



Interim Report, 313music JWP AG

1 January 2009 to 31 March 2009

- In the first quarter, 313music JWP AG generates group sales of kEUR 6,048 (previous year: kEUR 849) from continued operations
- Positive net earnings of kEUR 503 (previous year: kEUR -747)
- Promising releases scheduled
- Full consolidation of Manfred Hertlein Veranstaltungen GmbH due to option on additional 6% share and previous minority share of 45%

Group ratios (Data according to IFRS)

		31.03.2009	31.03.2008
Data for continued businesses			
Turnover	kEUR	6.048	849
Production costs	kEUR	5.055	414
Gross sales result	kEUR	993	435
Gross margin	%	16,4	51,2
EBITDA	kEUR	858	-488
EBITDA margin	%	14,2	-
EBIT (operating result)	kEUR	676	-715
EBIT margin	%	11,2	-
Data for continued and discontinued businesses			
Result after taxes	kEUR	503	-747
Net rate of return	%	8,3	-
Net result per share	kEUR	0,02	-0,08
Cash flow according to DVFA/SG	kEUR	685	-520
Employees as per recording date (continued / discontinued businesses / total)		18/5/23	12/7/19

		31.03.2009	31.12.2008
Balance sheet total	kEUR	17,130	12,682
Equity (shareholders and minority holdings)	kEUR	7,655	5,882
Equity ratio	%	44,7	46,4



General points

As in the previous year's comparable period, the group's quarterly financial statements as of 31 March 2009 have been prepared in compliance with the provisions of the International Financial Reporting Standards.

During the period 1 January 2009 to 31 December 2011, the Company has the option to increase its holding in Manfred Hertlein Veranstaltungen GmbH (MHV) by a further 6% to 51%. This option was exercised by notarial agreement in May 2009. Due to the resulting controlling interest, MHV was fully consolidated as of 1 January 2009.

In the previous year, the Company was valued at equity.

The structure of the income statement was adjusted as per 31 December 2008 as follows: the income statement was broken down into continued and discontinued operations, and other income and expenses as well as the "exchange rate gains/losses" item were included in the operating income. With respect to the structure of the cash flow statement, selective adjustments were also made as of 31 December 2008.

Furthermore, the Company decided for the first-time to apply IFRS 8 "Operating Segments" with effect from 1 January 2008. This led to a new segmentation of the Company's operations. The following segments, which have been established according to the entity approach, are reportable segments pursuant to IFRS 8:

Company	Segment
313 AG	Label
Manfred Hertlein Veranstaltungen GbmH	Event management
313 Music GmbH	Artist management
Transcontinent oHG and Seven Days Music GmbH	Other (in particular exploitation of publishing rights)

In all cases, the previous year's figures were adjusted accordingly to facilitate comparison. However, due to the first-time full consolidation of MHV, comparability with the previous year is limited.



Framework conditions

Business climate

In the spring of 2009 the turbulences on the financial markets, which were triggered by the US real estate and financial crisis, still affected the global economy. In the last few months, the US economy recorded a substantial downturn; however, there are some positive signals with economic indicators pointing towards a recovery in the second half of 2009. Nevertheless, it is currently not clear whether the economic downturn has already hit rock bottom. The slump in real estate and share prices has led to a decline of wealth among private households and hence to a decline in private consumption. The US central bank reacted to the financial and economic crisis with several substantial interest rate cuts: the base rate was reduced to 0.00%.

The Euro-zone was also affected by the global economic downturn. In Germany, the effect was delayed but all the more pronounced.

In the first months of the year 2008, the German economy was still lively and sentiment indicators were on a high level. The first-quarter gross domestic product (GDP), adjusted for price, calendar and season, was 1.5 percent higher than in the fourth quarter of 2007. Compared to the previous year, the first-quarter GDP rose by 1.8 percent in real terms, and adjusted for calendar effects by 2.6 percent. However, in the first quarter of 2009, the German economy recorded a spectacular nosedive. Compared to the previous year's quarter, the price-adjusted GDP slumped by 6.7 percent.

