BUSINESS REPORT
2010/2011

Real Love.

KEY FIGURES AT A GLANCE

Borussia Dortmund KGaA (HGB)

EUR '000	2010/2011 30/06/2011	2009/2010 30/06/2010
Equity	98,533	89,002
Capital expenditure	10,917	14,434
Gross revenue	140,541	103,334
Operating profit/loss (EBIT)	12,426	-1,014
Net finance cost (investment income and net interest expense)	-401	-1,644
Net profit/loss	9,539	-2,787
Earnings before interest, taxes, depreciation and amortisation (EBITDA)	23,049	9,325
Cash flows from operating activities	17,507	-2,954
Number of shares (in thousands)	61,425	61,425
Earnings per share (in €)	0.16	-0.05

Borussia Dortmund Group (IFRS)

EUR '000	2010/2011 30/06/2011	2009/2010 30/06/2010
Equity	67,626	62,025
Capital expenditure	11,320	14,354
Gross revenue	155,785	112,222
Operating profit/loss (EBIT)	14,908	-508
Net finance cost (investment income and net interest expense)	-5,412	-5,669
Total comprehensive income	5,631	-6,149
Earnings before interest, taxes, depreciation and amortisation (EBITDA)	32,442	16,651
Cash flows from operating activities	21,717	2
Number of shares (in thousands)	61,425	61,425
Earnings per share (in €)	0.09	-0.10


1986 FC BAYERN MÜNCHEN
2001 FC BAYERN MÜNCHEN
1987 FC BAYERN MÜNCHEN
2002 BV BORUSSIA DORTMUND
1988 SV WERDER BREMEN
2003 FC BAYERN MÜNCHEN
1989 FC BAYERN MÜNCHEN
2004 SV WERDER BREMEN
1990 FC BAYERN MÜNCHEN
2005 FC BAYERN MÜNCHEN

Hans-Joachim Watzke
Managing Director (Chairman)

Thomas Treß
Managing Director

Dear Shareholders,

The 2010/2011 fiscal year that we are reporting on now was marked by an amazing, practically breathtaking development on the sporting front. At the end of the 2010/2011 National League season, Borussia Dortmund had claimed the German football championship. Considering that BVB's personnel expenses for the team are merely average for the National League, this can rightly and fairly be called a sensation.

It is also pleasing to note that the economic development of the company Borussia Dortmund has been able to keep the pace with the sporting development. The increased annual profit provides an indicator for the furious fiscal year, driven by sharply increased sales.

When you consider these numbers with the background that the financial fruits of the excellent sporting work will not be harvested for Borussia Dortmund from the participation in the lucrative Champions League until the 2011/2012 fiscal year, you can predict that our company is developing on a sustainable path for long-term success.

Borussia Dortmund will continue to follow its solid strategy in the ongoing fiscal year and not make any paradigm changes. We will continue to adhere to the philosophy of forming and developing world-class young players and the guideline of striving for a maximum of sporting success without taking on new loans.

Our appeal to you, dear shareholders, is that you do not overload our young team and Borussia Dortmund with exaggerated expectations in the light of the sporting successes they achieved. We are well equipped for the future, but we have not forgotten the difficult situation in which our company found itself just a few years ago.

Hans-Joachim Watzke
Managing Director (Chairman)

Thomas Treß
Managing Director

REPORT OF THE SUPERVISORY BOARD

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

SUPERVISORY BOARD ACTIVITY, MEETINGS

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

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

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

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

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

ANNUAL AND GROUP REPORT 2010/2011

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

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

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

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

„Having conducted a proper audit and appraisal we confirm that

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

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

The supervisory board suggests to the shareholders' meeting that the annual report from the 30th June 2011 should be adopted. In its meeting on the 14th September 2011 the supervisory board also explained and reviewed the profit distribution proposal of the general partner, taking into account the shareholders' interests and the status of the company, namely its financial and capital structure; in doing so the supervisory board put the proposal to the management at the shareholder meeting, that they resolve to post the accumulated profits of EUR 2,921,768.61 declared in the 2010/2011 fiscal year in other retained earnings. Furthermore, the supervisory board proposes that the general partner, Borussia Dortmund Geschäftsführungs-GmbH, is discharged for the 2010/2011 fiscal year.

CORPORATE GOVERNANCE

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

PERSONAL INFORMATION

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

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

Dortmund, the 14th September 2011
The Supervisory Board

Gerd Pieper
Chairman

GOVERNING BODIES

BV. BORUSSIA 09 e.V. DORTMUND

Management Board

Dr. Reinhard Rauball	**President**
Gerd Pieper	**Vice President**
Dr. Reinhold Lunow	**Treasurer**

BORUSSIA DORTMUND GmbH & Co. KGaA

Supervisory Board

Gerd Pieper **Chairman**
Proprietor and managing director of Stadtparfümerie Pieper GmbH, Herne

Harald Heinze **Deputy Chairman**

Peer Steinbrück (since 30/11/2010)
Member of German Bundestag, Federal Minister (ret.)

Bernd Geske
Managing partner of Bernd Geske Lean Communication, Meerbusch

Friedrich Merz (since 30/11/2010)
Attorney and partner, Mayer Brown LLP, Berlin

Christian Kullmann
Head of the management board office and group communications of EVONIK Industries Aktiengesellschaft, Essen

Departed from the Supervisory Board

Ruedi Baer (until 30/11/2010)
Consultant, B + B Beratungs AG

Othmar Freiherr von Diemar (until 30/11/2010)
Proprietor and manager of Othmar von Diemar Vermögensverwaltung + Beratung, Cologne

BORUSSIA DORTMUND GESCHÄFTSFÜHRUNGS-GmbH

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

CORPORATE STRUCTURE

BORUSSIA DORTMUND GmbH & Co. KGaA

100.00%	BVB Stadionmanagement GmbH
100.00%	BVB Stadion Holding GmbH
100.00%	Sports & Bytes GmbH
100.00%	BVB Merchandising GmbH
99.74%	BVB Stadion GmbH
94.90%	BVB Beteiligungs GmbH
51.00%	besttravel dortmund GmbH
33.33%	Orthomed GmbH

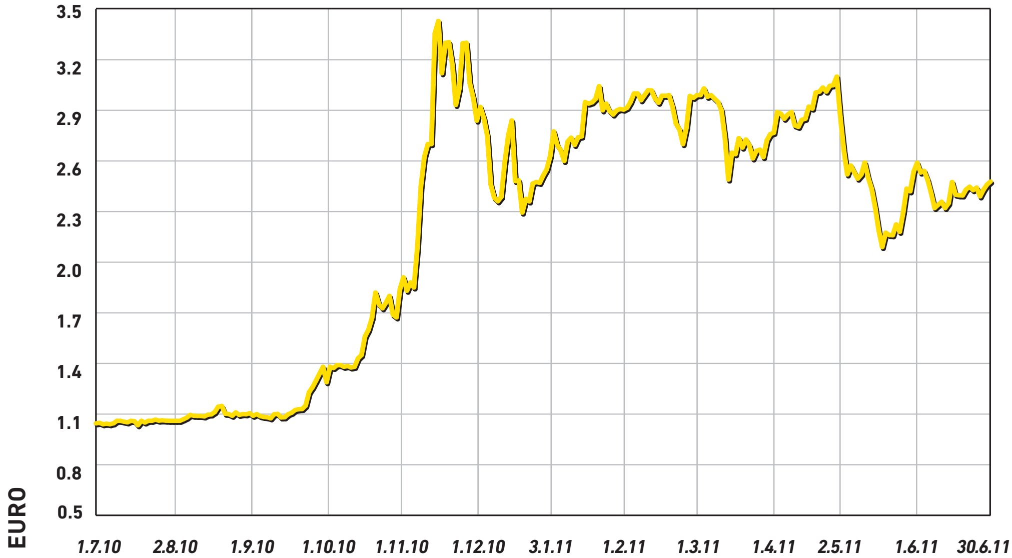
BVB-SHARES

SHARE PRICE PERFORMANCE

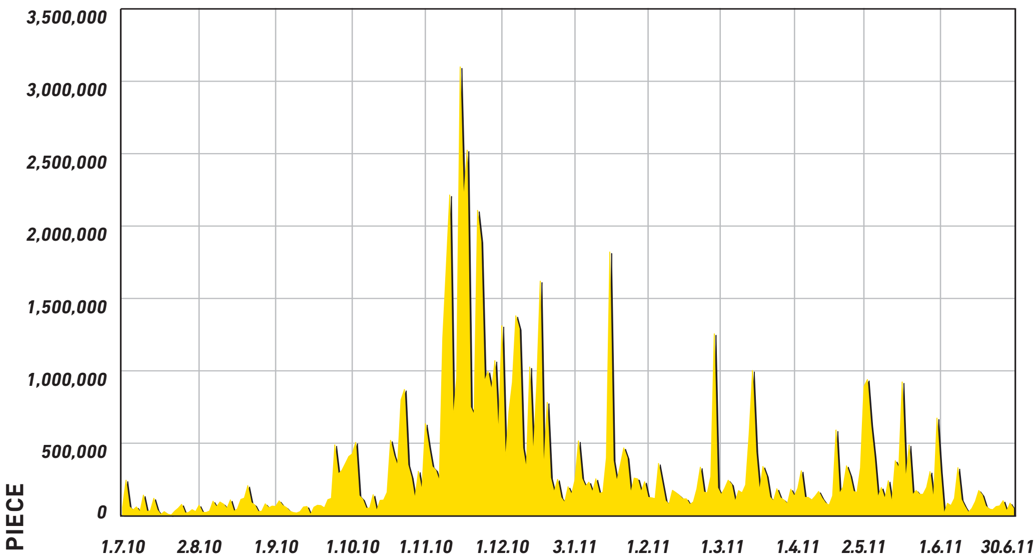
During the reporting period for financial year 2010/2011 (1 July 2010 – 30 June 2011), the performance of BVB-shares was influenced primarily by the extremely good season, which started with participation at the group stage of the UEFA Europa League and ended with the team becoming the 2010/2011 German champion. The ensuing financial boost extended to nearly all revenue areas. As a result, the shares trended significantly upward to reach the EUR 3.00 mark for the first time in five years (unless otherwise indicated, the following share price data is based on the closing share price of BVB-shares in XETRA trading; where necessary, figures have been rounded up to the nearest second decimal place).

The shares of Borussia Dortmund GmbH & Co. Kommanditgesellschaft auf Aktien started the new 2010/2011 financial year at EUR 1.05 on 1 July 2010 and did not fall below this level during the entire reporting period. At the beginning of August, the share price began rising slowly, driven by initial euphoria at the start of the season as season ticket sales set a new all-time record and the team won its opening game in the DFB-Cup. On 2 August 2010, BVB-shares were listed at EUR 1.06 and on 19 August 2010 at EUR 1.14. On 20 August 2010, the Company announced the provisional figures for the 2009/2010 financial year (see ad hoc disclosure dated 20 August 2010). The shares traded at EUR 1.15 on that date, at which level they remained until mid-September 2010 when the sustained winning streak in the *Bundesliga* – including a 3:1 away win against FC Schalke 04 – and the club's qualification for the group stage of the UEFA Europa League pushed the share price significantly upward. On 20 September 2010, BVB-shares were quoted at EUR 1.12, on 28 September at EUR 1.30 and on 30 September 2010 at EUR 1.38. The share price rose further in October on the back of additional *Bundesliga* victories. On the evening of 15 October 2010, Borussia Dortmund regained the top spot in the *Bundesliga* table for the first time in seven years. BVB-shares climbed to EUR 1.56 on the next trading day (18 October 2010). This marked the start of a remarkable upward trend for the shares during the reporting period. Driven by victory after victory, the shares were quoted at EUR 1.82 on 21 October 2010, and on 8 November 2010 they broke the EUR 2.00 barrier for the first time in more than three years to close at EUR 2.09. The upward trend continued unabated. The shares listed at EUR 2.45 on 9 November 2010, EUR 2.63 on 10 November 2010, and EUR 2.70 on 12 November 2010. After the team consolidated the top spot in the league table following match day 12, the share price responded by breaking the EUR 3.00 barrier for the first time in more than five years to list at EUR 3.36 on 15 November 2010. On 16 November 2010, the shares reached their reporting season high at a closing price of EUR 3.43, boosted by positive Company financial news such as the net profit generated in the first quarter of financial year 2010/2011 (see ad hoc disclosure of 12 November 2010). Although the club continued winning in the *Bundesliga*, from that point on the share price was significantly impacted by profit taking, which resulted in a volatile showing with high trading volumes. BVB-shares traded at EUR 3.12 on 17 November 2010, EUR 3.30 on 19 November 2010, EUR 2.93 on 23 November 2010, EUR 3.30 on 26 November 2010 and EUR 3.06 on 29 November 2010. On 30 November 2010 – the date of the General Shareholders' Meeting – the share price was quoted at EUR 2.97. After Borussia Dortmund clinched the "Autumn Championship" in the 2010/2011 *Bundesliga* season, the share subsequently trended downward due to further profit taking, as is typical in the market at year end. On 3 December 2010 the share price was EUR 2.86, on 7 December 2010 EUR 2.46 and on 9 December 2010 EUR 2.36 before rising again amidst expectations of winning the final game in Seville on 15 December 2010 and advancing to the knockout phase of the UEFA Europa League 2010/2011. On 13 December 2010, BVB-shares were listed at EUR 2.59,

Price performance



Turnover



on 14 December 2010 at EUR 2.75 and on 15 December 2010 at EUR 2.84. On 16 December 2010, after the team failed to qualify for the knockout phase of the UEFA Europa League following the draw in the game against FC Sevilla on 15 December 2010 in the last game of the group stage, the share price dropped to EUR 2.48, at which level it remained until the end of 2010. The price of BVB-shares held at that level until 30 December 2010 to close out the 2010 calendar year at EUR 2.55. They started the new calendar year at EUR 2.63 on 3 January 2011. On 14 January 2011, the shares traded at EUR 2.75 prior to the start of the second half of the season with an away match in Leverkusen. After an impressive away win, BVB-shares rose to EUR 2.95 on the next trading day (17 January 2011) and reached EUR 3.04 on 21 January 2011. Despite profit taking, which resulted in a drop in the share price to EUR 2.88 on 27 January, BVB-shares stabilised in the following period thanks to continued club successes. The shares traded at

EUR 2.80 on 25 February 2011, the date of publication of the semi-annual figures (see ad hoc disclosure of the same date). After another impressive away win at FC Bayern München, BVB-shares rose to EUR 2.99 on the next trading day (28 February 2011) and reached EUR 3.03 on 4 March 2011. However, the share prices moved downward in the following period due to renewed profit taking amidst high trading volumes. BVB-shares were quoted at EUR 2.90 on 11 March 2011, EUR 2.74 on 14 March 2011 and EUR 2.49 on 15 March 2011. At the end of March, however, the price recovered as the club's athletic success continued and it strengthened its hold on the top of the table. The shares traded at EUR 2.76 on 31 March 2011, EUR 2.89 on 4 April 2011 and EUR 3.01 on 20 April 2011. The price was at EUR 3.10 on 30 April 2011, the last trading day before the weekend on which the team had the chance to finally clinch the German championship. After Borussia Dortmund did in fact assure itself of the championship through a 2:0 win against 1. FC Nürnberg, profit taking again led to a volatile price trend amidst heavy trading. BVB-shares thus traded at EUR 2.86 on 2 May 2011, the first trading day after clinching the German championship, and at EUR 2.67 and then EUR 2.52 on the next two days. The shares were quoted at EUR 2.43 on 13 May 2011, the date of publication of the figures for the third quarter of financial year 2010/2011 (see ad hoc disclosure of the same date). By 18 May 2011 the price had fallen to EUR 2.09. The shares then made a notable recovery to list at EUR 2.59 on 1 June 2011 and EUR 2.48 on 15 June 2011, the price at which the BVB-shares closed the eventful 2010/2011 financial year on 30 June 2011.

SHARE CAPITAL AND SHAREHOLDER STRUCTURE

Borussia Dortmund GmbH & Co. KGaA's share capital amounts to EUR 61,425,000 and is divided into the same number of no-par value shares. 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 2011:

- Bernd Geske: 10.63%
- BV. Borussia 09 e.V. Dortmund: 7.24%
- Free float: 82.13%

SHAREHOLDINGS BY MEMBERS OF GOVERNING BODIES

As at 30 June 2011, one member of management held 4,545 no-par value shares in our Company. As at the same date, the members of the Supervisory Board held a total of 6,536,553 no-par-value shares. Members of management and the Supervisory Board hold a total of 6,541,098 no-par value shares, which corresponds to more than 1% of the shares issued by Borussia Dortmund GmbH & Co. KGaA.

INVESTOR RELATIONS

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

We therefore use online communication as our main form of communications, as this offers the best basis for providing all interested parties with equal access to up-to-date information. Borussia Dortmund GmbH & Co. KGaA publishes all annual and interim financial reports for download on its website at http://eng.borussia-aktie.de. 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, Deutsche Gesellschaft für Ad-hoc-Publizität mbH (DGAP), ensures that these notices are distributed throughout Europe. Further detailed information, such as investor presentations and in-depth information on implementing the recommendations of the German Corporate Governance Code, is provided on our website. Information is available in German and in English.

One of our goals for the 2010/2011 financial year was to continue fostering communication with the capital markets through investor events, such as roadshows, and company presentations. On 21 October 2010, for instance, we organised an investor event at SIGNAL IDUNA PARK in cooperation with Bankhaus Lampe KG, a private bank. In addition, on 24 November 2010 Borussia Dortmund GmbH & Co. KGaA presented itself at the Fall 2010 German Equity Forum held by the Deutsche Börse Group. During the reporting period, the Company also met with attendees of the Small & Mid Cap Conference organised by Close Brothers Seydler Bank AG, our designated sponsor, on 3 February 2011 as well as the 2011 Entry & General Standard Conference held by the Deutsche Börse Group on 2 May 2011 and held one-on-one talks with investors and interested financial groups. Both events took place in Frankfurt am Main.

Our aim is, and will continue to be, to promote constant and ongoing capital market coverage. Our Company is very pleased to have been included in the research coverage of Bankhaus Lampe KG, Düsseldorf, which again issued a "hold" recommendation in its latest research update of 6 June 2011. An additional firm has committed to adding us to their research coverage after publication of our figures for financial year 2010/2011.

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

CORPORATE GOVERNANCE DECLARATION PURSUANT TO § 289a OF THE GERMAN COMMERCIAL CODE (HANDELSGESETZBUCH, "HGB")

Pursuant to § 289a of the German Commercial Code, exchange-listed companies are required to prepare a corporate governance declaration. Such statement includes the declaration of compliance with the German Corporate Governance Code, an explanation of relevant corporate governance practices and a description of the working principles of the management and the Supervisory Board and its committees. The corporate governance declaration does not constitute a part of the management report, but rather is published on our website at http://eng.borussia-aktie.de.

CORPORATE GOVERNANCE REPORT

Clearly structured and implemented Corporate Governance is very important at Borussia Dortmund. It represents responsible and transparent term company management and control oriented to long-term added value. Efficient cooperation between management and Supervisory Board, respect of the shareholders' interest, openness and transparency of corporate communication are key aspect of good corporate governance. This is a key issue for the management of Borussia Dortmund Geschäftsführungs-GmbH as general partner of Borussia Dortmund GmbH & Co. KGaA ("Group") and the advisory board of the group.

GENERAL INFORMATION ON CORPORATE GOVERNANCE AT BORUSSIA DORTMUND GmbH & Co. KGaA

The statutory framework of Corporate Governance is regulated by the German Corporate Law. According to § 161 AktG (German Companies Act), executive committee and Supervisory Board of a public company are obliged to declare once every year whether and in how far the recommendations of the "Government Commission German Corporate Governance Code" in the German Corporate Governance Codex ("Codex") published in the official part of the electronic Federal Gazette were observed (with reference to the past) and are observed (with reference to the future); in case recommendations are not followed, § 161 (1) first clause AktG (German Companies Law) stipulates that an explanation is made with regard to the reasons.

As a rule, the Codex is reviewed once annually and amended as required. It contains basic statutory provisions on the management and supervision of German listed companies based on internationally and nationally recognised standards for good and responsible corporate governance. It aims to make the German system of corporate governance transparent and understandable in an effort to boost the confidence of international and national investors, customers, employees and the general public in the management and supervision at German listed companies.

Many of the Codex's recommendations ("should" provisions) are tailored exclusively to stock corporations and are at most applicable by analogy to partnerships limited by shares (Kommanditgesellschaften auf Aktien, "KGaA"), i.e. to our Company.

A KGaA is a hybrid corporate form combining elements of a German stock corporation (Aktiengesellschaft) 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 as against creditors of the Company and limited partners (Kommanditaktionäre) that are not personally liable for the debts of the Company (§ 278 (1) AktG – German Companies Act).

The key differences between a KGaA and a German stock corporation can be characterized as follows:

- Borussia Dortmund GmbH & Co. KGaA has no Management Board. Instead the general partner, Borussia Dortmund Geschäftsführungs-GmbH, is solely responsible for its management and representation. This company in turn is represented by one or more managing directors; its sole shareholder is Ballspielverein Borussia 09 e.V. Dortmund.

- The rights and duties of the Supervisory Board appointed by the General Shareholders' Meeting of the KGaA are limited. Specifically, it has no authority to appoint and dismiss managing directors at Borussia Dortmund Geschäftsführungs-GmbH or regulate the terms of their contracts. Nor does the Supervisory Board have authority to adopt rules of procedures for the general partner or a catalogue of business transactions requiring its approval. 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 distinctions exist with respect to the General Shareholders' Meeting of the KGaA, which are primarily controlled by § 285 and 286 (1) AktG (German Company Law) and the statutes of our company.

Consequently, the management of the general partner and the Supervisory Board of Borussia Dortmund GmbH & Co. KGaA are required to provide a Compliance Statement (Entsprechenserklärung) pursuant to § 161 AktG (German Company Law), taking into account the organisational distinctions of the legal form of a KGaA and their configuration in the Articles of Association. The Compliance Statement must be made permanently accessible to the shareholders on the website of the company. This is done on our investor relations website at http://eng.borussia-aktie.de, category "Corporate Governance (CG)". The Compliance Statement made in 2011 is also printed in the appendix of this Corporate Governance Report.

This Corporate Governance Report of our company will be published in the annual report for the financial year 2010/2011 which will be published on our investor relations website at http://eng.borussia-aktie.de, category "Publications".

Transparency

Our company informs the limited partners and shareholder associations, financial analysts and the interested public regularly as to the company's condition and any material changes in its business.

On our website, we publish in particular ad hoc information, corporate new as well as the directors' dealings information, shareholder structure, the currently valid statutes and the financial calendar we have received. A summarising overview as to the company's important publications in the fiscal year 2010/2011 is also provided in the "Annual Document" according to § 10 WpPG (Securities Prospectus Act) which is also entered on our website http://eng.borussia-aktie.de in the category "Corporate Governance (CG)".

The financial calendar includes the company's key dates and can also be viewed at http://eng.borussia-aktie.de, category "Financial Calendar".

The financial statement press conference on the "preliminary" figures of the previous fiscal year will be – as in the previous years – shown in real time via live stream on the internet and can be followed by the interested public.

The General Shareholders' Meeting in the previous year was held on 30 November 2010 in Dortmund in compliance with the relevant notice and form requirements for its convening. In compliance with the German Corporate Governance Codex, the reports and documents required by law were available; they were sent to the limited partners at their request and also published on the website of the company together with the agenda. The resolutions on all items of the agenda were made with approval in a range between 92.7% to 99.9% of the votes.

The next General Shareholders' Meeting of Borussia Dortmund GmbH & Co. KGaA is scheduled for Monday, 21 November 2011 in Dortmund.

The financial reports in the course of the year will be published at the intervals recommended by the Codex. Our company provides detailed information on this by means of so-called "Preliminary Announcements". Compilation of the consolidated accounts and the interim financial reports follows the IFRS accounting standards. The annual results of Borussia Dortmund GmbH & Co. KGaA have been drawn up in accordance with the HGB (German Commercial Code).

Following the suggestions of the Codex, the information has been made available on our website and also in English.

Publication of analysts' recommendations and research studies on our website http://eng.borussia-aktie.de under the category "Capital Market View" also serves purpose of communication with market participants. In addition, extensive further information on the company is published on this website. Further information on the company for our customers and fans as well as the interested public is published on our website www.bvb.de.

Compensation of the Managing Directors

The Executive Committee of the Advisory Board of the general partner and not the Supervisory Board of our company is responsible for determining the compensation of the members of the management. Compensation of the managing directors consists of two components: A fixed amount and a variable component. The fixed amount is defined in the contract and paid in twelve equally monthly rates. The variable part of the compensation depends on the course of business and is defined according to the net income before taxes and management compensation. Additionally granted non-cash and fringe benefits essentially include insurance benefits at normal market rates and provision of a company car. There are no stock option programmes or similar incentives. The compensation components provided are individually and in total adequate. The compensation of the members of the management are stated in total as well as itemised in the appendix of the annual statement and consolidated accounts.

Compensation of the Members of the Supervisory Board

The Supervisory Board supervises the management. In our company, it consists of six members who are all appointed by the General Shareholders' Meeting. According to § 13 (1) of the statutes, the members of the Supervisory Board receive exclusively a fixed and comparatively small compensation of annually € 7,000; the chairman twice the amount and his deputy one and a half times the amount. The compensation of the members of the Supervisory Board is stated in the appendix of the consolidated accounts. With consideration of the easy calculability according to the above explanation, this information is not itemised but stated as a total sum. In the fiscal year 2010/2011 the company did not pay any other compensation or benefits to the members of the Supervisory Board.

Report on ownership of company shares by members of the company management and the Supervisory Board

By 30 June 2011, one member of the company management owned 4,545 registered shares of our company. The members of the Supervisory Board at the same time owned a total of 6,536,553 registered shares. The (total) ownership of shares by members of the company management and the Supervisory Board is 6,541,098 registered shares and thus more than 1% of the shares issued by Borussia Dortmund GmbH & Co. KGaA.

Dortmund, 14 September 2011

For the Supervisory Board

Gerd Pieper

For Borussia Dortmund Geschäftsführungs-GmbH

Hans-Joachim Watzke

Thomas Treß

COMPLIANCE STATEMENT OF THE MANAGEMENT AND THE SUPERVISORY BOARD OF BORUSSIA DORTMUND GmbH & Co. KGaA PURSUANT TO §161 AktG DATED 14 SEPTEMBER 2011

The company management of the general partner (Borussia Dortmund Geschäftsführungs-GmbH) and the Supervisory Board of Borussia Dortmund GmbH & Co. KGaA declare pursuant to §161 AktG that for Borussia Dortmund GmbH & Co. KGaA since the last compliance statement dated 09 September 2010 the recommendation of the German Corporate Governance Codex ("DCGK") in the version dated 26 May 2010 have been and are followed, apart from the following differences which are partly due to the organisational distinctions of the legal form of a KGaA and their configuration in the statutes of our company:

At Section 2.3.3 Clause 2: Support of the limited partners is not carried out in absentee ballot, because the statutes of the company do not provide permission for this type of voting procedure.

At Section 3.8 Paragraph 3: The D&O insurance does not provide for a deductible and it is not intended to change this, because changing in our understanding would not have any behaviour-guiding effect on members of the board nor would it be suitable as motivational aid.

At Section 4.2.1 Clause 2: The Supervisory Board of Borussia Dortmund GmbH & Co. KGaA does not have competence to appoint or discharge of managing directors at Borussia Dortmund Geschäftsführungs-GmbH or regulate the terms of their contracts; this is executed by the Executive Committee of Borussia Dortmund Geschäftsführungs-GmbH. Since January 2006, the management consists of Hans-Joachim Watzke (chair of the management) and Thomas Treß (managing director). Their business areas were sufficiently defined in the terms of their contracts; furthermore, the managing directors execute their authorities in the sense of legal provisions and the provision of the statutes together in close cooperation; therefore the competent bodies of Borussia Dortmund Geschäftsführung-GmbH do not deem it necessary to prepare additional standing orders for the company management.

At Section 4.2.2 Paragraph 1: § 7 of the statutes of Borussia Dortmund GmbH & Co. KGaA stipulates that the general partner has the right to compensation for the personnel and material costs incurred for management of the company plus remuneration of 3% of the otherwise generated annual surplus of the company. Compensation and the compensation system for the management of Borussia Dortmund Geschäftsführungs-GmbH have been and are otherwise decided and revised regularly by the executive committee created there (difference to the competence of the Supervisory Board stipulated in Section 4.2.2 Paragraph 1 due to the legal form).

