



CEP CORPORATE
EQUITY
PARTNERS AG

Corporate Equity Partners AG
9-Months Report 2007

Addresses

Corporate Equity Partners AG

Registered company address:
Obmoos 4
CH-6301 Zug
Switzerland

Subsidiaries

The Fantastic IP GmbH
Obmoos 4
CH-6301 Zug
Switzerland

The Fantastic TM GmbH
Obmoos 4
CH-6301 Zug
Switzerland

Mallebrann GmbH
Obmoos 4
CH-6301 Zug
Switzerland

The Fantastic Corporation (USA) Inc. (in Liquidation)
c/o CFO Advisory Services
1302 Colins Boulevard
Richardson, Texas 75081
USA

Legal Notes

Notes on statements referring to the future

This 9-months Report reflects the position of the Corporate Equity Partners AG Company as of September 30, 2007. Where possible current developments are reported. In the Quarterly Report, however, statements referring to the future are also contained, which refer to future events or future financial developments. Such statements referring to the future are denoted by terms such as "will", "expected", "could", "estimates", "plans", "intends", "is of the opinion", "predicts" or similar terms. Statements referring to the future contain uncertainties, known and unknown risks and/or other factors on their own or in conjunction with others, therefore the actual financial position and/or events, services or similar of the Corporate Equity Partners AG may diverge from the situation expected directly or implicitly in statements related to the future. The possible divergences can also be of considerable extent.

Factors that influence the actual development of the company are e.g. market development, general economic trends in countries and segments in which the company is active, competition, gaining and/or loss of qualified personnel, fluctuations in currency exchange rates, changes in legal context or regulatory environment including tax laws, but also acts of terrorism, force majeure, acts of war, plagues, internal unrest etc. *

The company expressly warns investors against relying on statements relating to the future to a great extent. These only reflect the opinion of the management at the time of preparing this Annual Report. Corporate Equity Partners AG accepts no responsibility whatsoever for updating or checking these future-related statements.

Additionally, the transactions of the Corporate Equity Partners AG and their new strategic orientation carry numerous risks, which will be extensively outlined in the CP Prospectus for the authorization of newly issued shares on the regulated market of the Frankfurt Stock Market. The Company Report can be requested from the company after prior approval.

* This listing contains only examples and is by no means complete.

Translation of German to English

This document is an unevaluated translation of the German version of the annual report and was performed by professionals for business translations without any legal adjuration. From this or any reason there could be differences between the German and English version that could change the meaning of this document. The Company or any other is not taking any liability for differences between the German and the English version and possible different interpretations of the content of the whole document. The main document we are referring to is the German version of the 9-months report 2007.

Notes on risks

The risk profile of the Corporate Equity Partners Company in the third Quarter 2007 has not significantly changed to the end of fiscal year 2006. Whereas in the 3rd Quarter of 2006 it was a Company that was involved with ongoing legal proceedings and in the middle of the year was threatened by accounting insolvency and inability to pay, the position and the corresponding risk profile has consequently improved significantly at the end of the year by successful issue of shares and settlement of all claims and legal activities against the company.

The establishment of the Private Equity business, however, carries additional risks for Corporate Equity Partners. The acquisition and integration of established Private Equity Houses and the initiation of its own Funds carries risks that arise for example through planned profit sharing (the so called "Carry") from the administration of Private Equity Funds does not accrue at the time or to the extent planned and thus, the proceeds of the Private Equity Houses capable of consolidation and belonging to the Corporate Equity Partners Company do not cover the costs.

The strategic orientation of the Corporate Equity Partners Company towards Private Equity also makes the group to a greater extent dependent on the development of the (international) financial markets. It can therefore not be excluded that Corporate Equity Partners does not succeed in acquiring promising Private Equity Houses or to place new Funds and to capitalize with investor money in order to accrue continuous income that covers the costs of the Company on a middle and long-term basis.

Additionally, Corporate Equity Partners can take advantage of opportune chances on the capital market in order to deploy the company funds profitably and accrue short-term proceeds for the Corporate Equity Partners Company. This can end up with non inconsiderable risks for the company. In certain cases, this can lead to a total loss of the capital deployed.

The continued existence of the Corporate Equity Partners Company can therefore also possibly be dependent upon the materialization of further financing measures in the future. As a result of the aforementioned risks and other, unpredicted factors or short-term, repeated unpredicted risks, the results of the Corporate Equity Partners Company can be considerably burdened. In future considerable losses can occur through this, which can negatively influence the share price of the company and / or permanently limit the possibilities of continuing financing of the Corporate Equity Partners Company.

