Jack White Productions AG

Annual Report 2006

Key Consolidated Financial Figures

Consolidated figures	in	2006 IFRS	2005 IFRS	2004 IFRS	2003 US-GAAP	2002 US-GAAP
Consolidated sales	€ million	11.7	23.3	27.9	24.2	26.0
Cost of sales	€ million	4.4	8.7	13.6	12.4	14.4
Gross profit on sales	€ million	7.3	14.6	14.3	11.8	11.6
Gross margin	%	62.4	62.7	51.3	48.8	44.6
EBITDA	€ million	- 1.57	5.45	4.97	3.56	3.27
Margin on EBITDA	%	—	23.4	17.8	14.7	12.6
EBIT	€ million	- 2.22	4.90	4.34	3.09	2.17
Margin on EBIT	%	—	21.0	15.6	12.8	8.4
Net profit/loss for the year	€ million	- 8.08	3.26	2.32	1.54	1.02
Net earnings/loss per share*	€	- 1.15	0.47	0.33	0.22	0.15
Net return	%	—	14.0	8.3	6.4	3.9
Investments	€ million	3.4	0.8	1.1	1.4	1.7
Depreciation/amortization	€ million	0.6	0.6	0.6	0.6	1.1
Cash flow	€ million	-7.5	5.2	3.8	2.1	2.1
Employees (Dec. 31)		22	30	168	115	184
Balance sheet total	€ million	31.6	42.0	42.6	38.4	42.8
Shareholders' equity	€ million	24.7	33.7	28.4	18.7	19.5
Equity/assets ratio	%	78.2	80.2	66.7	48.7	45.6

* Basis: 7 million shares

Contents

Preface by the Board of Management

Dear Shareholders,
Dear Friends of the Company!

2006 was a very turbulent year for Jack White Productions AG: There were several changes in the composition of the Company's Board of Management, we had to contend with very difficult market conditions in particular overseas, and were forced to announce at the very last minute that the almost signed-and-sealed takeover of SPV GmbH had come to nothing. Moreover we initiated a wide-ranging special audit of our US subsidiaries. It took us almost the entire year to investigate the problems involved and initiate the corrections needed. The process led, above all owing to the massive need for value impairments in the United States, not only to extraordinary Group expenses, but also to a situation where the issues in question impacted significantly on operating business. On balance, consolidated sales dropped 2006 from EUR 23.3 million to EUR 11.7 million, and the year closed with a net loss of EUR 8.1 million, which translates into a loss per share of EUR 1.15.

Since we thus booked all the main losses to the 2006 annual financial statements, we have started the year from scratch and are now able to look to the future with cautious optimism. The first priority is to improve our earnings position – in particular in the United States and Puerto Rico. We have since sold 35 % of the shares in HoT JWP Music Inc. to Swiss investor MXL Maxilab Investment AG, meaning that the US subsidiary is now included in the consolidated annual financial statements only at-equity.

In operating business, we likewise wish to achieve greater continuity and in the long term achieve a far broader operating base. We have already taken the first key steps – taking new artists under contract, preparing promising releases, and tapping new business fields. Here, in April 2007 we announced completion of a successful deal, namely the acquisition of a 51 % stake in 313 MUSIC. The highly profitable company operates its own label and is also specialized in the field of artist management. Among other things, 313 MUSIC manages the finalists in die spring 2007 series of the successful German TV show "Deutschland sucht den Superstar" as well as ex-Spice-Girl **Melanie C** and artist **Ben**, who came to fame with his hit "Engel". With this new field of activity we have successfully expanded JWP AG's core business and made certain we are less reliant on pure audio recording sales. The exclusive agreement with the Hitch Records label, through which we will be releasing the New album by DSDS star **ELLI** in 2007, attests to how we have broadened the business base. Hitch Records was founded by successful US producers Gary Baker and Anthony Little, who have landed several global Top-Ten hits and work for numerous internationally renowned artists.

In the long term, one of our goals is to lock into larger parts of the music industry exploitation chain on behalf of JWP AG, expand our repertoire and strengthen existing fields. In the current year, we are forecasting a slight increase in sales for the AG and that the Group will see growth in the second half, and that includes the US business. We believe the year will close with a consolidated profit.

A glance to the future shows that we are on the right track even if key tasks still remain to be mastered. On the positive side, JWP AG still has a good position in the market, a sound portfolio of artists and a valuable back catalog, which we can market in diverse ways. We discern good opportunities above all in the growing use of digital sales channels in the Internet and via mobile phones. As early as 2006, the number of music downloads surged world-wide and we expect to see further growth here, from which we will profit. Alone our top hit in 2005 by **Die Firma**, "Die Eine 2005", was downloaded over 100,000 times and we anticipate similar sales for the album scheduled for release in 2007.

We are also well placed as regards physical sales, a field where we work together with market leaders Universal and Sony BMG. Moreover, we have a superbly qualified team with long-standing contacts in the industry, and it has been strengthened further with our new partners at 313 MUSIC and Hitch Records.

The past business year has required a great deal of patience from you our shareholders. I would like to cordially thank you for your trust and support. My thanks also go to our highly motivated team, which had its work cut out for it in 2006 and made every effort on behalf of the Company. We are now together devoting all our energies to moving JWP AG forward again. I do hope that you accompany us down this path.

Thomas M. Stein
CEO

Members of the Board of Management

Thomas M. Stein, Baldham

CEO (since March 1, 2006)

Jack White, Kitzbühel, Austria

CEO (until Feb. 28, 2006)
Member of the Management Board (March 1, 2006 – Jan. 31, 2007)

Frank Nussbaum, Kleinmachnow

Member of the Management Board (until Sept. 4, 2006)

Klaus Munzert, Munich

Member of the Management Board (until Jan. 31, 2006)

Combined Management Report and Group Management Report

The consolidated annual financial statements for 2006 of Jack White Productions (JWP) AG have been prepared in line with International Financial Reporting Standards (IFRS), whereas the data through 2003 was prepared according to the US General Accepted Accounting Principles (US-GAAP). When preparing the annual financial statements for the parent company Jack White Productions AG the sole principles used were those laid out in the German Commercial Code (HGB).

Macroeconomic conditions and business performance

Business conditions and Group structure

Jack White Productions (JWP) AG, domiciled in Berlin, produces and releases music recordings by different artists and acquires other recordings made by other producers. Our inventories of master rights are bundled in our back catalog, which features over 100,000 songs. Alongside producing musical works by individual artists, the other JWP AG core business is exploitation of these rights, which is bundled in our "Labels" segment. The other business segment is "Publishing", which covers exploitation of the copyrights attributable to the composers and songwriters, of the work, i.e., the originators.

Since March 1, 2006, the company's CEO has been Thomas M. Stein. Since September 2006 he has also been CFO following the resignation of the former CFO Frank Nußbaum on September 4, 2006. Company founder Jack White, who was CEO until end of February 2006, was primarily responsible on the Management Board for clearly defined music production activities in Germany, Austria and Switzerland (GAS). Klaus Munzert, hitherto jointly responsible for this segment, retired from the Board at the end of January 2006, but remained affiliated with the Company for certain production projects. At the end of January 2007, Jack White retired from the Board and is now Managing Director of the newly founded wholly-owned subsidiary White Records GmbH, which focused specifically on producing hits in German and popular music.

In business 2006, the scope of consolidation included not only Jack White Productions AG but also the wholly-owned subsidiary Transcontinent Musikverlag GmbH, which is active as a music publisher, as well as VI Music Holding Inc. in Puerto Rico, USA, in which JWP AG holds 50 % plus one share. VI Music Holding Inc. in turn holds 50 % in the likewise Puerto-Rico-based VI Music LLC – the other half of the company's capital is owned by the Universal Music Group, which is also responsible for worldwide distribution of the VI Music label.

HoT JWP Music Inc. in Miami was fully included in the JWP AG consolidation as of August 1, 2006. As at this date, Swiss investor MXL Maxilab Investment AG assumed 35 % of the shares in the US company. As a result, JWP AG's stake in HoT JWP Music Inc. has dropped to 48.3 %, meaning that it has since no longer been included in the scope of consolidation but has been treated as an associated company.

Economic conditions

Positive macroeconomic environment

The German economy moved upwards in 2006. Gross domestic product (GDP) grew by 2.7 % according to the German Statistics Office above all on the back of ongoing strong exports, whereby domestic demand also improved. Worldwide, growth in the year under review came to 3.7 %. The United States was a key support here, although the US economy lost steam in the course of the year. The European Union outperformed the forecasts, likewise achieving a 2.7 % increase in GDP.

Sector trends

In the German music industry, 2006 again failed to bring the hoped upturn. According to the IFPI trade association sales again sagged, by 2.4 % to EUR 1.7 billion. The Internet emerged as the source of hope: The number of legal downloads soared 40 % on the year. In other words, the segment, which also includes sales of music via mobile phones, generated 5 % of total sales. The sale of physical audio recordings via the Internet is becoming increasingly important. Accounting for a share of 17.9 % Web is now the music industry's second most important distribution channel following specialist electronic retailers.

The Internet continues to eat intro music industry revenues: The industry estimates that online piracy and music copies caused total damages in 2006 of EUR 6.8 billion. The number of illegal downloads dropped almost 7 % owing to the consistent policy of combating such fraud, but for every legal download there are still about 14 illegal ones. Moreover, for every sold CD there are about three private copies made of it, meaning the sector will continue to strongly combat these criminal activities.

Positive trends were reported in the sub-segments of the German music market, for example given the growing popularity of German music: The proportion of albums produced in Germany in the charts rose to 38.1 % in 2006. In 2000, the figure had been as low as 19.5 %. Things are even better in the singles charts, where productions from Germany now account for 53.2 % of the total and have thus again beaten the international competition.

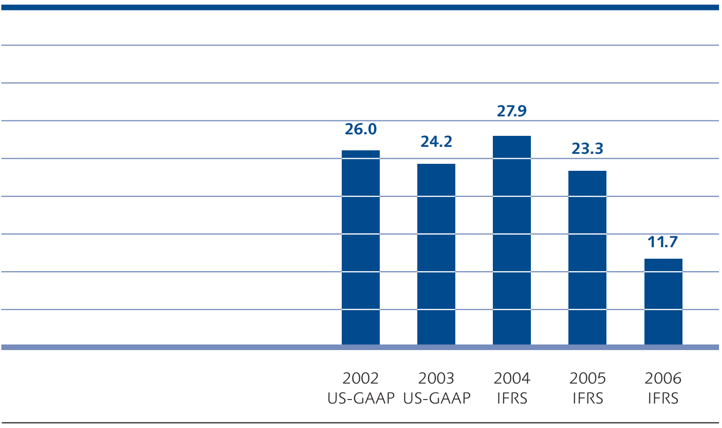
Earnings position

Consolidated sales

Jack White Productions AG consolidated sales in business 2006 totaled about EUR 11.7 million as compared with EUR 23.3 million one year earlier. The reasons for the 50 % drop: business at our VI Music LLC subsidiary in Puerto Rico slumped (down around EUR 5 million), deconsolidation of HoT JWP Music Inc. in Miami (minus about EUR 3.5 million), which is only included in the consolidated annual financial statements through June 30, and decidedly weaker business in GAS owing to unexpected delays with individual productions (minus approx. EUR 3.5 million).

At Jack White Productions AG, which the prior year released several disproportionately successful albums, sales slid about 38 % from EUR 9.8 million to EUR 6.1 million.

Consolidated sales trends in € million



Sales trends by segment

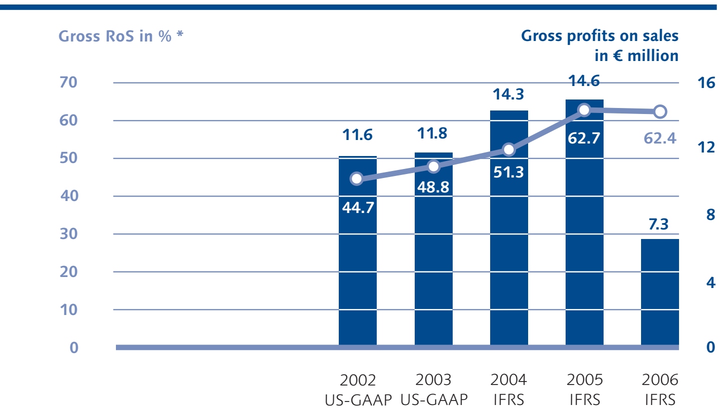
In the Labels segment, in 2006 we booked sales of EUR 11,254 thousand as against EUR 22,984 thousand one year earlier. In other words, the segment generated some 97 % of total consolidated sales (prior year: 99 %). The most successful 2006 albums included the CD "Fußball ist unser Leben – Die größten Fußball-Kulthits" released for the World Cup. It contains countless stadium classics as well as a remix of the title song, which was recorded by the German 1974 World Cup winning team. The compilation CDs released in the year under review also included the third version of "Top of the Mountains" and the "José Carreras Gala 2006". Moreover, in the fourth quarter we brought out albums by **Heino**, who has been under contract to JWP AG since the summer, and **Michelle Hunziker**.

In our second segment, Publishing, i.e., at Transcontinent Musikverlag GmbH, sales rose about 18 % from EUR 331 thousand to EUR 392 thousand.

Consolidated profits

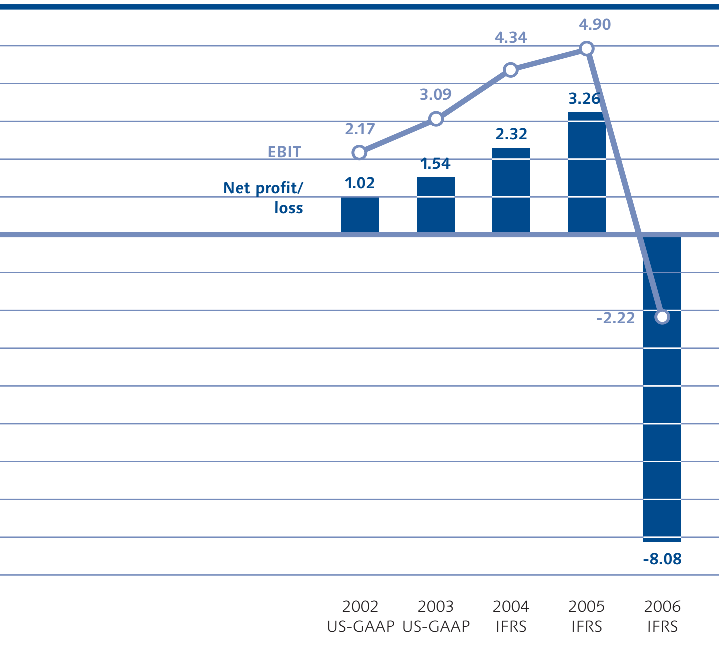
Consolidated operating profits likewise decreased appreciably. Owing to the lower business volume, gross profits on sales fell from EUR 14.6 million and EUR 7.3 million, although costs of sales were cut back from EUR 8.7 million to EUR 4.4 million.

Consolidated gross profits and RoS



* (Gross profits on sales / consolidated sales) * 100

Consolidated result in € million



The Group posted a loss before interest, taxes, depreciation and amortization of EUR 1.6 million as compared with EBITDA of EUR 5.5 million one year earlier. EBIT, which is identical to operating profits under IFRS, fell from EUR 4.9 million to a loss of EUR 2.2 million. Selling costs were reduced from EUR 6.3 million to EUR 5.7 million, but this did not match the decline in sales; general and administrative costs came to EUR 3.7 million, higher than the year-before figure of EUR 3.4 million. The reason: A higher number of returns and consultancy costs related to the special audit of HoT JWP Music Inc.

Moreover, the audit of the US activities uncovered a massive need for value impairments. Amortization was charged across the board in the Company and in particular for HoT JWP Music Inc. All in all, amortization of financial assets amounted to EUR 3.6 million (2005: allocations of EUR 0.6 million), and other expenses to EUR 4.2 million as against EUR 0.0 million the prior year. Thus, all key impairments were charged to the business 2006 accounts.

On balance the net loss for the year was EUR 8.1 million as against a surplus of around EUR 3.3 million one year earlier. This translates into a loss per share of EUR 1.15 (prior year EpS: EUR 0.47).

In the Jack White Productions AG annual financial statements prepared according to HGB, the loss for the year ran at EUR 7.9 million compared with net profit for 2005 of EUR 3.6 million. The balance sheet loss for 2006 was EUR 8.4 million, as against EUR 0.5 million the year before.

