, Mats Hummels and Ilkay Gündogan and their residual carrying amounts.

Expenses from match operations also increased, from EUR 39,339 thousand to EUR 40,948 thousand. This was attributable to the increase in the number of home matches during the financial year and the resulting expenses at SIGNAL IDUNA PARK as well as travel to the four additional international matches.

Advertising expenses also increased, from EUR 21,135 thousand to EUR 24,091 thousand. As in previous years, this was due primarily to performance-related agency commissions to Lagardère Sports Germany GmbH (formerly SPORTFIVE GmbH).

Financial result

The financial result for financial year 2015/2016 amounted to EUR -2,096 thousand (previous year: EUR -7,159 thousand).



26th match day
13 March 2016
BVB – 1.FSV Mainz 05 2:0



Last 16 - 2nd leg UEL
17 March 2016
Tottenham Hotspur – BVB 1:2

ANALYSIS OF CAPITAL STRUCTURE

DEVELOPMENT AND PERFORMANCE OF THE BUSINESS

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

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

| ASSETS | 30/06/2016 | | 30/06/2015 | |
|---|----------------|--------------|----------------|--------------|
| | EUR '000 | in % | EUR '000 | in % |
| Non-current assets | | | | |
| Intangible assets | 65,278 | 15.4 | 96,340 | 24.9 |
| Property, plant and equipment | 188,423 | 44.4 | 189,518 | 49.0 |
| Investments accounted for using the equity method | 302 | 0.1 | 293 | 0.1 |
| Financial assets | 107 | 0.0 | 463 | 0.1 |
| Trade and other financial receivables | 34,378 | 8.1 | 1,462 | 0.4 |
| Deferred tax assets | 1,136 | 0.2 | 1,136 | 0.3 |
| Prepaid expenses | 13,141 | 3.1 | 297 | 0.1 |
| | 302,765 | 71.3 | 289,509 | 74.9 |
| Current assets | | | | |
| Inventories | 10,158 | 2.4 | 9,376 | 2.4 |
| Trade and other financial receivables | 51,072 | 12.0 | 29,680 | 7.7 |
| Current tax assets | 257 | 0.1 | 222 | 0.1 |
| Cash and cash equivalents | 51,722 | 12.2 | 53,739 | 13.9 |
| Prepaid expenses | 8,571 | 2.0 | 4,013 | 1.0 |
| | 121,780 | 28.7 | 97,030 | 25.1 |
| | 424,545 | 100.0 | 386,539 | 100.0 |

As at 30 June 2016, total assets amount to EUR 424,545 thousand, representing an increase of EUR 38,006 thousand as compared to 30 June 2015. Changes in individual asset items were as follows:

Despite additions amounting to EUR 39,431 thousand, fixed assets reported under non-current assets decreased by EUR 32,504 thousand. This is attributable to disposals amounting to EUR 21,697 thousand and depreciation, amortisation and write-downs of EUR 50,238 thousand. By contrast, non-current trade and other financial receivables increased by EUR 32,916 thousand to EUR 34,378 thousand due to transfer deals.

Long-term prepaid expenses increased by EUR 12,844 thousand to EUR 13,141 thousand in the

reporting period. This increase is due primarily to recognised consulting and salary payments.

As at 30 June 2016, current assets amounted to EUR 121,780 thousand, which is due to changes in the following balance sheet items:

Inventories amounted to EUR 10,158 thousand (30 June 2015: EUR 9,376 thousand).

Current trade and other financial receivables increased by EUR 21,392 thousand year on year.

Cash and cash equivalents amounted to EUR 51,722 thousand, a decrease of EUR 2,017 thousand as compared to 30 June 2015.

Short-term prepaid expenses increased by EUR 4,558 thousand to EUR 8,571 thousand due in particular to recognised consulting and salary payments.



27th match day
 20 March 2016
 FC Augsburg – BVB 1:3



28th match day
 02 April 2016
 BVB – Werder Bremen 3:2

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

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

| EQUITY AND LIABILITIES | 30/06/2016 | | 30/06/2015 | |
|---|----------------|--------------|----------------|--------------|
| | EUR '000 | in % | EUR '000 | in % |
| Equity | | | | |
| Subscribed capital | 92,000 | 21.6 | 92,000 | 23.8 |
| Reserves | 217,655 | 51.3 | 193,887 | 50.2 |
| Treasury shares | -113 | 0.0 | -114 | 0.0 |
| Equity attributable to the owners of the parent company | 309,542 | 72.9 | 285,773 | 74.0 |
| Minority interests | 0 | 0.0 | 305 | 0.1 |
| | 309,542 | 72.9 | 286,078 | 74.1 |
| Non-current liabilities | | | | |
| Non-current liabilities from finance leases | 18,990 | 4.5 | 21,630 | 5.6 |
| Non-current trade payables | 3,420 | 0.8 | 0 | 0.0 |
| Other non-current financial liabilities | 1,782 | 0.4 | 1,204 | 0.3 |
| Deferred income | 12,000 | 2.8 | 16,000 | 4.1 |
| | 36,192 | 8.5 | 38,834 | 10.0 |
| Current liabilities | | | | |
| Provisions | 1,372 | 0.3 | 0 | 0.0 |
| Current liabilities from finance leases | 2,640 | 0.6 | 2,497 | 0.6 |
| Current trade payables | 14,635 | 3.5 | 22,809 | 5.9 |
| Other current financial liabilities | 34,435 | 8.1 | 15,011 | 3.9 |
| Tax liabilities | 5,212 | 1.3 | 803 | 0.2 |
| Deferred income | 20,517 | 4.8 | 20,507 | 5.3 |
| | 78,811 | 18.6 | 61,627 | 15.9 |
| | 424,545 | 100.0 | 386,539 | 100.0 |

Taking into account consolidated net income for the year, Borussia Dortmund's equity amounted to EUR 309,542 thousand as at 30 June 2016. This corresponds to an equity ratio of 72.91% (previous year: 74.01%).

Liabilities increased by EUR 14,542 thousand year on year; this change is due to the following:

Liabilities from finance leases decreased as planned by EUR 2,497 thousand.

Trade payables totalled EUR 18,055 thousand (previous year: EUR 22,809 thousand).

Deferred income declined by EUR 3,990 thousand due in particular to the pro-rated reversal of the

prepaid licence fees under the agency licensing agreement with Lagardère Sports Germany GmbH (formerly SPORTFIVE GmbH & Co. KG).

By contrast, tax liabilities and other financial liabilities changed as follows:

Other financial liabilities increased by EUR 20,002 thousand to EUR 36,217 thousand due in particular to the increase in staff-related liabilities and wage and value added tax obligations not yet due.

Tax liabilities increased by EUR 4,409 thousand to EUR 5,212 thousand due primarily to the expected tax expense for the reporting period.



Quarter-Finals 1st leg UEL
07 April 2016
BVB – Liverpool 1:1



29th match day
10 April 2016
FC Schalke 04 – BVB 2:2

ANALYSIS OF CAPITAL EXPENDITURE

In the past financial year, Borussia Dortmund invested EUR 34,956 thousand in intangible assets. This amount was invested almost entirely in the player base.

Cash payments for property, plant and equipment during the same period amounted to EUR 9,842 thousand and primarily included fixtures and expansions at SIGNAL IDUNA PARK as well as at the training ground in Brackel.

ANALYSIS OF LIQUIDITY

As at 30 June 2016, Borussia Dortmund held unrestricted cash funds of EUR 51,722 thousand.

Borussia Dortmund also had access to an additional EUR 15,000 thousand in overdraft facilities which had not been drawn down as at the end of the reporting period.

Proceeds from the sale of player registrations amounted to EUR 14,918 thousand in the past financial year. Payments for investments in the professional squad amounted to EUR 34,334 thousand.

Cash flows from operating activities amounted to EUR 35,228 thousand.

NET ASSETS

Borussia Dortmund's total assets increased from EUR 386,539 thousand to EUR 424,545 thousand. Fixed assets decreased by EUR 32,504 thousand, attributable in particular to disposals of player registrations due to transfers as well as amortisation on existing transfer rights.

As at the end of the reporting period, trade and other financial receivables increased by EUR 54,308 thousand, which was attributable primarily to the recognition of transfer receivables not yet due.

OVERALL ASSESSMENT OF FINANCIAL POSITION AND PERFORMANCE AND BUSINESS DEVELOPMENT

Borussia Dortmund ended the 2015/2016 financial year with consolidated net income for the year of EUR 29,436 thousand.

Taking into account the consolidated net income for the year, the equity ratio is calculated at 72.91%. As at 30 June 2016, Borussia Dortmund held unrestricted cash funds of EUR 51,722 thou-

sand. At the end of the reporting period, Borussia Dortmund had access to an additional EUR 15,000 thousand in overdraft facilities which had not been drawn down.

Overall, business development during financial year 2015/2016 was positive.



Quater-Finals 2nd leg UEL
14 April 2016
Liverpool – BVB 4:3



30th match day
17 April 2016
BVB – Hamburger SV 3:0

REMUNERATION REPORT

The structure of the management remuneration system is defined 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 setting the remuneration of the individual executives and for defining the appropriate amount of remuneration. The appropriate remuneration level is defined in particular on the basis of the specific executive's responsibilities and performance, as well as on the basis of Borussia Dortmund's financial position, performance and future prospects.

Executive remuneration consists of two components: a fixed amount and a variable component. The fixed component is stipulated by contract, takes into account the sporting success achieved and is paid out in twelve equal monthly instalments. The variable 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 the 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 12 thousand (previous year: 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.



DFB-Cup: Semi-final
20 April 2016
Hertha BSC – BVB 0:3



31st match day
23 April 2016
VFB Stuttgart – BVB 0:3

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.



32nd match day
30 April 2016
BVB – VFL Wolfsburg 5:1



33rd match day
07 May 2016
Eintr. Frankfurt – BVB 1:0

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.

The sections below focus on possible future developments or events which could cause Borussia Dortmund to perform either better than expected (opportunities) or worse than expected (risks). The respective impact of opportunities and risks are generally presented separately and are not offset against one other. Generally speaking, risks and opportunities are assessed over a mid-length term of two years. All risks of loss to which the Company is exposed (individual and cumulative risks) are monitored and managed within the risk management system.

The consolidated group for risk management purposes is identical to the consolidated group in the consolidated financial statements

A functioning control and monitoring system is essential for identifying risks early and for assessing and counteracting them. 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 immediately. 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.

The currency and detail of the regular risk reports given to the governing bodies of Borussia Dortmund keep them informed of the Group's current risk profile.

This ensures that the Company's decision-makers have adequate flexibility to be able to monitor and manage risks.

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 potential consequences.

Each risk is given a qualitative rating of between 1 and 4, with 1 indicating a low level of risk and 4 indicating a very high level of risk.

A risk impact assessment is carried out both before and after the identification and development of countermeasures to reduce the risk. The risk impact assessments are weighted before and after countermeasures based on a ratio of 1:2, with weighting prioritising the probability and consequences of each risk after countermeasures take effect. In mathematical terms, the risk impact assessment (before countermeasures) is derived by adding the probability of the risk and its consequences before countermeasures, while the assessment (after countermeasures) is derived by adding the probability of the risk and its consequences, and multiplying this figure by two.



34th match day
14 May 2016
BVB - 1. FC Köln 2:2



DFB-Cup: Final
21 May 2016
Bayern München – BVB 4:3 n.E.

Example

| | | | |
|--------------------------------|---|-----------|-----------|
| Before countermeasures: | | | |
| Probability | 2 | 2+3=5 | 5 |
| Consequences | 3 | | |
| After countermeasures: | | | |
| Probability | 1 | | |
| Consequences | 2 | (1+2)x2=6 | 6 |
| TOTAL | | | 11 |

If the assessment of an individual risk falls within the top third of the scale (a score of 17 to 24), Borussia Dortmund classifies it as a high priority risk. Particular attention is paid to such risks, since they are capable of having a material adverse and long-term effect on the Company's assets, liabilities, financial position and profit or loss. There are currently 17 (previous year: 19) risks that are classified as high priority.

The currency and detail of the regular risk reports given to the governing bodies of Borussia Dortmund keep them informed of the Group's current risk profile.

This ensures that the Company's decision-makers have adequate flexibility to be able to monitor and manage risks.

Categorisation of risks

In accordance with the recommendations under German Accounting Standard DRS 20, and to ensure ease of reference, Borussia Dortmund divides its risks into seven main categories, which are explained in greater detail below.

