



313music JWP AG
Interim Report 9M 2007



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Key Group Financial Figures

according to IFRS		Sept. 30, 2007	Sept. 30, 2006
Consolidated sales	EUR 000	4,555	7,897
Cost of sales	EUR 000	1,939	3,603
Gross profit on sales	EUR 000	2,616	4,294
Gross margin	%	57.43	54.38
EBITDA	EUR 000	-2,308	-1,000
Margin on EBITDA	%	-	-
EBIT (operating loss)	EUR 000	-3,129	-1,456
Margin on EBIT	%	-	-
Net loss for the period	EUR 000	-2,153	-5,326
Net return on sales	%	-	-
Net loss per share *	Euro	-0.31	-0.76
Cash flow according to DVFA/SG	EUR 000	-1,332	-4,870
Employees		21	21

* Base: 7 million shares

		Sept. 30, 2007	Dec. 31, 2006
Balance sheet total	EUR 000	30,556	31,635
Shareholders' equity	EUR 000	23,290	24,734
Equity/assets ratio	%	76.2	78.2

The 313music JWP AG 9M Report as at September 30, 2007 has been prepared in line with International Financial Reporting Standards (IFRS). The accounting and valuation methods are presented exhaustively in Annual Report 2006.



Group Interim Report

Business and overall conditions

Business basis and Group structure

313music JWP AG, which operated under the name of Jack White Productions AG until early September 2007, produces and publishes music recordings with different artists, acquires recordings from other producers, and exploits this. Alongside the Music Production division, the company is active in the field of Artist Management via its subsidiary 313 Music GmbH, in which it acquired a 51% stake in April 2007. In this way, 313music JWP AG participates not only in sales of audio recordings, but also in an artist's revenues. Moreover, through the 20% stake in Manfred Hertlein Veranstaltungs-GmbH, the company is also active in Event Management.

The consolidation includes not only the parent company and 313 Music GmbH but also Transcontinent Musikverlag. The company was transformed with retroactive effect as of January 1, 2007 from a German limited liability company (GmbH) into a general commercial partnership (OHG), and its registered office has been relocated from Berlin to Unterföhring. Moreover, 313music JWP AG owns 50% plus one share in VI Music Holding Inc., Puerto Rico, USA, which in turn holds 50% in the likewise Puerto Rico-based VI Music LLC. The remaining shares in said company are held by the Universal Music Group, which runs world-wide distribution of the VI Music label.

Cooperation in the online distribution

In early July, 313music JWP AG signed a contract with Zebralution GmbH, one of the world's leading specialists for online sales in the music industry. The agreement covers the digitalization and the online trading of all recordings in our back catalog and all new productions. This method of distribution, which runs parallel to the traditional sale of a CD, is becoming ever more important in the music industry for a publication's success. Additional sources of income are generated by the electronic reworking of the recordings, with which this partner supports us. Zebralution's distribution



partners include AOL, Apple iTunes, Jamba, MusicNet, Napster, T-Online, Universal Music Online and VirginMega, among others.

Personnel changes

On September 13, 2007, the Supervisory Board appointed Volker Neumüller, Managing Director of the subsidiary 313 Music GmbH, a member of the 313music JWP AG Board of Management. He supports the Chairman of the Management Board, Thomas M. Stein, who managed the company as sole chairman since Jack White retired as a member of the Management Board at the end of January 2007.

On September 30, 2007, the Company's Supervisory Board consisted of Manfred Atzert as Chairman, Stefan Grau as Deputy Chairman, and Holm Tippner.

Macroeconomic environment

The turbulence on the financial markets dampened world economic growth in Q3 2007, but did not bring the upturn to an end: Global gross domestic product (GDP) rose according to Institut für Weltwirtschaft (IfW) during the first nine months of 2007 by just short of 5%. In Euroland, GDP rose by 2.7% through the end of July, whereby the dynamism clearly slowed. In Germany, the upswing has also noticeably lost momentum since the middle of the year. Nevertheless, GDP had risen by about 2.5% as at the end of September.

In the German audio recording business, the downturn has become even more pronounced in the current year. For 2007 as a whole, experts expect sales to sag about 5-6% as against a drop of 2.4% last year with a volume of EUR 1.7 billion. Growth is currently only being achieved in the digital market – thanks to the new technologies there is considerable potential here. In absolute terms, the unit sales in this sector are still at a very low level. In 2006, download sales (and they include distribution through mobile phones) rose 40% in Germany to EUR 42 million.



