



CEP CORPORATE
EQUITY
PARTNERS

Corporate Equity Partners Group
9 Month Financial Statements 2009

Addresses

Corporate Equity Partners AG

Company's Registered Head Office:
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

Corporate Equity Direct GmbH
Obmoos 4
CH-6301 Zug
Switzerland

The Fantastic (USA) Inc. (in Liquidation)
c/o CFO Advisory Services
1302 Colins Boulevard
Richardson, Texas 75081
USA
(not consolidated)

Legal Notes

Notes on statements referring to the future

This Interim Report reflects the position of the Corporate Equity Partners Group as at 30th September 2009.

Wherever possible current developments have been reported. In this 9 Month Interim Report, however, statements referring to the future are also contained; these 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 group may diverge from the situation expected, whether explicit or implicit, in statements related to the future. The possible divergences can also be of considerable extent.

Factors that influence the actual development of the Corporate Equity Partners Group are e.g. market developments, 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 Corporate Equity partners Group 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 Group accepts no responsibility whatsoever for updating or checking these future-related statements.

* This list merely gives examples and is by no means complete.

Translation of German to English

This document is a translation of the German quarterly report; it has not been audited and was translated without any legal accreditation. Hence, there could be differences between the German and English version that could change the meaning of this document. The Company does not accept any liability for differences between the German and the English version which may possibly result in different interpretations of the content be it a specific part of or the entire document. The only legally binding version of the financial statements is German in case of any discrepancies the German version supersedes the English version.

Overview of the Group (according to IFRS)

REVENUES	01.01. – 30.09.2009	01.01. – 30.09.2008
	EUR	EUR
Turnover	0	0
Gross profit/loss on Turnover	0	0
Operating Profit/Loss (EBIT)	-778,898	-549,565
6-Month Result	-778,633	-475,678

CASH FLOW	EUR	EUR
Cash flow from operations	-760,428	2,131,197
Cash flow from investment activities	0	-961
Cash flow from financing activities	0	0
Foreign Exchange effects	-31,043	119,156
Increase / decrease in current assets	-791,471	2,249,392
Current assets as at the end of Q3 2009	1,608,550	2,386,924

ASSET & CAPITAL STRUCTURE	30.09.2009	30.09.2008
	EUR	EUR
Long-term Assets	3	6,432
Current Assets	1,624,213	2,459,340
Current Liabilities	107,369	137,785
Long-term Liabilities	0	0
Equity	1,516,847	2,327,987
Equity Ratio	93.4%	94.4%
Total Assets	1,624,216	2,465,772

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Report by the Board of Directors

Dear Shareholders and Friends of the Company,

At the beginning of the 3rd Quarter, the Board assumed the management responsibilities of the CEO and CFO, reviewed all corporate activities and set new priorities. On the 10th August 2009 Cristián Mantzke resigned from the Board of Directors.

The cost cutting measures reduced the quarterly loss to EUR 158,591 (including one-off costs) compared to a loss amounting to EUR 196,537 for the prior year Q3 period. The net result for the first nine months of the year is a loss amounting to EUR 778,633. No turnover was achieved, as the Company has limited human resources and focuses all its efforts to integrate a private equity management firm including its team into Corporate Equity Partners AG by means of a capital increase in kind.

The Board is in advanced negotiations with two potential parties. However, such transactions still exhibit uncertainties which cannot be influenced by the Board. For not putting either of the projects to risk, we decided not publish further details at this point in time.

Comments regarding the Interim Report as at 30th September 2009

In the Interim Report, the Assets position is particularly affected by the reduction in current assets, due to the ongoing expenses incurred by the Group compared to the 31st December 2008 by EUR 791,471 or 33.0% to EUR 1,608,550 compared to EUR 2,400,021 on the 31st December 2008.