Industry trend

The music industry is still operating in a highly strained environment. After the first quarter, market researchers reported a 5.2 percent decline in physical sales of recorded music compared to the first quarter of 2008.

In contrast, the digital market (downloads & mobile) bucked the trend. Compared to the previous year, this sub-market recorded a 5.9 percent increase in sales. This is firstly due to improved technical equipment and an extensive product range and secondly to the fact that the share of teenage buyers between the ages of 10 and 19 is growing.



However, according to the *Bundesverband Musikindustrie e.V.* (Association of the German Music Industry), it is too early to say whether this increase is actually owing to results achieved in the fight against Internet piracy.

313music JWP AG

313music JWP AG produces and releases music recorded by various artists, acquires recordings made by other producers and exploits such recordings. In 2009, the Company has prepared the exploitation of the Hot catalogue rights with the aim of exploiting said rights on a sustainable basis. Aside from the music production segment, we are also active in the artist management segment via our subsidiary 313 Music GmbH in which we hold 51%. Thus, we participate not only in the sale of physical recorded music but also in all other income generated by an artist. Via our 45 % stake in Manfred Hertlein Veranstaltungen GmbH (MHV), we also cover the event management segment. During the period 1 January 2009 to 31 December 2011, the Company has the option to increase its holding in Manfred Hertlein Veranstaltungen GmbH (MHV) by a further 6% to 51%. This option was exercised by notarial agreement in May 2009. Since, with the acquisition of the further 6% stake, 313music JWP AG would gain a controlling interest (51%) in MHV, Manfred Hertlein Veranstaltungen GmbH was fully consolidated as of 1 January 2009 due to the previous 45% stake and on the basis of the contractually agreed minimum purchase price for the 6% stake in the amount of kEUR 120.

Following the sale of significant publishing rights from the portfolio of Transcontinent Musikverlag oHG in 2007, more emphasis shall once again be placed on the publishing business. The publishing business consists of the administration and exploitation of the intellectual property rights held by composers and lyricists. We will continuously establish new property rights for exploitation by Transcontinent Musikverlag oHG. The registered office of 313music JWP AG is located in Unterföhring near Munich.

Our foreign subsidiaries included VI Music Holding Inc., Puerto Rico, in which 313music JWP AG held 50 % plus one share. VI Music Holding Inc. acted as holding for the Company's 50 % stake in VI Music LLC, which is also based in Puerto Rico. The purpose of the latter company was the production and publishing of music works especially in the American region. As planned, the Company sold the two foreign subsidiaries as per 1 January 2009 in accordance with the German law of obligations. The 50 % stake in VI Music LLC was acquired by the Universal Music Group while the stake in VI Music Holding Inc. was acquired by the co-shareholder Juan Vidal Nieves. Hence, as



of 1 January 2009, the two companies are no longer part of the consolidated entity of 313music JWP AG.

The planned sale of the VI companies was already included in the group accounts as of 31 December 2008. For this purpose, the companies' assets were reported under "non-current assets held for sale" and their liabilities under "debts directly associated with assets held for sale" as per 31 December 2008. In the 2008 income statement, the items were summarised under the "earnings from discontinued operations" item.

The sale of the foreign subsidiaries is in line with the Company's intention to reorganise the company group and the group structure.

Since the appointment of Mr. Klaus Munzert in September 2008, the management board has consisted of one member. In the previous year, the management board had two members, Mr. Thomas M. Stein (Chairman) and Mr. Volker Neumüller.

The supervisory board consistently monitors the management board's activities. As of 31 March 2009, the supervisory board consisted of Mr. Jürgen Uhlemann (Chairman), Dr. Thomas Griebe (Deputy Chairman) and Mr. Karl-Heinz Klemppow.

Business development and und results of operations

Group sales

In the first quarter of 2009, group sales generated from 313music JWP AG's continued operations amounted to kEUR 6,048 compared to kEUR 962 in the previous year's period. Due to the parent company's licensing of its catalogue to Sony Music, the sales revenue from the recorded music business, which was exclusively generated via new releases governed by the distribution agreement, declined from kEUR 478 to kEUR 84. The licence revenue arising from the catalogue agreement in the amount of kEUR 290 did not offset the decline in sale in the recorded music business.