Results by segment

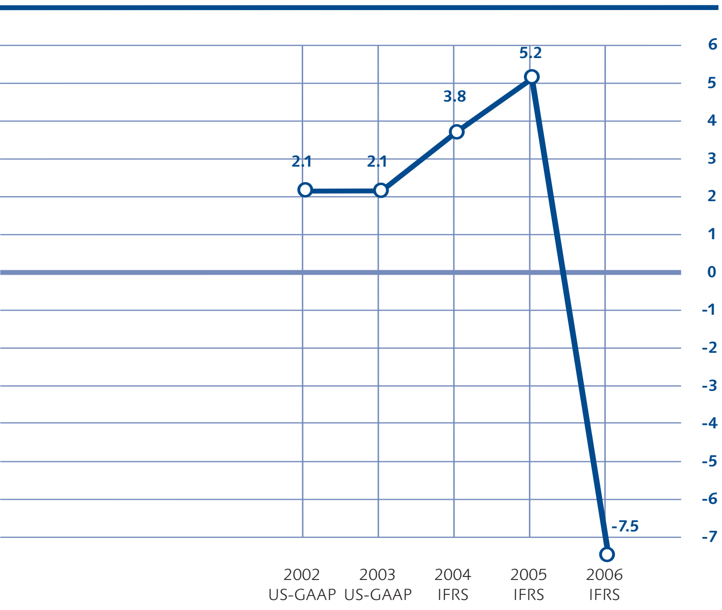
The Labels segment posted a net loss of EUR 8,148 thousand in 2006, as against net income of EUR 3,191 thousand the prior year. By contrast, the Publishing segment made an almost unchanged positive contribution to the consolidated results: The surplus was EUR 67 thousand, as compared with EUR 68 thousand a year earlier, meaning the segment achieved a net RoS of 17.1 % (2005: 20.5 %).

Financial position

Cash flow statement

JWP Group cash and cash equivalents totaled EUR 1,158 thousand as at year-end as against EUR 1,123 thousand at the beginning of 2006. Total outflows for operating activities came to EUR 3,585 thousand as against an inflow of EUR 4,236 thousand the prior year. This primarily reflects the loss for the year and one-time expenses for HoT JWP Music Inc. The deconsolidation of the latter company means trade accounts receivable fell during the year by EUR 6,979 thousand, inventories by EUR 323 thousand, and other assets by EUR 1,408 thousand. The cash outflow according to the DVFA/SG method was EUR 7,484 thousand as against an inflow of EUR 5,208 thousand in business 2005.

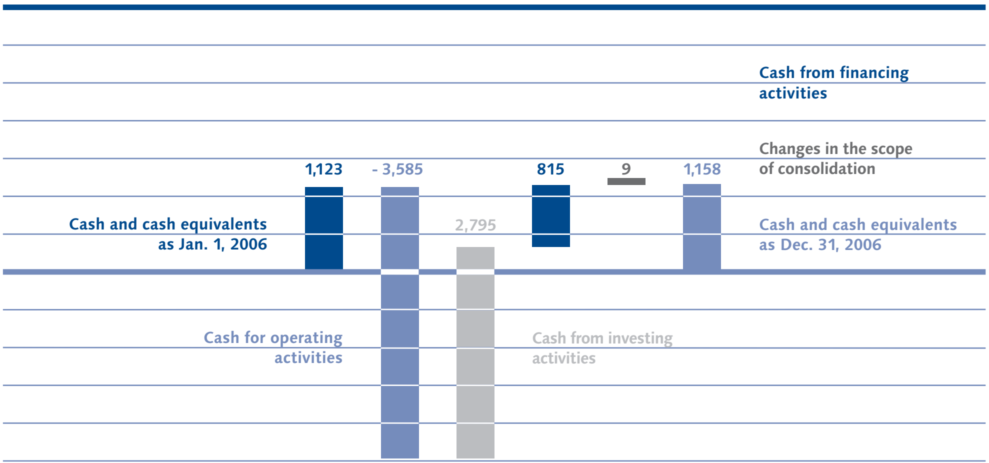
Consolidated cash flow in € million



Investing activity resulted in an inflow in 2006 of a total of EUR 2,795 thousand compared to an outflow in 2005 of EUR 1,896 thousand. The single largest item was the reduction in marketable securities by EUR 3,030 thousand. Financing activities led to an inflow of EUR 815 thousand in 2005 as opposed to an outflow of EUR 2,518 thousand one year before.

On aggregate, the Group reported an inflow of cash and cash equivalents of about EUR 26 thousand as against an outflow of EUR 178 thousand the year before. There was also an inflow of EUR 9 thousand relating to the scope of consolidation as against an outflow of EUR 230 thousand one year earlier.

Liquidity trend in 2006 at the Group level figures in € thousands



Jack White Productions AG posted cash for operating activities of EUR 1,280 thousand according to HGB as against a figure of EUR 1,265 thousand the prior year. Cash and cash equivalents in the parent company fell on the year by EUR 242 thousand.

Assets position

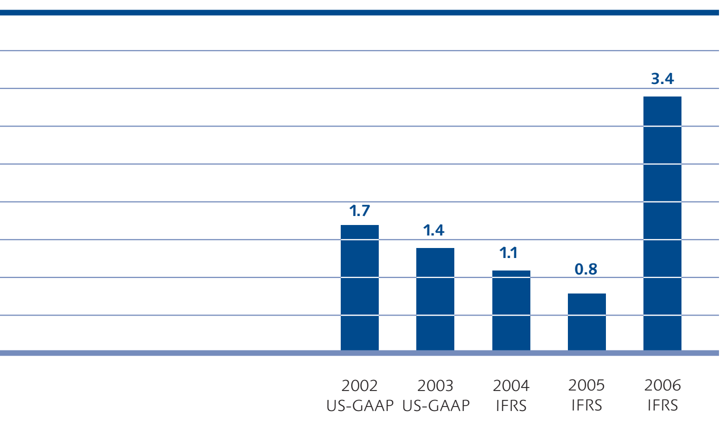
Investments

In business 2006, at the Group level we invested a total of EUR 3.4 million as against EUR 0.8 million the prior year. The lion's share, namely EUR 3.2 million (prior year: EUR 0.5 million) was committed to intangible assets, which is attributable almost exclusively to purchases of catalogs and capitalization of production and recording costs (music rights). A total of EUR 0.2 million (2005: 0.3 million) was invested in tangible assets.

Group depreciation / amortization remained unchanged at EUR 0.6 million.

In 2006, **Jack White Productions AG** invested a total of EUR 4.1 million, around EUR 2.3 million of it in intangible assets, EUR 0.2 million in tangible assets and EUR 1.5 million in financial assets. Depreciation/amortization totaled EUR 3.6 million.

Group capital expenditure in € million

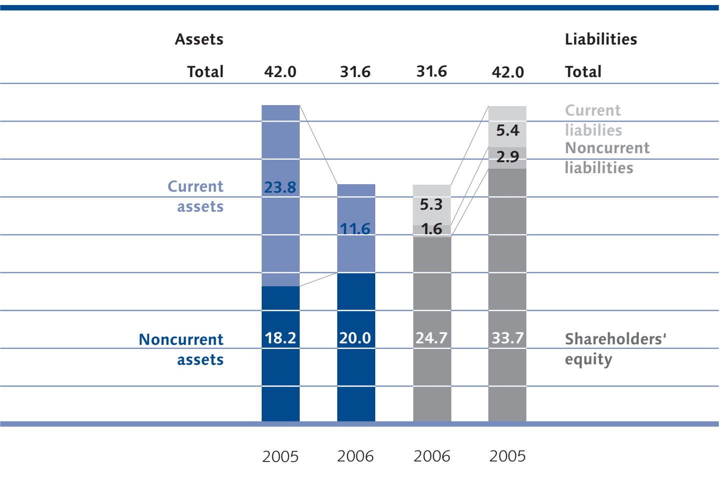


Analysis of the balance sheet

The JWP AG consolidated balance sheet has contracted from a figure of EUR 42.0 million at year-end 2005 to EUR 31.6 million. On the assets side, noncurrent assets rose slightly from EUR 18.2 million to EUR 20.0 million, while current assets fell from EUR 23.9 million to a total of EUR 11.7 million. Larger individual items here were trade accounts receivable, which mainly owing to the amortization required at HoT JWP Music Inc. fell from EUR 10.8 million to EUR 3.8 million. Securities decreased from EUR 3.9 million to EUR 0.8 million, the item for financial instruments subject to restricted cash was completely eliminated. Liquid funds remained almost unchanged, totaling EUR 1.2 million at year-end (2005: EUR 1.1 million).

Group shareholders' equity fell on the year from EUR 33.7 million to EUR 24.7 million, spelling a equity/assets ratio of about 78 %, down from 80 % one year earlier. Equity-per-share fell from EUR 4.81 to EUR 3.53. The key factor was the retained loss of EUR 3.2 million, compared with a retained profit of EUR 5.9 million one year earlier. The unrealized translation adjustments owing to exchange-rate parities within the Group came to EUR -139 thousand at year-end 2006 (2005: EUR +202 thousand), while minority interest rose from EUR 4.4 million to EUR 4.9 thousand.

Group balance sheet structure in € million



In the course of the year, current liabilities were trimmed slightly from EUR 5.4 million to EUR 5.3 million. Trade accounts payable fell from around EUR 1.9 million to just under EUR 0.5 million. By contrast, other liabilities rose from EUR 0.9 million to EUR 3.1 million. The item for liabilities due to affiliated persons, which amounted to EUR 1.4 million the prior year, was eliminated. Current loans rose from EUR 0.5 million to EUR 0.8 million, while noncurrent loans were cut back appreciably from EUR 2.5 million to EUR 1.2 million.

The **Jack White Productions AG** parent company's balance sheet total decreased from EUR 24.8 million to EUR 18.1 million. Fixed assets dropped from EUR 14.4 million to EUR 11.1 million and current assets fell from EUR 10.3 million to EUR 7.0 million. Liquid funds came to EUR 0.9 million as against about EUR 1.2 million one year earlier

The AG's shareholders' equity contracted owing to the loss for the year, from EUR 22.6 million to EUR 14.7 million. Thus, the equity/assets ratio came to 81 % as opposed to 91 % the year before. Liabilities due to banks totaled EUR 0.8 million (2005: EUR 0 million). All in all, Jack White Productions AG liabilities increased from EUR 1.5 million to EUR 2.2 million.

Employees

The number of employees in the JWP Group fell from 30 to 22 as at year-end. The Publishing segment payroll remained unchanged at two, while the number of employees in the Labels segment slid from 28 to 20 owing to the elimination of HoT JWP Music Inc. from the scope of consolidation. The JWP AG parent company employed 13 persons at year-end 2006 as compared with 9 the prior year.

As at Dec. 31, 2006, all HoT JWP Music Inc. staff had been released and a cooperation deal being discussed with a production and distribution company in New Jersey.

Risk report

Risk management

Jack White Productions AG is exposed to various risks which are inseparably linked to our entrepreneurial activities. In order to recognize, minimize and overcome these risks in good time, we engage in systematic risk management, which at the same time offers information on existing opportunities. Our risk management system is based on Group reporting, the observation of various early warning indicators and continual communication with our subsidiaries. Possible risks are systematically identified, documented, valued and directed.

In 2006, monitoring concentrated on the following risk factors that could influence our business performance as well as our assets, financial and earnings position:

Macroeconomic risks

As an international player, Jack White Productions AG is influenced by key global economic indicators. Particularly significant here is the weakening of the economic cycle in the countries important to us. We limit the attendant risks by detailed market monitoring and endeavor to anticipate their respective impact on our forecasting.

Industry and competition

The sector in which Jack White Productions AG operates entails specific risks. Above all our core Labels segment is exposed in part to short-lived trends in the music business. We counteract this by broadening our repertoire and consistently expanding our back catalog. This is being supplemented on an ongoing basis by our own productions and acquisitions of rights for the catalog. In this way we reduce our reliance on short-lived trends and generate long-term annual income from master rights. Legal protection of reproduction and dissemination rights holds for 50 years as of the release of the audio recording. At the same time, this reduces the significance of the individual artists who constitute a key portion of the Group's total license revenue.

Risks from subsidiary in the United States

The special audits conducted in 2006 at the US subsidiary HoT JWP Inc. revealed a loss situation in the portfolio company in Miami that also impacts extensively on the consolidated results. It did not prove possible to complete the examinations by year-end. From today's viewpoint, we can assume that the loss announced on August 31 and Dec. 28, 2006, is fully factored into the results now released for 2006. As at the beginning of 2007 we also employed the services of an auditor to examine the responsibilities involved and the option of filing for damages.

Distribution

In the field of distribution we work together world-wide with Universal Music Group and Sony BMG, the two international music industry majors. They have strong distribution muscle and guarantee nation-wide distribution of our music productions. Universal Music Group handles the US Region and the VI Music label's product world-wide. For the GAS Region, in 2004 we closed a new contract between JWP AG and our long-standing partner, Bertelsmann Music Group (BMG), by a further five years.

Online distribution

The entire audio recording industry faces the risk of the possible illegal dissemination of music recordings protected by copyright via Internet downloads. The sale of music via the World Wide Web and mobile phones is becoming an increasingly important business for the music industry, and Jack White Productions AG will participate in it. According to industry estimates, sales through digital distribution should continue to increase appreciably in coming years. The key triggers are the greater appeal of commercial download functions and the stronger prosecution of Internet piracy.

Interest and exchange rate risks, liquidity risks

We lower these by Group-wide controlling with regular reporting by all our portfolio companies. We do not currently hedge exchange-rate risks.

Know-how and personal contacts

Key factors for JWP AG's success include the right eel for music trends and artists as well as long-standing experience in the music business. The Company's entire management team has extensive knowledge and the right industry networks both inside and outside Germany.

Other

We work together with qualified external consultants in order to reduce legal risks. By taking out suitable insurance coverage we also minimize the financial impact of possible litigation for liability or damages. Directors & Officers liability insurance has been concluded for the members of the JWP AG Boards.

Overall risks

To the best of our knowledge today there are no risks that could threaten the Group's continued operation.

Events after the end of the year under review

The beginning of business 2007 saw changes in the Management Board: In concurrence with the Supervisory Board, as at Jan. 31, 2007, Jack White retired from the Management Board and has since concentrated on managing White Records GmbH, a wholly owned subsidiary of JWP AG that focuses in particular on producing German-language hits and popular music. Overall management of JWP AG has since been in the hands of CEO Thomas M. Stein.

The audit of Jack White Productions AG's US-business that commenced in 2006 was continued in Q1 2007 and in addition the services of a renowned international auditors sought. The latter is examining the liability of the Board members of JWP AG and HoT JWP Inc., defining the exact scale of damages sustained by these companies, and if applicable shall prepare the documents for filing for damages against those responsible.

On April 26, 2007, JWP AG acquired 51 % in 313 MUSIC, which is specialized in managing artists and thus expands the Company's range of activities. 313 MUSIC also runs its own label and in 2006 booked sales of around EUR 1 million and an appreciable return on sales. The takeover means JWP AG is less reliant on pure audio recordings business and broadens its existing repertoire to include high-quality artists under contract to 313 MUSIC.

Outlook

Overall conditions

Despite the VAT increase implemented at the beginning of the year, the forecast for the German economy for 2007 is rosy. Institut für Weltwirtschaft assumes that in the current year the economy will achieve growth of 2.8 %. The upturn should likewise persist in Euroland, which experts anticipate will post growth in GDP of an unchanged 2.7 %.

The prospects for the international music industry for 2007 are restrained, with sales of physical audio recordings presumably falling again. From today's viewpoint, download unit sales should continue to perform well, and this channel is becoming increasingly important for the music industry.

JWP AG business

JWP AG's primary goal in the current year is to steady profit levels in the long term and get the Group back on a sound footing for planning. In order to achieve this, all the necessary monitoring mechanisms have been introduced in the United States in order to make certain no other surprises arise. With the exception of ascertaining the issue of liabilities, the examinations had been concluded by Dec. 31, 2006. Therefore, JWP AG can now turn its attention more strongly once more to operating activities, where it wishes to establish a far broader base, to which end various measures are being taken.

First, we plan to get young artists under contract to broaden our repertoire. We have already signed various contracts, including Munich-based band **Jenson** and artist **Alexa Phazer**. Negotiations are going on with other new talents and we expect first releases in the course of the current year.

Moreover, last year we prepared several releases with artists under contract to us, and will benefit from these in 2007. For example, we are planning a total of three new releases with **Hansi Hinterseer**: A folk album, that is now on the market and hit gold in Austria after being out for only two days, another in the summer, and a DVD in November. The new **Ireen Sheer** album "Mein Weg zu Dir" came out in March, and 2007 will also see release of the long-awaited **Die Firma** CD, whose single "Die Eine 2005" went Gold and secured JWP AG a place in the TOP 10 ringtone charts with over 100,000 downloads. In the current year we also expect to post good sales from digital distribution channels. Moreover, we are planning a debut album by **Evelin**, who was highly successful with her first single, not to mention a new **Roland Kaiser** CD.

Roland Kaiser's GIBLINGE Project is also promising and it is our first successful radio play. **Roland Kaiser** not only authored this 3-part series of highly imaginative radio plays and children books, which we released together with publishers Buch-Verlag Seeliger, but also plays a key role as the narrator. The series was presented at the end of March at the Leipzig Book Fair and has since sold very well. Additional sequals are already being planned for 2007.

The new album by DSDS star **ELLI** will be released on the Hitch Records label, with whom JWP AG has made an exclusive agreement. Hitch Records was set up by US producers Gary Baker (Grammy Award winner) and Anthony Little. It has, among others, handled the hit "I Swear" by **All4One** and has produced world-famous artists such as the **Backstreet Boys**, **LeAnn Rimes**, **Ronan Keating**, **Justin Timberlake** and many others besides. The first **ELLI** single "Can't deny it" is coming out on June 1, and the album in early September.

Moreover, JWP AG intends to enter new fields of business and is to this end constantly conducting talks on participations and possible joint ventures. One set of talks culminated in our acquiring the 51 % stake in 313 MUSIC at the end of April.