The accounts receivable decreased by EUR 3,086 or -16.8% from EUR 18,352, on the 31st December 2008, to EUR 15,266 due to the repayment of one rent deposit after the dissolution of the Zurich office. The current assets of the Group, which nearly represent all assets of the Corporate Equity Partners Group were reduced by EUR 835,127, or 34% to EUR 1,624,213 from EUR 2,459,340 in the accounting period.

The long-term assets were reduced by EUR 6,432 to EUR 3, equivalent to -99.9% of all long-term assets, as the rent deposits were reallocated, furthermore, the IT-system and the rights and licenses have been written down to a symbolic value of EUR 1. The value of the balance sheet is reduced by EUR 841,556 or 34.1% from EUR 2,465,772 to EUR 1,624,226.

The liabilities were affected by a decrease in accounts payable due to contracting of services by a total of EUR 36,982, or 75.5%, from EUR 48,961 on 31st December 2008 to EUR 11,979 at the end of the period. The other current liabilities were only altered marginally.

The Equity of the Corporate Equity Partners Group decreased, due to the losses in the nine month period of EUR 778,633 and negative foreign exchange effects, by a total of EUR 811,140 or 34.8% to EUR 1,516,847 from EUR 2,327,987. Hence the Equity ratio is 93.4% down from 94.4% on the 31st December 2008.

The **Income Statement** for the first nine months continued to not record any revenues from turnover. The staff costs increased compared to the prior year period by EUR 64,837 or 33.3% to EUR 259,394 as the position of CFO was for a large part not filled (filled on the 1st August 2008) and two additional Board Members joined the company on the 30th April 2009. The Board's cost cutting measures regarding to staff costs will only take full effect in future periods.

The most significant increase was recorded with regard to General Administration costs which increased by EUR 97,586, or 25.7%, from EUR 379,689 in the comparable prior year period to EUR 477,275 in this reporting period. This is mainly due to the fact that the cost of listing the shares was included in the General & Administration category.

In the reporting period, Other Revenues increased by a total EUR 143,004 including a claim against a counter party which could not be enforced. Hence, this receivable was adjusted by a charge to Other Operational Expenses.

The loss from operations increased significantly in the reporting period to EUR 778,898, compared to Q3 2008, EUR 549,565, particularly due to an increase in General Administrative Expenses and Salaries by EUR 228,233, or 41.7% higher than in the comparable period of 2008.

The total income from investments decreased significantly compared to the prior year period from EUR 73,887 to EUR 265 due a change in investment approach, aimed at investing current assets only in risk free investments. This low return is a result of the lower amount invested, low interest rates on Swiss Franc investments and negative foreign exchange effects when converting Swiss Francs to Euros.

The losses in the first nine months of 2009 rose to EUR 778,633 compared to EUR 475,678 in Q3 2008 or 122.1% representing an increase of EUR 302,955 or 63.7%.

The **Cash Flow** account reflects a cash outflow of EUR 791,471 resulting from a cash outflow from operations of EUR 760,428 and a negative foreign exchange effect of EUR 31,043. The Cash Flow from investments and financing were EUR 0 in both cases.

The Groups current assets were EUR 1,608,550 as at the 30th September 2009 compared to EUR 2,400,021 as at the 31st December 2008. During Q3 2008 the Cash Flow from operations appeared to be positive as EUR 2,131,197 went into the Group, however, this was due to the liquidation of short term financial investments of EUR 2,824,467. Therefore, it needs to be noted that the positive effect in the Cash Flow was offset by a negative effect on short term investments due to a decrease in Bonds held as short term investments.

Events after the Record Date, the 30th September 2009:

In order to comply with the Swiss company law and to improve the negotiation position of the company with potential partners, the Board to a number of corporate actions in the current Quarter 2009.

In this context, the Board called for an Extra Ordinary General (EGM) meeting in Zurich on the 21st October 2009 in order to put the following points to a vote:

- Merging the shares at a ratio of 100:1 with a subsequent reduction of the nominal value of CHF 1.00 to CHF 0.35.
- Use of this reduction in capital to offset, in part, the negative equity of CHF 4,702,684.82.