Moreover, at present we are seeing restructuring in the music market, in which revenues are increasingly shifting from sales of audio recordings to related areas such as music management and concerts. Thus, a current GFK study shows that consumers in first-half 2007 spent some 22% of total expenditure on entertainment offerings on live music performances. If one adds the non-music segment, then almost every third euro spent for entertainment is booked in events. Sales in the audio recordings market have thus been far outstripped by the live music segment.

Earnings position

Consolidated sales

In the first nine months of 2007, Group sales of 313music JWP AG totaled EUR 4,555 thousand, a drop of 42% on the prior-year figure of EUR 7,897 thousand, which through mid-2006 included deconsolidated HoT JWP Music Inc. with a sales volume of EUR 1,275 thousand. In the third quarter of 2007, i.e., from July to the end of September, we were able to achieve growth of almost 25% from EUR 1,678 thousand to EUR 2,078 thousand. 313 Music GmbH, consolidated since August 1, 2007, contributed a total of EUR 202 thousand to consolidated sales.

The most important releases in the third quarter included the album "Mr. Lonely" by **Mark Medlock**. Like his debut single "Now Or Never", which went straight to the top of the German charts after its release in late July, the album also went to no. 1. The CD has gone Gold in Germany and Austria. The album likewise reached the top spot in the top 100 download charts.

Kate & Ben also reached a good chart position in the summer with their single "Bedingungslos", which went to no. 16, **Hansi Hinterseer** climbed to no. 11 with his album "Von Herz zu Herz" and **Roland Kaiser** reached no. 35 with his album "Sexy". The German hip-hop band **Die Firma** placed at no. 59 in the charts with their song "Glücksprinzip" and the album, "Goldene Zeiten", which was released in early August reached no. 38.



In addition, our young artists also saw initial successes. **JENSON**, the four-man punk-rock line-up from Munich, entered the top 100 in the German charts with their first song "Wir werden". We have also recently signed **Alexa Phazer**, who presented the single "Ich heirate mich selbst" at the end of July. **Alexa Phazer** has already recorded with **No Angels**, **Ricky Martin** and **Joana Zimmer** and has written several well-known advertising jingles.

Also the fourth part of **Roland Kaiser's** current, successful audio book, the *Giblinge* project, was released. The accompanying series of children's fantasy books, which is also recommended by Stiftung Lesen, went to no. 6 in the bestseller list of books for children and young people.

Sales by segment

Consolidated sales volume at 313music JWP AG was divided into the Labels and the Publishing segments, the policy adopted for the annual financial statements, in order to preserve the principle of continuity. With the exception of the exploitation of copyrights, all business activities are bundled in the Labels segment, which in the first nine months of 2007 recorded sales of EUR 4,329 thousand, down from EUR 7,632 thousand in 9M 2006, and about 95% (2006: 97%) of the total.

In the Publishing segment, sales dropped slightly from EUR 265 thousand to EUR 226 thousand. This segment is to be realigned and expanded in the future. To this end, in August 2007 the existing usufruct to the Transcontinent Musikverlag catalog was sold and at the same time new rights bought in. We will in future be exploiting these in many ways and thus shoring up our traditionally very profitable Publishing business.

Consolidated earnings

The lower volume of business also impacted on consolidated operating earnings. Moreover, in Q3 there were again an unexpectedly high number of returns, the lion's share of which stemmed from 2004 and 2005 and related to the so-called NTO (non-traditional outlet) distribution sector for audio recordings, such as drug store chains. Here, in August we received an extraordinary number of returns from our previous partner and, on the other, did not realize the expected sales.



All in all, gross earnings from sales for 9M 2007 did not fall as fast as sales, decreasing instead by 39% from EUR 4,294 thousand to EUR 2,616 thousand as costs of sales were reduced faster than sales, namely by around 46% from EUR 3,603 thousand to EUR 1,939 thousand. The Group gross margin thus came to about 57% as against 54% for the prior-year period.

In particular the future-oriented investments in core business we have made thus far this year are evident in the cost structures. Selling costs rose in 9M 2007 slightly from EUR 3,057 thousand to EUR 3,269 thousand. General and administrative costs declined from EUR 2,693 thousand to EUR 2,476 thousand. Thus, the loss before interest, taxes, depreciation and amortization was EUR 2,308 thousand as against EUR 1,000 thousand in 9M 2006. The loss before interest and taxes, which is identical to the operating loss, was EUR 3,129 thousand (prior year: EUR 1,456 thousand). If the third quarter is considered on its own, the operating loss fell owing to the positive sales trend from EUR 1,283 thousand to EUR 1,087 thousand.