This Berlin company specializes in artist management and has its own label. Under contract to 313 MUSIC is, among others, ex-Spice-Girl **Melanie C**, who celebrated a massive comeback in 2006 with her gold album "Beautiful Intentions". Three singles from the album made the German charts – including the platinum no. 1 hit "First Day of My Life". The release of her new album "This Time" is being supported by wide-ranging marketing steps, such as a trailer campaign for the new Sat1 series "Nur die Liebe zählt". Furthermore, the single "For the Moment you believe" is the this-year "Aktion Mensch" campaign song. In addition, 313 MUSIC works with artist **Ben**, who came to fame with his hit "Engel" and participates in the RTL "Let's Dance" show, not to mention producer and composer **Lukas Hilbert**, who was already in the studio with stars such as **Nena**, **Peter Maffay** and **Die Prinzen** and has composed countless Top-10 songs. 313 MUSIC is also handling artist management for the finalists of the 2007er series of "Deutschland sucht den Superstar".

The company, which posted sales in 2006 of around EUR 1 million and posts an appreciable return on sales, thus boasts a noteworthy repertoire of artists and high-quality contacts. It expands the range of our activities and ensures we are less reliant on pure audio recording business.

This goal is in line with our long-term strategy: We want JWP AG cover larger sections of the value-added chain in the music business, expand our repertoire and also strengthen our existing segments. In the current 2007 year, from today's viewpoint the AG forecasts a slight increase in sales to about EUR 7 million and the Group is likewise expecting to see sales rise and to post a profit. This forecast does not consider new projects such as 313 MUSIC or new artists.

By contrast, we wish to spin off our Transcontinent Musikverlag GmbH subsidiary. We have already received a series of outstanding bids for it and we will presumably thus sell the company, which is not part of our core business, before year-end.

As regards human resources, in 2007 we intend to strengthen our resources in Germany and fill the vacant position of CFO. Moreover, we intend to hire an additional product manager who will be responsible for Marketing and Promotion in GAS.

Statements according to sections 289 para. 4 and 315 para. 4 HGB

Composition of subscribed capital

The Company's capital stock of EUR 7,000,000.00 is sub-divided into 7,000,000 bearer ordinary shares. The shares thus represent a nominal value per unit of EUR 1.00. There is only one category of share.

Restrictions on voting rights or transfer of the shares

The shares are not subject to limited transferability and can be assigned at will. Each share bears the same voting rights (one vote per share). The Company is not aware of any restriction on voting rights or transfer of shares as a result of agreements between shareholders.

Direct or indirect participations in the capital in excess of 10 %

Effecten-Spiegel AG has informed the Company that as at Jan. 20, 2007, it held 1,400,400 shares in the Company (or approx. 20 % of the capital stock). The Company does not know of other shareholders who hold a stake over more than 10 %.

Owners of shares with special rights

There are no special rights linked to shares. The right accorded by Article 4.1.1 of the Statutes, whereby a member of the Supervisory Board be appointed, is tied to the person of Jack White.

Voting rights control for shareholders who are employees

To the extent that Company employees also hold a stake in the capital, they exercise their control rights like any other shareholder in keeping with the statutory provisions and the Statutes. No control of voting rights is exercised.

Regulations on the appointment and dismissal of Management Board members

The Supervisory Board appoints and dismisses the members of the Company's Management Board in line with section 84 AktG. Section 84 para. 3 AktG also stipulates that a person may only be dismissed during a period of office for an important reason. According to article 4.2.8 of the Statutes, the Supervisory Board shall decide by simple majority of the votes cast on the appointment and dismissal of Management Board members (as with all other matters, to the extent that statutory regulations do not compellingly prescribe a different majority). According to Article 5 of the current version of the Statutes, the Management Board shall consist of several persons whose exact figure shall be set by the Supervisory Board. The Supervisory Board appoints a Management Board Chairman or Spokesman. Management Board members shall not be older than 67 when appointed; this shall not apply to Jack White.

Changes to the Statutes in line with section 179 para. 2 AktG in connection with Article 3.3.2 of the Statutes shall be made by a simple majority of the votes cast and (this differs from statutory regulations, that envisage a majority of 75 % of the capital represented) a simple majority of the capital stock represented at the resolution, to the extent that the law does not compellingly stipulate something different. Since the Company's shares provide proportional voting rights, the additional requirement of a majority of the capital does not form any additional barrier; changes to the Statutes shall be considered resolved if the number of yes votes exceeds the number of no votes. Moreover, the Supervisory Board is authorized to change the Articles to the extent that the change only affects the external shape of the Statutes (section 4.3.3 of the Statutes).

Management Board powers as regards issuing and buying back shares

According to Article 2.3 of the Statutes authorized capital exists. The general meeting has authorized the Management Board, subject to approval by the Supervisory Board to raise the Company's capital stock by July 4, 2009, by up to EUR 3,200,000 by one or several issues of bearer shares of a number permissible by law and for cash or against cash contributions. The shareholders' subscription rights can be excluded for the reasons stated in the Statutes. As a result of this authorized capital, the Company can respond flexibly to an existing financing requirement over and above at the regular annual general meetings.

Agreement in the case of a change in control

The Company has not made any agreements that are subject to the condition of a change of control as a result of a buyout offer.

Severance payment agreements in the case of a buyout offer

The Company has not made any severance payment arrangements with Management Board members or employees in the event of a buyout offer.

Berlin, April, 2007
The Board of Management

Jack White Productions AG in the capital markets

Keys figures on the equity

ISIN	DE0005087506
WKN	508750
Stock market code	JWP
Market segment	Prime Standard
Share class	Bearer ordinary shares without a par value
Capital admitted to trading	EUR 7,000,000 divided into 7,000,000 shares
Stock exchange	Frankfurt / Main
First quotation	Sept. 13, 1999
Index	Prime All Share
Sector index	Prime Media Performance Index
Designated Sponsor	Close Brothers Seydler AG

Good mood on the stock markets

In 2006, the stock markets surprised everyone with strong price gains. First, the good global economy strengthened investor confidence, and second in the course of the year the situation on the key commodity markets eased. In Germany, the economic performance likewise outpaced the forecasts, something reflected favorably in the capital markets.

At the end of the year, the German DAX blue chip index closed at 6,597 points, its highest level since February 2001 and up 22 % on the year-end level for 2005. The German indices for second-line stocks did even better, with the M-Dax up around 29 % on the year, and the tech stocks in the Tec-Dax jumping close to 26 %. Media stocks in German lagged behind here, but nevertheless on average improved: The "Prime Media Performance Index" climbed 19.5 % on the year.

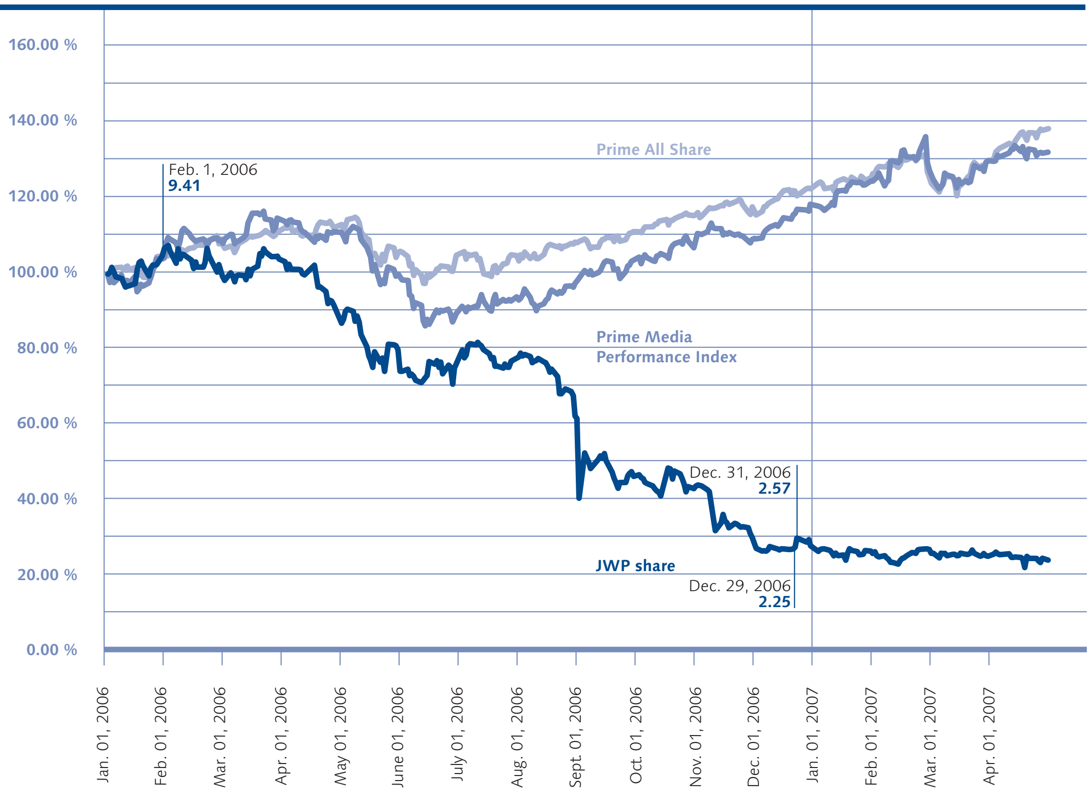
JWP equity price clearly marked down

The Jack White Productions AG equity started the 2006 stock-market year largely stable at a price of EUR 8.50 and in the first quarter oscillated between that figure and the high for the year of EUR 9.41, posted on Feb. 1, 2006. After that, the quotation, initially slowly gave ground, closing the first half at around EUR 6. There was another drop at the end of August after publication of the figures for H1 2006 and the revised profits forecast for 2006 as a whole. At the end of September, the share was changing hands at around EUR 4.

In November, another sharp downturn eventuated, when release of the quarterly report as at Sept. 30 was postponed and the special audit for the US subsidiaries was announced. The share hit a low of EUR 2.25 on Dec. 29, and finished the year at EUR 2.57, a drop of 71.4 % compared with the closing price for 2005 of EUR 9.00. Jack White Productions AG market capitalization totaled EUR 17.99 million as at year-end.

In the first few weeks of 2007 the equity hit a new low of EUR 2.15, but by the end of March had bounced back to about EUR 2.40. Information on the JWP equity can be consulted on the www.jack-white.de Web site.

JWP share performance
compared with Prime Media Performance Index and Prime All Share



Jan. 1, 2006:
JWP share 8.69 Euro = 100 %
Prime Media Performance Index 155.72 = 100 %
Prime All Share 2,060.03 = 100 %

Key figures on the JWP equity

Share-related data		2006 IFRS	2005 IFRS	2004 IFRS	2003 US-GAAP	2002 US-GAAP
Net EpS	€	- 1.15	0.47	0.33	0.22	0.15
Cash flow per share	€	- 1.07	0.74	0.54	0.30	0.30
Equity capital per share	€	3.53	4.81	4.06	2.67	2.79
High for the year	€	9.41	10.42	5.14	3.97	5.75
Low for the year	€	2.25	4.85	3.10	1.62	1.82
Year-end price	€	2.57	9.00	5.00	3.20	2.50
Market capitalization as at Dec. 31	€ million	17.99	63.0	35.0	22.4	17.5

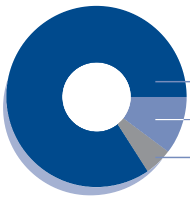
(Basis: 7 million shares)

Shareholder structure

At year-end 2006, 80.3 % of the seven million Jack White Productions AG shares were in free float. A new investor came on board in the form of Effecten-Spiegel AG, who held 12 % in the capital stock as at that date. On Jan. 20, 2007, we were informed pursuant to section 41 para. 4a, sentence 1, German Securities Trading Act (WpHG) that said company held 20.0057 %. Former Supervisory Board member Heinz Heiler held 7.7 % of the shares as at Dec. 31, 2006.

Jack White, who was a member of the Management Board through the end of January, 2007, held 120,150 shares as at year-end 2006, of which 120,000 were attributable to him via J.W. Beteiligungen GmbH. Other members of the Management and Supervisory Boards did not hold a stake in the Company as at that date.

Shareholder structure



	Shares in %	No. of shares
Free float	80.29	5,620,000
Effecten-Spiegel AG	12.0	840,000
Heinz Heiler	7,71	540,000

Status Dec. 31, 2006

Analysts' recommendations

The downturn in business in the year under review and the downwards revision of our earnings forecast during the year also influenced how JWP AG was rated by members of the financial community. In H2, analysts predominantly downgraded the share. At present, First Berlin Equity Research and Independent Research GmbH both regularly cover the Company's performance.

Corporate Governance Report

1. Essentials

Since 2002, the legal regulations applicable to Jack White Productions AG as a German publicly-listed company have been supplemented by the stipulations and recommendations of the German Corporate Governance Code (DCGK). These rules constitute a guideline for the Supervisory and Management Boards in structuring their interaction and discharging their duties.

In certain points, that will be explained in detail below, the Supervisory and Management Boards do not comply with the recommendations of the Code in its current version of June 12, 2006. We have exhaustively discussed these discrepancies and summarized where we did not comply with it in our up-dated declaration of compliance pursuant to section 161, German Stock Corporation Act (AktG) of April 30, 2007. This declaration is also posted on the www.jack-white.de Web site.

2. Shareholders and General Meeting

The General Meeting of Jack White Productions AG, to which shareholders were invited in due time, took place on July 3, 2006, at the Hotel Estrel Convention Center, Berlin. All the reports and documentation as required by law were available before hand in printed form and were posted along with the agenda on our Web site. In its comments, the Management Board issued a statement on the Company's annual financial statements and the Company's plans going forward. The General Meeting approved the actions of the Board of Management and Supervisory Board, and elected the independent auditors for business 2006. The General Meeting also concurred with the Board's proposal that the Management Board's emoluments continue to be presented as one lump sum.

3. Interaction of Management and Supervisory Boards

The Jack White Productions AG Management and Supervisory Boards work closely together for the benefit of the Company. By means of comprehensive regular reports, the Supervisory Board was kept abreast in a timely fashion of all issues of importance to the Company relating to business performance, the risk position, risk management and short- and medium-term planning. Deviations from the plans and targets set were discussed in depth along with the reasons. Extensive documentation to support the decision-making was made available in due time to all Supervisory Board members prior to the regular meetings.

D&O insurance has been taken out by Jack White Productions AG for members of the Management and Supervisory Boards. The insurance policy only includes self-retention as envisaged in para. 2 of item 3.8 of the Code for the US risk.

4. Board of Management

The Board of Management of Jack White Productions AG manages the Company's business affairs and undertakes to enduringly increase the enterprise value. The Board of Management decides the strategic thrust of the company, the corporate policies and the Group organization. It has assigned itself rules of procedure and is responsible for managing the Group and its financial resources, for public presentations of the Company, for developing the personnel strategy and filling the executive positions in the Group. It coordinates and monitors both the Company's segments and ensures there is effective risk management in place.

The Board of Management's remuneration is presented as a lump sum in the notes to the Annual Report, totaling EUR 1,139 thousand (prior year: EUR 396 thousand) in business 2006. The Board of Management received no performance-linked components or elements functioning as long-term incentives or with a risk component (item 4.2.4). The General Meeting 2006 resolved with the requisite 3/4s majority that it would not disclose individual remuneration of the members of the Board of Management in business years 2006 through 2010. In the opinion of the Supervisory and Management Boards, this information is not of decisive importance to the shareholders.

In our opinion, a remuneration report as proposed in item 4.2.5 DCGK does not offer investors added value and we are therefore not explaining the remuneration system for the members of the Board of Management in a separate section of the Corporate Governance Report.

At the time the present Annual Report went to press, there were no conflicts of interest for members of the Board of Management of Jack White Productions AG that needed to be immediately reported to the Supervisory Board and the other Board of Management members.

5. Supervisory Board

The Supervisory Board advises and monitors the Board of Management in its management of the Company and is included in key decision-making. Moreover, the Supervisory Board, which has assigned itself rules of procedure, appoints and dismisses the members of the Board of Management. The Chairman of the Supervisory Board coordinates the work of the Supervisory Board, chairs its meetings and represents the Supervisory Board to the outside world.
The Jack White Productions AG Supervisory Board consists of three members. The Supervisory Board does not include any former members of the Board of Management. Since the members of the Supervisory Board and its Chairman are constantly in direct and close contact with the Board of Management and the Company's auditors, there was no need to convene committees in business 2006.

No specific occurrences arose that could have been handled more efficiently by forming committees.

In business 2006, the Supervisory Board members received a total of EUR 12 thousand (prior year: EUR 12 thousand) for their work.

Item 5.4.7, para. 3 of the Code recommends that the remuneration of the members of the Supervisory Board also be itemized by individual member and subdivided by type of remuneration, and advisory and intermediary services provided by its members be itemized in the Corporate Governance Report. By publishing the total sum of the emoluments paid we comply with the legal regulations. In our opinion, we thus provide all the information necessary to enable a matter-of-fact assessment of the Supervisory Board's services. Moreover, the Supervisory Board renders its services as a single entity, meaning that disclosure of the individualized sums paid would not constitute improved information for our shareholders.