Sales by segment

In 2009, revenue from license agreements in the artist management segment is being reported under sales instead of other operating income as before. Consequently, the previous year's sales were increased by kEUR 113 and the other operating income was reduced by the same amount.

The individual segments account for sales from continued operations as follows:

	Segment revenues		Segment's share in sales revenue	
	31.03.2009	31.03.2008	31.03.2009	31.03.2008
	kEUR	kEUR	%	%
Label	497	580	8,2	68,4
Artist management	290	210	4,8	24,7
Event management	5.254	0	86,9	0,0
Other	7	59	0,1	6,9
Total	6.048	849	100,0	100,0

In the first three months of 2009, the label segment still generated sales of kEUR 497 compared to kEUR 580 in the previous year's period. This is due to the change in the parent company's sales structure following the licensing of the catalogue to Sony Music. Hence, excluding the event management segment, the label segment contributed 62.1% (previous year: 60.4%) towards group sales, while the artist management segment increased its percentage of sales from approx. 25% to 37%.

Group performance

Due to the increase in sales, the group's gross profit from continued operations rose quarter-on-quarter by kEUR 548 to kEUR 993. However, the gross margin on sales declined substantially from approximately 51.2 % to 16.4 %. The previous years' figures are not directly comparable since, on



the one hand, MHV was consolidated for the first time and, on the other hand, the disclosure of costs in the label segment was changed from distribution costs to production costs.

However, the EBITDA from continued operations was positive for the first time in several quarters and amounted to at kEUR 858 after three months (previous year: kEUR -488). The EBIT (operating result) amounted to kEUR 676 compared to kEUR -715 in the respective previous year's period. Aside from the positive result contribution made by MHV, the increase by kEUR 1,391 is predominantly due to the reduction in distribution costs and other general and administrative costs in the amount of kEUR 490. The operating result was positively affected by kEUR 437 from other operating income. The financial result was TEUR 104 (previous year: kEUR 2) and included kEUR 108 from the revaluation of the previous shares in MHV on the basis of the minimum purchase price of kEUR 120 for a further 6% in MHV. For a 100% holding in MHV, the resulting arithmetical value is kEUR 2.000.

The group performance after taxes and discontinued operations amounted to kEUR 503 in the first three months of 2009 (previous year: kEUR -747). The positive result in the first quarter was also positively affected by non-recurring effects, such as the release of accruals (kEUR 108) and the receipt of kEUR 217 through litigation. In the context of the claim for damages due to a violation of duties in respect of the certification of the US company's 2004 and 2005 annual financial statements, which the Company had asserted in court, a settlement was reached with the former auditor of HOT JWP Music Inc., Miami, Richard Shapiro. Otherwise, in terms of contingent claims or contingent liabilities, no major changes arose compared to the last balance sheet date.

In connection with the sale of shares in VI Music Holding Inc., a mutual waiver of debts was agreed between 313 AG and VI Music Holding. Due to the waiver of debts, a loan amount of kEUR 107 in the continuous operations was retransferred with an effect on payments and disclosed under other operating income. As a counter item, the discontinued operations disclose a respective expense item in the amount of kEUR 107.

The consolidation of MHV contributed kEUR 445 before minorities towards the positive result.

Since the VI companies are no longer part of the group's consolidated entity, the equity difference of kEUR 170 arising from the currency conversion was released. In the first quarter 2009, this still



resulted in an expense in the same amount. To a large extent, the expenses arising from the divestiture of the VI companies were recorded in 2008 via a loss in value arising from discontinued operations in the amount of kEUR 3,587.