At Section 4.2.3 Paragraph 2 Clause 4 and paragraph 3 Clause 3: The executive committee of Borussia Dortmund Geschäftsführungs-GmbH decides on the compensation structure of its managing directors without including negative developments for the configuration of variable compensation components of managing directors; also, retroactive change of the success objectives or of comparing parameters is not excluded. With regard to organisational distinctions of the legal form of a KGaA, the corresponding recommendations do not seem applicable nor are they regarded as sensible in this case.

At Section 4.2.3 Paragraph 4 and Paragraph 5: The Codex recommends for joint-stock companies that they include so-called "compensation caps" for cases of premature termination of activity on the Supervisory Board without important reason in the contracts of the Supervisory Board or on the occasion of premature termination of activity on the Supervisory Board as a result of change of control. The executive committee has decided and will decide in the future in case of imminent (re-) appointments of managing directors of Borussia Dortmund Geschäftsführungs-GmbH without making provisions in terms of so-called "compensation caps", because executive committee and managing directors do not regard the above recommendations with regard to the organisational distinctions of the legal form of a KGaA and their configuration in the statutes of the company.

At Section 4.2.3 Paragraph 6: The chairman of the Supervisory Board has not reported and will not report to the General Shareholders' Meeting on the basic outlines of the compensation system and its changes, because the Supervisory Board of Borussia Dortmund GmbH & Co. KGaA – as stated above – is not competent to appoint and dismiss managing directors of Borussia Dortmund Geschäftsführungs-GmbH or for regulating the terms of their contracts. Furthermore, system information has been and will be provided in the paragraph "Compensation Report" of the annual report and individual information on compensation for managing directors in the appendix of the annual report and consolidated accounts; this is deemed sufficient.

At Section 4.3.4 Clause 3: Important businesses between the general partner and certain individuals close to it on the one hand with the company and on the other hand in the sense of §§ 89, 112 in connection with §§ 278 Paragraph 3, 283 No. 5 AktG (e.g. granting of loans) require cooperation of the Supervisory Board. In this sense the recommendation has been followed. Furthermore, the Supervisory Board is not authorised to adopt a catalogue of business transactions requiring its approval for the general partner or its managing directors.

At Section 4.3.5: The Supervisory Board of Borussia Dortmund GmbH & Co. KGaA does not have competence to approve of additional activities of managing directors of the general partner as it has no competence to appoint or discharge of managing directors at Borussia Dortmund Geschäftsführungs-GmbH or regulate the terms of their contracts; this is executed by the Executive Committee of Borussia Dortmund Geschäftsführungs-GmbH.

At Section 5.1.2 Paragraph 1 Clauses 2 and 3: Long-term succession planning in our company is carried out by the managing directors and – since the Supervisory Board has no personnel competence – the executive committee of Borussia Dortmund Geschäftsführungs-GmbH. The latter also ensures the "diversity" to be achieved when staffing the management. With regard to the number of two managing directors that are currently deemed sufficient for the company and whose positions have been filled for the foreseeable future, it does not seem feasible to aspire to an adequate consideration of women recommended by the authors of the Codex in the near future.

At Section 5.1.2 Paragraph 2 Clause 2: The executive committee of Borussia Dortmund Geschäftsführungs-GmbH has decided and will decide on re-appointment of its managing directors in the absence of special circumstances as necessary before the end of one year or the end of the existing appointment. The orientation of the personnel decision towards an element of time and circumstance is not deemed sensible with regard to organisational distinctions of the legal form of a KGaA and the desire to implement a higher degree of flexibility.

At Section 5.1.2 Paragraph 2 Clause 3: The age limit for managing directors of the general partner has been and will be decided by the executive committee of Borussia Dortmund Geschäftsführungs-GmbH whenever (re-)appointments of managing directors are imminent without any general type of definition in this regard. Definition of an age limit is not deemed sensible.

At Section 5.2 Paragraph 2, 5.3.1 Clause 1, 5.3.2 and 5.3.3: Committees, especially and audit committee have not been and will not be installed by the Supervisory Board, because it is comprised of only six persons and decision-making committees must be comprised of three persons. The existing practice of treating all imminent topics in the full Supervisory Board will be maintained in the future. The practiced waiver of forming a nominating committee by the Supervisory Board recommended in the Codex applies accordingly. Furthermore, it is comprised only of representatives of the shareholders as required by the Codex for formation of the nominating committee.

At Section 5.4.1 Paragraph 2 and Paragraph 3: Concrete objectives for its composition with consideration of specific topics described in the Codex with “Age Limit for Members of the Supervisory Board” and “Diversity” or “Adequate Participation of Women” have not been and will not be defined by the Supervisory Board. The Supervisory Board holds the opinion that such restrictions with regard to other criteria for suggestions concerning election of members of the Supervisory Board are not appropriate; rather it wants to decide about its composition individually in any given concrete situation.

At Section 5.4.3 Clause 3: Candidate suggestions for the president of the Supervisory Board have not and will not be published, because the Supervisory Board deems individual election of its members for sufficient and voting in the General Shareholders’ Meeting in favour or against a candidate with regard to his position in the Supervisory Board not practicable.

At Section 5.4.6 Paragraph 2 Clause 1 and Paragraph 3 Clause 1 and 2: According to § 13 (1) of the statutes, the members of the Supervisory Board receive exclusively a fixed and comparatively small compensation of annually € 7,000; the chairman twice the amount and his deputy one and a half times the amount. Information on the total compensation of the Supervisory Board in the Corporate Governance Report as well as in the appendix of the consolidated accounts have been and will be deemed sufficient.

At Section 5.5.3 Clause 1: It has been and will remain reserved not to follow the recommendation that the Supervisory Board in its report to the General Shareholders’ Meeting should report on any conflicts of interest and their treatment. The principle of confidentiality of deliberations in the Supervisory Board (cf. § 116 Clause 2 AktG and Clause 3.5 Paragraph 1 Clause 2 of the Codex) has had and will have priority.

At Section 7.1.2 Clause 2: The recommendation to deliberate half-yearly and any quarterly financial reports between management and Supervisory Board before they are published has not been and will not be followed, because the objective of publication of financial reports in the course of the year immediately after they have been drawn up receives priority. However, deliberation and control of such financial reports is carried out by the Supervisory Board.

At Section 7.1.2 Clause 4: Financial reports in the course of the year have been and will be published within due time which in individual cases (i.e. for the half-yearly financial report, since it optionally undergoes a review by the auditor) may exceed 45 days from the end of the reporting period.

At Section 7.1.3: At Borussia Dortmund Geschäftsführungs-GmbH the scope of compensation for its managing directors do not include stock option programmes or similar stock-oriented incentives; therefore no concrete information has been and will be made in the Corporate Governance Report in this regard.

Dortmund, 14 September 2011

For the Supervisory Board	For Borussia Dortmund Geschäftsführungs-GmbH	
Gerd Pieper	Hans-Joachim Watzke	Thomas Treß

BUSINESS TREND AND FRAMEWORK CONDITIONS

LOOKING BACK ON FINANCIAL YEAR 2010/2011

The achievements of the 2010/2011 financial year, both athletically and from a business perspective, eclipsed even the boldest of hopes and expectations as Borussia Dortmund not only capped off the financial year by winning the German Football Championship but also reported a net profit of more than 9 million euros!

The biggest milestone of the past financial year was the culmination of the team's sensational athletic performance in winning the 2011 German Football Championship to make it the reigning *Bundesliga* champion for the seventh time in the history of Borussia Dortmund. The brilliant performance of Coach Jürgen Klopp's young team was applauded throughout the entire German football landscape, well beyond the circle of BVB sympathizers.

Borussia Dortmund has succeeded in putting together a fresh and enthusiastic team that is hungry for success, without having gone into financial debt to do so. This means that the Company will have the anticipated proceeds from the Champions League at its full disposal, as no loans were taken out on the road to the international competition that would have to be serviced. Borussia Dortmund will continue to pursue its philosophy of developing first-class young players in the future as well.

One thing is certain: for young, ambitious players, Borussia Dortmund is the team to be on. This is demonstrated not only by the policy pursued jointly by the management and by sport director Michael Zorc of securing long-term relationships with key players, but also by the fact that five members of the German national team now come from Borussia Dortmund: Mats Hummels, Marcel Schmelzer, Kevin Großkreutz, Sven Bender and Mario Götze.

Borussia Dortmund will keep this paradigm in place. Transfer income and expenses are again balanced for the current season. The personnel budget for licensed players has been raised to meet the coming challenges of the Champions League.

The trend in sponsoring proceeds has been extraordinarily good, and by selling 53,000 season tickets, Borussia Dortmund set a new record, both internally and for the entire *Bundesliga*.

Key financial indicators

Overview of the key financial figures
Borussia Dortmund KGaA (HGB)

EUR '000	2010/2011 30/06/2011	2009/2010 30/06/2010
Equity	98.533	89.002
Capital expenditure	10.917	14.434
Gross revenue	140.541	103.334
Operating profit/loss (EBIT)	12.426	-1.014
Net finance cost (investment income and net interest expense)	-401	-1.644
Net profit/loss	9.539	-2.787
Earnings before interest, taxes, depreciation and amortisation (EBITDA)	23.049	9.325
Cash flows from operating activities	17.507	-2.954
Number of shares (in thousands)	61.425	61.425
Earnings per share (in €)	0,16	-0,05

DEVELOPMENT OF THE MARKET AND COMPETITIVE ENVIRONMENT IN GERMAN PROFESSIONAL FOOTBALL

Match attendance

As reported by DFL Deutsche Fußball Liga GmbH, a new attendance record was set in the 2010/2011 season with an average of 42,101 attendees at the 306 first-division matches. The increase of 0.7% on the previous season allowed the 42,000 mark to be broken for the first time ever. The previous record was 41,905 attendees per match, set in the 2008/2009 season.

Apart from winning the German championship, Borussia Dortmund led the pack in attendance figures as well with 78,416 spectators per game to fill the stadium at 97.23% capacity.

Bundesliga TV marketing

According to a statement made by DFL Deutsche Fußball Liga GmbH on 20 June 2011, the League Association has taken a crucial step with respect to marketing *Bundesliga* media rights. The German Federal Cartel Office informed DFL Deutsche Fußball Liga GmbH that it may continue to pursue its proven practice of centralised marketing based on the Federal Cartel Office's initial assessment following a comprehensive market survey and an analysis of the concepts submitted for the distribution of media rights. Accordingly, a call for tenders may be put out for a distribution option involving an early highlight report on Saturdays on the Internet and for smart phones as an alternative to a scenario involving an early free TV report. In the opinion of the Federal Cartel Office, it is important that the bidding process be transparent and discrimination-free, particularly with regard to the packaging of the rights. In the coming weeks, DFL will design the call for tenders in close cooperation with the Federal Cartel Office to include at least two distribution scenarios aimed at encouraging competition. The call for tenders is expected to be put out at the end of 2011.

BVB total

Borussia Dortmund is now in the television business too. Since January 2011, Borussia Dortmund has been the first *Bundesliga* team to offer its own TV package in cooperation with Deutsche Telekom. In addition to all of Borussia Dortmund's official matches, "BVB Total" includes reports, current news and a look behind the scenes. All BVB *Bundesliga* matches are broadcast live, and matches in other competitions are available via delayed streaming. "BVB Total" can be seen on Deutsche Telekom's "Liga Total!" platform, which is part of its "Entertain" product.

Like other teams, Borussia Dortmund has already been offering interviews and match highlights via the internet. However, this is the first time that a team is using its own TV channel as a marketing tool in Germany.

UEFA club licensing

In its regulations on club licensing and financial fair play (2010 version), UEFA has defined the rights, obligations and responsibilities of all parties involved in the UEFA club licensing procedure and described the requirements that a club must fulfil to obtain a license entitling it to take part in UEFA club competitions.

The measures introduced as part of UEFA's new regulations on club licensing and financial fair play are intended to encourage clubs to manage their finances better and to strike a sustainable balance between income, expenses and investments. The most important factor in receiving future permission to play from UEFA is the break-even requirement, which will take effect at the end of the 2012 reporting year, be reviewed during the 2013/2014 European Cup season and result in sanctions in cases of non-adherence.

International competitions

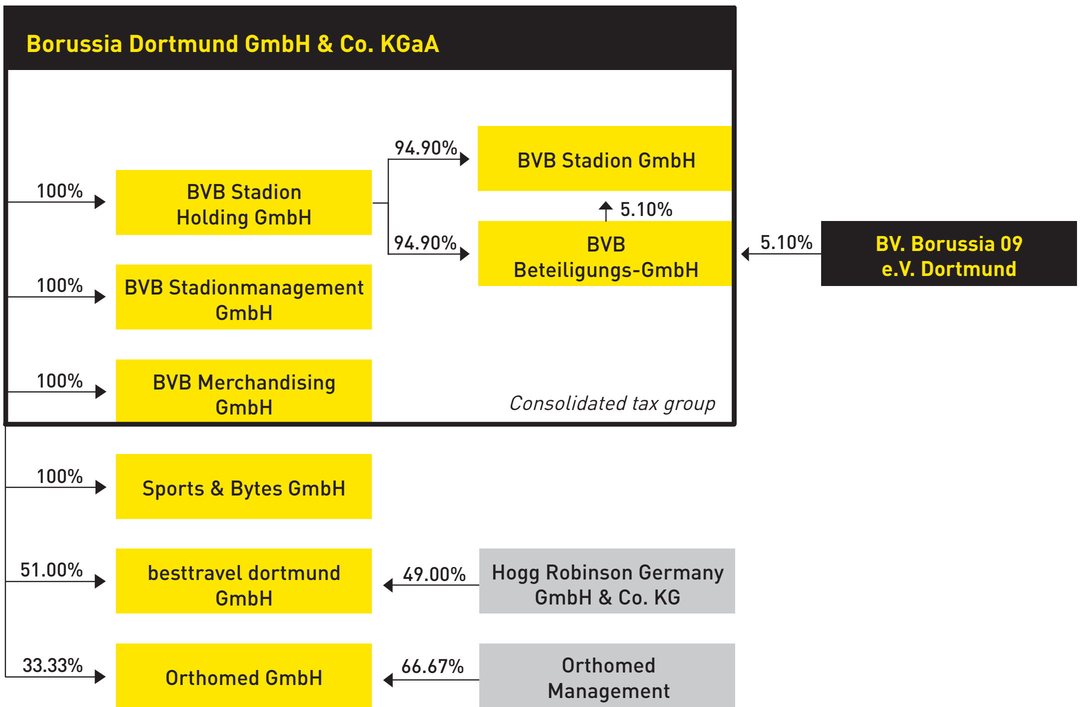
After eleven years, the *Bundesliga* has recaptured the right to have four teams in the Champions League. Thanks to the successes of German teams in international competitions, Germany has secured third place in the UEFA five-year rankings behind England and Spain. The third-place spot guarantees three fixed slots in the European premier league, with the fourth-ranked *Bundesliga* team able to play its way in to the Champions League. However, this will not affect the coming season. Not until the 2012/2013 season will Germany be able to send four teams to the Champions League. The German premier league last sent four clubs to this lucrative European competition in the 2001/2002 season.

Germany's advance has come at the expense of Italy's Serie A, which the *Bundesliga* has pushed back from third to fourth place in the UEFA five-year rankings. Since the 2006/2007 season – which was weak from a German perspective – will no longer be included in the rankings as of the start of the coming season, the *Bundesliga* is currently in second place in interim scoring for 2011/2012, just ahead of Spain.

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. At present, the Company holds direct and indirect interests in the following companies: BVB Stadionmanagement GmbH (100.00%), BVB Stadion Holding GmbH (100.00%), Sports & Bytes GmbH (100.00%), BVB Merchandising GmbH (100.00%), BVB Stadion GmbH (99.74%), BVB Beteiligungs-GmbH (94.90%), besttravel dortmund GmbH (51.00%) and Orthomed GmbH (33.33%).

Some of these companies have concluded mutual control and/or profit and loss transfer agreements.



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 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 General Shareholders' Meeting, has limited rights and duties. Specifically, it has no authority with respect to matters involving personnel, i.e. no authority to appoint and dismiss managing directors at Borussia Dortmund Geschäftsführungs-GmbH or to stipulate the terms of their contracts. Nor is the Supervisory Board authorised to adopt internal rules of procedure or a list of transactions requiring its consent on behalf of the general partner. Rather, such rights and duties are vested in the governing bodies of Borussia Dortmund Geschäftsführungs-GmbH, namely its Advisory Board and the Executive Committee created by the Advisory Board.

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

Dipl.-Kfm. Gerd Pieper	Harald Heinze	Peer Steinbrück (since 30/11/2010)	Bernd Geske	Friedrich Merz (since 30/11/2010)	Christian Kullmann	Ruedi Baer (until 30/11/2010)	Othmar Freiherr von Diemar (until 30/11/2010)
(Chairman)	(Deputy Chairman)						
Occupations							
Proprietor and managing director of Stadtparfümerie Pieper GmbH, Herne	Chairman of the Management Board (Rtd.) of Dortmunder Stadtwerke AG (DSW 21)	Member of German Bundestag Federal Minister (ret.)	Managing partner of Bernd Geske Lean Communication, Meerbusch	Attorney and partner, Mayer Brown LLP, Berlin	Head of the management board office and group communications of EVONIK Industries Aktiengesellschaft, Essen	Consultant, B + B Beratungs AG	Proprietor and manager of Othmar von Diemar Vermögensverwaltung + Beratung, Cologne
Other responsibilities							
Member of the Supervisory Board of Beauty Alliance Deutschland GmbH & Co. KG, Bielefeld Member of the Advisory Board of Borussia Dortmund Geschäftsführungs-GmbH Member of the Advisory Board of NRW Bank, Düsseldorf (until 31/12/2010)	Member of the Supervisory Board of M-Exchange AG, Lohmar	Member of the Supervisory Board of Thyssen Krupp AG, Essen		Member of the Supervisory Board of AXA Konzern AG, Köln Member of the Board of Directors of BASF Antwerpen N.V., Antwerp, Belgium Chairman of the Supervisory Board of DBV Holding AG, Wiesbaden (until 9/9/2010) Member of the Supervisory Board of Deutsche Börse AG, Frankfurt a.M. Member of the Supervisory Board and Chairman of the Board of Directors of HSBC Trinkaus & Burkhardt AG, Düsseldorf Member of the Board of Directors of Stadler Rail AG, Bussnang, Switzerland Chairman of the Supervisory Board of WEPA Industrieholding SE, Arnsberg		Chairman of the Board of Directors of eyezone AG, Watt (Switzerland) Member of the Board of Directors of Swisshome Real Estate AG, Lyss (Switzerland) Chairman of the Board of Directors of Destination Travel AG, Liebefeld (Switzerland) Chairman of the Board of Directors of B + B Beratungs AG, Watt (Switzerland) Chairman of the Board of Directors of Bablo Immobilien AG, Niederscherli (Switzerland) Member of the Board of Directors of Immoplaza AG, Regensdorf (Switzerland) Chairman of the Board of Directors of AP Fashion AG, Watt (Switzerland)	Chairman of the Supervisory Board of Informium AG, Cologne Member of the Supervisory Board of 004 Beratungs- und Dienstleistungs-GmbH, Aschaffenburg Member of the Advisory Board of GIG Holding GmbH, Munich

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

Management

Hans-Joachim Watzke (Chairman) — Thomas Treß

Sport — Michael Zorc
- Professional football
- Scouting
- Amateurs
- Youth

Sales + Marketing — Carsten Cramer
- Sponsoring
- Sportfive
- Sponsor events
- Marketing
- Business development
- CRM (Customer-Relationship-Management)
- VIP-Hospitality
- Ticketing
- Stadium program

Communications — Josef Schneck
- Corporate communications
- Sport communications
- PR
- Publications

Organisation — Dr. Christian Hockenjos
- General organisation
- Stadium management
- Facility management
- Match organisation
- DFB/DFL
- Real estate
- Fan support
- Event management
- Complaints management

Finance — Marcus Knipping
- Finances
- Accounting
- Financial control
- Risk Management
- IT (Information Technology)
- Personnel
- Equity investments
- Investor Relations
- Insurances

INTERNAL MANAGEMENT SYSTEM

SPORTS MANAGEMENT

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

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

FINANCIAL MANAGEMENT

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

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

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

CAPITAL MANAGEMENT

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

CORPORATE STRATEGY

Borussia Dortmund continues to pursue its medium-term goal of re-establishing itself as one of the leading football clubs in the *Bundesliga*. After having successfully reorganised the Company, restructured our financial liabilities and made investments in our professional squad, we consider ourselves to be on the right path.

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

- Borussia Dortmund is in sporting terms one of the most successful, well known and popular German football clubs with an outstanding fan base that gives it one of the highest average spectator numbers in Europe.
- A football company can only be financially successful if it enjoys sporting success over the long term. In order to make its financial performance less dependent on short-term sporting success in the future, Borussia Dortmund will continue to push ahead with marketing its brand name both nationally and internationally.
- Germany continues to be Europe's largest football market, although it lags behind certain other European markets in financial terms. This means that Germany has major growth potential.

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

Its current business strategy can principally be summarised as follows:

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

However, financial performance and the business trend are largely dependent on sporting success. Since sporting success is very difficult to plan, the best that management can do is to create a good foundation for success. Investments, particularly in the professional squad, are therefore a necessary prerequisite for achieving sporting objectives such as qualifying for the UEFA Europa League. However, in order to meet financial objectives, planned investments and decisions must under certain circumstances be postponed to the extent these would only be possible by incurring new debt. Moreover, a player might be sold based on financial considerations in cases where this would not have happened had the decision been made purely on the basis of sporting criteria.

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

Sponsorship plays a key role in this context. Over the years, sponsorship has grown to become one of the Company's largest revenue 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, change the strategy implemented as circumstances change. The key figures for the sponsoring segment have already been budgeted for the coming years based on commitments from SIGNAL IDUNA (until 2016) and Evonik Industries AG (until 2013), the Company's chief partners.

Revenues from international competitions are more difficult to budget for, since they depend solely on the team's athletic performance.

Another key strategic management parameter is transfer income. It must be decided whether to sell sought-after players or to retain them to pursue greater athletic goals over the long term.

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

MANAGEMENT REPORT

RESULTS OF OPERATIONS

This past season was one of the most successful financial years ever for Borussia Dortmund GmbH & Co. Kommanditgesellschaft auf Aktien (Borussia Dortmund) , not only in terms of athletic success but also from a business perspective. Demand for the Borussia Dortmund brand has increased even more thanks to the team's winning the German championship, playing in the group stage of the UEFA Europa League and, most of all, the likeability and genuine nature of the players and their enthusiasm for football. During the reporting period (1 July 2010 to 30 June 2011), the Company generated sales of EUR 136,402 thousand (previous year: EUR 100,889 thousand) and gross sales of EUR 140,541 thousand, a rise of EUR 37,207 thousand on the previous financial year.

Borussia Dortmund ended the financial year with a net profit of EUR 9,539 thousand under HGB, an improvement of EUR 12,326 thousand.

The result from operating activities (EBIT) increased by EUR 13,440 thousand on the prior year to EUR 12,426 thousand in 2010/2011.

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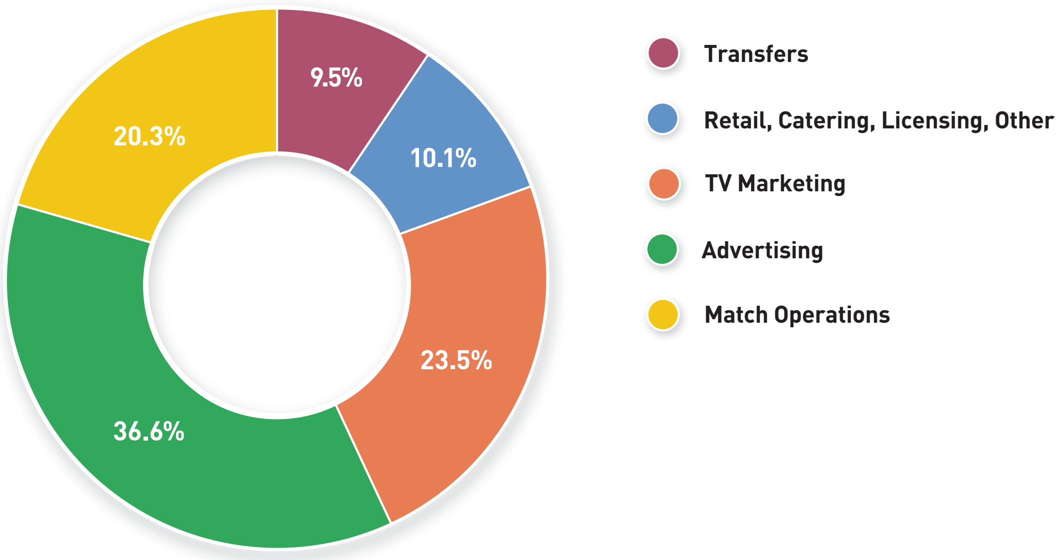
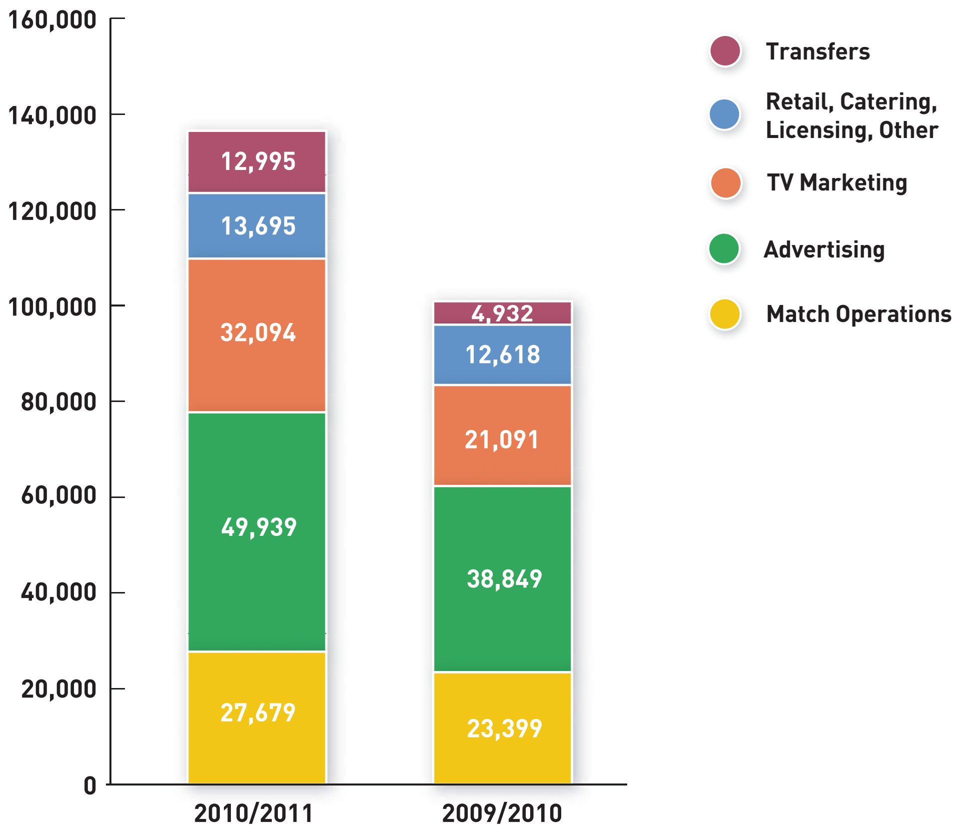
BORUSSIA DORTMUND GmbH & Co. Kommanditgesellschaft auf Aktien, Dortmund – Sales in %



SALES TREND

Borussia Dortmund generated EUR 136,402 thousand in sales in the financial year just ended. The increase of 35.20% was driven by growth in all income categories.

BORUSSIA DORTMUND GmbH & Co. Kommanditgesellschaft auf Aktien, Dortmund – Revenues in EUR '000



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

Income from match operations

Income from match operations amounted to EUR 27,679 thousand, an increase of EUR 4,280 thousand on the prior year.

With an average attendance of 78,416 to put SIGNAL IDUNA PARK at 97% capacity throughout the season, Borussia Dortmund again increased revenue from *Bundesliga* ticket sales, which rose by EUR 1,714 thousand year on year to EUR 23,502 thousand. Borussia Dortmund thus made a major contribution to the *Bundesliga's* new attendance record. The 18 *Bundesliga* teams welcomed an average of 42,101 attendees per home game to 306 games for the highest spectator numbers in the history of the football league. Borussia Dortmund's leading position in the market is not only due to the success enjoyed in the past season but also to our loyal fans and the unique atmosphere at SIGNAL IDUNA PARK.