The item for other income/expense improved considerably, amounting to EUR 1,566 thousand as against a loss of EUR 4,968 thousand one year earlier. The positive figure for 2007 mainly results from the sale of the usufruct to the Transcontinent Musikverlag catalog, which brought us liquid funds before tax of around EUR 2.8 million. By contrast, last year, this item contained high expenses for provisions relating to the former US subsidiary HoT JWP Music Inc. specifically as regards amortization on the receivables the then JWP AG carried from that company and the complete write-down of the book value of the stake.

On balance, as at the end of September 2007 the before-tax loss was EUR 1,783 thousand (9M 2006 loss: EUR 6,499 thousand). The loss for the period thus improved from EUR 5,326 thousand to EUR 2,153 thousand, spelling a net loss per share of EUR 0.31 (9M 2006 LPS: EUR 0.76). If we compare the two third quarters, then the loss was cut back from EUR 4,827 thousand to EUR 1,169 thousand.



Profit/loss by segment

In 9M 2007, the Labels segment reported a net loss of EUR 3,575 thousand compared with one of EUR 5,388 thousand one year earlier, when high expenses relating to HoT JWP Music Inc. had to be absorbed. In the Publishing segment, through the end of September profits of EUR 1,422 thousand were taken, primarily from the sale of the usufruct to the Transcontinent Musikverlag catalog. In the prior year, this segment posted profits of EUR 62 thousand.

Assets and financial position

Cash flow statement

Cash and equivalents as at the end of September 2007 totaled EUR 1,838 thousand as against EUR 1,158 thousand at the beginning of the business year, meaning that levels rose by EUR 680 thousand during the first nine months.

Owing to the lower net loss for the period, cash outflow calculated according to the DVFA/SG method fell from EUR 4,870 thousand one year earlier to EUR 1,332 thousand. On balance, in 9M 2007 EUR 751 thousand was paid out for current operating activities. By contrast, the company saw a cash inflow of EUR 1,595 thousand for investing activities during the same period. The key factor: the incoming payment of the purchase price for the afore-mentioned usufruct and the outgoing payment for the acquisition of 313 Music GmbH. Financing activities entailed an outflow of EUR 165 thousand to date, whereby repayment of bank loans and other credit came to EUR 1,353 thousand as opposed to new loans taken up of EUR 1,188 thousand.

Balance sheet analysis

The 313music JWP AG consolidated balance sheet total fell by some 3% from EUR 31,635 thousand as at Dec. 31, 2006, to EUR 30,556 thousand as at the end of September 2007. On the assets side, noncurrent assets edged up from EUR 19,959 thousand to EUR 20,208 thousand,



primarily owing to higher intangible assets, which climbed from EUR 16,190 thousand to EUR 17,668 thousand. By contrast, current assets fell from EUR 11,676 thousand to EUR 8,348 thousand. Here, trade accounts receivable slid from EUR 3,794 thousand to EUR 1,472 thousand, the item for deferred charges and other current assets fell from EUR 5,652 thousand to EUR 4,480 thousand. Marketable securities came to EUR 250 thousand, as against EUR 794 thousand as at Dec. 31, 2006. By contrast, liquid funds have risen since Jan. 1, 2007 from EUR 1,158 thousand to EUR 1,838 thousand.

The Group shareholders' equity came to EUR 23,290 thousand as at Sept., 30, 2007, down from EUR 24,734 thousand as at year-end 2006. The equity/assets ratio for 9M 2007 thus dipped from 78.2% to around 76.2%. The equity per share (base: 7 million shares) as at the end of September was about EUR 3.33 (Dec. 31, 2006: EUR 3.53).

Current liabilities continued to decline during the period under review, falling from EUR 5,315 thousand as at Jan. 1, 2007, to EUR 5,185 thousand. Here, current loans were almost eliminated, having been EUR 815 thousand at Jan. 1, 2006, and current provisions were reduced marginally from EUR 917 thousand to EUR 910 thousand. By contrast trade accounts payable rose from EUR 492 thousand to EUR 697 thousand and other current liabilities climbed from EUR 3,090 thousand to 3,200 thousand. Moreover, tax accruals of EUR 368 thousand were established (Dec. 31, 2006: 0). Non-current liabilities increased from EUR 1,586 thousand to EUR 2,081 thousand, above all owing to higher tax deferrals. On balance, Group liabilities rose from EUR 6,901 thousand to EUR 7,266 thousand.