All 46 risks that could have a direct impact on the Company fall within these categories. The following is a discussion of the 17 high priority risks in their respective categories.

Category 1 – strategic risk

We define strategic risk as risk arising from incorrect business decisions, poor implementation of decisions or the inability to adapt to changes in the corporate environment. Strategic risk also arises from unexpected changes in market conditions and the environment in which the Company operates, which bring with them negative consequences for the Company's assets, liabilities, financial position and profit or loss.

This category includes three high priority risks:

The first is the risk created by the conflicting goals of sporting and commercial success, where conservative corporate planning can conflict with the promotion of and investment in sporting development. Financial performance and business development are largely dependent on footballing success. The highest priorities for developing the club's core business will be making the club more competitive and improving its infrastructure. Therefore, the Group will invest in particular in the professional squad as well as SIGNAL IDUNA PARK, the adjoining infrastructure and the training ground. However, in order to mitigate and avoid financial risk, Borussia Dortmund will pursue a conservative and extremely prudent capital expenditure strategy and will not count on any uncertain sporting successes.

On account of the two corporate actions and the resulting improvement of equity as well as its strategic partnership with key sponsors, Borussia Dortmund is in a position to remain profitable even in years where the squad enjoys less footballing success. Borussia Dortmund further counters this risk by setting strict budgets for the individual divisions and undertaking corporate planning on a revolving basis using various planning scenarios.

The fact that financial planning is dependent on sporting success gives rise to another risk, namely that failing to achieve planned sporting objectives could lead to a lack of adequate income or cash funds. Several years ago, Borussia Dortmund introduced an integrated planning system that takes into account the development of liquidity in addition to the income statement and balance sheet. The expectations for sporting success have only increased following the achievements of recent years. Corporate planning (realistic case scenario) thus includes predefined objectives for the season. The integrated planning system allows the management to identify at an early stage what the effects of failing to meet the set objectives would be and to prepare any countermeasures, if necessary.

The third risk in this category is the risk associated with the performance of Borussia Dortmund's shares. The Group is very conscious of this risk and continually analyses the Company's value on the capital market and the consequences of it being undervalued. A key component of this risk is the impact of these factors on potential corporate action in the future and the Company's appeal to business partners. This risk is countered through continual communication with the capital market. In addition, Borussia Dortmund has been listed on the Prime Standard segment of the Frankfurt Stock Exchange since 30 May 2014. Furthermore, the Company increased the number of institutional investors and funds in part by participating in more roadshows. The objective continues to be attaining and securing a high share price.

The risk that the DFB/DFL might attempt to exert an influence over the club or impose restrictions or sanctions – which was classified as a high-priority strategic risk in the previous year – does not apply since DFL Deutsche Liga GmbH and the DFB

currently have not, in response to business matters, imposed any restrictions or sanctions that could represent a risk for Borussia Dortmund.

Category 2 – personnel risk

The importance of human resources to companies is growing. The Company's success is largely dependent on the commitment, motivation and skills of both its sporting personnel and managerial/administrative staff.

This category includes three high priority risks:

The importance of protecting confidential information continues to grow. With knowledge of the Company's internal affairs, staff could procure benefits, or other parties could cause serious damage to the Company or its very existence. Information could also be used in order to influence the Company's value on the stock exchange. The risks associated with the above are lessened thanks to the implementation and control of effective authorisation concepts, coding, and the use of data encryption technology.

Periods during which professional players are unable to play (rest periods) are seen as a further risk. They can have a massive impact on the Company's success, because they mean that team managers are unable to play the best possible team for the entire season, putting sporting goals in jeopardy. The reasons for rest periods include personal match bans, injury or even excessive stress. To reduce this risk, Borussia Dortmund specifically works towards strengthening all positions in the team.

If established case law changes with the effect that player contracts can no longer be limited in term, this would create a risk with diverse ramifications for Borussia Dortmund.

Any such change would have far-reaching consequences, even though Borussia Dortmund already concludes long-term player contracts with a view to ensuring stability in its human resources planning. There is a current precedent for this risk, a case against FSV Mainz 05 in which the Bundesliga club has lodged an appeal. Borussia Dortmund is in constant communication with the relevant persons within the DFB and at DFL in relation to this risk. Pending further notice, fixed-term employment contracts are presently permitted in professional football.

Category 3 – macroeconomic risk

Macroeconomic risk arises as a result of Borussia Dortmund's dependence on general economic and political developments.

This category includes five high priority risks:

Borussia Dortmund has classified unfavourable macroeconomic developments, particularly high unemployment and slow economic growth, as the first risk in this category. Leading economists are sceptical as far as economic development in Germany is concerned. Accordingly, in the Joint Economic Forecast for spring 2016, economic research institutes revised their previous forecast for growth, from 1.8% to approximately 1.6%. This is according to Reuters news agency, which cited several individuals familiar with the data and information contained in the spring forecast. In comparison, Europe's largest economy grew 1.7% as recently as 2015. These factors can cause a significant change in consumer behaviour and negatively affect the Group's income. In order to manage this risk, the market is constantly monitored and cost structures are adjusted to match declines in revenues.

The risk of right-wing extremism is a societal risk that can have a direct impact on the corporate environment, particularly because of the platform that matches offer for extremist activity, with the large number of spectators and the media attention. A consequence of this risk would be damage to reputation and an associated decline in interest on the part of business partners such as sponsors, investors and fans. Borussia Dortmund counters this risk by clearly communicating that racism and discrimination have no place at Borussia Dortmund, and by working daily to combat right-wing attitudes and reprehensible slogans. Enhanced security checks and camera surveillance have been implemented, and, where necessary, individuals are banned from stadiums or charged with criminal offences.

The increased willingness of certain individuals to commit violence at stadiums is an additional risk that could harm the Group, because apart from the damage to image it could cause and the sanctions imposed by the associations, it could cause spectators to stay away from matches. This risk is also being countered with enhanced security checks and camera surveillance as well as stadium bans and the threat of criminal charges.

There is a recurring discussion about who should shoulder the costs incurred by government organisations, particularly the police, for providing security at home matches. Passing these costs on to the Bundesliga clubs would present an earnings and liquidity risk for those clubs, Borussia Dortmund included. In light of the ongoing discussion, North Rhine-Westphalia has already reduced its police presence from some 350 to approximately 250 officers for "normal" league matches at SIGNAL IDUNA PARK.

The categorisation of social media activities as a high priority risk reflects the fact that new technologies not only have potential for development, they also harbour risk potential. The risk entails damage to reputation as a result of targeted campaigns, as well as trademark and copyright infringements. To minimise this risk, mentions of the Company on the Internet and on social media networks are viewed, and the light in which the Company is presented is checked.

Category 4 – competitive risk

Competitive risk relates to factors stemming from competition in the domestic and international professional football business.

This category includes four high priority risks:

The risk of being relegated to the second Bundesliga is a risk that would result in a significant negative financial impact. The response to this risk has been to draw up worst case scenarios on the assumption of relegation, and to enter into more flexible and more heavily performance-based contracts.

The risk that key players might switch clubs could jeopardise the attainment of sporting goals. Even though success is rarely due to the efforts of one player alone, a team can quickly become weaker if key players, or play-makers, leave. Borussia Dortmund has therefore adopted the strategy of renewing contracts with key players early, thereby securing those players for the long term. The transfer policy has evolved as the club's footballing success has grown in recent years, a development that is reflected in the higher transfer fees being paid for players. Other top European clubs will take an interest in and attempt to sign these top-class and successful players.

The risk of failing to comply with the Financial Fair Play rules and potential exclusion from international competitions or potential financial sanctions would have serious financial consequences for Borussia Dortmund. To minimise this risk therefore, compliance with the relevant requirements and target/actual comparisons are constantly reviewed.

The fourth risk in this category is the risk of a potential stadium catastrophe, the consequences of which could be wide and varied and entail significant cost, and also cause lasting damage to the Company's image. The Company responds to this risk by regularly checking the quality and reliability of security staff and training them in the prevention of various catastrophes. In addition, the admission gates are under surveillance and the existing level of insurance cover is regularly reviewed. Furthermore, an external auditor was engaged to audit the establishment, implementation and effectiveness of key measures and controls introduced for the security staff. The audit largely confirmed the implementation of the measures and their controls as at 30 April 2016 as well as their effectiveness in the period from 1 August 2015 to 30 April 2016.

Borussia Dortmund increased security measures at its home matches following the terrorist attacks in Paris and Brussels as well as the cancellation of the international match in Hanover. In addition to conducting more thorough searches and controls, the club will also deploy metal detectors at the stadium. The topic of security was discussed on multiple occasions with all relevant authorities, in particular the police. Additional security measures will be implemented and conducted behind closed doors so as to not compromise their effectiveness. These measures are covered in a multi-page internal report.

Category 5 – liquidity risk

Liquidity risks include all risks in connection with cash flows and financial burdens.

This category includes two high priority risks:

A potential loss of significant financial backers and sponsors is also included in this risk category. The insolvency of key business partners could place significant burdens on liquidity. In order to minimise the risk of losing sponsors, Borussia Dortmund implemented an accounts receivable management system several years ago, the objective of which is to keep bad debts to a minimum and to ensure that the Company has the liquidity it needs at all times.

Fewer footballing successes generally translate to reductions in revenue, while the fixed components of player salaries remain constant.

The risk associated with the volume of player salaries means that it is likely that it will not be possible for the variable portions to offset the reductions in revenue. In order to steer this risk, personnel expenses are constantly monitored using appropriate indicators and a bonus system which is aligned with the Group's strategies has been implemented.

The risk of insolvency is no longer classified as a high priority risk. Borussia Dortmund currently holds unrestricted cash and cash equivalents as well as a potential unrestricted overdraft facility. Furthermore, Borussia Dortmund has not planned any material investments that could jeopardise the Company's liquidity.

Category 6 – interest rate risk

The Group is not presently exposed to any high-priority risks in this category.

Category 7 – credit risk

The Group is not presently exposed to any high-priority risks in this category.

OPPORTUNITIES

Qualifying for the UEFA Champions League guarantees Borussia Dortmund international TV marketing revenue as well as additional income from match operations that the club can expand by advancing in the competition. In order to successfully compete on the international stage and in the UEFA Champions League, Borussia Dortmund rebuilt its squad this year. The club invested nearly EUR 100 million to sign a mix of experienced, top-quality players and young talent. On the other hand, the highly successful coaching staff was purposefully left intact in order to further optimise the structures put in place in the past year. The combination of the familiar coaching staff and a young, ambitious squad that includes key players has caught the attention of the media and fans alike. Interest in Borussia Dortmund has not

waned, meaning that demand for match and hospitality tickets continues unabated. This is another key component of Borussia Dortmund's economic success.

The club continues to pursue promising strategies off the pitch as well. In line with the its targeted and sustainable internationalisation plans, Borussia Dortmund will embark on another tour of Asia in July 2016 in order to build on the success of the previous year's tour.

By investing in the player base, implementing highly professional support structures for the squad, tapping new markets and maintaining its presence in its established markets, Borussia Dortmund is setting the course for another successful season.

OVERALL ASSESSMENT OF THE RISKS AND OPPORTUNITIES

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

EXPECTED DEVELOPMENT OF CONSOLIDATED NET INCOME/LOSS

Borussia Dortmund successfully qualified for the upcoming 2016/2017 UEFA Champions League season, marking its return to the world's premier club football competition. This not only stands as a testament to the club's sporting success in the previous season and the establishment of a new coaching staff, but also to the growing revenue base.

In addition, Borussia Dortmund again demonstrated its economic stability during the year as it generated net income for the year for a sixth consecutive time.

A solid foundation paired with a promising shift in Borussia Dortmund's transfer policy allows the club to take a conservative yet optimistic approach for the coming financial year.

EXPECTED GENERAL ECONOMIC ENVIRONMENT

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

The income from marketing the Bundesliga on television can be planned with certainty. The basis for calculating the distribution continues to be the money distribution list, which ranks the clubs proportionate to their standings in the previous five seasons. In particular, the distribution from inter-

national TV marketing for Bundesliga matches will increase in the coming financial year on account of the club's success in international competitions in the previous five seasons.

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

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

The revenue generated from the sale of fan merchandise has increased continuously in recent years. Borussia Dortmund is also attempting to increase its activities internationally in this area in order to tap additional potential revenue streams.