The motions were passed unanimously during the EGM on the 21st October 2009 and were recorded in the trade register of the Canton of Zug on the 28th October 2009. The implementation of the exchange of old shares for new shares is expected to take place on the 18th January 2010.

Prior to these corporate actions, a cash capital increase of CHF 15.72, representing 1,572 shares at a nominal value of CHF 0.01 per share, was carried out in accordance with the Board resolution dated the 28th September 2009, under the exclusion of existing shareholders. This capital increase was subscribed by an employee of the company, in order to ensure that the total number of shares issued is divisible by 100. As this transaction was registered with the trade register on the 2nd October 2009, the current financial statements do not reflect this capital increase.

Zug, 30th November 2009

Oliver Krautscheid
President of the Board of Directors

Roger Meier
Deputy President of the Board of Directors

Markus Gildner
Member of the Board of Directors

Interim Financial Report of the Corporate Equity Partners Group



as per 30th September 2009

This 9 Month Report has not been audited or reviewed by an Auditor

Consolidated Interim Balance Sheet for the Group

Group Assets

		30.09.2009	31.12.2008
	Reference to the notes	EUR	EUR
<i>Current Assets</i>			
Cash and Cash Equivalents	6	1,608,550	2,400,021
Accounts Receivable from affiliates	5	0	33,598
Accounts Receivable		15,266	18,352
Deferrals		397	7,369
<i>Total Current Assets</i>		1,624,213	2,459,340
<i>Long-Term Assets</i>			
TANGIBLE ASSETS			
Rent Deposits		0	3,676
IT – Equipment		1	2,486
Other Tangible Assets		1	1
INTANGIBLE ASSETS			
Rights and Licences		1	269
<i>Total Long-Term Assets</i>		3	6,432
TOTAL ASSETS		1,624,216	2,465,772

Group Liabilities

		30.06.2009	31.12.2008
	Reference to the notes	EUR	EUR
<i>Current Liabilities</i>			
Accounts Payable for Goods & Services Received		11,979	48,961
Other Liabilities		23,941	18,813
Current Liabilities		4,898	4,692
Tax payable		3,545	3,627
Accrual		63,006	61,692
<i>Current Liabilities</i>		107,369	137,785
<i>Total Long-Term Liabilities</i>			
		0	0
<i>Equity</i>			
Share Capital	7	4,452,639	4,452,639
Foreign Exchange Effects		512,444	544,951
<i>Net Loss</i>			
- Loss carried forward		-2,669,603	-2,101,055
- Loss during period		-778,633	-568,548
<i>Total Equity</i>		1,516,847	2,327,987
TOTAL LIABILITIES			
		1,624,216	2,465,772

Consolidated Income Statement for the Group

		1. Jan – 30. Sep. 2009	1. Jan – 30. Sep. 2008
	Reference to the notes	EUR	EUR
Revenues		0	0
Cost of goods sold		0	0
Gross profit from Turnover		0	0
Salaries		-259,394	-194,557
General Administration Expenses	5	-477,275	-379,689
Other Expenses due to Operations		-181,660	-1,645
Other Revenues due to Operations		143,004	28,789
Total Operating Expenses		-775,325	-547,102
EBITDA <i>(Earnings Before Interest, Tax Depreciation and Amortisation)</i>		-775,325	-547,102
Depreciation		-3,573	-2,463
EBIT <i>(Earnings before Interest and Tax)</i>		-778,898	-549,565
Revenues from investments		2,249	50,603
Losses due to investments		-1,105	-4,448
Foreign Exchange gains/losses (net)		-879	27,732
Total Income/Loss from Investments		265	73,887
EBT <i>(Earnings Before Tax)</i>		-778,633	-475,678
Tax		0	0
Loss during Period		-778,633	-475,678
Diluted and undiluted result per 1,000 shares		¹⁾ -1.11	¹⁾ -0.68
Diluted and undiluted result per share		¹⁾ -0.0011	¹⁾ -0.0007

