



CEP CORPORATE
EQUITY
PARTNERS AG

Corporate Equity Partners AG
6-Months Report 2008

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

Advice on statements relating to the future

This annual report describes the situation of the Corporate Equity Partners group on the 30th June 2008.

Where it has been possible, current developments have been reported upon. The annual report also contains some statements relating to the future, outlining possible future events or future financial developments. Such statements relating to the future are characterized by terms such as: "will", "expects", "could", "estimates", "plans", "intends", "is of the opinion", "predicts" or similar terms. Statements relating to the future include uncertainties, known and unknown risks and/or other factors, that could lead individually, or in combination, to a situation in which the actual financial situation and/or the actual results, services or similar of Corporate Equity Partner AG differ from what is explicitly or implicitly expected in the statements referring to the future. Possible deviations could be substantial.

Factors that have an influence on the actual development of the company are inter alia the development of the market, the general economic development in the countries and industries in which the company is active, the gaining/loss of qualified employees, fluctuations in the currency exchange rates, alterations in legislation and/or the regulatory environment, including taxation law but also including terrorist attacks, force majeure, acts of war, plague, inner unrest.

The company cautions investors explicitly against relying to a high degree upon statements relating to the future.

Any forecasts only reflect the opinion of the management at the point in time that the annual report was published. Corporate Equity Partners AG accepts no obligation to realize or adhere to any statements relating to the future.

Translation of German to English

This document is an unevaluated translation of the German version of the annual report and was carried out by professional business translators, however, this translation has not been certified. As a result of this and/or other reasons there could be differences between the German and English version that could change the meaning and/or interpretation of this document or any part of this document. The Company does not accept any liability arising from differences between the German and English versions and possible different interpretations of the content of whole or part of this document. The only legally binding version of the financial statements is the German language version, in case of any discrepancies the German version supersedes the English version.

Company Overview (compliant with IFRS)

PROFIT SITUATION	1 st January - 30 th June 2008	1 st January - 30 th June 2007
	EUR	EUR
Revenues	0	0
Gross profit	0	0
Operating Profit (EBIT)	-350.618	-399.099
2nd Quarter income (6 months)	-279.141	-419.884

CASHFLOW / LIQUIDITY	EUR	EUR
Cash-Flow from operations	1.610.897	-60.740
Cash-Flow from investments	-747	-4.709
Cash-Flow from financing	0	0
Increase / Decrease in liquidity	1.673.201	-66.758
Cash at end of period	1.810.733	120.883

ASSET / CAPITAL STRUCTURE	as at 30 th June 2008 EUR	as at 31 st December 2007 EUR
Fixed assets	10.314	12.442
Current assets	2.574.539	2.993.552
Current liabilities	149.314	372.223
Long term liabilities	0	0
Equity	2.435.539	2.633.771
Equity Ratio	94,2%	87,6 %
Total Assets	2.584.853	3.005.994

Remarks:

The report is presented in EUR, because the Company will accrue turnover predominantly in EUR. However, as material consolidated assets and liabilities arise primarily 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.

Contents

	Page
Addresses	2
Legal Notes	3
Company Overview (compliant with IFRS)	4
Report from the Executive Board	6
Consolidated Interim Financial Statements	7
Consolidated Balance Sheet	8
Consolidated Income Statement	10
Consolidated Cash Flow Statement	11
Consolidated Statement in changes in Equity	12
Notes	13
Imprint	17

Report from the Executive Board

Dear Shareholders and Friends of the company,

After the successful restructuring of business and its' finances by the end of the 3rd Quarter 2007, Corporate Equity Partners has now hired a team of experts in the area of Private Equity and Structured Finance with an outstanding track record in structuring asset backed products. These two areas of operation will constitute the core of Corporate Equity Partners' operative business going forward.

The Structured Finance expertise provides the company with outstanding potential to offer its' clients, investors and partners innovative refinancing and investment opportunities. Asset backed products are an ideal instrument for refinancing assets ranging from capital goods to shareholdings in corporate entities by utilizing public capital markets. Asset backed products offer investors low risk investments opportunities.

The bonds are secured on the underlying assets, in addition to the classical Private Equity Fund structure, thereby Corporate Equity Partners is able to address a wider investor base permitting it to raise funds more effectively.

Hence, Corporate Equity Partners is now recognized as an investment boutique specialized in asset backed refinancing strategies for private equity managers focused on strategies such as "Late Stage Venture", "Buy Out" and "Mezzanine" financing.

Combined with its management's strong track record and its new financial strength Corporate Equity Partners is now building a sustainable future by combining a successful investment strategy with the development of an extensive partner network and consolidation of private equity firms into a Publicly Listed company.