In business 2006 there were no conflicts of interest faced by members of the Supervisory Board in the sense of item 5.5. of the German Corporate Governance Code.

6. Transparency

We mainly make use of the Internet to provide comprehensive and speedy information to all interested parties alike. All the relevant documents, such as ad hoc disclosures, press releases, quarterly reports, the annual report, the agenda of the General Meeting etc. are to be found on and downloaded from www.jackwhite.de. The dates of key disclosures and events are published there in a schedule of key financial dates in due advance time. We also immediately publish when statutory shares of the voting rights in the Company are exceeded or no longer met.

In 2006, the Jack White Productions AG Board of Management without delay published all insider information relating directly to the Company in eight ad hoc disclosures pursuant to the German Securities Trading Act (WpHG) and the German Act on Improving Investor Protection (AnsVG). In one case, the Board of Management concluded that to protect the justified interests of the Company these outweighed those of the capital market in complete and swift publication, and exempted itself on July 3, 2006, from immediately publishing the matter at hand. The justifications for the exemption were communicated to BaFin, the German Federal Financial Supervisory Authority along with the disclosure on Oct. 18, 2006.

For members of the Management and Supervisory Boards and personally liable partners of publicly-listed companies, in line with section 15a WpHG, there is a duty to disclose specific information: They must immediately inform the Company and BaFin of the purchase or sale of securities of their own company to the extent that the sale in each instance exceeds EUR 5,000.00 per year (so-called Directors' Dealings).

In business 2006, the following directors' dealings were done in the shares of Jack White Productions AG, Berlin, ISIN DE0005087506:

Date of the transaction	Person required to report, function	Transaction subject to reporting requirement	Place where the deal was done
Feb. 2, 2006	**J.W. Beteiligungen GmbH,** Kitzbühel, Austria (sole partner: Jack White, member of the Board of Management)*	Sale of 1,050,000 shares to Jack White total volume: € 9,208,500	OTC
Feb. 2, 2006	**Jack White,** member of the Board of Management*	Purchase 1,050,000 shares from J.W. Beteiligungen GmbH, Kitzbühel, Austria total volume: € 9,208,500	OTC
Feb. 7, 2006	**Jack White,** member of the Board of Management*	Sale of 700,000 shares total volume: € 6,125,000	OTC
Feb. 13, 2006	**Jack White,** member of the Board of Management*	Sale of 350,000 shares total volume: € 3,062,500	OTC
June 22, 2006	**Jack White,** member of the Board of Management*	Purchase of 100,000 shares total volume: € 650,000	Xetra

* through Jan. 31, 2007

As at Dec. 31, 2006, there was no shareholding subject to disclosure requirements pursuant to item 6.6 para. 2 of the Code. Directors' dealings are presented as they occur on the Company's Web site.

7. Accounting and audit

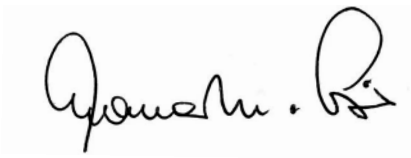
The JWP Group accounting for business 2006 was in line with internationally recognized "International Financial Reporting Standards" (IFRS). Moreover, the Company adhered to the recommendations of German Accounting Standard no. 15 (DRS 15). The annual financial statements of the Jack White Productions AG parent company were prepared in line with the German Commercial Code (HGB).

The consolidated annual financial statements were prepared by the Board of Management and examined by the auditors and Supervisory Board. The auditors were present at the Supervisory Board discussion on the annual financial statements and the consolidated annual financial statements and reported on the key findings of their audit. The audit led to no objections whatsoever.

Given the invoicing practices of our distribution partners, we cannot prepare our consolidated annual financial statements and the interim reports of Jack White Productions AG within the period of 90 days and 45 days respectively after the end of the reporting period as foreseen by the Code under item 7.1.2. Publication of the annual financial statements will instead be on April 30 of the subsequent year, and for the same reason we require a period of up to 60 days after the end of the quarter to prepare the respective quarterly report.

Berlin, April 2007

For the Board of Management



Thomas M. Stein

For the Supervisory Board

Hartmut Fromm

Statement of Compliance pursuant to section 161 German Stock Corporation Act (AktG)

The Management Board and Supervisory Board of Jack White Productions AG declare pursuant to section 161 German Stock Corporation Act (AktG):

1. **Since the last Declaration of Compliance of April 21, 2006, Jack White AG has complied with the recommendations of the "Government Commission on the German Corporate Governance Code" in the version of June 2, 2005, and since June 12, 2006, with the version valid as of that date, with the following exceptions:**

on 3.8: D&O insurance without self-retention exists for the Management and Supervisory Boards of JWP AG.

on 4.2.4: Total remuneration of each Board member is not sub-divided into fixed, performance-related and long-term-incentivizing components nor is it individually itemized.

on 5.3.1: The Supervisory Board did not establish specialist committees. In our opinion, it was not necessary to establish committees given that the JWP AG Supervisory Board has only three members and they are in direct contact with the Management Board and the auditors.

on 5.3.2: The Supervisory Board has not established an Audit Committee.

on 5.4.7: Remuneration of the Supervisory Board members as well as compensation or advantages granted for services personally rendered, in particular consultancy and intermediary services, were not itemized individually.

on 7.1.2: The consolidated annual financial statements were prepared in April of the year following the business year in question and are then made public. Owing to the invoicing modalities of our distribution partners, we were only able to publish the interim reports within a period of 60 days after the end of the respective quarter.

on 7.1.4: Owing to the few portfolio holdings that JWP AG owns that are not included in the consolidation, and because these holdings are discussed in the body of the Report, we have desisted from presenting them in table form.

2. Jack White AG will in future comply with the recommendations of the "Government Commission on the German Corporate Governance Code" in the version of June 12, 2006 with the following exceptions:

on 3.8: D&O insurance without self-retention exists for the Management and Supervisory Boards of JWP AG

on 4.2.4: Total remuneration of each Board member will not be sub-divided into fixed, performance-related and long-term-incentivizing components nor is it individually itemized.

on 5.3.1: The Supervisory Board will not establish specialist committees. In our opinion, it was not necessary to establish committees given that the JWP AG Supervisory Board has only three members and they are in direct contact with the Management Board and the auditors.

on 5.3.2: The Supervisory Board has not established an Audit Committee.

on 5.4.7: Remuneration of the Supervisory Board members as well as compensation or advantages granted for services personally rendered, in particular consultancy and intermediary services, will not be itemized individually.

on 7.1.2: The consolidated annual financial statements will be prepared in April of the year following the business year in question and are then made public. Owing to the invoicing modalities of our distribution partners, we will only be able to publish the interim reports within a period of 60 days after the end of the respective quarter.

on 7.1.4: Owing to the few portfolio holdings that JWP AG owns that are not included in the consolidation, and because these holdings are discussed in the body of the Report, we have desisted from presenting them in table form.

Berlin, April 30, 2007

Report of the Supervisory Board

Dear Shareholders!

In 2006, the Jack White Productions AG Supervisory Board closely concerned itself with the Company's position and prospects as well as with special issues. We received regular comprehensive and timely reports from the Management Board and were kept abreast of decisions of material importance. Between the scheduled meetings, the Management Board reported in writing and orally to the Chairman of the Supervisory Board on relevant developments and pending projects.

In total, the Supervisory Board met on seven occasions in the year under review, discussing current business performance as well as important issues relating to corporate planning and strategy, the risk position and risk management. Moreover, we closely examined the details of the relevant key figures, the financial, investment and personnel planning as well as all the key decisions and items requiring our approval and discussed them with the Management Board. In the year under review, no committees were formed.

Key focus of Supervisory Board discussions

At all the Supervisory Board meetings, the main themes included the continuation of contractual negotiations with SPV GmbH, Hanover, in which JWP AG planned to acquire a majority stake in 2006, as well as the performance of the Group member companies in the United States and Puerto Rico. In order to investigate the irregularities at HoT JWP Music Inc. in Miami, in concurrence with the Management Board we initiated a detailed audit, in which we and in particular the Supervisory Board Chairman were closely included. At the beginning of 2007, the audit brief was expanded and now included filing claims for damages and clarification of the liability of Board members.

Moreover, on an ongoing basis we also scrutinized other possible acquisitions and the ideas and recommendations of the German Corporate Governance Code. The Declaration of Compliance issued by the Management Board and the Supervisory Board in line with section 161 AktG in the version of June 12, 2006, was adjusted and made permanently available at www.jack-white.de.

Alongside these regular matters, at the first Supervisory Board meeting on March 28 the discussion focused in particular on the preliminary annual financial statements for 2005, the preparation of which had been delayed by the switchover of Group accounting from US-GAAP to IFRS. Other topics addressed at the meeting were the Company's business performance in Q1 2006 and the stronger emphasis on digital sales channels. Moreover, we deliberated on the Company's shareholder structure and the contract for Thomas M. Stein as CEO, who moved on March 1 from the Supervisory Board to take up the position of CEO.

The main topic on the agenda of the April 21 meeting was approving the annual financial statements for 2005. In the presence of the auditor we exhaustively debated the documents and passed the necessary resolutions. Moreover, the agenda included the business performance of our portfolio companies.

These were also the topics of our next meeting on May 30. Among other things, we discussed the possible sale of the shares in HoT JWP Music Inc. and the initiative to start a special audit to clarify issues that we felt required light shed on them despite the certified audited annual financial statements. Moreover, we decided on the agenda for the General Meeting 2006 and discussed a draft for new rules of procedure for the Management and Supervisory Boards.

Alongside the course of business in Q2 2006, at our July 25 meeting we extensively discussed the situation in the United States as regards HoT JWP Music Inc., and consulted the local CEO on this. In addition to resolving to conduct an audit of HoT JWP Music Inc. with external support, we decided further measures to respond to the poor market trends and enhance the basis for planning at that company as quickly as possible.

At our Supervisory Board meeting of August 30, we were informed on the sale of the stake of 35 % in HoT JWP Music Inc. effective as of August 1, 2006, and on the preliminary special audit findings. We also closely discussed the H1 consolidated financial statements and the outlook for 2006 as a whole, which had been revised downward owing to the negative earnings trend. We also debated the Company's future strategic thrust.

On October 5, the Supervisory and Management Boards expanded the ongoing audit in the United States to include the Puerto Rican companies VI Music Holding Inc. and VI Music LLC. The debate centered also on the negotiated agreement with SPV GmbH, which was signed on October 18.

The last Supervisory Board meeting took place on December 11 and focused on discussing earnings trends for the year so far. Budget planning for 2007 was postponed owing to the ongoing uncertainties in the United States, which also caused disclosure of the interim financial statements as at Sept. 30, 2006, to be deferred, and the fact that negotiations were still continuing with SPV GmbH. In addition, we discussed the plan to spin out Jack White's new productions into an independent subsidiary, something put into practice on Jan. 31, 2007.

Examination of the annual financial statements and consolidated annual financial statement

The annual financial statements for 2006 of the parent company Jack White Productions AG were prepared in line with HGB. The consolidated annual financial statements were prepared in line with the International Financial Reporting Standards (IFRS). The Supervisory Board appointed the auditors elected by the General Meeting of July 3, 2006, namely Dr. Engelhardt & Collegen GmbH Wirtschaftsprüfungsgesellschaft, Berlin, to audit the annual financial statements. The auditors examined the annual financial statements for both the AG and the Group as well as the combined management report on business 2006, including the accounts, and issued an unqualified opinion on each.

The annual financial statements, consolidated annual financial statements and management report were made available to all members of the Supervisory Boards along with the reports of the auditors. The documents were discussed extensively at the Supervisory Board meeting of April 26, 2007 in the presence of the auditor, who presented the key findings of his examination.

The Supervisory Board has likewise examined the annual financial statements and the consolidated annual financial statements as well as the management report and approves them. We thus concur with the auditor's findings on both sets of statements, approve the annual financial statements and consolidated annual financial statements as at Dec. 31, 2006. The annual financial statement is thus considered adopted.

Changes in the composition of the Management Board and Supervisory Board

Thomas M. Stein, Deputy Chairman of the Supervisory Board until the end of February, moved on March 1, 2006, to the Management Board, which he henceforth chaired. In his place, Christoph Schmidt joined the Supervisory Board as a new member and was appointed Deputy Chairman on April 21, 2006.

As at Sept. 4, 2006, Frank Nußbaum retired from the Management Board owing to differences of opinion on the management of our US portfolio companies. CEO Thomas M. Stein thereupon assumed the duties of CFO on an interim basis.

There were other changes in the first few months of 2007: On Jan. 31, by mutual agreement with the Supervisory Board Jack White retired from the Management Board to concentrate on managing the newly-founded White Records GmbH. In that position the company founder will continue to bring his expertise acquired in over 35 years in the business to bear on behalf of JWP AG.

There was also a change in the Company's Supervisory Board: On March 20, 2007, Holm Tippner, attorney-at-law in Munich, assumed the office held previously at the instruction of Jack White by Christoph Schmidt, who retired at his own wish. The Supervisory Board would like to thank Mr. Schmidt for his consistently constructive and valuable assistance and wishes him all the best for the future.

In business 2006, the Management Board as well as all the staff members of JWP AG again showed exceptional commitment in their work. We would like to thank them all for their efforts and emphasize once again how much we appreciate everyone's dedication. At the same time, we wish them all every success in handling the tasks that face us in 2007.

Berlin, April 2007
The Supervisory Board

Hartmut Fromm, Chairman

Members of the Supervisory Board

Hartmut Fromm
Chairman
Attorney-at-law, Berlin

Albert Czapski
Independent media consultant, Munich

Thomas M. Stein (until Feb. 28, 2006)
Deputy Chairman
Businessman, Baldham

Christoph Schmidt (March 1, 2006 – March 20, 2007)
Deputy Chairman
Consultant, Neubiberg

Holm Tippner (as of March 20, 2007)
Attorney-at-law, Munich

Consolidated Balance Sheet

Assets	Explanatory Notes	Dec. 31, 2006	Dec. 31, 2005
Current assets			
Liquid funds		1,158	1,123
Restricted cash	5.1	0	358
Securities	5.2	794	3,937
Trade accounts receivable	5.3	3,794	10,773
Inventories	5.4	278	600
Other receivables	5.3	5,652	7,060
Total current receivables		**11,676**	**23,851**
Noncurrent assets			
Tangible assets	5.6	555	464
Intangible assets	5.5	16,190	15,685
Participations	5.7	460	407
Interest in associated companies	5.7	0	200
Deferred taxes	5.11	2,754	290
Other financial assets		0	1,103
Total noncurrent assets		**19,959**	**18,149**
Total assets		**31,635**	**42,000**

Figures in € thousands

Liabilities	Explanatory Notes	Dec. 31, 2006	Dec. 31, 2005
Current liabilities			
Trade accounts payable	5.9	492	1,869
Loans and current portion of noncurrent loans	5.8	815	460
Tax accruals		0	245
Provisions	5.10	917	569
Liabilities due to affiliated persons		0	1,395
Other liabilities		3,090	903
Total current liabilities		**5,315**	**5,441**
Noncurrent liabilities			
Loans	5.8	1,234	2,539
Deferred taxes	5.11	352	366
Provisions		0	0
Total noncurrent liabilities		**1,586**	**2,905**
Total liabilities		**6,901**	**8,346**
Shareholders' equity			
Subscribed capital	5.12	7,000	7,000
Paid-in capital	5.12	16,159	16,159
Exchange-rate corrections	5.12	- 139	202
Retained profit / loss		- 3,202	5,912
Equity capital attributable to Group shareholders		**19,818**	**29,273**
Minority interest	5.12	4,916	4,381
Total shareholders' equity		**24,734**	**33,654**
Total liabilities		**31,635**	**42,000**

Figures in € thousands

Consolidated Income Statement

	Explanatory Notes	Jan. 1 – Dec. 31, 2006	Jan. 1 – Dec. 31, 2005
Consolidated sales	6.1	11,646	23,315
Cost of sales	6.2	- 4,379	- 8,743
Gross profits on sales		**7,267**	**14,572**
Selling costs	6.3	- 5,743	- 6,278
General and administrative costs	6.4	- 3,739	- 3,391
Operating profit / loss		**- 2,215**	**4,905**
Interest income	6.8	227	288
Interest expense	6.8	- 98	- 149
Income from participations		20	421
Allocations to / amortization of financial assets	6.6	- 3,552	623
Exchange-rate gains / losses		- 457	27
Restructuring expenses		0	- 146
Other income / expenses	6.9	- 4,232	21
Earnings / profit before taxes		**- 10,307**	**5,988**
Taxes on income		2,226	- 1,417
Profit / loss before minority interests		**- 8,081**	**4,571**
Minority interests	5.12	0	- 1,312
Net profit / loss for the year	7	**- 8,081**	**3,259**