Employees

The 313music JWP AG Group continued to have a staff of 21 as at Sept. 30, 2007.



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.

Due provisions have been made in the quarterly financial figures for the risks of a possibly pending litigation with former Management Board members Jack White and Frank Nußbaum. The claims to damages against former Board members and the management of the US subsidiary as outlined in the "Report on occurrences after Sept. 30" will possibly pose an opportunity for the Group.

Events after the end of the period under review

Conclusion of investigations in the United States

At the end of October, the special audits commissioned by 313music JWP AG into former business activities in the United States were concluded and the findings published. The object of the investigations were the financial statements of the former subsidiary HoT JWP Music Inc., Miami, USA, for the years 2004 and 2005, as well as the consequences this had for the 313music JWP AG annual and consolidated financial statements. Moreover, the Company examined whether there are claims for damages against former members of the Management and Supervisory Boards. The audits came to the following conclusions:

- In the 2004 and 2005 HoT JWP Music Inc. annual financial statements, sales revenues stated were too high and the trade receivables posted were wrong.
- The corresponding HoT JWP Music Inc. annual financial statements are therefore not correct: For 2004, instead of the profit of USD 2,252 thousand booked, the corrected figure is a loss of USD 323 thousand. For 2005, the estimated loss is USD 2,540 thousand instead of a profit of USD 774 thousand in the audited statements.



- The stake in HoT JWP Music Inc. would have led to impairments in the annual financial statements of JWP AG at the latest in 2005 and would have had to be written off either in part or as a whole.
- In the individual company financial statements, loan receivables are carried by the then JWP AG against HoT JWP Music Inc. (USD 4,573 thousand in 2004 and EUR 5,103 thousand in 2005). The US company would at the latest in 2005 no longer have been in a position to repay these liabilities.
- The valuation of the loans should have been corrected at the latest in the 2005 annual financial statements if not as early as those for 2004. Owing to the presumable permanent value impairment, the then JWP AG would have had to charge extraordinary amortization on the loan receivable.
- Owing to the errors in the HoT JWP Music Inc. annual financial statements, the consolidated annual financial statements for the Group for 2004 and 2005 are likewise wrong.
- The legal opinion confirms numerous violations of their duties by Jack White as CEO and Frank Nußbaum as CFO. This gives rise to claims for damages against these former members of the Board of Management and against the management of the US subsidiary. The auditors/legal expert stated that there are no claims for damages that can be brought against other Board members.

The management of 313music JWP AG will be consistently asserting these claims to damages. The errors ascertained by the special auditors, in particular the losses resulting from the stake in HoT JWP Music Inc. of over EUR 8 million are already factored into the consolidated annual financial statements for 2006.

Cooperation agreement with successful producer Dieter Bohlen

At the beginning of November, 313music JWP AG concluded an exclusive consulting contract with the successful producer, musician and composer **Dieter Bohlen**, who has gained valuable know how in the course of his presence in the music business over decades. He supports the company as consultant especially in the development and support of artists. The advertising of these projects with his name, known all over the world, is also part of the agreement.



Staff increases in operating business

In operating business too, 313music JWP AG has taken on more staff following the end of the report period. Tanja Surmann, who has extensive experience in the industry, has been heading the TV and radio promotion department since October 1, 2007. The finance and accounting department within the Group was restaffed on November 1. Since then, Bettina Plentinger, who specializes in financial statements according to German and international law, has been head of the department.

Management contract with Alex Christensen

In mid-November, 313music JWP AG added **Alex Christensen** to its portfolio of artists. The producer, artist, DJ and composer signed an exclusive management contract for the project **Alex C. feat. Y-ass**, with which he is currently celebrating impressive successes. The song "Der schönste Arsch der Welt" by this team was at number one in the German and Austrian charts in mid-November. The song is being released in at least 12 countries.

Alex Christensen became known primarily through his earlier project **U96**, with which he sold over 15 million recordings and became known internationally. He co-founded the techno sound with his song "Das Boot". As producer, **Alex Christensen** has worked with artists including **Jose Carreras**, **Marky Mark**, **Michael Bolton**, **Paul Anka**, **Right Said Fred**, **Rollergirl** and **Yvonne Catterfeld**. His number one hit "Around the world" by the group **ATC** was, until recently, the most-played song on German radio and he was nominated for two Grammy Awards for the **Paul Anka** album "Rock Swings", which he produced.