The loss resulting from the divestiture of the VI companies as of 1 January 2009 in accordance with the German law of obligations and the result from discontinued operations were as follows:

	31.03.2009
	kEUR

Income from discontinued business segments	0
Loss from disposal of the business segment including dissolution of foreign exchange conversion reserves upon disposal of the subsidiaries	-170
Written of claim	-107
Allocable taxes on income and earnings	0



The net outflow of funds from the sale is as follows:

	31.03.2009
	kEUR

Purchase price paid by cash or cash substitutes	
Sales price	0
Less: cash and cash equivalents given with the purchase price	-4
	-4
Net cash outflow from the sale	-4

The group's earnings per share (for continued and discontinued businesses) amounted to Euro 0.02 compared to a loss of Euro -0.09 Euro in the first quarter of 2008.



Profit trend by segment

The following table presents the segment revenues and the respective segment earnings:

Continued operations	Segment revenues		Segment earnings	
	31.03.2009	31.03.2008	31.03.2009	31.03.2008
	KEUR	KEUR	KEUR	KEUR
Label	497	580	144	-804
Artist management	290	210	91	54
Event management	5.254	0	445	0
Other	7	59	-8	37
Total continued operations	<u>6.048</u>	<u>849</u>	<u>672</u>	<u>-713</u>
Pro-rated result of affiliated enterprises for the reporting period			0	0
Revaluation of interests held at-equity the previous year			108	0
Decrease in value of financial assets			0	0
Pre-tax profit (continued business segments)			<u>780</u>	<u>-713</u>



Further segment information

The individual segment's assets are presented in the following table:

	Segment assets	
	31.03.2009	31.12.2008
	kEUR	kEUR
Label - continued business segments	9.092	7.552
Label - discontinued business segments	0	3.463
Artist management	281	158
Event management	7.032	0
Others	625	616
Total segment assets	17.030	11.789
Assets not allocated	100	893
Consolidated total assets	17.130	12.682

With the exception of the securities held as current assets, the income tax claims and the previous year's shares in associated companies, all assets have been assigned to the reportable segments using the entity approach.



The following table presents depreciation and additions (excluding 'additions arising from the consolidation of MHV') to non-current assets by segment:

	Scheduled depreciation		Additions to non-current assets	
	31.03.2009	31.03.2008	31.03.2009	31.03.2008
	kEUR	kEUR	kEUR	kEUR
Label	160	180	0	1
Artist management	1	31	0	0
Event management	21	0	0	0
Other	0	2	0	0
Total	182	213	0	1
Goodwill	0	14	0	0
Total	182	227	0	1

Following the divestiture of the shares in the Puerto Rican companies, the group's activities are now focusing on the German-speaking region. Group sales and segment assets can be broken down by geographic region as follows:

Geographic information	Sales revenue		Non-current assets	
	31.03.2009	31.03.2008	31.03.2009	31.12.2008
	kEUR	kEUR	kEUR	kEUR
Continued operations				
Germany, Austria and Switzerland	6.048	849	9.184	6.569
Discontinued operations				
Germany, Austria and Switzerland	0	0	0	0
USA	0	-40	0	1.339
	0	-40	0	1.339
Total	6.048	809	9.184	7.908

In the first quarter of 2009, the main customer accounted for kEUR 374 of the sales revenue from continued operations (previous year: kEUR 478). This represents 47.7 % (previous year: 56.3%) of the generated sales revenue excluding the event management segment that had been consolidated for the first time.



Financial position

Cash flow statement

As per the end of March 2009, the group's financial resources (liquid funds of kEUR 5,009 less liabilities to banks of kEUR 1,504) amounted to kEUR 3,505 after kEUR 947 in the previous year. Compared to the volume at the start of the year (kEUR 832; previous year: kEUR 1,568), the financial resources increased by kEUR 701 with an effect on payments in respect of the companies consolidated in the previous year and kEUR 1,972 in respect of the first-time consolidated MHV.

The cash flow according to DVFA/SG amounted to kEUR 685 compared to kEUR -520 as of 31 March 2008.

The inflow from current business activities totalled kEUR 3,615 compared to outflows totalling kEUR 1,353 in the comparable period. In the context of the group's investment activities, kEUR -2,008 went out in the first three months of 2009 (previous year: inflow of kEUR 1). The inflow arising from financing activities amounts to kEUR 1,062 compared to an inflow of kEUR 731 in the previous year.