Figures in € thousands

Consolidated Cash Flow Statement

	2006	2005
Net loss / profit for the year	- 8,081	3,259
Profit attributable to minority interests	0	1,312
Additions / disposals of fixed assets	597	637
Cash flow according to the DVFA / SG method	**- 7,484**	**5,208**
Changes in deferred taxes	- 2,478	1,117
Foreign-currency losses	11	- 60
Other income / expenses impacting on cash	- 98	1,080
Increase / decrease in trade accounts receivable	6,979	- 1,063
Increase / decrease in inventories	323	4,972
Increase / decrease in other assets	1,408	- 3,758
Increase / decrease in trade accounts payable	- 1,377	- 4,158
Change in other liabilities	- 870	898
Cash for / from operating activities	**- 3,585**	**4,236**
Change in marketable securities	3,030	- 1,660
Payments for investments in tangible assets	- 237	- 281
Payments for investments in intangible assets	- 856	- 520
Payments from sale of financial assets	358	440
Acquisition of other financial assets	0	- 545
Sale of shares	500	670
Cash for / from investing activities	**2,795**	**- 1,896**
Debt taken up / repaid	815	- 2,518
Cash for / from financing activities	**815**	**- 2,518**
Changes in cash and equivalents impacting on the income Statement	26	- 178
Cash and cash equivalents at the beginning of the period	1,123	1,531
Changes in the scope of consolidation	9	- 230
Cash and cash equivalents at the end of the period	**1,158**	**1,123**

Figures in € thousands

Consolidated Schedule of Changes in Fixed Assets

2006 — **Purchase costs**

	Jan. 1, 2006	Change in scope of consolidation	Additions	Disposals	Exchange-rate difference	Dec. 31, 2006
I. Tangible assets	**995**	**- 220**	**237**	**0**	**- 27**	**985**
1. Land and buildings	0	0	0	0	0	0
2. Other plant, operating and						
office equipment	544	- 174	102	0	- 19	453
3. Improvements to third-party property	451	- 46	135	0	- 8	532
II. Intangible assets	**18,703**	**- 1,376**	**3,184**	**1,120**	**- 62**	**19,329**
1. Catalogs and music master rights	9,452	- 1,353	3,174	0	- 61	11,212
2. Goodwill	9,221	0	0	1,120	0	8,101
3. Software	30	- 23	10	0	- 1	16
4. Other intangible assets	0	0	0	0	0	0
	19,698	**- 1,596**	**3,421**	**1,120**	**- 89**	**20,313**

2005 — **Purchase costs**

	Jan. 1, 2006	Change in scope of consolidation	Additions	Disposals	Dec. 31, 2006
I. Tangible assets	**3,245**	**- 2,529**	**281**	**2**	**995**
1. Land and buildings	224	- 224	0	0	0
2. Other plant, operating and					
office equipment	802	- 487	231	2	544
3. Improvements to third-party property	2,219	- 1,818	50	0	451
II. Intangible assets	**18,055**	**182**	**520**	**54**	**18,703**
1. Catalogs and music master rights	9,685	- 750	517	0	9,452
2. Goodwill	7,991	1,230	0	0	9,221
3. Software	57	- 30	3	0	30
4. Other intangible assets	322	- 268	0	54	0
	21,300	**- 2,347**	**801**	**56**	**19,698**

Depreciation / amortization							Net book value	
Jan. 1, 2006	Change in scope of consolidation	Additions	Disposals	Reclassi- fications	Exchange-rate difference	Dec. 31, 2006	Book value Dec. 31, 2006	Book value Dec. 31, 2005
531	**- 183**	**88**	**8**	**0**	**2**	**430**	**555**	**464**
0	0	0	0		0	0	0	0
270	- 136	43	8	96	3	268	185	274
261	- 47	45	0	- 96	- 1	162	370	190
3,018	**- 399**	**508**	**0**		**12**	**3,139**	**16,190**	**15,685**
2,989	- 376	506	0		12	3,131	8,081	6,463
0		0	0		0	0	8,101	9,221
29	- 23	2	0		0	8	8	1
0	0	0	0		0	0	0	0
3,549	**- 583**	**596**	**8**		**14**	**3,569**	**16,745**	**16,149**

Figures in € thousands

Depreciation / amortization					Net book value	
Jan. 1, 2006	Change in scope of consolidation	Additions	Disposals	Dec. 31, 2006	Book value Dec. 31, 2006	Book value Dec. 31, 2005
2,027	**- 1,579**	**86**	**3**	**531**	**464**	**1,218**
13	- 13	0	0	0	0	211
637	- 415	51	3	270	274	165
1,377	- 1,151	35	0	261	190	842
2,743	**- 276**	**551**	**0**	**3,018**	**15,685**	**15,312**
2,658	- 217	548	0	2,989	6,463	7,027
0	0	0	0	0	9,221	7,991
47	- 21	3	0	29	1	10
38	- 38	0	0	0	0	284
4,770	**- 1,855**	**637**	**3**	**3,549**	**16,149**	**16,530**

Figures in € thousands

Consolidated Schedule of Changes in Equity

	Ordinary shares	Paid-in capital	Retained earnings	Minority shareholders	Adjustments for exchange-rates	Total share-holders' equity
As at Dec. 31, 2004	**7,000**	**16,159**	**2,653**	**4,468**	**- 1,864**	**28,416**
Net profit / loss			3,259	1,312		4,571
Change in the scope						
of consolidation				- 1,483		- 1,483
Exchange-rate adjustments				84	2,066	2,150
As at Dec. 31, 2005	**7,000**	**16,159**	**5,912**	**4,381**	**202**	**33,654**
Net profit / loss			- 8,081			- 8,081
Change in the scope						
of consolidation				- 407		- 407
Exchange-rate adjustments			- 1,033	942	- 341	- 432
As at Dec. 31, 2006	**7,000**	**16,159**	**-3,202**	**4,916**	**- 139**	**24,734**

Figures in € thousands

Explanatory Notes to the Consolidated Annual Financial Statements

1 Group

The parent company, Jack White Productions AG, Berlin, Germany and its subsidiaries (collectively referred to as the "Group") produce and release music recordings featuring different artists and producers. Moreover, since 2001 the Group has also operated a music publishing house.

The Company is a joint-stock corporation domiciled in Berlin, Germany. The address of our registered office is Uhlandstrasse 173/174, 10719 Berlin, Germany.

The Company has issued a Declaration of Compliance with the Corporate Governance Code pursuant to section 161 AktG and included this declaration on its homepage.

2 Basis for the consolidated annual financial statements

2.1 Business year

The business year is identical to the calendar year.

2.2 Accounting pursuant to IFRS

The present consolidated annual financial statements as at Dec. 31, 2006, have been prepared according to the International Financial Reporting Standards (IFRS) – valid on the balance-sheet date – the application of which is mandatory within the European Union.

New standard and interpretations which are obligatory

The following list enumerates the standards, supplements and interpretations not relevant to Jack White Productions AG at present, application of which is obligatory as at January 1, 2006:

- Changes in IAS 19 "Employee Benefits"
- IFRS 6 "Exploration for and Evaluation of Mineral Resources"
- IFRIC 4 "Determining whether an Arrangement contains a Lease"
- IFRIC 5 "Rights to Interests arising from Decommissioning, Restoration and Environmental Rehabilitation Funds"
- IFRIC 6 "Liabilities arising from Participating in a Specific Market-Waste Electrical and Electronic Equipment"

IFRS 8 "Operating Segments" covers reporting in operating segments. Presumably, IFRS 8 will not lead to material adjustments compared with segment reporting to date. Application of the standard is obligatory for business years starting after January 1, 2009.

IFRIC 10 "Interim Financial Reporting and Impairment" shall be applied for business years commencing after November 1, 2006. According to this interpretation, it is not permissible at a later balance-sheet date to reverse value impairments, that were charged to goodwill in an interim period, to investments in equity capital instruments and to financial assets carried at purchase cost.

IFRS 8 and IFRIC 10 will not have a material impact on the consolidated annual financial statements of Jack White AG.

Standards, supplements and interpretations applicable in future business years but not applicable to the Jack White Group are:

- IFRS 7 "Financial Instruments: Disclosures", mandatory for business years commencing after January 1, 2007.
- IFRIC 7 "Applying the Restatement Approach under IAS 29 Financial Reporting in Hyperinflationary Economies", obligatory for business years starting after January 1, 2007.
- IFRIC 8 "Scope of IFRS 2", mandatory for business years commencing after May 1, 2006.

No use was made of the option of applying standards and interpretations ahead of time. Jack White Productions AG assumes that the application of these standards and interpretations would have had no material effect on its asset, financial and earnings position.

2.3 Currency

All sums in the consolidated annual financial statements are (with the exception of the statement on EpS) stated in thousand euros.

2.4 Scope of consolidation

The scope of fully consolidated companies includes alongside Jack White Productions AG all the subsidiaries in which Jack White Productions AG directly or indirectly holds the majority of the voting rights.

The following companies are included:

- **Transcontinent Musikverlag GmbH, Berlin**
  Founded in 1961, this company operates as a music publisher, mainly handling exploitation of copyrights. It was sold with effect from July 1, 2001 by J.W. Beteiligungen GmbH, Kitzbühel, Austria, to Jack White Productions AG.

- **VI Music Holding Inc., San Juan/Puerto Rico**
  Jack White Productions AG holds 50 percent plus one share in the company. The remaining 50 percent are held by Juan Vidal, San Juan, Puerto Rico. The company acts as the holding company for the stake held in VI Music LLC and to distribute the profits from said participation.

— **VI Music LLC, San Juan/Puerto Rico**
The company's business purpose is to produce and release music. VI Music Holding Inc. and Universal Music Group each hold 50 percent in the company.

The following company is no longer included in the consolidation:

— **HoT JWP Music Inc., Miami/USA**
The object of the company: to acquire copyrights and neighboring rights and to exploit them. The exploitation of the neighboring rights includes the production, reproduction and distribution of all types of audio recordings.

With effect from August 1, 2006, Jack White Productions AG sold the majority in its US subsidiary HoT JWP Music Inc. Swiss-based strategic investor MXL Maxilab Investment AG, Zurich, acquired a share of 35 percent in the company, meaning that the stake held by Jack White Productions AG fell to 48.3 percent as a result of which HoT JWP Music Inc. is in future no longer included in the consolidation. The stake is carried at equity and posted under associated companies.

2.3. Participations

The participations in associated companies include:

— **HoT JWP Music Inc., Miami/USA**
This is explained in the section "no longer included in the consolidation".

No longer included as associated companies:

— **VIDAL Investments Inc., San Juan/Puerto Rico**
The company operates 22 music retail outlets and a music wholesale unit and produces and distributes music. In line with the agreement of April 15, 2006, Jack White Productions AG sold its share of 50 percent minus one share to Vidal Investments Inc.

— **Jürgen Koppers Mastering Lab, Unterföhring**
Jack White Productions AG held a 40-percent stake in the net income of Jürgen Koppers Mastering lab, based in Unterföhring near Munich. This studio uses a special mastering technique to optimize the sound quality when copying audio recordings. Jack White Productions AG's stake in the company was an atypical dormant participation. With the death of the owner Jürgen Koppers, business operations and the participation have ceased.

3 Key accounting principles

3.1 Principles of consolidation

Capital consolidation

The annual financial statements of the individual subsidiaries are included in the consolidated annual financial statements pursuant to IFRS 3 "Business Combinations" in line with the so-called "purchase method" by netting the purchase cost of the participation against the pro-rated share of the equity attributable to the Company at the point in time of the acquisition after revaluation of the assets and liabilities of the company at fair value. Differences between the purchase costs and the pro-rated equity are, to the extent that these are capitalized differences, booked as goodwill under intangible assets. Should the purchase price of the participation exceed the assets and liabilities identified, then the figure is immediately booked to the income statement in the year acquired.

Consolidation of debts and earnings, elimination of intra-Group profits and shares held by minority interests

All receivables and liabilities, sales, expenses and earnings as well as intra-Group profits within the Group are eliminated in the course of consolidation. Tax deferrals are entered for any consolidation processes that impact on the income statement to the extent that the difference in tax expense will presumably balance out in later business years. A corresponding balancing item is established for minority interests for the share of voting rights in fully consolidated subsidiaries not attributable to the Group.

Participations in associated companies

Companies in which the AG held between 20 % and 50 % of the voting rights and where it exercised a material influence on the business and financial policy ("associated companies") are entered using the equity method. At the point in time of first-time inclusion of the associated companies, the stake is entered at purchase cost. In subsequent periods, the book value is discounted in order to reflect changes in the equity attributable to the Group. A value impairment test is carried out to the extent that there are indications that the value of the participation has fallen.

3.2 Segment reporting

The objective of segment reporting is to provide information on the Group's key segments. A business segment is a group of assets and operating activities that make available a product or service and differ in terms of risks/opportunities from the other segments.

3.3 Foreign-currency translation

The annual financial statements of non-German Group member companies are translated in line with IAS 21 "The Effects of Changes in Foreign Exchange Rates" direct form the local currency into euros, as the foreign companies independently conduct their business in financial, economic and organizational terms (concept of functional currency). The fixed assets and debt are thus converted at the mean rate on the balance-sheet date (Dec. 31 rate). Equity is converted at historical rates. Expenses and income are converted at the average rate for the year.

The key exchange rate for the Group is that for the US-dollar, which tended as follows (equivalent value of EUR 1):

Country	Dec. 31 rate Dec. 31, 2006 in €	Dec. 31 rate Dec. 31, 2005 in €	Average rate for the year 2006 in €	2005 in €
USA, Puerto Rico 1 USD	0.7593	0.843	0.7964	0.8034

In the annual financial statements of the individual companies as prepared in local currencies, exchange-rate receivables and liabilities are booked to the income statement at the Dec. 31 rate.

3.4 Use of estimates

When preparing the consolidated annual financial statements in compliance with the International Financial Reporting Standards, the Company management has to make estimates and assumptions that during the business year influence both the size of the assets and liabilities carried as well as the income and expenses posted. The actual results can deviate from these estimates and assumptions.

Estimates are necessary in particular as regards forming and valuing the items for deferred tax assets on fiscal loss carryforwards, assessing the value impairment of goodwill and valuing fixed assets.

4 Accounting and valuation principles

4.1 Cash and cash equivalents

Cash and cash equivalents include cash in hand, sight deposits, current account balances and other current highly-liquid financial assets with an original term of up to three months. In the balance sheet, current-account loans are carried under current liabilities as liabilities due to banks.

4.2 Financial assets

For the Jack White Group, participations, loans and securities are assigned to the categories "loans and receivables" and booked to the income state "at fair value through profit and loss". Loans are posted at the discounted purchase cost. The profit/loss due to valuation of financial assets in subsequent years as assigned "at fair value through profit and loss", is booked to the income statement. Purchases/ sales of securities are entered at the date of fulfillment.

4.3 Trade accounts receivable

Trade accounts receivable are initially carried at the fair market value and then in following years at the discounted purchase cost.

4.4 Inventories

Inventories are valued in line with IAS 2 "Inventories" at purchase or production cost or at the lower net sales value. Production costs include directly attributable material and wage costs as well as pro-rated overheads (based on normal operating capacities). Purchase/production costs contain no outside capital costs and are defined on the basis of weighted average costs. The net sales value is the estimated sales revenue that can be realized through a normal business transactions less the necessary variable selling costs.

4.5 Intangible assets

Intangible assets carried are music neighboring rights acquired as well as own production and recording costs capitalized, software and goodwill with a limited useful life. With the exception of goodwill acquired for consideration ("goodwill") the intangible assets are carried in line with IAS 38 "Intangible Assets" at purchase or production cost less cumulative straight-line amortization. The costs of outside capital are not included here. The useful life of the music rights is put at 20 years.

Neighboring rights to music

Neighboring rights to music were contributed by Jack White to Jack White Productions Aktiengesellschaft in 1998 at ongoing estimated production cost. Amortization on music catalogs acquired is entered as of commencement of their exploitation on a straight-line basis over 20 years.

4.6 Tangible assets

Tangible assets are mainly operating and office equipment, improvements to third-party properties and vehicles. Tangible assets are valued at purchase or production cost at the time of their acquisition. For following periods, scheduled depreciation is charged using the straight-line method, which the purchase or production costs spread across the years of use.

To this end, the following useful lives are assumed:

Operating and office equipment:	3 – 13 years
Improvements to third-party property:	5 – 9 years
Vehicle pool:	6 – 7 years

In the event of indications of a value impairment, an impairment test is carried out pursuant to IAS 36 (see note 4.7).

Book gains/losses from disposals are charged to the income statement at the date of the disposal.

4.7 Value impairments

The goodwill on the balance sheet is subject to a value impairment test at least once a year in line with IAS 36 "Impairment of Assets". If the sum realizable is lower than the book value of the goodwill, then a value impairment is charged to the income statement. Value adjustments upward are not permissible.

Intangible assets excluding goodwill and tangible assets with a limited useful life are subject to a value impairment test in line with IAS 36 if there are indications that the realizable selling value for the asset has fallen below the book value. The realizable sum shall be the higher of net sales value and useful value. The net sale value corresponds to the sum from a sale of the asset at customary market conditions less selling costs. The useful value is calculated using the expected future cash flow that the asset will probably generated assuming continued identical use over the useful life.

Should the reason for the value impairment charged in a prior period cease to apply, then the value shall be raised to at most the book value; this does not apply to goodwill.

In 2006, there were no indications for a value impairment of the intangible and tangible assets. In line with IAS 36 a value impairment test was carried out on the book value of VI Music LLC.