Zug, 20th August 2008



Cristián Mantzke
President of the Executive Board



Roger Meier
Member of the Executive Board

Consolidated Interim Financial Statements
of Corporate Equity Partners AG



CEP CORPORATE
EQUITY
PARTNERS AG

as at 30th June 2008

Excluding notes and
Auditor's Certificate

Consolidated Balance Sheet as at 30th June 2008

Assets

		30.06.2008	31.12.2007
<i>Current assets</i>		EUR	EUR
Cash and bank balances		1.810.733	137.532
Financial assets (Short term financial investments)	6	733.211	2.824.467
Trade and receivables		21.770	9.473
Prepaid expenses and deferred charges		8.825	22.080
<i>Total current assets</i>		2.574.539	2.993.552
<i>Fixed assets</i>			
<i>Tangible Assets</i>			
Deposit account for office rental agreement		3.372	3.271
Equipment		2.288	2.846
Remaining tangible assets		1	1
<i>Intangible Assets</i>			
Rights and Licenses		249	242
Remaining intangible assets		4.404	6.082
<i>Total fixed assets</i>		10.314	12.442
TOTAL ASSETS		2.584.853	3.005.994

Assets and Liabilities

	30.06.2008	31.12.2007
<i>Current liabilities</i>	EUR	EUR
Trade and other payables	108.949	251.926
Other financial liabilities	9.433	55.636
Short-term debts	98	0
Tax liabilities	0	3.638
Accruals and deferrals	30.834	61.023
<i>Total current liabilities</i>	149.314	372.223
<i>Total long term liabilities</i>	0	0
<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	363.096	282.187
<i>Retained Earnings/ Loss:</i>		
- Loss carried forward	-2.101.055	-1.371.186
- 3 months Loss	-279.141	-729.869
<i>Total Assets</i>	2.435.539	2.633.771
TOTAL ASSETS AND LIABILITIES	2.584.853	3.005.994

Consolidated Income Statement for 6 months period ended 30th June 2008

	1 st January - 30 th June 2008	1 st January - 30 th June 2007
	EUR	EUR
Revenue	0	0
Costs of sales	0	0
<i>Gross profit</i>	0	0
Staff expenses	-122.417	-119.298
Administration expenses	-252.964	-275.558
Other operational expenses	-1.627	-9.696
Other operational income	28.831	7.292
Total expenses	-348.177	-397.260
<i>Earnings before interest, tax and depreciation (EBITDA)</i>	-348.177	-397.260
Depreciation	-2.441	-1.839
<i>Earnings before interest and tax</i>	-350.618	-399.099
Financial income	47.401	33.215
Financial expenses	-2.664	-5.380
Profit / loss of financial instruments	26.740	-48.620
<i>Total financial results</i>	71.477	-20.785
<i>Earnings before tax</i>	-279.141	-419.884
Tax expenses / income	0	0
6 MONTHS RESULT	-279.141	-419.884
Non-diluted and diluted earnings per 1000 shares	¹⁾ -0,39	¹⁾ -0,60
Non-diluted and diluted earnings per shares	¹⁾ -0,0004	¹⁾ -0,0006

¹⁾ Total number of shares: 701.638.428

Consolidated Cash Flow Statement

	1 st January - 30 th June 2008	1 st January - 30 th June 2007
<i>Cash-Flow from operating activities:</i>	EUR	EUR
6 months result before taxes	-279.141	-419.884
<i>Transition from 3 months result to net cash flow generated by operational activities:</i>		
Depreciation	2.441	1.839
Financial income	-47.401	-33.215
Financial expenses	2.664	5.380
Decrease / increase of current receivables	1.872	-7.090
Decrease / increase of financial instruments	2.113.199	314.502
Decrease / increase of current liabilities	-227.474	49.893
Paid interests and dividends	-2.664	-5.380
Received interests and dividends	47.401	33.215
Net cash generated by operational activities	1.610.897	-60.740
<i>Cash-Flow from investing activities:</i>		
Payments for mobile assets	-747	-1.448
Payments for deposit account for office rental agreement	0	-3.261
Net cash flow from investment activities	-747	-4.709
<i>Cash-Flow from financing activities:</i>		
Net cash flow from financing activities	0	0
Effects of exchange rate changes on the cash balance	63.051	-1.309
Net increase/decrease in cash and cash equivalents	1.673.201	-66.758
Cash and cash equivalents at the beginning of period	137.532	187.641
Cash and cash equivalents at the end of period	1.810.733	120.883

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

Equity	Share Capital	General Reserve	Currency Translation Reserve	Retained Earnings	Total Equity
Balance at 01.01.2007	4.452.639	0	378.899	-1.371.186	3.460.352
Exchange rate diff.			-94.484		-94.484
Gain / loss				-419.884	-419.884
Balance at 31.03.2007	4.452.639	0	284.415	-1.791.070	2.945.984

Equity	Share Capital ¹⁾	General Reserve	Currency Translation Reserve	Retained Earnings	Total Equity
Balance at 01.01.2008	4.452.639	0	282.187	-2.101.055	2.633.771
Exchange rate diff.			80.909		80.909
Gain / loss				-279.141	-279.141
Balance at 31.03.2008	4.452.639	0	363.096	-2.380.196	2.435.539

Notes to the consolidated financial statements for 6 months period ended 30th June 2008

1. General information

“Corporate Equity Partners AG” (“the Company”) is a Swiss limited liability company with headquarters in Zug, Obmoos 4. The Company was not operative during the 1st quarter of the 2008 financial year and generated no revenues from its business.