Net assets

Balance sheet structure

Compared to the end of the year 2008, the group's balance sheet total as per 31 March 2009 had increased by kEUR 4,448 from kEUR 12,682 to kEUR 17,130. On the asset side, liquid funds recorded under the current asset item in particular increased by kEUR 4,177 to kEUR 5,009, inventories by kEUR 723 to kEUR 770 and the other receivables by kEUR 1,104 to kEUR 1,511. As a consequence of the de-consolidation of the VI companies, current assets declined by kEUR 3,463. Due to the consolidation of MHV, non-current assets increased net by kEUR 1,822. Also due to the consolidation, goodwill in the amount of kEUR 2,587 was reported.



The liability side of the group balance sheet showed equity in the amount of kEUR 7,655 (31 Dec. 2008: kEUR 5,882), resulting in a total equity ratio of 44.7% (previous year: 46.4%). The equity per share amounted to approx. Euro 0.84 compared to approx. Euro 0.65 as per the end of 2008.

In the context of the de-consolidation of the VI companies, an amount of kEUR 2,980 was reclassified from minority shares to the unappropriated retained earnings without affecting the net income. This correction was necessary since the entire losses generated by the VI companies had been appropriated by the group shareholders until 2007. In the context of the first consolidation of MHV, capital of kEUR 1,100 was transferred to the minorities.

The current liabilities excluding debts associated with assets for sale increased by kEUR 4,665. In particular liabilities to banks rose by kEUR 1,504 and payments in advance by kEUR 2,601. The non-current portion of the liabilities increased by kEUR 860 to kEUR 1,665. Deferred income (kEUR 730), which arises from the licensing of the 313music JWP AG catalogue to Sony Music, makes up the largest portion of the increase.

The following assets and liabilities were assumed as per 1 January 2009 in the context of the first-time consolidation of Manfred Hertlein Veranstaltungen GmbH:

	Manfred Hertlein	
	Fair Value	Book Value
	TEUR	TEUR
Fixed assets	98	98
Intangible assets	112	112
Inventory	1.230	1.230
Receivables and accrued income	687	687
Cash	4.558	4.558
Accrued liabilities	-255	-255
Due to banks	-1.568	-1.568
Remaining liabilities	-5.449	-5.449
Deferred taxes	0	0
Net assets	-587	-587

Assuming the contractually agreed minimum purchase price for the further 6% of shares in MHV (kEUR 120), the following goodwill results. The total fair value of MHV would amount to kEUR 2,000.



	Interests	current value
	%	kEUR
Total purchase price:		
Minimum amount for 6% of the interest	6	120
Further minority holdings	49	980
Subtotal	55	1.100
Holdings of 313music JWP AG as at 01.01.2009	45	900
Total	100	2.000
Undisclosed reserves		0
Plus negative net assets		587
Goodwill		2.587

The book value of the holding in MHV, which had previously been valued at equity, amounted to kEUR 792 before full consolidation. Hence, the valuation of the holding at fair value results in an income of kEUR 108 for the full consolidation.

Following the final acquisition of 6% of the shares in MHV at a higher price than the minimum price, the calculated goodwill or the purchase price allocation may still change.

Number of staff

The number of staff employed by the group in the context of its continued operations increased from 12 in the previous year's period to 18, in particular due to the consolidation of MHV. The discontinued operations (VI companies) employed 5 (previous year: 7) members of staff.

Supplementary report

In accordance with the German law of obligations, the Company sold its shares in VI Music LLC, San Juan / Puerto Rico, which was jointly managed in conjunction with Universal, to Universal as per 1 January 2009. In accordance with the same law, the Company also sold its stake in VI Music Holding Inc., which had acted exclusively as a holding company for the investment in VI Music LLC, as per 1 January 2009.

In the second quarter, 313music JWP AG exercised an option it had been granted in the context of which the Company intends to increase its stake in Manfred Hertlein Veranstaltungen GmbH by a



further 6% to a total of 51%. Due to the additional potential voting rights, a controlling interest in MHV could arise. Consequently, MHV was fully consolidated as per 1 January 2009 in the amount of the previous 45% share.



