



Jack White Productions AG H1 Financial Report

Jan. 1 – June 30, 2007



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Key Group Financial Figures

according to IFRS		June 30, 2007	June 30, 2006
Consolidated sales	EUR 000	2,477	6,219
Cost of sales	EUR 000	1,154	2,609
Gross profit on sales	EUR 000	1,323	3,610
Gross margin	%	53.4	58.1
EBITDA	EUR 000	-1,699	140
Margin on EBITDA	%	-	2.3
EBIT (operating loss)	EUR 000	-2,042	-173
Margin on EBIT	%	-	-
Net loss	EUR 000	-985	-499
Net return on sales	%	-	-
Net loss per share *	Euro	-0.14	-0.07
Cashflow according to DVFA/SG	EUR 000	-642	-185
Employees		19	34

* Base: 7 million shares

		June 30, 2007	31.12.2006
Balance sheet total	EUR 000	30,425	31,635
Shareholders' equity	EUR 000	23,707	24,734
Equity/assets ratio	%	77.9	78.2

The H1 consolidated financial statements as at June 30, 2007, were prepared in line with IAS 34 and the regulations of DRS 16 (near final draft). The accounting and valuation methods are presented exhaustively in Annual Report 2006. The H1 Report was audited neither in line with section 317 HGB nor subjected to an audit examination.



Consolidated Report on H1 2007

Business and overall conditions

Business basis and Group structure

Founded in 1998, Jack White Productions (JWP) AG produces and publishes music recordings with various artists, acquires recordings from other producers and exploits these.

The JWP AG consolidation includes both the parent company and Berlin-based Transcontinent Musikverlag GmbH, which is wholly owned by JWP AG and is active as a music publisher. In the report for the period ending March 31, 2007, the stake in this company was carried as a for-sale segment. Unlike the original planning, the shares in the GmbH were not sold, but instead the assets. For this reason, the for-sale entry has been annulled in the present report.

Moreover, the Group includes VI Music Holding Inc. in Puerto Rico, USA, in which JWP AG holds 50 % plus one share. VI Music Holding Inc. owns 50 % in VI Music LLC, domiciled in Puerto Rico, which is also included in the consolidation. The remaining shares in this company are held by the Universal Music Group, which handles world-wide distribution of the VI Music label. The new subsidiary, 313 Music GmbH, in which JWP AG has held 51 % since April 2007, was not yet included in the consolidation in the period under review as the necessary entry in the Commercial Register did not occur until August 2007.

Personnel changes

Thomas M. Stein has been the Company's CEO since March 1, 2006. Jack White retired from the Management Board as of January 31, 2007. On March 20, 2007, Holm Tippner, attorney-at-law based in Munich, was appointed to the Company's Supervisory Board, taking over from Christoph Schmidt, who withdrew from the Board at his own request.



Key occurrences in H1 2007

Participation in 313 Music

On April 26, 2007, JWP AG acquired a majority stake in 313 Music GmbH. Although the takeover first became effective as of the beginning of August, we have since been working very intensely with the Berlin-based company, which is specialized in managing artists. As a result, we have expanded our existing business segments and now lock into both revenue from sales of audio recordings and all the revenues attributable to a particular artist.

Among others, 313 Music manages **Mark Medlock**, the winner of the last series of the successful German TV show "Deutschland sucht den Superstar" (DSDS). Both his debut single "Now Or Never" and the follow-up release "You Can Get It" as well as the album "Mr. Lonely" hit no. 1 in the German charts in the period under review. Moreover, the CD went gold in Germany and Austria. In the Top-100 download charts, the album likewise rocketed. All the other finalists in the show, such as **Lisa Bund**, who released her first single at the end of August, and stars such as ex-Spice-Girl **Melanie C** are under contract to 313 Music. As is, **Ben**, an artist who came to fame with his hit single "Engel", and took part until the end of June in the RTL TV show "Let's Dance". His single "Bedingungslos", recorded together with his partner **Kate**, placed no. 16 in the single charts during August. Producer and composer **Lukas Hilbert** can also look back on a highly successful career, having worked in the studio with stars such as **Nena**, **Peter Maffay** or **Die Prinzen** and has composed countless Top-10 titles.