In addition to this the Company faces acquisition risks. In general, the purchase of company shares, e.g. from mainstream Private Equity Houses is subject to high risks, which cannot be completely excluded, despite careful checking of the objects within the scope of Corporate Due Diligence,. Such risks can result e.g. from previous business of these companies and can include unforeseeable (financial) liabilities. It can therefore not be ensured that the prices paid for the Company do correspond to their actual value and that no (subsequent) write-offs of these investments become necessary. Losses arising from the valuation of shareholdings can furthermore also be caused by changes in the accounting regulations applicable.

Furthermore, every action orientated towards the future is based upon specific expectations concerning future conditions and circumstances. There is however no guarantee that that these expectations will also actually be met. This risk can lead to gravely mistaken decisions made by the management. In connection with the risks of future development, express reference is made to the "Legal Notes - Note on statements referring to the future at the beginning of this Report.

Company Overview (compliant with IFRS)

PROFIT SITUATION	Jan./01 - Sept/30/2007	Jan./01 - Sept/30/2006
	000 EUR	000 EUR
Revenues	0	5
Gross profit	0	5
Operating Profit (EBIT)	-485	-518
3 rd Quarter income (9 months)	-651	-491

CASHFLOW / LIQUIDITY	000 EUR	000 EUR
Cash-Flow from operational activities	-144	-136
Cash-Flow from investing activities	-7	0
Cash-Flow from financing activities	0	0
Increase / Decrease in liquidity	-111	-162
Cash at end of period	77	11

ASSET / CAPITAL STRUCTURE	as of Sept 30, 2007	as of Dec. 31, 2006
	000 EUR	000 EUR
Non-current assets	14	10
Current assets	3'164	3'940
Current liabilities	139	168
Non-current liabilities	292	322
Equity	2'747	3'460
Equity Ratio	86.5%	87.6 %
Total Assets	3'177	3'950

Remarks:

The report is presented in EUR, because the Company will accrue essential turnover in EUR. However, as the essential consolidated active and passive assets primarily arise in CHF, these were converted from CHF into EUR. The conversion was not made with a linear conversion rate between EUR and CHF, but individually and related to the timing, which is why considerable differences may arise between the amounts quoted in EUR and in CHF.

The foreign currency conversion for assets and liabilities is determined according to the rate at deadline, whilst the corresponding income and expense items are converted at the average foreign exchange rate during the applicable period. Adjustments of foreign currency are not identified as separate items in equity capital. The foreign currency profits and losses go into the corporate profit-and-loss account.

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Report from the Executive Board

Dear Shareholders and friends of the company,

end of 3rd quarter 2007 Corporate Equity Partners hired a team of experts in the area of Private Equity Real Estate and Structured Finance with an outstanding track record in structuring asset covered products. This is the start of Corporate Equity Partners' first operative business unit "Private Equity Real Estate" beginning with 1st October 2007 after successful restructuring of business and financials.

This additional Structured Finance competence is providing us outstanding potential to offer refinancing competencies - usually not known to the Private Equity industry - to potential partners. So named asset covered products are an ideal instrument for refinancing assets like real estate and mezzanine capital by utilizing public capital markets. Asset covered products are offering investors under certain circumstances a warranty on their invested capital, concurrent interest revenues and liquidity on a daily basis.

This kind of product is utilizing investors' asset allocation not - as usual in the Private Equity industry - as part of alternative investments but as part of fixed income.

Out of that our corporate profile was sharpened by that and Corporate Equity Partners is now recognized as a investment boutique specialized in asset covered refinancing strategies for private equity managers focused on strategies like "Late Stage Venture", "Buy Out and Mezzanine financing" as well as "Real Estate Private Equity".

Securing a sustainable growth story Corporate Equity Partners is performing its strategy by covering each investment strategy in a strategic partnership with companies that are wearing a long-term track record and management capabilities around these strategies.