Outlook

General economy

Despite the numerous efforts of governments and central banks, no economic turnaround is in sight, although initial positive signs indicate that the recession may have bottomed out. According to the Institute for the World Economy (IfW), the global recession, aggravated by the continued unsettling of the financial markets and the depression of the real estate market, is expected to continue until at least the middle of this year. Only towards the end of the year a moderate recovery in the global economy can be expected, with a 2.1% increase in global GDP coming only in 2010. For the USA, for example, the IfW forecasts a decline in gross domestic product of -1.8% for the current year, with the euro zone expected to suffer a drop of some 3.3%. From the current estimates by leading economic research institutes, the real gross domestic product in Germany will fall between 5% to 8%.

The Federal Music Industry Association (BVMI) expects the negative trend in unit sales of physical recorded music (singles, music DVDs, etc.) to continue in the coming years with the exception of the "CD album" format. One positive aspect, however, is the continuing high growth in the market for downloads.

The increasing willingness to forego copy protection (DRM – digital rights management) and also the market entrance of new competitors and differentiated product offerings may result in new impulses for the record market.

However, the music industry must exploit more keenly other potential from distribution platforms apart from physical recorded music and the online music market, if it is to counter the drop in sales. The demand for digital formats in particular is expected to rise unabated. A new and already appreciable trend is music playable on mobile phones. The first cooperation agreements between mobile phone manufacturers and music labels have already been signed and are beginning to bear fruit. From 2011, this marketing variant is expected to reach USD 7.3 billion and thus account for a considerable share of the entire music market.



Revenues from licenses, artist management, concert and ticket sales and also merchandising are becoming increasingly important for companies operating in the music market. Individual market segments such as songs in German have not lost any of their popularity. German hit and folk music above all has positive prospects and this sector expects increases in recorded music sales, in the download segment and in the audience numbers at concerts.

Prospective development of 313music JWP AG

313music JWP AG will stick to the course adopted at the end of 2008 and strive to generate corresponding sales and necessary margin contributions through additional focused acquisitions of rights to artists and their productions. The cost structure has been adjusted to reflect the short and medium-term sales expectations. The optimized cost structures and concentration on our core competencies should enable us to improve the earnings situation in 2009.

One of our strategic goals is to continue exploiting the significant potential of the marketing chain in the music industry. We will expand the artist and event management lines of business and also our publishing activities and so achieve greater independence from pure recorded music sales. Furthermore, we will be focusing more strongly on the fast-growing online segment as a response to the changes in the sector. Furthermore, selective catalogue acquisitions will be used as and when they come on the market and are economically attractive to boost the Company's substance further. In the long term, this will lead to more robust earnings and planning.

With Umberto Tozzi 313music JWP AG signed up one of the most popular Italian superstars. He released his new live album 'Non Solo – live' including the hit singles "Gloria", "Gente di Mare", "Ti amo" and 6 new studio recordings. During the course of his career, the world-famous and popular Italian singer and songwriter has sold over 32 million records.

Flowin Immo et Les Freaqz, who represented Bremen in this year's Bundesvision Song Contest in Potsdam, have released their new album "Immoment" at the end of April.



In addition, the Hip Hop Formation "Die Firma" won a platinum award for the hit "Die Eine 2005" and in March released the first best of album in their 10-year band career. A new studio album is planned for summer 2009.

The Company had another hit with the song 'Numero Uno' by radio and TV star comedian Matze Knop, which entered the charts at 34. The comedian's second single is in the pipeline and will no doubt be much to the delight of his fans.

The new album of Hansi Hinterseer, for years one of the most successful artists, will be released to coincide with his popular fan walking tour and open air concert in August 2009.

Our subsidiary 313 Music GmbH is also preparing promising music productions, for example by Daniel Schuhmacher, the winner of the 2009 DSDS talent show season who stormed the charts with his debut single "Anything But Love".