¹⁾ Number of Shares: 701.638.428

Consolidated Cash Flow Statement for the Group

	Reference to the notes	1. Jan – 30. Sep. 2009	1. Jan – 30. Sep. 2008
		EUR	EUR
<i>Cash flow from ongoing operations:</i>			
Pre-tax Loss		-778,633	-475,678
Transition from period loss to net cash flow from operations:			
Depreciation/Write-offs		3,573	2,463
Revenues from investment activity		-2,249	-50,603
Revenues from financing activity		1,105	4,448
Increase/decrease of accounts receivable		43,418	4,572
Increase/decrease of short term investments		0	2,824,467
Increase/decrease of accounts payable		-28,786	-224,627
Interest & Dividends Paid		-1,105	-4,448
Interest & Dividends Received		2,249	50,603
<i>Cash inflow/outflow from operations</i>		-760,428	2,131,197
<i>Cash flow from Investment activity:</i>			
Investments in mobile assets		0	-961
<i>Cash inflow/outflow from investments</i>		0	-961
<i>Cash flow from financing:</i>			
<i>Cash inflow/outflow from financing</i>		0	0
Foreign exchange gains/losses		-31,043	119,156
Increase/decrease in current assets		-791,471	2,249,392
Current assets at Period Beginning		2,400,021	137,532
Current assets at Period End		1,608,550	2,386,924

Consolidated Statement of changes in Equity in Euro

Equity	Share Capital	Foreign Exchange Variations	Loss Carried Forward	Total Equity
As per 01.01.2008	4,452,639	282,187	-2,101,055	2,633,771
Foreign Exchange Effects		112,929		112,929
Gain/Loss			-475,678	-475,678
As per 30.09.2008	4,452,639	395,116	-2,576,733	2,271,022

Equity	Share Capital	Foreign Exchange Variations	Loss Carried Forward	Total Equity
As per 01.01.2009	4,452,639	544,951	-2,669,603	2,327,987
Foreign Exchange Effects		-32,507		-32,507
Gain/Loss			-778,633	-778,633
As per 30.09.2009	4,452,639	512,444	-3,448,236	1,516,847

Notes regarding the Group Interim Accounts

1. Operations

Corporate Equity Partners AG is a Swiss Public Limited Company with its Head Office in Obmoos 4, Zug. Subsequent to the reorientation of the company during the first nine months of 2009 it was operative, but did not generate any revenues from its operations.

2. Significant accounting policies

Statement of compliance and basis of preparation

This consolidated interim financial report, which has not been audited or reviewed by an auditor, was prepared in accordance with the generally recognized principles of the International Accounting Standard (IAS) 34 "interim financial reporting". The report is presented in Euro, because in its future business activities, the Company will generate essential revenues in Euro. There have been not changes to the way in which the accounts were prepared and the assets valued compared to the statements for the financial year 2008.

Companies consolidated in this Report

The current interim financial statement incorporated the following companies: „Corporate Equity Partners AG“ and its subsidiaries „The Fantastic IP GmbH“, „The Fantastic TM GmbH“ and „Corporate Equity Direct GmbH“ (henceforth „the Group“).

Corporate Equity Partners AG	Switzerland	Holding
The Fantastic IP GmbH	Switzerland	100%
The Fantastic TM GmbH	Switzerland	100%
Corporate Equity Direct GmbH	Switzerland	100%

The following company has not been included in these interim Group accounts:

			Completion of Liquidation
The Fantastic Corporation Inc.	USA	100%	Expected 2009

As the current assets of „The Fantastic Corporation (USA) Inc.“ are not material in comparison to the assets of the rest of the Group and no further transactions may reasonably be expected except for the return of the residual current assets and no claims from third parties against the subsidiary may reasonably be expected, a consolidation is not deemed to be required.

Revenue recognition

Sales are recorded once the delivery and acceptance of the services has taken place by the customer.