4.8 Taxes on income

Taxes on income are carried in line with IAS 12 ("Income Taxes"). According to this method, deferred tax assets or liabilities are itemized in the balance sheet. Taken into account is the fiscal impact that arises from timing differences between the balance-sheet entries compiled for assets and liabilities under commercial law and those prepared under fiscal law and which will be offset in future business years. These are identified on the basis of the tax rates and fiscal regulations that will apply given the law at the probable time the differences are written back. Moreover, deferred tax assets are carried for fiscal loss carryforwards. A value impairment is charged to the extent that it is improbable that deferred tax assets will be realized.

4.9 Financial debt

Liabilities, to the extent that they are financial instruments in the sense of IAS 39 "Financial Instruments: Recognition and Measurement" and are not associated with a hedging instrument, are carried at discounted purchase price. Current liabilities are carried at the sum repayable or the fulfillment sum, which approximately corresponds to the fair market value.

4.10 Provisions

Provisions are set up in line with IAS 37 "Provisions, Contingent Liabilities and Contingent Assets" for current and future legal or factual liabilities toward third parties, which more likely than not will lead to an outflow of resources that can itself be reliably calculated. The valuation of the provisions is carried out on the basis of the fulfillment sum most probable to eventuate or, given an equal spread of probabilities, at the expected value of the fulfillment sums. Noncurrent provisions with a remaining term of more than one year are carried at the fulfillment sum discounted at the balance-sheet date.

4.11 Leasing

Leasing relationships in which a material portion of the opportunities/risks associated with the property remain held by the lessor are classified as operating leases. Payments made in connection with an operating lease are entered in the income statement on a straight-line basis for the duration of the lease.

4.12 Sales realization

Sales realization is carried out in line with IAS 18 "Revenue". Thus, the company realizes sales from deliveries when the economic ownership has been assigned to the buyer or is under his control and from sales of services including the products used after the service has been rendered.

Alongside sales revenues from the sale of audio recordings, whereby sales realization is geared to the respective general commercial principles, Group member companies also book revenue from the exploitation of music master rights. These are based on master rights that the Group member companies hold for certain countries and certain periods of time, which can, to the extent that the rights are limited in time, be as much as 50 years.

4.13 Earnings per share

EpS is defined in line with the principles of IAS 33 "Earnings per Share". In this context, the undiluted earnings per share shall be stated.

5 Explanatory notes to individual items on the balance sheet

5.1 Financial resources with restricted rights of disposal

A US-$ cash account is pledged for a loan in SFr from the same bank. The loan was repaid in business 2006. The cash in the account came to EUR 0 as at Dec. 31, 2006, as against EUR 358 thousand one year earlier.

5.2 Marketable securities

Securities carried as current assets are classified as "financial assets charged to the income statement at the fair market value". They are valued at the time of acquisition and at the fair market value on the respective balance-sheet date. The resulting profit/loss is booked to the income statement.

The book value of the securities is EUR 794 thousand (prior year: EUR 3,937 thousand). In business 2006, price gains of EUR 10 thousand (prior year: EUR 73 thousand) were charged to earnings.

5.3 Trade receivables and other receivables

Receivables totaling EUR 9,446 thousand (prior year: EUR 17,833 thousand) were made up as follows:

€ thousand	Dec. 31, 2006	Dec. 31, 2005
Trade receivables	3,794	10,773
Receivables from associated companies	355	150
Loan receivables	617	1,265
Other receivables	2,431	2,628
Advance payments to artists	1,549	2,010
Deferred receivables	341	679
Tax receivables	359	328
Trade receivables and other receivables	**9,446**	**17,833**

The structure of trade receivables in the consolidated annual financial statements by member companies included:

€ thousand	Dec. 31, 2006	Dec. 31, 2005
VI Music LLC	184	3,094
VI Music Holding Inc.	1,253	921
Transcontinent Musikverlag GmbH	388	429
Jack White Productions AG	1,969	1,636
HoT JWP Music Inc. (until July 31, 2006)	2,250	4,693
Total (2006 excl. HoT JWP Music Inc.)	**3,794**	**10,773**

5.4 Inventories

Inventories totaling EUR 278 thousand (prior year: EUR 600 thousand) mainly comprise audio recordings not yet sold. No value impairments were charged on inventories for the year under review.

5.5 Goodwill and intangible assets

Changes in goodwill and intangible assets are presented in the Group schedule of changes in assets.

As at Dec. 31, 2006 and 2005, intangible assets were composed as follows:

€ thousand	Dec. 31, 2006	Dec. 31, 2005
Goodwill	8,101	9,221
Catalogs and music rights	11,212	9,452
Software and other	16	30
Cumulative amortization and value impairments	- 3,139	- 3,018
Goodwill and intangible assets	**16,190**	**15,685**

In 2006, scheduled amortization on intangible assets came to EUR 508 thousand (2005: EUR 551 thousand).

The goodwill resulting from the capital consolidation of EUR 8,101 thousand (prior year: EUR 9,221 thousand) is made up as folllows:

€ thousand	Dec. 31, 2006	Dec. 31, 2005
VI Music Holding Inc.	1,590	1,590
VI Music LLC	6,295	6,295
Transcontinent Musikverlag GmbH	216	216
HoT JWP Music Inc.	0	1,120
Value impairments on the goodwill	0	0
Total	**8,101**	**9,221**

The change on the year of EUR 1,120 thousand results from the sale of 35 % of the shares in HoT JWP Music Inc. The stake held by Jack White Productions AG after the sale is 48.3 %, meaning that the former company is no longer fully consolidated and was deconsolidated in 2006.

Impairment test on the goodwill

According to IAS 36, an impairment test shall be conducted on the goodwill once a year. The scope defined for the goodwill impairment test is derived from the structure of internal and external reporting (management approach). In line with IAS 36, the scope tested may not exceed that of a segment as defined in IAS 14. VI Music LLC is classified to the Labels segment in the Jack White Group. In business 2006, VI Music LLC saw an appreciable drop in sales. According to IAS 36, the value impairment test shall be conducted either at the level of the segments defined in the segment reporting or at that of the individual smaller CGUs (cash-generating units) or a smaller group of CGUs. For the purposes of the impairment test, VI Music LLC was defined as a single independent CGU.

An impairment expense shall be charged if the recoverable amount for VI Music LLC is lower than the book value. The recoverable amount is set as the respectively higher value of net selling price and the value of the expected value in use. The impairment test on the goodwill applies the DCF method to the expected cash flow. Cash flow is defined in line with the medium-term business plan of VI Music LLC. The cash flow forecast is compiled using the budgeted gross margin of 21.9 %. The assumed figures are based on past trends and reflect future expectations. With a view to the growth opportunities as well as the possible market trend, we assume long-term growth of free cash flow of 1 % percent p.a.

The discount rate derived from the cost of capital is 7.8 % p.a. The comparison of the book value with the realizable sum reveals no need to adjust the value of the goodwill downward.

5.6 Tangible assets

Changes in tangible assets are presented in the Schedule of Changes in Consolidated Assets. As at Dec. 31, the tangible assets were structured as follows:

€ thousand	Dec. 31, 2006	Dec. 31, 2005
Operating and office equipment	421	513
Improvements to third-party property	532	451
Vehicle pool	32	32
Cumulative depreciation/amortization	430	532
Tangible assets	**555**	**464**

In 2006, scheduled depreciation on tangible assets was charged of EUR 88 thousand (prior year: EUR 86 thousand).

5.7 Financial assets

€ thousand	Dec. 31, 2006	Dec. 31, 2005
Participations	460	829
Share in associated companies	1,002	200
Loans	0	567
Other financial assets	0	9
Value impairments on participations	- 1,002	0
Financial assets	**460**	**1,605**

The value impairments on participations and loans in business 2006 are EUR 1,002 thousand (prior year: EUR 0 thousand). The need for an impairment arose as part of the at-equity valuation of the stake in the associated companies.

5.8 Financial liabilities

€ thousand	Dec. 31, 2006	with a remaining term of up to 1 year	more than 1 year	Dec. 31, 2005	with a remaining term of up to 1 year	more than 1 year
Liabilities due to banks	815	815	0	0	0	0
Financial liabilities due associated companies	1,234	0	1,234	2,539	0	2,539
Other financial liabilities	808	808	0	1,363	1,363	0
Total financial liabilities	**2,857**	**1,623**	**1,234**	**3,902**	**1,363**	**2,539**
Cash and cash equivalents	- 1,158			- 1,123		
Net financial debt	**1,699**			**2,779**		

Liabilities due to banks consist of Jack White Productions AG current-account liabilities.

Financial liabilities due to associated persons of EUR 1,234 thousand are made up of VI Music Holding Inc. loan liabilities payable to Universal. Repayment of the loan occurs by contractual agreement through VI Music LLC profit disbursements.

5.9 Trade accounts payable and other liabilities

€ thousand	Dec. 31, 2006	with a remaining term of up to 1 year	more than 1 year	Dec. 31, 2005	with a remaining term of up to 1 year	more than 1 year
Trade accounts payable	492	492	0	1,869	1,869	0
Liabilities due to associated persons	0	0	0	1,350	1,350	0
Other liabilities	1,987	1,987	0	0	0	0
Deferred income	**295**	**295**	**0**	**45**	**45**	**0**
Total liabilities	**2,774**	**2,774**	**0**	**3,264**	**3,264**	**0**

Other liabilities totaling EUR 1,987 thousand result from liabilities for outstanding invoices for services already received at VI Music LLC and VI Music Holding Inc. The services involved are mainly license fees and settlements payable to holders of copyrights.

5.10 Provisions

€ thousand	Artists' lisense and GEMA fees	Returns	Uncertain liabilities	Total
as at Dec. 31, 2005	**393**	**0**	**176**	**569**
Additions	214	215	467	896
Consumption	- 393	0	- 155	- 548
Write-backs	0	0	0	0
as at Dec. 31, 2006	**214**	**215**	**488**	**917**

The above provisions of a short-term nature.

5.11 Deferred taxes

Deferred tax assets and liabilities are netted if an actionable legal claim exists to settlement and the deferred taxes relate to the same IR office. The following sums were netted:

€ thousand	Dec. 31, 2006
Deferred tax assets	
Deferred tax assets realized after more than 12 months	3,281
Deferred tax liabilities	
Deferred tax liabilities realized after more than 12 months	527
	2,754

The deferred tax assets/liabilities are posted in the balance sheet as follows:

€ thousand	Dec. 31, 2006	Dec. 31, 2005
Deferred tax assets	**2,754**	**290**
Loss carryforwards	2,754	290
of which current	6	290
Deferred tax liabilities	**- 352**	**- 366**
Intangible asset	- 352	- 327
Receivables	0	- 39
of which current	0	-60
Deferred taxes	**2,402**	**-76**

Deferred taxes for timing differences were set at the tax rate expected for the point when the differences are reversed. A combined tax rate of 38.9 % (prior year: 38.9 %) was assumed for the companies domiciled in Germany, of 30 % for companies based in the United States, and of 7 % for companies registered in Puerto Rico.

5.12 Shareholders' equity

Subscribed capital

The total number of authorized ordinary share was 7.0 million as at Dec. 31, 2006 (2005: 7.0 million). The shares have a par value of EUR 1 per share (ordinary shares without a nominal value).

Paid-in capital

The figure exceeding the portion of the capital stock attributable to the subscribed shares is allocated as a premium to the paid-in capital.

Authorized capital

The Management Board of Jack White Productions AG is authorized, subject to the approval of the Supervisory Board, to raise the Company's capital stock by up to EUR 3,200,000 by one or several issues of bearer shares on a scale permissible by law against cash or against contributions in kind. Under certain circumstances, shareholders' subscription rights can be excluded.

Revenue reserves

The revenue reserves include the retained earnings.

Exchange-rate corrections

The exchange-rate differences stem from the conversion of the assets and liabilities of the non-German subsidiaries as well as the income statement.

Dividends

Dividends may only be disbursed from and paid using the Company's unappropriated earnings and revenue reserves, such as are posted in the German annual financial statements prepared according to German commercial law. These figures differ from the profits carried forward as are presented in these consolidated annual financial statements prepared pursuant to IFRS. As at Dec. 31, 2006 the Jack White Productions AG annual financial statements prepared according to German commercial law show a loss for the year of EUR 8.4 million resulting from net loss for the year of EUR 7.9 million and a loss carryforward of EUR 0.5 million.

Minority interests

Under minority interests we enter the portion of profits and exchange-rate differences attributable to minority interests.

6 Explanatory notes to the income statement

6.1 Consolidated sales

Sales revenues are generated by the following companies:

€ thousand	Dec. 31, 2006	Dec. 31, 2005
VI Music LLC	3,964	10,223
Jack White Productions AG	6,055	9,751
Transcontinent Musikverlag GmbH	352	331
HoT JWP Music Inc. (until July 31, 2006)	1,275	3,010
Consolidated sales	**11,646**	**23,315**

6.2 Cost of sales

The cost of sales in the year under review were spread across the Group member companies as follows:

€ thousand	Dec. 31, 2006	Dec. 31, 2005
VI Music LLC	1,760	5,589
Jack White Productions AG	2,369	2,245
Transcontinent Musikverlag GmbH	152	53
HoT JWP Music Inc. (until July 31, 2006)	98	856
Cost of sales	**4,379**	**8,743**

Cost of sales of Jack White Productions AG mainly relate to license expenses for artists (EUR 1,066 thousand), amortization on music exploitation rights (EUR 409 thousand) and depreciation on tangible assets (EUR 66 thousand).

Cost of sales for Transcontinent Musikverlag GmbH are directly attributable personnel costs (EUR 96 thousand) and amortization on publishing rights (EUR 53 thousand).

Cost of sales of HoT JWP Music Inc. resulted mainly from costs of materials (EUR 31 thousand) and amortization on music catalogs (EUR 56 thousand).

Cost of sales for VI Music LLC included personnel costs directly attributable to production of EUR 568 thousand, expenses for future inventory risks (EUR 230 thousand), expenses for future unrecoverable claims (EUR 259 thousand) and amortization on music exploitation rights (EUR 46 thousand).

6.3 Selling costs

The costs stated are spread across the Group member companies as follows:

€ thousand	Dec. 31, 2006	Dec. 31, 2005
VI Music LLC	1,735	2,163
Jack White Productions AG	3,979	4,115
Transcontinent Musikverlag GmbH	29	0
Selling costs	**5,743**	**6,278**

Selling costs of Jack White Productions AG relate mainly to BMG fees for distribution of audio and video recordings of EUR 1,177 thousand, promotion expenses (EUR 919 thousand), GEMA fees (EUR 613 thousand) and outlays for artists and video costs (EUR 152 thousand).

The selling costs for VI Music LLC stem from expenses for sales promotion measures as well as for marketing and advertising audio recordings and artists.

6.4 General and administrative costs

The costs carried are spread across the Group member companies as follows:

€ thousand	Dec. 31, 2006	Dec. 31, 2005
VI Music LLC	370	344
Jack White Productions AG	2,837	1,505
Transcontinent Musikverlag GmbH	76	214
VI Music Holding Inc.	0	40
HoT JWP Music Inc. (until July 31, 2006)	456	1,288
General and administrative costs	**3,739**	**3,391**

General administrative costs consist of consultancy costs and the costs of preparing the annual financial statements, wages and salaries incl. contributions to social benefit plans, rental, travel and hospitality costs. A sum of EUR 55 thousand was incurred for the examination of the annual financial statements and consultancy provided by the auditors. Moreover, general administrative costs also include expenses from operating leases for renting studio rooms and business vehicles.

6.5 Depreciation/amortization on tangible and intangible assets

Depreciation / amortization on tangible and intangible assets in business 2006 was composed as follows:

€ thousand	Dec. 31, 2006	Dec. 31, 2005
Goodwill	0	0
Intangible assets	508	551
Tangible assets	88	86
Inventories	0	0
Depreciation / amortization on tangible and intangible assets	**596**	**637**

6.6 Value impairments on financial assets

The total volume of value impairments of Jack White Group financial assets in business 2006 came to EUR 3,552 thousand (2005: revaluation of EUR 623 thousand). The impairments mainly relate to the stake Jack White Productions AG held in HoT JWP Music Inc. as well as loan receivables against the latter. Given the business position of HoT JWP Music Inc. the book value of the participation had to be reduced by EUR 430 thousand. The value impairments charged on loans by Jack White Productions AG to HoT JWP Music Inc. totaled EUR 2.6 million.

6.7 Personnel expense

Jack White Group personnel expense rose on the year by EUR 706 thousand from EUR 1,380 thousand to EUR 2,086 thousand, mainly as a result of severance payments for former Management Board members of Jack White Productions AG. In 2006, on average the Jack White Group payroll was 22.

6.8 Interest income/expense

Interest income/expense in business 2006 was spread across the following Group member companies:

€ thousand	Dec. 31, 2006	Dec. 31, 2005
Jack White Productions AG	220	287
Transcontinent Musikverlag GmbH	2	1
VI Music Holding Inc.	1	0
HoT JWP Music Inc. (until July 31, 2006)	4	0
Total	**227**	**288**
Jack White Productions AG	16	0
Transcontinent Musikverlag GmbH	0	4
VI Music Holding Inc.	0	4
HoT JWP Music Inc. (until July 31, 2006)	82	141
Total	**98**	**149**

Net interest income amounts to EUR 129 thousand (prior year: EUR 139 thousand).