Borussia Dortmund generated proceeds from international ticket sales of EUR 3,350 thousand based on participation in the UEFA Europa League and the four home games this involved. In the previous year, Borussia Dortmund did not play in any international competitions after having failed to qualify on the last day of play.
Match operations generated an additional EUR 827 thousand from friendly matches, the two away games in the DFB-Cup and matches played by the regional league team.

Income from advertising

Sponsorship income increased by EUR 11,090 thousand year on year to EUR 49,939 thousand, again making this the main sales item of Borussia Dortmund in financial year 2010/2011. Sales from sponsorship constitutes approximately 36.6% of total sales.

In addition to our main sponsor, Evonik Industries AG, SIGNAL IDUNA, which owns the naming rights for the "nicest stadium" in the world, and equipment supplier Kappa Deutschland GmbH, other renowned companies acting as Champion Partners for Borussia Dortmund were the Radeberger Group, SEAT Deutschland GmbH, Sparda Bank Münster eG and SPREHE Geflügel- u. Tiefkühlfeinkost Handels GmbH & Co. KG. For the coming financial year, we have acquired even more prominent companies as Champion Partners.
At the end of the 2010/2011 season, the hospitality areas of SIGNAL IDUNA PARK – the "regulars' table" level, the business club, Borussia Park and the "Rote Erde Club" – were at 94% capacity, up from 90% in 2009/2010. Also quite popular among companies were our "incentives packages" – offers for business clients wishing to invite guests to SIGNAL IDUNA PARK for specific games only. Demand for the local derby, and particularly for the last game of the season, was so immense that Borussia Dortmund had to set up an additional hospitality area under a tent in order to satisfy most of the requests for space. In June 2011 it already was clear that capacity of 100% would be possible even before the new *Bundesliga* season started.

Advertising income also included the bonuses associated with qualifying for the group stage of the UEFA Europa League, winning the German championship and accordingly qualifying for the 2011/2012 UEFA Champions League.

Income from media exploitation rights and joint marketing

Income from TV marketing increased to EUR 32,094 thousand in the financial year just ended, a rise of EUR 11,003 thousand compared to financial year 2009/2010.
Income from national TV marketing rose by EUR 6,579 thousand to EUR 26,775 thousand based on the club's top ranking at the end of the season and No. 2 spot in the weighted four-year rankings.

Television income of EUR 4,944 thousand was generated from participation in international competition (qualifying round and subsequent group stage). Starting at the group stage, UEFA is in charge of TV marketing of the UEFA Europa League, which in addition to the market pool includes fixed and performance-based bonuses as well as match bonuses from centralised marketing. In the qualifying round, the television rights may still be offered decentrally on the market.

An additional EUR 375 thousand was generated based on participation in two DFB-Cup matches and membership of the U23 team in the regional league.

Transfer income

At EUR 12,995 thousand, transfer income exceeded the previous year's figure by EUR 8,063 thousand.

In the financial year under review, Nuri Sahin was transferred along with Nelson Valdez, Tamas Hajnal and Markus Feulner. The transfer income reported in 2009/2010 came primarily from the transfer of Alexander Frei to FC Basel.

Retail, conference, catering and other income

Borussia Dortmund registered an additional increase in sales in the areas of retail, conference, catering and other income, which increased by EUR 1,077 thousand between 1 July 2010 and 30 June 2011 to reach EUR 13,695 thousand.

The breakdown of sales by division is as follows: Catering improved by 3.66% to EUR 9,035 thousand, primarily thanks to the four additional home games due to participation in the UEFA Europa League at SIGNAL IDUNA PARK.

Rental and lease income, advance booking fees and other ticketing fees increased by EUR 713 thousand over the prior-year figure to EUR 4,511 thousand.

Other operating income improved by EUR 1,694 thousand as compared to the previous reporting period to EUR 4,139 thousand, mainly as a result of inclusion of professional squad members Bender, Götze, Großkreutz, Hummels and Schmelzer on the German national team.

CHANGES IN SIGNIFICANT OPERATING EXPENSES

Staff costs

Staff costs amounted to EUR 57,388 thousand in 2010/2011, up from EUR 44,578 thousand in the previous year. Staff costs for the professional squad increased by EUR 12,018 thousand over the prior-year figure to EUR 49,471 thousand. In addition to the increase in the professional squad budget, which was planned in advance, bonus payments correlating with the team's success on the field played a large part in the rise in staff costs. However, staff costs also increased by approximately EUR 1,888 thousand in the retail and administrative areas as a result of the championship bonuses, though also due to establishment of a marketing department and increasing our employee base to enable us to handle forthcoming projects and meet rising demand for services. By contrast, staff costs for other match operations, which include the U23 team and the U19 junior team, decreased by EUR 1,096 thousand due in part to relegation of the U23 team to the regional league.

Depreciation, amortisation and impairment

Depreciation, amortisation and impairment rose by EUR 284 thousand to EUR 10,623 thousand in the reporting period. Intangible assets were the main factor in the increase.

Other operating expenses

Other operating expenses amounted to EUR 60,104 thousand in the reporting period compared with EUR 49,431 thousand in the previous year.

Apart from the increase in match operations of EUR 3,526 thousand due to the additional organisation of international games and travel to away matches abroad, the greatest increase in other operating expenses related to advertising expenses, including marketing agency fees, which rose by EUR 3,359 thousand, and transfer expenses (primarily write-downs of carrying amounts), which rose by EUR 2,431 thousand.

Net finance costs

Net finance costs amounted to EUR 401 thousand in 2010/2011, down from EUR 1,644 thousand in the prior year.

FINANCIAL POSITION

ANALYSIS OF CAPITAL STRUCTURE

After taking into account the net profit for the year, Borussia Dortmund had equity in the amount of EUR 98,533 thousand as at 30 June 2011. This corresponds to an equity ratio of 47.08%.

Liabilities fell by EUR 3,138 thousand as against the figures at the end of last year's reporting period. The decrease was broken down as follows:

Trade payables increased by EUR 1,552 thousand, and liabilities to affiliates rose by EUR 1,432 thousand.

Financial liabilities decreased by EUR 10,025 due to scheduled repayments as well as a significant reduction in drawings on credit lines.

Other liabilities increased by a further EUR 3,903 thousand as of the balance sheet date as a result of wage and tax liabilities not yet due.

ANALYSIS OF CAPITAL EXPENDITURE

In financial year 2010/2011 Borussia Dortmund invested EUR 8,630 thousand in intangible assets, nearly all of which was attributable to investments in the player base.

Cash payments for property, plant and equipment during the same period amounted to EUR 2,131 thousand and included fixtures for the Brackel training centre, among other things.

ANALYSIS OF LIQUIDITY

As at 30 June 2011, Borussia Dortmund held cash of EUR 697 thousand, none of which was subject to restrictions.

The Group had access to an additional EUR 10,000 thousand in overdraft facilities as at the reporting date, EUR 2,246 thousand of which had been drawn down as at the end of the reporting period.

Proceeds from the sale of player registrations amounted to EUR 3,159 thousand in the past financial year. Payments for investments in the professional squad amounted to EUR 8,622 thousand.

NET ASSETS

Total assets of Borussia Dortmund increased from EUR 201,310 thousand to EUR 209,288 thousand. The increase resulted mainly from the rise in trade receivables, which had grown by EUR 10,684 thousand as at the reporting date. This increase was offset in part by the decrease in fixed assets.

OVERALL SUMMARY OF FINANCIAL POSITION AND PERFORMANCE

Borussia Dortmund ended the financial year with a net profit of EUR 9,539 thousand, a year-on-year improvement of EUR 12,326 thousand.

The equity ratio is stable and, taking into account the net profit for the year, amounts to 47.08%. As at 30 June 2011, Borussia Dortmund held cash of EUR 697 thousand, none of which was subject to restrictions. The Group had access to an additional EUR 10,000 thousand in overdraft facilities as at the reporting date, EUR 2,246 thousand of which had been drawn down as at 30 June 2011.

REMUNERATION REPORT

The structure of the management remuneration system is determined and regularly reviewed by the Executive Committee of the Advisory Board. The Executive Committee of the Advisory Board of Borussia Dortmund Geschäftsführungs-GmbH is also responsible for determining the remuneration of management in detail and setting the appropriate amount of remuneration. The principal criteria for determining the appropriate amount of remuneration are the responsibilities of the particular member of management, his personal performance and the financial situation, profits and future prospects of Borussia Dortmund .

Management remuneration comprises two components: a fixed amount and a variable component. The fixed remuneration component is stipulated by contract and is paid out in twelve equal monthly instalments. The variable remuneration component is based on the business trend and is dependent on net profit for the year before tax and the managing directors' remuneration. Any additional non-cash or ancillary benefits granted relate primarily to insurance benefits at standard market conditions and provision of a company car. The Group 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 § 13 of the Articles of Association, pursuant to which each member of the Supervisory Board receives fixed remuneration amounting to EUR 7 thousand; the Chairman receives twice that amount and the Deputy Chairman one and a half times that amount. Value added tax is reimbursed to the members of the Supervisory Board.

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

OPPORTUNITY AND RISK REPORT

RISK MANAGEMENT

The divisions of Borussia Dortmund are exposed to a wide variety of risks that are inseparably linked to the conduct of business. A functioning control and monitoring system is essential to the early identification and assessment of and systematic response to these risks. It is the responsibility of the Group's internal risk management system to monitor and control such potential risks.

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

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

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

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 GmbH & Co. KG can be described as follows:

- Borussia Dortmund GmbH & Co. KG 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 from 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 Group'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 engagement, 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.

SPECIFIC RISKS

STRATEGIC RISK

The economic trend of a football company depends on its athletic performance. However, this can only be planned to a certain extent, meaning that financial and corporate planning must be aimed at maintaining the profitability of the company – even in the face of setbacks – so as to avoid risks to the Company's future existence. Long-term affiliations and partnerships ensure a certain level of planning security, independently of sporting success. Moreover, it is important to reconcile the conflict between pursuing athletic objectives – including taking the measures necessary to achieve such objectives – and meeting financial requirements such as assuring adequate liquidity.

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

PERSONNEL RISK

The importance of human resources to companies is growing. Thus personnel risk represents a central risk category in a company's risk management organisation.

The core business of Borussia Dortmund – participating in *Bundesliga* matches – is largely dependent on the Company's human resources. Athletic success, which forms the basis for economic success, is heavily dependent on the professional sports squad and the quality of the players. Intensive scouting and medical examinations are intended to help the Company avoid making ill-advised investments in signing new players. Absences of key players, for example due to injury, cannot be foreseen and, as a result, may jeopardise the ability of the Company to meet internally defined objectives.

Yet in the non-sports segments as well, the use of qualified specialists and executives is essential for the Group; thus it is important that the Company retain them over the long term.

MACROECONOMIC RISK

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

Given current circumstances, it should be noted that it is impossible to plan and manage the risk of interruptions to match operations, for example due to outbreak of an epidemic. Nor is it possible to foresee the potential financial ramifications of such a situation.

Borussia Dortmund has been subject to tax audits and audits by social security authorities in the past. Borussia Dortmund is of the opinion that its tax returns were submitted completely and correctly and that its social security contributions were paid in full and on time. However, should the tax or social security authorities view the situation differently due to a diverging assessment of the facts, it is possible that they could later make additional claims that could impact the Company's financial position and performance.

COMPETITIVE RISK

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

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

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

FINANCIAL RISK

INTEREST RATE RISK

Borussia Dortmund bears the financing risk related to SIGNAL IDUNA PARK. The Group is presently not subject to any interest rate risk thanks to the fixed-interest credit agreements entered into for the coming years.

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

CREDIT RISK

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

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

LIQUIDITY RISK

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

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

OVERALL ASSESSMENT OF RISK POSITION

With regard to the risks discussed in this report and the review of the overall risk position, no risks were identified in the financial year under review that would contribute to a permanent or material deterioration in the financial position or financial performance of either the Group or its individual companies.

Thanks to its risk management system, Borussia Dortmund is in a position to comply with the statutory provisions on control and transparency in the Company.

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

REPORT ON EXPECTED DEVELOPMENTS

ANTICIPATED PERFORMANCE OF THE COMPANY

Borussia Dortmund capped off the past 2010/2011 season by winning the German championship and taking a firm grasp on the *Bundesliga* table following match day 34. The team's playing success, by virtue of which it qualified directly for the UEFA Champions League, has also increased its financial prospects in nearly all income areas.

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

EXPECTED GENERAL ECONOMIC ENVIRONMENT

In the 2011/2012 season the *Bundesliga* is anticipating being rewarded for its sustainable management and outstanding athletic performance: the *Bundesliga* has been promised the right to send a fourth team to the UEFA Champions League, the premiere league in European club football, starting in the 2012/2013 season.

Changes are also on the horizon in national cup competition. The German Football Association (DFB) is hoping to use its new strategy for marketing the DFB-Cup to generate additional sales for the clubs competing for the trophy starting in 2012. Contrary to the model practiced to date of offering the national cup matches and the international matches as a package, starting this year the call for tenders will go out for the DFB-Cup as a separate segment according to General Secretary Wolfgang Niersbach. At present, subscription broadcaster Sky as well as ARD and ZDF own the broadcasting rights, which generate approximately EUR 50 million for DFB. These are distributed among the 64 qualifying teams, depending on how well they place. The plan to market the DFB-Cup separately is aimed at making the Cup competition more attractive for private free TV channels in addition to realizing opportunities for creating new marketing content. Telekom, which already reports on the *Bundesliga* under its "Liga total!" brand, could also be interested.

On 6 June 2011, DFB announced on its website that it would be conducting an open, transparent and discrimination-free bidding process for award of the audio-visual media rights to the men's DFB-Cup competition matches and the final match of the women's DFB-Cup competition in the Federal Republic of Germany. The call for tenders will apply to the four seasons from 2012/2013 to 2015/2016. Companies interested in acquiring these rights were able to register with DFB until 21 June 2011.

In the area of ticket sales, Borussia Dortmund set a new season ticket league record by selling 53,000 tickets for the 2011/2012 season. The new "Vorwerk Lounge" in the southeast corner of SIGNAL IDUNA PARK also caters to rising demand for hospitality seats.

EXPECTED RESULTS OF OPERATIONS

ANTICIPATED EARNINGS TREND

As in previous years, success on the field will be a major factor in determining our earnings trend. We have laid the foundation for generating additional sales from international competition by qualifying for participation in the UEFA Champions League.

The management assumes that in financial year 2011/2012 and the following financial year, a net profit will be reported in the single-entity financial statements of Borussia Dortmund GmbH & Co. KGaA in addition to a consolidated net profit.

ANTICIPATED SALES TREND

Borussia Dortmund generated sales of EUR 136,402 thousand in the financial year just ended, an increase of EUR 35,513 thousand on the previous season.

The income situation could be similar in the following year thanks to the team's qualification for the UEFA Champions League.

ANTICIPATED TREND IN SIGNIFICANT OPERATING EXPENSES

Strict cost controls enable the management to minimise other operating expenses and to identify and realise savings potentials.

However, the trend in operating expenses depends to a great extent on the number of official matches in a season, meaning that forecasting changes in this item always involves a prediction of athletic performance.

Staff costs will again remain on a level with those in the previous financial year, although Borussia Dortmund has been able to maintain the core team and even to strengthen it in some respects.

EXPECTED DIVIDENDS

Given the Company's current and non-current financial liabilities, which still amount to EUR 61,108 thousand, a dividend payment would not be appropriate until Borussia Dortmund has re-established itself on the international sporting scene and generated long-term, substantial profits.

PROJECTED FINANCIAL POSITION

CAPITAL EXPENDITURE AND FINANCIALP LANNING

We are continuing to focus our investing activities on our professional squad and on additional measures to modernise SIGNAL IDUNA PARK.

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

ANTICIPATED LIQUIDITY TREND

Repayments of the long-term loans to finance the stadium continue to be made on schedule. Moreover, Borussia Dortmund has been able to make substantial investments in strengthening the professional squad. Going forward, we will continue to use non-earmarked funds to strengthen the athletics department while ensuring that Borussia Dortmund remains solvent at all times.

OPPORTUNITIES

Borussia Dortmund's greatest opportunities lie in unlocking and exploiting additional sales potential by participating in international competitions such as the UEFA Champions League. In addition, an international presence would almost certainly have a positive impact on the merchandising business.

Further significant earnings potential would result from successful participation in the DFB-Cup, the German cup competition. However, the financial benefits also depend, to a large extent, on which teams we are drawn against.

Moreover, the management is aware of the fact that Borussia Dortmund has high-quality young players on its squad who are greatly valued on the market and have a high transfer potential.

OVERALL ASSESSMENT OF ANTICIPATED PERFORMANCE

The past season exceeded even the boldest of expectations and put Borussia Dortmund in a position to reap the financial fruits of its success on a lasting basis. Media coverage of the team's participation in the UEFA Champions League, the prestige of winning the championship and a likeability factor that cannot be put into numbers will also translate into financial benefits.

REPORT ON POST-BALANCE SHEET DATE EVENTS

Borussia Dortmund was pleased to welcome three new Champion Partners in July and August of 2011. Borussia Dortmund succeeded in acquiring Wilo, the world's leading high-tech pump manufacturer located in Dortmund, as a new Champion Partner. Wilo already has a tradition of involvement with Borussia Dortmund, as SIGNAL IDUNA PARK is fully equipped with Wilo products.

Borussia Dortmund's second new Champion partner is Yanmar, a manufacturer of industrial engines as well as agricultural and construction machinery headquartered in Osaka, Japan. This partnership is of particular interest to Yanmar owing to BVB professional Shinji Kagawa, whose football roots are with Cerezo Osaka, of which Yanmar has been the main sponsor for some time.

Another new Champion Partner of Borussia Dortmund is Q-Cells, a globally leading photovoltaics company.

After a good showing in the preseason (including beating out Mainz 05, Hamburger SV and Bayern München to win the T-Home Cup), Coach Jürgen Klopp's team started the regular season with a clear 3:0 win in the first round of the DFB-Cup at an away game against third-division team SV Sandhausen. For the following round in October, Borussia Dortmund drew a home game at SIGNAL IDUNA PARK against second-division team Dynamo Dresden.

Borussia Dortmund then started the 2011/2012 *Bundesliga* season with a heated 3:1 win over Hamburger SV. The opening game of the current German champion was viewed by football fans in 199 countries all over the world. The season started well on the whole as the young team followed a 0:1 loss in their first away game at TSG Hoffenheim with a 2:0 victory against 1. FC Nürnberg on match day 3.

Participation in the group stage of the UEFA Champions League is yet another step for Borussia Dortmund on the way to international success. The drawing for the Champions League group stage held on 25 August 2011 in Monaco has provided the team with a challenge, having set it against some interesting and strong opponents in European professional football.

Our Supervisory Board member Bernd Geske has once again increased his voting interest in Borussia Dortmund GmbH & Co. KGaA to the current 11.25%. As at 8 August 2011, the shareholder structure of Borussia Dortmund GmbH & Co. KGaA was as follows:

Bernd Geske:	11.25 %
BV. Borussia 09 e.V. Dortmund:	7.24 %
Free float:	81.51 %

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 of the HGB:

1. The share capital of Borussia Dortmund GmbH & Co. KGaA amounts to EUR 61,425,000.00 and is divided into 61,425,000 no-par value ordinary bearer shares. All of the shares have been admitted to trading on the Regulated Market (General Standard) of the Frankfurt Stock Exchange and to the over-the-counter markets (Open Market) in Berlin, Bremen, Stuttgart, Munich, Hamburg and Düsseldorf. Each no-par value share entitles the holder to one vote at the General Shareholders' 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. There are no restrictions affecting the voting rights or transfer of the shares.

3. Interests in the share capital of Borussia Dortmund GmbH & Co. KGaA exceeding 10% of the voting rights as at 30 June 2011: Bernd Geske (10.63%)

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

5. There is no control of voting rights in cases in which employees are shareholders.

6. Because of its legal form as a partnership limited by shares, Borussia Dortmund GmbH & Co. KGaA does not have a management board. Instead, management and representation of the Company is the responsibility of the general partner. The provisions of § 6 No. 1 of the Articles of Association stipulate that Borussia Dortmund Geschäftsführungs-GmbH, with registered offices in Dortmund, is to act as such an executive body on a permanent basis and not for a limited period of time by virtue of its status as a shareholder. The appointment and removal of managing directors of Borussia Dortmund Geschäftsführungs-GmbH is governed by § 8 No. 6 of its shareholders' agreement and is the responsibility of the Executive Committee of its Advisory Board, and therefore not of the Supervisory Board of Borussia Dortmund GmbH & Co. KGaA.

   In principle, changes may be made to the Articles of Association of Borussia Dortmund GmbH & Co. KGaA only by a resolution of its General Shareholders' 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 General Shareholders' 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 29 November 2015, with the approval of the Supervisory Board, to increase the share capital by a maximum of EUR 30,712,500.00 in total by issuing new no-par value ordinary bearer shares against cash and/or in-kind contributions on one or more occasions (Authorised Capital 2010). The limited liability shareholders have a statutory pre-emptive right over new shares issued by the Company. Such new shares may also be subscribed by a bank or a company in accordance with § 53 (1) Sentence 1 or § 53b (1) sentence 1 or (7) of the German Banking Act (Kreditwesengesetz, "KWG") if it agrees to offer them to the limited liability shareholders for subscription. However, the general partner is authorised, with the approval of the Supervisory Board, to decide to disapply the statutory pre-emptive subscription rights of the limited liability shareholders. Pre-emptive subscription rights may be disapplied
   a) with respect to fractional amounts arising as a consequence of subscription ratios;
   b) in the event of capital increases against cash contributions up to a total amount of 10% of the share capital existing on the date of registration of the Authorized Capital 2010 or, if lower, 10% of the share capital existing on the date of exercise of the authorisation (in each case taking into account any other authorisations made use of during the effective period of this authorisation for the disapplication of pre-emptive subscription rights pursuant to or through the corresponding application of § 186 (3) sentence 4 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 of the 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 General Shareholders' 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 of the 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 of the AktG sets out the relations with Ballspielverein Borussia 09 e.V. Dortmund as the controlling entity and its affiliated companies. The general partner – represented by its Managing Directors – has issued the following concluding declaration:

"Based on the circumstances known to us at the time the transactions were entered into, the Company received appropriate consideration for each of the transactions set out in the report on relations with affiliated companies in the financial year. In all other cases, the Company has been compensated for any disadvantages having arisen. No other measures within the meaning of § 312 (1) of the AktG were either undertaken or omitted during the financial year."

Dortmund, 29 August 2011
Borussia Dortmund GmbH & Co. KGaA
Borussia Dortmund Geschäftsführungs-GmbH

Hans-Joachim Watzke
Managing Director (Chairman)

Thomas Treß
Managing Director

DISCLAIMER

This management report contains forward-looking statements. These 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, 29 August 2011
Borussia Dortmund GmbH & Co. KGaA
Borussia Dortmund Geschäftsführungs-GmbH

Hans-Joachim Watzke
Managing Director (Chairman)

Thomas Treß
Managing Director

BALANCE SHEET

ASSETS

	30/06/2011 EUR '000	30/06/2010 EUR '000
A. FIXED ASSETS		
I. Intangible fixed assets		
1. Concessions, industrial rights and similar rights and assets and licenses in such rights and assets	19,084	21,171
2. Prepayments	0	400
	19,084	**21,571**
II. Tangible fixed assets		
1. Land, land rights and buildings including buildings on third-party land	21,956	21,981
2. Other equipment, operating and office equipment	6,301	6,378
3. Prepayments and assets under construction	408	84
	28,665	**28,443**
III. Long-term financial assets		
1. Shares in affiliated companies	139,190	139,190
2. Other long-term equity investments	96	96
3. Other loans	756	634
	140,042	**139,920**
	187,791	**189,934**
B. CURRENT ASSETS		
I. Inventories		
1. Merchandise	50	50
II. Receivables and other assets		
1. Trade receivables	14,468	3,784
2. Receivables from affiliated companies	1,325	1,016
3. Other assets	2,885	1,065
	18,678	**5,865**
III. Securities		
Treasury shares	**0**	**23**
IV. Cash-in-hand, bank balances	**697**	**895**
	19,425	**6,833**
C. PREPAID EXPENSES	**2,072**	**4,543**
	209,288	**201,310**

EQUITY AND LIABILITIES	30/06/2011 EUR '000	30/06/2010 EUR '000
A. EQUITY		
I. Subscribed capital	61,425	61,425
less nominal value of treasury shares	-21	0
Issued capital	61,404	61,425
II. Capital reserves	34,185	34,171
III. Revenue reserves		
1. Reserve for treasury shares	0	23
2. Reserve due to treasury shares	21	0
3. Other revenue reserves	1	0
	22	23
IV. Net retained profits/net accumulated losses	2,922	-6,617
	98,533	**89,002**
B. PROVISIONS		
1. Provisions for taxes	1,143	0
2. Other provisions	4,172	1,989
	5,315	**1,989**
C. LIABILITIES		
1. Liabilities to banks	22,524	32,549
2. Trade payables	7,851	6,299
3. Liabilities to affiliated companies	7,534	6,102
4. Other liabilities	18,173	14,270
of which from taxes: EUR 7,896 thousand (previous year: EUR 4,816 thousand)		
of which in relation to social security: EUR 7 thousand (previous year: EUR 0 thousand)		
	56,082	**59,220**
D. DEFERRED INCOME	**49,358**	**51,099**
	209,288	**201,310**

INCOME STATEMENT

	01/07/2010 - 30/06/2011 EUR '000	01/07/2009 - 30/06/2010 EUR '000
1. Sales	136,402	100,889
2. Other operating income	4,139	2,445
	140,541	**103,334**
3. Personnel expenses		
a) Wages and salaries	-54,963	-42,271
b) Social security, post-employment and other employee benefit costs	-2,425	-2,307
of which for post-employment: EUR 132 thousand (previous year: EUR 68 thousand)		
	-57,388	-44,578
4. Amortisation and write-downs of intangible fixed assets and depreciation and write-downs of tangible fixed assets	-10,623	-10,339
5. Other operating expenses	-60,104	-49,431
6. Income from long-term equity investments	97	71
of which from affiliated companies EUR 47 thousand (previous year: EUR 71 thousand)		
7. Income from profit and loss transfer agreements – all of which from affiliated companies –	2,269	1,165
8. Income from long-term loans	6	3
9. Other interest and similar income	160	162
10. Interest and similar expenses	-2,933	-3,045
of which from discounting: EUR 54 thousand (previous year: EUR 0 thousand) of which to affiliated companies EUR 78 thousand (previous year: EUR 132 thousand)		
11. Result from ordinary activities	**12,025**	**-2,658**
12. Taxes on income	-2,400	0
13. Other taxes	-86	-129
14. Net profit/loss for the year	**9,539**	**-2,787**
15. Accumulated losses brought forward	-6,617	-3,826
16. Additions to revenue reserves	0	-4
17. Net retained profits/net accumulated losses	**2,922**	**-6,617**

NOTES

GENERAL DISCLOSURES TO THE ANNUAL FINANCIAL STATEMENTS

The annual financial statements of Borussia Dortmund GmbH & Co. KGaA for the 2010/2011 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. The additional information to be provided in accordance with the statutory requirements is presented in the notes for reasons of clarity and accessibility.

As a result of the fact that BV. Borussia 09 e.V. Dortmund holds 100% of the shares in Borussia Dortmund Geschäftsführungs-GmbH and is therefore regarded indirectly as a controlling company, Borussia Dortmund GmbH & Co. KGaA qualifies as a dependent company within the meaning of § 17 AktG and accordingly is required to prepare a Dependent Company Report in accordance with § 312 AktG. This report must also contain the statutory concluding statement required in accordance with § 312 AktG which must be included in the management report.

Prior-year figures were not adjusted in accordance with Article 67 (8) sentence 2 of the Introductory Act of the German Commercial Code (*Einführungsgesetz zum Handelsgesetzbuch,* "EGHGB"). Due to the first-time adoption of the provisions set forth under the German Accounting Law Modernisation Act (*Bilanzrechtsmodernisierungsgesetz*, "BilMoG"), the provisions of §§ 252 (1) no. 6, 265 (1) and 284 (2) no. 3 HGB were applicable in accordance with Article 67 (8) sentence 1 EGHGB.