The target structure of Corporate Equity Partners is like follows:

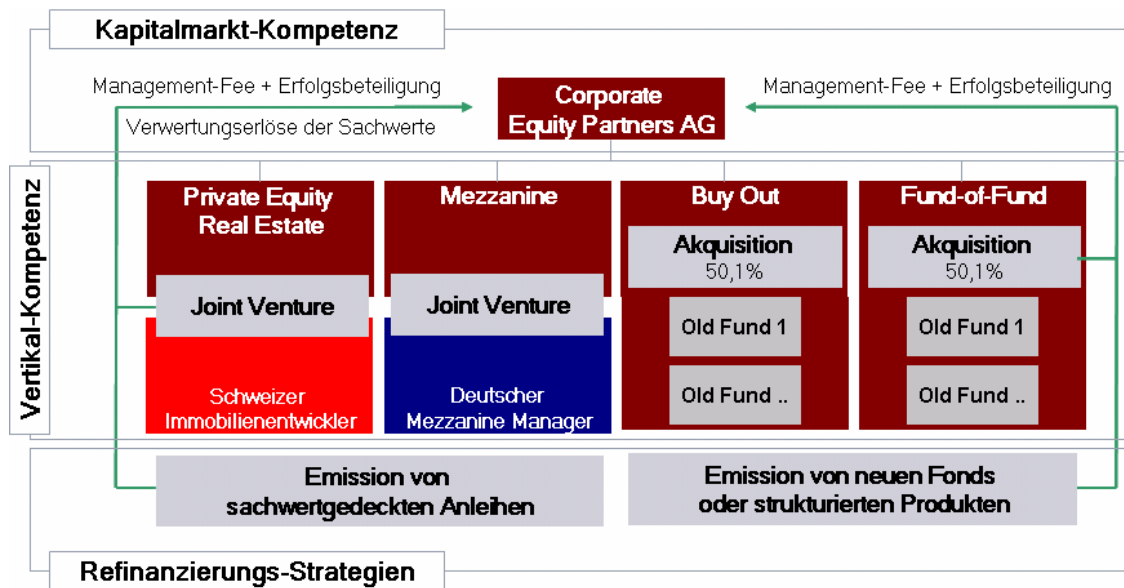



Abb.: Konzernstruktur

Zug, 30th November 2007


 Cristián Mantzke Markus Gildner Roger Meier
 President of the Executive Board Member of the Executive Board Member of the Executive Board

Consolidated Financial Statements
of Corporate Equity Partners AG



CEP CORPORATE
EQUITY
PARTNERS AG

as of September 30, 2007

including notes and
Auditor's Certificate

Auditor's Certificate

To the Executive Board of Corporate Equity Partners AG

We have audited the consolidated accounts prepared by Corporate Equity Partners AG, Zug, Switzerland - comprising balance, profit and loss account, capital account, equity change account and attachment - for the first 9 months from January 1 to September 30, 2006. The preparation of the accounts according to the International Financial Reporting Standards (IFRS) is the responsibility of the Executive Board of the company. Our task is to make a judgment on the basis of the audit of the consolidated accounts undertaken by us. The consolidated accounts of Corporate Equity Partners AG, Zug, Switzerland, for the fiscal year from January 1 to December 31, 2006 were also audited by us and provided with an unlimited certificate.

We have undertaken our audit of the consolidated accounts in accordance with the international auditing standards. Accordingly, the audit is to be planned and implemented such that falsity and offences that significantly affect the representation of the picture conveyed of the capital, financial and profitability status by the accounts according to the IFRS are identified with sufficient certainty. In defining the auditing procedures, the knowledge of the business activities and of the economic and legal circumstances of the Company and expectations of possible mistakes are taken into consideration.

During the audit, the effectiveness of the internal control systems related to accounting, as well as proof for the data in the consolidated accounts, are judged predominantly on the basis of random spot checks. The audit encompasses the judgment of the annual accounts of the firms incorporated into the consolidated accounts, the amortization of the consolidation circle, the accounting and consolidation principles applied and the essential judgments of the management as well as the appraisal of the overall representation of the consolidated accounts. We are of the opinion that our audit provides a sufficiently certain basis for our judgment. Our audit has not led to any objections. In our judgment, on the basis of the knowledge gained during the audit, the consolidated accounts of Corporate Equity Partners AG, Zug, Switzerland, correspond to the IFRS and considering these regulations convey a picture that corresponds with the actual circumstances of the capital, financial and profitability status of the Company.