6.9 Other expenses

Total other expenses in 2006 came to EUR 5,048 thousand (2005: EUR 1,452 thousand), a rise mainly triggered by value impairments on receivables. At Jack White Productions AG this relates primarily to receivables from HoT JWP Music Inc. that have been written off owing to a complete loss of value.

7 Segment information

The segment reporting has been prepared in line with IAS 14 and is geared to the Jack White Group's internal reporting structure and is primarily based on the Group's operating divisions: Labels and Publishing.

The "Labels" segment brings together both music production and the marketing of music catalogs. The "Publishing" segment comprises the acquisition of copyrights and marketing thereof.

In the secondary segment, we have formed two geographical areas: the regions of Europe and of the USA/Puerto Rico.

The following financial data arose for the year under review:

€ thousand	Labels		Publishing		Group	
	Dec. 31, 2006	Dec. 31, 2005	Dec. 31, 2006	Dec. 31, 2005	Dec. 31, 2006	Dec. 31, 2005
Consolidated sales	11,254	22,984	392	331	11,646	23,315
of which USA/Puerto Rico	5,239	13,233	0	0	5,239	13,233
Gross profits on sales	7,067	14,294	199	278	7,267	14,572
of which USA/Puerto Rico	3,381	6,788	0	0	3,381	6,788
Depreciation / amortization	592	583	56	54	648	637
of which USA/Puerto Rico	52	195	0	0	52	195
Financial profit / loss	- 3,397	1,214	- 5	- 4	- 3,402	1,210
of which USA/Puerto Rico	- 77	236	0	0	- 77	236
Profit / loss	- 8,148	3,191	67	68	- 8,081	3,259
of which USA/Puerto Rico	- 308	1,467	0	0	- 308	1,467
Minority interests	0	1,312	0	0	0	1,312
of which USA/Puerto Rico	0	1,312	0	0	0	1,312
Tangible assets	551	456	4	8	555	464
of which USA/Puerto Rico	60	131	0	0	60	131
Intangible assets	15,209	14,651	981	1,034	16,190	15,685
of which USA/Puerto Rico	8,660	10,877	0	0	8,660	10,877
Employees	20	28	2	2	22	30
of which USA/Puerto Rico	7	19	0	0	7	19

8 Earnings per share

The earnings per share are derived from net income for the year divided by the weighted average of the number of shares outstanding during the year.

The loss per share for the year (prior year: EpS) was thus as follows:

€ thousand	2006	2005
Net profit / loss	- 8,081	3,259
Divided by:		
Weighted no. of outstanding shares (undiluted)	7,000,000	7,000,000
Loss / earnings per share (undiluted)	**- 1.15**	**0.47**

9 Additional information on the cash flow statement

The cash flow statement was prepared in line with the regulations of IAS 7 (cash flow statement). It shows changes in Jack White Group cash and cash equivalents in the course of the year under review. To this end, the cash flow statement is sub-divided into operating activities, investing activities and financing activities.

The cash outflow calculated by the DVFA/SG method for business 2006 totaled EUR 7.484 thousand (2005: inflow of EUR 5,208 thousand), or an appreciable drop on the year by EUR 12,692 thousand. Cash outflow for operating activities totaled EUR 3,585 thousand (2005: cash inflow of EUR 4,236 thousand). Income tax and interest payments are included under the cash outflow for operating activities.

Income tax payments of EUR 8 thousand (2005: EUR 484 thousand) are included in the outflow for operating activities. Interest payments for the period amounted to EUR 98 thousand (2005: EUR 149 thousand). Interest income fell from EUR 288 thousand to EUR 227 thousand in 2006.

Investments ran at EUR 1,093 thousand, up EUR 292 thousand on the figure of EUR 801 thousand one year earlier.

The cash flow for financing activities came to EUR 815 thousand (2005: outflow of EUR 2,518 thousand) and results from a current account loan being taken up.

Cash and cash equivalents consist of cash in hand and bank balances.

10 Other financial obligations

Total other Group financial obligations came to EUR 529 thousand and entailed commitment for future rental and lease payments. For the Group, office and studio premises were rented in Berlin and Munich as well as office premises in Miami, USA. The Jack White Productions AG rental contracts in Berlin can be terminated at short notice. Notice on the rooms rented in Munich cannot be given at short notice for business reasons owing to the improvements made to third-party property there. For business 2007 we bear rental commitments of EUR 140 thousand (2005: EUR 99 thousand).

Moreover, financial commitment also result from vehicle lease agreements. The share of vehicle rental in the total commitments is EUR 146 thousand. In 2006, obligations for vehicle leases come to EUR 47 thousand (prior year: EUR 34 thousand).

11 Fiscal affiliations

Jack White Productions AG and Transcontinent Musikverlag GmbH were separate fiscal entities.

12 Risks

As an internationally active company, in the course of its business Jack White Productions AG is exposed to risks arising from changes in exchange-rates, prices and interest rates.

Financial assets that possibly constitute a concentration of credit risk for the Company consist primarily of cash in hand and current investments and receivables. Bank balances are kept in EUR and US dollars. Short-term investments are in high-quality securities.

JWP AG intends to develop an appropriate risk management system in 2007. In 2006, the Company countered the risks met by stronger involvement of the Supervisory Board and special audits.

The exchange-rate risk is not hedged.

13 Occurrences after the balance sheet date

The Jack White Productions AG Supervisory Board resolved the sale of its Transcontinent Musikverlag GmbH subsidiary in December 2006. The latter is a music publishing company and as such essentially exploits copyrights. As part of the Group's restructuring, the sale of the Publishing segment is destined to strengthen the concentration on the core music production business.

The planned sale of Transcontinent Musikverlag GmbH is not classified in the consolidated annual financial statements for 2006 in line with IFRS 5.7 and 5.8 as a "held-for-sale segment", as the anticipated sale did not commence actively until after Dec. 31, 2006. Several actual offers for the company had been received when this report went to press.

14 Relations to affiliated companies, partners, family and friends

According to IAS 24 "Related Parties", persons and companies must be disclosed who can exert a material influence on the Company, i.e., on the Company's financial and business policy, without however controlling it, including close family members. In business 2006 this relates to the Supervisory Board and the Management Board as well as the members' close relatives, and the Universal Music Group.

14.1 Relations to affiliated companies

The Company maintains the customary business relationships with its affiliates. The following transactions were of material importance in this respect:

Noncurrent liabilities include loan liabilities of EUR 1,234 thousand (2005: EUR 2,539 thousand) vis-à-vis Universal Music Group. Repayment of the loan is made via profit disbursements by VI Music LLC. The receivables vis-à-vis Universal Music Group result from the normal course of the delivery and service relationship.

14.2 Relations to affiliated persons

Jack White

Jack White owns copyrights to licenses tied to his person. The receivables totaling EUR 155 thousand (2005: EUR 150 thousand) relate to production and promotion costs being passed on on a pro-rated basis as they arose at Jack White Productions AG and from which Jack White draws a future advantage from income from GEMA fees.

Total Management Board remuneration

Remuneration of the Management Board totaled EUR 1,139 thousand (prior year: EUR 396 thousand).

Supervisory Board emoluments

Supervisory Board emoluments came to EUR 12 thousand, as in the prior year.

Business 2006 € thousand	**Receivables**	**Liabilities**
Supervisory Board	290	0
Jack White	155	0
Universal Music Group	1,043	1,234
Total	**1,488**	**1,234**

Members of the Boards of the Parent Company

Composition of the Supervisory Board:

Hartmut Fromm, attorney-at-law, Berlin
– Chairman of the Supervisory Board

Offices: Chairman of the Supervisory Board of IMW Immobilien AG, Berlin; Chairman of the Supervisory Board of M. Tech Technologie und Beteiligungs AG, Unterensingen; Deputy Chairman of the Supervisory Board of CeWe Color Holding AG, Oldenburg; Member of the Supervisory Board of All Welding Technologies AG, Hanau; President of the Advisory Board of Vermar Verwaltungs- und Marktstudien AG, Zurich (Switzerland); Member of the Advisory Board of DUX Trust Partners AG, Triesen (Grand Duchy of Liechtenstein); Member of the Advisory Council of Homburg N.V. and of Homburg Invest Inc., Soest (Netherlands); Member of the Management Board and Treasurer of Kaiser Friedrich-Museums-Verein, Berlin.

Albert Czapski, independent media consultant, Munich
– no other offices

Thomas M. Stein, businessman, Baldham
– Deputy Chairman of the Supervisory Board until Feb. 28, 2006
– no other offices

Christoph Schmidt, consultant, Neubiberg
– March 1, 2006 until March 20, 2007
– no other offices

Holm Tippner, attorney-at-law, Munich
– since March 20, 2007

Office: Chairman of the Supervisory Board of Allgemeine Leasing Munich AG

Members of the Management Board:

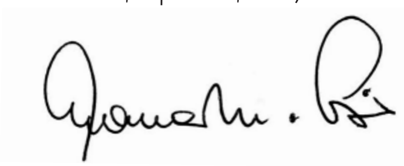
Thomas M. Stein, businessman, Baldham
– CEO as of March 1, 2006

Horst Nußbaum, aka Jack White, businessman, Kitzbühel, Austria
– CEO until Feb. 28, 2006
– Member of the Management Board until Jan. 31, 2007

Frank Nußbaum, B.A: Comm., Kleinmachnow
– CFO until Sept. 4, 2006

Shareholder structure	No. of shares (Units)	Share of capital stock (%)
Free float	5,620,000	80.29
Effecten-Spiegel AG	840,000	12.00
Heinz Heiler	540,000	7.71
Total	**7,000,000**	**100.00**

Berlin, April 26, 2007



Thomas M. Stein

Audit Opinion

We have examined the consolidated annual financial statements of Jack White Productions Aktiengesellschaft, Berlin, consisting of the balance sheet, the income statement, the schedule of changes in equity, the cash flow statement and the explanatory notes as well as the Group management report for the business year January 1 through December 31, 2006. According to the IFRS as are applicable in the EU and the commercial-law stipulations as governed by section 315a of HGB, the Management Board of the company shall be responsible for drawing up the consolidated annual financial statements and the Group management report. Our task is to provide an opinion on the consolidated annual financial statements and the Group management report on the basis of the audit we carried out.

We undertook our examination of the consolidated annual financial statements in line with section 317 HGB and considering generally accepted German auditing principles as outlined by Institut der Wirtschaftsprüfer (IDW). Thus, an audit shall be planned and carried out such that it with due certainty identifies inaccuracies and violations that materially influence the presentation of the assets, financial and earnings position as conveyed by the consolidated annual financial statements in compliance with the applicable accounting regulations and by the Group management report. Moreover, when defining the audit examination, a knowledge shall be brought to bear of the business activities and of the economic and legal environment in which the corporation operates as well as expectations as regards possible errors. As part of the examination, the efficacy of the accounting-related internal control system as well as documentation on the figures in the consolidated annual financial statements and the Group management report shall be assessed primarily on the basis of random checks. The audit examination shall also include a judgment on the annual financial statements of the companies included in the consolidated annual financial statements, the definition of the scope of consolidation, the accounting and consolidation principles applied, and the key estimates and assessments made by the Board of Management, as well as an appreciation of the overall presentation of the consolidated annual financial statements and the Group management report. We are of the opinion that our audit examination provided a due and certain basis for our judgment.

Our examination led to no objections.

In our opinion, on the basis of the findings of our examination the consolidated annual financial statements concur with IFRS as applicable in the EU and the commercial-law regulations that shall pursuant to section 315a para. 1 HGB supplementarily be applied. In keeping with these stipulations, the consolidated annual financial statements offer a true and fair picture of the Group's assets, financial and earnings position in line with the facts.

The Group management report is consistent with the consolidated annual financial statements and overall presents an accurate picture of the Group's position and offers an accurate account of the opportunities and risks innate in future developments.

Berlin, April 30, 2007

Dr. Engelhardt Treuhand GmbH
Wirtschaftsprüfungsgesellschaft

Dr. Horst Engelhardt
Certified public auditor

Jack White Productions AG Balance Sheet

Assets	Dec. 31, 2006	Dec. 31, 2005
A. Fixed assets		
I. Intangible assets	**5,193**	**3,108**
Concessions, commercial copyrights and		
similar rights and licenses as well as		
licenses to such rights	5,193	3,108
II. Tangible assets	**491**	**325**
Other plant, operating and office equipment	491	325
III. Financial assets	**5,391**	**10,987**
1. Shares in affiliated companies	3,811	5,750
2. Loans to affiliated companies	117	4,543
3. Participations	1,463	588
4. Other loans	0	106
B. Current assets		
I. Inventories	**712**	**651**
1. Finished goods and merchandise	234	187
2. Advance payments made	478	464
II. Receivables and other assets	**4,542**	**4,708**
1. Trade accounts receivable	1,970	1,786
2. Receivables from affiliated companies	67	400
3. Other assets	2,505	2,522
of which with a remaining term of more than one year		
€ 408,256 (prior year: € 1,085,808)		
III. Securities	**867**	**3,812**
Other securities		
IV. Cash and bank balances	**912**	**1,154**
C. Deferred charges	**31**	**21**
Assets, total	**18,139**	**24,766**

Liabilities	Dec. 31, 2006	Dec. 31, 2005
A. Shareholders' equity		
I. Subscribed capital	**7,000**	**7,000**
II. Paid-in capital	**16,159**	**16,159**
III. Balance sheet loss	**- 8,420**	**- 526**
B. Provisions	**1,161**	**666**
Other provisions	1,161	666
C. Liabilities	**2,239**	**1,467**
1. Liabilities due to banks	815	0
2. Trade accounts payable	335	115
of which with a remaining term of up to one year		
€ 335,242 (prior year: € 115,130)		
3. Liabilities due to affiliated companies	121	107
of which with a remaining term of up to one year		
€ 120,972 (prior year: € 106,644)		
4. Other liabilities	968	1,245
of which with a remaining term of up to one year		
€ 349,972 (prior year: € 18,290)		
of which for taxes € 349,972 (prior year: € 290)		
Liabilities, total	**18,139**	**24,766**

Figures in € thousands

Jack White Productions AG Income Statement

	Jan. 1–Dec. 31, 2006	Jan. 1–Dec. 31, 2005
Sales revenues	**6,055**	**9,751**
Increase in inventories of finished		
and unfinished goods	**47**	**100**
Other operating income	**910**	**4,773**
Cost of materials	**- 2,401**	**- 2,295**
Expenses for raw materials and supplies		
and for merchandise bought in	- 3	29
Expenses for services bought in	- 2,398	- 2,324
Personnel expense	**- 1,443**	**- 681**
Wages and salaries	-1,386	- 633
Social-security contributions and expenses for welfare support	- 57	- 48
Depreciation/amortization	**- 319**	**- 263**
on tangible and intangible assets	- 319	- 263
Other operating expenses	**- 7,904**	**- 8,183**
Income from participations	**541**	**100**
Other interest and similar income	**227**	**288**
Amortization on financial assets and		
marketable securities	**- 3,304**	**0**
Interest and similar expense	**- 16**	**- 29**
Earnings from ordinary business activities	**- 7,608**	**3,561**
Taxes on income	- 283	0
Other taxes	-3	- 4
Net profit/loss for the year	**- 7,895**	**3,557**
Loss carryforward	- 526	- 4,083
Balance sheet loss	**- 8,420**	**- 526**

Figures in € thousands

Jack White Productions AG Cash Flow Statement

	2006	2005
Net income / loss for the period net extraordinary items	- 7,895	3,555
Depreciation / amortization (+) / allocations (-) on fixed assets	319	263
Allocations (+) / reductions from (-) provisions	495	268
Other expenses (+) / income (-) not impacting on earnings	5,748	- 1,050
Increase (-) / decrease (+) in inventories, trade accounts		
receivable and other assets that cannot be classified		
under investing and financing activities	96	- 1,440
Increase (+) / decrease (-) in trade accounts		
payable and other liabilities that cannot be classified		
under investing and financing activities	- 43	- 333
Cash for / from extraordinary items	0	0
Cash flow for / from operating activities	**- 1,280**	**1,265**
Cash for investments in intangible assets	- 2,338	0
Cash for investments in tangible assets	- 232	- 29
Cash from disposals of financial assets	1,387	3,413
Cash for investments in financial assets	- 1,539	- 1,818
Cash for the acquisition of consolidated companies		
and other business units	0	0
Cash from financial assets invested as part		
of current Treasury management	3,184	0
Cash for financial assets invested as par		
of current Treasury management	- 239	- 1,588
Cash flow for / from investing activities	**223**	**- 21**
Cash from additions to equity capital		
(capital increases, sales of own shares, etc.)	0	0
Payments to company owners and minority partners		
(dividends, purchases of own shares, repayments		
of equity capital, other disbursements)	0	0
Cash from issuing bonds and taking up (financial) loans	815	0
Cash for the repayment of bonds and (financial) loans	0	- 1,346
Cash flow for / from financing activities	**815**	**- 1,346**
Changes in cash and equivalents impacting		
on the income statement	- 242	- 102
Cash and equivalents at the beginning of the period	1,154	1,256
Cash and equivalents at the end of the period	912	1,154

Figures in € thousands

Jack White Productions AG Schedule of Changes in Fixed Assets

	Purchase / Production cost				
	Status Jan. 1, 2006	Additions	Disposals	Reclassification	Status Dec. 31, 2006
I. Intangible assets	**5,268**	**2,338**	**0**	**0**	**7,606**
Concessions, commercial copyrights					
and similar rights	5,268	2,338	0	0	7,606
II. Tangible assets	**620**	**232**	**8**	**0**	**843**
1. Other plant, operating and					
office equipment	268	89	0	0	357
2. Third-party improvements	352	135	0	0	487
3. Minor-value assets	0	8	8	0	0
II. Financial assets	**12,012**	**1,539**	**7,602**	**0**	**5,948**
1. Shares in affiliated companies	5,750	530	1,037	- 1,002	4,241
2. Loans to affiliated companies	5,566	1,009	6,458	0	117
3. Participations	588	0	0	1,002	1,591
4. Other loans	107	0	107	0	0
	17,900	**4,109**	**7,610**	**0**	**14,397**

	Depreciation / Amortization					Book value
	Status Jan. 1, 2006	Depreciation Business year	Allocations Business year	Depreciation on disposals	Status Dec. 31, 2006	Status Dec. 31, 2006
	2,160	**253**	**0**	**0**	**2,413**	**5,193**
	2,160	253	0	0	2,413	5,193
	294	**66**	**0**	**8**	**352**	**491**
	199	28	0	0	227	130
	95	30	0	0	125	362
	0	8	0	8	0	0
	1,026	**3,305**	**3**	**3,770**	**558**	**5,391**
	0	430	0	0	430	3,811
	1,023	2,640	0	3,663	0	117
	0	128	0	0	128	1,463
	3	108	3	108	0	0
	3,480	**3,624**	**3**	**3,778**	**3,323**	**11,075**

Figures in € thousands

Explanatory Notes to the Annual Financial Statements Jack White Productions AG

A. General remarks

The annual financial statements have been prepared in line with the regulations of the German Commercial Code (HGB). In line with section 267 para. 3 sentence 2 HGB no use may be made of the facilitated presentation pursuant to section 288 HGB. Methodologically, the balance sheet has been compiled in keeping with the going-concern principle.