Compliance with the new provisions of the HGB (BilMoG) meant that the accounting policies applied in the previous year were not carried over completely into the current year. The transition to the new HGB provisions resulted primarily in the following change: equity now contains a presentation of treasury shares in accordance with BilMoG, in which the nominal amount of the treasury shares is deducted from equity under subscribed capital on the face of the balance sheet; furthermore, a reserve for treasury shares is also presented.

ACCOUNTING POLICIES

Fixed assets

Intangible assets are measured at cost less amortisation based on their expected useful lives or at the lower fair value. Player registrations reported in these financial statements are measured at cost, taking into account the decision of the Federal Court of Finance (*Bundesfinanzhof*, "BFH") of 26 August 1992, I R 24/91 and the FIFA Regulations on the "Status and Transfer of Players" contained in circular no. 769 of 24 August 2001 which came into force on 21 September 2001, and are amortised on a straight-line basis in accordance with the term of the individual contracts for professional players.

Tangible fixed assets are measured at cost less accumulated depreciation. Items with a value between EUR 150.00 to EUR 1,000.00 were recognised as an omnibus item and will be written down over a period of five years. Depreciation and amortisation are based on the economic useful lives of assets.

Long-term financial assets were measured at cost or the lower fair value in case of permanent impairment.

Inventories

Inventories are measured at cost less any discounts, subject to the strict lower of cost or market principle.

Receivables and other assets, cash funds

Receivables and other assets are measured at their nominal amounts. General valuation allowances are made for the overall credit and interest-rate risk while separate allowances are recognised for identifiable individual risks. Non-interest-bearing items with a remaining maturity over one year are reported at their discounted present value.

Cash-in-hand and bank balances are recognised at their nominal amounts.

Prepaid expenses

Prepaid expenses consist principally of prepayments relating to the professional squad and insurance premiums. The amounts are reversed rateably over the terms/lives of the individual items.

Provisions

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

Liabilities

Liabilities are recognised at the settlement amount.

Deferred income

In addition to the license fee received in the course of a true sale of receivables in 2007/2008 from the marketing company SPORTFIVE GmbH & Co. KG for the entire term of the agreement, deferred income also includes payments received from ticketing and sponsoring for the 2010/2011 season, and subsequent years. The amounts are reversed rateably over the periods to which they relate.

NOTES TO THE BALANCE SHEET

Fixed assets

The breakdown of fixed assets is as follows:

EUR '000	30/06/2011	30/06/2010
Intangible fixed assets	19,084	21,571
Tangible fixed assets	28,665	28,443
Long-term financial assets	140,042	139,920
	187,791	**189,934**

Computer software, purchased trademark rights and player registrations are reported as intangible fixed assets. Changes in this item during financial year 2010/2011 related primarily to additions (EUR 8,561 thousand), offset by amortisation (EUR 8,741 thousand) and write-downs of carrying amounts (EUR 2,307 thousand) in connection with the professional squad. Additions resulted from transfer payments made in relation to the players Robert Lewandowski and Moritz Leitner, as well as subsequent costs for the acquisition of existing transfer rights. Disposals related primarily to the players Nelson Valdez and Tamas Hajnal.

Tangible fixed assets consist principally of real property in the stadium site and the adjoining area *"Am Luftbad"*. They also include the commercial premises constructed on land subject to hereditary building rights and buildings and sporting facilities at the training ground, the youth centre, the catering extensions and other movable components of the stadium, as well as operating and office equipment at these facilities and at the administrative headquarters. The training ground in Dortmund-Brackel was constructed by DSW 21 Dortmunder Stadtwerke AG and let to the Company on a long-term lease.

Investments in the reporting period related primarily to the expansion of operating and office equipment in the stadium and on the training grounds.

Long-term financial assets, in addition to the direct equity investments described in more detail in the list of direct shareholdings, largely comprise a tenant's loan relating to the administration building reported under other loans.

The Company has entered into control and profit and loss transfer agreements with its subsidiaries BVB Stadionmanagement GmbH, BVB Merchandising GmbH and BVB Stadion Holding GmbH. For its part, BVB Stadion Holding GmbH has entered into profit and loss transfer agreements with BVB Stadion GmbH and BVB Beteiligungs-GmbH.

The development of gross fixed assets and of accumulated depreciation and amortisation for the individual items of fixed assets are shown in the following analysis:

CHANGES IN FIXED ASSETS

EUR '000	Cost					
	As at 01/07/2010	Additions from change in group of consol. comp.	Additions	Reclassifications	Disposals	As at 30/06/2011
I. Intangible fixed assets						
1 Concessions, industrial property rights and similar rights and assets and licences in such rights and assets	50,346		8,561	400	17,333	41,974
2 Prepayments	400		0	-400	0	0
	50,746	**0**	**8,561**	**0**	**17,333**	**41,974**
II. Tangible fixed assets						
1 Land, land rights and buildings including buildings on third-party land	28,049		231	406	0	28,686
2 Other equipment, operating and office equipment	19,851		1,075	95	1,787	19,234
3 Prepayments and assets under construction	84		825	-501	0	408
	47,984	**0**	**2,131**	**0**	**1,787**	**48,328**
III. Long-term financial assets						
1 Shares in affiliated companies	139,190		0	0	0	139,190
2 Other long-term equity investments	96	0	0	0	0	96
3 Other loans	634	0	156	0	34	756
	139,920	0	156	0	34	140,042
	238,650	**0**	**10,848**	**0**	**19,154**	**230,344**

Current assets

Current assets are made up as follows:

EUR '000	30/06/2011	30/06/2010
Inventories	50	50
Receivables and other assets	18,678	5,865
Securities	0	23
Cash-in-hand, bank balances	697	895
	19,425	**6,833**

	Depreciation, amortisation and write-downs					Residual carrying amounts	
	As at 01/07/2010	Additions from change in group of consol. comp.	Additions	Disposals	As at 30/06/2011	As at 30/06/2011	As at 01/07/2010
	29,175		8,741	15,026	22,890	19,084	21,171
	0		0	0	0	0	400
	29,175	**0**	**8,741**	**15,026**	**22,890**	**19,084**	**21,571**
	6,068		662	0	6,730	21,956	21,981
	13,473		1,220	1,760	12,933	6,301	6,378
	0		0	0	0	408	84
	19,541	**0**	**1,882**	**1,760**	**19,663**	**28,665**	**28,443**
	0	0	0	0	0	139,190	139,190
	0	0	0	0	0	96	96
	0	0	0	0	0	756	634
	0	0	0	0	0	140,042	139,920
	48,716	**0**	**10,623**	**16,786**	**42,553**	**187,791**	**189,934**

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

Other assets include receivables from BV. Borussia 09 e.V. Dortmund and money in transit from ticket sales.

Of the trade receivables, EUR 972 thousand have a maturity of over one year.

Due to the BilMoG, the balance sheet presentation of the accounting for treasury shares has changed. Treasury shares are henceforth to be presented as a deduction item from equity.

Under the terms of a resolution of the General Shareholders' Meeting held on 16 November 2004, the Company is authorised to sell its treasury shares either on or off the stock market. Off-market sales are permitted, among other purposes, for the sale of shares in the form of printed physical share certificates which are freely transferable and tradable. In such cases, shareholders' subscription rights are excluded in accordance with § 71 (1) No. 8 AktG. In the period between the date of admission of the Company's shares to trading (31 October 2000) and the balance sheet date, the Company acquired a total of 34,000 no-par value shares and sold 12,804 no-par value shares off-market in the form of printed physical share certificates. The gain on disposal has been reported separately under other operating income. At the balance sheet date, the Company's holding of its own securities consisted of 21,196 no-par value shares.

Further disclosures required in accordance with § 160 AktG are given in the following overview, the income from the sale of shares has been included in the profit from operating activities:

Month	Acquisition of treasury shares	Transactions in treasury shares	Total treasury shares	Share capital EUR	Share in share capital %	Purchase price EUR	Selling price EUR
07/2010 – 12/2010		-521		-521	-0.001		5,731.00
As at 31/12/2010			22,006	22,006	0.036		
01/2011 – 06/2011		-810		-810	-0.001		8,910.00
As at 30/06/2011			21,196	21,196	0.035		

No bank balances have been pledged as security for loans.

Prepaid expenses

Prepaid expenses consist principally of personnel expenses relating to the professional squad, insurance premiums and future expenses for agency fees paid in advance. They also include a discount amounting to EUR 123 thousand.

Further details can be found in the statement of receivables.

Equity

EUR '000	30/06/2011	30/06/2010
Issued / Subscribed capital	61,404	61,425
Capital reserves	34,185	34,171
Revenue reserves	22	23
Net retained earnings / net accumulated losses	2,922	-6,617
	98,533	**89,002**

The Company's subscribed capital amounts to EUR 61,425 thousand and is divided into 61,425,000 no-par value shares, each representing a notional share in the share capital of EUR 1.00, less the notional value of treasury shares of EUR 21 thousand. Equity now contains a presentation of treasury shares in accordance with BilMoG, in which the nominal amount of the treasury shares is deducted from equity under subscribed capital on the face of the balance sheet; furthermore, a reserve for treasury shares is also presented.

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

The change in reserves was as shown below:

EUR '000	As at 01/07/2010	Additions	Withdrawals	As at 30/06/2011
Capital reserves	34,171	14	0	34,185
Revenue reserves	23	22	-23	22
	34,194	**36**	**-23**	**34,207**

The annual financial statements for 2009/2010 were approved at the General Shareholders' Meeting held on 30 November 2010.

Changes in equity were as follows:

EUR '000		Changes in equity		
	01/07/2010	Additions/ Withdrawals	Net profit for the year	30/06/2011
Subscribed / Issued capital	61,425	-21	0	61,404
Capital reserves	34,171	14	0	34,185
Revenue reserves	23	-1	0	22
Net retained earnings / net accumulated losses	-6,617	0	9,539	2,922
	89,002	**-8**	**9,539**	**98,533**

Provisions

EUR '000	30/6/2011	30/6/2010
Provisions for taxes	1,143	0
Other provisions	4,172	1,989
	5,315	**1,989**

Provisions for taxes include the tax obligation in respect of the financial year ended.

Other provisions primarily include provisions for outstanding invoices (EUR 1,372 thousand), provisions for employer's liability insurance schemes (EUR 516 thousand) and staff-related obligations (EUR 1,375 thousand).

Deferred taxes

Changes in the amortisation and depreciation methods used in the financial accounts and the tax accounts result in differences in fixed assets, triggering deferred tax liabilities.

Similarly, the Company has recognised tax loss carryforwards which are being realised due to expected future profits in subsequent years. As a result, the Company was able to recognise deferred tax assets. Netting results in surplus assets. The Company opted not to recognise these based on the option pursuant to BilMoG in accordance with § 274 HGB (new version).

The average tax rate used to calculate deferred taxes is 32.20 percent.

Liabilities

The maturities and security granted in respect of liabilities reported at 30 June 2011 are shown in the following overview.

EUR '000	Total 30/06/2011	of which with a residual term of up to 1 year	1 – 5 years	more than 5 years
Liabilities to banks	22,524	9,612	6,311	6,601
Trade payables	7,851	7,851	0	0
Liabilities to affiliated companies	7,534	7,534	0	0
Other liabilities - of which from taxes EUR 7,896 thousand (py. EUR 4,816 thousand) - of which social security EUR 7 thousand (py. EUR 0 thousand)	18,173	15,265	2,837	71
	56,082	**40,262**	**9,148**	**6,672**

Liabilities to banks of EUR 22,524 thousand are secured by real property liens, assignments, transfer rights, proceeds from future season ticket sales and pledges.

Other liabilities amounted to EUR 3,465 thousand (previous year: EUR 5,472 thousand), consisting mainly of wages and salaries not yet due at the end of the financial year and the associated social security contributions. In addition, there are liabilities relating to wages tax and VAT.

They also include liabilities to shareholders amounting to EUR 13 thousand.

Deferred income

Deferred income includes payments received from ticketing and sponsoring for the 2011/2012 season in addition to the licence fees received in 2007/2008 from the SPORTFIVE GmbH & Co. KG marketing company for the 12-year term of the agency licensing agreement. 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:

		of which with a residual term of		
EUR '000	**Total 30/06/2011**	**up to 1 year**	**1 – 5 years**	**more than 5 years**
Stadium rent all of which due to affiliated companies	80,193	5,896	22,257	52,040
Marketing fees	120,996	13,492	53,565	53,939
Rental and leasing	25,244	2,879	11,074	11,291
Other financial obligations	2,108	49	196	1,863
Purchase commitments	8,633	8,633	0	0
	237,174	**30,949**	**87,092**	**119,133**

Derivative financial instruments

Management entered into two interest rate swap transactions with German *Landesbanken* (i.e. banks local to Germany's individual states or "*Länder*") with respect to credit facilities having fixed-interest rates expiring in 2013 in order to lock in the low interest rates over the medium to long term and hedge the risk of changes in cash flows due to changing interest rates. Interest rate swaps are measured at fair value by discounting expected future cash flows, and are broken down as follows:

	30/06/2011	
EUR '000	**Nominal value**	**Market value**
Interest rate swaps of which fixed-payer swaps	10,000	-82

Negative fair values as at the balance sheet date are not recognised as a liability since pursuant to § 254 HGB (new version) they qualify for hedge accounting.

NOTES TO THE INCOME STATEMENT

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

Sales

EUR '000	2010/2011	2009/2010
Match operations	27,679	23,399
Advertising	49,939	38,849
Media rights of exploitation and joint marketing	32,094	21,091
Transfers	12,995	4,932
Retail, Conference, Catering, Misc.	13,695	12,618
	136,402	**100,889**

Borussia Dortmund GmbH & Co. KGaA generated EUR 136,402 thousand in sales in the financial year just ended. The increase of 35.20% was driven by growth in all income categories.

In particular, the Marketing, TV and Match Operations segments experienced considerable increases due to the athletic success in the national championship and participation in the group stage of the UEFA Europa League.

At EUR 12,995 thousand, transfer income exceeded the previous year's figure by EUR 8,063 thousand. In the financial year under review, Nuri Sahin was transferred along with Nelson Valdez, Tamas Hajnal and Markus Feulner. The transfer income reported in 2009/2010 came primarily from the transfer of Alexander Frei to FC Basel.

Other operating income includes prior-period income of EUR 1,732 thousand. This relates primarily to income from the receipt of expired liabilities (EUR 480 thousand), the UEFA solidarity amount for the 2009/2010 season (EUR 175 thousand) and income from transfers in relation to findings of the tax audit for 2004-2008 (EUR 900 thousand).

Staff costs

The breakdown of staff costs is as follows:

EUR '000	2010/2011	2009/2010
Match operations	49,471	37,453
Retail and administration	5,320	3,432
Amateur and youth football	2,597	3,693
	57,388	**44,578**

Other operating expenses

EUR '000	2010/2011	2009/2010
Match operations	27,557	24,031
Advertising and marketing	13,961	10,602
Transfers	5,055	2,624
Retail	1,424	1,361
Administration	10,133	9,061
Other	1,974	1,752
	60,104	**49,431**

The increase in match operations was due to the additional organisation of international matches and additional costs for away matches.

In addition, income-based agency commissions of the marketing firm Sportfive also increased.

Expenses for transfers primarily consisted of disposals from transfers.

Other operating expenses include prior-period expenses of EUR 2,211 thousand, which were primarily attributable to tax expenditures for prior years.

Taxes on income

Taxes on income amounted to EUR 2,400 thousand and consisted mainly of the findings of earnings in the tax audit concluded for the years 2004 - 2008, as well as a provision for tax obligations from the past financial year.

OTHER DISCLOSURES

Corporate Governance

The management and Supervisory Board of Borussia Dortmund GmbH & Co. KGaA issued the statement of compliance with the German Corporate Governance Code required by § 161 of the German Stock Corporation Act (*Aktiengesetz*) on 9 September 2010 and made it permanently available to shareholders on the BVB website at http://eng.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. It 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 Mr. Hans-Joachim Watzke (Chairman) and Mr. Thomas Treß, each of whom has sole power of representation. In the most recent financial year, the members of management received the following amounts for their activities, including responsibilities relating to subsidiary companies:

EUR '000	2010/2011	2009/2010
Dipl.-Kfm. Hans-Joachim Watzke (Chairman)		
Fixed components		
Fixed remuneration	713	600
Other remuneration	16	16
Performance-based components	590	0
Dipl.-Kfm. Thomas Treß		
Fixed component		
Fixed remuneration	460	400
Other remuneration	45	44
Performance-based components	286	0
	2,110	**1,060**

Supervisory Board

Dipl.-Kfm. Gerd Pieper	Harald Heinze	Peer Steinbrück (since 30/11/2010)	Bernd Geske	Friedrich Merz (since 30/11/2010)	Christian Kullmann	Ruedi Baer (until 30/11/2010)	Othmar Freiherr von Diemar (until 30/11/2010)
(Chairman)	(Deputy Chairman)						
Occupations							
Proprietor and managing director of Stadtparfümerie Pieper GmbH, Herne	Chairman of the Management Board (Rtd.) of Dortmunder Stadtwerke AG (DSW 21)	Member of German Bundestag Federal Minister (ret.)	Managing partner of Bernd Geske Lean Communication, Meerbusch	Attorney and partner, Mayer Brown LLP, Berlin	Head of the management board office and group communications of EVONIK Industries Aktiengesellschaft, Essen	Consultant, B + B Beratungs AG	Proprietor and manager of Othmar von Diemar Vermögensverwaltung + Beratung, Cologne
Other responsibilities							
Member of the Supervisory Board of Beauty Alliance Deutschland GmbH & Co. KG, Bielefeld Member of the Advisory Board of Borussia Dortmund Geschäftsführungs-GmbH Member of the Advisory Board of NRW Bank, Düsseldorf (until 31/12/2010)	Member of the Supervisory Board of M-Exchange AG, Lohmar	Member of the Supervisory Board of Thyssen Krupp AG, Essen		Member of the Supervisory Board of AXA Konzern AG, Köln Member of the Board of Directors of BASF Antwerpen N.V., Antwerp, Belgium Chairman of the Supervisory Board of DBV Holding AG, Wiesbaden (until 9/9/2010) Member of the Supervisory Board of Deutsche Börse AG, Frankfurt a.M. Member of the Supervisory Board and Chairman of the Board of Directors of HSBC Trinkaus & Burkhardt AG, Düsseldorf Member of the Board of Directors of Stadler Rail AG, Bussnang, Switzerland Chairman of the Supervisory Board of WEPA Industrieholding SE, Arnsberg		Chairman of the Board of Directors of eyezone AG, Watt (Switzerland) Member of the Board of Directors of Swisshome Real Estate AG, Lyss (Switzerland) Chairman of the Board of Directors of Destination Travel AG, Liebefeld (Switzerland) Chairman of the Board of Directors of B + B Beratungs AG, Watt (Switzerland) Chairman of the Board of Directors of Bablo Immobilien AG, Niederscherli (Switzerland) Member of the Board of Directors of Immoplaza AG, Regensdorf (Switzerland) Chairman of the Board of Directors of AP Fashion AG, Watt (Switzerland)	Chairman of the Supervisory Board of Informium AG, Cologne Member of the Supervisory Board of 004 Beratungs- und Dienstleistungs-GmbH, Aschaffenburg Member of the Advisory Board of GIG Holding GmbH, Munich

The names of the current members of the Company's Supervisory Board, their occupations and their further responsibilities on other management bodies are listed above. In the past financial year, the Supervisory Board received remuneration amounting to EUR 52.5 thousand.

Employees

The average number of employees during the year was 226 (previous year: 208).

Average number of employees	2010/2011	2009/2010
Total	226	208
Athletics department	132	129
Trainees	1	1
Other	93	78

List of shareholdings

The following table gives summarised information relating to companies in which the Company has a shareholding of more than 20%:

Company	Registered office	Share capital TEUR	Holding %	Equity TEUR	Net profit/loss ** TEUR
BVB Stadionmanagement GmbH*	Dortmund	52	100.00	66	27
BVB Stadion Holding GmbH*	Dortmund	260	100.00	123,700	-14
besttravel dortmund GmbH	Dortmund	50	51.00	264	196
BVB Merchandising GmbH*	Dortmund	75	100.00	10,881	2,196
Sports & Bytes GmbH	Dortmund	200	100.00	1,001	121
BVB Stadion GmbH*	Dortmund	26	99.74	27,769	66
BVB Beteiligungs-GmbH*	Dortmund	26	94.90	5,704	-7
Orthomed Medizinisches Leistungs- und Rehabilitationszentrum GmbH **	Dortmund	50	33.33	784	95

* *Profit and loss transfer agreements are in force for the period from 1 July 2010 to 30 June 2011 prior to transfer of the net profit (loss) to the consolidated tax group parent.*

** *Included in the consolidated financial statements (net profit/loss as at 31 December 2010) 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 2010/2011 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")

We have been informed of the following notifiable shareholdings:

Notification	Shareholder	Registered office	Threshold	Voting rights in %	Share in voting rights	Date on which threshold reached
Exceeded						
12/07/2010	Bernd Geske		10.00 %	10.00	6,142,909.00	09/07/2010
Fallen below						
20/01/2011	AK Industriebe-teiligungs GmbH	Norderfriede-richskoog	3.00 %	2.71	1,665,780.00	17/01/2011

Dortmund, 29 August 2011
Borussia Dortmund GmbH & Co. Kommanditgesellschaft auf Aktien
Borussia Dortmund Geschäftsführungs-GmbH

Hans-Joachim Watzke
Managing Director (Chairman)

Thomas Treß
Managing Director

Responsibility Statement

To the best of our knowledge, and in accordance with the applicable reporting principles, the annual financial statements give a true and fair view of the assets, liabilities, financial position and profit or loss of the Company, and the management report includes a fair review of the development and performance of the business and the position of the Company, together with a description of the principal opportunities and risks associated with the expected development of the Company.

Dortmund, 29 August 2011
Borussia Dortmund GmbH & Co. Kommanditgesellschaft auf Aktien
Borussia Dortmund Geschäftsführungs-GmbH

Hans-Joachim Watzke
Managing Director (Chairman)

Thomas Treß
Managing Director

AUDITORS' REPORT

We have audited the annual financial statements – consisting of the balance sheet, income statement and notes – together with the bookkeeping system and the management report of Borussia Dortmund GmbH & Co. Kommanditgesellschaft auf Aktien, Dortmund, for the financial year from 1 July 2010 to 30 June 2011. The maintenance of the bookkeeping system and the preparation of the annual financial statements and management report in accordance with German commercial law and the supplementary provisions in the Articles of Association is the responsibility of the Company's management. Our responsibility is to express an opinion on the annual financial statements, together with the bookkeeping system, and on the management report, based on our audit.

We conducted our audit of the annual financial statements in accordance with Section 317 HGB [Handelsgesetzbuch – German Commercial Code] and German generally accepted standards for the audit of financial statements promulgated by the Institut der Wirtschaftsprüfer [in Deutschland] (IDW). Those standards require that we plan and perform the audit such that misstatements materially affecting the presentation of the net assets, financial position and results of operations in the annual financial statements in accordance with German principles of proper accounting and in the management report are detected with reasonable assurance. Knowledge of the business activities and the economic and legal environment of the Company and expectations 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 the Company's management, as well as evaluating the overall presentation of the annual financial statements and the management report. We believe that our audit provides a reasonable basis for our opinion.

Our audit has not led to any reservations.

In our opinion, based on the results of our audit, the annual financial statements comply with the statutory requirements and the supplementary provisions in the Articles of Association and give a true and fair view of the net assets, financial position and results of operations of the Company 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, provides as a whole a suitable view of the Company's position and suitably presents the opportunities and risks of future development.

Dortmund, 29 August 2011

KPMG AG
Wirtschaftsprüfungsgesellschaft

Fischer
Auditor
(Wirtschaftsprüfer)

Blücher
Auditor
(Wirtschaftsprüfer)

BUSINESS TREND AND FRAMEWORK CONDITIONS

LOOKING BACK ON FINANCIAL YEAR 2010/2011

The achievements of the 2010/2011 financial year, both athletically and from a business perspective, eclipsed even the boldest of hopes and expectations as Borussia Dortmund not only capped off the financial year by winning the German Football Championship but also reported a consolidated net profit of more than 5 million euros!

The biggest milestone of the past financial year was the culmination of the team's sensational athletic performance in winning the 2011 German Football Championship to make it the reigning *Bundesliga* champion for the seventh time in the history of Borussia Dortmund. The brilliant performance of Coach Jürgen Klopp's young team was applauded throughout the entire German football landscape, well beyond the circle of BVB sympathizers.

Borussia Dortmund has succeeded in putting together a fresh and enthusiastic team that is hungry for success, without having gone into financial debt to do so. This means that the Company will have the anticipated proceeds from the Champions League at its full disposal, as no loans were taken out on the road to the international competition that would have to be serviced. Borussia Dortmund will continue to pursue its philosophy of developing first-class young players in the future as well.

One thing is certain: for young, ambitious players, Borussia Dortmund is the team to be on. This is demonstrated not only by the policy pursued jointly by the management and by sport director Michael Zorc of securing long-term relationships with key players, but also by the fact that five members of the German national team now come from Borussia Dortmund: Mats Hummels, Marcel Schmelzer, Kevin Großkreutz, Sven Bender and Mario Götze.

Borussia Dortmund will keep this paradigm in place. Transfer income and expenses are again balanced for the current season. The personnel budget for licensed players has been raised to meet the coming challenges of the Champions League.

The trend in sponsoring proceeds has been extraordinarily good, and by selling 53,000 season tickets, Borussia Dortmund set a new record, both internally and for the entire *Bundesliga*.

DFB-Cup R1
14 August 2010
Burghausen – BVB 0:3

Play-Off UEL
19 August 2010
BVB – Qarabaq 4:0

Key financial indicators

Overview of the key financial figures Borussia Dortmund Group EUR '000	2010/2011 30/06/2011	2009/2010 30/06/2010
Equity	67,626	62,025
Capital expenditure	11,320	14,354
Gross revenue	155,785	112,222
Operating profit/loss (EBIT)	14,908	-508
Net finance cost (investment income and net interest expense)	-5,412	-5,669
Total comprehensive income	5,632	-6,149
Earnings before interest, taxes, depreciation and amortisation (EBITDA)	32,442	16,651
Cash flows from operating activities	21,717	2
Number of shares (in thousands)	61,425	61,425
Earnings per share (in €)	0.09	-0.10

DEVELOPMENT OF THE MARKET AND COMPETITIVE ENVIRONMENT IN GERMAN PROFESSIONAL FOOTBALL

Match attendance

As reported by DFL Deutsche Fußball Liga GmbH, a new attendance record was set in the 2010/2011 season with an average of 42,101 attendees at the 306 first-division matches. The increase of 0.7% on the previous season allowed the 42,000 mark to be broken for the first time ever. The previous record was 41,905 attendees per match, set in the 2008/2009 season.

Apart from winning the German championship, Borussia Dortmund led the pack in attendance figures as well with 78,416 spectators per game to fill the stadium at 97.23% capacity.

Bundesliga TV marketing

According to a statement made by DFL Deutsche Fußball Liga GmbH on 20 June 2011, the League Association has taken a crucial step with respect to marketing *Bundesliga* media rights. The German Federal Cartel Office informed DFL Deutsche Fußball Liga GmbH that it may continue to pursue its proven practice of centralised marketing based on the Federal Cartel Office's initial assessment following a comprehensive market survey and an analysis of the concepts submitted for the distribution of media rights. Accordingly, a call for tenders may be put out for a distribution option involving an early highlight report on Saturdays on the Internet and for smart phones as an alternative to a scenario involving an

Match day 1
22 August 2010
BVB – Leverkusen 0:2

Play-Off UEL
26 August 2010
Qarabaq – BVB 0:1

early free TV report. In the opinion of the Federal Cartel Office, it is important that the bidding process be transparent and discrimination-free, particularly with regard to the packaging of the rights. In the coming weeks, DFL will design the call for tenders in close cooperation with the Federal Cartel Office to include at least two distribution scenarios aimed at encouraging competition. The call for tenders is expected to be put out at the end of 2011.

BVB total

Borussia Dortmund is now in the television business too. Since January 2011, Borussia Dortmund has been the first *Bundesliga* team to offer its own TV package in cooperation with Deutsche Telekom. In addition to all of Borussia Dortmund's official matches, "BVB Total" includes reports, current news and a look behind the scenes. All BVB *Bundesliga* matches are broadcast live, and matches in other competitions are available via delayed streaming. "BVB Total" can be seen on Deutsche Telekom's "Liga Total!" platform, which is part of its "Entertain" product.

Like other teams, Borussia Dortmund has already been offering interviews and match highlights via the internet. However, this is the first time that a team is using its own TV channel as a marketing tool in Germany.