The 313music JWP share

In the first quarter 2009, the 313 Music JWP AG share showed a slight upward trend. As per the end of March, it quoted at Euro 0.42. Compared to the price at the end of 2008 (Euro 0.33), this corresponds to a 27.3 % increase. However, the stock market continued to follow a negative trend. In the period under review, the "Prime Media Performance" industry index lost 19.52 %, and at 15.22 %, the SDax recorded a loss of a similar magnitude. As of the reference date, the market capitalisation of 313 Music JWP's 9,083,333 common shares that are admitted for trading amounted to Euro 3.8 million.

Shareholdings - directors' holdings

As of the reference date of 31 March 2009, 5,718,879 of 313music JWP AG's 9,083,333 shares (62.96 %) were held by a variety of shareholders. Shares are held as follows:

Shareholder structure as per 31 March 2009	Number of shares (units)	Share in capital stock (%)
Widespread shareholdings	5,718,879	62.96
Effecten-Spiegel AG	1,650,000	18.17
Heinz Heiler	747,600	8.23
Jürgen Uhlemann (supervisory board chairman)	652,884	7.19
Rainer Wakke	313,970	3.46
Total	9,083,333	100

An interim dividend has not been distributed.



Explanations regarding the interim consolidated financial statements

The abridged interim consolidated financial statements of 313music JWP AG as per 31 March 2009 were prepared in compliance with the International Financial Reporting Standards (IFRS) for interim reporting as applicable in the European Union.

The accounting and valuation methods are consistent with those used in the consolidated financial statements as of 31 December 2008, taking into account any compulsory changes as of 1 January 2009. Neither the financial statements included in the interim consolidated financial statements nor the consolidated financial statements themselves have been audited.

Unterföhring, July 2009
313music JWP AG

The Management Board



Group balance sheet

Assets	31.03.2009	31.12.2008
	EUR'000	EUR'000
Short-term assets		
Liquid funds	5,009	832
Securities	100	100
Trade account receivables	556	471
Inventories	770	47
Other receivables	1,511	407
Subtotal of short-term assets	7,946	1,857
Long-term assets held for sale	0	3,463
Total of short-term assets	7,946	5,320
Long-term assets		
Tangible assets	413	332
Intangible assets	8,771	6,237
Shares in affiliated companies	0	793
Deferred taxes	0	0
Total of long-term assets	9,184	7,362
Total assets	17,130	12,682

Liabilities	31.03.2009	31.12.2008
	kEUR	kEUR
Short-term liabilities		
Due to banks	1,504	0
Accounts payable	1330	618
Loans and short-term portions of long-term loans	3	654
Accrued liabilities	769	930
Advances from customers	2,601	0
Other liabilities	338	76
Provisions for taxes	388	380
Deferred income	877	487
Subtotal: short-term liabilities	7,810	3,145
Debts directly connected to assets held for sale	0	2850
Subtotal: short-term liabilities	7,810	5,995
Long-term liabilities		
Deferred income	1,535	805
Provisions for taxes	130	0
Deferred taxes	0	0
Total long-term liabilities	1,665	805
Total liabilities	9,475	6,800
Equity		
Subscribed capital	9,083	9,083
Capital reserve	0	0
Exchange rate corrections	0	-170
Balance sheet profit / loss	-2,880	-6,074
Consolidated shareholder's equity	6,033	2,839
Minority holdings	1,1452	3,043
Total equity	7,655	5,882
Total assets	17,130	12,682



Consolidated Income Statement

	01.01.-31.03.2009	01.01.-31.03.2008
	kEUR	kEUR
Continued businesses		
Turnover	6048	.849
Production costs	-5,055	-414
Gross sales result	993	435
Selling costs	-169	-650
General and administrative costs	-579	-588
Other income	443	119
Other expense	-5	-21
Exchange rate profit / loss	-7	-10
Operating profit / loss	676	-715
Interest income	3	2
Interest expense	-7	0
Income from associated companies	0	0
Result from valuation of holdings reported at equity the previous year at the applicable fair market value	108	0
Other financial result	0	0
Financial result	104	2
Result after taxes	780	-713
Income tax	0	13
Result after taxes from continued businesses	780	-700
Discontinued businesses		
Result from discontinued businesses	-277	-47
Net profit / loss for the year	503	-747
Therefrom falls upon:		
Shareholder of the parent company	214	-779
Minority shareholder	289	32