Forecast

Overall conditions

From today's point of view, overall macroeconomic conditions will remain favorable overall in Q4. The International Monetary Fund (IMF) expects that 2007 as a whole will close with world economic growth of 5.2%, with an increase of about 2.7% predicted for Euroland and 2.4% for Germany.

In the German music industry, the pundits expect that 2007 will see a renewed decline in sales by as much as 6%. While the digital music market will probably grow 30-40%, sales of physical audio recordings continues to drop. The Internet and mobile phone downloads thus play a major role in selling music. However, this segment remains relatively small, with online sales constituting a mere 5% or so of the total German market.

The shift in the industry's revenue sources will persist, with audio recording sales dwindling and income from events, merchandising, management, and live performances rising significantly. For this reason, the big players in the music industry are increasingly buying into companies active in these fields.

313music JWP AG business performance

While we originally announced a slight increase in sales for 2007 as a whole for 313music JWP AG and the Group, from today's perspective we expect sales to remain below the prior year figure in each case. As regards the Group result, we also do not anticipate a positive figure for 2007, as financial charges in the first nine months were higher than planned. We expect these future-oriented investments to bear fruit in the coming years and lead to corresponding income.

Mark Medlock's new album "Dreamcatcher", released on November 9, is one of the most important releases in the fourth quarter. His current single "Unbelievable", taken from the album, is already a great success. It was the highest new entry on the single charts, entering at number four. In addition, this artist's book, "Ehrlich", is selling extremely well. It reached number 13 on the Spiegel



bestseller list and number one in the Amazon biography charts. The current number one hit by **Alex C feat. Y-ass** is also contributing to sales in the fourth quarter. The single has been available since mid-October.

We are also releasing the new album "Moving On" by ex-DSDS star **ELLI** on the label Hitch Records run by US producers Gary Baker and Anthony Little. Gary Baker wrote, among others, the hit "I Swear," which became world-famous as a cover version by **All4One**, and Anthony Little was responsible, as songwriter and producer, for numerous chart successes by **Tina Turner, Jessica Simpson, Natural** and **Justin Timberlake**.

Moreover, by the end of the year we will have released **Kate & Ben's** new album and the soundtrack to the Walt Disney production "High School Musical 2". Furthermore, we will continue with the Giblinge audio book project and the compilation for this year's "**Jose Carreras Gala**". **Die Firma** has also announced a new single, and we will be seeing a duet album from **Tobey Wilson & Eva Lind**.

In 2008, we will continue to follow this course consistently and benefit from the future-oriented investments which were initiated in 2007. We anticipate that we will be able to continue improving our results by expanding our fields of activity and thanks to our optimized cost structures.

Our primary strategic goal is to increasingly use large parts of the marketing chain in the music industry and to make 313music JWP AG an important control center. In this way, we will achieve higher security as regards revenues and planning certainty in the long term. Alongside sales of recordings, we aim to continue strengthening operations above all in the new business fields of artist and event management as well as online sales, which is a burgeoning field in terms of growth, in order to stay abreast of changes in the industry. With the measures we have initiated to date, e.g., collaboration with Zebralution GmbH in online sales and the stake bought in 313 Music GmbH, we are already taking a leading role in the industry here. In the area of music production, we aim to sign additional artists as well as young talents and extend our repertoire. Moreover, we aim to expand our collaboration with established labels and producers.



Shareholders' structure and directors' holdings

As at September 30, 2007 of the total of seven million shares in 313music JWP AG, 4,758,101 units or 68% were in free float. As far as we know, Effecten-Spiegel AG held 1,364,500 or 19.49% of the shares and Heinz Heiler 527,350 of 7.53%. Moreover, we have been informed by SVA Vertriebs & Marketing GmbH that its stake in the voting rights in 313music JWP AG passed the 5% threshold on Sept. 10, 2007 and on that day came to 5.0007% (350,049 voting rights). Of that figure, 4.901% can be attributed to the Company pursuant to section 22 para. 2 S. 1 German Securities Trading Act from managers Dirk Nehrig and Holm Nehrig.

CEO Thomas M. Stein held 10,000 shares in 313music JWP AG on Sept. 30, 2007, and Manfred Atzert and Holm Tippner, both Supervisory Board members, held 33,000 and 10 shares respectively.

Unterföhring, in November 2007

The Management Board



The Equity

The price of 313music JWP AG equity was under pressure in the period under review. As at the end of September, 2007 the share was quoted at EUR 1.77 or some 31% below the year-end price for 2006 of EUR 2.57. The "Prime Media Performance" sector index closed the same period about 1.24% up and the SDax has gained about 3% this year. Market capitalization of the seven million 313music JWP AG ordinary shares admitted to trading amounted to EUR 12.39 million on Sept. 30, 2007. At the beginning of November, the price touched about EUR 2 briefly before once again losing ground.