UEFA club licensing

In its regulations on club licensing and financial fair play (2010 version), UEFA has defined the rights, obligations and responsibilities of all parties involved in the UEFA club licensing procedure and described the requirements that a club must fulfil to obtain a license entitling it to take part in UEFA club competitions.

The measures introduced as part of UEFA's new regulations on club licensing and financial fair play are intended to encourage clubs to manage their finances better and to strike a sustainable balance between income, expenses and investments. The most important factor in receiving future permission to play from UEFA is the break-even requirement, which will take effect at the end of the 2012 reporting year, be reviewed during the 2013/2014 European Cup season and result in sanctions in cases of non-adherence.

International competitions

League. Thanks to the successes of German teams in international competitions, Germany has secured third place in the UEFA five-year rankings behind England and Spain. The third-place spot guarantees three fixed slots in the European premier league, with the fourth-ranked *Bundesliga* team able to play its way in to the Champions League. However, this will not affect the coming season. Not until the 2012/2013 season will Germany be able to send four teams to the Champions League. The German premier league last sent four clubs to this lucrative European competition in the 2001/2002 season.

Germany's advance has come at the expense of Italy's Serie A, which the *Bundesliga* has pushed back from third to fourth place in the UEFA five-year rankings. Since the 2006/2007 season – which was weak from a German perspective – will no longer be included in the rankings as of the start of the coming season, the *Bundesliga* is currently in second place in interim scoring for 2011/2012, just ahead of Spain.

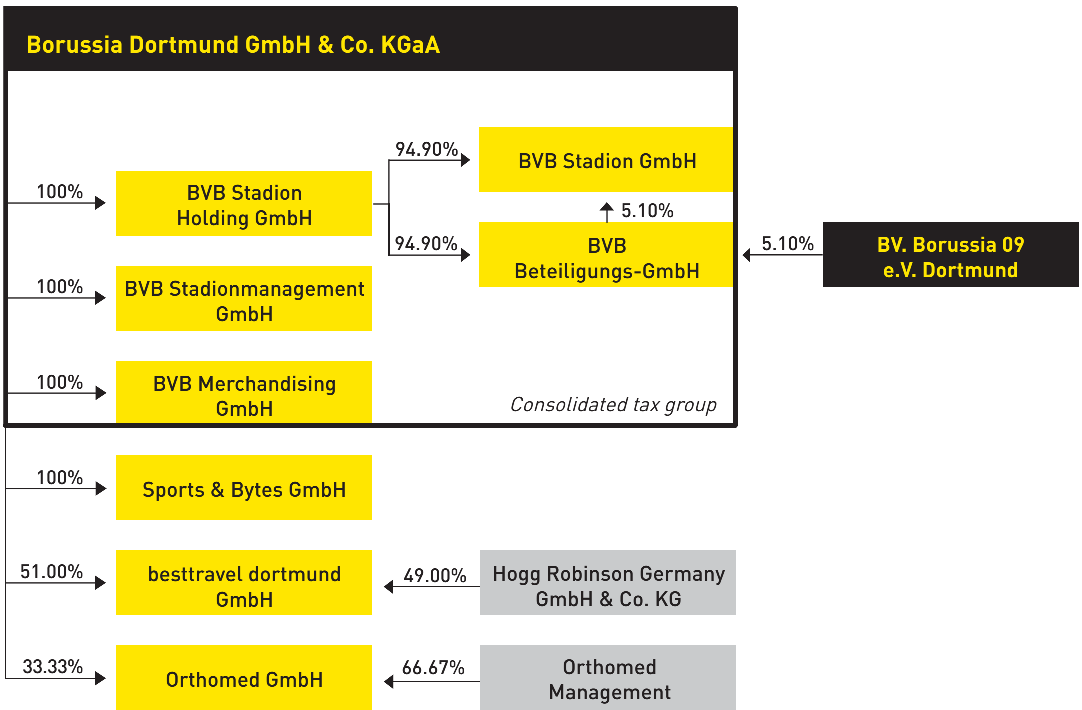
Match day 2
29 August 2010
VfB Stuttgart – BVB 1:3

Match day 3
11 September 2010
BVB – VfL Wolfsburg 2:0

GROUP STRUCTURE AND BUSINESS OPERATIONS

The Group management report refers to the consolidated group of Borussia Dortmund GmbH & Co. KGaA. In addition to its core activities of playing football and marketing SIGNAL IDUNA PARK, Borussia Dortmund has established football-related lines of business. At present, the Company holds direct and indirect interests in the following companies: BVB Stadionmanagement GmbH (100.00%), BVB Stadion Holding GmbH (100.00%), Sports & Bytes GmbH (100.00%), BVB Merchandising GmbH (100.00%), BVB Stadion GmbH (99.74%), BVB Beteiligungs-GmbH (94.90%), besttravel dortmund GmbH (51.00%) and Orthomed GmbH (33.33%).

Some of these companies have concluded mutual control and/or profit and loss transfer agreements.



Match day 1 UEL
16 September 2010
Karpaty Lwiw – BVB 3:4

Match day 4
19 September 2010
Schalke 04 – BVB 1:3

Companies with registered offices in Dortmund	Share capital TEUR	Holding %	Equity TEUR	Net profit/loss TEUR
BVB Stadionmanagement GmbH*	52	100.00	66	27
BVB Stadion Holding GmbH*	260	100.00	123,700	-14
besttravel dortmund GmbH	50	51.00	264	196
BVB Merchandising GmbH*	75	100.00	10,881	2,196
Sports & Bytes GmbH	200	100.00	1,001	121
BVB Stadion GmbH*	26	99.74	27,769	66
BVB Beteiligungs-GmbH*	26	94.90	5,704	-7
Orthomed Medizinisches Leistungs- und Rehabilitationszentrum GmbH**	50	33.33	784	95

* **Profit and loss transfer agreements are in force for the period from 1 July 2010 to 30 June 2011 prior to transfer of the net profit (loss) to the consolidated tax group parent.*

*** Included in the consolidated financial statements (net profit/loss as at 31 December 2010) as an associate.*

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 Managing Directors Hans-Joachim Watzke and Thomas Treß; its sole shareholder is BV. Borussia 09 e.V. Dortmund.

Match day 5
22 September 2010
BVB – K'lautern 5:0

Match day 6
25 September 2010
FC St. Pauli – BVB 1:3

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 General Shareholders' Meeting, has limited rights and duties. Specifically, it has no authority with respect to matters involving personnel, i.e. no authority to appoint and dismiss managing directors at Borussia Dortmund Geschäftsführungs-GmbH or to stipulate the terms of their contracts. Nor is the Supervisory Board authorised to adopt internal rules of procedure or a list of transactions requiring its consent on behalf of the general partner. Rather, such rights and duties are vested in the governing bodies of Borussia Dortmund Geschäftsführungs-GmbH, namely its Advisory Board and the Executive Committee created by the Advisory Board.

Match day 2 UEL
30 September 2010
BVB – FC Sevilla 0:1

Match day 7
3 October 2010
BVB – FC Bayern 2:0

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

	Dipl.-Kfm. Gerd Pieper	**Harald Heinze**	**Peer Steinbrück** (since 30/11/2010)	**Bernd Geske**	**Friedrich Merz** (since 30/11/2010)	**Christian Kullmann**	**Ruedi Baer** (until 30/11/2010)	**Othmar Freiherr von Diemar** (until 30/11/2010)
	Chairman	Deputy Chairman						
Occupations	Proprietor and managing director of Stadtparfümerie Pieper GmbH, Herne	Chairman of the Management Board (Rtd.) of Dortmunder Stadtwerke AG (DSW 21)	Member of German *Bundestag* Federal Minister (ret.)	Managing partner of Bernd Geske Lean Communication, Meerbusch	Attorney and partner, Mayer Brown LLP, Berlin	Head of the management board office and group communications of EVONIK Industries Aktiengesellschaft, Essen	Consultant, B + B Beratungs AG	Proprietor and manager of Othmar von Diemar Vermögensverwaltung + Beratung, Cologne
Other responsibilities	Member of the Supervisory Board of Beauty Alliance Deutschland GmbH & Co. KG, Bielefeld Member of the Advisory Board of Borussia Dortmund Geschäftsführungs-GmbH Member of the Advisory Board of NRW Bank, Düsseldorf (until 31/12/2010)	Member of the Supervisory Board of M-Exchange AG, Lohmar	Member of the Supervisory Board of Thyssen Krupp AG, Essen		Member of the Supervisory Board of AXA Konzern AG, Köln Member of the Board of Directors of BASF Antwerpen N.V., Antwerp, Belgium Chairman of the Supervisory Board of DBV Holding AG, Wiesbaden (until 9/9/2010) Member of the Supervisory Board of Deutsche Börse AG, Frankfurt a.M. Member of the Supervisory Board and Chairman of the Board of Directors of HSBC Trinkaus & Burkhardt AG, Düsseldorf Member of the Board of Directors of Stadler Rail AG, Bussnang, Switzerland Chairman of the Supervisory Board of WEPA Industrieholding SE, Arnsberg		Chairman of the Board of Directors of eyezone AG, Watt (Switzerland) Member of the Board of Directors of Swisshome Real Estate AG, Lyss (Switzerland) Chairman of the Board of Directors of Destination Travel AG, Liebefeld (Switzerland) Chairman of the Board of Directors of B + B Beratungs AG, Watt (Switzerland) Chairman of the Board of Directors of Bablo Immobilien AG, Niederscherli (Switzerland) Member of the Board of Directors of Immoplaza AG, Regensdorf (Switzerland) Chairman of the Board of Directors of AP Fashion AG, Watt (Switzerland)	Chairman of the Supervisory Board of Informium AG, Cologne Member of the Supervisory Board of 004 Beratungs- und Dienstleistungs-GmbH, Aschaffenburg Member of the Advisory Board of GIG Holding GmbH, Munich

Match day 8
15 October 2010
1. FC Köln – BVB 1:2

Match day 3 UEL
21 October 2010
BVB – Paris St. Germain 1:1

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

Management

Hans-Joachim Watzke (Chairman) | Thomas Treß

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

Match day 9
24 October 2010
BVB – TSG Hoffenheim 1:1

DFB-Cup R2
27 October 2010
K. Offenbach – BVB 4:2 (o.p.)

INTERNAL MANAGEMENT SYSTEM

SPORTS MANAGEMENT

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

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

FINANCIAL MANAGEMENT

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

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

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

CAPITAL MANAGEMENT

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

Match day 10
31 October 2010
FSV Mainz 05 – BVB 0:2

Match day 4 UEL
4 November 2010
Paris St. Germain – BVB 0:0

CORPORATE STRATEGY

The Borussia Dortmund Group continues to pursue its medium-term goal of re-establishing itself as one of the leading football clubs in the *Bundesliga*. After having successfully reorganised the Company, restructured our financial liabilities and made investments in our professional squad, we consider ourselves to be on the right path.

As the first and thus far only German listed football company, we have expanded our financial base by exclusively marketing the rights to SIGNAL IDUNA PARK, using the "Borussia Dortmund" brand more effectively and establishing football-related lines of business. However, professional football with its classic revenue sources of TV marketing, sponsorship, ticketing and merchandising will remain the Group's core business in future. The Borussia Dortmund Group 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 company 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, the Borussia Dortmund Group will continue to push ahead with marketing its brand name both nationally and internationally.

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

All financial activities of the Borussia Dortmund Group are geared toward 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. The Borussia Dortmund Group intends to use the brand potential at its disposal to take full advantage of the commercial opportunities inherent in professional club football at an international level.

Its current business strategy can principally be summarised as follows:

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

Match day 11
7 November 2010
Hannover 96 – BVB 0:4

Match day 12
12 November 2010
BVB – Hamburger SV 2:0

However, financial performance and the business trend are largely dependent on sporting success. Since sporting success is very difficult to plan, the best that management can do is to create a good foundation for success. Investments, particularly in the professional squad, are therefore a necessary prerequisite for achieving sporting objectives such as qualifying for the UEFA Europa League. However, in order to meet financial objectives, planned investments and decisions must under certain circumstances be postponed to the extent these would only be possible by incurring new debt. Moreover, a player might be sold based on financial considerations in cases where this would not have happened had the decision been made purely on the basis of sporting criteria.

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

Sponsorship plays a key role in this context. Over the years, sponsorship has grown to become one of the Company's largest revenue 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, change the strategy implemented as circumstances change. The key figures for the sponsoring segment have already been budgeted for the coming years based on commitments from SIGNAL IDUNA (until 2016) and Evonik Industries AG (until 2013), the Company's chief partners.

Revenues from international competitions are more difficult to budget for, since they depend solely on the team's athletic performance.

Another key strategic management parameter is transfer income. It must be decided whether to sell sought-after players or to retain them to pursue greater athletic goals over the long term.

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

Match day 13
20 November 2010
SC Freiburg – BVB 1:2

Match day 14
27 November 2010
BVB – M'gladbach 4:1

GROUP MANAGEMENT REPORT

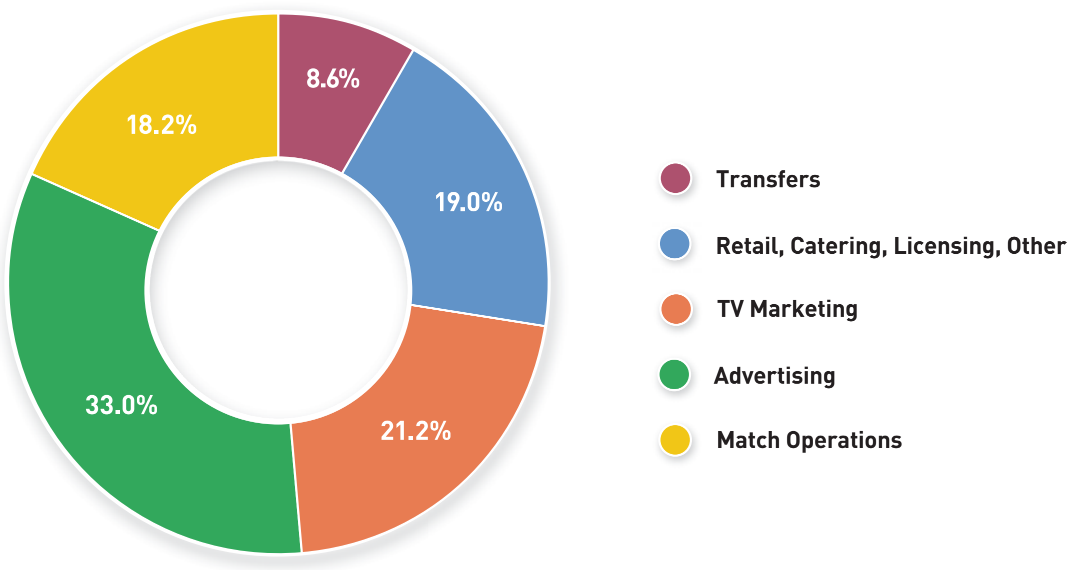
RESULTS OF OPERATIONS

This past season was one of the Borussia Dortmund Group's most successful financial years ever, not only in terms of athletic success but also from a business perspective. Demand for the Borussia Dortmund brand has increased even more thanks to the team's winning the German championship, playing in the group stage of the UEFA Europa League and, most of all, the likeability and genuine nature of the players and their enthusiasm for football. During the reporting period (1 July 2010 to 30 June 2011), the Group generated revenue of EUR 151,478 thousand (previous year: EUR 110,142 thousand) and gross revenue of EUR 155,785 thousand, a rise of EUR 43,563 thousand on the previous financial year.

The Group ended the financial year with a net profit of EUR 5,400 thousand under IFRS, an improvement of EUR 11,549 thousand.

The result from operating activities (EBIT) increased by EUR 15,416 thousand on the prior year to EUR 14,908 thousand in 2010/2011.

Borussia Dortmund Group – Revenue in %



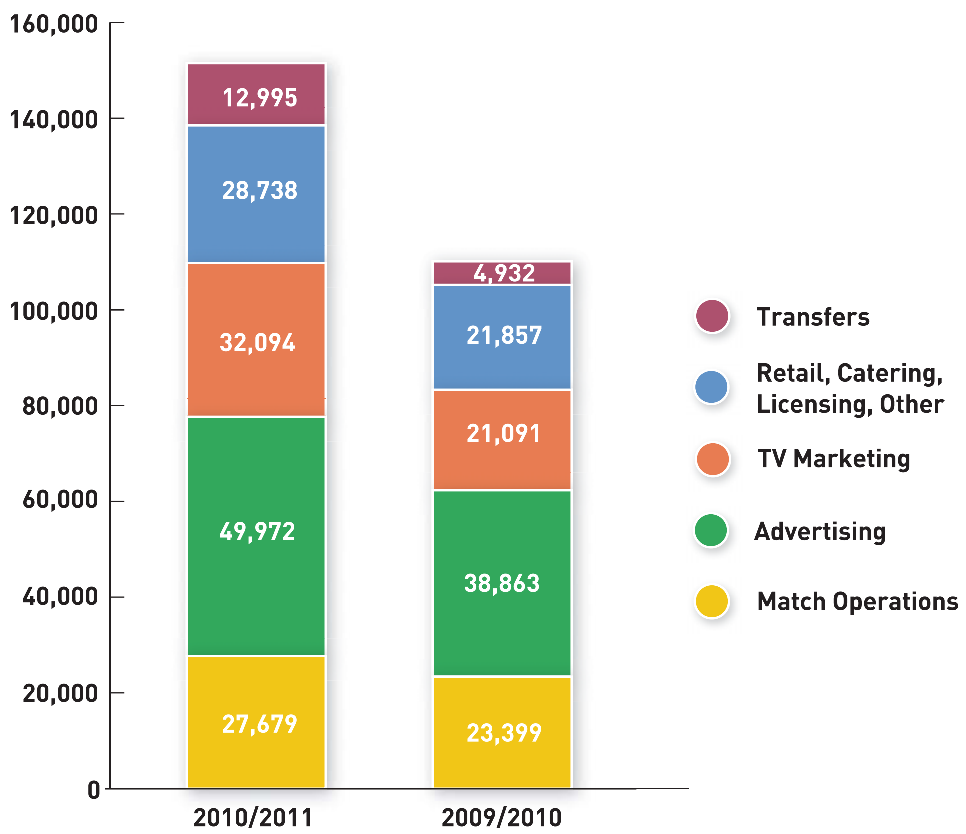
Match day 5 UEL
2 December 2010
BVB – Karpaty Lwiw 3:0

Match day 15
5 December 2010
1. FC Nürnberg – BVB 0:2

REVENUE TREND

The Borussia Dortmund Group generated EUR 151,478 thousand in revenue in the financial year just ended. The increase of 37.53% was driven by growth in all income categories.

Borussia Dortmund Group – Revenues in EUR ‘000



Match day 16
11 December 2010
BVB – Bremen 2:0

Match day 17
18 Dezember 2010
Eintr. Frankfurt – BVB 1:0

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

Income from match operations

Income from match operations amounted to EUR 27,679 thousand, an increase of EUR 4,280 thousand on the prior year.

With an average attendance of 78,416 to put SIGNAL IDUNA PARK at 97% capacity throughout the season, Borussia Dortmund again increased revenue from *Bundesliga* ticket sales, which rose by EUR 1,714 thousand year on year to EUR 23,502 thousand. The Borussia Dortmund Group thus made a major contribution to the *Bundesliga's* new attendance record. The 18 *Bundesliga* teams welcomed an average of 42,101 attendees per home game to 306 games for the highest spectator numbers in the history of the football league. Borussia Dortmund's leading position in the market is not only due to the success enjoyed in the past season but also to our loyal fans and the unique atmosphere at SIGNAL IDUNA PARK.

The Company generated proceeds from international ticket sales of EUR 3,350 thousand based on participation in the UEFA Europa League and the four home games this involved. In the previous year, Borussia Dortmund did not play in any international competitions after having failed to qualify on the last day of play.

Match operations generated an additional EUR 827 thousand from friendly matches, the two away games in the DFB-Cup and matches played by the regional league team.

Income from advertising

Sponsorship income increased by EUR 11,109 thousand year on year to EUR 49,972 thousand, again making this the main revenue item of the Borussia Dortmund Group in financial year 2010/2011. Revenue from sponsorship constitutes approximately 33% of total revenue.

In addition to our main sponsor, Evonik Industries AG, SIGNAL IDUNA, which owns the naming rights for the "nicest stadium in the world", and equipment supplier Kappa Deutschland GmbH, other renowned companies acting as Champion Partners for Borussia Dortmund were the Radeberger Group, SEAT Deutschland GmbH, Sparda Bank Münster eG and SPREHE Geflügel- u. Tiefkühlfeinkost Handels GmbH & Co. KG. For the coming financial year, we have acquired even more prominent companies as Champion Partners.

At the end of the 2010/2011 season, the hospitality areas of SIGNAL IDUNA PARK – the "regulars' table" level, the business club, Borussia Park and the "Rote Erde Club" – were at 94% capacity, up from 90% in 2009/2010. Also quite popular among companies were our "incentives packages" – offers for business clients wishing to invite guests to SIGNAL IDUNA PARK for specific games only. Demand for the local derby, and particularly for the last game of the season, was so immense that Borussia Dortmund had to set up an additional hospitality area under a tent in order to satisfy most of the requests for space. In June 2011 it already was clear that capacity of 100% would be possible even before the new *Bundesliga* season started.

Match day 18
14 January 2011
Bayer Leverkusen – BVB 1:3

Match day 19
22 January 2011
BVB – VfB Stuttgart 1:1

Advertising income also included the bonuses associated with qualifying for the group stage of the UEFA Europa League, winning the German championship and accordingly qualifying for the 2011/2012 UEFA Champions League.

In January 2011, the Borussia Dortmund Group introduced a new marketing concept. It is the first *Bundesliga* club to offer its own television product via Sports & Bytes, a wholly-owned Group subsidiary. "BVB Total" includes reports, current news and a look behind the scenes in addition to all of Borussia Dortmund's official matches. It can be viewed on Deutsche Telekom AG's "Liga Total!" platform, which is part of its "Entertain" product.

Income from TV marketing

Income from TV marketing increased to EUR 32,094 thousand in the financial year just ended, a rise of EUR 11,003 thousand compared to financial year 2009/2010.

Income from national TV marketing rose by EUR 6,579 thousand to EUR 26,775 thousand based on the club's top ranking at the end of the season and No. 2 spot in the weighted four-year rankings.

Television income of EUR 4,944 thousand was generated from participation in international competition (qualifying round and subsequent group stage). Starting at the group stage, UEFA is in charge of TV marketing of the UEFA Europa League, which in addition to the market pool includes fixed and performance-based bonuses as well as match bonuses from centralised marketing. In the qualifying round, the television rights may still be offered decentrally on the market.

An additional EUR 375 thousand was generated based on participation in two DFB-Cup matches and membership of the U23 team in the regional league.

Transfer income

At EUR 12,995 thousand, transfer income exceeded the previous year's figure by EUR 8,063 thousand.

In the financial year under review, Nuri Sahin was transferred along with Nelson Valdez, Tamas Hajnal and Markus Feulner. The transfer income reported in 2009/2010 came primarily from the transfer of Alexander Frei to FC Basel.

Income from retail, catering and licences including other income

The Borussia Dortmund Group registered an additional increase in revenue in the areas of retail, catering, licences and other income, which increased by EUR 6,881 thousand between 1 July 2010 and 30 June 2011 to reach EUR 28,738 thousand.

The breakdown of revenue by division is as follows:

Although merchandise sales got off to a slow start in the past fiscal year, BVB Merchandising GmbH ultimately contributed 9.7% to Group revenue, making it one of the Borussia Dortmund Group's main income drivers. Sales of items bearing the Borussia Dortmund logo grew by EUR 5,542 thousand over the prior financial year to EUR 14,010 thousand due to the German championship and the fans' high level of identification with the team, its coach and the Borussia Dortmund club. In addition to jerseys, which were the highest selling item at 20.16% of total merchandise sales, and products related to the German championship (198,053 items sold), the production and sale of World Cup merchandise proved to be a moneymaker in the 2010/2011 season. Demand for merchandise remained high even in June 2011, especially for jerseys for the upcoming season.

Catering improved by 3.66% to EUR 9,035 thousand, primarily thanks to the four additional home games

Match day 20
29 January 2011
VfL Wolfsburg – BVB 0:3

Match day 21
4 February 2011
BVB – Schalke 04 0:0

due to participation in the UEFA Europa League at SIGNAL IDUNA PARK.

Rental and lease income, advance booking fees and other ticketing fees increased by EUR 870 thousand over the prior-year figure to EUR 5,233 thousand.

Other operating income improved by EUR 2,227 thousand as compared to the previous reporting period to EUR 4,307 thousand, mainly as a result of inclusion of professional squad members Bender, Götze, Großkreutz, Hummels and Schmelzer on the German national team.

CHANGES IN SIGNIFICANT OPERATING EXPENSES

Staff costs

Staff costs amounted to EUR 61,541 thousand in 2010/2011, up from EUR 47,961 thousand in the previous year. Staff costs for the professional squad increased by EUR 12,018 thousand over the prior-year figure to EUR 49,471 thousand. In addition to the increase in the professional squad budget, which was planned in advance, bonus payments correlating with the team's success on the field played a large part in the rise in staff costs. However, staff costs also increased by approximately EUR 2,655 thousand in the retail and administrative areas as a result of the championship bonuses, though also due to establishment of a marketing department and increasing our employee base to enable us to handle forthcoming projects and meet rising demand for services. By contrast, staff costs for other match operations, which include the U23 team and the U19 junior team, decreased by EUR 1,096 thousand due in part to relegation of the U23 team to the regional league.

Depreciation, amortisation and impairment

Depreciation, amortisation and impairment rose by EUR 375 thousand to EUR 17,534 thousand in the reporting period. Intangible assets were the main factor in the increase.

Other operating expenses

Other operating expenses amounted to EUR 54,144 thousand in the reporting period compared with EUR 42,927 thousand in the previous year.

Apart from the increase in match operations of EUR 3,445 thousand due to the additional organisation of international games and travel to away matches abroad, the greatest increase in other operating expenses related to advertising expenses, including marketing agency fees, which rose by EUR 3,338 thousand, and transfer expenses (primarily write-downs of carrying amounts), which rose by EUR 2,431 thousand.

Net finance costs

Net finance costs amounted to EUR 5,412 thousand in 2010/2011, down from EUR 5,669 thousand in the prior year.

Match day 22
12 February 2011
1. FC K'lautern – BVB 1:1

Match day 23
19 February 2011
BVB – FC St. Pauli 2:0

FINANCIAL POSITION

ANALYSIS OF CAPITAL STRUCTURE

After taking into account the net profit for the year, the Borussia Dortmund Group had equity in the amount of EUR 67,626 thousand as at 30 June 2011. This corresponds to an equity ratio of 30.50%.

Liabilities rose by EUR 964 thousand as against the figures at the end of last year's reporting period. The increase was broken down as follows:

Due to classification as a finance lease, start of the third construction phase to expand the Brackel training grounds led to an increase in liabilities from finance leases of EUR 3,068 thousand in the consolidated balance sheet.

Trade payables increased by EUR 3,915 thousand, whereas financial liabilities decreased by EUR 13,278 due to scheduled repayments as well as a significant reduction in drawings on credit lines.

Other liabilities rose by EUR 8,548 thousand as a result of wage and tax liabilities not yet due. Further changes were seen in an increase in income tax liabilities of EUR 197 thousand and a decrease in deferred income of EUR 1,486 thousand.

ANALYSIS OF CAPITAL EXPENDITURE

In financial year 2010/2011 the Borussia Dortmund Group invested EUR 9,083 thousand in intangible assets, nearly all of which was attributable to investments in the player base.

Cash payments for property, plant and equipment during the same period amounted to EUR 2,081 thousand and included fixtures for the Brackel training centre, among other things.

ANALYSIS OF LIQUIDITY

As at 30 June 2011, the Borussia Dortmund Group held cash of EUR 1,087 thousand, none of which was subject to restrictions.

The Group had access to an additional EUR 10,000 thousand in overdraft facilities as at the reporting date, EUR 2,246 thousand of which had been drawn down as at the end of the reporting period.

Proceeds from the sale of player registrations amounted to EUR 3,159 thousand in the past financial year. Payments for investments in the professional squad amounted to EUR 8,622 thousand.

Financial liabilities, including drawdowns on overdraft facilities, decreased by EUR 13,278 thousand.