Generally, Borussia Dortmund does not plan on transfer income; however, given Borussia Dortmund's sustained success, its players are piquing the interest of other top clubs. Based on the current financial strength of foreign clubs in particular, it is possible that value-driven transfers will be concluded contrary to the Company's sporting interests.

EXPECTED RESULTS OF OPERATIONS

Expected earnings trend

Based on conservative estimates, the management of Borussia Dortmund expects to generate net income in financial year 2016/2017. However, the exact result depends to a large extent on the club's sporting success and is therefore very difficult to plan. The positive revenue effects from the previous year allowed Borussia Dortmund to be highly active during the summer transfer window and sign eight new players for the upcoming season. More than EUR 100 million was invested in the squad in an effort to largely curtail the risk stemming from revenue sources that depend on the club's sporting success and are therefore very difficult to plan. However, this also significantly and negatively impacts depreciation, amortisation and write-downs.

Consequently, consolidated net income and EBIT are expected to be in the low seven-figure range. Depreciation, amortisation and write-downs are expected to amount to EUR 61,000 thousand, with the operating result (EBITDA) forecast to exceed the result from operating activities (EBIT) by this amount.

Expected revenue trend

Based on conservative estimates, Borussia Dortmund expects to generate revenue of EUR 340,000 thousand in the coming financial year. This represents a year-on-year decrease of approximately

EUR 36,000 thousand and is attributable primarily to the high level of revenue generated from transfer deals during the 2015/2016 financial year. However, the Company's other revenue items are expected to increase in the coming financial year.

Expected trend for significant operating expenses

Cost management continues to be Borussia Dortmund's highest priority. The objective is to specifically manage and continually monitor risks in order to avoid or minimise these.

Operating expenses are linked directly to the number of matches played and the club's performance in competitions, meaning that these are always contingent upon the club's footballing success.

Personnel expenses are also largely dependent upon the club's sporting success, because the professional squad is compensated on the basis of its performance, meaning that only those expenditures commensurate with the club's success are expected.

Borussia Dortmund expects personnel expenses to increase in the coming financial year due to the strengthening of the squad with quality players.

EXPECTED DIVIDENDS

The management will recommend to the Annual General Meeting that it resolve to use the net retained profits of EUR 28,262 thousand for financial year 2015/2016 to distribute a dividend of EUR

0.06 per share carrying dividend rights (totalling EUR 5,519 thousand) for financial 2015/2016 and to transfer the remainder (EUR 22,743 thousand) to other revenue reserves.

EXPECTED FINANCIAL POSITION

Capital expenditure and financial planning

The highest priorities for developing the club's core business will be making the club more competitive and improving its infrastructure. Therefore, the Group will invest in particular in the professional squad as well as SIGNAL IDUNA PARK, the adjoining infrastructure and the training ground. However, in order to mitigate and avoid financial risk, Borussia Dortmund will pur-

sue a conservative and extremely prudent capital expenditure strategy and will not count on any uncertain sporting successes.

Expected liquidity trend

Borussia Dortmund expects cash flows from operating activities in financial year 2016/2017 to be in the low eight-figure range and thus below the prior-year level.

OVERALL ASSESSMENT OF EXPECTED PERFORMANCE

On account of the aforementioned expected economic conditions, paired with the appeal of the Borussia Dortmund brand, the club continues to

expect that its economic performance will remain positive in the coming years.

2015/2016 REPORT ON EVENTS AFTER THE END OF THE REPORTING PERIOD

of Borussia Dortmund GmbH & Co. KGaA

Preparations for the new season

As usual, Borussia Dortmund had a busy and exciting preseason which began with its training camp in Austria and included a trip to China.

Four test matches in Germany, Austria and Switzerland are scheduled prior to the start of the new Bundesliga season. The club's preseason opponents will be Sunderland AFC, Athletic Bilbao, SV Sandhausen and Hallescher FC. However, the highlight leading up to the start of the new Bundesliga campaign will be the DFL Super Cup on 14 August 2016 at home against FC Bayern Munich.

Prior to the kickoff of the 54th edition of the Bundesliga one week later, Borussia Dortmund will contest its first DFB Cup match on 22 August 2016 against SV Eintracht Trier 05. In its first match of the season, Borussia Dortmund will host FSV Mainz 05 at SIGNAL IDUNA PARK on 27 August 2016.

Borussia Dortmund then launches its international campaign on 13 September 2016. Its opponents for the group stage of the UEFA Champions League will be drawn on 25 August 2016.

Prior to that, the club will also hold a one-week training camp in Bad Ragaz, Switzerland.

Big names in Dortmund

Borussia Dortmund strengthened its squad during the summer break. Mario Götze, who previously played for Dortmund from 2001 to 2013, signed a four-year contract and returns to the Ruhr region following a three-year stint at FC Bayern Munich.

Another Germany international, 25-year-old André Schürrle, also signed with the club. Schürrle's contract ties him to Borussia Dortmund through to 30 June 2021.

Henrikh Mkhitaryan will be leaving Borussia Dortmund. The Armenia international will transfer to Manchester United in the English Premier League. Poland international Jakub Blaszczykowski and Moritz Leitner are also leaving Borussia Dortmund. The 30-year-old Blaszczykowski, who was most recently on loan at ACF Fiorentina, is moving to VfL Wolfsburg, while Leitner joins S.S. Lazio S. p. A.

Marketing

In addition to English and Japanese, Borussia Dortmund's website is now also available in Spanish.

Other business

The DFB sports court imposed a fine of EUR 75 thousand on Borussia Dortmund for fan misconduct at the DFB Cup final and three other competitive matches. If any other serious infractions are reported by 31 May 2017, Dortmund will also be hit with a partial stadium ban for its spectators for one Bundesliga match.

OTHER DISCLOSURES

REPORT IN ACCORDANCE WITH § 315 (4) OF THE HGB

The following information has been provided by the Company in response to the requirements of § 315 (4) nos. 1 to 9 HGB:

1. As at 30 June 2016, the share capital of Borussia Dortmund GmbH & Co. KGaA amounts to EUR 92,000,000.00 and is divided into 92,000,000 no-par value ordinary bearer shares. All of the shares have been admitted to trading on the Regulated Market (Prime 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 2016:
 - 1) Evonik Industries AG, Essen, Germany: 14.78% of the voting rights
 - 2) Ballspielverein Borussia 09 e.V. Dortmund, Dortmund, Germany: 14.33% of the voting rights (of which 5.53% held directly and 8.80% held indirectly by including the voting rights of Bernd Geske, Germany, pursuant to § 22 (2) WpHG).

- 3) Bernd Geske, Meerbusch, Germany: 14.33% of the voting rights (of which 8.80% held directly and 5.53% 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 Arti-

cles 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) of the 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) of the 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 changes 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 changes 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 of the 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 23 November 2019, with the approval of the Supervisory Board, to increase the share capital by a maximum of EUR 23,000,000.00 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 2014). 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 disappplied

- 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 Authorised Capital 2014 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 of the 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. At the end of the reporting period, 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 Com-

pany 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) of the 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, 19 August 2016

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



Hans-Joachim Watzke
Managing Director (Chairman)



Thomas Treß
Managing Director



CONSOLIDATED FINANCIAL STATEMENTS

Borussia Dortmund GmbH & Co. Kommanditgesellschaft auf Aktien, Dortmund



CONSOLIDATED FINANCIAL STATEMENTS

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

of Borussia Dortmund GmbH & Co. KGaA as at 30 June 2016

| EUR '000 | Note | 30/06/2016 | 30/06/2015 |
|---|------|----------------|----------------|
| ASSETS | | | |
| Non-current assets | | | |
| Intangible assets | (1) | 65,278 | 96,340 |
| Property, plant and equipment | (2) | 188,423 | 189,518 |
| Investments accounted for using the equity method | (3) | 302 | 293 |
| Financial assets | (4) | 107 | 463 |
| Trade and other financial receivables | (5) | 34,378 | 1,462 |
| Deferred tax assets | | 1,136 | 1,136 |
| Prepaid expenses | (12) | 13,141 | 297 |
| | | 302,765 | 289,509 |
| Current assets | | | |
| Inventories | (6) | 10,158 | 9,376 |
| Trade and other financial receivables | (5) | 51,072 | 29,680 |
| Current tax assets | | 257 | 222 |
| Cash and cash equivalents | (7) | 51,722 | 53,739 |
| Prepaid expenses | (12) | 8,571 | 4,013 |
| | | 121,780 | 97,030 |
| | | 424,545 | 386,539 |
| EQUITY AND LIABILITIES | | | |
| Equity | | | |
| | (8) | | |
| Subscribed capital | | 92,000 | 92,000 |
| Reserves | | 217,655 | 193,887 |
| Treasury shares | | -113 | -114 |
| Equity attributable to the owners of the parent company | | 309,542 | 285,773 |
| Minority interests | | 0 | 305 |
| | | 309,542 | 286,078 |
| Non-current liabilities | | | |
| Non-current liabilities from finance leases | (10) | 18,990 | 21,630 |
| Trade payables | | 3,420 | 0 |
| Other non-current financial liabilities | (11) | 1,782 | 1,204 |
| Deferred income | (12) | 12,000 | 16,000 |
| | | 36,192 | 38,834 |
| Current liabilities | | | |
| Provisions | (9) | 1,372 | 0 |
| Current liabilities from finance leases | (10) | 2,640 | 2,497 |
| Trade payables | | 14,635 | 22,809 |
| Other current financial liabilities | (11) | 34,435 | 15,011 |
| Tax liabilities | | 5,212 | 803 |
| Deferred income | (12) | 20,517 | 20,507 |
| | | 78,811 | 61,627 |
| | | 424,545 | 386,539 |

* The relevant sections in the notes to the consolidated statement of financial position can be found on the following pages:
(1) – p. 155, (2) – p. 156, (3) – p. 157, (4), (5) – p. 158, (6), (7) – p. 159, (8) – p. 160, (9), (10) – p. 162, (11), (12) – p. 163

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

of Borussia Dortmund GmbH & Co. KGaA from 1 July 2015 to 30 June 2016

| EUR '000 | Note | 2015/2016 | 2014/2015 |
|---|------|---------------|---------------|
| Revenue | (13) | 376,259 | 276,048 |
| Other operating income | (14) | 3,508 | 16,981 |
| Cost of materials | (15) | -25,676 | -20,684 |
| Personnel expenses | (16) | -140,215 | -117,932 |
| Depreciation, amortisation and write-downs | (17) | -50,238 | -42,434 |
| Other operating expenses | (18) | -127,208 | -98,819 |
| Result from operating activities | | 36,430 | 13,160 |
| Net income/loss from investments in associates | (3) | 8 | 0 |
| Finance income | (19) | 122 | 227 |
| Finance costs | (19) | -2,226 | -7,386 |
| Financial result | | -2,096 | -7,159 |
| Profit before income taxes | | 34,334 | 6,001 |
| Income taxes | (20) | -4,898 | -469 |
| Consolidated net income for the year | | 29,436 | 5,532 |
| Items that were subsequently reclassified to profit or loss | | | |
| Cash flow hedge | | | |
| - effective portion of the change in fair value | | -348 | -454 |
| - reclassification to profit or loss | | 0 | 2,058 |
| Other gains/losses incurred during the period, after taxes | | -348 | 1,604 |
| Total comprehensive income | | 29,088 | 7,136 |
| Consolidated net income for the year attributable to: | | | |
| - Owners of the parent: | | 29,191 | 5,251 |
| - Minority interests: | | 245 | 281 |
| Total comprehensive income attributable to: | | | |
| - Owners of the parent: | | 28,843 | 6,855 |
| - Minority interests: | | 245 | 281 |
| Earnings per share (in EUR) (basic/diluted) | (25) | 0.32 | 0.06 |

* The relevant sections in the notes to the consolidated statement of financial position can be found on the following pages: (3) – p. 157, (13), (14), (15), (16) – p. 164, (17), (18), (19) – p. 165, (20) – p. 166, (25) – p. 171.