Consolidated Interim Financial Statements

Consolidated Balance Sheet

Assets	Sept. 30, 2007	Dec. 31, 2006
Current assets		
Liquid funds	1,838	1,158
Marketable securities	250	794
Trade accounts receivable	1,472	3,794
Inventories	309	278
Deferred charges and other current assets	4,480	5,652
Total current assets	8,348	11,676
Noncurrent assets		
Tangible assets	523	555
Intangible assets	17,668	16,190
Participations	460	460
Deferred taxes	2,430	2,754
Other noncurrent assets	1,127	0
Total noncurrent assets	22,208	19,959
Total assets	30,556	31,635

Figures in EUR thousand

Liabilities	Sept. 30, 2007	Dec. 31, 2006
Current liabilities		
Trade accounts payable	697	492
Current loans and current portion of noncurrent loans	9	815
Tax accruals	368	0
Current accruals	910	917
Other current liabilities	3,200	3,090
Total current liabilities	5,185	5,315
Noncurrent liabilities		
Noncurrent loans	1,375	1,234
Tax deferrals	706	352
Total noncurrent liabilities	2,081	1,586
Total liabilities	7,266	6,901
Shareholders' equity		
Subscribed capital	7,000	7,000
Capital reserve	16,159	16,159
Exchange-rate adjustments	-463	-139
Balance sheet loss	-5,198	-3,202
Equity capital attributable to Group shareholders	17,498	19,818
Minority interests	5,792	4,916
Total shareholders' equity	23,290	24,734
Total liabilities	30,556	31,635

Figures in EUR thousand



Consolidated Income Statement

	Jan. 1, - Sept. 30, 2007	July 1 - Sept. 30, 2007	Jan. 1, - Sept. 30, 2006	July 1 - Sept. 30, 2006
Consolidated sales	4,555	2,078	7,897	1,678
Cost of sales	-1,939	-785	-3,603	-994
Gross profit on sales	2,616	1,293	4,294	684
Selling costs	-3,269	-1,420	-3,057	-1,062
General and administrative costs	-2,476	-960	-2,693	-905
Operating loss	-3,129	-1,087	-1,456	-1,283
Interest income/expense	8	6	78	58
Income from participations	22	-1	16	0
Other financial expense	-250	-300	-169	-48
Other income/expense	1,566	1,494	-4,968	-4,963
Profit/loss before taxes	-1,783	112	-6,499	-6,236
Taxes on income	-370	-1,281	1,173	1,409
Loss before minority interests	-2,153	-1,169	-5,326	-4,827
(of which from non-continuing activities)	(1,422)	(1,610)	(0)	(0)
Minority interests	0	0	0	0
Net loss for the period	-2,153	-1,169	-5,326	-4,827

Figures in EUR thousand

Loss per share in €	-0.31	-0.17	-0.76	-0.69
Shares outstanding	7,000,000	7,000,000	7,000,000	7,000,000

Consolidated Cash Flow Statement

	Jan. 1, - Sept. 30, 2007	Jan. 1, - Sept. 30, 2006
Net loss for the period	-2,153	-5,326
Profit attributable to minority interests	0	0
Depreciation on/allocations to fixed assets	821	456
Cash flow according to the DVFA/SG method	-1,332	-4,870
Loss from the disposal of intangible assets	-1,599	0
Increase/decrease in medium-term and current accruals	351	-253
Other expense/income not impacting on income	72	-1,120
Increase/decrease in inventories, trade accounts receivable and other assets	2,493	8,275
Increase/decrease in trade accounts payable and other liabilities	-753	-2,150
Cash flow for current operating activities	-751	-118
Payments for investments in tangible assets	-65	0
Payments for investments in intangible assets	-431	-684
Payments for the acquisition of shares in consolidated companies less net cash acquired	-528	0
Payments from sale of intangible assets	2,325	0
Payments from the sale of marketable securities	294	0
Payments from investments of noncurrent time deposits	0	358
Cash flow from/for investing activities	1,595	-326
Debt taken up	1,188	0
Redemption of bank and other loans	-1,353	-418
Cash flow for financing activities	-165	-418
Changes in cash and equivalents impacting on income	680	-862
Change in cash and equivalents owing to the scope of consolidation	0	9
Cash and equivalents at the beginning of the period	1,158	1,123
Cash and equivalents at the end of the period	1,838	270