2. Significant accounting policies

Statement of compliance and basis of preparation

This consolidated 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.

Consolidation Group

This consolidated interim financial report comprises the Company and its subsidiaries “The Fantastic IP GmbH”, “The Fantastic TM GmbH and “Mallebrann GmbH” (together “the concern”).

The Fantastic Corporation AG	Switzerland	Holding
The Fantastic IP GmbH	Switzerland	100%
The Fantastic TM GmbH	Switzerland	100%
Mallebrann GmbH	Switzerland	100%

The following subsidiary companies in Great Britain and the USA are not included in this consolidated interim financial report:

			Liquidation Concluded
The Fantastic Corporation Holding (UK) LTD.	GB	100%	2007
The Fantastic Corporation (UK) LTD.	GB	100%	2007
The Fantastic Corporation Inc.	USA	100%	expected 2008

The liquidation of the subsidiaries “The Fantastic Corporation (UK) LTD” and “The Fantastic Holding Corporation (UK) LTD” was concluded in 2007.

As the current assets of “The Fantastic Corporation (USA) Inc.” are not material in comparison with the rest of the total assets of the Concern and no material transactions are expected in the future because this subsidiary is in liquidation. The only transaction expected from this subsidiary is the return of the residual current assets. Furthermore, it is no longer expected that any further claims will be brought by third parties against this subsidiary company, hence no consolidation has been carried out.

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 liquid.

Provisions

Provisions are all present liabilities for which time and value cannot be judged conclusively and for the cause of which 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.

Social Security Contributions

All necessary social security contributions were paid by the Company to the relevant social security funds of Switzerland. All employees are covered 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 in-line with IAS 19 and according governmental warranties as meritocratic. An actuarial report of the company's pension plan will be supplied within the annual report 2008.

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 accounted for. 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

The book of subsidiaries are kept in local currencies that are legal tender in the country they are domiciled (functional currency). At this time the Swiss Franc is the most used currency for accounting. Financial transactions in foreign currencies are settled at an exchange rate on the day on which the transaction was executed or an averaged exchange rate if the transaction took place over an extended period. Positions of the Balance Sheet are reported at an exchange rate of the effective date (monthly basis). Any profit or loss due to of foreign currency transactions as well re-evaluations on the 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 converted with reference to exchange rates on the effective date. Differences resulting from currency conversions will be reported in the balance sheet as equity.

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. The recording and

accounting of the time differences has not been implemented, as the realization of such amounts cannot be determined with sufficient certainty.

Market value of financing instruments

The book value of financial instruments such as cash, cash equivalents as well as receivables and liabilities corresponds, due to the short-term maturity of these instruments, 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 report contains no significant uncertainties. In 2007 there was an uncertainty arising from a VAT investigation of company's past operational business activities. This uncertainty has been settled by the end of 2007.

4. Legal Claims

The company and its associated firms were not party to any court proceedings and/or legal claims during the first 6 months of fiscal year 2008.

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 effect upon the asset, financial and income position of the firm.

	1.1.-30.06.2008		1.1.-30.06.2007	
Salaries:	EUR	44.853	EUR	45.793
Fees to the Executive Board:	EUR	8.270	EUR	7.688
Reorganization bonus to the Members of the Executive board:	EUR	0	EUR	44.409
Consulting fees to the Members of the Executive board:	EUR	0	EUR	25.830
Consulting fee to Kloter attorneys ¹⁾ :	EUR	62.636	EUR	76.350
Total	EUR	115.759	EUR	200.070

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.-30.06.2008		1.1.-31.12.2007	
Bonds ¹⁾ :	EUR	0	EUR	1.760.000
Money Market fund:	EUR	733.211	EUR	1.064.467
Total	EUR	733.211	EUR	2.824.467

¹⁾ Corporate Bond, fixed maturity till Dec. 2012, Coupon 5,125%. Interest: Categorized and valued according IAS 39 "FVTPL - Fair Value Option".

7. Share capital

	2007	2006
Number of registered shares	701.637.428	701.637.428
Number of authorised shares ¹⁾	180.000.000	180.000.000
Number of conditional shares ²⁾	120.000.000	120.000.000
Par value per share (CHF)	0,01	0,01
Share capital in EUR ³⁾	4.452.639	4.452.639

¹⁾ At the general meeting from 24th April 2007 the Board of Directors was entitled to increase the share capital at any time until 24th April 2009 by a maximum amount of CHF 1.800.000 by issuing a maximum of 180.000.000 fully paid up, transferable shares with a nominal value of CHF 0,01 per share.

²⁾ The Company's share capital will be increased by a maximum amount of CHF 1.200.000 by issuing a maximum of 120.000.000 fully paid up transferable shares with a nominal value of CHF 0,01 per share by the exercise of warrants which are granted to the Board of Directors and employees of the company or its subsidiaries based on one or several employee stock purchases plans approved by the Board of Directors.

³⁾ The Company's share capital has been converted from CHF in EUR by the time of the last capital increase in the year 2006. Exchange rate: 1,57578.

8. English Version

The six month's report is a translation from German. Only the German version is legally binding.

Imprint



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CH-6301 Zug
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