CONSOLIDATED STATEMENT OF CASH FLOWS

of Borussia Dortmund GmbH & Co. KGaA for the 2015/2016 financial year

| EUR '000 | 2015/2016 | 2014/2015 |
|---|----------------|----------------|
| Profit before income taxes | +34,334 | +6,001 |
| Depreciation, amortisation and write-downs of non-current assets | +50,238 | +42,434 |
| Loss on disposals of non-current assets | -74,107 | -7,340 |
| Other non-cash income | -4,630 | -3,012 |
| Interest income | -122 | -227 |
| Interest expense | +2,226 | +7,386 |
| Income from investments in associates | -8 | 0 |
| Changes in other assets not classified as from investing or financing activities | +7,574 | -16,842 |
| Changes in other liabilities not classified as from investing or financing activities | +21,478 | -4,009 |
| Interest received | +44 | +142 |
| Interest paid | -1,479 | -7,386 |
| Income taxes paid | -320 | -200 |
| Cash flows from operating activities | +35,228 | +16,947 |
| Payments for investments in intangible assets | -34,956 | -68,271 |
| Proceeds from disposals of intangible assets | +14,918 | +6,589 |
| Payments for investments in property, plant and equipment | -9,842 | -10,405 |
| Proceeds from disposals of property plant and equipment | +400 | +6 |
| Proceeds from financial assets | +406 | +99 |
| Payments for investments in financial assets | -51 | -477 |
| Cash flows from investing activities | -29,125 | -72,459 |
| Cash receipts from issue of capital | 0 | +140,705 |
| Proceeds from the sale of treasury shares | +1 | +3 |
| Distributions to minority shareholders | -525 | -310 |
| Repayments of financial liabilities | 0 | -41,028 |
| Acquisition of minority interests | -500 | 0 |
| Dividend payments | -4,599 | -6,141 |
| Repayment of liabilities under finance leases | -2,497 | -1,830 |
| Cash flows from financing activities | -8,120 | +91,399 |
| Change in cash and cash equivalents | -2,017 | +35,887 |
| Cash and cash equivalents at the beginning of the period | +53,739 | +17,852 |
| Cash and cash equivalents at the end of the period | +51,722 | +53,739 |

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

of Borussia Dortmund GmbH & Co. KGaA for the 2015/2016 financial year

| EUR '000 | Reserves | | | | Treasury shares | Equity attributable to the owners of the parent company | Minority interests | Consolidated equity |
|---|--------------------|------------------|------------------------|----------------|-----------------|---|--------------------|---------------------|
| | Subscribed capital | Capital reserves | Other revenue reserves | Cashflow Hedge | | | | |
| <i>see note (8)</i> | | | | | | | | |
| 1 July 2014 | 61,425 | 33,797 | 52,236 | -2,427 | -116 | 144,915 | 334 | 145,249 |
| Distributions to shareholders | 0 | 0 | -6,141 | 0 | 0 | -6,141 | -310 | -6,451 |
| Issue of ordinary shares | 30,575 | 109,565 | 0 | 0 | 0 | 140,140 | 0 | 140,140 |
| Sale of treasury shares | 0 | 2 | 0 | 0 | 2 | 4 | 0 | 4 |
| Transactions with shareholders | 30,575 | 109,567 | -6,141 | 0 | 2 | 134,003 | -310 | 133,693 |
| Consolidated net income for the year | 0 | 0 | 5,251 | 0 | 0 | 5,251 | 281 | 5,532 |
| Other gains/losses incurred during the period, after taxes | 0 | 0 | 0 | 1,604 | 0 | 1,604 | 0 | 1,604 |
| Total comprehensive income | 0 | 0 | 5,251 | 1,604 | 0 | 6,855 | 281 | 7,136 |
| 30 June 2015 | +92,000 | +143,364 | +51,346 | -823 | -114 | +285,773 | +305 | +286,078 |
| 1 July 2015 | 92,000 | 143,364 | 51,346 | -823 | -114 | 285,773 | 305 | 286,078 |
| Distributions to shareholders | 0 | 0 | -4,599 | 0 | 0 | -4,599 | -526 | -5,125 |
| Acquisition of minority interests without change of control | 0 | -476 | 0 | 0 | 0 | -476 | -24 | -500 |
| Sale of treasury shares | 0 | 0 | 0 | 0 | 1 | 1 | 0 | 1 |
| Transactions with shareholders | 0 | -476 | -4,599 | 0 | 1 | -5,074 | -550 | -5,624 |
| Consolidated net income for the year | 0 | 0 | 29,191 | 0 | 0 | 29,191 | 245 | 29,436 |
| Other gains/losses incurred during the period, after taxes | 0 | 0 | 0 | -348 | 0 | -348 | 0 | -348 |
| Total comprehensive income | 0 | 0 | 29,191 | -348 | 0 | 28,843 | 245 | 29,088 |
| 30 June 2016 | +92,000 | +142,888 | +75,938 | -1,171 | -113 | +309,542 | 0 | +309,542 |

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

of Borussia Dortmund GmbH & Co. KGaA for the 2015/2016 financial year

(hereinafter also "Borussia Dortmund" or the "Group")

BASIC PRINCIPLES

General disclosures

Borussia Dortmund GmbH & Co. KGaA (hereinafter also "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. Borussia Dortmund also operates Group companies that sell merchandise, organise and host match-day and non-match-day events, and provide Internet and travel services. One Group company is a medical rehabilitation centre.

The general partner, BVB Geschäftsführungs-GmbH, Dortmund, 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 Ballspielverein Borussia 09 e.V. Dortmund.

The consolidated financial statements are presented in thousands of euros.

The subtotals contained in the consolidated statement of comprehensive income for the result from operating activities (EBIT) and the financial result are used to provide detailed information.

By a resolution dated 19 August 2016, the consolidated financial statements and the Group management report were authorised by the Company's management for submission to the Supervisory Board.

Accounting policies

These consolidated financial statements for the financial year from 1 July 2015 to 30 June 2016, 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 § 315 a (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 2015/2016 financial year:

Improvements to IFRS 2011 – 2013

Amendments were made to four Standards as part of the annual improvement project. These amendments clarify existing rules by adapting the wording of individual IFRSs. The scope of these amendments included IFRS 1, IFRS 3, IFRS 13, and IAS 40.

The Amendments must be applied for the first time for financial years beginning on or after 1 January 2015.

The Amendments did not have any impact on the consolidated financial statements.

Amendments to IAS 19 – Defined Benefit Plans: Employee Contributions

The Amendments provide clarification of the provisions governing the attribution of contributions from employees or third parties to service periods if the contributions are linked to the service. Furthermore, the Amendments provide relief if the contributions depend on the number of years of service.

The Amendments must be applied for the first time for financial years beginning on or after 1 February 2015.

The Amendments did not have any impact on the consolidated financial statements.

Improvements to IFRS 2010 – 2012

Amendments were made to seven Standards as part of the annual improvement project. The purpose of these amendments was to clarify existing rules by adapting the wording of individual IFRSs. In addition, certain amendments affect the disclosures in the notes to the consolidated financial statements. The scope of these amendments included IFRS 2, IFRS 3, IFRS 8, IFRS 13, IAS 16, IAS 24 and IAS 38.

The Amendments must be applied for the first time for financial years beginning on or after 1 February 2015. The Amendments to IFRS 2 and IFRS 3 must be applied to transactions executed on or after 1 July 2014.

The Amendments did not have any impact on the consolidated 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 2016 because they were not yet applicable for the financial year beginning on 1 July 2015:

Borussia Dortmund does not plan any early application of new Standards or Interpretations that will not become mandatory until later financial years.

Amendments to IFRS 11 – Accounting for Acquisitions of Interests in Joint Operations

IFRS 11 governs the accounting of joint ventures and joint operations. While joint ventures are accounted for using the equity method, the method used to account for joint operations under IFRS 11 is similar to proportionate consolidation.

The IASB's amendments to IFRS 11 govern accounting for acquisitions of interests in a joint operation that constitutes a business under IFRS 3 Business Combinations. In such cases, the acquirer should apply the principles governing the accounting of business combinations under IFRS 3. The disclosure requirements under IFRS 3 also apply in these cases.

The Amendments must be applied for the first time for financial years beginning on or after 1 January 2016.

Borussia Dortmund currently does not expect the first-time application of these Amendments to have any impact.

Amendments to IAS 1 – Disclosure Initiative

The Amendments concern various disclosure issues and clarify that disclosures are necessary only if they are material. This also applies explicitly if an IFRS requires a list of minimum disclosures. Furthermore, the Amendments clarify the guidance on aggregating and disaggregating line items in the statement of financial position and the statement of comprehensive income. In addition, the Amendments introduce clarification on the presentation of an entity's share of other comprehensive income of entities accounted for using the equity method. Finally, the Amendments also eliminates guidance that requires a specific order of the notes, thereby allowing entities to better present information relevant to the users of their financial statements.

The Amendments must be applied for the first time for financial years beginning on or after 1 January 2016.

Borussia Dortmund currently does not expect the first-time application of these Amendments to have any impact.

Amendments to IAS 16 and IAS 38 – Clarification of Acceptable Methods of Depreciation and Amortisation

The IASB's Amendments provide additional guidance on acceptable methods of depreciation and amortisation. The Amendments clarify that a revenue-based depreciation method is not acceptable for property, plant and equipment, and is generally not acceptable for intangible assets except in certain limited circumstances (rebuttable presumption of inappropriateness).

The Amendments must be applied for the first time for financial years beginning on or after 1 January 2016.

Borussia Dortmund currently does not expect the first-time application of these Amendments to have any impact.

Amendments to IAS 16 and IAS 41 – Agriculture: Bearer Plants

Pursuant to IAS 41, to date all biological assets were measured through profit or loss at fair value less costs to sell. This also applies to bearer plants such as grape vines, rubber trees and oil palms that are used to harvest biological assets over several periods, without the bearer plants themselves being sold as agricultural produce. The Amendments clarify that going forward bearer plants must be accounted for as property, plant and equipment pursuant to IAS 16 since their use is similar to that of property, plant and equipment. However, the produce growing on bearer plants will continue to be accounted for under IAS 41. The Amendments provide special relief for first-time adopters. For instance, for reasons of simplification, bearer plants can be measured at fair value as at the transition date.

The Amendments must be applied for the first time for financial years beginning on or after 1 January 2016.

Borussia Dortmund currently does not expect the first-time application of these Amendments to have any impact.

Amendments to IAS 27 – Equity Method in Separate Financial Statements

The Amendments reinstate the equity method as an accounting option for investments in subsidiaries, joint ventures, and associates in an investor's separate financial statements. The existing options to measure investments at cost or in accordance with IAS 39/IFRS 9 remain intact. Since 2005, the equity method may no longer be applied to measure investments in the separate financial statements (of the parent) in accordance with IAS 27.

The IASB amended IAS 27 in response to complaints from users about, among other things, the high cost of conducting fair value measurements as at every reporting date, particularly at unlisted associates.

The Amendments must be applied for the first time for financial years beginning on or after 1 January 2016.

Borussia Dortmund currently does not expect the first-time application of these Amendments to have any impact.

Improvements to IFRS 2012 – 2014

Amendments were made to four Standards as part of the annual improvement project. The purpose of these amendments was to clarify existing rules by adapting the wording of individual IFRSs/IASs. The scope of these amendments included IFRS 5, IFRS 7, IAS 19, and IAS 34.

The Amendments must be applied for the first time for financial years beginning on or after 1 January 2016.

Borussia Dortmund currently does not expect the first-time application of these Amendments to have any impact.