Special audit in the United States

The remit of the special audit in the United States initiated in 2006 to clarify various occurrences, which led to the immense losses posted by former subsidiary HoT JWP Music Inc., Miami, was expanded during the period. Alongside the exact impact on the Group it is now examining whether claims for damages can be brought and the responsibility of directors at JWP AG and HoT JWP Music Inc. The audit, which is being supported by KPMG, is not yet complete, but the following findings are already clear:

- The HoT JWP Music Inc. annual financial statements for 2004 and 2005 are not correct, as they carry erroneous figures for sales and earnings.



- The JWP AG consolidated annual financial statements for these two years are thus also wrong.
- The JWP AG annual financial statements will likewise be wrong owing to the value assigned to the participation and the valuation of the loan. This has been adjusted in the 2006 annual financial statements, however.
- The management of HoT was in possession of the figures from the Universal Music Group's accounting department that were of relevance to the annual financial statement of HoT JWP Music Inc.
- There are documents that prove that HoT's management was informed by Universal on sales revenues, inventories, returns and production figures.
- There are also documents that prove that Jack White was informed of the correct figures from Universal for HoT JWP Music Inc. in the first three quarters of 2005.

Macroeconomic environment

The economic upturn in Germany dampened slightly in Q2 2007. Compared with the same period of the prior year, German gross domestic product (GDP) for the period April-June grew 2.5 %, as against 3.3 % in the first quarter. In Euroland economic growth likewise slowed: Compared with the respective year-before period, the Eurozone economy grew 2.5 % in Q1 compared with 3.1% the prior quarter.

Market trends in the audio recording industry remained weak in H1 2007: For Germany, the decline is expected to be about 5 % as at the end of June, while the decrease was 3.4 % for the same period one year earlier. In 2006 as a whole, sales slipped 2.4 % according to the industry association IFPI.

Earnings position

Consolidated sales

In H1 2007, JWP AG business fell short of our targets, as we announced at the General Meeting: On balance, as at June 30, 2007, consolidated sales came to EUR 2,477 thousand, 60.2 % down on the prior-year figure of EUR 6,219 thousand.



First, market trends especially in GAS remained downward following the weak first quarter. Second, we postponed release of key albums. As a result, in H1 2007, the parent company JWP AG booked sales of EUR 1,425 thousand, appreciably down on the figure of EUR 2,493 thousand for the same period one year earlier. Transcontinent Musikverlag GmbH, Berlin, which is specialized in publishing business, booked H1 sales of EUR 176 thousand, as against EUR 222 thousand one year before. Our subsidiaries in Puerto Rico, VI Music Holding Inc. and VI Music LLC, also reported considerable declines, as - among other things - the announced first-half release of the album by Reggaeton artist **Don Omar** was postponed to Q4 2007. Moreover, the deconsolidation of HoT JWP Music Inc. as of mid-2006, which in H1 2006 had contributed a sales volume of EUR 1,275 thousand, meant the scope of consolidation has contracted. The successes scored by 313 Music, such as the chart hits by **Mark Medlock**, are likewise not factored into the financial statements as at June 30, 2007, as the participation will not be consolidated until the third quarter.

Sales by segment

The Labels segment posted sales of EUR 2,301 thousand as against EUR 5,997 thousand in H1 2006 and contributed 93 % of the Group's sales volume in the period under review, as against 96 % one year earlier. Our second segment, Publishing, saw sales dwindle from EUR 222 thousand to EUR 176 thousand. This segment will in future be re-aligned and expanded. To this end, parallel to the sale of the existing usufruct in the Transcontinent Musikverlag GmbH catalog, which was signed and sealed in August, we have established new rights. We are carefully exploiting these and thus strengthening our traditional high-earning publishing arm.



Consolidated earnings

The clear drop in consolidated JWP sales, in H1 2007 the earnings position came under pressure, too. Although cost of sales fell from EUR 2,609 thousand to EUR 1,154 thousand, gross profits nevertheless decreased compared with the prior-year period from EUR 3,610 thousand to EUR 1,323 thousand. The gross margin on sales slipped from around 58 % to 53 %.

Selling as well as general and administrative costs were cut from EUR 1,995 thousand to EUR 1,849 thousand and from EUR 1,788 thousand to EUR 1,516 thousand respectively. The loss before interest, taxes, depreciation and amortization was EUR 1,699 thousand as against EBITDA of EUR 140 thousand one year earlier. The loss before interest and taxes, which is identical to the operating loss, was EUR 2,042 thousand as compared to the loss of EUR 173 thousand in H1 2006. The consolidated loss before taxes was EUR 1,896 thousand (prior year: EUR 263 thousand). On balance, the net loss after six months was EUR 985 thousand (H1 2006: EUR 499 thousand). The net loss per share was EUR 0.14 as against EUR 0.07 in H1 2006.