Zurich, November 28, 2007
Testor Treuhand Zurich



Consolidated Balance Sheet at 30th of September 2007

Assets

	30.09.2007	31.12.2006
<i>Current assets</i>	EUR	EUR
Cash and bank balances	76.517	187.641
Financial assets (Short term financial investments)	3.062.795	3.729.600
Trade and receivables	9.027	792
prepaid expenses and deferred charges	15.225	22.217
<i>Total current assets</i>	3.163.563	3.940.250
<i>Non-current assets</i>		
<i>Fixed Assets</i>		
Deposit account for office rental agreement	3.253	0
Equipment	3.411	0
Remaining fixed assets	1	1
<i>Immaterial Assets</i>		
Rights and Licenses	242	249
Remaining immaterial assets	6.978	9.996
<i>Total non-current assets</i>	13.884	10.246
TOTAL ASSETS	3.177.448	3.950.496

Equity and Liabilities

	31.09.2007	31.12.2006
<i>Current liabilities</i>	EUR	EUR
Trade and other payables	22.311	124.672
Borrowings and remaining Liabilities to Third Parties	47.605	11.839
Other financial liabilities	38.023	
Tax liabilities	757	770
Passive accruals and deferrals	30.555	30.379
<i>Total current liabilities</i>	<i>139.251</i>	<i>167.660</i>
<i>Non-current liabilities</i>		
Provisions	291.542	322.483
<i>Total non-current liabilities</i>	<i>291.542</i>	<i>322.483</i>
<i>Capital and reserves</i>		
Issued capital (701'638'428 shares at a nominal of CHF 0.01)	4.452.639	4.452.639
Effects of exchange rate changes	280.949	378.899
<i>Retained Earnings/ Loss:</i>		
- Loss carried forward	-1.371.185	-902.218
- 6 months Loss	-615.750	-468.967
<i>Total Equity</i>	<i>2.746.654</i>	<i>3.460.353</i>
TOTAL EQUITY AND LIABILITIES	3.177.448	3.950.496

Consolidated Income Statement for 6 months period ended 30th of September 2007

	1. Jan – 30. Sept 2007	1. Jan – 30. Sept 2006
	EUR	EUR
Revenue	0	4.780
Cots of sales	0	
Other gains and losses	0	4.780
Gross profit	0	4.780
Sales and Marketing expenses		
Administration expenses	-482.925	-466.265
Other operational expenses	-10.900	-50.651
Other operational income	11.441	
Total expenses	-482.384	-516.916
Earnings before interest, tax and depreciation (EBITDA)	-482.384	-512.136
Depreciation	-2.749	-5.747
Earnings before interest and tax	-485.133	-517.882
Financial income	39.777	4.798
Financial expenses	-5.512	-1.854
Yield / loss of financial instruments	-164.883	-94
Total financial results	-130.617	-2.851
Earnings before tax	-650.750	-515.033
Tax expenses / income	0	24.040
9 MONTHS RESULT	-650.750	-490.993
Non-diluted and diluted earnings per 1000 shares	¹⁾ -0.93	²⁾ -38.38

¹⁾ Total number of shares: 701'638'428

²⁾ Total number of shares: 127'946'210

Consolidated Cash Flow Statement

	1. Jan - 30.Sept. 2007	1.Jan – 30.Sept. 2006
<i>Cash-Flow from operating activities:</i>	EUR	EUR
9 months result	-650.750	-515.033
<i>Transition from 9 months result to net cash flow generated by operational activities:</i>		
Depreciation	2.749	5.747
Financial income	-39.777	-4.798
Financial expenses	5.512	1.854
Provisions	0	0
Decrease / increase of current receivables	-2.012	212.140
Decrease / increase of financial instruments	569.553	
Decrease / increase of other inventory		
Decrease / increase of current liabilities	-63.218	-51.414
Decrease / increase of non-current liabilities		164.946
Decrease / increase of financial assets	-5.512	-1.854
Paid interests and dividends	39.777	4.798
Received interests and dividends		
Paid income taxes		
Received income taxes		24.040
<i>Net cash generated by operational activities</i>	-143.678	-159.590
<i>Cash-Flow from investing activities:</i>		
Payments for mobile assets	-3.411	0
Payments for intangible assets	0	0
Payments for deposit account for office rental agreement	-3.253	0
<i>Net cash flow by investment activities</i>	-6.664	0
<i>Cash-Flow from financing activities:</i>		
Proceeds from shareholder's loan	0	0
<i>Net cash flow by financing activities</i>	0	0
Effects of exchange rate changes on the cash balance	39.218	-2.666
Net increase/decrease in cash and cash equivalents	-111.124	-162.256
Cash and cash equivalents at the beginning of period	187.641	173'558
Cash and cash equivalents at the end of period	76.517	11.302