Match day 24
26 February 2011
FC Bayern – BVB 1:3

Match day 25
4 March 2011
BVB – 1. FC Köln 1:0

NET ASSETS

Total assets of the Borussia Dortmund Group increased from EUR 215,161 thousand to EUR 221,726 thousand.

The increase resulted mainly from the rise in trade and other receivables, which had grown by EUR 15,457 thousand as at the reporting date. This increase was offset in part by the decrease in fixed assets.

OVERALL SUMMARY OF FINANCIAL POSITION AND PERFORMANCE

The Borussia Dortmund Group ended the financial year with a consolidated net profit of EUR 5,400 thousand and total comprehensive income of EUR 5,632 thousand, an improvement of EUR 11,549 thousand and EUR 11,781 thousand respectively.

The equity ratio is stable and, taking into account the net profit for the year, amounts to 30.50%. As at 30 June 2011, Borussia Dortmund held cash of EUR 1,087 thousand, none of which was subject to restrictions. The Group had access to an additional EUR 10,000 thousand in overdraft facilities as at the reporting date, EUR 2,246 thousand of which had been drawn down as at 30 June 2011.

Match day 26
12 March 2011
TSG Hoffenheim – BVB 1:0

Match day 27
19 March 2011
BVB – FSV Mainz 05 1:1

REMUNERATION REPORT

The structure of the management remuneration system is determined and regularly reviewed by the Executive Committee of the Advisory Board. The Executive Committee of the Advisory Board of Borussia Dortmund Geschäftsführungs-GmbH is also responsible for determining the remuneration of management in detail and setting the appropriate amount of remuneration. The principal criteria for determining the appropriate amount of remuneration are the responsibilities of the particular member of management, his personal performance and the financial situation, profits and future prospects of the Borussia Dortmund Group.

Management remuneration comprises two components: a fixed amount and a variable component. The fixed remuneration component is stipulated by contract and is paid out in twelve equal monthly instalments. The variable remuneration component is based on the business trend and is dependent on net profit for the year before tax and the managing directors' remuneration. Any additional non-cash or ancillary benefits granted relate primarily to insurance benefits at standard market conditions and provision of a company car. The Group 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 § 13 of the Articles of Association, pursuant to which each member of the Supervisory Board receives fixed remuneration amounting to EUR 7 thousand; the Chairman receives twice that amount and the Deputy Chairman one and a half times that amount. Value added tax is reimbursed to the members of the Supervisory Board.

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

Match day 28
2 April 2011
BVB – Hannover 96 4:1

Match day 29
9 April 2011
Hamburger SV – BVB 1:1

OPPORTUNITY AND RISK REPORT

RISK MANAGEMENT

The divisions of the Borussia Dortmund Group are exposed to a wide variety of risks that are inseparably linked to the conduct of business. A functioning control and monitoring system is essential to the early identification and assessment of and systematic response to these risks. It is the responsibility of the Group's internal risk management system to monitor and control such potential risks.

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

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

Match day 30
17 April 2011
BVB – SC Freiburg 3:0

Match day 31
23 April 2011
Bor. M'gladbach – BVB 1:0

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 the Borussia Dortmund Group can be described as follows:

- the Borussia Dortmund Group 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 from 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 Group'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 engagement, 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.

SPECIFIC RISKS

STRATEGIC RISK

The economic trend of a football company depends on its athletic performance. However, this can only be planned to a certain extent, meaning that financial and corporate planning must be aimed at maintaining the profitability of the company – even in the face of setbacks – so as to avoid risks to the Company's future existence. Long-term affiliations and partnerships ensure a certain level of planning security, independently of sporting success. Moreover, it is important to reconcile the conflict between pursuing athletic objectives – including taking the measures necessary to achieve such objectives – and meeting financial requirements such as assuring adequate liquidity.

Match day 32
30 April 2011
BVB – 1. FC Nürnberg 2:0

Match day 33
7 May 2011
Bremen – BVB 2:0

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

PERSONNEL RISK

The importance of human resources to companies is growing. Thus personnel risk represents a central risk category in a company's risk management organisation.

The core business of the Borussia Dortmund Group – participating in *Bundesliga* matches – is largely dependent on the Company's human resources. Athletic success, which forms the basis for economic success, is heavily dependent on the professional sports squad and the quality of the players. Intensive scouting and medical examinations are intended to help the Company avoid making ill-advised investments in signing new players. Absences of key players, for example due to injury, cannot be foreseen and, as a result, may jeopardise the ability of the Company to meet internally defined objectives.

Yet in the non-sports segments as well, the use of qualified specialists and executives is essential for the Group; thus it is important that the Company retain them over the long term.

MACROECONOMIC RISK

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

Given current circumstances, it should be noted that it is impossible to plan and manage the risk of interruptions to match operations, for example due to outbreak of an epidemic. Nor is it possible to foresee the potential financial ramifications of such a situation.

The Borussia Dortmund Group has been subject to tax audits and audits by social security authorities in the past. The Borussia Dortmund Group is of the opinion that its tax returns were submitted completely and correctly and that its social security contributions were paid in full and on time. However, should the tax or social security authorities view the situation differently due to a diverging assessment of the facts, it is possible that they could later make additional claims that could impact the Company's financial position and performance.

COMPETITIVE RISK

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

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

Match day 34
14 May 2011
BVB – Eintr. Frankfurt 3:1

DFB-Cup R1
30 July 2011
SV Sandhausen – BVB 0:3

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

FINANCIAL RISK

INTEREST RATE RISK

The Borussia Dortmund Group bears the financing risk related to SIGNAL IDUNA PARK. The Group is presently not subject to any interest rate risk thanks to the fixed-interest credit agreements entered into for the coming years.

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

CREDIT RISK

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

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

LIQUIDITY RISK

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

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

OVERALL ASSESSMENT OF RISK POSITION

With regard to the risks discussed in this report and the review of the overall risk position, no risks were identified in the financial year under review that would contribute to a permanent or material deterioration in the financial position or financial performance of either the Group or its individual companies.

Thanks to its risk management system, the Borussia Dortmund Group is in a position to comply with the statutory provisions on control and transparency in the Company.

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

REPORT ON EXPECTED DEVELOPMENTS

ANTICIPATED PERFORMANCE OF THE GROUP

The Borussia Dortmund Group capped off the past 2010/2011 season by winning the German championship and taking a firm grasp on the *Bundesliga* table following match day 34. The team's playing success, by virtue of which it qualified directly for the UEFA Champions League, has also increased its financial prospects in nearly all income areas.

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

EXPECTED GENERAL ECONOMIC ENVIRONMENT

In the 2011/2012 season the *Bundesliga* is anticipating being rewarded for its sustainable management and outstanding athletic performance: the *Bundesliga* has been promised the right to send a fourth team to the UEFA Champions League, the premiere league in European club football, starting in the 2012/2013 season.

Changes are also on the horizon in national cup competition. The German Football Association (DFB) is hoping to use its new strategy for marketing the DFB-Cup to generate additional revenues for the clubs competing for the trophy starting in 2012. Contrary to the model practiced to date of offering the national cup matches and the international matches as a package, starting this year the call for tenders will go out for the DFB-Cup as a separate segment according to General Secretary Wolfgang Niersbach. At present, subscription broadcaster Sky as well as ARD and ZDF own the broadcasting rights, which generate approximately EUR 50 million for DFB. These are distributed among the 64 qualifying teams, depending on how well they place. The plan to market the DFB-Cup separately is aimed at making the Cup competition more attractive for private free TV channels in addition to realizing opportunities for creating new marketing content. Telekom, which already reports on the *Bundesliga* under its "Liga total!" brand, could also be interested.

On 6 June 2011, DFB announced on its website that it would be conducting an open, transparent and discrimination-free bidding process for award of the audio-visual media rights to the men's DFB-Cup competition matches and the final match of the women's DFB-Cup competition in the Federal Republic of Germany. The call for tenders will apply to the four seasons from 2012/2013 to 2015/2016. Companies interested in acquiring these rights were able to register with DFB until 21 June 2011.

In the area of ticket sales, the Borussia Dortmund Group set a new season ticket league record by selling 53,000 tickets for the 2011/2012 season. The new "Vorwerk Lounge" in the southeast corner of SIGNAL IDUNA PARK also caters to rising demand for hospitality seats.

EXPECTED RESULTS OF OPERATIONS

ANTICIPATED EARNINGS TREND

As in previous years, success on the field will be a major factor in determining our earnings trend. We have laid the foundation for generating additional revenue from international competition by qualifying for participation in the UEFA Champions League.

The management assumes that in financial year 2011/2012 and the following financial year, a net profit will be reported in the single-entity financial statements of Borussia Dortmund GmbH & Co. KGaA in addition to a consolidated net profit.

ANTICIPATED REVENUE TREND

The Borussia Dortmund Group generated revenue of EUR 151,478 thousand in the financial year just ended, an increase of EUR 41,336 thousand on the previous season.

The income situation could be similar in the following year thanks to the team's qualification for the UEFA Champions League.

ANTICIPATED TREND IN SIGNIFICANT OPERATING EXPENSES

Strict cost controls enable the management to minimise other operating expenses and to identify and realise savings potentials.

However, the trend in operating expenses depends to a great extent on the number of official matches in a season, meaning that forecasting changes in this item always involves a prediction of athletic performance.

Staff costs will again remain on a level with those in the previous financial year, although the Borussia Dortmund Group has been able to maintain the core team and even to strengthen it in some respects.

EXPECTED DIVIDENDS

Given the Group's current and non-current financial liabilities, which still amount to EUR 61,108 thousand, a dividend payment would not be appropriate until the Borussia Dortmund Group has re-established itself on the international sporting scene and generated long-term, substantial profits.

PROJECTED FINANCIAL POSITION

CAPITAL EXPENDITURE AND FINANCIALP LANNING

We are continuing to focus our investing activities on our professional squad and on additional measures to modernise SIGNAL IDUNA PARK.

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

ANTICIPATED LIQUIDITY TREND

Repayments of the long-term loans to finance the stadium continue to be made on schedule. Moreover, Borussia Dortmund has been able to make substantial investments in strengthening the professional squad. Going forward, we will continue to use non-earmarked funds to strengthen the athletics department while ensuring that the Borussia Dortmund Group remains solvent at all times.

OPPORTUNITIES

The Borussia Dortmund Group's greatest opportunities lie in unlocking and exploiting additional revenue potential by participating in international competitions such as the UEFA Champions League. In addition, an international presence would almost certainly have a positive impact on the merchandising business.

Further significant earnings potential would result from successful participation in the DFB-Cup, the German cup competition. However, the financial benefits also depend, to a large extent, on which teams we are drawn against.

Moreover, the management is aware of the fact that the Borussia Dortmund Group has high-quality young players on its squad who are greatly valued on the market and have a high transfer potential.

OVERALL ASSESSMENT OF ANTICIPATED PERFORMANCE

The past season exceeded even the boldest of expectations and put the Borussia Dortmund Group in a position to reap the financial fruits of its success on a lasting basis. Media coverage of the team's participation in the UEFA Champions League, the prestige of winning the championship and a likeability factor that cannot be put into numbers will also translate into financial benefits.

REPORT ON POST-BALANCE SHEET DATE EVENTS

Borussia Dortmund was pleased to welcome three new Champion Partners in July and August of 2011. Borussia Dortmund succeeded in acquiring Wilo, the world's leading high-tech pump manufacturer located in Dortmund, as a new Champion Partner. Wilo already has a tradition of involvement with Borussia Dortmund, as SIGNAL IDUNA PARK is fully equipped with Wilo products.

Borussia Dortmund's second new Champion partner is Yanmar, a manufacturer of industrial engines as well as agricultural and construction machinery headquartered in Osaka, Japan. This partnership is of particular interest to Yanmar owing to BVB professional Shinji Kagawa, whose football roots are with Cerezo Osaka, of which Yanmar has been the main sponsor for some time.

Another new Champion Partner of Borussia Dortmund is Q-Cells, a globally leading photovoltaics company.

After a good showing in the preseason (including beating out Mainz 05, Hamburger SV and Bayern München to win the T-Home Cup), Coach Jürgen Klopp's team started the regular season with a clear 3:0 win in the first round of the DFB-Cup at an away game against third-division team SV Sandhausen. For the following round in October, Borussia Dortmund drew a home game at SIGNAL IDUNA PARK against second-division team Dynamo Dresden.

Borussia Dortmund then started the 2011/2012 *Bundesliga* season with a heated 3:1 win over Hamburger SV. The opening game of the current German champion was viewed by football fans in 199 countries all over the world. The season started well on the whole as the young team followed a 0:1 loss in their first away game at TSG Hoffenheim with a 2:0 victory against 1. FC Nürnberg on match day 3.

Participation in the group stage of the UEFA Champions League is yet another step for Borussia Dortmund on the way to international success. The drawing for the Champions League group stage held on 25 August 2011 in Monaco has provided the team with a challenge, having set it against some interesting and strong opponents in European professional football.

Our Supervisory Board member Bernd Geske has once again increased his voting interest in Borussia Dortmund GmbH & Co. KGaA to the current 11.25%. As at 8 August 2011, the shareholder structure of Borussia Dortmund GmbH & Co. KGaA was as follows:

Bernd Geske:	11.25%
BV. Borussia 09 e.V. Dortmund:	7.24%
Free float:	81.51%

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 of the HGB:

1. The share capital of Borussia Dortmund GmbH & Co. KGaA amounts to EUR 61,425,000.00 and is divided into 61,425,000 no-par value ordinary bearer shares. All of the shares have been admitted to trading on the Regulated Market (General Standard) of the Frankfurt Stock Exchange and to the over-the-counter markets (Open Market) in Berlin, Bremen, Stuttgart, Munich, Hamburg and Düsseldorf. Each no-par value share entitles the holder to one vote at the General Shareholders' 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. There are no restrictions affecting the voting rights or transfer of the shares.
3. Interests in the share capital of Borussia Dortmund GmbH & Co. KGaA exceeding 10% of the voting rights as at 30 June 2011: Bernd Geske (10.63%)
4. There are no shares with special rights conferring powers of control.
5. There is no control of voting rights in cases in which employees are shareholders.
6. Because of its legal form as a partnership limited by shares, Borussia Dortmund GmbH & Co. KGaA does not have a management board. Instead, management and representation of the Company is the responsibility of the general partner. The provisions of § 6 No. 1 of the Articles of Association stipulate that Borussia Dortmund Geschäftsführungs-GmbH, with registered offices in Dortmund, is to act as such an executive body on a permanent basis and not for a limited period of time by virtue of its status as a shareholder. The appointment and removal of managing directors of Borussia Dortmund Geschäftsführungs-GmbH is governed by § 8 No. 6 of its shareholders' agreement and is the responsibility of the Executive Committee of its Advisory Board, and therefore not of the Supervisory Board of Borussia Dortmund GmbH & Co. KGaA.
   In principle, changes may be made to the Articles of Association of Borussia Dortmund GmbH & Co. KGaA only by a resolution of its General Shareholders' 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 General Shareholders' 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 29 November 2015, with the approval of the Supervisory Board, to increase the share capital by a maximum of EUR 30,712,500.00 in total by issuing new no-par value ordinary bearer shares against cash and/or in-kind contributions on one or more occasions (Authorised Capital 2010). The limited liability shareholders have a statutory pre-emptive right over new shares issued by the Company. Such new shares may also be subscribed by a bank or a company in accordance with § 53 (1) Sentence 1 or § 53b (1) sentence 1 or (7) of the German Banking Act (*Kreditwesengesetz, "KWG"*) if it agrees to offer them to the limited liability shareholders for subscription. However, the general partner is authorised, with the approval of the Supervisory Board, to decide to disapply the statutory pre-emptive subscription rights of the limited liability shareholders. Pre-emptive subscription rights may be disapplied
   a) with respect to fractional amounts arising as a consequence of subscription ratios;
   b) in the event of capital increases against cash contributions up to a total amount of 10% of the share capital existing on the date of registration of the Authorized Capital 2010 or, if lower, 10% of the share capital existing on the date of exercise of the authorisation (in each case taking into account any other authorisations made use of during the effective period of this authorisation for the disapplication of pre-emptive subscription rights pursuant to or through the corresponding application of § 186 (3) sentence 4 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 of the 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 General Shareholders' 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 of the 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 of the AktG sets out the relations with Ballspielverein Borussia 09 e.V. Dortmund as the controlling entity and its affiliated companies. The general partner – represented by its Managing Directors – has issued the following concluding declaration:

"Based on the circumstances known to us at the time the transactions were entered into, the Company received appropriate consideration for each of the transactions set out in the report on relations with affiliated companies in the financial year. In all other cases, the Company has been compensated for any disadvantages having arisen. No other measures within the meaning of § 312 (1) of the AktG were either undertaken or omitted during the financial year."

Dortmund, 29 August 2011
Borussia Dortmund GmbH & Co. Kommanditgesellschaft auf Aktien
Borussia Dortmund Geschäftsführungs-GmbH

Hans-Joachim Watzke
Managing Director (Chairman)

Thomas Treß
Managing Director

DISCLAIMER

This management report contains forward-looking statements. These 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, 29 August 2011
Borussia Dortmund GmbH & Co. Kommanditgesellschaft auf Aktien
Borussia Dortmund Geschäftsführungs-GmbH

Hans-Joachim Watzke
Managing Director (Chairman)

Thomas Treß
Managing Director

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

ASSETS	Note*	30/06/2011 EUR '000	30/06/2010 EUR '000
Non-current assets			
Intangible assets	(1)	18,432	20,358
Property, plant and equipment	(2)	170,740	174,185
Investments accounted for using the equity method	(3)	321	339
Financial assets	(4)	1,109	634
Trade and other receivables	(5)	972	50
Deferred tax assets	(18)	4,916	6,633
Prepaid expenses	(12)	126	2,375
		196,616	**204,574**
Current assets			
Inventories	(6)	2,328	1,788
Trade and other receivables	(5)	19,605	5,070
Cash and cash equivalents	(7)	1,087	1,097
Prepaid expenses	(12)	2,090	2,632
		25,110	**10,587**
		221,726	**215,161**

EQUITY AND LIABILITIES	Note*	30/06/2011 EUR '000	30/06/2010 EUR '000
Equity			
Subscribed capital		61,425	61,425
Reserves		6,002	452
Treasury shares		-127	-135
Equity attributable to the owners of the parent company		67,300	61,742
Minority interest		326	283
	(8)	**67,626**	**62,025**
Non-current liabilities			
Non-current financial liabilities	(9)	47,902	58,554
Non-current liabilities from finance leases	(10)	9,443	6,618
Non-current trade payables		0	150
Other non-current liabilities	(11)	0	500
Non-current income tax liabilities	(18)	0	1,825
Deferred income	(12)	33,390	36,079
		90,735	**103,726**
Current liabilities			
Current financial liabilities	(9)	13,206	15,832
Current liabilities from finance leases	(10)	529	286
Current trade payables		10,525	6,460
Other current liabilities	(11)	19,680	10,632
Current income tax liabilities	(18)	3,154	1,132
Deferred income	(12)	16,271	15,068
		63,365	**49,410**
		221,726	**215,161**

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

	Note *	2010/2011 EUR '000	2009/2010 EUR '000
Revenue	(13)	151,478	110,142
Other operating income	(13)	4,307	2,080
Cost of materials		-7,658	-4,683
Staff costs	(14)	-61,541	-47,961
Depreciation, amortisation and write-downs	(15)	-17,534	-17,159
Other operating expenses	(16)	-54,144	-42,927
Profit/loss from operating activities		**14,908**	**-508**
Income from investments in associates	(3)	32	75
Finance income	(17)	256	41
Finance cost	(17)	-5,700	-5,785
Financial result		**-5,412**	**-5,669**
Profit/loss before income taxes		**9,496**	**-6,177**
Income taxes	(18)	-4,096	28
Consolidated profit/loss for the year		**5,400**	**-6,149**
Hedge of future cash flows		232	0
Other gains/losses incurred in the period, after taxes	(18)	**232**	**0**
Total comprehensive income		**5,632**	**-6,149**
Consolidated profit/loss for the year attributable to:			
- Owners of the parent:		5,313	-6,185
- Minority interests:		88	36
Total comprehensive income attributable to:			
- Owners of the parent:		5,544	-6,185
- Minority interests:		88	36
Earnings per share (basic/diluted)	(25)	**0.09**	**-0.10**

* The relevant sections in the notes can be found on the following pages:
(3) – p. 122, **(13), (14)** – p. 130, **(15), (16), (17)** – p. 131, **(18)** – p. 132, **(25)** – p. 138.

* The relevant sections in the notes can be found on the following pages:
(1) – p. 120, **(2)** – p.121, **(3)** – p.122, **(4), (5)** – p. 123, **(6), (7)** – p. 124, **(8)** – p. 125,
(9) – p. 126, **(10)** – p. 127, **(11)** – p. 128, **(12)** – p. 129, **(18)** – p. 132.

CONSOLIDATED STATEMENT OF CASH FLOWS

EUR '000	see Note (19*	2010/2011	2009/2010
Profit/loss before income taxes		+9,496	-6,177
Depreciation, amortisation and write-downs on non-current assets		+17,534	+17,159
Loss on disposals of non-current assets		-10,060	-3,471
Interest income		-256	-41
Interest expense		+5,700	+5,785
Income from investments in associates		-32	-75
Changes in other assets not classified as from investing or financing activities		-7,826	-2,514
Changes in other liabilities not classified as from investing or financing activities		+13,623	-3,423
Interest received		+256	+41
Interest paid		-5,718	-5,805
Income taxes paid		-1,000	-1,477
Cash flows from operating activities		**+21,717**	**+2**
Payments for investments in intangible assets		-9,083	-13,879
Proceeds from disposals of intangible assets		+3,159	+11,532
Payments for investments in property, plant and equipment		-2,081	-257
Proceeds from disposals of property, plant and equipment		+30	+0
Payments for financial assets		-156	-218
Proceeds from financial assets		+34	+0
Dividends received		+50	+0
Cash flows from investing activities		**-8,047**	**-2,822**
Proceeds from the sale of treasury shares		+15	+2
Distributions to minority shareholders		-45	-68
Proceeds from finance raised		+0	+5,000
Repayments of financial liabilities		-5,536	-5,336
Repayment of liabilities under finance leases		-335	-262
Cash flows from financing activities		**-5,901**	**-664**
Net change in cash funds		+7,769	-3,484
Cash funds at beginning of period		-8,928	-5,444
Cash funds at end of period		**-1,159**	**-8,928**

* The relevant section in the notes can be found on the page 133.

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

		Reserves						
EUR '000 **see Note (8)***	**Subscribed capital**	**Capital reserves**	**Other revenue reserves**	**Hedging of future cash flows**	**Treasury shares**	**Equity attributable to shareholders of the parent company**	**Minority interest**	**Consoli-dated equity**
1 July 2009	61,425	33,782	-27,136	0	-138	67,933	308	68,241
Distributions to shareholders	0	0	0	0	0	0	-68	-68
Sale of treasury shares	0	0	0	0	2	2	0	2
Transactions with shareholders	0	0	0	0	2	2	-68	-66
Other changes	0	0	-9	0	1	-8	7	-1
Consolidated loss for the year/ Total comprehensive income	0	0	-6,185	0	0	-6,185	36	-6,149
30 June 2010	**+61,425**	**+33,782**	**-33,330**	**+0**	**-135**	**+61,742**	**+283**	**+62,025**
1 July 2010	61,425	33,782	-33,330	0	-135	61,742	283	62,025
Distributions to shareholders	0	0	0	0	0	0	-45	-45
Sale of treasury shares	0	6	0	0	8	14	0	14
Transactions with shareholders	0	6	0	0	8	14	-45	-31
Consolidated net profit for the year	0	0	5,313	0	0	5,313	87	5,400
Other profit for the period, after taxes	0	0	0	231	0	231	1	232
30 June 2011	**+61,425**	**+33,788**	**-28,017**	**+231**	**-127**	**+67,300**	**+326**	**+67,626**

* The relevant section in the notes can be found on the page125.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

BASIC PRINCIPLES

BASIS AND METHODS OF PREPARATION

Borussia Dortmund GmbH & Co. KGaA ("BVB") has its registered office at Rheinlanddamm 207-209, 44137 Dortmund, Germany. BVB's professional team has participated in the *Bundesliga* for more than three decades. In addition, BVB Group companies are engaged in the sale of merchandise, the provision of internet and travel agency services, the running of a medical rehabilitation centre and the operation of the football stadium in Dortmund, SIGNAL IDUNA PARK.

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

These consolidated financial statements of BVB for the financial year from 1 July 2010 to 30 June 2011, including the prior-year information, were prepared in accordance with International Financial Reporting Standards (IFRSs), as adopted in the European Union and in force at the end of the reporting period, and the supplementary provisions of German commercial law required to be observed in accordance with § 315a (1) HGB. The term "IFRS" includes the recent International Financial Reporting Standards (IFRSs) and the International Accounting Standards (IASs) issued by the International Accounting Standards Board (IASB) in London as well as the interpretations of the International Financial Reporting Interpretations Committee (IFRIC) and the Standing Interpretations Committee (SIC).

BVB applied the following Standards, Interpretations and amendments to existing Standards, as adopted by the European Union, for the first time in the 2010/2011 financial year:

- In October 2008, the IFRIC published Interpretation 15 "Agreements for the Construction of Real Estate". The Interpretation clarifies the accounting practice for the recognition of revenue by real estate developers for sales of units before construction is complete. IFRIC 15 provides guidance on how to determine whether an agreement for the construction of real estate is within the scope of IAS 11 or IAS 18. The Interpretation must be applied for financial years beginning on or after 1 January 2010. The application of the Interpretation has no impact on the presentation of the financial statements.

- In November 2008, the IASB published a restructured version of IFRS 1 "First-time Adoption of International Financial Reporting Standards". The new structure of IFRS 1 is intended in particular to more easily accommodate future amendments to this Standard, as well as to simplify its application. The new version of this Standard must be applied for financial years beginning on or after 1 January 2010. The application of the amended version of the Standard has no impact on the presentation of the financial statements.

- In January 2009, the IFRIC published Interpretation IFRIC 18 "Transfers of Assets from Customers", which provides additional guidance on how to account for transfers of assets from customers. IFRIC 18 clarifies the requirements of IFRSs for agreements in which an entity receives from a customer an item of property, plant, and equipment that the entity must then use either to connect the customer to a network or to provide the customer with ongoing access to a supply of goods or services. The Interpretation must be applied for financial years beginning after 31 October 2009. The application of the amended version of the Standard has no impact on the presentation of the financial statements.

- In April 2009, the IASB published the second collection of amendments to IFRSs: "Improvements to IFRSs 2009". A total of fifteen minor amendments were made to ten existing Standards and two Interpretations. Unless otherwise set forth in the relevant standard, the amendments are applicable to financial years beginning on or after 1 January 2010. The application of the amendments has no material impact on the presentation of the financial statements.

- In June 2009, the IASB published amendments to IFRS 2 "Share-based Payment – Group Cash-settled Share-based Payment Transactions", to clarify how an individual subsidiary in a group should account for group cash-settled share-based payment arrangements in its own financial statements. The amendments to IFRS 2 also incorporate guidance previously included in IFRIC 8 "Scope of IFRS 2" and IFRIC 11 "IFRS 2—Group and Treasury Share Transactions". The amended Standard must be applied for financial years beginning on or after 1 January 2010. The application of the amended version of the Standard has no impact on the presentation of the financial statements.

- In July 2009, the IASB published amendments to IFRS 1 "Additional Exemptions for First-time Adopters". The amendments relate to the retrospective application of IFRSs for entities in the oil and gas industry in special situations. They are intended to ensure that the entities do not incur disproportionately high expenses in their transition to IFRSs. The new version of this Standard must be applied for financial years beginning on or after 1 January 2010. The application of the amended version of the Standard has no impact on the presentation of the financial statements.

- In October 2009, the IASB published an amendment to IFRS 32 "Financial Instruments: Presentation". The amendment governs the accounting by the issuer for rights issues, options and warrants denominated in a currency other than the issuer's functional currency. The amended Standard must be applied for financial years beginning on or after 1 February 2010. The application of the amended version of the Standard has no impact on the presentation of the financial statements.

- In November 2009, the IFRIC published the Interpretation IFRIC 19 "Extinguishing Financial Liabilities with Equity Instruments". This Interpretation clarifies the requirements of IFRSs, when an entity renegotiates the terms and conditions of a financial liability with the creditor and the creditor accepts these, that the financial liability is extinguished in full or in part with shares or other equity instruments of the entity. The Interpretation must be applied for financial years beginning on or after 1 July 2010. The application of the amended version of the Standard has no impact on the presentation of the financial statements.