Profit/loss by segment

The Labels segment posted a net loss for the period of EUR 974 thousand as against a net loss of EUR 569 thousand in H1 2006. The Publishing segment faced extraordinary expenses and reported a loss of EUR 11 thousand as against a net income of EUR 70 thousand in the first six months of 2006. This was the result of one-time payments in arrears to GEMA from former invoicing periods. In comparison to the loss in Q1 2007 of EUR 119 thousand the H1 figure shows a clear improvement.

Assets and financial position

Cash flow statement

Current operating activities in the first six months of 2007 generated EUR 1,191 thousand in cash as compared with a cash outflow of EUR 109 thousand in H1 2006. Essentially, this can be attributed to a decrease in inventories, trade accounts receivable and other assets. All together these items fell by



EUR 3,124 thousand, as against EUR 1,985 thousand one year earlier. The cash outflow calculated by the DVFA/SG method was EUR 642 thousand (H1 2006: EUR 185 thousand).

The cash outflow from investing activities in H1 2007 totaled EUR 317 thousand, as compared with a cash flow of EUR 118 thousand one year earlier. Financing activities have to date added EUR 167 thousand (prior year: EUR -151 thousand), whereby the redemption of bank and other loans of EUR 843 thousand were offset by new debt taken up of EUR 1,010 thousand.

On balance, JWP consolidated cash and cash equivalents totaled EUR 2,199 thousand at June 30, 2007, compared with EUR 1,158 thousand at year-end 2006. In other words, the total cash inflow for the period was EUR 1,041 thousand, whereas the level decreased by EUR 142 thousand in the prior-year period.

Balance-sheet analysis

Compared with year-end 2006, the JWP AG consolidated balance sheet dropped slightly from EUR 31,635 thousand to EUR 30,425 thousand. On the assets side, noncurrent assets remained almost unchanged at EUR 19,907 thousand (Dec. 31, 2006: EUR 19,959 thousand). Intangible assets slipped from EUR 16,190 thousand to EUR 15,247 thousand, while deferred taxes rose from EUR 2,754 thousand to EUR 3,654 thousand. The interest in affiliated companies came to EUR 2,500 (Dec. 31, 2006: EUR 0). Current assets decreased from EUR 11,676 thousand to EUR 9,012 thousand, primarily owing to a reduction in trade accounts receivable from EUR 3,794 thousand to EUR 2,003 thousand and the item for deferred charges and other current assets, which declined from EUR 5,652 thousand to EUR 4,176 thousand. By contrast, liquid funds rose from EUR 1,158 thousand to EUR 1,869 thousand.

As at June 30, 2007, Group shareholders' equity totaled EUR 23,707 as against EUR 24,734 thousand at year-end 2006. In relation to the balance sheet total, the equity/assets ratio is thus around 77.9 % (Dec. 31, 2006: 78.2 %). Equity capital per share is about EUR 3.39 (Dec. 31, 2006: EUR 3.53) (base: 7 million shares).



Noncurrent liabilities dipped slightly from EUR 1,586 thousand as at Dec. 31, 2006, to EUR 1,545 thousand. Current liabilities as at June 30, 2007, were EUR 5,173 thousand (Dec. 31, 2006: EUR 5,315 thousand). Here, the complete reduction in current loans, which at year-end 2006 totaled EUR 815 thousand, compared with an increase in trade accounts payable and other current liabilities. Current provisions as at June 30, 2007, came to EUR 880 thousand (Dec. 31, 2006: EUR 917 thousand).

Employees

The number of JWP Group employees continued to fall, from 22 at year-end 2006 and 20 as at March 31, 2007, the figure came to 19 at the end of June. Of this total, 18 are employed in the Labels segment, and one person in the Publishing segment. On June 30, 2006, the Group payroll was 34, meaning that the decrease has been around 44 % on the year.

Risks and opportunities

As regards the risks and opportunities, we refer to the Group Management Report as at Dec. 31, 2006 (Annual Report, p. 14 ff). No material changes have occurred compared with the reporting given there. There are no new risk factors that could have a significant or enduring impact on the Group's financial position or business performance.

The claims for damages brought against the Company out of court by ex-Management Board member Jack White in July 2007 for a total of EUR 3,700 thousand are, in our opinion, without substance, meaning that no additional provisions have been made in the consolidated financial statements as at June 30, 2007.