Consolidated Statement in changes in Equity as of 30th of September 2007

Equity	Share Capital	General Reserve	Currency Translation Reserve	Retained Earnings	Total Equity
Balance at 01.01.2006	2.461.941	0	389.662	-3.226.438	-374.835
Exchange rate diff.			12.473		12.473
Gain / loss				-490.993	-490.993
Balance at 30.09.2006	2.461.941	0	402.135		-853.355

Equity	Share Capital ¹⁾	General Reserve	Currency Translation Reserve	Retained Earnings	Total Equity
Balance at 01.01.2007	4.452.639	0	378.899	-1.371.185	3.460.353
Exchange rate diff.			-97.950		-97.950
Gain / loss				-615.750	-615.750
Balance at 30.09.2007	4.452.639	0	280.949	-1.986.934	2.746.654

¹⁾ Due to the restructuring activities - as decided by the general shareholder meeting in 2006 - the share capital was cut by decreasing the nominal value of the 12'794'621 outstanding shares from CHF 0.03 to 0.01. Carried forward losses of the company could be reduced and share capital was decreased to EUR 81'220.

At the same time share capital was increased by EUR 4'372'954 issuing 688'843'807 new shares at a nominal value of CHF 0.01. Result was a total share capital of EUR 4'454'174.

Notes to the consolidated financial statements for 9 months period ended 30th of September 2007

1. General information

With consideration given to the restructuring and reorientation measures described above, the Corporate Equity Partners AG and subsidiaries (the "Company") was not operatively active in the 3rd quarter of fiscal year 2007 and generated no revenues from its business.

2. Significant accounting policies

Statement of compliance and basis of preparation

This consolidated and audited interim financial report was prepared in accordance with the generally recognized principles of the International Accounting Standard (IAS) 34 "interim financial reporting". The report is presented in EUR, because in its future business activities, the Company will generate essential revenues in EUR.

However, as the essential consolidated assets, equity and liabilities primarily arise in CHF, these were converted from CHF into EUR. The conversion was not made with a linear conversion rate between EUR and CHF, but individually and related to the timing, which is why considerable differences may arise between the amounts quoted in EUR and in CHF.

Basis of consolidation

The consolidated and audited interim financial report of the Company is including the interim financial report of the Corporate Equity Partners AG as well as wholly owned subsidiaries „The Fantastic IP GmbH“, „The Fantastic TM GmbH“ and „Mallebrann GmbH“. Remaining subsidiaries in the USA and UK are not consolidated within this interim financial report because of the liquidation process described as follows.

The liquidation of „The Fantastic Corporation (UK) LTD“ and “The Fantastic Holding Corporation (UK) LTD” was finalized within the first 9 months of fiscal year 2007. An immaterial gain from this liquidation process was reported within the consolidated income statement named as “other gains and losses”.

The management is expecting that the liquidation process of the US entity „The Fantastic Corporation (USA) Inc.“ could be finalized within fiscal year 2007. As cash and cash equivalents of the US entity are not relevant comparing of total assets of the Corporate Equity Partners Group and significant liabilities are not expected, the US entity is not part of this consolidated interim financial report.

The consolidated companies in the 3rd quarter of 2007 fiscal year were as follows:

Corporate Equity Partners AG	Switzerland	100%
The Fantastic IP GmbH	Switzerland	100%
The Fantastic TM GmbH	Switzerland	100%
Mallebrann GmbH	Switzerland	100%
The Fantastic Corporation Inc.*	USA	0%

* No consolidation in interim financial report as these subsidiaries are term of liquidation process.

Revenue recognition

Sales are achieved through delivery and acceptance of the services by the customer.

Cash and cash equivalents

The company treats all capital investments with high fungibility and a settlement date of up to 3 months from the date of acquisition as liquidity.

Provisions

Provisions are all present liabilities for which time and value cannot be conclusively judged and for which the initial intention lies in the past. The management has estimated the value and likelihood of such occurrence to its best knowledge, in particular with reference to possible additional claims from the Swiss Federal tax administration (VAT) and has set aside appropriate provisions.

Total amount of assigned or ceded active assets under reservation of ownership for security of own liabilities:

- None -

Claims and liabilities with regard to associated persons and firms

At the end of 3rd quarter 2007 there are no liabilities with regard to associated persons and firms.

Financial assets with regard to associated persons

At the end of 3rd quarter 2007 there are no financial assets with regard to associated persons.

Social Security Contributions

All necessary social security contributions were paid by the Company to social security funds of Switzerland. All employees are secured by the social insurance „Sammelstiftung VITA“ (Zurich). The premiums are paid through company and employee according to the administrative orders and laws of Switzerland.