Cash and cash equivalents

The company treats all capital investments with high levels of exchangeability 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, when they shall become due, and value cannot be conclusively judged and for which the initial cause lies in the past. The management has estimated the value and likelihood of such an occurrence to its best knowledge.

Social Security Contributions

All necessary social security contributions were paid by the Company in accordance with the rules and customs of Switzerland. All employees are insured to cover retirement, invalidity and death by the social insurance „Sammelstiftung VITA“ (Zurich). The fees are paid by the company and employee according to the administrative guidelines and rules of the relevant laws of Switzerland.

The social security and pension plan of Corporate Equity Partners is classed in accordance with IAS 19 and governmental warranties as a contributory pension scheme. An updated report of the nominal value of company's pension plan will be disclosed in the year end accounts.

Tangible Assets

Tangible assets are accounted for in accordance with IAS 16 at the lower of either the purchase price or production costs. Maintenance, repair and renovation expenses are recorded as allowed expenses, whilst essential accruals to the tangible assets are accounted for. Acquisition costs and cumulative depreciation with reference to the outflow of items of the Tangible assets are eliminated. Profits or losses from the disposal of fixed assets are recorded in the profit-and-loss account. Tangible assets are written off linearly over the period of their anticipated life.

Foreign currency conversion

The books of the group companies are in the currency of the jurisdiction the specific legal entity is situated and operates (functional currency). The Swiss Franc (CHF) is currently the most frequently used currency for bookkeeping and accounting purposes. Financial transactions in foreign currencies are converted into the functional currency at the exchange rate of the day when the transaction took place or at the averaged exchange rate of the month the transaction took place in. Balance Sheet items are converted at the exchange rate effective on the last business day of the period. Profits and losses arising from foreign currency transactions and revaluations will be recorded in the income statement at the exchange rate of the last business day of the period.

The consolidated financial statements are reported in Euro. The statements of all group entities, which are primarily settled in Swiss Francs, are converted as per the exchange rates on the last business day of the financial period. The resulting foreign currency effects, profit or loss, are reported in the balance sheet as increases or decreases in equity.

Income Taxes

This includes all taxes on revenues derived by Corporate Equity Partners AG and its subsidiaries, the Group. In accordance with IAS 12.24 and IAS 12.35 latent tax losses carried forward are not accounted for due to the fact that their application and value can not be predicted with sufficient certainty.

Credit Risk

Financial instruments that could represent a substantial risk to the company are mainly cash, cash equivalents or accounts receivable. The company holds deposit accounts with various financial institutions. The company aims to limit its exposure to one individual financial institution as far as possible.

Market value of financing instruments

The book value of financing instruments such as cash, cash equivalents as well as receivables and liabilities are accounted for, due to the generally short-term maturity of these instruments, at market value.

3. Main causes for uncertainty in the forecasts

The preparation of the consolidated interim 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 interim accounts as well as the related notes. The actual results can diverge from the estimates and assumptions made.

In this interim report as per the 30th September 2009 there are no material sources for uncertainty regarding forecasts or estimates, nor has the management made any material assumptions with regard to the valuation methods of balance sheet items.

4. Litigation

The company and its associated firms or subsidiaries were not party to any court proceedings or legal claims during the reporting period.

5. Claims against relate parties

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.

Claims against related parties

	30.09.2009		31.12.2008	
Claims against related parties ¹⁾	EUR	0	EUR	33,598
Total	EUR	0	EUR	33,598

- ¹⁾ The item "Claims on related parties" resulted from a claim valued at EUR 33,598, dated 31.12.2008. The related parties were Messrs Cristián Mantzke and Markus Gildner who, of their own accord without accepting any legal liability, decided to reimburse the company for an investment made in a bond. The Board of Directors agreed to retrospectively waive the claim during the 1st Quarter 2009. The reason for waiving the claim is that the Board of Directors had received the final statement for this transaction and found that there was no damage to the company resulting from this investment decision, as a related foreign exchange position, which was closed in January 2009, balanced the losses from the bond transaction.