Events after the end of the period under review

Key occurrences after June 30, 2007

In early July, JWP AG signed a contract with Zebralution GmbH, Duisburg, one of the world's leading specialists for digital distribution in the music industry. The agreement covers online trading of all JWP AG recordings. In the music industry this sales channel, which runs parallel to traditional distribution of the CDs, is becoming ever more important for the success of a release. Zebralution operates as the interface between digital dealers and rights owners, thus guaranteeing labels availability and a good placing in the Internet. Through the collaboration with JWP AG, Zebralution GmbH intends in particular to expand its repertoire of German-language recordings offered online and to consistently tap this sector. The company's distribution partners include AOL, Apple iTunes, Jamba, MusicNet, Napster, SonyNetServices, T-Online, Universal Music Online and VirginMega. Moreover, Zebralution supports JWP AG in electronic processing of its recordings as this will in future lock into additional hitherto unused sources of revenue.

At the JWP AG General Meeting on July 3, various resolutions were taken that lay the foundations for the future. For example, the shareholders agreed to the company being renamed 313 Music JWP AG and to the head office being relocated from Berlin to Unterföhring, nr. Munich. These resolutions are still to be entered in the respective Commercial Register. Moreover, Manfred Gustav Karl Atzert and Marlis Weidtmann were new appointments to the Company's Supervisory Board, as the terms of office of Hartmut Fromm and Albert Czapski both ended with the day of the General Meeting. At its next meeting the Supervisory Board elected Mr. Atzert its Chairman. As at August 27, 2007, Marlis Weidtmann retired from said board owing to internal changes at Effecten-Spiegel AG. The District Court appointed as new member in her place Stephan Grau, Paphos Tala, Cyprus.

In mid-July we started re-aligning the JWP AG publishing arm and in this context sold the usufruct in the catalog held by Transcontinent Musikverlag GmbH, Berlin. The related inflow of cash of EUR 2.8 million further improved the Company's financial position. The Publishing segment, which manages the intellectual property of composers and songwriters, remains bundled at Transcontinent Musikverlag GmbH and will in future be strengthened. To this end, parallel to the sale we are establishing new publishing rights and committing them to the subsidiary. Following the retirement of



Karl-Heinz Klemnow as Managing Director (MD) of Transcontinent Musikverlag GmbH, management of the publishing activities is being handled by Gaby Urban, and Karina Koprek remains sole MD.

On August 1, 2007, Jack White was relieved of his duties as MD of the subsidiary White Records GmbH, Berlin, and his consultancy contract with JWP AG cancelled without notice. The reason: Mr. White founded a new music publishers that competes with JWP AG business.

Forecast

Overall conditions

The German economic cycle remains on a robust course for growth having in the interim lost a little speed in Q2 2007. The experts expect that the pace of growth will pick up in the second half, above all because the favorable trend on the labor market should strengthen private consumer spending. Growth forecasts for the year as a whole remain unchanged at about 2.8 %.

JWP AG business performance

Despite the fact that business performed unsatisfactorily in the first half, we are confident as regards the second half and confirm our published forecast for business 2007, i.e., we expect sales to rise and the Group to close the year in profit.

The broadening of our company base forms the backbone to the planned growth, and it will enable us to tap additional sources of income. A key investment in the future has already been undertaken in this regard, with the takeover of 313 Music GmbH, which will be included in the consolidation as of the second half. Through 313 Music we are entering the artist management business and thus participating not only in the sales of CDs by our artists, but also in all other sources of revenue, including book rights, tour and merchandising business. In the field of distribution, we have also broadened our capacity by buying into 313 Music, because the company is independent of individual distribution channels. In other words, we can also offer our productions to other distribution partners and book an attractive return, as the key expenses are borne by the partners who release the respective product. In this context, we consider the acquisition a key strategic move, one that JWP AG rivals have since also implemented.



We have a strong position in the online distribution segment, which we believe will emerge as one of the fastest growing sectors in the music market, thanks to the cooperation agreement with Zebralution GmbH. We likewise intend to strengthen our existing fields of business, such as events management, and to increase our stake in Manfred Hertlein Veranstaltungs-GmbH in Würzburg, which is currently 20 %. Manfred Hertlein has successfully worked in show business for almost 25 years now as a concert organizer, tour producer and music manager. The plan for our Publishing segment, hitherto small, highly profitable and mainly managed by our subsidiary Transcontinent Musikverlag GmbH, is as mentioned above for expansion.