The social security and pension plan of Corporate Equity Partners is classified due to IAS 19 and according governmental warranties as meritocratic. An actual report of nominal value of company's pension plan will be disclosed within the annual report 2007.

Fixed Assets

The items of the tangible fixed assets are in accordance with IAS 16 attributed to acquisition costs or lower production costs. Maintenance, repair and renovation expenses are recorded as allowed expenses, whilst essential accruals to the fixed assets are activated. Acquisition costs and cumulative depreciation with reference to the outflow of items of the fixed assets are eliminated. Profits or losses from the outflow of items of the fixed assets are recorded in the profit-and-loss account. Items of tangible fixed assets are written off linearly over the period of their anticipated life.

Foreign currency conversion

Currencies of legal entities are compliant to local policies where the entity is situated (functional currency). In this time the Swiss Franc is the most used currency for accounting. Financial transactions in foreign currencies are settled at an exchange rate at the day where the transaction was executed or an averaged exchange rate. Positions of the Balance Sheet are reported at an exchange rate of the effective date (monthly basis). Profit and loss out of foreign currency transactions as well reevaluations due to effective date will be recorded in the income statement.

The consolidated report is reported in Euro. The statements of all group entities (primarily settled in CHF) are transformed due to effective date exchange rates. Out of this resulting currency translating reserves will be reported in the balance sheet equity.

The consolidated reports till 2006 were reported in USD. All positions of the balance sheet 2006, income and cash flow statements were transformed to Euro using the average exchange rate (USD to Euro) of the first 9 months 2006.

Taxes on Income and yield

Taxes on income and yield in the reporting period are recorded in accordance with the regulations of IAS 12. In accordance with IAS 12.24 and IAS 12.34 it is refrained from recording and accounting of the time differences, as the realization of such amounts cannot be determined with sufficient certainty.

Market value of financing instruments

The book value of financing instruments such as cash, cash equivalents as well as receivables and liabilities corresponds on account of the short-term maturity of these instruments essentially to the market value.

3. Use and uncertainty of estimates

The preparation of the consolidated accounts in accordance with the principles of accounting requires estimates and assumptions made by the management of the company, which can influence the data in the consolidated accounts as well as the related notes. The actual results can diverge from the estimates and assumptions made.

This consolidated interim financial reporting is containing significant uncertainties as follows:

- Out of company's operational business activities in the past there is still an uncertainty existing from a VAT investigation. Negotiations with Swiss tax authorities are ongoing. The management of the company believes its provisions are high enough for covering any risk out of this case.

- Reporting of deferred taxes according to company's losses carried forward will not be performed according to IAS 12.24 and IAS 12.35 because of uncertainties that these losses carried forward could be utilized in the near future.

4. Legal Claims

The company and its associated firms were in the first 9 months of fiscal year 2007 no party to any court proceedings and legal claims.

5. Business transactions with associated persons

In accordance with IAS 24, relationships and business transactions with economically associated firms and natural persons must be disclosed, since their relationship can have an affect upon the asset, financial and income position of the firm.

	1.1.-30.9.2007		1.1.-30.9.2006	
Salaries:	EUR	84'187		
Fees to the Executive Board:	EUR	15'274	EUR	17'538
Reorganization bonus to the Members of the Executive board:	EUR	44'409		
Consulting fees to the Members of the Executive board:	EUR	36'413		
Consulting fee to Kloter attorneys ¹⁾ :	EUR	76'350		
Total	EUR	256'633	EUR	17'538

¹⁾ Mr. Roger Meier, Member of the Executive Board, is Managing Partner of Zurich based law firm „Kloter Rechtsanwälte“.

6. Current financial assets

	1.1.-30.9.2007		1.1.-31.12.2006	
Bonds ¹⁾ :	EUR	1'750'013	EUR	0
Money Market fund:	EUR	1'312'782	EUR	3'729'600
Total	EUR	3'062'795	EUR	3'729'600

¹⁾ Corporate Bond, fixed maturity till Dec. 2012, Coupon 5.125%. Interest: Categorized and valued according IAS 39 "FVTPL - Fair Value Option".

7. Current financial liabilities

	1.1.-30.9.2007		1.1.-31.12.2006	
Currency hedging ¹⁾ :	EUR	33'138	EUR	0
Total	EUR	38'023	EUR	0

¹⁾ Forward sell of EUR 1'960'000 against CHF due to 28th of December 2007

Imprint



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