Accounting standards issued by the IASB, but not yet applied by the Company

| Standard | Interpretation | Published by IASB | Mandatory application (IASB) | Mandatory application (EU) | Expected effect on Group |
|---------------------|--|---|------------------------------|----------------------------|--------------------------|
| IFRS 10, 12, IAS 28 | Amendments Investment Entities: Applying the Consolidation Exception | 18 December 2014 | 1 January 2016 | No | Insignificant |
| IAS 7 | Amendments Disclosure Initiative | 29 January 2016 | 1 January 2017 | No | Insignificant |
| IAS 12 | Amendments Recognition of Deferred Tax Assets for Unrealised Losses | 19 January 2016 | 1 January 2017 | No | Insignificant |
| IFRS 9 (2014) | Financial Instruments | 12 November 2009/ 28 October 2010/ 16 December 2011/ 19 November 2013/ 24 July 2014 | 1 January 2018 | No | Insignificant |
| IFRS 15 | Revenue from Contracts with Customers | 28 May 2014/ 11 September 2015 | 1 January 2018 | No | Insignificant |
| IFRS 16 | Leases | 13 January 2016 | 1 January 2019 | No | Insignificant |
| IFRS 10, IAS 28 | Amendments Sale or Contribution of Assets between an Investor and its Associate or Joint Venture | 11 September 2014 | TBA | No | Insignificant |

Scope of consolidated financial statements

In addition to Borussia Dortmund GmbH & Co. KGaA, consolidated subsidiary companies and one associated company accounted for using the equity method. The consolidated financial statements include six fully

The list of shareholdings as at 30 June 2016 was as follows:

Shareholdings

| | Registered office | Share capital EUR '000 | Shareholding % | Equity (EUR '000) as at 30/06/2016 | Net profit/loss (EUR '000) 1/7/2015 to 30/6/2016 |
|--|-------------------|------------------------|----------------|------------------------------------|--|
| Fully consolidated companies: | | | | | |
| BVB Stadionmanagement GmbH* | Dortmund | 52 | 100.00 | 66 | 7 |
| besttravel dortmund GmbH | Dortmund | 50 | 100.00 | 144 | 594 |
| BVB Merchandising GmbH* | Dortmund | 75 | 100.00 | 10,881 | 4,379 |
| Sports & Bytes GmbH* | Dortmund | 200 | 100.00 | 2,510 | 87 |
| BVB Event & Catering GmbH* | Dortmund | 25 | 100.00 | 25 | 2,215 |
| BVB Asia Pacific Pte. Ltd.** | Singapur | 66 | 100.00 | 82 | 16 |
| Investments accounted for using the equity method | | | | | |
| Orthomed Medizinisches Leistungs- und Rehabilitationszentrum GmbH*** | Dortmund | 52 | 33.33 | 726 | 25 |

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

** Included in the consolidated financial statements for the short financial year from 1 October 2015 to 30 June 2016.

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

No interim financial statements were prepared for Orthomed GmbH as at 30 June 2016 due to the fact that there would be no material impact on the consolidated financial statements.

Under a purchase agreement dated 27 June 2016 (deed no. 104/2016-JS), Borussia Dortmund GmbH & Co. KGaA acquired additional shares in besttravel dortmund GmbH in financial year 2015/2016; besttravel dortmund GmbH is now wholly owned by Borussia Dortmund GmbH & Co. KGaA.

In addition, BVB Asia Pacific Pte. Ltd., Singapore (formed on 25 September 2015) was included in the consolidated financial statements. It is responsible for marketing Borussia Dortmund in the Asian market. Borussia Dortmund GmbH & Co. KGaA holds 100% of the shares in BVB Asia Pacific Pte. Ltd.

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.

Subsidiaries are entities controlled by the Group. The Group controls an entity if the Group is exposed to or has rights to variable returns from its investment in the entity and if the Group has the ability to influence those returns through its control over the entity. The financial statements of subsidiaries included in the consolidated financial statements as at the date control begins and until the time the Group no longer controls the entity.

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.

The Group's interests in investments accounted for using the equity method relate to shareholdings in associates.

Associates are entities over which the Group has a significant influence but does not control or jointly manage the entities' financial and operating policies.

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-entry 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 decisions of the Federal Fiscal Court (Bundesfinanzhof, "BFH") of 26 August 1992 (I R 24/91) and of 14 December 2011 (I R 108/10), the FIFA Regulations on the Status and Transfer of Players contained in FIFA circular no. 769 of 24 August 2001, which came into force on 21 September 2001, and DFL circular no. 52 of 20 March 2015, 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 lives and the methods of amortisation are reviewed at the end of each financial year.

Property, plant and equipment

Property, plant and equipment is carried at cost less accumulated depreciation and impairment losses. Since 1 January 2005, the date on which the Group transitioned to IFRSs, the cost of certain items of property, plant and equipment is carried at the fair value of those items as at that date.

Subsequent expenses are recognised only if it is probable that the future economic benefits associated with the expenses will flow to the Group.

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 expert. The changes in accounting policies resulted as a consequence of an expert review of the remaining useful life of the stadium property, which since 1 July 2013 will be depreciated over 40 years (previously: 19.5 years). Annual depreciation now amounts to EUR 3,034 thousand (previously: EUR 6,223 thousand).

Land is carried at amortised cost and impaired if necessary.

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.

Depreciation is calculated in order to allocate the cost of items of property, plant and equipment, less their estimated residual carrying amounts, on a straight-line basis over their estimated useful lives. Depreciation is generally recognised in profit or loss. Unless it is sufficiently clear that ownership will transfer to the Group at the end of the lease, leased assets are depreciated over the term of the lease or their useful lives, whichever is shorter. Land is not depreciated.

Straight-line depreciation is based on the following useful lives:

| | Useful life in years |
|---|----------------------|
| Stadium | 40 |
| Other buildings | 20 to 50 |
| 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.

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.

Leases

The Group's leases relate in particular to developed land and leased operating and office equipment.

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 and 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 measured 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 as-

sets 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 in other comprehensive income, 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. The Company 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. These assets are initially measured at fair value plus the directly attributable transaction costs. 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 directly in other comprehensive income are also recognised in other comprehensive income.

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 32.81% (previous year: 32.81%).

Inventories

Inventories consist principally of 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.

Ordinary shares

The costs directly attributable to the issue of ordinary shares are deducted from equity (net of taxes, if applicable).

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

Provisions must be recognised where a present legal or constructive obligation arises from a past event, which is expected to result in an outflow of resources and whose amount can be reliably estimated.

The Group applies these accounting procedures when recognising provisions for litigation and liability risks. The Group makes assumptions when determining the probability that liability will arise, the amount of any claims that could be asserted and the duration of any legal proceedings.

The recognition and measurement of provisions for litigation and liability risks entail uncertainty. The outcome of court proceedings in particular is difficult to predict. Therefore, provisions are measured on the basis of the best estimate of the liability and are recognised at the amount that will most likely be needed to settle the obligation as at the reporting date.

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 liabilities. 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 10, 11 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 represents 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.

In accordance with the classification prescribed by DFL Deutsche Fußball Liga GmbH 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 write-downs and incidental costs of disposal are reported as other operating expenses.

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.

Management of financial risks

The Group finances itself primarily from long-term finance leases, trade payables, season tickets paid for in advance and payments from sponsors. The related risks arising comprise fair value risks (interest-rate-related cash flow 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

Since 2013, the Group has been exposed to interest rate risks stemming from 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.

In the event the interest rate were to fall by 100 basis points (parallel shift in the yield curve), equity would decrease by EUR 567 thousand (previous year: decrease of EUR 533 thousand) and consolidated comprehensive income would fall by EUR 6 thousand (previous year: decrease of EUR 5 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 511 thousand (previous year: increase of EUR 471 thousand) and consolidated comprehensive income would increase by EUR 5 thousand (previous year: increase of EUR 5 thousand).

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.

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.

Significant decisions subject to judgement and estimates

The preparation of consolidated financial statements in accordance with IFRSs requires management to make significant decisions subject to judgement and estimates and assumptions concerning the application of financial accounting methods and the assets, liabilities, income and expenses recognised in those statements. Actual results may deviate from these estimates.

Estimates and the underlying assumptions are reviewed on an ongoing basis. Revisions of ac-

counting estimates are recognised in the period in which the estimates were revised as well as in all subsequent periods concerned.

Information about significant decisions subject to judgment made while applying accounting methods that materially impact the amounts recognised in the consolidated financial statements are disclosed in the notes to the consolidated financial statements below.

This section on accounting policies includes detailed disclosures about property, plant and equipment.

Notes 2 and 10 include detailed disclosures on finance leases.

Disclosures on deferred taxes are included, inter alia, in Note 20 and the section on accounting policies.

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.

Note 9 includes detailed disclosures on provisions.

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 to actually 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 income 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.

| EUR '000 | Borussia Dortmund KGaA | | BVB Merchandising GmbH | | Total | |
|--|------------------------|-----------|------------------------|-----------|-----------|-----------|
| | 2015/2016 | 2014/2015 | 2015/2016 | 2014/2015 | 2015/2016 | 2014/2015 |
| External revenue | 323,117 | 232,312 | 39,805 | 39,270 | 362,922 | 271,582 |
| Internal revenue | 1,203 | 664 | 972 | 986 | 2,175 | 1,650 |
| Interest expense | -813 | -6,181 | 0 | 0 | -813 | -6,181 |
| Interest income | 121 | 226 | 0 | 0 | 121 | 226 |
| Depreciation, amortisation and write-downs | -47,747 | -40,714 | -1,636 | -1,508 | -49,383 | -42,222 |
| Segment profit before taxes *) | 26,006 | -2,845 | 4,379 | 5,858 | 30,385 | 3,013 |
| Capital expenditure | 44,260 | 75,797 | 1,316 | 3,502 | 45,576 | 79,299 |
| Segment assets | 432,406 | 390,694 | 24,416 | 24,547 | 456,822 | 415,241 |
| Segment liabilities | 84,919 | 66,871 | 13,535 | 13,666 | 98,454 | 80,537 |
| Investments accounted for using the equity method | 302 | 293 | 0 | 0 | 302 | 293 |
| Income from investments in associates | 8 | 0 | 0 | 0 | 8 | 0 |

*) 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.

| EUR '000 | Total | | Other adjustments | | Consolidated financial statements | |
|--|-----------|-----------|-------------------|-----------|--------------------------------------|-----------|
| | 2015/2016 | 2014/2015 | 2015/2016 | 2014/2015 | 2015/2016 | 2014/2015 |
| External revenue | 362,922 | 271,582 | 13,337 | 4,466 | 376,259 | 276,048 |
| Internal revenue | 2,175 | 1,650 | -2,175 | -1,650 | 0 | 0 |
| Interest expense | -813 | -6,181 | -1,413 | -1,205 | -2,226 | -7,386 |
| Interest income | 121 | 226 | 1 | 1 | 122 | 227 |
| Depreciation, amortisation and write-downs | -49,383 | -42,222 | -855 | -212 | -50,238 | -42,434 |
| Segment profit before taxes *) | 30,385 | 3,013 | 3,949 | 2,988 | 34,334 | 6,001 |
| Capital expenditure | 45,576 | 79,299 | -727 | -146 | 44,849 | 79,153 |
| Segment assets | 456,822 | 415,241 | -32,277 | -28,702 | 424,545 | 386,539 |
| Segment liabilities | 98,454 | 80,537 | 16,549 | 21,649 | 115,003 | 102,186 |
| Investments accounted for using the equity method | 302 | 293 | 0 | 0 | 302 | 293 |
| Income from investments in associates | 8 | 0 | 0 | 0 | 8 | 0 |

*) before profit or loss transfer

The interest expense was adjusted as a result of the recognition of lease agreements as finance leases. The table below provides a detailed reconciliation of segment profit or loss before taxes, segment assets and segment liabilities:

| EUR '000 | Segment profit or loss before taxes | | Segment assets | | Segment liabilities | |
|---|-------------------------------------|--------------|----------------|----------------|---------------------|----------------|
| | 2015/2016 | 2014/2015 | 2015/2016 | 2014/2015 | 2015/2016 | 2014/2015 |
| Segments total | 30,385 | 3,013 | 456,822 | 415,241 | 98,454 | 80,537 |
| Profit from other companies | 3,215 | 1,152 | 0 | 0 | 0 | 0 |
| Other IFRS adjustments | 734 | 1,686 | 0 | 0 | 0 | 0 |
| Consolidation of long-term financial assets | 0 | 0 | -13,561 | -12,994 | 0 | 0 |
| Stadium buildings plus other assets | 0 | 0 | -18,716 | -15,708 | 0 | 0 |
| Other consolidation | 0 | 150 | 0 | 0 | 16,549 | 19,924 |
| | 34,334 | 6,001 | 424,545 | 386,539 | 115,003 | 100,461 |

Income from TV marketing and release fees for national team players amounted to EUR 64,486 thousand (previous year: EUR 50,083 thousand), and thus exceeded the 10% threshold for a single customer set forth in IFRS 8.34. The reason for this was the centralised marketing strategy used by DFL Deutsche Fußball Liga GmbH.

Derivative financial instruments

Borussia Dortmund concluded an interest rate swap with a German Landesbank in connection with the exercise in 2014 of an option to purchase a leased administration building and plot of land, and the

corresponding financing planned for 2017. A bank has already approved a credit facility with a term extending until 2028 for the swap.

The notional amount and the related fair value are as follows:

Interest rate swaps

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

Interest rate swaps

| EUR '000 | 30/06/2015 | |
|-----------------|-----------------|------------|
| | Notional amount | Fair value |
| Pay-fixed swaps | 8,000 | -1,204 |

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

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

The interest rate swap is 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 market value of the derivatives (EUR -348 thousand; previous year EUR -217 thousand) is recognised directly in other comprehensive income after deducting deferred taxes (EUR 115 thousand; previous year EUR 71 thousand).