Figures in EUR thousand



Consolidated Segment Report

	Labels		Publishing		Group	
	Jan. 1,- Sept. 30, 2007	Jan. 1,- Sept. 30, 2006	Jan. 1,- Sept. 30, 2007	Jan. 1,- Sept. 30, 2006	Jan. 1,- Sept. 30, 2007	Jan. 1,- Sept. 30, 2006
Consolidated sales	4,329	7,632	226	265	4,555	7,897
of which USA/Puerto Rico	1,574	4,028	0	0	1,574	4,028
Income/loss	-3,575	-5,388	1,422	62	-2,153	-5,326
of which USA/Puerto Rico	-389	-475	0	0	-389	-475
No. of employees	21	19	0	2	21	21
of which USA/Puerto Rico	7	11	0	0	7	11

Figures in EUR thousand



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			-5,326			-5,326
Change in scope of consolidation				-407		-407
Exchange-rate adjustments			-108		-255	-363
As at Sept. 30, 2006	7,000	16,159	478	3,974	-53	27,558
As at Dec. 31, 2006	7,000	16,159	-3,202	4,916	-139	24,734
Net loss			-2,153			-2,153
Change in scope of consolidation				876		876
Exchange-rate adjustments			157		-324	-167
As at Sept. 30, 2007	7,000	16,159	-5,198	5,792	-463	23,290

Figures in EUR thousand



Abbreviated Notes to the Consolidated Financial Statements for 9M 2007

1 Group

The parent company, 313music JWP AG, Unterföhring, Germany (formerly: Jack White Productions AG), 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.

The Company is a joint stock corporation domiciled in Unterföhring, Germany. In Q3, the Company's registered office was relocated from Berlin to Unterföhring and its address is now Münchner Strasse 135, 85774 Unterföhring. The Company is listed on the Prime Standard segment of the Frankfurt Stock Exchange under SIN 508750. 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 Sept. 30, 2007 were approved for release on Nov. 13, 2007.

2 Basis for the consolidated financial statements for 9M 2007

2.1 Accounting pursuant to IFRS

The present consolidated financial statements for the period closing Sept. 30, 2007, have been prepared in keeping with the same accounting, valuation and calculation methods as were used for the annual financial statements of Jack White Productions AG (now: 313music JWP AG) as at Dec. 31, 2006. The financial statements for 9M have been prepared in line with the International Financial Reporting Standards (IFRS) as mandatorily applicable in the EU as at Sept. 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.

All sums in the consolidated financial statements are stated in EUR thousand with the exception of those for the earnings/loss per share.

2.2 Scope of consolidation

The consolidation includes 313music JWP AG and all subsidiaries in which 313music JWP AG holds a direct or indirect majority of the voting rights. There were changes to the scope of consolidation compared with Dec. 31, 2006. In Q3 2007 313 Music Gesellschaft mit beschränkter Haftung (Hamburg, Germany), ALDACO entertainment GmbH (Unterföhring, Germany) and White Records GmbH (Unterföhring, Germany) were included in the consolidation for the first time.



With retroactive effect from Jan. 1, 2007 Transcontinent Musikverlag GmbH was changed as a commercial entity into Transcontinent Musikverlag OHG. The company's registered office was relocated from Berlin to Unterföhring. The company will continue to be included in the full consolidation in the consolidated financial statements.

2.3 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 9M 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 Sept. 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 Sept. 30, 2007: € 1 = \$ 1.4272

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

Average rate Jan. 1 – Sept. 30, 2007: 1 € = \$ 1.3517

Average rate Jan. 1 – Sept. 30, 2006: 1 € = \$ 1.2442

4 Use of estimates and changes in estimates

When preparing the consolidated financial statements for 9M 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

The sale during Q3 2007 of the usufruct to the music catalog of Transcontinent Musikverlag OHG generated cash inflows of EUR 2,325 thousand and a positive contribution to earnings of EUR 1,599 thousand.

The earnings booked from the sale of the usufruct to the music catalog of Transcontinent Musikverlag OHG less the valuation losses incurred until the sale are carried as separate items in the Income Statement.



6 Equity and debt

In the period under review, there were no issues nor buybacks of Company equity instruments. In 2007, loans totaling EUR 1,188 thousand were taken up that have in part already been repaid. All in all, repayments during the period were EUR 1,353 thousand.