We will be recruiting new staff members for our Group's commercial department and are hiring a specialist we have already found. She will start work in the second half at the JWP AG head office in Unterföhring.

After submission of the complete KPMG audit report we will be assessing the future strategy for our US subsidiaries and then taking the relevant steps.

Key releases in the second half of 2007

In mid-August, JWP AG made a splash in the German charts, with releases by various artists: The **Kate & Ben** song "Bedingungslos" went to 16 in the single charts, and **Die Firma** went to no. 59 with their title "Glücksprinzip". The new "Goldene Zeiten" album by the German hiphop band, which was released at the beginning of August, topped at no. 38 in the album charts. **Die Firma** came to fame with its hit "Die Eine 2005", which went gold and also placed in the Top 10 in the German ringtone charts, with over 100,000 downloads.

Moreover, we have taken several young artists under contract, including **Alexa Phazer**, who has already sung for various renowned artists. Among others, the singer and songwriter has already been in the studio with the **No Angels**, **Ricky Martin** and **Joana Zimmer** and has already composed several well-known ad jingles. At the end of July she brought out her first single "Ich heirate mich selbst". Newcomer band **JENSON** entered the Top 100 in the German charts with its very first song: The four-man Munich-



based punk-rock band placed at no. 88 in early August with its song "Wir werden", and its first album will presumably come out in early 2008.

We released **ELLI's** new album "Moving On" via the Hitch Records label run by US producers Gary Baker and Anthony Little. Gary Baker has authored, among other songs, the hit "I Swear", which became world famous in the cover version by **All4One**, Anthony Little is the songwriter and producer behind countless chart successes by the likes of **Tina Turner**, **Jessica Simpson**, **Natural** and **Justin Timberlake**. "Moving On" is scheduled for release in early September and will be supported by numerous advertising measures.

In 2007, there will be a total of three **Hansi Hinterseer** releases: Following "Volksmusik der Berge", his album in dialect available since March, August 24 saw release of the CD "Von Herz zu Herz" and a DVD will come out in November. Moreover, the plan is for a follow-up to **Roland Kaiser's** audio-play success for release on September 14: the **GIBLINGE** project, a highly imaginative children's book series, recommended among others by Stiftung Lesen, was first presented at the Leipzig Book Fair in March and has since sold very well. The book went to no. 6 in the children's and young people's bestseller lists and a fourth sequel is already scheduled for fall 2007. **Lisa Bund**, one of the finalists in the last DSDS series, brought out her first single "Learn To Love You" at the end of August, and her album "Born Again" will follow in mid-September. The **Kate & Ben** CD is eagerly anticipated, as is the **Mark Medlock** Christmas album, not to mention the latest work by Bayern 3 comedian **Chris Boettcher**, a unique satire on Edmund Stoiber. Moreover, there will be a new **Roland Kaiser** studio album, the first in five years, and a duet album by **Tobey Wilson & Eva Lind**.



Shareholders' structure and Directors' Holdings

As at June 30, 2007, of the total of 7 million Jack White Productions AG shares 5,072,250 units or 72.46 % were in free float. Our information shows that Effecten-Spiegel AG holds 1,400,400 shares (20.006 %) and Heinz Heiler 527,350 shares (7.53 %). Holm Tippner, since March 2007 a member of the Supervisory Board, held 20 shares as of June 30, 2007.

Berlin, August 2007

The Management Board

The JWP Equity

In the period under review, the JWP AG equity continued downwards. As at March 30, the share was trading at EUR 2.34, well below the end-of-year 2006 price of EUR 2.57, and proceeded to lose further ground: On June 29, 2007, the share closed in Xetra trading at EUR 2.03 or down about 14 % in Q2 and 21 % since the beginning of the year. By contrast, the "Prime Media Performance" sector index increased some 17 % during the same period, and the SDax grew about 16 %. Market capitalization of the seven million JWP ordinary shares admitted to trading totaled EUR 14.21 million as at June 30, 2007. Since that time, the share has fallen further, hitting a new all-time low in early August of EUR 1.09. It has since recovered somewhat, finishing the month at about EUR 1.70.