The ineffective portion is recognised immediately in profit or loss. Factoring in deferred taxes, the ineffective portion of the hedges amounted to EUR 8 thousand during the reporting period (previous year: EUR 2 thousand).

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

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

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

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

Hedge accounting within the meaning of IAS 39 is not applied to economic hedges for future purchase transactions, meaning that fair value changes in the derivatives are recognised in profit or loss. The fair value as at 30 June 2016 amounting to EUR 123 thousand (previous year: EUR 195 thousand) was recognised under other financial liabilities.

The carrying amounts of financial assets and liabilities to which IFRS 7 applies are generally identical to their fair values. The only deviations related to long-term liabilities from finance leases whose carrying amount was EUR 18,990 thousand (30 June 2015: EUR 21,630 thousand) as compared to their fair value of EUR 17,047 thousand (30 June 2015: EUR 20,068 thousand).

NOTES TO THE CONSOLIDATED STATEMENT OF FINANCIAL POSITION

(1) Intangible assets

| EUR '000 | 30/06/2016 | 30/06/2015 |
|---|---------------|---------------|
| Player registrations | 64,523 | 96,082 |
| Industrial property rights and similar rights | 755 | 258 |
| | 65,278 | 96,340 |

Intangible assets consist of purchased player registrations and computer software. At the end of the reporting period, the weighted remaining con-

tractual term of the significant player registrations amounted to 2.15 years (30 June 2015: 3.23 years).

Changes in intangible assets were as follows:

| EUR '000 | Player registrations | Industrial property rights and similar rights | Total |
|---|----------------------|---|---------------|
| Cost | | | |
| As at 30 June 2014 | 111,630 | 1,391 | 113,021 |
| Additions | 72,180 | 175 | 72,355 |
| Disposals | 15,708 | 0 | 15,708 |
| As at 30 June 2015 | 168,102 | 1,566 | 169,668 |
| Additions | 28,306 | 622 | 28,928 |
| Disposals | 49,642 | 3 | 49,645 |
| As at 30 June 2016 | 146,766 | 2,185 | 148,951 |
| Depreciation, amortisation and write-downs | | | |
| As at 30 June 2014 | 50,145 | 1,274 | 51,419 |
| Additions | 32,830 | 34 | 32,864 |
| Disposals | 10,955 | 0 | 10,955 |
| As at 30 June 2015 | 72,020 | 1,308 | 73,328 |
| Additions | 39,244 | 124 | 39,368 |
| Disposals | 29,021 | 2 | 29,023 |
| As at 30 June 2016 | 82,243 | 1,430 | 83,673 |
| Carrying amounts | | | |
| As at 30 June 2014 | 61,485 | 117 | 61,602 |
| As at 30 June 2015 | 96,082 | 258 | 96,340 |
| As at 30 June 2016 | 64,523 | 755 | 65,278 |

(2) Property, plant and equipment

| EUR '000 | 30/06/2016 | 30/06/2015 |
|---|----------------|----------------|
| Land, land rights and buildings including buildings on third-party land | 162,383 | 161,818 |
| Other equipment, operating and office equipment | 26,040 | 27,700 |
| | 188,423 | 189,518 |

Property, plant and equipment primarily relates to the stadium and the BVB FanWelt service centre. The facilities at the training ground in Dortmund-Brackel, the youth academy, the catering areas at the stadium, the administrative headquarters and the associated operating and office equipment constitute further key components of this item.

In the increase in property, plant and equipment in the 2015/2016 financial year was attributable pri-

marily to the expansion of the Regulars Table at SIGNAL IDUNA PARK, the expansion of the August Lenz House and investments in the Dortmund-Brackel training ground. The steady growth and improvement of Borussia Dortmund's football academy also led to further investments in the club's youth training centre (Strobelallee 81).

The fan shops in Oberhausen and Krone were also expanded to meet customer demand.

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

| EUR '000 | Net carrying amounts | |
|--------------------------------|----------------------|---------------|
| | 30/06/2016 | 30/06/2015 |
| Buildings | 16,022 | 17,207 |
| Operating and office equipment | 4,147 | 5,372 |
| | 20,169 | 22,579 |

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 ground, the youth academy, the leased administration building and the Wi-Fi equipment at SIGNAL IDUNA PARK.

The lease for the land at the training ground, on the other hand, is classified as an operating lease.

The Company has an option to purchase the administration building and the properties in Dortmund-Brackel upon the expiry of the lease agreements in 2017 and 2023, respectively.

Due to the 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, including buildings on third-party land | Other equipment, operating and office equipment | Total |
|---|--|---|----------------|
| Cost | | | |
| As at 30 June 2014 | 227,606 | 53,825 | 281,431 |
| Additions | 12,023 | 11,633 | 23,656 |
| Disposals | 0 | 9,082 | 9,082 |
| As at 30 June 2015 | 239,629 | 56,376 | 296,005 |
| Additions | 6,588 | 3,856 | 10,444 |
| Disposals | 627 | 2,783 | 3,410 |
| As at 30 June 2016 | 245,590 | 57,449 | 303,039 |
| Depreciation, amortisation and write-downs | | | |
| As at 30 June 2014 | 72,490 | 24,439 | 96,929 |
| Additions | 5,321 | 4,248 | 9,569 |
| Disposals | 0 | 11 | 11 |
| As at 30 June 2015 | 77,811 | 28,676 | 106,487 |
| Additions | 5,649 | 5,221 | 10,870 |
| Disposals | 253 | 2,488 | 2,741 |
| As at 30 June 2016 | 83,207 | 31,409 | 114,616 |
| Carrying amounts | | | |
| As at 30 June 2014 | 155,116 | 29,386 | 184,502 |
| As at 30 June 2015 | 161,818 | 27,700 | 189,518 |
| As at 30 June 2016 | 162,383 | 26,040 | 188,423 |

(3) Investments accounted for using the equity method

| EUR '000 | 30/06/2016 | 30/06/2015 |
|---|----------------|----------------|
| Ownership interest | 33,33 % | 33,33 % |
| Non-current assets | 347 | 310 |
| Current assets | 667 | 589 |
| Non-current liabilities | 79 | 0 |
| Current liabilities | 209 | 197 |
| Net assets (100%) | 726 | 702 |
| Group's share of net assets (33.33%) | 243 | 234 |
| Goodwill | 59 | 59 |
| Carrying amount of interest in associate | 302 | 293 |
| Revenue | 3,494 | 3,355 |
| Profit from continuing operations (100%) | 25 | 1 |
| Comprehensive income (33.33%) | 8 | 0 |
| Group's share of comprehensive income | 8 | 0 |

| EUR '000 | 30/06/2016 | 30/06/2015 |
|--|------------|------------|
| Cash flows from operating activities | 129 | 37 |
| Cash flows from investing activities | -103 | -51 |
| Cash flows from financing activities | 87 | -11 |
| Net increase in cash and cash equivalents | 113 | -25 |

(4) Financial assets

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

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

(5) Trade and other financial receivables

Non-current

| EUR '000 | 30/06/2016 | 30/06/2015 |
|-------------------|------------|------------|
| Trade receivables | 34,378 | 1,462 |

Non-current trade receivables are 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 | 30/06/2016 | 30/06/2015 |
|----------------------------------|---------------|---------------|
| Trade receivables | 50,626 | 16,633 |
| Less allowances | -444 | -339 |
| Net trade receivables | 50,182 | 16,294 |
| Other financial receivables | 777 | 13,218 |
| Receivables from related parties | 113 | 168 |
| | 51,072 | 29,680 |

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 | 30/06/2016 | 30/06/2015 |
|--|------------|------------|
| As at 1 July | 339 | 381 |
| Transfers recognised in profit or loss | 208 | 188 |
| Reversals recognised in profit or loss | -103 | -230 |
| As at 30 June | 444 | 339 |

(6) Inventories

| EUR '000 | 30/06/2016 | 30/06/2015 |
|-------------------------|---------------|--------------|
| Inventories/merchandise | 10,558 | 10,309 |
| Less write-downs | -400 | -933 |
| Net inventories | 10,158 | 9,376 |

The carrying amount of inventories carried at fair value less costs to sell was EUR 405 thousand (previous year: EUR 284 thousand).

Impairments of inventories are carried in the cost of materials.

(7) Cash and cash equivalents

| EUR '000 | 30/06/2016 | 30/06/2015 |
|--------------------------------|------------|------------|
| Bank balances and cash-in-hand | 51,722 | 53,739 |

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

(8) Equity

The annual financial statements for the financial year from 1 July 2014 to 30 June 2015 were adopted at the Annual General Meeting on 23 November 2015. The net retained profits of EUR 4,600,000.00 reported in the Company's annual financial statements for the 2014/2015 financial year were used as follows:

- EUR 4,599,055.00 was used to distribute to the limited liability shareholders a dividend of EUR 0.05 per share carrying dividend rights.
- EUR 945.00 attributable to treasury shares not carrying dividend rights was transferred to other revenue reserves.

The dividend was paid on 25 November 2015.

The management will recommend to the Annual General Meeting that it resolve to distribute a divi-

dend of EUR 0.06 (previous year: EUR 0.05) per share carrying dividend rights for financial year 2015/2016 (EUR 5,519 thousand; previous year: EUR 4,599 thousand).

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 |
|---------------------------|-------------------|------------------------|--------------------|
| Balance as at 1 July 2012 | 61,425,000 | -20,307 | 61,404,693 |
| Change in treasury shares | | 538 | |
| as at 30 June 2013 | 61,425,000 | -19,769 | 61,405,231 |
| Change in treasury shares | | 469 | |
| as at 30 June 2014 | 61,425,000 | -19,300 | 61,405,700 |
| Change in treasury shares | | 335 | |
| as at 30 June 2015 | 92,000,000 | -18,965 | 91,981,035 |
| Change in treasury shares | | 65 | |
| as at 30 June 2016 | 92,000,000 | -18,900 | 91,981,100 |

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 15,100 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 18,900 no-par value shares. This represented 0.021% of the share capital.

On 24 November 2014, the Annual General Meeting of Borussia Dortmund GmbH & Co. Kommanditgesellschaft auf Aktien, with the consent of the Supervisory Board, resolved to revoke the existing authorisation to increase the share capital by utilising the remaining Authorised Capital 2010 in the amount of EUR 137,500.00, and at the same time resolved to issue a new authorisation to increase the share capital on one or more occasions by or before 23 November 2019 by up to EUR 23,000,000.00 ("Authorised Capital 2014").

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 macro-economic 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 | 30/06/2016 | 30/06/2015 |
|-----------------------------------|------------|------------|
| Equity of shareholders | 309,542 | 285,773 |
| Share in total capital | 72.9 % | 73.9 % |
| Non-current financial liabilities | 0 | 0 |
| Current financial liabilities | 0 | 0 |
| Total financial liabilities | 0 | 0 |
| Share in total capital | 0.0 % | 0.0 % |

(9) Provisions

Provisions for litigation and liability risks amounting to EUR 1,372 thousand were recognised for the reporting period from 1 July 2015 to 30 June 2016. These provisions relate to two legal proceedings that are expected to be resolved in the coming financial year. The outcome of the legal proceedings cannot be forecast with any certainty, meaning that the amount of the expected obligation is also uncertain. The Group bases its estimates

of the potential losses on the assessments of its legal advisers as well as the experiences of the Group and third parties in similar cases in the past.

The amount of the obligation comprises the value in dispute (EUR 1,202 thousand) and litigation costs (EUR 170 thousand), which consist primarily of court and attorneys' fees.