Result per stock in EUR from continued businesses	0,05	-0,08
Continued and discontinued segments	0,02	-0,09



Shares

9,083,333

9,083,333



Consolidated Cash Flow Statement

	31.03.2009	31.03.2008
	kEUR	kEUR
Net profit / loss for the year	503	-747
Additions / disposals of fixed assets	182	227
Cash flow according to DVFA/SG	685	-520
Changes in deferred taxes	0	-27
Shares in profits from associated companies	0	0
Loss from the disposal of business units	170	0
Other expenses / Earnings that are ineffective	0	-568
Increase / decrease in trade account receivables	-85	644
Increase / decrease in inventories	-723	1
Increase / decrease in other assets	-1,104	157
Increase / decrease in trade account payables	712	-460
Increase / decrease in accruals	-23	0
Increase / decrease in deposits from customers	2,601	0
Increase / decrease in passive accruals and deferrals	1,120	0
Change in other liabilities	262	-580
Cash for / from operating activities	3,615	-1,353
Changes in fixed assets due to full consolidation replacing at-equity accounting	-2,004	0
Changes in investments held as current assets	0	0
Outflow for investments in fixed assets	-8	-1
Inflows/ outflows for investments in intangible fixed assets	0	0
Outflow for investments in financial assets	0	0
Proceeds from disposal of business segments	-4	0
Inflow from the sale of financial assets	0	0
Cash for / from investing activities	-2,016	-1
Changes in minority capital due to full consolidation replacing at-equity accounting	1,100	0
Deposits from capital increase	0	580
Deposits from loans	0	160
Payments from payback of loans	-41	0
Inflow / outflow of funds from financing	1,059	740
Effective change of the financial fund	1,220	-1,072
Financial fund at the beginning of the period	832	1,568
Changes in the scope of consolidation	4	0
Cash and cash equivalents at the end of the period	2,056	496



Change in the group equity

	Parent company				Equity of the parent company	Minority shares		Equity of minorities	Group equity
	Paid-up equity		Generated group equity	Other group results		Minority capital	Equity difference from currency conversation		
	Subscribed capital	Capital reserve							
	kEUR	kEUR	kEUR	kEUR		kEUR	kEUR		
As per 31 December 2006	8,600	3,139	-639	-226	10,874	5,952	1	5,953	16,827
Capital increase	483	57			540			0	540
Group results for the year			-8,631		-8,631	-2,911		-2,911	-11,542
Other group results				56	56	2		2	58
Total group results					-8,575			-2,909	-11,484
Withdrawals from capital reserves		-3,196	3,196		0			0	0
Reposting minorities					0		-1	-1	-1
As per 31 December 2008	9,083	0	-6,074	-170	2,839	3,043	0	3,043	5,882
Group results			383		383	289		289	672
Result from revaluation of holdings reported at-equity the previous year			108		108				108
Other group results			-277	0	-277			0	-277
Total group results			214	0	214	289		289	503
Change in equity difference from currency conversation				170	170			0	170
Reposting minorities			2,980		2,980	-2,980	0	-2,981	0
Addition from full consolidation of the company reported at-equity the previous year						1,100		1,100	1,100
As per 31 March 2009	9,083	0	-3,268	0	5,815	1,444	0	1,444	7,259



Declaration by the statutory representatives

We declare to the best of our knowledge that in compliance with the accounting regulations to be applied the consolidated interim report gives a fair presentation of the net assets, financial position and results of operations of the company and that the management interim report describes the course of business including the business results and the company's situation such that it gives a fair presentation and description of the key opportunities and risks in the company's expected development.

Unterföhring, July 2009
313music JWP AG

Klaus Munzert



Contact

313music JWP AG
Münchner Straße 135
85774 Unterföhring
www.313jwp.de

Klaus Munzert
Chairman of the Board
Phone: +49 (0)89/950 94 90
Email: contact@313jwp.de