Consolidated Balance Sheet

Assets	June 30, 2007	Dec. 31, 2006
Current assets		
Liquid funds	1,869	1,158
Restricted cash	0	0
Marketable securities	763	794
Trade accounts receivable	2,003	3,794
Inventories	201	278
Deferred charges and other current assets	4,176	5,652
Total current assets	9,012	11,676
Noncurrent assets		
Tangible assets	543	555
Intangible assets	15,247	16,190
Participations	460	460
Interest in affiliated companies	3	0
Interest in associated companies	0	0
Deferred taxes	3,654	2,754
Other financial assets	0	0
Total noncurrent assets	19,907	19,959
Assets in discontinued operations	1,506	0
Total assets	30,425	31,635

Figures in € thousands



Liabilities	June 30, 2007	Dec. 31, 2006
Current liabilities		
Trade accounts payable	687	492
Current loans and current portion of noncurrent loans	0	815
Tax accruals	0	0
Current provisions	880	917
Liabilities due to affiliated persons	0	0
Other current liabilities	3,606	3,090
Total current liabilities	5,173	5,315
Noncurrent liabilities		
Noncurrent loans	1,206	1,234
Deferred taxes	339	352
Noncurrent provisions	0	0
Total noncurrent liabilities	1,545	1,586
Total liabilities	6,718	6,901
Shareholders' equity		
Subscribed capital	7.000	7.000
Capital reserve	16.159	16.159
Exchange-rate adjustments	-158	-139
Retained loss	-4.210	-3.202
Equity capital attributable to Group shareholders	18.791	19.818
Minority interests	4.916	4.916
Total shareholders' equity	23.707	24.734
Total liabilities	30.425	31.635

Figures in € thousands



Consolidated Income Statement

	Jan. 1 - June 30, 2007	Jan. 1 - June 30, 2006	April 1 - June 30, 2007	April 1 - June 30, 2006
Consolidated sales	2,477	6,219	651	2,561
Cost of sales	-1,154	-2,609	-348	-2,003
Gross profit on sales	1,323	3,610	303	558
Selling costs	-1,849	-1,995	-844	-776
General and administrative costs	-1,516	-1,788	-860	-972
Operating loss	-2,042	-173	-1,400	-1,190
Interest income/expense	2	20	12	6
Income from participations	23	16	0	16
Other financial income/expense	50	-121	-9	-397
Other income / expense	72	-5	231	31
Loss before taxes	-1,896	-263	-1,167	-1,534
Taxes on income	911	-236	738	242
Loss before minority interests	-985	-499	-428	-1,292
(of which from discontinued operations)	(-118)	(0)	(-118)	(0)
Minority interests	0	0	0	66
Loss for the year	-985	-499	-428	-1,226

Figures in € thousands

Loss per share in €	-0.14	-0.07	-0.06	-0.18
Shares outstanding	7,000,000	7,000,000	7,000,000	7,000,000



Consolidated Cash Flow Statement

	Jan. 1 - June 30, 2007	Jan. 1 - June 30, 2006
Net loss for the year	-985	-499
Profit attributable to minority interests	0	0
Additions/disposals of fixed assets	343	314
Cash flow according to the DVFA/SG method	-642	-185
Increase/decrease in medium-term and current provisions	-37	-238
Other expense/income not impacting on income	-954	-381
Increase/decrease in inventories, trade accounts receivable and other assets	3,124	1,985
Increase/decrease in trade accounts payable and other liabilities	-300	-1,290
Cash flow from/for current operating activities	1,191	-109
Change in marketable securities	31	160
Payments for investments in tangible assets	-37	0
Payments for investments in intangible assets	-308	-398
Payments for investments in financial assets	-3	0
Payments from investments of noncurrent time deposits	0	356
Cash flow from/for investing activities	-317	118
Debt taken up	1,010	0
Redemption of bank and other loans	-843	-151
Cash flow from/for financing activities	167	-151
Changes in cash and equivalents impacting on income	1,041	-142
Cash and equivalents at the beginning of the period	1,158	1,123
Cash and equivalents at the end of the period	2,199	981

Figures in € thousands



Segment reporting

	Labels		Publishing		Group	
	Jan. 1 - June 30, 2007	Jan. 1 - June 30, 2006	Jan. 1 - June 30, 2007	Jan. 1 - June 30, 2006	Jan. 1 - June 30, 2007	Jan. 1 - June 30, 2006
Consolidated sales	2,301	5,997	176	222	2,477	6,219
of which USA/Puerto Rico	877	3,504	0	0	877	3,504
Net income/loss	-974	-569	-11	70	-985	-499
of which USA/Puerto Rico	-279	-241	0	0	-279	-241
Employees	18	32	1	2	19	34
of which USA/Puerto Rico	7	23	0	0	7	23