(10) Liabilities from finance leases

The minimum lease payments from finance leases are due for payment as follows:

| EUR '000 | 30/06/2016 | 30/06/2015 |
|--|---------------|---------------|
| Less than 1 year | 3,894 | 3,848 |
| Between 1 and 5 years | 17,320 | 19,663 |
| More than 5 years | 3,992 | 5,516 |
| | 25,206 | 29,027 |
| Future finance charges from finance leases | -3,576 | -4,900 |
| Present value of liabilities from finance leases | 21,630 | 24,127 |

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

Liabilities from finance leases

| EUR '000 | 30/06/2016 | 30/06/2015 |
|-----------------------|---------------|---------------|
| Less than 1 year | 2,640 | 2,497 |
| Between 1 and 5 years | 15,346 | 16,747 |
| More than 5 years | 3,644 | 4,883 |
| | 21,630 | 24,127 |

(11) Other financial obligations

| EUR '000 | 30/06/2016 | 30/06/2015 |
|--|----------------------|----------------------|
| Non-current | | |
| Derivatives | 1,782 | 1,204 |
| | <u>1,782</u> | <u>1,204</u> |
| Current | | |
| Other taxes | 14,265 | 6,745 |
| Other | 20,170 | 8,266 |
| | <u>34,435</u> | <u>15,011</u> |
| Total other financial liabilities | <u>36,217</u> | <u>16,215</u> |

(12) Prepaid expenses and deferred income

Prepaid expenses

| EUR '000 | 30/06/2016 | 30/06/2015 |
|---|---------------|--------------|
| Non-current | | |
| Advance payments relating to the professional squad | 13,141 | 297 |
| | <u>13,141</u> | <u>297</u> |
| Current | | |
| Advance payments relating to the professional squad | 6,347 | 340 |
| Insurance premiums | 472 | 395 |
| Other advance payments | 1,752 | 3,278 |
| | <u>8,571</u> | <u>4,013</u> |

Deferred income

| EUR '000 | 30/06/2016 | 30/06/2015 |
|--|---------------|---------------|
| Non-current | | |
| Advance payments for agency and marketing rights | 12,000 | 16,000 |
| | <u>12,000</u> | <u>16,000</u> |
| Current | | |
| Advance payments for agency and marketing rights | 4,000 | 4,000 |
| Advance payments received from season ticket sales | 15,751 | 13,830 |
| Advance payments received from sponsors | 115 | 9 |
| Other advance payments | 651 | 2,668 |
| | <u>20,517</u> | <u>20,507</u> |

Pursuant to an agency licensing agreement dated 18 June 2008, responsibility for the marketing of Borussia Dortmund was transferred to Lagardère Sports Germany GmbH, Hamburg (formerly

SPORTFIVE GmbH & Co. KG). 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 | 2015/2016 | 2014/2015 |
|-------------------------------------|----------------|----------------|
| Match operations | 46,768 | 39,942 |
| Advertising | 84,644 | 75,693 |
| TV Marketing | 82,564 | 82,113 |
| Transfer deals | 94,998 | 12,447 |
| Merchandising | 39,805 | 39,270 |
| Conference, catering, miscellaneous | 27,480 | 26,583 |
| | 376,259 | 276,048 |

Revenue from TV marketing includes prior-period revenue of EUR 3,407 thousand (previous year: EUR 2,145 thousand) and conference, catering and miscellaneous income of EUR 30 thousand (previous year: EUR 0 thousand).

(14) Other operating income

Other operating income decreased by EUR 13,473 thousand year on year to EUR 3,508 thousand and includes prior-period income of EUR 840 thousand (previous year: EUR 1,207 thousand). The decrease is attributable primarily to the loss of insurance compensation for hedging against economic risks should the club fail to advance to the group stage of the UEFA Champions League.

(15) Cost of materials

Cost of materials increased by EUR 4,992 thousand to EUR 25,676 thousand. Since the beginning of the financial year, BVB Event & Catering GmbH has also started catering during match days in addition to organising events and stadium tours. The rise in the cost of materials was principally attributable to the additional cost of goods sold related to this change.

(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 | 2015/2016 | 2014/2015 |
|-------------------------------|----------------|----------------|
| Wages and salaries | 134,575 | 112,319 |
| Social security contributions | 5,640 | 5,613 |
| | 140,215 | 117,932 |

During financial year 2015/2016, EUR 1,986 thousand was paid into the German statutory retirement pension system (previous year: EUR 1,713 thousand).

(17) Depreciation and amortisation

| EUR '000 | 2015/2016 | 2014/2015 |
|---|---------------|---------------|
| Amortisation of intangible assets | 39,368 | 32,865 |
| Depreciation of property, plant and equipment | 10,870 | 9,569 |
| | 50,238 | 42,434 |

(18) Other operating expenses

| EUR '000 | 2015/2016 | 2014/2015 |
|------------------|----------------|---------------|
| Match operations | 40,948 | 39,339 |
| Advertising | 24,091 | 21,135 |
| Transfer deals | 31,926 | 10,681 |
| Retail | 7,843 | 7,394 |
| Administration | 17,497 | 15,953 |
| Other | 4,903 | 4,317 |
| | 127,208 | 98,819 |

Other operating expenses include prior-period expenses in the amount of EUR 429 thousand (previous year: EUR 759 thousand).

(19) Financial result

| EUR '000 | 2015/2016 | 2014/2015 |
|--|---------------|---------------|
| Net income/loss from investments in associates (see Note (3)) | 8 | 0 |
| Finance income | | |
| Interest income from bank balances | 44 | 160 |
| Other interest income | 78 | 67 |
| | 122 | 227 |
| Finance costs | | |
| Loans, overdraft facilities and other interest | -816 | -6,071 |
| Expenses from finance leases | -1,410 | -1,315 |
| | -2,226 | -7,386 |
| | -2,096 | -7,159 |

(20) Income taxes and deferred taxes

All tax liabilities (EUR 5,212 thousand; previous year: EUR 803 thousand) are current.

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

| EUR '000 | Net as at 30/06/2015 | Recognised in profit or loss | Recognised in OCI | Recognised directly in equity | Net as at 30/06/2016 | Deferred tax assets | Deferred tax liabilities |
|-------------------------------|----------------------|------------------------------|-------------------|-------------------------------|----------------------|---------------------|--------------------------|
| Property, plant and equipment | -1,140 | -1,019 | 0 | 0 | -2,159 | 118 | -2,277 |
| Derivatives | 395 | 19 | 171 | 0 | 585 | 585 | 0 |
| Tax loss carry-forwards | 1,881 | 829 | 0 | 0 | 2,710 | 2,710 | 0 |
| Total | 1,136 | -171 | 171 | 0 | 1,136 | 3,413 | -2,277 |

| EUR '000 | Net as at 30/06/2014 | Recognised in profit or loss | Recognised in OCI | Recognised directly in equity | Net as at 30/06/2015 | Deferred tax assets | Deferred tax liabilities |
|------------------------------------|----------------------|------------------------------|-------------------|-------------------------------|----------------------|---------------------|--------------------------|
| Property, plant and equipment | -303 | -837 | 0 | 0 | -1,140 | 150 | -1,290 |
| Derivatives | 1,214 | -16 | -803 | 0 | 395 | 395 | 0 |
| Trade receivables and other assets | -24 | -252 | 0 | 276 | 0 | 0 | 0 |
| Tax loss carry-forwards | 365 | 1,516 | 0 | 0 | 1,881 | 1,881 | 0 |
| Total | 1,252 | 411 | -803 | 276 | 1,136 | 2,426 | -1,290 |

Deferred taxes carried in other comprehensive income result in each case from cash flow hedges.

Deferred taxes reported directly in equity relate to transaction costs.

The income tax expense was made up as follows:

| EUR '000 | 2015/2016 | 2014/2015 |
|---|---------------|-------------|
| Income taxes | | |
| Current period | -4,687 | -740 |
| Prior periods | -40 | -140 |
| Deferred tax benefit/expense in connection with the creation or reversal of temporary differences | -1,000 | -1,105 |
| Tax loss carryforwards not yet utilised | 829 | 1,516 |
| | -4,898 | -469 |

At the end of the reporting period, the Group had corporation tax loss carry-forwards amounting to EUR 66,481 thousand (previous year: EUR 82,802 thousand) and trade tax loss carry-forwards amounting to EUR 62,366 thousand (previous year: EUR 84,315 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 32.81% (previous year: 32.81%) can be reconciled with the actual income tax benefit reported in the consolidated statement of comprehensive income as follows:

| EUR '000 | 2015/2016 | 2014/2015 |
|--|---------------|-------------|
| Consolidated net profit before income taxes | 34,334 | 6,001 |
| Theoretical tax rate | 32.81 % | 32.81 % |
| Expected income tax payment | -11,265 | -1,969 |
| Effects from tax additions and subtractions | -313 | -287 |
| Change in ability to utilise tax loss carry-forwards | 6,891 | 1,516 |
| Prior-year taxes | -40 | -140 |
| Change in deferred tax assets | -171 | 411 |
| Tax payment as reported in the consolidated statement of comprehensive income | -4,898 | -469 |
| Actual tax rate | 14.3 % | 7.8 % |

(21) Consolidated statement of cash flows

Cash and cash equivalents reported in the statement of financial position amounted to EUR 51,722 thousand (previous year: EUR 53,739 thousand).

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 | 2015/2016 | 2014/2015 |
|--|-----------|-----------|
| Loans, receivables and other financial receivables | 85,814 | 31,827 |
| Cash and cash equivalents | 51,722 | 53,739 |

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

| (EUR '000) | 30/06/2016 | 30/06/2015 |
|---------------------------------|---------------|---------------|
| Not yet due | 84,549 | 30,357 |
| Less than 30 days past due | 882 | 676 |
| Between 30 and 89 days past due | 18 | 101 |
| More than 90 days past due | 0 | 8 |
| | 85,449 | 31,142 |

Carrying amounts of original interest-bearing financial instruments

| (EUR '000) | 30/06/2016 | | 30/06/2015 | |
|--|----------------|-------------------|----------------|-------------------|
| | Fixed interest | Variable interest | Fixed interest | Variable interest |
| Loans, receivables and other financial receivables | 85,814 | 0 | 31,827 | 0 |
| Financial liabilities and finance leases | 21,630 | 0 | 24,127 | 0 |

The net gains and losses from financial instruments presented below comprise measurement gains and losses, premium and discount amorti-

sation, 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) | 2015/2016 | 2014/2015 |
|--|-----------|-----------|
| Loans and receivables | 159 | 269 |
| Of which net interest expense/income | 122 | 227 |
| Of which other operating expenses/income | 37 | 42 |
| Financial liabilities measured at amortised cost | -2,226 | -7,386 |
| Of which net interest expense/income | -2,226 | -7,386 |

(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 (EUR '000)

Maturities of contractual cash flows from financial liabilities in 2016

| (EUR '000) | Liabilities from finance leases | Trade payables | Total |
|-----------------|------------------------------------|-------------------|---------------|
| 2016/2017 | 3,894 | 14,635 | 21,949 |
| 2017/2018 | 3,175 | 3,420 | 3,175 |
| 2018/2019 | 10,484 | 0 | 10,484 |
| 2019/2020 | 2,211 | 0 | 2,211 |
| 2020/2021 | 1,511 | 0 | 1,511 |
| 2021 and beyond | 3,992 | 0 | 3,992 |
| | 25,267 | 18,055 | 43,322 |

Maturities of contractual cash flows from financial liabilities in 2015

| (EUR '000) | Liabilities from finance leases | Trade payables | Total |
|-----------------|------------------------------------|-------------------|---------------|
| 2015/2016 | 3,848 | 22,809 | 26,657 |
| 2016/2017 | 3,868 | 0 | 3,868 |
| 2017/2018 | 11,140 | 0 | 11,140 |
| 2018/2019 | 2,444 | 0 | 2,444 |
| 2019/2020 | 2,211 | 0 | 2,211 |
| 2020 and beyond | 5,516 | 0 | 5,516 |
| | 29,027 | 22,809 | 51,836 |

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

| EUR '000 | Carrying amount 30/06/2016 | Carrying amount 30/06/2015 | Fair value 30/06/2016 | Fair value 30/06/2015 |
|---|-------------------------------|-------------------------------|--------------------------|--------------------------|
| Non-current financial assets | | | | |
| Loans and receivables | 107 | 463 | 107 | 463 |
| Non-current trade and other receivables | | | | |
| Loans and receivables | 34,378 | 1,462 | 34,378 | 1,462 |
| Current trade and other receivables | | | | |
| Loans and receivables | 51,329 | 29,902 | 51,329 | 29,902 |
| Cash and cash equivalents | | | | |
| Loans and receivables | 51,722 | 53,739 | 51,722 | 53,739 |
| | 137,536 | 85,566 | 137,536 | 85,566 |

| EUR '000 | Carrying amount 30/06/2016 | Carrying amount 30/06/2015 | Fair value 30/06/2016 | Fair value 30/06/2015 |
|---|-------------------------------|-------------------------------|--------------------------|--------------------------|
| Other non-current financial liabilities | | | | |
| Derivatives | 1,782 | 1,204 | 1,782 | 1,204 |
| Non-current liabilities from finance leases | | | | |
| Financing liabilities | 18,990 | 21,630 | 17,047 | 20,068 |
| Non-current trade payables | | | | |
| Other financial liabilities | 3,420 | 0 | 3,420 | 0 |
| Current liabilities from finance leases | | | | |
| Financing liabilities | 2,640 | 2,497 | 2,640 | 2,497 |
| Current trade payables | | | | |
| Other financial liabilities | 14,635 | 22,809 | 14,635 | 22,809 |
| Other current financial liabilities | | | | |
| Other financial liabilities | 34,435 | 15,011 | 34,435 | 15,011 |
| | 75,902 | 63,151 | 73,959 | 61,589 |

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 Geschäfts-

führungs-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 | 2015/2016 | 2014/2015 |
|--|-----------|-----------|
| Transactions with BV. Borussia 09 e.V. Dortmund | | |
| Rental income | 437 | 172 |
| Income from other services | 201 | 196 |
| Income from ticket sales | 90 | 101 |
| Interest income | 3 | 8 |
| Transactions with Borussia Dortmund Geschäftsführungs-GmbH | | |
| Expense from costs recharged | 4,042 | -2,157 |
| of which from executive remuneration falling due | -3,214 | -2,137 |
| Transactions with Orthomed GmbH | | |
| Expense from other services | -217 | -180 |

| EUR '000 | 30/06/2016 | 30/06/2015 |
|--|------------|------------|
| Other current and non-current assets | | |
| Intercompany account with BV. Borussia 09 e.V. Dortmund | 113 | 168 |
| Other current liabilities | | |
| Intercompany account with Borussia Dortmund Geschäftsführungs-GmbH | 811 | 949 |

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, sponsorship and events) amounting to EUR 417 thousand (previous year: EUR 338 thousand). These transactions were conducted at arm's length.