- In January 2010, the IASB published amendments to IFRS 1 "Limited Exemption from Comparative IFRS 7 Disclosures for First-time Adopters". The amendments exempt first-time adopters of IFRSs from the requirement to provide the comparative prior-period information required by the March 2009 amendments to IFRS 7. This amendment is intended to ensure that first-time adopters benefit from the transitional provisions of the amended IFRS 7. The new version of this Standard must be applied for financial years beginning on or after 1 July 2010. The application of the amended version of the Standard has no impact on the presentation of the financial statements.

- In May 2010, the IASB published the third collection of amendments to IFRSs: "Improvements to IFRSs 2010". Minor amendments were made to eight Standards and one Interpretation. Unless otherwise set forth in the relevant standard, the amendments are applicable to financial years beginning on or after 1 January 2011. The amendments to IFRS 3 "Business Combinations", IAS 21 "The Effects of Changes in Foreign Exchange Rates", IAS 28 "Investments in Associates" and IAS 31 "Interests in Joint Ventures" are applicable to financial years beginning on or after 1 July 2010. The application of the amendments has no material impact on the presentation of the financial statements.

The following standards, interpretations and amendments have been issued by the IASB and the IFRIC and adopted by the European Union, but were not applied in the consolidated financial statements as at 30 June 2011 because they were not yet applicable for the financial year beginning on 1 July 2010:

- In November 2009, the IASB published a revised version of IAS 24 "Related Party Disclosures". The revised version simplifies the disclosure requirements for government-related entities and clarifies the definition of a related party. The amended Standard must be applied for financial years beginning on or after 1 January 2011. The application of the revised version of the Standard has no material impact on the presentation of the financial statements.

- In October 2010, the IASB published amendments to IFRS 7 "Financial Instruments: Disclosures". The amendments allow users of financial statements to improve their understanding of transfer transactions of financial assets. The amendments must be applied for financial years beginning on or after 1 July 2011. The application of the revised version of the Standard has no material impact on the presentation of the financial statements.

At present, BVB cannot definitively assess the impacts that the first-time adoption of these Standards, amendments to Standards or amendments to the Interpretations will have.

The consolidated financial statements are presented in thousands of euros.

The subtotals contained in the consolidated statement of comprehensive income for operating profit/loss (EBIT) and the financial result are used internally to manage the Group.

By a resolution dated 29 August 2011, the consolidated financial statements and the Group management report were authorised by the Company's management for submission to the Supervisory Board.

SCOPE OF CONSOLIDATED FINANCIAL STATEMENTS

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

Orthomed GmbH, in which the Group holds 33.33% of the shares and of the voting rights, has been included in the consolidated financial statements as an investment in associates under the equity method in accordance with IAS 28.

The list of shareholdings as at 30 June 2011 was as follows:

Company	Registered office	Share capital TEUR	Holding %	Equity TEUR	Net profit/loss ** TEUR
BVB Stadionmanagement GmbH*	Dortmund	52	100.00	66	27
BVB Stadion Holding GmbH*	Dortmund	260	100.00	123,700	-14
besttravel dortmund GmbH	Dortmund	50	51.00	264	196
BVB Merchandising GmbH*	Dortmund	75	100.00	10,881	2,196
Sports & Bytes GmbH	Dortmund	200	100.00	1,001	121
BVB Stadion GmbH*	Dortmund	26	99.74	27,769	66
BVB Beteiligungs-GmbH*	Dortmund	26	94.90	5,704	-7
Orthomed Medizinisches Leistungs- und Rehabilitationszentrum GmbH **	Dortmund	50	33.33	784	95

* *Profit and loss transfer agreements are in force for the period from 1 July 2010 to 30 June 2011 prior to transfer of the net profit (loss) to the consolidated tax group parent.*

** *Included in the consolidated financial statements (net profit/loss as at 31 December 2010) as an associate.*

CONSOLIDATION PRINCIPLES

The annual financial statements of the companies included in BVB's consolidated financial statements are prepared in accordance with IFRS, as adopted by the EU, using consistent accounting policies.

The end of the reporting period for the consolidated financial statements is the end of the reporting period of the parent company.

Intercompany revenues, income and expenses, and all receivables and liabilities between companies included in the consolidated financial statements are eliminated on consolidation.

A subsidiary is generally any company over which the parent has the power to govern its financial and operating policies so as to obtain benefits from its activities (controlled entity). The existence and effect of potential voting rights that are currently exercisable or convertible are considered when assessing whether one entity has control over another entity. Subsidiaries are generally included in the consolidated financial statements (full consolidation) from the date on which control is transferred.

Acquired subsidiaries are accounted for using the acquisition method. The acquisition cost is equal to the fair value of the assets given, the equity instruments issued and the liabilities incurred or assumed on the date of the transaction. The costs associated with the acquisition are recognised as an expense. When consolidated for the first time, the identifiable assets, liabilities and contingent liabilities acquired in a business combination are measured at their acquisition-date fair values, regardless of the size of the minority interest.

Any excess of the acquisition cost over the share of equity acquired at fair value is recognised as goodwill. If the acquisition costs are lower than the fair value of the net assets of the subsidiary acquired, the measurement of net assets is reviewed and the difference is recognised directly in the consolidated statement of comprehensive income.

Minority interests represent the share of net assets that is not attributable to the Group. These are reported separately in consolidated equity and the consolidated statement of comprehensive income. Changes in interest where control is retained are accounted for as equity transactions between controlling and minority owners and recognised outside of profit or loss.

Associates over which the Group has a significant but not a controlling influence are accounted for using the equity method and initially recognised at cost. The Group's share of profits and losses of associates is recognised in the consolidated statement of comprehensive income from the date of acquisition, while the share of changes in reserves is reflected in consolidated reserves. The carrying amount of the investment is adjusted to reflect the cumulative changes since the date of acquisition. There were no unrealised gains at any date from transactions between Group companies and associates which would have been required to be eliminated on consolidation.

FOREIGN CURRENCY TRANSLATION

The consolidated financial statements are presented in euros. The euro is the currency of the primary business environment (functional currency) of all companies included in the consolidated financial statements. In the single-entity financial statements of the parent and of the consolidated subsidiaries, business transactions in foreign currencies are translated into the functional currency at the exchange rate prevailing on the date of the transaction. Gains and losses arising on the fulfilment of such transactions and on the translation of monetary assets and liabilities carried in foreign currencies using the exchange rate prevailing at the end of the reporting period are recognised in profit or loss.

ACCOUNTING POLICIES

The significant accounting policies used in the preparation of these consolidated financial statements are presented below. The policies described were applied consistently for the reporting periods shown, unless otherwise indicated.

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

Intangible assets

Purchased intangible assets are measured at cost less amortisation based on their expected useful lives or at the lower recoverable amount. Player registrations reported in these financial statements are measured at cost, taking into account the FIFA Regulations for the Status and Transfer of Players contained in circular no. 769 of 24 August 2001 which came into force on 21 September 2001, and are amortised on a straight-line basis in accordance with the term of the individual contracts for professional players. The cost of player registrations includes transfer payments made and the costs of advisers directly attributable to the particular transfer.

Computer software for commercial and technical applications is amortised on a straight-line basis over three years.

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

Property, plant and equipment

The SIGNAL IDUNA PARK stadium buildings were measured at their fair value amounting to EUR 177,200 thousand in the opening IFRS statement of financial position as at 1 July 2004, in accordance with the option permitted by IFRS 1.16. This valuation is based on the opinion of an independent external expert. The carrying amount of the stadium buildings in the statement of financial position represents the carrying amount as at 1 July 2004 less depreciation charged subsequently.

Land, the other buildings and the remaining items of property, plant and equipment are measured at cost less depreciation. Repair and maintenance costs are recognised in the statement of comprehensive income as expenses in the current period.

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

	Useful life in years
Stadium	30
Other buildings	20 to 50
Technical equipment and machinery	4,5 to 15
Other equipment, operating and office equipment	7 to 15

The useful life and the method of amortisation are reviewed at least at the end of each financial year. Significant parts of the stadium building are depreciated over their respective specific useful lives (component approach).

Impairment testing

The useful lives of intangible assets and items of property, plant and equipment are all finite. If there are specific indications of possible impairment, individual assets are tested for impairment. An impairment loss is recognised for the amount by which the carrying amount exceeds the recoverable amount. The recoverable amount is the higher of net realisable value and value in use. If the reason for an impairment write-down recognised in prior years no longer exists, the impairment loss is reversed until the carrying amount of the asset, net of depreciation and amortisation, equals the amount that would have been determined if an impairment loss had not been recognised. There were no indications of impairment in financial year 2010/2011.

Leases

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

Leased assets in respect of which substantially all the risks and rewards of ownership have been transferred to the Group (finance lease) are recognised at the present value of the minimum lease payments or at the lower fair value in accordance with IAS 17 and depreciated over the useful life or the shorter lease term. In the case of leases of land and buildings, the components of the land and buildings are considered separately for the purpose of the classification of the leases.

The payment obligations resulting from finance lease agreements are recognised as a liability.

The lease payments are apportioned between the finance charges and the element representing the repayment of the remaining liability in such a way that a constant rate of interest is charged on the outstanding lease obligation over the period of the lease (effective interest method). Interest charges are expensed immediately. If substantially all the risks and rewards of ownership remain with the lessor (operating lease), the lease payments are recognised as an expense in the financial year.

Financial instruments

Financial instruments under IFRS are classified in line with the format of the statement of financial position. The table under Note 22 provides a reconciliation of the individual classes and categories of IAS 39 to the items of the statement of financial position and the fair values of the financial instruments disclosed therein.

The financial assets within the scope of IAS 39 are allocated to one of the following categories, depending on their nature: "loans and receivables" or "available-for-sale financial assets". As a rule, financial assets are recognised at fair value upon initial recognition. Transaction costs that are directly attributable to the acquisition of the financial asset are included in the initial recognition. Regular way purchases or sales of financial assets are accounted for at the trade date. The amount recognised in the statement of financial position is equal to the maximum exposure to credit risk. The subsequent measurement of financial assets depends on their classification:

a) Available-for-sale financial assets

Available-for-sale financial assets are non-derivative financial assets which are either directly allocated to this category or which cannot be allocated to any of the other categories. Available-for-sale financial assets are subsequently remeasured at fair value outside profit or loss. If there is no quoted price in an active market and fair value cannot be reliably measured, these financial assets are measured at amortised cost.

Gains and losses arising from changes in the fair value of available-for-sale financial assets are recognised outside profit or loss in equity, taking into account deferred tax assets and liabilities. Gains and losses are not realised until the financial asset is derecognised or impaired. Interest calculated using the effective interest method is recognised in the consolidated statement of comprehensive income. 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. They are subsequently measured at amortised cost using the effective interest method.

For financial assets carried at amortised cost, a gain or loss is recognised in profit or loss when the financial asset is derecognised or impaired, and through the amortisation process.

Impairment of financial assets

At the end of every reporting period, it is assessed whether there is any objective evidence, such as non-payment or default, that a financial asset or group of financial assets is impaired. A financial asset or group of financial assets is deemed to be impaired if their carrying amounts exceed their expected future recoverable amounts. For financial assets or groups of financial assets carried at amortised cost, the amount of the impairment to be recognised equals the difference between the carrying amount of the asset or group of financial assets and the present value of the expected future cash flows discounted using the original effective interest rate. An impairment triggers a direct reduction of the carrying amounts of all financial assets affected, with the exception of trade receivables, whose carrying amounts are reduced via an allowance account. If a trade receivable is deemed to be uncollectible, this allowance account is used to recognise the impairment. Subsequent collections of amounts already written down are also booked against the allowance account. Changes in the carrying amount of the allowance account are recognised in profit or loss under "Other operating expenses".

Derecognition of financial assets and financial liabilities

Financial assets

A financial asset is derecognised when the contractual rights to receive the cash flows from the asset expire or the financial asset is transferred to another party. The latter case is deemed to have occurred when all significant risks and rewards associated with ownership of the asset have been transferred or when the control over the asset has been relinquished.

Financial liabilities

A financial liability is derecognised when the obligation underlying this liability is discharged or cancelled or expires. In cases where an existing financial liability is exchanged against another financial liability of the same lender with substantially different terms and conditions or if the terms and conditions of an existing liability are materially modified, such exchange or modification is treated as a derecognition of the original liability and the recognition of a new liability. Any difference between the relevant carrying amounts is recognised in profit or loss.

Financial assets and liabilities are offset against one another and the net balance is presented in the consolidated statement of financial position if an entity a) has a legally enforceable right to set off the recognised amounts and b) intends either to settle on a net basis, or to realise the asset and settle the liability simultaneously.

Deferred taxes

Deferred taxes are recognised for all temporary differences between the tax base of assets and liabilities and their carrying amounts in the IFRS financial statements (liability method). However, if in the course of a transaction which is not a business combination a deferred tax asset or liability arises from the initial recognition of an asset or liability which, at the time of the transaction, affects neither the accounting nor the taxable profit or loss, the deferred tax asset or liability is neither recognised at the date of initial recognition nor afterwards.

Deferred tax assets are recognised to the extent that it is probable that taxable profits will be available against which the temporary difference can be utilised. Deferred tax assets are also recognised for tax loss carry-forwards that can be utilised in subsequent periods, provided it is sufficiently probable that the deferred tax asset will be recoverable.

Deferred taxes relating to items recognised outside profit or loss are also recognised outside profit or loss.

Deferred tax assets and liabilities are netted against each other where the Group has a legally enforceable right to set off current tax assets against current tax liabilities, and the deferred tax assets and liabilities relate to income taxes levied by the same taxation authority on the same taxable entity.

Deferred tax assets and liabilities are measured on the basis of the tax laws adopted by the Bundestag and Bundesrat as at the end of the reporting period using a rate of income tax of 32.2% (previous year: 32.2%).

Inventories

Inventories consist principally of merchandising articles and goods held by the subsidiary company BVB Merchandising GmbH. Inventories are measured at cost less any individual allowances for goods whose cost may not be recoverable.

Cash and cash equivalents

Cash includes cash on hand, cheques and balances with banks. Cash equivalents are short-term, highly liquid investments that are readily convertible to a known amount of cash or convertible to a known amount of cash within a period of less than three months and which are subject to an insignificant risk of changes in value. Cash and cash equivalents are measured initially at fair value and subsequently at amortised cost.

Treasury shares

The full amount paid for the purchase of treasury shares is reported as an item deducted from equity. The Company has the right to reissue treasury shares purchased by it at a later date. Proceeds of resale in excess of cost are added to capital reserves, while shortfalls are taken to revenue reserves.

Provisions and contingent liabilities

In accordance with IAS 37, provisions are recognised where a present obligation exists to third parties arising from a past event, which is expected to result in an outflow of resources and whose amount can be reliably estimated. No provisions have been reported in these consolidated financial statements because it was possible to determine the amount and timing of all obligations with sufficient certainty, with the result that these obligations have been reported under liabilities.

Contingent liabilities which do not meet the criteria for recognition as a provision are disclosed in the notes, unless the probability of an obligation occurring is remote.

Financial liabilities

Financial liabilities falling under the scope of IAS 39 are allocated to the category "other financial liabilities". These include borrowings and are recognised initially at fair value plus transaction costs directly attributable to the issue of the financial liability. Other financial liabilities are subsequently measured at amortised cost using the effective interest method, where interest expense is measured in accordance with the effective interest rate. Please refer to Notes 9, 10 and 20 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

Revenues are recognised when it is probable that the economic benefits will flow to the Group and the amount of income can be measured reliably. Revenues are measured at the fair value of the receivable or consideration received and represent amounts for goods delivered and services provided in the ordinary course of business, less rebates, VAT and other taxes arising in relation to revenues.

Admission fees and other match day-related income (such as income from catering) are recognised on the match day. Sponsorship and licensing income are apportioned on a straight-line basis over the term of the relevant agreements; TV income and other components of the DFL TV agreement are recognised over the duration of the football season. Income from merchandising is recognised when the merchandise has been delivered, the risks and rewards incident to ownership have been transferred and it is likely that the economic benefits will flow to the acquirer.

Interest income and expenses are allocated to the period to which they relate, taking into account the outstanding amount of the loan and the effective interest rate to be applied. The effective interest rate is the rate that exactly discounts estimated future cash payments or receipts through the expected life of the financial instrument or, when appropriate, a shorter period to the net carrying amount of the financial asset or financial liability.

Operating expenses are recognised when the goods or services are utilised or at the date the expenses are incurred.

Revenue

In accordance with the classification prescribed by the German Football League (Deutsche Fußball Liga GmbH, "DFL") for the licensing procedure, income from the sale of transfer rights for player registrations is reported under revenue at the date on which the match authorisation expires. The expenses associated with the transfer activities such as the book values of assets sold and incidental costs of disposal are reported as other operating expenses.

MANAGEMENT OF FINANCIAL RISKS

The Group finances itself primarily from long-term bank loans, finance leases, trade payables, season tickets paid for in advance and payments from sponsors. The related risks arising comprise interest-rate-related cash flow risks, market risks, liquidity risks and credit risks. On the other hand, the Group is not exposed to any significant currency risks. The methods of managing the individual types of risk are described in the following.

Interest rate risks

The Group's financial liabilities at the end of the reporting period consist mainly of fixed-interest loans. The Group is exposed to interest rate risks from 2013 onwards based on variable-rate loans; appropriate interest rate hedges have been entered into to hedge these risks. Risk Controll uses appropriate tools and methods to constantly monitor interest rate risk, and reports regularly to the management on current events. The objective of the risk strategy is to limit or eliminate interest rate risks. The strategy explicitly calls for the use of appropriate derivative financial instruments to hedge risks.

Sensitivity analysis (interest rate risk)

All interest rate swaps and variable-interest loans were included in the sensitivity analysis; by contrast, fixed-rate loans were not included in the analysis, since these did not result in interest rate risk exposure.

In the event the interest rate were to fall by 100 basis points (parallel shift in the yield curve), equity would decrease by EUR 1,056 thousand and consolidated comprehensive income would fall by EUR 21 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 912 thousand and consolidated comprehensive income would rise by EUR 20 thousand.

Credit risk

The Group conducts business exclusively with third parties of high credit standing. Concentrations of credit risk can arise in the context of a player transfer and from long-term sponsorship agreements. Such concentrations of risk are monitored in the course of the Group's operating activities.

The maximum credit risk in the event of counterparty default is equal to the carrying amount of these instruments. Please refer to Note 20.

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 21 for information on the maturities of contractual cash flows.

SIGNIFICANT DECISIONS SUBJECT TO JUDGEMENT AND ESTIMATES

The collectibility of trade receivables is assessed based on the estimated probability of default. Specific valuation allowances are calculated for overdue receivables using individually determined percentages. In the event that the financial situations of our partners worsen, the amounts actually written down may exceed the amount of the valuation allowances recognised. This could negatively impact the results of operations. Please refer to Note 5 for information on carrying amounts.

Deferred tax assets are recognised in respect of tax loss carry-forwards to the extent that it is probable that taxable income will be available to enable the loss carry-forwards actually to be utilised. In order to determine the amount of the deferred tax assets required to be recognised in this context, management makes significant assumptions with respect to the expected timing and amount of future taxable income. As at 30 June 2011, deferred tax assets recognised in respect of tax loss carry-forwards amounted to EUR 4,269 thousand (30 June 2010: EUR 6,165 thousand). Please refer to Note 18 for further information.

The preparation of financial statements in accordance with IFRS requires the use of judgement. All decisions requiring the use of judgement are reassessed on a permanent basis and are based on past experience and expectations as to future events that appear reasonable, given the current circumstances.

OPERATING SEGMENTS

The Group applies IFRS 8, which calls for the use of the "management approach" for purposes of reporting on the economic development of segments. Segment information is determined and calculated in the same manner as is done for the purposes of internal reporting to the management ("chief operating decision maker").

An operating segment is a component of an entity that engages in business activities from which it may earn revenues and incur expenses whose operating results are reviewed regularly by the entity's chief operating decision makers to assess its performance and make decisions about resources to be allocated to the segment and for which discrete financial information is available through internal reporting.

The Group has two reportable segments, which are responsible for the main activities of the overall Group. The first segment consists of Borussia Dortmund GmbH & Co. KGaA, which operates a football club including a professional football team 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	
	2010/2011	2009/2010	2010/2011	2009/2010	2010/2011	2009/2010
External revenues	135,975	100,472	14,762	8,981	150,737	109,453
Internal revenues	427	417	242	209	669	626
Interest expense	-2,933	-3,045	0	0	-2,933	-3,045
Interest income	166	165	0	0	166	165
Depreciation and amortisation	-10,623	-10,339	-819	-736	-11,442	-11,075
Segment profit/loss before taxes *)	9,745	-4,023	2,196	589	11,941	-3,434
Investments	10,917	14,155	525	9	11,442	14,164
Segment assets	209,288	201,310	15,067	11,920	224,355	213,230
Segment liabilities	110,755	112,307	4,186	1,039	114,941	113,346
Investments accounted for using the equity method	321	339	0	0	321	339
Income from investments in associates	32	75	0	0	32	75

*) 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 profit/loss	
	2010/2011	2009/2010	2010/2011	2009/2010	2010/2011	2009/2010
External revenues	150,737	109,453	741	689	151,478	110,142
Internal revenues	669	626	-669	-626	0	0
Interest expense	-2,933	-3,045	-2,767	-2,740	-5,700	-5,785
Interest income	166	165	90	-124	256	41
Depreciation and amortisation	-11,442	-11,075	-6,092	-6,084	-17,534	-17,159
Segment profit/loss before taxes *)	11,941	-3,434	-2,445	-2,743	9,496	-6,177
Investments	11,442	14,164	-122	189	11,320	14,353
Segment assets	224,355	213,230	-2,629	1,931	221,726	215,161
Segment liabilities	114,941	113,346	39,159	39,790	154,100	153,136
Investments accounted for using the equity method	321	339	0	0	321	339
Income from investments in associates	32	75	0	0	32	75

*) before profit or loss transfer

Adjustments were made to interest expense due to borrowing costs recognised in the single-entity financial statements of BVB Stadion GmbH; depreciation charges were also primarily adjusted due to these single-entity financial statements and adjustments to the stadium's added value in accordance with IFRS. The table below provides a detailed reconciliation of segment profit or loss before taxes, segment assets and segment liabilities:

EUR '000	Segment profit/loss before taxes		Segment assets		Segment liabilities	
	2010/2011	2009/2010	2010/2011	2009/2010	2010/2011	2009/2010
Total of all segments	11,941	-3,434	224,355	213,230	114,941	113,346
Profit from other companies	317	652	0	0	0	0
Stadium depreciation, excess	-3,433	-3,433	0	0	0	0
Other IFRS adjustments	143	-544	0	0	0	0
Consolidation of investments	0	0	-139,190	-139,190	0	0
Stadium building, plus other assets	0	0	136,561	141,121	35,265	38,069
Other consolidation	528	582	0	0	3,894	1,721
Other adjustments	0	0	0	0	0	0
	9,496	**-6,177**	**221,726**	**215,161**	**154,100**	**153,136**

Income from TV marketing amounted to EUR 26,775 thousand (previous year: EUR 20,196 thousand), and thus exceeded the 10% threshold for a single customer set forth in IFRS 8.34. This was due to the fact that the *Bundesliga*'s TV rights are centrally marketed by DFL Deutsche Fußball Liga GmbH.

Derivative financial instruments

Management entered into six interest rate swap transactions with German *Landesbanken* (i.e. banks local to Germany's individual states or "*Länder*") with respect to credit facilities having fixed-interest rates expiring in 2013 and 2016 in order to lock in the low interest rates over the medium to long term and hedge the risk of changes in cash flows due to changing interest rates. The notional amount and the related fair value are as follows:

	30/06/2011	
EUR '000	Nominal amount	Market value
Interest rate swaps of which pay-fixed swaps	28,043	352

In accordance with IFRS 7.27 B, interest rate swaps are classified in Level 2 of the fair value hierarchy since the input parameters used for measurement (yield curves) are observable on the market. The Group does not make its own estimates or assumptions for fair value measurement.

The banks have already approved credit facilities with terms extending until 2021 and 2026; these financial liabilities will also be hedged. The interest rate swaps are measured at fair value by discounting the expected future cash flows. The measurement results are substantiated by bank calculations.

Highly probable forecast transactions are accounted for as cash flow hedges (micro hedging). The effective portion of the change in fair value of the derivatives amounted to EUR 344 thousand in the period, and is recognised directly in equity (other comprehensive income) after deducting deferred taxes. The ineffective portion amounted to EUR 8 thousand and is recognised immediately in profit or loss. If a hedge of a forecast transaction results in the recognition of a financial asset or financial liability, any gain or loss on the hedging instrument is reclassified from equity to profit or loss in the same period(s) in which the financial asset or liability (the hedged item) affects profit or loss. The hedging instrument parameters are established based on the assumption that the forecast transaction will occur. The derivatives in the form of interest rate swaps employed by the Borussia Dortmund Group for hedging purposes are economically effective hedges. Changes in the market values of the derivatives are offset by compensating changes in the value of the hedged underlyings, which are demonstrated through effectiveness calculations.

During the reporting period, there were no reclassifications from OCI to the consolidated statement of comprehensive income.

NOTES TO THE CONSOLIDATED STATEMENT OF FINANCIAL POSITION

(1) Intangible assets

EUR '000	30/06/2011	30/06/2010
Player registrations	18,332	20,304
Industrial property rights and similar rights	100	54
	18,432	**20,358**

Intangible assets consist of purchased player registrations and computer software. At the end of the reporting period, the weighted remaining contractual term of the significant player registrations amounted to 2.8 years (30 June 2010: 3.1 years).

Changes in intangible assets were as follows:

EUR '000	Player registrations	Industrial property rights and similar rights	Total
Cost			
As at 30 June 2009	43,469	1,162	44,631
Additions	10,615	58	10,673
Disposals	5,517	0	5,517
As at 30 June 2010	48,567	1,220	49,787
Additions	8,953	61	9,014
Disposals	17,333	0	17,333
As at 30 June 2011	**40,187**	**1,281**	**41,468**
Amortisation			
As at 30 June 2009	24,067	1,155	25,222
Additions	8,452	11	8,463
Disposals	4,256	0	4,256
As at 30 June 2010	28,263	1,166	29,429
Additions	8,618	15	8,633
Disposals	15,026	0	15,026
As at 30 June 2011	**21,855**	**1,181**	**23,036**
Carrying amounts			
As at 30 June 2009	19,402	7	19,409
As at 30 June 2010	20,304	54	20,358
As at 30 June 2011	**18,332**	**100**	**18,432**

(2) Property, plant and equipment

EUR '000	30/06/2011	30/06/2010
Land, land rights and buildings including buildings on third-party land	155,746	162,077
Other equipment, operating and office equipment	14,994	12,108
	170,740	**174,185**

Property, plant and equipment consists principally of the stadium and former offices and the adjoining area "Am Luftbad", and also the facilities at the training ground in Dortmund-Brackel, the youth centre, catering extensions and items of operating and office equipment at these facilities and at the administrative headquarters.

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

	Net carrying amounts	
EUR '000	30.6.2011	30.6.2010
Buildings	4,684	2,594
Operating and office equipment	3,558	2,892
	8,242	**5,486**

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 lease in respect of the land at the training ground, on the other hand, is classified as an operating lease.

The completion of the third phase of construction (functional buildings and football pitches) resulted in a corresponding increase in the carrying amount of property, plant and equipment subject to finance leases and in the liabilities from finance leases. There is a purchase option for the entire property after the expiry of the lease term in 2022, based on the residual value of the lessor's financing.

Changes in property, plant and equipment were as follows:

EUR '000	Land, land rights and buildings on third-party land	Other equipment, operating and office equipment	Total
Cost			
As at 30 June 2009	207,804	28,759	236,563
Additions	84	181	265
Disposals	8	452	460
As at 30 June 2010	207,880	28,488	236,368
Additions	554	4,929	5,483
Disposals	0	1,787	1,787
As at 30 June 2011	**208,434**	**31,630**	**240,064**
Depreciation			
As at 30 June 2009	38,933	15,003	53,936
Additions	6,870	1,826	8,696
Disposals	0	449	449
As at 30 June 2010	45,803	16,380	62,183
Additions	6,885	2,016	8,901
Disposals	0	1,760	1,760
As at 30 June 2011	**52,688**	**16,636**	**69,324**
Carrying amounts			
As at 30 June 2009	168,871	13,756	182,627
As at 30 June 2010	162,077	12,108	174,185
As at 30 June 2011	**155,746**	**14,994**	**170,740**

(3) Investments accounted for using the equity method

EUR '000	30/06/2011	30/06/2010
At the beginning of the year	339	264
Change	-18	75
At the end of the year	**321**	**339**

The Group's share of the profits of its associated company Orthomed GmbH and its share of the assets and liabilities are as follows:

EUR '000	30/06/2011	30/06/2010
Share of assets	366	379
Share of liabilities	97	118
Share of revenue	1,170	1,156
Share of profit for the year	32	75

(4) Financial assets

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

Please refer to Note 22 "Fair values" for information on the fair values of financial assets.