The income statement has been prepared on the basis of summarized items in line with the total costs method as foreseen in section 275 para. 2 HGB.

The prior-year figures stated in the balance sheet and income statement are taken from the audited annual financial statements as at Dec. 31, 2005, as released on March 24, 2006.

B. Accounting and valuation principles

Fixed assets are carried at purchase cost less scheduled depreciation.

Depreciation is charged on tangible assets on a straight-line basis in line with the customary useful business lives as defined by fiscal principles. Items of tangible assets with a purchase cost of up to EUR 410 are fully written off the books in the year acquired and posted as disposals.

Financial assets are valued at historical purchase cost. Loans extended in foreign currencies that shall be paid back in the same are valued at the lower of cost or end-of-year rate. In the case of revaluations, the purchase cost principle is applied.

Receivables, other assets and liquid funds are posted at nominal value. Securities are entered at purchase cost and in keeping with the lower of cost or end-of-year price. In the case of revaluations, the purchase cost principle is applied.

The deferred charges consist of current deferrals for a certain period after the balance-sheet date.

When setting up accruals, due account was taken of the discernible risks and uncertain liabilities. They were charged on a scale commensurate with due commercial circumspection.

Liabilities are carried at the sums repayable. Foreign-currency receivables and liabilities are booked during the year at the respective exchange rate and entered in the annual financial statements at the lower of cost or market rate.

C. Explanatory Notes to the Balance Sheet

Fixed assets

The changes in the individual fixed-assets items as well as depreciation and amortization are presented in the schedule of changes in fixed assets.

Intangible assets

Intangible assets consist of music master rights contributed by Jack White to Jack White Productions AG totaling EUR 4,090 thousand, as well as a music catalog acquired on Dec. 15, 2004, for EUR 1,173 thousand and on Sept. 15, 2006, for EUR 2,327 thousand from HoT JWP Music Inc. as well as IT software.

Music master rights are written off over a period of 20 years.

Tangible assets

Tangible assets contain items of office and business equipment, one automobile as well as third-party improvements to property in Munich and Berlin that are written off over their respective useful lives.

Financial assets

The shares in affiliated companies are composed as follows:

Company name	Currency	Company capital	Stake in %
Transcontinent Musikverlag GmbH, Berlin	€	25,565	100.0
VI Music Holding Inc., Puerto Rico	USD	1,000	50.0 + 1 share

As at Oct. 1, 2004, VIDAL Investments Inc. had assigned all the remaining rights and duties relating to the music production section to VI Music Inc. and assigned the partner shares to its shareholders – Juan Vidal-Nieves and Jack White Productions AG – on a basis of 50 : 50 plus one share to Jack White Productions AG. 50 % each of these stakes were sold with effect from Jan. 1, 2005, to UMG Recordings Inc. (Universal). The remaining shares were committed by Juan Vidal-Nieves and Jack White Productions AG to VI Music Holding Inc. Jack White Productions AG holds the majority in VI Music Holding Inc. owing to the one additional share.

VIDAL Investments Inc. has since been carried at a residual value of EUR 1.00 as a participation. Pursuant to the contract of April 15, 2006, the shares were bought back from VIDAL Investments Inc.

The participations include the following items:

Company name	Currency	Company capital	Stake in %
HoT JWP Music Inc., Miami/Florida, USA	USD	10,000	48.3
Atypical dormant participtation in the Jürgen Koppers Mastering Lab Munich e.K., Unterföhring, Munich	€	127,883	40.0
Manfred Hertlein Veranstaltungs-GmbH, Würzburg	€	25,565	20.0

The stake in HoT JWP Music Inc., was reclassified as a result of the sale of 42 % of the shares held or 35 % of the total capital from the item for shares in affiliated companies to participations, as Jack White Productions AG now only holds a stake of 48.3 % in it.

Jürgen Koppers Mastering Lab Munich e.K., Unterföhring, nr. Munich, entails a participation in a mastering studio. Jack White Productions AG receives a 40 % share of Jürgen Koppers Mastering Lab Munich e.K. net income for the year. The atypical dormant participation is agreed for an indefinite period of time. The participation is carried at a residual value of EUR 1.00 as the owner is deceased and an estate administrator has been appointed.

Manfred Hertlein Veranstaltungs-GmbH is a tour and concert manager.

Moreover, the item for financial assets contains a loan extended to the affiliate Transcontinent Musikverlag GmbH, Berlin, of EUR 117 thousand.

Current assets

Finished goods and merchandise relates to inventories of audio recordings.

Advanced payments made are mainly made up of license fee advances to artists.

Trade accounts receivable consist essentially of receivables from BMG Deutschland GmbH (invoicing for the distribution contract), from BMG Records GmbH (outstanding license revenues and broadcasting revenues from 2005 and 2006 attributable to the company for the exploitation of master rights – GVL –) as well as from Jack White, Kitzbühel, Austria (participation in marketing and promotion efforts).

Receivables from affiliates relate to the settlement accounts of Transcontinent Musikverlag GmbH, Berlin, and a claim to reimbursement of loan interest from Juan Vidal-Nieves.

Other assets are made up mainly of an interesting-bearing loan to Hans-Jürgen Kliebenstein (EUR 400 thousand), two non-interest-bearing loans to Manfred Schütz (EUR 1,300 thousand) and Eugen Jöckel (EUR 32 thousand), which is hedged by publication rights to a music edition, reimbursement claims against the Tax Office for capital gains tax and solidarity surcharges on capital gains tax paid (EUR 95 thousand), tax refund claims for corporation tax (EUR 135 thousand) and for VAT in the reporting year (EUR 149 thousand).

There are receivables of EUR 290 thousand against members of the Supervisory Board.

Liquid funds consist of cash, bank and deposit account balances.

Deferred charges

The deferred charges relate mainly of remuneration for insurances and merchandising media as well as a fixed advance payment to Bundesanstalt für Finanzdienstleistungsaufsicht, made in the year under review for a specific period after the balance-sheet date.

Shareholders' capital

The Company's capital stock totals EUR 7,000,000, sub-divided into 7,000,000 unit shares without a par value.

The General Meeting on July 5, 2004, authorized the Management Board to increase the capital stock by up to EUR 3,200,000.00 (Authorized Capital 2004/I) by July 4, 2009, by issuing bearer shares against cash or contributions in kind. The Management and Supervisory Boards are empowered to exclude subscription rights in this context.

As at the balance-sheet date, shareholdings were as follows:

Shareholders' capital	Shares Units	Stake in capital stock in %
Free float	5,620,000	80.29
Effecten-Spiegel AG	840,000	12.00
Heinz Heiler	540,000	7.71
Total	**7,000,000**	**100.00**

Balance-sheet loss

The balance sheet was prepared pursuant to section 268 para. 1 HGB on the basis of the net income/loss for the year. Instead of the items for "net income for the year" or "loss carryforward", it shows the item "balance-sheet loss", which in the year under review contains a loss carryforward of EUR 525,676.19.

Accruals

Other accruals contain the accruals for GEMA fees (EUR 350 thousand), artists' licenses (EUR 194 thousand), returned merchandise (EUR 215 thousand), restructuring expenses (EUR 250 thousand), contributions to vocational associations (EUR thousand), outstanding Supervisory Board emoluments (EUR 33 thousand), costs of the General Meeting (EUR 50 thousand) and accruals for preparing and auditing the annual financial statements and the consolidated annual financial statements (EUR 68 thousand).

Liabilities

Liabilities due to banks are current in nature and secured by marketable securities.

Trade accounts payable relate to the Company's current creditor accounts. Liabilities due to affiliated companies consist of liabilities for ancillary selling costs due to VI Music Holding Inc. (EUR 109 thousand) and liabilities due to Transcontinent Musikverlag GmbH (EUR 12 thousand).

Other liabilities mainly result from liabilities for operating taxes for 2005 (EUR 350 thousand) and a loan from Universal (EUR 618 thousand) that will be repaid with future shares in the profits of VI Music Holding Inc., Puerto Rico. The loan carries no interest and shall be repaid by Jan. 1, 2010, at the latest.

Residual maturities of over five years are not entered under liabilities.

D. Explanatory Notes to the Income Statement

Compared with 2005, the Company's sales revenues in the year under review were composed as follows:

Sales revenues	2006 in €	2005 in €
Sales from distribution agreement with BMG	5,027,500	8,475,502
License revenue and GVL broadcasting revenues	553,600	470,236
Costs passed on to Jack White		350,000
Revenues from CD sales	347,430	262,145
Fees, honorariums, expenses invoiced	126,294	193,411
	6,054,824	**9,751,294**

Other operating income results mainly from revenues and the net book value from sales of financial assets, revenues from exchange-rate differences and allocations to financial assets.

Cost of materials relates to the costs of producing music, pressing costs, rental for a production studio and licenses for artists, producers, and master tapes bought in.

Other operating expenses mainly comprise expenses for exchange-rate differences, defaulted receivables, the BMG distribution fee, promotion expenses, GEMA fees, travel expenses, administrative, legal and consultancy costs.

E. Other information

Consolidated annual financial statements

As the parent company, the Company prepares consolidated annual financial statements pursuant to section 290 HGB.

Cash flow statement

We have supplemented the annual financial statements to include a cash flow statement prepared according to DRS No. 2.

Board members

The Supervisory Board is made up of the following persons:

Hartmut Fromm, attorney at law, Berlin
– Chairman

Offices: Chairman of the Supervisory Board of IMW Immobilien AG, Berlin; Chairman of the Supervisory Board of M.Tech Technologie und Beteiligungs AG, Unterensingen; member of the Supervisory Board and Deputy Supervisory Board Chairman of CeWe Color Holding AG, Oldenburg; member of the Supervisory Board of All Welding Technologies AG, Hanau; President of the Advisory Board of Vermar Verwaltungs- und Marktstudien AG, Zürich (Switzerland); member of the Advisory Board of DUX Trust Partners AG, Triesen (Grand Duchy of Liechtenstein); member of the Advisory Council of Homburg N.V. and of Homburg Invest Inc., Soest (Netherlands); member of the Management Board and Treasurer of Kaiser Friedrich-Museums-Verein, Berlin.

Albert Czapski, independent media consultant, Munich
– no other offices

Thomas M. Stein, businessman, Baldham
– Deputy Chairman of the Supervisory Board until Feb. 28, 2006
– no other offices

Christoph Schmidt, consultant, Neubiberg
– March 1, 2006, to March 20, 2007
– no other offices

Holm Tippner, attorney at law, Munich
– since March 20, 2007

Other offices: Chairman of the Supervisory Board of Allgemeine Leasing München AG

Composition of the Management Board:

Thomas M. Stein, businessman, Baldham
– Chairman of the Management Board since March 1, 2006

Horst Nußbaum, aka Jack White, businessman, Kitzbühel
– Chairman of the Management Board until Feb. 28, 2006
– Member of the Management Board until Jan. 31, 2007

Frank Nußbaum, graduate in commerce, Kleinmachnow
– CFO until Sept. 4, 2006

Remuneration

Total emoluments of Supervisory Board members in the year under review were EUR 12,000.

Total remuneration of the members of the Management Board in the year under review were EUR 1,138,656.57.

These items are entered under those for other operating expenses and personnel expense.

Receivables from members of the Supervisory Board total EUR 290,413.03. These are current, non-interest-bearing receivables.

Employees

In 2006, the average JWP AG payroll was made up of 13 employees (including the Management Board members).

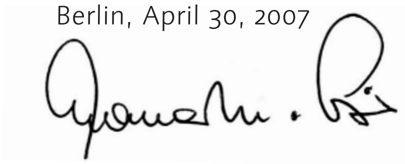
Auditor's fees

In the year under review, the auditor was paid total fees of EUR 55 thousand, which was entered as an expense for other services.

Declaration pursuant to section 161 AktG

The Company has issued a declaration of compliance with the German Corporate Governance Code in line with section 161 AktG and made it permanently available to shareholders via the Company's Web site.

Berlin, April 30, 2007



Thomas M. Stein

Audit Opinion

We have examined the annual financial statements of Jack White Productions Aktiengesellschaft, Berlin, consisting of the balance sheet, the income statement, the explanatory notes (including the accounts and the Management Report) for the business year January 1 through December 31, 2006. According to the German Commercial Code, the Management Board of the company shall be responsible for the accounts and drawing up the annual financial statements and the Management Report. Our task is to provide an opinion on the annual financial statements, the accounts and the Management Report on the basis of the audit we carried out.

We undertook our examination of the consolidated annual financial statements in line with section 317 HGB and considering generally accepted German auditing principles as outlined by Institut der Wirtschaftsprüfer (IDW). Thus, an audit shall be planned and carried out such that it with due certainty identifies inaccuracies and violations that materially influence the presentation of the assets, financial and earnings position as conveyed by the annual financial statements in line with due accounting principles and the Management Report.

When defining the audit examination, a knowledge shall be brought to bear of the business activities and of the economic and legal environment in which the corporation operates as well as expectations as regards possible errors. As part of the examination, the efficacy of the accounting-related internal control system as well as documentation on the figures in the annual financial statements and the Management Report shall be assessed primarily on the basis of random checks. The audit examination shall also include a judgment on the accounting principles applied, and the key estimates and assessments made by the Board of Management, as well as an appreciation of the overall presentation of the annual financial statements and the Management Report. We are of the opinion that our audit examination provided a due and certain basis for our judgment.

Our examination led to no objections.

In our opinion, on the basis of the findings of our examination the annual financial statements concur with statutory regulations and in line with generally accepted accounting principles the consolidated annual financial statements offer a true and fair picture of the Company's assets, financial and earnings position in line with the facts.

The Management Report is consistent with the annual financial statements and overall presents an accurate picture of the Company's position and offers an accurate account of the opportunities and risks innate in future developments.

Berlin, April 30, 2007

Dr. Engelhardt Treuhand GmbH
Wirtschaftsprüfungsgesellschaft

DR. ENGELHARDT TREUHAND GMBH WIRTSCHAFTSPRÜFUNGSGESELLSCHAFT
WIRTSCHAFTS-
PRÜFUNGS-
GESELLSCHAFT
SIEGEL
* BERLIN *

Dr. Horst Engelhardt
Certified public accountant

Information for Shareholders

Key dates in 2007:

Press conference presenting the annual financial statements
April 27, 2007, 11 a.m., Munich

Presentation to analysts
November 14, 2007, German Equity Forum, Frankfurt/Main

General Meeting
July 3, 2007, 10 a.m.
Haus der Bayerischen Wirtschaft, Munich

Quarterly report as at March 31, 2007
May 31, 2007

Quarterly report as at June 30, 2007
August 31, 2007

Quarterly report as at Sept. 30, 2007
November 30, 2007

For further details:

Jack White Productions AG
Thomas M. Stein
Münchner Straße 135
85774 Unterföhring

Germany

www.jack-white.de

Tel.: +49 (0)89 950 949 0
Fax: +49 (0)89 950 949 20
Email: whitemuc@jack-white.de

Imprint

Published by (solely responsible for the content):
Jack White Productions AG, Berlin

Print:
Rhein-Ruhr-Druck Sander, Dortmund

Concept & Design:
Schlicht. Visuelle Kommunikation, Dortmund

Text:
TIK Text Information & Kommunikation GmbH, Nuremberg

English translation:
Jeremy Gaines, Frankfurt

10 20 30 40

50 60 70 80