(27) Other financial obligations

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

| 30/06/2015 (EUR '000) | Total | Due after | | |
|---|----------------|---------------------|---------------|----------------------|
| | | less than 1 year | 1-5 years | more than 5 years |
| Rental and lease payments (operating leases) | 12,208 | 3,185 | 6,084 | 2,939 |
| Marketing fees | 102,281 | 19,765 | 82,516 | 0 |
| Other obligations | 3,423 | 997 | 760 | 1,666 |
| | 117,912 | 23,947 | 89,360 | 4,605 |
| Purchase commitments | 19,142 | 17,596 | 1,546 | 0 |

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

The purchase commitments relate primarily to the acquisition of intangible assets.

(28) Events after the end of the reporting period

Preparations for the new season

As usual, Borussia Dortmund had a busy and exciting preseason which began with its training camp in Austria and included a trip to China.

Four test matches in Germany, Austria and Switzerland are scheduled prior to the start of the new Bundesliga season. The club's preseason opponents will be Sunderland AFC, Athletic Bilbao, SV Sandhausen and Hallescher FC. However, the highlight leading up to the start of the new Bundesliga campaign will be the DFL Super Cup on 14 August 2016 at home against FC Bayern Munich.

Prior to the kickoff of the 54th edition of the Bundesliga one week later, Borussia Dortmund will contest its first DFB Cup match on 22 August 2016 against SV Eintracht Trier 05. In its first match of the season, Borussia Dortmund will host FSV Mainz 05 at SIGNAL IDUNA PARK on 27 August 2016.

Borussia Dortmund then launches its international campaign on 13 September 2016. Its opponents for the group stage of the UEFA Champions League will be drawn on 25 August 2016.

Prior to that, the club will also hold a one-week training camp in Bad Ragaz, Switzerland.

Big names in Dortmund

Borussia Dortmund strengthened its squad during the summer break. Mario Götze, who previously played for Dortmund from 2001 to 2013, signed a four-year contract and returns to the Ruhr region following a three-year stint at FC Bayern Munich. Another Germany international, 25-year-old André Schürrle, also signed with the club. Schürrle's contract ties him to Borussia Dortmund through to 30 June 2021.

Henrikh Mkhitaryan will be leaving Borussia Dortmund. The Armenia international will transfer to Manchester United in the English Premier League. Poland international Jakub Blaszczykowski and Moritz Leitner are also leaving Borussia Dortmund. The 30-year-old Blaszczykowski, who was most recently on loan at ACF Fiorentina, is moving to VfL Wolfsburg, while Leitner joins S.S. Lazio S. p. A.

Marketing

In addition to English and Japanese, Borussia Dortmund's website is now also available in Spanish.

Other business

The DFB sports court imposed a fine of EUR 75 thousand on Borussia Dortmund for fan misconduct at the DFB Cup final and three other competitive matches. If any other serious infractions are reported by 31 May 2017, Dortmund will also be hit with a partial stadium ban for its spectators for one Bundesliga match.

In accordance with § 315 a 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

| | 2015/2016 | 2014/2015 |
|--------------------------------------|------------|------------|
| Total | 703 | 605 |
| of which in the Athletics Department | 217 | 206 |
| of which trainees | 16 | 16 |
| Other | 470 | 383 |

(30) Management

Management remuneration

| EUR '000 | 2015/2016 | 2014/2015 |
|--|--------------|--------------|
| Dipl.-Kfm. Hans-Joachim Watzke (Chairman) | | |
| Fixed components | | |
| Fixed remuneration | 1,020 | 1,200 |
| Other remuneration | 22 | 22 |
| Dipl.-Kfm. Thomas Treß | | |
| Fixed components | | |
| Fixed remuneration | 600 | 500 |
| Other remuneration | 65 | 63 |
| | 1,707 | 1,785 |

Based on the net income for the year and the footballing success of the team, Hans-Joachim Watzke furthermore received EUR 1,262 thousand in performance-based remuneration (previous year: EUR 247 thousand), and Thomas Treß also received EUR 244 thousand in performance-based remuneration (previous year: EUR 105 thousand).

EUR 7 thousand in employer contributions to the German statutory retirement pension system were incurred (previous year: EUR 7 thousand).

(31) Auditors' fees

| EUR '000 | 2015/2016 | 2014/2015 |
|-----------------------------------|-----------|-----------|
| Audit of the financial statements | 172 | 153 |
| Other audit-related work | 101 | 155 |
| Other | 63 | 87 |

(32) Supervisory Board

The names of the current members of the Company's Supervisory Board, their right to remuneration, 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 | Harald Heinze | Peer Steinbrück | Bernd Geske | Christian Kullmann | Dr. Werner Müller | Ulrich Leitermann | Björn Gulden | Dr. Reinhold Lunow | Silke Seidel |
|-------------|--|-----------------|-------------|--------------------|--|-------------------|--------------|--------------------|--------------------------|
| Chairman | Deputy Chairman (until 23 November 2015) | | | | Deputy Chairman (since 23 November 2015) | | | | (since 23 November 2015) |

RIGHT TO REMUNERATION 2015/2016 (EUR '000)

| | | | | | | | | | |
|----|---|----|----|----|----|----|----|----|---|
| 24 | 7 | 12 | 12 | 12 | 16 | 12 | 12 | 12 | 7 |
|----|---|----|----|----|----|----|----|----|---|

OCCUPATIONS

| | | | | | | | | | |
|---|--|----------------------------|---|--|--|---|--|---|--|
| Managing shareholder of Stadt-Parfümerie Pieper GmbH, Herne | Chairman of the Board (ret.) of Dortmunder Stadtwerke AG | Member of German Bundestag | Managing partner of Bernd Geske Lean Communication, Meerbusch | Deputy Chairman of the Executive Board of Evonik Industries AG, Essen (since 6 May 2016) | Chairman of the Board of Executives of the RAG Foundation, Essen | Chairman of the Board of the SIGNAL IDUNA Group, Dortmund | Chief Executive Officer of PUMA SE, Herzogenaurach | Medical Director of Praxisklinik Bornheim, Bornheim | Senior Executive at Dortmunder Stadtwerke AG and Managing Director of Hohenbuschei Beteiligungsgesellschaft mbH, Westfalentor 1 GmbH and Dortmund Logistik GmbH, all in Dortmund |
|---|--|----------------------------|---|--|--|---|--|---|--|

OTHER RESPONSIBILITIES

| | | | | | |
|--|--|---|---|---|--|
| Member of the Advisory Board of Borussia Dortmund Geschäftsführungs-GmbH, Dortmund | Member of the Supervisory Board of Evonik Performance Materials GmbH (since 1 July 2015) | Chairman of the Supervisory Board of Evonik Industries AG, Essen Chairman of the Supervisory Board of RAG Aktiengesellschaft, Herne Chairman of the Supervisory Board of RAG Deutsche Steinkohle AG, Herne Member of the Supervisory Board of Contilia GmbH, Essen Member of the Board of Directors of Stadler Rail AG, Bussnang, Switzerland Chairman of the Supervisory Board of Entwicklungsgesellschaft Zollverein mbH, Essen (since 9 March 2016) | Member and Chairman of the Supervisory Board of Dortmunder Volksbank eG, Dortmund | Member of the Supervisory Board of Dansk Supermarked A/S, Højbjerg, Denmark Member of the Supervisory Board of Tchibo GmbH, Hamburg Member of the Supervisory Board of Pandora A/S, Copenhagen, Denmark | Member of the Advisory Board of Borussia Dortmund Geschäftsführungs-GmbH, Dortmund |
|--|--|---|---|---|--|

(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")

There were no notifications within the meaning of § 21 WpHG during financial year 2015/2016.

(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 9 September 2015 and made it permanently available to shareholders on the BVB website at www.borussia-aktie.de.

Dortmund, 19 August 2016

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



Hans-Joachim Watzke
Managing Director (Chairman)



Thomas Treß
Managing Director

AUDITORS' REPORT

We have audited the consolidated financial statements prepared by

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

– comprising the consolidated statement of financial position, consolidated statement of comprehensive income, consolidated statement of cash flows, consolidated statement of changes and equity and notes to the consolidated financial statements, together with the group management report for the business year from 1 July 2015 to 30 June 2016. The preparation of the consolidated financial statements and the group management report in accordance with IFRSs, as adopted by the EU, and the additional requirements of German commercial law pursuant to § 315a Abs. 1 HGB [Handelsgesetzbuch "German Commercial Code"] (and supplementary provisions of the shareholder agreement/articles of incorporation) are the responsibility of the parent 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 [Handelsgesetzbuch "German Commercial Code"] and German generally accepted standards for the audit of financial statements promulgated by the Institut der Wirtschaftsprüfer [Institute of Public Auditors in Germany] (IDW). Those standards require that we plan and perform the audit such that misstatements materially affecting the presentations of the net assets, financial position and results of operations in the consolidated financial statements in accordance with the applicable financial reporting framework 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 as to possible misstatements are taken into account in the determination of audit procedures. The effectiveness of the accounting-related internal 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 assessing the annual financial statements of those entities included in consolidation, the determination of entities to be included in consolidation, the overall presentation of the consolidated financial statements and 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 findings of our audit, the consolidated financial statements comply with IFRSs, as adopted by the EU, the additional requirements of German Commercial Law pursuant to §315a Abs. 1 HGB (and supplementary provisions of the shareholder agreement/article of incorporation) and give a true and fair view of the net assets, financial positions and results of operations of the Group in accordance with these requirements. The group management report is consistent with the consolidated financial statements and as a whole provides a suitable view of the Group's position and suitably presents the opportunities and risks of future development.

Dortmund, 19 August 2016

KPMG AG
Wirtschaftsprüfungsgesellschaft

Blücher
Auditor *Wirtschaftsprüfer*

Trujillo Hesseler
Auditor *Wirtschaftsprüfer*

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, 19 August 2016

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



Hans-Joachim Watzke
Managing Director (Chairman)



Thomas Treß
Managing Director

PUBLICATION DETAILS

PUBLISHED BY

Borussia Dortmund GmbH & Co. KGaA
Rheinlanddamm 207-209
44137 Dortmund

INTERNET

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

E-MAIL

aktie@borussia-dortmund.de

CONTACT

Marcus Knipping

DESIGN

Uwe W. Landskron
K-werk Communicationdesign
www.K-werk.de

PHOTOGRAPHY

Alexandre Simoes
firo sportphoto

PRINTED BY

Hitzegrad Print | Medien & Service

FINANCIAL CALENDAR

11 NOVEMBER 2016

Publication of Q1 2016/2017

21 NOVEMBER 2016

Annual General Meeting 2016

For more information, go to: www.bvb.de/aktie/eng/

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