Figures in € thousands



Consolidated Schedule of Changes in Equity

	Ordinary shares	Capital reserve	Retained earnings	Minority interests	Exchange-rate adjustments	Total shareholders' equity
As at Dec. 31, 2005	7,000	16,159	5,912	4,381	202	33,654
Net loss			-499			-499
Change in scope of consolidation						0
Exchange-rate adjustments			-532	-154	-611	-1,297
As at June 30, 2006	7,000	16,159	4,881	4,227	-409	31,858
As at Dec. 31, 2006	7,000	16,159	-3,202	4,916	-139	24,734
Net loss			-985	0		-985
Change in scope of consolidation						0
Exchange-rate adjustments			-23	0	-19	-42
As at June 30, 2007	7,000	16,159	-4,210	4,916	-158	23,707

Figures in € thousands



Abbreviated Notes to the Consolidated Financial Statements for H1 2007

1 Group

The parent company, Jack White Productions AG, Berlin/Germany, and its subsidiaries (collectively termed: the "Group") produce and release music recordings with various artists and producers. Moreover, since 2001 the Group has run its own music publishing business in Berlin. The Company is a joint stock corporation domiciled in Berlin/Germany. The address of its registered office is: Uhlandstrasse 173/174, 10719 Berlin, Germany. The Company is listed on the Prime Standard segment of the Frankfurt Stock Exchange under ISIN DE0005087506. The Company has issued a declaration of compliance with the German Corporate Governance Code in line with section 161 German Stock Corporation Act (AktG) and posted the declaration on its homepage.

The valuation of all the assets and liabilities has been made in line with the principle of a continuing business. The consolidated income statement is structured in line with the cost of sales method. The present consolidated financial statements as at June 30, 2007, was approved for publication on August 31, 2007.

2 Basis for the consolidated financial statements for H1 2007

2.1 Accounting pursuant to IFRS

The present consolidated financial statements for the period ending June 30, 2007, have been prepared in keeping with the same accounting, valuation and calculation methods that were used for the Jack White Productions AG annual financial statements as at Dec. 31, 2006. The consolidated financial statements for the period ending June 30, 2007, have been prepared in line with the International Financial Reporting Standards (IFRS) as mandatorily applicable in the EU as at June 30, 2007.

IFRS and/or interpretations thereof not yet applicable have not been applied in advance. This interim report concurs with the regulations set out in IAS 34.

2.2 Accounting pursuant to IFRS

All sums in the consolidated financial statements for H1 2007 are stated in thousand Euros – with the exception of the statement of the loss per share.

2.3 Scope of consolidation

The consolidation includes Jack White Productions AG and all subsidiaries in which Jack White Productions AG holds a direct or indirect majority of the voting rights. There have been no changes to the scope of consolidation compared with Dec. 31, 2006.

2.4 Key accounting principles

All those accounting principles used for the consolidated annual financial statements as at Dec. 31, 2006, have been applied to the consolidated financial statements for H1 2007.



3 Currency translation

In conformity with IAS 21 the annual financial statements of non-German Group member companies have been translated from the respective national currency direct into Euros, as from a financial, business and organizational point of view these companies conduct their business independently (functional currency concept). Accordingly, the fixed assets, other assets and debts have been translated into Euros at the middle rate on June 30, 2007 (reporting date rate). The equity capital has been translated into Euros at the historical rate. Income/expenses have been converted into Euros at the respective average rate for the year.

The Euro/US dollar exchange rate, of critical importance to the Group has changed as follows:

Reporting date rate as at June 30, 2007: € 1 = \$ 1.3475

Reporting date rate as at Dec. 31, 2006: € 1 = \$ 1.3170

Average rate Jan. 1 – June 30, 2007: € 1 = \$ 1.3294

Average rate Jan. 1 – June 30, 2006: € 1 = \$ 1.2557

4 Use of estimates and changes in estimates

When preparing the consolidated financial statements for H1 2007, the Company's management had to use estimates and make assumptions that affect both the size of the assets/liabilities carried in the balance sheet and the income/expenses posted for the business year. The actual figures may depart from these estimates and assumptions. Changes in estimates compared with the estimates used to prepare the consolidated financial statements as at Dec. 31, 2006, did not lead to material differences.