7 Dividends

No interim dividend was disbursed on Sept. 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 Company acquisitions

In Q3 the following shares in companies were acquired; they are all active in exploiting music rights:

	ALDACO entertainment GmbH	313 Music GmbH
Share acquired in %	100.0	51.0
Date of first inclusion in consolidation	July 1, 2007	Aug. 1, 2007

The companies acquired have since first-time consolidation contributed EUR 202 thousand to consolidated sales and a loss of EUR 61 thousand.

Had the companies been acquired with effect from Jan. 1, 2007 then consolidated sales would have been EUR 4,671 thousand and the consolidated loss EUR 2,203 thousand; these sums were calculated using the Group's accounting and valuation policies, with the results of the subsidiaries corrected for additional amortization on intangible assets and the resulting fiscal effects that would have been necessary if the purchase prices had been allocated at Jan. 1, 2007.

The net assets and goodwill acquired were as follows:

	ALDACO entertainment GmbH	313 Music GmbH
in EUR thousand		
Purchase price:		
Payment made	160	450
Outstanding purchase price payment	0	450
Costs directly attributable to the acquisition	1	11
Total purchase price	161	911
Attributable value of the net assets acquired	116	911
Goodwill	45	0



The goodwill reflects the future positive expected results of ALDACO entertainment GmbH.

The following assets and liabilities were acquired through the acquisitions:

	ALDACO entertainment GmbH		313 Music GmbH	
	Attributable market value	Book value of the company acquired	Attributable market value	Book value of the company acquired
in EUR thousand				
Tangible assets	3	3	6	6
Intangible assets	100	0	2.366	0
Receivables	3	3	130	130
Cash	-10	-10	0	0
Accruals				
Liabilities	0	0	-99	-99
Tax deferrals	-28	0	-663	0
Net assets	116	44	1.786	83
Minority interests	0		-875	
Net assets acquired	116		911	

Purchase price paid in cash	161	461
Cash held by the acquired companies	-48	-46
Cash outflow for the transactions	113	415

The intangible assets acquired relate in the case of ALDACO entertainment GmbH to business relationships/artist contracts and to the music catalog of 313 Music Gesellschaft mit beschränkter Haftung. The intangible assets are assumed to have a useful life of 20 years.

10 Segment reporting

The segment information is presented in a separate section of this report.

11 Key transactions with affiliated persons

313music JWP AG acquired all the shares in ALDACO entertainment GmbH from its previous partner Thomas M. Stein (CEO of 313music JWP AG). Moreover, 313music JWP AG acquired 51% in 313 Music Gesellschaft mit beschränkter Haftung from the prior sole partner Volker Neumüller (Board member of 313music JWP AG and MD of 313 Music Gesellschaft mit beschränkter Haftung).

12 Occurrences after Sept. 30, 2007

As at the end of October, 2007 the special audits commissioned by 313music JWP AG of the former US subsidiary HOT JWP Music Inc. (Miami/USA) were concluded and the results published. In this connection and as part of the legal proceedings against Jack White, claims for damages arise that 313music JWP AG can bring against Jack White and other former Board



members and the management of the former US subsidiary. For details, please consult the report on occurrences after Sept. 30 in the above 9M 2007 report.

13 Changes in contingent liabilities/receivables

In line with the contractual agreements on the sale of the usufruct in the Transcontinent Musikverlag OHG music catalogs, the buyer paid part of the purchase price totaling EUR 285 thousand into a fiduciary account. The part sum serves to secure possible future claims by the buyer to a reduction in the purchase price; it has not yet been booked as affecting income. To the extent that by July 31, 2008 at the latest no claims to a reduction in purchase price arise and brought against the Company, the remaining credit in the fiduciary account as at August 5, 2008, will be paid out to Transcontinent Musikverlag OHG and thus increase the purchase price. Moreover, the purchase price for the usufruct to the music catalog can increase by as much as EUR 450 thousand to the extent

- that the seller proves the existence of usufruct to additional music titles and
- future sales of the music catalog are higher than the revenue assumed when setting the purchase price.

These interim Group financial statements have not been examined by our auditors.

Unterföhring, November 13, 2007
313music JWP AG
The Board of Management



Key Financial Dates and Contact

Key 2007 Dates

<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., 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

Key 2008 Dates

Annual financial statements 2007:	April 30, 2008
<i>Quarterly report as at March 31, 2008:</i>	May 31, 2008
<i>Quarterly report as at June 30, 2008:</i>	August 30, 2008
<i>Quarterly report as at Sept. 30, 2008:</i>	November 29, 2008

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