(5) Trade and other financial receivables

Non-current

EUR '000	30/06/2011	30/06/2010
Trade receivables	**972**	**50**

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 22.

Current

EUR '000	30/06/2011	30/06/2010
Trade receivables	15,723	3,523
less: allowances	-848	-581
Trade receivables - net	14,875	2,942
Other receivables	3,769	1,346
Receivables from related parties	961	782
	19,605	**5,070**

Trade receivables and other assets do not bear interest and mostly have a maturity of up to 3 months. For information on the fair value of these items please refer to Note 22.

Changes in the allowance account were as follows:

EUR '000	30/06/2011	30/06/2010
As at 1 July	581	951
Transfers recognised in profit or loss	358	223
Use	-71	-567
Reversal	-20	-26
As at 30 June	**848**	**581**

(6) Inventories

EUR '000	30/06/2011	30/06/2010
Inventories	2,670	1,822
- impairment losses	-342	-34
Inventories - net	**2,328**	**1,788**

The carrying amount of inventories carried at fair value less costs to sell was EUR 75 thousand.

(7) Cash and cash equivalents

EUR '000	30/06/2011	30/06/2010
Balances with banks and cash-in-hand	**1,087**	**1,097**

Balances with banks bear interest at variable rates of interest applying to demand deposits.

(8) Equity

Changes in equity and non-controlling interests are presented in the consolidated statement of changes in equity.

Subscribed capital

The subscribed capital of Borussia Dortmund GmbH & Co. KGaA is divided into no-par value shares with a notional share in the share capital of EUR 1.00 per share. 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
As at 1 July 2007	61,425,000	-23,635	61,401,365
Change in treasury shares		345	345
30 June 2008	**61,425,000**	**-23,290**	**61,401,710**
Change in treasury shares		459	459
30 June 2009	**61,425,000**	**-22,831**	**61,402,169**
Change in treasury shares		304	304
30 June 2010	**61,425,000**	**-22,527**	**61,402,473**
Change in treasury shares		1,331	1,331
30 June 2011	**61,425,000**	**-21,196**	**61,403,804**

In the period between the date of admission of the Company's shares to trading (31/10/2000) and the end of the reporting period, the Company acquired a total of 34,000 no-par value shares and sold 12,804 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 21,196 no-par value shares. This represented 0.035% of the share capital. The general partner is authorised until 29 November 2015, with the approval of the Supervisory Board, to increase the share capital by a maximum of EUR 30,712,500.00 in total by issuing new no-par value ordinary bearer shares against cash and/or in-kind contributions on one or more occasions (Authorised Capital 2010).

Reserves

Capital reserves consist exclusively of transfers in respect of premiums on the issue of new shares after deducting the net costs of the placement and the Company's share of revenues from the sale of treasury shares.

Other revenue reserves comprise profits generated and not distributed by Group companies in the current year and previous years and accumulated losses. In addition, the net effect, taking account of subsequent adjustments, of the remeasurement of SIGNAL IDUNA PARK in accordance with IFRS 1.16 is reported under this item.

Capital management

The objective of capital management is to ensure the Group's long-term ability to function on a going concern basis and to generate appropriate returns for shareholders. Debt management steers the raising of debt, particularly with regard to financing with matching maturities. The capital structure is managed in such a way that changes in macroeconomic conditions and risks arising from the underlying assets are taken into account. Short-term target-performance comparisons and medium- and long-term financial planning are used in the capital structure management process.

The capital structure at the end of the reporting period was as follows:

EUR '000	30/06/2011	30/06/2010
Equity of BVB shareholders	67,300	61,742
Share in total capital	30.4%	28.7%
Non-current financial liabilities	47,902	58,554
Current financial liabilities	13,206	15,832
Total financial liabilities	61,108	74,386
Share in total capital	27.6%	34.6%

(9) Financial liabilities

EUR '000	30/06/2011	30/06/2010
Non-current		
Bank loans	44,993	55,089
Other loans	2,909	3,465
	47,902	**58,554**
Current		
Bank overdrafts	2,246	10,026
Bank loans	10,403	5,300
Other loans	557	506
	13,206	15,832
	61,108	**74,386**

The conditions for a fixed-interest loan for a nominal amount of EUR 20,000 thousand with a term until June 2013 include covenants relating to the consolidated equity ratio and the interest coverage ratio (EBITDA/interest expense) in the consolidated financial statements.

In addition, covenants are in place in relation to an overdraft facility for EUR 5,000 thousand. These covenants include the equity ratio, net debt/EBITDA and the interest coverage ratio. The covenants are reviewed on an annual basis. As at the end of the reporting period, all covenants were complied with.

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

Non-current financial liabilities have a weighted interest rate of 6.2% (previous year: 6.6%); current financial liabilities have a weighted interest rate of 6.9% (previous year: 7.7%).

As a result of the existing fixed-interest periods applying to all loans and interest hedges for non-current obligations, the BVB Group is not exposed to any significant risk from changes in interest rates, even in the medium and long term.

Pledged collateral:
Items of property, plant and equipment with a residual carrying amount of EUR 133,790 thousand (30 June 2010: EUR 140,013 thousand) have been mortgaged as collateral for financial liabilities.

As in the previous year, future claims, not reflected in the financial statements, from season ticket sales, transfer income and insurance receivables, were assigned.

(10) Liabilities from finance leases

The minimum lease payments from finance leases are due for payment as follows:

EUR '000	30/06/2011	30/06/2010
Less than 1 year	1,176	759
Between 1 and 5 years	4,717	3,119
Over 5 years	9,022	7,077
	14,915	10,955
Future finance charges from finance leases	-4,943	-4,051
Present value of liabilities from finance leases	**9,972**	**6,904**

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

EUR '000	30/06/2011	30/06/2010
Liabilities from finance leases		
Less than 1 year	529	286
Between 1 and 5 years	2,492	1,442
Over 5 years	6,951	5,176
	9,972	**6,904**

(11) Other financial obligations

EUR '000	30/06/2011	30/06/2010
Non-current		
Outstanding salaries	0	500
	0	500
Current		
Other taxes	9,223	4,853
Outstanding salaries	5,585	1,900
Other	4,872	3,879
	19,680	10,632
Total other liabilities	**19,680**	**11,132**

(12) Prepaid expenses and deferred income

Prepaid expenses

EUR '000	30/06/2011	30/06/2010
Non-current		
Advance payments relating to the professional squad	126	2,375
	126	2,375
Current		
Advance payments relating to the professional squad	1,423	1,948
Insurance premiums	289	145
Other advance payments	378	539
	2,090	**2,632**

Deferred income

EUR '000	30/06/2011	30/06/2010
Non-current		
Advance payments for agency and marketing rights	32,000	36,000
Other advance payments	1,390	79
	33,390	36,079
Current		
Advance payments for agency and marketing rights	4,000	4,000
Advance payments received from season ticket sales	10,301	10,469
Advance payments received from sponsors	1,303	518
Other advance payments	667	81
	16,271	**15,068**

Pursuant to an agency licensing agreement dated 18 June 2008, responsibility for the marketing of BVB was transferred to Sportfive GmbH & Co. KG, Hamburg. The license fee received in advance is recognised as deferred income and will be carried in profit or loss on a straight-line basis over the 12-year term of the agreement.

NOTES TO THE CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

(13) Revenue

EUR '000	2010/2011	2009/2010
Match operations	27,679	23,399
Advertising	49,972	38,863
TV marketing	32,094	21,091
Transfer income	12,995	4,932
Merchandising, catering, licences	26,421	19,733
Other	2,317	2,124
	151,478	**110,142**

Other operating income rose year on year by EUR 2,227 thousand to EUR 4,307 thousand, and included release fees for national players.

(14) Staff costs

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	2010/2011	2009/2010
Wages and salaries	58,528	45,114
Social security contributions	3,013	2,847
	61,541	47,961
Average number of employees	**2010/2011**	**2009/2010**
Total	**362**	**331**
of which in the athletics department	132	129
of which trainees	2	2
Other	228	200

During the financial year, EUR 1,029 thousand was paid into the German statutory retirement pension system (*gesetzliche Rentenversicherung*).

(15) Depreciation and amortisation

EUR '000	2010/2011	2009/2010
Amortisation of intangible assets	8,633	8,463
Depreciation of property, plant and equipment	8,901	8,696
	17,534	**17,159**

(16) Other operating expenses

EUR '000	2010/2011	2009/2010
Match operations	20,113	16,668
Advertising	13,863	10,525
Transfers	5,055	2,624
Media and printing, postage	2,528	1,989
Leasing	2,713	2,562
Administration	7,424	6,427
Other	2,448	2,128
Other taxes	0	4
	54,144	**42,927**

(17) Net finance costs

EUR '000	2010/2011	2009/2010
Income from investments in associates (see Note (3))	32	75
Finance income		
Interest income from balances with banks	23	8
Other interest income	233	33
	256	41
Finance costs		
Loan, overdraft facility and other interest	-5,184	-5,290
Expenses from finance leases	-516	-495
	-5,700	-5,785
	-5,412	**-5,669**

(18) Income taxes and deferred taxes

Income tax liabilities developed as follows:

EUR '000	2010/2011	2009/2010
Income tax liabilities		
non-current	0	1,825
current	3,154	1,132
	3,154	**2,957**

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

	30/06/2011		30/06/2010	
EUR '000	Assets	Liabilities	Assets	Liabilities
Recognition and measurement of non-current assets	534	0	468	0
Trade receivables and other assets	113	0	0	0
Tax loss carry-forwards	4,269	0	6,165	0
	4,916	**0**	**6,633**	**0**

The changes in deferred taxes were as follows:

EUR '000	30/06/2011	30/06/2010
Beginning of year		
+ deferred tax assets	6,633	6,561
- deferred tax liabilities	0	0
Net deferred taxes at the beginning of the year	6,633	6,561
Deferred taxes carried in equity/OCI	-113	0
Income/expense in consolidated statement of comprehensive income	-1,604	72
Net deferred taxes at the balance sheet date	**4,916**	**6,633**

The income tax expense/benefit was made up as follows:

EUR '000	2010/2011	2009/2010
Income taxes for the current period	-1,234	-44
Income taxes for for prior periods	-1,258	0
Deferred taxes	-1,604	72
	-4,096	**28**

At the end of the reporting period, the Group had corporation tax loss carry-forwards amounting to EUR 149,574 thousand (previous year: EUR 156,995 thousand) and trade tax loss carry-forwards amounting to EUR 155,513 thousand (previous year: EUR 157,719 thousand) for which no deferred tax assets have been recognised. The likelihood that these carry-forwards will be used is assessed on the basis of a four-year plan factoring in this year's qualification for the UEFA Champions League and the resulting increase in revenue, as well as consistent athletic successes in the form of participation in international competitions over the planning period.

The average tax rate was 32.2%, as in the previous year.

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

EUR '000	2010/2011	2009/2010
Consolidated loss before income tax	9,496	-6,177
Theoretical tax rate in %	*32.2%*	*32.2%*
Expected income tax payment/benefit	-3,058	1,990
Effects of changes in tax rates	0	-154
Effects from tax additions and subtractions	1,880	-475
Effect from supplementary tax balance sheets	-61	-55
Losses for the financial year, for which no deferred taxes were recognised	0	-1,273
Prior-period taxes	-1,258	0
Change in deferred tax assets	-1,604	0
Other	5	-5
Tax effects of accounting using the equity method	0	0
Tax payment/benefit recognised in consolidated statement of comprehensive income	**-4,096**	**28**

(19) Consolidated statement of cash flows

Cash and cash equivalents reported in the statement of financial position are reconciled to cash funds in the consolidated statement of cash flows as follows:

EUR '000	30/06/2011	30/06/2010
Cash and cash equivalents	1,087	1,097
Bank overdrafts	-2,246	-10,025
Cash funds	**-1,159**	**-8,928**

Overdraft liabilities at the end of the reporting period amounted to EUR 2,246 thousand (previous year: EUR 10,025 thousand) and are included in cash funds since the overdraft facility is an integral component of daily cash management.

OTHER DISCLOSURES

FINANCIAL RISKS

(20) 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 amount of financial instruments EUR '000	**2010/2011**	**2009/2010**
Loans, receivables and other financial receivables	21,686	5,754
Cash and cash equivalents	1,087	1,097

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:

	2011	**2010**
Not yet due	14,768	2,264
Less than 30 days past due	860	481
Between 30 and 89 days past due	156	203
Over 90 days past due	64	44
	15,848	**2,992**

Carrying amounts of original interest-bearing financial instruments EUR '000	**2011**		**2010**	
	Fixed interest	**Variable interest**	**Fixed interest**	**Variable interest**
Loans, receivables and other financial receivables	21,686	0	5,754	0
Financial liabilities and finance leases	68,834	2,246	71,265	10,025

The net gains and losses from financial instruments presented below comprise measurement gains and losses, premium and discount amortisation, the recognition and reversal of impairment write-downs, interest and all other earnings impacts from financial instruments.

Net gains and losses from financial instruments EUR '000	2010/2011	2009/2010
Loans and receivables	-82	-156
Of which net interest expense/income	256	41
Of which other operating expenses/income	-338	-197
Financial liabilities measured at amortised cost	-5,592	-5,653
Of which net interest expense/income	-5,592	-5,653

(21) Liquidity risk

The following table shows the contractually arranged undiscounted payments of interest and principal in respect of financial liabilities. Whenever a right of termination exists, the figures are reported as at the earliest possible termination date.

Maturities of contractual cash flows from financial liabilities at 30/06/2011 EUR '000	Financial liabilities	Liabilities from finance leases	Trade payables	Total
2011/2012	16,878	1,176	10,525	28,579
2012/2013	8,304	1,179	0	9,483
2013/2014	7,046	1,179	0	8,225
2014/2015	6,895	1,179	0	8,074
2015/2016	10,305	1,179	0	11,484
2016 and later	30,948	9,022	0	39,970
	80,376	**14,914**	**10,525**	**105,815**

Maturities of contractual cash flows from financial liabilities at 30/06/2010 EUR '000	Financial liabilities	Liabilities from finance leases	Trade payables	Total
2010/2011	19,475	759	6,460	26,694
2011/2012	14,070	777	150	14,997
2012/2013	17,882	781	0	18,663
2013/2014	5,314	781	0	6,095
2014/2015	5,157	781	0	5,938
2015 and later	32,694	7,077	0	39,771
	94,592	**10,956**	**6,610**	**112,158**

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

Financial instruments under IFRS are classified in line with the format of the statement of financial position. The table below 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.

EUR '000	Carrying amount 30/06/2011	Carrying amount 30/06/2010	Fair value 30/06/2011	Fair value 30/06/2010
Non-current financial assets				
Loans and receivables	1,109	634	1,109	634
Non-current trade and other receivables				
Loans and receivables	972	50	972	50
Current trade and other receivables				
Loans and receivables	19,605	5,070	19,605	5,070
Cash and cash equivalents				
Loans and receivables	1,087	1,097	1,087	1,097
	22,773	**6,851**	**22,773**	**6,851**

EUR '000	Carrying amount 30/06/2011	Carrying amount 30/06/2010	Fair value 30/06/2011	Fair value 30/06/2010
Non-current financial liabilities				
Other financial liabilities	47,902	58,554	48,201	60,333
Non-current liabilities under finance leases				
Financing liabilities	9,443	6,618	9,849	7,517
Non-current trade liabilities				
Other financial liabilities	0	150	0	150
Current financial liabilities				
Other financial liabilities	13,206	15,832	13,206	15,832
Current liabilities under finance leases				
Financing liabilities	529	286	529	286
Current trade liabilities				
Other financial liabilities	10,525	6,460	10,525	6,460
	81,605	**87,900**	**82,310**	**90,578**

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.

(23) Auditors' fees

EUR '000	2010/2011	2009/2010
Audit of the financial statements	146	148
Other audit-related work	74	57

(24) Other financial obligations

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

		Due after		
30/06/2010 (EUR '000)	Total	Up to 1 year	1–5 years	more than 5 years
Rental and lease payments (operating lease)	11,085	1,517	6,013	3,555
Marketing fees	113,743	10,688	45,420	57,635
Other obligations	2,075	131	208	1,736
	126,903	**12,336**	**51,641**	**62,926**
Purchase commitment for intangible assets	4,945	3,520	1,425	0

The minimum lease payments from operating leases relate mostly to lease agreements for offices and various motor vehicles. The Company has an option to purchase the property and the offices at Dortmund-Brackel on the expiry of the lease agreements in 2017 and 2022 respectively (see Note 2).

(25) Earnings per share

Earnings per share are calculated in accordance with IAS 33 (Earnings Per Share) by dividing the net profit or loss for the period attributable to the shareholders of the parent by the weighted average number of shares outstanding. Earnings per share relate only to shares in the parent company. Since there are no potential ordinary shares, basic and diluted earnings per share are the same.

(26) Transactions with related parties

The general partner in Borussia Dortmund GmbH & Co. KGaA is Borussia Dortmund Geschäftsführungs-GmbH. The latter is responsible for the management and legal representation of Borussia Dortmund GmbH & Co. KGaA. The power to appoint and remove members of staff thus rests with BV. Borussia 09 e.V., Dortmund, in its capacity as the sole shareholder in Borussia Dortmund Geschäftsführungs-GmbH. Both Borussia Dortmund Geschäftsführungs-GmbH and BV. Borussia 09 e.V. Dortmund, as well as all companies associated therewith hence are deemed to be related parties in accordance with IAS 24.

Please refer to Notes 27 and 28 for further disclosures on the Supervisory Board of Borussia Dortmund GmbH & Co. KGaA and the management of BVB Geschäftsführungs-GmbH.

Transactions with related parties:

Related party disclosures EUR '000	**2010/2011**	**2009/2010**
Transactions with BV. Borussia 09 e.V. Dortmund		
Rental income	108	104
Income from other services	179	157
Income from ticket sales	33	60
Interest income	45	28
Expense from costs recharged, youth division	0	-275
Other cost reimbursements	761	0
Transactions with Borussia Dortmund Geschäftsführungs-GmbH		
Expense from costs recharged	-1,376	-1,023
Transactions with Orthomed GmbH		
Expense from other services	-180	-180

EUR '000	30/06/2011	30/06/3010
Other current and non-current assets		
Intercompany account with BVB 09 e.V.	961	782
Other current liabilities		
Verrechnungskonto Borussia Dortmund Geschäftsführungs-GmbH	13	165

In addition, transactions were entered into with members of the Supervisory Board of Borussia Dortmund GmbH & Co. KGaA and the management and Advisory Board of BVB Geschäftsführungs-GmbH (merchandising, tickets and sponsorship) amounting to EUR 263 thousand. These transactions were conducted at arm's length.

(27) Management

Compensation benefits paid to management:

EUR '000	2010/2011	2009/2010
Dipl.-Kfm. Hans-Joachim Watzke (Chairman)		
Fixed components		
Fixed remuneration	713	600
Other remuneration	16	16
Performance-based components	590	0
Dipl.-Kfm. Thomas Treß		
Fixed components		
Fixed remuneration	460	400
Other remuneration	45	44
Performance-based components	286	0
	2,110	**1,060**

EUR 7 thousand in employer contributions to the German statutory retirement pension system (*gesetzliche Rentenversicherung*) were incurred.

(28) Supervisory Board

The members of the Supervisory Board of the Company, their occupations and further responsibilities in other management bodies are listed below. In the past financial year, the Supervisory Board received remuneration amounting to EUR 52.5 thousand (previous year: EUR 52.5 thousand).

Dipl.-Kfm. Gerd Pieper	**Harald Heinze**	**Peer Steinbrück** (since 30/11/2010)	**Bernd Geske**	**Friedrich Merz** (since 30/11/2010)	**Christian Kullmann**	**Ruedi Baer** (until 30/11/2010)	**Othmar Freiherr von Diemar** (until 30/11/2010)
Chairman	Deputy Chairman						
Occupations							
Proprietor and managing director of Stadtparfümerie Pieper GmbH, Herne	Chairman of the Management Board (Rtd.) of Dortmunder Stadtwerke AG (DSW 21)	Member of German *Bundestag* Federal Minister (ret.)	Managing partner of Bernd Geske Lean Communication, Meerbusch	Attorney and partner, Mayer Brown LLP, Berlin	Head of the management board office and group communications of EVONIK Industries Aktiengesellschaft, Essen	Consultant, B + B Beratungs AG	Proprietor and manager of Othmar von Diemar Vermögensver¬waltung + Beratung, Cologne
Other responsibilities							
Member of the Supervisory Board of Beauty Alliance Deutschland GmbH & Co. KG, Bielefeld Member of the Advisory Board of Borussia Dortmund Geschäfts-führungs-GmbH Member of the Advisory Board of NRW Bank, Düsseldorf (until 31/12/2010)	Member of the Supervisory Board of M-Exchange AG, Lohmar	Member of the Supervisory Board of Thyssen Krupp AG, Essen		Member of the Supervisory Board of AXA Konzern AG, Köln Member of the Board of Directors of BASF Antwerpen N.V., Antwerp, Belgium Chairman of the Supervisory Board of DBV Holding AG, Wiesbaden (until 9/9/2010) Member of the Supervisory Board of Deutsche Börse AG, Frankfurt a.M. Member of the Supervisory Board and Chairman of the Board of Directors of HSBC Trinkaus & Burkhardt AG, Düsseldorf Member of the Board of Directors of Stadler Rail AG, Bussnang, Switzerland Chairman of the Supervisory Board of WEPA Industrieholding SE, Arnsberg		Chairman of the Board of Directors of eyezone AG, Watt (Switzerland) Member of the Board of Directors of Swisshome Real Estate AG, Lyss (Switzerland) Chairman of the Board of Directors of Destination Travel AG, Liebefeld (Switzerland) Chairman of the Board of Directors of B + B Beratungs AG, Watt (Switzerland) Chairman of the Board of Directors of Bablo Immobilien AG, Niederscherli (Switzerland) Member of the Board of Directors of Immoplaza AG, Regensdorf (Switzerland) Chairman of the Board of Directors of AP Fashion AG, Watt (Switzerland)	Chairman of the Supervisory Board of Informium AG, Cologne Member of the Supervisory Board of 004 Beratungs- und Dienstleistungs-GmbH, Aschaffenburg Member of the Advisory Board of GIG Holding GmbH, Munich

(29) Events after the end of the reporting period

Borussia Dortmund was pleased to welcome three new Champion Partners in July and August of 2011. Borussia Dortmund succeeded in acquiring Wilo, the world's leading high-tech pump manufacturer located in Dortmund, as a new Champion Partner. Wilo already has a tradition of involvement with Borussia Dortmund, as SIGNAL IDUNA PARK is fully equipped with Wilo products.

Borussia Dortmund's second new Champion partner is Yanmar, a manufacturer of industrial engines as well as agricultural and construction machinery headquartered in Osaka, Japan. This partnership is of particular interest to Yanmar owing to BVB professional Shinji Kagawa, whose football roots are with Cerezo Osaka, of which Yanmar has been the main sponsor for some time.

Another new Champion Partner of Borussia Dortmund is Q-Cells, a globally leading photovoltaics company.

After a good showing in the preseason (including beating out Mainz 05, Hamburger SV and Bayern München to win the T-Home Cup), Coach Jürgen Klopp's team started the regular season with a clear 3:0 win in the first round of the DFB-Cup at an away game against third-division team SV Sandhausen. For the following round in October, Borussia Dortmund drew a home game at SIGNAL IDUNA PARK against second-division team Dynamo Dresden.

Borussia Dortmund then started the 2011/2012 *Bundesliga* season with a heated 3:1 win over Hamburger SV. The opening game of the current German champion was viewed by football fans in 199 countries all over the world. The season started well on the whole as the young team followed a 0:1 loss in their first away game at TSG Hoffenheim with a 2:0 victory against 1. FC Nürnberg on match day 3.

Participation in the group stage of the UEFA Champions League is yet another step for Borussia Dortmund on the way to international success. The drawing for the Champions League group stage held on 25 August 2011 in Monaco has provided the team with a challenge, having set it against some interesting and strong opponents in European professional football.

Our Supervisory Board member Bernd Geske has once again increased his voting interest in Borussia Dortmund GmbH & Co. KGaA to the current 11.25%. As at 8 August 2011, the shareholder structure of Borussia Dortmund GmbH & Co. KGaA was as follows:

Bernd Geske:	11.25%
BV. Borussia 09 e.V. Dortmund:	7.24%
Free float:	81.51%

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

We have been informed of the following notifiable shareholdings:

Notification	Shareholder	Registered office	Threshold	Voting-rights in %	Share in voting rights	Date on which threshold reached
Exceeded						
12/07/2010	Bernd Geske		10.00%	10.00	6,142,909.00	09/07/2010
Fallen below						
20/01/2011	AK Industriebeteiligungs GmbH	Norderfriederichskoog	3.00 %	2.71	1,665,780.00	17/01/2011

(31) Corporate Governance

The management and Supervisory Board of Borussia Dortmund GmbH & Co. KGaA issued the statement of compliance with the German Corporate Governance Code required by § 161 of the German Stock Corporation Act (*Aktiengesetz*) on 9 September 2010 and made it permanently available to shareholders on the BVB website at http://eng.borussia-aktie.de.

Dortmund, 29 August 2011
Borussia Dortmund GmbH & Co. KGaA
Borussia Dortmund Geschäftsführungs-GmbH

Hans-Joachim Watzke
Managing Director (Chairman)

Thomas Treß
Managing Director

Responsibility Statement

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

Dortmund, 29 August 2011
Borussia Dortmund GmbH & Co. KGaA
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** – consisting of the statement of financial position, statement of comprehensive income, statement of cash flows, statement of changes in equity and notes – as well as the Group management report for the financial year from 1 July 2010 to 30 June 2011. The preparation of the consolidated financial statements and Group management report in accordance with IFRS as adopted in the EU and the additional requirements of commercial law to be applied under § 315a (1) of the German Commercial Code (*Handelsgesetzbuch*, "HGB") as well as the supplementary provisions in the Articles of Association is the responsibility of the Company's management. Our responsibility is to express an opinion on the consolidated financial statements and the Group management report, based on our audit.

We conducted our audit of the consolidated financial statements in accordance with Section 317 HGB and German generally accepted standards for the audit of financial statements promulgated by the Institut der Wirtschaftsprüfer [in Deutschland] (IDW). Those standards require that we plan and perform the audit such that misstatements materially affecting the presentation of the net assets, financial position and results of operations in the consolidated financial statements in accordance with the relevant financial reporting standards and in the Group management report are detected with reasonable assurance. Knowledge of the business activities and the economic and legal environment of the Group and expectations of possible misstatements are taken into account in the determination of audit procedures. The effectiveness of the internal accounting control system and the evidence supporting the disclosures in the consolidated financial statements and the Group management report are examined primarily on a test basis within the framework of the audit. The audit includes the assessment of the annual financial statements of the companies included in the consolidated financial statements, the definition of the group of consolidated companies, the accounting and consolidation principles used and significant estimates made by the legal representatives, as well as the evaluation of the overall presentation of the consolidated financial statements and the Group management report. We believe that our audit provides a reasonable basis for our opinion.

Our audit has not led to any reservations.

In our opinion, based on the results of our audit, the consolidated financial statements comply with IFRS as adopted in the EU and the additional requirements of commercial law to be applied under § 315a (1) HGB as well as the supplementary provisions in the Articles of Association and give a true and fair view of the net assets, financial position and results of operations of the Group in accordance with these requirements. The Group management report is consistent with the consolidated financial statements, provides as a whole a suitable view of the Group's position and suitably presents the opportunities and risks of future development.

Dortmund, 29 August 2011

KPMG AG
Wirtschaftsprüfungsgesellschaft

Fischer
Auditor
(Wirtschaftsprüfer)

Blücher
Auditor
(Wirtschaftsprüfer)

IMPRESSUM

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FINANCIAL CALENDAR

11 November 2011	Quarterly Financial Report for the first quarter of the 20011/2012 business year
21 November 2011	Annual General Meeting 2011

Further information is available online at: http://eng.borussia-aktie.de http://eng.borussia-aktie.de

Real Love.