Remuneration of the Board of Directors and Executives of the company

All Figures in EUR

	01.01.2009 – 30.09.2009					01.01.2008 – 30.09.2008			
	Oliver Kraut-scheid President of the Board	Roger Meier Member of the Board	Markus Gildner Member of the Board	Cristián Mantzke Member of the Board	Total	Cristián Mantzke President of the Board	Roger Meier Member of the Board	Markus Gildner Member of the Board	Total
Salaries	0	0	0	47.688	47.688	67,182	0	0	67,182
Board Compensation	41.779	9.896	14,819	3,760	25.834	0	12,583	0	12,583
Advisory fees	0	0		0	0	0	0	0	0
Retirement Fund Fees	0	0		1.297	1.297	1.763	0	0	1.763

Additional remuneration of related parties

	01.01 - 31.09 2009		01.01 - 31.09 2008	
Solicitors fees: Kloter Law firm ¹⁾	EUR	0	EUR	62,636
Solicitors fees: Lutz Law firm ²⁾	EUR	53,099	EUR	11,723
Total	EUR	53,099	EUR	77,319

¹⁾ Roger Meier, Board Member, was Partner at the law firm „Kloter Rechtsanwälte“ until 30.06.2008.

²⁾ Roger Meier, Board Member, is Partner at the law firm „Kloter Rechtsanwälte“ since 01.07.2008

6. Current Assets

	30.09.2009		31.12.2008	
Cash:	EUR	19,990	EUR	384,141
Money Market Fund ¹⁾ :	EUR	1,588,560	EUR	2,015,880
Total	EUR	1,608,550	EUR	2,400,021

¹⁾ The Money Market Funds have a duration of less than 3 months and are therefore, according to IFRS, deemed to be a cash equivalent item.

7. Share Capital

	30.09.2009	31.12.2008
Number of shares issued	701,638,428	701,638,428
Number of shares authorised ¹⁾	340,000,000	180,000,000
Number of conditional shares ²⁾	120,000,000	120,000,000
Nominal value per share (CHF)	0.01	0.01
Share capital in EUR ³⁾	4,452,639	4,452,639

¹⁾ During the Annual General Meeting on the 30th April 2009 the Board of Directors was authorised to issue 340,000,000 new bearer shares with a nominal value of CHF 0.01 at any time until 30th April 2011, increasing the share capital by a maximum of CHF 3,400,000.

²⁾ The share capital has been increased conditionally by 120,000,000 bearer shares which need to be fully paid at the nominal value of CHF 0.01, resulting in a share capital increase of CHF 1,200,000. These can be exercised by means of share option rights allocated to Board Members

and employees of the company or its subsidiary companies in accordance with share option programmes which are to be issued and authorised by the Board in the future.

³⁾ The Share Capital was converted in line with the foreign exchange rate of €/CHF: 1.57578 which was prevalent at the time of the capital increase in 2006.

8. Events after the reporting period ended

On 28 September 2009, the Board of Directors increased the share capital by CHF 15.72 (1,572 bearer shares at CHF0.01). This capital increase was recorded in the trade register on the 2nd October 2009. The new registered number of shares after the capital increase is 701'640'000 and the new share capital amounts to CHF 7'016'400.00.

On the 21st October 2009, the EGM approved a reverse stock split of 100 bearer shares with a nominal value of CHF 0.01 to 1 bearer share with a nominal value of CHF1.00. Subsequently the Nominal value of the 7,016,400 bearer shares was reduced from CHF1.00 to CHF0.35 in accordance with Swiss OR Article 735.

9. Release by the Board

This interim Group Financial Report was approved and released for publication by the Board of Directors on the 30th November 2009.

10. Legally Binding Version

This interim Report was issued both in German and English. The legally binding version is the German version. The English version is merely a translation to facilitate the communication with the investment community.

Imprint



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Published by:

Corporate Equity Partners AG
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Switzerland