5 Impact of extraordinary factors on the financial, assets and earnings position

In the period under review, there were no circumstances that could be considered extraordinary, by dint of their nature, scale or frequency, and could therefore influence the assets, debts, equity capital, loss for the period, or the cash flow.

6 Equity and outside capital financing

In the period under review, there were no issues nor buybacks of Company equity instruments. Loans of EUR 843 thousand were paid back, while new loans of EUR 1,010 thousand were taken up.

7 Dividends

No interim dividend was disbursed as at June 30, 2007.

8 Seasonal influences or macroeconomic influences on business

The Group's business is not subject to material seasonal fluctuation. The management report discusses the impact of the macroeconomic cycle.



9 Segment information

The following table outlines segment revenue and segment results for the Jack White Productions AG segments.

	Labels		Publishing		Group	
	June 30, 2007 in € 000	June 30, 2006 in € 000	June 30, 2007 in € 000	June 30, 2006 in € 000	June 30, 2007 in € 000	June 30, 2006 in € 000
Consolidated sales	2,301	5,997	176	222	2,477	6,219
of which USA/Puerto Rico	877	3,504	0	0	877	3,504
Net profit/loss	-974	-569	-11	70	-985	-499
of which USA/Puerto Rico	-279	-241	0	0	-279	-241
Employees	18	32	1	2	19	34
of which USA/Puerto Rico	7	23	0	0	7	23

10 Key transactions with affiliated persons

In the period under review there were no material transactions with affiliated persons.

11 Occurrences after June 30, 2007

At the General Meeting of July 3, 2007, a resolution was passed to rename the Company 313 Music JWP AG and to relocate the registered office to Unterföhring, nr. Munich. With effect from August 9, 2007, Jack White Productions AG acquired 51% of the shares in 313 Music GmbH. The usufruct to the Transcontinent Musikverlag GmbH catalog (see also note 12) was sold to an investor on August 9, 2007.

Moreover, on August 1, 2007, Jack White was dismissed as MD of White Records GmbH. The consultancy contract between Jack White Productions AG and Jack White was also terminated by Jack White Productions AG on August 1, 2007. Claims for damages brought out of court by Mr. White against Jack White Productions AG of EUR 3,700 thousand are in the opinion of Jack White Productions AG without foundation, and thus they do not necessitate a requirement for provisions higher than the EUR 200 thousand carried in the present consolidated financial statements for H1 2007.

12 Discontinued business fields

The present consolidated financial statements as at March 31, 2007, carried the stake in Transcontinent Musikverlag GmbH as a for-sale item. As part of negotiations with the potential buyers, in Q2 it transpired that the buying side had no interest in acquiring the shares in Transcontinent Musikverlag GmbH. Thus, the agreement reached covered the sale of the assets of Transcontinent Musikverlag GmbH. This means that the item for the disposed segment was reversed for the consolidated financial statements as at June 30, 2007, and the assets and liabilities entered once again at the lower of cost or market as continuing activities in line with IFRS 5.27. As a result, the assets for sale pursuant to IFRS 5.7ff as at June 30, 2007, were carried in the balance sheet separately as a disposal group. The disposal group contains the



goodwill attributable to the acquisition of Transcontinent Musikverlag GmbH of EUR 216 thousand.

13 Changes in contingent liabilities/receivables

As at June 30, 2007, there were no material changes to the contingent liabilities/receivables as stated on Dec. 31, 2006.

These consolidated financial statements were not subjected to an audit examination.

Directors' declaration

We declare that to the best of our knowledge and in keeping with the applicable accounting principles for the interim reporting, the consolidated financial statements for H1 2007 present a picture of the Group's assets, financial and earnings position in line with actual conditions and that the Group Interim Report presents the course of business including the results and the Group's status in such a way that the picture reflects actual conditions, and the key opportunities and risks of the Group's probable future development for the rest of the business year are duly described.

Munich, August 31, 2007
Jack White Productions AG
The Management Board



Key Financial Dates 2007

<i>Conference presenting the annual financial statements:</i>	April 27, 2007, 11.00 a.m. in Munich
<i>General Meeting:</i>	July 3, 2007, 10.00 a.m. Haus der Bayerischen Wirtschaft, Munich
<i>Presentation to analysts:</i>	November 14, 2007, German Equity Forum, Frankfurt/Main
<i>Quarterly report as at March 31, 2007:</i>	May 31, 2007
<i>Quarterly report as at June 30, 2007:</i>	August 31, 2007
<i>Quarterly report as at Sept. 30, 2007:</i>	November 30, 2007

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